

CITY OF TERRACE

DEVELOPMENT COST CHARGE BYLAW 2021

DRAFT FINAL REPORT

MAY 13, 2021

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EXECUTIVE SUMMARY

In 2020, the City of Terrace initiated the process of implementing a Development Cost Charge (DCC) Bylaw. The DCC Bylaw was developed with growth information from the 2018 OCP and based on infrastructure needed to service growth identified through recently completed master plans and studies.

The development of this DCC bylaw included the following:

- Review residential and non-residential growth estimates
- Identify eligible DCC projects, cost estimates and appropriate benefit allocations
- Determine appropriate land use categories and units of charge
- Allocate costs based on impact on infrastructure

Based on consultation with stakeholders and direction from Council, the City will phase-in the DCC rates over five years using a decreasing assist factor. Phasing in rates provides more time for the development community to plan for DCCs. The proposed DCC rates are provided in Tables ES-1 through ES-5.

Table ES 1: Proposed DCC Rates in force from January 1, 2022 to December 31, 2022

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2022)
Single Detached Dwelling	Dwelling unit	50%	\$4,539.00
Attached Dwelling	Dwelling unit	50%	\$3,209.00
Apartment	Dwelling unit	50%	\$2,328.00
Commercial	m ² gross floor area	50%	\$16.30
Industrial	m ² gross floor area	50%	\$9.92
Institutional	m ² gross floor area	50%	\$22.31

Table ES 2: Proposed DCC Rates in force from January 1, 2023 to December 31, 2023

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2023)
Single Detached Dwelling	Dwelling unit	35%	\$5,900.00
Attached Dwelling	Dwelling unit	35%	\$4,173.00
Apartment	Dwelling unit	35%	\$3,027.00
Commercial	m ² gross floor area	35%	\$21.19
Industrial	m ² gross floor area	35%	\$12.89
Institutional	m ² gross floor area	35%	\$29.00

Table ES 3: Proposed DCC Rates in force from January 1, 2024 to December 31, 2024

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2024)
Single Detached Dwelling	Dwelling unit	20%	\$7,261.00
Attached Dwelling	Dwelling unit	20%	\$5,135.00
Apartment	Dwelling unit	20%	\$3,726.00
Commercial	m ² gross floor area	20%	\$26.09
Industrial	m ² gross floor area	20%	\$15.86
Institutional	m ² gross floor area	20%	\$35.69

Table ES 4: Proposed DCC Rates in force from January 1, 2025 to December 31, 2025

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2025)
Single Detached Dwelling	Dwelling unit	5%	\$8,624.00
Attached Dwelling	Dwelling unit	5%	\$6,096.00
Apartment	Dwelling unit	5%	\$4,424.00
Commercial	m ² gross floor area	5%	\$30.98
Industrial	m ² gross floor area	5%	\$18.83
Institutional	m ² gross floor area	5%	\$42.38

Table ES 5: Proposed DCC Rates in force from January 1, 2026 onwards

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2026 onwards)
Single Detached Dwelling	Dwelling unit	1%	\$8,987.00
Attached Dwelling	Dwelling unit	1%	\$6,354.00
Apartment	Dwelling unit	1%	\$4,611.00
Commercial	m ² gross floor area	1%	\$32.29
Industrial	m ² gross floor area	1%	\$19.63
Institutional	m ² gross floor area	1%	\$44.16

1.0 BACKGROUND

In 2020, the City of Terrace initiated the process of implementing a Development Cost Charge (DCC) bylaw. This is the first DCC bylaw for the City and implementing a DCC bylaw will help to fund infrastructure needed to facilitate growth in the City.

DCCs are a cost-recovery tool many municipalities across BC use to support municipal financial sustainability. The advantages of implementing a DCC bylaw are as follows:

- Provides certainty to the development community about infrastructure upgrade costs
- Ensures growth costs are fairly distributed across the development that benefits
- Aligns with the growth pays for growth principle
- Allows the City to save for growth-related infrastructure costs

The DCC Bylaw was developed based on growth estimates from the 2018 OCP and infrastructure needs and costs identified through recently completed master plans and studies.

The development of this DCC bylaw included the following:

- Review residential and non-residential growth estimates
- Identify eligible DCC projects, cost estimates and appropriate benefit allocations
- Determine appropriate land use categories and units of charge
- Allocate costs based on impact on infrastructure
- Apply varied municipal assist factors to phase in DCC rates based on direction from Council

This DCC program was developed to be consistent with the following legislation, plans, and policy guides:

- *Local Government Act*
- Development Cost Charges Best Practices Guide
- City of Terrace 2018 Official Community Plan
- City of Terrace master plans and technical studies

It should be noted that the material provided in the background report is meant for information only. Please refer to the City's adopted DCC Bylaw for rates and requirements.

2.0 DCC KEY ELEMENTS

The Development Cost Charge Best Practice Guide (prepared by the Ministry of Municipal Affairs and Housing) stipulates key elements that should be considered when determining DCC rates. Table 1 outlines the key elements, decisions and supporting rationale used in this update. The table also indicates whether the proposed approach aligns with the Best Practices Guide.

Table 1: DCC Key Elements

Key Element	Proposed DCC Update	Rationale	Aligns with Best Practices Guide?
Time Horizon	15 Years	<ul style="list-style-type: none"> Aligns with recent master plans and infrastructure planning studies 	✓
City-wide or area-specific charge	City-wide charge	<ul style="list-style-type: none"> DCC projects are components of City-wide infrastructure/parks systems and, therefore provide a City-wide benefit 	✓
Grant Assistance	None	<ul style="list-style-type: none"> No identified DCC projects include grant assistance 	✓
Developer Contribution	None	<ul style="list-style-type: none"> No identified DCC projects include a developer contribution 	✓
Financing	No	<ul style="list-style-type: none"> No identified DCC projects include financing 	✓
Benefit Allocation	50-100%	<ul style="list-style-type: none"> 50% benefit is allocated to projects that benefit both existing residents and provide additional capacity to service growth 100% benefit is allocated to projects required only to increase capacity due to growth or to service growth 	✓
Municipal Assist Factor	Phased-in DCC rates over 5 years using the Municipal Assist Factor.	<ul style="list-style-type: none"> DCCs will be phased in over 5 years using the Municipal Assist Factor in the Following Sequence: Year 1 – 50%, Year 2 – 35%; Year 3 – 20%; Year 4 – 5%; and Year 5 – 1% 	✓

Key Element	Proposed DCC Update	Rationale	Aligns with Best Practices Guide?
Units of charge	Per dwelling unit or parcel and per square meter gross floor area	<ul style="list-style-type: none"> • <i>Per dwelling unit or parcel</i> for single detached dwelling, attached dwelling, and apartment uses. DCCs are levied on single detached dwelling at time of subdivision or building permit, as determined by the City, to collect DCCs as early in the process as possible. DCCs are levied on attached dwellings and apartment units at building permit when the number of units is known. • <i>Per square meter of gross floor area</i> for commercial, industrial, and institutional uses as impact on infrastructure is expected to correlate most closely with floor space 	✓

3.0 GROWTH PROJECTIONS AND EQUIVALENCIES

3.1 RESIDENTIAL GROWTH PROJECTIONS

The City’s 2018 Official Community Plan (OCP) provides three possible growth scenarios based on population increases of 10.6% (low), 29% (medium), and 54% (high) over 10 years. As per the OCP, land use and other policies are designed to accommodate lower or higher growth. Based on discussions with City staff, this DCC update reflects the low growth scenario adjusted for new information on actual 2020 population count resulting in an average annual growth rate of 1.02%.

Residential growth projections by density type for the 15-year time horizon are shown below.

Table 2: Residential Growth by Dwelling Type (15 years)

Dwelling Type	Number of Units	Persons per Unit	New Population
Single Detached Dwelling	454	3.1	1,394
Attached Dwelling	151	2.2	333
Apartment	151	1.8	273

3.2 NON-RESIDENTIAL GROWTH PROJECTIONS

Growth projections for commercial, industrial, and institutional uses are based on a review of historical building permit data provided by the City for the last 10 years, with adjustments to reflect anticipated changes in rates of development over the next 15 years. The non-residential growth projections used in this DCC update are shown below. The City does not anticipate any institutional development.

Table 3: Non-Residential Growth Projections (15 years)

Land Use	Square Metres of Gross Floor Area
Commercial	40,000
Industrial	19,000
Institutional	-

3.3 EQUIVALENCIES

The equivalencies used to calculate DCC rates are based on current available information.

Table 4: Equivalencies

Land Use	Transportation (weighted trip ends)	Drainage (Imperviousness)	Water /Sewer (pop.)	Parks (pop.)
Single Detached Dwelling (per parcel / dwelling unit)	1.1	1.0	3.1	3.1
Attached Dwelling (per dwelling unit)	0.67	0.71	2.2	2.2
Apartment (per dwelling unit)	0.41	0.33	1.8	1.8
Commercial (per sq.m.)	0.015	0.004	0.009	-
Industrial (per sq.m.)	0.004	0.004	0.005	-
Institutional (per sq.m.)	0.025	0.005	0.011	-

Transportation

For transportation projects, the cost of development is distributed based on the trips generated by each land use.

Drainage

In general terms, the impact on the storm drainage system of developing a parcel of land is expressed as the amount of stormwater run-off that must be accommodated by the system. The accepted parameter for expressing imperviousness in stormwater run-off calculations is the “run-off coefficient”. The run-off coefficient reflects the ratio between the impervious area on a parcel and the total area of the parcel. Run-off coefficients are then used to calculate drainage equivalencies per dwelling unit for residential uses and per square metre of gross floor area for non-residential uses.

Sanitary and Water

For residential demand, occupancy rates can be used to project demands for water and sanitary services. For non-residential land uses, equivalent populations per square metre are established.

Park Acquisition and Development

Given the need for new park space and since park development is generated by new residents (as opposed to commercial, industrial, and institutional growth), the City will levy Parks DCCs only on residential development. For residential demand, occupancy rates can be used to project demands for park acquisition and development.

4.0 DCC COSTS AND PROJECTS

4.1 DCC COSTS

DCC rates are determined by applying the key elements, growth projections and equivalencies described earlier in this report to projects that are DCC eligible and expected to be built within the specified DCC timeframe. An overview of the DCC costs by infrastructure type is provided below.

Table 5: DCC Program Overview and Capital Costs

Service	Total Capital Costs	Benefit Allocation	Municipal Assist Factor ¹	DCC Recoverable Program Costs (baseline) ²	Municipal Contribution (baseline) ²
Transportation	\$1.8 M	50%	Phased in Rate 50% (Year 1) – 1% (Year 5)	\$0.9 M	\$0.9 M
Water	\$2.0 M	50%	Phased in Rate 50% (Year 1) – 1% (Year 5)	\$1.0 M	\$1.0 M
Sanitary Sewer	\$4.4 M	50-100%	Phased in Rate 50% (Year 1) – 1% (Year 5)	\$3.1 M	\$1.4 M
Drainage	\$1.7 M	100%	Phased in Rate 50% (Year 1) – 1% (Year 5)	\$1.7 M	\$0.02M
Park Acquisition & Development	\$0.8 M	100%	Phased in Rate 50% (Year 1) – 1% (Year 5)	\$0.8 M	\$0.01 M
Total	\$10.7 M			\$7.5 M	\$3.3 M

¹ DCCs will be phased in over 5 years using the Municipal Assist Factor in the following sequence: Year 1 – 50%; Year 2 – 35%; Year 3 – 20%; Year 4 – 5%; and Year 5 – 1%.

² For the baseline calculation (i.e., no phase-in), an initial Assist Factor of 1% was used for all categories. This table reflects the baseline.

4.2 INTEREST ON LONG-TERM DEBT

No interest on long-term debt is included in the DCC program.

4.3 DCC PROJECTS

The DCC program was developed by reviewing master plans and infrastructure planning studies. The projects included in the DCC program are as follows:

- Road extension
- New reservoir
- New sanitary sewer system and gravity main upgrades
- New storm sewer trunk
- Parkland acquisition and improvements

A complete list of detailed projects and cost estimates is provided in Appendix A.

5.0 DCC RATES

The initial DCC calculations were based on a 1% assist factor for all categories, resulting in the proposed DCC rates shown in Table 6 below.

Table 6: Initial DCC Rates

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate
Single Detached Dwelling	Dwelling unit	1%	\$8,987.00
Attached Dwelling	Dwelling unit	1%	\$6,354.00
Apartment	Dwelling unit	1%	\$4,611.00
Commercial	m ² gross floor area	1%	\$32.29
Industrial	m ² gross floor area	1%	\$19.63
Institutional	m ² gross floor area	1%	\$44.16

DCC rates will be phased in over a five (5) year period to reach these proposed base rates from January 1, 2026 onwards. Section 6.2 outlines the phase-in approach for the proposed DCC rates.

6.0 CONSULTATION AND PROPOSED DCC RATES

6.1 STAKEHOLDER CONSULTATION

The City consulted with the public and the development community by posting the list of projects, draft rates, and FAQ sheet on the City’s website with a request for comment from November 9, 2020 to November 20, 2020. The City hosted an information session on November 16, 2020 to present the draft DCC rates and program to the development community. Participants were invited to ask questions and provide feedback to the City at the meeting and through written comments. Four participants attended the information session and two members of the public provided written feedback.

See Appendix B for the FAQ sheet.

6.2 PHASED APPROACH TO PROPOSED DCC RATES

Based on feedback from the stakeholders and direction from Council, the City is using a variable assist factor to phase in the DCC rates over a period of five years, with a DCC bylaw effective date of January 1, 2021. The purpose of a future effective date and phasing in the rates is to reduce the impact on the development community by allowing a longer period of adjustment before the DCC rates are fully implemented.

The proposed DCC Rates will be phased in using predetermined adjustments to the Municipal Assist Factor. The assist factors will be set at 50% in Year 1 (January 1, 2022 to December 31, 2022), 35% in Year 2 (January 1, 2023 to December 31, 2023), 20% in Year 3 (January 1, 2024 to December 31, 2024), 5% in Year 4 (January 1, 2025 to December 31, 2025) and finally 1% in Year 5 (January 1, 2026 onwards). This phase-in approach results in the proposed DCC rates shown in the tables below, which are reflected in the proposed new DCC Bylaw.

Table 7: Proposed DCC Rates in force from January 1, 2022 to December 31, 2022

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2022)
Single Detached Dwelling	Dwelling unit	50%	\$4,539.00
Attached Dwelling	Dwelling unit	50%	\$3,209.00
Apartment	Dwelling unit	50%	\$2,328.00
Commercial	m ² gross floor area	50%	\$16.30
Industrial	m ² gross floor area	50%	\$9.92
Institutional	m ² gross floor area	50%	\$22.31

Table 8: Proposed DCC Rates in force from January 1, 2023 to December 31, 2023

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2023)
Single Detached Dwelling	Dwelling unit	35%	\$5,900.00
Attached Dwelling	Dwelling unit	35%	\$4,173.00
Apartment	Dwelling unit	35%	\$3,027.00
Commercial	m ² gross floor area	35%	\$21.19
Industrial	m ² gross floor area	35%	\$12.89
Institutional	m ² gross floor area	35%	\$29.00

Table 9: Proposed DCC Rates in force from January 1, 2024 to December 31, 2024

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2024)
Single Detached Dwelling	Dwelling unit	20%	\$7,261.00
Attached Dwelling	Dwelling unit	20%	\$5,135.00
Apartment	Dwelling unit	20%	\$3,726.00
Commercial	m ² gross floor area	20%	\$26.09
Industrial	m ² gross floor area	20%	\$15.86
Institutional	m ² gross floor area	20%	\$35.69

Table 10: Proposed DCC Rates in force from January 1, 2025 to December 31, 2025

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2025)
Single Detached Dwelling	Dwelling unit	5%	\$8,624.00
Attached Dwelling	Dwelling unit	5%	\$6,096.00
Apartment	Dwelling unit	5%	\$4,424.00
Commercial	m ² gross floor area	5%	\$30.98
Industrial	m ² gross floor area	5%	\$18.83
Institutional	m ² gross floor area	5%	\$42.38

Table 11: Proposed DCC Rates in force from January 1, 2026 onwards

Land Use	Unit of Charge	Municipal Assist Factor	Proposed Rate (2026 onwards)
Single Detached Dwelling	Dwelling unit	1%	\$8,987.00
Attached Dwelling	Dwelling unit	1%	\$6,354.00
Apartment	Dwelling unit	1%	\$4,611.00
Commercial	m ² gross floor area	1%	\$32.29
Industrial	m ² gross floor area	1%	\$19.63
Institutional	m ² gross floor area	1%	\$44.16

7.0 DCC IMPLEMENTATION

7.1 BYLAW EXEMPTIONS

The *Local Government Act (LGA)* is clear that a DCC cannot be levied if the proposed development does not impose new capital cost burdens on the City, or if a DCC has already been paid in regard to the same development. However, if additional further expansion for the same development creates new capital cost burdens or uses up capacity, the DCCs can be levied for the additional costs.

The *LGA* further restricts the levying of the DCC at the time of application for a building permit if:

- The building permit is for a place of public worship as per the Community Charter; or
- The value of the work authorized by the building permit does not exceed \$50,000 or a higher amount as prescribed by bylaw; or
- Unit size is no larger than 29 sq.m. and only for residential use.

Changes to the legislation allow local governments at building permit to charge DCCs at building permit on residential developments of fewer than four self-contained dwelling units, if such a charge is provided for in the local government's DCC bylaw. The City charges DCCs on fewer than four self-contained dwelling units at building permit.

7.2 DCC WAIVERS AND REDUCTIONS

The *Local Government Act* provides local governments the discretionary authority to waive or reduce DCCs for certain types of development to promote affordable housing and low impact development. The City does not currently waive or reduce DCCs for any types of development.

7.3 COLLECTION OF CHARGES – BUILDING PERMIT AND SUBDIVISION

Municipalities can choose to collect DCCs at subdivision approval or building permit issuance. Of the two possible collection times, subdivision approval occurs earlier in the process. The City will collect DCCs for properties zoned with single detached dwelling as a primary use at time of subdivision approval or building permit. Where subdivision approval is granted for single detached dwelling lots after the adoption of the DCC Bylaw, DCCs will be collected at subdivision. Where subdivision approval is granted prior to adoption of the DCC Bylaw, DCCs will be collected at building permit. Collecting DCCs early allows the City timely provision of infrastructure and services. DCCs for attached dwellings and apartment uses will be collected at time of building permit when the final number of units is known. Non-residential land uses will also be levied DCCs at time of building permit when total floor area will be known.

7.4 COLLECTION OF DCCS ON REDEVELOPED OR EXPANDED DEVELOPMENTS

When an existing building or development undergoes an expansion or redevelopment there is usually a need for additional DCC related infrastructure. The new developer / builder should pay the applicable DCCs based on the additional floor area for commercial, industrial or institutional land uses at the DCC rates in the current DCC bylaw. In essence, the City is giving a DCC credit for the existing development or building. DCCs are only levied on the new development/ building area.

If a single detached dwelling unit is replaced by another single detached dwelling unit then no additional DCCs are payable. If a lot is subdivided into two, for example, to construct two small lot single detached dwelling units, then DCCs are payable on the one additional single detached dwelling parcel.

7.5 IN-STREAM APPLICATIONS

The new DCC rates will be in force on January 1, 2022 as per the effective date in the Development Cost Charge Bylaw when it is adopted; however, the Local Government Act (LGA) provides special protection from rate increases for development applications that are submitted prior to the adoption date. There are two ways a developer can qualify for exclusion from the new DCC rates:

1. Pursuant to section 511 of the LGA (subdivision).

If the new DCC Bylaw is adopted after a subdivision application is submitted and the applicable subdivision fee is paid, the new DCC Bylaw has no application to the subdivision for 12 months after the DCC Bylaw is adopted. As such, if the subdivision is approved during the 12 months' grace period, no DCC rates apply. This only applies in cases where DCCs are levied at subdivision.

OR

2. Pursuant to section 568 of the LGA (building permits).

The new DCC Bylaw is not applicable to a construction, alteration or extension if: (a) a building permit is issued within 12 months of the new DCC Bylaw adoption, AND (b) either a building permit application, a development permit application or a rezoning application associated with the construction (defined as "precursor application") is in stream when the new DCC Bylaw is adopted, and the applicable application fee has been paid. The development authorized by the building permit must be entirely within the area subject to the precursor application.

The above is a summary of sections 511 and 568 of the LGA and not an interpretation or an explanation of these sections. Developers are responsible for complying with all applicable laws and bylaws and seeking legal advice as needed.

Note: One year in-stream protection is based on the adoption date of the DCC bylaw not the effective date.

Further, please note that because the City will be charging single detached development at both subdivision and building permit, the new single detached units being constructed on lots created prior to the Bylaw coming into effect on January 1, 2022 will only be exempted from paying DCCs if they meet the conditions of Part 2 (above). In-stream subdivision applications for the creation of new lots will be exempted if they meet the conditions of Part 1.

7.6 REBATES AND CREDITS

The City should establish a policy to guide staff in the collection of DCCs and the use of DCC credits and rebates as stipulated in the LGA and referenced in the DCC Best Practice Guide. There may be situation in which it is not in the best interests of the City to allow an owner to build DCC services outside their subdivision or development. Building such services may start or accelerate development in areas where the City is not prepared to support. Policies for DCC credits, rebates and latecomer agreements are often drafted to assist staff in development financing.

7.7 DCC MONITORING AND ACCOUNTING

The City should enter all the projects contained in the DCC program into a tracking system to monitor the DCC program. The tracking system would monitor the status of the project from the conceptual stage through to its final construction. The tracking system would include information about the estimated costs, the actual construction costs, and the funding sources for the projects. The construction costs would be based on the tender prices received, and the land costs based on the actual price of utility areas and or other land and improvements required for servicing purposes. The tracking system would indicate when projects are completed, their actual costs, and would include new projects that are added to the program.

7.8 DCC REVIEWS

To keep the DCC program as current as possible, it is recommended the City undertake a major review every five years.



APPENDIX A

DCC Program and Calculations

CITY OF TERRACE
DCC Consolidated Program

Project No.	Column	Col. (1)	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 Name	Description	Cost Estimate (2020\$)	Benefit Factor	Benefit to New Development	Municipal Assist Factor 1%	DCC Recoverable	Total Municipal Responsibility
Transportation Program								
T-1	Park Avenue Extension	Connector standard road extension	\$ 1,819,746	50%	\$ 909,873	\$ 9,099	\$ 900,774	\$ 918,972
	Sub-Total		\$ 1,819,746		\$ 909,873	\$ 9,099	\$ 900,774	\$ 918,972
Water Program								
W-2	New Halliwell Reservoir	Design and Construction	\$ 1,976,237	50%	\$ 988,119	\$ 9,881	\$ 978,237	\$ 998,000
	Sub-Total		\$ 1,976,237		\$ 988,119	\$ 9,881	\$ 978,237	\$ 998,000
Sanitary Sewer Program								
S-1	Sanitary Sewer Capacity Enhancements	Upsizing gravity main sewers	\$ 2,647,714	50%	\$ 1,323,857	\$ 13,239	\$ 1,310,618	\$ 1,337,096
S-2	Northwest Bench Sanitary System - Phase 1	New gravity mains, forcemains, and lift stations	\$ 1,758,952	100%	\$ 1,758,952	\$ 17,590	\$ 1,741,362	\$ 17,590
	Sub-Total		\$ 4,406,666		\$ 3,082,809	\$ 30,828	\$ 3,051,981	\$ 1,354,685
Drainage Program								
D-1	Twedle Storm Trunk - Phase 1	Design and Construction	\$ 1,700,000	100%	\$ 1,700,000	\$ 17,000	\$ 1,683,000	\$ 17,000
	Sub-Total		\$ 1,700,000		\$ 1,700,000	\$ 17,000	\$ 1,683,000	\$ 17,000
Parks Acquisition and Development Program								
PA-1	Parkland Acquisition	Parkland Acquisition	\$ 300,000	100%	\$ 300,000	\$ 3,000	\$ 297,000	\$ 3,000
PA-2	Park Development	Fencing, landscaping, drainage, playground, water servicing	\$ 500,000	100%	\$ 500,000	\$ 5,000	\$ 495,000	\$ 5,000
	Sub-Total		\$ 800,000		\$ 800,000	\$ 8,000	\$ 792,000	\$ 8,000
TOTAL			\$ 10,702,649		\$ 7,480,801	\$ 74,808	\$ 7,405,992	\$ 3,296,657

**CITY OF TERRACE
TRANSPORTATION
DCC RATE CALCULATION**

A: Transportation Calculation					
Land Use	Col. (1)	Col. (2)	Col. (3)	Col. (4) = (1) x (3)	Col. (5) = (4) / (a)
	Estimated New Development	Unit	Wt. Trip Rate	Trip Ends	% Trip Ends
Single Detached Dwelling	454	parcel / dwelling unit	1.1	496	37%
Attached Dwelling	151	dwelling unit	0.67	101	8%
Apartment	151	dwelling unit	0.41	62	5%
Commercial	40,000	m2 GFA	0.015	611	45%
Industrial	19,000	m2 GFA	0.004	82	6%
Institutional	-	m2 GFA	0.025	-	0.00%
			Total Trip Ends	1,352 (a)	100%
B: Unit Transportation DCC Calculation					
Net Road DCC Program Recoverable		\$ 900,774	(b)		
Existing DCC Reserve Monies		\$ -	(c)		
Net Amount to be Paid by DCCs		\$900,774	(d) = (b) - (c)		
DCC per Trip End		\$666.06	(e) = (d) / (a)		
C: Resulting Transportation DCCs					DCC Revenue Estimates
Single Detached Dwelling		\$727.00	parcel / dwelling unit	(e) x Col. (3)	\$330,204
Attached Dwelling		\$446.00	dwelling unit	(e) x Col. (3)	\$67,525
Apartment		\$273.00	dwelling unit	(e) x Col. (3)	\$41,332
Commercial		\$10.18	m2 GFA	(e) x Col. (3)	\$407,228
Industrial		\$2.87	m2 GFA	(e) x Col. (3)	\$54,488
Institutional		\$16.49	m2 GFA	(e) x Col. (3)	\$0

Notes

**CITY OF TERRACE
WATER
DCC RATE CALCULATION**

A: Water DCC Calculation					
Land Use	Col. (1)	Col. (2)	Col. (3)	Col. (4) = (1) x (3)	Col. (5) = (4) / (a)
	Estimated New Development	Unit	Person per unit (residential)/ Equivalent Population/m ² (other land uses)	Multiple	% Population Equivalent
Single Detached Dwelling	454	parcel / dwelling unit	3.1	1,394	57%
Attached Dwelling	151	dwelling unit	2.2	333	14%
Apartment	151	dwelling unit	1.8	273	11%
Commercial	40,000	m2 GFA	0.009	360	15%
Industrial	19,000	m2 GFA	0.005	95	4%
Institutional	-	m2 GFA	0.011	-	0%
			Total Equivalent Population	2,455 (a)	100%
B: Unit Water DCC Calculation					
Net Waterworks DCC Program Recoverable		\$ 978,237	(b)		
Existing DCC Reserve Monies		\$0	(c)		
Net Amount to be Paid by DCCs		\$978,237	(d) = (b) - (c)		
DCC per person		\$398.47	(e) = (d) / (a)		
C: Resulting Water DCCs					DCC Revenue Estimates
Single Detached Dwelling		\$1,223.00	parcel / dwelling unit	(e) x Col. (3)	\$555,488
Attached Dwelling		\$877.00	dwelling unit	(e) x Col. (3)	\$132,778
Apartment		\$717.00	dwelling unit	(e) x Col. (3)	\$108,554
Commercial		\$3.59	m2 GFA	(e) x Col. (3)	\$143,448
Industrial		\$1.99	m2 GFA	(e) x Col. (3)	\$37,854
Institutional		\$4.38	m2 GFA	(e) x Col. (3)	\$0

Notes

**CITY OF TERRACE
SANITARY
DCC RATE CALCULATION**

A: Sanitary Sewer DCC Calculation					
Land Use	Col. (1)	Col. (2)	Col. (3)	Col. (4) = (1) x (3)	Col. (5) = (4) / (a)
	Estimated New Development	Unit	Person per unit (residential)/ Equivalent Population/m ² (other land uses)	Multiple	% Population Equivalent
Single Detached Dwelling	454	parcel / dwelling unit	3.1	1,394	57%
Attached Dwelling	151	dwelling unit	2.2	333	14%
Apartment	151	dwelling unit	1.8	273	11%
Commercial	40,000	m2 GFA	0.009	360	15%
Industrial	19,000	m2 GFA	0.005	95	4%
Institutional	-	m2 GFA	0.011	-	0.0%
			Total Equivalent Population	2,455 (a)	100%
B: Unit Sanitary Sewer DCC Calculation					
Net Sanitary DCC Program Recoverable		\$ 3,051,981	(b)		
Existing DCC Reserve Monies		\$0	(c)		
Net Amount to be Paid by DCCs		\$3,051,981	(d) = (b) - (c)		
DCC per person		\$1,243.17	(e) = (d) / (a)		
C: Resulting Sanitary Sewer DCCs					DCC Revenue Estimates
Single Detached Dwelling		\$3,817.00	parcel / dwelling unit	(e) x Col. (3)	\$1,733,687
Attached Dwelling		\$2,735.00	dwelling unit	(e) x Col. (3)	\$414,080
Apartment		\$2,238.00	dwelling unit	(e) x Col. (3)	\$338,834
Commercial		\$11.19	m2 GFA	(e) x Col. (3)	\$447,541
Industrial		\$6.22	m2 GFA	(e) x Col. (3)	\$118,101
Institutional		\$13.67	m2 GFA	(e) x Col. (3)	\$0

Notes

**CITY OF TERRACE
DRAINAGE
DCC RATE CALCULATION**

A: Drainage DCC Calculation					
Land Use	Col. (1)	Col. (2)	Col. (3)	Col. (4) = (1) x (3)	Col. (5) = (4) / (a)
	Estimated New Development	Unit	Person per unit (residential)/ Equivalent Population/m2 (other land uses)	Multiple	% Population Equivalent
Single Detached Dwelling	454	parcel / dwelling unit	1.0	454	54%
Attached Dwelling	151	dwelling unit	0.71	108	13%
Apartment	151	dwelling unit	0.33	51	6%
Commercial	40,000	m2 GFA	0.004	146	17%
Industrial	19,000	m2 GFA	0.004	81	10%
Institutional	-	m2 GFA	0.005	-	0.0%
			Total Equivalent Population	840 (a)	100%
B: Unit Drainage DCC Calculation					
Net Drainage DCC Program Recoverable		\$ 1,683,000	(b)		
Existing DCC Reserve Monies		\$0	(c)		
Net Amount to be Paid by DCCs		\$1,683,000	(d) = (b) - (c)		
DCC per person		\$2,003.97	(e) = (d) / (a)		
C: Resulting Drainage DCCs					DCC Revenue Estimates
Single Detached Dwelling		\$2,004.00	parcel / dwelling unit	(e) x Col. (3)	\$910,220
Attached Dwelling		\$1,425.00	dwelling unit	(e) x Col. (3)	\$215,746
Apartment		\$670.00	dwelling unit	(e) x Col. (3)	\$101,438
Commercial		\$7.33	m2 GFA	(e) x Col. (3)	\$293,152
Industrial		\$8.55	m2 GFA	(e) x Col. (3)	\$162,455
Institutional		\$9.62	m2 GFA	(e) x Col. (3)	\$0

Notes

**CITY OF TERRACE
PARKS ACQUISITION AND DEVELOPMENT
DCC RATE CALCULATION**

A: Parks Acquisition and Development DCC Calculation					
Land Use	Col. (1)	Col. (2)	Col. (3)	Col. (4) = (1) x (3)	Col. (5) = (4) / (a)
	Estimated New Development	Unit	Person per unit (residential)/ Equivalent Population/m ² (other land uses)	Multiple	% Population Equivalent
Single Detached Dwelling	454	parcel / dwelling unit	3.1	1,394	70%
Attached Dwelling	151	dwelling unit	2.2	333	17%
Apartment	151	dwelling unit	1.8	273	14%
			Total Equivalent Population	2,000 (a)	100%
B: Unit Parks Acquisition and Development DCC Calculation					
Net Parks DCC Program Recoverable		\$792,000	(b)		
Existing DCC Reserve Monies		\$0	(c)		
Net Amount to be Paid by DCCs		\$792,000	(d) = (b) - (c)		67t67t
DCC per person		\$396.00	(e) = (d) / (a)		
C: Resulting Parks Acquisition and Development DCCs					DCC Revenue Estimates
Single Detached Dwelling		\$1,216.00	parcel / dwelling unit	(e) x Col. (3)	\$552,309
Attached Dwelling		\$871.00	dwelling unit	(e) x Col. (3)	\$131,870
Apartment		\$713.00	dwelling unit	(e) x Col. (3)	\$107,949

Notes

The background of the page is a light gray, stylized map pattern consisting of a dense network of lines representing streets and roads. Some lines are thicker than others, and there are several circular nodes or junctions where lines intersect. The overall appearance is that of a technical or urban planning map.

APPENDIX B

FAQ SHEET



DEVELOPMENT COST CHARGES

BACKGROUND INFORMATION

The City of Terrace is considering implementing a development cost charges (DCC) bylaw. The following provides background information on DCCs and answers frequently asked questions.

WHAT ARE DEVELOPMENT COST CHARGES?

DCCs are fees collected from developers to help fund the cost of growth-related infrastructure and parks. DCCs are regulated through the *Local Government Act*. The rates charged reflect the impact growth has on infrastructure and parks; the greater the impact, the larger the charge. This helps ensure developers pay their fair share of costs required to develop new infrastructure and parks.

WHO PAYS DCCs?

DCCs are paid by applicants for subdivision or building permit.

HOW ARE DCCS CALCULATED AND WHEN ARE THEY COLLECTED?

DCCs for residential developments are calculated based on the number of new units and charges are collected either at subdivision or building permit, as determined by the City. DCCs for commercial, industrial, and institutional developments are calculated on a square meter of gross floor area basis for new builds or additions and charges are collected at building permit.

WHAT DO DCCs PAY FOR?

DCCs help pay for upgrades needed to support growth. DCCs can be used for:





WHAT DO DCCs NOT PAY FOR?

DCCs cannot be used to pay for:

- Costs associated with new or replacement infrastructure needed only for existing residents
- Operations and maintenance
- New facilities such as recreation centres, fire halls or libraries

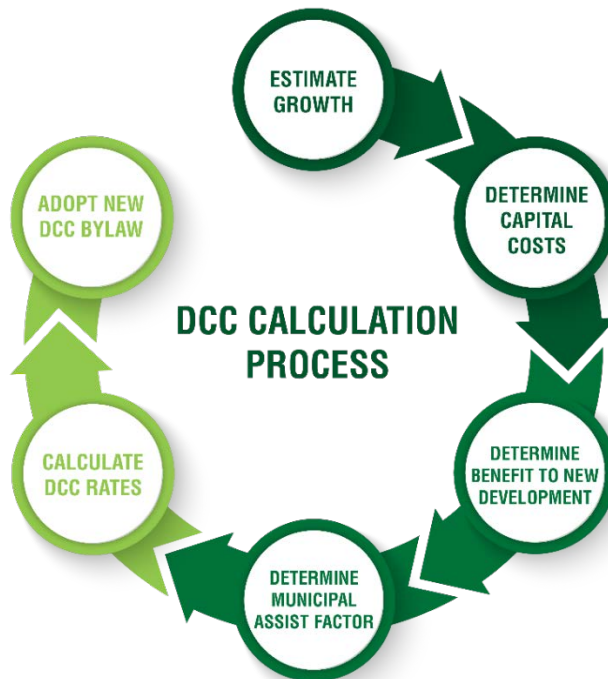
WHY IMPLEMENT A DCC BYLAW NOW?

The City is looking at implementing a DCC bylaw now because:

- The City has good information on growth from the OCP and on infrastructure/parks needs from recently completed master plans
- The City has identified major infrastructure needed to service growth and DCCs are a cost recovery tool that fairly distributes growth costs across development and provides certainty to developers for infrastructure upgrade costs

HOW ARE DCCS CALCULATED?

DCCs are calculated by dividing the cost of growth-related infrastructure/parks by the amount of anticipated growth.





WHAT PROJECTS WILL DCCS FUND?

The projects identified below are proposed for inclusion in the DCC program as these projects are required to service growth and are expected to be funded over a 15 year period. The total cost for these projects is approximately \$10.7 million. Only \$7.4 million is included in the DCC program for cost recovery.

Each project is assessed to determine benefit to new development versus existing residents, and only the portions that benefit new development are included in the DCC program. Additionally, the City must contribute a minimum of 1% towards growth related costs. Together, the costs that will be funded by existing taxpayers or through other funding sources totals \$3.3 million.

PROPOSED DCC PROJECTS
Transportation
Park Avenue Extension
Water
New Halliwell Reservoir
Sanitary
Sanitary Sewer Capacity Enhancements
Northwest Bench Sanitary System – Phase 1
Storm
Twedle Storm Trunk- Phase 1
Park
Northwest Bench Parkland Acquisition and Development

WHAT ARE THE DRAFT DCC RATES?

The draft rates proposed will be considered by Council following input from the local land development and building industry. The draft rates were determined through a lengthy process to evaluate the cost of projects that support growth and the allocation of these costs across land uses.



Land Use	Unit	Draft DCC Rates
Single Family	per dwelling unit	\$8,987.00
Ground-Oriented Multi-Family	per dwelling unit	\$6,354.00
Apartment	per dwelling unit	\$4,611.00
Commercial	m ² GFA	\$32.29
Industrial	m ² GFA	\$19.63
Institutional	m ² GFA	\$44.16

WHEN DO DCC RATES COME INTO EFFECT?

DCC rates will be in force immediately after the updated Development Cost Charge Bylaw is adopted unless a future effective date is set by Council. However, the *Local Government Act (LGA)* provides special protection from rate increases for development applications that are submitted prior to the adoption date.

In-stream protection applies to both building permit and subdivision applications received prior to the adoption of the DCC Bylaw. Protection is also extended to rezoning and development permit applications that are submitted prior to the adoption of the new DCC Bylaw and that will result in a building permit within 12 months of the adoption of the Bylaw. Division 19, Sections 511 and 568 of the *LGA* outline the criteria that must be met in order for an application to qualify for in-stream protection.

If an application meets the required criteria and is submitted prior to the adoption of the DCC Bylaw, it will be provided protection from DCC rates for a period of twelve months after the adoption date.

The City anticipates adopting the DCC bylaw in 2021.

FOR MORE INFORMATION OR TO PROVIDE COMMENTS

Please contact:

Jack Cherniawsky, Planner 1

Tel: 250-615-4041

Email: jcherniawsky@terrace.ca

Please send all correspondence related to this project by November 20, 2020.

The background of the page is a light gray map of a city street grid. A prominent red rectangular box is overlaid on the top left portion of the map. Inside this box, the text 'APPENDIX C' is written in white, bold, sans-serif font and is underlined. Below it, the text 'Proposed City of Terrace Development Cost Charge Bylaw' is written in a smaller white, sans-serif font.

APPENDIX C

Proposed City of Terrace
Development Cost Charge
Bylaw