

CITY OF NANAIMO DEVELOPMENT COST CHARGE (DCC) AND AMENITY COST CHARGE (ACC) PROGRAMS

GPC Presentation
June 23, 2025



1

PURPOSE AND OUTCOMES

PROJECT PURPOSE

Ensure the City captures appropriate funding for essential growth-driven infrastructure and amenities through Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs)

PRESENTATION PURPOSE

Familiarize Council with the proposed DCC and ACC programs and rates and receive direction on next steps

DESIRED OUTCOMES

- Council understands the considerations supporting the different DCC rate options
- Council provides direction on:
 - The preferred DCC rate option and Municipal Assist Factors
 - Proceeding with the Area-specific Transportation DCC
 - Proceeding with interested parties' engagement
 - Proceeding with waivers and reductions
 - Proceeding with economic analysis



2

AGENDA

- DCC and ACC Refresher
- Area-Specific Transportation DCC
- Proposed DCC and ACC rates
- DCC and ACC Implementation
- Timeline and Next Steps
- Questions and Discussion



3

DCC AND ACC REFRESHER

4

WHAT ARE DCCs AND ACCs?

- Help communities recover the costs of **off-site infrastructure needed for growth**
- Based on the **principle of cost-sharing**, ensuring new development pays its share of growth-related infrastructure
- **Provincially-regulated** development finance tool
 - Part 14, Division 19 of the Local Government Act (LGA)
 - New legislation (Bill 46) now allows a wider scope of services and amenities (November 2023)
 - DCC Best Practices Guide (March 2025)
 - ACC Best Practices Guide (March 2025)

WHY USE DCCs AND ACCs?

- Fosters a **fair** and **equitable** approach where growth pays for growth and infrastructure costs are **transparent**
- Creates **consistency** for the development community through a clear policy framework
- Ensures **certainty** that services support growth and development
- Minimizes **financial risk** to the City
- Ensures **timely** processing of development applications

WHAT PROJECTS ARE DCC-ELIGIBLE?

DCCs CAN BE USED TO FUND

Capital costs for planning, engineering, design, or studies for:

- Transportation services
- Water services
- Drainage services
- Sewer services
- Parkland acquisition and improvements
- Fire protection facilities **(new)**
- Police facilities **(new)**
- Solid waste and recycling facilities **(new)**

DCCs CANNOT BE USED TO FUND

- Infrastructure or parks needed to serve the existing population (deficiencies, asset replacement)
- In other words: **DCC projects must be growth-related**
- Operations and maintenance costs
- Community buildings – *eligible under ACCs*



7

WHAT WORKS ARE ACC-ELIGIBLE?

ACCs CAN BE USED TO FUND

AMENITIES (NON-EXHAUSTIVE)

- Community, youth, or seniors' centre
- Recreation or athletic facility
- Library
- Daycare facility
- Public square

ACCs CANNOT BE USED TO FUND

- Projects otherwise eligible for DCCs
- Projects needed to serve the **existing** population (deficiencies, asset replacement), i.e., **ACC projects must be growth-related**
- Operations and Maintenance Costs



8

PROPOSED ACC PROJECTS

Projects	Description	Cost Estimate (2024\$)	Allocation to Growth
Beban Park Improvements	Two new multi-purpose indoor buildings intended for flexible uses such as emergency shelters, community activity space, and recreation; will include a half-synthetic turf field	\$60 M	30%
Community Centre	Design and development of a Community Wellness Facility in the South Gate Secondary Urban Centre that integrates recreation, health, culture, and community service components	\$122.7 M	30%
Stadium District Improvements	Upgrades to, and expansion of, the Stadium Plaza, changerooms, and washrooms	\$15 M	30%

Note: Inclusion of projects in the ACC program does not obligate the City to construct these works; however, ACC reserves must be spent on projects in the ACC Program.



9

ACC PROJECT RATIONALES

- The Integrated Action Plan (IAP) was used to assemble a draft project list
 - 80+ IAP projects were considered for the ACC program
- *Local Government Act (LGA)* ACC required criteria and ACC best practice criteria were used to select projects for the ACC program



10

ACC PROJECT RATIONALES – CONTINUED

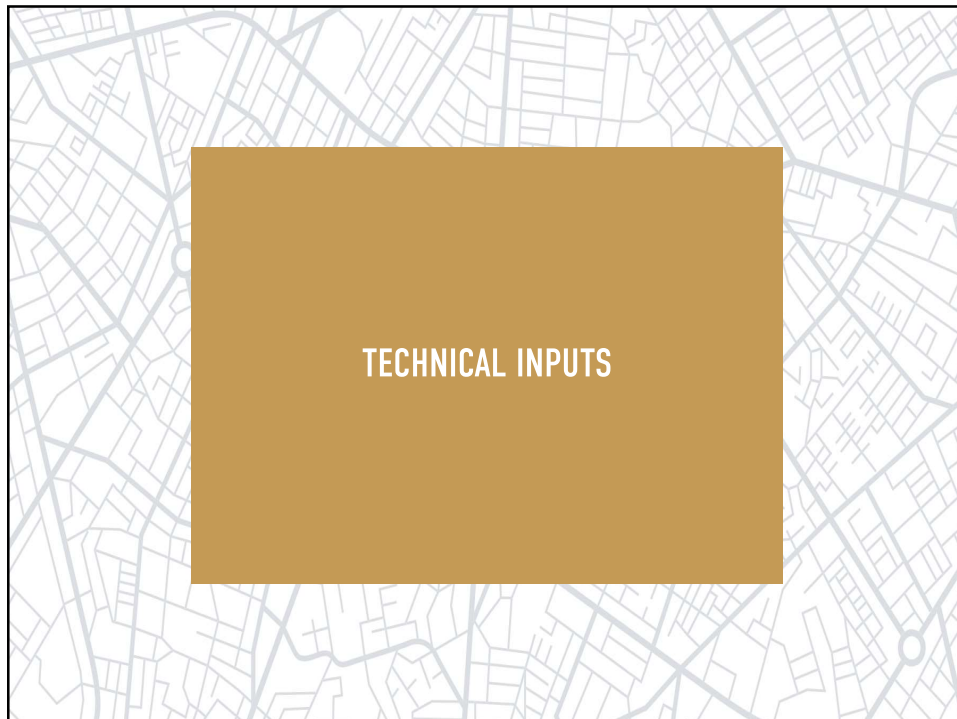
LGA - ACC Required Criteria

- ACC projects must be an amenity that provides social, cultural, heritage, recreational, or environmental benefit
- ACCs can only help fund the capital costs of amenities, thus there must be the potential for capital costs
- ACC amenities must benefit increased population growth
- Amenities should not overlap with projects in the City's DCC program

ACC Best Practice Criteria

- ACC projects should benefit all City residents (existing and future)
- To reduce risk, ACC amenities should be on City-owned land
- ACC reserve should support capital improvements within the program timeframe
- ACC amenities should not overlap with amenities that may be secured as part of site-specific rezoning negotiations
- ACC projects should be a Council Priority in the Integrated Action Plan and have cost information

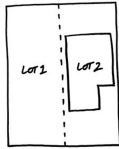
11



12

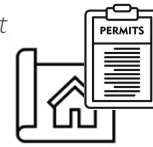
HOW AND WHEN ARE DCCS AND ACCS COLLECTED?

DCCs and ACCs must be paid by applicants at either:



- **subdivision approval** for low density development sites, or
- **building permits** for medium- and high-density residential uses, commercial, industrial, and institutional development.

Where subdivision is not applicable for low-density development sites, DCCs and ACCs may be charged at building permit.



HOW DO WE DETERMINE THE RATES?



GROWTH

- Population forecasts are based on:
 - BC Stats and Census data
 - Planning documents (e.g., OCP, Housing Needs Reports)
 - Building permit trends by unit type
 - Colliers reports
 - Staff knowledge of zoning, land capacity, and servicing constraints
- Population and job growth are translated into development units using persons-per-unit and floor area assumptions
- The time horizon of the growth projections align with infrastructure and land use plans (typically between 10 to 30 years)

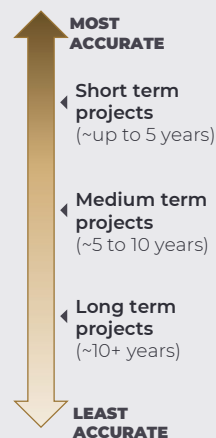


15

CAPITAL COSTS AND TIMING

- Timing is aligned with anticipated development and infrastructure needs
- Typically based on a rolling 10- to 30-year program, updated every 3 to 5 years
- May extend further for long-term projects that benefit future generations (e.g., treatment plant)
- Cost estimate accuracy is typically more precise for near-term projects

TIMEFRAME & COST ESTIMATES



16

ALLOCATING BENEFIT

- Each project is assigned a benefit allocation between 1%* and 100%
*projects that are not growth-driven (i.e., 0%) are ineligible for DCCs
- Percent is based on the extent to which a project will benefit new development
- Ensures costs are shared equitably between existing and future users

SHARE OF BENEFIT (TO DEVELOPMENT):



17

MUNICIPAL ASSIST FACTOR

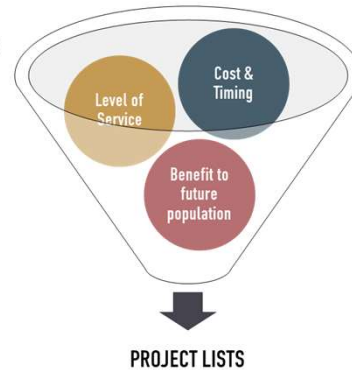
- Legislation requires local governments to assist development for DCCs and ACCs
- Assist amount must be made up through other revenue sources (e.g., general taxation)
- **Council has discretion** to set an assist factor from 1% (least assistance) to 99% (most assistance)
- The assist factor can vary by:
 - DCC infrastructure program (e.g., roads, water, sewer)
 - Amenity category (e.g., libraries, community centres)

Proposed DCC Rate Options largely assume a MAF of 1% (except for Water Supply and Police Services at 25%)

18

PROJECT PRIORITIZATION

- DCCs and ACCs should reflect the costs of capital projects needed for new development
- Each project is prioritized in the context of the project list based on:
 - Cost and timing of projects
 - Target levels of service to be achieved
 - Benefit to future population



19

PROJECT PRIORITIZATION

- Determining what is (or is not) included in an ACC or DCC project list requires thoughtful review and consideration of the trade-offs between project cost and timing, as well as the level of service (LoS) the City is expected to provide
- These trade-offs can be explored by creating options through prioritization:



- Near-term (< 5 years)
- Highest potential for cost recovery
- Essential 'must-have' projects for preventing major service interruptions
- Address critical City priorities

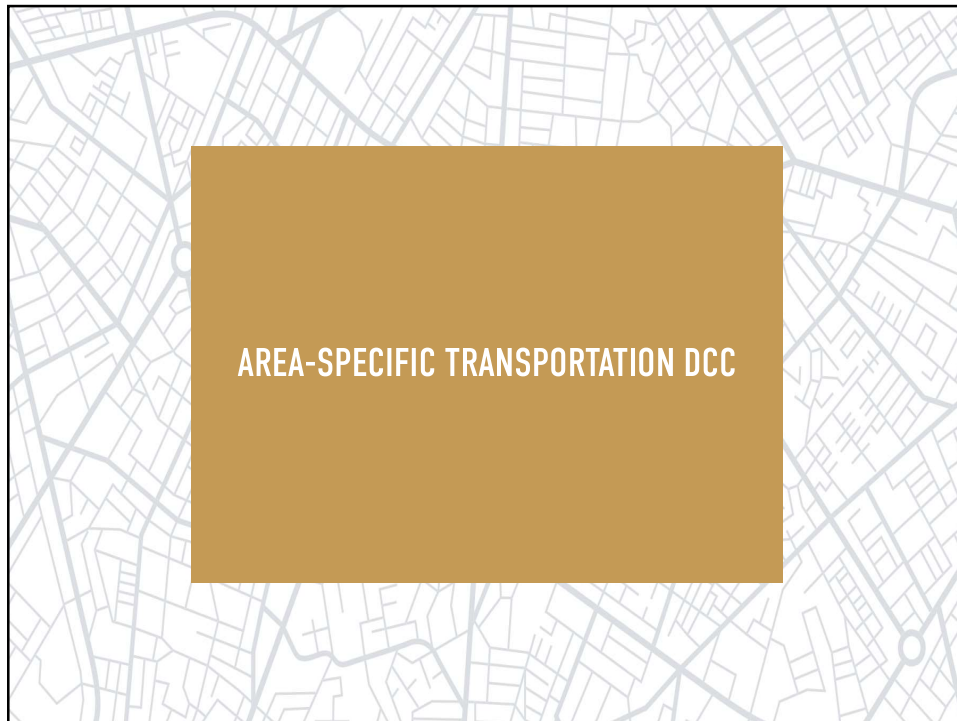


- Medium-term (5-10 years)
- Moderate to good cost-recovery potential
- Necessary to meet City needs but less critical than high priority; projects address important issues but no immediate risk of service interruptions



- Long-term (10+ years)
- Some cost-recovery potential
- Non-urgent and more discretionary; these projects can be deferred without significant service impacts in the near- to medium-term

20



21

AREA-SPECIFIC TRANSPORTATION DCC – CONTEXT

- DCCs can be charged on a City-wide or Area-specific basis
- The City-wide Transportation DCC rate currently includes 50 projects; all were determined to benefit the City as a whole
- Sensitivity analysis and a traffic impact analysis were completed, which highlighted three projects that primarily benefit existing residents and new development in the South Nanaimo area
 - Localized growth is expected to drive heavy congestion; staff decided to proceed with the development of an area-specific charge for these projects to ensure costs are borne by developments generating the demand



It is best practice to create separate bylaws for these programs to streamline future amendments for the Area-specific program (e.g., area adjustments, project addition/removal)

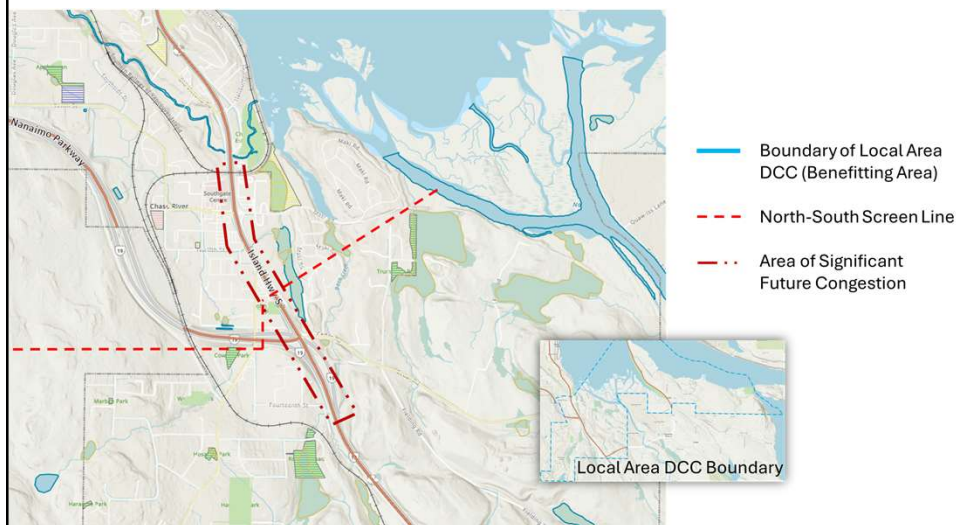
22

AREA-SPECIFIC DCC - PROJECTS

- The Area-Specific Transportation DCC projects:
 - Maki Road: Upgrade and Improvements
 - Fielding Road: Upgrade and Improvements
 - Maki-Fielding Connector
- The Area-specific DCC will be charged in addition to the City-wide DCC on parcels within the defined area (see map)

23


AREA-SPECIFIC DCC - EXTENT




24

PROPOSED AREA-SPECIFIC DCC RATE

Land Use	Unit of Charge	Draft Area-specific DCC Rate
Low Density Residential	per lot	\$5,520.21
Medium Density Residential	per unit	\$2,512.65
High Density Residential	per unit	\$2,360.37
Commercial	per m ² GFA	\$38.07
Industrial	per m ² GFA	\$11.42
Institutional	per m ² GFA	\$38.07

CITY OF NANAIMO
1981 - 2021

Note: A proposed MAF of 1% is used

URBAN
SYSTEMS

25



26

CURRENT DCC RATE (TOTALS)

Categories	Unit	City of Nanaimo	Regional District of Nanaimo (RDN)	City + RDN
		DCC Total	Sanitary DCC Rate	DCC Total
SF Dwellings	per lot	\$14,862	\$4,622	\$19,484
Small Lot SF Dwellings**	per lot	\$10,407	\$4,622	\$15,029
Multi-Family Dwellings	per m ² of GFA*	\$89	\$26	\$115
Commercial/Institutional	per m ² of GFA*	\$78	\$26	\$104
Industrial	per m ² of GFA*	\$20	\$7	\$27
Mobile Home Parks	per unit	\$9,137	\$2,587	\$11,724
Campground	per unit	\$2,338	\$713	\$3,051

*Gross Floor Area

**Row-housing lot or a residential lot < 370m²

Note: the Drainage DCC for Multi-Family and non-residential uses is charged per m² of GFA on the first floor only



27

PROPOSED DCC RATE SCENARIOS

- Staff prepared three DCC rate scenarios for Council's consideration
- Scenarios were created by adjusting:
 - Project prioritization for Transportation and Parks programs
 - The Municipal Assist Factor (MAF) for Water Supply and Police Services

PRIORITY CONSIDERATION

Removing projects will impact the overall level of service

MAF CONSIDERATION

Increases to the MAF must be recovered through existing residents



28

PROPOSED SCENARIOS – CONSIDERATIONS

- A **1% Municipal Assist Factor** was applied across all the programs, with the exception of:
 - Water Supply (25%)
 - Police Services (25%)
- A **25-year program time horizon** was used for most programs, with the exception of:
 - Water Supply (40 years)

These programs include large, long-term infrastructure projects designed to serve future generations; these adjustments reflect the scale and broad community benefits of the included projects.



29

SCENARIO SUMMARY

- | | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCENARIO 1 | <ul style="list-style-type: none"> • Includes all projects at all priority levels for each service • MAF is at the minimum 1%, except for Water Supply (25%) and Police Services (25%) |
| SCENARIO 2 | <ul style="list-style-type: none"> • Low Priority Transportation and Parks projects are removed from project lists • MAF is at the minimum 1%, except for Water Supply (25%) and Police Services (25%) |
| SCENARIO 3 | <ul style="list-style-type: none"> • Low and Medium Priority Transportation and Parks projects are removed from project lists • MAF is at the minimum 1%, except for Water Supply (25%) and Police Services (50%) |



30

PROPOSED DCC RATES – SCENARIO 1

Land Use	Unit of Charge	Total DCC	Total ACC	Grand Total (DCC + ACC)
Low Density Residential	per lot/unit	\$52,695.26	\$5,278.43	\$57,973.70
Medium Density Residential	per unit	\$29,372.85	\$3,591.83	\$32,964.68
High Density Residential	per unit	\$21,824.34	\$2,186.33	\$24,010.68
Commercial	per m ² GFA*	\$246.56	\$3.44	\$249.99
Industrial	per m ² GFA	\$82.15	\$1.41	\$83.56
Institutional	per m ² GFA	\$246.56	\$3.44	\$249.99

*Gross Floor Area

Note: A proposed MAF of 1% is used across all programs, except for Water Supply (25%) and Police Services (25%)



31

PROPOSED DCC RATES – SCENARIO 2

Land Use	Unit of Charge	Total DCC	Total ACC	Grand Total (DCC + ACC)
Low Density Residential	per lot/unit	\$42,887.29	\$5,278.43	\$48,165.73
Medium Density Residential	per unit	\$24,881.45	\$3,591.83	\$28,473.29
High Density Residential	per unit	\$17,632.20	\$2,186.33	\$19,818.53
Commercial	per m ² GFA*	\$179.67	\$3.44	\$183.10
Industrial	per m ² GFA	\$62.08	\$1.41	\$63.48
Institutional	per m ² GFA	\$179.67	\$3.44	\$183.10

*Gross Floor Area

Note: A proposed MAF of 1% is used across all programs, except for Water Supply (25%) and Police Services (25%)



32

PROPOSED DCC RATES – SCENARIO 3

Land Use	Unit of Charge	Total DCC	Total ACC	Grand Total (DCC + ACC)
Low Density Residential	per lot/unit	\$33,038.17	\$5,278.43	\$38,316.61
Medium Density Residential	per unit	\$19,771.89	\$3,591.83	\$23,363.73
High Density Residential	per unit	\$13,458.07	\$2,186.33	\$15,644.40
Commercial	per m ² GFA*	\$129.11	\$3.44	\$132.55
Industrial	per m ² GFA	\$46.71	\$1.41	\$48.12
Institutional	per m ² GFA	\$129.11	\$3.44	\$132.55

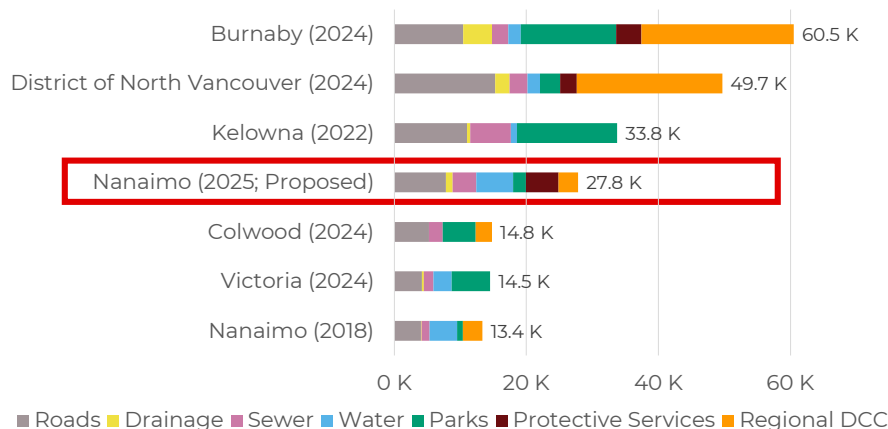
*Gross Floor Area

Note: A proposed MAF of 1% is used across all programs, except for Water Supply (25%) and Police Services (50%)



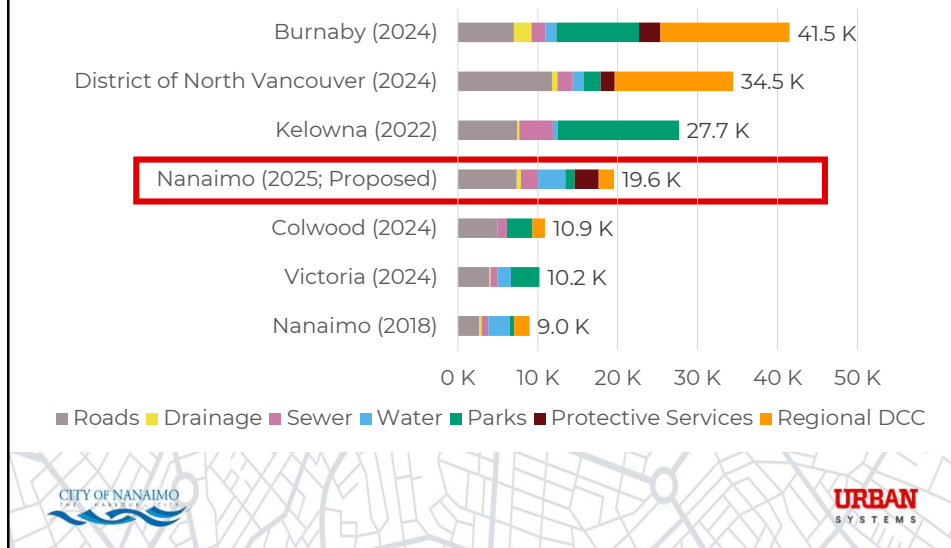
33

DCC COMPARISON: MEDIUM DENSITY RESIDENTIAL (PER UNIT)



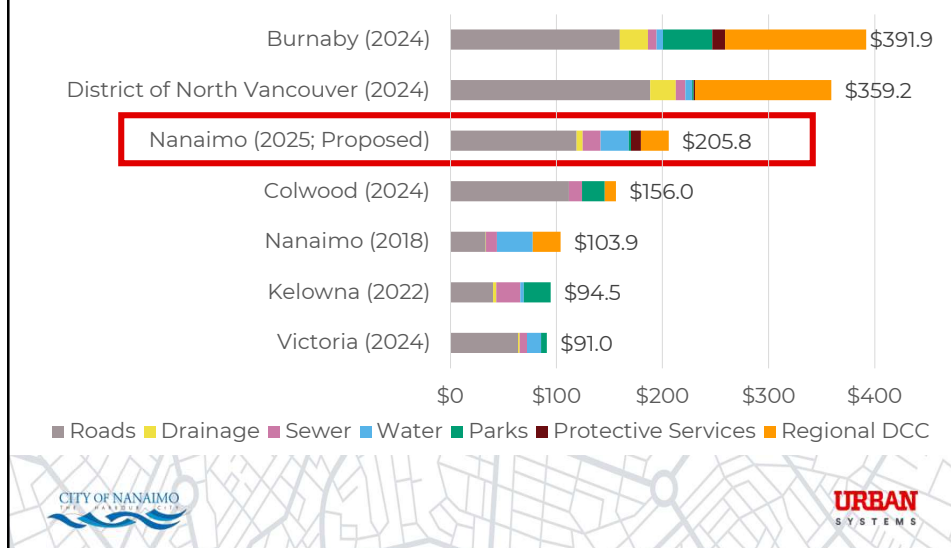
34

DCC COMPARISON: HIGH DENSITY RESIDENTIAL (PER UNIT)



35

DCC COMPARISON: COMMERCIAL (PER M2 GROSS FLOOR AREA)



36

PROPOSED ACC RATE

Land Use	Unit of Charge	Draft ACC Rates
Low Density Residential	per lot	\$5,278.43
Medium Density Residential	per unit	\$3,591.83
High Density Residential	per unit	\$2,186.33
Commercial	per m² GFA	\$3.44
Industrial	per m² GFA	\$1.41
Institutional	per m² GFA	\$3.44

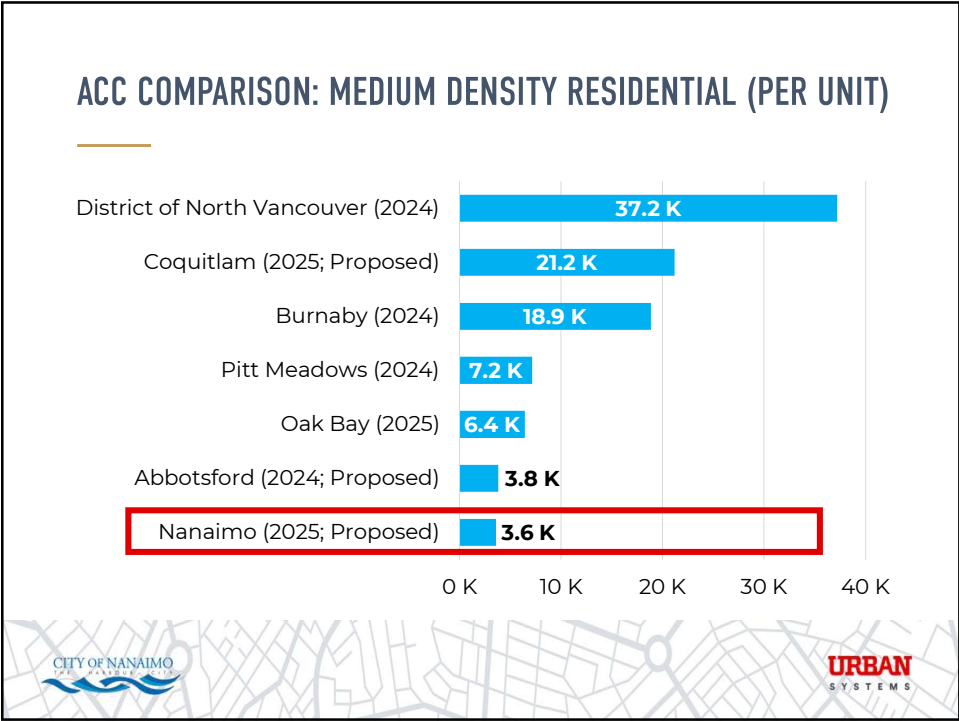
CITY OF NANAIMO

OFFICE OF FINANCIAL SERVICES

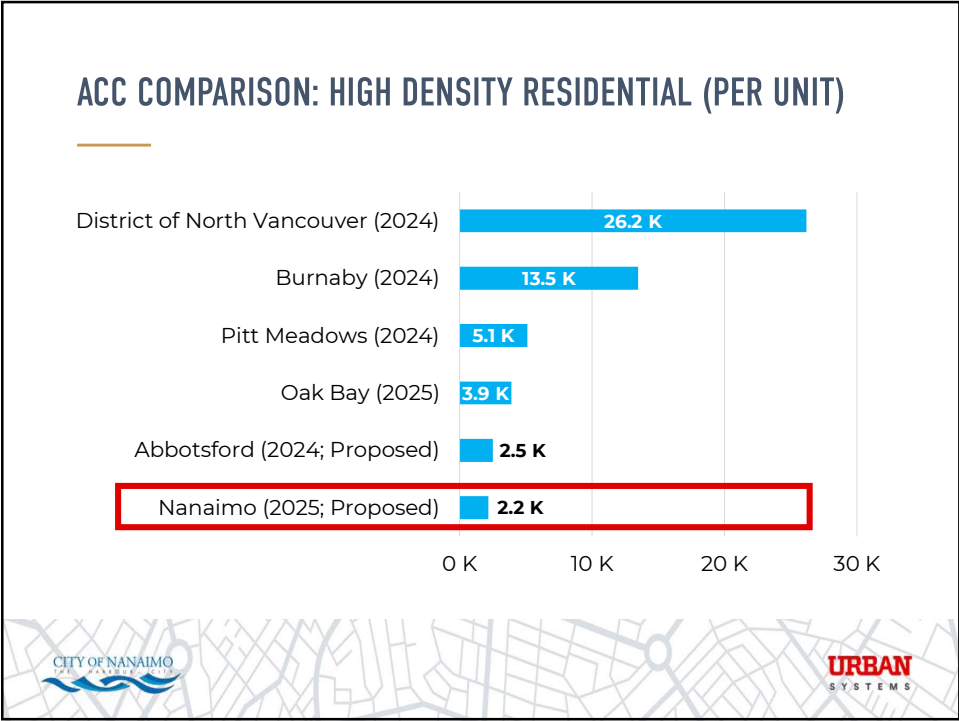
Note: A proposed MAF of 1% is used

URBAN
SYSTEMS

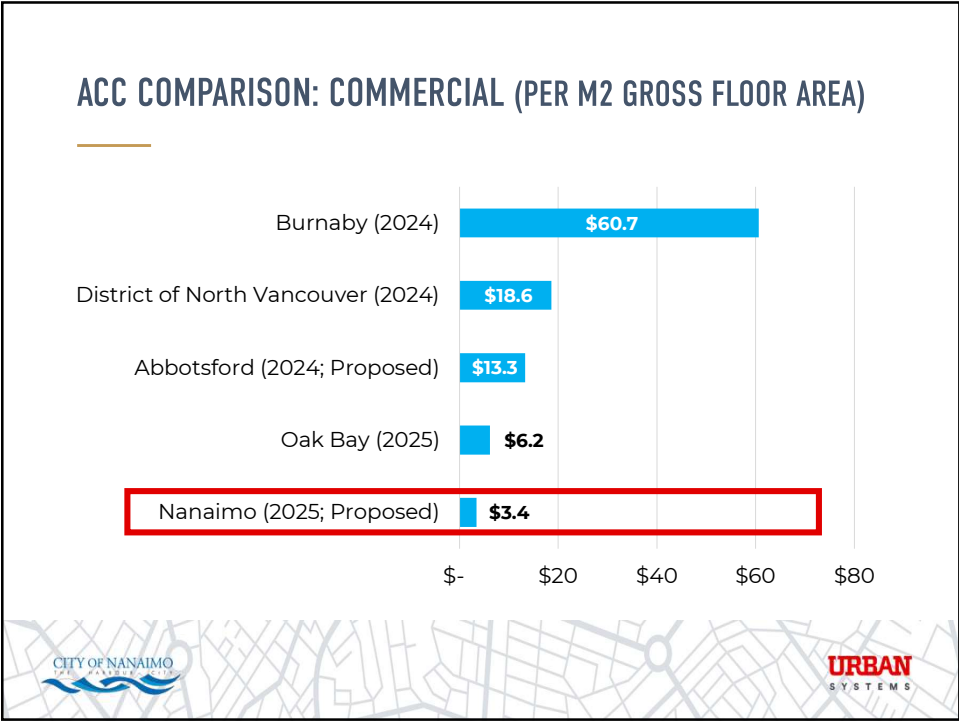
37



38



39

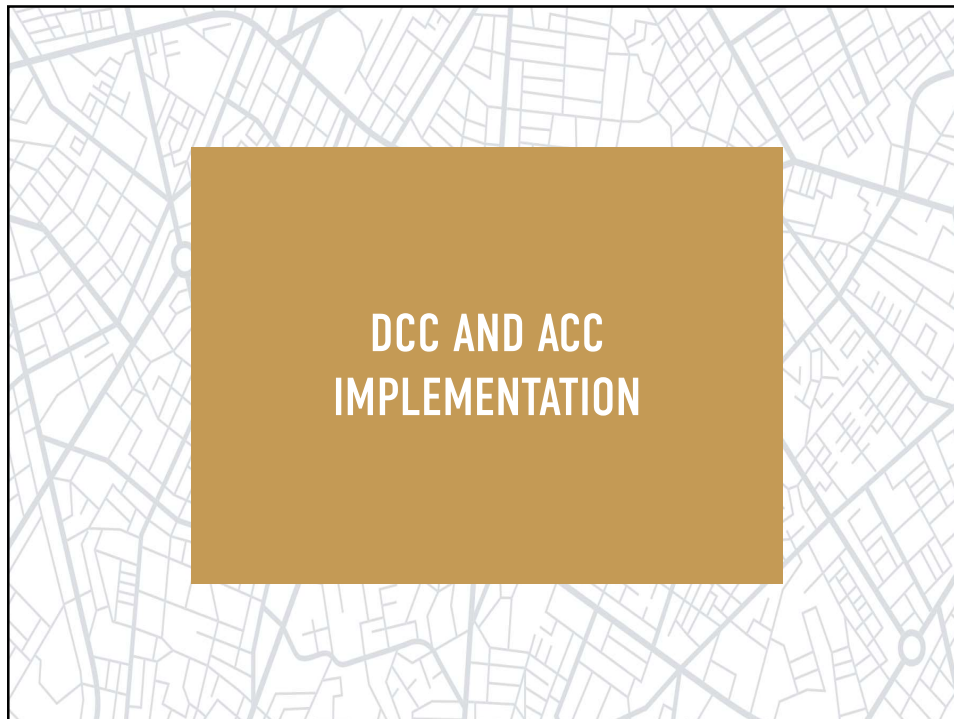


40

PROPOSED DCC AND ACC RATES (TOTALS)

Land Use	Unit of Charge	DCC Scenario 1	DCC Scenario 2	DCC Scenario 3	Proposed ACC
Low Density Residential	per lot	\$52,695.26	\$42,887.29	\$33,038.17	\$5,278.43
Medium Density Residential	per unit	\$29,372.85	\$24,881.45	\$19,771.89	\$3,591.83
High Density Residential	per unit	\$21,824.34	\$17,632.20	\$13,458.07	\$2,186.33
Commercial	per m ² GFA	\$246.56	\$179.67	\$129.11	\$3.44
Industrial	per m ² GFA	\$82.15	\$62.08	\$46.71	\$1.41
Institutional	per m ² GFA	\$246.56	\$179.67	\$129.11	\$3.44
Notes: <ul style="list-style-type: none"> • The Proposed ACC rate would be charged in addition to the preferred DCC rate • The RDN Sanitary DCC (regional charge) would be charged in addition to these rates 					

41



42

ENGAGEMENT

- The DCC and ACC Best Practice Guides outline consultation requirements with parties considered affected by these Bylaws, which can include:
 - General public
 - Council
 - Public authorities
 - Development community
- One or more opportunities is required
- Possible formats include:
 - Information posted on City website and social media pages
 - Engagement sessions (in-person or virtual)
 - Online survey



STATUTORY EXEMPTIONS (UNDER LEGISLATION)

DCC Exemptions	ACC Exemptions
<ul style="list-style-type: none"> • Buildings for public worship • Development does not impose a new capital cost burden • DCCs have been charged previously <p>Can be varied by Council:</p> <ul style="list-style-type: none"> • Building permits for ≤ \$50,000 • Residential units ≤ 29m² in size • Fewer than 4 units, i.e. duplex/triplexes 	<ul style="list-style-type: none"> • Development does not result in growth • ACCs have been charged previously • In some cases, affordable housing

WAIVERS AND REDUCTIONS

Council can waive or reduce DCCs or ACCs on eligible developments, including:

DCCs:	ACCs:
<ul style="list-style-type: none"> • Not-for-profit affordable housing • For-profit rental housing • Housing designed for reduced environmental impact/GHG 	<ul style="list-style-type: none"> • Not-for-profit affordable housing • For-profit rental housing • Housing subject to requirements under an affordable and special needs housing zoning bylaw

- Waivers and Reductions can be established in a separate bylaw (does not require Ministerial approval)
- Where a DCC or ACC is waived or reduced, **the amount waived is to be entirely supported by the existing taxpayer**

IN-STREAM PROTECTION

- New ACC and DCC rates are effective at Bylaw adoption
- Legislation provides a 12-month protection period from time of application for:
 - In-stream building permit applications
 - In-stream subdivision applications

A complete application is one:

- ☒ that has been received
- ☒ is complete
- ☒ has been paid

CREDITS

- Credits are deducted from the DCCs and/or ACCs levied, to reduce the total DCCs and ACCs Payable by the applicant

EXISTING USE CREDITS	WORKS CREDITS
<p>Developers may receive credits if DCCs or ACCs were previously levied on an existing use, provided:</p> <ul style="list-style-type: none"> The development maintains the same land use, or The land use changes from one residential land use type to another. 	<p>Developers may receive credits for capital works extending services beyond their development site if the works are included in a DCC or ACC project list.</p>

ECONOMIC ANALYSIS

- ACCs and DCCs must not deter development or discourage reasonably priced housing or land development
- Legislation does not establish the type of analysis required for DCCs; however, the new ACC Best Practices Guide provides direction on the extent of analysis required for ACCs
 - Scope can range from a high-level qualitative assessment of market conditions to a more detailed analysis of several representative case studies
- The Lieutenant Governor may make additional regulations prescribing economic and other analyses

OTHER FACTORS IMPACTING VIABILITY

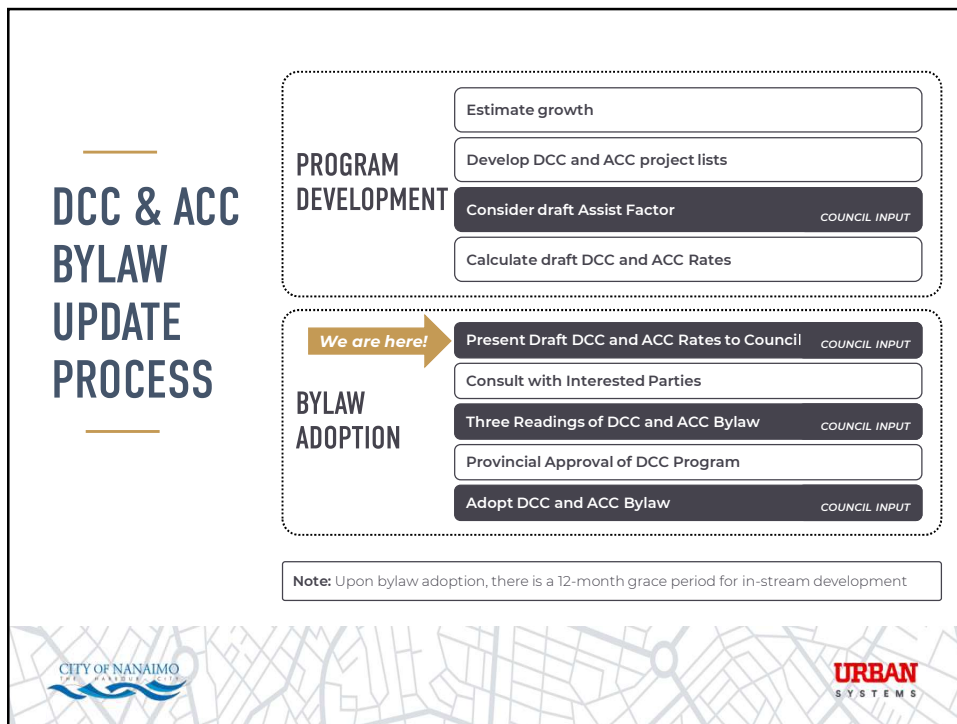
- Market conditions
- Rising land and construction costs
- Zoning and parking restrictions
- Development approval process timelines and complexity
- Other development costs and charges
- Infrastructure requirements and standards
- Other Provincial/Municipal legislation (i.e., inclusionary zoning)



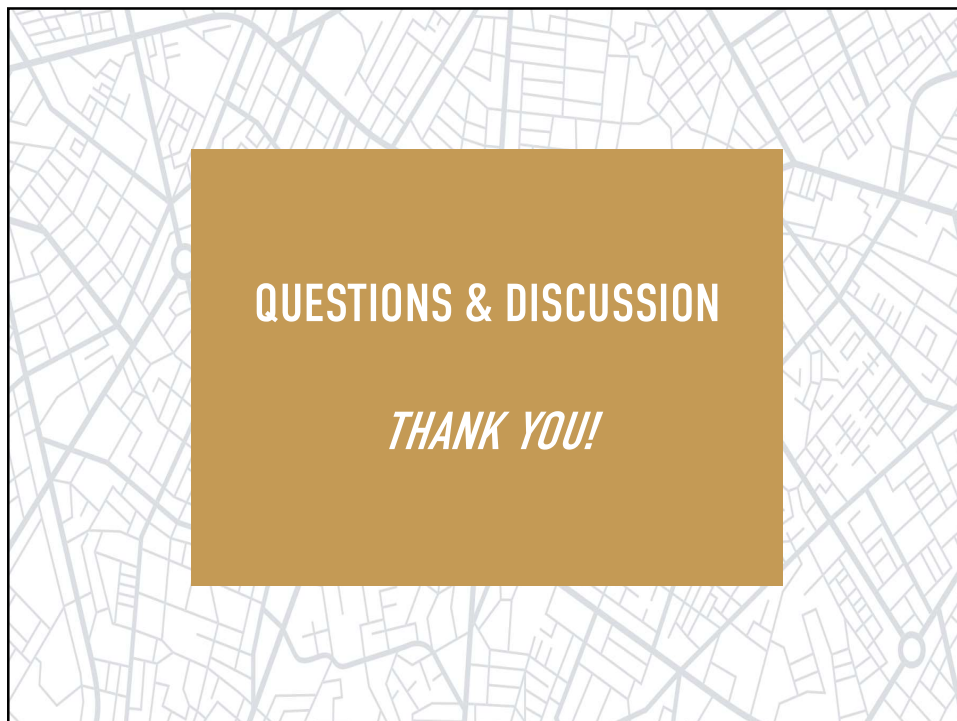
49

TIMELINE & NEXT STEPS

50



51



52