

Frequently Asked Questions: Peachland Minor DCC Update

What are DCCs?

Development Cost Charges (DCCs) are collected from land developers by a municipality to recover some of the infrastructure expenditures required to service the needs of new development. New development often requires the expansion of existing infrastructure or the installation of new infrastructure systems to support increased demand on utilities and services – this poses significant costs to the public sector. DCCs are intended to alleviate the financial burden on local governments and facilitate development by providing a method to finance capital projects related to roads, drainage, sewers, water, and parkland.

Why does a DCC update need to be done?

Peachland's DCC Bylaw was last updated in 2017. Project costs have increased and need to be updated.

What will this DCC update accomplish?

Conducting this DCC update will ensure that the costs to construct the projects are updated to reflect current costs. Construction costs have increased significantly over the past few years. By updating the project costs and the DCCs, the District will ensure that it collects enough money to build the projects. This ensures that new development continues to pay its fair share of the cost required to serve new growth.

What are DCC monies used for?

DCC monies received are used to finance capital projects related to new roads, sewers, water mains, water treatment, as well as for improving parks within the District. DCC's are integrated with the Official Community Plan (OCP) and the District's Capital Plans which outline the major infrastructure improvements for water treatment and distribution, wastewater conveyance, major roads and parkland improvements for accommodating the District's growth.

As examples, DCCs may be used to pay for:

- Intersection and road improvements
- Water line and sanitary sewer line upgrades
- Water reservoirs, pump stations, water treatment plant upgrades
- Sewer lift station and emergency storage facility upgrades
- Additional park and playground equipment, washrooms and trails

What do DCCs NOT pay for?

By legislation, DCCs cannot be used to pay for:

- New or upgraded works needed only for the existing population
- Infrastructure operation and maintenance

- New libraries, fire halls, police stations, parks and recreation buildings, parking lots, sports field lighting, artificial turf and sport courts (e.g. pickleball courts)
- Any other items not specifically set out in the list of eligible projects

Who pays DCCs?

DCCs are paid by land developers and builders when applying for subdivisions (for single detached residential) or building permits (for multi family residential, commercial Industrial or institutional) where the value of the work covered by the building permit exceeds \$50,000.

How are DCCs calculated?

In basic terms, DCCs are calculated by dividing the expected infrastructure costs by the number of new development units that will be served.

How do rising costs of infrastructure impact DCCs?

The cost of building infrastructure increases over time, therefore, the establishment of new DCC rates reflect the projected costs to build the infrastructure required to service growth.