A Guide to Estimating the CAC

CACs for sites in OCP growth centres are determined through a negotiated approval based on 75% of estimated increase in market value of the land arising from rezoning after development costs and profit margin are factored in and can be estimated via the following steps:

Development revenues: = A

Development costs include:

- Soft costs (e.g. design)
- Offsite costs (e.g. servicing)
- Construction costs
- Developer profit (15%)

Land costs not included = B

Value of land after rezoning:
Development revenues minus development costs (A - B) = C

Value of land before rezoning (current zoning value): = D

Community Amenity Contribution: 75% of the increased market value of the land minus value of land before rezoning i.e.:
(C – D) x 75% = E

Explanation of key terms

Development revenues: are the estimated returns from the sale of new units.

Development costs: includes reasonable project costs which may include - property transfer tax, assembly costs, demolition costs, soft costs, financing costs, sales and marketing costs, construction costs, contingency costs, development cost charges (DCCs), municipal taxes, insurance, development and rezoning application fees, servicing fees, and warranties. Development costs also include developer profit.

Value of land after rezoning: is the market value of land under the proposed new zoning. This figure is calculated by subtracting all estimated projects costs (not including land acquisition) and developer profit from the estimated project revenue.

Value of land before rezoning: is the market value under existing zoning (without considering any opportunity for up-zoning). Note that this does not necessarily reflect what the developer actually paid for the property.

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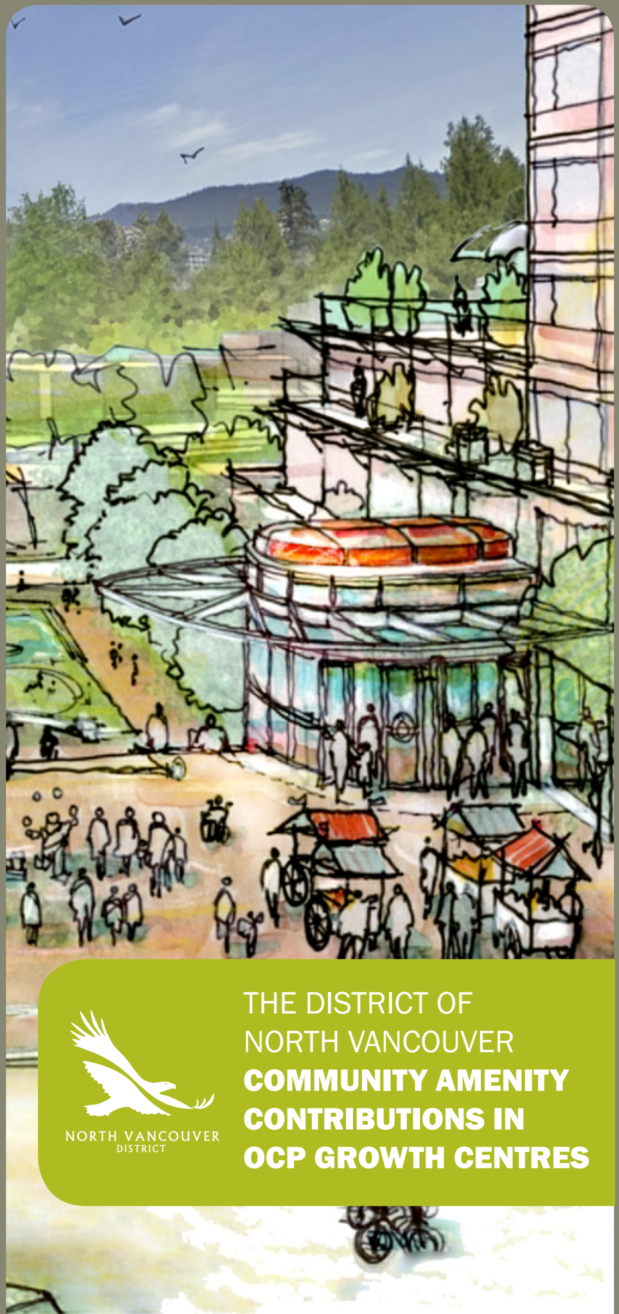

NORTH VANCOUVER DISTRICT

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COMMUNITY AMENITY CONTRIBUTIONS IN OCP GROWTH CENTRES

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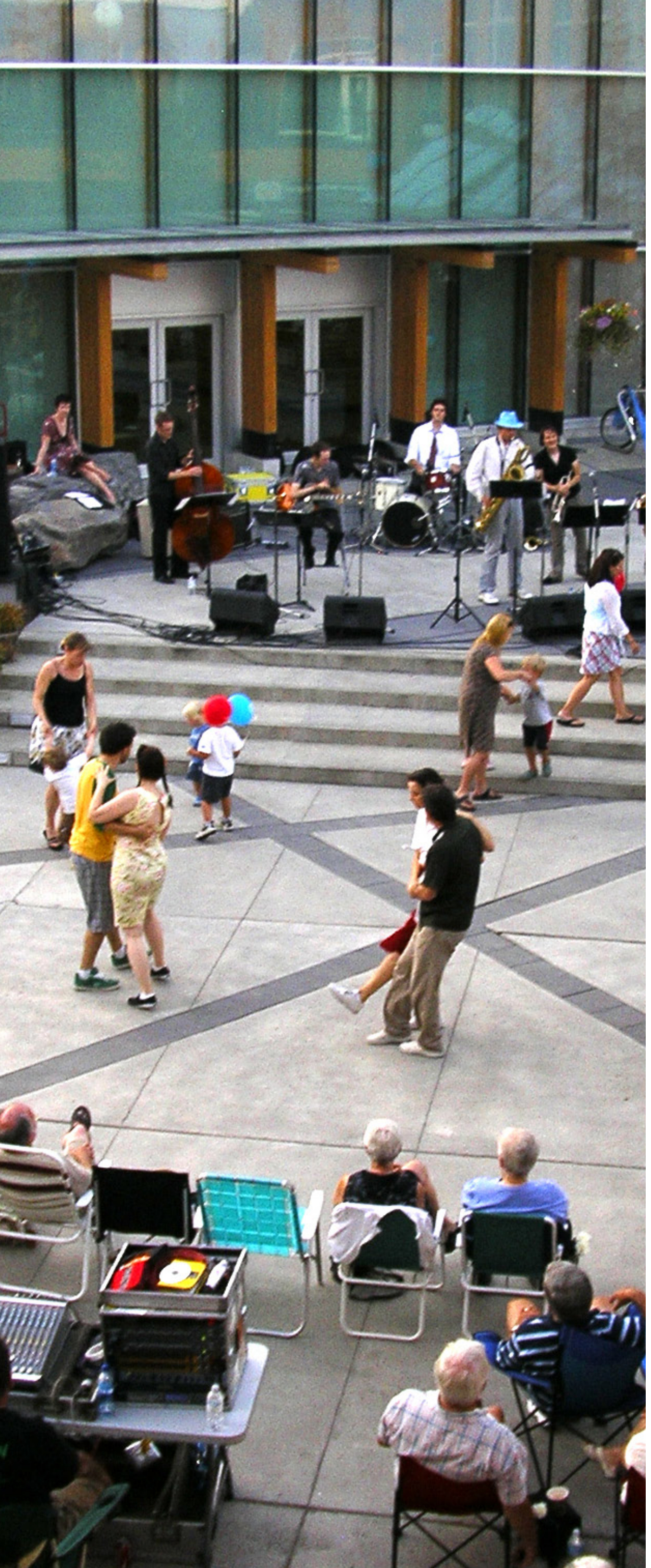

What are Community Amenity Contributions?

Community amenity contributions (CACs), in the form of physical amenities or cash contributions may be provided by developers when Council approves applications for increased density at rezoning. CACs address increased demand on community facilities and services due to growth and redevelopment.

For existing land owners this means that the selling price of their property should generally reflect the current market value under existing zoning to enable the developer to provide a CAC.

The District of North Vancouver has a District-wide CAC policy that provides overarching direction on CACs. The purpose of this guide is to provide specific policy direction on determining CACs in OCP growth centres:

- LV **Lynn Valley Town Centre**
- LL **Lower Lynn Town Centre**
- LC **Lower Capilano Marine Village Centre**
- MW **Maplewood Village Centre**

Centres Implementation Plans will outline the proposed community amenities for each growth centre.

Benefits of Community Amenity Contributions

Community amenity contributions benefit the local community, the District as a whole and the development project. Community amenities contribute towards community liveability and facilitate the delivery of amenities that might otherwise need to be provided through increased property taxes.

CACs can be used towards the development of site specific community amenities (where these have been identified through centres implementation planning), or provided as a cash-in-lieu contribution to deliver offsite community amenities. Examples of community amenities include, but are not limited to:

Factors affecting the Community Amenity Contribution

The CAC value is derived from the change in land value under higher density zoning. CAC's may vary by project depending on a variety of factors including: location, land value, lot size, density, assembly constraints, servicing, cost of rezoning, onsite amenity requirements, parking needs and other community and planning objectives.

Approach to Determining CAC in Designated Centres

The value of CACs in designated centres is determined through a negotiated approach based on 75% of the increase in market value of the land after rezoning. This approach allows for some flexibility to take into account relevant site specific considerations.

Development proponents are asked to submit a development proforma at the preliminary Application stage. The proforma will be reviewed by District staff and/or a qualified land economist retained by the District on a cost recovery basis. This will allow for an early evaluation of the overall project assumptions and ability to meet District policies and community objectives while considering the unique project context. The CAC will be confirmed during the detailed development application stage.