

Capital Cost and Capital Improvement Charge Payment Options

January 2024

The Comox Valley Regional District (CVRD) recognized early in the project that the cost to the property owners is significant and made it a priority to minimize the impact and keep affordability as a key consideration during the planning stages. Just as each property is unique, each household will have access to different financial resources.

Options To Consider

The capital cost and capital improvement charge for the residents' portion of the sewer line is \$4.2 million, or approximately \$22,000 per property. This works out to an annual cost of \$1,200 - \$1,500 per year over 25 years to be paid through a parcel tax.

The CVRD is also considering an option for residents that wish to pay the full amount up front and we would like to hear if this would be of interest to you.

Two of the most important questions to ask before getting into the advantages and disadvantages of each option are:

- Do I have the funds available to pay up front?
- If I pay upfront and an emergency situation (unplanned household repair, reduction in personal income, medical problem, etc), crops up, will I still have the resources necessary to maintain my current needs?

Below is a breakdown of advantages and disadvantages for the two options.

Option 1: Pay the capital cost and capital improvement charge upfront

Advantages	Disadvantages
Save on the financing interest expense.	The payment is a "sunk cost" If you move out of the property, the up-front payment might not be recoverable from a purchaser.
Avoid having to plan for community sewer as an annual expense.	Cannot switch alternatives once the payment has been made.
The up-front payment could give an advantage when selling your property as it will not have the additional parcel tax attached to the property tax invoice.	The "cash" could have been used for other investments or expenditures.
Minimize the future impact of tax rates increases by not having the additional parcel tax included with the annual property tax invoice .	Local Governments can borrow at excellent interest rates.
	The up-front payment is not eligible to defer under the BC Property Tax Deferment program.

Learn More

Website: www.engagecomoxvalley.ca/sewerextension

You can also phone **250-334-6000**

or email communications@comoxvalleyrd.ca

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Option 2: Finance the capital cost and capital improvement charge over 25 years

Advantages	Disadvantages
Fits better into a household budget. Easier to manage expenditures and save.	The interest expense portion of the loan adds to the overall cost.
Share the cost proportionally between this household and the next if you move.	Cannot switch alternatives once the financing agreement is signed. The term is locked for the entirety.
You could invest the amount of the up-front payment and possibly make a better rate of return than I will pay annually for the parcel tax.	The parcel tax could be a negative selling feature when selling the property.
Local Governments can borrow at excellent interest rates – better than banks and credit unions.	A lender or financial institution could have other programs or financing arrangements that fit your lifestyle better.
The parcel tax is eligible to defer under the BC Property Tax Deferment Program.	

Submit Your Feedback



Complete and submit a feedback form here



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