

Development Cost Charges Review 2018

Workshop #1 - June 25, 2018

Outline

- Workshop #1 – June 25
 - DCC Program overview
 - Project lists
- Workshop #2 – June 28
 - Municipal Assist Factor
- Workshop #3 – August
 - Funding the municipal portion



Overview of the DCC Program

Development Cost Charges - Background

- DCCs are collected from developers to contribute to the cost of growth-related infrastructure
- DCCs can be collected for five classes of infrastructure: Road, Storm Drainage, Sanitary Sewer, Water, Parks
- DCCs can be collected Town-wide and by specific area
- DCCs vary by land use
- DCC bylaws must not be adopted until approved by the Inspector of Municipalities (Province)

Development Cost Charges - Background

- DCC Bylaw 1762
 - Adopted October 4, 2011
- DCC Downtown (Reduction) Bylaw 1781
 - Adopted October 17, 2011
- DCC Not-for-Profit Rental Housing (Reduction) Bylaw 1804
 - Adopted May 22, 2012

Current DCC rates – Bylaw 1762

Land Use	Rate	
Single Family Residential	\$12,779.26	Per lot
Small Lot Single Family Residential	\$9,399.97	Per lot
Multi-Family Residential	\$7,617.33	Per unit
Downtown Multi-Family Residential	\$6,835.63	Per unit
Commercial	\$97.67	Per m2
Downtown Commercial	\$64.24	Per m2
Industrial	\$36.61	Per m2
Institutional A	\$4,383.39	Per bed
Institutional B	\$85.57	Per m2

Development Cost Charges – Items to Consider

- DCCs should not be so high as to stifle new development
- Council has ability to adjust rates through municipal assist factor
 - Minimum of 1%
 - The municipal assist factor provides a means for Council to increase assistance and reduce DCCs, though the financial burden is then shared among all property owners.
- The municipal assist factor can vary by infrastructure class

Development Cost Charges – Items to Consider

- The Local Government Act establishes Council's authority to enact a DCC bylaw
- It establishes the circumstances when a DCC is or is not payable
- New DCCs don't apply to **complete** applications for subdivision and building permits, received before the Bylaw is adopted for a period of 12 months
 - In-stream rezoning and dp applications that result in building permits within the 12-month period following adoption are also protected
- New DCCs may be applied if the applicant agrees in writing

Development Cost Charges – Other

- The maximum length of a DCC Program is generally 20 years
- However, in the Water DCC Program there are projects that are needed in the next 20 years but will serve the community beyond that time horizon
- The bylaw can be updated annually to adjust construction costs (up to CPI), and for four years without needing municipal approval
- The cost of a DCC program updates can be included in DCC program

Development Cost Charges – Simplified Math

Step 1: Determine growth numbers

Step 2: Determine projects and costs

Step 3: Determine portion attributable to growth (benefit factor)

Step 4: Determine municipal assist factor for DCC recoverable

Step 5: Divide DCC recoverable cost by growth

Determines DCC Rate

Decisions of Council

Council can choose:

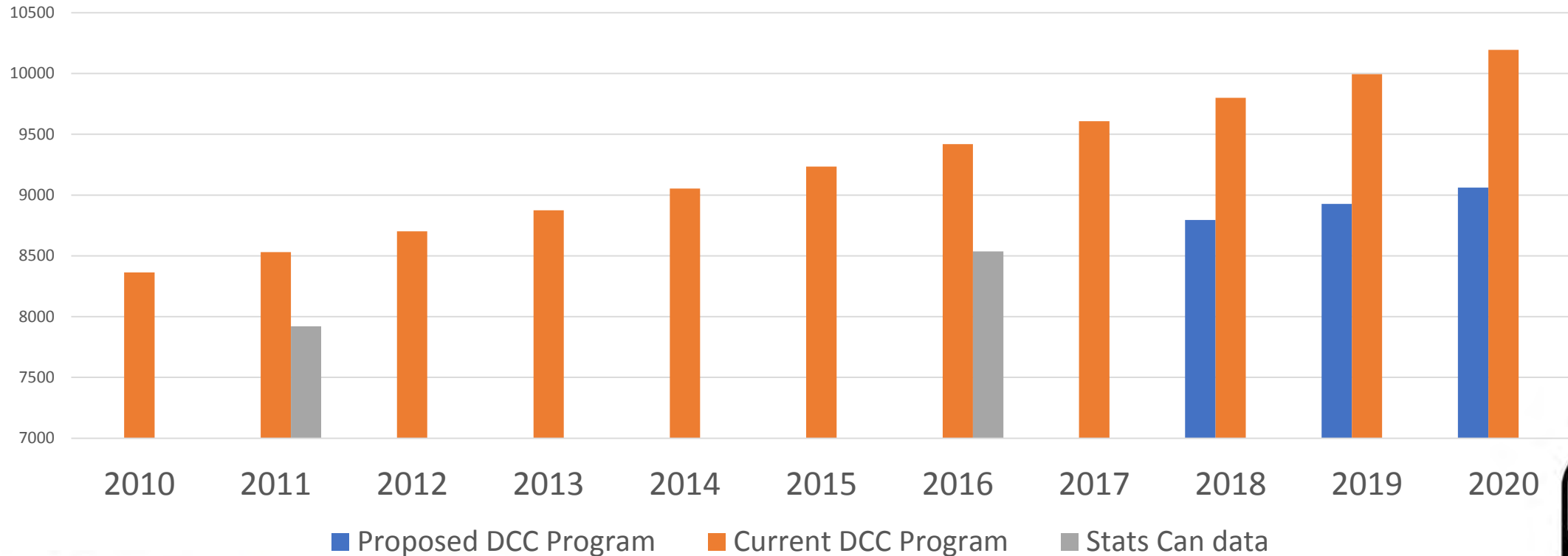
- The level of the Municipal Assist Factor
- How to fund the municipal portion
- To continue, amend or end the DCC reduction for the Downtown Specified Area and/or Not-for-Profit Rental Housing
- When to consult with the community and developers



Growth Projections

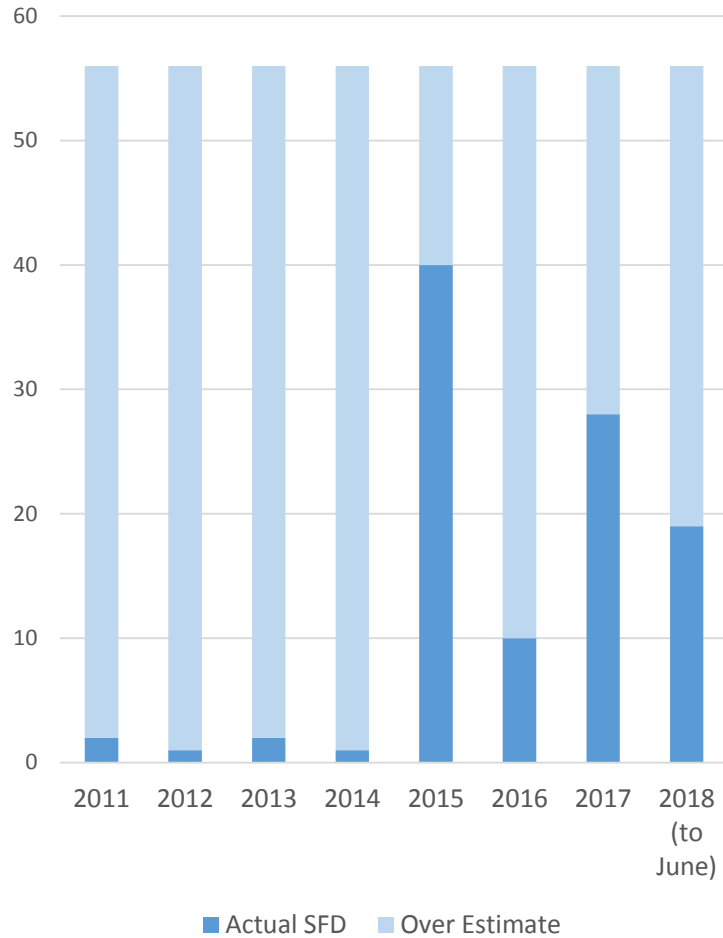
Growth Rate Projections

The growth projections in the current DCC program were not realized which impacts the amount of DCCs collected

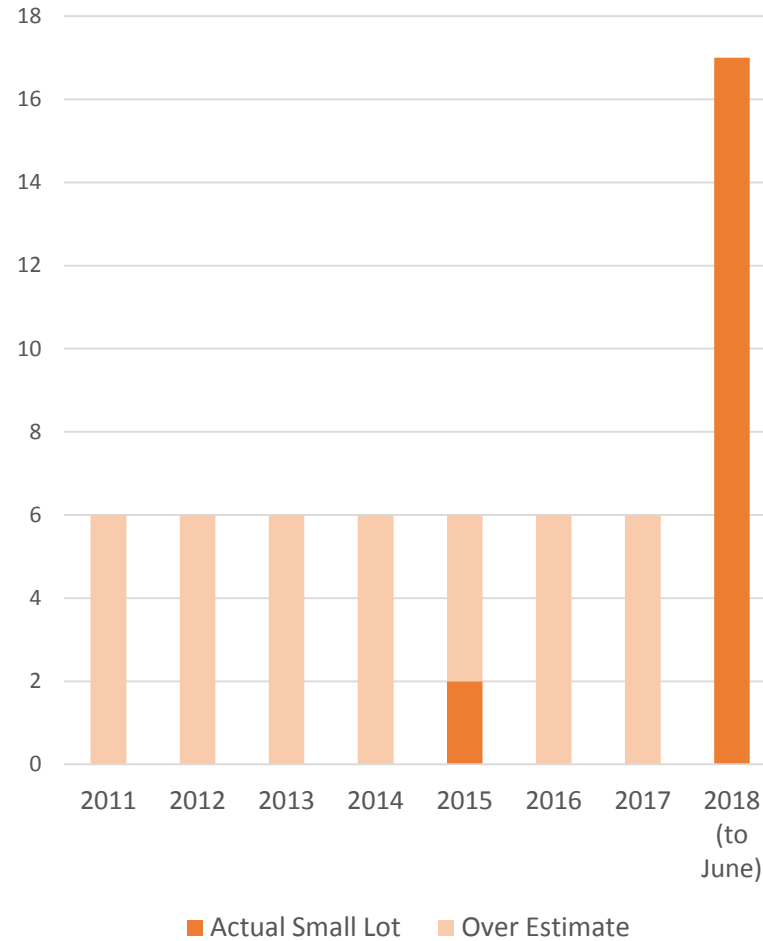


Residential DU Growth vs Projected Growth

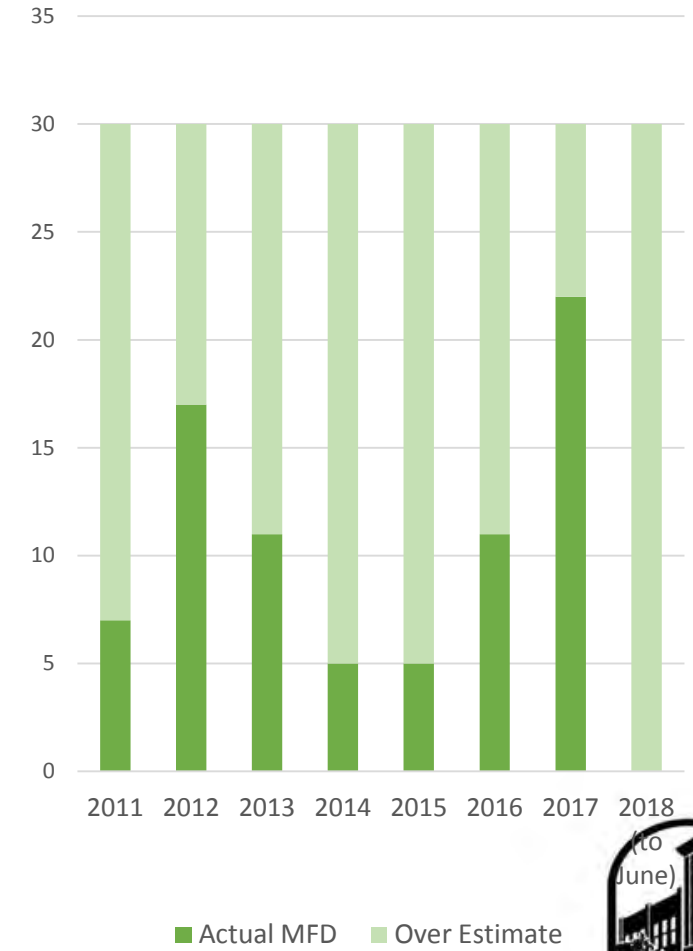
Single Family



Small Lot - SFD



Multi-Family



Current DCC Balances

- Sewer \$ 534,000
- Water \$ 554,000
- Roads \$ 497,000
- Parks \$ 684,000
- Storm \$ 379,000

Funds are restricted and held separate from other reserves.



Town-wide DCC Program - Proposed



Road DCC Program

Road DCC Projects

Construction Type

- Bridge Approaches
- Collector Road
- Intersection Improvement
- Bridge
- Round About
- Half Road incl. Sidewalk
- Urban Features Upgrade
- Bike Lane
- Sidewalk
- DCC Project Review

Locations

- Holland Creek Bridge - Road Approaches
- Retaining Walls
- Holland Creek
- North Davis: Dogwood
- Dogwood: Rollie Rose
- 4th Ave: Belaire/ Symonds /Christie
- 6th Ave: Malone
- Hart Creek
- Ludlow and Rocky Road
- Russell Road - Ridgway- Simpson's
- Russell Rd - 760 Russell & 740
- 4th Ave: Belaire to Hambrook
- 6th Ave: Symonds - End Jamison
- 4th Ave: White – Roberts/ Roberts – Buller / Buller - Symonds
- 4th Ave: Cook to Rocky Creek
- 4th Ave: Rocky Creek to Alderwood
- 4th Ave: Symonds to Cook
- Malone: Colonia - End (North Side)
- Colonia: Malone - Mackie (South Side) & (North Side)
- Malone: Colonia to 6th (south Side)
- South Davis: Hall Road to North Battie
- Davis: Stirling - Louise
- Farrell Road: Stirling to Gales
- South Davis (TCH)



Roads DCC Program

Roads	Current Program	Proposed Program
Total Program	\$ 15,079,000	\$ 16,878,535
DCC Recoverable	10,002,000	5,411,235
Municipal Assist Factor	1%	1%





Storm Drainage DCC Program

Storm Drainage DCC Projects

Title	Location
3rd Ave	Roberts - Flume Line
Flume Line	4th-1st
Storm Water Management Plan	Town Wide
Culvert Replacement	Oyster Bay Culvert (Rail)
DCC Project Review	Town-wide
Culvert Replacement	Slack Point Park



Storm Drainage DCC Program

STORM	Current Program	Proposed Program
Total Program	\$1,292,000	\$1,490,000
DCC Recoverable	856,984	742,500
Municipal Assist Factor	1%	1%



Sanitary DCC Program

Sanitary Sewer DCC Projects

Title	Location
South Ladysmith Ind Park Extension	Farrell Rd, Stirling Dr - South Watts
Sewage Treatment Plant Upgrade (debt)	Sewage Treatment Plant
Holland Creek Downstream	Holland Creek Down Stream (off site)
Ludlow Pump Station Upgrade	Ludlow at Marina
Rocky Creek Sanitary Upgrade	Boundary - Ludlow P.S.
Rocky Creek 250mm Main Upgrade	Oyster Bay Road
Post Treatment Disinfection Options	Treatment Plant
Post Treatment Drogue Study	Treatment Plant Outfall
Treatment Plant Upgrades	Treatment Plant
Environmental Impact Study	Treatment Plant
Outfall Extension	Treatment Plant Outfall
Sanitary Pumpstation	South Ladysmith
DCC Project Review	Town wide

Sanitary Sewer DCC Program

SEWER	Current Program	Proposed Program
Total Program	\$ 19,250,000	\$ 22,558,750
Other Funding		8,000,000
DCC Recoverable	7,307,190	9,085,082
Municipal Assist Factor	1%	1%



Water DCC Program

Water DCC Projects

Title	Location
South Ladysmith Ind Park Extension	Farrell Rd, Stirling Dr - South Watts
Loop Connection Upsize (6 to 8)	Craig - Russell Upsize
Stocking lake Supply main	Stocking Lake Main PRV Station
Stocking Lake Supply Main	Stocking Lake to Thetis
Holland to Stocking Supply main	Holland Lake - Stocking Lake
Water Filtration	Arbutus
Holland Lake Storage Upgrade	Holland Lake
Arbutus Reservoir - Second Reservoir	Arbutus Reservoir
Chicken Ladder Supply Main Replacement	WTP - Chicken Ladder
Chicken Ladder - Upgrade Intake	Chicken Ladder Intake
Flow Instrumentation	Banon Creek and Holland Dam
Pressure Zone 163 Lower Interconnect	Dogwood: Davis Rd - Beldaire
Water Filtration Upgrade	Membrane Expansion
Water Filtration Upgrade	3rd DAF Tank
DCC Project Review	Town wide
Watermain Loop Connection (8 to10)	Battie to Thetis



Water DCC Program

WATER	Current Program	Proposed Program
Total Program	\$ 11,627,500	\$47,965,000
Other Funding		8,800,000
DCC Recoverable	6,274,298	16,862,000
Municipal Assist Factor	1%	42%

The level of the Municipal Assist Factor will be important for the Water DCC rate.

Some water projects will support the community and growth over 40 years, but will be needed in the next 20 years.



Parks DCC Program

Parks DCC Projects

Title	Location
Rocky Creek Trail Improvements	Rocky Creek
Heart Creek Nature Park Trail Improvements	Holland Creek Area
Ball Fields/Trails/Facilities	Lot 108
Davis Road neighbourhood park	Davis Road
Waterfront Park	Waterfront
DCC Project Review	Town wide
Sterling Nature Park Trail Improvements	South Ladysmith



Parkland Acquisition & Improvement DCC Program

PARKS	Current Program	Proposed Program
Total Program	\$6,997,500	\$7,610,000
DCC Recoverable	4,641,442	2,948,000
Municipal Assist Factor	1%	33%

Parks DCC are not collected for non-residential land uses.





Workshop #1 – DCC Program Overview



Reviewed Project Lists

- Roads DCC Program
- Storm Drainage DCC
- Sanitary Sewer DCC
- Water DCC
- Parks DCC



Workshop #2 - Confirming the Municipal Assist Factor



Discuss

- Role of the Municipal Assist Factor
- Potential DCC Rate
- DCC Rates in other communities



Workshop #3 – Funding the Municipal Portion



Discuss

Linking to Capital Plan

Sources for funding the municipal portion

- Taxation
- Grant opportunities
- Borrowing

Continuing of waivers?

- Downtown program
- Not-for-profit rental housing program