



CITY OF TERRACE

COUNCIL REPORT

MEMO: Kris Boland, CAO for Mayor and Council

FROM: David Block, Director of Development Services

DATE: May 25, 2021

SUBJ: Development Cost Charges Bylaw

RECOMMENDATION:

That the City of Terrace consider the 1st, 2nd, and 3rd Readings of a Bylaw to establish a Development Cost Charges program.

BACKGROUND:

At Council direction, staff completed a project beginning in 2020 to explore establishing a Development Cost Charge (DCC) program for the City. On June 8th, 2020, Urban Systems was awarded a contract to create a DCC Bylaw for the City of Terrace. Urban Systems has worked with planning staff to develop a DCC Bylaw (attached as Schedule A). DCC Bylaws are used to collect fees from developers to help fund the cost of growth-related infrastructure and parks. The greater the impact growth has on infrastructure and parks, the larger the DCC charge. This helps ensure new development pays a fair share of costs required to provide new infrastructure and parks.

The creation of this bylaw required developing a DCC project list, compiling development trend research, engaging local stakeholders, and calculating the proposed DCC rates. Council was provided three separate updates on the project at Committee of the Whole Meetings in 2020 and early 2021. The DCC Background Report, attached for information, contains more details on the process of creating the proposed bylaw and is required to be submitted for review and approval by the Ministry of Municipal Affairs.

Local governments, as per the Local Government Act, are required to contribute to DCC projects through a municipal assist factor of a minimum 1% of the DCC project costs. This municipal contribution can be increased to reduce the DCC rate contributed by developers. Based on Council direction, at the March 30th, 2021 Committee of the Whole Meeting, a 4-year phase in of rates using a municipal assist factor has been included in the bylaw. This phased approach is based on stakeholder engagement and Council feedback supporting lower DCC rates for the first 4 years of the bylaw's implementation to create a gradual introduction to DCC's for the local development community.

Under the Local Government Act, Council also has the option to set a future effective date for a DCC Bylaw. Based on previous direction from Council, staff have set the effective date of the proposed DCC bylaw for January 1st, 2022.

Following Council's 1st, 2nd, and 3rd, readings of the DCC Bylaw, the bylaw and the background report will be circulated to the Ministry of Municipal Affairs for review and approval. Pending a successful review, staff will bring the DCC Bylaw back to Council for adoption at an upcoming meeting.

Staff continue to work with Urban Systems to develop an implementation procedures manual and host a training session to familiarize staff with the bylaw implementation procedures and collection of the associated DCCs.


BUDGETARY IMPACT OF RECOMMENDATION (if applicable):

Treas.

Budgeted Amount: n/a Unbudgeted Amount: n/a

COUNCIL STRATEGIC FOCUS AREA(S):

- Increase City Revenues
- Responsible Asset Management
- Value our Natural Assets & Lifestyle
- Enhance Civic Pride
- Advocate for Community, Social & Environmental Issues
- Manage the Impacts of Growth
- Not applicable



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Planner 1



Submitted by – David Block,
Director of Development Services
JC/dk



Approved for Submission to Council
Kris Boland, CAO