

CITY OF RICHMOND

BACKGROUND INFORMATION ON THE PROPOSED 2008 DEVELOPMENT COST CHARGES

The City of Richmond is proposing a revised series of Development Cost Charges (DCCs) for the City. These DCCs will help pay for transportation, drainage, water and sanitary engineering works, as well as parkland acquisition and development costs necessary to service the needs of growth throughout the City. The following information provides background information on DCCs and answers a number of frequently asked questions.

WHAT IS A DEVELOPMENT COST CHARGE?

Development Cost Charges are charges levied on new development to assist in financing the cost of upgrading or providing infrastructure services or acquiring and developing parkland needed to support new development. At this time the City is proposing revised DCCs for the City.

WHO PAYS DCCs?

DCCs are paid by those who:

- subdivide property
- develop multi family residential, commercial or industrial sites where the value of the building permit exceeds \$50,000 or an amount defined by the DCC Bylaw

WHAT KIND OF PROJECTS ARE THE DCCs USED TO FUND?

DCCs are used to meet the needs of growth and assist in the funding of:

- new arterial roads and widening of arterial roads, traffic signals, sidewalks, pedestrian and bicycle lane improvements
- water mains, drainage mains, pump stations and channel improvements, sanitary sewer mains and pump stations
- acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.)

WHAT ARE DCCs NOT USED FOR?

Replacing, operating and maintaining parks, roads, water mains, sanitary and storm sewers already in place to serve the existing residents of the City.

HOW ARE DCC PROJECTS DETERMINED?

Using the following tools:

- transportation and utility short and long range plans are used to predict future needs
- computer modeling of the utility works necessary to support the needs of growth
- park master plans
- cost estimates are prepared for each capital item
- the portion of the capital cost related to servicing growth is used in the DCC calculation

HOW ARE DCCs CALCULATED?

The following steps outline the basic DCC calculation:

- land use and growth projections are established by the Official Community Plan (including the new City Centre Area Plan) and other City planning documents
- Planning Department projects population growth and non residential growth in commercial and industrial land uses
- new projects and additional capacity to support new growth are determined by servicing studies

- $$\text{DCC} = \frac{\text{Cost of works}}{\text{Amount of growth}}$$

WHAT ARE THE PROPOSED DCC RATE OPTIONS?

The proposed DCC rates are shown in the attached tables.

WHEN WOULD THE NEW DCCs APPLY?

City Council gave first reading to the new DCC Bylaw on June 23, 2008. Council will review comments provided by the community. Council will then give the DCC Bylaw second and third reading prior to submitting the DCC Bylaw to the Provincial Government for approval. It is anticipated this approval will occur in the summer. The Bylaw must receive fourth reading and final approval by Council before the DCC Bylaw is adopted. The new rates would apply one year after the Bylaw is given fourth reading and final approval.

For more information, please contact Hari Suvarna, Manager, Budgets & Accounting at 604-276-4365 or hsuvarna@richmond.ca.

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PROPOSED DCC RATE SUMMARY – CITY WIDE

The following City of Richmond DCCs would apply City-wide:

Land Use	Proposed Transportation DCC	Proposed Water DCC	Proposed Sanitary DCC	Proposed Drainage DCC	Proposed Park Acquisition DCC	Proposed Park Development DCC	Total Proposed DCC	Total Current DCCs	% Change
Single Family per lot	\$6,431.35	\$810.63	\$2,634.91	\$5,131.99	\$9,109.36	\$3,885.44	\$28,003.68	\$21,456.86	31%
Townhouse per sq. ft. of building area	\$3.08	\$0.53	\$1.72	\$2.20	\$5.93	\$2.53	\$15.99	\$11.94	34%
Apartment per sq. ft. of building area	\$4.11	\$0.54	\$1.77	\$1.57	\$6.10	\$2.60	\$16.69	\$12.37	35%
Commercial per sq. ft. of building area	\$8.20	\$0.21	\$0.67	\$1.53	\$1.15	\$0.49	\$12.25	\$9.20	33%
Light Industrial per sq. ft. of building area	\$5.86	\$0.21	\$0.67	\$1.53	\$1.15	\$0.49	\$9.91	\$7.49	32%
Major Industrial per acre of gross site area	\$30,619.11	\$4,473.33	\$14,540.33	\$46,728.08	\$4,468.31	\$1,905.88	\$102,735.04	\$83,811.92	23%

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PROPOSED DCC RATE SUMMARY – ALEXANDRA AREA

For development in the Alexandra Area, the following City of Richmond DCCs would apply:

Development Type	Current Alexandra DCCs + City-Wide DCCs	Proposed Alexandra DCCs + City-Wide DCCs	% Change
Townhouse (per ft ²)	\$18.75	\$22.80	22%
Apartment (per ft ²)	\$19.93	\$24.25	22%
Commercial (per ft ²)	\$16.62	\$19.67	18%

Regional DCCs would also apply to all development within the City of Richmond.