



DEVELOPMENT COST CHARGE BYLAW UPDATE

TOWN OF LAKE COWICHAN

August 23, 2022

DCC Background Report

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EXECUTIVE SUMMARY

In 2022, the Town of Lake Cowichan initiated the process of implementing a Development Cost Charge (DCC) Bylaw. The DCC Bylaw was developed with growth information from the Town’s Official Community Plan (2019) and based on infrastructure needed to service growth identified through capital planning and conversations with staff.

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

The proposed 2022 DCC rates are provided in Tables ES-1.

Table ES-1: Proposed 2022 DCC Rates

| Land Use | Unit | Water | Sewer | Roads | Parks | Drainage | Total |
|--|---------------------------|------------|-------------|------------|------------|------------|--------------------|
| Single-Detached Residential | per lot | \$6,734.30 | \$10,886.44 | \$1,630.40 | \$1,838.98 | \$2,556 | \$23,646.38 |
| Medium Density Residential (Townhouse) | per unit | \$3,921.24 | \$6,338.94 | \$706.50 | \$1,070.80 | \$1,059.35 | \$13,096.83 |
| High Density Residential (Apartment) | per unit | \$2,898.30 | \$4,685.30 | \$529.88 | \$791.46 | \$483.62 | \$9,388.56 |
| Commercial | per m ² of GFA | \$17.05 | \$27.56 | \$16.30 | N/A | \$6.68 | \$67.59 |
| Industrial | per m ² of GFA | \$13.64 | \$22.05 | \$13.59 | N/A | \$7.83 | \$57.10 |
| Institutional | per m ² of GFA | \$20.46 | \$33.07 | \$8.15 | N/A | \$12.44 | \$74.12 |

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1.0 BACKGROUND

In 2021, the Town of Lake Cowichan initiated the process to update the Town’s existing Development Cost Charge (DCC) bylaw, the Town of Lake Cowichan Development Cost Charge Bylaw No. 603-1994.

The Town of Lake Cowichan currently collects Development Cost Charges (DCCs) for water, sewer and roads. The existing DCC Program was adopted in 1994 and does not reflect current infrastructure realities of the Town.

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 District to save for growth-related infrastructure costs

The DCC Update captures current infrastructure costs for capital projects that are driven by growth for the following services: water, sewer, drainage, roads, and park improvements. Key drivers for the Town of Lake Cowichan DCC Update include:

- Increasing development pressures, community growth, and changing development patterns
- New infrastructure projects required to meet future development and growth
- Increasing costs of construction and land acquisition costs
- Ensuring timely and transparent cost recovery on capital projects

This DCC Update aligns with the Town of Lake Cowichan Official Community Plan (OCP) (2019), Asset Management Plan (2020), capital planning, historical growth and building permit data, and conversations with key staff.

Please note that the material provided in this background report is meant for information only. The Town’s adopted DCC Bylaw should be referred to 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 approach aligns with the Best Practices Guide.

Table 1: DCC Key Elements

| Key Element | DCC Update | Rationale | Aligns with Best Practices Guide? |
|-----------------------------------|---------------------------------------|--|-----------------------------------|
| Time Horizon | 10 years except Sewer is for 20 years | <ul style="list-style-type: none"> Aligns with capital plans and infrastructure planning studies | ✓ |
| Town-wide or area-specific charge | Town-wide charge | <ul style="list-style-type: none"> DCC projects are components of Town-wide infrastructure/parks systems and, therefore provide a Town-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 | 25-100% | <ul style="list-style-type: none"> 25% – Primarily benefits existing development but will also add capacity that benefits and supports the future population of the community, which is expected to grow by approximately 25% over the next 20 years. 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 | 1% | <ul style="list-style-type: none"> 1% municipal assist factor to be carried over from previous DCC update | ✓ |

| Key Element | DCC Update | Rationale | Aligns with Best Practices Guide? |
|-----------------|---|---|-----------------------------------|
| Units of charge | Per dwelling unit and per square meter gross floor area | <ul style="list-style-type: none"> • <i>Per dwelling unit or parcel</i> for single detached dwelling. DCCs are levied on single detached dwelling at time of subdivision or building permit, as determined by the Town, to collect DCCs as early in the process as possible. • <i>Per dwelling unit</i> for attached dwelling, and apartment uses. 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

The development of the DCC program involves technical analysis to determine the costs of the infrastructure that is required to meet future growth. This involves:

- determining the projected growth of the Town and future land use patterns
- the impacts of that growth on capital infrastructure projects
- and the benefit of each project to new versus existing development
- the Municipal Assist Factor that will be applied to each DCC program

These technical inputs, along with Council's discretionary ability to set the MAF, are used to calculate the draft DCC rates.

3.1 GROWTH PROJECTIONS

Statistics Canada Census data (2016 and 2021), Official Community Plan (OCP) and population trends over the past 20 years were used as a baseline for population growth projections. The projected growth estimates align with the Town of Lake Cowichan OCP (2019).

Growth projections for commercial, industrial, and institutional uses are based on a review of historical building permit data provided by the Town for the last 10 years, with adjustments to reflect anticipated changes in rates of development over the next 10-20 years. The non-residential growth projections used in this DCC update are shown below.

Table 2: Residential and Non-Residential Growth Projections (2031, 2041)

| Land Use | Unit | 10-Year Growth Projections (2031) | 20-Year Growth Projections (2041) |
|--|---------------------------|-----------------------------------|-----------------------------------|
| Single-Detached Residential | per lot | 108 | 194 |
| Medium Density Residential (Townhouse) | per unit | 27 | 49 |
| High Density Residential (Apartment) | per unit | 45 | 81 |
| Commercial | per m ² of GFA | 12,615 | 21,025 |
| Industrial | per m ² of GFA | 16,050 | 26,750 |
| Institutional | per m ² of GFA | 1,728 | 2,880 |

3.2 DETERMINE EQUIVALENT UNITS

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

Table 3: Equivalent unit methodology

| | |
|-----------------|--|
| Water | <ul style="list-style-type: none"> For residential demand, occupancy rates were used to project demands for water and sewer services. For non-residential land uses, equivalent populations per square metre are established. |
| Sewer | <ul style="list-style-type: none"> For residential demand, occupancy rates were used to project demands for water and sewer services. For non-residential land uses, equivalent populations per square metre are established. |
| Roads | <ul style="list-style-type: none"> For roads and transportation projects, the cost of development is distributed based on the trips generated by each land use. |
| Parks | <ul style="list-style-type: none"> Parks improvement equivalents are also based on residential demand, occupancy rates since increases in parks usage are generally reflective of overall population growth. |
| Drainage | <ul style="list-style-type: none"> Stormwater equivalents are largely based on runoff coefficients for various uses |

Table 4: Equivalent Units

| Land Use | Roads | Water | Sewer | Parks | Drainage |
|--|-------|-------|-------|-------|----------|
| Single-Detached Residential | 1.2 | 3.95 | 3.95 | 3.95 | 1.11 |
| Medium Density Residential (Townhouse) | 0.52 | 2.3 | 2.3 | 2.3 | 0.46 |
| High Density Residential (Apartment) | 0.39 | 1.7 | 1.7 | 1.7 | 0.21 |
| Commercial | 0.012 | 0.010 | 0.010 | - | 0.0029 |
| Industrial | 0.010 | 0.008 | 0.008 | - | 0.0034 |
| Institutional | 0.006 | 0.012 | 0.012 | - | 0.0054 |

4.0 DCC PROJECTS AND 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.

4.1 DCC PROJECTS

The proposed projects in this DCC update align the DCC programs to reflect current construction and material costs and were vetted for eligibility according to the Ministerial requirements for DCCs. Capital costs for projects are based on existing project lists and updated to include contingency and engineering allowances. Comprehensive DCC project lists are provided in **Appendices A - E**.

Table 5: DCC Project Summary

| | |
|-----------------|---|
| Water | <ul style="list-style-type: none">• Water Main Upgrades• Water Master Plan |
| Sewer | <ul style="list-style-type: none">• Sanitary Lift Stations• Sewage Treatment Facility Expansion• Sanitary Sewer Master Plan |
| Roads | <ul style="list-style-type: none">• Various road and sidewalk upgrades |
| Parks | <ul style="list-style-type: none">• Various park upgrades, including washrooms, landscaping and irrigation |
| Drainage | <ul style="list-style-type: none">• Storm pipe upgrades• Stormwater Master Plan |

4.2 DCC COSTS

The total DCC Program Costs amount to **\$26.5 M**—of those costs, **\$8.73 M** are eligible for recovery through DCCs (i.e., paid by developers) and **\$17.79 M** must be funded through Town revenues (i.e., from general tax revenue or other revenue). This is a key consideration for Council when considering the Town's financial sustainability and the costs to developers and existing taxpayers.

Table 6: Total Cost of DCC Proposed Program

| Service | DCC Eligible Project Costs | Municipal Responsibility | Total DCC Program Costs |
|----------------|-----------------------------------|---------------------------------|--------------------------------|
| Water | \$2.44 M | \$1.72 M | \$4.17 M |
| Sewer | \$4.34 M | \$12.91 M | \$17.25 M |
| Roads | \$1.12 M | \$1.55 M | \$2.67 M |
| Parks | \$0.26 M | \$0.21 M | \$0.48 M |
| Drainage | \$0.55 M | \$1.39 M | \$1.95 M |
| Total | \$8.73 M | \$17.79 M | \$26.5 M |

4.3 INTEREST ON LONG-TERM DEBT

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

4.4 DETERMINE BENEFIT FACTORS

Project benefit allocations are used to determine to what extent a proposed project benefits future growth versus existing users and are determined on a project-by-project basis.

Some DCC projects may benefit the population at large, in which case the capital costs (or a portion of them) should be shared by the entire community. Other projects will only benefit new growth, in which case the new users benefiting from these services will pay most of the project costs.

The benefit allocation of each DCC eligible project was evaluated on a scale of 25% to 100%:

- 25% – Primarily benefits existing development but will also add capacity that benefits and supports the future population of the community, which is expected to grow by approximately 25% over the next 20 years.
- 50% – Benefits both greenfield and existing development somewhat equally
- 75% – Primarily benefits greenfield development
- 100% – Benefits only greenfield development

5.0 PROPOSED DCC RATES

A comparison of existing and proposed rates is provided in Table 7.

Table 7: DCC Rate Comparison

| Land Use | Unit | Existing Rate (1994) | Proposed Rate (2022) |
|--|--|----------------------|----------------------|
| Single-Detached Residential | Per dwelling unit | \$4,471.00 | \$23,646.38 |
| Medium Density Residential (Townhouse) | Per dwelling unit | \$515.00 | \$13,096.83 |
| High Density Residential (Apartment) | Per dwelling unit | \$515.00 | \$9,388.56 |
| Commercial | Per m ² of total floor area | - | \$67.59 |
| Industrial | Per m ² of total floor area | - | \$57.10 |
| Institutional | Per m ² of total floor area | - | \$74.12 |

The following table summarizes the total proposed DCC rates for the Town, along with each DCC program. 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.

The initial DCC calculations were based on a 1% assist factor for all categories, resulting in the DCC rates shown in Table 8 below.

Table 8: Total Draft Lake Cowichan DCCs Rates

| Land Use | Unit | Water | Sewer | Roads | Parks | Drainage | Total |
|--|---------------------------|------------|-------------|------------|------------|------------|--------------------|
| Single-Detached Residential | per lot | \$6,734.30 | \$10,886.44 | \$1,630.40 | \$1,838.98 | \$2,556 | \$23,646.38 |
| Medium Density Residential (Townhouse) | per unit | \$3,921.24 | \$6,338.94 | \$706.50 | \$1,070.80 | \$1,059.35 | \$13,096.83 |
| High Density Residential (Apartment) | per unit | \$2,898.30 | \$4,685.30 | \$529.88 | \$791.46 | \$483.62 | \$9,388.56 |
| Commercial | per m ² of GFA | \$17.05 | \$27.56 | \$16.30 | N/A | \$6.68 | \$67.59 |
| Industrial | per m ² of GFA | \$13.64 | \$22.05 | \$13.59 | N/A | \$7.83 | \$57.10 |
| Institutional | per m ² of GFA | \$20.46 | \$33.07 | \$8.15 | N/A | \$12.44 | \$74.12 |

*The DCC Rates provided apply a 1% Municipal Assist Factor

** Gross floor area (GFA)

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6.0 STAKEHOLDERS CONSULTATION

On July 28th, 2022, developers in the community were invited to participate in a 1-hour virtual focus group to solicit feedback on the proposed DCC rates. Alternative opportunities to provide feedback were provided to developers who were unable to attend the session. Two developers from the community attended the virtual session, and two developers provided feedback via e-mail.

Developers acknowledged the need for a DCC rate increase but were concerned that the proposed DCC rate increase would impact housing affordability and would deter development in Lake Cowichan. Stakeholders recommended that the Town take a more moderate approach to increasing the DCCs, to reduce barriers to developing in the community.

Following the engagement, attendees were sent a copy of the presentation (see Appendix D), which included the proposed rate, project overview and DCC information materials.

7.0 DCC IMPLEMENTATION

7.1 BYLAW EXEMPTIONS

The LGA is clear that a DCC cannot be levied if the proposed development does not impose new capital cost burdens on the Town, 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 church or 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 Town has included provisions in the proposed DCC bylaw to charge DCCs at building permit on residential developments of fewer than four self-contained dwelling units.

7.2 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 Town will collect DCCs for Single Detached Residential uses at time of subdivision approval and building permit. Collecting DCCs early will allow the Town to ensure timely provision of infrastructure and services. DCCs for other residential land use categories will be collected at time of building permit when the final number of duplex, apartment or townhouse units are known. Non-residential land uses will also be levied DCCs at time of building permit when gross floor area will be known.

7.3 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 rural residential units, commercial, industrial or institutional land uses at the DCC rates in the current DCC bylaw. In essence, the Town 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 residential unit is replaced by another single detached residential unit then no additional DCCs are payable. If a lot is subdivided into two, for example, to construct two small lot single detached residential units, then DCCs are payable on the one additional single detached residential lot. If a multi-family residential development is replaced by another multi-family residential development with the same unit mix and number of units, then no additional DCCs are payable.

7.4 IN-STREAM PROTECTION AND PHASE-IN OF DCC RATES

The new DCC rates will be in force as per the effective date in the DCC Bylaw when it is adopted. Protection from rate increases for development applications that are submitted prior to the adoption date will be provided as per legislation.

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.

7.5 WAIVERS AND REDUCTIONS BYLAW FOR AFFORDABLE HOUSING

A Waivers and Reductions Bylaw may be developed to exclude some types of development from paying DCCs. This is a tool that would be implemented through a separate bylaw after the DCC Bylaw is adopted by Council, and for the purpose of providing additional support to some developers in specific cases. The Waivers and Reductions Bylaw can exempt or waive DCCs for the following classes of eligible development:

- Not-for-profit rental housing, including supportive living housing (previous legislation did not require a bylaw to waive or reduce DCCs for not-for-profit rental housing)
- For-profit affordable rental housing
- Subdivisions of small lots designed to result in low greenhouse gas emissions (i.e., lots under 300 m², etc.)
- Developments designed to result in a low environmental impact (i.e., LEED Gold, Step Code Level 4, etc.)

If Council desires to provide waivers and reductions for any of these eligible developments, it is recommended that this is evaluated after the adoption of the updated DCC Bylaw.

If the Town chooses to waive or reduce DCCs, it is responsible to make up for any foregone DCC revenue from secure alternate (i.e., non-DCC) revenue sources (i.e., taxation).

7.6 REBATES AND CREDITS

The Town should establish a practice 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 situations in which it is not in the best interests of the Town 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 Town 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

In order to monitor the DCC Program, the Town should enter all the projects contained in the DCC program into its tracking system. 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, the Town should review its program annually. Based on its annual review, the Town may make minor amendments to the DCC rates. The Town should apply a CPI inflation factor, as permitted by the legislation, annually (to a maximum of 4 years). Typically, a major amendment to the DCC program and rates is recommended every 5 years.

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APPENDIX A: DCC PROGRAM AND CALCULATIONS



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TOWN OF LAKE COWICHAN WATER DCC PROGRAM

| Project No. | Col. (1) | | Col. (2) | Col. (3) | Col. (4) = Col. (2) x Col. (3) | Col. (6) | Col. (7) = Col. (4) - Col. (6) | Col. (8) = Col. (2) - Col. (7) | |
|---------------|-------------------|----------------------------------|---|----------------------|--------------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Project Name | Project Timing (5 yr Increments) | Description | Cost Estimate (2022) | Benefit Factor % | Benefit to New Development | Municipal Assist Factor 1% | DCC Recoverable | Total Municipal Responsibility |
| W-1 | 6" main upgrades | Short | 6" main upgrade including Neva Road exiting upgrade for new development and new Trails Edge New subdivision | \$975,500.00 | 75% | \$731,625 | \$7,316 | \$724,309 | \$251,191.25 |
| W-2 | 8" main upgrades | Short | 8" main upgrade McDonald Road new developments, Trails Edge new Development, Block 200 new Development Grants Lake Road | \$1,750,000.00 | 75% | \$1,312,500 | \$13,125 | \$1,299,375 | \$450,625.00 |
| W-3 | 12" main upgrades | Short | 12" main upgrade Main Line from the reservoir into Town | \$1,320,000.00 | 25% | \$330,000 | \$3,300 | \$326,700 | \$993,300.00 |
| W-4 | Water Master Plan | Medium | Conduct a comprehensive assessment of water services throughout the Town. | \$125,000.00 | 75% | \$93,750 | \$938 | \$92,813 | \$32,187.50 |
| Totals | | | | \$4,170,500 | | \$2,467,875 | \$24,679 | \$2,443,196 | \$1,727,303.75 |

TOWN OF LAKE COWICHAN 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 Residential | 108 | dwelling units | 3.95 | 425 | 51% |
| Medium Density Residential (Townhouse) | 27 | dwelling units | 2.3 | 62 | 7% |
| High Density Residential (Apartment) | 45 | dwelling units | 1.7 | 76 | 9% |
| Commercial | 12,615 | square metres total floor area | 0.010 | 126 | 15% |
| Industrial | 16,050 | square metres total floor area | 0.008 | 128 | 15% |
| Institutional | 1,728 | square metres total floor area | 0.012 | 21 | 2% |
| | | | Total Equivalent Population | 839 (a) | 100% |
| B: Unit Water DCC Calculation | | | | | |
| Net Waterworks DCC Program Recoverable | | \$2,443,196 | (b) | | |
| Existing DCC Reserve Monies | | \$1,013,149 | (c) | | |
| Net Amount to be Paid by DCCs | | \$1,430,047 | (d) = (b) - (c) | | |
| DCC per person | | \$1,704.89 | (e) = (d) / (a) | | |
| C: Resulting Water DCCs | | | | | DCC Revenue Estimates |
| Single-Detached Residential | | \$6,734.30 | dwelling units | (e) x Col. (3) | \$725,127 |
| Medium Density Residential (Townhouse) | | \$3,921.24 | dwelling units | (e) x Col. (3) | \$105,556.41 |
| High Density Residential (Apartment) | | \$2,898.30 | dwelling units | (e) x Col. (3) | \$130,033.26 |
| Commercial | | \$17.05 | square metres total floor area | (e) x Col. (3) | \$215,071.25 |
| Industrial | | \$13.64 | square metres total floor area | (e) x Col. (3) | \$218,907.24 |
| Institutional | | \$20.46 | square metres total floor area | (e) x Col. (3) | \$35,352.50 |

TOWN OF LAKE COWICHAN SEWER DCC PROGRAM

| Project No. | Col. (1) | | Col. (2) | Col. (3) | Col. (4) = Col. (2) x Col. (3) | Col. (6) | Col. (7) = Col. (4) - Col. (6) | Col. (8) = Col. (2) - Col. (7) | |
|-------------|---|----------------------------------|---|----------------------|--------------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Project Name | Project Timing (5 yr Increments) | Description | Cost Estimate (2022) | Benefit Factor % | Benefit to New Development | Municipal Assist Factor 1% | DCC Recoverable | Total Municipal Responsibility |
| S-1 | Sanitary Lift Station #1 Central Park | Short | Nearing capacity and will require upgrade and possibly a second lift station to support future growth. | \$2,500,000 | 25.00% | \$625,000 | \$6,250 | \$618,750 | \$1,881,250 |
| S-2 | Sanitary Lift Station #4 Pine Street | Short | Full station and electrical will need to be upgraded to meet growth demands. | \$4,500,000 | 25.00% | \$1,125,000 | \$11,250 | \$1,113,750 | \$3,386,250 |
| S-3 | Lake Cowichan Sewage Treatment Facility Expansion | Medium | Town is currently at the limit for flows permitted to discharge and requires a lagoon upgrade and treatment due to increased flows from new developments. | \$10,104,000 | 25.00% | \$2,526,000 | \$25,260 | \$2,500,740 | \$7,603,260 |
| S-5 | Sanitary Sewer Master Plan | Long | Conduct a comprehensive assessment of sanitary sewer services throughout the Town. | \$150,000 | 75% | \$112,500 | \$1,125 | \$111,375 | \$38,625 |
| | | | | \$17,719,794 | | \$4,504,949 | \$45,049 | \$4,344,615 | \$12,909,385 |

TOWN OF LAKE COWICHAN SEWER 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 Residential | 194 | dwelling units | 3.95 | 767 | 52% |
| Medium Density Residential (Townhouse) | 49 | dwelling units | 2.3 | 112 | 8% |
| High Density Residential (Apartment) | 81 | dwelling units | 1.7 | 138 | 9% |
| Commercial | 21,025 | square metres total floor area | 0.010 | 210 | 14% |
| Industrial | 26,750 | square metres total floor area | 0.008 | 214 | 15% |
| Institutional | 2,880 | square metres total floor area | 0.012 | 35 | 2% |
| | | | Total Equivalent Population | 1,475 (a) | 100% |
| B: Unit Sanitary Sewer DCC Calculation | | | | | |
| Net Sanitary DCC Program Recoverable | | \$4,344,615 | (b) | | |
| Existing DCC Reserve Monies | | \$278,206 | (c) | | |
| Net Amount to be Paid by DCCs | | \$4,066,409 | (d) = (b) - (c) | | |
| DCC per person | | \$2,756.06 | (e) = (d) / (a) | | |
| C: Resulting Sanitary Sewer DCCs | | | | | DCC Revenue Estimates |
| Single-Detached Residential | | \$10,886.44 | dwelling units | (e) x Col. (3) | |
| Medium Density Residential (Townhouse) | | \$6,338.94 | dwelling units | (e) x Col. (3) | |
| High Density Residential (Apartment) | | \$4,685.30 | dwelling units | (e) x Col. (3) | |
| Commercial | | \$27.56 | square metres total floor area | (e) x Col. (3) | |
| Industrial | | \$22.05 | square metres total floor area | (e) x Col. (3) | |
| Institutional | | \$33.07 | square metres total floor area | (e) x Col. (3) | |

TOWN OF LAKE COWICHAN ROADS DCC PROGRAM

| Project No. | Col. (1) | | Col. (2) | Col. (3) | Col. (4) = Col. (2) x Col. (3) | Col. (6) | Col. (7) = Col. (4) - Col. (6) | Col. (8) = Col. (2) - Col. (7) | |
|---------------|--------------------------------|----------------------------------|---|----------------------|--------------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Project Name | Project Timing (5 yr Increments) | Description | Cost Estimate (2022) | Benefit Factor | Benefit to New Development | Municipal Assist Factor 1% | DCC Recoverable | Total Municipal Responsibility |
| R-1 | Neva Road Upgrade | Medium | Neva Road to be upgraded to accommodate additional capacity | \$122,400.00 | 25% | \$30,600 | \$306 | \$30,294 | \$92,106 |
| R-2 | McDonald Road Upgrade | Short | McDonald Road to be upgraded to accommodate additional capacity | \$153,000.00 | 50% | \$76,500 | \$765 | \$75,735 | \$77,265 |
| R-3 | Old Lake Cowichan Road Upgrade | Short | Old Lake Cowichan Road to be upgraded to accommodate additional capacity | \$214,000.00 | 50% | \$107,000 | \$1,070 | \$105,930 | \$108,070 |
| R-4 | North Shore Road Upgrade | Medium | North Shore Road to be upgraded to accommodate additional capacity | \$367,200.00 | 25% | \$91,800 | \$918 | \$90,882 | \$276,318 |
| R-5 | River Road Upgrade | Medium | River Road to be upgraded to accommodate additional capacity | \$122,400.00 | 25% | \$30,600 | \$306 | \$30,294 | \$92,106 |
| R-6 | Sathlam Road Upgrade | Short | Sathlam Road to be upgraded to accommodate additional capacity | \$183,600.00 | 50% | \$91,800 | \$918 | \$90,882 | \$92,718 |
| R-7 | Comiaken Ave. Upgrade | Medium | Comiaken Ave. to be upgraded to accommodate additional capacity | \$153,000.00 | 25% | \$38,250 | \$383 | \$37,868 | \$115,133 |
| R-8 | Boundary Road Upgrade | Short | Boundary Road to be upgraded to accommodate additional capacity | \$122,400.00 | 50% | \$61,200 | \$612 | \$60,588 | \$61,812 |
| R-9 | Grants Lake Road Upgrade | Medium | Grants Lake Road to be upgraded to accommodate additional capacity | \$400,000.00 | 25% | \$100,000.00 | \$1,000 | \$99,000 | \$301,000 |
| R-10 | Cowichan Lake Sidewalk Upgrade | Long | Cowichan Lake and McDonald Road to just past Oak Lane to be upgraded to accommodate additional capacity | \$159,000.00 | 25% | \$39,750 | \$398 | \$39,353 | \$119,648 |
| R-11 | Sathlam Ave Sidewalk Upgrade | Long | Sathlam Ave .from Poplar to Pine St. to accommodate new growth in area | \$80,000 | 25% | \$20,000 | \$200 | \$19,800 | \$60,200 |
| R-12 | River Road Sidewalk Upgrade | Long | Upgrade existing sidewalk North Shore RD. from River Road to Town boundary and integration with adjacent First Nations sidewalk | \$600,000 | 75% | \$450,000 | \$4,500 | \$445,500 | \$154,500 |
| TOTALS | | | | \$2,677,000 | | \$1,137,500 | \$11,375 | \$1,126,125 | \$1,550,875 |

TOWN OF LAKE COWICHAN ROADS DCC RATE CALCULATION

| A: Traffic Generation Calculation | | | | | |
|--|---------------------------------------|--------------------------------|--------------------------------|-----------------------------------|-------------------------------------|
| Land Use | Col. (1) Estimated New Development | Col. (2) Unit | Col. (3) Wt. Trip Rate | Col. (4) = (1) x (3) Trip Ends | Col. (5) = (4) / (a) % Trip Ends |
| Single-Detached Residential | 108 | dwelling units | 1.2 | 129 | 27% |
| Medium Density Residential (Townhouse) | 27 | dwelling units | 0.5 | 14 | 3% |
| High Density Residential (Apartment) | 45 | dwelling units | 0.39 | 17 | 4% |
| Commercial | 12,615 | square metres total floor area | 0.012 | 151 | 31% |
| Industrial | 16,050 | square metres total floor area | 0.010 | 161 | 33% |
| Institutional | 1,728 | square metres total floor area | 0.006 | 10 | 2% |
| Total Trip Ends | | | | 483 (a) | 100% |
| B: Unit Road DCC Calculation | | | | | |
| Net Road DCC Program Recoverable | | \$1,126,125 | (b) | | |
| Existing DCC Reserve Monies | | \$469,951.22 | (c) | | |
| Net Amount to be Paid by DCCs | | \$656,174 | (d) = (b) - (c) | | |
| DCC per Trip End | | \$1,358.66 | (e) = (d) / (a) | | |
| C: Resulting Road DCCs | | | | | DCC Revenue Estimates |
| Single-Detached Residential | | \$1,630.40 | dwelling units | (e) x Col. (3) | |
| Medium Density Residential (Townhouse) | | \$706.50 | dwelling units | (e) x Col. (3) | |
| High Density Residential (Apartment) | | \$529.88 | dwelling units | (e) x Col. (3) | |
| Commercial | | \$16.30 | square metres total floor area | (e) x Col. (3) | |
| Industrial | | \$13.59 | square metres total floor area | (e) x Col. (3) | |
| Institutional | | \$8.15 | square metres total floor area | (e) x Col. (3) | |

TOWN OF LAKE COWICHAN PARKS DCC PROGRAM

| Project No. | Col. (1) | | Col. (2) | Col. (3) | Col. (4) = Col. (2) x Col. (3) | Col. (6) | Col. (7) = Col. (4) - Col. (6) | Col. (8) = Col. (2) - Col. (7) | |
|---------------|------------------|----------------------------------|--|---------------------|--------------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Project Name | Project Timing (5 yr Increments) | Description | Cost Estimate(2022) | Benefit Factor | Benefit to New Development | Municipal Assist Factor 1% | DCC Recoverable | Total Municipal Responsibility |
| P-1 | Trails Edge Park | Short | Park improvements to Trails Edge Park to support future subdivisions. | \$55,000 | 100% | \$55,000 | \$550 | \$54,450 | \$550 |
| P-2 | Centennial Park | Medium | Capacity upgrades to the main park in community, including lighting and washroom upgrades. | \$420,000 | 50.00% | \$210,000 | \$2,100 | \$207,900 | \$212,100 |
| TOTALS | | | | \$475,000 | | \$265,000 | \$2,650 | \$262,350 | \$212,650 |

TOWN OF LAKE COWICHAN PARKS DCC RATE CALCULATION

| A: Parks 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 Residential | 108 | dwelling units | 3.95 | 425 | 75% |
| Medium Density Residential (Townhouse) | 27 | dwelling units | 2.3 | 62 | 11% |
| High Density Residential (Apartment) | 45 | dwelling units | 1.7 | 76 | 14% |
| Commercial | 12,615 | square metres total floor area | 0.000 | - | 0% |
| Industrial | 16,050 | square metres total floor area | 0.000 | - | 0% |
| Institutional | 1,728 | square metres total floor area | 0.000 | - | 0% |
| | | | Total Equivalent Population | 564 (a) | 100% |
| B: Unit Parks DCC Calculation | | | | | |
| Net Parks DCC Program Recoverable | | \$262,350 | (b) | | |
| Existing DCC Reserve Monies | | \$0 | (c) | | |
| Net Amount to be Paid by DCCs | | \$262,350 | (d) = (b) - (c) | | |
| DCC per person | | \$465.57 | (e) = (d) / (a) | | |
| C: Resulting Parks DCCs | | | | | DCC Revenue Estimates |
| Single-Detached Residential | | \$1,838.98 | dwelling units | (e) x Col. (3) | |
| Medium Density Residential (Townhouse) | | \$1,070.80 | dwelling units | (e) x Col. (3) | |
| High Density Residential (Apartment) | | \$791.46 | dwelling units | (e) x Col. (3) | |
| Commercial | | \$0.00 | square metres total floor area | (e) x Col. (3) | |
| Industrial | | \$0.00 | square metres total floor area | (e) x Col. (3) | |
| Institutional | | \$0.00 | square metres total floor area | (e) x Col. (3) | |

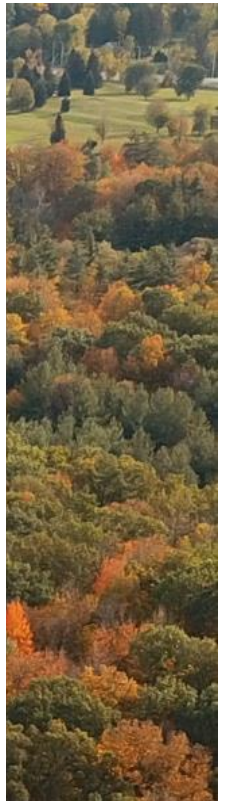
TOWN OF LAKE COWICHAN DRAINAGE DCC PROGRAM

| Project No. | | | Col. (1) | Col. (2) | Col. (3) | Col. (4) = Col. (2) x Col. (3) | Col. (6) | Col. (7) = Col. (4) - Col. (6) | Col. (8) = Col. (2) - Col. (7) |
|---------------|--------------------------------|----------------------------------|--|----------------------|----------------|--------------------------------|----------------------------|--------------------------------|--------------------------------|
| | Project Name | Project Timing (5 yr Increments) | Description | Cost Estimate (2020) | Benefit Factor | Benefit to New Development | Municipal Assist Factor 1% | DCC Recoverable | Total Municipal Responsibility |
| D-1 | Pine Street Storm Pipe Upgrade | Medium | Pine Street / Sahtlam Ave Storm upgrade. | \$1,800,000 | 25% | \$450,000.00 | \$4,500 | \$445,500 | \$1,354,500 |
| D-2 | Stormwater Master Plan | Short | Conduct a comprehensive assessment of stormwater services throughout the Town. | \$150,000 | 75% | \$112,500.00 | \$1,125 | \$111,375 | \$38,625 |
| TOTALS | | | | \$1,950,000 | | \$562,500 | \$5,625 | \$556,875 | \$1,393,125 |

TOWN OF LAKE COWICHAN DRAINAGE DCC RATE CALCULATION

| A: Storm 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 Residential | 108 | dwelling units | 1.1 | 120 | 49% |
| Medium Density Residential (Townhouse) | 27 | dwelling units | 0.46 | 12 | 5% |
| High Density Residential (Apartment) | 45 | dwelling units | 0.21 | 9 | 4% |
| Commercial | 12,615 | square metres total floor area | 0.0029 | 37 | 15% |
| Industrial | 16,050 | square metres total floor area | 0.0034 | 55 | 23% |
| Institutional | 1,728 | square metres total floor area | 0.0054 | 9 | 4% |
| | | | Total Equivalent Population | 242 (a) | 100% |
| B: Unit Storm DCC Calculation | | | | | |
| Net Sanitary DCC Program Recoverable | | \$556,875 | (b) | | |
| Existing DCC Reserve Monies | | \$0 | (c) | | |
| Net Amount to be Paid by DCCs | | \$556,875 | (d) = (b) - (c) | | |
| DCC per person | | \$2,302.94 | (e) = (d) / (a) | | |
| C: Resulting Storm DCCs | | | | | DCC Revenue Estimates |
| Single-Detached Residential | | \$2,556 | dwelling units | (e) x Col. (3) | |
| Medium Density Residential (Townhouse) | | \$1,059.35 | dwelling units | (e) x Col. (3) | |
| High Density Residential (Apartment) | | \$483.62 | dwelling units | (e) x Col. (3) | |
| Commercial | | \$6.68 | square metres total floor area | (e) x Col. (3) | |
| Industrial | | \$7.83 | square metres total floor area | (e) x Col. (3) | |
| Institutional | | \$12.44 | square metres total floor area | (e) x Col. (3) | |
| | | | | | |

APPENDIX B:
EXISTING TOWN OF LAKE COWICHAN
DEVELOPMENT COST CHARGE BYLAW



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THE CORPORATION OF THE VILLAGE OF LAKE COWICHAN

BYLAW NO. 603-1994

A BYLAW TO IMPOSE DEVELOPMENT COST CHARGES
IN THE VILLAGE OF LAKE COWICHAN

WHEREAS the Council may, pursuant to Section 983 of the Municipal Act R.S.B.C. 1979 c.290, impose development cost charges under the terms and conditions of that Section;

AND WHEREAS development cost charges may be imposed for the sole purpose of providing funds to assist the municipality in paying the capital cost of providing, constructing, altering or expanding sewage, water and highway facilities or any of them, in order to serve, directly or indirectly, the development for which the charges are imposed;

AND WHEREAS no development cost charge shall be required to be paid:

- (1) if a development cost charge has previously been paid for the same development, unless, as a result of further development, new capital cost burdens will be imposed on the municipality; or
- (2) where the development does not impose new capital cost burdens on the municipality;

AND WHEREAS, in the consideration of Council, the charges imposed by this Bylaw:

- (1) are not excessive in relation to the capital cost of prevailing standards of service in the municipality;
- (2) will not deter development in the municipality; and
- (3) will not discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land;

AND WHEREAS, in the opinion of Council, the charges imposed by this Bylaw are:

- (1) related to capital costs attributable to projects involved in the capital budget of the municipality;
- (2) related to capital projects consistent with the Official Community Plan of the municipality;

THEREFORE BE IT RESOLVED that the Council of the Corporation of the Village of Lake Cowichan, in open meeting assembled, ENACTS AS FOLLOWS:

1. Charges

Subject to the provision of the Municipal Act, every person who obtains:

- (1) approval of a subdivision; or
 - (2) a building permit authorizing the construction, alteration, or extension of a building or structure;
- shall pay to the Village at the time of the approval of the subdivision or the issuance of the building permit, as the case may be, the appropriate development cost charges in the amount and at the time as set out in Schedule "A" attached hereto and forming part of this Bylaw.

2. Remainder of Bylaw to be Maintained Intact

In the event that any portion of this Bylaw is declared ultra vires by a Court of competent jurisdiction, then such portion shall be deemed to be severed from the Bylaw to the intent that the remainder of the Bylaw shall continue in full force and effect.

3. Title

This Bylaw may be cited for all purposes as "VILLAGE OF LAKE COWICHAN DEVELOPMENT COST CHARGE BYLAW NO. 603-1994".

Read a First time this 22nd day of November, 1994.

Read a Second time this 22nd day of November, 1994.


Read a Third time this 22nd day of November, 1994.

Received the approval of the Inspector of Municipalities on the 6th day of January, 1995.

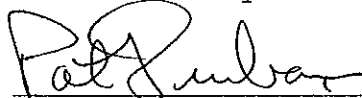
Reconsidered, Adopted and Finally Passed this 10th day of January, 1995.



Clerk


Mayor

I hereby certify the foregoing to be a true and correct copy of Village of Lake Cowichan Development Cost Charge Bylaw No. 603-1994 as adopted by Council on the 10th day of January, 1995.



Clerk

I hereby certify the foregoing to be a true and correct copy of Village of Lake Cowichan Development Cost Charge Bylaw No. 603-1994 as given Third reading by Council on the 22nd day of November, 1994.



Clerk

A true copy of By-Law No. 603 registered in the office of the Inspector of Municipalities this 19th day of January 1995.


Deputy Inspector of Municipalities

SCHEDULE "A"

to

BYLAW NO. 603-1994

Village of Lake Cowichan Development Cost Charges

1. Development Cost Charges shall be levied in all areas of the Village of Lake Cowichan in order to provide funds to assist the Village in paying the capital cost of providing, constructing, altering or expanding highway facilities, water service facilities and sewer service facilities within the Village of Lake Cowichan.
2. The charges to be levied and paid within the Village of Lake Cowichan are as follows:

| | <u>Roads</u> | <u>Water</u> | <u>Sewer</u> |
|---|--------------|--------------|--------------|
| <u>Single Family Residential:</u> Subdivision Approval | \$1,313/lot | \$2,514/lot | \$644/lot |
| <u>Multi-Family Residential</u> Building Permit Issuance | \$1,050/unit | \$2,012/unit | \$516/unit |

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APPENDIX C:
PROPOSED TOWN OF LAKE COWICHAN
DEVELOPMENT COST CHARGE BYLAW



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TOWN OF LAKE COWICHAN

Bylaw No. 1078-2022

A bylaw to impose Development Cost Charges.

WHEREAS pursuant to the *Local Government Act*, the Council of the Town of Lake Cowichan may, by Bylaw, impose development cost charges;

AND WHEREAS development cost charges may be imposed for the purpose of providing funds to assist the municipality in paying the capital costs of providing, constructing, altering, or expanding sanitary sewer, water, drainage and roads facilities, and providing and improving park land to service directly or indirectly, the development for which the charges are imposed;

AND WHEREAS the Council of the Town of Lake Cowichan has deemed the charges imposed by this bylaw:

- (a) are not excessive in relation to the capital cost of prevailing standards of service in the municipality;
- (b) will not deter development in the municipality;
- (c) will not discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land in the municipality; and
- (d) will not discourage development designed to result in a low environmental impact in the municipality;

AND WHEREAS Council has considered the charges imposed by this bylaw in relation to future land use patterns and development, the phasing of works and services and the provision of park land described in the Official Community Plan, and how development designed to result in a low environmental impact may affect the capital costs of sanitary sewer, water, drainage, and roads, and providing and improving park land;

AND WHEREAS in the opinion of the Council, the charges imposed by this Bylaw are related to capital costs attributable to projects included in the municipality's financial plan and long-term capital plans, and to capital projects consistent with the Official Community Plan.

NOW THEREFORE, the Council of the Town of Lake Cowichan, in open meeting assembled, enacts as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 For the purposes of this bylaw, the definitions of words or phrases that are not included in this section shall have the meaning assigned to them in the Zoning Bylaw.

1.2 In this bylaw

BUILDING means any structure that is greater than ten (10) square metres used or intended for supporting or sheltering any use or occupancy.

BUILDING PERMIT means any permit required by the Town that authorizes the construction, alteration or extension of a building or structure.

COMMERCIAL means a commercial development in a commercial zone listed in the Zoning Bylaw or a similar development in another zone permitted in accordance with the Zoning Bylaw, in which the predominant use, as determined by its purpose and list of permitted uses, is of a commercial nature.

CONSTRUCTION includes building, erection, installation, repair, alteration, addition, enlargement, moving, locating, relocating, reconstruction, demolition, removal, excavation, or shoring.

DEVELOPMENT means the construction, alteration, or extension of buildings and/or structures for any use authorized by the zoning bylaw that requires the issuance of a building permit but does not include internal alterations of a building and/or structure where the principal use of the building and/or structure, or part thereof, is not changing.

DWELLING means a self-contained set of habitable rooms located in a principal building containing a set of cooking facilities and which may contain sleeping, sanitary and recreation facilities.

GROSS FLOOR AREA (GFA) means the total floor area, exclusive of any portion of the building or structure below finished grade measured between the exterior faces of the exterior walls which is used for heating, the storage of goods or personal effects, laundry facilities, recreational areas, the storage or parking of motor vehicles, exclusive of any private garage, carport, basement, walkout basement, cellar, porch, veranda or sunroom unless such sunroom is habitable during all seasons of the year;

HIGH DENSITY RESIDENTIAL means development of a residential building which contains multiple Dwelling Units accessible via a common hallway or corridor and shared entrance facilities, includes apartment dwellings.

INDUSTRIAL means an industrial development in a zone listed in the Zoning Bylaw, or similar development in another zone permitted in accordance with the Zoning Bylaw, in which the predominant use, as determined by its general purpose and list of permitted uses, is of an industrial nature.

INSTITUTION includes public recreation facilities, colleges, community halls, cemetery, court of law, municipal offices, community services, provincial or federal offices including a post office, school district offices, fire and ambulance stations, hospitals, library, childcare

centre, police station, parks, playgrounds, public art gallery, public museum, school.

MEDIUM DENSITY RESIDENTIAL means residential development which includes townhouse, two unit dwellings, triplex, fourplex, mobile homes, and modular homes

PARCEL means any lot, block or other area in which land is held or into which it is subdivided, but does not include a highway;

SINGLE DETACHED DWELLING means a detached building containing one dwelling occupied or intended to be occupied as a single residence by a household, except where the zoning permits an accessory use where another dwelling can be contained within or above the other. Where specially permitted in the Zoning Bylaw, this use may contain one additional Dwelling Unit in the form of a secondary suite or accommodation unit;

STRUCTURE means any construction fixed to, supported by, or sunk into land or water but not concrete, asphalt or similar surfacing of a parcel;

SUBDIVISION means a subdivision as defined in the *Land Title Act* or *Strata Property Act*.

TOWN means the Town of Lake Cowichan;

ZONE means the zones identified and defined in the Town of Lake Cowichan Zoning Bylaw.

ZONING BYLAW means the Town of Lake Cowichan Zoning Bylaw in effect at the time of application of this bylaw.

2. DEVELOPMENT COST CHARGES

2.1 The Development Cost Charges set out in Schedule "A", attached hereto and forming part of this bylaw, are hereby imposed on every person who obtains:

- (a) approval of a Subdivision of land under the *Land Title Act* or the *Strata Property Act*, that results in two or more Parcels on which the Zoning Bylaw permits the construction of a Single Detached;
- (b) approval of a Building Permit authorizing the Construction of Medium Density Residential, High Density Residential, Commercial, Industrial, or Institutional;

and the development cost charge shall be paid prior to approval of a subdivision or issuance of a building permit, as the case may be.

2.2 For certainty, this bylaw imposes charges in respect of Building Permits authorizing the Construction, of buildings or structures that will, after the Construction, contain fewer than four Dwelling Units and for which the Dwelling Units in the building or structure will be put to no use other than residential use.

3. EXEMPTIONS

- 3.1 Despite any other provision of this bylaw, a development cost charge is not payable if **any of the following applies in relation to a development authorized by a Building Permit**:
- (a) the permit authorizes the Construction of a building or part of a building that is, or will be, after the Construction, exempt from taxation under section 220(1)(h) or 224(2)(f) of the *Community Charter*;
 - (b) the permit authorizes the Construction Dwelling Units in a building, the area of each Dwelling Unit is no larger than 29m², and each Dwelling Unit will be put to no other use than residential use;
 - (c) the value of the work authorized by the permit does not exceed \$50,000;
 - (d) a development cost charge has previously been paid for the development unless, as a result of further development, new capital cost burdens will be imposed on the municipality; or
 - (e) The *Local Government Act* or any regulations thereunder provide that no development cost charge is payable.

4. CALCULATION OF APPLICABLE CHARGES

- 4.1 The amount of development cost charges payable in relation to a particular development shall be calculated using the applicable charges set out in Schedules “A” of this bylaw.
- 4.2 Where a type of development is not specifically identified in Schedule “A” the amount of development cost charges to be paid to the Town shall be equal to the development cost charges that are payable for type of development that in the opinion of the Chief Administrative Officer imposes the most similar cost burden on the Town’s roads, sanitary sewer, water, stormwater, and park services.
- 4.3 The amount of development cost charges payable in relation to mixed-use type of development shall be calculated separately for each portion of the development, according to the separate use types, which are included in the building permit application and shall be the sum of the charges payable for each type.

5. EFFECTIVE DATE

This Bylaw comes into effect on the date of adoption.

6. SEVERABILITY

If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed, and the remainder of the bylaw remains valid.

7. REPEAL

The Town of Lake Cowichan Development Cost Charges Bylaw No. 603-1994, and all amendments, is hereby repealed.

8. TITLE

Bylaw No. 1078-2022 may be cited as the Town of Lake Cowichan “Development Cost Charges Bylaw No. 1078-2022”.

READ A FIRST TIME on the ___ day of _____ 2022.

READ A SECOND TIME on the ___ day of _____ 2022.

READ A THIRD TIME on the ___ day of _____ 2022.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the ___ day of _____ 2022.

Bob Day
Mayor

Joseph A. Fernandez
Corporate Officer

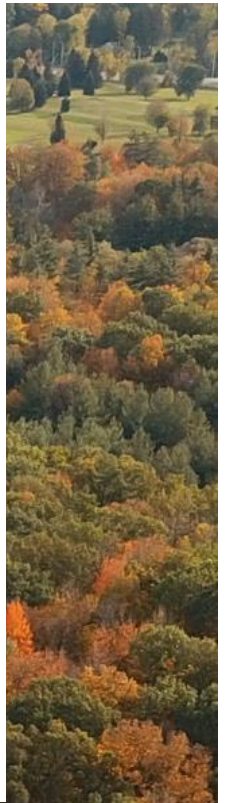
TOWN OF LAKE COWICHAN**SCHEDULE "A"**

(attached to and forming part of Bylaw No. 1078-2022)

Table 1: DCC Rates

| | Unit | Water | Sanitary Sewer | Roads | Parks | Stormwater |
|--|------------------------|--------------|-----------------------|--------------|--------------|-------------------|
| Single-Detached Residential | per dwelling unit | \$6,734.30 | \$10,886.44 | \$1,630.40 | \$1,838.98 | \$2,556 |
| Medium Density Residential (Townhouse) | per dwelling unit | \$3,921.24 | \$6,338.94 | \$706.50 | \$1,070.80 | \$1,059.35 |
| High Density Residential (Apartment) | per dwelling unit | \$2,898.30 | \$4,685.30 | \$529.88 | \$791.46 | \$483.62 |
| Commercial | per m ² GFA | \$17.05 | \$27.56 | \$16.30 | \$0.00 | \$6.68 |
| Industrial | per m ² GFA | \$13.64 | \$22.05 | \$13.59 | \$0.00 | \$7.83 |
| Institutional | per m ² GFA | \$20.46 | \$33.07 | \$8.15 | \$0.00 | \$12.44 |

APPENDIX D:
OPEN HOUSE MATERIALS



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DEVELOPMENT COST CHARGES PROGRAM

TOWN OF LAKE COWICHAN

STAKEHOLDER CONSULTATION
JULY 28TH, 2022



URBAN
SYSTEMS

WORKSHOP CONTENTS

1. Project Overview
2. DCC 101
3. Program Development
4. Proposed Rates
5. Key Considerations
6. Next Steps



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PROJECT OVERVIEW

PURPOSE AND OBJECTIVES

PROJECT PURPOSE:

- Update the DCC Bylaw to capture **current infrastructure costs** for capital projects, that are **driven by growth**

OBJECTIVES OF TODAY:

- Provide a DCC 101
- Provide clarity on how the proposed rates were developed
- Present proposed DCC rates

PROJECT BACKGROUND



The current DCC Bylaw was adopted in 1994. Since that time...

- Lake Cowichan has grown by 25%
- Infrastructure costs have increased significantly
- Advancements to DCC best practices have been made
- Lake Cowichan faces different infrastructure needs



CURRENT DCC PROGRAM

The current DCC program:

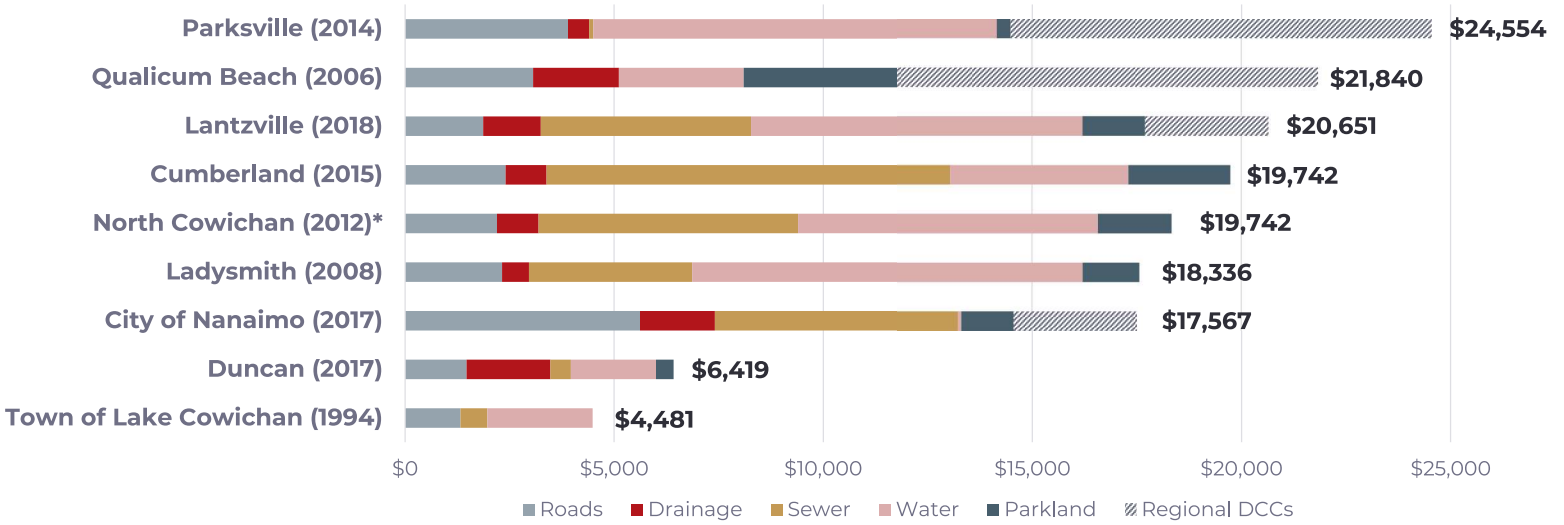
- Applies to residential development – no DCCs are charged for non-residential uses (industrial, commercial, or institutional)
- Collects DCCs for roads, water, and sewer – no DCCs are collected for parks or drainage

| Dwelling Type | Roads | Water | Sewer |
|-------------------------------------|---------|---------|-------|
| Single-family Residential (per lot) | \$1,323 | \$2,514 | \$644 |
| Multi-family Residential (per unit) | \$1,050 | \$2,012 | \$516 |



WHAT ARE OTHER COMMUNITIES CHARGING?

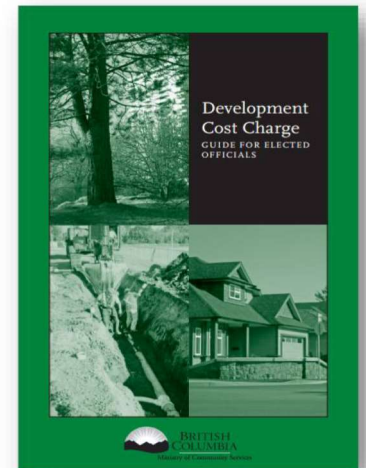
Community Comparison of DCCs (single-family residential)



DEVELOPMENT COST CHARGES 101

WHAT ARE DCCS?

- They help communities recover the costs of **off-site infrastructure needed to support growth**
- Based on the principle that infrastructure costs should be paid by those who will use and benefit from it
- Regulated by the Province
 - *Local Government Act*
 - *DCC Best Practices Guide*
- Best practice is to review DCC program (projects and costs) on a regular basis:
 - Minor update every 1 to 3 years
 - Major update every 3 to 5 years



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WHY IMPLEMENT DCCS?

1. Foster fairness – growth pays for growth
2. Ensure consistency
3. Minimize financial risk to the Town
4. Ensure certainty for the development community
5. Promote transparency

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WHEN ARE DCCS PAID?

- Applicants for **subdivision approval** to create single family development sites



- Applicants for **building permits** to construct multi-family, commercial, industrial, and institutional development

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HOW ARE DCCS APPLIED?

- There is a connection between building form and the land uses categories for which DCCs are imposed, these serve as a proxy to reflect impact on infrastructure services
- The following categories reflect best practice:
 - **Low density residential** includes single-family homes
 - **Medium density multi-family** includes duplexes, triplexes, fourplexes, row houses, townhouses and manufactured homes
 - **High density multi-family** includes apartments
 - **Commercial**
 - **Industrial**
 - **Institutional**

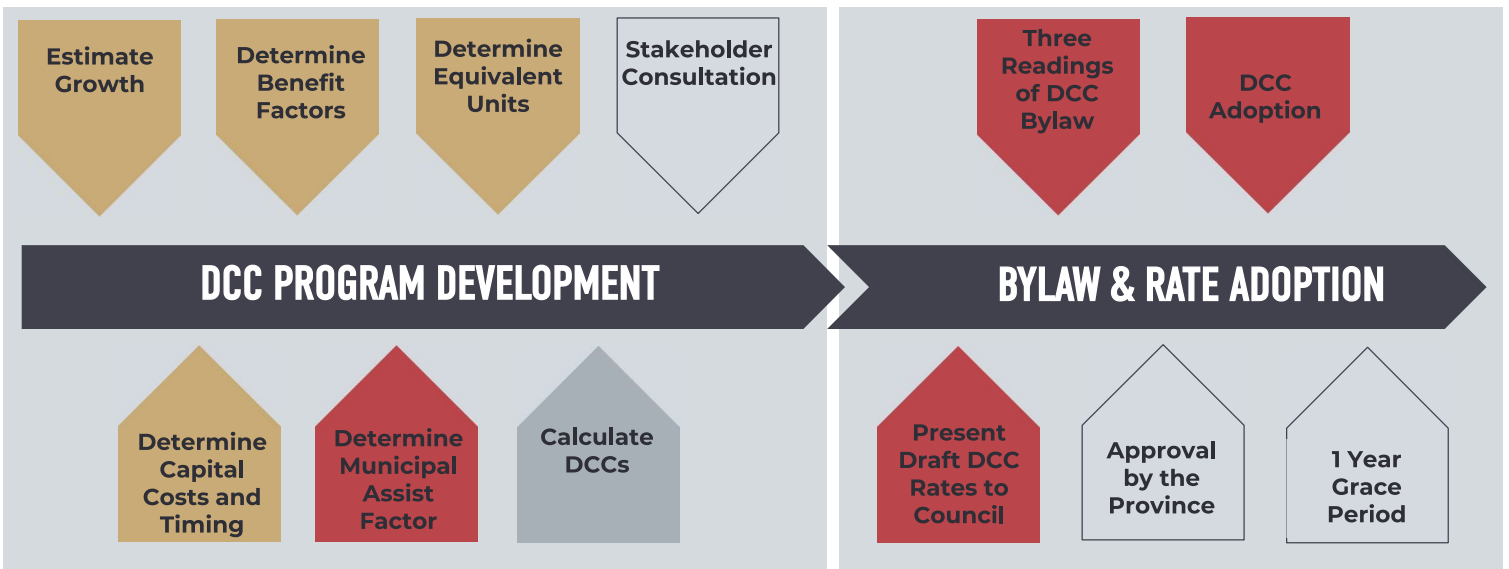
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DEVELOPMENT COST CHARGES

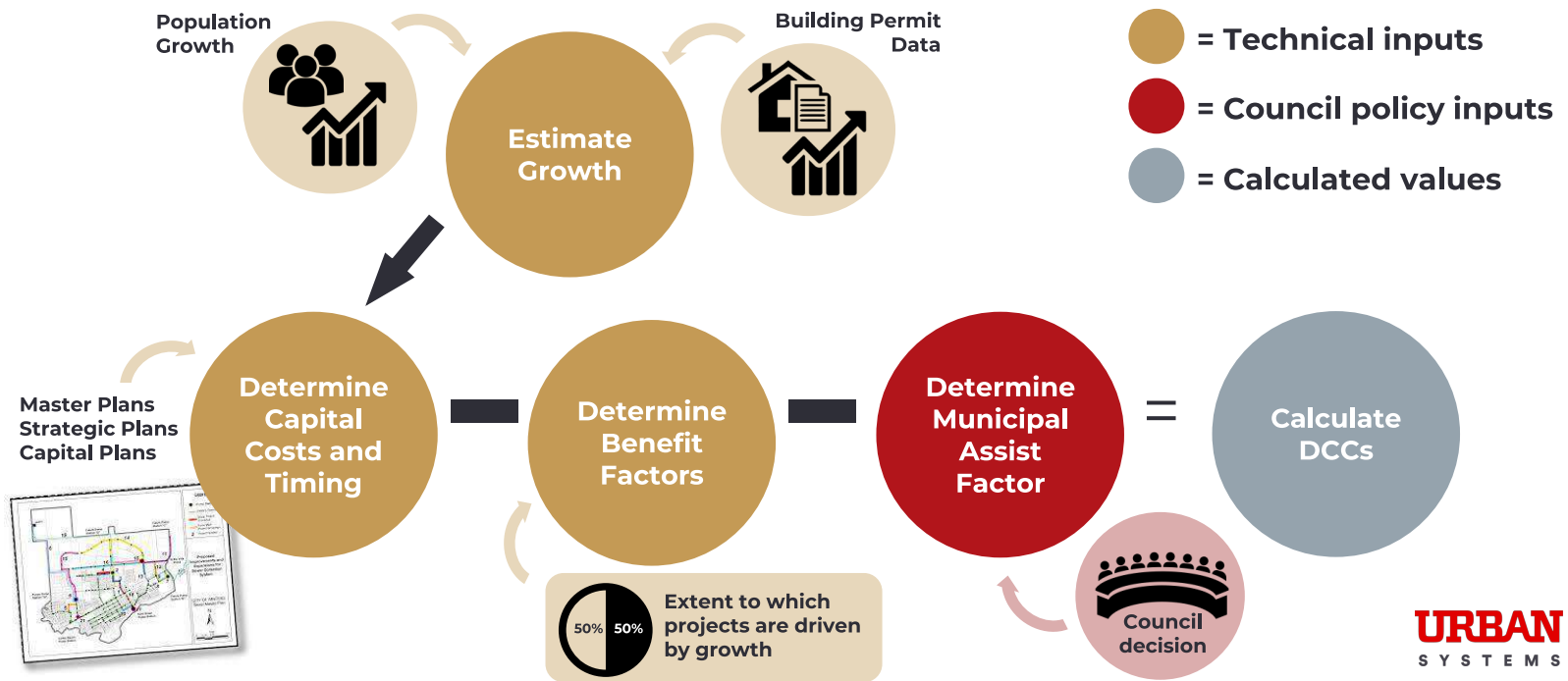
PROGRAM DEVELOPMENT

DCC BYLAW UPDATE PROCESS



● = Council policy inputs ● = Technical inputs ● = Calculated values

HOW DO WE DETERMINE THE DCC RATE?



GROWTH PROJECTIONS

- Population and dwelling projections closely reflect Lake Cowichan's OCP, with slightly fewer new dwellings units
- Future residential, commercial, industrial and institutional growth projections are based on:
 - Review subdivision and building permit records (growth units)
 - Build-out Analysis
 - Staff inputs
 - Local building permit values and construction cost estimates (\$)

CAPITAL PROJECTS

- Capital projects include DCC Eligible projects such as:
 - Capital costs for providing, constructing, altering, and expanding **sewer, water, drainage, and roads**
 - Master Plans, capital projects, modelling, capacity upgrades
 - Park land acquisition and Improvements

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BENEFIT ALLOCATION

- Reflects the benefit of each project to the existing community, and new development
- Used to calculate the proportion of capital costs attributable to new development
- This percentage factor is generally lower in communities like with more infill development, as many projects will benefit both new and existing development

Example – Watermain

An existing watermain is nearing the end of its useful life. There is a small subdivision going in nearby and will also be connecting to this watermain. The benefit allocation for this watermain upgrade would be set to 25% as it mainly benefits existing population but also will benefit a new development .

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MUNICIPAL ASSIST FACTOR

- The Local Government Act requires LG's to "assist" future development
- A Municipal Assist Factor between 1% and 99% is required by legislation
- The amount is set by Council, but is typically between 1% and 5%

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PROPOSED DCC RATES

Cowichan Lake
Developed by Don Smith

CAPITAL PROGRAM COSTS

| DCC Program | Capital Cost | DCC Recoverable | Municipal Cost |
|----------------------------|-----------------|-----------------|------------------|
| Water | \$4.27 M | \$2.44 M | \$1.72 M |
| Sanitary Sewer | \$17.71 M | \$4.34 M | \$12.90 M |
| Roads | \$2.67 M | \$1.12 M | \$1.55 M |
| Parks | \$0.47 M | \$0.26 M | \$0.21 M |
| Stormwater Drainage | \$1.95 M | \$0.55 M | \$1.39 M |
| TOTAL | \$26.9 M | \$8.73 M | \$17.79 M |



PROPOSED DRAFT RATES

| Land Use | | Water | Sanitary Sewer | Roads | Parks | Storm Drainage | Total DCC by Unit |
|----------------------------------|-------------------------|------------|----------------|------------|------------|----------------|--------------------|
| Single-Family Residential | per dwelling unit | \$6,734.30 | \$10,886.44 | \$1,630.40 | \$1,838.98 | \$2,556.26 | \$23,646.38 |
| Townhouse | per dwelling unit | \$3,921.24 | \$6,338.94 | \$706.50 | \$1,070.80 | \$1,059.35 | \$13,096.83 |
| Apartment | per dwelling unit | \$2,898.30 | \$4,685.30 | \$529.88 | \$791.46 | \$483.62 | \$9,388.56 |
| Commercial | per m2 total floor area | \$17.05 | \$27.56 | \$16.30 | \$0.00 | \$6.68 | \$67.59 |
| Industrial | per m2 total floor area | \$13.64 | \$22.05 | \$13.59 | \$0.00 | \$7.83 | \$57.10 |
| Institutional | per m2 total floor area | \$20.46 | \$33.07 | \$8.15 | \$0.00 | \$12.44 | \$74.12 |

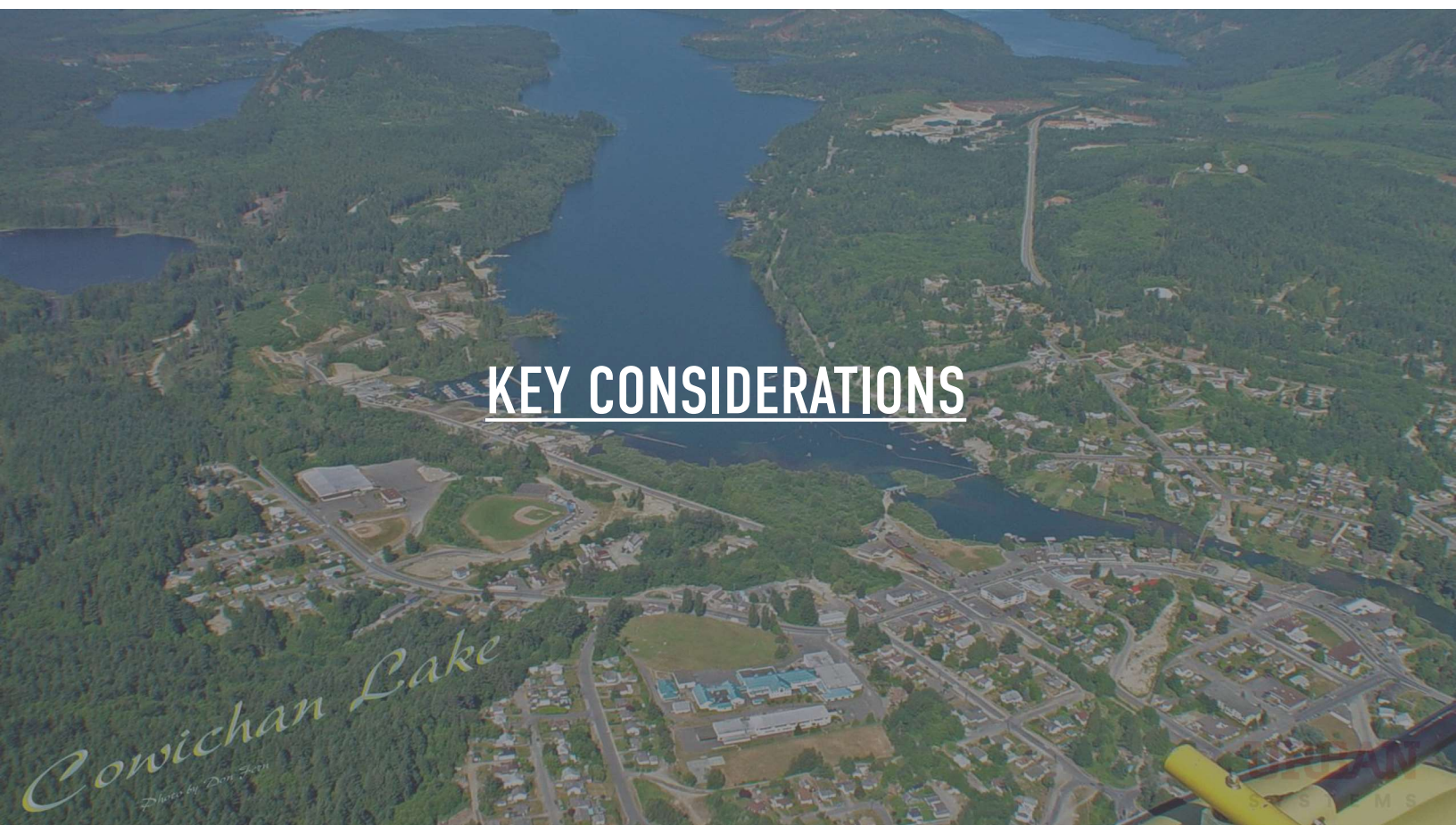


IN-STREAM PROTECTION AND PHASE-IN OF DCC RATES

- Legislation provides one-year in-stream protection from new DCC rates beginning from the date of adoption of the new DCC Bylaw
- Section 943 of the *Local Government Act* provides a 12-month protection period to in-stream applications:
 - Building permit applications
 - Subdivision applications
 - Precursor applications (re-zoning and Development Permit)

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KEY CONSIDERATIONS



DCC EXEMPTIONS

The *Local Government Act* identifies conditions where DCC Exemptions apply, plus ones which can be varied by Council within the DCC Bylaw:

- Buildings for public worship (no variation on this exemption)
- Where no new infrastructure is required to accommodate growth (no variation on this exemption)
- Building permits for under \$50,000 in value (Council can increase this amount by Bylaw)
- Residential units = or < 29m² in size (Council can increase this amount by Bylaw)
- Less than 4 units, i.e. duplex/triplexes (Council can include these units for charge within the DCC Bylaw)

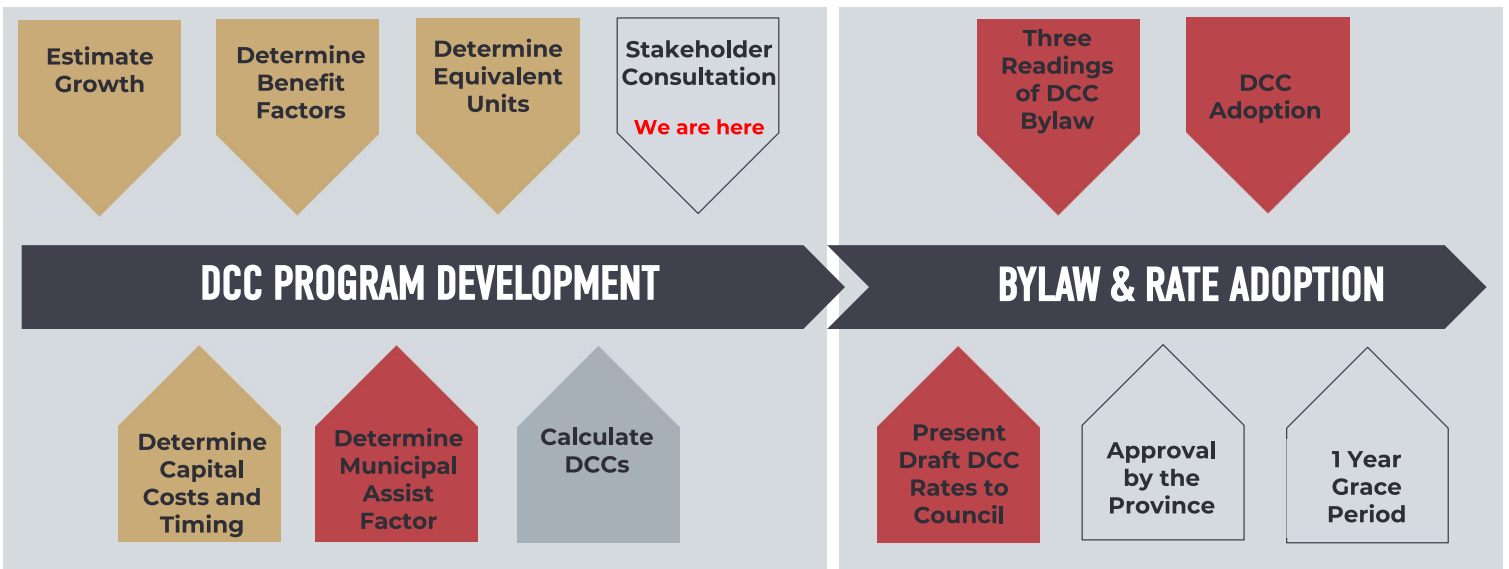
DCC WAIVERS AND REDUCTIONS

- Under Bill 27 (2008), local governments can create a separate DCC Waivers and Reductions Bylaw for certain classes of eligible development
 - Not-for-profit rental housing, including supportive living housing
 - For-profit affordable rental housing
 - Small lot subdivisions designed for low GHG emissions
 - Development designed to result in low environmental impact
- Amount waived must be entirely recovered from existing development (i.e. existing taxpayers and / or general revenue)



NEXT STEPS

DCC BYLAW UPDATE PROCESS



● = Council policy inputs ● = Technical inputs ● = Calculated values

THANK YOU!

QUESTIONS/COMMENTS?

Cowichan Lake
Directed by Don Scott

