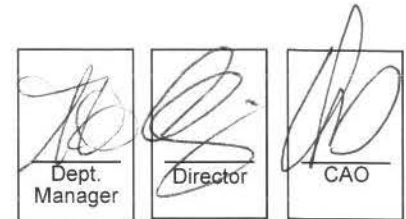


COUNCIL AGENDA/INFORMATION			
<input type="checkbox"/> In Camera	Date: _____	Item # _____	
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<input type="checkbox"/> Info Package			
<input type="checkbox"/> Council Workshop	DM# _____	Date: _____	Mailbox: _____



## The District of North Vancouver REPORT TO COUNCIL

March 7, 2013

File: 5240.02.000/001

Tracking Number: RCA -

**AUTHOR:** Steve Ono, P. Eng.  
Manager, Engineering Services/Deputy GM

**SUBJECT:** Development Cost Charges (DCCs) - Amending Bylaws

### RECOMMENDATION:

THAT the following bylaws be given FIRST, SECOND AND THIRD reading by Council:

- Bylaw 7964, a bylaw to amend the District of North Vancouver DCC Bylaw 7135, 2000;
- Bylaw 7965, a bylaw to repeal the District of North Vancouver Northlands Development Area DCC Bylaw A, Bylaw 6570, 1993 and the District of North Vancouver Northlands Development Area DCC Bylaw B, Bylaw 6571, 1993;
- Bylaw 7966, a bylaw to transfer funds from the Northlands DCC Reserve funds to the corresponding District-wide DCC Reserve Funds.

### REASON FOR REPORT:

The reasons for amending the current District-wide DCC bylaw and repealing the Northlands DCC bylaw are:

- Construction and land costs have risen since the DCC bylaw was first introduced.
- In June 2011, Council adopted a new Official Community Plan that anticipates adding 10,000 new housing units as well as other commercial, industrial and institutional growth over the next 20 years.
- A significant increase in anticipated capital expenditures for transportation, sanitary sewers, waterworks, drainage/flood protection and parks infrastructure upgrades is needed to accommodate the OCP growth projections.
- Concurrently, the 20 Year Financial Plan is being amended to reflect the increase in future capital works expenditures, and DCCs are a key revenue source to ensure affordability.
- To simplify administration, the preference is to consolidate the collection of DCCs through a single District-wide bylaw with regular updates of projects and costs.
- To obtain approval from the Ministry of Community, Sport and Cultural Development (Local Government Finance) to repeal the Northlands DCC bylaws and transfer the Northlands funds to the corresponding District wide DCC reserve accounts.

**SUMMARY:**

The basic principle of Development Cost Charges is to have new developments fund their fair share of infrastructure needed to support new development. DCCs are a fee, charge or levy imposed by municipal governments upon subdivision approval or the issuance of a building permit. DCCs help to pay for the growth driven share of the cost of transportation, sanitary sewers, waterworks, drainage/flood protection, parkland acquisition and parkland development.

The OCP projections indicate that approximately 90% of growth will be focused in four key Growth Centres and 10% in the remainder of the District. This growth will impose a burden on the District's infrastructure. DCCs collected from new developments will help pay for the resulting capital costs.

**BACKGROUND:**

In December 1993, District Council ratified DCC bylaws for the Northlands Development Area Sector 1. However, in July 1997, Council adopted bylaws to cease development of the Northlands Area, and the Northlands DCC reserve accounts have since remained dormant. As of December 31, 2012, the Northlands DCC reserve accounts have a balance of \$2,952,906. A summary of the DCC reserve account balances for both the District-wide and Northlands are provided in Table 1 below.

<b>Table 1</b> <b>Summary of DCC Reserve Accounts</b> <b>(Estimated Ending Balance - December 31, 2012)</b>						
<b>District Wide DCCs (excluding Northlands)</b>						
	<b>Roads</b>	<b>Parks</b>	<b>Water</b>	<b>Sewer</b>	<b>Drainage</b>	
Account #	3.4971	3.4972	3.4973	3.4974	3.4975	Subtotal
Dec 31, 2012	\$2,409,763	\$6,120,639	\$270,975	\$0	\$171,677	\$8,973,054
<b>Northlands Specified Area DCCs (Inactive)</b>						
Account #	3.4961	3.4962	3.4963	3.4964	None	
Dec 31, 2012	\$1,913,748	\$0	\$996,766	\$42,392	\$0	\$2,952,906
<b>Total by Type</b>	<b>\$4,323,511</b>	<b>\$6,120,639</b>	<b>\$1,267,741</b>	<b>\$42,392</b>	<b>\$171,677</b>	<b>\$11,925,960</b>

In September 1998, Council passed DCC Bylaw 6945, which excluded the Northlands area and Native Reserve lands from the DCC calculations. While administrative amendments to the bylaw have been made since adoption, DCC rates have remained unchanged since 1998.

**EXISTING POLICY:**

Pursuant to Section 933 of the *Local Government Act*, the District of North Vancouver has collected DCCs on developments since October 1998. DCCs are collected from all development that impose a new capital cost burden on the municipality.



**ANALYSIS:**

The following assumptions were made in preparing this amending DCC bylaw:

1. The Bylaw is intended to cover all areas within the District with the exception of First Nations Reserve Lands. It is assumed that First Nations Reserve Lands servicing requirements would continue to be covered under separate site specific land use agreements incorporating charges which reflect the impact of their developments on the District's infrastructure.
2. The Northlands DCC bylaws 6570 and 6571 will be repealed and the current balances in each of the roads, sewer and water funds will be transferred to the respective District-wide DCC reserve accounts.
3. A 20 year timeframe (2013 to 2032) has been chosen for the DCC program, which conforms to the Official Community Plan (OCP) adopted in June 2011. Over the 20 year period, the OCP identifies capacity for approximately 10,000 new housing units, corresponding to a population increase of 20,000 people and upwards of 10,000 new jobs. These growth estimates were used to prepare the proposed DCC rate increases.
4. Transportation DCCs will be collected to assist the District in providing and expanding roads (corridor) to serve new developments while also benefitting existing users.
5. Sanitary Sewer DCCs are based on the need to upgrade the existing sanitary sewer system to service population growth. Sanitary sewer DCC calculations reflect estimated sewage flows based on projected growth.
6. Waterworks DCCs are based on the need to upgrade the water system to meet higher domestic (peak day and peak hour) water demand and to provide adequate flows for fire protection.
7. Drainage DCCs assist with the cost of upgrading and upsizing storm sewers and related drainage works and to pay for engineering studies needed to complete integrated storm water management plans for various municipal watersheds, in accordance with the regional Liquid Waste Management Plan, so that growth impacts are mitigated.
8. With respect to parks and open space, the intent is to augment and develop parks in areas where new development will increase the demand on our existing facilities.

← This is key!

**Timing/Approval Process:**

Next steps needed to complete the amendments to the DCC bylaws, are itemized as follows:

- First three readings of the DCC bylaws
- Submit the bylaws to the Inspector of Municipalities for approval
- Fourth reading and final adoption
- Bylaw implementation with grace period to November 1, 2013.

← Needs definition - when/ how does an application fall into the grace period ?

**Concurrence:**

Engineering, Planning, Parks and Finance staff have worked collaboratively to prepare the proposed DCC program. The bylaws have also been reviewed by the District's Solicitor.

Under Section 189(5) of the *Community Charter*, the Inspector of Municipalities may recommend approval to transfer DCC reserve funds, subject to the discretion of the Minister. Staff has recently been in contact with the Inspector's office regarding this matter. Ministry policy is to allow a transfer of funds from one DCC category of infrastructure to the same category of infrastructure, i.e. roads to roads, sewer to sewer and water to water. It is anticipated that the Ministry will approve the repealing of the Northlands Development DCC bylaw as well as the transfer of funds from the Northlands to the District-wide DCC reserve accounts.

**Financial Impacts:**

Introducing an updated and expanded DCC program will generate additional revenue to fund capital projects needed to support growth. The rate at which DCC revenues are collected will depend on the pace of development activity in the District.

The *Local Government Act* recognizes that it would be unfair to impose on new development all of the costs that are attributable to new development. As such, the *Local Government Act* stipulates that an assist factor will be included as part of the DCC calculations. The municipal assist factor reflects a municipality's desire to encourage development within the community and is largely a policy decision of Council which reflects the community's financial support towards the financing of services for development. A local government must make allowances in the DCC calculations of at least a minimum 1% municipal assist factor, which is the value used in producing the original bylaw and this amended bylaw.

The total anticipated District wide 20 year infrastructure program value in current dollars is estimated at \$302.0 Million of which \$101.5 Million is to be funded through the collection of DCCs. Table 2 provides a summary of the total program costs, DCCs recoverable and the District's resulting share of the costs.

While utility rate revenues fund most of the "District's Responsibility", funding sources for Roads and Parks (\$19.8 Million) still need to be identified. This funding gap will be resolved through an update to the Long Term Funding Strategy later in 2013. The 2013 - 2017 Financial Plan will be amended following adoption of the new DCC bylaw, which consolidates current DCC reserves and updates the list of projects eligible for DCC funding.

<b>Table 2</b>				
<b>Summary of Capital Program and DCC Recovery (in Millions \$)</b>				
<b>Program Component</b>	<b>Total Estimated Cost</b>	<b>Grants</b>	<b>DCCs Recoverable (1)</b>	<b>District Responsibility</b>
Roads	49.5	(5.7)	33.0	10.8
Sanitary Sewers	45.2	Nil	15.0	30.2
Waterworks	104.0	Nil	19.0	85.0
Drainage / Flood Control	73.1	Nil	13.3	59.8
Parks	30.2	Nil	21.2	9.0
<b>Total</b>	<b>302.0</b>	<b>(5.7)</b>	<b>101.5 (2)</b>	<b>194.8</b>

## Notes:

- The "assist factor" is not explicitly specified. What is it ?
- (1) DCCs Recoverable factor in the percentage apportionment to new development and the legislated minimum 1% municipal assist factor.
- (2) The net DCCs recoverable, after subtracting the total current District wide and Northlands reserve account balance of \$11.9 Million, is \$89.6 Million.

Lacks clarity about what fraction of this (and the \$302m) is due to "growth"



Table 3 outlines the proposed 2013 DCC rate structure for each of the designated classes of land use. The rates are considered preliminary and subject to review and approval by Council and the Ministry (Local Government Finance Division).

See Schedule A for comments on this table

<b>Table 3 Summary of Proposed DCC Rate Structure</b>						
<b>Class of Land Use</b>	<b>Roads</b>	<b>Sewers</b>	<b>Water</b>	<b>Drainage</b>	<b>Parks</b>	<b>Total</b>
<b>Single Family Residential (per dwelling unit)</b>	\$4,570.65	\$2,079.08	\$2,450.46	\$4,202.16	\$2,204.87	<b>\$15,507.23</b>
<b>Residential Multi-Family Ground Oriented (per sq. metre of gross floor area)</b>	\$25.47	\$16.11	\$18.99	\$14.25	\$17.09	<b>\$91.91</b>
<b>Residential Multi-Family Apartment (per square metre of gross floor area)</b>	\$30.13	\$16.78	\$19.78	\$12.85	\$17.79	<b>\$97.33</b>
<b>Commercial (per square metre of gross floor area)</b>	\$35.85	\$6.24	\$7.35	\$7.64	\$0.99	<b>\$58.07</b>
<b>Industrial (per square metre of gross floor area)</b>	\$22.41	\$5.54	\$6.53	\$7.64	\$0.51	<b>\$42.64</b>
<b>Institutional (per square metre of gross floor area)</b>	\$17.92	\$4.16	\$4.90	\$8.73	\$0.55	<b>\$36.27</b>

**Liability/Risk:**

The success of the DCC program depends on the strategic timing of DCC projects to ensure sufficient DCC funds and potential grants (e.g. Translink, ICBC) are secured before proceeding with the DCC projects, otherwise the District risks depleting reserves and increasing debt.

**District-Wide versus Area-Specific Charges:**

The current District DCC bylaw is District wide (excluding Northlands), meaning that the same DCC rate structure is applied for a particular type of land use deemed to generate a similar or same capital cost burden throughout the municipality, regardless of the location of any specific development. In contrast, an area-specific DCC bylaw divides the municipality into areas according to geography or any other distinctive quality for the purpose of determining DCCs.

The provincial DCC Best Practices Guide offers advice on the decision to establish District-wide charges versus area-specific charges for different areas within the community. For every category of infrastructure, the advice is to establish charges on a municipal-wide basis, unless a significant disparity exists between those who pay the DCCs and the benefiting users.

The reasons **staff has a preference for District-wide charges** are:

- avoiding the creation of a large number of small, specialized funds that accumulate slowly and allow no flexibility in allocating or pooling funds to various infrastructure projects;
- minimizing the complexity of the system and the amount of administrative work needed to calculate costs, set rates and monitor funds, and;

- to encourage and support growth in the four designated growth centres rather than outlying areas where development is not being promoted.

Staff therefore recommends that the District adopt a municipal wide approach to administering the DCC program.

Questionable argument. DCC's are meant to recover costs imposed on community by development. CAC's are based on uplift in property value due to rezoning.

#### **Social Policy Implications:**

Pursuant to the *Local Government Act*, the District's DCC bylaw amendment requires approval by the Inspector of Municipalities prior to final adoption. When considering a DCC Bylaw, the *Act* requires District Council to consider whether the charges

- are excessive in relation to the capital cost of prevailing standards of service;
- will deter development; or
- will discourage the construction of reasonably priced housing, or the provision of reasonably priced serviced land; or
- will discourage development designed to result in low environmental impact.

An increased DCC program will affect the District's ability to secure Community Amenity Contributions (CACs) towards amenities such as recreation facilities, public art, child care facilities, affordable housing, etc. There is an industry standard profit margin for developers, and few will invest in projects that are unable to perform at the desired level. Therefore, additional costs such as DCCs levied on projects reduce a developer's ability to contribute towards other amenities.

#### **Environmental Impact:**

The proposed DCC program provides a number of projects which will contribute to environmental sustainability. These include:

- The development of new parkland required to maintain green space in the District;
- A focus on developing new and sustainable transportation networks to service new and existing developments;
- Except for single family residential, which accounts for 2% of the proposed 20 year growth projections, DCCs will continue to be assessed on a floor area basis (square metre), which will encourage developers not to build larger than necessary units, which require more resources to construct and maintain.

Despite increasing land value the DCC charges for parks have actually been significantly reduced. Why?

#### **Public Input:**

There are no mandatory public consultation activities in the DCC legislation, such as public hearing requirements for a rezoning application. However, the Inspector of Municipalities may refuse approval of a DCC bylaw if the DCCs are excessive, deter development or discourage construction of reasonably priced housing. Evidence of meaningful public consultation may address these issues in the eyes of the Inspector.

Has there been "meaningful" ie informed, public consultation?

Forty (40) members of the development and business communities, who regularly work on projects in the District, were invited to a DCC information meeting held at District Hall on November 29, 2012. Of those invited, a total of 22 attended the session. A public information meeting was also held on January 15<sup>th</sup> of this year and was attended by nine (9) District residents, as well as members of Council (Councillors Hicks and MacKay-Dunn representing the Finance and Audit Committee).

Attachments 4 through 7 contain copies of follow-up correspondence from the Urban Development Institute (UDI), Capilano University, Magusta Development and District residents.



From the development community, the main issues raised consisted of:

- A request to extend the recommended DCC grace period from 6 months to 1 year.
- Protect the current DCC rates for developers who have applications in the process (e.g. re-zoning, development permit, building permit), prior to final approval of the DCC bylaw.
- Make use of a "step-up" amended DCC rate structure that involves a gradual increase in the DCCs, similar to the approach used in the City of New Westminster.
- Developer revenues are down due to higher Community Amenity Contributions (CACs), higher off-site servicing costs, sustainability and building code requirement costs; and the coming cancellation of the HST. These additional burdens on developments could cause residential projects to be postponed or cancelled outright.
- Rather than DCCs and taxation, look at more creative ways to generate revenue for infrastructure, not only as it applies to the District, but for the entire Metro Vancouver area. A local broad-based sales tax may be much fairer to all residents.

Items of concern raised by District residents include:

- The parkland acquisition component is inadequate for the projected increase in population of 20,000 over the next 20 years, and especially the area west of Lonsdale Avenue bounded by Queens Road and Ridgewood Drive to the south, Montroyal Avenue and Prospect Road to the north and Capilano Road to the west, which "has no parks at all".
- The proposed **DCC rates being charged for multi-family developments (apartments and townhouses) are too low (e.g. only 2% of an apartment selling for \$350,000).**
- The 18.4% growth percentage allocation to the cost of sanitary sewers, waterworks and drainage infrastructure puts too much of the burden on District taxpayers and not enough on the developments benefiting from the improvements.
- A bylaw should be put in place to exempt affordable and market rental housing. Consider exemptions as well for seniors' housing projects.
- Provide more details on sources of funding available for parkland acquisitions based on various types of new development.

From Capilano University, their comments are summarized as follows:

- There is no support for an increase of 38% (from \$27.10 to \$37.27 per square metre) because it will have an adverse financial impact on the University, resulting in a reduction, or scaling back, in the number of future projects, or cuts to other areas of their operating budget. The University is constrained by rigid government controls when it comes to student tuition increases to offset these costs.
- The University requests that the District re-consider the proposed increase in DCCs for the Institutional category by providing a discount or creating a new category of DCCs that apply to public post-secondary institutions, and set the rate at the now current rate of \$27.10 per square metre.

#### **Response to Public Input Comments:**

##### Parkland Acquisition

DCC's are one important funding source for acquisition and construction of park facilities. However, the District also acquires parks through other ways. **Of the 8.6 acres of parkland identified for the Growth Centres, 7.2 acres will be acquired directly from new development through either negotiations with developers, community amenity contributions or 5% parkland dedication. The remaining 1.4 acres will be funded through DCCs and are included in the calculations.** The estimated parkland areas required are subject to refinement through the Centres Implementation Plans. It should also be noted that **trails, natural and linear parkland areas acquired through the development process are in addition to the 8.6 acres identified and have not been included in the calculations.** With most new

**1.4 acres (and even 8.6 acres) falls far short of the >100 acres of additional parkland required by our standards (using 20,000 new residents).**

**At a value of \$6.5m/acre a shortfall of even 50 acres amount to a subsidy by the existing residents of \$360million**

**Using the provincial average standard mentioned on page 8, of 7.26 acres/1000 people we need 145 acres of additional parkland - worth \$1billion.**



parkland in the Growth Centres being provided directly by developers, the proposed DCCs to be collected for Parks, are focused on paying for the construction of proposed infrastructure for neighbourhood parks in each of the Centres, and to upgrade several of our other parks related amenities to meet the demands of a future more populated community.

It should be noted that the DCC legislation is meant to provide an additional, optional revenue source for local governments to mitigate the impacts of growth, and its focus is on maximum amounts municipalities can collect without stifling growth. The legislation does not prescribe minimum amounts municipalities must collect, thus there is no specific requirement obliging municipalities to collect specific minimum DCC amounts for parkland acquisition and parkland development.

In a survey conducted in 2010, the provincial average of municipal parkland supply was 7.26 acres per 1,000 population without natural open space, and 12.30 acres per 1,000 population with natural open space. In all categories, the District scored highest in comparison to other communities and the provincial average. The total current population-based supply of 22.45 acres of parkland per 1,000 population (and 91.81 acres of parkland per 1,000 population if natural parkland is included) far exceeds the provincial average of 12.30 acres of parkland per 1,000 population.

The adopted Parks and Open Space Strategic Plan states that the OCP 2030 target for parks and open space is to increase park, open space and/or trails in growth centres and to continue to exceed the minimum 5 acres of community and neighbourhood parkland (combined) per 1,000 population District-wide. In addition to the above District-wide parkland strategy, the approach in our Town and Village Centres takes into consideration the existing parks and open space context in each centre. This approach enables the provision of useful parks space and programming that is tailored to address specific needs in each growth centre which may include: provision of new neighbourhood park space, playground areas, greenways, trails and urban plazas.

#### Rental Housing:

In May 2008 the Provincial Government enacted new legislation pertaining to DCCs. The legislative changes include the option for municipalities to exempt or waive DCCs for the following classes of "eligible development":

- not-for-profit rental and seniors' housing, including supportive living housing (similar provisions were in the previous legislation, but 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; and
- developments designed to result in low environmental impact.

Council would need to adopt a DCC bylaw that establishes definitions for each class of "eligible development", corresponding rates of reduction, and requirements that must be met in order to obtain a waiver or reduction. Council, however, is not obligated to adopt any of these new provisions.

The DCCs cannot be recalculated to account for anticipated waivers or reductions. The cost of any waivers or reductions to DCCs would have to be borne by the community in other ways such as from general revenue or utility rates.

#### Grace Period and In-Stream Applications:

A "grace period" is a period of time between the approval of the DCC bylaw and the bylaw's effective date of application. If the rates in the bylaw are significantly higher than those that were previously



charged, the District may wish to grant a grace period to allow developers to expedite projects for which financing has already been arranged. **A grace period of 6 months is recommended** and is deemed to be a fair compromise. Allowing a reasonable period for the Ministry's review and acceptance, and Council's fourth reading and adoption of the amending bylaw, the effective date has been set at November 1, 2013. This coincides with close to one year since our information meeting with members of the development community

In-stream, complete and valid subdivision and building permit applications, submitted prior to the date of final adoption of the amended bylaw, will be exempt from an increase in new DCC rates for a period of one year from the date of final adoption of the bylaw. Section 943 of the *Local Government Act* provides in-stream protection of one year provided that the application is complete and that subdivision application fees have been paid. The legislation does not provide similar exemptions from increases in DCCs for applications in the re-zoning or development permit stages of the development process.

"Step-up" Rate Increase:

A request has been made to apply a "step-up" rate increase to the DCCs. The example provided is the approach taken by the City of New Westminster where the rates were phased in due to a significant rise in their Park DCCs as a result of increased land and construction costs associated with developing their waterfront park.

One option for Council to consider, if favouring this request, is to implement a 50% DCC increase after the 6 month grace period when the new rates take effect, and the remaining 50% applied 6 months later on the first anniversary of the bylaw. However, this approach is not recommended because it would defer DCC revenues from being collected, and may forego DCC revenues that could be realised from several development applications being submitted prior to the full new DCC's taking effect. This would shift the cost burden for necessary new infrastructure from current new development projects to other sources.

Institutional DCCs:

Campus expansions have capacity impacts on municipal roads and utilities. The road trip generation factors have been reviewed and could be reduced for the institutional category, due to the use of public transit by students and staff. This may result in a small reduction in the DCCs assessed for roads.

In general, it is difficult to exempt universities under the current legislation except for any affordable housing or not for profit rental housing, however as noted earlier, this form of exemption would require Council to pass a bylaw for that purpose. The shortfall in DCC revenue would have to be funded from other sources (e.g. general revenue or utility rate increases).

Since post-secondary institutions provide much of their own open spaces, consideration could also be given to not charging institutions the parks component of the DCCs. Referring to Table 3, this would amount to a relatively small reduction of \$0.55 per square metre of gross floor area.

Schedule for DCC Bylaw Updates:

The DCC bylaw will require updating from time to time to reflect the District's financial situation, changing infrastructure needs, and a host of other factors affecting new development which are beyond the District's control. It is recommended that minor amendments to the DCC bylaw be made annually to reflect changes in infrastructure programs, construction costs, land values, and the status of government grants. It is anticipated that a major DCC bylaw amendment will not be required more often than once every five years, unless conditions forming the basis for the bylaw change, for

example, significant revisions to the roads, utilities and parks capital program, or major changes in the direction of the recently adopted OCP.

The DCCs will require further review once the area-wide sewer, water and drainage studies have been completed and the infrastructure capital costs have been firmed up to more accurately reflect upgrades needed to accommodate the projected growth in the community. At the moment, the cost sharing formula for a good portion of the proposed works is based on the estimated population growth of 18.4% over the next 20 years. This formula will need re-assessing once the infrastructure studies are finalized.

**Conclusion:**

Increasingly, all governments are facing significant constraints in the use of general purpose taxation and have placed greater emphasis on the "user pay" or "benefiter pay" principle. In response to these pressures, DCCs have been utilized by local governments as a cost recovery mechanism for apportioning infrastructure costs amongst developers of land.

The increase in the DCC rate structure, while significant due to the fact that there has been no rate increases since DCCs were introduced in 1998, will still be below those levied in other municipalities in the lower mainland. Assuming the rates as proposed are acceptable to Council, they will still be competitive with, and continue to be lower than, other growth oriented communities such as the City of Surrey, Township of Langley, City of Richmond, and the District of Maple Ridge in terms of overall DCCs charged for residential developments.

For example, the proposed DCCs to be levied for a typical average size apartment will be in the order of \$7,200 (2.1% of the value of an 800 square foot \$350,000 apartment) and \$10,700 for a typical 1,250 square foot townhouse (2.1% of the value of a townhouse valued at about \$500,000). These levies are considered to be reasonable and are not expected to discourage residential growth in the community.

More realistic price of new ~1250sq-ft townhouse would be \$700,000 ie. DCC of no more than **1.5%** of unit value

More realistic price of new ~800sq-ft apartments would be \$450,000-\$600,000 ie. DCC of no more than **1.6%** of unit value

Alarm bells should be going off, especially when we consider the high value of our land, if our proposed DCC charges (especially as they relate to parkland) are calculated to "be below those levied in other municipalities in the lower mainland" !  
Note that Ministry Guidelines indicate a cap of 10% for DCC's

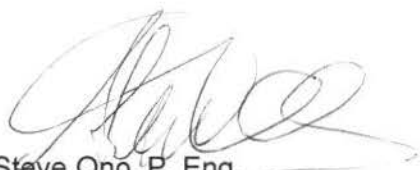


**Options:**

Two options are presented for Council's consideration:

1. Endorse introduction and first three readings of the bylaws and direct staff to forward the bylaws to the Inspector of Municipalities, Ministry of Community, Sport and Cultural Development (Local Government Finance).
2. Provide alternative direction.

Option 1 is recommended.



Steve Ono, P. Eng.

Manager, Engineering Services/Deputy GM

Attachment 1: Bylaw 7964

Attachment 2: Bylaw 7965

Attachment 3: Bylaw 7966

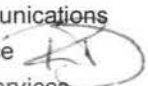
Attachment 4: Letter from Urban Development Institute

Attachment 5: Letter from Capilano University

Attachment 6: Letter from Magusta Developments

Attachment 7: Comment sheets from attendees at the January 15, 2013 Public Meeting

Attachment 8: DCC Bylaw Review and Update Background Report (March 2013)

REVIEWED WITH:	REVIEWED WITH:	REVIEWED WITH:	REVIEWED WITH:
<input type="checkbox"/> Sustainable Community Development	<input type="checkbox"/> Clerk's Office	External Agencies:	Advisory Committees:
<input type="checkbox"/> Development Services	<input type="checkbox"/> Corporate Services	<input type="checkbox"/> Library Board	<input type="checkbox"/> _____
<input type="checkbox"/> Utilities	<input type="checkbox"/> Communications	<input type="checkbox"/> NS Health	<input type="checkbox"/> _____
<input type="checkbox"/> Engineering Operations	<input checked="" type="checkbox"/> Finance 	<input type="checkbox"/> RCMP	<input type="checkbox"/> _____
<input type="checkbox"/> Parks & Environment	<input type="checkbox"/> Fire Services	<input type="checkbox"/> Recreation Commission	
<input type="checkbox"/> Economic Development	<input type="checkbox"/> Human resources	<input type="checkbox"/> Other: _____	
	<input type="checkbox"/> ITS		
	<input type="checkbox"/> Solicitor		
	<input type="checkbox"/> GIS		

**The Corporation of the District of North Vancouver**

**Bylaw 7964**

A bylaw to amend the District of North Vancouver Development Cost Charges Bylaw  
7135, 2000

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WHEREAS the *Local Government Act* empowers the Council of the District to provide for the imposition of development cost charges;

AND WHEREAS the Council believes it is desirable to periodically review and update the established development cost charges;

AND WHEREAS Council has taken into consideration the factors prescribed in Section 934(4) of the *Local Government Act*;

AND WHEREAS the charges imposed under this bylaw are related to capital costs attributable to projects included in the District's financial plan;

NOW THEREFORE the Council of The Corporation of the District of North Vancouver, in open meeting assembled, enacts as follows:

**1. Citation**

This bylaw may be cited as "Development Cost Charges Bylaw 7135, 2000, Amendment Bylaw 7964, 2012 (Amendment 2)."

**2. Amendments**

"Development Cost Charges Bylaw 7135, 2000" is amended as follows:

(a) The words "*Municipal Act*" in the first line of the Bylaw are deleted and replaced with the words "*Local Government Act*";

(b) The first, second and third recitals are deleted and replaced with the following new recitals:

"WHEREAS the *Local Government Act* empowers the Council of the District to provide for the imposition of development cost charges;

AND WHEREAS the Council believes it is desirable to establish development cost charges;

AND WHEREAS Council has taken into consideration the factors prescribed in Section 934(4) of the *Local Government Act*;"

(c) Section 2, Definitions, are amended by:



- (i) Deleting the definition for “*combination use*” in its entirety;
- (ii) Deleting the definition for “*commercial use*” in its entirety and replacing same with the following:

“**commercial use** means the carrying on of any business, including the sale or provision of goods, accommodation, entertainment, meals or services, but excludes industrial uses and institutional uses and excludes a residential multi-family, apartment, residential multi-family, ground oriented or single family development;”

- (iii) Deleting the definition for “*comprehensive development use*” in its entirety;
- (iv) Deleting the definition for “*industrial use*” in its entirety and replacing same with the following:

“**industrial use** means the manufacturing, fabricating, processing, assembling, storing, transporting, warehousing, renting or wholesale distribution of goods, materials or things, but excludes an institutional use and excludes retail sales, party and meeting equipment rentals, wholesaling in conjunction with retail sales, household services and repairs, service stations, automotive repairs and auto body shops, restaurants, drive-ins and food outlets, or any uses accessory to any of the foregoing exclusions;”

- (v) Amending the definition for “*institutional use*” by inserting the following words after the words “Zoning Bylaw” in the first line: “other than golf courses, marinas, pet care establishments, ski resorts and any uses accessory to golf courses, marinas, pet care establishments and ski resorts”;
- (vi) Deleting the definition for “*Northlands Development Area Sector 1*” in its entirety;
- (vii) Deleting the definition for “*residential use*” in its entirety;
- (viii) Deleting the definition for “*residential multi-family*” and inserting new definitions for “*residential multi-family, apartment*” and “*residential multi-family, ground oriented*” as follows:

“**residential multi-family use, apartment** means two or more dwelling units on one parcel of land none of which is a secondary suite which have their principal access from a common hallway or foyer;”

**“residential multi-family use, ground oriented means:**

- a) two or more dwelling units on one parcel of land that is not a residential multi-family use, apartment; or
  - b) a single family residential use that is part of a residential multi-family development consisting of two or more dwelling units on one parcel of land other than a bare land strata development;”
- (ix) Deleting the definitions for “*single family Type 1*”, “*single family Type 2*”, “*single family Type 3*”, and “*single family Type 4*” and inserting a new definition for “*single family*” as follows:

**“single family residential use** means either one dwelling unit or one dwelling unit plus one secondary suite dwelling unit;”

- (x) Inserting a new definition for secondary suite as follows:

**“secondary suite** means a secondary suite as defined in the zoning bylaw;”

- (d) Section 3 is deleted in its entirety and replaced with the following:

**“Application**

3. This bylaw applies to all land in the District of North Vancouver.”

- (e) Section 4(a) is deleted in its entirety and replaced with the following:

“4(a) approval of a subdivision to create parcels that may be used for residential occupancy under the *Land Title Act* or the *Strata Property Act*.”

- (f) The heading to section 6 is amended by inserting the words “- **Single Family Residential**” after the words “Payment of Charges”;
- (g) The following heading is inserted immediately prior to section 7: “**Payment of Charges - All Development other than Single Family Residential**”;
- (h) Sub-section 7(a) is amended by replacing the words “those classes” in line one with the words “the class”;
- (i) Section 8, Single Family Residential Charge Calculation, is deleted in its entirety;



- (j) Section 9, Multi-Family Residential Charge Calculation, is deleted and a new Section 9, Residential Multi-Family Charge Calculation, is inserted as follows:

**“Residential Multi-Family Charge Calculation**

9. Development cost charges imposed under this bylaw for residential multi-family use, ground oriented and residential multi-family use, apartment must be calculated on the basis of the gross floor area of the total number of dwelling units being built, to a maximum of \$13,000 per dwelling unit in a ground oriented residential multi-family development and \$9,000 per dwelling unit in a residential multi-family apartment development.”

- (k) Section 11, Combination Use Charge Calculation, is deleted in its entirety and replaced with the following:

**“Multiple Uses**

11. When a parcel of land or a building or structure on a parcel of land is used or developed or intended to be used or developed for more than one class of use, charges under this Bylaw shall be the aggregate of the following:
- (a) the applicable DCC rate for single family residential units multiplied by the number of proposed single family residential dwelling units in the development, if any; and
  - (b) the applicable DCC rate for each other class of use multiplied by the gross floor area used or intended to be used for each such other class in the development, as though the gross floor area for each separate class of use were each a separate development.

.”

- (l) Section 12, Comprehensive Development Charge Calculation, is deleted in its entirety;
- (m) Schedule A is deleted in its entirety and replaced with a new Schedule A as set out in Schedule 1 to this bylaw; and
- (n) Schedules B and C are deleted in their entirety.

**3. Effective Date of Bylaw**

This Bylaw takes effect on November 1, 2013.

**READ** a first time this the

**READ** a second time this the

**READ** a third time this the

Certified a true copy of "Development Cost Charges Bylaw 7135, 2000, Amendment Bylaw 7964, 2012 (Amendment 2)" as at Third Reading.

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Municipal Clerk

**APPROVED** by the Inspector of Municipalities on the

**ADOPTED** this the

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Mayor

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Municipal Clerk

Certified a true copy

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Municipal Clerk



# Schedule 1 to Bylaw 7964

## Schedule A

1998 DCC rates

### Development Cost Charges Applicable to The District of North Vancouver

(Effective November 1, 2013)

CLASS OF LAND USE	ROADS	SANITARY SEWERS	WATER WORKS	DRAINAGE	PARKS	TOTAL DCCs RECOVERABLE
SINGLE FAMILY RESIDENTIAL USE per dwelling unit	\$4,570.65	\$2,079.08	\$2,450.46	\$4,202.16	\$2,204.87 \$11,300 to \$12,914	\$15,507.23 \$15,145 to \$18,502
RESIDENTIAL MULTI-FAMILY USE, GROUND ORIENTED per square metre of gross floor area	\$25.47 \$15.75	\$16.11 \$0.52	\$18.99 \$6.00	\$14.25 \$0.79	\$17.09 \$55.27	\$91.91 \$78.32
RESIDENTIAL MULTI-FAMILY USE, APARTMENT per square metre of gross floor area	\$30.13 \$15.75	\$16.78 \$0.52	\$19.78 \$6.00	\$12.85 \$0.79	\$17.79 \$55.27	\$97.33 \$78.32
COMMERCIAL USE per square metre of gross floor area	\$35.85 \$15.32	\$6.24 \$0.94	\$7.35 \$10.93	\$7.64 \$2.37	\$0.99 \$8.08	\$58.07 \$37.64
INDUSTRIAL USE per square metre of gross floor area	\$22.41 \$7.17	\$5.54 \$0.32	\$6.53 \$3.77	\$7.64 \$1.10	\$0.51 \$1.39	\$42.64 \$13.75
INSTITUTIONAL USE per square metre of gross floor area	\$17.92 \$15.32	\$4.16 \$0.49	\$4.90 \$5.65	\$8.73 \$1.46	\$0.55 \$4.18	\$36.27 \$27.10

**The Corporation of the District of North Vancouver**

**Bylaw 7965**

A bylaw to repeal The District of North Vancouver Development Cost Charges Bylaw A, Bylaw 6570, 1993 and The District of North Vancouver Development Cost Charges Bylaw B, Bylaw 6571, 1993

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WHEREAS the entire aggregate amount to the credit of the reserve funds established pursuant to District of North Vancouver Development Cost Charges Bylaws A and B, 1993 Nos. 6570 and 6571 (Northlands) is not required for the purpose for which the said reserve funds were established;

AND WHEREAS by Bylaw 7966 and with the approval of the Minister of Community, Sport and Cultural Development, the Council of the District has transferred the outstanding balances in each of the of the aforesaid reserve funds to the corresponding reserve funds established pursuant to District-wide Development Cost Charge Bylaw No. 7135;

NOW THEREFORE the Council of The Corporation of the District of North Vancouver, in open meeting assembled, enacts as follows:

**1. Citation**

This bylaw may be cited as "The District of North Vancouver Development Cost Charges Bylaw A, Bylaw 6570, 1993 and The District of North Vancouver Development Cost Charges Bylaw B, Bylaw 6571, 1993 Repeal Bylaw 7965, 2012."

**2. Repeal**

- 2.1 "The District of North Vancouver Development Cost Charge Bylaw A, 1993, Bylaw 6570" is hereby repealed.
- 2.2 "The District of North Vancouver Development Cost Charge Bylaw B, 1993, Bylaw 6571" is hereby repealed.



**READ** a first time this the

**READ** a second time this the

**READ** a third time this the

Certified a true copy of "The District of North Vancouver Development Cost Charges Bylaw A, Bylaw 6570, 1993 and The District of North Vancouver Development Cost Charges Bylaw B, Bylaw 6571, 1993 Repeal Bylaw 7965, 2012" as at Third Reading

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Municipal Clerk

**APPROVED** by the Inspector of Municipalities on the

**ADOPTED** this the

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Mayor

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Municipal Clerk

Certified a true copy

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Municipal Clerk