

INTER-OFFICE MEMORANDUM

TO: MAYOR & COUNCILLORS **DATE:** March 3, 2025

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER
& CHIEF FINANCIAL OFFICER

SUBJECT: PROPOSED NEW INFRASTRUCTURE LEVY UPDATE

1.0 EXECUTIVE SUMMARY

On February 24, 2025 staff provided Mayor and Council with an overview of the Draft 2025 – 2029 Financial Plan. This overview included a summary of the City’s Development Cost Charge (DCC) and Amenity Cost Charge (ACC) 25 Year Program and proposed a new infrastructure levy to fund the City’s share of costs under the program.

2.0 PROPOSED NEW INFRASTRUCTURE LEVY

Below in Table 1 is a summary of the City’s DCC and ACC Programs.

Table 1: ACC & DCC 25 Year Program

Characteristics	Amenity Cost Charges (ACC)	Development Cost Charges (DCC)
Burnaby Program Includes	Amenities: - 2 Child Care Centres - Metrotown Library Expansion - Bonsor Recreation Centre - Confederation Park Community Centre	Infrastructure: - Parks Acquisitions & Improvements - Drainage - Fire Stations - Transportation - Sewer Utilities - Water Utilities
Approval Process	Council Bylaw Only* <i>*Province retains the ability to review / challenge the bylaw</i>	Inspector of Municipalities & Council Bylaw
Total Developer Cost (25 Years)	\$466 million	\$1,152 million
City’s Share (25 Years)	\$212 million (31% of total ACC program)	\$667 million (37% of total DCC program)
Total Program Cost	\$678 million	\$1,819 million
Combined Total Program Cost	\$2,497 million (\$2.5 billion)	

Supporting Information For The City's ACC / DCC Contribution

- As outlined in provincial legislation, the City's contribution to the ACC & DCC program consists of funding the replacement/non-growth component of a project. The City's ACC & DCC bylaw also includes a minimum required 1% assist factor within the City's contribution towards growth.
- The City's contribution to the ACC & DCC programs are to be raised through utility rates and property taxation.
- Based on the City's submission to the Ministry for a \$2.5 billion ACC & DCC program and to align with anticipated developer revenues, the City's contribution is projected at an average of \$28.3 million per year (excluding utilities).
- The City has approved a waivers and reduction bylaw, which waives ACC/DCC fees by 100% for voluntary non-market housing, and 50% for student housing (at SFU and BCIT). The exemption of these revenues (approximately \$3 million) will need to be covered by the City's contribution as per legislation (i.e. property taxation).
- It is proposed that the City begin raising a new 1.9% per year infrastructure levy (equating to approximately \$6.6 million) to begin the City's contribution to the program. This levy will be reviewed periodically to capture any significant inflationary increases.
- Further information on the City's ACC & DCC Program can be found on the *Capital: Amenity & Development Cost Charges Memorandum* that was provided to Mayor & Council on February 10th, 2025.

Due to provincial legislative changes, Council ultimately has no feasible alternative other than introducing the proposed new infrastructure levy of 1.90%. The following motion will enable the proposed new infrastructure levy to be incorporated in the Draft 2025 – 2029 Financial Plan:

WHEREAS maintaining and upgrading municipal infrastructure is critical to ensuring the long-term sustainability, safety, and efficiency of city services; and

WHEREAS dedicated funding for infrastructure renewal reduces reliance on debt financing and ensures a stable, long-term approach to capital investment; and

WHEREAS the Province of British Columbia amended development financing legislation to restrict the ability of the City to collect density bonusing contributions in the same manner it use to and allocate these funds for the delivery of public amenities; and

WHEREAS these legislative changes necessitated the adoption of Development Cost Charge (DCC) and Amenity Cost Charge (ACC) programs to ensure the City can continue to collect funds from developers to support the delivery of essential public infrastructure and amenities;

BE IT RESOLVED THAT a new Infrastructure Levy equivalent to a 1.9% property tax increase to fund the City's portion of essential infrastructure projects, including roads, utilities, public facilities, and other capital improvements be established.

Please let me know if you have any questions on any the information provided in this memo.

Sincerely,

A handwritten signature in black ink, appearing to be 'Noreen Kassam', with a stylized, sweeping flourish extending to the right.

Noreen Kassam, CPA, CGA
DEPUTY CHIEF ADMINISTRATIVE OFFICER
& CHIEF FINANCIAL OFFICER

NK:RG:WK / mt