

# CITY OF CRANBROOK DCC UPDATE DEVELOPERS AND BUILDERS MEETING

January 22, 2026

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# AGENDA

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- Key Drivers for Update
- DCCs Overview
- DCC Projects and Rates
- Community Comparisons
- Other Considerations: Phasing-in, Waiving, and Instream Protection
- Next Steps



# KEY DRIVERS FOR UPDATE

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- New Official Community Plan
- Sanitary Master Plan near completion
- Water Master Plan amended (fire flows added)
- New Transportation Master Plan
- New Provincial Legislation encouraging infill:
  - secondary suites, accessory dwelling units and 3-4 units
- Updated growth projections prescribed by new BC Housing Needs Assessment Interim Report
- Growth rate alignment with concurrent capital project modelling
- Reflecting infrastructure needs and costs.
- Addition of more DCC-eligible projects



# DCC BACKGROUND REFRESHER



# WHAT ARE DCCS?



- 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 – legislation revised in 2024
  - Provincial DCC Best Practices Guide – updated in 2025



# WHAT CAN DCCS PAY FOR?

## DCCs CAN BE USED FOR

### **Infrastructure and Studies needed to support growth**

- Transportation
- Water
- Drainage
- Sewer

### **Parks needed to support growth**

- Land acquisition
- Park improvements

### **Facilities needed to support growth**

- Fire protection
- Police
- Solid waste and recycling facilities

## DCCs CANNOT BE USED FOR

- Infrastructure or parks needed for **existing** development
- Utility service connections
- Operations and Staffing Costs
- Rolling stock including mobile equipment, vehicles, fire trucks and garbage trucks
- Maintenance or replacement costs
- Community buildings (e.g., libraries, recreation centres)

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

# WHO PAYS DCCs?

- Applicants for **subdivision approval** to create low density residential parcels
- Applicants for **building permits** to construct multi-family, commercial, industrial, and institutional development



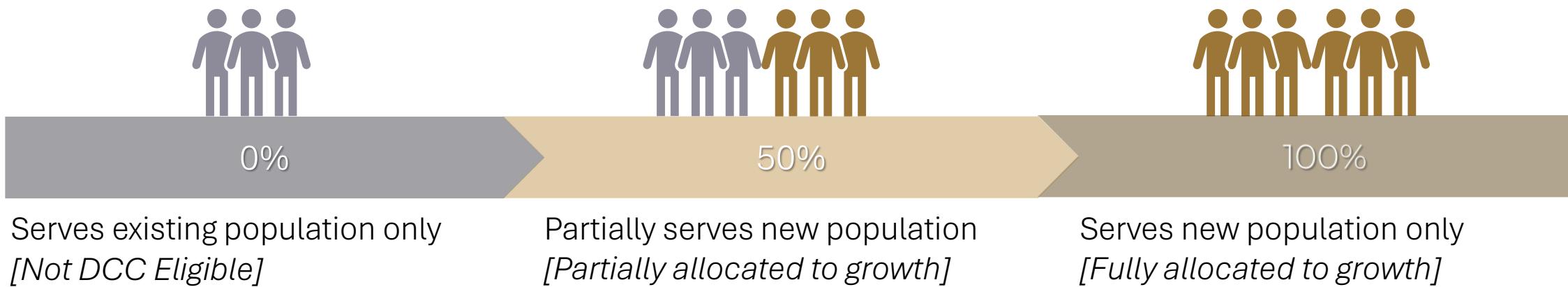
# BASIC DCC CALCULATION



# BENEFIT ALLOCATION

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



# UPDATED STRUCTURE

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- Current DCC growth rate: 0.85%
- Proposed update: 1.8%
  - Aligns with legislated requirements for updated Interim Housing Needs Reports.
  - Aligned with water and sewer growth rates.
- Previous DCCs calculated on density (low, medium, high)
- Proposed update based on unit counts.
  - Residential Subdivision
  - Small-Scale Infill
  - Townhouses & Apartments.
- Supports new Provincial Legislation and revised zoning bylaw (SSMUH infill)



# DCC PROJECTS AND RATES

# CAPITAL PROJECTS

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## ■ Roads

- Intersection improvements, signalization, roundabout
- Creating turning lanes and bays
- Adding connections in the road network
- Road widening, adding lanes
- Significant increases in costs from previous DCC estimates (2021):
  - 6<sup>th</sup> St NW widening and intersection with Highway 3
  - Victora Avenue and Highway 3 intersection



# MINISTRY COST-SHARING ON TRANSPORTATION PROJECTS

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- Cost-sharing agreement with MoTT
  - Projects included:
    - 6<sup>th</sup> St. NW/Highway 3
    - Victoria Ave/Highway 3
  - Based on cost sharing guide



# CAPITAL PROJECTS

## ■ Water

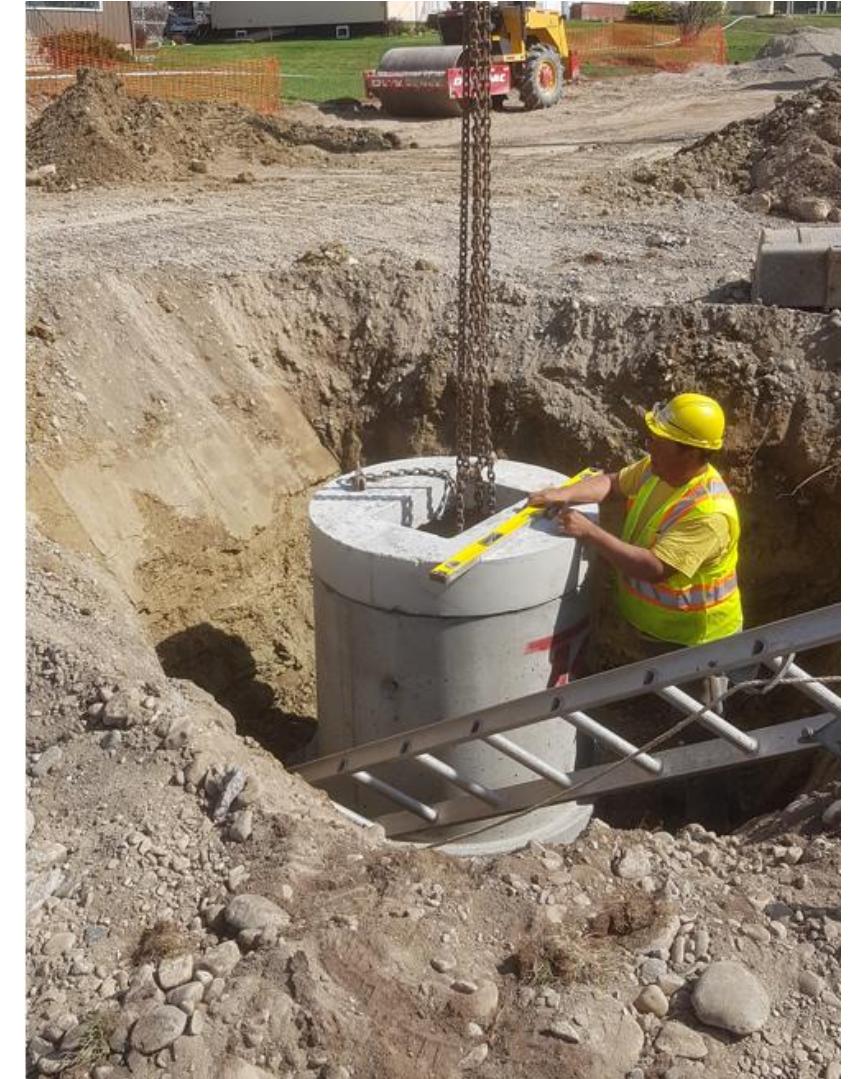
- Water disinfection facility (growth portion)
- Major water transmission main
- Upsizing water mains
- Reservoirs
- Wells
- Significant increases in costs from 2021 estimates due to additional piping projects



# CAPITAL PROJECTS

## ■ **Sewer**

- Sewer trunk upgrades
- Lift station upgrades
- Significant increases in costs since 2021
  - Wastewater Treatment Plant upgrades
  - Additional trunk lines
  - General increases in construction costs



# CAPITAL PROJECTS

## ■ Drainage (Stormwater)

- Stormwater lines connections and upsizing
- Limited projects since post development flows need to meet pre-development flows
- Many stormwater projects are required to deal with existing issues, climate change, .....not new growth
- Major drainage project added with 6<sup>th</sup> St NW widening



# CAPITAL PROJECTS

- Focus on parks development rather than land acquisition
- Same as previous Parks DCC projects
- Neighbourhood parks and community parks improvements
  - Washrooms
  - Playground equipment
  - Landscaping
  - Irrigation
  - Trails
  - Fencing



# CAPITAL COST ESTIMATES – EXISTING AND NEW COSTS

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DCC Category	Costs in Existing DCC	New Costs
Roads	\$19.0 M	\$63.2 M
Water	\$34.0 M	\$65.0 M
Sewer	\$14.3 M	\$29.7 M
Drainage	\$1.7 M	\$12.2 M
Parks	\$1.7 M	\$2.2 M
<b>Total</b>	<b>\$70.7 M</b>	<b>\$172.3 M</b>

# CAPITAL COST ESTIMATES – 20 YEARS

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DCC Category	New costs	Paid by new Development	Paid from other City sources
Roads	\$63.2 M	\$34.2 M	\$29.0 M
Water	\$65.0 M	\$27.0 M	\$38.0 M
Sewer	\$29.7 M	\$15.5 M	\$14.2 M
Drainage	\$12.2 M	\$6.0 M	\$6.2 M
Parks	\$ 2.2 M	\$2.0M	\$0.2 M
<b>Total</b>	<b>\$172.3 M</b>	<b>\$84.7 M</b>	<b>\$87.6 M</b>

# INVESTMENTS IN INFRASTRUCTURE

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- The City is being proactive in making infrastructure investments that support new growth
- For example, investment in upgrades to Victoria Avenue is helping generate about \$300 million in new commercial and residential construction:
  - Aqanttanam Housing Society – Claydon Villa (2220 2nd St S) – 20 units - Subsidized Indigenous Housing
  - BC Housing Shelter (209 16th Ave N) – 40 beds
  - Interior Health Authority - Dr. F. W. Green Memorial Home (1700 4th St S) – 148 beds – longer term care home
  - Baker Park (121 17th St S) – BC Builds – 30 Units – Affordable Housing
  - 1601 4th St S – 34 units – Market
  - 1716 4th St N – 71 units – Market
  - 2000 8th St N – 49 Units – Market Senior Housing
- Some Communities who don't make investments in infrastructure can't accommodate growth

# CURRENT DCC RATES

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Land Use	Unit	Roads	Storm	Water	Sewer	Parks	Total
<b>Low Density Residential</b>	Per parcel/unit	\$ 3,862	\$ 177	\$ 5,309	\$ 1,694	\$ 543	<b>\$ 11,585</b>
<b>Medium Density Residential</b>	Units	\$ 2,935	\$ 142	\$ 4,247	\$ 1,355	\$ 413	<b>\$ 9,092</b>
<b>High Density Residential</b>	Units	\$ 2,317	\$ 115	\$ 2,814	\$ 898	\$ 326	<b>\$ 6,470</b>
<b>Commercial</b>	per/m <sup>2</sup> of gross floor area	\$ 69.52	\$ 0.53	\$ 53.09	\$ 13.55	\$ 9.78	<b>\$ 146.47</b>
<b>Industrial</b>	per/m <sup>2</sup> of gross floor area	\$ 38.62	\$ 0.53	\$ 42.47	\$ 13.55	\$ 5.43	<b>\$ 100.60</b>
<b>Institutional</b>	per/m <sup>2</sup> of gross floor area	\$ 46.35	\$ 0.44	\$ 63.71	\$ 15.24	\$ 6.52	<b>\$ 132.26</b>

# POTENTIAL DCC RATES

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Land Use	Unit	Roads	Storm	Water	Sewer	Parks	Total
<b>Residential Subdivision</b>	Per parcel	\$8,815	\$1,772	\$9,175	\$5,051	\$506	<b>\$25,320</b>
<b>Small-Scale Infill and Townhouses</b>	Units	\$6,699	\$1,418	\$7,340	\$4,041	\$385	<b>\$19,883</b>
<b>Apartments</b>	Units	\$5,289	\$1,152	\$4,863	\$2,677	\$304	<b>\$14,285</b>
<b>Commercial</b>	per/m <sup>2</sup> of gross floor area	\$120.99	\$5.32	\$25.69	\$20.71	\$6.94	<b>\$179.65</b>
<b>Industrial</b>	per/m <sup>2</sup> of gross floor area	\$119.91	\$5.32	\$25.69	\$20.21	\$6.88	<b>\$178.01</b>
<b>Institutional</b>	per/m <sup>2</sup> of gross floor area	\$155.56	\$4.43	\$31.20	\$17.17	\$8.93	<b>\$217.29</b>

# EXISTING AND POTENTIAL DCC RATES

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Land Use	Unit	Existing DCCs	Potential DCCs	Change	Percentage increase
<b>Residential Subdivision</b>	Per parcel	<b>\$ 11,585</b>	<b>\$25,320</b>	<b>\$13,735</b>	<b>119%</b>
<b>Small-Scale Infill and Townhouses</b>	Units	<b>\$ 9,092</b>	<b>\$19,883</b>	<b>\$10,791</b>	<b>119%</b>
<b>Apartments</b>	Units	<b>\$ 6,470</b>	<b>\$14,285</b>	<b>\$7,815</b>	<b>121%</b>
<b>Commercial</b>	per/m <sup>2</sup> of gross floor area	<b>\$ 146.47</b>	<b>\$179.65</b>	<b>\$33.18</b>	<b>23%</b>
<b>Industrial</b>	per/m <sup>2</sup> of gross floor area	<b>\$ 100.60</b>	<b>\$178.01</b>	<b>\$77.41</b>	<b>77%</b>
<b>Institutional</b>	per/m <sup>2</sup> of gross floor area	<b>\$ 132.26</b>	<b>\$217.29</b>	<b>\$85.03</b>	<b>64%</b>

# SECONDARY SUITES

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- Currently suites pay a DCC at building permit – except no DCC if value is less than \$50,000
- Exemption value proposed to increase to \$120,000
- Most suites should have a construction value of less than \$120,000 and will not pay a DCC
- If a suite is valued above \$120,000 it will pay a DCC equivalent to an apartment



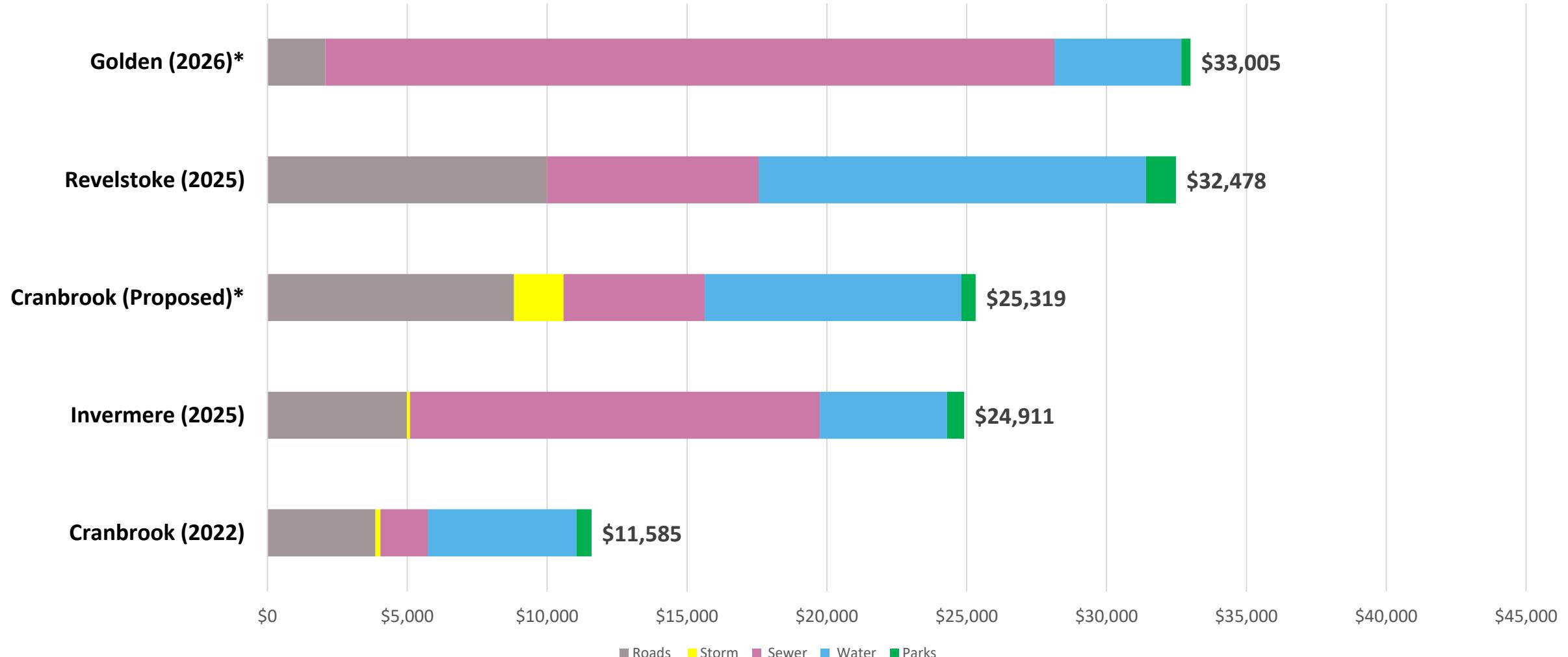
# COMMUNITY COMPARISONS

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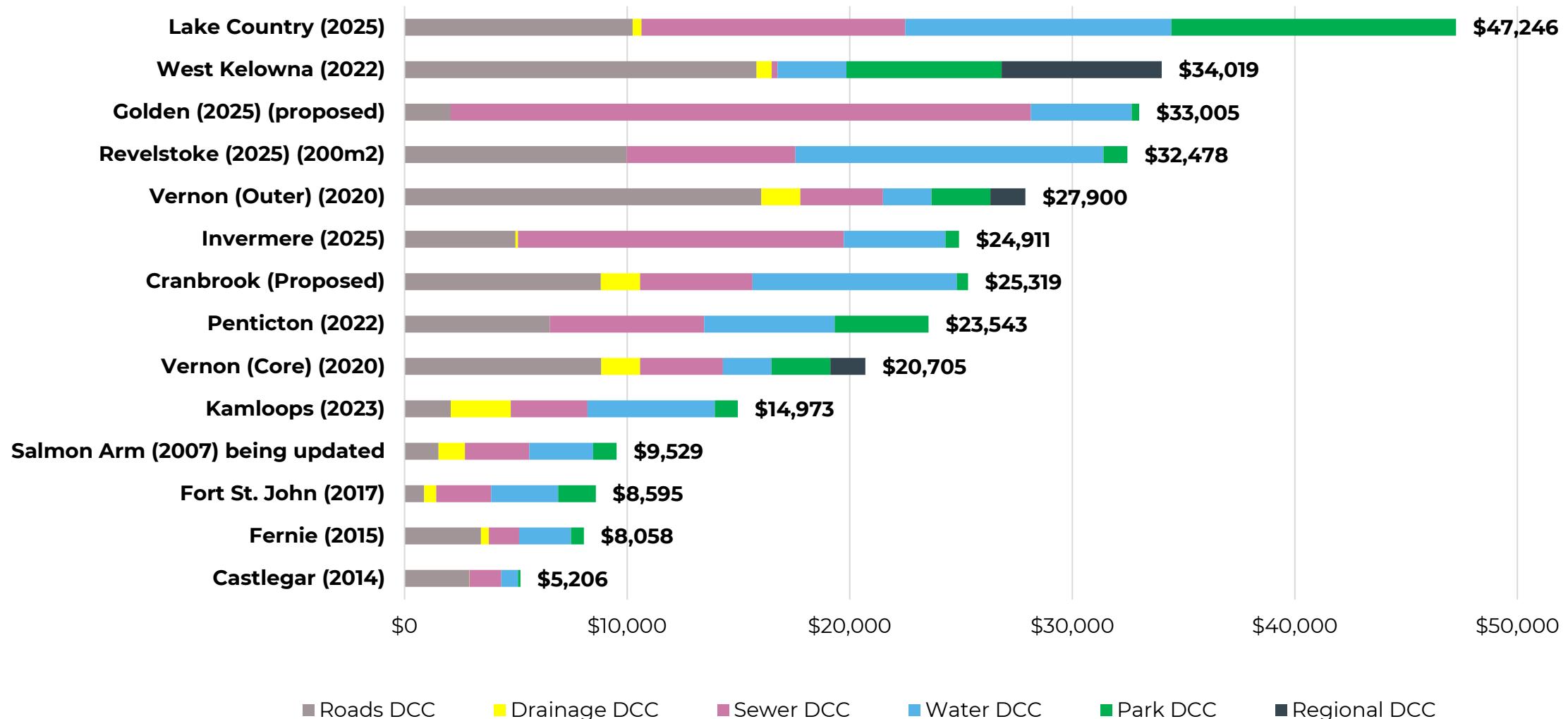
- Focus on similar types of communities who have recently updated their DCCs
- Some proposed DCCs are under way (e.g. Golden and Radium Hot Springs)
- Some community DCCs are out of date (e.g. Elkford, Fernie)
- Some communities are planning to update their DCCs, such as Sparwood.
- Kimberley does not have DCCs but developers pay individual off site costs and the whole community pays for infrastructure such as Wastewater Treatment Plant upgrades

# COMMUNITY COMPARISONS – SINGLE DETACHED

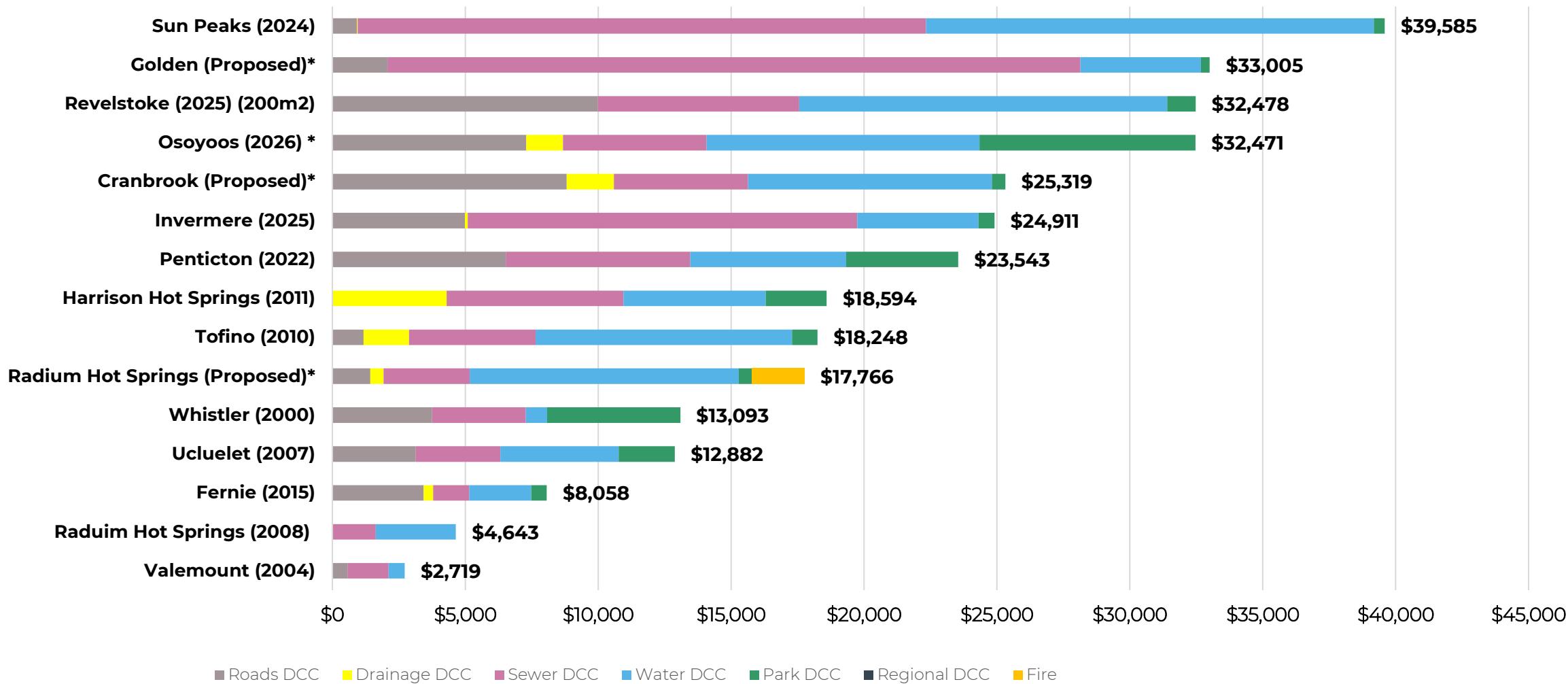


\* Denotes proposed DCCs, not yet adopted.

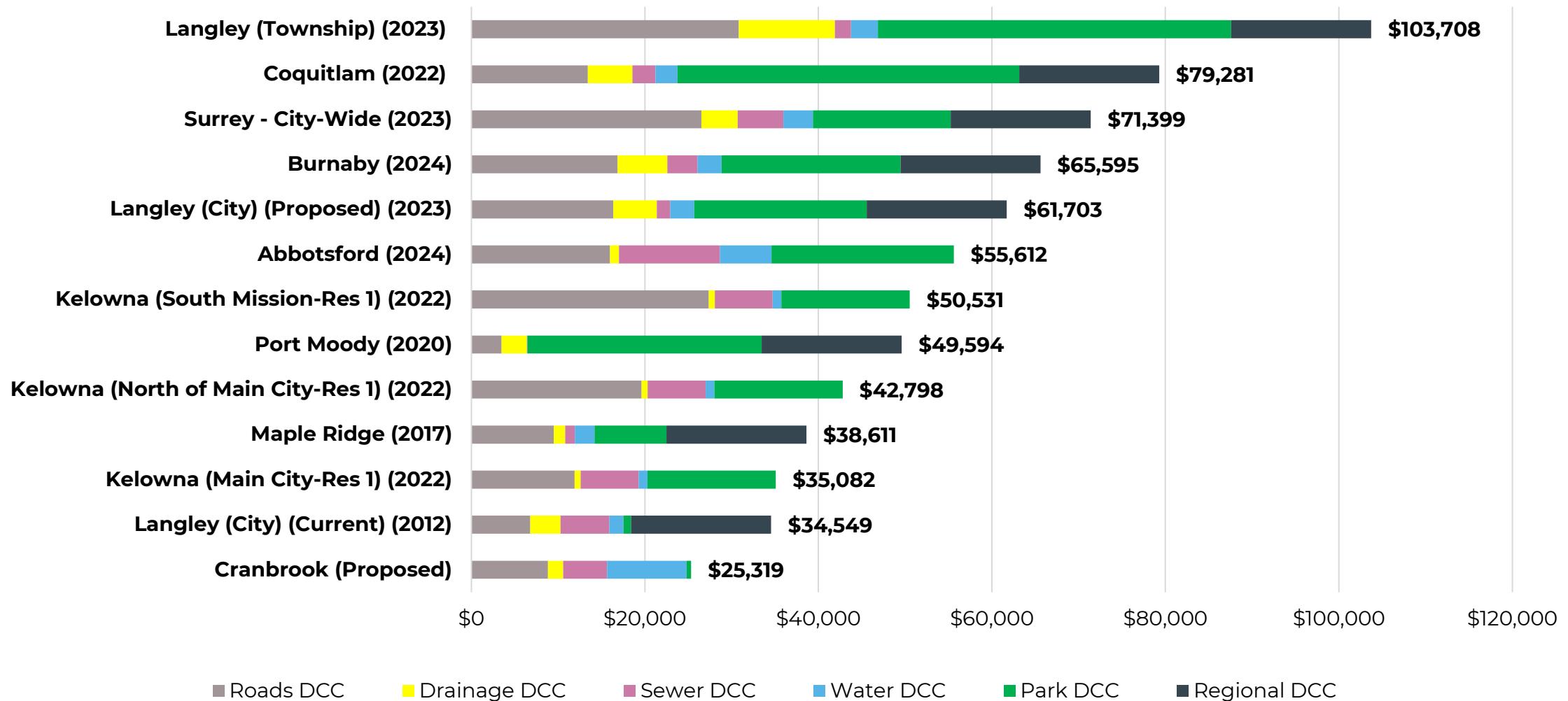
# COMMUNITY COMPARISONS – SINGLE DETACHED (MEDIUM LOCAL INTERIOR EXAMPLES)



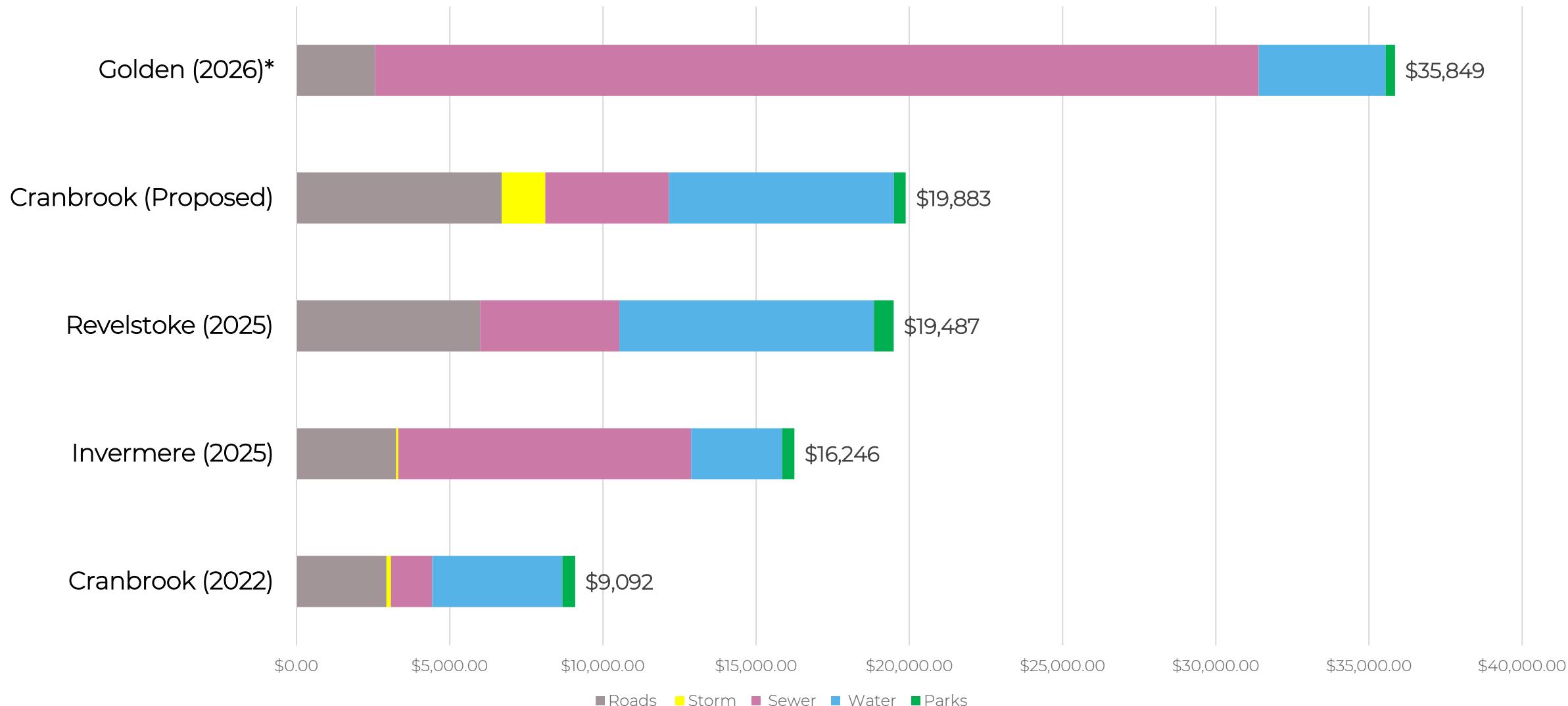
# COMMUNITY COMPARISONS – SINGLE DETACHED (RESORT COMMUNITY EXAMPLES)



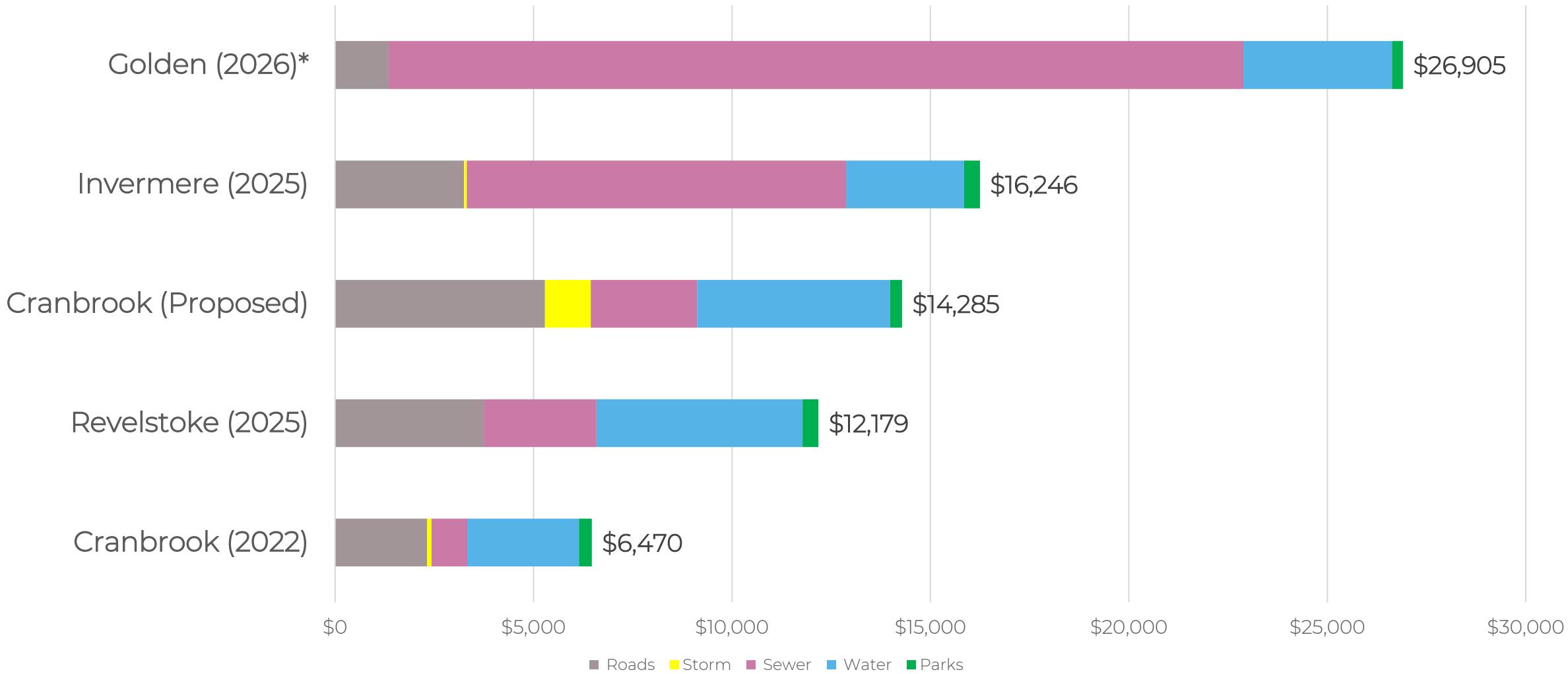
# COMMUNITY COMPARISONS – SINGLE DETACHED (LARGER GROWING COMMUNITY EXAMPLES)



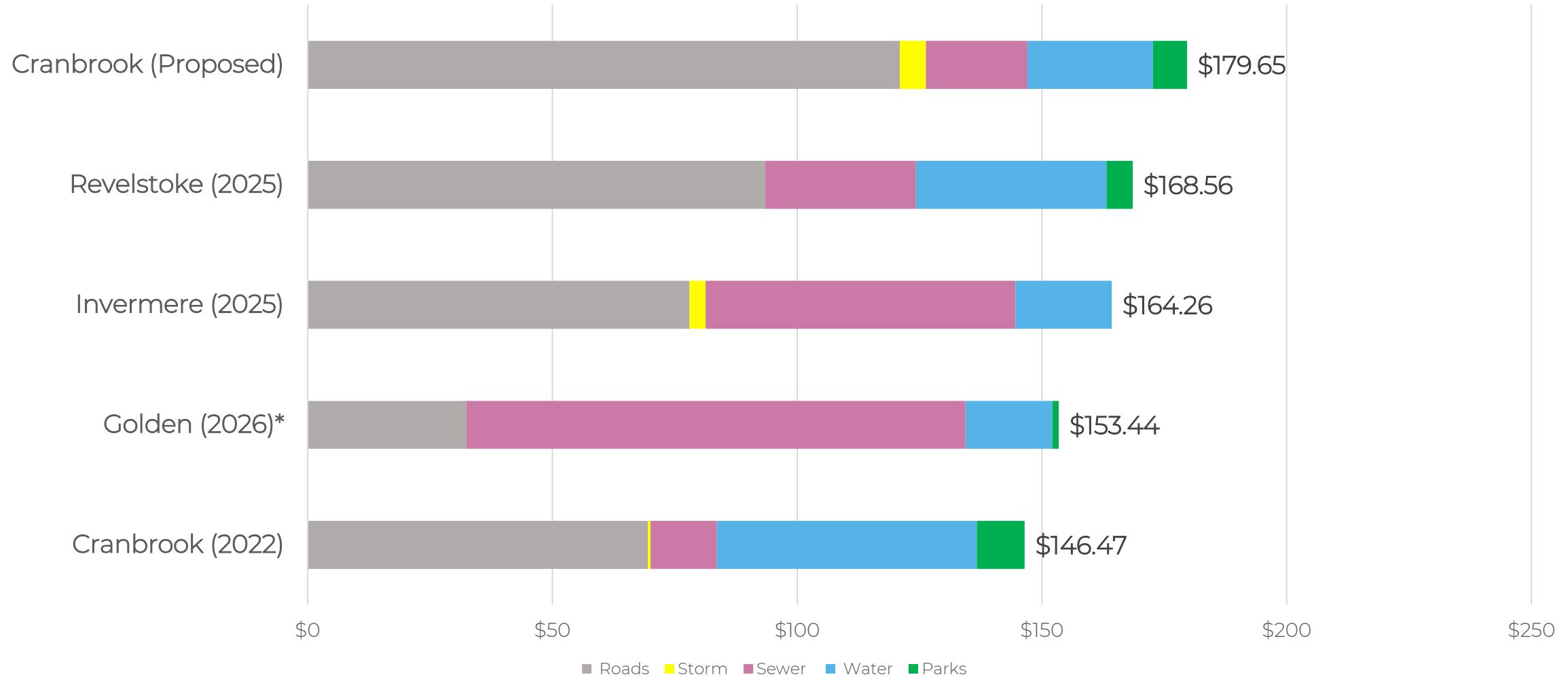
# COMMUNITY COMPARISONS - TOWNHOUSE



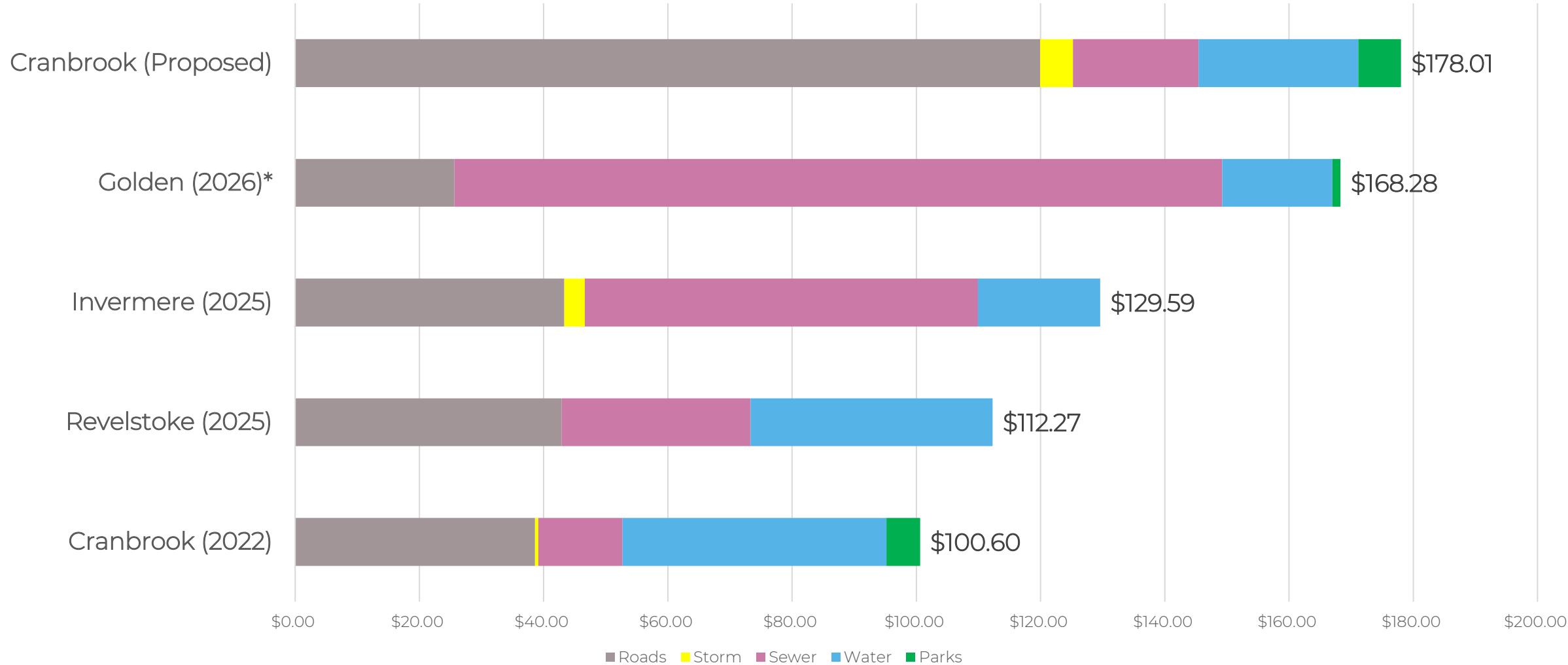
# COMMUNITY COMPARISONS – APARTMENT



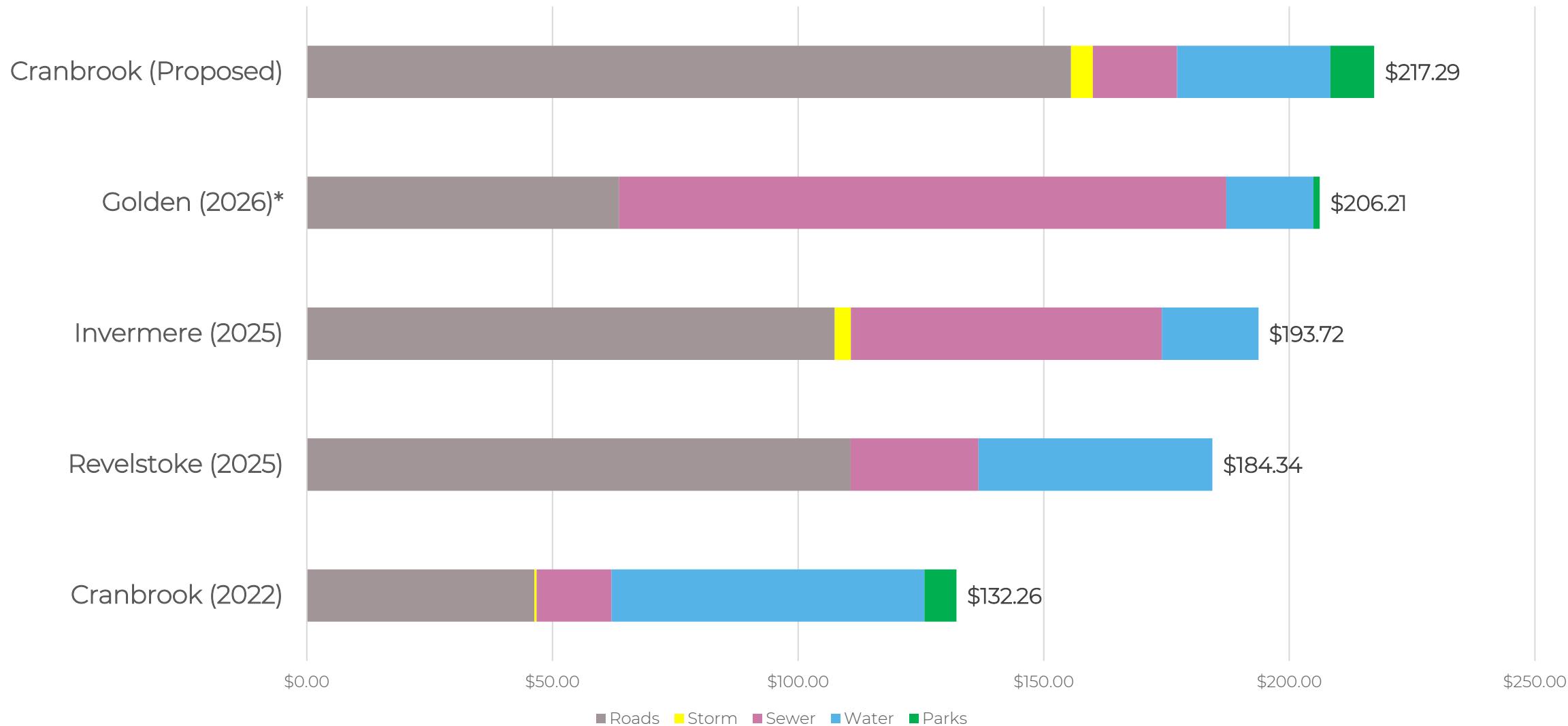
# COMMUNITY COMPARISONS – COMMERCIAL (PER SQ. M)



# COMMUNITY COMPARISONS – INDUSTRIAL (PER SQ. M)



# COMMUNITY COMPARISONS – INSTITUTIONAL (PER SQ. M)



# ASSIST FACTOR

- DCCs must be used to assist in paying costs of off-site infrastructure required by development
- 'Assist Factor' is the percentage assistance provided by the City. Minimum is 1%
- The whole community (taxpayers) pays for the Assist Factor
- If water projects get a 50% assist, then the community (taxpayers) are paying for 50% of water costs created by new development. i.e. taxpayers are providing a 50% subsidy to developers for water projects required by new development
- Can vary assist by service (roads assist can be different than water assist)
- Cannot vary assist by area of community, or land use
- Municipal Assist Factor is at Council's discretion



# TAXPAYER IMPLICATIONS



- Proposed DCCs could potentially increase by about 120%, from about \$11,500 to about \$25,300.
  - Increase of about \$13,800 for a new residential lot.
- To prevent increases to current DCCs, the City would need to provide a 52% assist factor or subsidy to new development,
  - **Result: higher property, water and sewer taxes.**
- To provide a 52% assist, the average homeowner would **pay an extra \$175 per year** in taxes
  - (rate based off a single detached home valued at \$503,000 and a 15.25 meter lot frontage).
- Homes with a higher assessed value or larger frontages would be impacted more, while homes with lower values or smaller frontages would see less of an increase.

# TAXPAYER IMPLICATIONS



- How much do you think homeowners would be willing to pay in property, water and sewer taxes to keep DCCs lower for developers and builders? Let's Discuss:
  - \$0 – They won't want to pay any more in taxes in order to reduce DCCs (DCCs would go up by 120%)
  - \$120 more in **year 1**, then \$50 more in **year 2**, and \$0 more in **year 3** (DCCs would increase gradually by 40% each year over 3 years, reaching the 120% increase)
  - \$50 more per year annually **for the next 20 years** (DCCs would increase by 85% instead of 120%)
  - \$100 more per year annually **for the next 20 years** (DCCs would increase by 50% instead of 120%)
  - \$175 more per year annually **for the next 20 years** (DCCs would stay the same as they are now, with no increase)

# DISCUSSION



## **OTHER CONSIDERATIONS: PHASING AND WAIVING**

# PHASE IN

- Option to phase in new rates
- Similar approach taken for last DCC update
  - Year 1: 40% assist
  - Year 2: 20% assist
  - Year 3: 1% assist
- A relatively even 3-year transition for this update would require:
  - Year 1: 35% assist
  - Year 2: 15% assist
  - Year 3: 1% assist
- **In stream protection** - In stream applications received before the new bylaw is adopted pay old rates if subdivision or building permit approved within one year of bylaw adoption



# 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
  - Development designed for reduced environmental impact
  - Subdivision of small lots designated to result in low greenhouse gas emissions
- Waivers and Reductions can be established in a separate bylaw and that bylaw does not require Inspector approval
- **When Council chooses to waive or reduce DCCs, the City must fund the amount through non-DCC dollars**

# DCC WAIVERS AND REDUCTIONS

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- How much do you think homeowners would be willing to pay in combined property, water and sewer taxes in order to waive DCCs for not-for-profit rental housing and for-profit affordable rental housing? Let's discuss:
  - \$0 – They won't want to pay any more in taxes to waive DCCs for these forms of rental housing
  - \$18 more in taxes, one time, to waive half of the DCCs for one not-for-profit or for-profit affordable rental housing development
  - \$35 more in taxes, one time, to waive all of the DCCs for one not-for-profit or for-profit affordable rental housing development
  - \$18 more in taxes every year to waive half of the DCCs for not-for-profit or for-profit affordable rental housing development that may happen each year
  - \$35 more in taxes every year to waive all of the DCCs for not-for-profit or for-profit affordable rental housing development that may happen each year

# IN-STREAM PROTECTION

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- New DCC rates effective at bylaw adoption
- However, legislation provides a 12-month in-stream protection period:
  - Building permit applications
  - Subdivision applications
  - Precursor applications (re-zoning and Development Permit)
- Complete Application needs to be submitted before new DCC bylaw is adopted to get the old DCC rates
- Subdivision Approval or permit issuance required within 12 months of the new bylaw adoption to get the old rates

# PAYMENT BY INSTALMENTS – NEW EFFECTIVE JANUARY 1, 2026

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- Updated regulations provide greater flexibility for payment of DCCs by instalment
- Applies to DCCs over \$50,000
- Qualified developers and homebuilders will be able to:
  - Use on-demand surety bonds province-wide
  - Pay 25% of DCC charges at permit approval and pay the remaining 75% at the earlier of occupancy or 4 years

# NEXT STEPS

# NEXT STEPS

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- **Return to Council and staff with results of engagement**
- **Make revisions**
- **Prepare background report and bylaw**
- **Proceed with the adoption process**
  - Three readings by Council
  - Referral to Ministry / Inspector
  - Approval by Inspector (2-3 months)
  - Fourth reading / Adoption by Council

# THANK YOU!

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SYSTEMS