



# District of Lantzville

## General Information

### Development Cost Charges (DCCs)

May 2007

Since incorporation in June of 2003 the District of Lantzville continues to establish itself as a municipality. Council, in particular, continues to develop the various policies, procedures and bylaws that will see the District retain its unique character and charm yet ensure the community's sustainability.

A means by which a local government can off-set the significant costs associated with infrastructure and the expansion of existing local services is with the creation and implementation of what is known as Development Cost Charges or more commonly referred to by its acronym - DCCs.

The District of Lantzville, with the adoption of its Official Community Plan (OCP) finds itself in a position to create such a bylaw. The District's OCP projects the amount and types of growth that are anticipated to occur within Lantzville over a specified time.

#### **Development Cost Charges (DCC)**

DCCs, ultimately, are monies that are collected from land developers to offset some of the infrastructure expenditures incurred to service the needs of new development and/or construction of new residential dwelling units.

Development Cost Charges, in general terms, are a means authorized by the *Local Government Act* (LGA) to assist local governments by providing a method to finance capital costs associated with providing for, constructing, altering or expanding sewage, water, drainage, highway facilities (roads), parkland acquisition and improvements.

The common question we ask when considering the applicability of DCCs is "do the works impose new capital cost burdens"?

#### **DCC Rates & How are They Calculated?**

DCC rates are calculated by taking into account a variety of information such as ...

- types, locations and amounts of growth projected over a specified future period
- new or upgraded infrastructure services required to accommodate that growth
- estimated cost of the services defined in the life of the Official Community Plan
- portion of the costs to be paid by existing population who will benefit from new infrastructure
- impact each type of growth will have on the services; and
- degree to which existing users assist growth in paying its share of costs

#### **How are DCCs Implemented?**

By bylaw. Council of the District of Lantzville adopted "District of Lantzville Development Cost Charges for Water, Sewage, Drainage, Highway Facilities and Park Land Bylaw No 52, 2006" on April 16<sup>th</sup>, 2007. As a result, the District of Lantzville is now in a position to charge and collect DCCs as it relates to development and/or construction.

#### **Bylaw/Documents Used to Create DCC Rates**

Residents are invited to visit the District's website to review the bylaw, policy, staff report and the District of Lantzville Development Cost Charges Report as prepared and submitted by Koers &

Associates Engineering Ltd., dated October 2006. Residents who do not have access to computer services or the internet are invited to contact the District office to obtain copies of these materials.

### **Who is Impacted by DCCs?**

Development cost charges have an impact on everyone. Some will be impacted directly in that they will have to pay the rates in order to proceed with development while others will be impacted indirectly. Existing ratepayers will be required to pay the share of infrastructure costs that are not applied directly to growth through taxation. This is identified by the percentage allocations that have been attributed to the projects and found in the tables that accompany the Koers & Associates Engineering report.

A decision on how to allocate costs between growth and the existing population is at the discretion of Council.

### **When are DCCs Not Applicable?**

DCCs are not applicable as follows:

- ✓ when the value of building construction is less than \$50,000
- ✓ residential accessory buildings (e.g., garage, storage shed)
- ✓ alterations (excluding additions/extensions) that do not result in a change of use
- ✓ extensions to an existing residential use (that do not increase the burden on infrastructure)
- ✓ structures not identified in the District's water or sewer service area (for the application of water & sewage DCCs only)
- ✓ agricultural buildings constructed under the Farm Building Code not identified in the District's water or sewer service area

### **When are DCCs Payable?**

DCCs, if applicable, are payable at the time of an approval of subdivision or at issuance of building permit. DCCs may also be paid in three equal installments but only if DCCs being charged exceed \$50,000. When such phasing of payments is permitted/desired full payment must be received within 2 years after the date that the subdivision is approved or the building permit is granted. For those developments that have submitted complete

subdivision applications and have paid their subdivision application fees and classed as 'in-stream', DCCs are not payable.

### **Example of DCC Charges**

DCC charges associated with the construction of a single family residence (per unit) is as follows:

#### **Single Family Residence**

Water	\$ 3,893.51
Sewage	6,182.36
Drainage	2,361.66
Highway Facilities	1,935.40
Park Land	<u>1,540.49</u>
<i>Total</i>	<i>\$15,913.42</i>

#### **Commercial Use**

DCCs are calculated differently for construction, alteration or extension of a building or part of a building designated for commercial use. DCCs are calculated for each square metre of gross floor area as follows:

Water	\$ 10.38
Sewage	16.49
Drainage	2.55
Highway Facilities	<u>72.60</u>
<i>Total</i>	<i>\$102.02</i>

\*Park Land DCCs are not applicable to commercial, institutional and/or industrial use, as per the Best Practices Guide development by the Ministry of Community Services.

Please note that the information identified above are examples only of DCC charges. For a complete interpretation of the District's Development Cost Charges you may obtain a copy of "District of Lantzville Development Cost Charges for Water, Sewage, Drainage, Highway Facilities (roads) and Park Land Bylaw No. 52, 2006" from the District's website [www.lantzville.ca](http://www.lantzville.ca) or by visiting the District office and requesting a copy.

#### **Clarification**

Residents who may have additional questions or require further clarification with regards to the implementation and collection of DCCs are encouraged to contact staff at the District office.