

Development Cost Charge (DCC) Update



Purpose

- Provide developers and other professionals with an overview of Development Cost Charges (DCCs)
- Review highlights of 2016 DCC program
 - Projected growth and projects included in the DCC program
 - New DCC rates
 - Credits, exemptions and payment options
- SCRD Bulk Water Facilities Charges



Possible Growth Cost Recovery Tools

Development
Cost Charges

General
Revenue

5% Parkland
Dedication

Specified
Area Charges

Works and
Services
Agreements

Community
Amenity
Contributions

Grants/Cost
Sharing

Other



What are Development Cost Charges (DCCs)?

- Fees charged to developers
- Help pay for costs of expanding transportation and utility infrastructure to meet needs and impacts of growth
- Allows a development to proceed by sharing cost burden between other developers and the municipality
- Regulated by Local Govt. Act. Rates established by Council bylaw
- Must be approved by Province
- Last comprehensive DCC update undertaken by Town in 2007



What works do DCCs pay for?

- Transportation upgrades to address additional transportation demands due to urban growth
- Intersection and road improvements
- Pedestrian and bicycle facilities
- Water mains, drainage and sanitary sewer mains
- Water reservoirs, utility pump stations, PRVs, treatment plant upgrades
- To purchase and develop new park land in developing areas to meet needs of growth (not applicable in Gibsons at this time)



What items do DCCs not pay for?

- Operation, maintenance and replacement of existing Town infrastructure (i.e. no increase in capacity)
- New or upgraded engineering works needed for the existing population
- New libraries, fire halls, police stations, most parks and recreation buildings, etc.



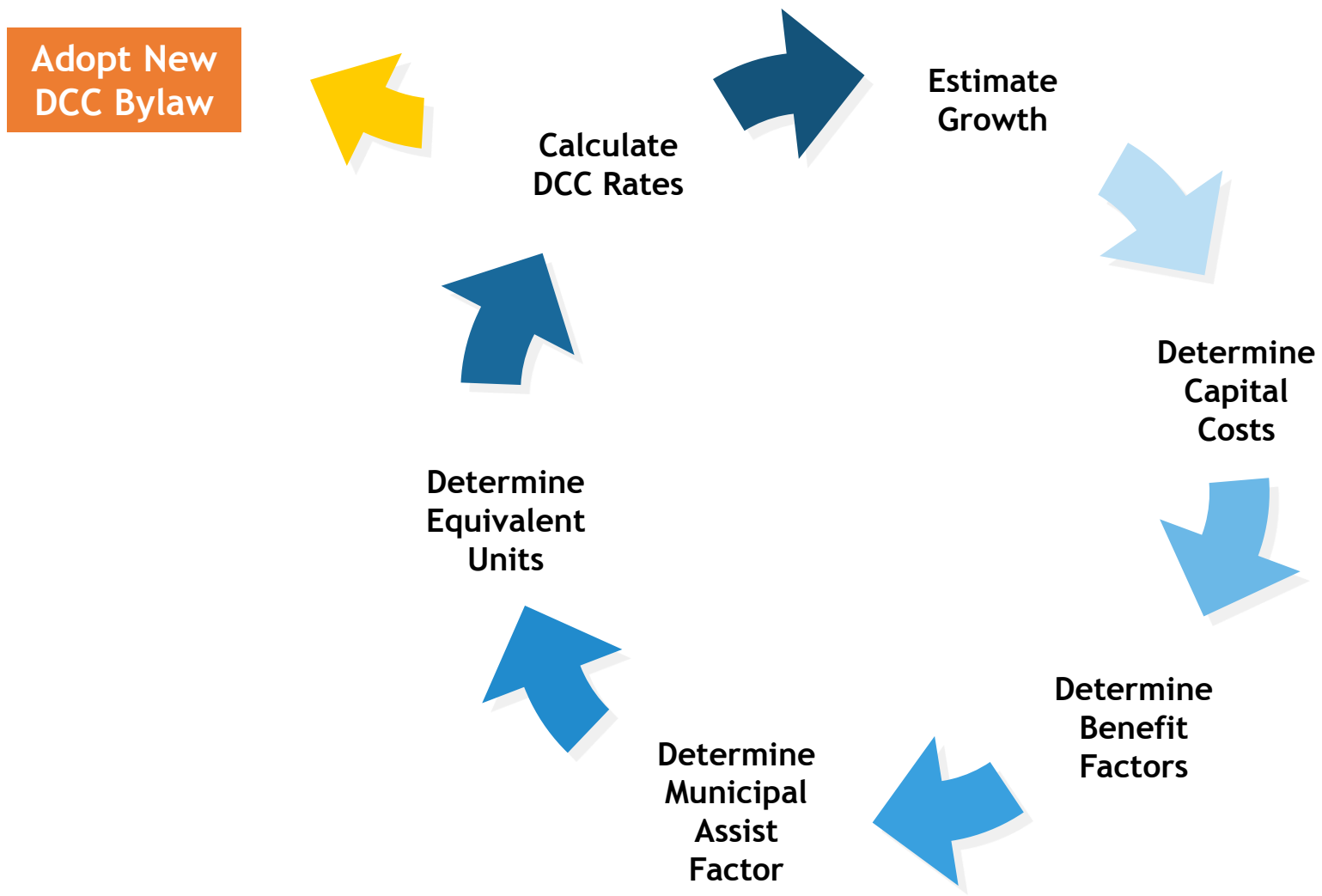
Who pays DCCs?

- Applicants for subdivision to create single family* lots
- Applicants for building permits to construct:
 - Garden suites (current DCC program)
 - Duplexes*
 - Townhouses
 - Apartments
 - Commercial developments
 - Industrial developments

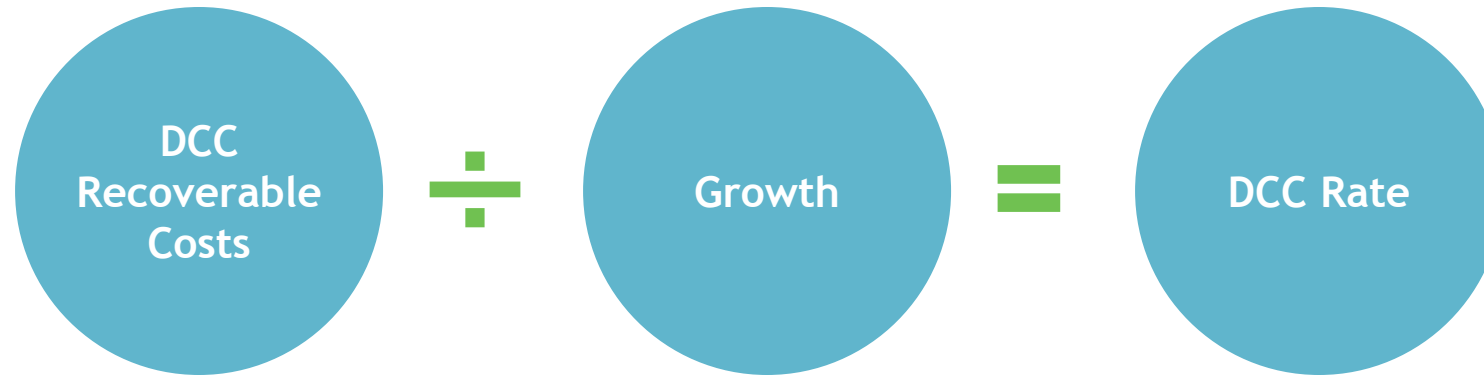
* Lots zoned to allow the construction of a duplex only, i.e., zoning does not permit any other use, will be collected at subdivision



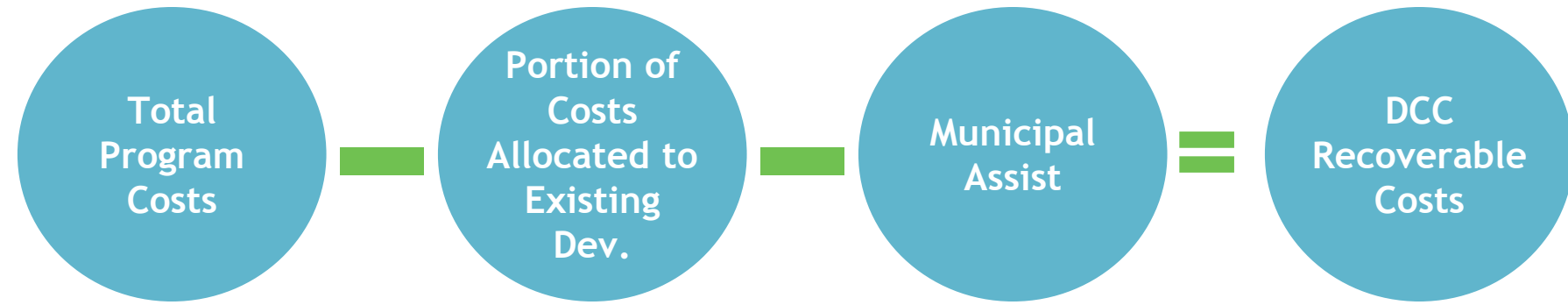
DCC Process



Basic DCC Calculation



DCC Recoverable Costs



Divided into four categories:

- Water
- Transportation
- Sanitary
- Drainage

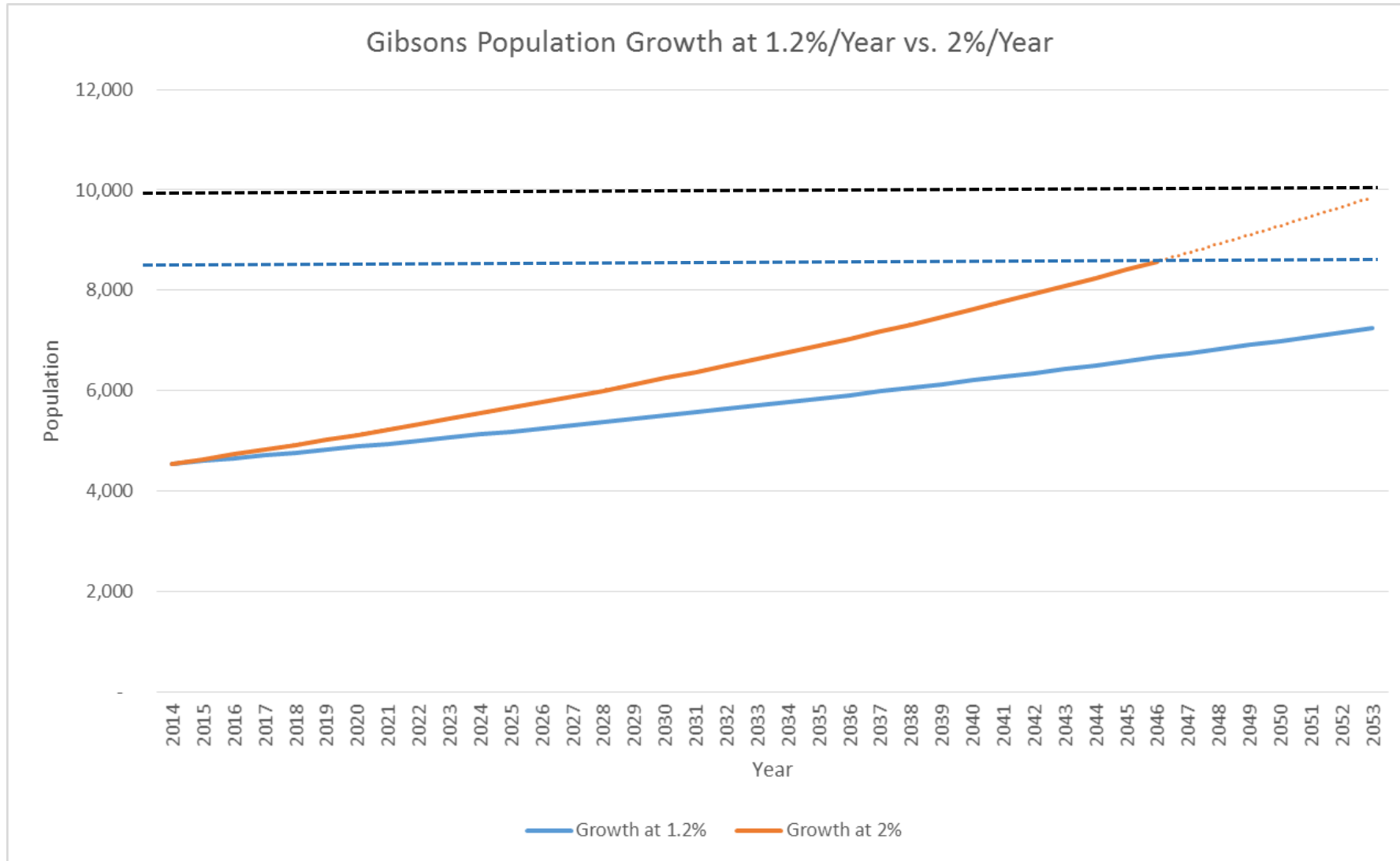
0% or 53%
(existing population is 53% of ultimate population forecasted in DCC program)

Additional 1%

Costs recovered through DCC rates



Gibsons Population Growth at 1.2%/Year vs. 2%/Year



Full buildout (long term)

Short to medium term



Estimated Growth*

Land Use	New Units	Persons/ Unit	New Population
Single Family	1,038 lots	2.3	2,387
Townhouse/Duplex	597 units	2	1,194
Apartment	312 units	1.5	468
Commercial**	54,000 m ² GFA	-	-
Industrial	16,000 m ² GFA	-	-



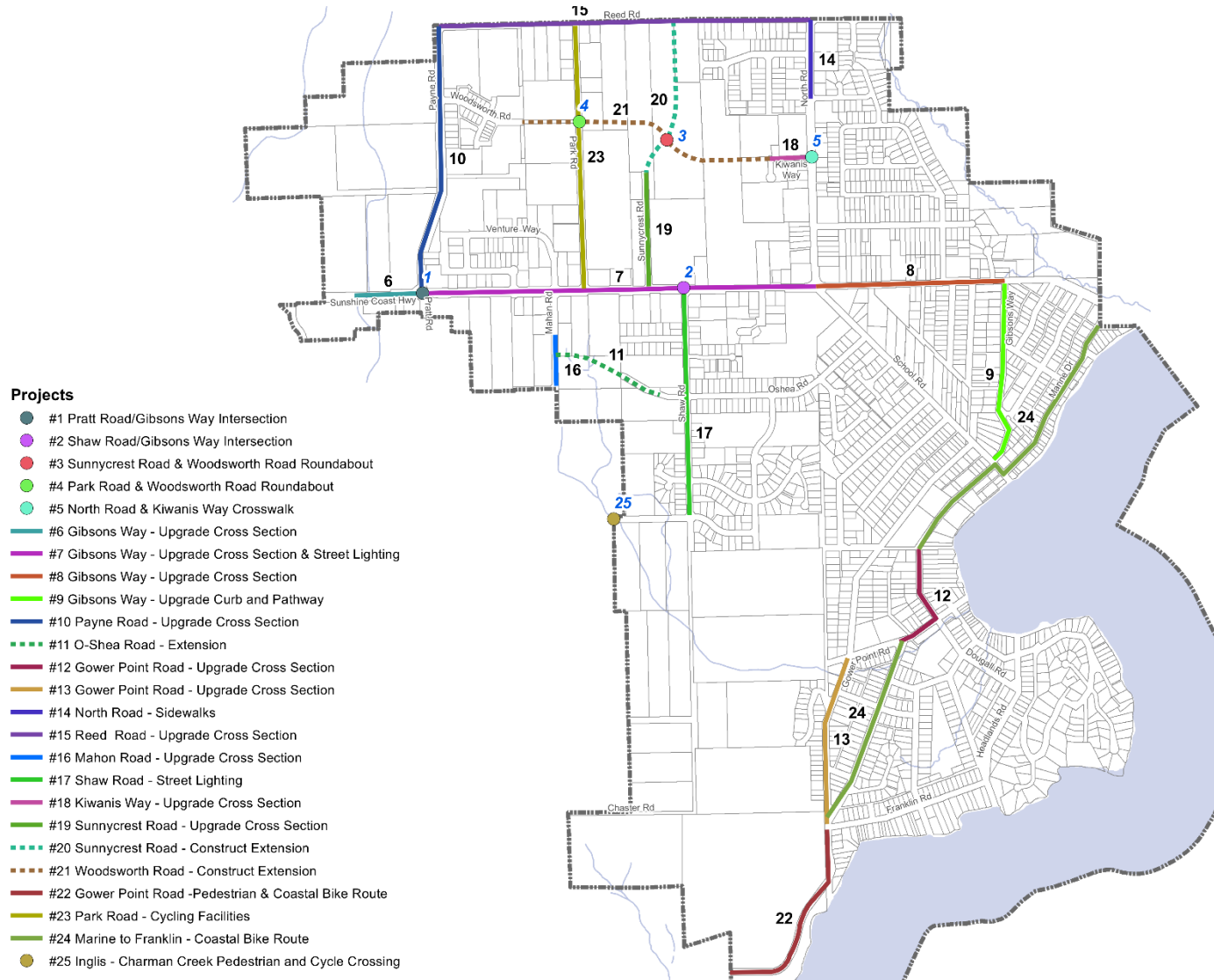
Total new
population:
4049

*Includes build-out of Harbour Area Plan and Upper Gibsons Neighbourhood Plan, and also includes infill housing (about 310 units) in the remainder of Gibsons.

**Commercial projection for purposes of water DCC is 24,000 m² due to some lots being supplied by SCRD service.



Transportation DCC Program

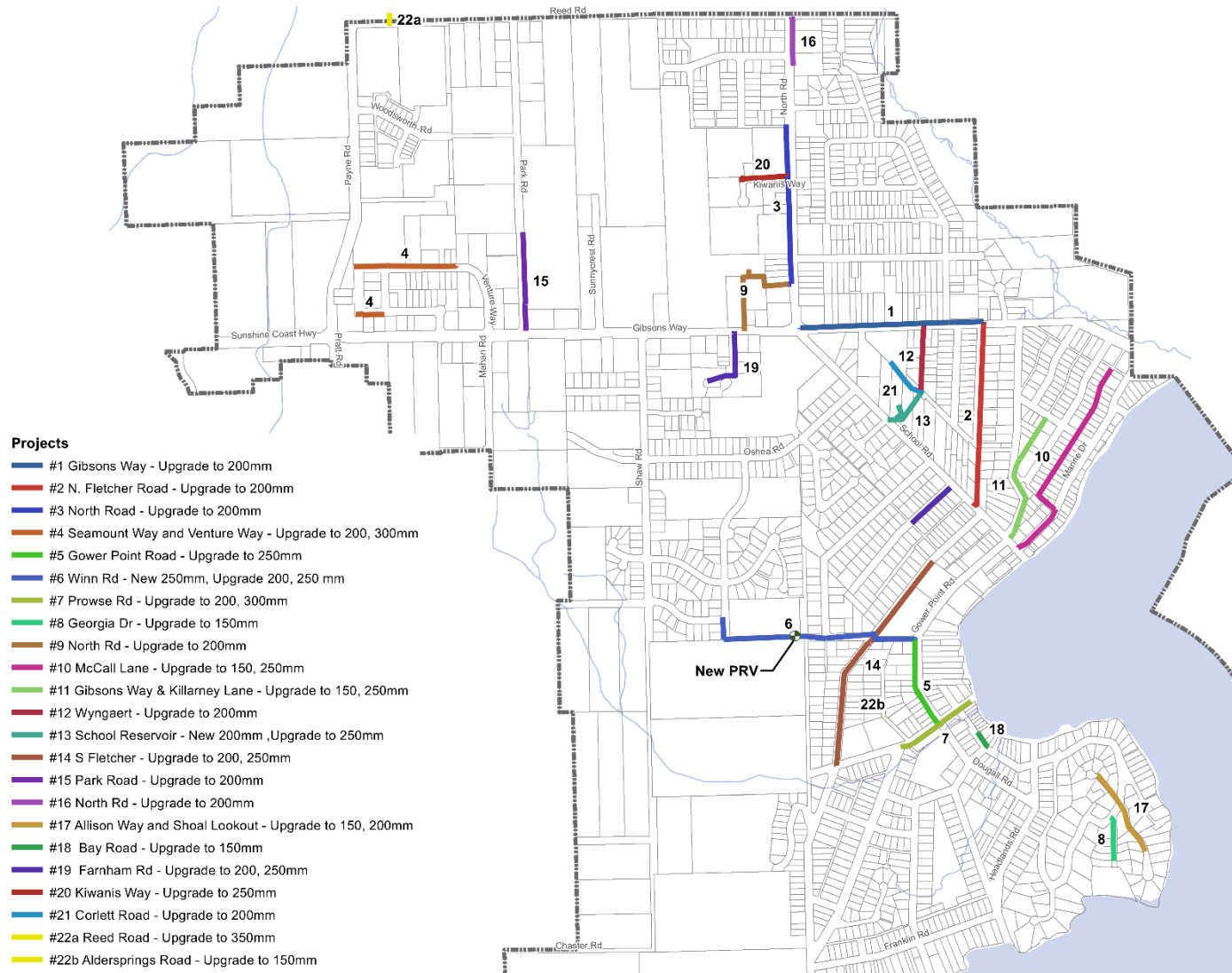


Legend

- Intersection Improvements
- Existing Road
- Future Road



Water DCC Program

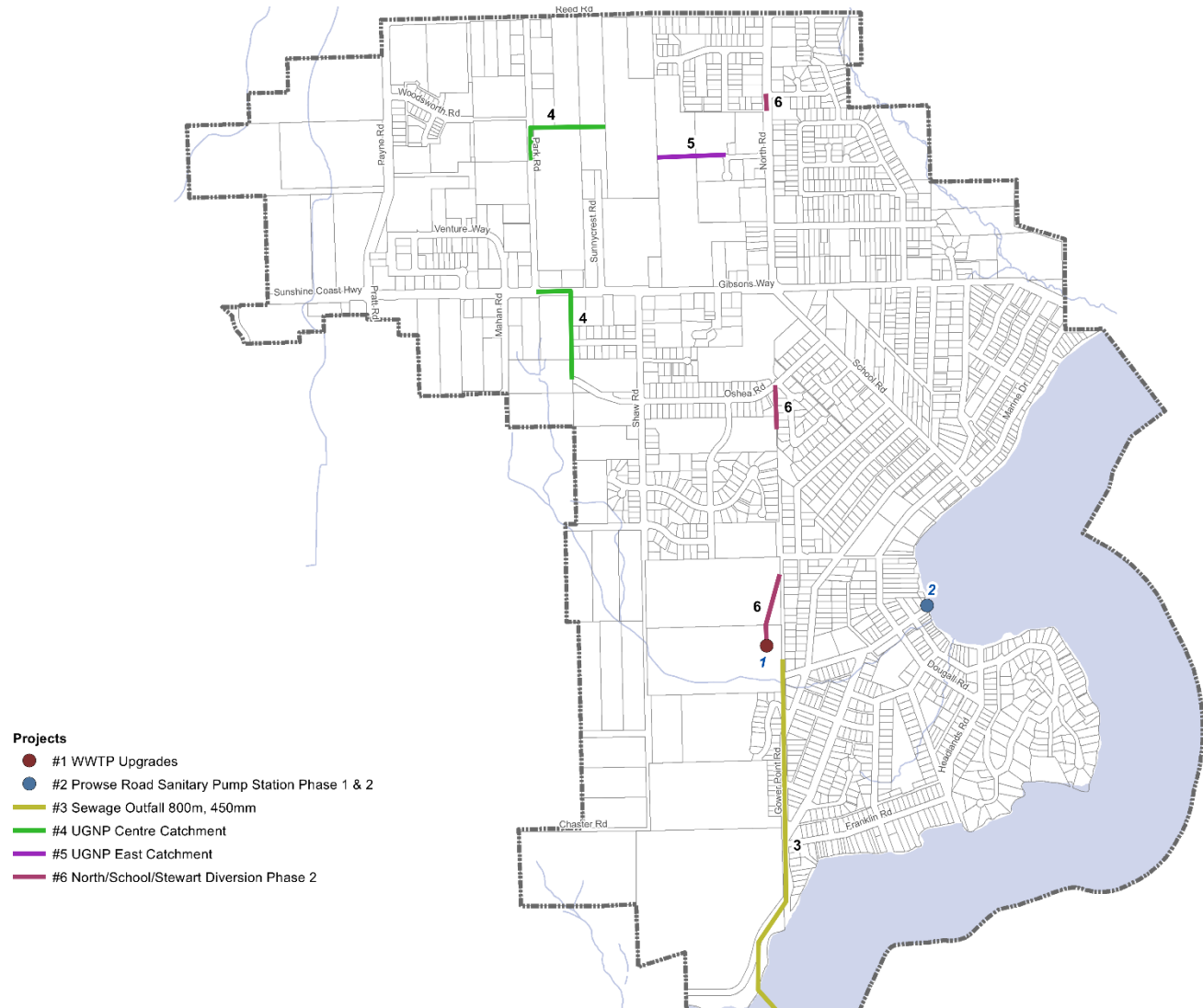


Legend



— Water Projects



Sanitary Sewer DCC Program



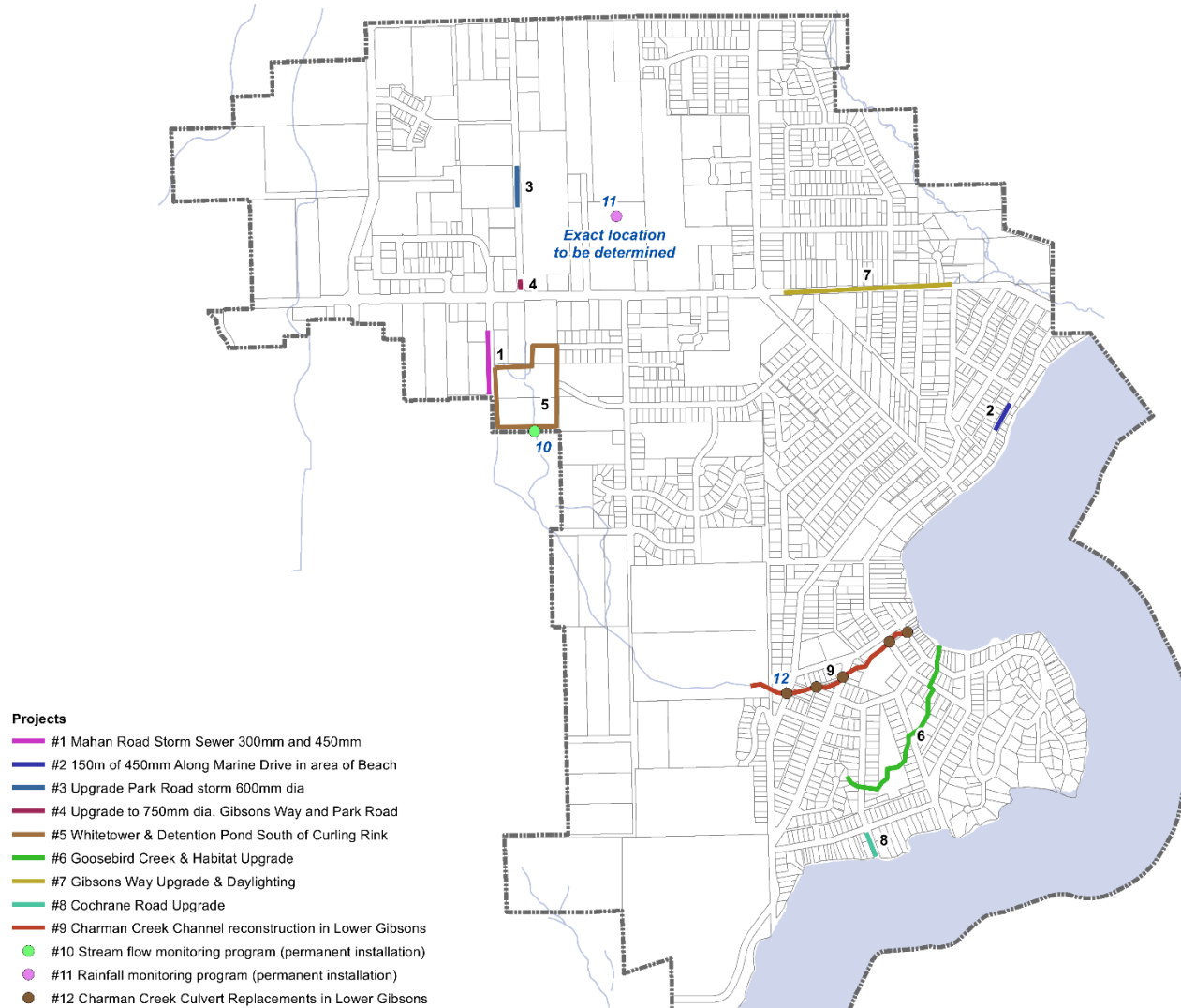
Legend

-  Station Upgrades
-  Sanitary Projects

- Projects**
-  #1 WWTP Upgrades
 -  #2 Prowse Road Sanitary Pump Station Phase 1 & 2
 -  #3 Sewage Outfall 800m, 450mm
 -  #4 UGNP Centre Catchment
 -  #5 UGNP East Catchment
 -  #6 North/School/Stewart Diversion Phase 2



Drainage DCC Program



What are the Benefit Factors for the DCC Program?

- 8600 population projection (Short to medium term)
 - Existing population = 4550 (53%)
 - Growth = 4050 (47%)
- Transportation 47%, 100%
- Water 47%, 100%
- Sanitary Sewer 47%, 100%
- Drainage 100%



Municipal Contribution Comparison

Category	Total Proposed 2016 Capital Costs	Town portion of total costs	Total Existing 2007 Capital Costs*	Town portion of total costs
Water	\$7,027,482	41%	\$6,463,511	10%
Sanitary	\$6,767,416	27%	\$4,924,635	1%
Drainage	\$6,632,088	1%	\$8,580,042	3%
Transportation	\$25,578,078	21%	\$22,046,652	11%
Totals	\$46,005,064	22%	\$42,014,840	9%

*Not including additional drainage DCC based on hectares of site area.
Commercial and industrial drainage rates change by -20%.



Total Proposed DCC Program (\$ millions)

Total Costs	Total Capital Costs*	Current DCC Recoverable	Proposed DCC Recoverable*	Approximate change**	Total Municipal Costs
Transportation	\$25.6	\$19.5	\$20.2	4%	\$5.3
Water	\$7.0	\$5.8	\$4.1	-29%	\$2.9
Sanitary Sewer	\$6.8	\$4.9	\$4.9	7%	\$1.8
Drainage	\$6.6	\$8.3	\$6.6	-21%	\$0.1
Total	\$46.0	\$38.5	\$35.9	4%	\$10.1

* Includes costs for outstanding DCC credits or debt for DCC projects.

** Change differs from rate increases due to changes in population projections and land uses



Proposed DCC Rates

Development Type	Current Rate	Proposed 2016 Rate	% Change
Single Family (per unit)	\$17,239	\$18,035	5%
Duplex (per unit)	\$11,857	\$12,497	5%
Townhouse/Cluster Residential (per m ²)	\$91.20	\$96.14	5%
Apartment (per m ²)	\$112.17	\$118.50	6%
Commercial (per m ²)*	\$78.04	\$88.25	13%
Industrial (per m ²)*	\$35.84	\$38.09	6%

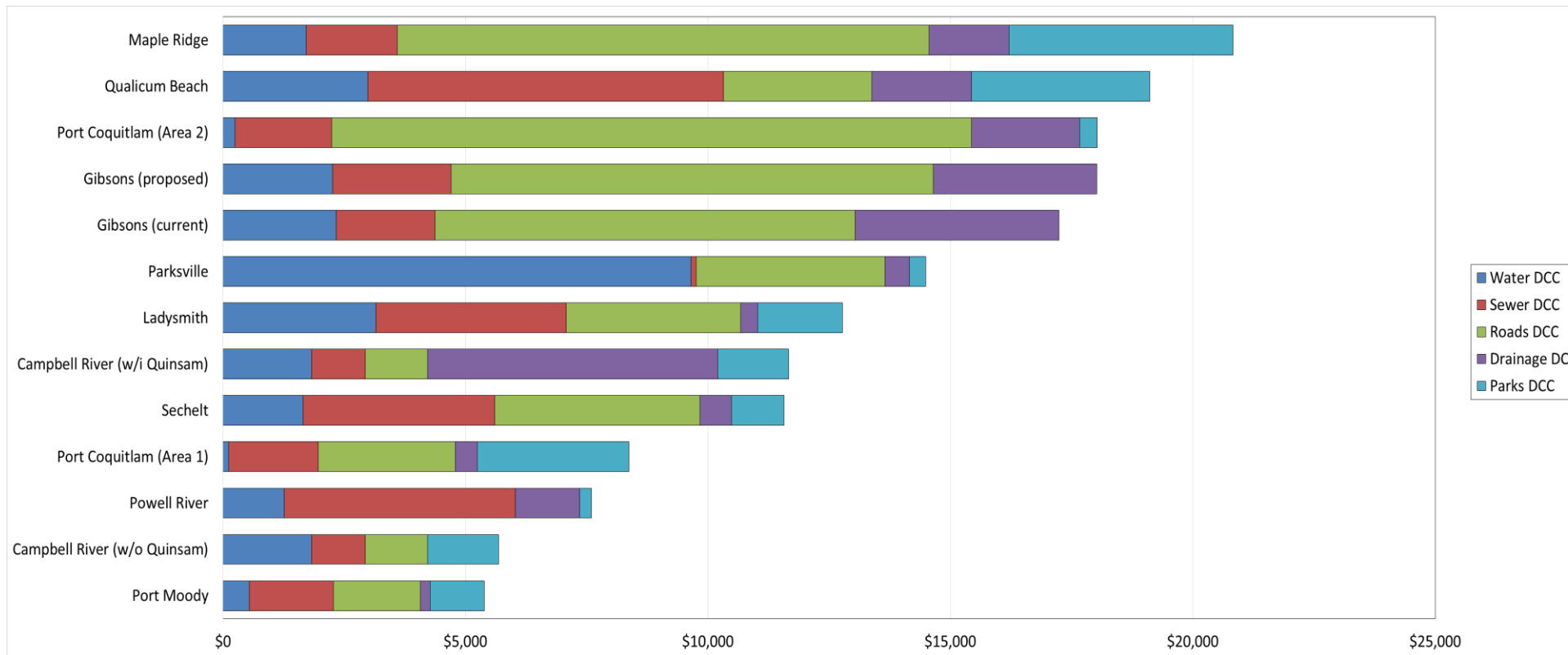
No additional DCCs for garden/secondary suites

Duplexes to be charged on per unit basis



*Not including additional drainage DCC based on hectares of site area. Commercial and industrial drainage rates change by -20%.

Comparison of DCC Single Family Rates



Most Sechelt DCCs not updated since 1991 (sanitary updated 2004)



Credits, exemptions and payment options

- When do the new rates take effect?
 - Estimate is March or April 2016. Timing depends on Ministry approval
 - Old rates remain in place for one year for instream building permits and applications for subdivision approval, i.e., application for registration at Land Titles
- What happens when I construct a project listed in the DCC program?
 - DCC cost estimate for project creates credits against DCCs payable in same category (e.g., water, sanitary, etc)



Credits, exemptions and payment options

- How do DCC credits work?
 - DCC credits can offset DCCs payable for current and future projects
 - Developers may transfer DCC credits to other developers
- Are any projects exempt from DCCs?
 - Places of worship
 - Cost of development does not exceed \$50,000
 - Dwelling units under 29 square metres (312 square feet)
- Do I have to pay all of my DCCs at the beginning of my project?
 - Developers may pay DCCs in installments where a DCC charge in a category is greater than \$50,000
 - 1/3 payable at BP/SD approval
 - 1/3 payable within one year
 - Balance payable within two years
 - Security deposit with Town for outstanding balance at BP/SD



SCRD Bulk Water Facilities Charges (equivalent to SCR DCCs)

- Collected by Town, paid to SCR D
- Requirement of Bulk Water Agreement
- Triggered by development in Zone 3 (largely Upper Gibsons)
- Pays for upgrades in SCR D necessary to deliver water for growth
- Results in development paying an additional charges consistent with DCC categories, e.g., approx. \$3,600 per SF residential lot
- Council to discuss options for leveling the playing field



What are the Next Steps?

- Council for 1st, 2nd and 3rd Reading
- Send DCC Background Report and Bylaw to Province for Approval
- Bylaw adoption by Council
- Bylaw Implementation



Thank you!

- Questions?

