

3. **DEVELOPMENT COST CHARGES BYLAW AMENDMENT – INFLATIONARY ADJUSTMENT**

Report of the Director of Engineering dated April 14, 2025.

To give three readings to “Development Cost Charges Bylaw, 2019, Amendment Bylaw, 2025, No. 10143” to increase development cost charges rates by 2.5%, which is the annual average Consumer Price Index for Victoria in 2024.



## The Corporation of the District of Saanich

# Report

**To:** Mayor and Council  
**From:** Harley Machielse , Director of Engineering  
**Date:** April 14, 2025  
**Subject:** Development Cost Charges Bylaw Amendment – Inflationary Adjustment

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### RECOMMENDATIONS

That Council give three readings to Bylaw 10143 to amend Development Cost Charges Bylaw, 2019, No. 9553 to increase development cost charges (DCCs) in accordance with the Consumer Price Index (CPI) for Victoria.

### PURPOSE

The purpose of this report is to provide Council with background information on current market costs related to DCC rates and to recommend that Council give three readings to Bylaw 10143 to amend DCC rates to increase them by 2.5%, which is the annual average CPI for Victoria for 2024.

### BACKGROUND

DCCs allow Saanich to fairly distribute growth related costs across development. Per the LGA, DCCs are levied on new development to pay the costs for expanding and upgrading infrastructure to meet the needs of growth. The DCC Bylaw was adopted by Council in 2020 and was amended 2023 and 2024 to increase rates based on the CPI. These increases were necessary to ensure that projects continue to be adequately funded and can proceed on schedule. Without the annual rate increases, the collection period for projects would need to be extended or Saanich would need to seek alternate funding sources to pay the shortfall in the developer-funded portions of DCC projects.

The provincial *Development Cost Charges Best Practices Guide (2005)* recommends periodic review of the DCC charges and project costs to ensure they are kept up to date to account for inflation.

### DISCUSSION

The proposed increase to the current DCC rates would be 2.5%, which is the annual average CPI for Victoria for 2024 - the previous calendar year. Per the LGA, a DCC bylaw requires approval from the Inspector of Municipalities.

Given the minor nature of this amendment, staff did not undertake consultation with the development community.

## **Full Update to the DCC Bylaw**

The current DCC Bylaw is now five years old and per the provincial *Development Cost Charges Best Practices Guide*, a review of the original methodology is needed. A full update to Saanich's DCC Bylaw is planned for 2025-26. The purpose of the update will be to align with new legislation, and updated policy documents, including the Official Community Plan, which was updated in 2024, as well as the Housing Strategy, Centre, Corridor, and Village Plans, Sewer and Water Master Plans, and the Active Transportation Plan. It will also be to review the methodology and revise the underlying assumptions from the first bylaw, including growth and development projections, land use categories, and the list of eligible projects and costs. Until a full update is completed, staff recommend increasing DCC rates in alignment with the CPI.

## **COUNCIL OPTIONS**

1. That Council approves the recommendation as outlined in the staff report.
2. That Council provide alternate direction to Staff.

## **FINANCIAL IMPLICATIONS**

DCCs help pay the costs for expanding and upgrading infrastructure, as well as purchasing new parkland and park development. DCC rates need to be updated to reflect current costs. If the rates don't change, DCC projects will be underfunded, which could lead to longer timelines for projects to be completed and/or possible tax increases for current residents to pay for projects to service a growing population.

## **STRATEGIC PLAN IMPLICATIONS**

DCCs align with and support the following themes and objectives articulated in the Council Strategic Plan 2023-2027:

- We use mechanisms available to increase and improve the supply of diverse and affordable housing that meets the needs of our residents now and in the future; and
- We continue to improve our active transportation networks and infrastructure to help our residents safely move and connect.

## **CONCLUSION**

DCCs allow Saanich to fairly distribute growth related costs across development. The DCC Bylaw, adopted by Council in 2020, was amended 2023 and 2024 to increase rates based on the CPI. These increases were necessary to ensure that projects continue to be adequately funded and can proceed on schedule.

The current DCC rates are out of date and no longer reflect present-day costs for construction. Staff are recommending that the DCC rates be increased by 2.5%, which is the annual average CPI for Victoria for 2024.

Prepared by: Megan Squires, Strategic Projects Manager

Reviewed by: Troy McKay, Senior Manager Transportation and Development Services

Reviewed by: Paul Arslan, Director of Finance

Approved by: Harley Machielse , Director of Engineering

Attachments:

Development Cost Charges Bylaw, 2019, Amendment Bylaw, 2025, No. 10143.  
BC Stats Consumer Price Index January 2025

**ADMINISTRATOR'S COMMENTS:**

I endorse the recommendation from the Director of Engineering.

Brent Reems, Chief Administrative Officer

**THE CORPORATION OF THE DISTRICT OF SAANICH**

**BYLAW NO. 10143**

**A BYLAW TO AMEND THE DEVELOPMENT COST CHARGES BYLAW, 2019, No. 9553**

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The Municipal Council of The Corporation of the District of Saanich in open meeting assembled enacts as follows:

1. Development Cost Charges Bylaw, 2019, No. 9553 is amended by:
  - a. Adding Schedule “A” attached hereto to Schedule “A” of the Development Cost Charges Bylaw, 2019, No. 9553 immediately after “Table 6.0: DCC Rates in force at Date of Bylaw Adoption”; and
  - b. Deleting Schedule “B” in its entirety and replacing it with the attached Schedule B.
2. This bylaw may be cited for all purposes as “**DEVELOPMENT COST CHARGES BYLAW, 2019, AMENDMENT BYLAW, 2025, NO. 10143.**”

Read a first time this    day of    , 2025.

Read a second time this    day of    , 2025.

Read a third time this    day of    , 2025.

Approved by the Inspector of Municipalities this \_\_\_\_ day of    , 2025

Adopted by Council, signed by the mayor and Clerk and sealed with the Seal of the Corporation on the    day of    , 2025.

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Corporate Officer

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Mayor

**SCHEDULE "A"**  
**ATTACHED TO DISTRICT OF SAANICH**  
**DEVELOPMENT COST CHARGES BYLAW, 2019, No. 9553**

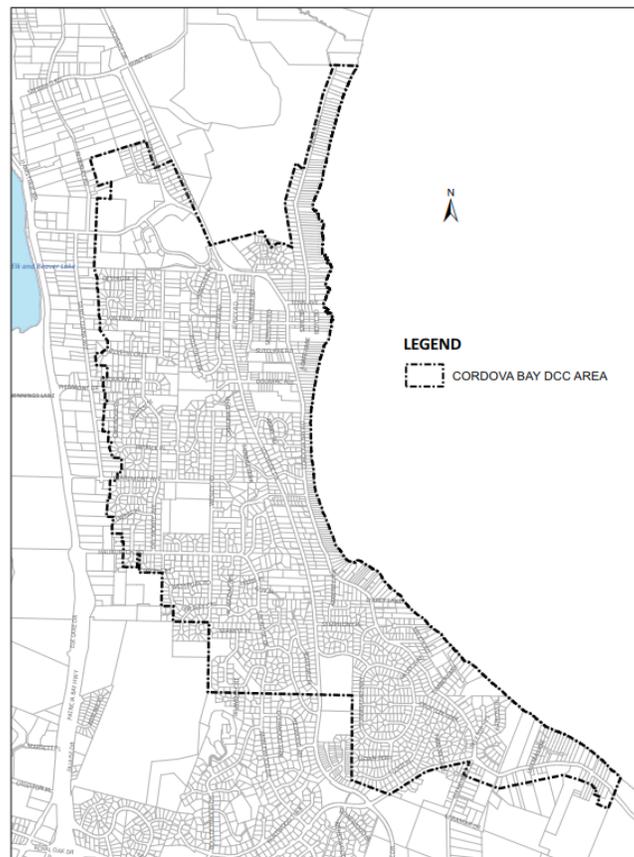
**Table 7.0: DCC Rates in force at Date of Bylaw Adoption of Amendment Bylaw, 2025, NO. 10143**

District-wide DCC	Collection Basis	Transportation	Drainage	Sewer	Water	Park Acquisition and Development	Total
<b>Municipal Assist Factor</b>		<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	
<b>Single Family Residential</b>	Per Lot	\$5,241	\$1,334	\$1,989	\$1,334	\$5,408	\$15,304
<b>Duplex / Triplex / Quadplex Residential</b>	Per Unit	\$4,349	\$801	\$1,590	\$1,066	\$4,327	\$12,132
<b>Townhouse Residential</b>	Per Unit	\$3,825	\$801	\$1,391	\$933	\$3,786	\$10,736
<b>Apartment Residential</b>	Per Unit	\$3,197	\$386	\$1,153	\$773	\$3,137	\$8,646
<b>Commercial</b>	Per gross floor area in m <sup>2</sup>	\$51.37	\$4.26	\$9.15	\$6.14	\$4.87	\$75.80
<b>Industrial</b>	Per gross floor area in m <sup>2</sup>	\$15.20	\$2.93	\$3.77	\$2.54	\$2.16	\$26.61
<b>Institutional</b>	Per gross floor area in m <sup>2</sup>	\$51.37	\$4.26	\$9.15	\$6.14	\$4.87	\$75.80

**SCHEDULE “B”**  
**ATTACHED TO DISTRICT OF SAANICH**  
**DEVELOPMENT COST CHARGES BYLAW, 2019, No. 9553**

**Table 1.0: DCC Rates in force at Date of Bylaw Adoption of Amendment Bylaw, 2025, NO. 10143**

Cordova Bay Roads DCC (area-specific)	Collection Basis	Date of Adoption (DoA)	DoA + One Year	DoA + Two Years	DoA + Three Years	DoA + Four Years	DoA + Five Years	DoA + Six Years
<b>Municipal Assist Factor</b>		<b>20%</b>	<b>15%</b>	<b>10%</b>	<b>5%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Single Family Residential</b>	Per Lot	\$344	\$638	\$932	\$1,310	\$1,460	\$1,514	\$1,552
<b>Duplex / Triplex / Quadplex Residential</b>	Per Unit	\$286	\$529	\$773	\$1,017	\$1,212	\$1,257	\$1,288
<b>Townhouse Residential</b>	Per Unit	\$251	\$466	\$680	\$894	\$1,066	\$1,105	\$1,133
<b>Apartment Residential</b>	Per Unit	\$210	\$389	\$568	\$747	\$891	\$924	\$947
<b>Commercial</b>	Per gross floor area in m <sup>2</sup>	\$3.37	\$6.25	\$9.13	\$12.01	\$14.31	\$14.84	\$15.21
<b>Industrial</b>	Per gross floor area in m <sup>2</sup>	\$1.00	\$1.85	\$2.70	\$3.55	\$4.23	\$4.39	\$4.50
<b>Institutional</b>	Per gross floor area in m <sup>2</sup>	\$3.37	\$6.25	\$9.13	\$12.01	\$14.31	\$14.84	\$15.21



## CONSUMER PRICE INDEX (2002 = 100) - ANNUAL

Year	CANADA		BRITISH COLUMBIA		VANCOUVER		VICTORIA	
	All Items Index	Annual Percent Change	All Items Index	Annual Percent Change	All Items Index	Annual Percent Change	All Items Index	Annual Percent Change
1961	15.7	1.3						
1962	15.9	1.3						
1963	16.1	1.3						
1964	16.4	1.9						
1965	16.8	2.4						
1966	17.5	4.2						
1967	18.1	3.4						
1968	18.8	3.9						
1969	19.7	4.8						
1970	20.3	3.0						
1971	20.9	3.0			21.4			
1972	21.9	4.8			22.6	5.6		
1973	23.6	7.8			24.2	7.1		
1974	26.2	11.0			27.0	11.6		
1975	29.0	10.7			30.0	11.1		
1976	31.1	7.2			32.9	9.7		
1977	33.6	8.0			35.3	7.3		
1978	36.6	8.9			38.0	7.6		
1979	40.0	9.3	41.5		41.0	7.9		
1980	44.0	10.0	45.4	9.4	44.8	9.3		
1981	49.5	12.5	51.8	14.1	51.2	14.3		
1982	54.9	10.9	57.3	10.6	56.6	10.5		
1983	58.1	5.8	60.4	5.4	59.7	5.5		
1984	60.6	4.3	62.8	4.0	62.1	4.0		
1985	63.0	4.0	64.8	3.2	64.0	3.1	66.2	
1986	65.6	4.1	66.7	2.9	66.2	3.4	67.3	1.7
1987	68.5	4.4	68.7	3.0	68.2	3.0	69.0	2.5
1988	71.2	3.9	71.2	3.6	70.6	3.5	71.7	3.9
1989	74.8	5.1	74.4	4.5	73.8	4.5	75.0	4.6
1990	78.4	4.8	78.4	5.4	77.8	5.4	78.9	5.2
1991	82.8	5.6	82.6	5.4	81.9	5.3	83.4	5.7
1992	84.0	1.4	84.8	2.7	84.3	2.9	85.2	2.2
1993	85.6	1.9	87.8	3.5	87.3	3.6	87.7	2.9
1994	85.7	0.1	89.5	1.9	89.1	2.1	89.5	2.1
1995	87.6	2.2	91.6	2.3	91.3	2.5	91.7	2.5
1996	88.9	1.5	92.4	0.9	92.1	0.9	92.6	1.0
1997	90.4	1.7	93.1	0.8	92.6	0.5	93.5	1.0
1998	91.3	1.0	93.4	0.3	93.0	0.4	93.7	0.2
1999	92.9	1.8	94.4	1.1	93.9	1.0	94.7	1.1
2000	95.4	2.7	96.1	1.8	96.0	2.2	96.2	1.6
2001	97.8	2.5	97.7	1.7	97.8	1.9	97.4	1.2
2002	100.0	2.2	100.0	2.4	100.0	2.2	100.0	2.7
2003	102.8	2.8	102.2	2.2	102.0	2.0	102.2	2.2
2004	104.7	1.8	104.2	2.0	104.0	2.0	104.6	2.3
2005	107.0	2.2	106.3	2.0	106.0	1.9	106.9	2.2
2006	109.1	2.0	108.1	1.7	108.0	1.9	108.5	1.5
2007	111.5	2.2	110.0	1.8	110.2	2.0	109.8	1.2
2008	114.1	2.3	112.3	2.1	112.8	2.4	111.8	1.8
2009	114.4	0.3	112.3	0.0	112.9	0.1	111.9	0.1
2010	116.5	1.8	113.8	1.3	114.9	1.8	113.1	1.1
2011	119.9	2.9	116.5	2.4	117.5	2.3	115.5	2.1
2012	121.7	1.5	117.8	1.1	119.0	1.3	116.7	1.0
2013	122.8	0.9	117.7	-0.1	119.2	0.2	116.3	-0.3
2014	125.2	2.0	118.9	1.0	120.5	1.1	117.3	0.9
2015	126.6	1.1	120.2	1.1	121.9	1.2	118.6	1.1
2016	128.4	1.4	122.4	1.8	124.6	2.2	120.7	1.8
2017	130.4	1.6	125.0	2.1	127.3	2.2	123.0	1.9
2018	133.4	2.3	128.4	2.7	131.0	2.9	125.9	2.4
2019	136.0	1.9	131.4	2.3	134.1	2.4	129.0	2.5
2020	137.0	0.7	132.4	0.8	134.9	0.6	130.4	1.1
2021	141.6	3.4	136.1	2.8	138.5	2.7	133.6	2.5
2022	151.2	6.8	145.5	6.9	147.8	6.7	142.9	7.0
2023	157.1	3.9	151.2	3.9	154.1	4.3	148.2	3.7
2024	160.9	2.4	155.2	2.6	158.1	2.6	151.9	2.5

Percentage change is calculated using the rounded annual average index values.

Adapted from Statistics Canada, Consumer Price Index (CPI), January 2025. This does not constitute an endorsement by Statistics Canada of this product.

Produced by: **BC Stats, January 2025**