



**COMMITTEE OF THE WHOLE MEETING**  
**MONDAY, OCTOBER 28, 2024, AT 7:00 P.M.**  
**TO BE HELD IN THE COUNCIL CHAMBERS,**  
**606 MOUNTAINVIEW SQUARE**

**Public Participation**

The public can view the livestream of Council meetings on our [Council Meeting Livestream webpage](#). The public may attend in person. To participate electronically please contact the district office at (250) 632-8900 or email [dok@kitimat.ca](mailto:dok@kitimat.ca) by 4:30 p.m. the day of the meeting.

1. Call to Order
2. Public Input / Questions on Agenda Items
3. Media Inquiries - For Clarification Only
4. New Business/Adoption of Agenda
5. Report – Development Cost Charge and Amenity Cost Charge Overview

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# COUNCIL REPORT

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Date: October 23, 2024  
 File: 7.10.2.2.  
 To: Warren Waycheshen, CAO - for Mayor and Council  
 From: Ryan Beaudry, Director of Planning  
 Re: Development Cost Charge and Amenity Cost Charge Overview  
 Applicant: N/A  
 Location: N/A




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## **Recommendation:**

**Action:** Council receive for information the Development Cost Charge and Amenity Cost Charge Overview report dated October 23, 2024.

## **Recommended Motion:**

**THAT Council receive the Development Cost Charge and Amenity Cost Charge Overview report dated October 23, 2024, for information.**

## **Background:**

Urban Systems will be in attendance to deliver a presentation to Council on potential funding mechanisms for growth-related infrastructure and amenities. The presentation will be focused on two optional tools that are available to local governments through provincial legislation, including Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs).

A copy of the presentation is included as **Attachment A**. The purpose of the presentation is to provide Council with an overview of DCCs and ACCs and develop a collective understanding of the tools, explore whether the tools might fit within Kitimat's growth and capital planning context, and to gauge if there is interest or merit in reviewing these tools further. Staff commissioned the presentation as it has been several years since Council was last briefed on development finance tools and new provincial legislation has recently come into effect via *Bill 46: Housing Statutes (Development Financing) Amendment Act, 2023*.

Under the new *Bill 46* legislation, the DCC framework that originated in the 1970s has been updated with new infrastructure categories, allowing local governments to now charge DCCs for fire protection facilities, police facilities and solid waste and recycling facilities in addition to the original five infrastructure categories of water, sanitary sewer, drainage, transportation and parks. Additionally, *Bill 46* has introduced ACCs as a new tool to fund amenities that provide social, cultural, recreational and other benefits to a community, such as community centres, libraries and childcare facilities. For more detail on DCCs and ACCs, staff suggest viewing the Ministry of Housing's [Interim Guidance](#) document, released spring 2024.

The presentation will be organized in a workshop format, with opportunities for Mayor and Council to provide input and ask questions throughout. Staff will be available to answer questions and participate in discussion. At the end of the workshop, if Council adopts the proposed motion to receive this report for information, no further action will be taken by staff on this topic. If Council decides they would like to explore DCCs and/or ACCs further, direction from Council is required.

**Alternative Options:**

1. Another option as developed through discussion of Council.

**Budget Implications:**

Funding for the DCC and ACC presentation/workshop by Urban Systems was provided by the Province of BC through the Ministry of Housing Capacity Funding Program.

There are no budget implications if Council adopts the proposed motion to receive the report for information. If Council decides they would like to explore DCCs and/or ACCs further and adopts a motion to this effect, staff will prepare a scope of work and budget and report back to Council.

“SLT”  
\_\_\_\_\_  
Director of Finance Initials

**Budgeted:**

**Unbudgeted:**

**Council Initiative/Other Relevant Plans:**

**Strategic Plan (2023-2026)**

Not considered

**Joint Strategic Plan for Haisla Nation Council – District of Kitimat (2024-2029)**

Not considered

**District of Kitimat and Haisla Council Friendship Agreement - gi guálap ni**

Not considered

**Community Energy and Emissions Plan**

Not considered

**Housing Action Plan and Needs Assessment**

Not considered

**Kitimat Age-Friendly Assessment Report and Action Plan**

Not considered

**Kitimat Cycle Network Plan**

Not considered

**Kitimat Poverty Reduction Strategy**

Not considered

**Leisure Services Master Plan**

Not considered

**Minette Bay West Concept Plan**

Not considered

**Official Community Plan (and Downtown Design Guidelines)**

Not considered

**Solid Waste Action Plan**

Not considered

**Water Conservation Plan**

Not considered

**BC Transit Future Services Plan**

Not considered

**Economic Development Strategic Plan (2023-2029)**

Not considered

“Ryan Beaudry”

Submitted by  
Ryan Beaudry  
Director of Planning

“Warren Waycheshen”

Approved for Submission  
Warren Waycheshen, CAO

Attachment(s): A – Urban Systems Presentation Slides

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# DISTRICT OF KITIMAT DEVELOPMENT COST CHARGE AND AMENITY COST CHARGE OVERVIEW

Development Funding Workshop  
October 28, 2024 Committee of the Whole

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James Klukas, RPP, MCIP  
Community Planner & Local Government Advisor

# Agenda



Meeting Goals



Overview of DCCs & ACCs, including Kitimat Context



DCCs in Peer Communities



Concluding Observations



Discussion / Q&A



# MEETING GOALS

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- Develop a collective understanding of Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs)
- Explore whether these development finance tools might fit within Kitimat's growth and capital planning context
- Discuss key considerations and provide an opportunity for Council to give informal feedback to staff on whether there is interest or merit in reviewing these tools further



# OVERVIEW

# DEVELOPMENT FINANCE TOOLS



# WHAT ARE DCCS?

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- One-time charge to pay for major transportation, water, sewer, drainage and parks, protective services and solid waste capital projects which provide common benefit.
- Regulated by the Province
  - *Local Government Act*
  - Provincial DCC Best Practices Guide

# WHAT ARE ACCS?

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- One-time charge to help pay for the capital costs of amenities that provide social, cultural, heritage, recreational, or environmental benefits to a community.
- Closely resemble DCCs
- Regulated by the Province
  - New legislation (Bill 46), with additions to *Local Government Act*
  - Ministry of Housing Interim Guidance

# WHY DISCUSS DCCS/ACCS NOW?

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- Legislation has changed (Bill 16, 44, 46 & 47)
  - Notably Bill 46 expanded the DCC infrastructure categories to include:
    - Fire Protection Facilities
    - Police Facilities
    - Solid Waste & Recycling Facilities
    - Provincial Highway Infrastructure\*
  - Additionally, Bill 46 introduced Amenity Cost Charges (ACC) to collect funds for community amenities (e.g., libraries, recreation centers, pools)

*\*Requires cost-sharing agreement between municipality and the Province*

# WHAT WORKS CAN DCCS PAY FOR?

DCCs CAN BE USED FOR	DCCs CANNOT BE USED FOR
<p><b>Infrastructure and Studies needed to support growth</b></p> <ul style="list-style-type: none"> <li>• Transportation</li> <li>• Water</li> <li>• Drainage</li> <li>• Sewer</li> </ul> <p><b>Parks needed to support growth</b></p> <ul style="list-style-type: none"> <li>• Land acquisition</li> <li>• Park improvements</li> </ul> <p><b>Facilities to support growth (new categories)</b></p> <ul style="list-style-type: none"> <li>• Fire protection</li> <li>• Police</li> <li>• Solid waste and recycling facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure or parks needed for <b>existing</b> development (i.e. replacement without capacity upgrades)</li> <li>• Utility service connections</li> <li>• Operations and Staffing Costs</li> <li>• Rolling stock including mobile equipment, vehicles, fire and garbage trucks</li> <li>• Maintenance or replacement costs</li> <li>• Community buildings (e.g., libraries, recreation centres)</li> </ul> <p><b>** DCC projects must be growth-related**</b></p>

# WHAT WORKS CAN ACCS PAY FOR?

## ACCS CAN BE USED FOR

### Amenities needed to support growth

- Community, youth, or seniors' centre
- Recreation or athletic facility
- Library
- Daycare facility
- Public square
- Community art spaces
- Community museums
- Streetscape gardens

**\*\*These are examples and not a comprehensive list of eligible projects\*\***

## ACCS CANNOT BE USED FOR

- Projects otherwise eligible for DCCs
- Amenities needed for the **existing** development
- Operations and Maintenance Costs

**\*\* ACC projects must be growth-related\*\***



# KITIMAT CAPITAL PLANNING

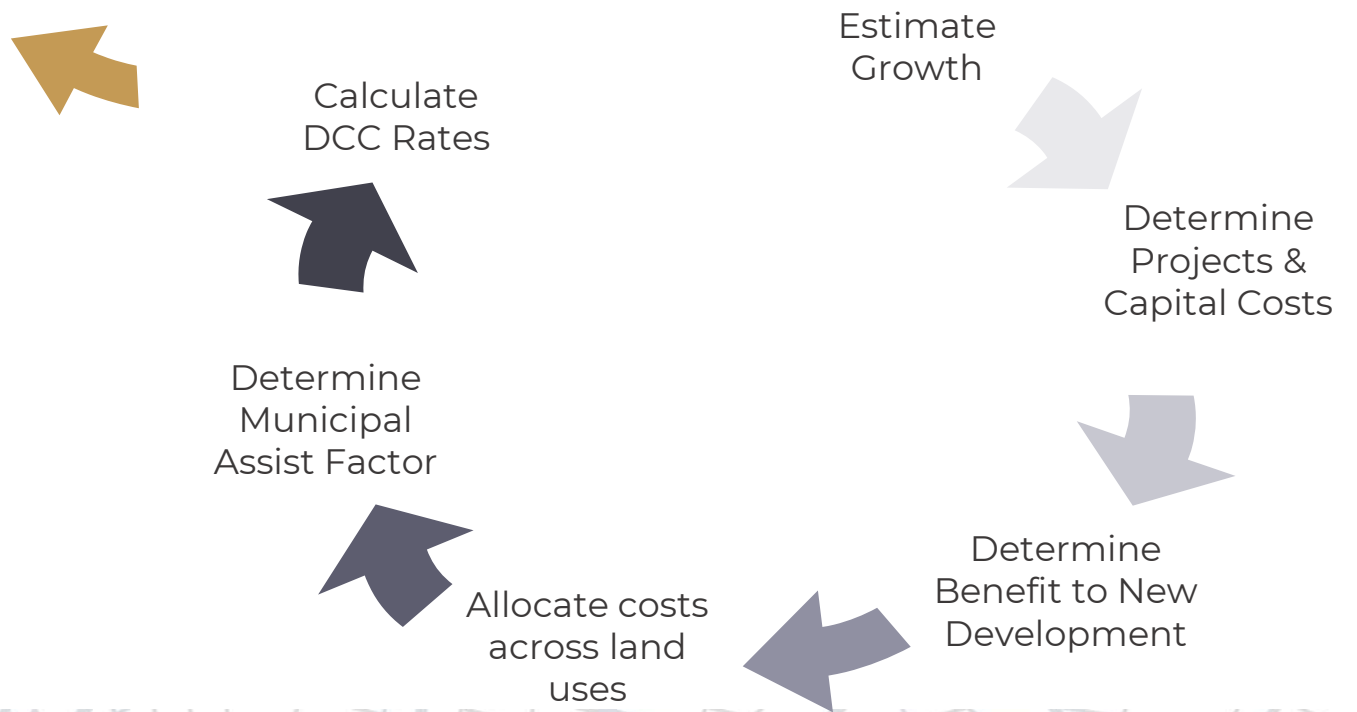
DCC Category	Potential Project Examples
Transportation	Intersection Upgrades, Active Transportation
Water	Future Water Treatment Plant Expansion*
Sanitary Sewer	Pipe Upsizing, Lift Station Upgrades
Drainage	TBD
Park Acquisition & Development	TBD
Solid Waste + Recycling	Recycling Building, New Transfer Station
Police + Fire Facilities	New Fire Hall
<b>ACC</b>	
Amenities	River Lodge, Other Rec Facilities, Museum

*\*May be beyond DCC Horizon as current treatment plant capital project will provide capacity for growth*

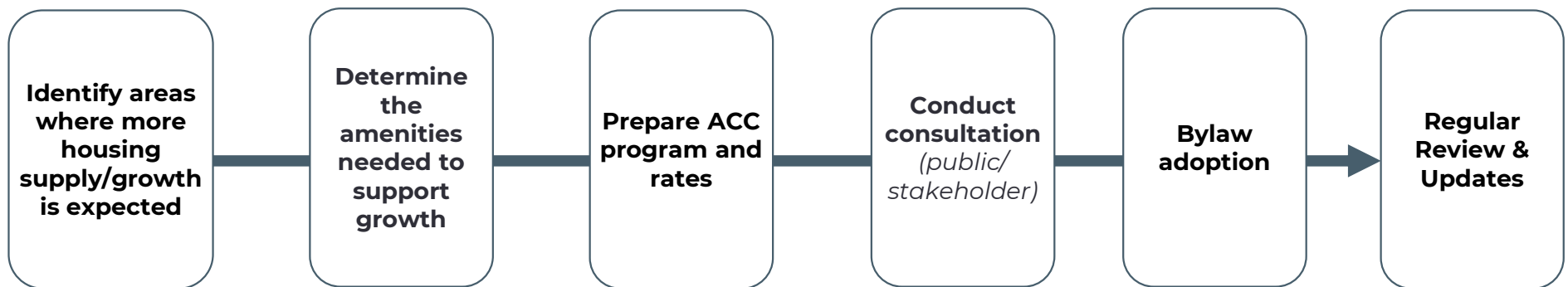
# DCC PROCESS

*DCCS ARE A TECHNICAL EXERCISE PUT THROUGH A POLITICAL LENS*

- Review projects and DRAFT DCC Rates with Council
- Development Community Engagement
- Three Readings of DCC Bylaw
- Approval by Province
- Bylaw Adoption
- Regular Review & Updates



# ACC PROCESS



*Note: Economic Analysis to determine the impacts of the ACC program on development viability is strongly recommended (necessitated per Interim Guidance).*

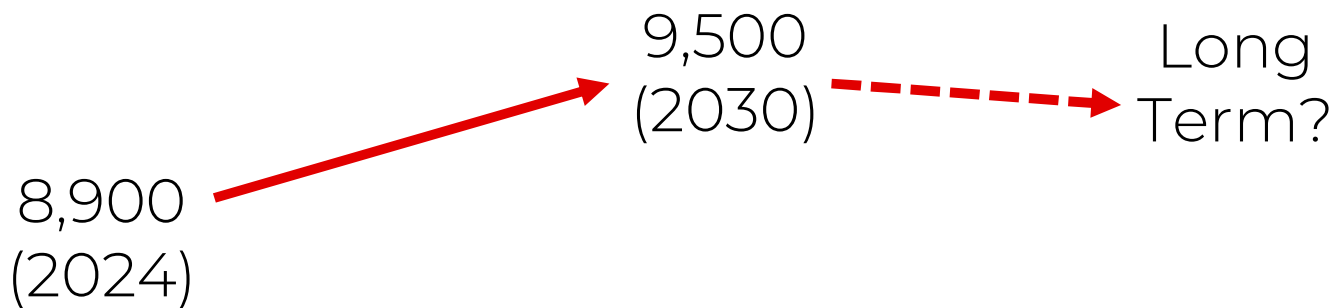
# DCC/ACC BYLAW UPDATES

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- DCCs:
  - Best practice is to complete major updates every 3-5 years
  - Minor updates can be performed to reflect Consumer Price Index inflation
  - Major updates to be undertaken when new information is available (e.g., legislative changes, additional projects, updated growth projections)
  - Requires Ministry Approval
- ACCs:
  - Does not require Ministry Approval
  - Can be updated at community's discretion based on amenity infrastructure needs

# KITIMAT GROWTH HORIZON

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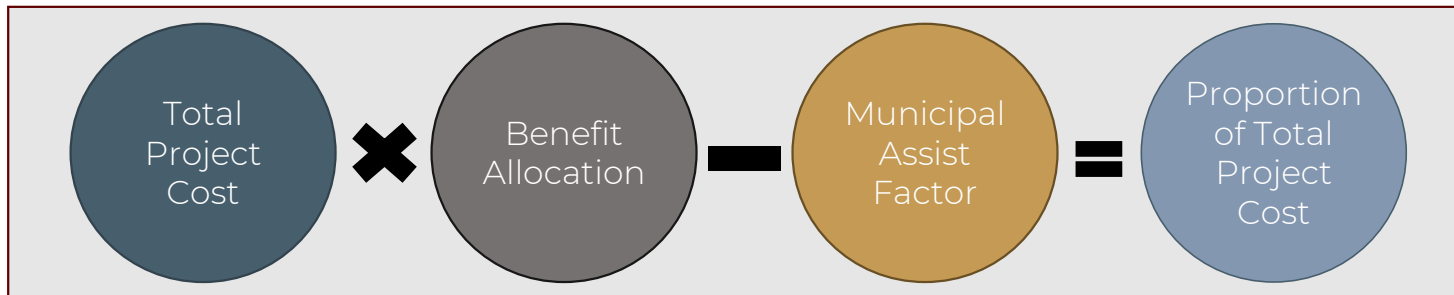
- BC Stats projects steady growth to over 9,500 people by 2030
- BC Stats anticipates Kitimat population to level off/decline post 2030
- Growth in Kitimat is closely linked with industrial activity

# RECOVERABLE COSTS (I.E., NET DCCs or ACCs)

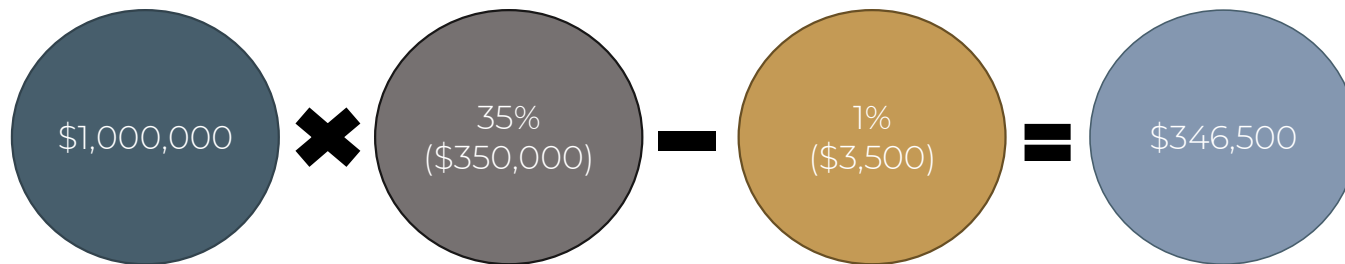
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- Recoverable costs include the costs associated with implementing the project lists (based on technical input from master planning, capital plans, and staff)
- According to the *LGA*, the recoverable capital costs associated with DCC/ACC projects include planning, engineering, and legal costs
- In practice, the following scope has been included by the Ministry:
  - Planning
  - Public Consultation
  - Engineering Design
  - Right-of-way
  - Legal Costs
  - Interim Financing
  - Contract Administration
  - Construction
  - Contingencies
  - Land Acquisition

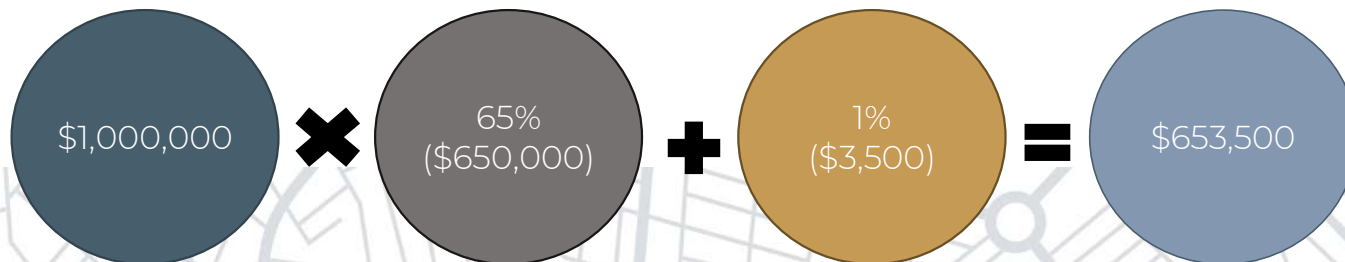
# RECOVERABLE COSTS



**Developer Contribution:**

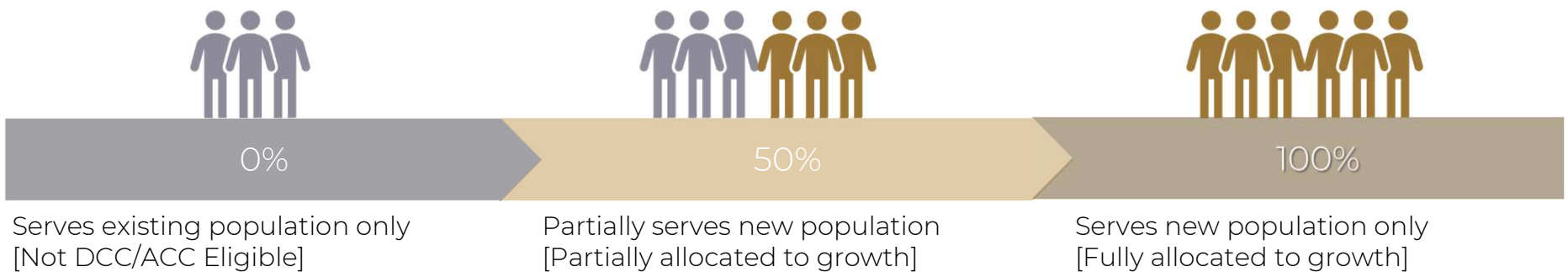


**Municipal Contribution:**



# BENEFIT ALLOCATION

- Each project is assigned a benefit allocation
- Benefit allocations can range from 0% to 100%





# MUNICIPAL ASSIST FACTOR

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- Amount the municipality contributes (in addition to the portion of the benefit allocation)
- Minimum is 1%
- Can vary by program (i.e., water different than transportation) or time (i.e., higher assist factor in year 1 of new bylaw, lower in year 2)
- Higher MAF means lower DCCs/ACCs, but greater burden on existing residents
- Cannot vary by land use (i.e., residential different than commercial)

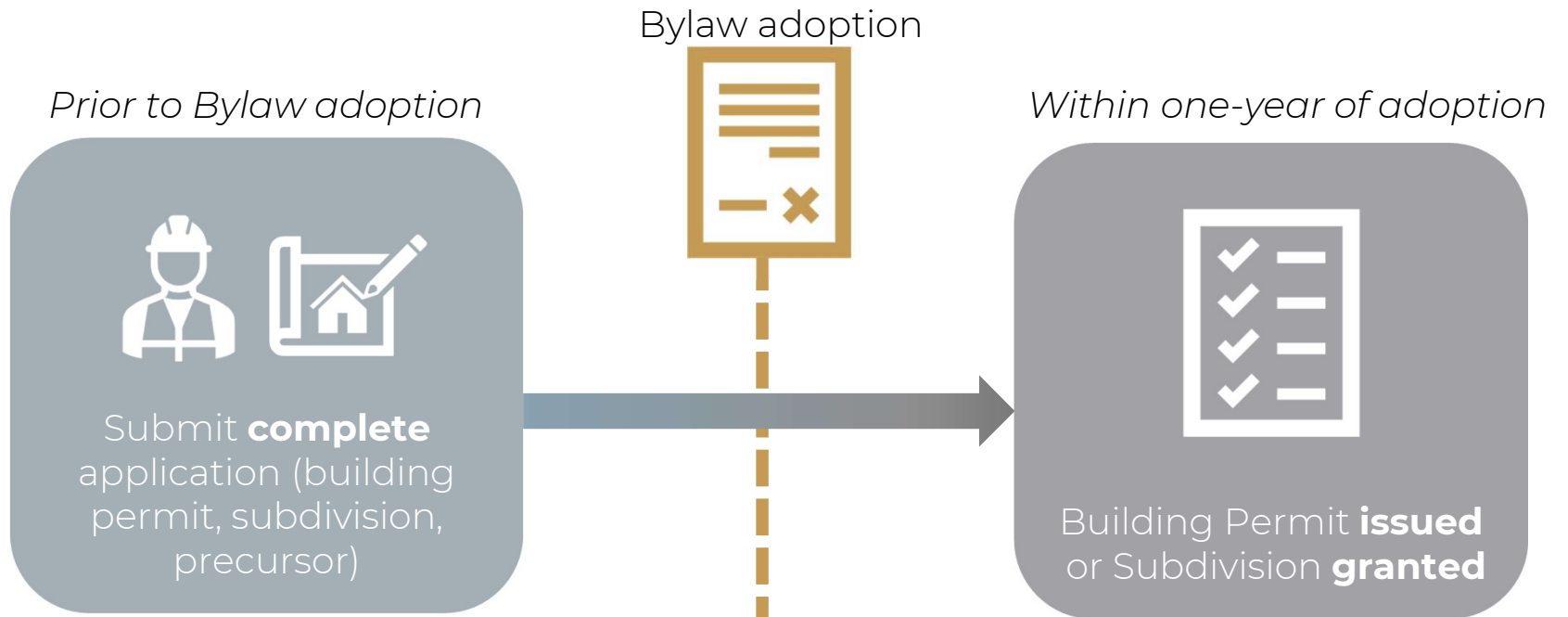
**\*\*Entirely at the discretion of Council\*\***

# BASIC DCC/ACC CALCULATION

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# IN-STREAM PROTECTION



# WHO PAYS DCCS/ACCS AND WHEN ARE THEY COLLECTED?

DCCs/ACCS are paid by applicants for:

- Subdivision approval or building permit

DCCs/ACCS are collected at:

- Time of subdivision or building permit

# DCC EXEMPTIONS (STATUTORY)

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The *Local Government Act* identifies conditions where DCC exemptions apply:

- Buildings for public worship
- Development does not impose a new capital cost burden
- DCCs have been charged previously

Variations permitted through Bylaw:

- Building permits for \$50,000 or less in value (**can increase this**)
- Residential units = or < 29m<sup>2</sup> in size (**can increase this**)
- Fewer than 4 units (i.e., duplex/triplexes) (**must be authorized in the bylaw**)

# ACC EXEMPTIONS (STATUTORY)

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The *Local Government Act* identifies conditions where ACC exemptions apply:

- Buildings for public worship
- Development does not result in an increase in population of residents or workers (no like-for-like replacements)
- Developments that have already been charged for a particular amenity
- Development that fall under a class of affordable housing prescribed by regulation

# DCC WAIVERS AND REDUCTIONS

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- Development that can qualify for waivers/reductions (per legislation)
  - Not-for-profit affordable housing
  - For-profit rental housing
  - Housing designed for reduced environmental impact
  - Subdivision of small lots designated to result in low greenhouse gas emissions
- When Council chooses to waive or reduce DCCs, the rest of the community funds this
- Waivers and Reductions can be established in a separate bylaw and that bylaw does not require Inspector approval

# ACC WAIVERS AND REDUCTIONS

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- Development that can qualify for waivers/reductions (per legislation)
  - Not-for profit rental housing, including supportive living housing
  - For-profit affordable rental housing
- Same as DCCs, when Council chooses to waive or reduce ACCs, the rest of the community funds this.
- Waivers and Reductions can be established in a separate bylaw and that bylaw does not require Inspector approval



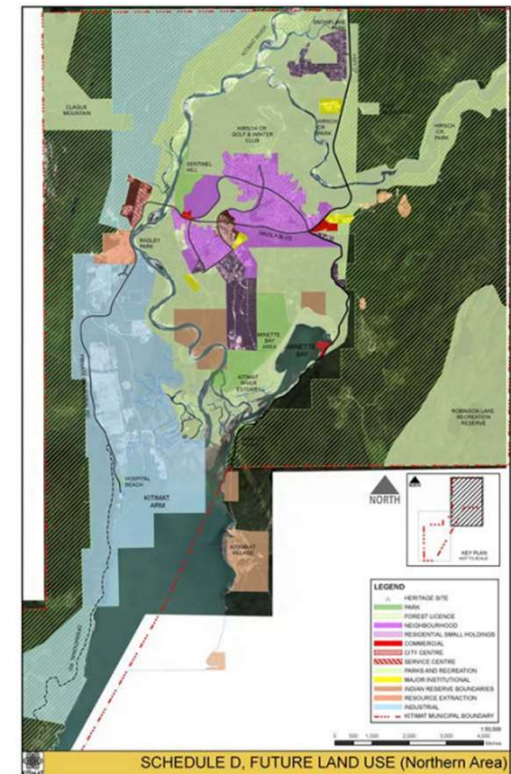
# ACC REGULATION – ITEMS OF NOTE

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- Can only be used for **capital** costs
- Cannot be used to pay for housing of any kind
- Cannot be levied on affordable housing
- Cannot be levied if a development doesn't result in increased population of residents or workers
- Approval by Inspector of Municipalities is not required
- Cannot **overlap with DCCs** – no “double charging”

# CONSIDERATIONS FOR MAJOR INDUSTRY & BUSINESS

- Charges are linked to impact on infrastructure
  - No municipal water service = no municipal DCCs
- Fees/charges can be tied to specific geographies / service areas
- Through the process of developing fees, can make decisions about applicability of Parks DCCs & Amenity Cost Charges
  - Residential uses only versus Residential plus Industrial, Commercial, Institutional





# **DCCS IN PEER COMMUNITIES**

## HOW ARE DCCS USED ELSEWHERE?

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- DCCs are the most common financial tool BC communities use to ensure that “growth pays for growth”
- Many communities collect for all eligible types of infrastructure / parks

# Example: Terrace



City of Terrace adopted its first DCC Bylaw December 2021 as a cost recovery tool to service the infrastructure needed for growth (estimated at ~1% growth per year)



\$10.7M capital program (15 years), with baseline as follows:

\$7.4M to be recovered through DCCs  
\$3.3M to be funded by existing taxpayers or through other funding sources



To help the development community plan for DCCs the City chose to phase-in the DCC rates over five years using a decreasing municipal assist factor

Year 1: 50% Municipal Assist  
Year 2: 35% Municipal Assist  
Year 3: 20% Municipal Assist  
Year 4: 5% Municipal Assist  
Year 5: 1% Municipal Assist

# EXAMPLE: TERRACE

## CURRENT RATES

Land Use	Unit of Charge	Municipal Assist Factor	DCC Rate (2024)
Single Detached Dwelling	Dwelling Unit	20%	\$7,261.00
Attached Dwelling	Dwelling Unit	20%	\$5,135.00
Apartment	Dwelling Unit	20%	\$3,726.00
Commercial*	m <sup>2</sup> gross floor area	20%	\$26.09
Industrial*	m <sup>2</sup> gross floor area	20%	\$15.86
Institutional*	m <sup>2</sup> gross floor area	20%	\$35.69

\*Transportation, Water, Sewer & Drainage only. ICI uses do not pay Parks DCCs in Terrace.

# EXAMPLE: TERRACE

## FINAL RATES

Land Use	Unit of Charge	Municipal Assist Factor	DCC Rate (2026)
Single Detached Dwelling	Dwelling Unit	1%	\$8,987.00
Attached Dwelling	Dwelling Unit	1%	\$6,354.00
Apartment	Dwelling Unit	1%	\$4,611.00
Commercial*	m <sup>2</sup> gross floor area	1%	\$32.29
Industrial*	m <sup>2</sup> gross floor area	1%	\$19.63
Institutional*	m <sup>2</sup> gross floor area	1%	\$44.16

*\*Transportation, Water, Sewer & Drainage only. ICI uses do not pay Parks DCCs in Terrace.*



# CONCLUDING OBSERVATIONS



# DCC AND ACC BENEFITS

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- Provide certainty to developers for infrastructure & amenity upgrade costs
- Fairly distribute growth costs across development
- Help ensure growth pays for growth
- Help save for growth-related infrastructure & amenity costs

# DCC AND ACC CONSIDERATIONS

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- DCC and ACC charges may not be well understood by development community, and charges have not been anticipated in their proformas
- DCC/ACC Bylaws create new administrative responsibilities for District staff
- DCC/ACC revenue may be insufficient to fund short-term infrastructure & amenity needs
- Further work is required to quantify growth-related capital needs and develop potential DCC and/or ACC capital programs
- District's growth landscape is evolving and linked closely with major industrial investments



# DISCUSSION / Q&A