

Development Cost Charges

JANUARY 2023

Background information

The City of Port Coquitlam is updating its development cost charges (DCC) bylaws. The following provides background information on DCCs and answers frequently asked questions.

Who pays DCCs?

DCCs are paid by applicants for subdivision **or** building permit.

Statutory exemptions from DCCs

As per provincial legislation, the following types of development are exempt from paying DCCs:

- **Places of Worship**
- **Self-contained residential dwelling units less than 29 m² (312 ft²)**
- **Building Permits for work less than \$50,000 in value**

How are DCCs calculated and when are they collected?

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

What do DCCs pay for?

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



**Transportation
infrastructure**



**Sewer
infrastructure**



**Water
infrastructure**



**Drainage
infrastructure**



**Park land acquisition
& development**

What are development cost charges?

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

What do DCCs *not* pay for?

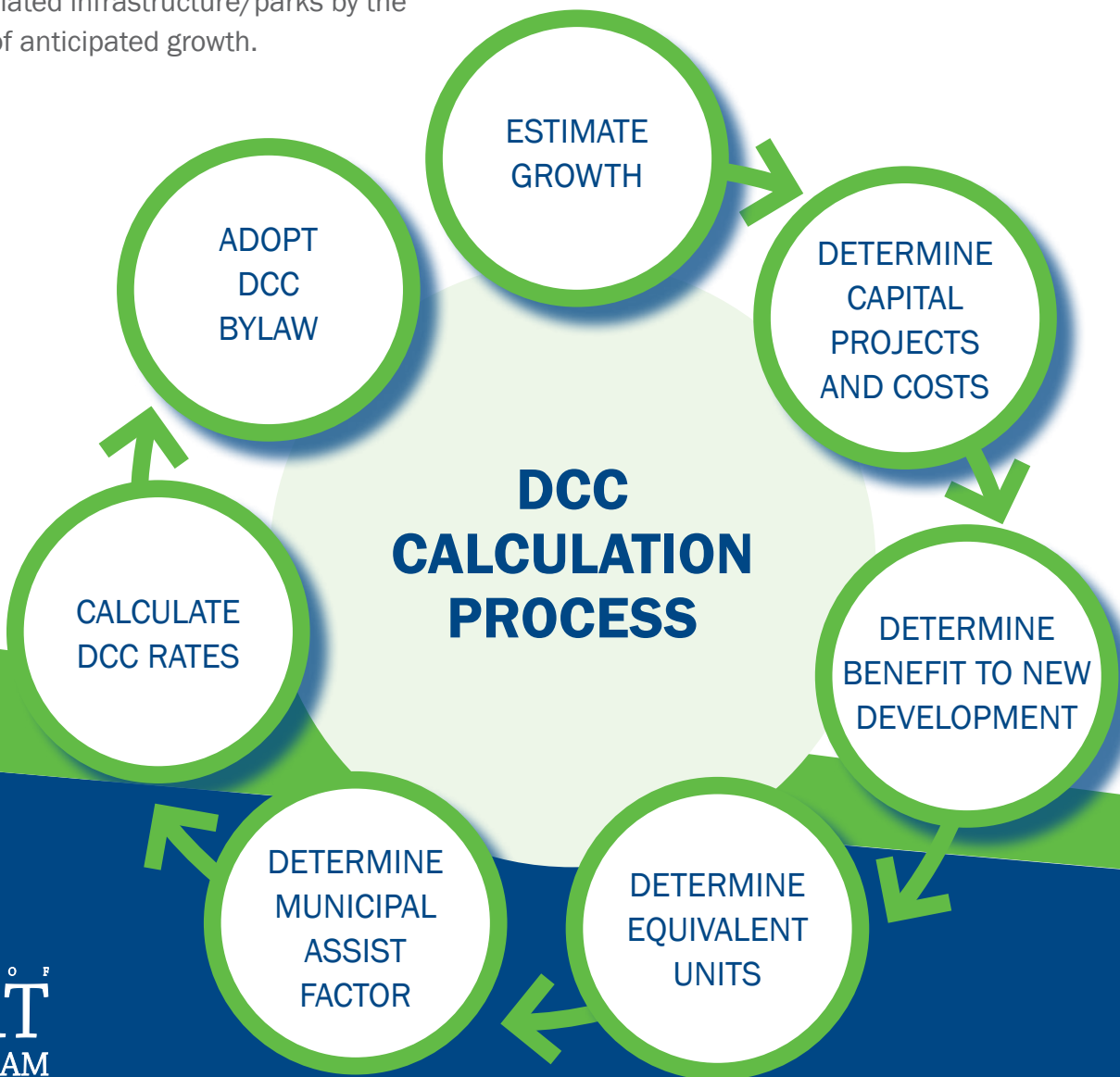
- ✗ Costs associated with new or replacement infrastructure needed only for existing residents.
- ✗ Operations and maintenance.
- ✗ Community amenities or facilities such as recreation centres, fire halls or libraries.

Why update the DCC bylaw now?

The City's existing utilities DCC Bylaws were adopted in 1993 and the parks DCC bylaw was adopted in 1999. The City is in a strong position now to update the DCC bylaw as there is new information on growth and projects based on recent infrastructure studies. Land values and construction costs have changed significantly, which need to be reflected in the DCC rates.

How are DCCs calculated?

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



When do the new DCC rates come into effect?

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

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

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

Next steps

- Finalize calculations and present draft DCC program and rates to Council in Spring 2023.
- Conduct engagement with interested parties once DCC rates have been reviewed by Council.
- Present interested parties' feedback and final refinements to DCC program/rates to Council.
- Introduce amending DCC Bylaws for Council's consideration for three readings.
- Send DCC Bylaws to the Inspector of Municipalities for approval.
- Return to Council for the fourth and final reading to adopt new DCC Bylaws.

The City anticipates adopting new DCC bylaws in 2023.