



Second Narrows Water Supply Tunnel

Metro Vancouver Development Cost Charges

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AGENDA

1. Metro Vancouver Board Direction
2. What We Heard From Previous Engagement
3. Metro Vancouver Water DCC
4. Metro Vancouver Liquid Waste DCC
5. Metro Vancouver Regional Parkland Acquisition DCC
6. Summary of Proposed New DCC Rates
7. Expert Advice – Comparative Analysis
8. Questions and Discussion

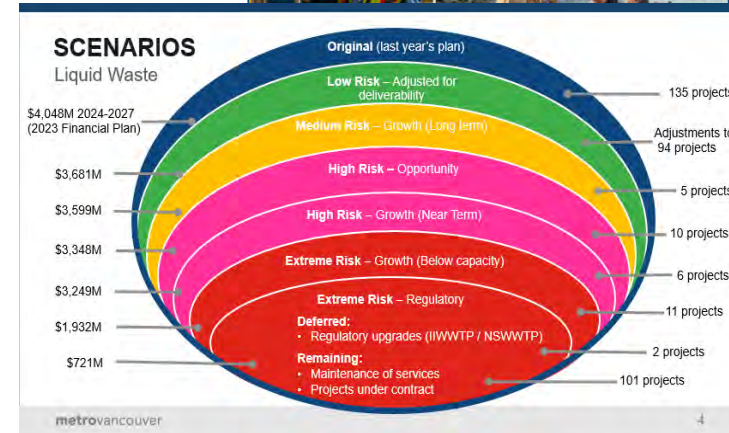
METRO VANCOUVER BOARD DIRECTION

Financial Sustainability & Regional Affordability:

- Infrastructure for growing region
- Labor Market competition & massive Inflation
- Long Range Sustainable Rates




Financial Plan Task Force & Board Direction:

- Growth pay for Growth (DCC/Debt/Senior Govt)
- Defer/remove low & medium risk projects from current Five Year Plan (\$650 million)
- Average Annual Rate Increases down to 5% by 2026



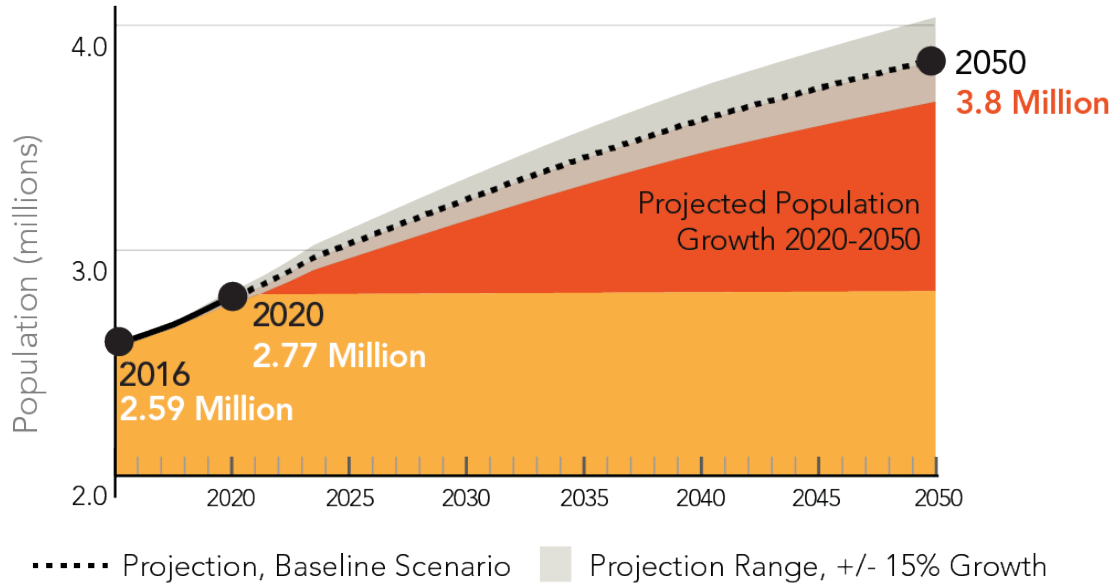
METRO VANCOUVER BOARD DIRECTION

Board directed staff to prepare the 2024–2028 Financial Plan with the following DCC rate assumptions:

-  **Liquid Waste DCC** moving to a 1% assist factor with interest
-  **Water DCC** moving to a 1% assist factor with interest
-  Implementation of a **DCC for Regional Parks**, moving to a 1% assist factor

A GROWING REGION

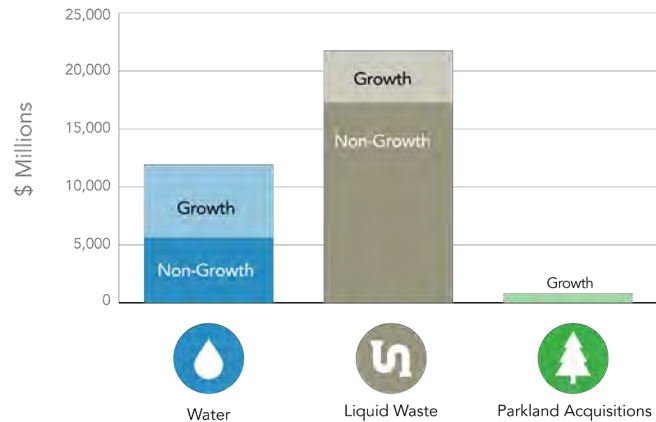
METRO VANCOUVER PROJECTED POPULATION GROWTH TO 2050



30 YEAR CAPITAL PLAN TOTAL

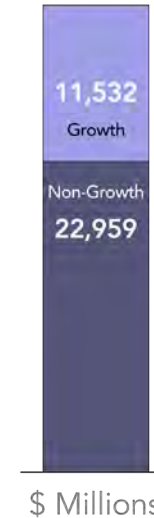
For Water, Liquid Waste, and Regional Parks

Project Capital Expenditures



Total Capital Plan

Total: 34,491



DCC REVISION TIMELINE

April 2023



September 2023



- First Nations Engagement
- Industry/Public Engagement
- Member Municipality Engagement
- Metro Vancouver Advisory Committees

October 2023



- 3 Readings

Early 2024



- Fourth Reading
- Effective Date January 1, 2025

WHAT WE HEARD

What We Heard	What We're Doing
More notice helps developers adjust to the change / A phase-in period would reduce the financial impact on developments	Proposing a multi-year phase in
There are administrative challenges related to burden on member municipalities	Metro Vancouver has dedicated a point of contact to help ensure implementation would be consistent
The entire tax burden to be considered and coordinated to reduce cumulative financial impact	Metro Vancouver did an industry capacity analysis in 2021, and is completing another

WHAT WE HEARD

What We Heard	What We're Doing
Consider extending waiver or reduction to profit-oriented developers of affordable rental housing	Affordable housing waiver is under review with any amendment estimated Q1 2024
Provide consistency and predictability with annual DCC increases	Increases would happen on January 1 of each year

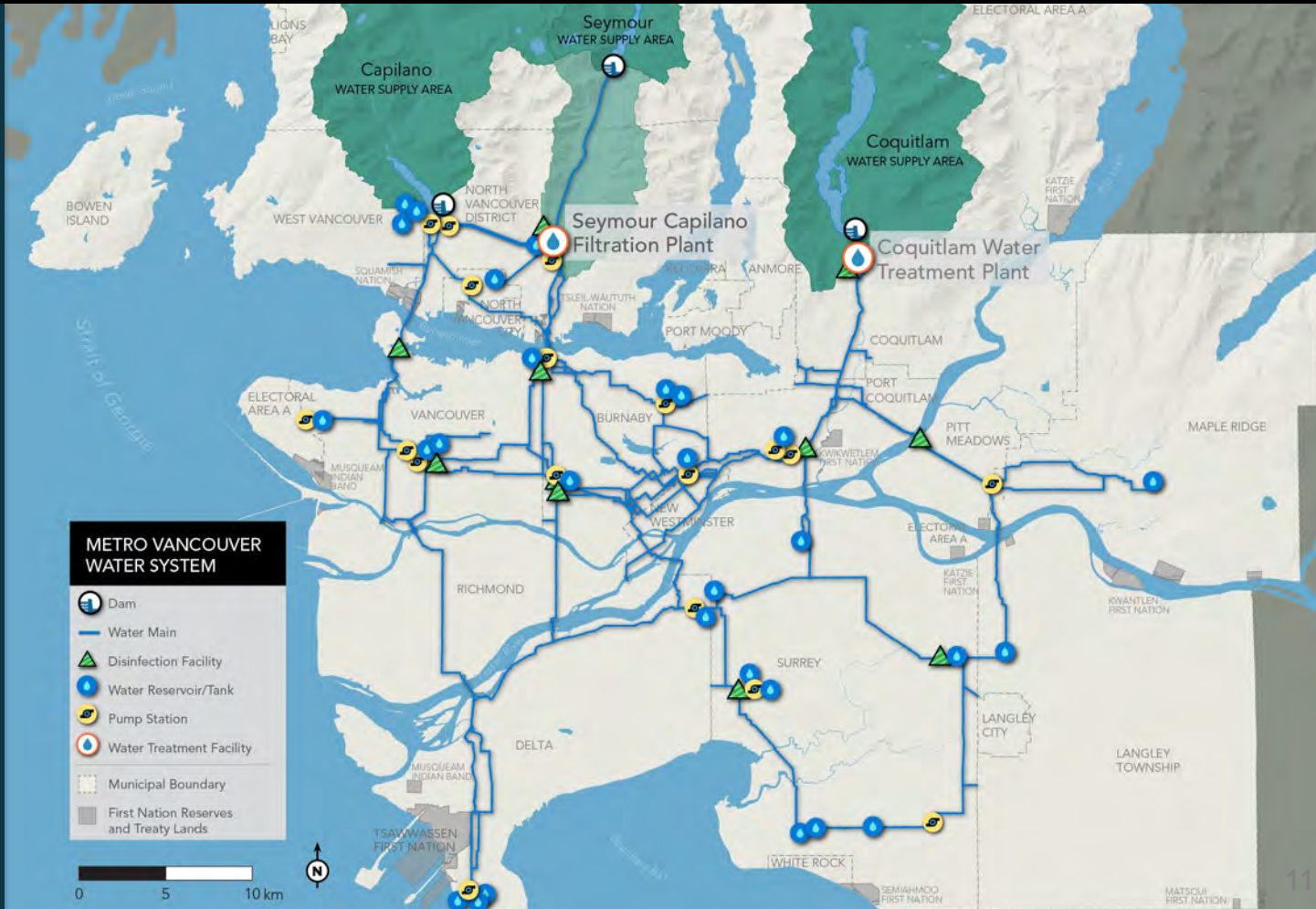


Water DCC

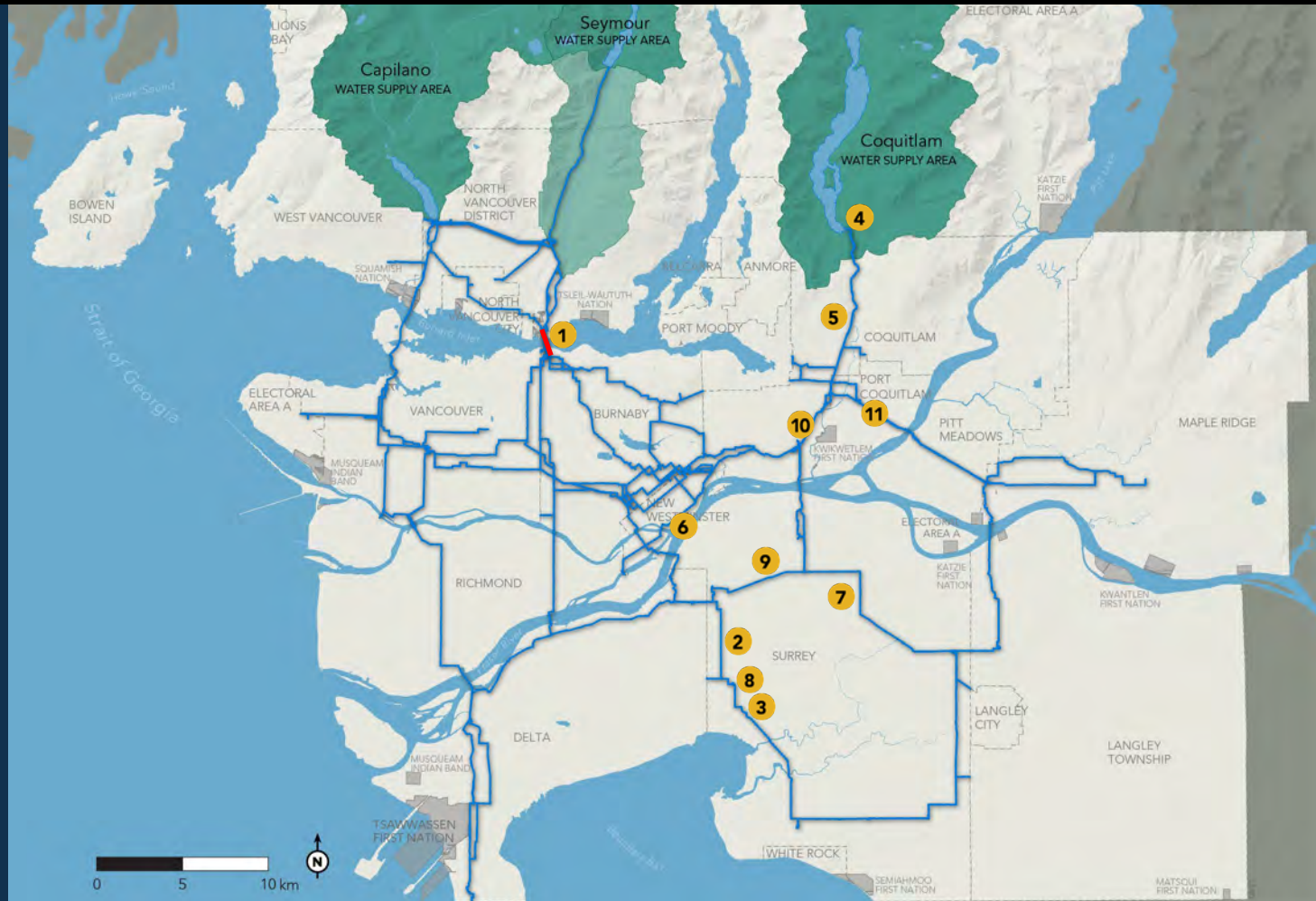
Stanley Park

GROWTH PROJECTS

- 90 kms of new transmission mains
- 2 new in-system reservoirs
- 2 new pump stations
- 1 new source water intake and treatment facilities



- 1 Second Narrows Water Supply Tunnel
- 2 Kennedy Newton Water Main
- 3 South Surrey Water Main No. 2
- 4 Coquitlam Lake Water Supply Project
- 5 Coquitlam Water Main
- 6 Annacis Water Main No. 5
- 7 Fleetwood Reservoir
- 8 Newton Pump Station No.2
- 9 Whalley Kennedy Water Main No. 2
- 10 Cape Horn Water Main No. 2
- 11 Haley Main No. 4 (West Section)



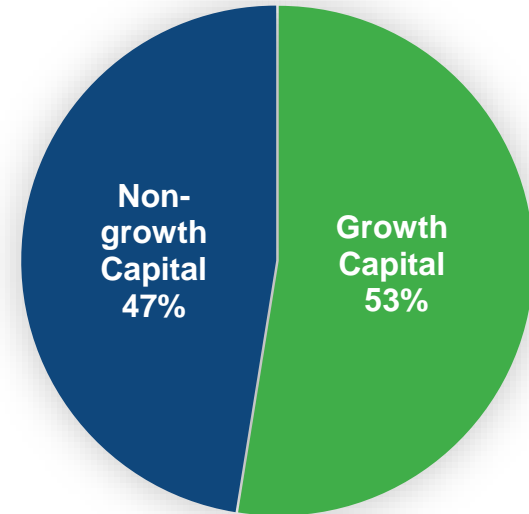
GROWTH REQUIREMENTS: WATER SERVICES

30 Year Capital Plan Update

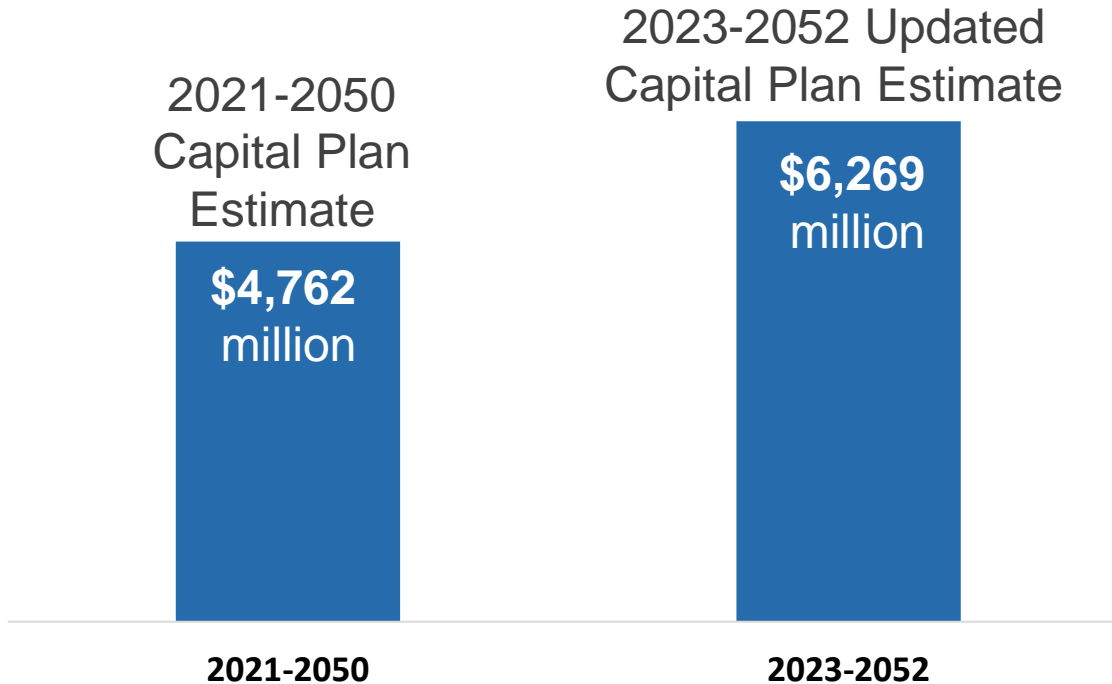
Project Capital Expenditures

	\$ Millions
Growth Capital	6,269
Non-growth Capital	5,661
Total Capital Plan	11,930

Water Services Capital Plan



GROWTH REQUIREMENT IN WATER SERVICES 30 YEAR CAPITAL PLAN UPDATE



PROPOSED RATES – WATER DCCS

DWELLING	EXISTING 50%	STEP 1 45% Jan 1, 2025	STEP 2 15% Jan 1, 2026	STEP 3 1% Jan 1, 2027	\$ INCREASE TO 1%
Single Family	\$6,692	\$10,952	\$16,926	\$19,714	\$13,022
Townhouse	\$5,696	\$9,839	\$15,206	\$17,710	\$12,014
Apartment	\$4,261	\$6,791	\$10,495	\$12,223	\$7,962
Non-Residential (per ft ² of floor area)	\$3.39	\$5.30	\$8.19	\$9.54	\$6.15



Liquid Waste DCC

Annacis Wastewater Treatment Plant

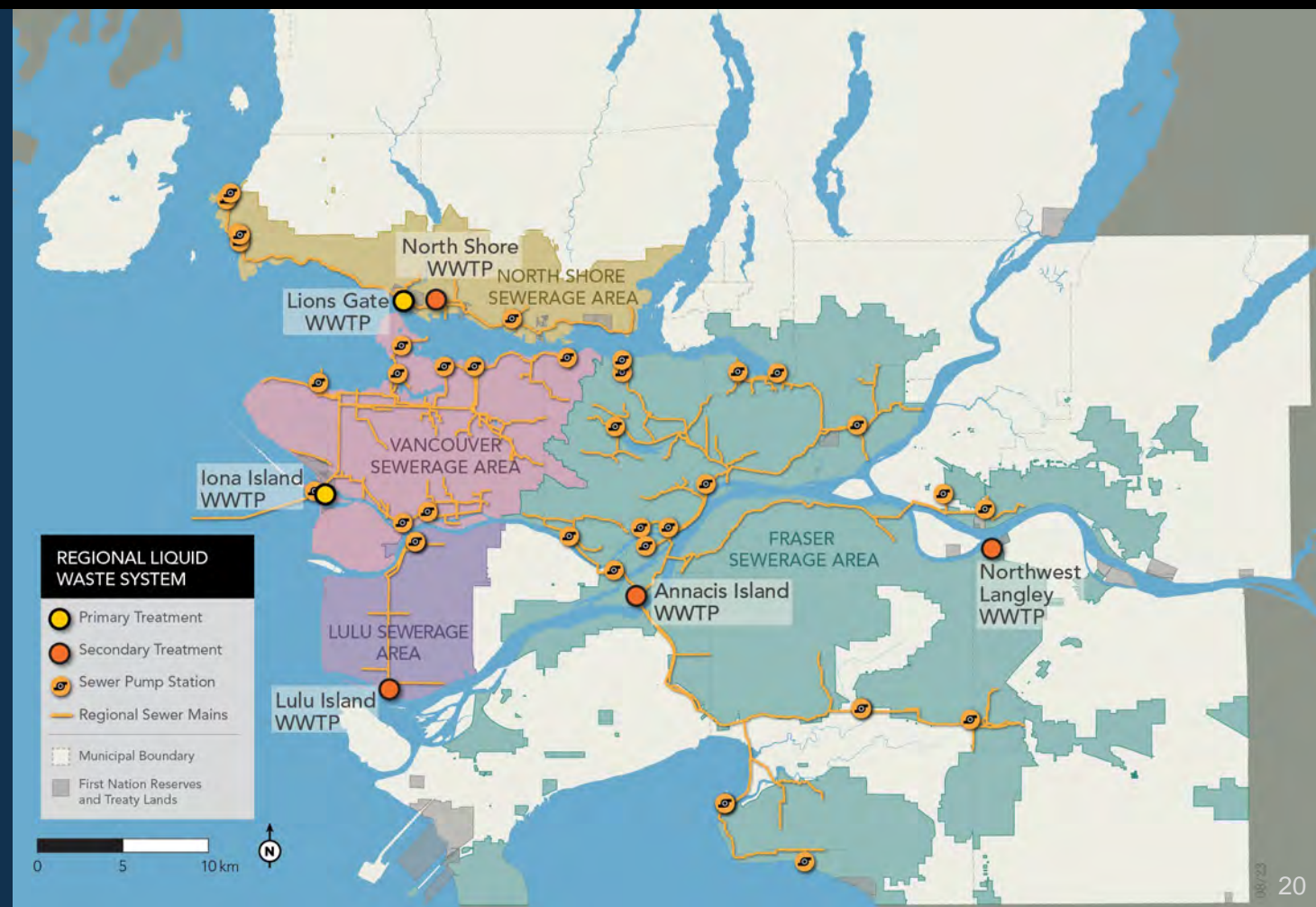



Growing region:
approximately
1.5% annually

Increasing
service demands

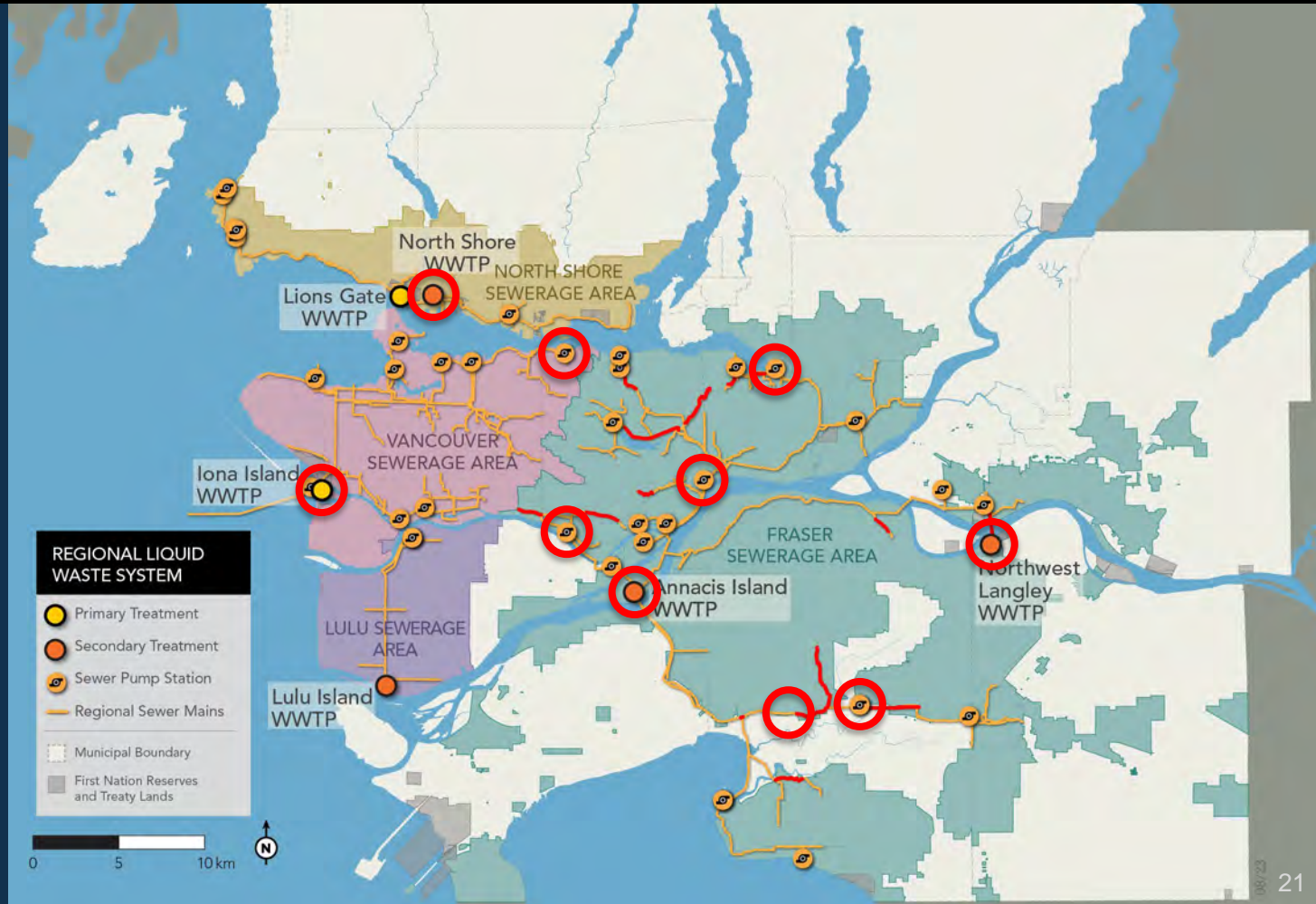
Infrastructure
expansion

Development
pays for growth



 Sewer Facility Project

 Sewer Main Project



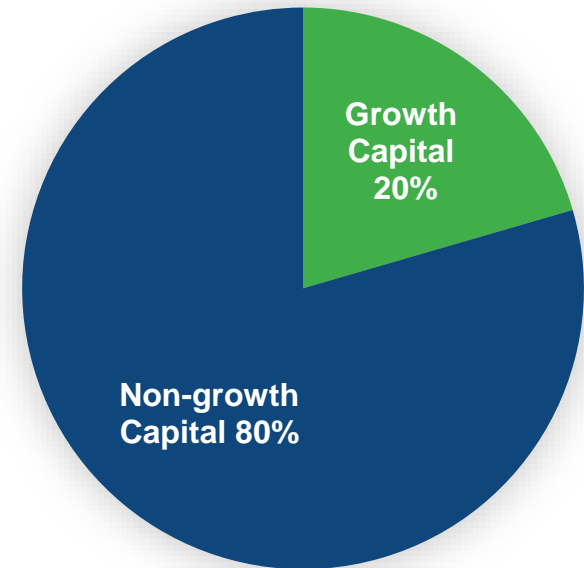
GROWTH REQUIREMENTS: LIQUID WASTE SERVICES

30 Year Capital Plan Update

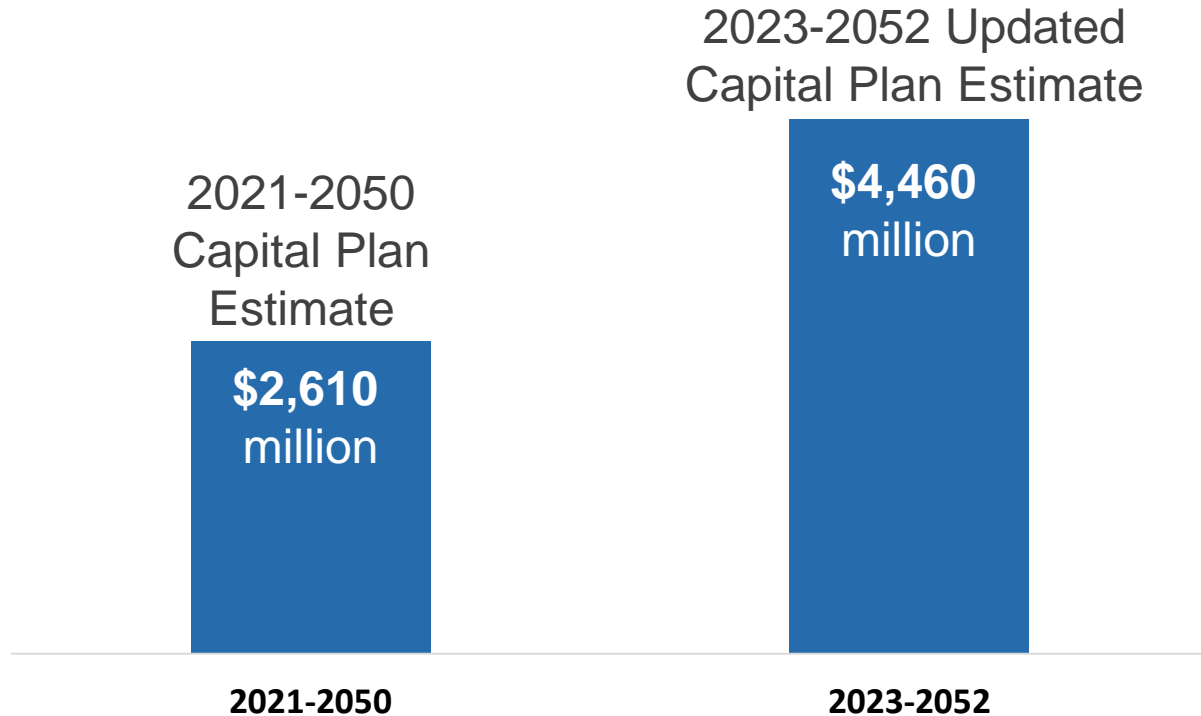
Project Capital Expenditures

	\$ Millions
Growth Capital	\$4,460
Non-growth Capital	\$17,298
Total Capital Plan	\$21,758

Liquid Waste Services
Capital Plan



GROWTH REQUIREMENT IN LIQUID WASTE SERVICES 30 YEAR CAPITAL PLAN UPDATE



PROPOSED RATES – LIQUID WASTE DCC - VSA

DWELLING	EXISTING 17.5%	STEP 1 16% Jan 1, 2025	STEP 2 10% Jan 1, 2026	STEP 3 1% Jan 1, 2027	\$ INCREASE TO 1%
Single Family	\$3,335	\$10,498	\$11,290	\$12,476	\$9,141
Townhouse	\$2,983	\$9,593	\$10,316	\$11,400	\$8,417
Apartment	\$1,988	\$6,298	\$6,772	\$7,484	\$5,496
Non-Residential (per ft ² of floor area)	\$1.63	\$5.30	\$5.70	\$6.30	\$4.67

PROPOSED RATES – LIQUID WASTE DCC - NSSA

DWELLING	EXISTING 17.5%	STEP 1 16% Jan 1, 2025	STEP 2 10% Jan 1, 2026	STEP 3 1% Jan 1, 2027	\$ INCREASE TO 1%
Single Family	\$3,300	\$9,760	\$10,478	\$11,557	\$8,257
Townhouse	\$2,786	\$8,996	\$9,658	\$10,652	\$7,866
Apartment	\$2,030	\$6,005	\$6,448	\$7,111	\$5,081
Non-Residential (per ft ² of floor area)	\$1.67	\$5.00	\$5.37	\$5.92	\$4.25

PROPOSED RATES – LIQUID WASTE DCC - LIWSA

DWELLING	EXISTING 17.5%	STEP 1 16% Jan 1, 2025	STEP 2 10% Jan 1, 2026	STEP 3 1% Jan 1, 2027	\$ INCREASE TO 1%
Single Family	\$3,313	\$5,683	\$6,152	\$6,855	\$3,542
Townhouse	\$2,756	\$4,927	\$5,333	\$5,943	\$3,187
Apartment	\$2,042	\$3,516	\$3,806	\$4,241	\$2,199
Non-Residential (per ft ² of floor area)	\$1.54	\$2.55	\$2.76	\$3.08	\$1.54

PROPOSED RATES – LIQUID WASTE DCC - FSA

DWELLING	EXISTING 17.5%	STEP 1 16% Jan 1, 2025	STEP 2 10% Jan 1, 2026	STEP 3 1% Jan 1, 2027	\$ INCREASE TO 1%
Single Family	\$6,254	\$11,443	\$12,311	\$13,613	\$7,359
Townhouse	\$5,390	\$10,015	\$10,775	\$11,914	\$6,524
Apartment	\$4,269	\$7,302	\$7,855	\$8,686	\$4,417
Non-Residential (per ft ² of floor area)	\$3.30	\$5.41	\$5.82	\$6.43	\$3.13



Regional Parkland Acquisition DCC

Minnekhada Regional Park

Metro Vancouver Regional Parks and Greenspace

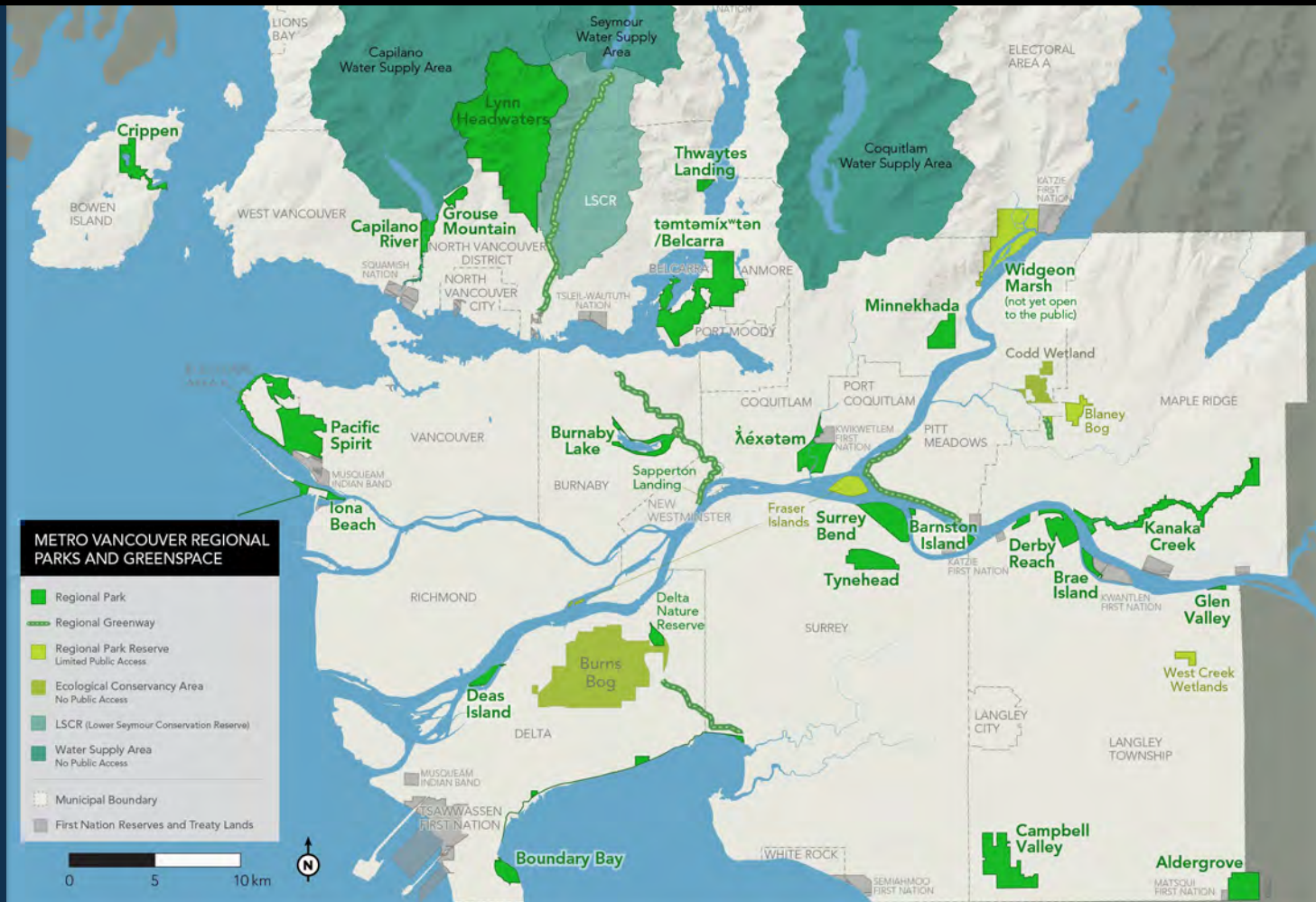
13,938.5
hectares protected

23 regional parks

5 regional greenways

3 regional park
reserves

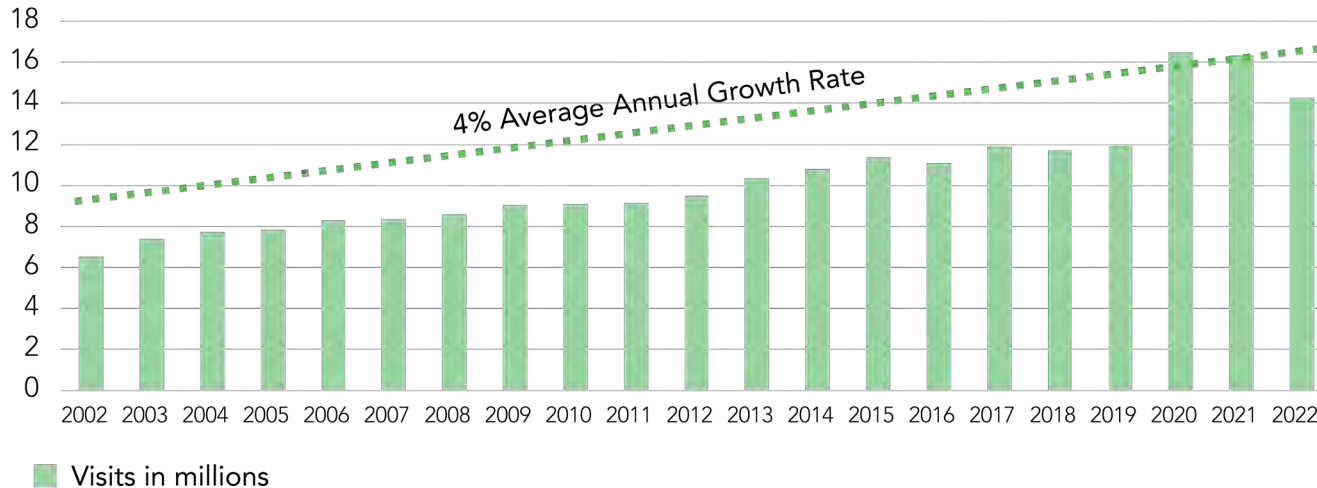
2 ecological
conservancy areas



GROWTH

Strong increases in visitation to regional parks as Metro Vancouver's population grows and demand for time in nature increases

Regional Parks Annual Visits (2002 - 2022)



BOARD ADOPTED POLICY

Regional Parks Land Acquisition 2050

- Actions to build a resilient, connected system of regional parks and greenways, and ensure a sustainable funding model for land acquisition

Regional Parks Plan 2022

- Actions to grow the regional park system and explore alternative revenue-generating opportunities, including DCC's

Metro 2050

- Actions to protect, restore and connect ecosystems, and a target to protect 50% of the region's land base by the year 2050

Climate 2050 Nature and Ecosystems Roadmap

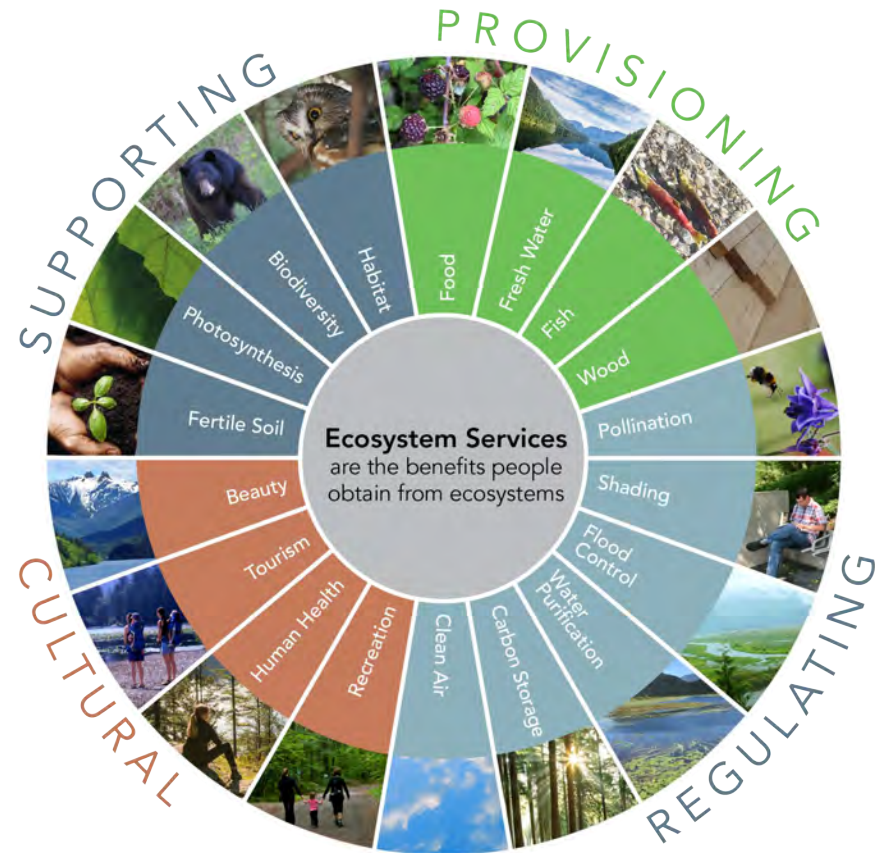
- Nature-based actions, including protection, to achieve the region's climate goals by storing carbon and supporting regional resilience

BENEFITS OF NATURE

The ecosystems protected by regional parks provide a broad range of services to the region

Investment in growing the regional parks system is an investment in:

- **Climate action**
 - Carbon storage, cooling city streets, managing stormwater, protecting coastal communities
- **Human health and well-being**
 - Physical health, mental health, social cohesion
- **Biodiversity**
 - Increases the resilience of nature

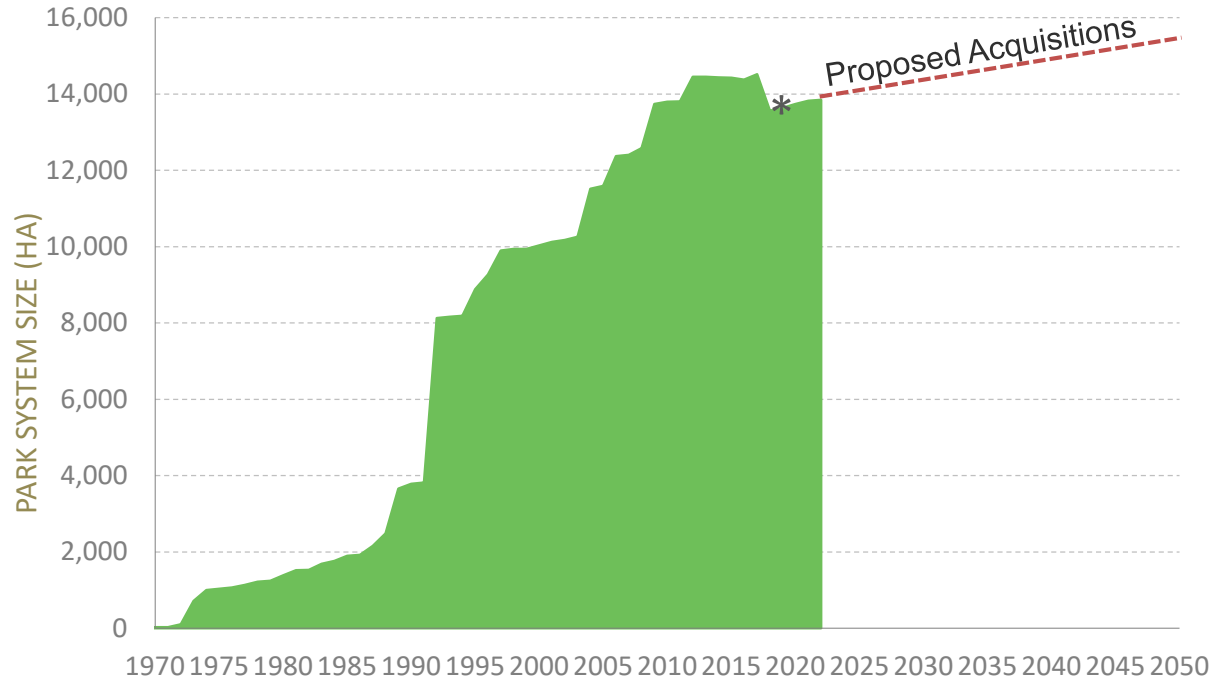


PROPOSED DCC FUNDED REGIONAL PARKLAND ACQUISITIONS (2024-2050)

1,797 hectares

\$446,900/ha
(assessed 2023 value)

\$803M



* Decrease due to the transfer of parklands to Fraser Valley Regional District and City of Abbotsford

PROPOSED RATES – PARKLAND DCC

DWELLING	EXISTING	STEP 1 75% Jan 1, 2025	STEP 2 50% Jan 1, 2026	STEP 3 1% Jan 1, 2027
Single Family	-	\$491	\$981	\$1,943
Townhouse	-	\$442	\$884	\$1,751
Apartment	-	\$303	\$606	\$1,199
Non-Residential (per ft ² of floor area)	-	\$0.24	\$0.48	\$0.94

Summary

Second Narrows Water Supply Tunnel



PROPOSED RATES – TOTAL DCCS

VSA	STEP 1	STEP 2	STEP 3	Increase
Single Family	\$21,941	\$29,196	\$34,133	\$24,106
Townhouse	\$19,874	\$26,406	\$30,861	\$22,182
Apartment	\$13,392	\$17,873	\$20,906	\$14,657
Non-Residential (per ft ² floor area)	\$10.84	\$14.37	\$16.78	\$11.76

NSSA	STEP 1	STEP 2	STEP 3	Increase
Single Family	\$21,203	\$28,385	\$33,214	\$23,221
Townhouse	\$19,277	\$25,748	\$30,113	\$21,632
Apartment	\$13,099	\$17,548	\$20,533	\$14,242
Non-Residential (per ft ² floor area)	\$10.54	\$14.04	\$16.40	\$11.34

LIWSA	STEP 1	STEP 2	STEP 3	Increase
Single Family	\$17,126	\$24,058	\$28,512	\$18,506
Townhouse	\$15,208	\$21,423	\$25,404	\$16,952
Apartment	\$10,610	\$14,906	\$17,663	\$11,360
Non-Residential (per ft ² floor area)	\$8.09	\$11.43	\$13.56	\$8.63

FSA	STEP 1	STEP 2	STEP 3	Increase
Single Family	\$22,886	\$30,218	\$35,270	\$22,324
Townhouse	\$20,296	\$26,865	\$31,375	\$20,289
Apartment	\$14,396	\$18,956	\$22,108	\$13,578
Non-Residential (per ft ² floor area)	\$10.95	\$14.49	\$16.91	\$10.22

EXPERT ADVICE - COMPARATIVE ANALYSIS

Scope:

- Retained Coriolis Consulting to compare the potential financial impacts of the proposed DCC rate increases on land values, profit margins, or end unit prices with recent changes in other market variables that impact development projects
- Analysis is high level and focusses on residential development projects (not non-residential projects)

EXPERT ADVICE - COMPARATIVE ANALYSIS

Findings:

- The proposed DCC rate increases are significant and will add to the cost of new construction.
- The estimated potential financial impact of the proposed DCC rate increases on land values, profit margins, or end unit prices is:
 - Similar to impact from latest 12 month change in financing rates
 - Less than one-half the latest 12 month change in hard construction costs
 - Less than one-half the latest 12 month change in unit prices (and rents)

Next steps

Public Engagement



DCC REVISION TIMELINE





New Westminster

Thank you. Questions or Comments?

metrovancouver
Together we make our region strong