

BACKGROUND INFORMATION

DISTRICT OF KENT | DEVELOPMENT COST CHARGE BYLAW UPDATE

The District of Kent is updating its Development Cost Charges (DCCs) bylaw. The following provides background information on DCCs and answers several frequently asked questions.

WHAT IS A DEVELOPMENT COST CHARGE?

Development Cost Charges (DCCs) are funds that are collected from developers to contribute to the costs of infrastructure that is required to service new growth in the community. DCCs are regulated through the *Local Government Act* and are an important tool for local governments to sustainably facilitate and finance development in their community, without compromising the delivery of services to their residents. 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 the costs required to develop new infrastructure.

The District of Kent currently collects DCCs, through its Development Cost Charge Bylaw No. 1572, 2017, amended by Bylaw No.1572.01, 2020 to help fund road, sewer, and drainage infrastructure projects as well as parkland acquisition and improvement, all which benefit future growth in the community.

WHO PAYS DCCs?

DCCs are paid by applicants for:

- subdivision of land
- building permits to construct multi-family, commercial, industrial, or institutional development

WHAT DO DCCs PAY FOR?

DCCs pay for capital upgrades needed to support growth by assisting in the funding of:



TRANSPORTATION
INFRASTRUCTURE



SEWER
INFRASTRUCTURE



DRAINAGE
INFRASTRUCTURE



PARKS LAND
ACQUISITION &
DEVELOPMENT

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WHAT DO DCCs NOT PAY FOR?

- Replacing, operating, and maintaining parks, roads, sanitary mains, and storm drains already in place to serve existing District residents
- New facilities such as fire halls, municipal offices, recreation centres or libraries

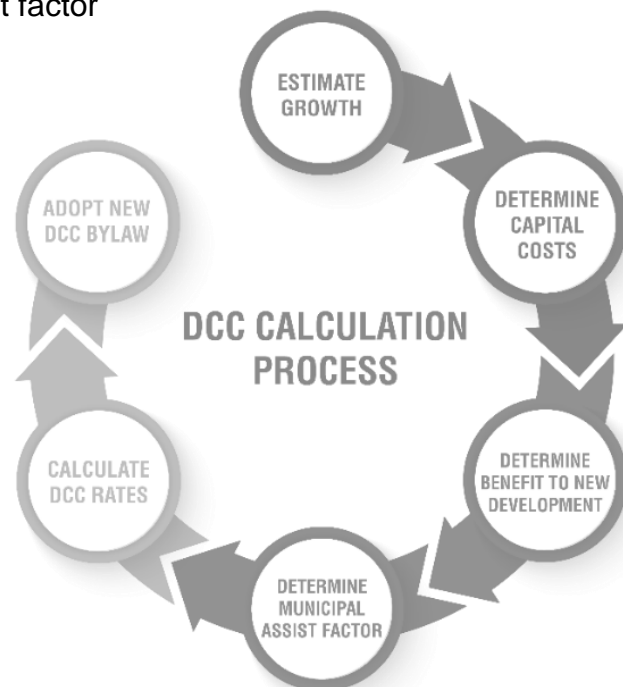
WHY UPDATE DCCs NOW?

- The District's current DCC program was updated and reviewed in 2017
- This District undertook an inflationary increase to the DCC rates in 2020
- The District has updated information for certain infrastructure needs and costs.

HOW ARE DCCs CALCULATED?

DCCs are calculated by:

1. Estimating total new growth
2. Identifying infrastructure projects and capital costs
3. Determining benefit allocation
4. Determining municipal assist factor



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DRAFT DCC RATES AS OF JUNE 2023

The proposed DCCs rate are shown in **Table 1.0** and are grouped into four categories:

1. roads,
2. sewer,
3. drainage, and
4. parkland acquisition and improvement projects.

TABLE 1.0 – DRAFT* DCC RATES AS OF JUNE 2023

| Land Uaw | Transportation | Drainage | Sanitary Sewer | Parks Development & Acquisition | Total Development Cost Charge | |
|--------------------------|----------------|------------|----------------|---------------------------------|-------------------------------|--------------------------------------|
| Single Family | \$1,758.23 | \$1,252.92 | \$11,241.07 | \$1,059.55 | \$15,311.76 | per lot or dwelling unit |
| Duplex | \$1,758.23 | \$1,252.92 | \$9,367.56 | \$882.96 | \$13,261.66 | per dwelling unit |
| Multi-Family Residential | \$1,134.06 | \$477.36 | \$6,744.64 | \$635.73 | \$8,991.79 | per dwelling unit |
| Personal Care | \$750.76 | \$446.04 | \$3,821.96 | \$360.25 | \$5,379.01 | per dwelling unit |
| Mobile Home Park | \$1,134.00 | \$1,252.92 | \$6,744.64 | \$635.73 | \$9,767.29 | per lot or dwelling unit |
| Commercial | \$19.52 | \$7.14 | \$104.17 | \$0.00 | \$130.83 | per square metre of gross floor area |
| Institutional | \$19.52 | \$7.14 | \$104.17 | \$0.00 | \$130.83 | per square metre of gross floor area |
| Industrial | \$5.80 | \$3.76 | \$31.10 | \$0.00 | \$40.66 | per square metre of gross floor area |
| General Agricultural | \$0.70 | \$0.00 | \$0.00 | \$0.00 | \$0.70 | per square metre of gross floor area |
| Commercial Agricultural | \$19.52 | \$7.14 | \$104.17 | \$0.00 | \$130.83 | per square metre of gross floor area |

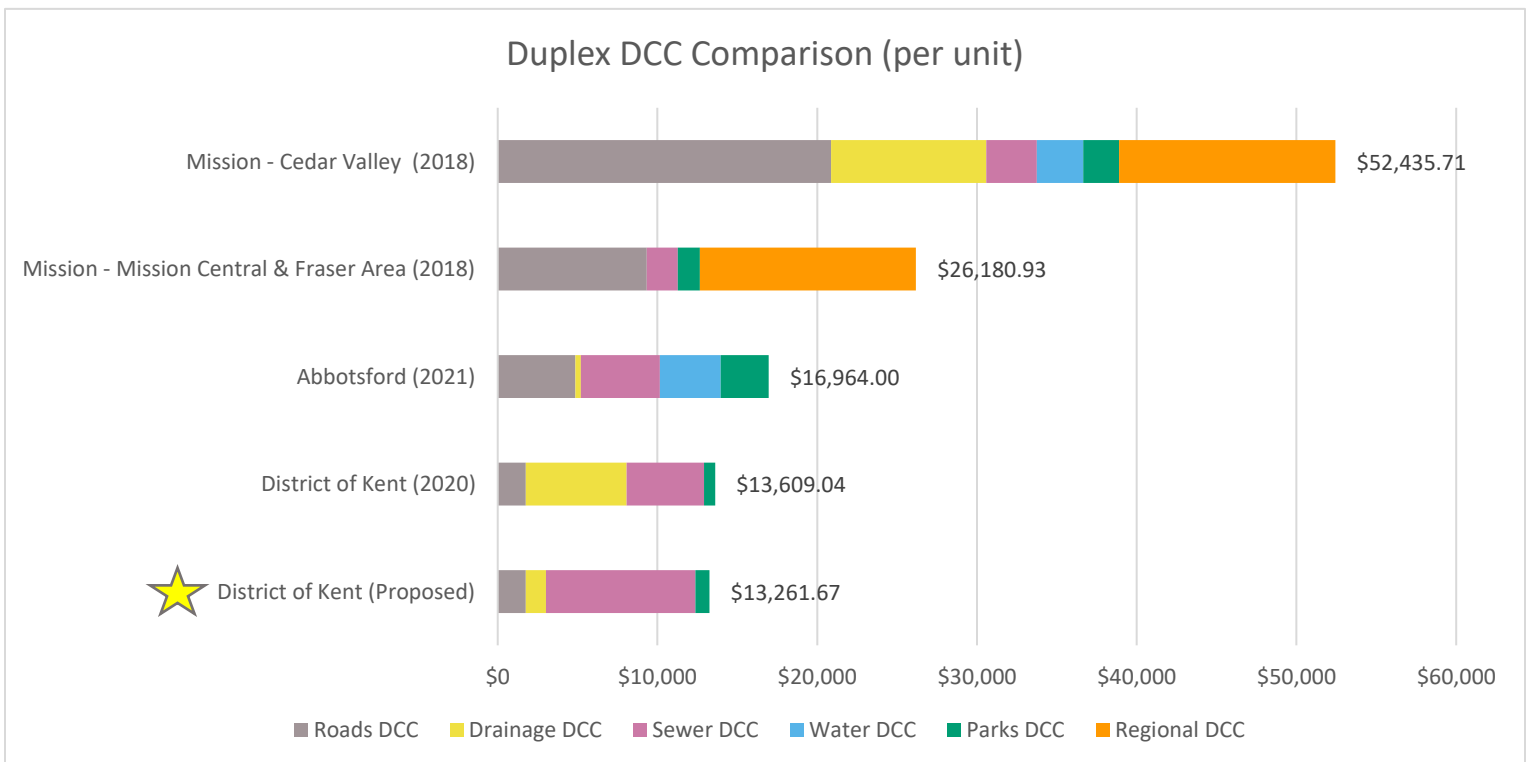
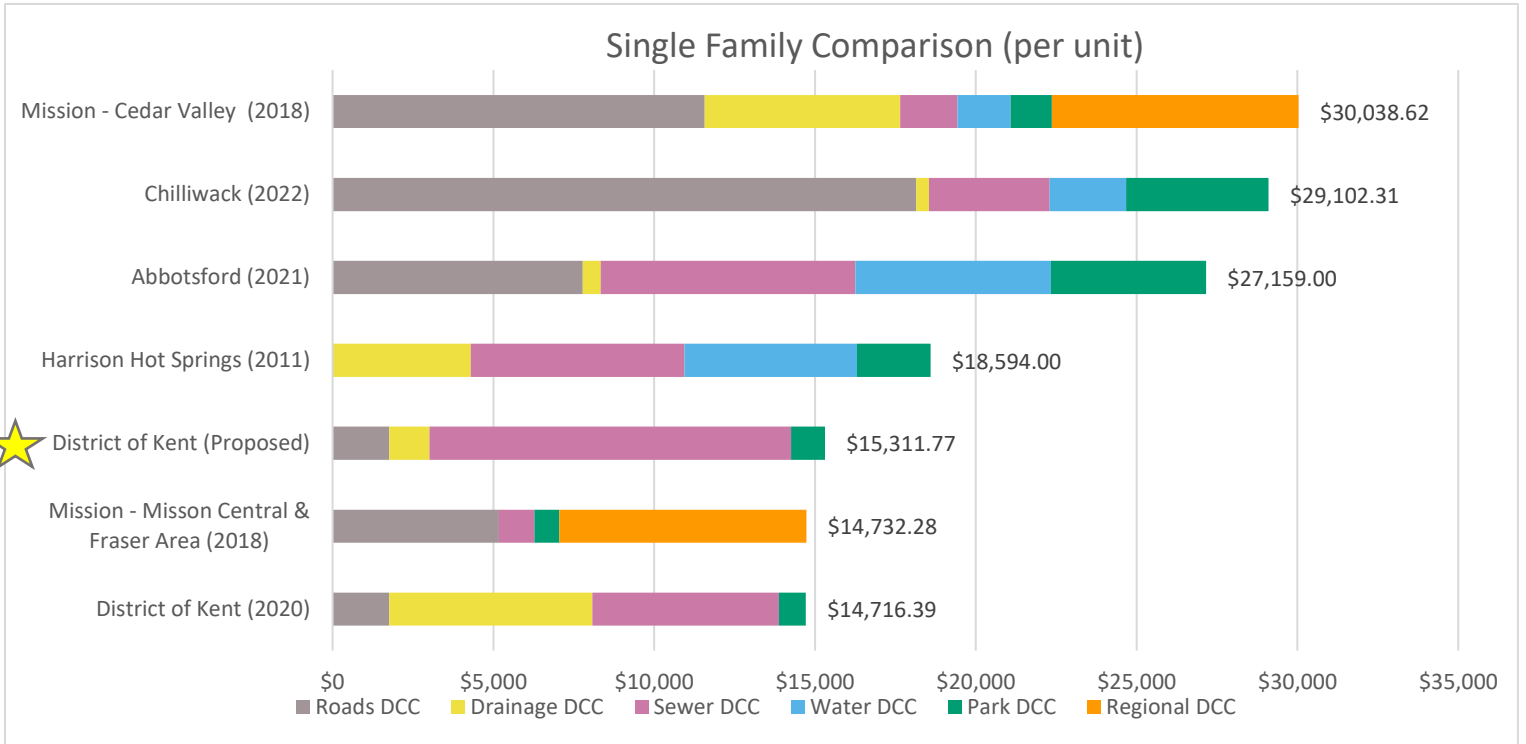
**Draft rates subject to minor changes*

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REGIONAL COMPARISONS of DCC RATES

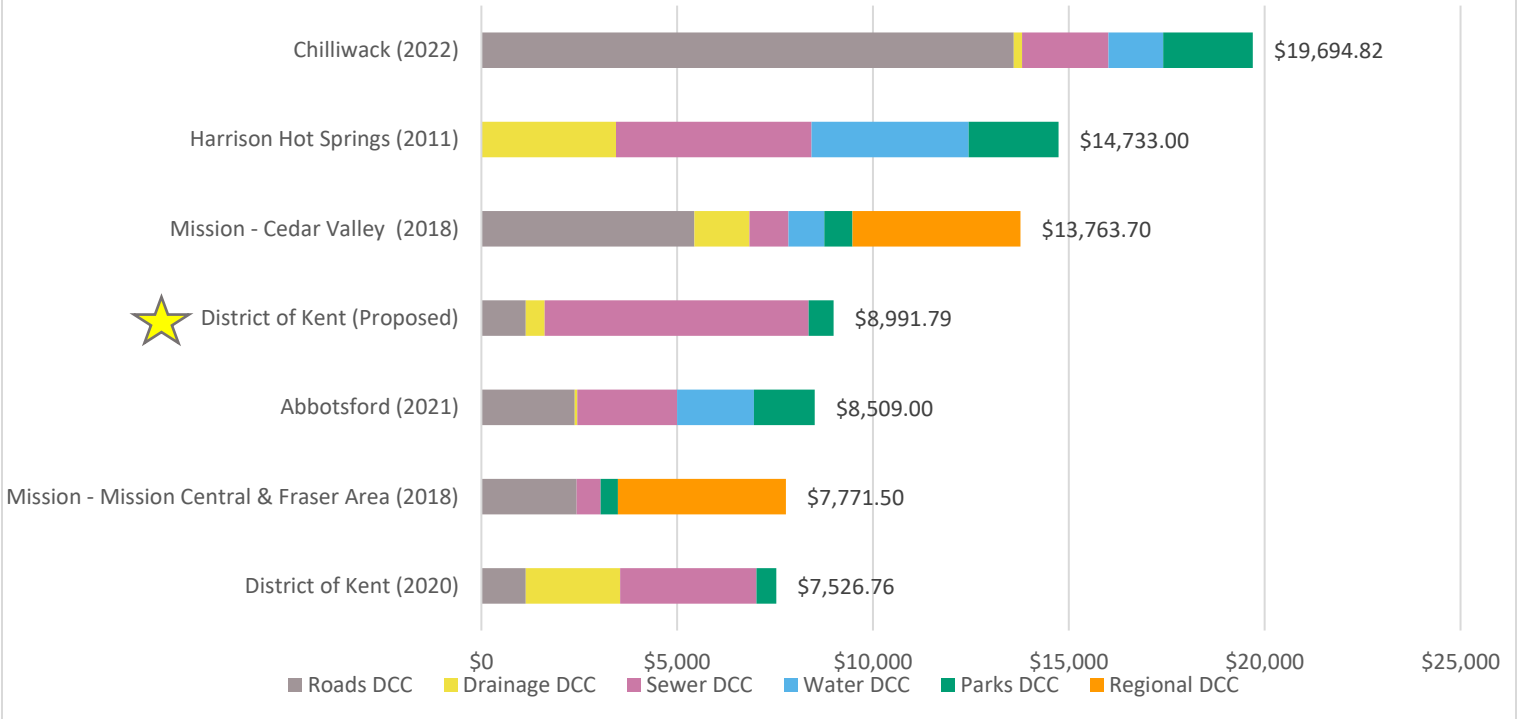
The figures below provide a comparison of the District of Kent's draft DCC rates with DCCs currently being applied by other local governments in the region.



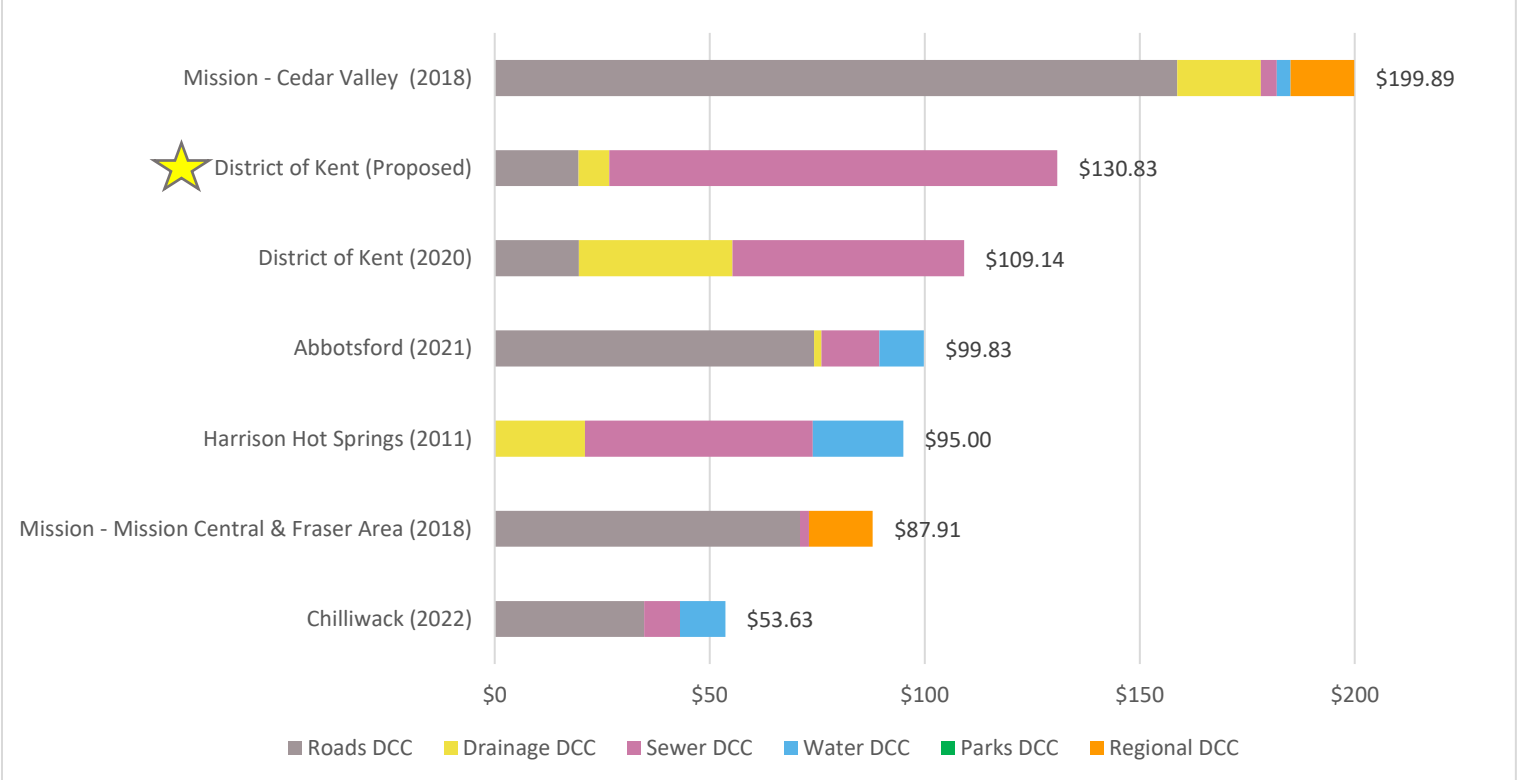
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Multi-Family DCC Comparison (per unit)

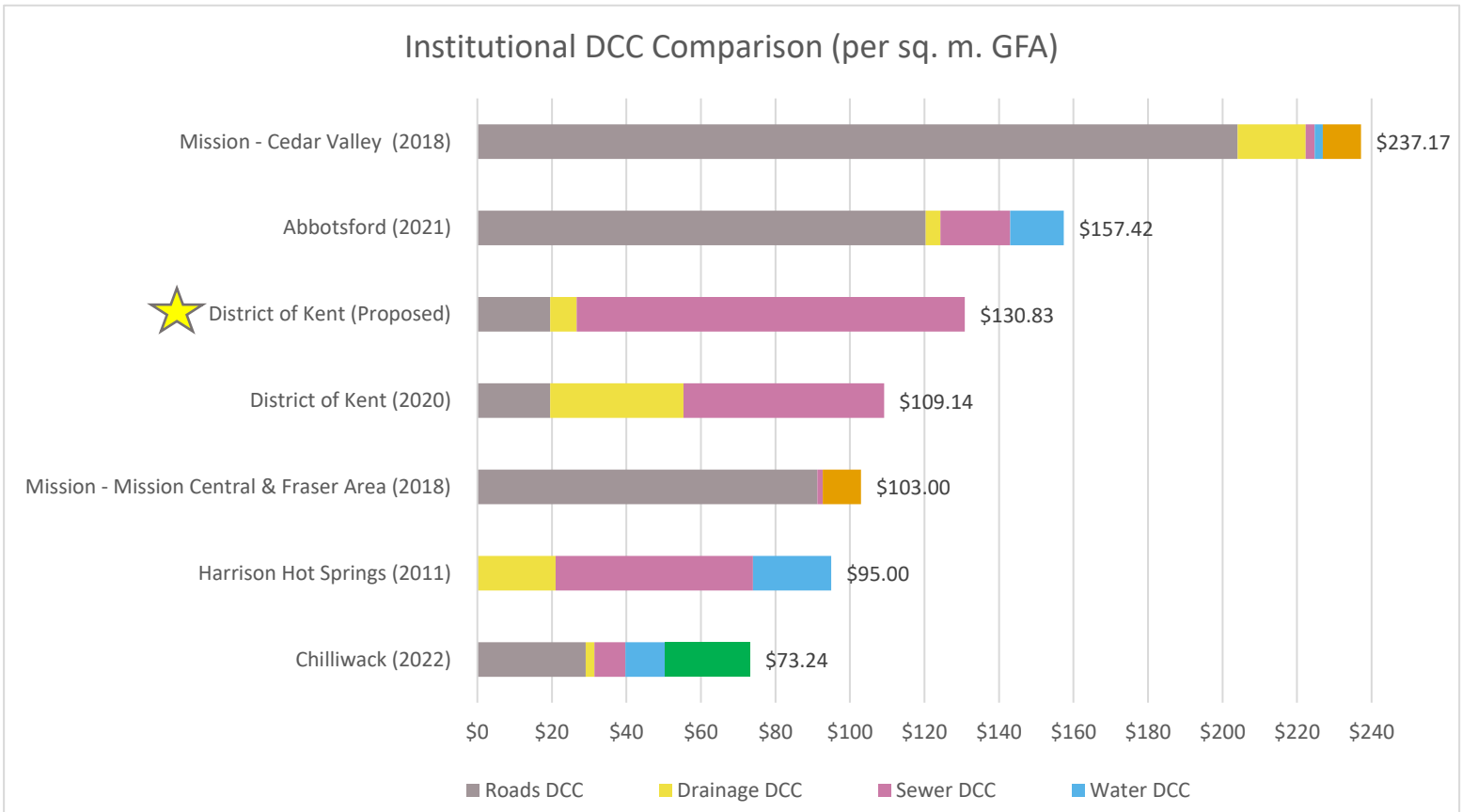
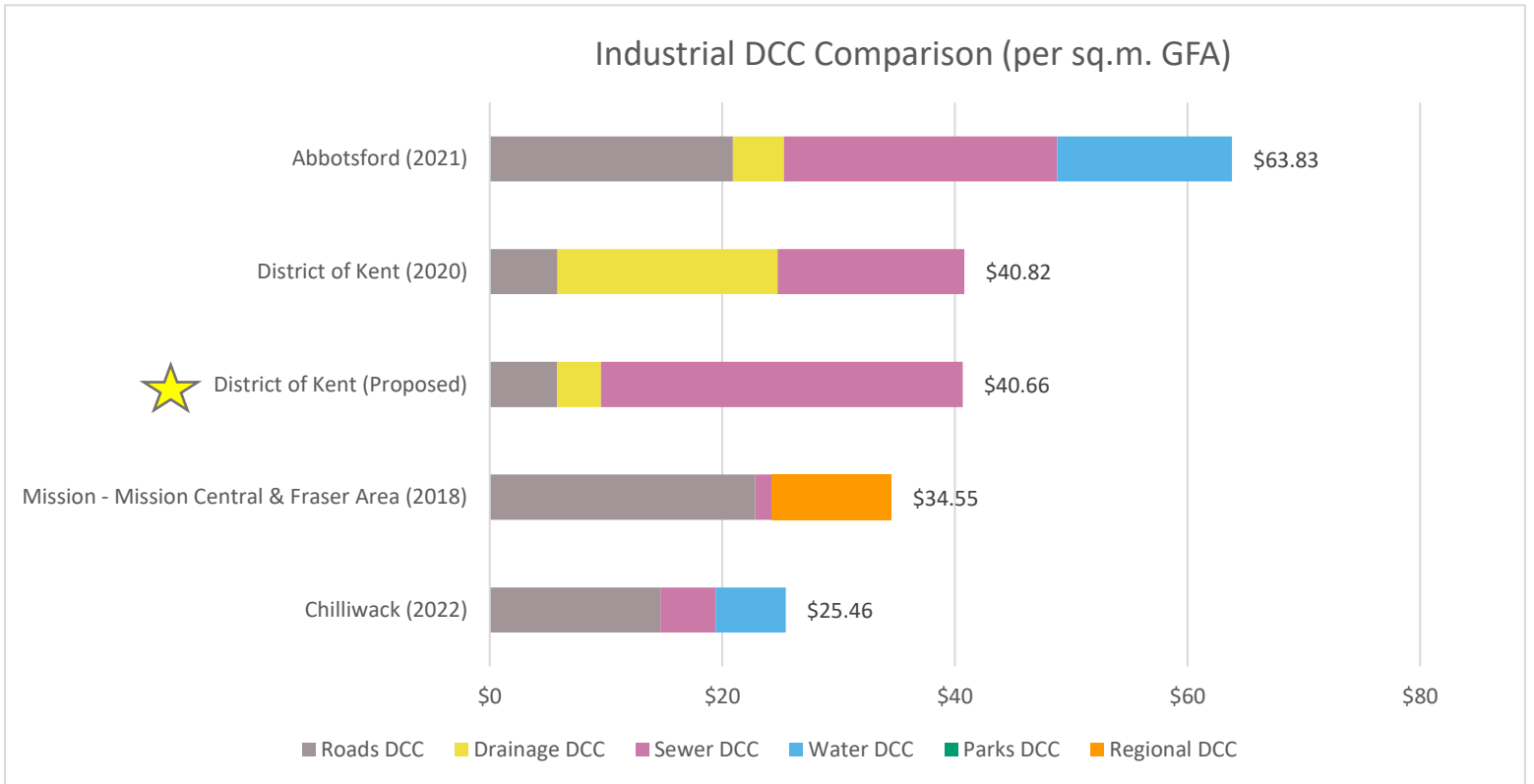


Commercial DCC Comparison (per sq.m. GFA)



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NEXT STEPS

1. Review feedback from public consultation (June 28th)
2. Council presentation and approval of final DCC rates (July 17th)
3. If Council approves the Bylaw will be given three readings and submitted for Ministry review and endorsement (July 17th)
4. Bylaw adoption (4th reading)
5. Implement new DCC rates (effective at bylaw adoption)

FOR MORE INFORMATION

Please visit www.kentbc.ca/DCC or contact:

Mike Veenbaas

Phone: 604-796-2235 | Email: mveenbaas@kentbc.ca