



**DEVELOPMENT COST CHARGE (DCC)  
REVIEW  
FREQUENTLY ASKED QUESTIONS  
(AND ANSWERS)  
FEBRUARY 2019**

- Q. What are Development Cost Charges (DCCs)?**  
**A.** Development cost charges are collected from developers or builders to help pay for the capital cost of installing growth-related infrastructure. The charges relate to the capital costs of water, sanitary sewer, storm sewer, roads and parks infrastructure.
- Q. Why do developers pay DCCs?**  
**A.** Growth requires a significant expansion of the Town's infrastructure. DCCs are one way of ensuring that we collect the capital costs needed to service growth. DCCs are based on the impact that each type of land use or building has on our infrastructure. Rates are established for different land uses.
- Q. Who pays DCCs?**  
DCCs are payable by parties obtaining an approval of subdivision or a building permit, unless an exemption applies.
- Q. Why are the DCCs being reviewed now?**  
**A.** The current DCC Bylaw was adopted in 2011 and was based on growth figures and project cost estimates from the previous 10 years. This data is now out-of-date.

Council adopted a policy in 2011 to support that DCCs are reviewed on a five-year cycle, in order to stay current with growth projections and project costs. This current review started in 2016. Growth estimates for new development, growth-related capital project lists and costs have been prepared. Council has reviewed this information and wants to hear directly from the development community and residents of Ladysmith.

- Q. What major DCC-funded projects are on the Town's capital projects list?**  
**A.** The Town's capital program includes significant investments in infrastructure anticipated over the long-term, including the following projects associated with the next 20 years of growth:
- Wastewater Treatment Plant Upgrades - \$2 million
  - Wastewater Treatment Upgrade (debt) - \$10 million

- Water Filtration Plant - \$7.4 million
- Water Supply Main (Holland to Stocking) - \$5.9 million
- Water Supply Storage Upgrade (Holland Creek dam) - \$6.4 million
- Park improvements (Lot 108) - \$3.6 million

**Q. How are DCCs calculated?**

**A.** DCC rates are calculated by dividing the net capital infrastructure costs attributable to new development over a certain time period, by the projected number and type of development (e.g. residential, commercial, industrial, institutional) that will be developed in that same time period.

**Q. Why are the DCC rates changing?**

**A.** The costs of construction continue to increase. The overall water program has also gone up significantly since the DCCs were last reviewed in 2010 which is the biggest change in the new program. The DCC water capital projects have increased from \$11.6 million in 2010 to \$42 million in 2019. This increase includes water treatment (filtration) and water storage.

**Q. Is the Town also reviewing the DCC waiver programs?**

**A.** Council will be reviewing the two waiver programs that were put in place following the last DCC review. This work will commence soon.

The current Downtown DCC program covers new multi-family residential and commercial development in the Downtown Specified Area. This area is between Esplanade and Second Avenue, and Baden Powell and Symonds Streets. The other waiver program is for Not-for-profit affordable rental housing.

**Q. When would the new DCCs come into effect?**

**A.** New rates come into effect when the bylaw is adopted. The bylaw cannot be adopted until it has been approved by the Province (Inspector of Municipalities).

There is a one year statutory exemption from the new rates for in-stream subdivision and building permit applications that are complete (including fees paid). In addition, there is also an exemption for in-stream rezoning and development permit applications if they result in a building permit or subdivision approval within one year after bylaw adoption.

**Q. What are current and proposed DCC rates for single family development?**

**A.** Current: \$ 12,779.26  
Proposed: \$ 17,569.45

**Q. What are current DCC and proposed rates for multi-family residential development?**

**A.** Current: \$ 7,617.33  
Proposed: \$ 11,143.82

**Q. What are current and proposed DCC rates for commercial development?**

**A.** Current: \$ 97.67 per square metre of gross floor area  
Proposed: \$ 79.03 per square metre of gross floor area

**Q. What are current and proposed DCC rates for industrial development?**

**A.** Current: \$ 36.61 per square metre of gross floor area  
Proposed: \$ 37.32 per square metre of gross floor area

**Q. What are current and proposed DCC rates for institutional development?**

**A.** Care Facility: \$ 4,383.39 per bed  
Proposed: \$ 6,008.84 per bed

Other Institutional \$ 85.57 per square metre of gross floor area  
Proposed: \$ 91.24 per square metre of gross floor area

**Q. What are Nanaimo's DCC rates (as of April 2018)?**

**A.** Single family - \$17,813.64  
Multi-Family Residential- \$106.50 per m2 (e.g. 1,000sq.ft. unit = \$9,894.17)  
Commercial - \$95.08 per m2  
Industrial - \$24.25 per m2  
Institutional - \$95.08 per m2

There is no longer an exemption for the Downtown and Not-for-profit rental housing is eligible for a 50% reduction in DCCs.

**Q. How can I give my feedback to Council?**

**A.** Please provide your comments to us by:

- Drop off: City Hall, 410 Esplanade Avenue, Ladysmith
- Fax: 250-245-6411
- Email: [info@ladysmith.ca](mailto:info@ladysmith.ca)
- Mail: Town of Ladysmith, PO Box 220, Ladysmith, BC V9G 1A2

Feedback is due March 8, 2019.

Additional background information about the DCC Review is available on the Town's website ([www.ladysmith.ca](http://www.ladysmith.ca)).