

CITY OF CRANBROOK DCC UPDATE DEVELOPERS AND BUILDERS MEETING

January 22, 2026

URBAN
SYSTEMS

AGENDA

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

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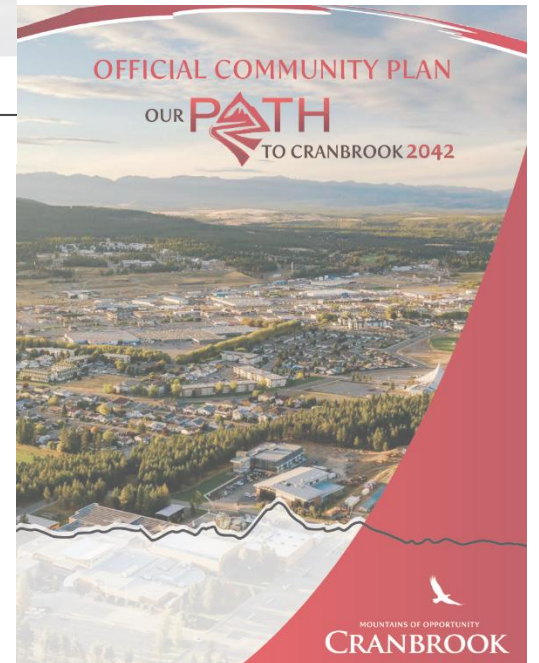
KEY DRIVERS FOR UPDATE

KEY DRIVERS FOR UPDATE

- 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



Small-Scale, Multi-Unit Housing





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

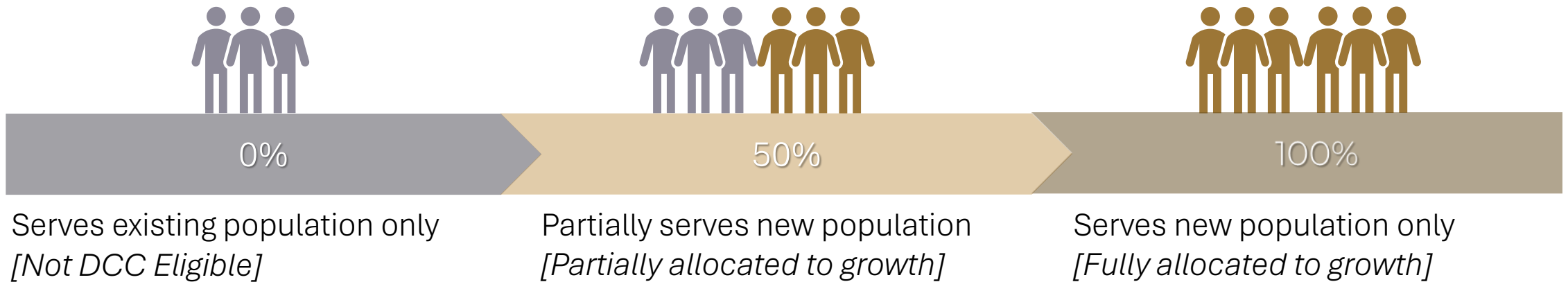


BASIC DCC CALCULATION



BENEFIT ALLOCATION

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



UPDATED STRUCTURE

- 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)

The background of the slide is a light gray map of a city street grid. The grid consists of numerous thin, light gray lines representing streets, with some thicker lines indicating major thoroughfares. The pattern is dense and covers the entire background.

DCC PROJECTS AND RATES

CAPITAL PROJECTS

■ 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):
 - 6th St NW widening and intersection with Highway 3
 - Victora Avenue and Highway 3 intersection



MINISTRY COST-SHARING ON TRANSPORTATION PROJECTS

- Cost-sharing agreement with MoTT
 - Projects included:
 - 6th 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

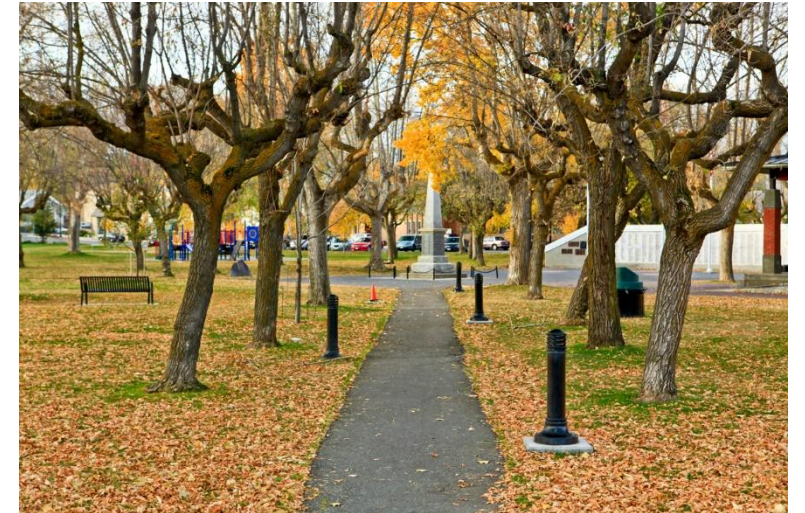
■ Drainage (Stormwater)

- 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 6th 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

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
Total	\$70.7 M	\$172.3 M

CAPITAL COST ESTIMATES – 20 YEARS

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
Total	\$172.3 M	\$84.7 M	\$87.6 M

INVESTMENTS IN INFRASTRUCTURE

- 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

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

POTENTIAL DCC RATES

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

EXISTING AND POTENTIAL DCC RATES

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

SECONDARY SUITES

- 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

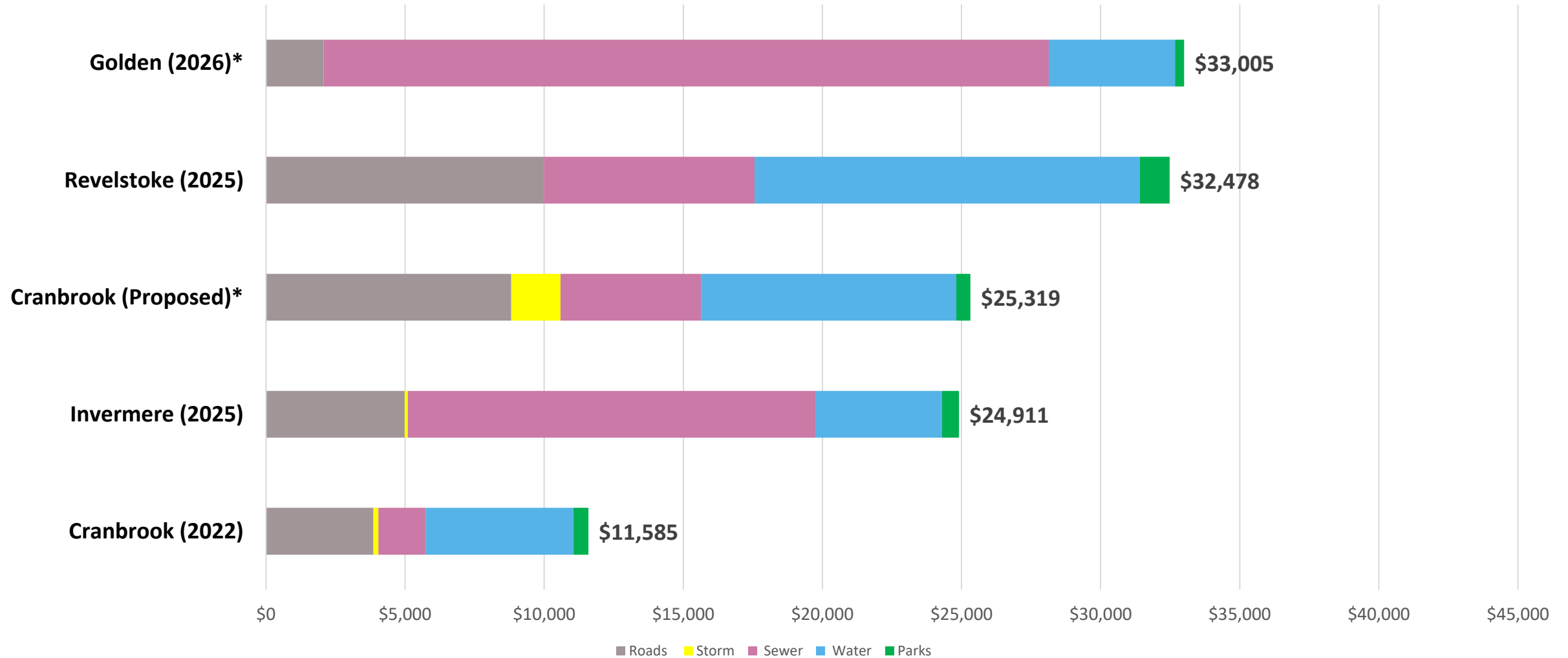


COMMUNITY COMPARISONS

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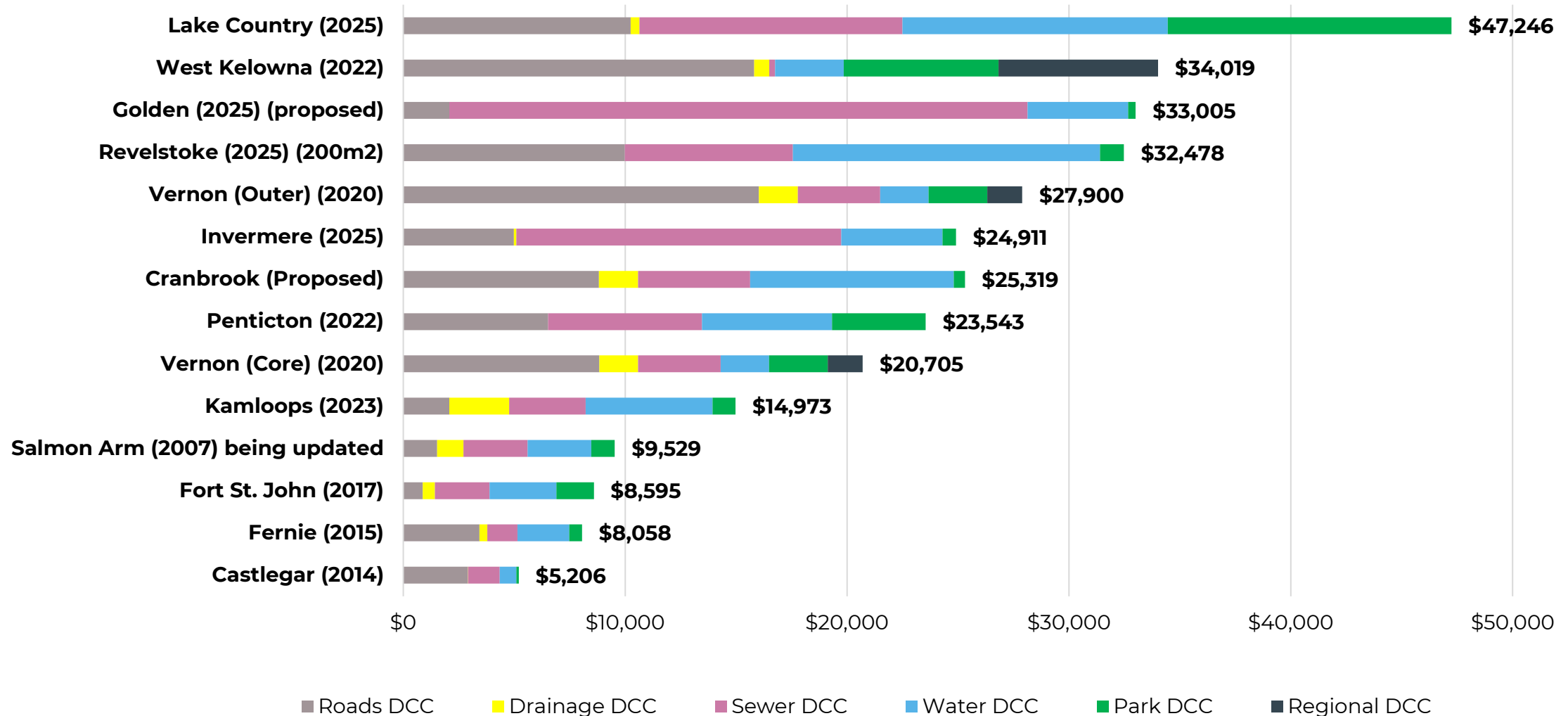
- Focus on similar types of communities who have recently updated their DCCs
- Some proposed DCCs are under way (e.g. Golden and Radium Hot Springs)
- Some community DCCs are out of date (e.g. Elkford, Fernie)
- Some communities are planning to update their DCCs, such as Sparwood.
- Kimberley does not 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

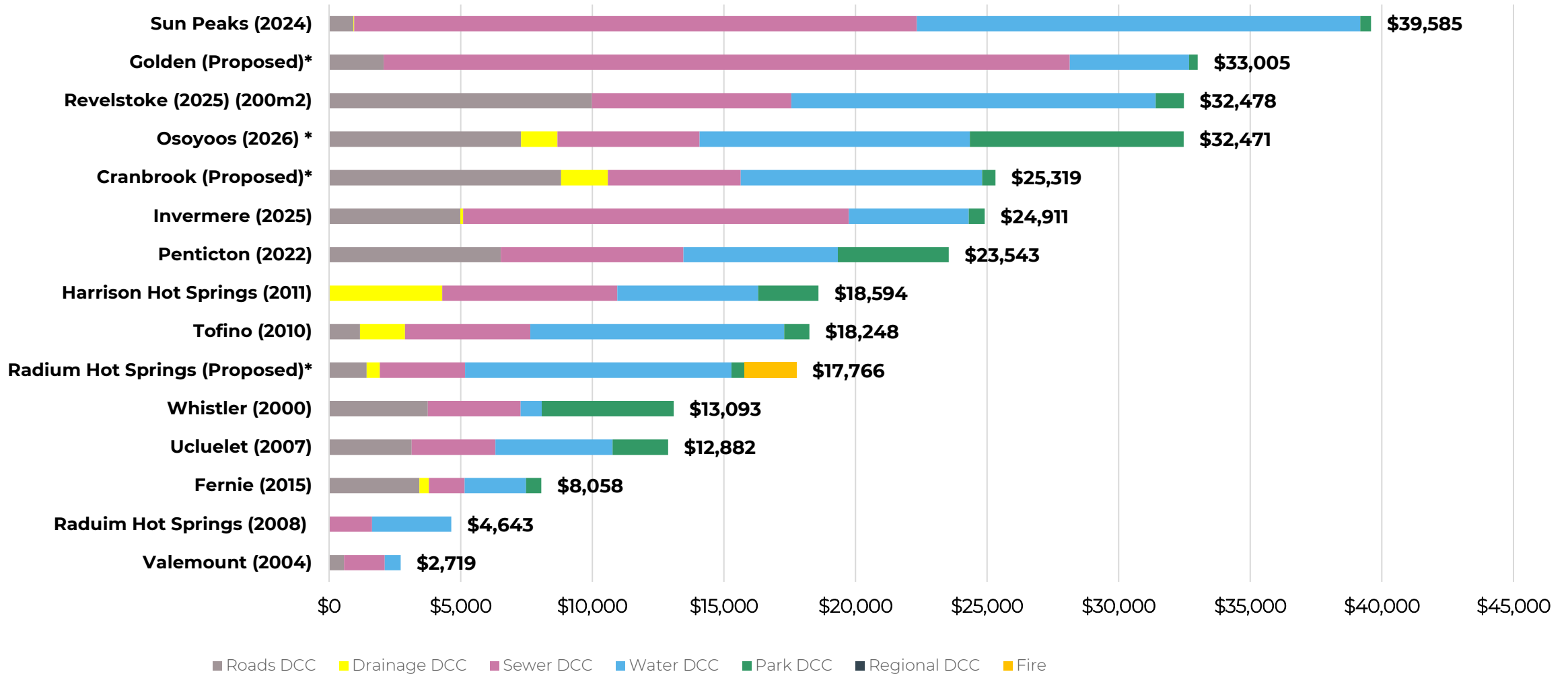


* Denotes proposed DCCs, not yet adopted.

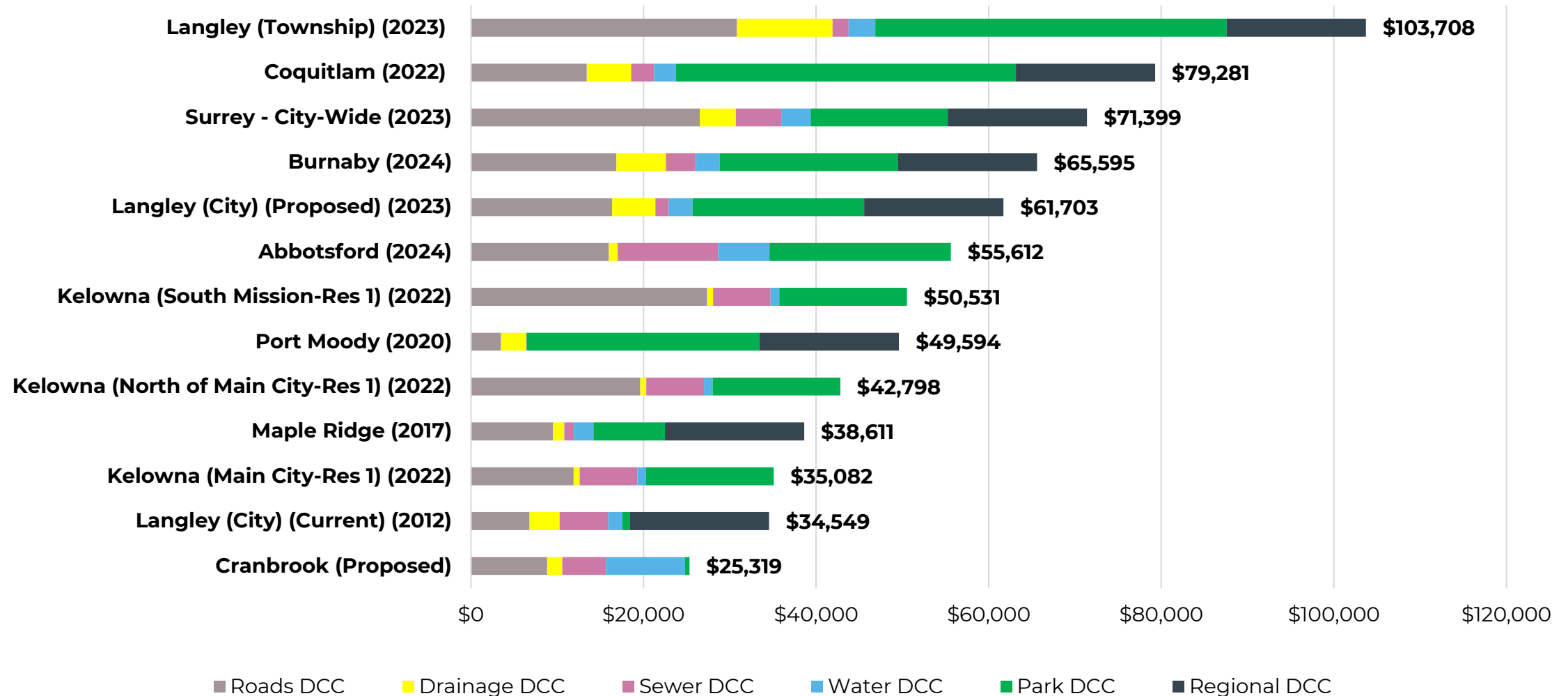
COMMUNITY COMPARISONS – SINGLE DETACHED (MEDIUM LOCAL INTERIOR EXAMPLES)



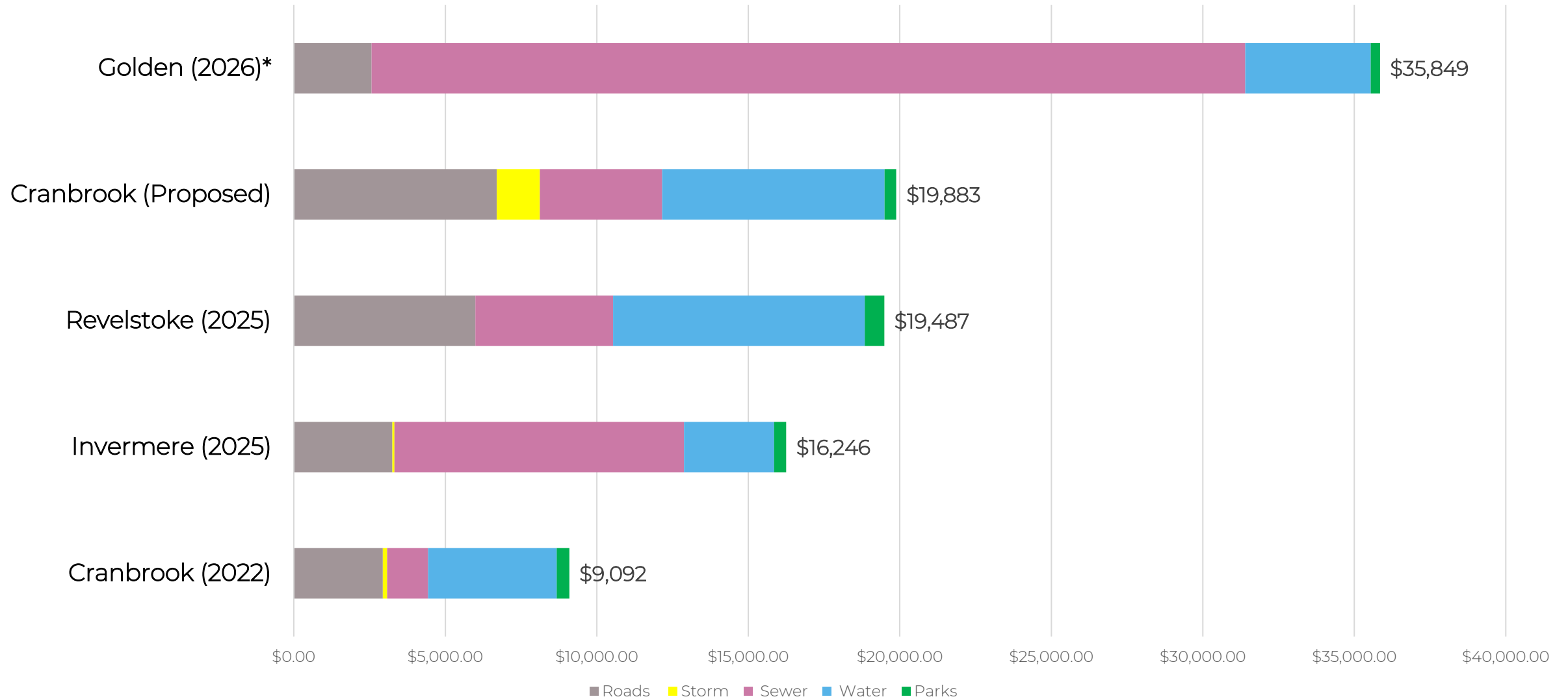
COMMUNITY COMPARISONS – SINGLE DETACHED (RESORT COMMUNITY EXAMPLES)



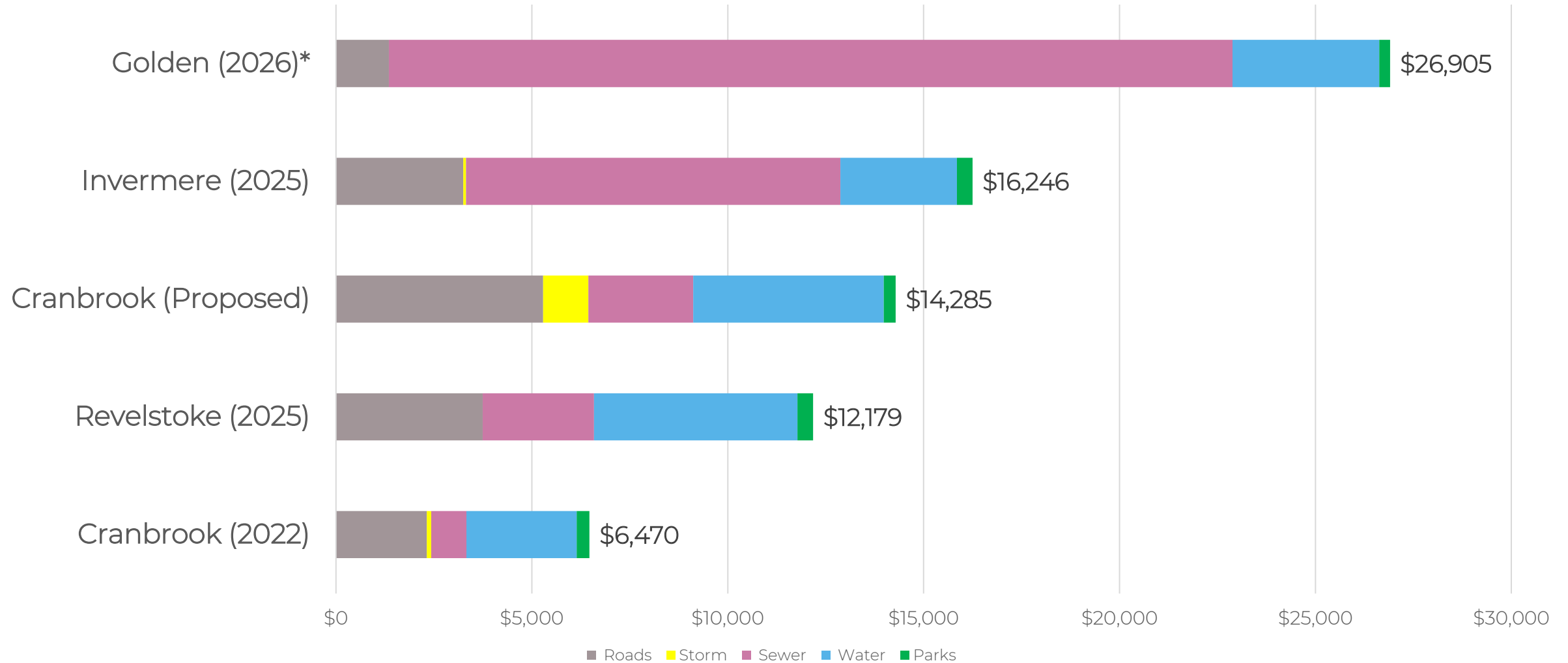
COMMUNITY COMPARISONS – SINGLE DETACHED (LARGER GROWING COMMUNITY EXAMPLES)



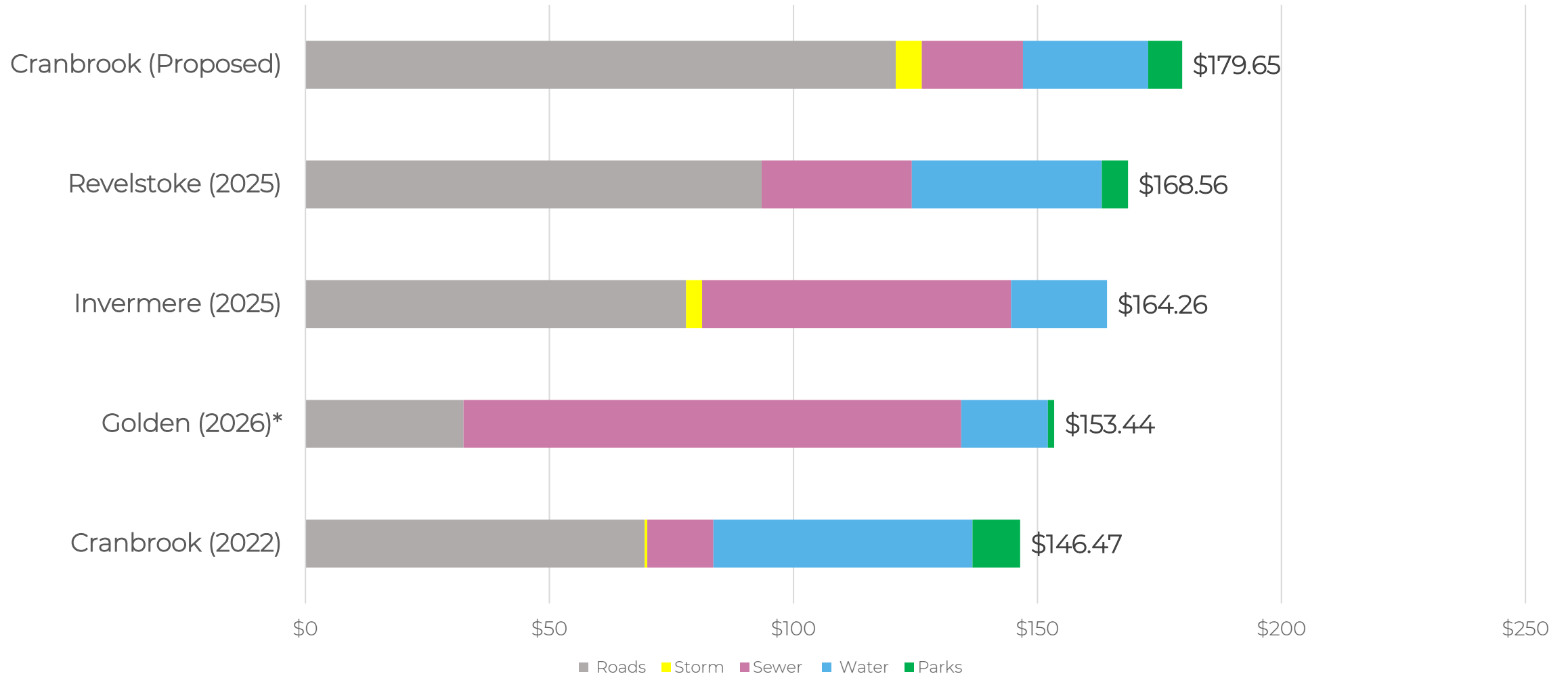
COMMUNITY COMPARISONS - TOWNHOUSE



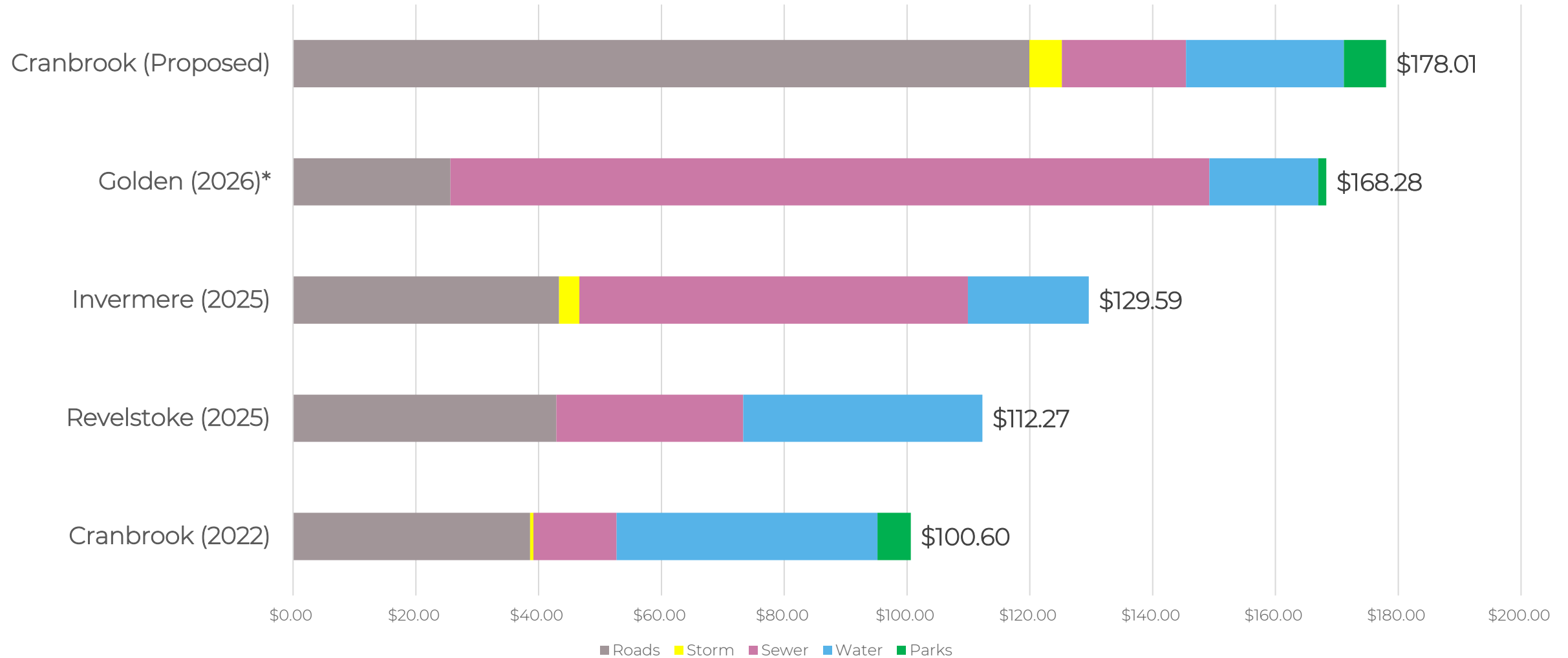
COMMUNITY COMPARISONS – APARTMENT



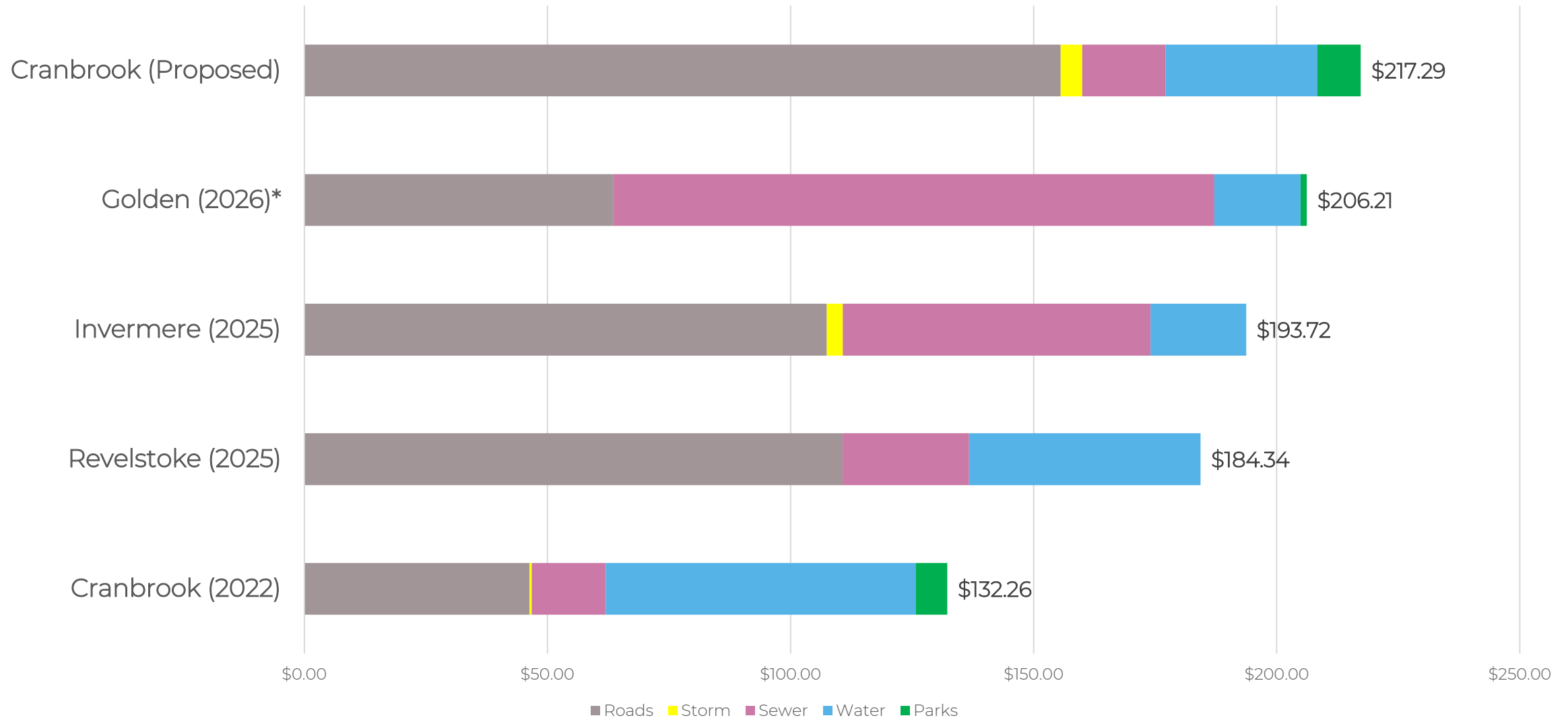
COMMUNITY COMPARISONS – COMMERCIAL (PER SQ. M)



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

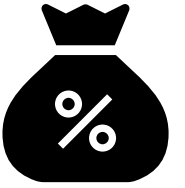


TAXPAYER IMPLICATIONS



- 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

A light gray background featuring a complex, overlapping network of lines that resemble a city street map or a technical drawing of a grid system. The lines vary in thickness and orientation, creating a dense, geometric pattern.

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

- 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

- 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

- 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

- 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

- **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!

