

Capital Regional District

Development Cost Charge Update

Background Report

September 2018

Final Report

File: 001692.0042.01

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EXECUTIVE SUMMARY

This report presents the proposed Juan de Fuca Water Distribution System (JDFWDS) Development Cost Charges (DCCs) that reflect current growth projections and DCC capital programs for the member communities of the Juan de Fuca Water Distribution Commission in the Capital Regional District. This update was necessitated as significant growth had occurred in the member communities, service area boundaries changed due to OCP amendments and rezoning, changes to the Urban Containment Boundary and servicing concepts changed in response to development.

Through this DCC Bylaw update, all project costs and growth estimates were reviewed and updated. DCC eligible projects for CRD water services in the JDFWDS were identified through reference to recent infrastructure planning documents.

Updated Development Cost Charge rates for the JDFWDS as determined by this update are provided in **Table ES 1**.

Table ES 1: DCC Rates

	Collection Basis	Water System
Low Density Residential (single family)	Per Lot	\$2,922
Medium Density Multi Family (duplex, triplex, fourplex, townhouse)	Per Unit	\$2,557
High Density Multi-Family (apartments)	Per Unit	\$1,644
Commercial	Per floor area in m ²	\$10.74
Industrial	Per floor area in m ²	\$5.82
Institutional	Per floor area in m ²	\$23.74

PART 1. BACKGROUND

The last review of the Capital Regional District's Juan de Fuca Water Distribution System (JDFWDS) Development Cost Charge (DCC) program and rates was completed in 2011 – DCC Bylaw (No. 3805). In 2015, the Capital Regional District (CRD) sought assistance to review and update the CRD Juan de Fuca Water Distribution System Development Cost Charge (DCC) Bylaw No. 4063 (as amended to 2018). Urban Systems assisted the CRD to develop the Bylaw along with successive updates including a review of the current DCC Bylaw in 2011. The original DCC Study, completed in 1999, represents the underlying foundation in structuring the work program and strategy to implement improvements in the water distribution infrastructure to accommodate for growth within the member communities of the Juan de Fuca Water Distribution service area. Since 2011 many of the member communities have undertaken Water Master Planning; Zoning Bylaw Updates; and, Official Community Plan (OCP) updates and amendments. The process to the update of the JDFWDS DCC was completed in the summer of 2018.

The six west shore communities within the JDFWDS, include:

- City of Langford
- City of Colwood
- Town of View Royal
- District of Metchosin
- District of Sooke
- District of Highlands

The process of updating JDFWDS DCC and identifying capital project priorities involved a thorough review of planning documents (Zoning Bylaws and OCPs) for each of the six west shore municipalities, as well as consideration of historical and future population projections and infrastructure needs.

In addition to planning work undertaken by the six municipalities the substantial development interest in these communities was also taken into consideration. Therefore, this study also includes an analysis of the current water distribution network and identified improvements needed to support development in the above communities based on their anticipated rate of growth. Growth projections used in the study are based on estimates provided by Urban Futures and on feedback from CRD staff and staff from each of the six municipalities. The timeframe for consideration is from 2018 – 2037, a 20-year time horizon. This time frame was also coordinated with the water modeling work conducted by GeoAdvice Inc.

The proposed program ensures that the people who will use and benefit from the services provided pay their share of the costs in a fair and equitable manner. The proposed DCC program creates

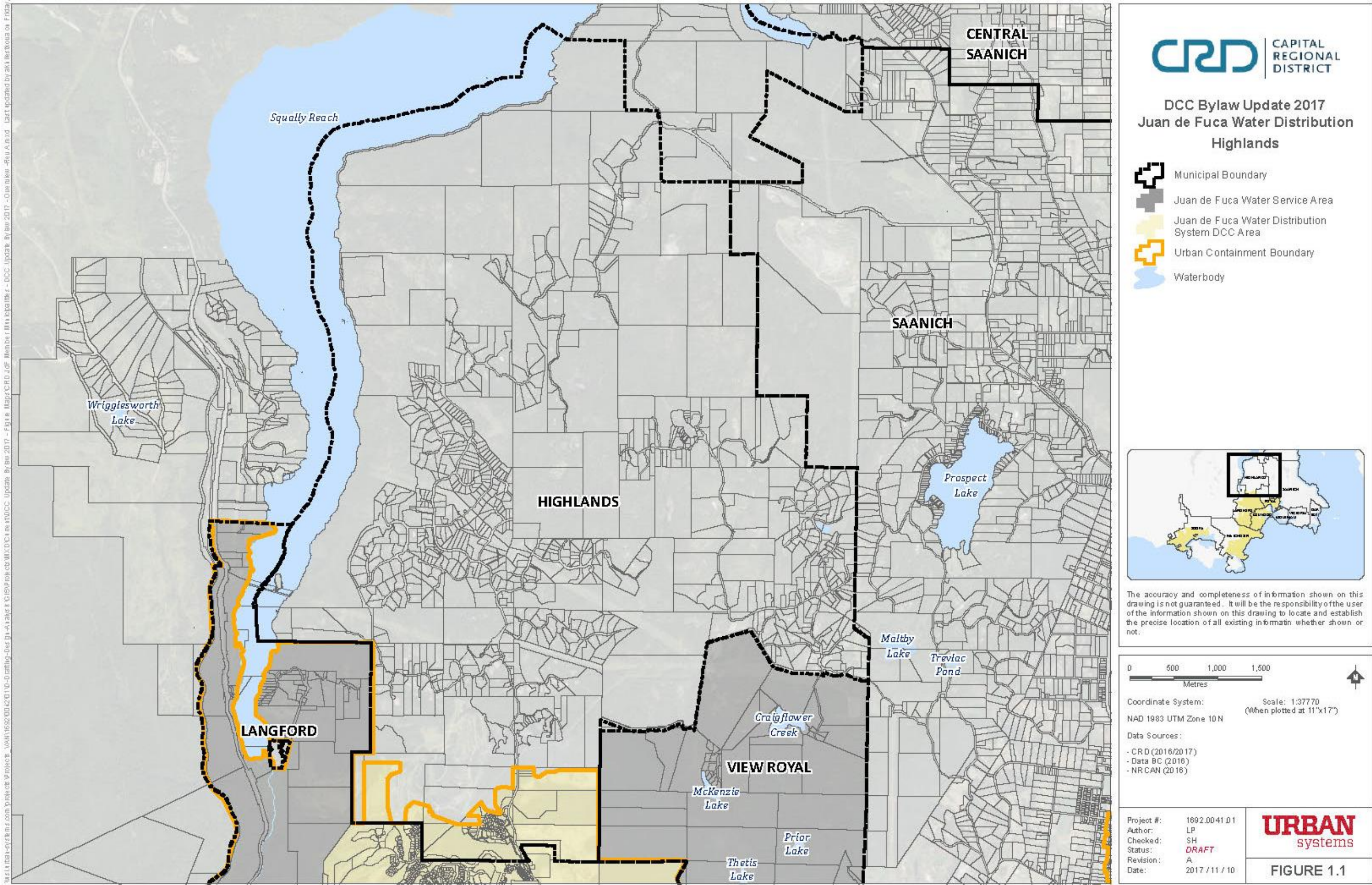
certainty by providing stable charges to the development industry and by allowing the orderly and timely construction of infrastructure. The proposed DCC rate schedule is based on the growth projections, the capital program, and policy decisions. The DCCs apply to single detached residential lots, multiple (medium and high density) residential units, and commercial, industrial and institutional developments.

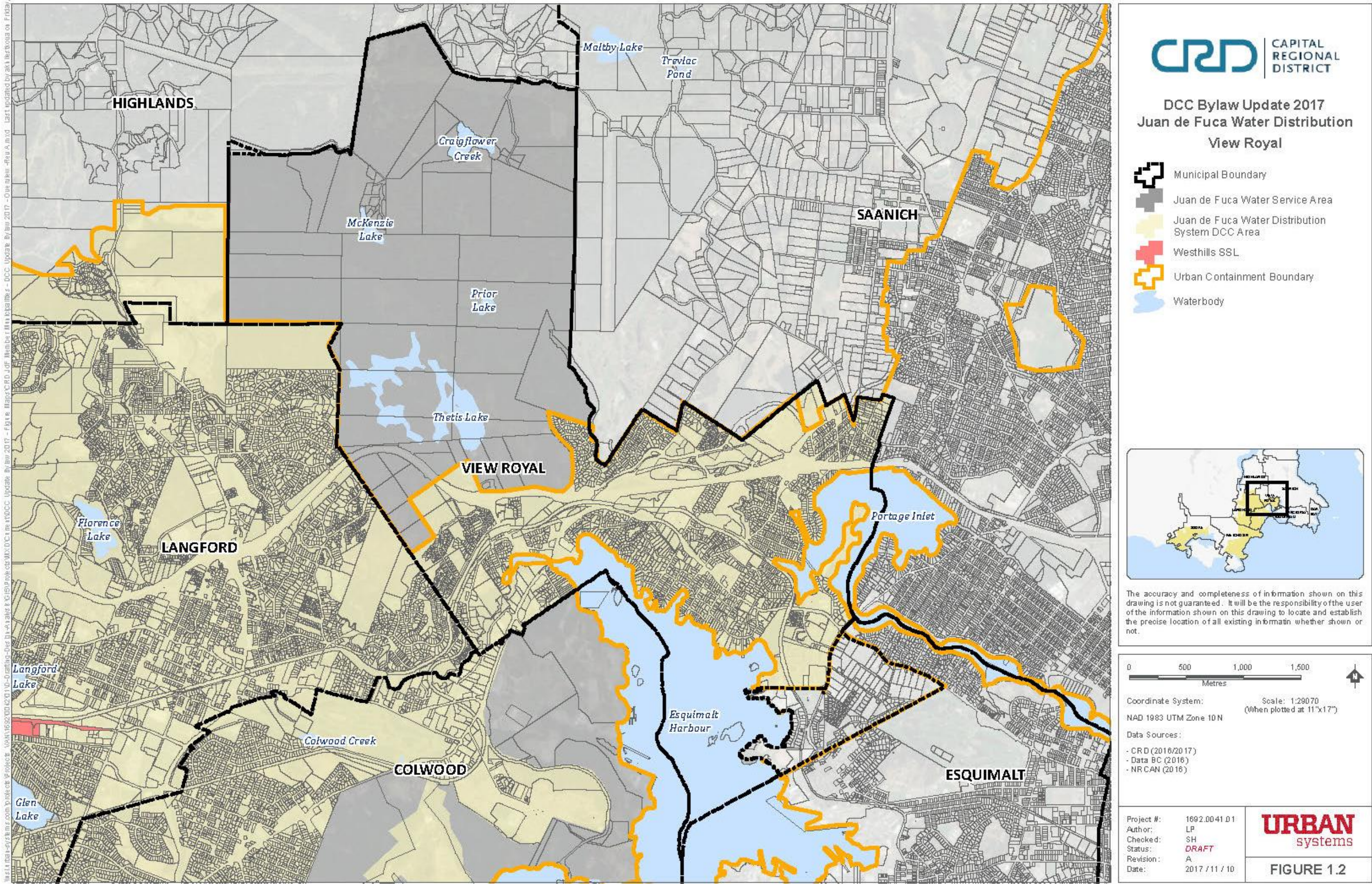
It should be understood that the JDFWDS water service areas are not entirely subject to DCCs and that only properties located within the JDFWDS DCC Service Area are required to pay DCCs. The difference between these two areas is shown in Figures 1.1 -1.7. Essentially, the JDFWDS water service area covers the entire municipal boundaries of Langford, Colwood, Sooke, View Royal and Metchosin and the southern third of Highlands. The DCC Service Area is applied only in areas where growth is occurring, which more or less follows the CRD Urban Containment Boundary. The JDFWDS water service area and DCC service area are the same for Highlands.

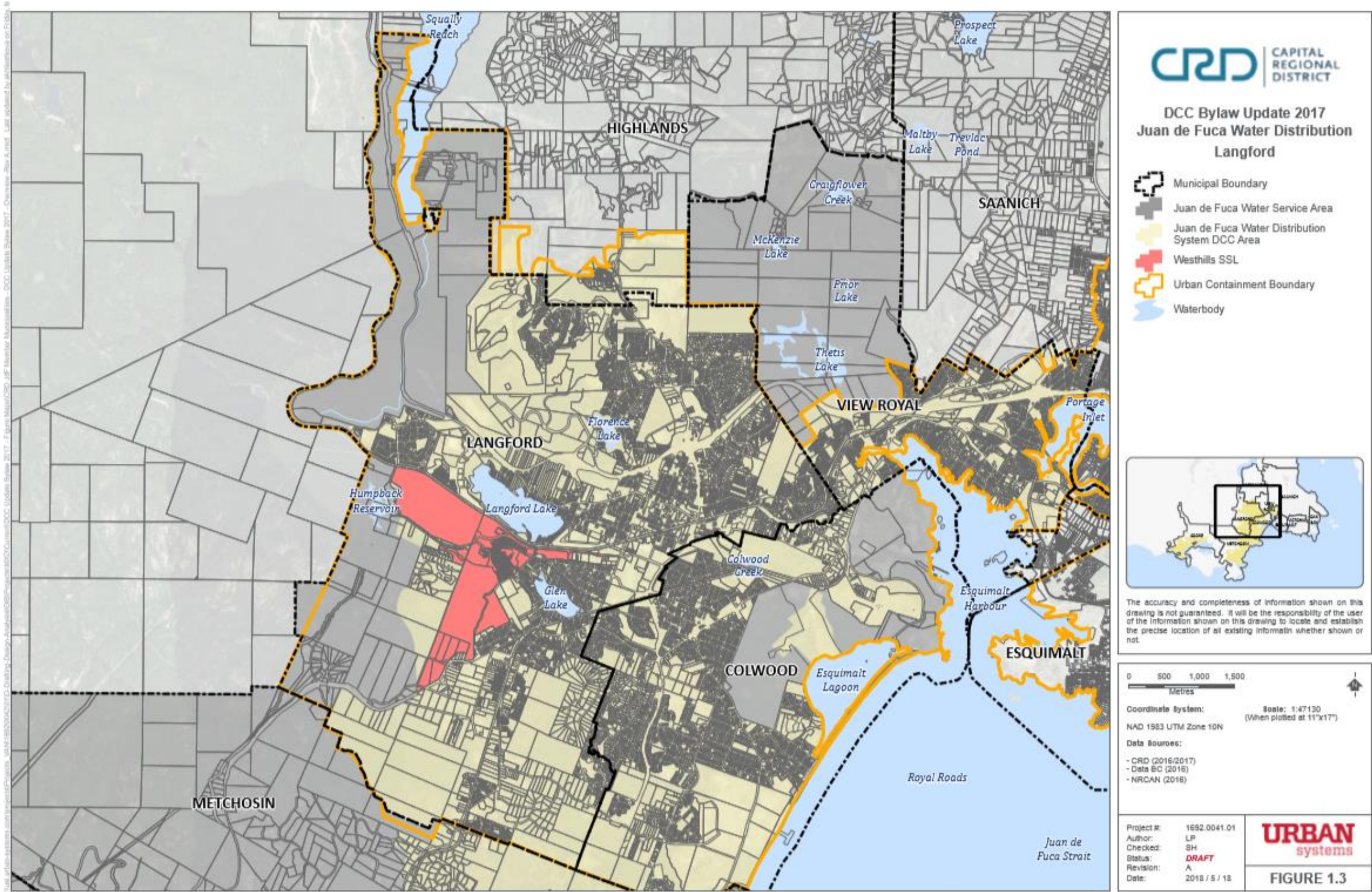
Since the previous The DCC service area boundaries for the communities of Sooke, Colwood, View Royal and Highlands have remained the same as were depicted in the 2011 update. The DCC service areas now also reflect the amended to change to Urban Containment Boundary to include Centre Mountain. This shows the land transfer between the District of Metchosin and the City of Langford. Centre Mountain has been identified as a potential growth area and included in the DCC Service area. A few minor changes to the DCC service area have also been made in Langford.

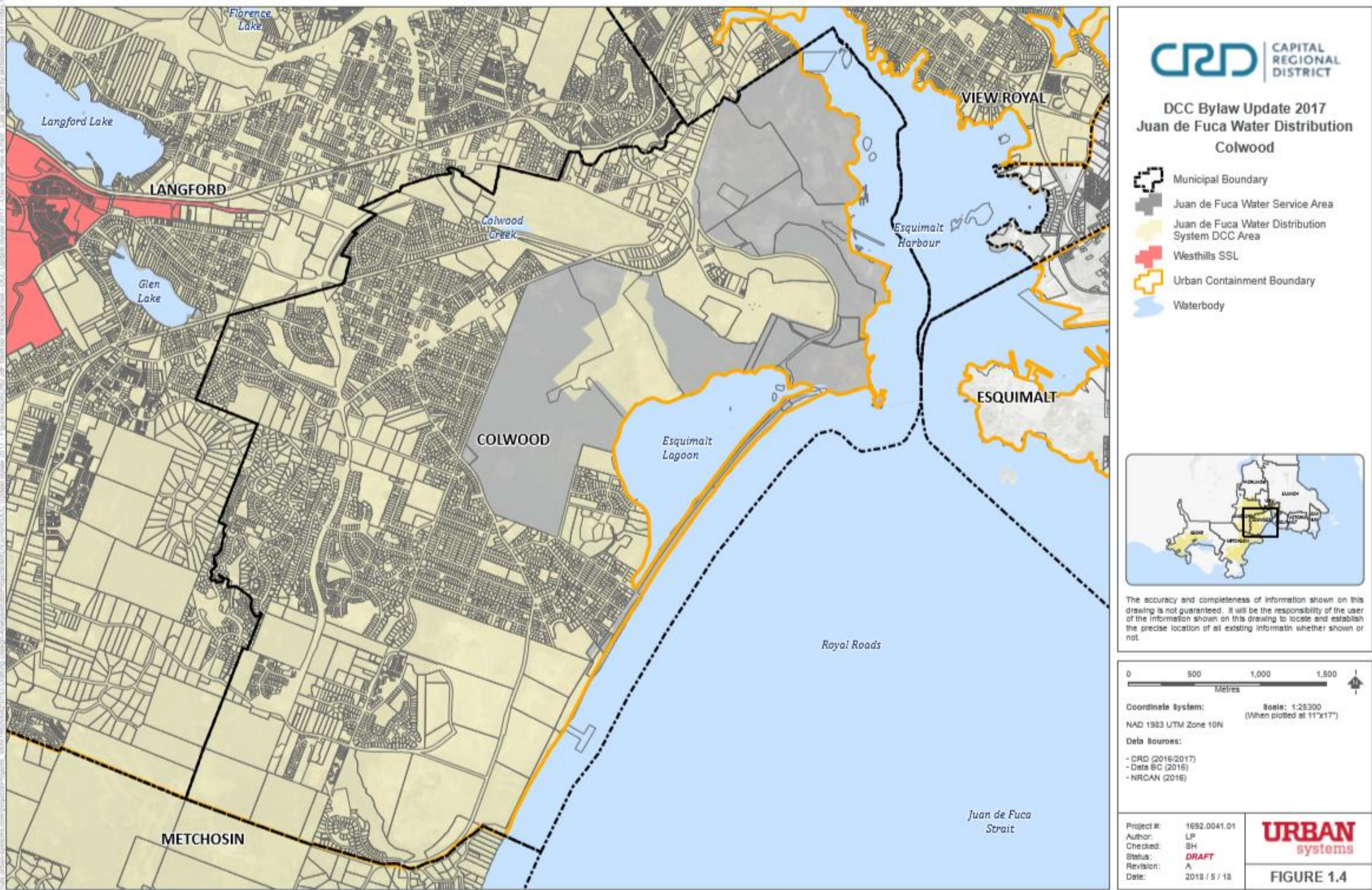
It should be noted that the material provided in this background report is meant for information only. Reference should be made to the current Bylaw No. #2758 for the specific DCC rates for all development within the JDFWDS until the Board has adopted a new DCC bylaw.

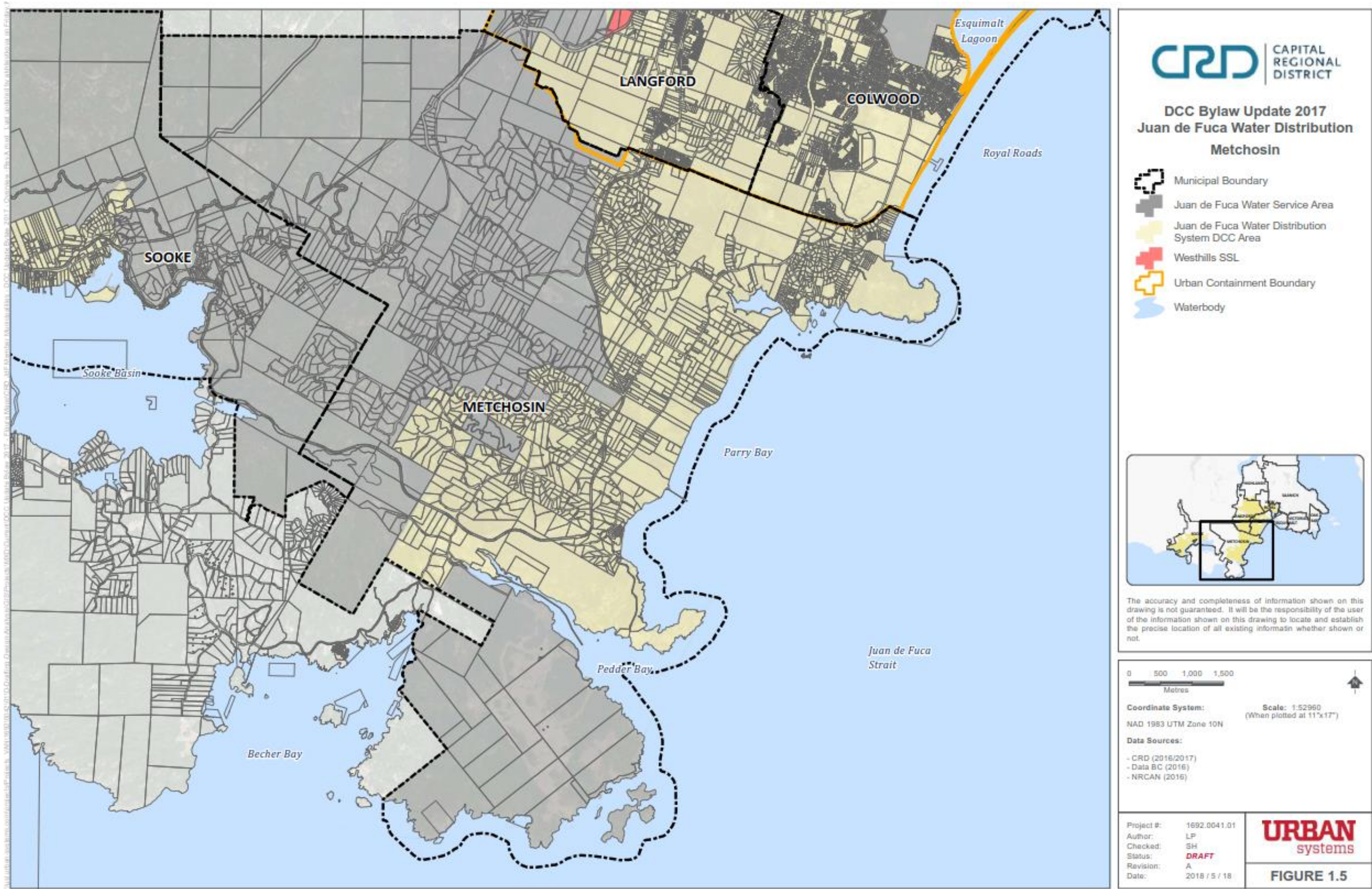
Figures 1.1 – 1.7 show the DCC Service Area boundaries for the six municipalities that are the subject of this review.

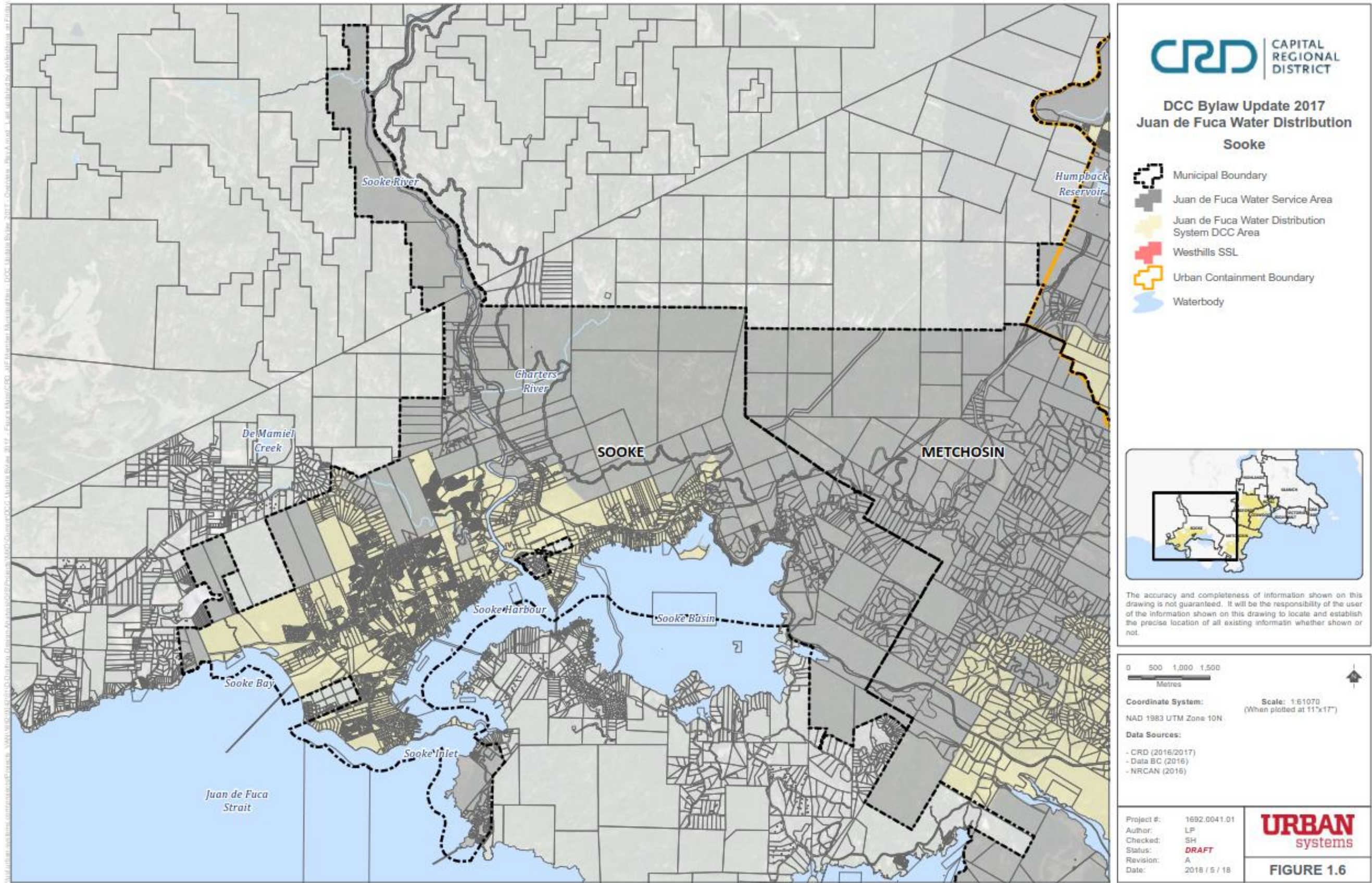












PART 2. DCC KEY ELEMENTS

The Development Cost Charge Best Practice Guide (prepared by the Ministry of Municipal Affairs and Housing) stipulates key elements that should be considered when determining DCC rates. Table 2.1 outlines the key elements, decisions and supporting rationale used in this update. The table also indicates whether the proposed approach aligns with the Best Practice Guide.

Table 2.1: DCC Key Elements

Key Element	Proposed DCC Update	Rationale	Aligns with Best Practices Guide?
Time Frame	20 Years	<ul style="list-style-type: none"> Aligns with OCP and capital planning time frames 	✓
Municipal-wide or area-specific charge	Area-specific (covers portions of all six municipalities in the JDFWDS)	<ul style="list-style-type: none"> Area-specific impact based on CRD Water DCC Service Area boundaries. The JDFWDS DCC Service Area is applied only in areas where growth is occurring, which more or less follows the CRD Urban Containment Boundary. 	✓
Grant Assistance	None	<ul style="list-style-type: none"> No identified DCC projects require grant funding 	✓
Developer Contribution	None	<ul style="list-style-type: none"> No identified DCC projects include a developer contribution 	✓
Interim Financing	Four Projects	<p>The CRD has several long-term debt to obligations that are included as non-capital projects in the DCC program. Long term debt, is summarized as follows:</p> <ul style="list-style-type: none"> Bear / Skirt Mountain - \$3,392,220 Silver Creek Debt - \$1,571,275 Project Liability Supply and Distribution Water Mains on Leigh Road - \$1,200,000 Under Loan authorization Bylaw #3164 - The total remaining is \$859,340. <p>These debts are described in further detail in Section 4.2 (below).</p>	—
Benefit Allocation	25% -100%	<ul style="list-style-type: none"> Water modeling showed the relative impacts of new growth on infrastructure for projects near existing development. These projects involved upgrading existing infrastructure to provide greater capacity to 	✓

		<p>support new growth and include: planned existing system upgrades for water pipes and reservoir storage.</p> <ul style="list-style-type: none"> • Projects that provide exclusive benefit to new development at 100% 	
Municipal Assist Factor	All infrastructure types – 1%	<ul style="list-style-type: none"> • The CRD is contributing the minimum allowable assist factor to ensure the long-term financial sustainability of the Regional District. 	✓
Units of charge	Per lot, per unit and per square metre of total floor area	<ul style="list-style-type: none"> • <i>Per lot</i> for detached dwellings as complete information is available at subdivision approval • <i>Per unit</i> for medium (i.e. duplexes, townhouses, triplexes and fourplexes) and high density (apartment) residential dwellings as complete information is available at Building permit approval • <i>Per square metre of total floor area</i> for industrial/commercial/institutional uses as impact on infrastructure is expected to correlate with floor space 	✓

PART 3. GROWTH PROJECTIONS AND EQUIVALENCIES

3.1 Growth Projection Methodology

While the CRD and its municipalities generally conduct independent growth estimates, they are often aggregated and sometimes vary in terms of date conducted or methodology used. In order to develop the water model, a set of sub-municipal growth estimates for residential, institutional, commercial and industrial land uses were required. For this reason, it was determined that the sub-municipal growth estimates, recently conducted by the CRD for an update to the Regional Transportation Model, would be a suitable starting point for the growth modeling component of the Juan de Fuca Water DCC Update.

The growth estimates, generated by Urban Futures, were based on dividing each of the six west shore municipalities into Transportation Analysis Zones (TAZs), so that a detailed level of analysis could be conducted. As the CRD water model required a similar detailed level of analysis, the growth projections (once verified) and the TAZ boundaries were applied to the CRD water model. As the update to the Regional Transportation Model was undertaken in 2014, the growth projections were validated by verifying them against current municipal planning documents (OCP and Zoning Bylaws) and by conducting in-depth interviews with staff in five of the six municipalities, including:

- City of Colwood;
- City of Langford;^{1,2}
- District of Highlands;
- District of Sooke; and,
- District of Metchesin.

The Town of View Royal did not have the opportunity to meet with the CRD and Urban Systems to discuss these estimates in detail; however, they were provided with the updated growth estimates and did not recommend any changes.

¹ Growth projections for the City of Langford, were based on 2016 TAZ data provided by the City. The 2016 TAZ data from the City of Langford was used as it was updated more recently than the CRD data.

² Growth estimates for the City of Langford exclude all growth associated with the Westhills Development as this area was removed from the DCC service area at the request of the City.

3.2 Residential Growth Projections

The following is a summary of growth estimates in the six communities, specifically in the DCC areas of the Juan de Fuca Water Distribution System. Development and growth trends are based on a 20-year horizon to the year 2037 using growth estimates provided by Urban Futures.

Population projections used in the study have been reviewed with the respective municipalities and are considered to be reflective of anticipated growth in the community. Table 3.1 summarizes new future development serviced by the Juan de Fuca Water Distribution System for each community to the year 2037. Residential units were acquired through Urban Futures growth estimates, while commercial, industrial and institutional estimates were acquired through discussions with the respective municipalities:

Table 3.1: Land Use Growth Allocations 2037

	Sooke	Langford	Colwood	View Royal	Metchosin	Highlands	Total
Residential (units)*							
Low Density Residential (single family)	945	2,525	1,650	150	60	220	5,550
Medium Density Multi Family (duplex, triplex, fourplex, row house, townhouse)	680	2,697	1,000	384	5	195	4,961
High Density Multi-Family (apartments)	305	3,700	800	528	0	195	5,528
Commercial & Industrial (m²)							
Commercial	25,000	88,000	190,000	75,500	15,000	60,000	453,500
Industrial	20,000	526,000	6,000	3,000	1,400	74,600	631,000
Institutional							
Institutional	1,550	-	16,700	10,800	4,700	6,500	40,250

The data provided by the CRD does not break out dwellings between single-detached parcels and other ground oriented dwelling such as duplexes, townhouses and row houses; further it does not differentiate between high-density and medium density multi-family units. Therefore, in order to determine the ratio of residential units in each of these categories (low, medium and high) building permit data from BC Stats over the last ten years was reviewed to determine what percentage of ground-oriented dwelling were single-detached dwelling and other forms of housing.

3.3 Equivalencies

The equivalencies used in this update are generally the same as those in the 2011 update as there have been no significant changes in expectations regarding relative impact.

Table 3.2: Equivalencies

Land Use	Unit of Development	Equivalent Unit Conversion Factors
Low Density Residential	Per Lot	3.2
Medium Density Multi-family	Dwelling unit	2.8
High Density Multi-family	Dwelling unit	1.8
Commercial	Total floor area (m ²)	0.012
Industrial	Gross floor area (m ²)	0.006
Institutional	Gross floor area (m ²)	0.026

For residential demand, occupancy rates can be used to project demands for water services. For non-residential land uses, equivalent populations per square metre are established. The total equivalent population, determined by applying the equivalent unit conversion factors to the total estimated unit, is 52,003 people.

PART 4. DCC PROJECTS AND COSTS

4.1 DCC Costs

DCC rates are determined by applying the key elements, growth projections and equivalencies described earlier in this report to projects that are DCC eligible and expected to be built within the specified DCC timeframe. Given that most communities in the JDFWDS are experiencing high rates of greenfield development, the majority of projects solely benefit new growth. An overview of the DCC costs by infrastructure type is provided in **Table 4.1**.

Table 4.1: DCC Program Overview and Capital Costs

Service	Total Capital Costs	Benefit Allocation	Municipal Assist Factor	DCC Recoverable Program Costs	Regional District Costs ⁽¹⁾
Water	\$57.6 M	25 - 100%	1%	\$53.1 M	\$4.5 M

Note: ⁽¹⁾ Includes municipal assist factor and portion allocated to existing development.

4.2 Provision for Long-term Debt

The CRD has several long-term debt to obligations that are included as non-capital projects under the DCC program. Long term debt, is summarized as follows:

- Bear / Skirt Mountain - Existing Front End Agreement(2009) with the CRD for the construction of the Skirt Mountain Reservoir (included in 2011 DCC program) - \$3,392,220
- Silver Creek Debt - Existing Front End Agreement (2009) with the CRD for construction of the Helgesen Pump Station and Water Main (previous DCC project in 2011 DCC program) - \$1,571,275
- Project Liability Supply and Distribution on Leigh Road – The City of Langford installed CRD DCC Projects (Supply and Distribution Water Mains on Leigh Road - previous DCC project in 2011 DCC program) as part of the Leigh Road Interchange, however no formal agreement was in place. The project was a DCC eligible project and should be paid back as funds are available - \$1,200,000
- Under Loan authorization Bylaw #3164 the CRD borrowed \$3.5 million for various DCC Water Projects (included in 2011 DCC program). Annual payments of \$251,135 are required for years 2018-2019, \$239,509 for 2020, \$81,291 for 2021 and \$36,270 for 2022. The total remaining is \$859,340.

These debts were included in the previous DCC program approved by the Ministry in 2011. The current value of total debt incurred is approximately \$ 6.93 million. By agreement, there is no interest payable on the debt. This amount has been included in the DCC calculations.

4.3 Changes in Program from Previous Update

The capital costs and number of projects have changed substantially since the previous DCC update for a number of reasons:

- The CRD water model for the JDFWDS was updated based on new growth estimates and changes in development areas since 2011. This updated program is based on new and up-to-date water modeling provided by GeoAdvice Inc.
- Land, construction and soft costs (e.g., environmental remediation, administration, legal) have risen substantially since 2011. Construction costs in particular have increased substantially due to higher levels of growth in the region and substantial demand for these services. Many tenders for current projects are coming in high and cost estimates have been adjusted to reflect current conditions.
- The CRD Regional Growth Strategy was amended to change the Urban Containment Boundary to include Centre Mountain. This occurred because of a land transfer between the District of Metchosin, Beecher Bay First Nations and the City of Langford. Centre Mountain has been identified as a potential growth area and included in the DCC Service area.
- The Westhills development in Langford has been removed from the DCC service area as the current owner(s) / developers will be constructing water services internal to the development independently.
- Debt servicing costs have been updated to reflect current liabilities.
- The DCC reserve amounts have been updated to reflect current reserves held by the CRD.
- Contingencies for project cost estimates have been increased by 5% due to cost uncertainties.
- Municipal Assist has been decreased from 5% to 1%.

4.4 DCC Projects

The DCC program was developed by reviewing the previous program to remove existing projects and update costs and through extensive water modeling work conducted GeoAdvice Inc. The majority of existing projects were carried forward and new projects were identified through the water model, which evaluated upgrades and projects required to service new growth. The Water DCC Program includes a wide variety of projects including pump stations, water mains, water main upsizing, reservoirs and reservoir upgrades.

A summary of DCC projects is provided in **Table 4.2**, and DCC calculation, equivalent conversion factors per unit and per square metre are established in **Table 4.3**.

Table 4.2: Water Projects and Cost Estimates

Item	Estimated Project Year See Notes [1],[2],[3],[4]	Developer Driven vs. Planned Existing System Upgrades for Growth	Municipality	Project	Description	Map Reference	Base Cost (\$2017)	Engineering (15%)	Project Admin (5%)	Contingency (25%)	Cost Estimate (A) (see Note 5)	DCC Benefit Factor (B)*	Benefit to New Development (C = A x B)	Municipal Assist Factor 1% (D = C x 0.01)	DCC Recoverable (E = C - D)	CRD Responsibility F = (A - E)
1	2018	Planned Existing System Upgrades for Growth	Highlands	Hi-West Developments	New Pipe	1	\$857,000	\$128,550	\$42,850	\$214,250	\$1,242,650	100%	\$1,242,650	\$12,427	\$1,230,224	\$12,427
2	Medium-Term	Developer Driven	Langford	Echo Valley Drive	Distribution Main	2a	\$401,000	\$60,150	\$20,050	\$100,250	\$581,450	100%	\$581,450	\$5,815	\$575,636	\$5,815
						2b	\$238,000	\$35,700	\$11,900	\$59,500	\$345,100	100%	\$345,100	\$3,451	\$341,649	\$3,451
					PRV	2c	\$150,000	\$22,500	\$7,500	\$37,500	\$217,500	100%	\$217,500	\$2,175	\$215,325	\$2,175
3	2020	Developer Driven	Langford	South Skirt Pump Station	Transmission Main (see Note 6)	3a	\$717,241	\$107,586	\$35,862	\$179,310	\$1,040,000	100%	\$1,040,000	\$10,400	\$1,029,600	\$10,400
	2023				Pump Station 7	3b	\$1,170,000	\$175,500	\$58,500	\$234,000	\$1,638,000	100%	\$1,638,000	\$16,380	\$1,621,620	\$16,380
4	2020	Developer Driven	Langford	South Skirt Tank 4	Transmission Main (see Note 6)	4a	\$800,000	\$120,000	\$40,000	\$200,000	\$1,160,000	100%	\$1,160,000	\$11,600	\$1,148,400	\$11,600
	2018				Pump Station 6	4b	\$1,650,000	\$247,500	\$82,500	\$412,500	\$2,392,500	100%	\$2,392,500	\$23,925	\$2,368,575	\$23,925
	Medium-Term				Tank 4 (see Note 7)	4c	\$1,724,138	\$258,621	\$86,207	\$431,034	\$2,500,000	100%	\$2,500,000	\$25,000	\$2,475,000	\$25,000
	2018				Distribution Main (see Note 9)	4d	\$338,000	\$50,700	\$16,900	\$84,400	\$490,000	100%	\$490,000	\$4,900	\$485,100	\$4,900
5	Medium-Term	Developer Driven	Langford	Bear Mountain Pump Station 3	Pump Station	5a	\$1,289,000	\$193,350	\$64,450	\$322,250	\$1,869,050	100%	\$1,869,050	\$18,691	\$1,850,360	\$18,691
	Medium-Term	Developer Driven	Langford	Distribution Pipe	New Pipe	5b	\$336,000	\$50,400	\$16,800	\$84,000	\$487,200	100%	\$487,200	\$4,872	\$482,328	\$4,872
6	2018	Planned Existing System Upgrades for Growth	Langford	Nicklaus Pump Station	Pump Station Upgrade	6	\$70,000	\$10,500	\$3,500	\$17,500	\$101,500	100%	\$101,500	\$1,015	\$100,485	\$1,015
7	Medium-Term	Developer Driven	Langford	Walfred Servicing	DI watermain	7	\$1,224,000	\$183,600	\$61,200	\$306,000	\$1,774,800	100%	\$1,774,800	\$17,748	\$1,757,052	\$17,748
8	Long-term	Planned Existing System Upgrades for Growth	Langford	Fulton Reservoir	Reservoir Upgrade	8a	\$1,630,000	\$244,500	\$81,500	\$407,500	\$2,363,500	85%	\$2,008,975	\$20,090	\$1,988,885	\$374,615
	Long-term	Planned Existing System Upgrades for Growth	Langford		Fire Pump Upgrade	8b	\$1,240,000	\$186,000	\$62,000	\$310,000	\$1,798,000	85%	\$1,528,300	\$15,283	\$1,513,017	\$284,983
	Long-term	Planned Existing System Upgrades for Growth	Langford		Distribution Piping	8c	\$94,000	\$14,100	\$4,700	\$23,500	\$136,300	85%	\$115,855	\$1,159	\$114,696	\$21,604
9	Medium-Term	Developer Driven	Langford	Centre Mountain	New Pump Station	9a	\$1,500,000	\$225,000	\$75,000	\$375,000	\$2,175,000	100%	\$2,175,000	\$21,750	\$2,153,250	\$21,750
	Medium-Term	Developer Driven	Langford		Supply Pipe	9b	\$754,000	\$113,100	\$37,700	\$188,500	\$1,093,300	100%	\$1,093,300	\$10,933	\$1,082,367	\$10,933
	Medium-Term	Developer Driven	Langford		New Reservoir	9c	\$5,480,000	\$822,000	\$274,000	\$1,370,000	\$7,946,000	100%	\$7,946,000	\$79,460	\$7,866,540	\$79,460
	Medium-Term	Developer Driven	Langford		Distribution Pipe	9d	\$651,000	\$97,650	\$32,550	\$162,750	\$943,950	100%	\$943,950	\$9,440	\$934,511	\$9,440
10	Medium-Term	Developer Driven	Colwood	Mary Anne Pump Station	Pump Station	10a	\$950,000	\$142,500	\$47,500	\$237,500	\$1,377,500	100%	\$1,377,500	\$13,775	\$1,363,725	\$13,775
	Medium-Term	Developer Driven	Colwood	Mary Anne PS Pipe	New Pipe	10b	\$61,000	\$9,150	\$3,050	\$15,250	\$88,450	100%	\$88,450	\$885	\$87,566	\$885
	Medium-Term	Developer Driven	Colwood	Mary Anne PS Pipe Upgrade	Pipe Upgrade	10c	\$202,000	\$30,300	\$10,100	\$50,500	\$292,900	100%	\$292,900	\$2,929	\$289,971	\$2,929
11	Medium-Term	Planned Existing System Upgrades for Growth	View Royal	Christie Point	Pipe Upgrade	11	\$371,000	\$55,650	\$18,550	\$92,750	\$537,950	100%	\$537,950	\$5,380	\$532,571	\$5,380
12	Long-term	Developer Driven	Sooke	Spartree Way	PRV Spartree	12	\$172,500	\$25,875	\$8,625	\$43,125	\$250,125	100%	\$250,125	\$2,501	\$247,624	\$2,501
13	Long-term	Planned Existing System Upgrades for Growth	Sooke	HENLYN 180M HGL	Distribution Main	13	\$673,000	\$100,950	\$33,650	\$168,250	\$975,850	44%	\$429,374	\$4,294	\$425,080	\$550,770
14	2021 - New Pipe Portions Medium-Term - New Pipe Long-term - Henlyn Tank	Planned Existing System Upgrades for Growth	Sooke	Henlyn 180M HGL	Distribution Main	14a	\$750,000	\$112,500	\$37,500	\$187,500	\$1,087,500	100%	\$1,087,500	\$10,875	\$1,076,625	\$10,875
							\$497,000	\$74,550	\$24,850	\$124,250	\$720,650	100%	\$720,650	\$7,207	\$713,444	\$7,207
					Transmission Main	14b	\$580,000	\$87,000	\$29,000	\$145,000	\$841,000	100%	\$841,000	\$8,410	\$832,590	\$8,410
					Henlyn Tank	14c	\$3,900,000	\$585,000	\$195,000	\$975,000	\$5,655,000	100%	\$5,655,000	\$56,550	\$5,598,450	\$56,550
15	Medium-Term	Planned Existing System Upgrades for Growth	Sooke	PRV Mountain Heights	PRV	15	\$150,000	\$22,500	\$7,500	\$37,500	\$217,500	100%	\$217,500	\$2,175	\$215,325	\$2,175
16	Medium-Term	Planned Existing System Upgrades for Growth	Sooke	Otter Point Road	Pipe Upgrade	16a	\$1,456,000	\$218,400	\$72,800	\$364,000	\$2,111,200	25%	\$527,800	\$5,278	\$522,522	\$1,588,678
						16b	\$25,000	\$3,750	\$1,250	\$6,250	\$36,250	100%	\$36,250	\$363	\$35,888	\$363
17	Long-term	Planned Existing System Upgrades for Growth	Sooke	Grant Road	Pipe Upgrade	17a	\$19,000	\$2,850	\$950	\$4,750	\$532,150	48%	\$255,432	\$2,554	\$252,878	\$279,272
							\$348,000	\$52,200	\$17,400	\$87,000	\$504,600	58%	\$292,668	\$2,927	\$289,741	\$214,859
							\$533,000	\$79,950	\$26,650	\$133,250	\$772,850	58%	\$448,253	\$4,483	\$443,770	\$329,080
						17b	\$618,000	\$92,700	\$30,900	\$154,500	\$896,100	58%	\$519,738	\$5,197	\$514,541	\$381,559
18	Long-term	Planned Existing System Upgrades for Growth	Sooke	Throup Road	New Pipe	18a	\$454,000	\$68,100	\$22,700	\$113,500	\$658,300	100%	\$658,300	\$6,583	\$651,717	\$6,583
						18b	\$194,000	\$29,100	\$9,700	\$48,500	\$281,300	100%	\$281,300	\$2,813	\$278,487	\$2,813
						18c	\$133,000	\$19,950	\$6,650	\$33,250	\$192,850	100%	\$192,850	\$1,929	\$190,922	\$1,929
						18d	\$181,000	\$27,150	\$9,050	\$45,250	\$262,450	100%	\$262,450	\$2,625	\$259,826	\$2,625

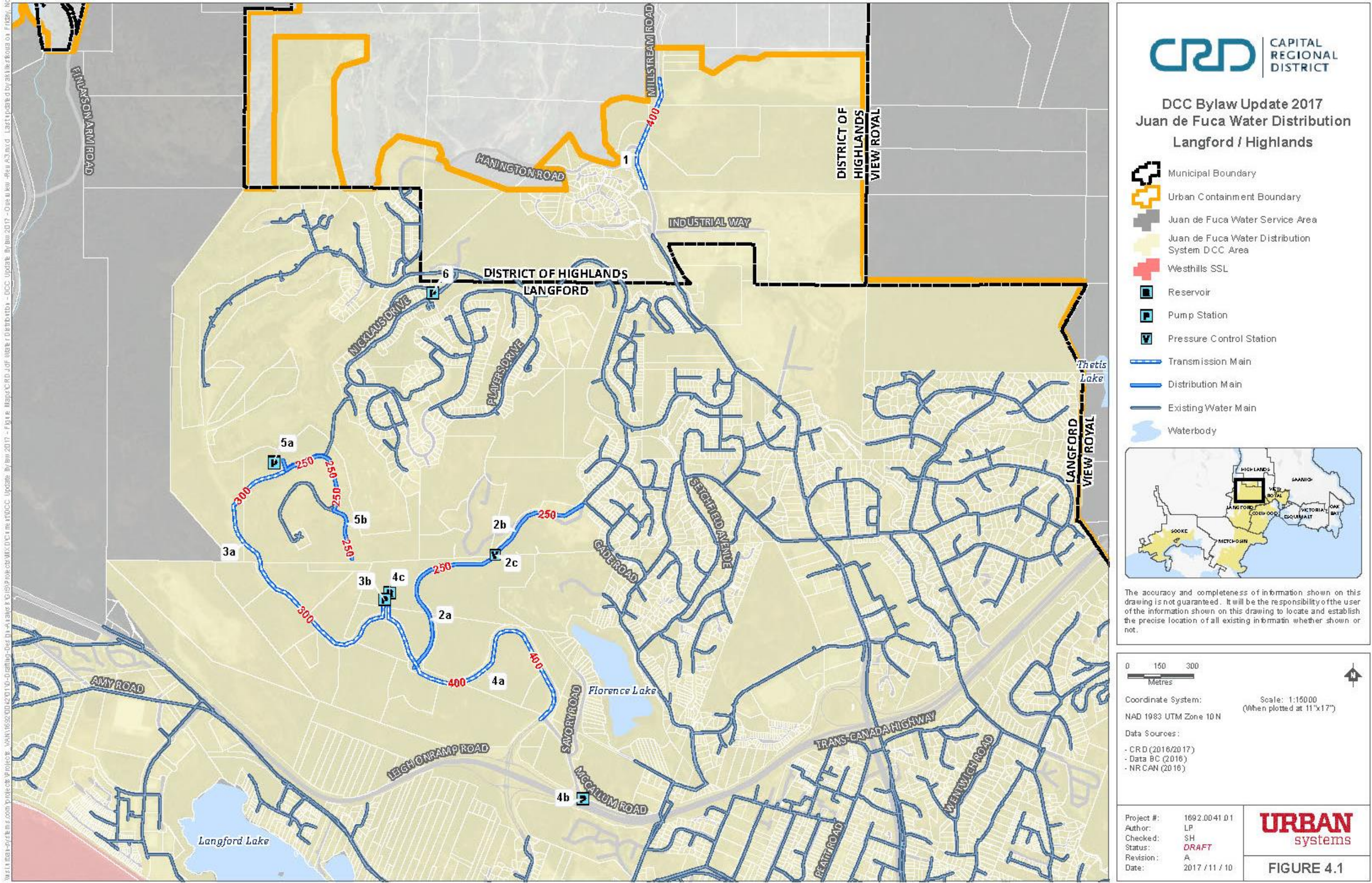


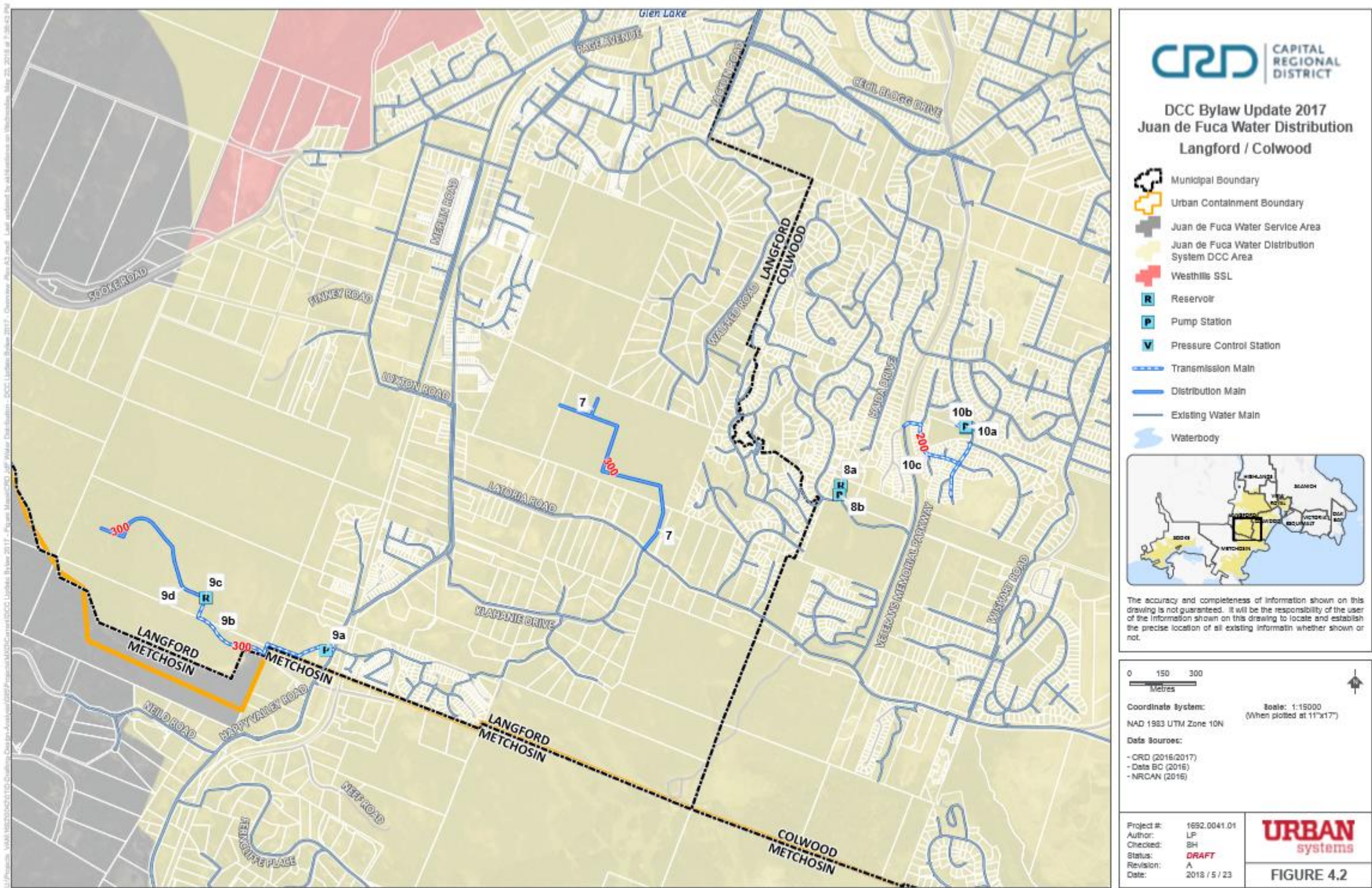
19				Bear Mountain Debt	(see Note 8)	n/a	\$3,392,220	N/A	N/A	N/A	\$3,392,220	100%	\$3,392,220	\$33,922	\$3,358,298	\$33,922
20				Interest on Loan Authorization Bylaw #3164 2011-2022		n/a	\$859,340	N/A	N/A	N/A	\$859,340	100%	\$859,340	\$8,593	\$850,747	\$8,593
21				Project Liability Supply and Distribution on Leigh Road		n/a	\$1,200,000	N/A	N/A	N/A	\$1,200,000	100%	\$1,200,000	\$12,000	\$1,188,000	\$12,000
22				Silver Creek Debt		n/a	\$1,571,275	N/A	N/A	N/A	\$1,571,275	100%	\$1,571,275	\$15,713	\$1,555,562	\$15,713
							\$41,603,715	\$5,187,132	\$1,729,044	\$8,586,620	\$57,611,110		\$53,646,955	\$536,470	\$53,110,486	\$4,500,625

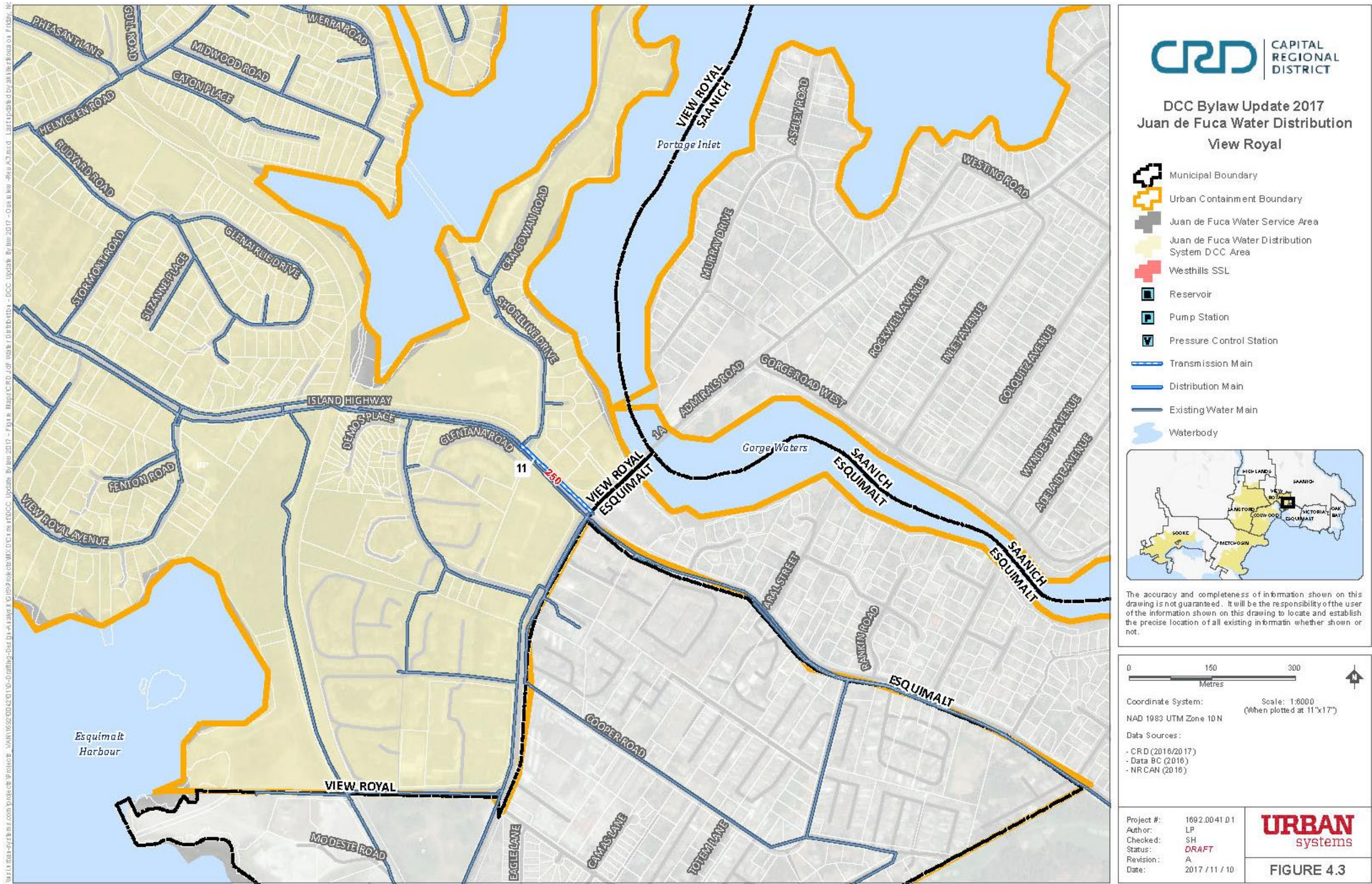
Note [1] - This does not represent the exact priority of project development, just the estimates development phasing.
Note [2] - Project timing and rebates for projects constructed are subject to actual reserve funds available
Note [3] - All projects are available for DCC credit if they meet the requirements of Capital Regional Districts DCC Credit Policy
Note [4] Medium-term = years 2024 to 2029 | Long-term = years 2030 and beyond
Note [5] - Cost Estimates include 15% Engineering, 5% Project Admin and 25% contingency
Note [6] - Revised to better reflect actual construction costs realized in 2017
Note [7] – Bolted Steel Tank
Note [8] – Bear Mountain Debt as of August 2017, as of October 2017 balance is \$3.15 Million
Note [9] – Balance of project expenditures to be funded in 2018 up to approved budget of \$3.99 million

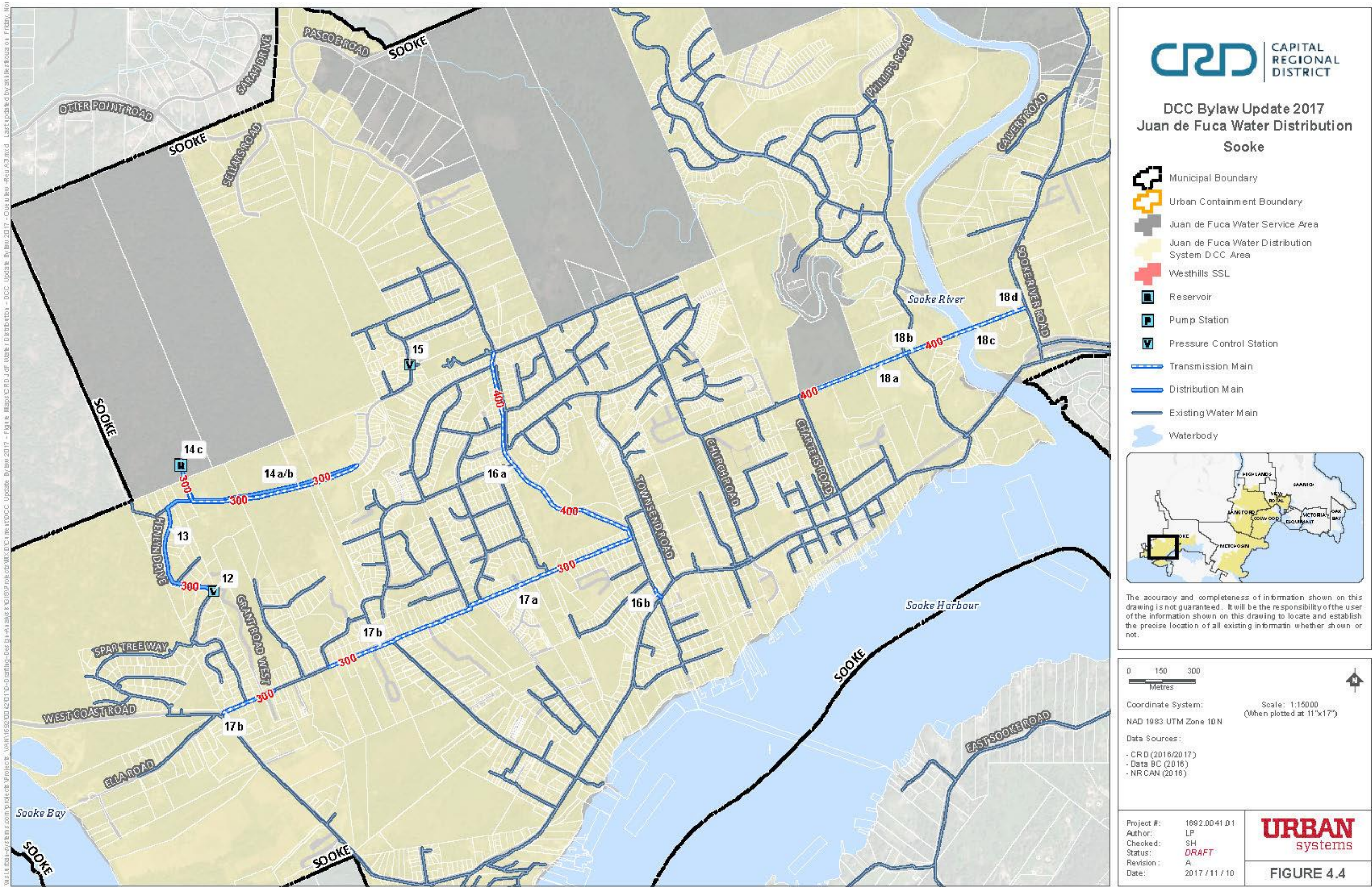
Table 4.3: Water Project DCC Calculations

A: Water DCC Calculation				
	New Units		Person per unit (residential)/ Equivalent Population/m ² (other land uses)	
Equivalent Population Estimates				
Single-Family	per lot	5,550	3.2	17760
Medium Density Residential	per unit	4,961	2.8	13891
Multi-Family	per unit	5,528	1.8	9951
Commercial	per square metres gross floor area	453,500	0.012	5335
Industrial	per square metres gross floor area	631,000	0.006	4019
Institutional	per square metres gross floor area	40,250	0.026	1046
			Total Equivalent Population:	52003
Total Equivalent Population	52,003	(a)		
B: Unit Water DCC Calculation				
Net Waterworks DCC Program Recoverable		53,110,486	(b)	
Existing DCC Reserve Monies		5,620,000	(c)	
Net Amount to be Paid by DCCs		\$47,490,486	(d) = (b) - (c)	
DCC per person		\$913.23	(e) = (d) / (a)	
C: Resulting Water DCCs				Person per unit (residential)/ Equivalent Population/m ² (other land uses)
Single-Detached		\$2,922	per lot	3.2
Medium Density Residential		\$2,557	per unit	2.8
High Density Residential		\$1,644	per unit	1.8
Commercial		\$10.74	per square metre gross floor area	0.012
Industrial		\$5.82	per square metre gross floor area	0.006
Institutional		\$23.74	per square metre gross floor area	0.026









PART 5. DCC RATES

A summary of proposed DCC rates for all land use categories are shown in **Table 5.1** (below).

Table 5.1: Proposed DCC Rates

Land Use	Unit	Proposed Rate (2018)
Low Density Residential (single family)	per lot	\$2,922
Medium Density Multi Family (duplex, triplex, fourplex, townhouse)	per unit	\$2,557
High Density Multi-Family (apartments)	per unit	\$1,644
Commercial	per m ² of total floor area	\$10.74
Industrial	per m ² of total floor area	\$5.82
Institutional	per m ² of total floor area	\$23.74

A comparison of current (2011) and proposed DCC rates is provided in **Table 5.2** (below). As shown by **Table 5.2**, the average increase in DCC rates in all categories is approximately **10%**.

Table 5.2: DCC Rate Comparison

Land Use	Unit	Previous Rate (2011)	Proposed Rate (2018)	Difference	Percent Change (%)
Low Density Residential	per lot	\$2,655	\$2,922	\$267	(+10%)
Medium Density Multi-family	per unit	\$2,323	\$2,557	\$234	(+10%)
High Density Multi-family	per unit	\$1,494	\$1,644	\$150	(+10%)
Commercial	per m ² of total floor area	\$9.76	\$10.74	\$0.98	(+10%)
Industrial	per m ² of total floor area	\$5.29	\$5.82	\$0.53	(+10%)
Institutional	per m ² of total floor area	\$21.57	\$23.74	\$2.17	(+10%)

PART 6. STAKEHOLDER CONSULTATION

Although the LGA does not require a public participation process, the Best Practice Guide does suggest that an opportunity for public participation be included as part of the formulation of the Water DCC program. The purpose of such a process is to allow those who are interested in or affected by the proposed Water DCCs to offer comments and input. The Best Practice Guide does not set a recommended format to be followed for public participation; instead, the type of public participation to be used is decided by the Regional District itself.

Over the past two years the Capital Regional District has completed a substantial amount of stakeholder engagement, which has included one on one meeting with five of the six JDFWDS municipalities as well as several meetings with the development community. CRD staff and their consultants have maintained a continuous open dialog with developer stakeholders and have explored several development scenarios with the City of Langford. In addition to this ongoing consultation with JDFWDS municipalities and the development community the CRD hosted a public open house on July 23rd, 2018 to present the final DCC rates and program. The information presented during the public open house was also posted on the CRD's website. The open house materials presented can be found in **Appendix A**.

Upon completion of the DCC program the revised DCC rates were made available to the public for review and comment.

PART 7. DCC IMPLEMENTATION

7.1 Bylaw Exemptions

The *Local Government Act (LGA)* is clear that a DCC cannot be levied if the proposed development does not impose new capital cost burdens on the Regional District, or if a DCC has already been paid in regard to the same development. However, if additional further expansion for the same development creates new capital cost burdens or uses up capacity, the DCCs can be levied for the additional costs.

The *LGA* further restricts the levying of the DCC at the time of application for a building permit if:

- The building permit is for a church or place of public worship as per the *Community Charter*; or
- The value of the work authorized by the building permit does not exceed \$50,000 or a higher amount as prescribed by bylaw; or
- Unit size is no larger than 29 sq.m. and only for residential use.

Changes to the legislation now allow local governments to charge DCCs on residential developments of fewer than four self-contained dwelling units, as long as such a charge is provided for in the local government's DCC bylaw. The CRD is choosing to eliminate the exemption for residential developments of fewer than four self-contained dwelling units and charge DCCs for development of three self-contained dwelling units or less.

7.2 DCC Waivers and Reductions

Changes to the *Local Government Act* in 2008 provide local governments the discretionary authority to waive or reduce DCCs for certain types of development to promote affordable housing and low impact development. The CRD considered providing waivers/reductions and has chosen to continue to not provide any waivers/reductions.

7.3 Collection of Charges – Building Permit and Subdivision

Local governments can choose to collect DCCs at subdivision approval or building permit issuance. The CRD will require collection of DCCs for detached residential developments at time of subdivision approval. All other development will be levied DCCs at time of building permit. Of the two possible collection times, subdivision approval occurs earlier in the process. Collecting DCCs early will allow the CRD to ensure timely provision of infrastructure and services. For medium and high density residential developments DCCs will be collected at building permit when total number of units is known. DCCs for other commercial, industrial and institutional uses will also be collected

at building permit when the total floor area is known; collecting DCCs based on floor area will result in more equitable distribution of growth costs.

7.4 Collection of DCCs on Redeveloped or Expanded Developments

When an existing building or development undergoes an expansion or redevelopment there is usually a need for additional DCC related infrastructure. The new developer/ builder should pay the applicable DCCs based on the additional floor area for attached dwellings, multiple dwellings, commercial, industrial or institutional land uses at the DCC rates in the current DCC bylaw. In essence, the CRD is giving a DCC credit for the existing development or building. DCCs are only levied on the new development/ building area.

If a single family residential unit is replaced by another single family residential unit then no additional DCCs are payable. If a lot is subdivided into two, for example, to construct two small lot single family residential units, then DCCs are payable on the one additional single family residential lot.

7.5 In-Stream Applications

The new DCC rates will be in force immediately after the updated Development Cost Charge Bylaw is adopted; 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 new DCC Bylaw. 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 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 new DCC Bylaw, it will be provided protection from rate increases for a period of twelve months after the adoption date.

7.6 Rebates and Credits

The CRD has established a policy or practise to guide staff in the collection of DCCs and the use of DCC credits and rebates as stipulated in the LGA. There may be situations in which it is not in the best interests of the CRD to allow an owner to build DCC services outside of their subdivision or development. Building such services may start or accelerate development in areas where the Regional District is not prepared to support. Therefore, policies for DCC credits, rebates and latecomer agreements have been drafted to assist staff in these development financing processes.

7.7 DCC Monitoring and Accounting


In order to monitor the DCC Program, the CRD should enter all of the projects contained in the DCC program into its tracking system. The tracking system would monitor the status of the project from the conceptual stage through to its final construction. The tracking system would include information about the estimated costs, the actual construction costs, and the funding sources for the projects. The construction costs would be based on the tender prices received, and the land costs based on the actual price of utility areas and or other land and improvements required for servicing purposes. The tracking system would indicate when projects are completed, their actual costs, and would include new projects that are added to the program.

7.8 DCC Reviews

To keep the DCC program as current as possible, the CRD should review its program annually. Based on its annual review, the CRD may make minor amendments to the DCC rates. Typically, a major amendment to the DCC program and rates is needed every 2 to 5 years.

APPENDIX A

Public Consultation Materials



Capital Regional District | Juan de Fuca Water Distribution Service

Development Cost Charge (DCC) Program Update

What are DCCs?

Development Cost Charges (DCCs) are fees collected from developers on a user pay basis to help fund the cost of growth-related infrastructure. DCCs are regulated by the Province through the **Local Government Act** and guided by the **Provincial DCC Best Practices Guide**.

DCCs are an effective way for the CRD to recover a portion of the costs associated with servicing new development in the Juan de Fuca Water Distribution System (JDFWDS).


DCCs avoid placing the burden of new servicing costs on existing rate payers by charging developers that benefit from the new services.

Why update the DCC Program?

The CRD reviews the DCC Program for the Juan de Fuca Water Distribution System typically every five years to ensure it aligns with anticipated growth in the region, current construction costs and CRD master planning documents.

A major DCC update is needed now for the following reasons:

1. The last major DCC update was several years ago in 2011
2. The CRD has new information on servicing needs
3. The CRD has current construction and land acquisition costs; current growth estimates; and updated information on growth-related water infrastructure



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Development Cost Charge Program Update

What do DCCs pay for?

DCCs are used to pay for new or upgraded water infrastructure required to support growth and provide capacity in the water system to service new development. DCC related infrastructure could include new water mains and water main upgrades, reservoirs, water treatment plants, pump stations and more.

What do DCCs not pay for?

By legislation, DCCs cannot be used to pay for:

- Operation and maintenance of infrastructure.
- New or upgraded works needed only for the existing population.
- New libraries, fire halls, police stations, parks and recreation buildings, parking lots, sports field lighting, artificial turf and sport courts (tennis / pickleball).

Who pays for DCCs?

- Applicants for subdivision approval to create single-family development sites.
- Applicants for building permits to construct multi-family, commercial, industrial, or institutional development.

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Development Cost Charge Program Update


How are DCC rates calculated?

At a high-level DCC rates are calculated by dividing total DCC costs by projected growth to generate a charge per land use type (single-family, multi-family, commercial, industrial and institutional) type.

The DCC calculation process consists of:

- 1 Estimating growth
- 2 Identifying projects and capital costs
- 3 Determining benefit allocation
- 4 Determining assist factor





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Development Cost Charge Program Update

How are DCC rates calculated?

1 Estimating Growth

Residential growth estimates (20 years) are based on:

- CRD population projections, trend & capacity build-out analysis
- Projected growth in the context of the CRD Regional Growth Strategy
- Meetings with municipal staff members from JDFWDS municipalities
- Official Community Plan growth estimates from JDFWDS municipalities

Non-Residential growth estimates (20 years) are determined through:

- CRD Population projections, trend & capacity build-out analysis
- Projected growth in the context of the CRD Regional Growth Strategy
- Zoning, subdivision and building permit records (growth units)
- Meetings with municipal staff members from JDFWDS municipalities

Capital Regional District | Juan de Fuca Water Distribution Service

Development Cost Charge Program Update

Growth Projections by Category (20 Years)

	Unit	Sooke	Langford	Colwood	View Royal	Metchosin	Highlands	Total
Low Density Residential (Single Family)	Lots	945	2,525	1,650	150	60	220	5,550
Medium Density Multi Family (duplex, triplex, fourplex, row house, townhouse)	Units	680	2,697	1,000	384	5	195	4,961
High Density Multi Family (apartments)	Units	305	3,700	800	528	0	195	5,528
Commercial	m ²	25,000	88,000	190,000	75,500	15,000	60,000	453,500
Industrial	m ²	20,000	526,000	6,000	3,000	1,400	74,600	631,000
Institutional	m ²	1,550	_____	16,700	10,800	4,700	6,500	40,250

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Development Cost Charge Program Update


How are DCC rates calculated?

2 Identifying Projects and Capital Costs

Projects and capital costs are based on where new services will be required to support new development (20 year time horizon).

- Water mains
- Pump stations
- PRV stations and upgrades
- New reservoirs and upgrades
- Planning and modelling





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Development Cost Charge Program Update

How are DCC rates calculated?

3 Determining Benefit Allocation

The benefit allocation is:

- Applied to each project based on the benefit of each project to the existing community versus new development
- Benefit allocations can range from 1% to 100%
- Calculating the proportion of capital costs associated with new development

4 Determining Municipal Assist Factor

- Local Government Act requires all local governments to “assist” future development through a minimum 1% assist factor.
- The CRD has reduced the MAF from 5% to 1%, which is the minimum amount.

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Development Cost Charge Program Update

2018 DCC Project List

Item	Estimated Project Year Notes [1],[2],[3],[4]	See	Developer Driven vs. Planned Existing System Upgrades for Growth	Municipality	Project	Description	Map Reference	Base Cost (\$2017)	Engineering (15%)	Project Admin (5%)	Contingency (25%)	Cost Estimate (A) (see Note 5)	DCC Benefit Factor (B) ⁶	Benefit to New Development (C = A x B)	Municipal Assist Factor 1% (D = C x 0.01)	DCC Recoverable (E = C - D)	CRD Responsibility F = (A - E)
1	2018		Planned Existing System Upgrades for Growth	Highlands	Hi-West Developments	New Pipe	1	\$857,000	\$128,550	\$42,850	\$214,250	\$1,242,650	100%	\$1,242,650	\$12,427	\$1,230,224	\$12,427
2	Medium-Term		Developer Driven	Langford	Echo Valley Drive	Distribution Main	2a	\$491,000	\$69,150	\$20,550	\$100,250	\$681,450	100%	\$681,450	\$6,815	\$675,638	\$6,815
						PRV	2b	\$238,000	\$35,200	\$11,000	\$55,000	\$345,100	100%	\$345,100	\$3,451	\$341,649	\$3,451
							3c	\$150,000	\$22,500	\$7,500	\$37,500	\$217,500	100%	\$217,500	\$2,175	\$215,325	\$2,175
3	2020 2023		Developer Driven	Langford	South Skit Pump Station	Transmission Main (see Note 6) Pump Station	3a	\$717,241	\$107,586	\$35,562	\$179,318	\$1,040,300	100%	\$1,040,300	\$10,403	\$1,029,897	\$10,403
							3b	\$1,170,000	\$175,500	\$58,500	\$294,000	\$1,638,000	100%	\$1,638,000	\$16,380	\$1,621,620	\$16,380
4	2020 2018 Medium-Term 2018		Developer Driven	Langford	South Skit Tank 4	Transmission Main (see Note 6) Pump Station B Tank 4 (see Note 7) Distribution Main (see Note 9)	4a	\$501,000	\$75,150	\$20,000	\$100,000	\$1,186,000	100%	\$1,186,000	\$11,860	\$1,174,140	\$11,860
							4b	\$1,650,000	\$247,500	\$82,500	\$412,000	\$2,392,500	100%	\$2,392,500	\$23,925	\$2,368,575	\$23,925
							4c	\$1,724,138	\$258,621	\$86,207	\$431,084	\$2,500,000	100%	\$2,500,000	\$25,000	\$2,475,000	\$25,000
							4d	\$338,000	\$50,700	\$18,000	\$9,000	\$445,000	100%	\$445,000	\$4,450	\$440,550	\$4,450
5	Medium-Term Medium-Term		Developer Driven Developer Driven	Langford	Bear Mountain Pump Station	Pump Station Distribution Pipe	5a	\$1,280,000	\$193,300	\$64,400	\$322,200	\$1,860,500	100%	\$1,860,500	\$18,605	\$1,841,895	\$18,605
							5b	\$336,000	\$50,400	\$16,800	\$84,000	\$487,200	100%	\$487,200	\$4,872	\$482,328	\$4,872
6	2018		Planned Existing System Upgrades for Growth	Langford	Nicklaus Pump Station	Pump Station Upgrade	6	\$70,000	\$10,500	\$3,500	\$17,500	\$101,500	100%	\$101,500	\$1,015	\$100,485	\$1,015
7	Medium-Term		Developer Driven	Langford	Watford Services	El watermain	7	\$1,224,000	\$183,600	\$61,200	\$306,000	\$1,774,800	100%	\$1,774,800	\$17,748	\$1,757,052	\$17,748
8	Long-term Long-term Long-term		Planned Existing System Upgrades for Growth Planned Existing System Upgrades for Growth Planned Existing System Upgrades for Growth	Langford	Fulton Reservoir	Reservoir Upgrade Fire Pump Upgrade Distribution Piping	8a	\$1,630,000	\$244,500	\$81,500	\$407,500	\$2,363,500	85%	\$2,008,975	\$20,090	\$1,988,885	\$374,615
							8b	\$1,240,000	\$186,000	\$62,000	\$310,000	\$1,798,000	85%	\$1,528,300	\$15,283	\$1,513,017	\$284,983
							8c	\$94,000	\$14,100	\$4,700	\$23,000	\$136,300	85%	\$115,855	\$1,159	\$114,696	\$21,604
9	Medium-Term Medium-Term Medium-Term Medium-Term		Developer Driven Developer Driven Developer Driven Developer Driven	Langford	Centre Mountain	New Pump Station Supply Pipe New Reservoir Distribution Pipe	9a	\$1,600,000	\$240,000	\$79,000	\$395,000	\$2,314,000	100%	\$2,314,000	\$23,140	\$2,290,860	\$23,140
							9b	\$740,000	\$111,000	\$37,000	\$185,000	\$1,053,000	100%	\$1,053,000	\$10,530	\$1,042,470	\$10,530
							9c	\$5,480,000	\$822,000	\$274,000	\$1,370,000	\$7,566,000	100%	\$7,566,000	\$75,660	\$7,490,340	\$75,660
							9d	\$651,000	\$97,650	\$32,550	\$162,750	\$941,950	100%	\$941,950	\$9,420	\$932,530	\$9,420
10	Medium-Term Medium-Term Medium-Term		Developer Driven Developer Driven Developer Driven	Colwood	Mary Anne Pump Station	Pump Station New Pipe Mary Anne PB Pipe Upgrade	10a	\$950,000	\$142,500	\$47,500	\$237,500	\$1,377,500	100%	\$1,377,500	\$13,775	\$1,363,725	\$13,775
							10b	\$91,000	\$13,650	\$4,550	\$2,275	\$109,425	100%	\$109,425	\$1,094	\$108,331	\$1,094
							10c	\$202,000	\$30,300	\$10,100	\$5,050	\$292,450	100%	\$292,450	\$2,925	\$289,525	\$2,925
11	Medium-Term		Planned Existing System Upgrades for Growth	View Royal	Christie Point	Pipe Upgrade	11	\$371,000	\$55,650	\$18,550	\$92,750	\$537,950	100%	\$537,950	\$5,380	\$532,570	\$5,380
12	Long-term		Developer Driven	Sooke	Spencer Way	PRV Spencer Way	12	\$172,500	\$25,875	\$8,625	\$43,125	\$250,125	100%	\$250,125	\$2,501	\$247,624	\$2,501
13	Long-term		Planned Existing System Upgrades for Growth	Sooke	HENLYN 180M HGL	Distribution Main	13	\$673,000	\$100,950	\$33,650	\$168,250	\$975,850	44%	\$429,374	\$4,294	\$425,080	\$550,770
14	2021 - New Pipe Portion Medium-Term - New Pipe Long-term - Henlyn Tank		Planned Existing System Upgrades for Growth	Sooke	Henlyn 180M HGL	Distribution Main Transmission Main Henlyn Tank	14a	\$750,000	\$112,500	\$37,500	\$187,500	\$1,087,500	100%	\$1,087,500	\$10,875	\$1,076,625	\$10,875
							14b	\$497,000	\$74,550	\$24,850	\$124,250	\$726,800	100%	\$726,800	\$7,268	\$719,532	\$7,268
							14c	\$580,000	\$87,000	\$29,000	\$145,000	\$841,000	100%	\$841,000	\$8,410	\$832,590	\$8,410
							14d	\$3,800,000	\$570,000	\$190,000	\$95,000	\$5,055,000	100%	\$5,055,000	\$50,550	\$5,004,450	\$50,550
15	Medium-Term		Planned Existing System Upgrades for Growth	Sooke	PRV Mountain Heights	PRV	15	\$150,000	\$22,500	\$7,500	\$37,000	\$217,500	100%	\$217,500	\$2,175	\$215,325	\$2,175
16	Medium-Term		Planned Existing System Upgrades for Growth	Sooke	Offar Point Road	Pipe Upgrade	16a	\$1,456,000	\$218,400	\$72,800	\$364,000	\$2,111,200	20%	\$527,800	\$5,278	\$522,522	\$1,588,678
							16b	\$55,000	\$8,250	\$2,750	\$1,375	\$66,250	100%	\$66,250	\$663	\$65,587	\$663
17	Long-term		Planned Existing System Upgrades for Growth	Sooke	Grant Road	Pipe Upgrade	17a	\$19,000	\$2,850	\$950	\$4,750	\$25,600	48%	\$12,368	\$1,237	\$24,363	\$1,237
							17b	\$348,000	\$52,200	\$17,400	\$87,000	\$505,600	86%	\$433,824	\$4,338	\$429,486	\$56,114
							17c	\$553,000	\$82,950	\$27,650	\$138,250	\$763,800	95%	\$723,225	\$7,232	\$716,000	\$7,232
18	Long-term		Planned Existing System Upgrades for Growth	Sooke	Thrup Road	New Pipe	18a	\$454,000	\$68,100	\$22,700	\$113,500	\$658,300	100%	\$658,300	\$6,583	\$651,717	\$6,583
							18b	\$194,000	\$29,100	\$9,700	\$4,850	\$243,850	100%	\$243,850	\$2,439	\$241,411	\$2,439
							18c	\$133,000	\$19,950	\$6,650	\$3,325	\$162,825	100%	\$162,825	\$1,628	\$161,197	\$1,628
							18d	\$181,000	\$27,150	\$9,050	\$4,525	\$245,725	100%	\$245,725	\$2,457	\$243,268	\$2,457
19					Bear Mountain Debt	(see Note 8)	n/a	\$3,392,220	N/A	N/A	N/A	\$3,392,220	100%	\$3,392,220	\$33,922	\$3,358,298	\$33,922
20					Interest on Loan Authorization: BSAW \$1564		n/a	\$809,340	N/A	N/A	N/A	\$809,340	100%	\$809,340	\$8,093	\$801,247	\$8,093
21					Project Liability Supply and Distribution on Leigh Road		n/a	\$1,200,000	N/A	N/A	N/A	\$1,200,000	100%	\$1,200,000	\$12,000	\$1,188,000	\$12,000
22					Silver Creek Debt		n/a	\$1,571,275	N/A	N/A	N/A	\$1,571,275	100%	\$1,571,275	\$15,713	\$1,555,562	\$15,713
								\$41,893,715	\$5,187,132	\$1,729,044	\$8,586,620	\$57,611,110		\$53,646,895	\$536,470	\$53,110,426	\$4,500,685

Note [1] - This does not represent the exact priority of project development, just the estimates development phasing.

Note [2] - Project timing and rebates for projects constructed are subject to actual reserve funds available.

Note [3] - All projects are available for DCC credit if they meet the requirements of Capital Regional Districts DCC Credit Policy

Note [4] - Medium term = years 2024 to 2029 | Long-term = years 2030 and beyond

Note [5] - Cost Estimates include 15% Engineering, 5% Project Admin and 25% contingency

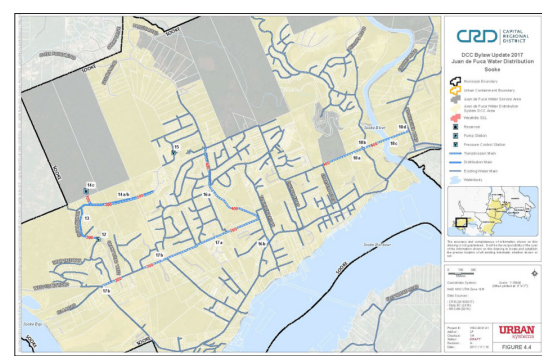
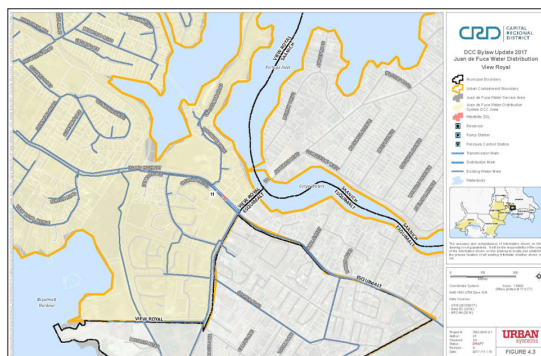
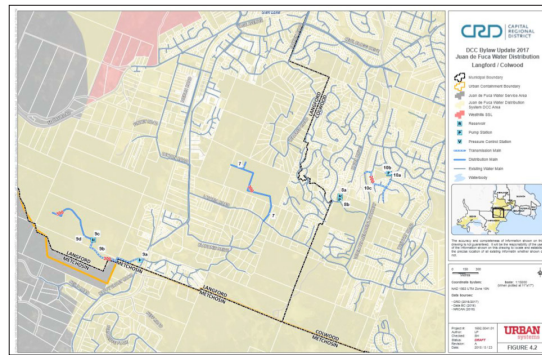
Note [6] - Revised to better reflect actual construction costs realized in 2017

Note [7] - Bolded Steel Tank

Note [8] - Bear Mountain Debt as of August 2017, as of October 2017 balance is \$3.15 Million

Note [9] - Balance of project expenditures to be funded in 2018 up to approved budget of \$3.99 million

Development Cost Charge Program Update


[illegible]



Current vs. Proposed DCC Rates

DCC Rate Summary

Land Use	Unit	Current Rate	Proposed Rate	Difference (Increases)
Low Density Residential (single family)	Per Lot	\$2,655	\$2,922	(\$267)
Medium Density Multi Family (duplex, triplex, fourplex, townhouse)	Per Unit	\$2,323	\$2,557	(\$234)
High Density Multi-Family (apartments)	Per Unit	\$1,494	\$1,644	(\$150)
Commercial	Per floor area in m ²	\$9.76	\$10.74	(\$0.98)
Industrial	Per floor area in m ²	\$5.29	\$5.82	(\$0.53)
Institutional	Per floor area in m ²	\$21.57	\$23.74	(\$2.17)

A photograph of a construction site with various materials, including wood and metal, and a building under construction in the background.

Capital Regional District | Juan de Fuca Water Distribution Service

Development Cost Charge Program Update


DCC Implementation and In-Stream Applications

Under Part 14, Section 568 of the LGA “in-stream” subdivision, building permit, development permit and rezoning applications are provided a one-year exemption period from the proposed DCC rates, as long as the application is complete and acceptable to the municipality, and application fees have been paid.

To illustrate how this will impact future development applications the following section highlights four scenarios where an application for a subdivision, building permit, rezoning or development permit is received by the CRD and what DCCs (if any) would be paid. **Note: The scenarios on the next board reflect a theoretical set of dates for explanation purposes. This does not imply the bylaw adoption will follow this schedule.**

Example Basis for Scenarios:

- The bylaw is adopted January 1, 2019
- The exemption period runs for 12 months from January 1, 2019 to January 2, 2020



Capital Regional District | Juan de Fuca Water Distribution Service

Development Cost Charge Program Update

Scenario 1: Application submitted and accepted before the Bylaw is adopted

- application submitted and accepted by municipality before bylaw adopted, e.g. before January 1, 2019
- application approved by municipality during exemption period e.g. between January 1, 2019 and January 2, 2020
- applicant pays current DCC

Scenario 2: Application submitted and accepted before the Bylaw adopted, but approval issued after the exemption period

- application submitted and accepted by municipality before bylaw adopted, e.g. before January 1, 2019
- application approved by municipality after exemption period e.g. after January 2, 2020
- applicant pays new DCC

Scenario 3: Application submitted and accepted after the Bylaw comes into effect

- application submitted and accepted by municipality after the Bylaw is adopted, e.g. after January 1, 2019
- application approved by municipality during the exemption period e.g. July 15, 2019
- applicant pays new DCC

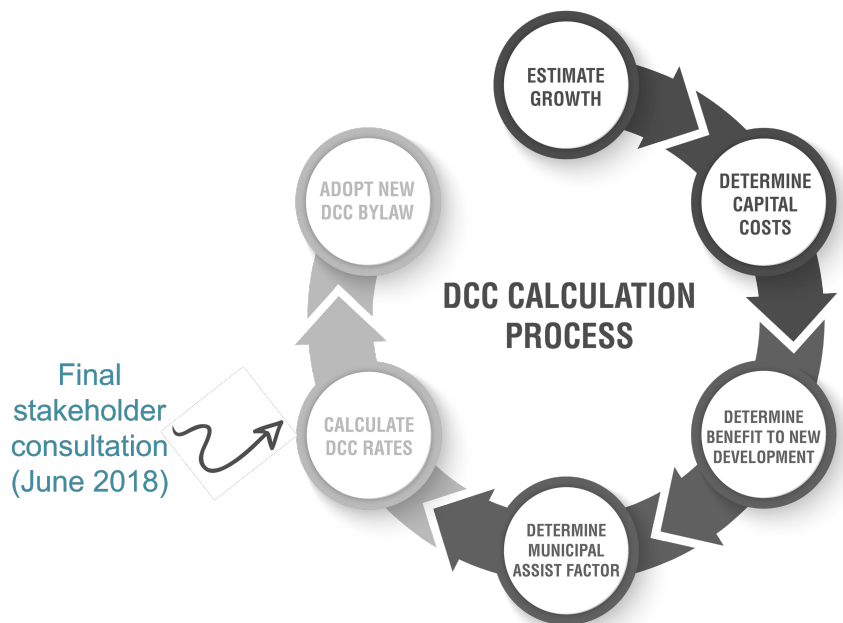
Scenario 4: Application submitted and accepted after the exemption period

- application submitted and accepted by municipality after the exemption period, e.g. after January 2, 2020
- application approved by municipality after exemption period e.g. after January 2, 2020
- applicant pays new DCC

Development Cost Charge Program Update

Next Steps

1. Present program/rates and combine stakeholder feedback (July 2018)
2. Presentation of Program and DCC Bylaw to the Regional Board (August 2018)
3. If the Regional Board approves, the Bylaw will be given three readings and submitted for Provincial Ministry review and endorsement (Summer 2018)
4. Facilitate the Regional Board final review and bylaw adoption (anticipated completion by end of 2018)



APPENDIX B

Existing Capital Regional District Development Cost Charge Bylaw No. 2758

CAPITAL REGIONAL DISTRICT
BYLAW NO. 2758
(As amended by Bylaw Nos. 2960, 3100, 3218, 3432, 3805, 3893, 3904

Consolidated version authorized in accordance with Bylaw No. 3014,
CRD Consolidation Authorization Bylaw No. 1, 2002

**DEVELOPMENT COST CHARGES BYLAW
(JUAN DE FUCA WATER DISTRIBUTION), NO. 1, 2000**

A Bylaw to Impose Development Cost Charges

For technical enquiries, please contact CRD Water Services,
479 Island Highway, Victoria, BC, V9B 1H7

For reference to original bylaws and amendments, or for further details,
please contact the Administration Department, Capital Regional District,
625 Fisgard Street, Victoria, BC, V8W 2S6

CAPITAL REGIONAL DISTRICT

BYLAW NO. 2758

A BYLAW TO IMPOSE DEVELOPMENT COST CHARGES

WHEREAS

- A. The District may impose development cost charges for the purposes of providing funds for the capital costs of water facilities in the service areas;
- B. The development cost charges imposed by this bylaw are related to the capital costs attributable to projects included in the capital expenditure program of the District under the terms and conditions of sections 933, 934 and 935;

Bylaw 2960
- C. The Board has considered the future land use patterns and development and the phasing of works and services;
- D. The Board is of the opinion that the development cost charges imposed by this bylaw:
 - (a) Are not excessive in relation to the capital costs of prevailing standards of service;
 - (b) Will not deter development;
 - (c) Will not discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land;
- E. The development cost charges imposed under this bylaw will be collected by the Member Municipalities on behalf of the District, where applicable;

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

PART 1 GENERAL PROVISIONS

- 1. This bylaw may be cited as the “Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000.”
- 2. The following schedules attached to this bylaw form an integral part of this bylaw and are enforceable in the same manner as this bylaw.
 - a) Schedule A – Service Area Langford;
 - b) Schedule B – Service Area Langford;
 - c) Schedule C – Service Area Sooke;
 - d) Schedule D – Service Area View Royal;
 - e) Schedule E – Service Area Colwood;
 - f) Schedule F – Service Area Metchosin;
 - g) Schedule G – Service Area Highlands;
 - h) Schedule H – Development Cost Charge Rates.

Bylaw 3904

3. This bylaw applies to all applications for subdivision and for issuance of a building permit for parcels located in any of the service areas.

PART 2 DEFINITIONS

4. In this bylaw, unless the context otherwise requires:

APPROVING OFFICER means the person appointed under the *Land Title Act* within a *Member Municipality* or the *District* to perform the duties and responsibilities of that position.

BOARD means the elected board of the *District*.

BUILDING PERMIT means any permit authorizing the construction, alteration or extension of a building or structure in a *Member Municipality* or the *Electoral Area*.

COMMERCIAL means land zoned for commercial uses under a zoning bylaw enacted by a *Member Municipality* or the *District*.

COMMISSION means the Juan de Fuca Water Distribution Commission.

COMPREHENSIVE DEVELOPMENT includes any *development* that is comprised of any two or more *residential uses, non-residential uses* or both.

COUNCIL means the elected council of a *Member Municipality*.

DEVELOPER means a person liable to pay *development cost charges* under this bylaw.

DEVELOPMENT COST CHARGES OR DCC means the applicable rates prescribed in Schedule H.
Bylaw 3904

DISTRICT means the Capital Regional District.

DWELLING UNIT OR UNIT means a room, a suite of rooms or a building or structure that is used or intended to be used as a self-contained private residence for one household that may contain eating, living, sleeping and sanitary facilities.

ELECTORAL AREA includes any Electoral Area of the *District*, which is under the jurisdiction of the *Commission* and is located within any of the *service areas*.

ELEMENTARY SCHOOL means any public or private facility built for the purpose of teaching students up to and including a Grade 7 equivalency in the province of British Columbia.

HIGH DENSITY MULTI-FAMILY means any *multi-family residential* development which has a gross density of more than 50 *dwelling units* per hectare.

INSTITUTIONAL means any development providing for the assembly of persons for religious, charitable, philanthropic, cultural, civic or recreational purposes; including but not limited to auditoriums, youth centres, social halls, group camps and churches.

PART 3 DEVELOPMENT COST CHARGES

5. (1) A person who applies for and obtains approval of a subdivision of residential land other than Medium Density Multi-Family or High Density Multi-Family in a *service area* within a *Member Municipality* or the *Electoral Area* must pay the *development cost charge* applicable under Schedule H prior to subdivision of the land.

Bylaw 3904
- (2) A person who obtains a building permit in a *service area* within a *Member Municipality* or the *Electoral Area* must pay the *development cost charge* applicable under Schedule H prior to the issuance of the building permit.

Bylaw 3904
- (3) A *development cost charge* is not payable where the development is subject to an exemption, waiver or reduction under the *Local Government Act* or another enactment of the Province or the *District*.

Bylaw 2960, 3893
6. *Development cost charges* imposed under this bylaw shall be calculated in accordance with the rates prescribed in Schedule H.

Bylaw 3893, 3904
7. In calculating the *development cost charges* under this part, the *development cost charges* for a *comprehensive development* shall be calculated separately for each part of the *comprehensive development* designated respectively to *residential uses* and *non residential uses* and shall be the sum total of the *development cost charges* for each of those uses, calculated in accordance with Schedule H.

Bylaw 3904
8. A *developer* shall pay the *development cost charges* to the *Member Municipality* or the *District*, according to the location of the parcel in respect of which the *development cost charges* are payable, at the following times:
 - (a) prior to final approval, if the application is made for subdivision only; or
 - (b) prior to issuance of a *building permit*, if the application is made for a *building permit* only or for both *subdivision* and for a *building permit*.
9. The *development cost charges* under this bylaw may not be paid by installments unless a regulation under the Municipal Act applies to the *development*.
10. If the *developer* does not pay the *development cost charges* as required under this bylaw, the amount becomes a debt owing to the *District* and shall be charged at interest at the rate set out under the *Taxation (Rural Area) Act* on the amount outstanding.

PART 4 COLLECTION AND REMITTANCE OF DEVELOPMENT COST CHARGES

11. Each *Member Municipality* shall collect the *development cost charge* payable under this bylaw at the time prescribed in section 8 (as renumbered).
- Bylaw 3893*
12. If a *developer* of a *subdivision* intends to build less than the number of *dwelling units* permitted by the applicable zoning bylaw on any parcel in the *subdivision*, the *developer* may pay the *DCC* for the number of units intended to be built, as long as
- (a) the *developer* registers, under section 219 of the Land Title Act, a restrictive covenant in favour of the Capital Regional District;
 - (b) the restrictive covenant contains a covenant by the owner of the parcel agreeing to pay the *DCC* for any one or more dwelling units in addition to those intended to be built at the time of *subdivision*, at the time of issuance of a building permit for any of those additional, units;
 - (c) the *DCC* payable under (b) is the *DCC* in force at the time of the application for the building permit for any additional *dwelling unit*; and
 - (d) the restrictive covenant must be registered in priority to all other financial charges registered against the title to any affected parcel. .
13. A *Member Municipality* shall not approve a *subdivision* or issue a *building permit* for any *development* unless the *development cost charges* imposed under this bylaw have been paid in accordance with Part 3.
14. Each *Member Municipality* shall establish and maintain a separate account for the *DCC* monies collected under this bylaw and deposit and hold these monies in that separate account, in trust for the *District*, until the *DCC* monies are remitted to the *District*.
15. Within 30 days of the first business day of each month, each *Member Municipality* shall remit to the *District* the total amount of the *development cost charges* collected by the *Member Municipality* during the previous month.
16. Each *Member Municipality* shall provide to the *District* with the remittance of the *DCC* monies a statement of account in a form approved by the *General Manager* which sets out the following information:
- (a) the date and amount of *development cost charges* collected and the amount still outstanding under installment payments and the dates for payment;
 - (b) the number and type of use of *residential uses*;
 - (c) the amount and type of use of *non residential uses*;
 - (d) the location of parcels and *dwelling units* against which *DCCs* were levied;

- (e) the location of parcels and *dwelling units* against which *DCCs* were not levied and the reason for the exemption; and
- (f) any other information that the *General Manager* deems necessary.
17. Each *Member Municipality* shall retain, for a period of eleven years, sufficient records to support the statements and payments referred to in this part.
18. The *District* may, at any time subject to first giving reasonable notice to any *Member Municipality*, inspect any and all records of the *Member Municipality* relating to the information required by this bylaw, the calculation, the collection and remittance by the *Member Municipality* of the *development cost charges* levied under this bylaw, and the calculations and remittance by the *Member Municipality* of any payments required under this bylaw.
19. Each *Member Municipality* shall permit any employee or agent of the *District* to inspect the records referred in this part and to make and take away copies of those records.
20. If a *Member Municipality* chooses not to collect any portion of *development cost charges* payable under this bylaw or to remit to the *District* any *development cost charges* collected in the manner prescribed by this bylaw, the *Member Municipality* shall pay to the *District* on demand an amount equal to the *development cost charges* that the *Member Municipality* should have collected or remitted under this bylaw.

PART 5 AUTHORIZATION

21. The *General Manager* may prescribe any form, statement, notice, practice, procedure or other administrative requisites required under this bylaw, after prior consultation with the staff of *Member Municipalities*.

PART 6 SEVERABILITY

22. If any portion of this bylaw is held to be invalid by a court of competent jurisdiction, the invalid portion shall be severed and the remainder of the bylaw shall be deemed to have been enacted without the invalid portion.

PART 7 EFFECTIVE DATE

23. This bylaw shall come into effect thirty days after the date of final adoption of this bylaw.

READ A FIRST TIME THIS	10 th	day of	May	2000.
READ A SECOND TIME THIS	10 th	day of	May	2000.
READ A THIRD TIME THIS	10 th	day of	May	2000.

APPROVED BY THE
INSPECTOR OF MUNICIPALITIES THIS 20th day of July 2000.

ADOPTED THIS 9th day of August 2000.

Christopher M. Causton
CHAIR

Sheila M. Norton
SECRETARY

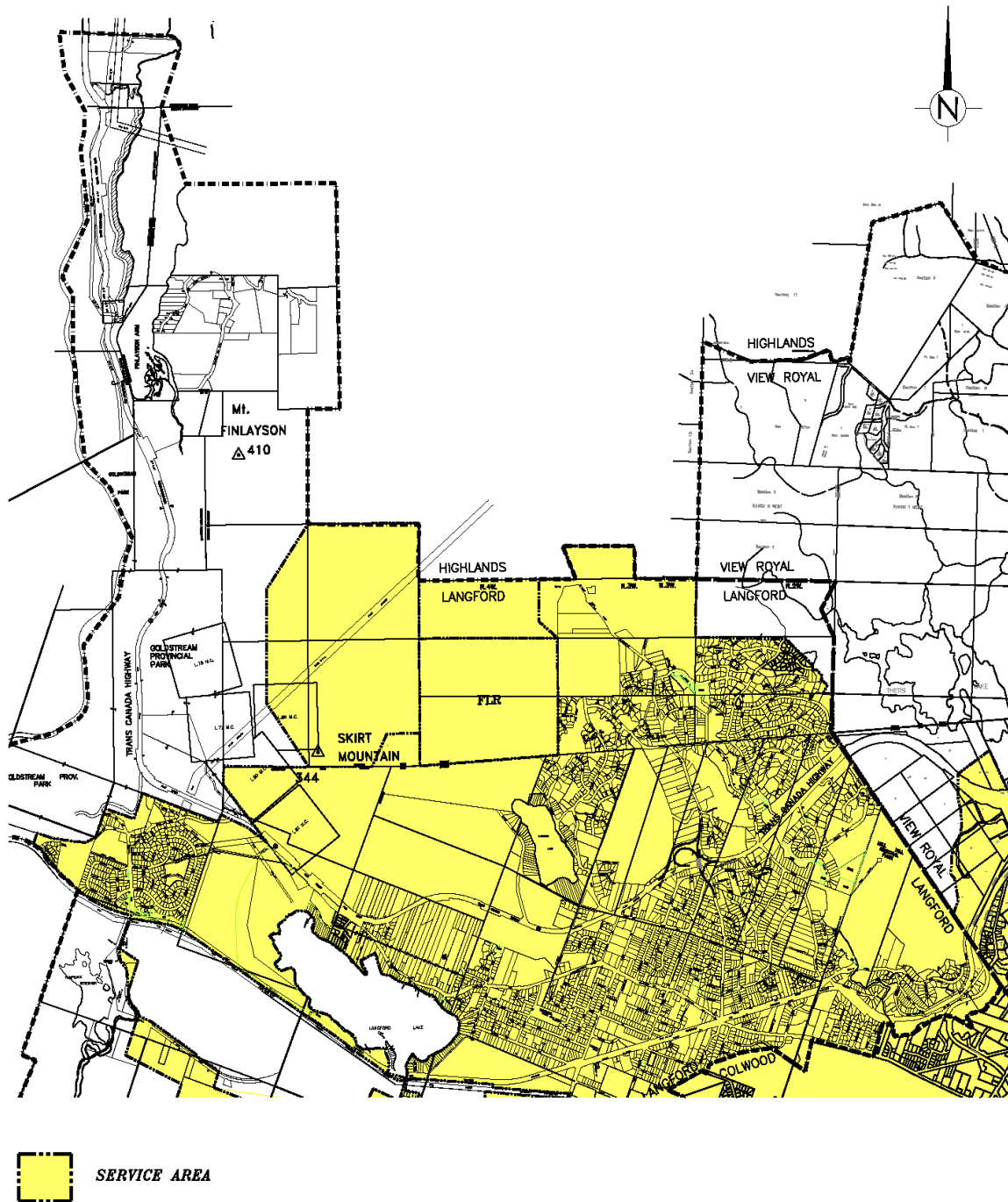
This Bylaw is a copy of *Development Cost Charges Bylaw (Juan de Fuca Water Distribution), No. 1, 2000*, consolidated under section 139 of the *Community Charter* and is printed on the authority of the Corporate Officer of the CRD.



Sonia Santarossa, Corporate Officer

Schedule A - Langford

Bylaw 3100, 3432

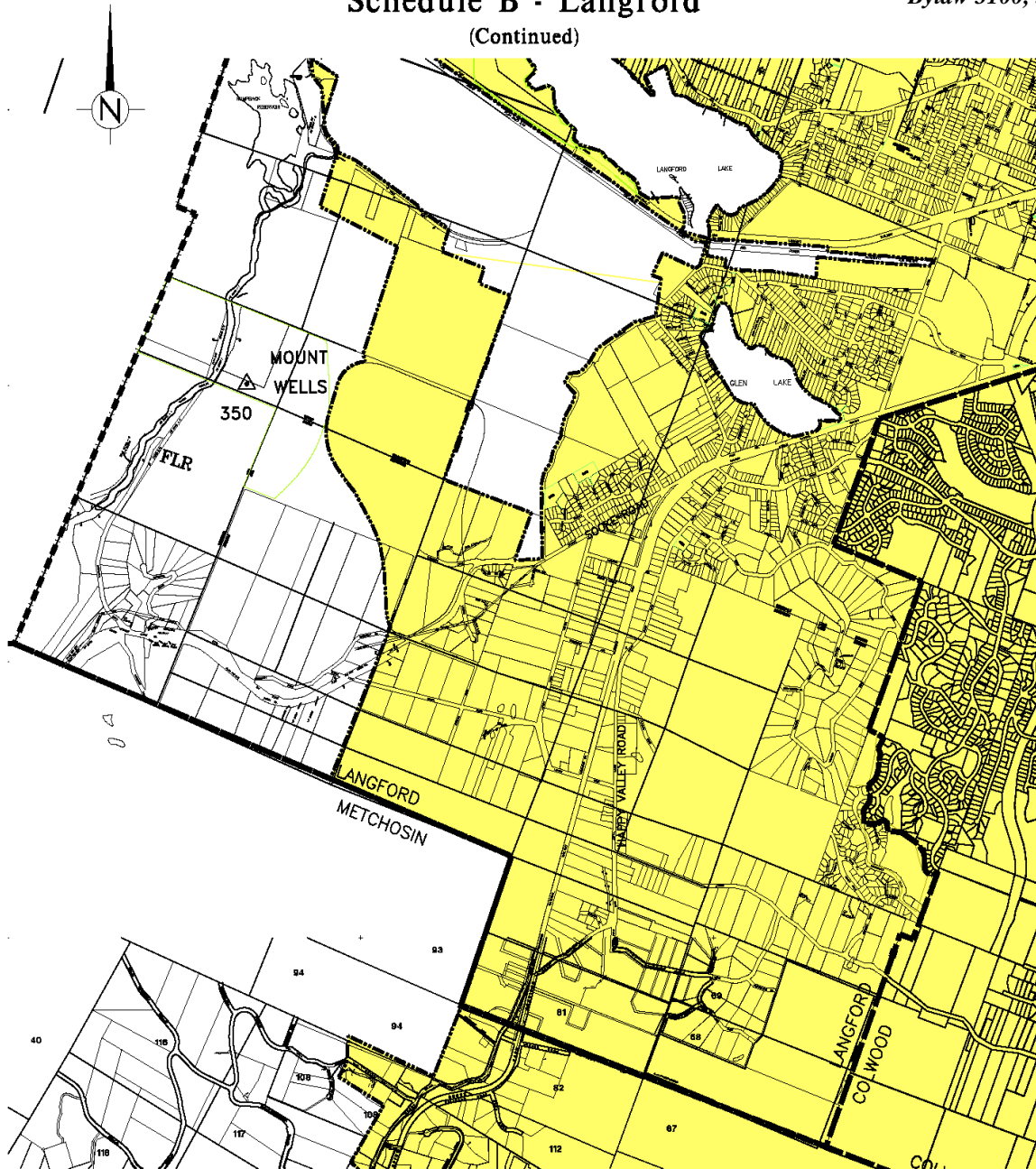


CRD - Bylaw No. 3432
Development Cost Charges,
Juan de Fuca Water Distribution

April 25, 2007

Schedule B - Langford (Continued)

Bylaw 3100, 3432

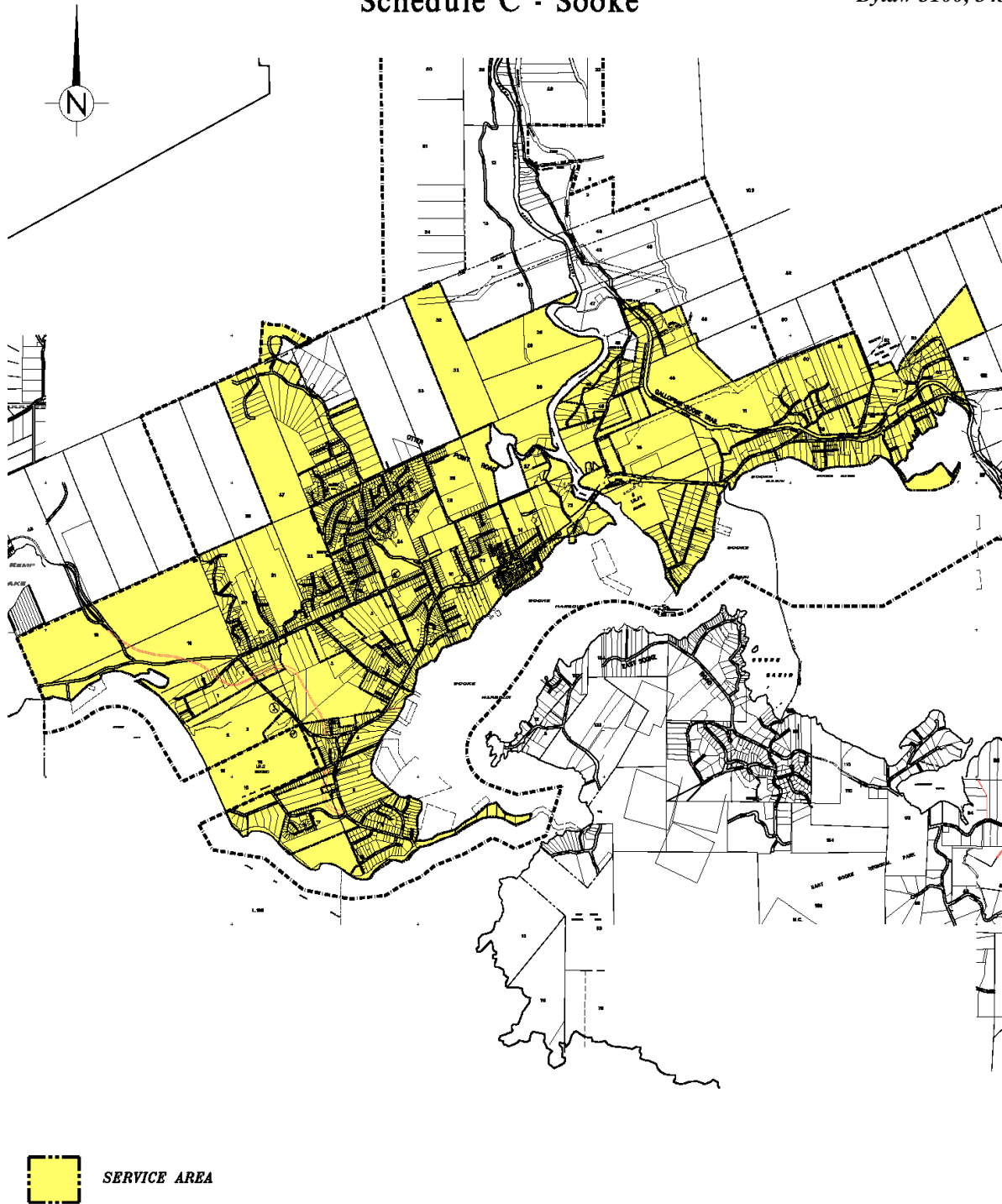


CRD - Bylaw No. 3432
Development Cost Charges,
Juan de Fuca Water Distribution

April 25, 2007

Schedule C - Sooke

Bylaw 3100, 3432

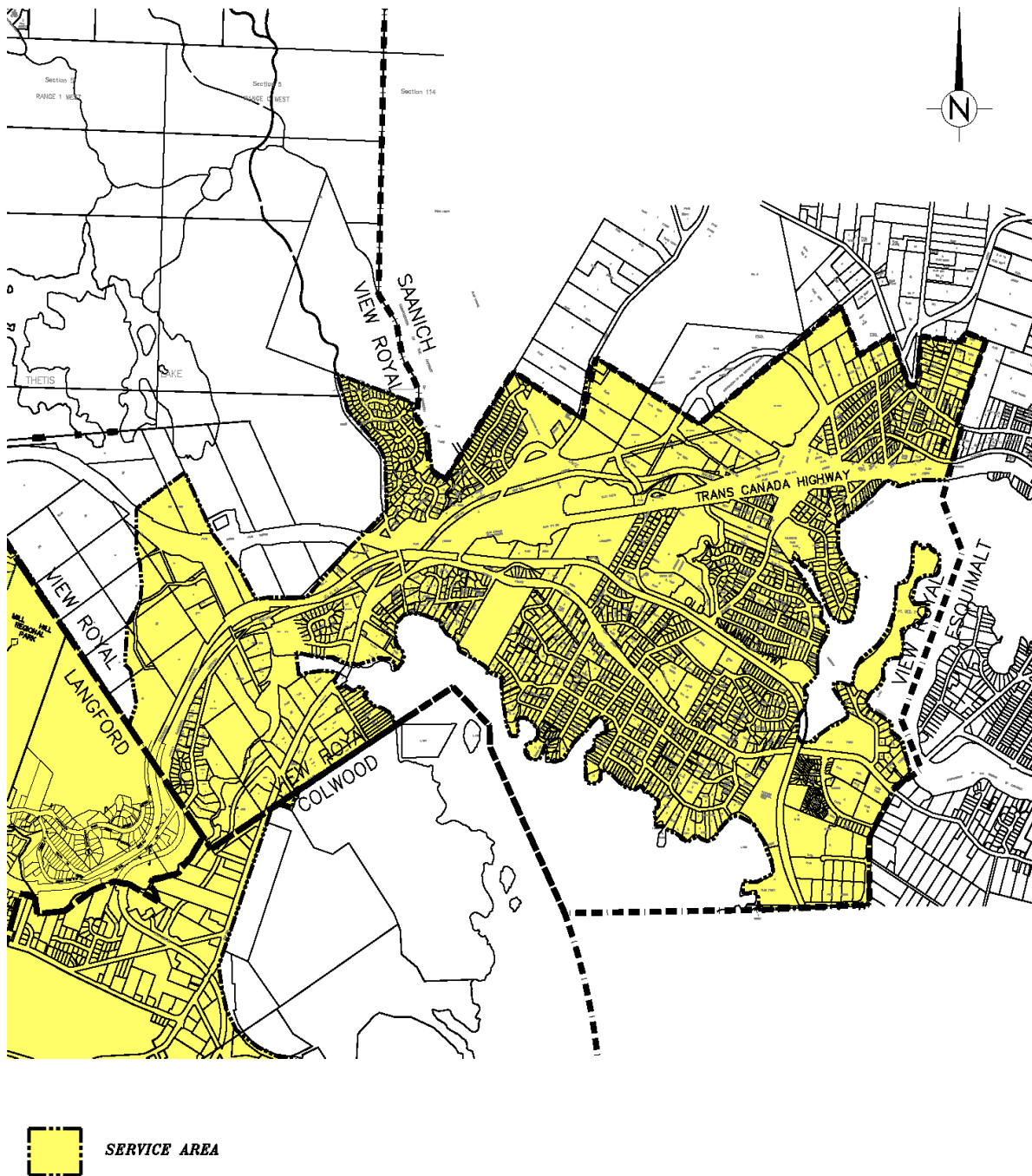


CRD - Bylaw No. 3432
Development Cost Charges,
Juan de Fuca Water Distribution

April 25, 2007

Schedule D - View Royal

Bylaw 3100, 3432

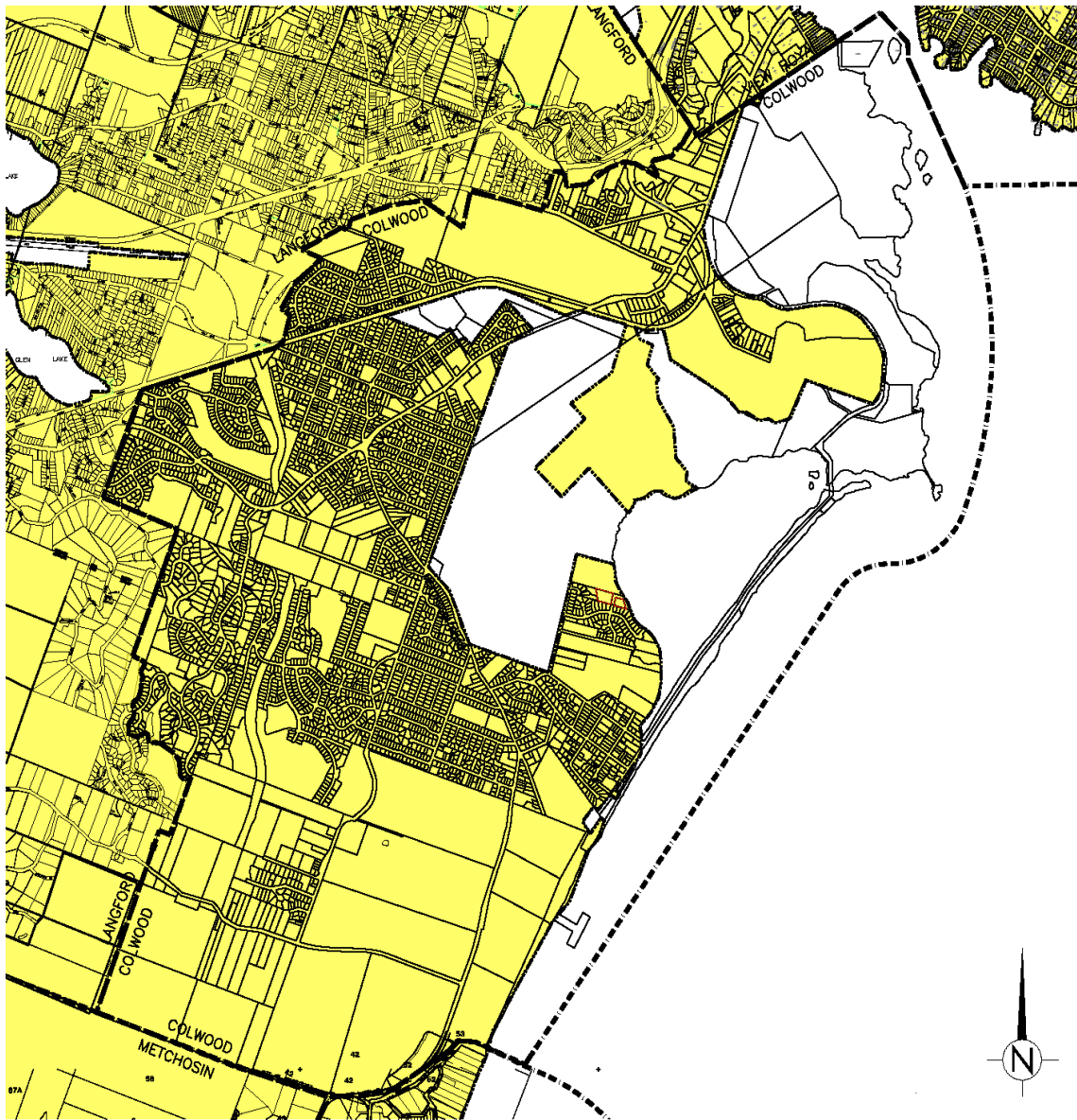


CRD - Bylaw No. 3432
Development Cost Charges,
Juan de Fuca Water Distribution

April 25, 2007

Schedule E - Colwood

Bylaw 3100, 3432

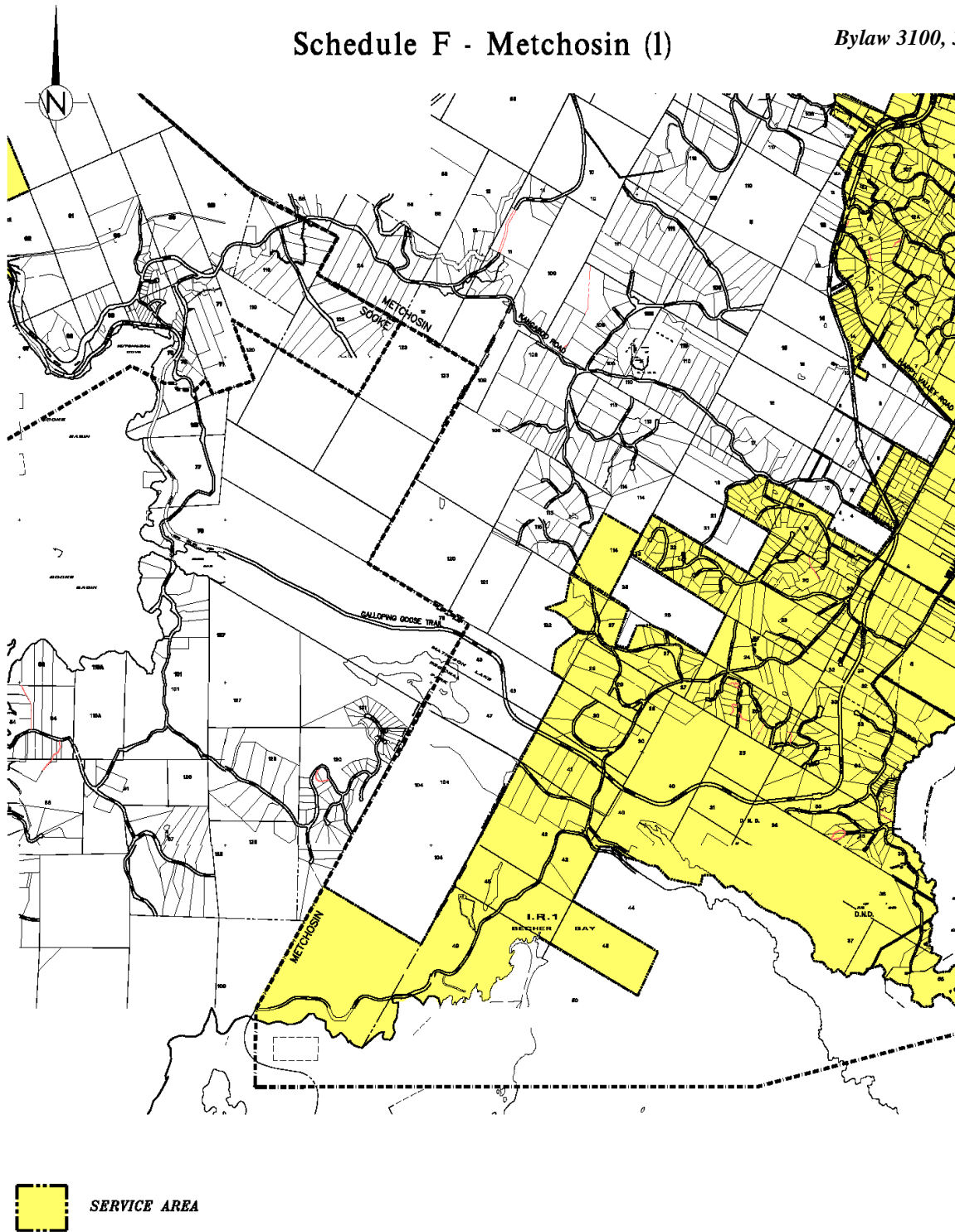


CRD - Bylaw No. 3432
Development Cost Charges,
Juan de Fuca Water Distribution

April 25, 2007

Schedule F - Metchosin (1)

Bylaw 3100, 3432

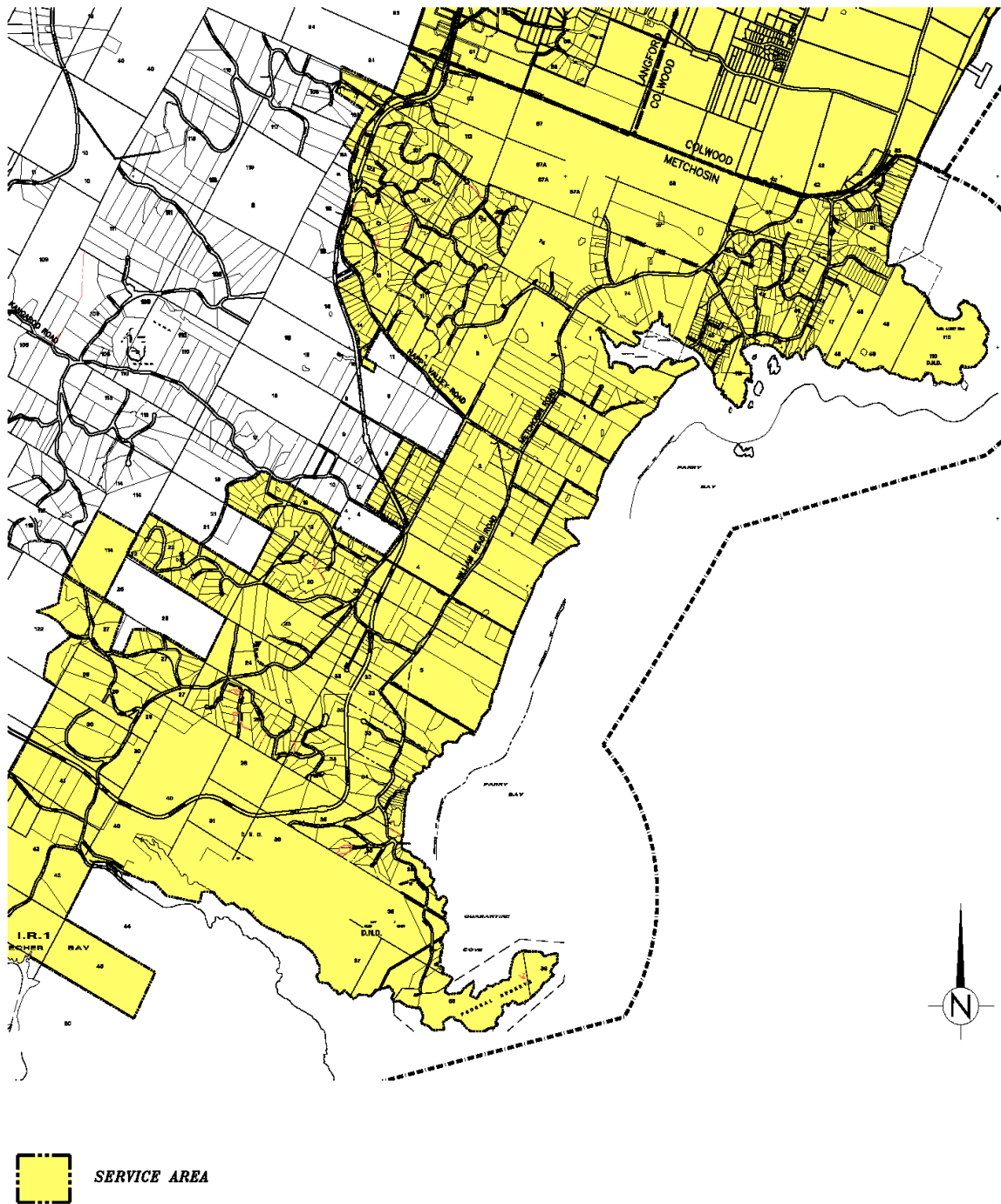


CRD - Bylaw No. 3432
Development Cost Charges,
Juan de Fuca Water Distribution

April 25, 2007

Schedule F - Metchosin (2)

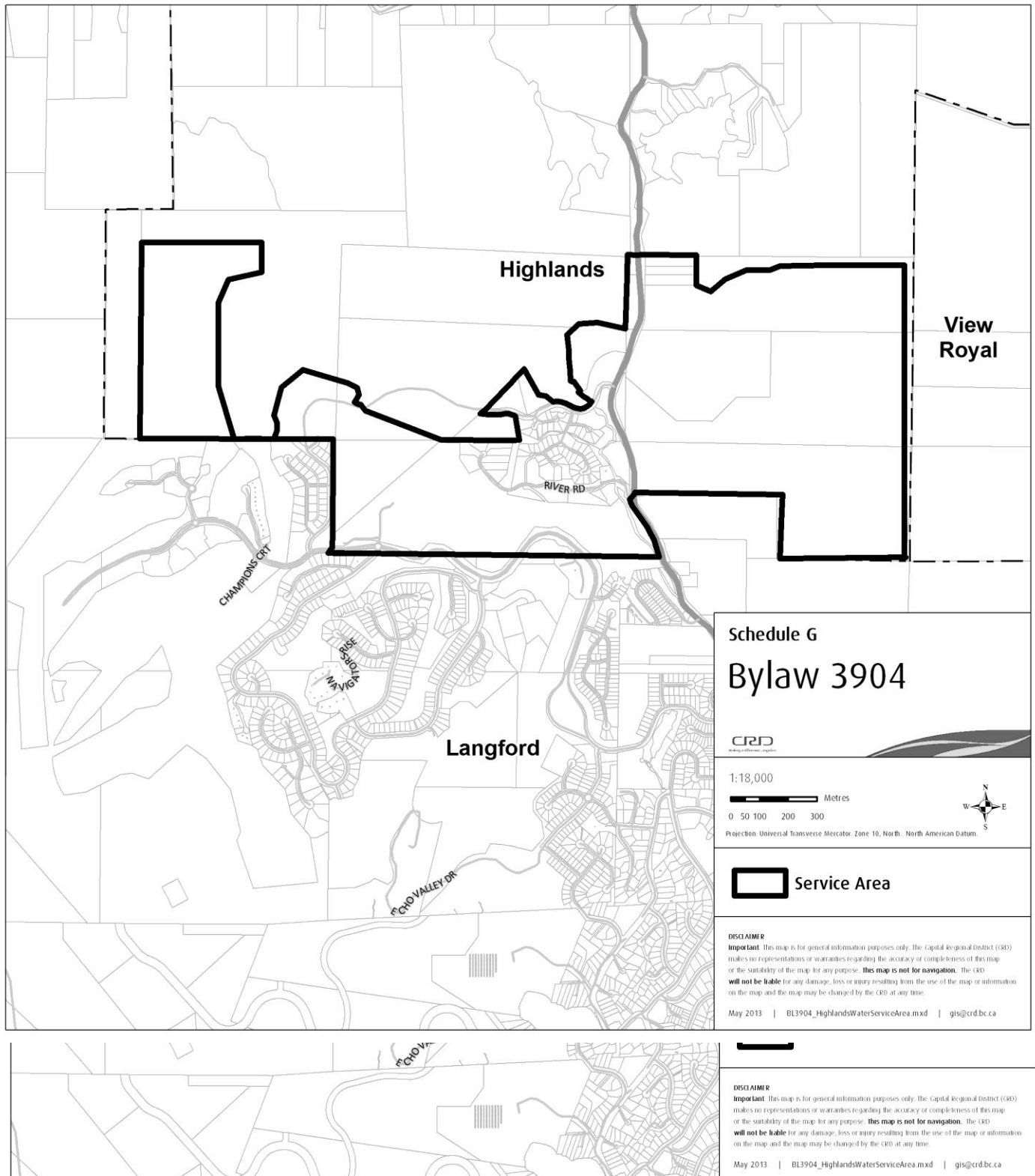
Bylaw 3100, 3432



CRD - Bylaw No. 3432
Development Cost Charges,
Juan de Fuca Water Distribution

April 25, 2007

Schedule G – Highlands



SCHEDULE H

Bylaws 3100, 3218, 3432, 3805, 3893, 3904

Development Cost Charge Rates

Description	Prescribed DCC Rates
Residential	\$2,655.34 per unit ¹
Medium Density Multi-Family	\$2,323.43 per unit ¹
High Density Multi-Family	\$1,493.63 per unit ¹
Commercial	\$9.76 per m ² ²
Industrial	\$5.29 per m ² ²
Institutional	\$21.57 per m ² ²
Institutional Residential	\$1,037.24 per bed
Elementary or Middle School	\$129.42 per student based on capacity
Junior or Senior Secondary School	\$175.09 per student based on capacity
Tourist or Travelling Public Accommodation	\$298.73 per sleeping room

¹ To be built or that may be built on a parcel, in the case of a development cost charge payable on subdivision

² of floor space to be built on a parcel

APPENDIX C

Proposed Development Cost Charge Amendment Bylaw No. 4249

**CAPITAL REGIONAL DISTRICT
BYLAW NO. 4249**

**A BYLAW TO AMEND BYLAW 2758
“DEVELOPMENT COST CHARGES BYLAW (JUAN DE FUCA WATER DISTRIBUTION),
NO. 1, 2000”**

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 hereby amended as follows:
 - (a) By deleting section 2 in its entirety and replacing it with the following:
 2. The following schedules attached to this bylaw form an integral part of this bylaw and are enforceable in the same manner as this bylaw.
 - a) Schedule A – Service Area Langford (“Schedule A”);
 - b) Schedule B – Service Area Sooke (“Schedule B”);
 - c) Schedule C – Service Area View Royal (“Schedule C”);
 - d) Schedule D – Service Area Colwood (“Schedule D”);
 - e) Schedule E – Service Area Metchosin (“Schedule E”);
 - f) Schedule F – Service Area Highlands (“Schedule F”);
 - g) Schedule G – Development Cost Charge Rates (“Schedule G”).
 - (b) By deleting Schedule A and Schedule B in their entirety and inserting Schedule A attached hereto and forming a part of this Bylaw.
 - (c) By deleting Schedule C in its entirety and replacing it with Schedule B attached hereto and forming a part of this Bylaw.
 - (d) By deleting Schedule D in its entirety and replacing it with Schedule C attached hereto and forming a part of this Bylaw.
 - (e) By deleting Schedule E in its entirety and replacing it with Schedule D attached hereto and forming a part of this Bylaw.
 - (f) By deleting Schedule F in its entirety and replacing it with Schedule E attached hereto and forming a part of this Bylaw.
 - (g) By deleting Schedule G in its entirety and replacing it with Schedule F attached hereto and forming a part of this Bylaw.
 - (h) By deleting Schedule H in its entirety and replacing it with Schedule G attached hereto and forming a part of this Bylaw.
 - (i) By deleting the definition “**ELEMENTARY SCHOOL**” in its entirety;
 - (j) By deleting the definition “**INSTITUTIONAL RESIDENTIAL**” in its entirety;
 - (k) By adding the definition “**LOW DENSITY RESIDENTIAL** means a parcel which is used or may be used for one *dwelling unit* or any building containing one *dwelling unit*.”

- (l) By deleting the definition “**MEDIUM DENSITY MULTI-FAMILY**” and replacing it with the following:

MEDIUM DENSITY MULTI-FAMILY means any multi-family residential development which has two *dwelling units* or more per parcel and a gross density of not more than 50 *dwelling units* per hectare.

- (m) By deleting the definition “**MULTI-FAMILY RESIDENTIAL**” and replacing it with the following:

MULTI-FAMILY RESIDENTIAL means a parcel which is used or may be used for two or more *dwelling units* or a building containing two or more *dwelling units*.

- (n) By deleting the definition “**NON RESIDENTIAL USE**” and replacing it with the following:

NON RESIDENTIAL USE means the use of any building, structure or any portion thereof that is not a residential use, including but not limited to *commercial, industrial and institutional*.

- (o) By deleting the definition “**RESIDENTIAL USE**” and replacing it with the following:

RESIDENTIAL USE means *low density residential, multi-family residential, medium density multi-family and high density multi-family* uses.

- (p) By deleting the definition “**SECONDARY SCHOOL**” in its entirety;

- (q) By deleting the definition “**SINGLE FAMILY RESIDENTIAL**” in its entirety;

- (r) By deleting the definition “**THREE FAMILY RESIDENTIAL**” in its entirety;

- (s) By deleting the definition “**TWO FAMILY RESIDENTIAL**” in its entirety;

- (t) Deleting section 5 in its entirety and replacing it with the following:

5. (1) A person who applies for and obtains approval of a subdivision of residential land other than Medium Density Multi-Family or High Density Multi-Family in a *service area* within a *Member Municipality* or the *Electoral Area* must pay the *development cost charge* applicable under Schedule G prior to subdivision of the land.

(2) A person who applies for and obtains a building permit for a Medium Density Multi-Family or High Density Multi-Family *dwelling unit* in a *service area* within a *Member Municipality* or the *Electoral Area* must pay the *development cost charge* applicable under Schedule G prior to the issuance of the building permit.

(3) A person who applies for and obtains a building permit for the construction, alteration or extension of a building that will, after the construction, alteration or extension, contain fewer than four (4) self-contained dwelling units and be put to no other use than the residential use in those dwelling units; must pay the *development cost charge* as outlined in Schedule G.

(4) A person who obtains a *Commercial, Industrial or Institutional* building permit in a *service area* within a *Member Municipality* or the *Electoral Area* must pay the *development cost charge* applicable under Schedule G prior to the issuance of the building permit.

(5) A *development cost charge* is not payable where the development is subject to an exemption, waiver or reduction under the *Local Government Act* or another enactment of the Province or the *District*.

(u) Deleting section 6 in its entirety and replacing it with the following:

6. *Development cost charges* imposed under this bylaw shall be calculated in accordance with the rates prescribed in Schedule G.

(v) Deleting section 7 in its entirety and replacing it with the following:

7. In calculating the *development cost charges* under this part, the *development cost charges* for a *comprehensive development* shall be calculated separately for each part of the *comprehensive development* designated respectively to *residential uses and non residential uses* and shall be the sum total of the *development cost charges* for each of those uses, calculated in accordance with Schedule G.

(w) By renumbering sections 21 to 23 to sections 23 to 24, respectively.

(x) By adding section 21 as follows:

21. DCC credits shall only be issued in accordance with a DCC credit policy approved by the *District*.

2. This Bylaw may be cited as "Development Cost Charges Bylaw (Juan de Fuca Water Distribution), Bylaw No. 1, 2000, Amendment Bylaw No. 9, 2018".

READ A FIRST TIME THIS	day of	2018
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READ A SECOND TIME THIS	day of	2018
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READ A THIRD TIME THIS	day of	2018
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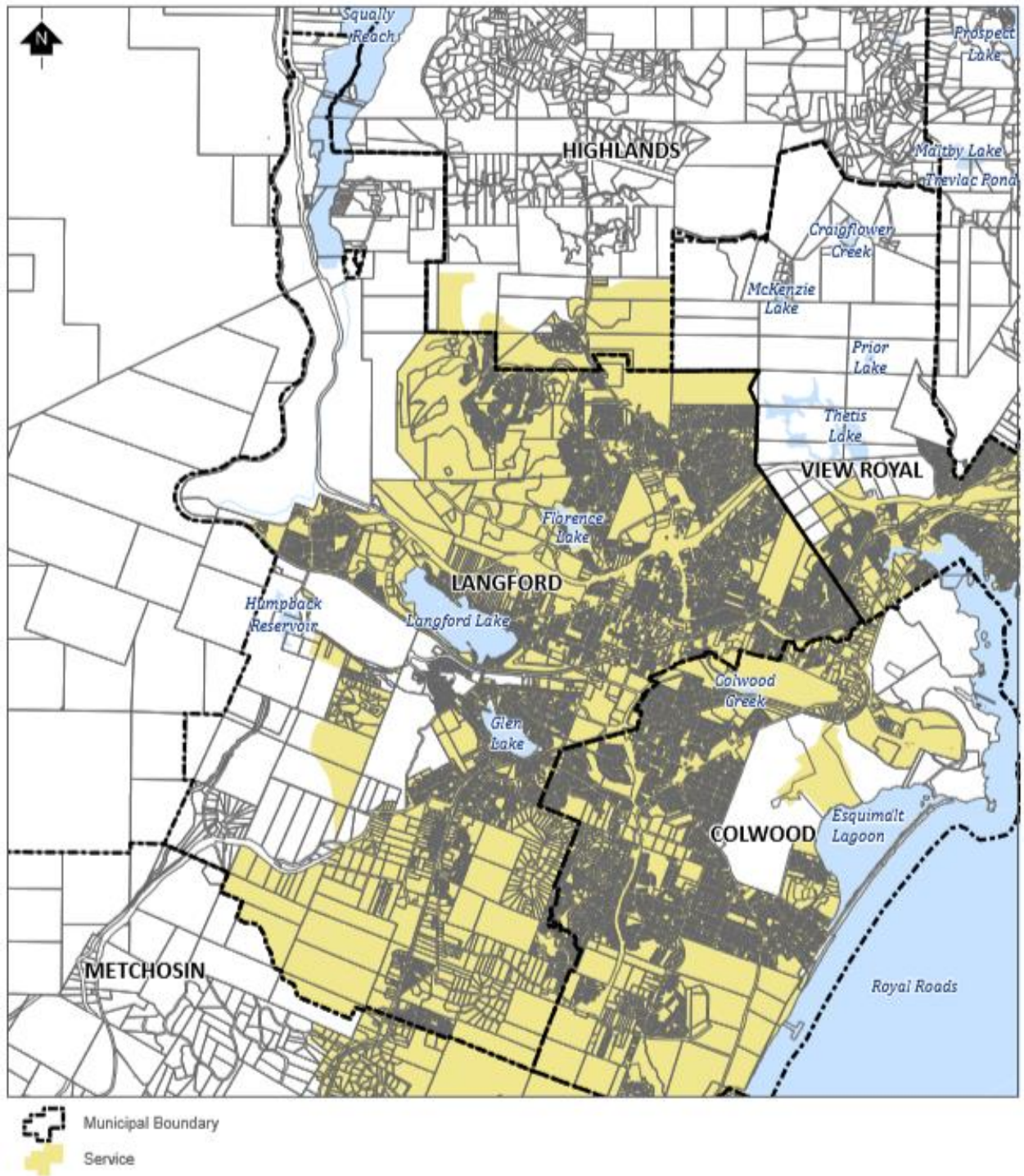
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	day of	2018
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ADOPTED THIS	day of	2018
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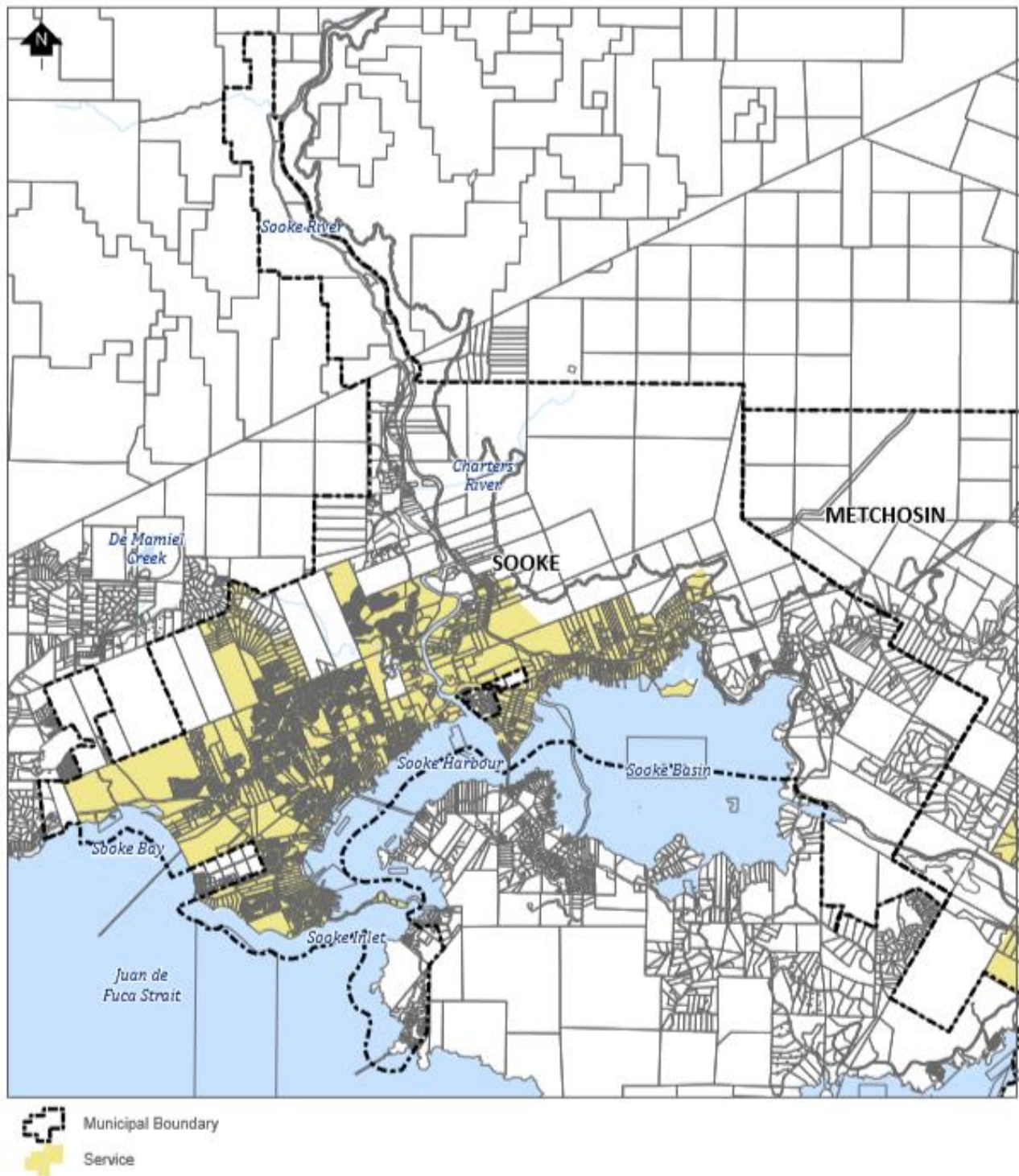
CHAIR

CORPORATE OFFICER

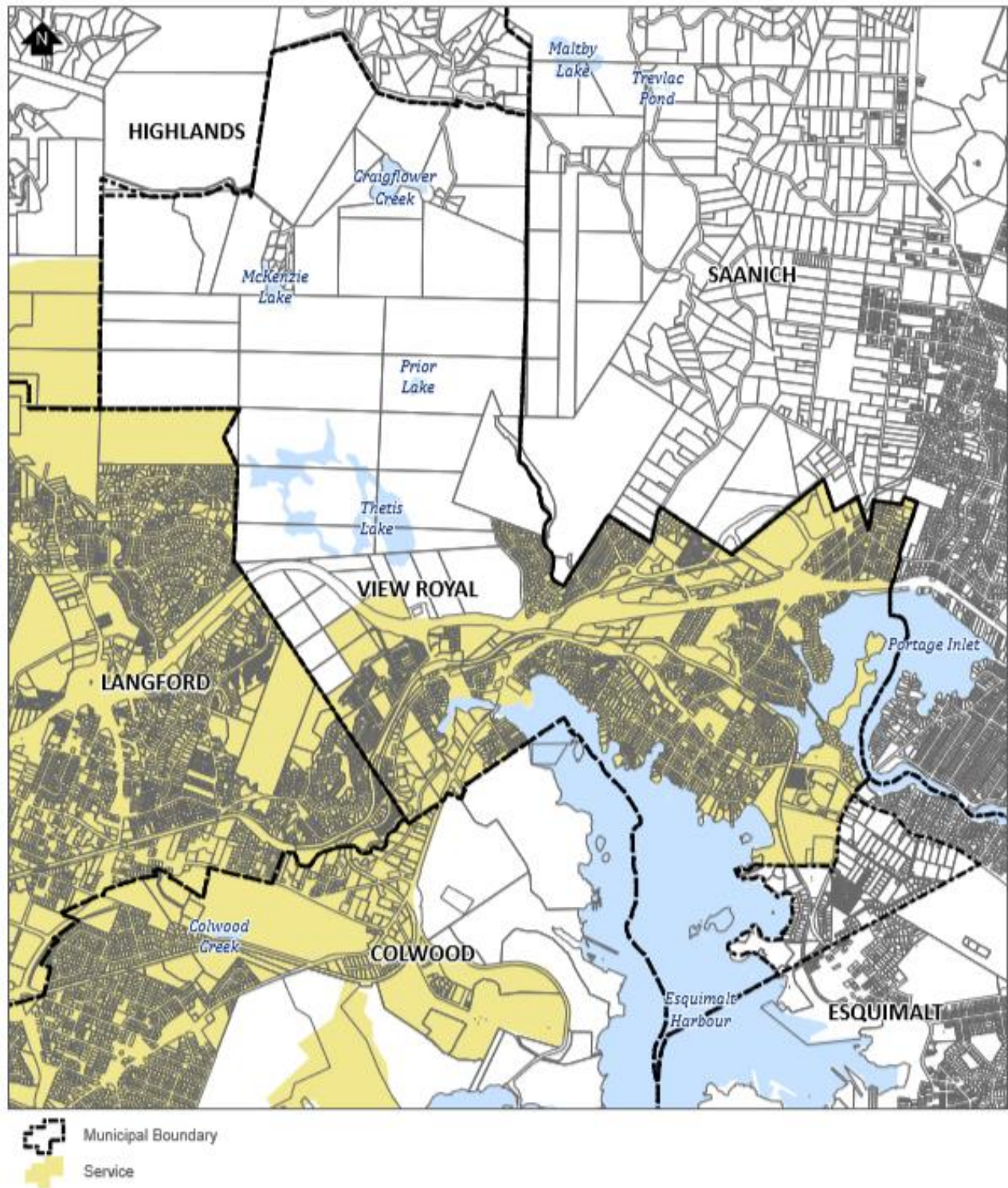
Schedule A – Langford



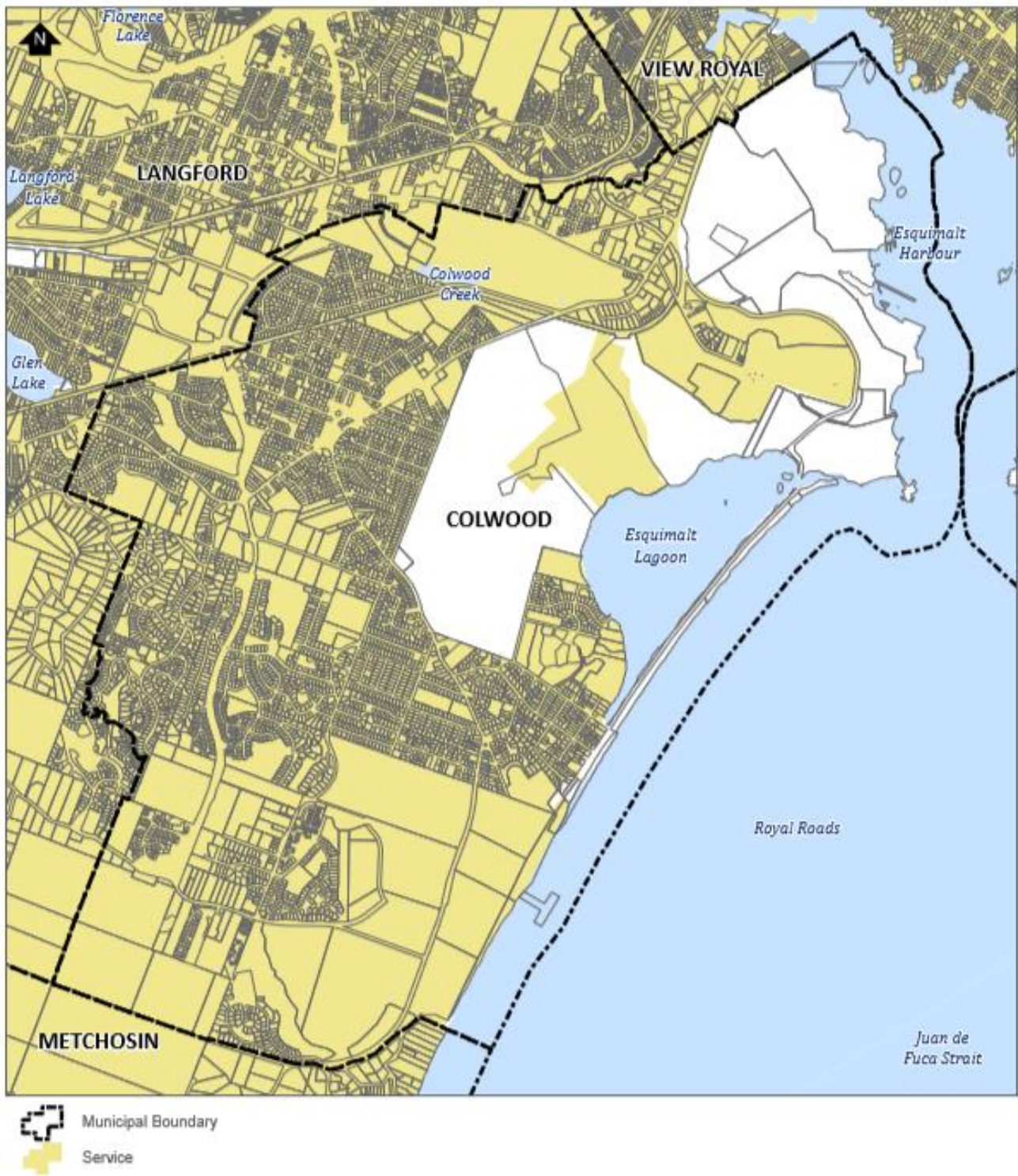
Schedule B – Sooke



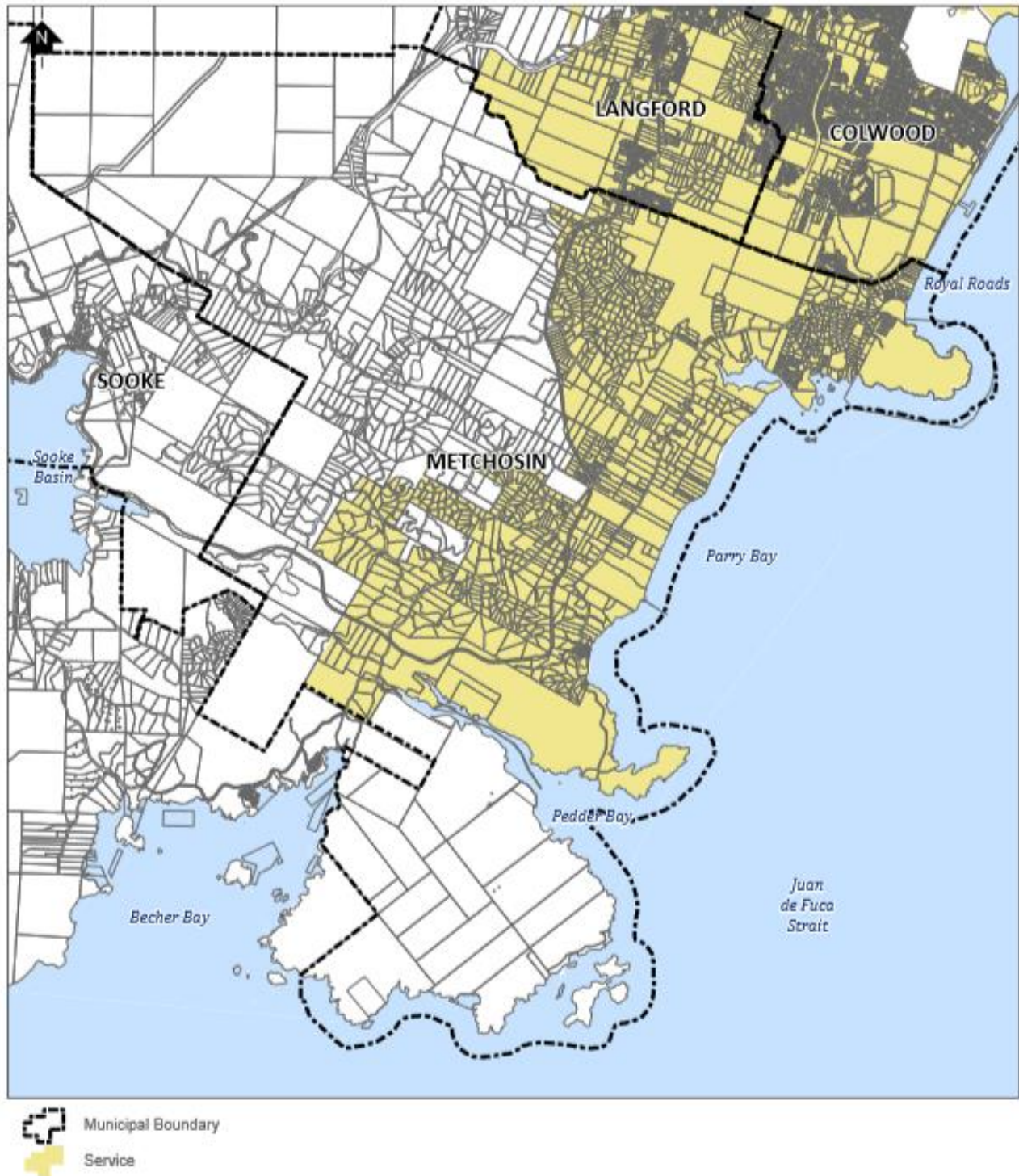
Schedule C – View Royal



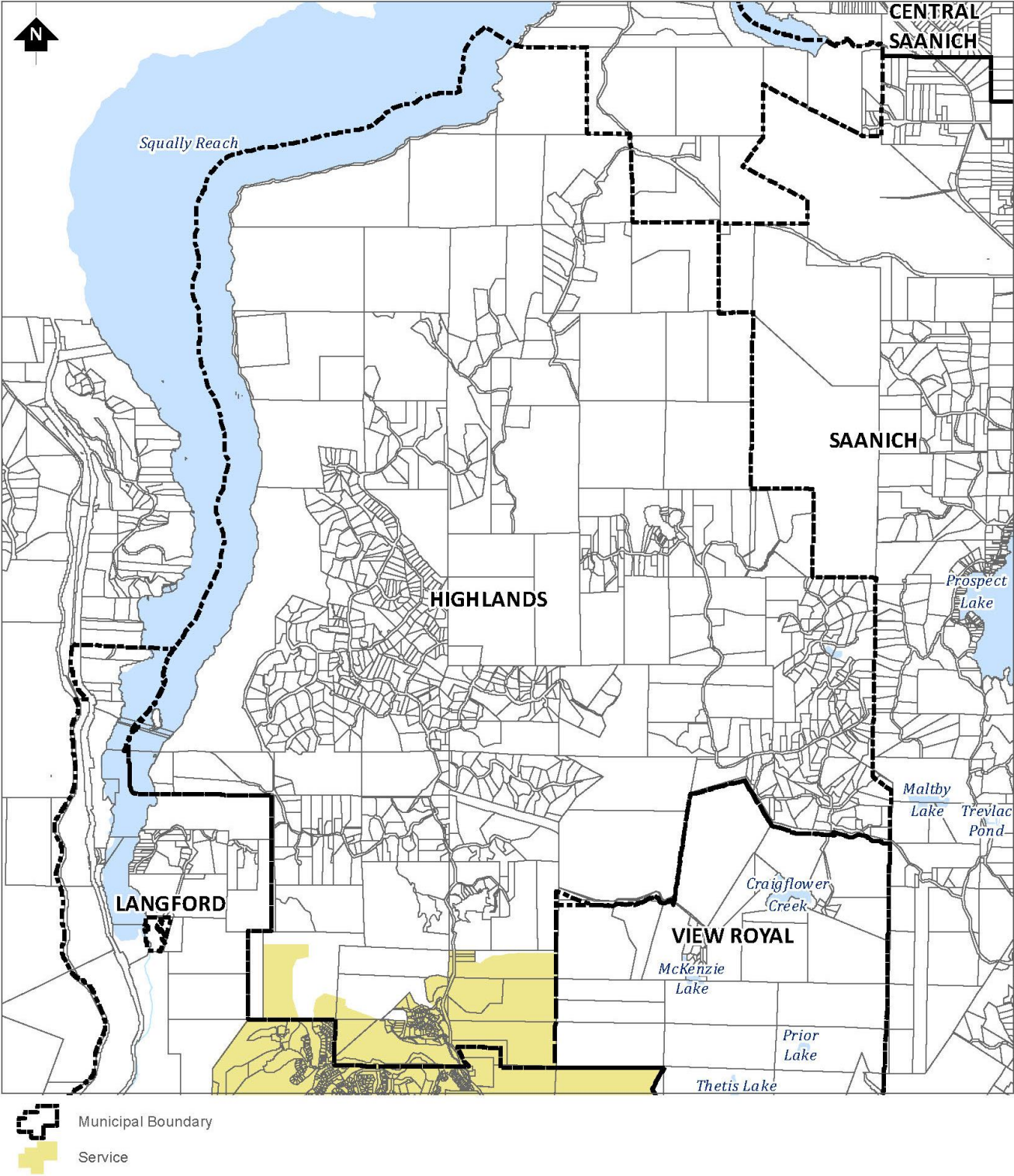
Schedule D – Colwood



Schedule E – Metchosin



Schedule F – Highlands



SCHEDULE G

Development Cost Charge Rates

Description	Prescribed DCC Rates
Low Density Residential	\$2,922 per lot
Medium Density Multi-family	\$2,557 per unit
High Density Multi-family	\$1,644 per unit
Commercial	\$10.74 per m ²
Industrial	\$5.82 per m ²
Institutional	\$23.74 per m ²