

	Policy Title: Development Cost Charge (DCC) Credit Policy for Developer Constructed Infrastructure	Policy No: CO-021
	Authority: Council	Classification: Development
	Date Adopted: May 15, 2023	Motion No:2023-142
Historical Changes:		

Purpose:

The District of Sooke has established a Development Cost Charge (DCC) program for the District. Through this program, the District will consider providing the Owner or Developer with a Development Cost Charge (DCC) credit for works constructed in the DCC program as a condition of Building Permit or Subdivision Approval. This policy establishes guidelines to manage and implement DCC credits in a fair and consistent manner.

Scope:

This policy applies to every person who obtains:

- a) approval of a subdivision;
- b) Approval of a building permit authorizing the construction of a single detached dwelling unit or the placing of a manufactured home on an existing parcel; or
- c) Approval of a building permit authorizing the construction, alteration or extension of a medium-density multi-family, high-density multi-family, commercial industrial, or institutional building or structure.

Definitions:

Defined word	Definition
Owner	-means the registered owner(s) of the property. The Owner may also be the Developer.
Background Report	Means the project list most recently submitted to and approved by the Province.
Developer	means the person or corporation representing the owner of the property. The Developer may also be the Owner.
DCC Credits	means the amount provided in the form of a deduction or reimbursement to an Owner / Developer in compensation for the construction of works identified in the DCC program that can be used to partially or fully fulfill the payment of any respective DCCs owed by an Owner / Developer.
DCC Project	means a project referenced in the current District of Sooke Development Cost Charge Bylaw and Background Report Project List..
DCC Project Cost (Actual)	means the actual cost to construct the DCC works including engineering and project administration as certified by the Professional Engineer of Record and confirmed by the Director of Operations or designate.
DCC Project List	Means the official list of DCC eligible projects contained in the Background Report alongside the currently enacted DCC Bylaw, as amended from time to time.

DCC Project Value (Project List)	Is the value estimated for the DCC Project including engineering, project administration and contingency as shown in the DCC Project List.
Director of Operations	Is the person appointed from time to time by the District of Sooke to perform in that role, or any other person authorized to act on their behalf.
Professional Engineer of Record	Is a member in good standing of Engineers and Geoscientists British Columbia, who has provided a Letter of Engagement to the District of Sooke confirming that they are the Owner/Developer's engaged engineer for the civil works on the DCC Project.

Principles:

DCC Credits

1. DCC credits may be provided to any Owner/Developer that has constructed a DCC Project, based on the following:
 - a. A DCC credit will only be provided for the lesser of the total DCC Project Cost (Actual) or DCC Project Value (Project List);
 - b. A DCC credit will only be provided in the form of a deduction or reimbursement to an Owner / Developer on the full amount of DCCs paid at the time of subdivision or building permit, once the Certificate of Completion has been issued by the Professional Engineer of Record for the DCC Project;
 - c. A DCC credit may only be applied to the DCCs owed by an Owner/Developer for the same infrastructure category as the DCC Project constructed by the Owner/Developer.
2. If the DCCs payable exceed the amount of the DCC credit, the Owner/Developer must pay the net differential DCC's owing, in accordance with the District's DCC bylaw.

Table 1.0 Example DCC Balance Sheet

DCC Project (example)	Column A Lesser of DCC Project Cost (Actual) or Project Value (Project List)	Column B DCC Payable under Bylaw (for that category)	Column C Unused DCC Credits (=Col A – Col B)	Column D Remaining DCCs to be paid after DCC Credit applied (=Col B – Col A) (if <\$0 = \$0)
Project A	\$400,000	\$600,000	\$0	\$200,000
Project B	\$600,000	\$500,000	\$100,000	\$0
Project C	\$500,000	\$500,000	\$0	\$0

Table 2.0 Example Phased Development DCC Balance Sheet Example

DCC Project (example)	Column A Lesser of DCC Project Cost (Actual) or Project Value (Project List)	Column B DCC Payable under Bylaw (for that category)	Column C Unused DCC Credits (=Col B – Col C)	Column D Remaining DCCs to be paid after DCC Credit applied (=Col B – Col A) (if <\$0 = \$0)
Project D	\$500,000		\$500,000	
Phase 1 – 100 lots		\$250,000	\$250,000	\$0
Phase 2 – 80 lots		\$200,000	\$50,000	\$0
Building 1 – 50 units		\$100,000	\$0	\$50,000

DCC Frontender Agreement

3. The District will consider administering a frontender agreement with the Owner/Developer(s) where the value of Unused DCC Credits is equal to or exceeds \$500,000.
4. All DCC frontender agreements will be administered in accordance with the District of Sooke DCC Frontender Policy, as amended from time to time.

Other DCC Credit Policy Considerations

5. Unused DCC credits can be applied to other development lands in the District of Sooke as long as the Owner is exactly the same legal entity.
6. Where the District's Subdivision and Development Servicing (SDS) Bylaw requires an Owner/Developer to provide specific works or services for a development, which are also included in the calculations used to determine the value of a DCC Project in the current DCC Project List, the Owner / Developer will be eligible for a DCC credit if they construct those works or services.
7. Where land required for the construction of a DCC Project has been included in the DCC Project Value, the DCC Project Cost may include the cost of land based on the estimated market value or actual per square metre cost to the Owner/Developer of acquiring the land.
8. The District will establish a tracking system to ensure the transparent accounting and administration of DCC Credits.

References

Policy Number:	CO-021
Policy Owner:	Engineering
Endorsed by:	Leadership
Final Approval:	Council
Date Approved:	May 15, 2023
Review Date:	May 15, 2028
Revision Date:	
Related Policies:	Development Cost Charge Bylaw Background Report Project List Development Cost Charge Frontender Policy Excess or Extended Services Latecomer Policy
Related Publications:	

Contact Information:

Position: Director of Operations