



# Development Cost Charge Update

## District of Sooke

January 16, 2012  
Council Presentation

**URBAN**SYSTEMS.



## Agenda

1. Overview of Development Cost Charges (DCC)
2. Why have DCC costs changed?
3. DCC process
4. Growth projections
5. DCC capital program
6. Proposed DCC rates
7. DCC rate comparison
8. DCC Waivers & Reductions Bill 27
9. Next Steps
10. Questions



## Cost recovery tools

Development  
Cost Charge

Latecomer  
Agreements

User Fees &  
Charges

General  
Revenue

Local Area  
Service

Development  
Works  
Agreements

## Why do we have DCCs?

- To pay for the costs of expanding and upgrading the community's transportation and utility infrastructure to meet the needs and impacts of growth
- To purchase and develop new parkland in developing areas to meet the needs of growth



## What works do DCCs pay for?

- Arterial and collector road upgrades to address needs of growth
- Intersection & traffic calming road improvements including traffic signals
- Pedestrian & bicycle facilities
- Sanitary sewer mains, pump stations, WWTP
- Water mains, pump stations, PRV
- Drainage trunks and conveyance improvements
- Purchase of parkland & park development to address needs of growth



## What items do DCCs not pay for?

- Operation and maintenance of District's engineering infrastructure or parkland
- New or upgraded works needed for the existing population
- New libraries, fire halls, police stations or any parks & recreation buildings





## Who pays DCCs?

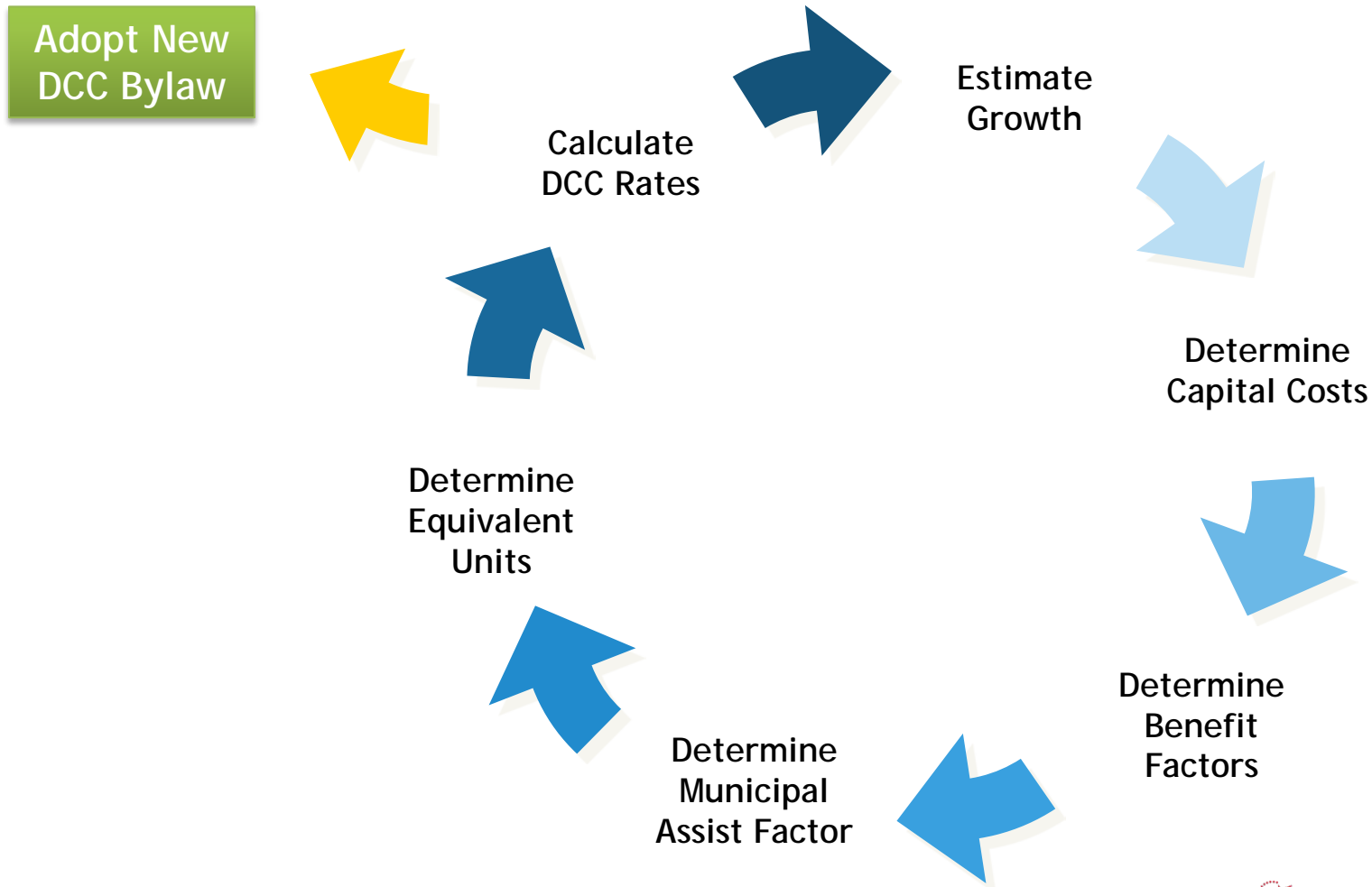
- Applicants for:
  - subdivision approval to create single family development sites
  - building permits to construct multi-family, commercial & industrial development

## Why have costs changed?

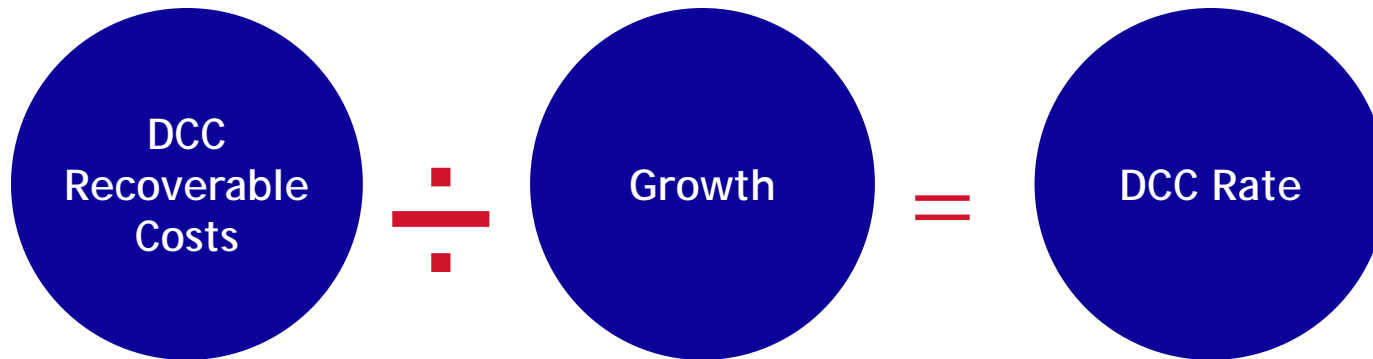
- Updated growth projections
- Reflect new construction costs
- Updated wastewater capital program
- Revised roads program to reflect transportation master plan and revised road design
- Remove completed projects
- Reflect current reserves and internal loans



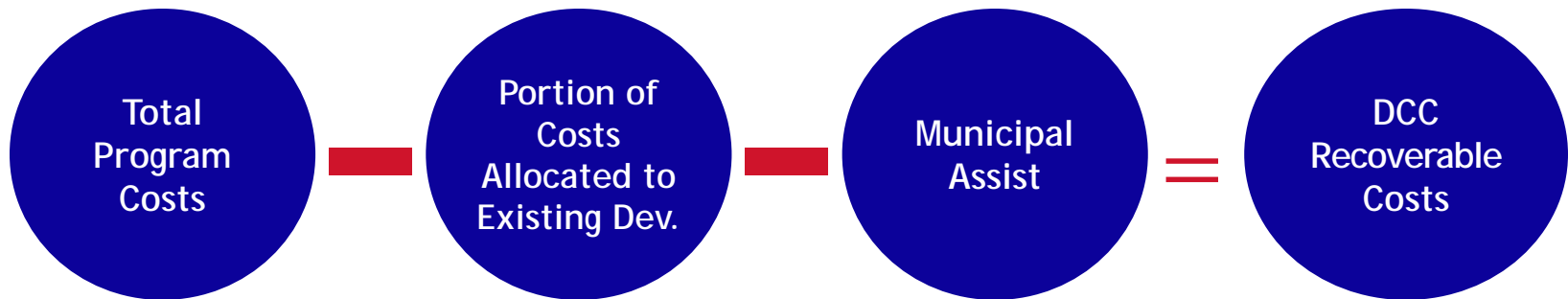
# DCC Process



## Basic DCC calculation



## DCC recoverable costs





# Growth forecasts

Dwelling Type	New Units	Persons/Unit	New Population
Single Family	958	2.7	2,587
Townhouse	639	1.8	1,150
Apartment	457	1.2	548
Total (to 2021)			4,285
Commercial Development Potential (Floor Area)			9,754 m <sup>2</sup>



## DCC Capital Programs

- Roads:
  - New collector roads, collector road widening, new signals
  - Updated road cross section
- Waste Water:
  - Upgraded pump stations, new sanitary forcemains and gravity mains, improvements to wastewater treatment plant



## Benefit Factor and Municipal Assist Factor

- Benefit Factor
  - Reflects the benefit of each project to the existing community
  - Road benefits vary 52% to 100% to growth
  - Wastewater benefit vary 40% to 100%
- Municipal Assist Factor
  - Can vary from 1% to 99%, council decision
  - Must be the same factor for each land use within an infrastructure category
  - Currently 1% , recommend using 1%



## DCC recoverable costs and District responsibility (\$ in Millions)

DCC Program	Total Costs	DCC Recoverable Costs	District Responsibility
Roads	\$10.41	\$7.80	\$2.61
Waste Water	\$10.86	\$9.24	\$1.62
Total	\$21.27	\$17.04	\$4.23

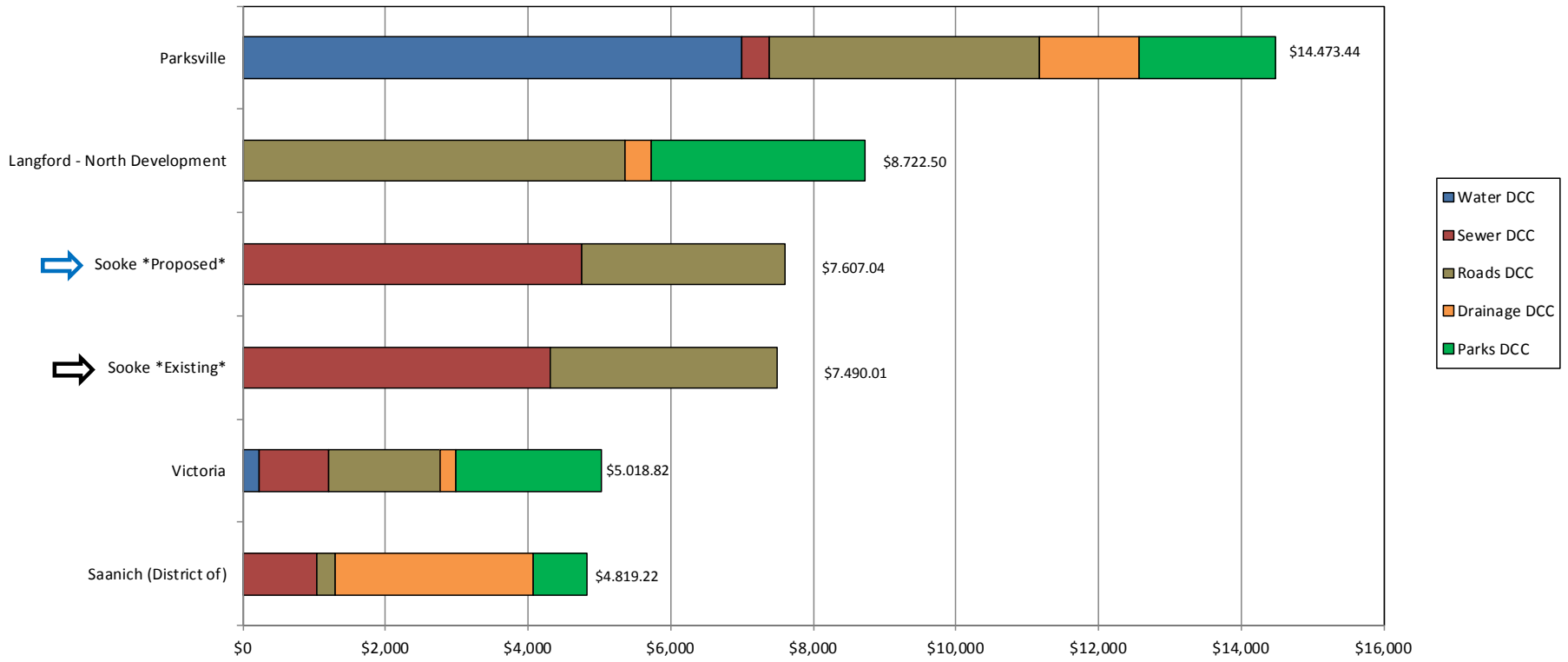


## Proposed vs. Existing DCC rates

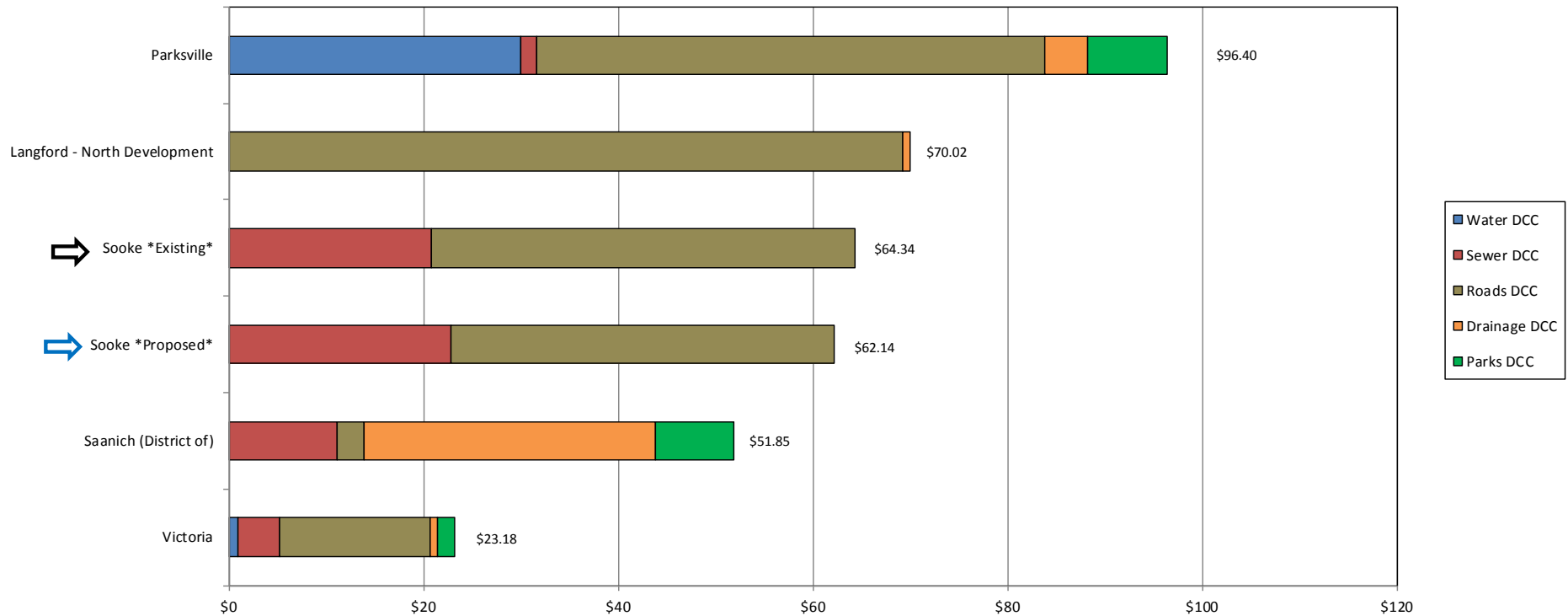
Land Use	Unit	Total Proposed Rate	Total Existing Rate	Change
Single Family	per lot	\$7,607.04	\$7,490.01	\$117.03
Townhouse	per dwelling unit	\$5,015.22	\$4,931.13	\$84.09
Apartment	per dwelling unit	\$3,848.81	\$3,847.32	\$1.49
Commercial	per m <sup>2</sup> of floor area	\$62.14	\$64.34	(\$2.20)



# Single Family Comparison (per lot)



# Commercial Comparison (per m<sup>2</sup> of floor area)





## Bill 27

- Not-for-profit rental housing, including supportive living housing
- For-profit affordable rental housing
- Small lot subdivisions designed for low GHG emissions
- Development designed to result in low environmental impact



## Sooke Revitalization Bylaw #408

- Applies to “Sooke Town Centre Revitalization Area” only
- Eligible housing is not-for-profit rental housing, including supportive living housing & for-profit affordable rental housing
- Eligible housing DCC reduced by 100%
- Residential housing developments of 50 or greater units/ha. DCC are reduced by 30% and an additional 30% if LEEDS Certified
- District is financial responsible for ALL waivers or reductions



## When will the new DCC rates apply?

- The new DCC Bylaw and rates come into force and effect once the bylaw is given fourth and final reading
- Subdivisions that are in-stream prior to the fourth reading of the DCC bylaw are entitled to a one year grace period by legislation
- Complete building permits (in process) are exempt from rate increases

## Next Steps

- Meet with public and development industry
- Inform Council of the comments that were received and any refinements to the DCC program and rates
- Introduce an amending DCC bylaw for Council's consideration for three readings
- Send the bylaw to the Inspector of Municipalities for approval
- Council gives the bylaw fourth reading
- Implement new DCC bylaw





