



City of  
**Kelowna**

# Development Cost Charge Update

January 20, 2025



# 10-Year Infrastructure Investment Forecast



**\$2.57 Billion**  
investment in new,  
upgraded & renewed  
public infrastructure



**73%**  
Allocated to  
Transportation,  
Buildings, Parks &  
Airport



**35%**  
External Funding  
DCCs, partnerships &  
grants

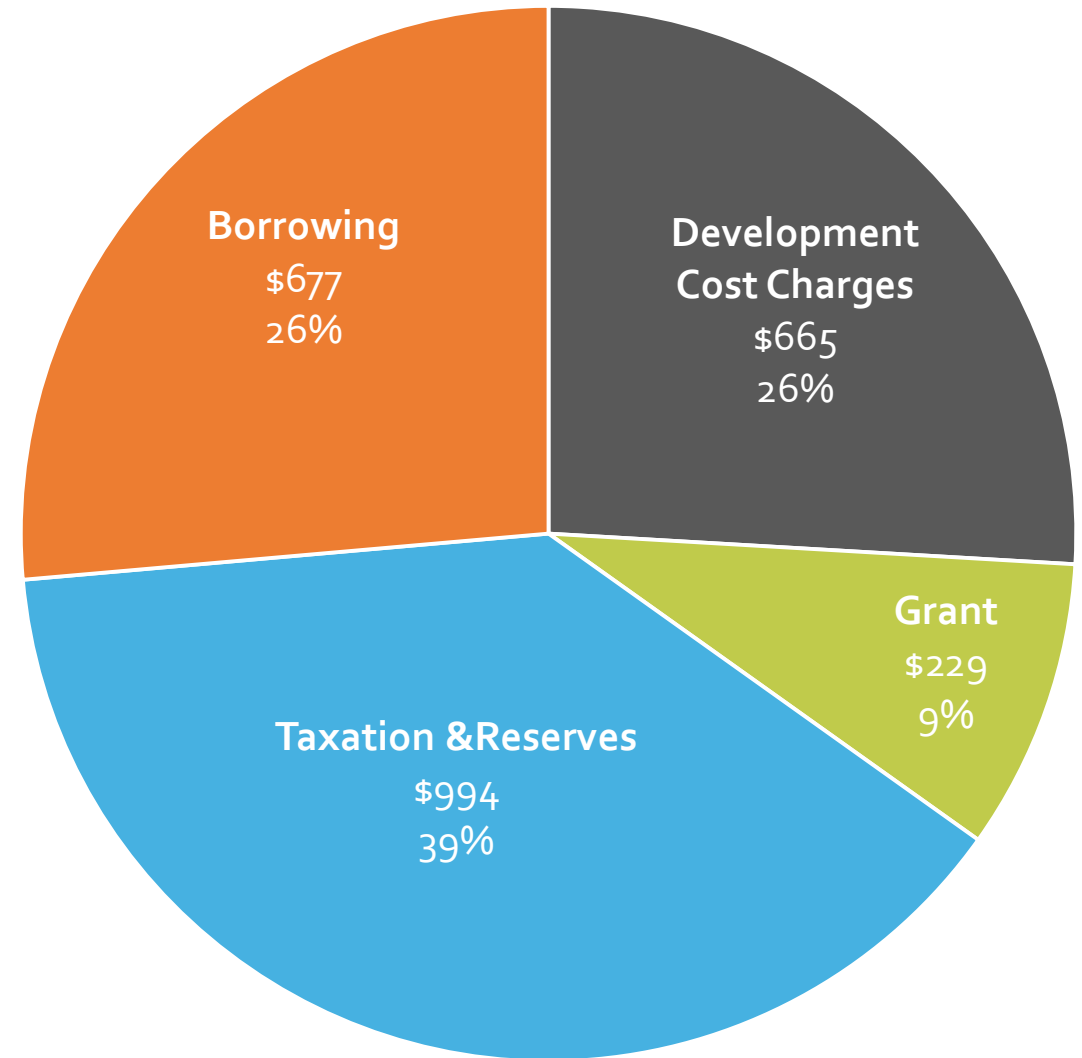


**86%**  
of citizens satisfied in  
level & quality of City  
services

| Capital Cost Centre  | Last Capital Plan<br>(\$ million) | This Capital Plan<br>(\$ million) |
|----------------------|-----------------------------------|-----------------------------------|
| Transportation       | \$ 373                            | \$ 726                            |
| Buildings            | \$ 416                            | \$ 441                            |
| Parks                | \$ 288                            | \$ 358                            |
| Airport              | \$ 371                            | \$ 342                            |
| Water                | \$ 147                            | \$ 201                            |
| Wastewater           | \$ 211                            | \$ 194                            |
| Stormwater           | \$ 44                             | \$ 86                             |
| Real Estate          | \$ 46                             | \$ 80                             |
| Vehicles             | \$ 53                             | \$ 55                             |
| Solid Waste          | \$ 73                             | \$ 52                             |
| Fire                 | \$ 14                             | \$ 18                             |
| Information Services | \$ 12                             | \$ 12                             |
| <b>TOTAL</b>         | <b>\$ 2,048</b>                   | <b>\$ 2,565</b>                   |

# Funding the Capital Plan

- ▶ External funding: 35%
- ▶ General taxation & Reserves: 39%
- ▶ Borrowing: 26%



# What Are DCCs?

- ▶ DCCs are fees collected from developers at subdivision or building permit.
- ▶ DCC Program equitably assigns costs to growth and benefit to existing.
- ▶ DCCs facilitate development by providing a method to fund infrastructure related to growth.

DCCs are used exclusively to fund transportation, utility, drainage and park infrastructure to support the demand from growth.

# DCC Eligible Infrastructure

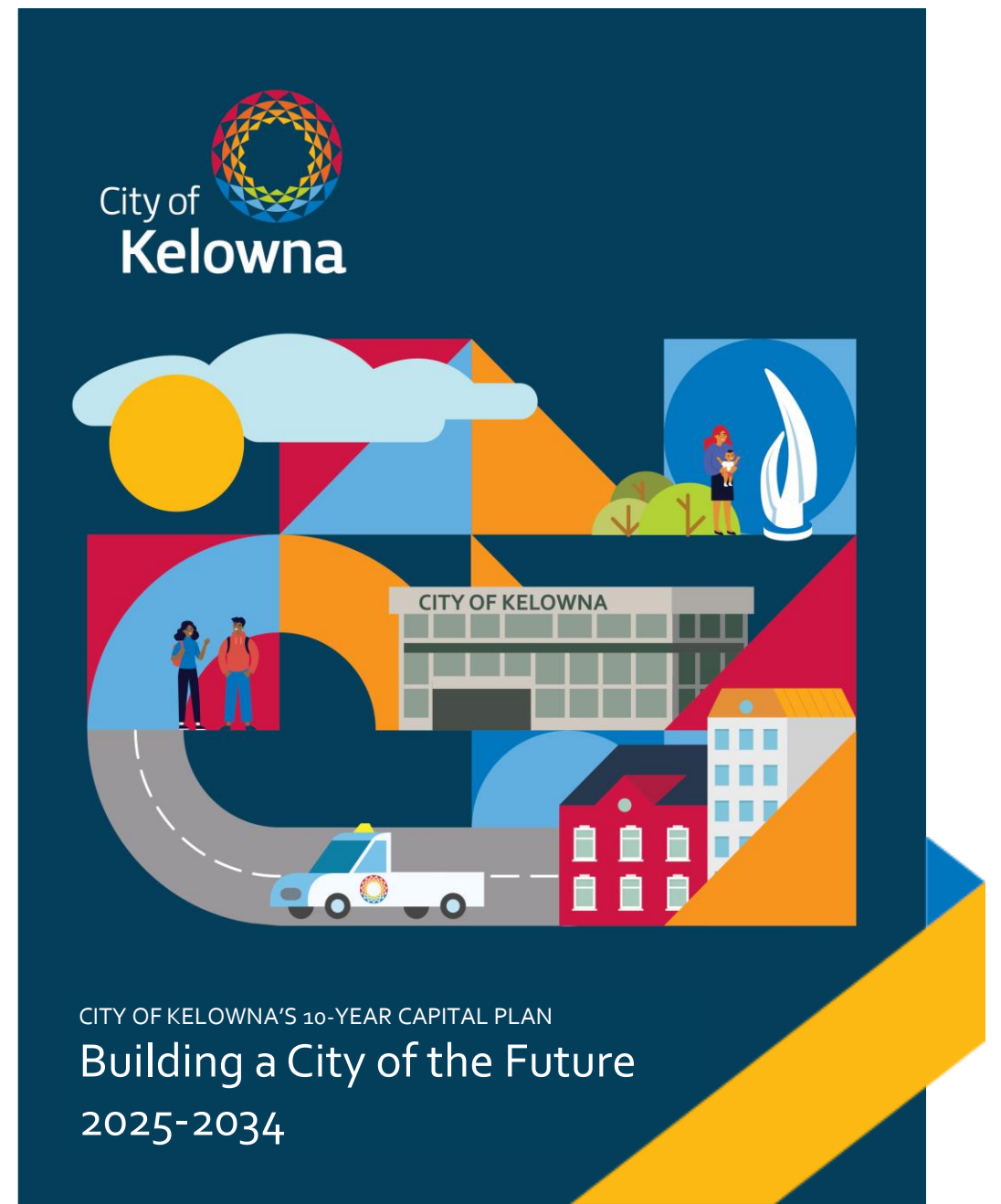
- ▶ Transportation
- ▶ Water
- ▶ Wastewater
- ▶ Drainage
- ▶ Parkland Acquisition & Improvement
- ▶ Firehalls
- ▶ Police Facilities
- ▶ Solid-waste Facilities
- ▶ Highway Interchanges

New eligible categories that are NOT currently in DCC Program.



# Common Objective

# Infrastructure !





# Big Question

## Who Pays ?



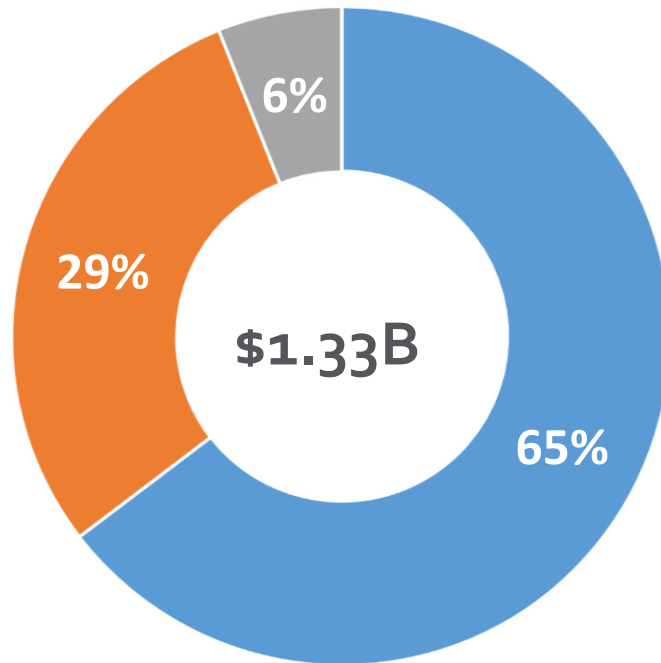
New  
Development  
(DCCs)



Existing  
Residents  
(Taxation)



# DCC Program



- DCC Recoverable
- Municipal Share
- Grant/Other

|                      | Amount<br>(\$ millions) |
|----------------------|-------------------------|
| <b>Total Program</b> | <b>\$1,326</b>          |
| DCC Recoverable      | \$857                   |
| Municipal Share      | \$390                   |
| Grant/Other          | \$80                    |



# Housing and DCCs

- ▶ Infrastructure needed to support housing.
- ▶ Accelerate delivery to meet housing targets.
- ▶ DCC represent 3-6% of residential purchase price.



# Why Update the DCC Program?

- ▶ Last DCC Program Update in 2022.
- ▶ Infrastructure construction costs continue to rise.
- ▶ Smaller incremental increases as opposed to larger less frequent increases.





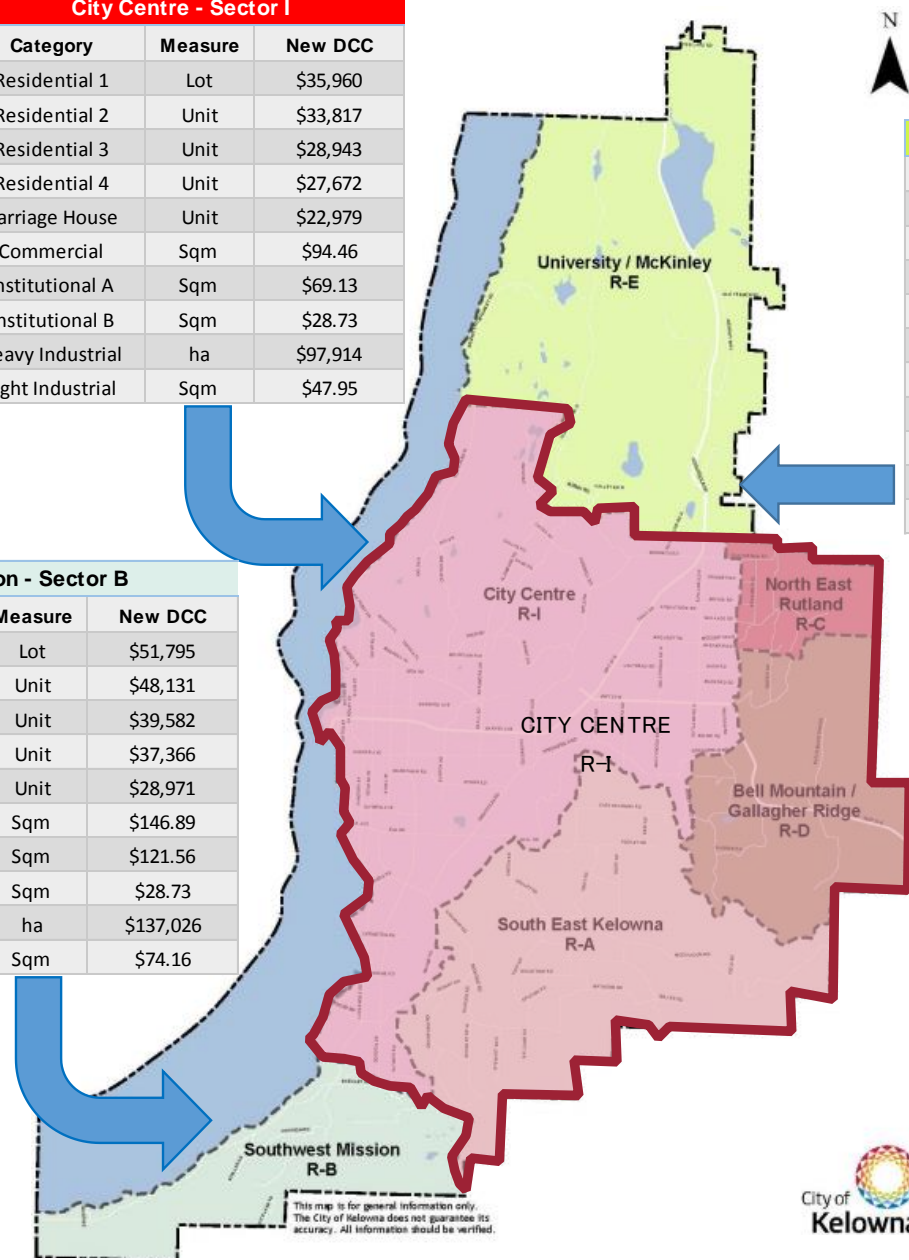
# DCC Update

- ▶ 2.5% Inflationary Increase
- ▶ Effective March 1, 2025

| City Centre - Sector I |         |          |
|------------------------|---------|----------|
| Category               | Measure | New DCC  |
| Residential 1          | Lot     | \$35,960 |
| Residential 2          | Unit    | \$33,817 |
| Residential 3          | Unit    | \$28,943 |
| Residential 4          | Unit    | \$27,672 |
| Carriage House         | Unit    | \$22,979 |
| Commercial             | Sqm     | \$94.46  |
| Institutional A        | Sqm     | \$69.13  |
| Institutional B        | Sqm     | \$28.73  |
| Heavy Industrial       | ha      | \$97,914 |
| Light Industrial       | Sqm     | \$47.95  |

| North of City Centre - Sector E |         |           |
|---------------------------------|---------|-----------|
| Category                        | Measure | New DCC   |
| Residential 1                   | Lot     | \$42,845  |
| Residential 2                   | Unit    | \$40,041  |
| Residential 3                   | Unit    | \$33,569  |
| Residential 4                   | Unit    | \$31,887  |
| Carriage House                  | Unit    | \$25,584  |
| Commercial                      | Sqm     | \$117.25  |
| Institutional A                 | Sqm     | \$91.92   |
| Institutional B                 | Sqm     | \$25.34   |
| Heavy Industrial                | ha      | \$111,774 |
| Light Industrial                | Sqm     | \$59.35   |

| SW Mission - Sector B |         |           |
|-----------------------|---------|-----------|
| Category              | Measure | New DCC   |
| Residential 1         | Lot     | \$51,795  |
| Residential 2         | Unit    | \$48,131  |
| Residential 3         | Unit    | \$39,582  |
| Residential 4         | Unit    | \$37,366  |
| Carriage House        | Unit    | \$28,971  |
| Commercial            | Sqm     | \$146.89  |
| Institutional A       | Sqm     | \$121.56  |
| Institutional B       | Sqm     | \$28.73   |
| Heavy Industrial      | ha      | \$137,026 |
| Light Industrial      | Sqm     | \$74.16   |



This map is for general information only. The City of Kelowna does not guarantee its accuracy. All information should be verified.





# Next steps

- ▶ Implement DCC rate increase by March 1, 2025.
- ▶ In-Stream Protection for 1-Year.
- ▶ 2025 initiate DCC update to consider new growth forecasts and infrastructure demand.



*Questions?*

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

