



# DCC Cost Update

February 25<sup>th</sup>, 2019



# Development Cost Charges (DCCs)

- ▶ DCCs are collected from land developers to pay for infrastructure to service new development.
- ▶ DCCs are imposed by Bylaw pursuant to the Local Government Act.
- ▶ DCCs facilitate development by providing a method to finance capital projects related to growth.
- ▶ Payable at subdivision or building permit.
- ▶ DCC Bylaw requires Provincial approval.

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# Eligible Infrastructure

- ▶ Transportation – not off street parking
- ▶ Sewage
- ▶ Water
- ▶ Drainage
- ▶ Parkland Acquisition and Improvement

# Ineligible Infrastructure

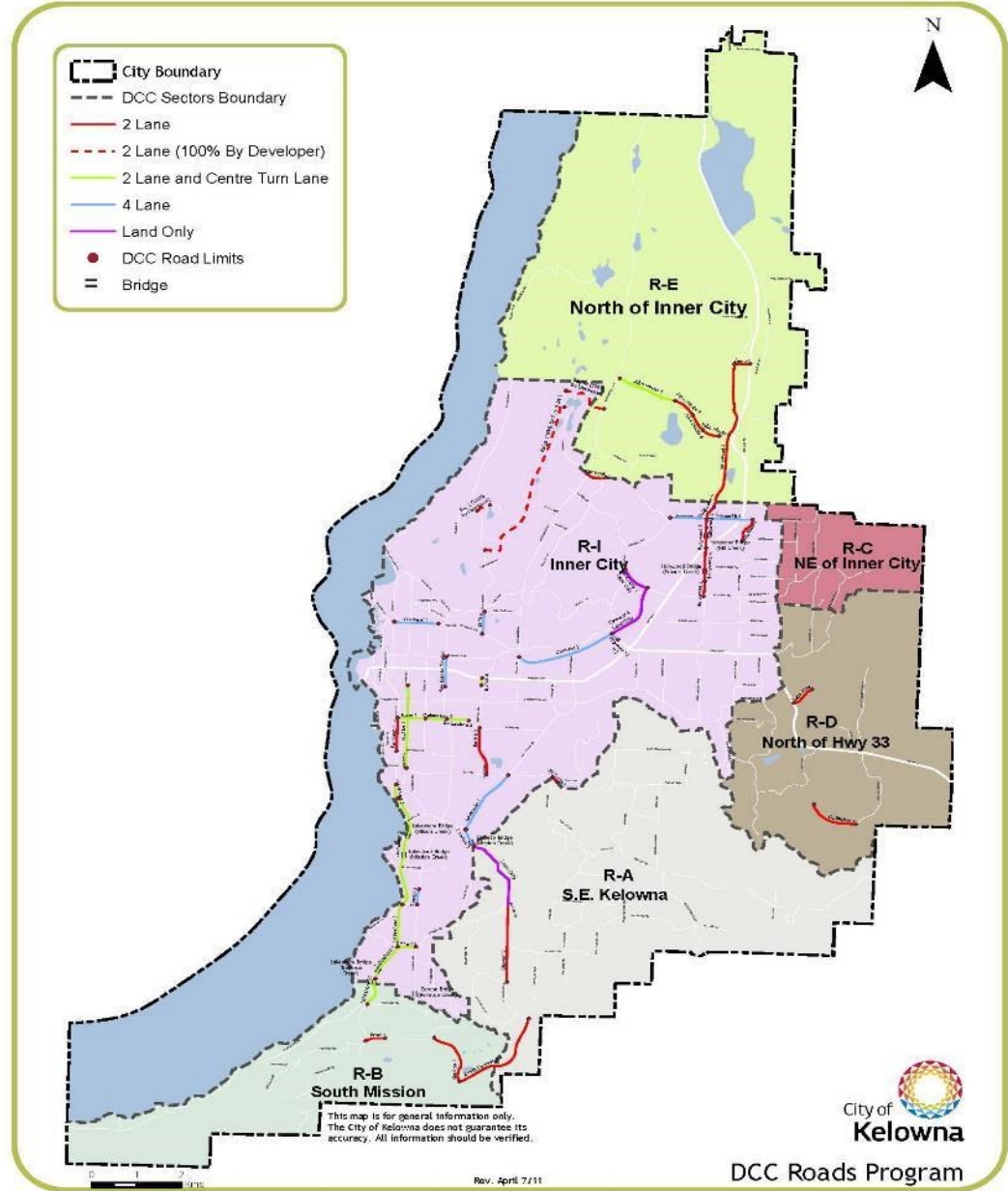
- ▶ Fire Halls, Police Buildings
- ▶ Recreation and Cultural Centers
- ▶ City Halls
- ▶ Works Yards
- ▶ Arenas
- ▶ Affordable housing
- ▶ Child care facilities

# Process for DCC Update

- ▶ Notified UDI of forthcoming DCC update (Feb 2018)
- ▶ Urban Systems retained to update construction cost estimates (Apr 2018)
- ▶ Real Estate Department updated land costs.
- ▶ Actual cost used for completed projects and confirmed grants.
- ▶ Construction and land costs were updated for all 150
- ▶ Sent revised rates to UDI and CHBA (Nov, 2018)
- ▶ Consulted with UDI and provided feedback (Nov – Dec 2018)
- ▶ Notified UDI that City would be taking proposed changes to Council (Dec 2018)

# Funding for DCC Services

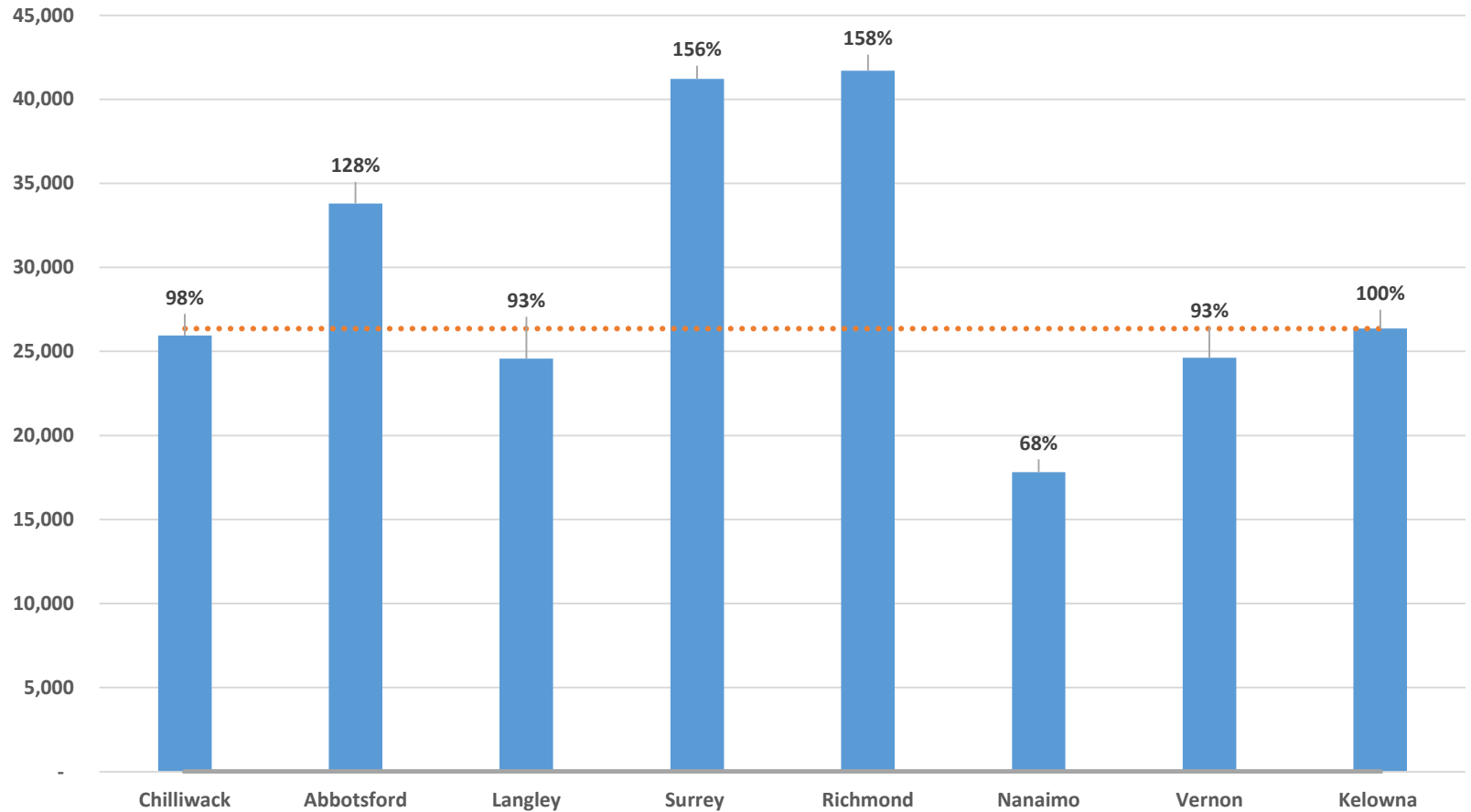
2030 Major Services - Funding Sources (\$ Millions) - 2019 Update								
Major Service	Gov't Funded	Developer Funded		City Funded		2030 OCP		
	Grant	Developer Construct	DCC's	Taxation	Utility User Rates	2019 Totals	2016 Totals	% Change from 2019 - 2016
Arterial Roads	39.7	75.1	234.1	168.9		517.9	461.4	12.2
Water Distribution		6.4	26.3		31.3	64.0	60.0	6.6
Wastewater Trunks		7.4	28.2		9.4	45.1	41.1	9.8
Wastewater Treatment			66.1		21.9	88.0	85.7	2.7
Parkland Acquisition	5.4		142.2	17.7		165.3	136.4	21.2
<b>2019 Totals</b>	<b>45.1</b>	<b>88.8</b>	<b>497.1</b>	<b>186.6</b>	<b>62.5</b>	<b>880.3</b>	<b>784.7</b>	<b>12.2</b>
<b>2016 Totals</b>	<b>43.3</b>	<b>76.0</b>	<b>441.5</b>	<b>165.6</b>	<b>58.1</b>	<b>784.7</b>		
<b>% Change from 2019 - 2016</b>	<b>4.1</b>	<b>16.9</b>	<b>12.6</b>	<b>12.7</b>	<b>7.6</b>	<b>12.2</b>		



<b>Total All Services</b>	<u>S.E. Kelowna (A)</u>	<u>South Mission (B)</u>	<u>N.E. of Inner City</u>	<u>N. Hwy 33 (D)</u>	<u>N. of Inner City (E)</u>	<u>Inner City (I)</u>
<b>2016 Update</b>	15,038	37,769	26,494	24,302	21,981	20,601
<b>2019 Update</b>	18,209	41,125	29,278	27,574	25,764	23,606
<b>\$ Difference</b>	3,172	3,355	2,784	3,272	3,783	3,005
<b>% change</b>	21.1	8.9	10.5	13.5	17.2	14.6



## Comparable Sized Cities - Single Family Residential DCC



City of Kelowna

# Next Steps

- ▶ Council readings (1st, 2nd and 3rd) of proposed DCC Bylaw (Feb 25th 2019),
- ▶ Submission of DCC Bylaw and Supporting Documentation to Ministry of Community Services,
- ▶ Statutory approval from Inspector of Municipalities
- ▶ Fourth Reading and adoption of DCC Bylaw by Council,
- ▶ Bylaw implementation.



*Questions?*

For more information, visit [kelowna.ca](http://kelowna.ca).