



Nanoose Fire Protection Services Development Cost Charges Background Study

Regional District of Nanaimo

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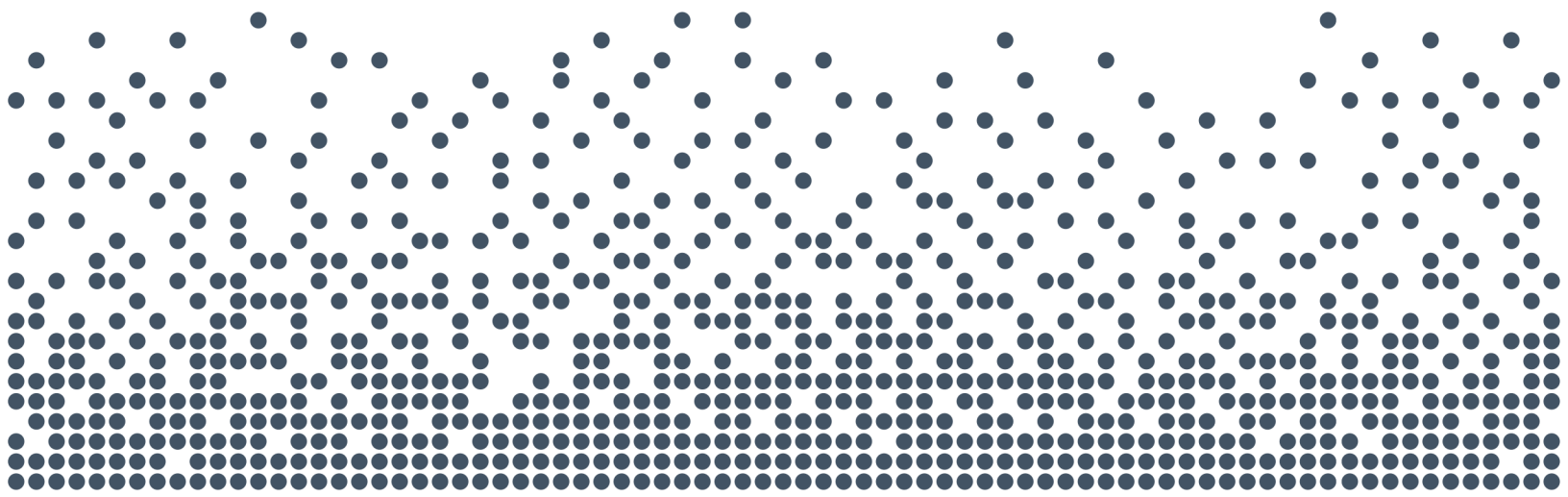
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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
BC	British Columbia
BTE	Benefit to existing
DCC	Development cost charges
EASC	Electoral Area Services Committee
LGA	Local Government Act
PPU	Persons per unit
Sq.m	Square meter



Executive Summary



Executive Summary

1. The report provided herein represents the Development Cost Charges (DCC) Background Study for the Regional District of Nanaimo (RDN) for the Nanoose Fire Protection Area in accordance with the *Local Government Act* and the DCC Best Practices Guide. The contents of this report include the following:
 - Chapter 1 – Summary of the process and overview of the legislative requirements of the *Local Government Act*;
 - Chapter 2 – Review of current DCC policies in the RDN;
 - Chapter 3 – Summary of the residential and non-residential growth forecasts for the service area;
 - Chapter 4 – Approach to calculating the DCC;
 - Chapter 5 – Identification of future capital requirements to service growth (including related deductions and allocations) and DCC calculation;
 - Chapter 6 – DCC policy recommendations and rules; and
 - Chapter 7 – Bylaw implementation.

2. DCCs are a revenue tool that local governments in British Columbia can utilize to recover costs for growth-related capital expenditures arising from new development. The methodology is detailed in Chapter 4; a simplified summary is provided below.
 - 1) Identify amount, type and location of growth;
 - 2) Identify servicing needs to accommodate growth;
 - 3) Identify capital costs to provide services to meet the needs;
 - 4) Deduct:
 - Grants, subsidies and other contributions;
 - Post-period benefit;
 - Benefit to existing development; and
 - Municipal assist factor.



- 5) Allocate net costs based on a weighted metric (e.g., population and employment, trips, impervious area equivalent, etc.) to each land use category; and
 - 6) Calculate the DCC based on the net costs allocated to each land use.
3. This DCC study is for the Nanoose Fire Protection Area which consists of Electoral Area E (Nanoose Bay), part of Electoral Area F (Coombs/Errington/Hilliers), and part of Electoral Area G (French Creek/Englishman River/Dashwood). A map of the Fire Protection Area is provided in Figure ES-1.
 4. The growth forecast (Chapter 3), on which the DCC is based, projects the following population, residential units, employment, and non-residential floor area for the Nanoose Fire Protection Area 2025 to 2041 forecast period:

Table ES-1
Summary of Growth Forecast – Nanoose Fire Protection Area

Measure	Incremental Growth 2025 to 2041
Population Increase	3,286 people
Residential Unit Increase	1,500 units
Employment Increase	164 employees
Non-Residential Gross Floor Area Increase (sq.m)	10,684 sq.m of gross floor area

5. In June 2025, the Regional District of Nanaimo began undertaking a DCC analysis and background study for the Nanoose Fire Protection Area. A presentation to the Electoral Area Services Committee is anticipated to occur. A public engagement process will be undertaken. The draft background study and supporting information will be made available on the RDN's website (Regional Board: [Agendas, Minutes and Videos section](#)).
6. The RDN does not currently have fire DCCs in effect. This proposed DCC for the Nanoose Fire Protection Area will be a first for the RDN, however there are DCC



bylaws in the area for water, wastewater, and park charges¹. These charges apply to areas of Electoral Area E that are serviced with water and wastewater and the park charges apply to Electoral Area G. For a single-family home, the water charges are \$7,917, the wastewater charges are between \$2,125 and \$3,064, and the park charges are \$330. This report has undertaken a calculation of the fire protection charges for the Nanoose Fire Protection Area, based on future identified needs. Charges have been provided on a Nanoose Fire Protection Area-wide basis.

7. Considerations by the Board – The Background Study represents the service needs arising from residential and non-residential growth over the forecast period for fire protection services.

The Board will consider the findings and recommendations provided in the report and, in conjunction with input from public engagement, approve such policies and rates it deems appropriate. These decisions may include:

- Adopting the charges and policies recommended herein; and
 - Considering additional recommended policies for the bylaw.
8. The calculated rates presented in Table ES-2 below are submitted to the Board for its consideration to be subsequently approved by the Inspector of Municipalities.
 9. This Background Study shows the proposed fire protection DCCs:
 - Represent less than 2% of the total cost of a new home, which is well below the 8% threshold commonly referenced in provincial DCC best practices.
 - Confirms that DCCs for fire protection comprise 0.56% to 0.89% of anticipated sales revenue for new residential development, with construction costs being the primary driver of overall development costs.
 - Concludes the proposed fire protection DCCs are not excessive, will not deter development, and will not discourage the construction of reasonably priced housing or development designed for low environmental impact.

¹ As per DCC Bylaws 1715 (water), 1443 (wastewater), and 1841 (parks).



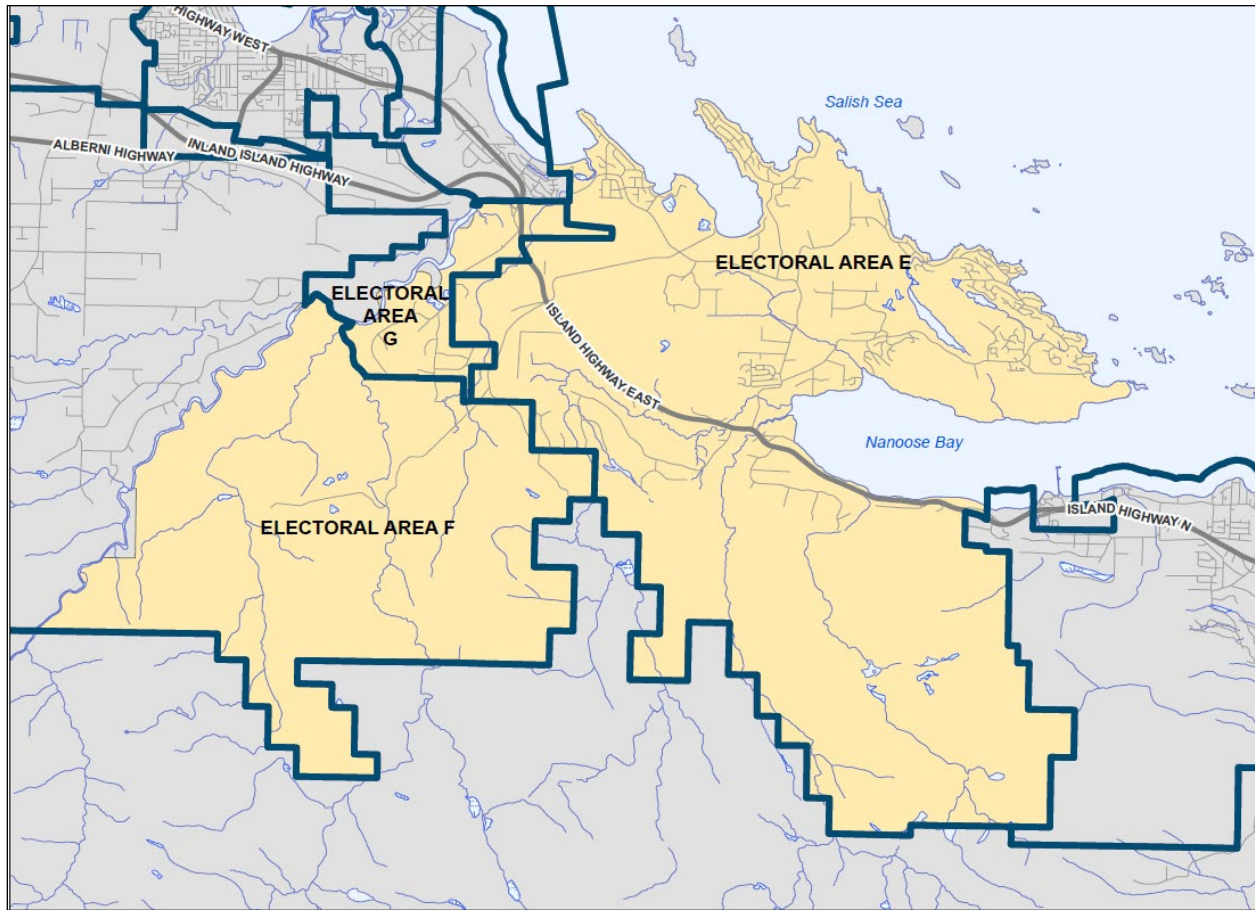
Table ES-2
Schedule of DCCs

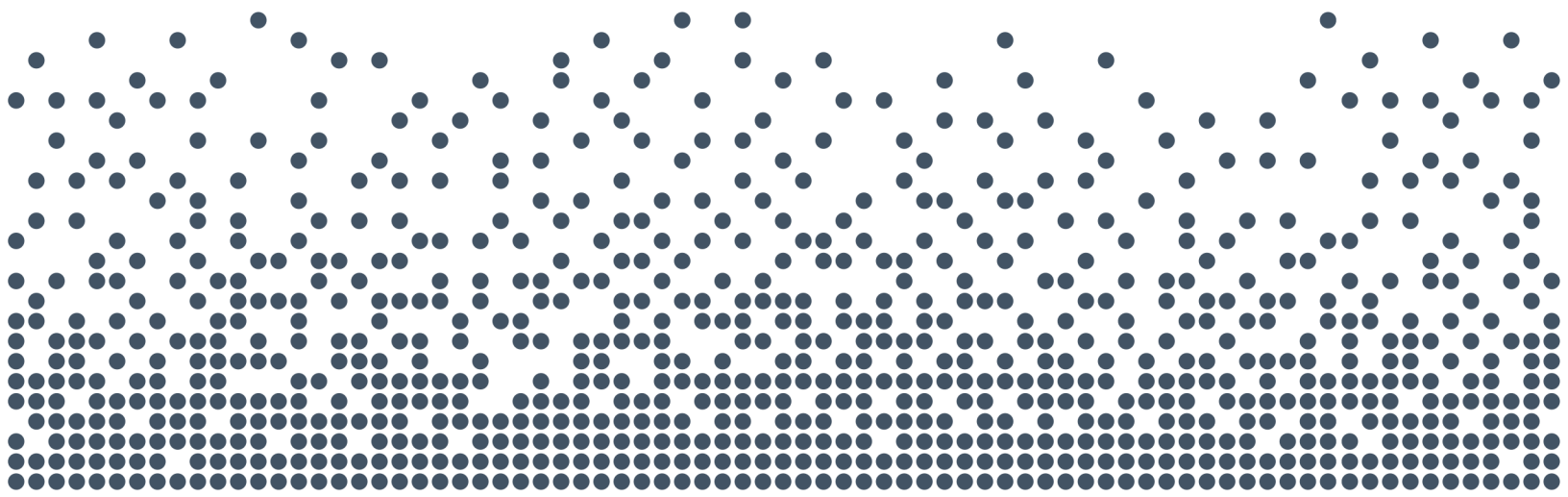
Development Type	Unit	Fire Protection
Single Detached Dwellings ¹	Per dwelling unit	\$1,937
Ground-Oriented Multiples or Second Unit in a Duplex ²	Per dwelling unit	\$1,832
Apartments ³	Per dwelling unit	\$1,359
Commercial	Per square metre of gross floor area	\$19.28
Institutional	Per square metre of gross floor area	\$13.77
Industrial	Per square metre of gross floor area	\$7.93

- ¹ **"Single Detached Dwelling"** means a building that contains one dwelling unit or, where permitted by the Zoning Bylaw, one dwelling unit and a secondary suite.
- ² **"Ground-Oriented Multiple"** means any dwelling units other than Apartments or Single Detached Dwellings.
"Duplex" means two self-contained dwelling units oriented side-by-side with separate ground level entrances and adjoined by a common wall.
- ³ **"Apartment"** means a building containing three or more dwelling units for residential use which has its principal access from an entrance common to the dwelling units.



Figure ES-1
Nanoose Fire Protection Area





Report



Chapter 1

Introduction



1. Introduction

1.1 Purpose of this Document

The Regional District of Nanaimo is expected to experience growth in the coming years due to upcoming developments. According to the RDN's Population, Housing, and Employment projections, as of 2021, the RDN's population is over 172,000 people. By 2041, it is anticipated that the RDN will have a population of over 239,000.

This Development Cost Charge (DCC) study is related to fire services within the Nanoose Fire Protection Area, which consists of Electoral Area E (Nanoose Bay), part of Electoral Area F (Coombs/Errington/Hilliers), and part of Electoral Area G (French Creek/Englishman River/Dashwood). The Nanoose Fire Protection Area is anticipated to grow by approximately 3,300 people by 2041. This growth places demand on the RDN to provide the necessary fire protection and related infrastructure to facilitate future development.

Many municipalities across Canada seek to recover the cost of growth-related infrastructure by imposing capital charges. These charges are referred to as Development Cost Charges, Development Charges, Off-site Levies, Impost Fees, etc., but all seek to recover the capital costs related to providing infrastructure to accommodate development and redevelopment. Within British Columbia, the [Local Government Act](#) (LGA) provides the authority to construct infrastructure and impose Development Cost Charges (DCCs) on the development that requires such capital works to be constructed.

The RDN does not currently impose fire protection DCCs on new development in the Nanoose Fire Protection Area. This background study provides a calculation of Fire Protection DCC rates and has been prepared pursuant to provincial legislation and utilizing the guidance set out in the [Provincial DCC Best Practices Guide](#) to inform the calculations. In addition to the DCC calculations, this report provides recommendations on DCC policies for consideration by the RDN. The RDN retained Watson & Associates Economists Ltd. (Watson) to undertake the DCC study process. Watson has worked with RDN staff in preparing the DCC analysis and policy recommendations.

This report has been prepared to document the rationale and statutory requirements applicable to the RDN's DCC as summarized in Chapter 4. It also addresses the



developed “rules” (contained in Chapter 6) and the proposed bylaw to be made available as part of the approval process (Appendix A).

In addition, the report is designed to set out sufficient background on the legislation (Section 1.4), the RDN’s current DCC policies (Chapter 2) and the policies underlying the proposed bylaw, to make the exercise understandable to those who are involved.

Finally, the report addresses post-adoption implementation requirements (Chapter 7), which are critical to the successful application of the new policy.

The calculation of the charge and overall summary are presented in Chapter 5. A full discussion of the statutory requirements for the preparation of a background study and calculation of a DCC is provided herein.

1.2 Summary of the Process

The draft background study and proposed DCC bylaw have been prepared for public review. In addition, the draft background study and calculations are being presented to the Electoral Area Services Committee. Subsequently, the process followed in finalizing the report and recommendations includes:

- Undertaking public engagement including presenting the findings of the background study at a public information session and seeking input from interested and affected parties;
- Finalizing the report and requesting the Board’s consideration of the bylaw; and
- Submitting the final report and information package to the Inspector of Municipalities for review and approval.

Table 1-1 outlines the proposed schedule for the DCC bylaw adoption process.

Table 1-1
Regional District of Nanaimo Nanoose Fire Protection Area
Schedule of Key DCC Process Dates

Schedule of Study Milestone	Date(s)
1. Data collection, staff review, preliminary DCC calculations and policy work	June to September 2025



Schedule of Study Milestone	Date(s)
2. Background study and proposed bylaw available to the public	Late 2025
3. Electoral Area Services Committee Meeting and Presentation of Study Findings	Q4 2025
4. Public Engagement and Information Session	Q4 2025
5. Report and Bylaw for 1 st reading	Q4 2025
6. Bylaw revisions (if needed)	Q4 2025/Q1 2026
7. 2 nd and 3 rd reading of DCC Bylaw by the Board	Q1 2026
8. Submission of DCC Bylaw and supporting documentation to Inspector of Municipalities	Q1 2026
9. 4 th reading of DCC Bylaw by the Board and Bylaw adoption	Dependent on Inspector of Municipalities approval timelines

1.3 Summary of Consultation Process

Although it is not a mandatory requirement of the LGA, the DCC Best Practices Guide suggests that public/stakeholder consultation is one of the guiding principles in establishing DCCs. As part of this DCC study process, an engagement and consultation process is being undertaken with the RDN Board, the development community, and the public.

Draft DCC rates will be presented to the Electoral Area Services Committee (EASC), to solicit input and feedback prior to proceeding to the next stage of the process, including public engagement. After the EASC meeting, the draft rates and policies will be presented to the public and development community in Q4 2025. This information session will be held to provide the public and development community with an opportunity to raise concerns, ask questions, and provide feedback.

This DCC study and draft DCC Bylaw, which includes the capital projects, the growth forecast, and the calculated DCC rates, will be posted to the RDN's website and a Get



Involved RDN project site. Comments received through the public engagement process will be considered prior to the finalization of the DCC program and reading of the DCC Bylaw by the Board.

1.4 Legislative Framework

The LGA is the primary legislation which provides local governments in BC with the authority to impose DCCs. More specifically, the authority is provided in Division 19 – Development Costs Recovery. The various aspects of the legislation are discussed below:

1.4.1 Definition of Capital Costs and Eligible Services

As per section 559(2) of the Act, DCCs may be imposed for capital costs that are required to service new development related to the following services:

- Sewage;
- Water;
- Drainage;
- Fire protection;
- Police;
- Highway facilities (other than off-street parking facilities);
- Solid waste and recycling facilities;
- Providing and improving park land; and
- Employee housing in a resort region.

Note: fire protection, police, highway facilities and solid waste and recycling facilities are eligible under the LGA through Bill 46: *Housing Statutes (Development Financing) Amendment Act, 2023*, which received Royal Assent on November 30, 2023.

Eligible capital costs relate to providing, constructing, altering or expanding facilities related to the above services. In addition, the definition of capital costs also provides for planning, engineering, and legal costs directly related to the work. Further, interest costs directly related to the work may also be incorporated into the calculation.



1.4.2 Development Triggers and Timing of Collection

The LGA allows DCCs to be payable and collected either at the time of the approval of subdivision or at the time of building permit issuance.

1.4.3 Bylaw Approval

Section 560 of the LGA requires that a DCC bylaw must be approved by the Inspector of Municipalities prior to adoption. As part of this approval process, the Inspector reviews the following components of the bylaw:

- Capital costs included in the DCC need to be linked/included in the Financial Plan;
- The local government needs to provide proper consideration with respect to:
 - Future land use patterns and development;
 - Phasing of works and services;
 - Provision of park land described in an official community plan;
 - How capital costs are affected by development designed to result in a low environmental impact;
- Whether the proposed charges are excessive relative to prevailing standards; and
- Whether the charges will deter development, discourage the construction of reasonably priced housing, or discourage development designed to result in a low environmental impact.

1.4.4 Legislated Exemptions

DCCs are not payable for places of public worship, as per section 561(1) of the LGA.

Local governments may also include discretionary exemptions within their bylaws to exempt the following developments from DCCs:

- Contain fewer than four self-contained dwelling units;
- Self-contained dwelling units in a building where each unit is not larger than 29 square metres; and
- If the value of the work related to a building permit does not exceed \$50,000.



1.4.5 Reductions/Waivers of DCCs

Local governments may, by bylaw, reduce or waive DCCs for the following eligible developments:

- Not-for-profit rental housing, including supportive living housing;
- For-profit affordable rental housing;
- Subdivision of small lots designed to result in low greenhouse gas emissions; and
- Development designed to result in a low environmental impact.

1.4.6 DCC Rate Structures

DCCs can be structured to vary with respect to one or more of the following:

- Zones or areas of the municipality or regional district;
- Uses;
- Capital costs as they relate to different classes of development; and
- Sizes or numbers of lots or units in a development.

1.4.7 Reserve Funds

As per section 566 of the LGA, DCC revenue must be deposited in separate reserve funds for each service. These funds may then only be utilized to pay for the capital costs of eligible services, and principal and interest payments related to debt incurred for eligible capital costs.

1.4.8 Annual Reporting

Local governments must prepare an annual report before June 30 of each year. The report must include revenues, expenditures, beginning and ending DCC reserve fund balances, and waivers/reductions granted throughout the year.



Chapter 2

Current Regional District of Nanaimo Development Cost Charges



2. Current Regional District of Nanaimo Development Cost Charges

2.1 Schedule of Charges

The RDN currently imposes DCCs for water, sewage, and park land services for different areas under various DCC bylaws, as amended, and at the time of writing, is considering a DCC bylaw for solid waste services. Fire DCCs have not yet been imposed in the RDN as the authority to impose DCCs for this service was just introduced in 2023 through Bill 46: *Housing Statutes (Development Financing) Amendment Act, 2023*. The existing DCC bylaws are as follows:

- Bylaw 1442: Northern community sewer service area;
- **Bylaw 1443: Fairwinds (Nanoose) wastewater treatment;**
- Bylaw 1498: Duke Point sewer service area;
- Bylaw 1547: Southern community sewer service area;
- Bylaw 1557: Barclay Crescent sewer service area;
- **Bylaw 1715: Nanoose Bay Peninsula water service area;**
- Bylaw 1839: Electoral Area A for improving community park land;
- Bylaw 1840: Electoral Area B for improving community park land;
- **Bylaw 1841: Electoral Area G for improving community park land; and**
- Bylaw 1842: Electoral Area H for improving community park land.

The above DCC bylaws impose DCCs for residential and non-residential uses. Table 2-1 below provides the DCCs currently in effect. Note, the above bylaws that are highlighted in bold apply in part to the Nanoose Fire Protection Area.

Note, the RDN is also currently considering DCCs for solid waste services, however a DCC bylaw has not been approved at the time of writing this report.

2.2 Timing of Collection and Payment of DCCs

The LGA allows local governments to collect DCCs at subdivision approval or building permit issuance. Table 2-2 provides the RDN's current timing of collection based on development type.



Table 2-1
Regional District of Nanaimo Nanoose Fire Protection Area
Other Regional District of Nanaimo DCCs

DCC Bylaw	Residential - per dwelling unit					Non-Residential - per sq.m of Gross Floor Area (GFA)			
	Low-Density: Single Family	Low-Density: Multi-Family	Medium-Density: Townhouse	High-Density: Apartment	Other	Commercial	Institutional	Industrial	Other
Nanoose Bay Peninsula Water Service Area	\$7,917	\$7,557	\$6,838	\$5,038	Senior Living Units: \$3,977.56	\$35.89	\$17.99	\$0.00	
Nanoose Wastewater Treatment	\$3,064	\$3,064	\$3,064	\$3,064		\$7.25	\$0.00	\$6.13	
Fairwinds Wastewater Treatment	\$2,125	\$2,125	\$2,125	\$2,125		\$5.02	\$0.00	\$4.24	
Northern Community Sewer Service Area	\$13,855	\$104.58 per sq.m of GFA	\$104.58 per sq.m of GFA	\$104.58 per sq.m of GFA		\$59.36	\$72.56	\$59.36	Airport Industrial: \$6.60
Southern Community Sewer Service Area	\$4,622	\$25.74 per sq.m of GFA	\$25.74 per sq.m of GFA	\$25.74 per sq.m of GFA	Mobile Home Park: \$2,587.01 Campground: \$713.33	\$26.12	\$26.12	\$6.66	
Duke Point Sewer Service Area	\$2,246	\$2,246	\$2,246	\$2,246	Assisted Living: \$935.93 Mobile Home Park: \$2,246.24	\$4.68	\$1.17	\$4.68	
Barclay Crescent Sewer Service Area	\$1,059	\$1,059	\$1,059	\$1,059	Mobile Home Park: \$1,059.16	\$4.77	\$4.77	\$0.00	
Electoral Area A: Community Parkland	\$87	\$58	\$58	\$58		\$0.00	\$0.00	\$0.00	
Electoral Area B: Community Parkland	\$530	\$354	\$354	\$354		\$0.00	\$0.00	\$0.00	
Electoral Area G: Community Parkland	\$330	\$220	\$220	\$220		\$0.00	\$0.00	\$0.00	
Electoral Area H: Community Parkland	\$868	\$579	\$579	\$579		\$0.00	\$0.00	\$0.00	
Total DCC Charge Payable in the Nanoose Fire Protection Area (Water, Wastewater)	\$10,981	\$10,621	\$9,902	\$8,102	Senior Living Units: \$3,977.56	\$43.14	\$17.99	\$6.13	
Total DCC Charge Payable in the Nanoose Fire Protection Area - Fairwinds (Water, Wastewater)	\$10,042	\$9,682	\$8,963	\$7,163	Senior Living Units: \$3,977.56	\$40.91	\$17.99	\$4.24	

*Within the Nanoose Fire Protection Area



Table 2-2
Regional District of Nanaimo Nanoose Fire Protection Area
Other Regional District of Nanaimo DCCs – Timing of Payment

DCC Bylaw	Residential - per dwelling unit					Non-Residential - per sq.m of Gross Floor Area (GFA)			
	Low-Density: Single Family	Low-Density: Multi-Family	Medium-Density: Townhouse	High-Density: Apartment	Other	Commercial	Institutional	Industrial	Other
Nanoose Bay Peninsula Water Service Area	SA/BP	SA/BP	SA/BP	SA/BP	Senior Living Units: BP	BP	BP	-	
Nanoose Wastewater Treatment	SA/BP	SA/BP	SA/BP	SA/BP		SA/BP	-	SA/BP	
Fairwinds Wastewater Treatment	SA/BP	SA/BP	SA/BP	SA/BP		SA/BP	-	SA/BP	
Northern Community Sewer Service Area	SA/BP	BP	BP	BP		BP	BP	BP	Airport Industrial: BP
Southern Community Sewer Service Area	SA/BP	BP	BP	BP	Mobile Home Park: SA/BP Campground: BP	BP	BP	BP	
Duke Point Sewer Service Area	SA/BP	BP	BP	BP	Assisted Living: BP Mobile Home Park: BP	BP	BP	BP	
Barclay Crescent Sewer Service Area	SA/BP	BP	BP	BP	Mobile Home Park: SA/BP	BP	BP	-	
Electoral Area A: Community Parkland	SA/BP	SA/BP	SA/BP	SA/BP		-	-	-	
Electoral Area B: Community Parkland	SA/BP	SA/BP	SA/BP	SA/BP		-	-	-	
Electoral Area G: Community Parkland	SA/BP	SA/BP	SA/BP	SA/BP		-	-	-	
Electoral Area H: Community Parkland	SA/BP	SA/BP	SA/BP	SA/BP		-	-	-	

*Within the Nanoose Fire Protection Area

SA/BP: Subdivision Approval and/or Building Permit Issuance

BP: Building Permit Issuance



2.3 Exemptions

The Regional District's various DCC bylaws provide for different exemptions as per Table 2-3.

2.4 Reductions

The RDN has Bylaw No. 1577, which is a Bylaw to reduce sewer DCCs for not-for-profit rental housing for Bylaws 1442 (Northern community sewer service area), 1547 (Southern community sewer service area), 1498 (Duke Point sewer service area), and 1443 (Fairwinds (Nanoose) wastewater treatment). Eligible development shall have its sewer DCC reduced by 50%, except in the case of the Northern Community Sewer Service (Bylaw 1442), which shall be reduced by 100%.

In addition, the RDN passed the following bylaws to provide for DCC reductions related to parks DCCs:

- Bylaw No. 1936: A bylaw to reduce DCCs in Electoral Area 'B' for Parks DCCs
 - DCCs are reduced by 50% for any developments that meet the eligibility criteria for not-for-profit rental housing, as set out in the bylaw.
- Bylaw No. 1937: A bylaw to reduce DCCs in Electoral Area 'H' for Parks DCCs
 - DCCs are waived for any developments that meet the eligibility criteria for not-for-profit rental housing, including supportive housing, as set out in the bylaw.

Note: with respect to the proposed fire protection DCC for the Nanoose Bay Fire Protection Area, similar reductions can be considered by the Board. Any reductions would require a bylaw to be passed by the Board.



Table 2-3
Regional District of Nanaimo Nanoose Fire Protection Area
Other Regional District of Nanaimo DCCs – DCC Applicability & Exemptions

DCC Bylaw	Exemptions						
	First Self-contained Residential Unit Constructed on a Lot	Buildings with Less than 4 Self-Contained Dwelling Units	The value of work authorized by a building permit does not exceed \$100,000	Buildings Exempt from Taxation under section 220(1)(h) or 224(2)(f) of the Community Charter (Mandatory)	The value of work authorized by a building permit does not exceed \$50,000 (Mandatory)	The area of each self-contained dwelling unit is no larger than 29 sq.m, and each dwelling unit will be put to no other use than residential use (Mandatory)	A DCC has previously been paid for the development unless, as a result of further development, new capital cost burdens will be imposed on the municipality (Mandatory)
Nanoose Bay Peninsula Water Service Area			✓	✓	✓	✓	✓
Nanoose Wastewater Treatment				✓	✓	✓	✓
Fairwinds Wastewater Treatment				✓	✓	✓	✓
Northern Community Sewer Service Area	✓			✓	✓	✓	✓
Southern Community Sewer Service Area		✓		✓	✓	✓	✓
Duke Point Sewer Service Area	✓	✓		✓	✓	✓	✓
Barclay Crescent Sewer Service Area	✓			✓	✓	✓	✓
Electoral Area A: Community Parkland				✓	✓	✓	✓
Electoral Area B: Community Parkland				✓	✓	✓	✓
Electoral Area G: Community Parkland				✓	✓	✓	✓
Electoral Area H: Community Parkland				✓	✓	✓	✓

*Within the Nanoose Fire Protection Area



2.5 DCC Reserve Funds

As part of the requirements under the LGA, local governments must prepare a report related to the amount of DCCs received, the expenditures from the DCC reserve funds, and the opening and closing balances in the DCC reserve funds.

The following table provides the existing reserve fund balances as of December 31, 2024:

Table 2-4
Regional District of Nanaimo
Reserve Fund Balance Summary

Service	December 31, 2024, Balance
Northern Wastewater DCCs	\$22,124,137
Southern Wastewater DCCs	\$4,197,865
Water & Bulk Water DCCs	\$1,234,604
Sewer DCCs	\$142,193
Community Parks DCCs	\$81,838
Total	\$27,780,637

As DCC reserve funds may only be used for the purposes/services in which they were established, the current reserve funds cannot be used towards the fire capital costs presented in this report.



Chapter 3

Anticipated Development in the Regional District of Nanaimo Nanoose Fire Protection Area



3. Anticipated Development in the Regional District of Nanaimo Nanoose Fire Protection Area

3.1 Methodology

Chapter 4 provides the methodology for calculating the DCC utilized in this study. Figure 4-1 presents the methodology graphically. The first box of the schematic notes that calculating the DCC requires an estimate of the anticipated amount, type and location of development for the area which the DCC is imposed.

The residential growth forecast utilized in the DCC calculations, and presented herein, was informed by the growth identified in the Regional District of Nanaimo 2021 to 2041 Population, Housing and Employment Projections Study. The non-residential growth forecast utilized in the DCC calculations was informed by the industrial, commercial, and institutional employment land supply in the Nanoose Fire Protection Area, which was provided by RDN staff. Current employment figures were estimated based on a survey of local businesses in the area undertaken by staff.

3.2 Summary of Growth Forecast

A summary of the residential and non-residential growth forecast derived by Watson is provided in the following sub-sections. The discussion provided herein summarizes the anticipated growth for the Nanoose Fire Protection Area and describes the basis for the forecast.

3.2.1 Residential Growth Forecast

- The housing unit mix for the study area was derived from a detailed review of the Regional District of Nanaimo 2021 to 2041 Population, Housing and Employment Projections Study for Electoral Area E (Nanoose Bay), and the potential new dwelling units identified by RDN staff for the portions of Electoral Area F (Coombs, Hilliers, Errington, Whiskey Creek, Meadowood) and Electoral Area G (Englishman River, San Pareil, French Creek, Little Qualicum, Dashwood), which are included in the Nanoose Fire Protection Area.



- Based on the above sources, the 2025 to 2041 household growth forecast for the Regional District is comprised of a unit mix of 62% single-detached dwellings, 8% ground-oriented multiples or the second unit in a duplex and 30% apartments.
- Over the forecast period, the Nanoose Fire Protection Area is anticipated to average approximately 93 new housing units per year.
- The average persons per unit (PPU) assumed for new housing units by age and type of dwelling is based on Statistics Canada 2021 custom Census data for the Regional District of Nanaimo.

The anticipated residential growth across the various housing types is summarized in Table 3-1 below:

Table 3-1
Regional District of Nanaimo Nanoose Fire Protection Area
Summary of Residential Growth Forecast

Housing Type	Growth in Units (2025-2041)	PPU Assumption	Growth in Population
Single Detached Dwellings	923	2.424	2,237
Ground-Oriented Multiples or Second Unit in a Duplex	113	2.293	259
Apartments	464	1.701	489
Total	1,500		3,286

As summarized in the table above, the Nanoose Fire Protection Area is anticipated to add approximately 1,500 housing units and 3,286 additional people by 2041.

3.2.2 Non-Residential Growth Forecast

- The employment projections provided herein are largely based on the activity rate method, which is defined as the number of jobs in the area divided by the number of residents.
- Total employment for the Nanoose Fire Protection Area is anticipated to reach approximately 562 by 2041. This represents an employment increase of approximately 164 for the forecast period.
- Square footage estimates are based on the following employee floor space per worker (FSW) assumptions:



- Commercial: 46 sq.m per employee
- Institutional: 65 sq.m per employee
- Industrial: 111 sq.m per employee
- The incremental gross floor area (GFA) is anticipated to increase by approximately 10,684 sq.m over the forecast period to 2041.
- In terms of percentage growth, the 2025 to 2041 incremental GFA forecast by sector is broken down as follows:
 - Commercial: 32%
 - Institutional: 37%
 - Industrial: 31%

The anticipated non-residential growth is summarized in Table 3-2 below:

Table 3-2
Regional District of Nanaimo Nanoose Fire Protection Area
Summary of Non-Residential Growth Forecast

Non-Residential Development Type	Growth in Non-Residential GFA (sq.m) (2025-2041)	Average FSW Assumption (sq.m)	Growth in Employment
Commercial	3,344	46	74
Institutional	3,437	65	60
Industrial	3,902	111	30
Total	10,684		164



Chapter 4

The Approach to the Calculation of the Development Cost Charges



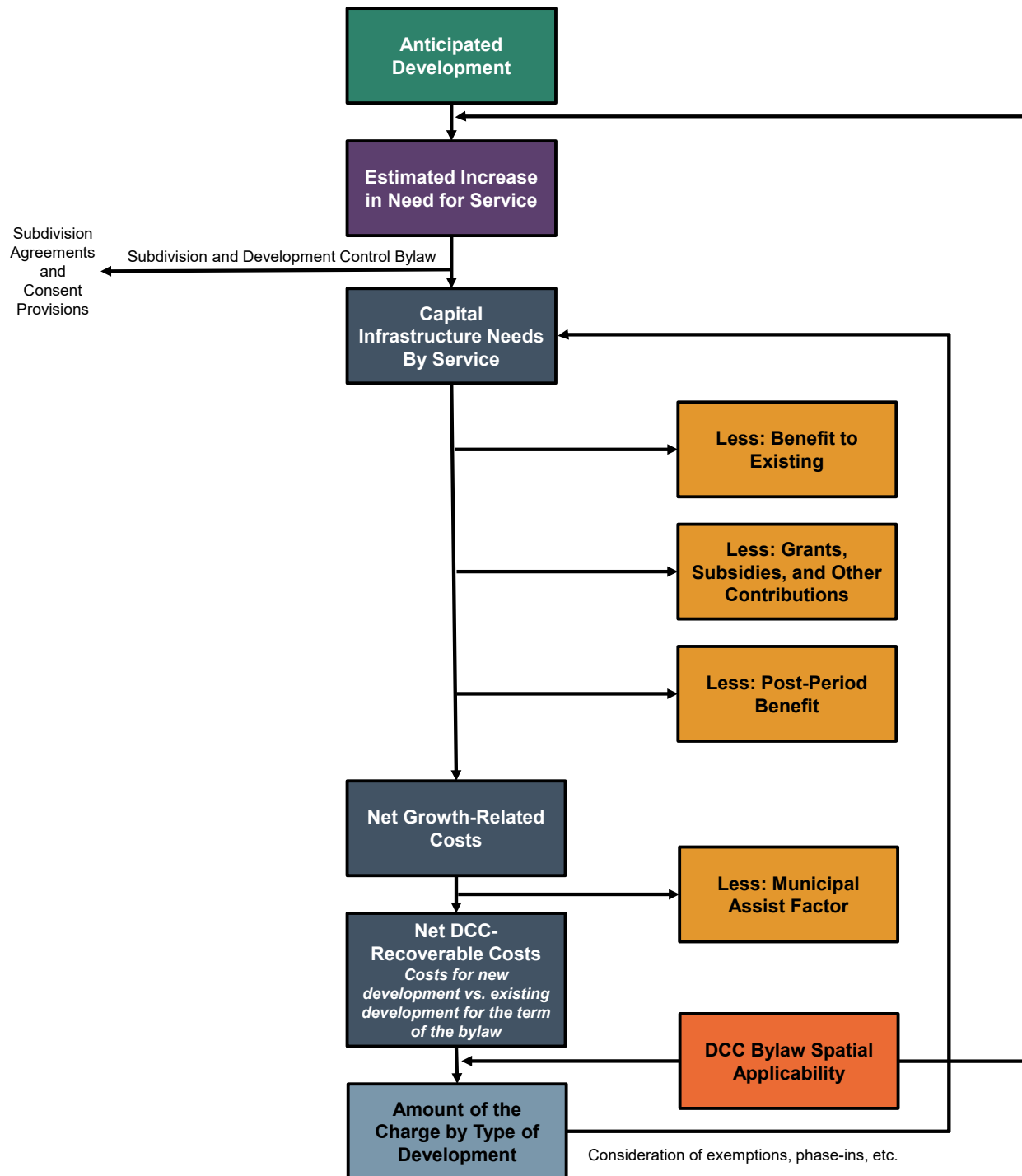
4. The Approach to the Calculation of the Development Cost Charges

4.1 Introduction

This chapter addresses the methodology utilized in calculating a fire protection DCC for the Regional District of Nanaimo. The methodology is based on the guidance provided in the DCC Best Practices Guide and is illustrated schematically in Figure 4-1.



Figure 4-1
Regional District of Nanaimo
The Process of Calculating a Development Cost Charges for the Regional District of Nanaimo





4.2 Services Potentially Involved

Section 559(2) of the LGA specifies the services for which a DCC can be imposed. The following table provides the listing of eligible services and those Fire Protection Services for which a DCC has been calculated herein in this background study:

Table 4-1
Regional District of Nanaimo
Summary of Services Included in Development Cost Charges Calculation

Service	Inclusion in the DCC Calculation?
Transportation (including highway facilities cost-shared with the Province)	
Drainage	
Water	
Sewer	
Parks	
Fire Protection	✓
Police	
Solid Waste and Recycling Facilities	

4.3 Increase in the Need for Service

The DCC calculation commences with an estimate of “the increase in the need for service attributable to the anticipated development” for each service to be covered by the bylaw. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could conceivably be expressed generally in terms of units of capacity, it is expressed within this study on a project-specific basis (i.e., the listing of capital works to service the development lands).



4.4 Subdivision and Development Control Bylaw

Some of the need for services generated by additional development consists of local services related to a plan of subdivision as well as building permit issuance. As such, they will be required as a condition of subdivision agreements or conditions of approval. These types of costs are outlined in the Regional District of Nanaimo Development Application Notification Procedures and Fees Bylaw No. 1845, 2022. Note: these requirements are generally related to servicing infrastructure such as roads, water, and sanitary. Fire protection facilities are generally not a developer requirement as part of these bylaws.

4.5 Capital Forecast

The capital costs necessary to provide the increased services are estimated. Adjustments to the capital costs are then applied to ensure that the costs included in the DCC reflect the net growth-related costs necessary to facilitate the anticipated growth in the RDN. These adjustments are outlined below.

These estimates involve capital costing of the increased services. This entails costing actual projects or the provision of service units, depending on how each service has been addressed.

The fire protection service capital forecast was developed based on a detailed review of the existing fire station and discussions on future needs with the RDN staff.

For an increase in need for service to be included in the DCC calculation, it is recommended that the RDN Board indicate that it intends to ensure that such an increase in need will be met by including the appropriate works within its annual capital budget process. The timing of works should be staged based on communication with the development community and prioritization of servicing to meet the anticipated demands.

4.6 Reserve Funds

Section 566(1) of the LGA states that a local government must establish a special DCC reserve fund for each service for which DCCs are imposed.



Given that there is no existing DCC for the Nanoose Fire Protection Area, it is recommended that the RDN establish a DCC reserve fund for the Nanoose Fire Protection Area for fire protection services.

4.7 Deductions

The DCC methodology utilized requires that the following deductions be made to the increase in the need for service. These relate to:

- Benefit to existing development;
- Anticipated grants, subsidies and other contributions;
- Post-period benefit; and
- Municipal assist factor.

The requirements behind each of these reductions are addressed as follows:

4.7.1 Reduction for Benefit to Existing Development

The benefit to existing (BTE) amount represents the non-growth portion of a project. Some projects that are proposed to address growth may also provide inherent benefit to existing service areas or existing deficient infrastructure.

The general guidelines used by Watson to consider BTE include the following:

- The repair or unexpanded replacement of existing assets that need repair;
- An increase in average service level (improvement of water pressure as an example);
- The elimination of a chronic servicing problem not created by growth; and
- Providing services where none previously existed (generally considered for water or wastewater services).

The BTE components are also associated with upgrades to existing systems or facilities necessary to maintain service levels to existing residential and non-residential users.

The only project that has been identified for fire protection is an expansion to the existing fire station to add an additional bay to hold an aerial truck. Given that the costs included in the DCC calculation are only related to expanding the fire station to accommodate new development, this is 100% growth-related.



4.7.2 Reduction for Anticipated Grants, Subsidies and Other Contributions (Other Deductions)

This step involves reducing the capital costs necessary to provide the increased services by capital grants, subsidies and other contributions made or anticipated by RDN Board and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where the RDN Board targets grants as a measure to offset impacts on taxes. There are no anticipated grants, subsidies or other contributions included in the DCC calculation.

4.7.3 Reduction for Post-Period Benefit

For projects that provide benefits extending beyond the forecast period used in the DCC calculation, a deduction is made to ensure that only the portion of costs attributable to growth within the forecast period is recovered through DCCs. For example, if a water treatment plant is built to serve 30 years of growth, but the DCC calculation is based on a 20-year forecast, only two-thirds of the cost is included in the DCC; the remaining one-third is excluded because it benefits development that will occur after the forecast period.

In the case of the Nanoose Fire Protection Area, the expansion to the existing fire station (the aerial truck bay) is sized specifically to meet the needs of anticipated growth within the 2025–2041 forecast period. There is no expectation that this project will provide additional capacity for development beyond this timeframe. Therefore, no deduction for post-period benefit is required, because the entire cost of the expansion is directly linked to growth projected within the DCC calculation period.

4.7.4 Reduction for Municipal Assist Factor

Section 559 of the LGA states that the purpose of DCCs is to provide funds to “assist” the local government to pay the costs of parks and infrastructure. Although not explicit in the legislation, there is an implicit requirement for an “assist factor” wherein 100% of the growth-related costs cannot be charged to new development. The municipal assist factor is only applied to the net growth-related costs, after all other deductions have been made. This factor can be set anywhere from 1% to 99% and can be varied across the individual services.



The municipal assist factor applied to the draft DCC calculations is 1%. This municipal assist factor is consistent with the other Regional District of Nanaimo DCC bylaws, the DCC Best Practices Guide, and represents the existing community's financial support towards the financing of services for new development. Any increase in the municipal assist factor must be paid through non-DCC revenue sources (e.g., taxes).

4.8 Allocation of Development

This step involves relating the costs involved to anticipated development for the forecast period under consideration and using allocations between residential and non-residential development and between one type of development and another, to arrive at a schedule of charges. The allocation of growth-related costs between the various types of development is described in Chapter 5.



Chapter 5

DCC Eligible Cost Analysis and DCC Calculation by Service



5. DCC Eligible Cost Analysis and DCC Calculation by Service

5.1 Introduction

This chapter outlines the basis for calculating eligible costs for DCCs. The calculation process set out in Chapter 4 was followed in determining DCC eligible costs.

The nature of the capital project and timing identified in the Chapter reflects the RDN's current intention. However, over time, RDN projects and the Board's priorities change, and accordingly, the RDN Board's intentions may alter, and different capital projects (and timing) may be required to meet the need for services required by new growth.

5.2 Capital Costs for Development Cost Charge Calculation

This section evaluates the development-related capital requirements to service the growth identified in Chapter 3 of this report. The total infrastructure costs are used to determine the potential DCC recoverable cost.

5.2.1 Fire Protection

The RDN has identified one (1) capital project related to fire protection that is required for growth over the forecast period. The capital project is an expansion to the existing Nanoose Bay Fire Department's station for an aerial truck bay. The size of the bay required for the aerial truck is estimated to be approximately 45 feet wide by 60 feet long, resulting in an area of 2,700 sq.ft. The need for an aerial truck is the result of the growth anticipated in medium-density (townhouse) and high-density (apartment) housing units over the forecast period, however, the aerial truck will provide benefit to all development in the area. The estimated gross capital cost of the aerial truck bay is approximately \$2.80 million. The cost estimate assumes approximately \$1,040 per square foot is required, which is based on the construction costs for the Dashwood Volunteer Fire Department fire hall, which was constructed in the RDN in 2025.

A municipal assist factor of 1% has been utilized in the calculations, resulting in \$28,000 in growth-related costs related to fire protection to be funded by the RDN over the forecast period. Table 5-1 summarizes the resulting DCC recoverable amount of approximately \$2.77 million. The DCC recoverable cost is shared between residential



and non-residential development based on the population to employment ratio over the forecast period, resulting in 95% being allocated to residential development and 5% being allocated to non-residential development, as summarized in Table 5-2.

The DCC calculation for residential development is generated on a per capita basis by dividing the residential share of DCC eligible capital costs by the forecasted population. The cost per capita is then multiplied by the average occupancy of the new units (PPUs) to calculate the DCC charges by residential unit type. The calculation for non-residential development is generated on a per-GFA basis by dividing the non-residential share of DCC eligible capital costs by development type by the forecasted GFA. Table 5-3 details the various components of the non-residential DCC calculation.

Table 5-4 calculates the proposed DCCs to be imposed on anticipated development in the Nanoose Fire Protection Area for fire protection services over the forecast period to 2041.



Table 5-1
Infrastructure Costs Included in the Development Cost Charges Calculation
Fire Protection

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2041	Timing (year)	Gross Capital Cost Estimate (2025\$)	Benefit to Existing Development	Net Capital Cost	Other Deductions	Post Period Benefit	Net-Growth Related Cost	Less:	DCC Recoverable Cost
									Municipal Assist Factor 1%	
1	Aerial Truck Bay	2025-2041	\$2,800,000	-	\$2,800,000		-	\$2,800,000	\$28,000	\$2,772,000
	Total		\$2,800,000	-	\$2,800,000	-	-	\$2,800,000	\$28,000	\$2,772,000

Table 5-2
Residential and Non-Residential Share of DCC Eligible Capital Costs
Fire Protection

Forecasted Population/ Employment	People/ Jobs	Share of DCC Eligible Costs (%)	Share of DCC Eligible Costs (\$)
Forecasted Population	3,286	95%	\$2,625,483
Forecasted Employment	164	5%	\$146,517
Total		100%	\$2,772,000



Table 5-3
Non-Residential DCC Components
Fire Protection

Non-Residential Development Type	Forecasted Employment	Share of DCC Eligible Costs by Development Type Based on Existing Employment
Commercial	74	\$66,264
Institutional	60	\$53,747
Industrial	30	\$26,506
Total	164	\$146,517

Table 5-4
Development Cost Charges Calculation
Fire Protection

Development Type	Share of DCC Eligible Costs	Population/GFA Growth	DCC Per Capita/Non-Residential GFA
Residential	\$2,625,483	3,286	\$799
Non-Residential			
Commercial	\$66,264	3,437	\$19.28
Institutional	\$53,747	3,902	\$13.77
Industrial	\$26,506	3,344	\$7.93
<u>By Residential Unit Type</u>	<u>PPU</u>		
Single Detached Dwellings	2.424	\$1,937	
Ground-Oriented Multiples or Second Unit in a Duplex	2.293	\$1,832	
Apartments	1.701	\$1,359	



5.3 Determining if DCCs are Excessive of Prevailing Service Standards

The *Local Government Act* specifies that local governments must consider whether DCCs are excessive in relation to the capital cost of prevailing service standards in the RDN. As part of the guidance provided in the DCC Best Practices Guide, a suggested approach on how to evaluate this parameter has been provided. The steps that are provided in the DCC Best Practices Guide are as follows:

5.3.1 Step 1: Establish the Prevailing Service Standard

The first step in the analysis is to establish the prevailing service standard. This requires compiling a listing of the existing capital assets related to each DCC eligible service. Then, the replacement cost of each asset is determined in current dollars. The prevailing service standard is calculated by dividing the total replacement cost of all assets by the current population in the RDN to provide for a per capita standard. These calculations are provided in Table 5-5 for fire protection services.

5.3.2 Step 2: Determine Service Standard for New Infrastructure

The dollars per capita standard established in step 1 is multiplied by the forecasted population growth to provide for the value of growth-related capital that would be required to maintain the prevailing standard of service for new growth. Note: the new growth is based on the net population increase. The level of service for the forecasted growth is calculated in Table 5-5.

5.3.3 Step 3: Assess “Excessiveness”

To assess “excessiveness” the amount calculated in step 2 is compared against the net-growth related costs to be included in the DCC calculation. If the DCC amount is more than the level of service calculation, mitigating measures such as removing projects from the listing or adjusting the municipal assist factor may be required.

Based on the calculations undertaken in Table 5-5 and the capital costs provided in Section 5.2 of this report, the DCCs are not considered to be excessive in relation to the prevailing level of service. The eligible amount for fire protection facilities is approximately \$4.45 million, however, the DCC recoverable amount is approximately \$2.77 million.



Table 5-5
Regional District of Nanaimo – Nanoose Fire Protection Area
Prevailing Service Level Calculation – Fire Protection

Regional District of Nanaimo - Nanoose Fire Protection Area
Prevailing Service Level Calculation

Service: Fire Protection Facilities
 Unit Measure: sq.ft. of building area

Description	2025 Total Area	2025 Building Value (\$/sq.ft.)	2025 Value/sq.ft. with land, site works, etc.	Total Replacement Value
Nanoose Bay Fire Department	11,000	\$900	\$1,042	\$11,462,000
Total	11,000			\$11,462,000

Population (2024)	7,576
Per Capita Standard	\$1,513

Prevailing Service Level Calculation	
Forecast Population	2,939
\$ per Capita	\$1,513
Eligible Amount	\$4,446,180

The forecast population is based on net population. The gross population, which is utilized in the denominator of the DCC calculation, is based on the total population in new units. The net population provides for a natural population decline in existing units.

Based on the calculations provided above, Table 5-6 provides the proposed DCC to be imposed on the anticipated development in the RDN Nanoose Fire Protection Area over the 2025 to 2041 forecast period.

Table 5-6
Regional District of Nanaimo – Nanoose Fire Protection Area
Proposed Development Cost Charges

Service	Residential - per dwelling unit			Non-Residential - per sq.m of GFA		
	Single-Detached Dwellings	Ground Oriented Multiples or Second Unit in a Duplex	Apartments	Commercial	Institutional	Industrial
Fire Protection	\$1,937	\$1,832	\$1,359	\$19.28	\$13.77	\$7.93



As part of the bylaw approval process, and as required by the LGA, the RDN Board must properly consider whether DCCs:

- Are excessive in relation to the capital cost of prevailing standards of service;
- Will discourage development;
- Discourage the development of reasonably priced housing or serviced land;
- Will discourage development designed to result in a low environmental impact.

With respect to the first point, the proposed DCCs are not excessive in relation to the capital cost of prevailing standards of service.

The following table provides the existing DCCs by development type in addition to the proposed Fire DCCs:

Table 5-7
Regional District of Nanaimo – Nanoose Fire Protection Area
Existing and Proposed DCCs

Development Type	Unit	Existing DCCs*	Fire DCCs (Proposed)	Total DCCs (Existing + Proposed)
Single-Detached Dwellings	Per Dwelling Unit	\$10,981	\$1,937	\$12,918
Ground Oriented Multiples or Second Unit in a Duplex	Per Dwelling Unit	\$9,902	\$1,832	\$11,734
Apartments	Per Dwelling Unit	\$8,102	\$1,359	\$9,461
Industrial	Per sq.m. of Gross Floor Area	\$6.13	\$7.93	\$14.06
Commercial	Per sq.m. of Gross Floor Area	\$43.14	\$19.28	\$62.42
Institutional	Per sq.m. of Gross Floor Area	\$17.99	\$13.77	\$31.76

*Nanoose Bay Peninsula Water and Nanoose Wastewater Treatment DCCs

With respect to whether DCCs will deter development or discourage the development of reasonably priced housing or serviced land, an analysis was undertaken to determine the DCC as a percentage of various housing types in Table 5-7 below. Housing prices are based on current units for sale in Nanoose Bay as of the time of writing.



Table 5-7
Regional District of Nanaimo – Nanoose Fire Protection Area
DCCs as a Percentage of Housing Prices

Housing Type	Housing Price	Proposed Fire DCCs	Fire DCC as a % of House Price	Total DCCs (Including Proposed Fire and Other Regional DCCs)*	Total DCCs as a % of House Price
Single-Detached Dwellings	\$1,525,000	\$1,937	0.13%	\$12,918	0.85%
Ground Oriented Multiples or Second Unit in a Duplex	\$817,500	\$1,832	0.22%	\$11,734	1.44%
Apartments	\$780,700	\$1,359	0.17%	\$9,461	1.21%

*Assumes development is within the Nanoose area

Source of Housing Prices: www.realtor.ca (as of October 2025)

Note: the DCCs for parks in Area G are less than the DCCs for water and wastewater, therefore they were not shown in the table above

Historically, DCCs have been at or below 8% of the cost of the average home across Canada. Based on the above table, the proposed fire protection DCCs are in-line with these standards. In addition to DCCs, the development community considers other cost factors such as land purchase, cost of materials, and financing costs. Consequently, DCCs as less than 2% of the overall cost of a home would not appear to deter the development of providing reasonably priced housing. Note that any reduction in DCCs will increase the cost of public infrastructure for all residents as any reductions or shortfalls will lead to increases in property taxes and/or user rates.

Due to the proposed DCCs representing a low percentage with respect to total housing prices, it is not anticipated that the fire protection DCC rates would discourage development designed to result in a low environmental impact.

Based on the guidance provided in the DCC Best Practices Guide, Watson undertook additional financial feasibility testing on whether DCCs would deter development or discourage the construction of reasonably priced housing. A representative proforma analysis was conducted to assess the estimated costs of development and whether DCCs may impact the overall viability of housing development. This analysis was undertaken with respect to low- and high-density development.

A review of the various input costs was undertaken to estimate the residual land value, which is the maximum price for which a developer could purchase land to make a



housing project viable. The inputs utilized to determine estimated costs of development have been broken out into the following categories:

- Construction and Related Costs:
 - Hard costs (e.g. construction costs, site servicing, demolition, etc.);
 - Soft costs (e.g. project management, legal, insurance, architects, consultants, etc.);
- Development cost charges;
- Other government financial tools, levies, and taxes (e.g. building permit fees, subdivision application fees, etc.);
- Other costs (e.g. financing costs, administrative fees); and
- Developer profit margin.

Note: data was sourced from publicly available information and represents general developments. Specific developments may have site-specific considerations that may vary.

To determine potential revenues from housing projects, a review of new builds and recently constructed developments was undertaken to estimate the average sales price per square foot.

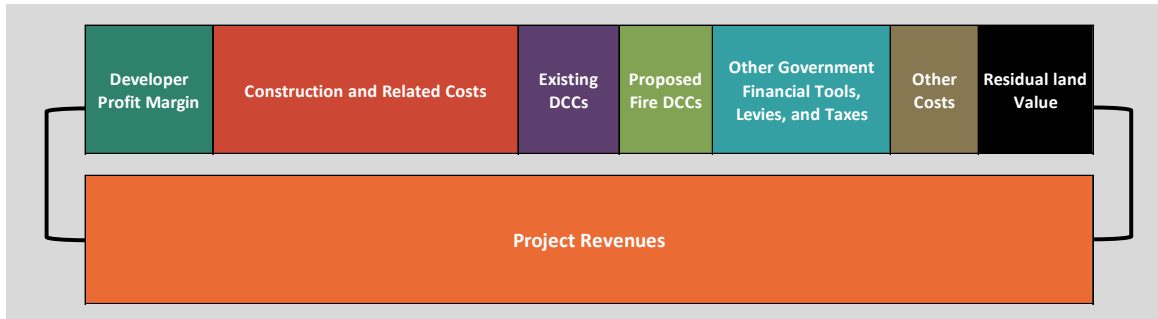
These various parameters were estimated for sample development projects for various residential developments. Note: this methodology aligns with the guidance set out in the Province's DCC Best Practices Guide.

The graph shown in Figure 5-1 provides a schematic of the various cost inputs required for housing development. Based on the analysis undertaken, for low-density development, DCCs comprise between 0.56% to 0.68% of the anticipated sales revenue depending on the sales revenue per sq.ft. assumption used. For high-density developments, DCCs comprise approximately 0.89% of the anticipated sales revenue depending on the sales revenue. The major cost components that are impacting viability of development are the construction costs. For low-density development, construction costs comprise 77% of the anticipated sales revenue and with respect to high-density development, the construction costs comprise 85% of the anticipated sales revenue.

Even with the removal of DCCs, the average development feasibility would not change.



Figure 5-1
Regional District of Nanaimo – Nanoose Fire Protection Area
Residual Land Value Analysis





Chapter 6

Development Cost Charge Policies



6. Development Cost Charge Policies

6.1 Introduction

Rules can be developed to determine if a DCC is payable in any particular case and to determine the amount of the charge, subject to any limitations. In general, the rules may provide for exemptions, phasing in, and/or indexing of DCCs.

The rules provided herein give regard to the RDN's existing DCC policies; however, there are items under consideration at this time and these may be refined prior to adoption of the bylaw.

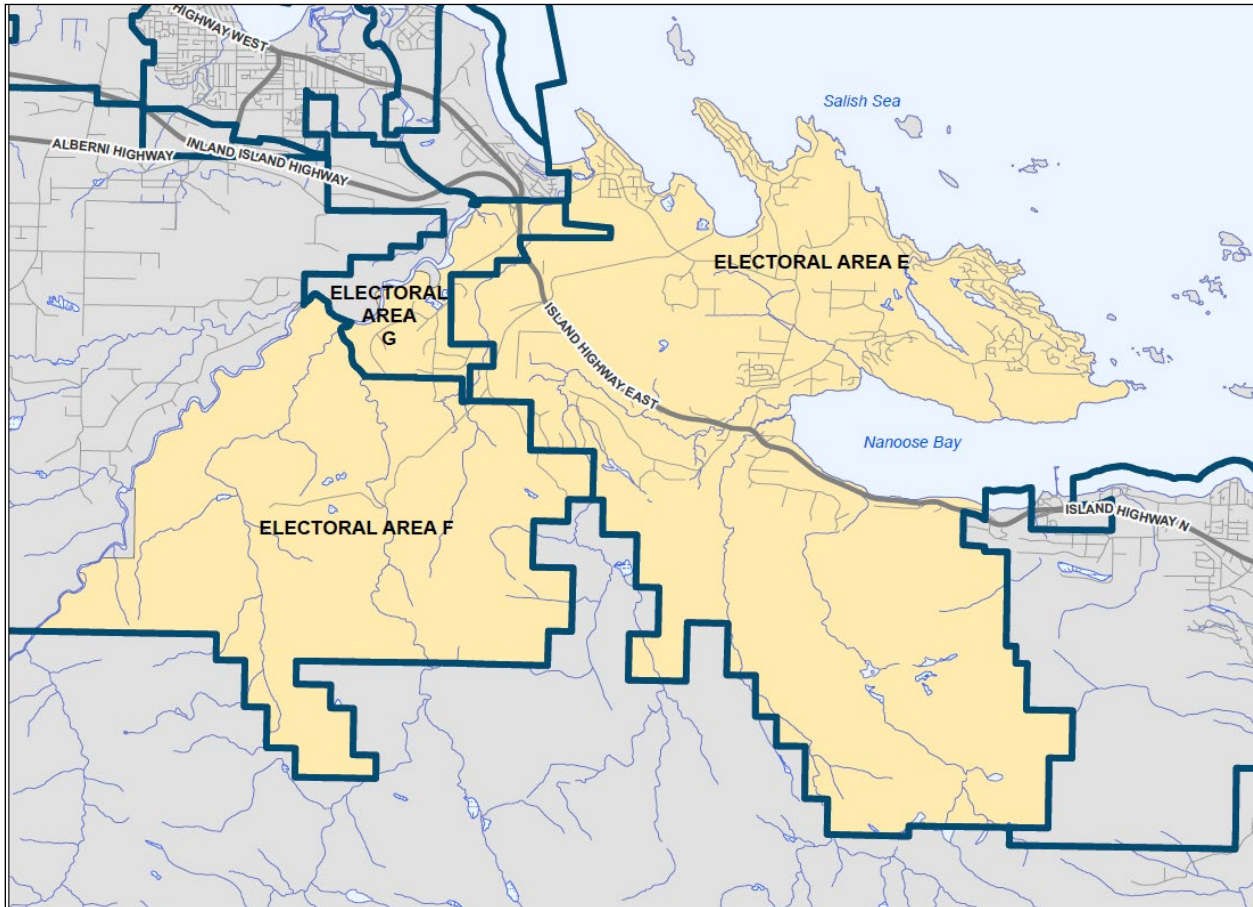
6.2 Area Rating of DCCs

DCCs can be recovered on either a uniform jurisdiction-wide basis or on an area-specific basis. The RDN currently provides for area rating with respect to DCCs for water, wastewater, and parks. These DCCs are imposed on new development in areas that benefit from the services.

The proposed bylaw provides for the fire protection DCCs on an area-specific basis for the Nanoose Fire Protection Area, given that the fire protection services considered are specific to this area, as shown in Figure 6-1.



Figure 6-1
Regional District of Nanaimo Nanoose Fire Protection Area
Map of Nanoose Fire Protection Area



6.3 Development Cost Charge Bylaw Structure

It is recommended that fire protection services be imposed on the Nanoose Fire Protection Area of the RDN, as identified in Figure 6-1 and Schedule 'B' of the proposed Bylaw.

6.4 Development Cost Charge Bylaw Rules

The following subsections set out the recommended rules governing the calculation, payment and collection of DCCs in accordance with the LGA.

It is recommended that the following sections provide the basis for the DCCs:



6.4.1 Determination of the Amount of the Charge

The following provides the recommended approach to imposing DCCs:

6.4.1.1 Residential versus Non-Residential Allocation of Costs

- Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade.
 - The need for services arising from new development is more closely related to the increase in population versus the increase in residential floor space. As a result, imposing DCCs by unit type, which is linked to average occupancy, provides a more direct link between the applicable DCC and the increase in need for service.
- Costs allocated to non-residential uses will be assigned based on the amount of square metres of gross floor area constructed for eligible uses (i.e., industrial, commercial and institutional).
 - The anticipated gross floor area utilized in the DCC calculations is based on floor space per worker assumptions for the three categories of non-residential employment (note: floor space per worker assumptions are provided in Chapter 3). Imposing DCCs based on gross floor area aligns the need for service with the new employment generated from development.

6.4.1.2 Application of Charges for Various Residential Unit Types

The bylaw has been drafted to categorize and impose charges as follows:

- **Single Detached Dwellings:** charges are imposed on a per lot basis at the time of subdivision approval. Note, this includes a secondary suite;
- **Duplexes:** the initial charge is imposed on single family lots at the time of subdivision approval, and if a second unit is constructed for a duplex, the DCC for the second unit will be imposed at the time of building permit issuance;
- **Ground-oriented Multiples:** DCCs are imposed on a per dwelling unit basis at building permit issuance;
- **Apartments:** DCCs are imposed on a per dwelling unit basis at building permit issuance; and



- **All other Residential Dwelling unit types:** DCCs are imposed on a per unit basis at building permit issuance.

6.4.2 Application for Redevelopment of Land (Demolition and Conversion)

If a development involves the demolition of and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

- The number of dwelling units demolished/converted multiplied by the applicable residential DCC in place at the time the DCC is payable; and/or
- The gross floor area of the building demolished/converted multiplied by the current non-residential DCC in place at the time the DCC is payable.

6.4.3 DCCs Not Payable (Exemptions)

DCCs are not payable with respect to the following developments:

- Buildings exempt from taxation under Section 220(1)(h) or 224(2)(f) of the Community Charter. The value of work authorized by a building permit does not exceed \$50,000.
- The area of each self-contained dwelling unit is no larger than 29 sq.m and each dwelling unit will be put to no other use than residential use.
- A DCC has been previously paid for the development unless, as a result of further development, new capital cost burdens will be imposed on the RDN.

6.4.4 Waivers and/or Reductions

Section 563 of the LGA specifies certain eligible developments where a local government may waive or reduce DCCs for eligible development.

The draft DCC bylaw provides for a waiver for eligible developments that meet the criteria (as set out in the bylaw) for not-for-profit rental housing, including supportive housing.

6.4.5 Timing of Collection

Based on the LGA, local governments can either collect DCCs upon subdivision approval or building permit issuance.



It is recommended that the RDN collect DCCs for single detached residential uses either at subdivision approval stage or building permit stage (as applicable).

Note, the collection of DCCs at subdivision approval for single detached residential units provides for revenues earlier in the development process, which more closely aligns to when the expenditures are incurred. Collecting DCCs for townhouses, duplexes, and apartments at building permit issuance is recommended given that the exact number of units will be known at this stage, allowing for collection of DCCs that are in alignment with the need for services. Similarly, for non-residential uses, the gross floor area will be known at building permit issuance stage to allow for more accurate collection.

6.4.6 Grace Period

The DCC Best Practices Guide and LGA specify that there should be a suitable grace period, which is the length of time offered as notification that new DCCs will be in effect. The RDN is undertaking an engagement process with members of the Board, the development community, and the public. Through this combination of consultation and public engagement a suitable notice period is deemed to be in effect for new DCC rates being recommended.

6.4.7 In-Stream Applications

An in-stream application refers to an application that is not determined, rejected or withdrawn and has been accepted by the RDN as a legitimate and complete application for which applicable fees have been paid.

Based on the requirements of the LGA, in-stream protection is applied for 12 months to applications that have been received and accepted prior to adoption of the new bylaw. If an application meets the required criteria, as described in the RDN's bylaw, the applicant is not required to pay DCCs based on the higher rates, and will pay at the lower rates that were in effect when the application was submitted. This 12-month protection is applicable to the following applications:

- Application for subdivision;
- Application for building permit;
- Rezoning application; and
- Application for development permit.



6.5 Other Development Cost Charge Bylaw Provisions

6.5.1 Bylaw In-force Date

A DCC bylaw comes into force on the day which the bylaw is passed by the Board, subsequent to approval by the Inspector of Municipalities. Pending Inspector approval, it is anticipated that the bylaw would come into force shortly thereafter.

6.5.2 Minor Bylaw Amendments

An annual review of the capital program and the associated cost estimates included in the DCC calculations should be undertaken.

B.C. Reg. 130/2010 allows local governments to undertake a bylaw amendment without approval from the Inspector of Municipalities if the increase in the rate does not exceed the percentage change in the British Columbia consumer price index. This exemption from Inspector approval can be undertaken once each year for up to four years from the date of adoption of a DCC bylaw. It is recommended that the RDN undertake this minor amendment on an annual basis to apply the inflationary increase to the cost estimates and associated DCC rates based on the British Columbia consumer price index.

6.5.3 Major Bylaw Amendments

If as part of the annual review, major cost estimate updates or project updates are determined to be required, a major bylaw amendment should be undertaken. It is recommended that a major amendment to the DCC bylaw and rates be undertaken at least every five (5) years. A study process involving a major amendment should include a review and update of the following:

- Residential and non-residential growth forecast;
- Eligible services included in the calculation;
- Cost estimates and associated deductions;
- Calculation methodology; and
- Bylaw policies; etc.



Chapter 7

Bylaw Implementation



7. Bylaw Implementation

Once the RDN has calculated the charge, prepared the complete background study, carried out the public engagement process, received approval from the Inspector of Municipalities and passed a new bylaw, the emphasis shifts to implementation matters.

These include credits, front-ending agreements and the collection of revenues and funding of projects.

The following sections overview the requirements in each case.

7.1 Information Available Online

The RDN may prepare a webpage with information explaining the DCC bylaw in force, setting out:

- A description of the general purpose of the DCCs;
- The “rules” for determining if a charge is payable in a particular case and for determining the amount of the charge; and
- The services to which the DCCs relate.

7.2 Tracking and Monitoring

The RDN should ensure that all inflows and outflows of DCC revenues are tracked within their internal systems. The following should be included in the internal tracking system:

Reserve Fund Tracking (note: tracking should be undertaken separately for each DCC service)

- DCC revenues received;
- Funds drawn from DCC reserve funds;
- Interest allocations to reserve funds; and
- Transactions for the year (e.g., collections, draws) including each asset’s capital costs to be funded from the DCC reserve fund and the manner for funding the capital costs not funded under the DCC bylaw (i.e. non-DCC recoverable cost shares).



DCC Project Tracking

- Estimated versus actual construction costs;
- Funding sources for each DCC project;
- Details on project scopes and any changes to the scope; and
- Estimated timing of project.

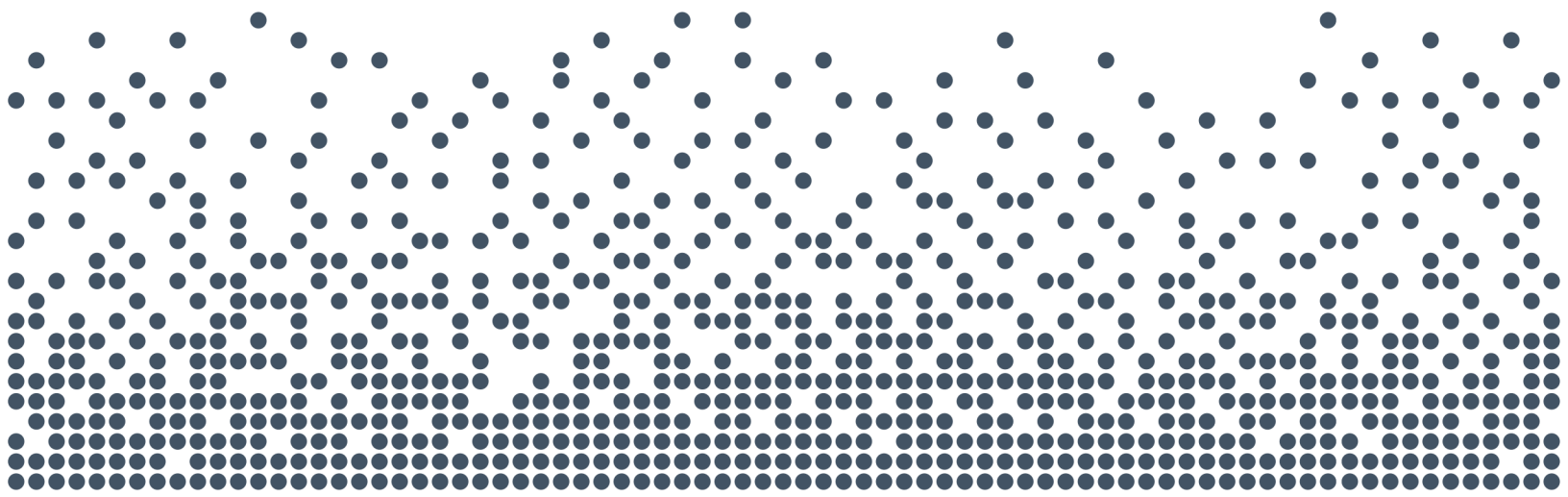
Further, to provide full transparency on the DCC program and the use of DCC revenues, an annual statement providing the opening balance, closing balance, collections, and draws from DCC reserve funds should be provided to the Board. This statement should be publicly available for the development community and stakeholders to review.

7.3 Credits

Regarding credits where the RDN agrees to allow a person to perform work in the future that relates to a service in the DCC bylaw, these credits would be used to reduce the amount of DCCs to be paid. The credit applies only to the service to which the work relates, unless the RDN agrees to expand the credit to other services for which a DCC is payable.

7.4 Front-End Agreements

The RDN and one or more landowners may enter into a front-ender agreement that provides for the costs of a project that will benefit an area in the RDN to which the DCC bylaw applies. Such an agreement can provide for the costs to be borne by one or more parties to the agreement who are reimbursed in future by persons who develop land defined in the agreement.



Appendices



Appendix A

Proposed DCC Bylaw



REGIONAL DISTRICT OF NANAIMO
BYLAW NO. xxxx
A BYLAW TO IMPOSE DEVELOPMENT COST CHARGES
WITHIN THE NANOOSE FIRE PROTECTION AREA
(Proposed Draft)

WHEREAS pursuant to the *Local Government Act*, the Board of the Regional District of Nanaimo (RDN) may, by Bylaw, impose development cost charges;

AND WHEREAS in accordance with the *Local Government Act*, development cost charges may be imposed for the purpose of providing funds to assist the RDN in paying the capital cost of providing, constructing, altering or expanding fire protection facilities in order to serve, directly or indirectly, the development in respect of which the charges are imposed;

AND WHEREAS the RDN is authorized to construct the facilities for which development cost charges are imposed under this bylaw;

AND WHEREAS the Board has taken into consideration future land use patterns and development;

AND WHEREAS the Board of the RDN considers that the development cost charges imposed by this bylaw:

- (a) are not excessive in relation to the capital costs of prevailing standards of service,
- (b) will not deter development,
- (c) will not discourage development of reasonably priced housing or the provision of reasonably priced serviced land, within the Nanoose Fire Protection Area; and
- (d) will not discourage development designed to result in a low environmental impact within the Nanoose Fire Protection Area.

AND WHEREAS the Board has considered the charges imposed by this bylaw in relation to future land use patterns and development, the phasing of works and services described in the Official Community Plans within the Nanoose Fire Protection Area, and how development designed to result in a low environmental impact may affect the capital costs of fire facilities;

AND WHEREAS in the opinion of the Board, the charges imposed by this Bylaw are related to capital costs attributable to projects included in the RDN's financial plan and long-term capital plans, and to capital projects consistent with the Official Community Plans for the Nanoose Fire Protection Area.

AND WHEREAS pursuant to the Local Government Act, the Board of the Regional District of Nanaimo may, by Bylaw, provide for a reduction of development cost charges for not-for-profit rental housing, including supportive living housing;

AND WHEREAS the Board of the Regional District of Nanaimo wishes to waive the fire protection development cost charges in the Nanoose Fire Protection Area for not-for-profit rental housing, including supportive living housing;

AND WHEREAS the Board of the Regional District of Nanaimo wishes to establish criteria for an Eligible Development for the reduction of development cost charges for not-for-profit rental housing, including supportive living housing for the purposes of this bylaw;

NOW THEREFORE the Board of the Regional District of Nanaimo, in open meeting assembled, ENACTS AS FOLLOWS:

Part 1 – GENERAL PROVISIONS

- 1.1 This Bylaw may be cited as the “Nanoose Fire Protection Area Development Cost Charge Bylaw No. xxxx,”
- 1.2 This Bylaw is applicable to the Nanoose Fire Protection Area of the RDN and applies to all applications for subdivision and for issuance of a building permit for parcels located in the Nanoose Fire Protection Area

Part 2 – DEFINITIONS

- 2.1 For the purposes of this bylaw, words or phrases that are not included in this section shall have the same meaning assigned to them in the Zoning Bylaw.
- 2.2 In this bylaw:

“Apartment” means a building containing three or more dwelling units for residential use which has its principal access from an entrance common to the dwelling units.

“Board” means the elected board of the Regional District of Nanaimo.

“Building” means any structure and portion thereof, including mechanical devices, that are used or intended to be used for the purpose of supporting or sheltering any use or occupancy.

“Building Permit” means any permit required by the Regional District of Nanaimo that authorizes the construction, alteration or extension of a building or structure.

“Commercial Use” means the use of land or buildings for any retail, tourist accommodation, restaurant, personal or professional services, commercial entertainment

or commercial recreational use, and any other business use which is not an industrial or institutional use.

“DCC” means a development cost charge.

“Duplex” means two self-contained dwelling units oriented side-by-side with separate ground level entrances and adjoined by a common wall.

“Dwelling Unit” means one self-contained unit within common walls with a separate entrance intended for year-round occupancy, and the principal use of such dwelling unit is residential, with complete living facilities for one or more persons, including permanent provisions for living, sleeping, cooking and sanitation.

“Eligible Development” means not-for-profit rental housing, including supportive housing that meets all of the following:

- a) At least 50 percent of the fair market value of the real property on which the development is situated is owned by an Eligible Owner.
- b) The applicant has demonstrated to the reasonable satisfaction of the Regional District of Nanaimo that the development is eligible for a housing subsidy (either rent or capital) from the Government of British Columbia, the Government of Canada, or a Public Housing Authority.

“Eligible Owner” means the Government of British Columbia, the Government of Canada, a local government, a Public Housing Authority or a not-for-profit corporation incorporated under the *Societies Act* (British Columbia) or Part II of the *Canada Corporations Act*.

“Gross Floor Area” means the total of the horizontal areas of all floors in a building, including the basement, measured to the outside of the exterior walls of the building.

“Ground-Oriented Multiple” means any dwelling units other than Apartments or Single Detached Dwellings.

“Industrial Use” means the use of land or buildings for any manufacturing, processing, repair, storage, wholesaling or distribution of goods.

“Institutional Use” means the use of land or buildings for any school, hospital, correctional facility, care facility, sport field or for the purpose of a public body or publicly regulated utility, but does not include "assisted living" uses.

"Public Housing Authority" means the BC Housing Management Commission or another public authority established by the Government of British Columbia or the Government of Canada.

"Single Detached Dwelling" means a building that contains one dwelling unit or, where permitted by the Zoning Bylaw, one dwelling unit and a secondary suite.

"Structure" means any construction fixed to, supported by, or sunk into land or water, excluding asphalt or concrete paving or similar surfacing of a parcel.

"Zoning Bylaw" means the applicable Regional District of Nanaimo Zoning Bylaws for Electoral Area F, and for Electoral Areas E and G.

Part 3 – DEVELOPMENT COST CHARGES

3.1 The Development Cost Charges set out in Schedule 'A', attached hereto and forming part of this bylaw, are hereby imposed on every person who obtains:

- a) approval of a subdivision of land under the *Land Title Act* or the *Strata Property Act* that creates two or more parcels on which the Zoning Bylaw permits the construction of a single detached dwelling or the placing of a manufactured home;
- b) a building permit authorizing the construction of single detached dwelling unit or the placing of a manufactured home; or
- c) a building permit authorizing the construction, alteration or extension of a duplex or multiple dwelling unit

3.2 For certainty, this bylaw imposes charges in respect of building permits authorizing the construction, alteration or extension of buildings that will, after the construction, alteration or extension, contain fewer than four self-contained dwelling units and be put to no other use than the residential use in those dwelling units.

Part 4 – CALCULATION OF APPLICABLE CHARGES

4.1 The amount of development cost charges payable in relation to a particular development shall be calculated using the applicable charges set out in Schedule 'A' of this bylaw.

4.2 Where a type of development is not specifically identified in Schedule 'A' the amount of development cost charges to be paid to the Regional District of Nanaimo shall be equal to the development cost charges that are payable for the type of development that in the opinion of the Regional District of Nanaimo's General Manager of Corporate Administration imposes the most similar capital cost burden on the Regional District of Nanaimo in respect of fire protection services.

- 4.3 In the case of a mixed-use development, each use is subject to the charge based on the actual use and there may be more than one use category applied per building. Development cost charges shall be calculated for the residential uses and non-residential uses that are part of that development, in accordance with Schedule 'A' and the developer shall pay the sum of the development cost charges calculated for each residential and non-residential development type.

Part 5 – EXEMPTIONS

- 5.1 Despite any other provision of this bylaw, a development cost charge is not payable if any of the following applies in relation to a development authorized by a building permit:
- a. the permit authorizes the construction, alteration or extension of a building or part of a building that is, or will be, after the construction, alteration or extension, exempt from taxation under section 220(1)(h) or 224(2)(f) of the Community Charter;
 - b. the permit authorizes the construction, alteration, or extension of self-contained dwelling units in a building, the area of each self-contained dwelling unit is no larger than 29 square metres, and each dwelling unit will be put to no other use than residential use;
 - c. the value of the work authorized by the building permit does not exceed \$50,000;
or
 - d. a development cost charge has previously been paid for the development unless, as result of further development, new capital cost burdens will be imposed on the Regional District of Nanaimo.

Part 6 – WAIVER OF FIRE PROTECTION DEVELOPMENT COST CHARGES

- 6.1 Where the proposed development is an Eligible Development, the development cost charges shall be waived.

Part 7 – EFFECTIVE DATE

- 7.1 This Bylaw shall come into force and effect on the date of adoption.

Part 8 – SEVERABILITY

If any portion of this bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed and the remainder of this bylaw remains valid.

Part 9 – TITLE

This bylaw may be cited for all purposes as "Nanoose Fire Protection Area Development Cost Charges Bylaw No. xxxx, 2025".

Introduced for first three readings this xx day of xx, 2025

Approved by the Inspector of Municipalities this xx day of xx, 2025.

Adopted this xx day of xx, 2025.

CHAIRPERSON
ADMINISTRATION

SR. MGR., CORPORATE



Schedule 'A' to accompany
"Nanoose Fire Protection Area
Development Cost Charges
Bylaw No. xxxx, 2025"

Chairperson

Sr. Mgr., Corporate
Administration

Development Cost Charges for Fire Protection Services

1. The municipal assist factor for fire protection services under this bylaw shall be 1%.
2. All charges shall be paid in full prior to the approval of a subdivision or building permit unless paid by way of installments in accordance with BC Reg 166/84.
3. The Development Cost Charge Schedule is as follows:

For properties within the boundaries of the Nanoose Fire Protection Area, the charges apply pursuant to Table 1:

Table 1

Service	Residential - per dwelling unit			Non-Residential - per sq.m of Gross Floor Area		
	Single Detached Dwellings	Ground-Oriented Multiples or Second Unit in a Duplex	Apartments	Commercial	Institutional	Industrial
Fire Protection	\$1,937	\$1,832	\$1,359	\$19.28	\$13.77	\$7.93



Schedule 'B' to accompany
"Nanoose Fire Protection Area
Development Cost Charges
Bylaw No.xxxx, 2025"

Chairperson

Sr. Mgr., Corporate
Administration

