Regional District of Nanaimo Solid Waste and Recycling Facilities Development Cost Charges

Background Report

DRAFT REPORT

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This Report does not provide legal advice and is not to be used as an interpretation of legislation. Developers and other interested and affected parties are responsible to comply with the legislation and bylaws applicable to their development and reach out to their legal counsel for advice as appropriate.

1.0 Executive Summary

On November 30, 2023, the Province of British Columbia passed *Bill 46 – 2023: Housing Statutes (Development Financing) Amendment Act* which made amendments to the *Local Government Act* providing local governments with new categories to which Development Cost Charges could be applied, including Solid Waste and Recycling Facilities, to help pay for the capital costs of off-site infrastructure services that are needed to accommodate new development.

The Regional District of Nanaimo ("**RDN**") is proposing a Solid Waste and Recycling Development Cost Charge Bylaw (the "**Bylaw**") for the purpose of generating an additional revenue stream to help fund solid waste and recycling facilities and to apportion the costs of these facilities between existing users and new development based on the principal that infrastructure costs should be borne by those who will use and benefit from such systems. The RDN currently has area specific DCC bylaws for water, sewer, and parks. This Bylaw is being developed in accordance with the Province of British Columbia's *Development Cost Charge Best Practices Guide* ("**Best Practices Guide**" or "**BPG**").

The RDN has been recognized for its leadership among Canadian local governments in sustainable community development, improving services and quality of life for residents, while reducing the local environmental footprint and dependence on limited resources. The adoption of a Solid Waste and Recycling Facilities DCC bylaw is seen as an important step for supporting the implementation and funding of future critical infrastructure needs identified in the Solid Waste Management Plan and the Solid Waste Financial and Asset Management Plan. The development of this DCC program included the following:

- Review of existing policies and administrative procedures to determine appropriate approaches for this DCC program and bylaw;
- Review of residential and non-residential growth estimates;
- Review of critical and growth-related solid waste infrastructure
- Identification of eligible DCC projects up to 2050, cost estimates, and appropriate benefit allocations;
- Board presentations;
- Consultation with the public and interested parties;
- Determination of appropriate land use categories and units of charge; and,
- Allocation of costs based on infrastructure impact.

A solid waste and recycling DCC program should be based on an approved Solid Waste Management Plan ("**SWMP**") and align with the financial and long-term capital plan. The RDN's SWMP encompasses the entire regional district. It is proposed that the DCC for Solid Waste and Recycling will be applicable to the

entire region, including the municipalities and electoral areas who all participate in and benefit from the service. If adopted, the RDN and each municipality will collect solid waste and recycling DCCs and the municipalities will remit the funds that they collect to the regional district. The program time frame for the Solid Waste DCC would be until 2050, coinciding with the estimated remaining lifespan of the current Regional Landfill ("**landfill**").

The current Solid Waste Management Plan was approved by the Board in 2019. The Regional Landfill has estimated airspace capacity until 2050 based on current landfilling rates and the application of a waste shredder/GPS-Telemetry program at the facility.

An estimated 39% of waste comes from the residential sector, including single detached dwellings and multi-family dwellings, and 61% from industrial, commercial and institutional ("**ICI**") with the ICI including construction and demolition.

1.1. Objectives

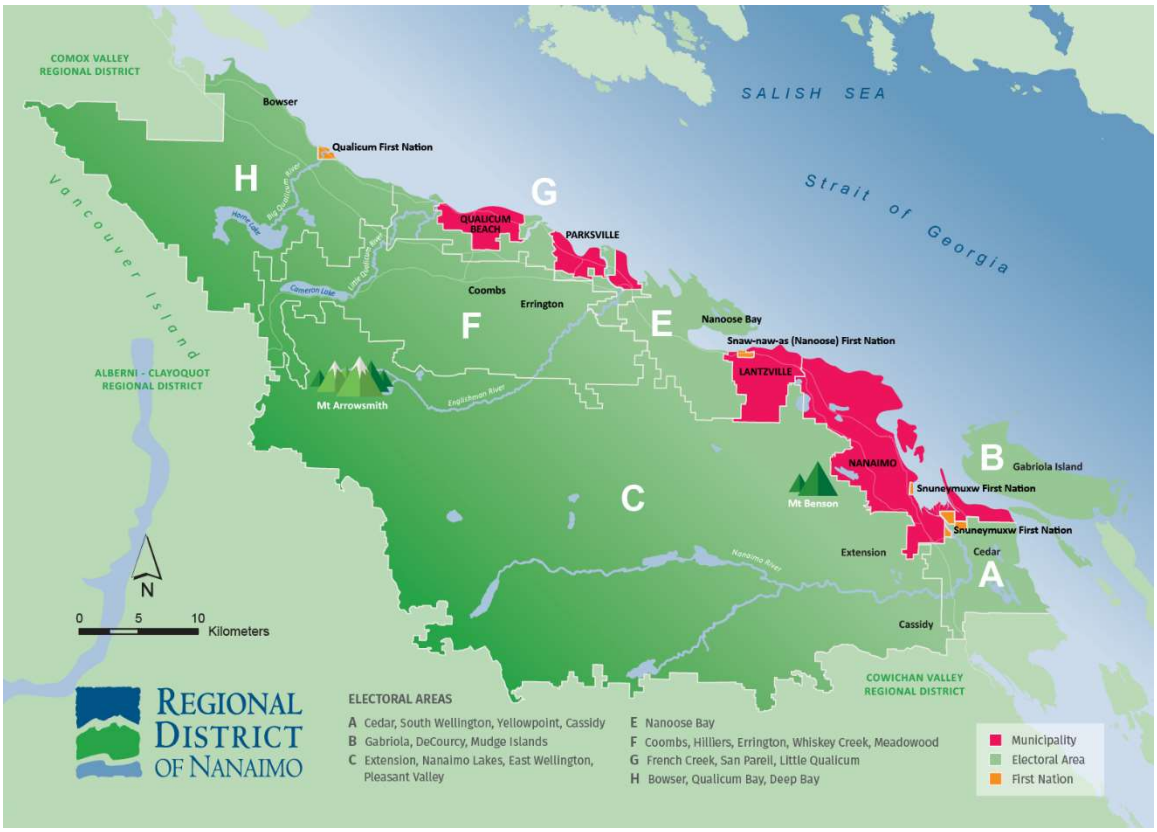
The objectives of the Solid Waste and Recycling DCC Bylaw are to:

- Assist with funding of future critical infrastructure needs identified in the Solid Waste Management Plan and the Solid Waste Asset Management Plan;
- Allocate infrastructure costs fairly between existing users and new development based on the principle that costs should be borne by those who will use and benefit from such systems;
- Set the charges at a level that is considered not to,
  - (i) deter development,
  - (ii) discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land, or
  - (iii) discourage development designed to result in a low environmental impact;
- Apportion eligible costs allocated to new development fairly between residential, industrial, commercial and institutional development based on their waste generation;

1.2. Background

The RDN owns and operates the Regional Landfill, Church Road Transfer Station and provides residential garbage, food waste and recycling services for the entire region. The RDN has made a long-term commitment to achieving Zero Waste, reducing garbage, conserving resources, reducing greenhouse gases and creating a more sustainable region. Figure 1 shows the boundaries of the RDN, including four municipalities – the City of Nanaimo, District of Lantzville, City of Parksville and Town of Qualicum Beach and seven unincorporated electoral areas included in the proposed DCC program for Solid Waste and Recycling facilities. First Nations jurisdictions – Qualicum First Nation, Snaw-naw-as (Nanoose) First Nation and Snuneymuxw First Nation – are also indicated on the map.

Figure 1 – Regional District of Nanaimo



The current Solid Waste Management Plan was approved by the Board in 2019. The RDN is achieving some of the highest waste diversion rates in the world with 68% diversion - 346.9 kilos of waste per year across all sectors in comparison with the provincial average of 1,084 kilos. In 2002, the RDN adopted "zero waste" as its waste diversion target, meaning that the region will continuously strive to reduce the amount of waste requiring disposal. Despite aggressive waste reduction targets in the current SWMP, the RDN recognizes that there will be some necessary landfilling capacity for the foreseeable future.

The Regional Landfill has capacity until 2050 based on current landfilling rates and the application of a waste shredder/GPS-Telemetry program at the facility. Depending on the speed and success of further diversion initiatives, the life of the landfill could be extended beyond 2050.

An estimated 27% of waste comes from the residential sector, 12% from multi-family and 61% from Industrial, Commercial and Institutional including construction and demolition. A recent review of the landfill shows that more than half of what's being dumped, or about 58 per cent, can be readily reused, recycled or composted, and most is coming from the commercial, construction and demolition, and multi-family sectors.

On November 30, 2023, the Province of British Columbia passed *Bill 46 – 2023: Housing Statues (Development Financing) Amendment Act* which made amendments to the *Local Government Act* ("**LGA**") providing local governments with new categories to which Development Cost Charges could be applied, including Solid Waste Facilities.

The Regional District of Nanaimo ("**RDN**") does not currently have a Solid Waste and Recycling Development Cost Charge ("**DCC**") Bylaw. Existing DCC bylaws include:

- Northern Community Sewer Service Area Development Cost Charge Bylaw No. 1442, 2005
- Fairwinds (Nanoose) Wastewater Treatment Development Cost Charge Bylaw No. 1443, 2005
- Duke Point Sewer Service Area Development Cost Charge Bylaw No. 1498, 2007
- Southern Community Sewer Service Area Development Cost Charge Bylaw No. 1547, 2009
- Nanoose Bay Bulk Water Local Service Area Development Cost Charge Bylaw No. 1088, 1997
- Barclay Crescent Sewer Service Area Development Cost Charge Bylaw No. 1557, 2009
- Electoral Area A Community Parks Development Cost Charge Bylaw No. 1839, 2021
- Electoral Area B Community Parks Development Cost Charge Bylaw No. 1840, 2021
- Electoral Area G Community Parks Development Cost Charge Bylaw No. 1841, 2021
- Electoral Area H Community Parks Development Cost Charge Bylaw No. 1842, 2021

For a full list of DCC Bylaws across the region, including member municipalities, see Appendix C – Regional DCC Comparison Chart. The RDN proposes to implement its first region wide DCC bylaw for the purpose of generating an additional revenue stream to assist with funding solid waste and recycling facilities. It is the Board's intention to apportion the costs of these facilities between existing users and new development through a new DCC Bylaw based on the principal that infrastructure costs should be paid by those who will use and benefit from such systems.

Currently the principal funding mechanisms for delivery of programs under the SWMP are:

1. Utility fees;
2. Recoveries;
3. Tipping fees;
4. Property taxation; and
5. When available, grant opportunities.

Introducing DCCs will provide an additional revenue stream and enable the RDN to recover the capital costs of the landfill and transfer station facilities associated with new development from the new development rather than solely from existing taxpayers and facility users.

1.3. Guiding Principles

In alignment with the Best Practices Guide, the DCC Bylaw is developed based on six significant principles, detailed below.

Integration

The DCC program is subordinate to the broader goals of a community, such as the goals set out in *the Local Government Act* and other provincial legislation, the Regional Growth Strategy, Official Community Plans, Financial Plans, and Asset Management Plans. The charges are only one element of the RDN's approach in dealing with issues of land efficiency, housing affordability, and community sustainability.

Benefiter Pays

The program endeavours to identify and apportion infrastructure costs on the principle that they should be paid by those who will use and benefit from such infrastructure.

Fairness and Equity

Recognizing that costs should be shared in some way amongst benefiting parties, utilize the DCC as a mechanism to distribute these costs between existing users and new development in a fair manner. Further, within the portion of costs that are attributable to new development, equitably distribute costs between the various land uses and different development projects based on waste generation.

Accountability

Establish the DCCs using a transparent, local government process, by making the information on which DCCs are based accessible and understandable by interested and affected people and groups and members of the public.

Certainty

DCCs are a co-ordinated effort, where the RDN's role is to facilitate the level of development expected, based on regional and community planning; the RDN simply acts as the administrator of the DCC program. Therefore, certainty should be built into the DCC process, both in terms of stable charges and orderly construction of infrastructure. Stability of DCC rates will assist the development industry in the planning of their projects. At the same time, sufficient DCC funds must be collected to ensure that financing is available for construction of solid waste infrastructure in a timely manner.

Consultative Input

The development of the Bylaw includes opportunities for meaningful and informed input from interested and affected people and groups and the public. These opportunities identify where input can be provided as part of the DCC development process, recognizing that other relevant documents used in the development of the DCC program include their own consultation process.

1.4. Use of Best Practice Guide

The *Development Cost Charge Best Practices Guide* has been used as a guidance document throughout the planning and development of the Solid Waste and Recycling Facilities Development Cost Charge Bylaw.

2.0 General Considerations

2.0. General Considerations

The RDN proposes to implement its first region wide DCC bylaw for the purpose of generating an additional revenue stream to assist with funding solid waste and recycling facilities. It is the Board's intention to apportion the costs of these facilities between existing users and new development through a new DCC Bylaw based on the principal that infrastructure costs should be paid by those who will use and benefit from such systems. Solid Waste Services is integrated and provides landfill and recycling facilities as a region-wide service. All capital planning is developed in consideration of the entire region. Therefore, a region wide DCC is the most appropriate means of applying the DCC.

2.1. Legislative and Regulatory Background

DCCs are charges collected by local governments to help pay for infrastructure expenditures required to service new development. Part 14, Division 19 - Sections 558 through 570 of the *Local Government Act* ("**LGA**") sets out the legislative requirements associated with Development Cost Charge Recovery. On November 30, 2023, the Province of British Columbia passed *Bill 46 – 2023: Housing Statutes (Development Financing) Amendment Act* which made amendments to the *Local Government Act* providing local governments with new categories to which Development Cost Charges could be applied, including Solid Waste and Recycling Facilities, to help pay for the capital costs of off-site infrastructure services that are needed to accommodate new development. Funding generated through DCCs is used to help accommodate growth and development through capital cost investment; eligible capital costs that can be funded through DCCs include:

- Providing, constructing, altering or expanding sewage, water, drainage, fire protection, police, highway and solid waste and recycling facilities, other than off-street parking facilities;
- Providing for and improving parkland.

Regional Districts who would like to collect DCCs must adopt a DCC bylaw that specifies the DCC amounts to be collected. The charges may vary with respect to:

- Different zones or different defined or specific areas;
- Different uses;
- Different capital costs as they relate to different classes of development; and,
- Different sizes or different numbers of lots or units in a development.

When developing a DCC program, regional district boards must consider the impact of the DCCs on development. DCCs are payable at subdivision approval or when the building permit is issued.

Funds collected through DCCs must be deposited into a separate reserve account. These funds may only be used to pay for the capital costs of the works and short-term financing costs of debt incurred for capital works identified in the DCC program. Costs for capital works include not only the actual construction of the works but also the planning, engineering, and legal costs which are directly related to the works.

In British Columbia, regional districts are required by the Provincial *Environmental Management Act* to develop a Plan — a long-term vision — that defines how the regional district will manage its solid waste, including waste diversion and disposal. The RDN prepared its first SWMP in 1988, with updates that followed in 1996, 2004 and 2019. The Bylaw has been developed in alignment with the SWMP.

Other relevant documents that have been referenced in the development of the DCC Bylaw (see Section 3.1 Relationship to Other Relevant Documents) have their own legislative process and process for public consultation.

2.2. Public Participation Process – Engagement Plan Highlights

As recommended in the BPG, the RDN has approved a Solid Waste Engagement Plan to inform interested and affected people and groups of the proposed DCC Bylaw and provide them with the opportunity to ask questions and provide input and feedback. Consultation with interested and affected people and groups will occur from November 2024 through to third reading of the Bylaw by the RDN Board.

Engagement Objective

This SW DCC Engagement Plan ("**the Plan**") is intended to achieve the following objectives:

i. Ensure that the process to develop the Plan includes input from the development community and other interested parties to ensure a fair and balanced SW DCC bylaw is developed;
ii. Provide opportunities to inform and educate the public about the role of RDN solid waste management and recycling facilities and how the capital infrastructure is impacted by new development;

iii. Provide opportunities for meaningful and informed public input on the proposed allocations of solid waste infrastructure between existing and new development, and between residential and non-residential uses;
iv. Increase support for the SW DCC bylaw that is developed;
v. Meet the consultation expectations of the Ministry of Municipal Affairs in accordance with the *Development Cost Charge Best Practices Guide*.

Decision

Development Cost Charges are proposed for solid waste and recycling facilities. These charges should reflect the impact that growth and development have on the solid waste and recycling facilities. DCC rates are set to help make sure that new development in the region pays their fair share of the costs required for solid waste and recycling facilities, and so do people and groups that currently general solid waste, all of whom will be asked to provide input on the draft SW DCC bylaw.

Engagement will provide the development community and other interested and affected people and groups with important information to understand the impact of the proposed DCCs. Input received will be considered in deciding how the cost should be distributed between existing and new development and assessing whether development will be deterred and construction of affordable housing will be discouraged. Subsequent changes may be made to the proposed SW DCC bylaw based on the input received.

Promise to the Public/IAP2 spectrum

The RDN will keep interested or affected people or groups and the public informed about the DCC program via the Get Involved RDN project page and direct outreach to key interested or affected people or groups. The RDN will listen to and acknowledge questions, concerns and feedback received, analyze and consider all feedback received as part of the decision-making process, and inform the public of the outcome.

Tools and Techniques

The development of DCC programs involves providing information and seeking input with respect to certain aspects of the program to ensure the program is fairly balanced, does not deter development and does not discourage the construction of reasonably priced housing.

Communication and engagement activities during the development of the DCC program will include:

- Presentation of the draft DCC program at Solid Waste Management Committee and RDN Board meetings
- Establishment of a Get Involved RDN project page with an opportunity for interested or affected people or groups to provide input on the draft program
- Use of social media to promote the initiative and engagement opportunities
- Emails/letters to key interested or affected people or groups to inform them of the draft DCC program and seek input in advance of presenting the proposed bylaw to the Solid Waste Management Committee
- Communication to member municipalities and First Nations and Islands Trust

- Public information meetings held virtually after first reading of the bylaw, where written and oral submissions can be submitted by the public. Additional one on one meetings could be scheduled if requested. Issue minutes of the meeting and compile written submissions package.
- Establish and maintain a record of input received
- Signage at solid waste and recycling facilities
- Acknowledgement of input received, sharing a What We Heard Engagement Summary Report, that their input has been considered as part of the decision-making process, and what the proposed DCC program is after amendments, if applicable

2.3. Bylaw Exemptions

In accordance with the LGA, a DCC can only be levied if the proposed development imposes new capital cost burdens on the RDN or uses up capacity. The DCC cannot be levied again if a DCC has already been paid with respect to the same development except where additional further development for the same development creates new capital cost burdens or uses up capacity, in which case the DCCs can be levied for the additional costs.

The LGA further restricts the levying of the DCC at the time of application for a Building Permit if the Building Permit is for a church or place of worship; or where the value of the work authorized by the Building Permit does not exceed $50,000, or a higher amount if prescribed by Bylaw.

The *Local Government Act* allows local governments to charge DCCs on residential developments of four units or less, as long as a charge is provided for in the local government's DCC Bylaw. The DCC Solid Waste and Recycling DCC Bylaw includes a specific provision for this purpose.

In addition, the LGA provides local governments the discretionary authority to waive or reduce DCCs for certain types of development to promote affordable housing and low impact development. Under this legislation, the RDN may adopt a Bylaw to waive or reduce DCCs for not-for-profit rental housing, affordable housing, small lot/low greenhouse gas emission sites, or those with low environmental impact. The RDN may consider a separate review of DCC waivers or reductions as a separate bylaw through a separate process to this DCC Bylaw. Should the RDN waive or reduce DCCs through a waiver or reduction bylaw, it is responsible to make up for any waived or reduced DCC revenue from another funding source, most commonly from property taxation.

2.4. Collection of Charges

Development Cost Charges may be levied by the RDN either at the time of subdivision approval or at the time of building permit issuance. Levying at the time of subdivision approval provides the funds sooner and better supports the infrastructure required to service the development. However, the final floorspace is often not known at this stage and building permit issuance may be more appropriate. Providing sufficient information is available at the time of subdivision approval, the RDN may collect the DCC at the time of subdivision approval. All other DCCs will be collected at Building Permit issuance, where collecting DCCs based on this more detailed information will result in more equitable distribution of new development costs. Where development occurs within a member municipality, the municipalities are expected to collect and remit the DCCs on behalf of the RDN using the same process.

The DCC Bylaw specifies when DCCs will be collected for different development types. Where a development type has not been specified in the DCC Bylaw, the DCC levied will be based on the rate of the most similar development type.

2.5. In Stream Applications

The new RDN DCC rates for Solid Waste come into force immediately following Bylaw adoption. To avoid unexpected costs to developers, a valid subdivision or building permit application would pay the DCC rates applicable at the time the application is accepted by the local government.

1. Subdivisions: Section 511 of the LGA provides that if the new DCC Bylaw is adopted after a subdivision application is submitted and the applicable subdivision fee is paid, the new DCC Bylaw has no application to the subdivision for 12 months after the DCC Bylaw is adopted. As such, if the subdivision is approved during the 12 months from Bylaw adoption, the circumstances existing prior to bylaw adoption would apply (ie, the Solid Waste and Recycling DCC Bylaw would not apply). This only applies in cases where DCCs are levied at subdivision.

OR

2. Building Permits: Section 568 of the LGA provides that the new DCC Bylaw is not applicable to a construction, alteration or extension if: (a) a building permit is issued within 12 months of the new DCC Bylaw adoption, AND (b) either a building permit application, a development permit application or a rezoning application associated with the construction (defined as "precursor application") is in stream when the new DCC Bylaw is adopted, and the applicable application fee has been paid. The development authorized by the building permit must be entirely within the area subject to the precursor application.

2.6. Bylaw Effective Date

The Bylaw will be in force immediately upon adoption. As an acknowledgement of the impact DCCs may have on the development industry, the RDN is taking actions to ensure that interested and affected people and groups are notified of the proposed bylaw and can interact with the RDN well in advance. See Section 2.2 Public Participation Process – Engagement Plan Highlights of this report for more details.

2.7. Credits, and Rebates

There are no specific references to "DCC credits" or "DCC rebates" in the *Local Government Act*. However, the intent of Section 565 is that developers providing trunk services beyond the development shall have those costs deducted from the applicable DCCs payable. To implement the provisions of the legislation, the concepts of a "DCC credit" and a "DCC rebate" are introduced.

DCC programs are established in support of broader community plans, with consideration of development projections made in planning and land use documents. The DCC program should be compiled to service the new development in an orderly manner, and the capital projects included are a subset of the Financial

Plan. Underlying the DCC calculations are various assumptions regarding the cost and timing of capital projects, based on the financial plan and long-term asset management planning.

DCC Credits:

A situation may arise where a developer desires to proceed with a greenfield land development before the required trunk services are installed in that area. This type of development can be considered to be "out of sequence." A credit can result where the developer is required to construct the necessary trunk service and bear the associated cost; the credit would not exceed the DCC payable.

In the case of solid waste and recycling facilities, due to the region-wide nature of the facilities, this is not expected to occur. Should such a situation arise, it will be considered on a case-by-case basis.

DCC Rebates:

In the case where a developer wishes to proceed with a development before the trunk services fronting his property are installed in that area, a local government might allow the developer to construct the required works to a trunk standard. Then, the local government would offer a DCC rebate for the incremental portion of costs beyond the local requirement.

Again, due to the region-wide nature of the facilities, this is not expected to occur with solid waste and recycling facilities. Should such a situation arise, it will be considered on a case-by-case basis.

2.8. DCC Review and Amendment Process

The DCC program needs to be regularly reviewed to ensure that it is kept current. It is recommended that this review should occur annually concurrently with capital planning and include consideration of revisions to any of the official community plans, funding sources, changing infrastructure needs, updated costing estimates, and other factors affecting new development. Should an update to the DCC program be required, an amendment to the DCC bylaw can be completed. Depending on what is required, either a minor adjustment to DCC rates to reflect inflation can be completed or a major DCC amendment.

Minor DCC Amendment

A minor amendment to the DCC bylaw is basically an adjustment to the charges to reflect current construction costs, fluctuations in land values, and the status of government grants. It is suggested that this type of amendment could be made annually, if required, following the annual review of the Financial Plan. The following process will be used for minor update of DCCs to reflect inflation:

- prepare average unit rates from all the lowest bid construction tenders received during a calendar year;
- apply these rates to a standardized generic construction project;
- compare overall total costs between one year and the next to determine cost changes;
- apply appropriate cost change factors to the capital cost within the DCC calculation and recalculate the DCCs; and,
- submit revised bylaw to the Inspector of Municipalities for a minor bylaw amendment review.

Any proposed inflation adjustment methodologies must be pre-approved by the Ministry. This type of bylaw amendment would still require statutory approval. However, due to the nature of the adjustment, it is anticipated that approval of the bylaw amendment would be expedited.

Major DCC Amendment

A major bylaw amendment involves a full review of the DCC methodology, similar to the process for establishment of a DCC program, including:

- underlying DCC assumptions;
- broad policy considerations;
- development projections;
- DCC program costs;
- timing of proposed capital projects;
- addition of new projects to the DCC program, where necessary; and,
- deletion from the DCC program of those capital projects that have been completed or are no longer required.

It is anticipated that a major DCC bylaw amendment will be considered every five years, unless conditions which form the basis for the bylaw change sooner.

2.9. DCC Monitoring and Reporting

A DCC program includes a requirement for annual reporting. The *Local Government Act* states that the Inspector of Municipalities may require a local government to provide them with a report on the status of development cost charge collections and proposed expenditures. The LGA also stipulates that DCCs must be deposited in a separate reserve fund that is established for each purpose. The DCCs collected and the interest earned must be used to pay for the applicable capital projects. The RDN manages existing DCCs using sound accounting and monitoring practices. These same practices will be followed to monitor and track the solid waste and recycling DCC projects and financial status.

Solid Waste Services plans to track all the eligible projects in the DCC program, following the progress of each project from the conceptual stage through to its final construction. This will include comparing actual costs against the estimated costs included in the DCC capital costs. The estimated funding sources would also be considered, including any future grants that may be applicable. Monitoring the actual results versus the estimated costs enables the RDN to determine whether sufficient DCC funds are being collected to complete the DCC program in accordance with development projections. If there are inadequate or excess DCC funds, this can feed into the DCC review and amendment process.

3.0 Growth and Development Projections

Projections for population and housing were developed using demographics and past migration patterns that were included in the *Regional District of Nanaimo Regional Growth Strategy Bylaw No. 1874, 2023* (the "**Regional Growth Strategy**"). This model was first included in the RDN's *Regional Housing Needs Assessment* in 2020 and updated after the release of the 2021 Census. Since the 2016 Census, more people have immigrated to the area. This trend is expected to continue as federal immigration targets are increased. All the information included in this report uses baseline projections unless otherwise indicated. Historically, the region has grown slowly and steadily. Over the next 20 years, growth is projected to add about 43,555 new residents and give the RDN an estimated population of 216,008 by 2041. In 2021, the region's population was estimated at 172,453 people. The forecasted estimate is for a 25 per cent population increase in the RDN between 2021 and 2041, at an average projected increase in growth of 1.1 per cent per year. The estimated remaining useful lifespan of the Nanaimo Regional Landfill is until 2050 and provides a reasonable timeline for the solid waste DCC. Continuing to use the average rate of population growth of 1.1% per year, this will result in an estimated population of 238,358 by 2050 and a forecasted population increase of 31.1% between 2024 and 2050. Residential, commercial, industrial and institutional development will occur to meet the demand of this increased population. Solid waste volume estimates are calculated across all sectors based on forecasted population growth (see "Figure 1 – Regional Projected Population, 2021 – 2050" below). Future reviews of the DCC program can result in amendments to reflect changes that occur.

The data used in this report was provided by the RDN, City of Nanaimo, District of Lantzville, Town of Qualicum Beach and City of Parksville, and gathered from the relevant documents listed in Section 3.1 Other Relevant Documents. This is the recommended approach in the BPG currently to encourage greater density in development. Using the baseline (conservative) population growth of 1.1 percent per annum to project population results in an estimated population of 238,358 by 2050.

Figure 1 – Regional Projected Population, 2021 - 2050

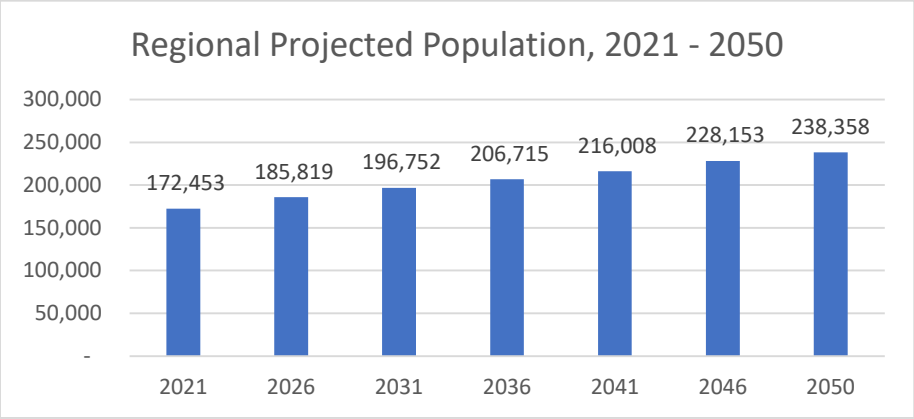


Table 1 - Distribution of Waste Calculation breaks down the total waste generated by sector and divides the DCC costs on this basis. Residential land uses combined generate 39% of the total waste and ICI combined generates 61% of the total waste. Waste generated is a key determinant of costs incurred and

benefits received and has therefore been incorporated into the calculation. All growth projections have been reviewed with municipal staff in the RDN.

Table 1 - Distribution of Waste Calculation

Land Use	Estimated New Development	Unit	Persons /Unit	% of waste generated Factor
Single Detached Dwelling including Mobile Homes	13,079	dwelling units	2.4	23%
Multi-Family Residential	11,167	dwelling units	1.9	16%
Commercial	361,990	m^2 gross floor area	49%	30%
Industrial	180,995	m^2 gross floor area	22%	13%
Institutional	217,194	m^2 gross floor area	29%	18%
Total Equivalent Population				100%

3.1 Other Relevant Documents

Growth and development projections include a consideration of technical information garnered from staff at the Regional District of Nanaimo, District of Lantzville, City of Nanaimo, City of Parksville and Town of Qualicum Beach, School Districts 68 and 69, and the Nanaimo Regional Hospital District. Documents referenced during the development of the Solid Waste and Recycling DCC Bylaw are detailed below. These include provincial legislation, documents internal to the RDN as well as municipal, school district and hospital district documentation, with the key ones being the following:

- *Local Government Act*
- *Environmental Management Act*
- *Development Cost Charge Best Practices Guide*
- *Development Cost Charge Guide for Elected Officials*
- *Interim Guidance Development Finance Tools Update: Development Cost Charges/Levies and Amenity Cost Charges*
- *Regional District of Nanaimo Regional Growth Strategy Bylaw No. 1874, 2023*
- *Official Community Plans:*
    - *Regional District of Nanaimo Electoral Area 'A' Official Community Plan Bylaw No. 1620, 2011*
    - *Gabriola Official Community Plan (Gabriola) Bylaw No. 166, 1997*

- *Regional District of Nanaimo Arrowsmith Benson-Cranberry Bright Official Community Plan Bylaw No. 1148, 1999*
- *Regional District of Nanaimo East Wellington - Pleasant Valley Official Community Plan Bylaw No. 1055, 1997.*
- *Regional District of Nanaimo Nanoose Bay Official Community Plan Bylaw No. 1400, 2005*
- *Regional District of Nanaimo Electoral Area 'F' Official Community Plan Bylaw No. 1152, 1999*
- *Regional District of Nanaimo Electoral Area 'G' Official Community Plan Bylaw No. 1540, 2008*
- *Regional District of Nanaimo Electoral Area 'H' Official Community Plan Bylaw No. 1335, 2017*
- *City Plan Bylaw 2022 No. 6600*
- *District of Lantzville Official Community Plan Bylaw No. 150, 2019*
- *Plan Parksville: A Vision for Our Future - Official Community Plan Bylaw, 2013, No. 1492*
- *Town of Qualicum Beach Official Community Plan Bylaw 800, 2018*

- *Regional Housing Needs Report Regional District of Nanaimo*
- *Regional District of Nanaimo Population, Housing and Employment Updated Projections 2021-2041*
- *City of Nanaimo Land Inventory and Capacity Analysis*
- *Regional District of Nanaimo Financial Plan 2022 to 2026 Bylaw No. 1849, 2021*
- *Regional District of Nanaimo Solid Waste Financial and Asset Management Plan 2023-2047*
- *Regional District of Nanaimo: Solid Waste Management Plan*
- *Regional District of Nanaimo 2022 Waste Composition Study*
- *Ministry of Environment and Climate Change Strategy Operational Certificate 1714* (issued to the Regional District of Nanaimo)*Regional District of Nanaimo Nanaimo Regional Landfill – Design, Operations and Closure Plan Update*
- School District 68 *Nanaimo Ladysmith Strategic Plan 2024-2028*
- *School District 68 Nanaimo Ladysmith Five-Year Capital Plan 2024/2025*
- *School District No. 69 (Qualicum) Long Range Facilities Plan*

- *School District No. 69 (Qualicum) Capital Plan Bylaw No. 2023/2024-CPSD69-02*
- *Nanaimo Regional Hospital District 2024 Annual Budget Bylaw No. 182, 2024*

3.2 Projected Residential Development Units

Residential development is projected based on the forecasted population growth and referencing the *Regional Growth Strategy* and *Housing Needs Report*. The bylaw is drafted with charges applied per dwelling unit for all housing types, with a lower cost per dwelling unit as the density increases to encourage greater density. For certainty, the Bylaw will apply to building permits authorizing the construction, alteration or extension of buildings that will contain fewer than four self-contained residential dwelling units. The Bylaw will not apply to self contained dwelling units no larger than 29 square meters used only for residential dwelling units. It is recommended and assumed in this report that the DCCs will be charged for construction, alteration or extension of a building that results in an increase of the original building area and where the value of the work covered by the building permit is greater than $50,000 and results in one or more dwelling units. The bylaw will only apply to the increased building size beyond the pre-existing area. The Regional Growth Strategy indicates that there are currently a total of 76,377 residential units consisting of 52,655 single family dwellings (including mobile homes) and 23,722 multi-family dwellings.

Table 2 – Projected Residential Units to 2050

Type of Housing	current units	new units	total units 2050	% increase by type	% of total by type
Single Detached Dwelling including Mobile Homes	52,655	13,079	65,734	19.9%	53.9%
Multi Family Residential	23,722	11,167	34,889	32.0%	46.1%
Total	**76,377**	**24,246**	**100,623**	**24.1%**	**100.0%**

3.3 Industrial Development Projection

The south coast of British Columbia, including the southern part of Vancouver Island, are experiencing pressure on industrial lands. There is an expectation of both intensification and densification of industrial land use over the coming years due to increased demand and limited supply, together with a growing interest in efficient use of all land types. Intensification is defined as a higher amount of activity on the land and densification is defined as denser building development on the land. As stated in the "Metro 2050 Implementation Guideline Industrial and Employment Lands",

> "Industrial intensification / densification optimizes the industrial land potential by allowing sites to achieve higher density forms of industrial development and utilization, and by facilitating new growth through the redevelopment of existing underutilized sites. Industrial densification and intensification provide a range of benefits such as: more efficient use of lands and resources; reduced pressures on other lands; improved capacity for businesses to grow to create employment opportunities; increased job opportunities; greater clustering of co-located operations; circular economy; a more efficient transportation system, and extending the lifespan of available industrial lands. It is important to recognize that some industries are land intensive, and some are building-intensive or job-intensive."

A review of the available industrial lands across the region as detailed in the Official Community Plans and the City of Nanaimo's Land Inventory and Capacity Analysis reveals that there should be sufficient land available for development until 2050 without exhausting the lands zoned industrial. There is generally support for light industrial development across the region with limited support for heavy industry.

The proposed Solid Waste and Recycling DCC Bylaw uses square metres as the unit of measure because it is more representative of the light industrial use expected, combined with the anticipated intensification and densification of industrial land use.

The projected demand for increased floorspace by 2050 is 153,986 square metres of industrial lands using the historical industrial development on a per capita basis. It is recommended and assumed in this report that the DCCs will be charged for construction, alteration or extension of a building that results in an increase of the original building area and where the value of the work covered by the building permit is greater than $50,000. The bylaw will only apply to the increased building size beyond the pre-existing area.

Development Type	Projected requirements m^2 by 2050
Industrial	**153,986**

3.4 Commercial Development Projection

The projected demand for commercial floorspace is an increase of 350,442 square metres by 2050 using the historical development of commercial lands on a per capita basis. Intensification and densification is also occurring in the commercial sector. With more high-rise building construction, more strata use, and a general trend for retailers to reduce their footprint. With the projected requirements by 2050, sufficient lands remain throughout the RDN as a whole to support continued development in the commercial sector.

It is recommended and assumed in this report that the DCCs will be charged for construction, alteration or extension of a building that results in an increase of the original building area and where the value of the work covered by the building permit is greater than $50,000. The bylaw will only apply to the increased building size beyond the pre-existing area. Commercial projections in the City of Nanaimo's Land Inventory and Capacity Study from 2020 were also analyzed in consideration of this estimate.

Development Type	Projected requirements m^2 by 2050
Commercial	**350,442**

3.5 Institutional Development Projection

Institutional land use is projected using the historical development of institutional lands on a per capita basis. By 2050 an additional 204,170 square metres of floorspace is projected to be required. Capital Plans for development of several institutional sector entities were also reviewed in consideration of this projection. These include:

- Nanaimo-Ladysmith School District 68, which is expected to experience a shortage of space to accommodate both elementary and secondary students; their capital plan is to expand three elementary schools.
- School District 69 is considering expanding existing schools, opening new schools and/or re-opening schools, including a potential Nanoose Bay school site.
- VIU Trust is considering the development feasibility of three key sites within the existing campus deemed as excess land.
- The Nanaimo Regional Hospital District (NRHD) has confirmed its five major areas of focus for capital planning and advocacy are the patient tower replacement, new cancer centre, cardiac catheterization lab and a new high acuity unit, all to be located at Nanaimo Regional General Hospital (NRGH), and a long-term care facility in the region.

It is recommended and assumed in this report that the DCCs will be charged for construction, alteration or extension of a building that results in an increase of the original building area and where the value of the work covered by the building permit is greater than $50,000. The bylaw will only apply to the increased building size beyond the pre-existing area. Sufficient lands remain throughout the RDN to support projected development in the Institutional Sector. In addition to lands zoned institutional, many institutional uses also permitted within other mixed-use land use designations.

Development Type	Projected requirements m^2 by 2050
Institutional	**204,170**

4.0 DCC Charges for Solid Waste and Recycling

Eligible DCC Solid Waste and Recycling Costs

For DCC programs, local government infrastructure considered 'solid waste and recycling facilities' includes projects such as:

- solid waste master planning;
- landfills;
- transfer stations;
- recycling depots and processing facilities; and,
- compost facilities

Solid waste and recycling costs that are not considered "facilities" and are therefore ineligible include:

- curbside collection costs including garbage trucks
- vehicles that are on-site at a landfill or other facility
- asset management; and,
- environmental monitoring

4.1 Estimate of Solid Waste and Recycling Eligible Projects and Costs

All projects in the DC program are owned or controlled by the RDN and are or will be capitalized on its financial statements. Project cost estimates are based on the RDN's Financial Plan and the Solid Waste Financial and Asset Management Plan and are as accurate as possible for the planned expenditure date to provide sufficient funds are collected to meet the infrastructure costs required, while not being excessive relative to actual costs. Project costs have been updated to include contingency, engineering and

administration costs and interim financing. Long term financing is not included. Construction Costs are in 2024 dollars throughout.

As the time of construction becomes closer and cost estimates are refined, the DCC bylaw will be reviewed and can be amended if appropriate.

A full listing of eligible capital projects can be found in "Table 3 -Proposed DCC Program", together with the estimated costs, benefit factor, assist factor, DCC recoverable amount and amount that must be funded by other (non-DCC) sources.

A landfill is constructed in phased developments, following prescribed engineering and scientific principles, and in accordance with provincial and federal regulations. When considering siting a landfill there is a primary consideration of whether the area in question is large enough to provide a suitable volume of airspace to generate revenues that will cover: the costs of construction, the cost of operations, the costs of closure, and the costs of post-closure maintenance.

Like building a house, landfills are constructed using earth works and specific impermeable materials (the foundation). Landfills are then sequentially filled in engineered sections also known as cells (the walls, floors, ceilings of a house), with landfill gas and leachate controls imbedded within (wiring). Once full, landfills are then closed, using impermeable materials to prevent infiltration of water, and escape of landfill gas/leachate (the roof).

The development cost charge model supports the equitable and fair funding of the landfill construction and closure projects. Construction and closure are essentially the same project, separated by a period of time equal to the total volume available divided by total volume of waste landfilled.

The development of land (construction) brings with it a higher consumption of landfill airspace, and the capital costs to build, and timeline to close, landfills increase outside of the traditional cost recovery model (airspace/tipping fee/material volume). Until a world of zero-waste (circular economy) is functioning as intended, all people within a region benefit from the landfills service(s).

In the past, large swaths of land were required to make constructing a landfill fiscally feasible. With DCCs the costs of construction and closure of a landfill attributable to new development will be offset allowing for smaller landfills, which in turn supports environmental, economic, and social sustainability. As communities can support regional landfills, they are in turn able to practice a higher level of waste diversion, and in turn support circularity and zero waste at a provincial level.

The projects included in "Table 3 -Proposed DCC Program" are required in relation to new development as follows:

Septic field replacement: New development results in the need for a new larger field that can accommodate the larger volume of material that is entering the landfill on a regular basis. The current septic field is not large enough, when taking into account the growth, to accommodate the projected revolving demand.

Commercial and Residential tip floor replacement: The tip floor wears with time. New development will decrease the useful life of the tipping floor, resulting in the need to replace the floor sooner than anticipated. It is sacrificial to the building in that it gets worn down through operations (pushing garbage), and the floor can be replaced to avoid needing to replace primary floor below. The current replacement

schedule of the sacrificial tipping floor layer supports the waste volumes of the existing population. More builds equal more garbage, equaling more pushing, resulting in the floor being replaced sooner. An estimated 50% of the costs can be attributed to new development.

Building improvements: The building requires expansion specifically to accept and process the expanded volume of material resulting from new development and meet the service level requirements associated. Building capacity is based on the existing user base; therefore, growth will require building improvements and upgrades/expansions to meet service level demands associated with the larger user base. The majority of the costs, estimated at 75%, are directly attributable to new development.

Landfill gas collection system (new wells and new horizontals) and Upgrades to existing wells and piping: The landfill gas and leachate wells and piping need to be put in place as the construction of the landfill occurs. Additional wells and piping need to be redrilled because of shifting that occurs due to the volume of waste material entering the landfill. New development's waste delivered to the landfill requires the installation of new wells and piping and upgrades to existing wells and piping associated with that waste to handle the increased volume. Increased material volumes from higher population/growth, results in increased installation schedule of LFG collection systems sooner than projected/expected, and in a greater quantity than originally projected.

Phased cell construction and closure: Because new development is projected to generate waste on the same basis as existing users, the airspace available in each phase of the landfill will be consumed more quickly. The new development uses up the airspace capacity that would otherwise be available, resulting in capital costs associated with closure of landfill phases that should be fairly apportioned between existing users and new development. The calculation reflects the recovery of closure costs from airspace consumed by existing users to the date of DCC adoption and the remaining airspace that benefits new builds, as a percentage of the whole. It also considers the differential settlement over time and the airspace created from that, that the existing users and new builds will benefit from based on how much differential settlement usually occurs.

> For cell one south closure, Increased population and economic growth has increased material generation by more than 30% annually, with further growth projected. This increases airspace consumption, requiring closure to occur sooner than projected. 40% of the airspace is estimated to remain and will be required for new development and existing users equally on a prorated basis.
>
> All remaining projects will be required to support new development in equal proportion with existing users.

Flare station replacement: More gas is generated due to the increased volume of waste and the flare will burn out sooner as a result, requiring replacement.

PLC engineered structure: works in conjunction with the flare. A controller to set the rate of burn. Due to the material coming in from new development, it will need to be replaced.

Updates to the Solid Waste Master Planning documents: the Solid Waste Management Plan and Design, Operation and Closure Plan are required to be completed to support both existing and new development, who will benefit equally.

Table 3 - Proposed DCC Program

Item	Project	cost estimate (A)	benefit factor (B)	benefit to new dev (C+AxB)	Assist Factor (1%)	DCC Recoverable (E=C-D)	Total RDN other sources (F=A-E)
MJ-1202 MAJOR CAP - SOLID WASTE CHURCH ROAD							
	Septic Field	$ 60,000	23.73%	$ 14,238	$ 142	$ 14,095	$ 45,905
2-1202-9612-000 CAPITAL - BUILDINGS							
	Commercial tip Floor	$ 360,000	11.86%	$ 42,713	$ 427	$ 42,286	$ 317,714
	Residential Transfer Station Tipping Floor	$ 480,000	11.86%	$ 56,950	$ 570	$ 56,381	$ 423,619
	Building expansion	$ 5,745,598	75.00%	$ 4,309,199	$ 43,092	$ 4,266,107	$ 1,479,491
2-1203-9610-000 CAPITAL - ENGINEERING STRUCTURES							
	Landfill Gas Collection System (new wells, new horizontals)	$ 2,184,000	11.86%	$ 259,124	$ 2,591	$ 256,533	$ 1,927,467
	Upgrades to existing wells & piping	$ 1,275,000	23.73%	$ 302,549	$ 3,025	$ 299,523	$ 975,477
SW-0007 SW - PHASE 2 FINAL CLOSURE Cell one south							
	Cell one South closure	$ 18,062,400	9.49%	$ 1,714,434	$ 17,144	$ 1,697,290	$ 16,365,110
SW-0010 SW - PHASE 3 CONSTRUCTION Cell two south east							
	Cell Two South East Berm Construction	$ 14,508,450	23.73%	$ 3,442,758	$ 34,428	$ 3,408,330	$ 11,100,120
SW-0012 SW - FLARE STATION REPLACEMENT							
	Flare station	$ 228,000	23.73%	$ 54,103	$ 541	$ 53,562	$ 174,438
SW-0013 SW - PHASE 1 FINAL CLOSURE North Berm							
	Phase 1 final closure north berm	$ 7,825,998	23.73%	$ 1,857,057	$ 18,571	$ 1,838,486	$ 5,987,512
SW-0014 SW - PLC UPGRADE & CONTROL VALVE							
	PLC engineered structure	$ 210,000	23.73%	$ 49,832	$ 498	$ 49,333	$ 160,667
SW-00XX (2b/2c) - Phase 2 Final Closure							
	Phase 2b/2c final closure	$ 6,000,000	23.73%	$ 1,423,760	$ 14,238	$ 1,409,522	$ 4,590,478
SW-00XX (3a) - Phase 3 Final Closure							
	Phase 3a closure	$ 18,000,000	23.73%	$ 4,271,279	$ 42,713	$ 4,228,566	$ 13,771,434
SW-00XX (3b) - Phase 3 Final Closure							
	Phase 3b closure	$ 9,600,000	23.73%	$ 2,278,016	$ 22,780	$ 2,255,235	$ 7,344,765
SW-00XX (Phase 4 & 5 + Landfill Final Closure)							
		$25,000,000	23.73%	$5,932,332	$59,323	$5,873,009	$ 19,126,991
SW-00XX (SW Property Development for Disaster Debris Laydown and future use).							
		$15,000,000	23.73%	$ 3,559,399	$ 35,594	$ 3,523,805	$ 11,476,195
Solid Waste Master Planning Development							
	Updates to Solid Waste Management Plan	$ 2,820,000	23.73%	$ 669,186	$ 6,692	$ 662,494	$ 2,157,506
	Design, Operation and Closure Plan	$ 450,000	23.73%	$ 106,785	$ 1,068	$ 105,717	$ 344,283
TOTAL SOLID WASTE MANAGEMENT		**$ 127,809,446**		**$ 30,343,713**	**$ 303,437**	**$ 30,040,275**	**$ 97,769,171**

4.2 Deducting Grants

No grants are currently approved for solid waste and recycling facilities. If a grant is subsequently approved, the this can be considered during a Bylaw review. (See Section 2.8 DCC Review and Amendment Process.)

4.3 Benefit Allocation

Benefit allocation is the calculation of how much benefit is attributed to existing users of the estimated capital project costs and how much is attributed to new development. The benefit allocation model used for Solid Waste and Recycling Facilities is based on the guiding principle of fairness and equitable

distribution of capital costs amounts. Solid waste management and recycling facilities benefit the population at large across the entire regional district. Everyone will receive the benefit of capital infrastructure and both existing users and new development will consume a proportional share of the capital infrastructure. Solid waste calculations are based on per capita consumption of landfill space. The calculations for benefit allocation are therefore based on the population growth projections with the resulting percentage of new development in relation to total development being 23.73%. Residential, commercial, industrial, and institutional development will occur to meet the demand of this increased population. Solid waste volume estimates are calculated across all sectors based on this forecasted population growth and the percentage of waste generated by each sector. See section "4.1 Estimate of Solid Waste and Recycling Eligible Project Costs" for benefit allocation information on specific projects.

4.4 Assist Factor

The *Local Government Act* requires that development costs charges may be imposed for the purpose of providing funds to 'assist' the local government to pay the capital costs that service, directly or indirectly, the new development for which the charge is imposed. The assist factor is the amount of funding that the local government must pay from non-DCC funding sources that relates to new development and is only calculated after the benefit allocation has been determined. Increasing the assist factor will reduce what new development contributes and result in a higher subsidy to new development by other funding sources, most commonly existing users via taxation. It is not a pre-established amount and can be varied between different DCC infrastructure categories, with many local governments setting this amount at 1% (lowest level of assistance) and some going as high as 50% or more. The Board has the discretion to set this amount and can set the assist factor at the minimum when development is occurring or at a higher percentage to encourage further new development.

In line with common practice with many growing local governments and all the existing RDN bylaws, the assist factor for the region's financing of solid waste and recycling facilities for development has been set at 1%. The Board has considered the objectives and determined that it is considered not to,

(i) deter development,
(ii) discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land, or
(iii) discourage development designed to result in a low environmental impact.

4.5 DCC Distribution Amongst Development Categories

Solid waste management and recycling facilities benefit all categories of development across the entire regional district. The net recoverable DCC amount is therefore distributed amongst new development in proportion to the percentage of waste generated by each category of land use. Through tracking the waste composition of materials received, Solid Waste Services has estimated 39% of waste is generated from the residential sector and 61% from Industrial, Commercial and Institutional sector including construction and demolition. The distribution to residential is accordingly set at 39% of the net recoverable DCC and 61% distributed to the ICI. Within ICI, these costs are distributed based on the projected development up to 2050 (see Section 3.0 Growth and Development Projections for details).

Table 4 – Solid Waste DCC Distribution

	Distribution
Residential (SFD, Multi-family)	39.0%
Industrial	13.3%
Commercial	30.2%
Institutional	17.6%

4.6 Breakdown of Solid waste and recycling DCC Burden and Revenue Estimates

The DCC Calculation for the estimated remaining lifespan of the landfill is as per the following table.

Table 5 - Solid Waste and Recycling DCC Calculation to 2050

Solid Waste DCC Calculation						
A. Distribution of Waste Calculation	Option 2					
	*Residential waste distributed per capita; ICI distributed by percentage of ICI					
Residential Calculation: 39% of total waste	Est New DUs to 2050	Persons /Unit	Pop Increase	% of Res waste	$ of DCCs	% of overall Waste
Singe Detached	13,079	2.4	31,389	59.7%	$ 6,990,517	23%
Multiple Family	11,167	1.9	21,217	40.3%	$ 4,725,190	16%
Total	24,246		52,607		$ 11,715,707	
ICI sector 61% of total waste	Est New gross floor area m2	% of ICI Waste	$ of DCCs			
Commercial	361,990	49.5%	$ 9,062,550			30%
Industrial	180,995	21.7%	$ 3,982,124			13%
Institutional	217,194	28.8%	$ 5,279,894			18%
Total Equivalent Population	760,179		$18,324,568			
B. Unit DC Calculation						
New SW DCC Program Recoverable	$ 30,040,275					
Existing SW DCC Reserve Monies	$ -					
Net Amount to be Paid by DCC's	$ 30,040,275					
C. Resulting Solid Waste DCC's						
Land Use	**Cost per unit**	**Unit**				**Estimated DCC Revenue**
Residential						
Single Detached	$ 534.49	per dwelling unit				$ 6,990,517
Multi-Family	$ 423.14	per dwelling unit				$ 4,725,190
ICI						
Commercial	$ 25.04	/m^2 gross floor area				$ 9,062,550
Industrial	$ 22.00	/m^2 gross site area				$ 3,982,124
Institutional	$ 24.31	/m^2 gross floor area				$ 5,279,894
						$ 30,040,275

4.7 DCC Rates Proposed

The proposed DCC rates for solid waste and recycling are as follows in "Table 6 – Proposed DCC Rates":

Table 6 - Proposed DCC Rates

Land Use	Cost per unit	Unit
Residential		
Single Detached	$ 534.49	per dwelling unit
Multi-Family	$ 423.14	per dwelling unit
ICI		
Commercial	$ 25.04	/m^2 gross floor area
Industrial	$ 22.00	/m^2 gross site area
Institutional	$ 24.31	/m^2 gross floor area

4.8 Financial Feasibility Testing

The average impact to the cost of residential construction is approximately 0.15%, considering the proposed rates in the bylaw of $534.49 per single family dwelling unit and using the 2024 building permit data from the Regional District of Nanaimo to estimate the average cost of construction for each dwelling unit.

A review of the existing DCCs across the region is summarized in Appendix C Regional DCC Comparison Chart.

Due to the low cost per dwelling unit, the DCC is not anticipated to deter development or discourage the construction of reasonably priced housing or the provision of reasonably priced services land.

Appendix A: "Regional District of Nanaimo Solid Waste and Recycling Facilities Development Cost Charge Bylaw No. 1927, 2025"

REGIONAL DISTRICT OF NANAIMO

BYLAW NO. 1927

A BYLAW TO IMPOSE DEVELOPMENT COST CHARGES WITHIN THE REGIONAL DISTRICT OF NANAIMO FOR SOLID WASTE AND RECYCLING FACILITIES

WHEREAS the Regional District may, pursuant to section 559 of the *Local Government Act,* 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 Regional District to pay the capital cost of providing, constructing, altering or expanding solid waste and recycling facilities in order to serve, directly or indirectly, the development for which the charges are imposed;

AND WHEREAS the Regional District has the responsibility of providing solid waste and recycling facilities in its member municipalities, being City of Nanaimo, District of Lantzville, City of Parksville and Town of Qualicum Beach;

AND WHEREAS in establishing the development cost charges under this bylaw, the Board has taken into consideration the future land use patterns and development and the other matters referred to in section 564(4) of the *Local Government Act*, including whether the development cost charges imposed under this bylaw

(a) are excessive in relation to the capital costs of prevailing standards of service in the Regional District,

(b) will deter development in the Regional District,

(c) will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land in the Regional District, and

(d) will discourage development in the Regional District designed to result in a low environmental impact;

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 Regional District's financial plan and long-term capital plans, and to capital projects consistent with the Regional Growth Strategy for the Regional District and Official Community Plans for Electoral Areas A, C, E, F, G, H and Gabriola Island and the municipalities of City of Nanaimo, District of Lantzville, City of Parksville and Town of Qualicum Beach.

NOW THEREFORE the Board of the Regional District of Nanaimo in open meeting assembled enacts as follows:

1. CITATION

This bylaw may be cited as “Regional District of Nanaimo Solid Waste and Recycling Facilities Development Cost Charge Bylaw No. 1927, 2025”.

2. APPLICATION

This Bylaw is applicable to the Regional District of Nanaimo, including all electoral areas (Electoral Areas A, B, C, E, F, G and H) and the Regional District’s member municipalities (City of Nanaimo, District of Lantzville, City of Parksville and Town of Qualicum Beach).

3. DEFINITIONS

In this bylaw:

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

“Assisted Living Units” means a building or buildings used for multiple family residential use, where there may be common facilities and a cafeteria or eating area, but where residents are ambulatory and live in private rooms or units which can be locked and which are not automatically accessible to care staff.

"*Commercial Use*" means the use of a building for any commercial use, including retail, tourist accommodation, restaurant, personal or professional services, commercial entertainment or commercial recreational use, but excluding industrial or institutional use.

"*Dwelling Unit*" means a self-contained set of one or more habitable rooms that include cooking and washroom facilities and used as a single residence.

"*Gross Floor Area*" means the total of the horizontal area of all floors in a building, including any basement, parking facilities or underground levels, measured to the outside of exterior walls.

"*Industrial Use*" means the use of a building for any industrial, manufacturing, processing, repair, storage use or for wholesaling or distribution of goods.

"*Institutional Use*" means the use of a building as a school, hospital, correctional facility or care facility or for the purposes of a public body or publicly regulated utility, but does not include use for "assisted living".

“Member municipality” means the City of Nanaimo, District of Lantzville, City of Parksville and Town of Qualicum Beach or any of them.

“Lot” means a parcel created by registration of subdivision under the *Land Title Act* (British Columbia) or the Bare Land Strata regulation under the *Strata Property Act* (British Columbia).

"*Multiple Family Residential*" means a building or buildings containing, in total, two or more dwelling units, but excluding Single detached dwelling on a Lot with no other dwelling units.

"Regional District" means the Regional District of Nanaimo.

"Secondary Suite" means a dwelling unit contained in the same building as a principal dwelling unit and that is subordinate and accessory to that other dwelling unit.

"*Single Detached Dwelling"* means a building containing only one dwelling unit or one dwelling unit and a secondary suite.

"Zoning Bylaw" means the Regional District zoning bylaw for the applicable electoral area or the Member Municipality's zoning bylaw.

4. DEVELOPMENT COST CHARGES

4.1 Every person who obtains:

a) approval of a subdivision of land under the *Land Title Act* or the *Strata Property Act* into two or more parcels where the applicable zoning bylaw permits the construction of one single detached dwelling on at least one of the parcels; or

b) a building permit authorizing the construction, alteration or extension of a building, including a building that will, after construction, alteration or extension, contain less than four self-contained dwelling units and be put to no other use other than residential use in those dwelling units,

shall pay, at the time of the approval of the subdivision or the issuance of the building permit, the applicable development cost charges as set out in Schedule 'A' attached to and forming part of this bylaw.

4.2 For certainty and without limiting the circumstances where development cost charges are imposed under this bylaw, this bylaw imposes development cost charges in respect of a building permit authorizing the construction, alteration or extension of a building that will, after the construction, alteration or extension, contain fewer than four self-contained dwelling units and be put to no other use than residential use in those dwelling units.

5. CALCULATION OF APPLICABLE CHARGES

5.1 Where a type of development is not identified in Schedule 'A' the amount of development cost charges to be paid to the Regional District shall be equal to the development cost charges that are payable for the type of development that in the opinion of the Regional District's Manager of Solid Waste Services imposes the most similar capital cost burden on the Regional District in respect of solid waste and recycling facilities.

5.2 For a building intended to be used for more than one use type specified in Schedule 'A', the development cost charges payable shall be calculated separately for each portion of the building containing a different use type and the amount payable shall be the sum of the development cost charges calculated for each such portion of the building.

6. *LOCAL GOVERNMENT ACT* PROVISIONS RESPECTING CIRCUMSTANCES WHERE DEVELOPMENT COST CHARGES ARE NOT PAYABLE

For clarity, in accordance with section 561 of the *Local Government Act*, a development cost charge is not payable under this bylaw if any of the following circumstances applies:

a. The building 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 either of the following provisions of the *Community Charter*:

   i. Section 220 (1) (h) [statutory exemption for places of public worship];
   ii. Section 224 (2) (f) [permissive exemptions in relation to places of public worship]; or

b. The building permit authorizes the construction, alteration or extension of a building if the value of the work authorized by permit does not exceed $50,000; or

c. In relation to the construction, alteration or extension of self-contained dwelling units in a building authorized under a building permit each unit is no larger in area than 29 square metres and each unit is to be put to no other use other than the residential use in those dwelling units; or

d. A development cost charge has previously been paid for the same development unless, as a result of further development, new capital cost burdens will be imposed on the Regional District; or

e. The development does not impose any new capital cost burdens on the Regional District.

7. EFFECTIVE DATE

This bylaw will come into full force and effect on the date of adoption.

8. SEVERABILITY

In the event that 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 the bylaw remains valid.

Introduced and read a first time this 14th day of October, 2025.

Read a second time this _____ day of _____, 202__.

Read a third time this _____ day of _____, 202__.

Approved by the Inspector of Municipalities this this _____ day of _____, 202__.

Adopted this _____ day of _____, 202__.

_____	_____
CHAIR	CORPORATE OFFICER

Schedule 'A' to accompany Regional District of Nanaimo Solid Waste and Recycling Facilities Development Cost Charge Bylaw No. 1927, 2025

Chair

Corporate Officer

SCHEDULE 'A'

Development Cost Charges for Solid Waste and Recycling Facilities

1. For clarity, where DCCs have been paid at subdivision, DCCs for dwelling units at building permit will be payable for any increase in proposed number of dwelling units at the time of building permit issuance from the planned number at time of subdivision.

Category	Subdivision	Building Permit
Single Detached Dwelling including Mobile Homes	$534.49 per lot upon which a single detached dwelling may be constructed under applicable zoning bylaw	$534.49 per dwelling unit
Multiple Family Residential		$423.14 per dwelling unit
Commercial		$25.04 per square meter of building gross floor area
Industrial		$22.00 per square meter of building gross floor area
Institutional		$24.31 per square meter of building gross floor area

Appendix B “What We Heard” Summary of Public Engagement

Appendix C Regional DCC Comparison Chart

Single Family Dwelling						
DCC Type	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach	Electoral Areas	
Sanitary Sewer	$ 1,787.04	$ 5,030.00	$ 101.79	$ -	$ 3,064.00	Nanoose Residential
					$ 2,125.00	Fairwinds Residential
					$ 1,685.00	Duke Point VIP87574 & VIP59634
					$ 2,246.24	Area A (within sewer service area)
					$ 1,059.16	Barclay Crescent
					$ 1,384.75	Northern Community Sewer Service
					$ 4,622.37	Southern Community Sewer Service
Drainage	$ 75.94	$ 74.00	$ 503.96	$ 2,055.00	$ -	
Water Distribution	$ 306.34	$ 7,934.00	$ 9,655.33	$ 2,985.00		
Water Supply	$ 5,619.55				$ 7,917.24	Nanoose Bay Peninsula (SFD & Duplex)
Parks	$ 1,249.32	$ 1,494.00	$ 332.91	$ 3,675.00	$ 87.00	Area A per parcel
					$ 530.00	Area B per parcel
					$ 330.00	Area G per parcel
					$ 868.00	Area H per parcel
Roads	$ 5,823.08	$ 1,868.00	$ 3,896.00	$ 3,058.00	$ -	
Total	**$ 14,861.27**	**$ 16,400.00**	**$ 14,489.99**	**$ 11,773.00**	**varies as per service area**	
Note: RDN Solid Waste (Proposed) $534.49 per dwelling unit						
Note: City of Nanaimo has proposed updates to include Fire, Police & Solid Waste with DCC totals per unit of $42,886.29 per unit						
Multi Family Dwelling						
DCC Type	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach	Electoral Areas	
	per m^2 of GFA	per dwelling unit	per m^2 of GFA	per m^2 of GFA	as below	
Sanitary Sewer	$ 10.77	$ 3,982.00	$0.77 low density	$ -	$ 3,064.00	per unit - Nanoose Sanitary sewer
			$0.47 med/high		$ 2,125.00	per unit - Fairwinds Residential
					$ 1,685.00	per unit - Duke Point Area A Sewer
					$ 1,059.16	per unit - Barclay Crescent
					$ 104.58	per m^2 GFA - Northern Community Sewer Service
					$ 25.74	per m^2 GFA - Southern Community Sewer Service
Drainage	$ -	$ 975.00	$2.62 low density	$ 20.55	$ -	
			$1.36 med/high			
Water Distribution	$ 1.85		$73.45 low density		$ 7,557.37	low density per unit - Nanoose Bay Peninsula
Water Supply	$ 33.86	$ 6,281.00	$44.15 med/high	$ 22.39	$ 6,837.62	medium density per unit - Nanoose Bay Peninsula
					$ 5,038.24	high density per unit - Nanoose Bay Peninsula
Parks	$ 7.53	$ 1,183.00	$2.54 low density	$ 27.56	$ 58.00	per unit - Area A
			$1.53 med/high		$ 354.00	per unit - Area B
					$ 220.00	per unit - Area G
					$ 579.00	per unit - Area H
Roads	$ 35.09	$ 1,140.00	$24.01 low density	$ 22.93	$ -	
			$18.95 med/high			
Total	**$ 89.10**	**$ 13,561.00**	**$103.39 low densi**	**$ 93.43**	**varies as per service area**	
			$66.46 med/high			
Note: RDN Solid Waste (Proposed) $423.14 per dwelling unit						
Note: City of Nanaimo proposes updates to include Fire, Police & Solid Waste with DCC totals per unit of $24,881.45 for medium density and $17,632.20 for high density						

Commercial						
DCC Type	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach	Electoral Areas	
	per m^2 of GFA	per m^2 of GFA	per m^2 of GFA	per m^2 of GFA	as below	
Sanitary Sewer	$ 10.22	$ 13.00	$ 0.57	$ -	$ 7.25	per m^2 GFA - Nanoose Sanitary sewer
					$ 5.02	per m^2 GFA - Fairwinds Residential
					$ 7.96	per m^2 GFA - Duke Point Area A Sewer
					$ 4.77	per m^2 GFA - Barclay Cres Sewer
					$ 59.36	per m^2 GFA - Northern Community Sewer Service
					$ 26.12	per m^2 GFA - Southern Community Sewer Service
Drainage	$ 0.38	$ 3.00	$ 1.61	$ 20.55	$ -	
Water Distribution	$ 1.75	$ 20.00	$ 37.14		$ 35.89	per m^2 GFA - Nanoose Bay Peninsula
Parks				$ 9.19	$ -	
Roads	$ 33.31	$ 70.00	$ 53.47	$ 30.58	$ -	
Total	**$ 77.42**	**$ 106.00**	**$ 92.79**	**$ 60.32**	**varies as per service area**	

Note: RDN Solid Waste (Proposed) $25.04 per m^2 GFA

Note: City of Nanaimo has proposed updates to include Fire, Police & Solid Waste with DCC totals per per m^2 of GFA of $179.67

Note: District of Lantzville has proposed updates to include Fire with DCC totals of $139.10 per m^2 of GFA

Industrial						
DCC Type	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach	Electoral Areas	
	per m^2 of GFA	per ha of gross site	per m^2 of GFA	per m^2 of GFA	as below	
Sanitary Sewer	$ 2.61	$ 20,957.00	$ 0.57	$ -	$ 6.13	per m^2 GFA - Nanoose Sanitary sewer
					$ 4.24	per m^2 GFA - Fairwinds Residential
					$ 79,668.07	per HA - Duke Point Area A Sewer
					$ 4.77	per m^2 GFA - Barclay Cres Sewer
					$ 59.36	per m^2 GFA - Northern Community Sewer Service
					$ 6.66	per m^2 GFA - Southern Community Sewer Service
Drainage	$ 0.38	$ 22,906.00	$ 2.27		$ -	
Water Distribution	$ 0.45	$ 33,060.00	$ 37.14		$ -	Nanoose Bay Peninsula
Water Supply	$ 8.20					
Roads	$ 8.49	$ 24,869.00	$ 21.20	$ 30.58	$ -	
Total	**$ 19.75**	**$ 101,792.00**	**$ 61.18**	**$ 30.58**	**varies as per service area**	

Note: RDN Solid Waste (Proposed) $22.00 per m^2 GFA

Note: City of Nanaimo has proposed updates to include Fire, Police & Solid Waste with DCC totals per per m^2 of GFA of $62.08

Note: District of Lantzville has proposed updates to include Fire with DCC totals of $133,060 per hectare of gross site area

Institutional						
DCC Type	City of Nanaimo	District of Lantzville	City of Parksville	Town of Qualicum Beach	Electoral Areas	
	per m^2 of GFA	per m^2 of GFA	per m^2 of GFA	per m^2 of GFA	as below	
Sanitary Sewer	$ 10.22	$ 21.00	$ 0.48		$ 2.00	per m^2 - Duke Point Area A Sewer
Drainage	$ 0.38	$ 3.00	$ 0.91		$ -	
Water Distribution	$ 1.75		$ 45.39		$ 17.99	per m^2 GFA - Nanoose Bay Peninsula
Water Supply	$ 32.14	$ 33.00				
Roads	$ 33.31	$ 33.00	$ 53.47		$ -	
Total	**$ 77.42**	**$ 90.00**	**$ 100.25**	**$ -**	**varies as per service area**	

Note: RDN Solid Waste (Proposed) $24.31 per m^2 GFA

Note: City of Nanaimo has proposed updates to include Fire, Police & Solid Waste with DCC totals per per m^2 of GFA of $179.67

Note: District of Lantzville has proposed updates to include Fire with DCC totals of $93.80 per m^2 of gross floor area