



**REPORT TO THE JUAN DE FUCA WATER DISTRIBUTION COMMISSION  
MEETING OF TUESDAY, 4 OCTOBER 2011**

**SUBJECT      REVIEW OF DEVELOPMENT COST CHARGES**

**ISSUE**      A comprehensive review of growth related infrastructure and its impact on Development Cost Charges (DCC).

**BACKGROUND**

Development Cost Charges were introduced in 1999. In 2003, the first review was completed and a DCC Study Update report was issued in July 2003. The last DCC update was completed in 2007 and the report provided a high level review of growth projections with minor changes to the proposed infrastructure.

For this report, a comprehensive review of the population growth was completed in consultation with the municipalities and Capital Regional District (CRD) Regional Planning. The growth projections were detailed and based on Transportation Area Zones in order to apply population growth on a more localized basis. Using the newly completed hydraulic water model, a complete review of the infrastructure requirements was undertaken using three scenarios, years 2021, 2031 and complete build out. This has provided staff with information as to the projected timing of new infrastructure. Each municipality provided the projected number of units for each type of development, i.e. single family, medium density multi-family, etc. From this information, an equivalent population was determined.

The service area of District of Highlands has now been included in the DCC program. As a result, there is a DCC funded 400 mm diameter main required on Millstream Road from the Langford/Highlands boundary north to approximately the extent of the zoned industrial area with an estimated cost of approximately \$2M. Also, a review of the operation of the distribution system in the area serviced by the reservoir on the south side of Skirt Mountain (Tank 4) has resulted in a reduction in the size of the reservoir from 6.6 ML to 3.1 ML and a cost reduction of \$4 million. The combined impact of the two changes on the total cost of the DCC program was a reduction of \$2 million from the tabled September 6, 2011 report.

For this report, the equivalent population is estimated at 53,110 by 2031 and is used in DCC calculation (see Final DCC Report Table 13). The actual population is estimated to be 39,200 by 2031. The impact on the capital works is a more conservative approach to the sizing of water mains and other facilities. For this report, some of the infrastructure was able to be deferred reducing the DCC rates (12.5%).

The following table provides a comparison between existing and proposed DCC rates.

<b>Description</b>	<b>Existing DCC Rate</b>	<b>Proposed DCC Rates</b>
Residential	\$3,032.16 per unit	\$2,655.34 per unit
Medium Density Multi-Family	\$2,653.14 per unit	\$2,323.43 per unit
High Density Multi-Family	\$1,705.59 per unit	\$1,493.63 per units
Commercial	\$11.15 per m <sup>2</sup>	\$9.76 per m <sup>2</sup>
Industrial	\$6.04 per m <sup>2</sup>	\$5.29 per m <sup>2</sup>
Institutional	\$24.63 per m <sup>2</sup>	\$21.57 per m <sup>2</sup>
Institutional Residential	\$1,184.44 per bed	\$1,037.24 per bed
Elementary	\$147.78 per student	\$129.42 per student
Junior Secondary School	\$199.94 per student	\$175.09 per student
Secondary School	\$199.94 per student	\$175.09 per student
Tourist Accommodation	\$341.12 per room	\$298.73 per room

Given the findings of the report, and the proposed reduction in DCC rates, public consultation is not anticipated. It should be noted that the Municipal Assist Factor remains at 5% as approved by the Juan de Fuca Water Distribution Commission in July 2003.

**ALTERNATIVES**

Alternative 1 - That the Juan de Fuca Water Distribution Commission recommend to the Board that Bylaw No. 3805, "Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000, Amendment Bylaw No. 5, 2011", be introduced and read a first and second time, and read a third time.

Alternative 2 - That the Juan de Fuca Water Distribution Commission not revise the current DCC Bylaw No. 3432.

**IMPLICATIONS**

Alternative 1 - DCCs will continue to be collected at the current rates until the proposed rates are adopted after Bylaw 3805 is approved by the Inspector of Municipalities and receives final reading by the CRD Board. Acceptance of the report and bylaw will provide a small reduction in the DCC rate. In the report, there is some newly identified DCC infrastructure that needs to be constructed or property purchased in 2012. It is proposed to continue to fund the DCC infrastructure from DCC receipts and not to seek borrowing approval.

Alternative 2 - If the bylaw is not amended, the current DCC rates will be maintained.

**CONCLUSION**

A detailed review of the DCC program, including growth projections, has resulted in the deferral of some infrastructure due to lower growth rates than the last update resulting in a small reduction in the DCC rates.

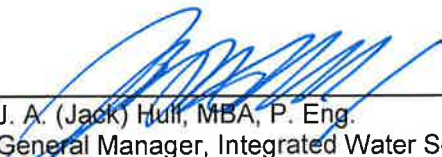
The new DCC bylaw provides a more equitable approach for development while cost of DCCs is reduced.


**RECOMMENDATION**

That the Juan de Fuca Water Distribution Commission:

1. Accept the report "Development Cost Charge Update, 2011" as prepared by Urban Systems; and
2. Recommend to the Board that Bylaw No. 3805, "Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000, Amendment Bylaw No. 5, 2011", be introduced and read a first and second time, and read a third time.

  
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Craig Gottfred, P. Eng.  
Manager, Distribution Engineering  
Infrastructure Engineering

  
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J. A. (Jack) Hull, MBA, P. Eng.  
General Manager, Integrated Water Services  
Concurrence

  
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Tim Tanton, P. Eng.  
Senior Manager, Infrastructure Engineering

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 3805**

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**A BYLAW TO AMEND BYLAW NO. 2758  
A BYLAW TO IMPOSE DEVELOPMENT COST CHARGES**

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**WHEREAS** the Capital Regional District wishes to amend Bylaw No. 2758, "Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000";

**NOW THEREFORE**, the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. Bylaw No. 2758, "Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000" is amended by:
  - (a) Deleting in it's entirety Schedule G and substituting therefore the attached Schedule G attached to and forming part of this bylaw.
2. This Bylaw may be cited for all purposes as Bylaw 3805 "Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000, Amendment Bylaw No. 5, 2011".

READ A FIRST TIME THIS	DAY OF	2011
READ A SECOND TIME THIS	DAY OF	2011
READ A THIRD TIME THIS	DAY OF	2011
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	DAY OF	2011
ADOPTED THIS	DAY OF	2011

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

**SCHEDULE G****Development Cost Charge Rates**

<b>Description</b>	<b>Existing DCC Rate</b>	<b>Proposed DCC Rates</b>
Residential	\$3,032.16 per unit	\$2,655.34 per unit
Medium Density Multi-Family	\$2,653.14 per unit	\$2,323.43 per unit
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