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VILLAGE OF VALEMOUNT DEVELOPMENT COST CHARGE (DCC) BYLAW UPDATE

Why Does the Village Levy DCCs?

DCCs are used to pay for the costs of expanding and upgrading some of the Village's infrastructure to meet the needs and impacts of growth.

What Could DCCs Pay For?

- In BC, DCCs could be levied for:
  - Transportation infrastructure
  - Wastewater infrastructure
  - Water infrastructure
  - Drainage infrastructure
  - Parks and park development
  - Solid waste facilities
  - Community services infrastructure (such as fire and police facilities)

- Infrastructure needs must be related to development.

- By legislation, DCCs cannot be used to pay for:
  - Operation and maintenance of Village engineering infrastructure or parkland
  - New or upgraded works needed only for the existing population
  - New recreation buildings

- Amenity Cost Charges (ACCs) are a separate tool that can be used to help fund community amenities such as community centres, recreation facilities, daycares and public squares.

The Village has looked at potential projects and determined it makes sense to fund some transportation and water infrastructure projects using DCCs.

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Who Pays For DCCs?

- Applicants for subdivision approval to create single-family development sites.
- Applicants for building permits to construct multi-family, industrial, institutional, and commercial development.
- The following housing is exempt under the current bylaw:
    - Not-for-profit rental housing, including supportive living housing
    - For-profit affordable rental housing
    - A subdivision of small lots that is designed to result in low greenhouse gas emissions
    - Development designed to result in low environmental impact

Why Update the DCC Bylaw?

Development cost charge bylaws must be reviewed periodically to ensure consistency with development, Valemount master planning documents and to accurately reflect construction costs.

The last review of the DCC rates was completed in 2004. Since then, the following changes have taken place:

- Projects have been completed
- Changes to projects
- Updates to costs
- Changes in growth projections

The Village is now revising its DCC rates to reflect these changes as well as address projects identified in existing plans that have not yet been implemented.

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1

STEP 1

ESTIMATE GROWTH

Growth estimates were revised to reflect land use plans for Valemount.

2

STEP 2

DETERMINE CAPITAL COSTS

To service anticipated growth, existing DCC capital programs were updated.

3

STEP 3

DETERMINE BENEFIT ALLOCATIONS

To ensure costs were shared fairly between new and existing development, a benefit allocation was determined for each DCC project. The benefit allocation is the percentage of a project's costs that is attributed to growth.

4

STEP 4

DETERMINE MUNICIPAL ASSIST FACTOR

The Local Government Act requires municipalities to assist new development with the DCC program costs. The Village of Valemount will contribute 1% of DCC costs attributed to growth for all services.

5

STEP 5

DETERMINE EQUIVALENT UNITS

Different land uses have different impacts on infrastructure. To reflect these differences, equivalent units were used to allocate DCC costs across land uses.

6

STEP 6

CALCULATE DCC RATES

This involved dividing the DCC costs by the amount of growth to generate a charge per lot, per unit or per square metre depending on type of development.

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Residential Growth

Residential growth estimates (20 years) are based on population projections developed from historic Census, building permit data, Official Community Plan and discussions on realistic growth rates.

Almost 14 new dwellings every year is assumed for the calculations.

Non-Residential Growth

Commercial and institutional development areas were estimated. No industrial development is expected in the DCC Bylaw service area.

Growth Projections by Category

Dwelling Type	Estimated New Development (20 years)	Unit of Measure
Single Family Residential	72	dwelling units
Multi-family Residential	144	dwelling units
Secondary Suite/Accessory Dwelling Unit	40	dwelling units
Industrial	-	square metres
Commercial	23,040	square metres
Institutional	400	square metres

An additional 72 single family units are assumed to be accommodated on empty, subdivided lots in the community. A single-family home built on those 72 lots will not be assigned DCCs as they have already been subdivided.

Assist Factor

The municipal assist factor is assigned as 1%.

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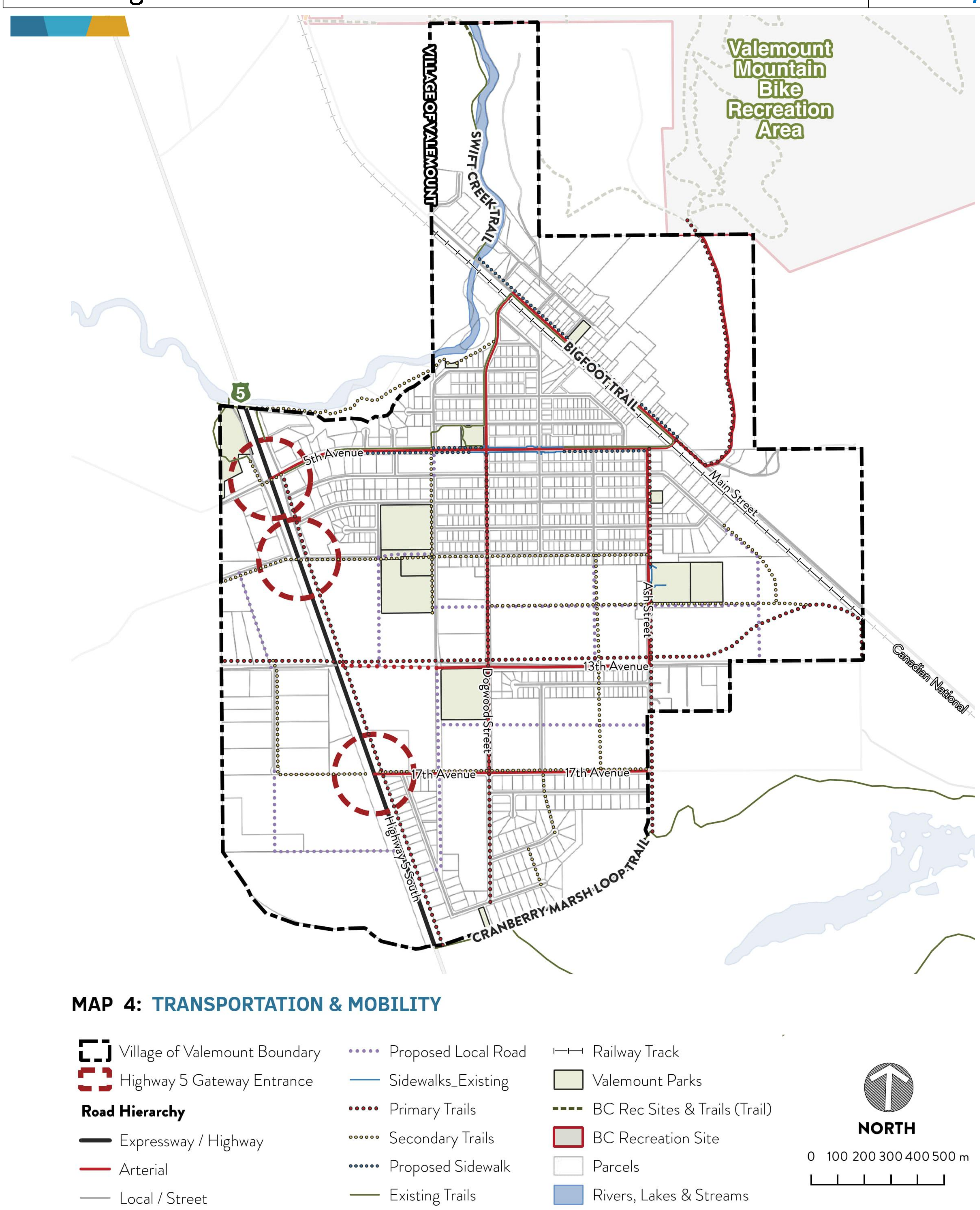
Transportation Projects

Location	Source
Dogwood St. from 9th Ave. to 17th Ave.	OCP – Route is identified as part of primary trail network and also the major road network from 9th Ave. south to 17th Ave.
13th Ave. from Elm St. to Ash St.	OCP – Route is identified as part of primary trail network and part of the major road network
17th Ave. from Cranberry St. to Ash St.	OCP – Route identified as part of secondary trail network and major road network. This length was paved since the previous DCC Bylaw adoption but was not updated to major road cross section due to limited development in that area.

Project	2027 Cost
Oversizing of Roads to Collector Standard	$780,000



Map from Official Community Plan

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Water Projects

Project	2027 Cost
New Reservoir	$1,650,000
New Groundwater Well	$1,650,000
Total	**$3,300,000**

Summary of Projects

Transportation	Col. (1)	Col. (2)	Col. (3) = Col. (1) X Col. (2)	Col. (4)	Col. (5) = Col. (3) - Col. (4)	Col. (6) = Col. (1) - Col. (5)
Project	Cost Estimate w/ Eng. & Cont.	Benefit Allocation	Benefit to New Development	Municipal Assist Factor 1%	DCC Recoverable	Total Municipal Responsibility
Oversizing of Roads to Collector Standard	$780,000	100%	$780,000	$7,800	$772,200	$7,800
	$780,000		**$780,000**	**$7,800**	**$772,200**	**$7,800**

100% of the project cost to improve the roads is assigned to new development because it is for improving the existing road.

Water	Col. (1)	Col. (2)	Col. (3) = Col. (1) X Col. (2)	Col. (4)	Col. (5) = Col. (3) - Col. (4)	Col. (6) = Col. (1) - Col. (5)
Project	Cost Estimate w/ Eng. & Cont.	Benefit Allocation	Benefit to New Development	Municipal Assist Factor 1%	DCC Recoverable	Total Municipal Responsibility
New Reservoir	$1,650,000	24%	$396,000	$3,960	$392,040	$1,257,960
New Groundwater Well	$1,650,000	24%	$396,000	$3,960	$392,040	$1,257,960
	$3,300,000		**$792,000**	**$7,920**	**$784,080**	**$2,515,920**

The value of the water projects assigned to the DCC bylaw will be proportional to the expected new population compared to the existing population.

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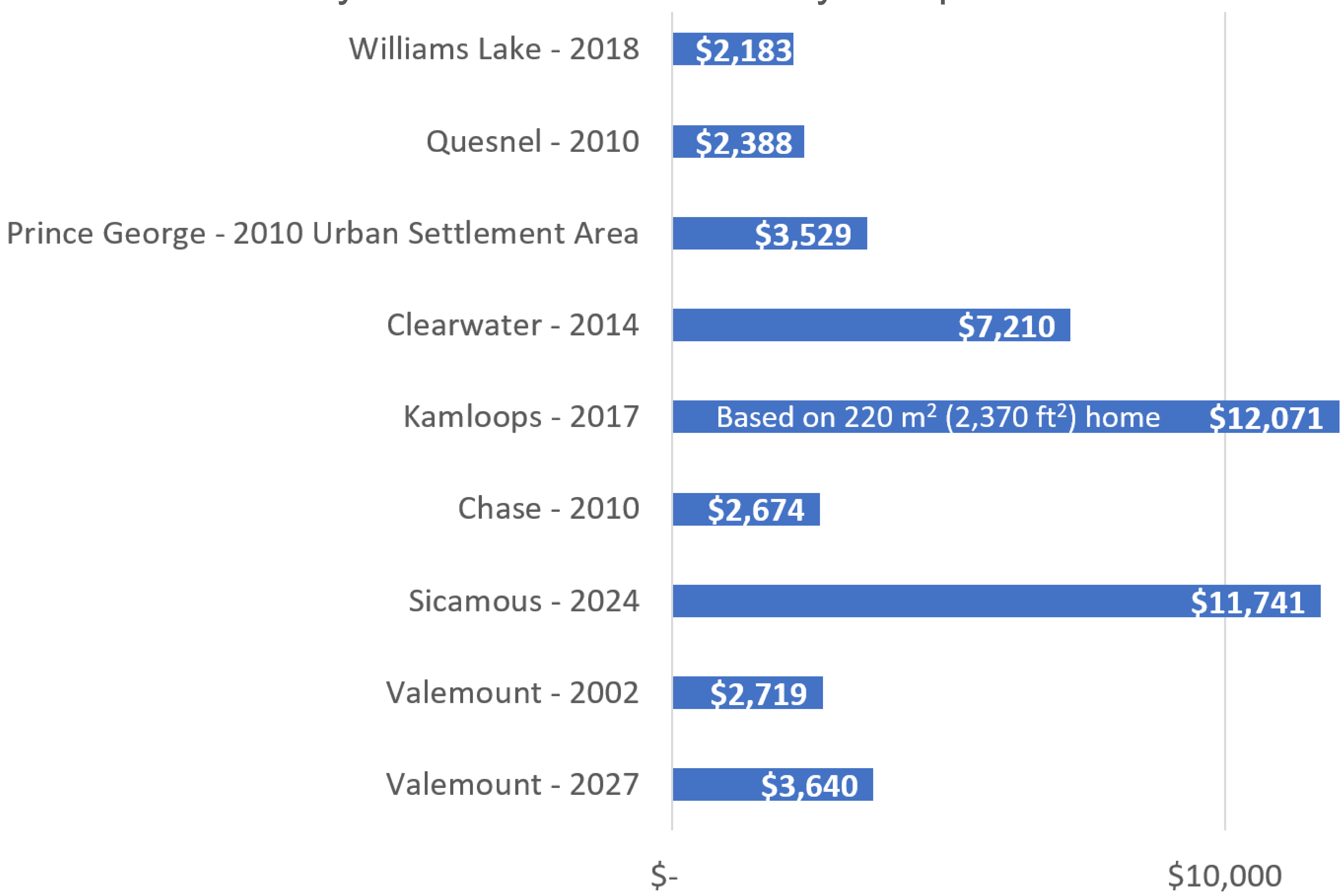
DCC Single Family Comparison

Community and Year of last DCC Bylaw update shown



Current vs. Proposed DCCs

Change in Total DCCs				
Land Use	**Unit**	**Current**	**Proposed**	**Change ($)**
Single Family or Mobile Home	Per Lot or Pad	$2,719	$3,640	$921
Multi-Family	Per Unit	$1,961	$2,455	$494
Secondary Suite/Accessory Dwelling	Per Unit	Was not a category in last bylaw	$2,455	
Commercial	Per Square Metre	$17.27	$27.19	$9.92
Institutional	Per Square Metre	$18.82	$34.33	$15.51

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What are the next steps?

- Inform Council of the comments that were received and any refinements to the DCC program and rates
- Develop a new DCC Bylaw for Council's consideration for three readings
- Send the Bylaw to the Inspector of Municipalities for approval
- Council gives the DCC Bylaw fourth reading
- Implement new DCC rates

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