

TOWN OF GOLDEN

DCC BYLAW: RATE REVIEW

Council Workshop

February 25, 2025



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AGENDA

- Meeting Purpose
- DCC Refresher
- Draft DCC Rate Scenarios
- DCC Comparisons
- Council Options
- Q&A and Discussion
- Next Steps

MEETING PURPOSE

- To provide Council with an update on the DCC work to-date
- To review DCC rate scenarios with Council
- To outline next steps for the DCC Bylaw update

WHY UPDATE NOW?

- Projects have been completed since the last update in 2012
- Take advantage of available DCC Categories (i.e., add in transportation and parks)
- Best practice is to complete a major update every 5 years
- Key drivers for the DCC update include:
 - New growth patterns resulting in a change in infrastructure needs and costs
 - Review growth categories
 - Legislative changes (Bills 16, 44, 46, and 47)



DCC REFRESHER

DEVELOPMENT FINANCE TOOLS

Development
Cost Charges

Amenity
Cost
Charges

5% Parkland
Dedication

Local
Area
Service
Charges

User
Fees and
Charges

Works and
Service
Agreements

General
Revenue

Latecomer
Agreements

Density
Bonusing

Other

WHAT ARE DCCs?

- One-time charge to pay for major transportation, water, sewer, drainage, parks, protective services, and solid waste capital projects which are required to service growth
- Regulated by the Province
 - Division 19 of the *Local Government Act*
 - Provincial DCC Best Practices Guide

WHAT WORKS CAN DCCS PAY FOR?

DCCs CAN BE USED FOR

Infrastructure and Studies needed to support growth

- Transportation
- Water
- Drainage
- Sewer

Parks needed to support growth

- Land acquisition
- Park improvements

Facilities needed to support growth

- Fire protection
- Police
- Solid waste and recycling facilities

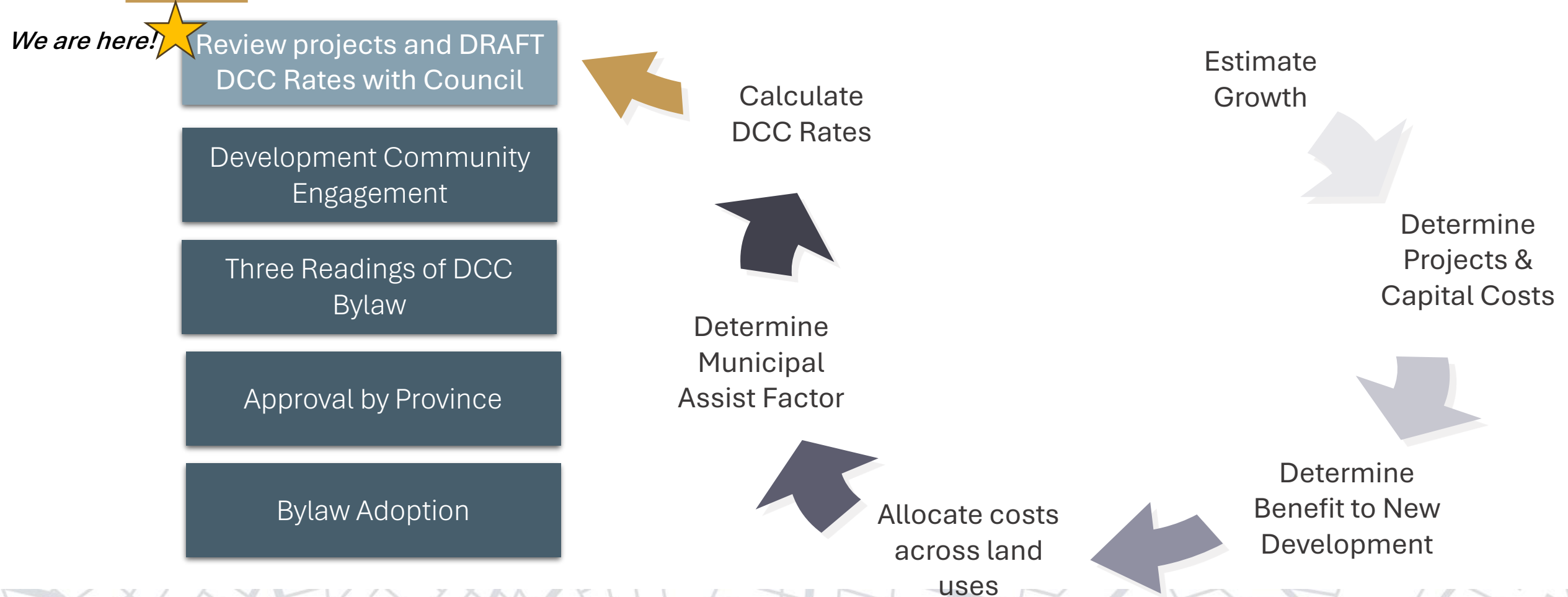
DCCs CANNOT BE USED FOR

- Infrastructure or parks needed for **existing** development
- Utility service connections
- Operations and Staffing Costs
- Rolling stock including mobile equipment, vehicles, fire and garbage trucks
- Maintenance or replacement costs
- Community buildings (e.g., libraries, recreation centres) – *Note: this can now be funded through ACCs*

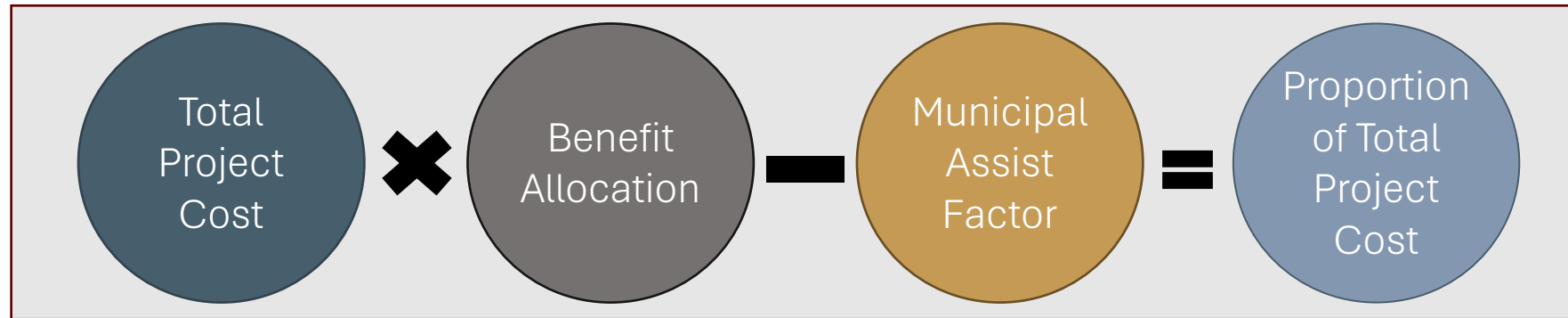
**** DCC projects must be growth-related****

DCC PROCESS

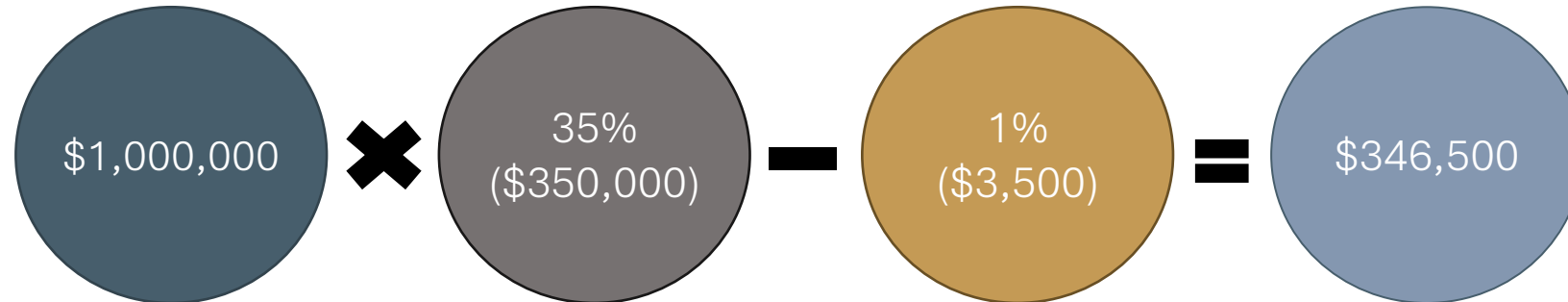
*DCCS ARE A TECHNICAL EXERCISE
PUT THROUGH A POLITICAL LENS*



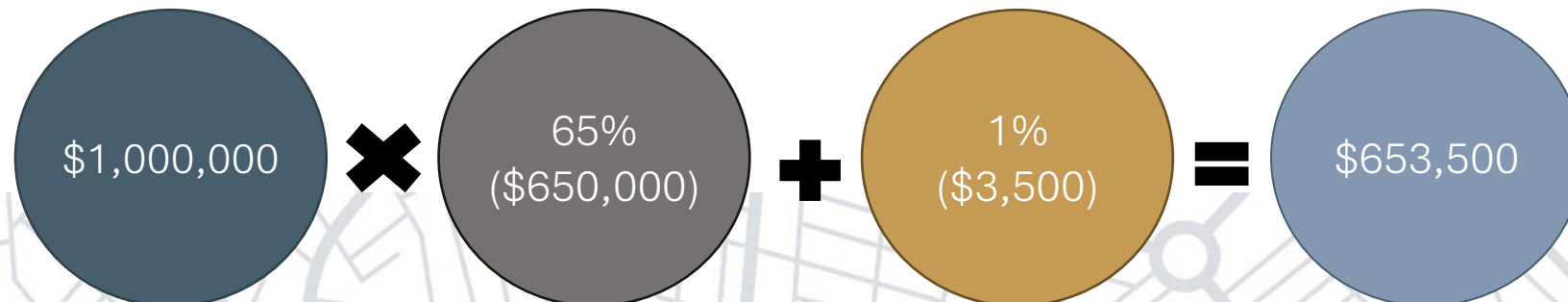
DCC RECOVERABLE COSTS



Developer Contribution:

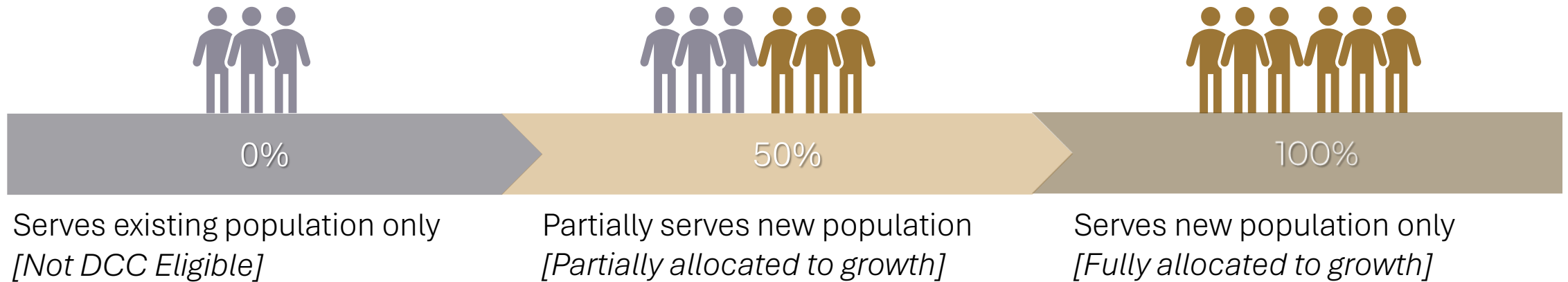


Municipal Contribution:



BENEFIT ALLOCATION

- Each project is assigned a benefit allocation
- Benefit allocations can range from 0% to 100%



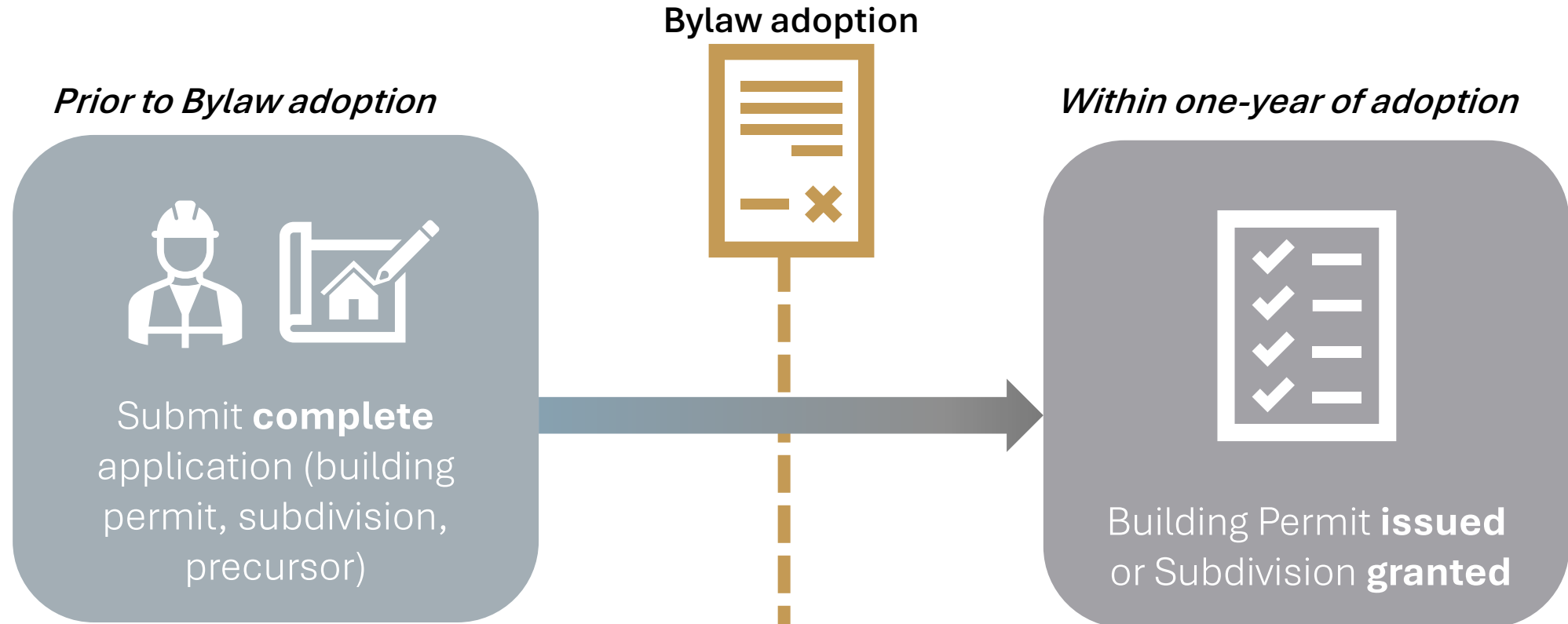
MUNICIPAL ASSIST FACTOR

- Amount the municipality contributes (in addition to the portion of the benefit allocation for existing residents)
- Minimum is 1%
- Can vary by program (i.e., water different than transportation) or time (i.e., higher assist factor in year 1 of new bylaw, lower in year 2)
- Higher MAF means lower DCCs, but greater burden on existing residents
- Cannot vary by land use (i.e., residential different than commercial)

****Entirely at the discretion of Council****

IN-STREAM PROTECTION

To qualify for previous DCC rates, the following timeline must be met:



DCC EXEMPTIONS (STATUTORY)

The *Local Government Act* identifies conditions where DCC exemptions apply:

- Buildings for public worship
- Development does not impose a new capital cost burden
- DCCs have been charged previously

Variations permitted through Bylaw:

- Building permits for \$50,000 or less in value (**can increase this**)
- Residential units = or < 29m² in size (**can increase this**)
- Fewer than 4 units (i.e., duplex/triplexes) (**must be authorized in the bylaw**)

DCC WAIVERS AND REDUCTIONS

- Development that can qualify for waivers/reductions (per legislation)
 - Not-for-profit affordable housing
 - For-profit rental housing
 - Housing designed for reduced environmental impact
 - Subdivision of small lots designated to result in low greenhouse gas emissions
- Waivers and Reductions can be established in a separate bylaw and that bylaw does not require Inspector approval
- **When Council chooses to waive or reduce DCCs, the Town must fund the amount through non-DCC dollars**



DRAFT DCC RATES SCENARIOS

KEY DRIVERS FOR THIS DCC UPDATE

- Major revision, including detailed review of:
 - Update to growth projections
 - Update to land use categories
 - New projects identified in master plans and studies
 - Removal of completed project
 - Transportation and Park program added
 - Reflecting current growth, infrastructure needs and costs
- All programs are set at the minimum 1% MAF

POPULATION GROWTH PROJECTIONS

Scenario



Existing: **2021**

25-Year: **2046**

Population

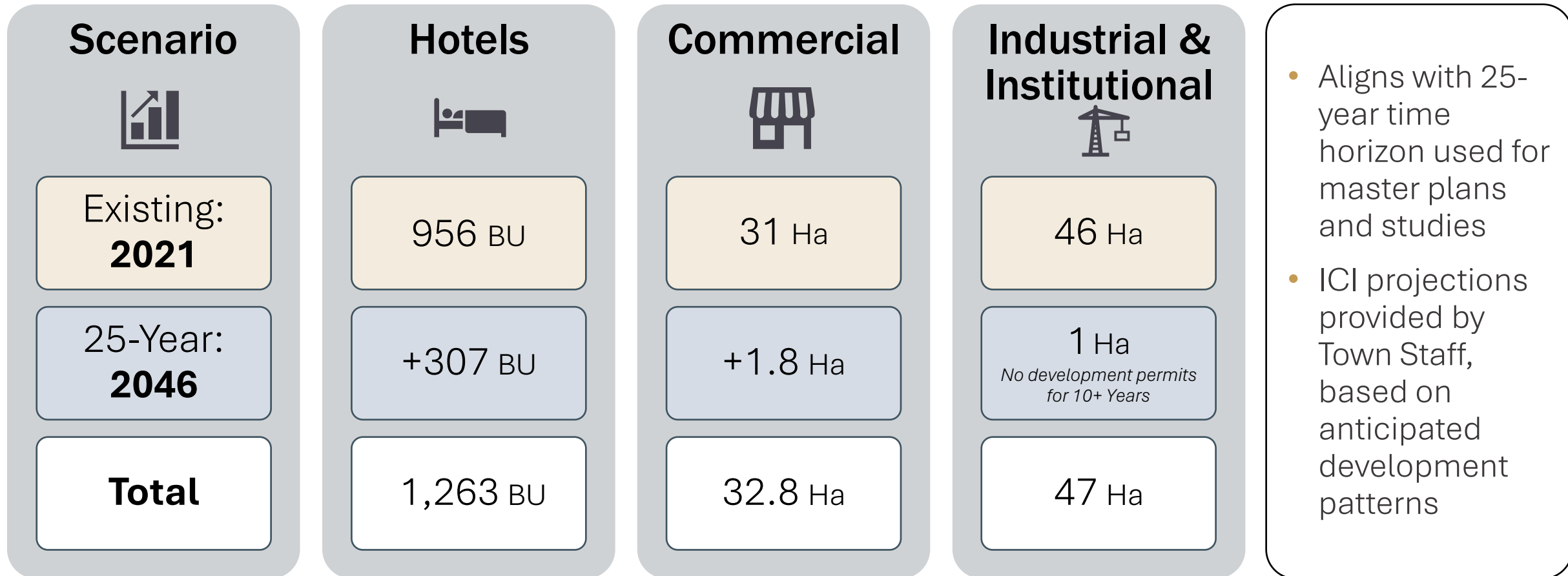


3,986

5,797

- Aligns with 25-year time horizon used for master plans and studies
- Based on Town's historical building permit data and Interim Housing Needs Report (2024), supplemented by Statistics Canada Census (2021) and BC Stats
- 1.5% growth per year (+1,811 people by 2046)
- Separate allowances for ICI growth

ICI GROWTH PROJECTIONS



DRAFT DCC RATES (ALL PROJECTS, FOR INFORMATION ONLY)

Land Use	Charge	Transportation	Water	Sewer	Parks	Proposed DCC
Low Density Residential <i>(single-detached / duplex)</i>	per primary dwelling unit / lot	\$16,750.00	\$22,526.00	\$49,090.00	\$333.00	\$88,699.00
Medium Density Residential <i>(townhouse / triplex / fourplex / mobile home)</i>	per dwelling unit	\$14,565.00	\$20,568.00	\$44,821.00	\$304.00	\$80,258.00
High Density Residential <i>(apartment / detached suite)</i>	per dwelling unit	\$10,924.00	\$18,609.00	\$40,552.00	\$275.00	\$70,360.00
Commercial	per m ² gross floor area	\$262.17	\$88.15	\$192.09	\$1.30	\$543.71
Commercial Accommodation	per room	\$14,565.00	\$10,773.00	\$23,478.00	\$159.00	\$48,975.00
Industrial	per m ² gross floor area	\$145.65	\$88.15	\$192.09	\$1.30	\$427.19
Institutional	per m ² gross floor area	\$361.21	\$88.15	\$192.09	\$1.30	\$642.75

DRAFT DCC RATES (ALL PROJECTS, FOR INFORMATION ONLY)

Service	Total Capital Costs (\$M)	Benefit Allocation	Municipal Assist Factor	DCC Recoverable Program Costs (\$M)	Municipal Costs (\$M) ⁽¹⁾
Transportation	43.5	31-100%	1%	15.2	28.3
Water	31.5	60-100%	1%	16.3	15.3
Sanitary Sewer	34.0	100%	1%	33.6	0.3
Parks	0.2	100%	1%	0.2	0.0
Total ⁽²⁾	\$109.2M		-	\$65.3M	\$43.9M

⁽¹⁾ Includes municipal assist factor and portion allocated to existing development.

⁽²⁾ Figures may not add to due rounding.

DRAFT DCC RATE SCENARIOS

Detailed discussions were held with staff to identify two scenarios:

Scenario 1

- Includes some high priority projects, those which benefit growth in all or large portion of Town
- Identified as high priority/impact/risk in Town's Master Plans and Studies
- Projects have been shifted to be medium priority in the transportation, water and sewer programs

Scenario 2

- Includes more high priority projects (additional transportation and sewer projects)

SCENARIO 1: DRAFT DCC RATES

Land Use	Charge	Transportation	Water	Sewer	Parks	Proposed DCC
Low Density Residential <i>(single-detached / duplex)</i>	per primary dwelling unit / lot	\$2,069.00	\$4,535.00	\$26,068.00	\$333.00	\$33,005.00
Medium Density Residential <i>(townhouse / triplex / fourplex / mobile home)</i>	per dwelling unit	\$1,799.00	\$4,141.00	\$23,801.00	\$304.00	\$30,045.00
High Density Residential <i>(apartment / detached suite)</i>	per dwelling unit	\$1,349.00	\$3,747.00	\$21,534.00	\$275.00	\$26,905.00
Commercial	per m ² gross floor area	\$32.39	\$17.75	\$102.00	\$1.30	\$153.44
Commercial Accommodation	per room	\$1,799.00	\$2,169.00	\$12,467.00	\$159.00	\$16,594.00
Industrial	per m ² gross floor area	\$17.99	\$17.75	\$102.00	\$1.30	\$139.04
Institutional	per m ² gross floor area	\$44.62	\$17.75	\$102.00	\$1.30	\$165.67

SCENARIO 1: DCC PROGRAM OVERVIEW

Service	Total Capital Costs (\$M)	Benefit Allocation	Municipal Assist Factor	DCC Recoverable Program Costs (\$M)	Municipal Costs (\$M) ⁽¹⁾
Transportation	3.6	31-100%	1%	1.9	1.7
Water	4.0	100%	1%	4.0	0.0
Sanitary Sewer	18.1	100%	1%	17.9	0.2
Parks	0.2	100%	1%	0.2	0.0
Total ⁽²⁾	\$25.9M		-	\$24.0M	\$1.9M

⁽¹⁾ Includes municipal assist factor and portion allocated to existing development.

⁽²⁾ Figures may not add to due rounding.

**0.90% annual property tax rate increase for next 25 years AND
0.89% annual utility fee increase for next 25 years to account for municipal contribution to DCCs**

SCENARIO 1: DCC PROJECTS

	Projects	Description	Capital Cost
Transportation	Selkirk Hill - Bear's Paw	Roadway Improvement	\$3,180,000
	Alexander Park Elementary Connector (#48)	Active Transportation Improvements	\$30,800
	7th Street N MUP Land Acquisition	Active Transportation Improvements	\$93,211
	Transportation Master Plan - Two Updates	Master Plan – Two Updates	\$260,000
Water	NE Booster Station Replacement and Upgrade	Upgrade only required due to growth	\$3,523,000
	Well 4 Generator	Permanent Generator	\$188,000
	Water Master Plan	Master Plan – Two Updates	\$300,000
Sewer	Mains Upstream of 12th Street Lift Station (11th Street to LS)	Gravity Main	\$1,582,000
	5th Ave S (6th Street to 11 Street S)	Gravity Main	\$2,452,000
	MBBR	Upgrades to WWTP Capacity	\$13,800,000
	Sanitary Master Plan	Master Plan - Two Updates	\$260,000
Parks	Parks Master Plan	Master Plan – Two Updates	\$230,000

SCENARIO 2: DRAFT DCC RATES

Land Use	Charge	Transportation	Water	Sewer	Parks	Proposed DCC
Low Density Residential <i>(single-detached / duplex)</i>	per primary dwelling unit / lot	\$2,947.00	\$4,535.00	\$31,588.00	\$333.00	\$39,403.00
Medium Density Residential <i>(townhouse / triplex / fourplex / mobile home)</i>	per dwelling unit	\$2,563.00	\$4,141.00	\$28,841.00	\$304.00	\$35,849.00
High Density Residential <i>(apartment / detached suite)</i>	per dwelling unit	\$1,922.00	\$3,747.00	\$26,094.00	\$275.00	\$32,038.00
Commercial	per m ² gross floor area	\$46.13	\$17.75	\$123.60	\$1.30	\$188.78
Commercial Accommodation	per room	\$2,563.00	\$2,169.00	\$15,107.00	\$159.00	\$19,998.00
Industrial	per m ² gross floor area	\$25.63	\$17.75	\$123.60	\$1.30	\$168.28
Institutional	per m ² gross floor area	\$63.56	\$17.75	\$123.60	\$1.30	\$206.21

SCENARIO 2: DCC PROGRAM OVERVIEW

Service	Total Capital Costs (\$M)	Benefit Allocation	Municipal Assist Factor	DCC Recoverable Program Costs (\$M)	Municipal Costs (\$M) ⁽¹⁾
Transportation	5.3	31-100%	1%	2.7	2.7
Water	4.0	100%	1%	4.0	0.0
Sanitary Sewer	21.9	100%	1%	21.7	0.2
Parks	0.2	100%	1%	0.2	0.0
Total ⁽²⁾	\$31.5M		-	\$28.6M	\$2.9M

⁽¹⁾ Includes municipal assist factor and portion allocated to existing development.

⁽²⁾ Figures may not add to due rounding.

**1.40% annual property tax rate increase for next 25 years AND
1.04% annual utility fee increase for next 25 years to account for municipal contribution to DCCs**

SCENARIO 2: DCC PROJECTS

	Projects	Description	Capital Cost
Transportation	Selkirk Hill - Bear's Paw	Roadway Improvement	\$3,180,000
	Alexander Park Elementary Connector (#48)	Active Transportation Improvements	\$30,800
	Golden Donald Upper Road (#18 from Lafontaine Road to Granite Drive)	Active Transportation Improvements	\$1,350,000
	7th Street N MUP Land Acquisition	Active Transportation Improvements	\$93,211
	14 Avenue S (#39b)	Active Transportation Improvements	\$415,800
	Transportation Master Plan - Two Updates	Master Plan – Two Updates	\$260,000
Water	NE Booster Station Replacement and Upgrade	Upgrade only required due to growth	\$3,523,000
	Well 4 Generator	Permanent Generator	\$188,000
	Water Master Plan	Master Plan – Two Updates	\$300,000
Sewer	Mains Upstream of 12th Street Lift Station (11th Street to LS)	Gravity Main	\$1,582,000
	5th Ave S (6th Street to 11 Street S)	Gravity Main	\$2,452,000
	MBBR	Upgrades to WWTP Capacity	\$13,800,000
	Electrical Room	Upgrades to WWTP Capacity	\$594,000
	Alum Addition	Upgrades to WWTP Capacity	\$889,000
	Increase Digester 3 Capacity	Upgrades to WWTP Capacity	\$980,000
	Sanitary Master Plan	Master Plan - Two Updates	\$260,000
Parks	Parks Master Plan	Master Plan – Two Updates	\$230,000

DRAFT DCC RATE COMPARISON SUMMARY

Land Use	Charge	Current DCC Rates	Scenario 1 <i>(High Priority)</i>	Scenario 2 <i>(Med-High Priority)</i>
Low Density Residential <i>(single-detached / duplex)</i>	per primary dwelling unit / lot	\$1,400.99	\$33,005.00	\$39,403.00
Medium Density Residential <i>(townhouse / triplex / fourplex / mobile home)</i>	per dwelling unit	\$1,400.99	\$30,045.00	\$35,849.00
High Density Residential <i>(apartment / detached suite)</i>	per dwelling unit	\$1,157.34	\$26,905.00	\$32,038.00
Commercial	per m ² gross floor area	\$3.80	\$153.44	\$188.78
Commercial Accommodation	per room	\$670.04	\$16,594.00	\$19,998.00
Industrial	per m ² gross floor area	\$3.80	\$139.04	\$168.28
Institutional	per m ² gross floor area	N/A	\$165.67	\$206.21

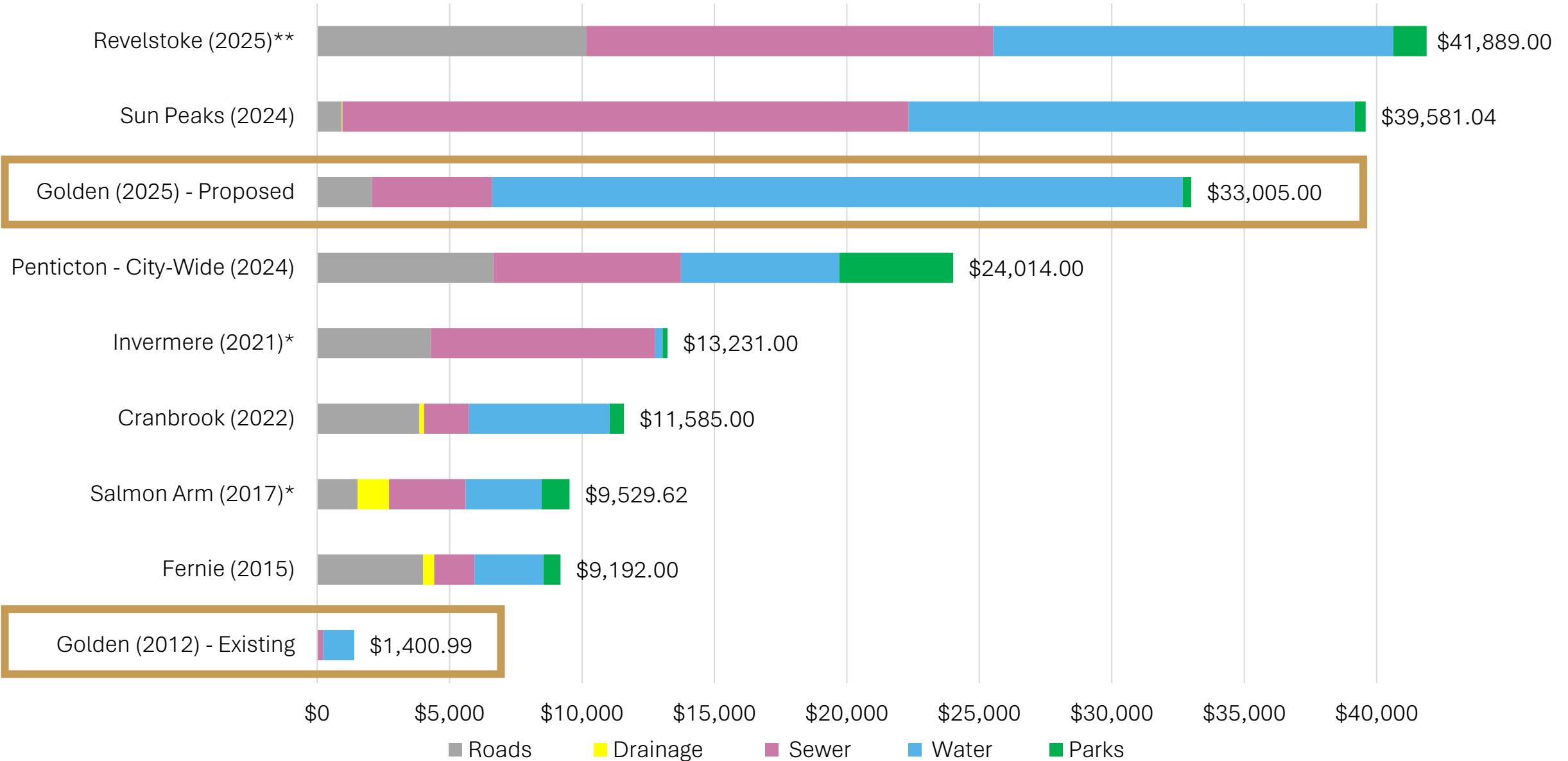
0.9% annual tax and 0.89% utility fee increase

1.4% annual tax and 1.04% utility fee increase

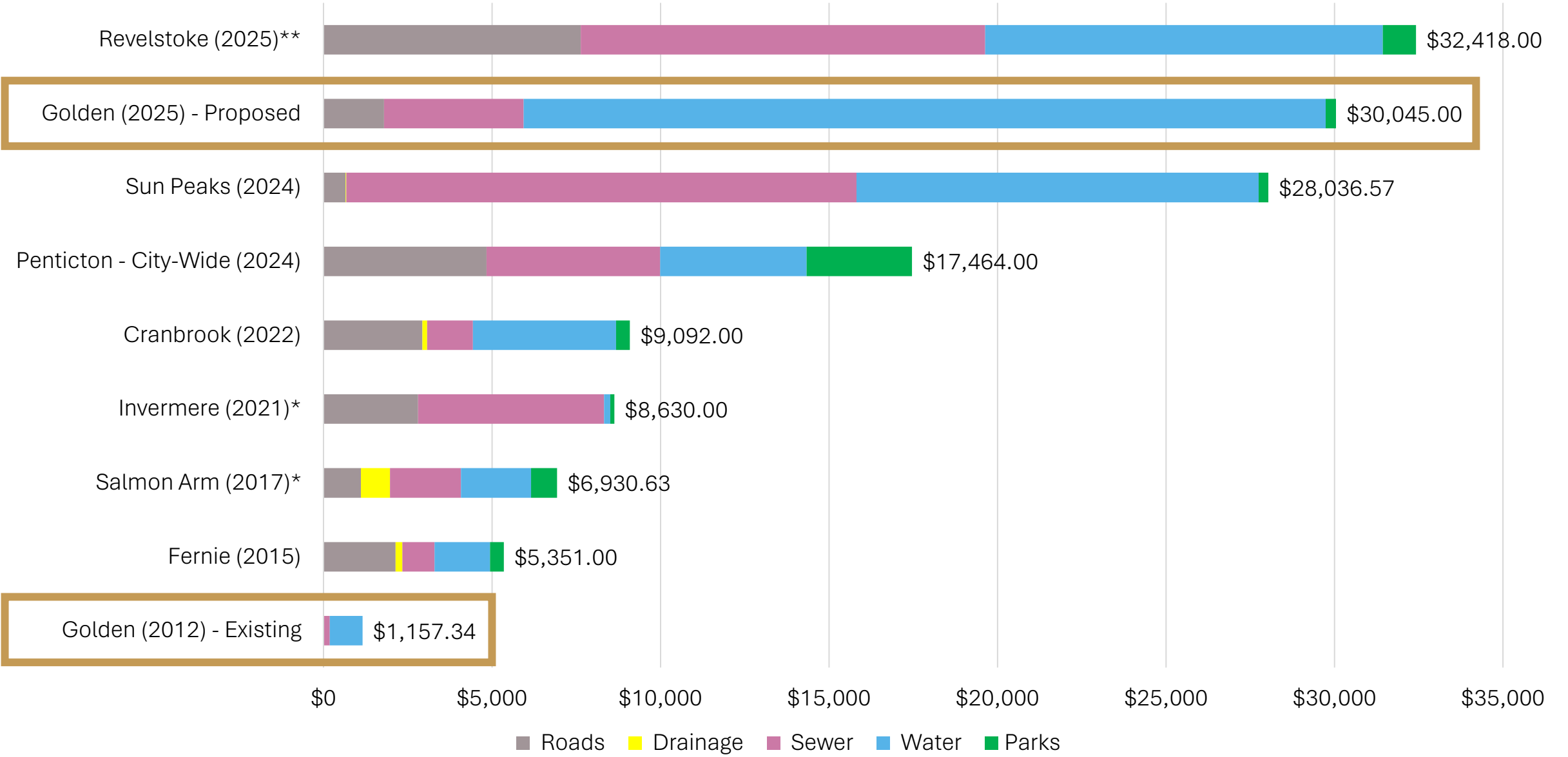


DCC COMPARISONS

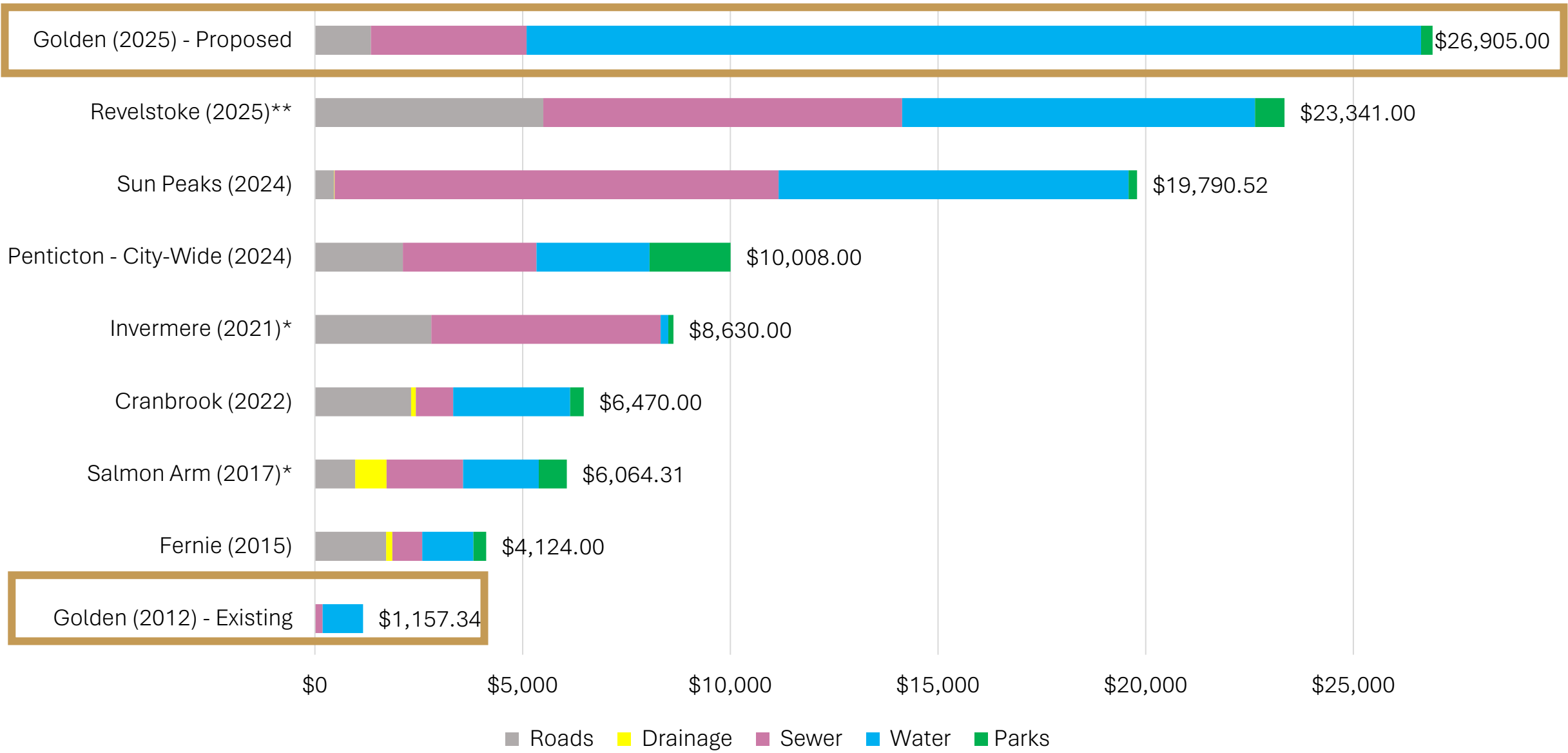
Single Detached Dwelling DCC Comparison Rates (per dwelling unit)



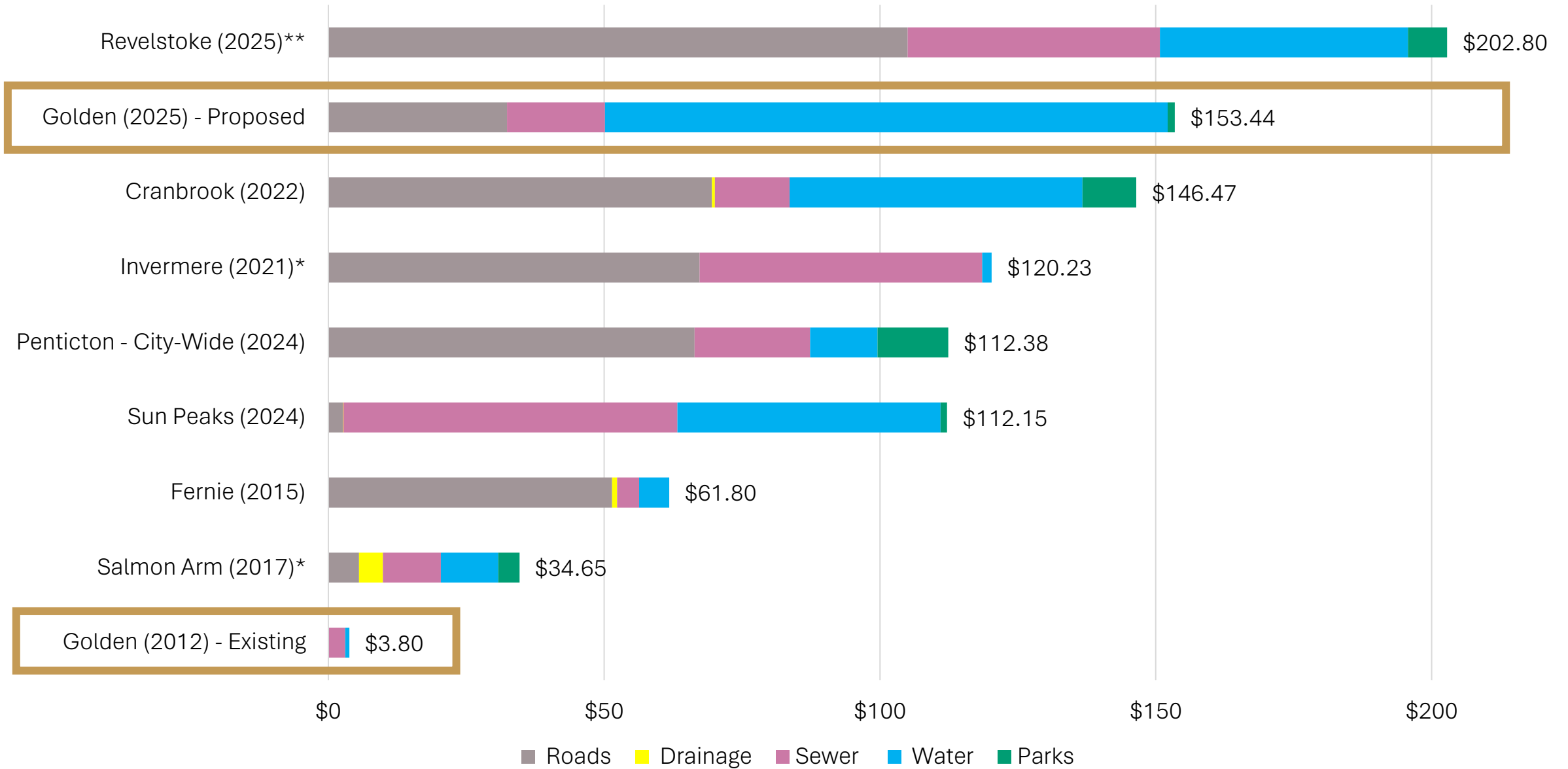
Townhouse DCC Comparison Rates (per dwelling unit)



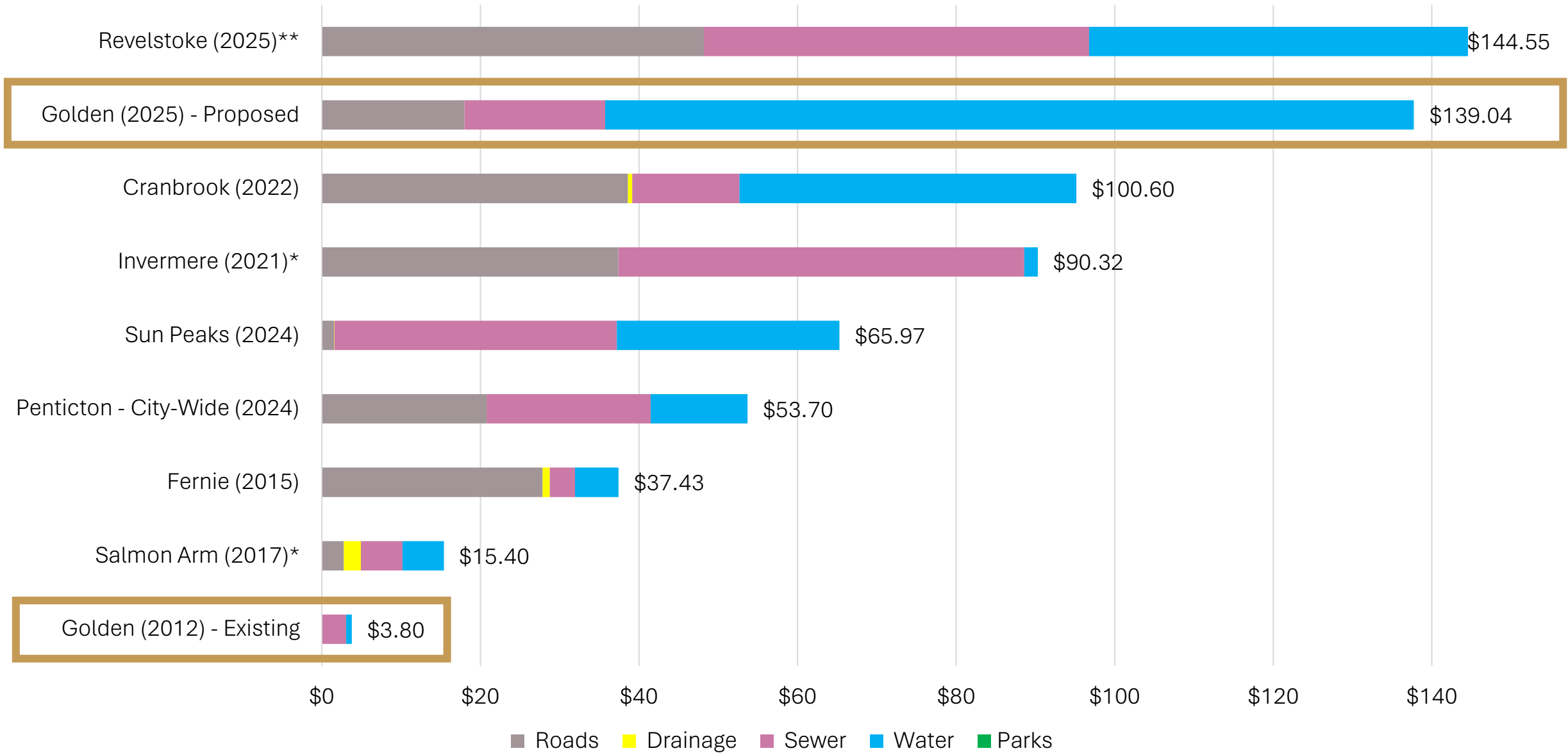
Apartment DCC Comparison Rates (per dwelling unit)



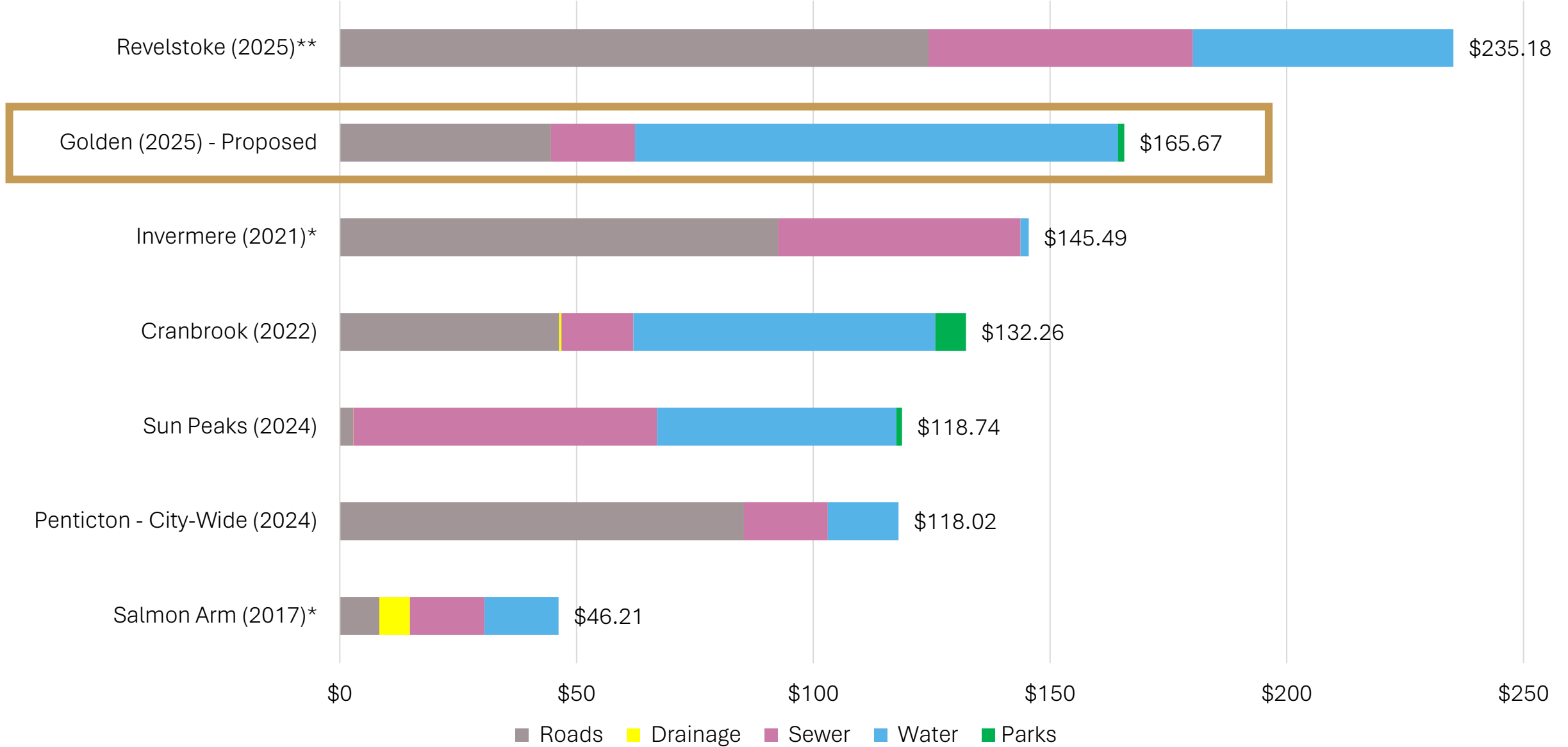
Commercial DCC Comparison Rates (per square meter)



Industrial DCC Comparison Rates (per square meter)



Institutional DCC Comparison Rates (per square meter)



COMPARISON MAF AND WAIVERS + REDUCTIONS

Community	MAF	Waiver	Reduction
Cranbrook (2022)	1% <i>was phased in 40% / 20% / 1%</i>	No	No
Invermere (2021)*	10% <i>transportation and sewer</i> 1% <i>water and parks</i>	No	No
Penticton (2024)	1%	No	No
Revelstoke (2025)**	1%	Not-for-profit rental housing <i>100% waived under existing bylaw</i>	For-profit rental housing <i>40% reduction under existing bylaw</i>
Salmon Arm (2017)*	2% <i>water and sewer</i> 1% <i>transportation, drainage, parks</i>	No	No
Sun Peaks (2024)	1%	No	No
Fernie (2015)	1%	No	No



COUNCIL OPTIONS

COUNCIL OPTIONS

- **Option 1:**
Council accept Scenario 1 rates and direct staff to proceed with developer information session
- **Option 2:**
Council accept Scenario 2 rates and direct staff to proceed with developer information session
- **Option 3:**
Council direct staff to conduct further review DCC rates and return to Council with revised DCC rates



Q&A



NEXT STEPS

NEXT STEPS

- Receive Council's direction on DCC Rates
- Begin liaising with the Ministry to complete a pre-review of the Town's proposed DCC program
- Engagement with development community
- Report back on development community feedback
- Three readings of DCC Bylaw
- Submission to Ministry