



District of Lantzville

Association of Vancouver Island and Coastal Communities

Resolution Background Information - Development Cost Charge for Local Government Facilities

February 3, 2021

- The *Local Government Act*, Section 559, authorizes a local government to impose, by bylaw, development cost charges (DCCs) on every person who obtains approval for development, for the purpose of providing funds to assist the local government to pay the capital cost of providing, constructing, altering or expanding sewage, water, drainage and highway facilities, and providing and improving parkland to service, directly or indirectly, the development for which the charge is being imposed.
- In the same manner that development results in a capital cost burden on a local government for sewage, water, drainage, highway facilities, and parkland, the burden of providing, constructing, altering or expanding local government facilities, including, but not limited to, local government administration offices, firehalls, public works yards, recreation centres, community centres, and land for such facilities is also incurred by a local government as a result of development.
- As new development takes place and communities grow, there is an increased need for new and expanded facilities to provide local government services. Local government facilities are facilities owned and operated by a local government, including local government administration offices, firehalls, public works yards, recreation centres and community centres. The types of facilities that constitute *local government* facilities should be defined.
- Amending the *Local Government Act*, Section 559(2), to add a new category for “local government facilities” would allow a local government to collect DCCs at the time of subdivision or building permit for new development to contribute to the capital cost of new facilities.
- When establishing a new or revised DCC bylaw, a local government can choose whether to establish a DCC by identifying anticipated future facility requirements. If a local government does not anticipate the need for new or expanded facilities, it could choose not to establish a DCC in this category.
- DCC bylaws, which require Ministerial approval, are a fair and equitable way to impose charges on new development for capital costs incurred by a local government as a result of new development.