

FOR: COUNCIL

MEETING DATE: April 20, 2026

DEPARTMENT: ENGINEERING AND PUBLIC WORKS

SUBJECT: **DEVELOPMENT COST CHARGE (DCC) BYLAW UPDATE**

OVERVIEW

Purpose of Report

To seek first three readings of renewed Development Cost Charge Bylaws for critical infrastructure to support community growth, specifically for Transportation, Water Distribution, Water Supply, Drainage, Sewer, Parks and South Nanaimo area-specific Transportation.

Recommendation

“City of Nanaimo Development Cost Charges Bylaw 2026, No. 7438”

1. That “City of Nanaimo Development Cost Charges Bylaw 2026, No. 7438” (a bylaw to impose development cost charges) pass first reading.
2. That “City of Nanaimo Development Cost Charges Bylaw 2026, No. 7438” pass second reading.
3. That “City of Nanaimo Development Cost Charges Bylaw 2026, No. 7438” pass third reading.

“South Nanaimo Area-specific Transportation Development Cost Charge Bylaw 2026, No. 7439”

1. That “South Nanaimo Area-specific Transportation Development Cost Charge Bylaw 2026, No. 7439” (a bylaw to impose transportation development cost charges in the South Nanaimo Area) pass first reading.
2. That “South Nanaimo Area-specific Transportation Development Cost Charge Bylaw 2026, No. 7439” pass second reading.
3. That “South Nanaimo Area-specific Transportation Development Cost Charge Bylaw 2026, No. 7439” pass third reading.

BACKGROUND

Integrated Action Plan Priority #203, Staff calls for renewal of and updates to City of Nanaimo “Development and Cost Charge Bylaw 2017 No. 7252”.

Council's motion at its meeting of February 23 is as follows:

That Council proceed with a phased implementation of Development and Amenity Cost Charges and direct Staff to:

- a. Prepare a Development Cost Charge bylaw to establish new rates for sanitary sewer, drainage, water distribution, water supply, parks and roads with an implementation date of January 2027;*
- b. Prepare separate Police Facilities and Fire Protection Facility Development Cost Charge bylaws with an implementation date of January 2028; and,*
- c. Prepare an Amenity Cost Charge bylaw with an implementation date of January 2029.*

This report recommends that Council consider bylaw readings for No. 1 above. There are two bylaws associated with the proposed direction: the general City wide DCC program for critical infrastructure and the South Nanaimo Area specific transportation program.

Previous presentations, reports and Council decisions include:

- 1) November 25, 2024 – introduction to Development Cost Charge and Amenity Cost Charge programs and update process <https://pub-nanaimo.escribemeetings.com/Meeting.aspx?Id=5775a509-0bca-4dee-bcf1-00deb7c18dda&Agenda=Agenda&lang=English>
- 2) June 23, 2025 – presentation of draft rates with options and direction to complete economic analysis and public engagement <https://pub-nanaimo.escribemeetings.com/Meeting.aspx?Id=abdf7044-e11c-4746-a0bb-885bdaf5aef&lang=English>
- 3) December 8th, 2025 – presentation of economic analysis results and public engagement <https://pub-nanaimo.escribemeetings.com/Meeting.aspx?Id=71335540-758a-43a7-82eb-db3df2cdf0ea&lang=English>
- 4) February 18th, 2026 (motion modified and approved on February 23rd, 2026) – presentation of options for phasing the implementation of DCC and ACC programs.

DISCUSSION

There have been some minor adjustments to the rates previously shown to Council to account for ongoing projects at year end, updated DCC reserve balances, as well as several changes to the project list. The new rates are about 1% lower than previously shown. The proposed rates are as follows:

Land Use	Low Density Residential	Medium Density Residential	High Density Residential	Commercial	Industrial	Institutional
Unit	Per lot / unit	Per unit	Per unit	Per m ² of GFA*	Per m ² of GFA	Per m ² of GFA
Transportation	\$16,316.02	\$7,426.60	\$6,976.50	\$112.52	\$33.76	\$112.52
Water Distribution	\$2,010.48	\$1,368.08	\$832.74	\$6.54	\$2.68	\$6.54
Water Supply	\$6,596.15	\$4,488.51	\$2,732.13	\$21.47	\$8.78	\$21.47
Drainage	\$2,216.83	\$1,071.47	\$535.73	\$5.91	\$4.06	\$5.91
Sanitary Sewer	\$5,246.30	\$3,569.97	\$2,173.02	\$17.07	\$6.98	\$17.07
Parks	\$2,884.37	\$1,962.74	\$1,194.71	\$1.88	\$0.77	\$1.88
TOTAL	\$35,270.15	\$19,887.36	\$14,444.85	\$165.40	\$57.03	\$165.40

*Gross Floor Area

Note 1: The Regional District of Nanaimo (RDN) administers a regional Sanitary DCC charge, which will be levied on top of these rates.

Note 2: The Fire and Police Facilities DCC programs will also apply City-wide.

COMMUNICATION AND COMMUNITY ENGAGEMENT

The DCC and ACC Bylaw Project has included a lengthy history of technical review, engagement with Council, and purposeful public engagement, which have been documented in the December 8th, 2025 Council meeting and within the DCC background report in Attachment C.

ALIGNMENT WITH CITY PLAN

The report is aligned with the following City goals:

A Connected Nanaimo: Equitable Access and Mobility

- C2.1 Connected Communities
- C2.2 Integrated Walk, Roll, Cycle, and Transit Network
- C2.4 Safe Mobility (Vision Zero)
- C2.5 Complete Streets

A Healthy Nanaimo: Community Wellbeing and Livability

- C3.2 Affordable Housing
- C3.3 Intergenerational Living
- C3.5 Emergency Management
- C3.6 Recreation, Culture, and Wellness

An Empowered Nanaimo: Reconciliation, Representation and Inclusion

A Prosperous Nanaimo: Thriving and Resilient Economy

- C5.1 Economic Capital
- C5.2 Human, Social, and Environmental Capital
- C5.3 Business Development • C5.4 Innovation and Technology
- C5.5 Place Making and Investment Attraction

- C5.6 Tourism
- C5.4 Innovation and Technology
- C5.5 Place Making and Investment Attraction
- C5.6 Tourism

ALIGNMENT WITH COUNCIL'S STRATEGIC PRIORITIES

The report is aligned with the following Council Strategic Framework priorities (tick all applicable goals, consult [Council's Strategic Framework](#) for more details):

- Implementing City Plan Action Plans and Key City Management Plans
- Social, Health and Public Safety Challenges
- Maintaining and Growing Current Services
- Capital Projects
- Communicating with the Community
- Governance and Corporate Excellence

NEXT STEPS

If Council completes the first three readings of the two DCC bylaws, staff will submit the package of bylaws and background report to the Province for review and approval. An opportunity for final bylaw adoption will be presented in January 2027 in accordance with Council's previous direction on phasing/timing. For the Police and Fire DCC bylaw and opportunity for the first three readings will be provided in 2027 with an opportunity for adoption in January 2028.

OPTIONS

1. "City of Nanaimo Development Cost Charges Bylaw 2026, No. 7438"

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2. That Council provide alternate direction.

KEY MESSAGES

- The City collects Development Cost Charges (DCCs) to help fund new infrastructure needed to support growth.
- City Plan – Nanaimo Reimagined anticipates growth of 40,000 people over the next 25 years; growth which relies on infrastructure. The City’s DCC bylaw was last updated seven (7) years ago, and the revenue collected falls short of what is needed to build the necessary infrastructure.
- Phasing in of the DCC and ACC charges in a predictable way will provide a clear adjustment period and financial certainty to the development community.
- The new DCC bylaws will be adopted in January 2027.

ATTACHMENTS

ATTACHMENT A: City of Nanaimo Development Cost Charges Bylaw 2026, No. 7438

ATTACHMENT B: South Nanaimo Area-specific Transportation Development Cost Charge Bylaw 2026, No. 7439

ATTACHMENT C: DCC background Report

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