

NO: R100

COUNCIL DATE: June 19, 2023

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **June 13, 2023**

FROM: **General Manager, Engineering
General Manager, Finance
General Manager, Parks, Recreation & Culture**

FILE: **3150-01**

SUBJECT: **Annual (2022) Development Cost Charge Report**

RECOMMENDATION

The Engineering, Finance, and Parks, Recreation & Culture Departments recommend that Council receive this report for information.

INTENT

The purpose of this report is to advise Council of the amount of Development Cost Charges (“DCCs”) received in 2022, the expenditures in 2022 from each DCC reserve fund, the balance in each DCC reserve and to advise of any waivers and reductions provided in 2022.

BACKGROUND

As required by Section 569 of the Local Government Act, local governments each year must report:

- a) The amount of DCCs received;
- b) The expenditures from the DCC reserve funds;
- c) The balance in the DCC reserve account at the start and at the end of the applicable year; and
- d) Any waivers and reductions under Section 563 (2) [development for which charges may be waived or reduced].

As per Section 4 of the Local Government Act, developers shall pay their DCCs in full within two years after the date the subdivision is approved, or the building permit is granted, by paying not less than:

- a) One third of their DCCs at the time of the approval of the subdivision or granting of the building permit;
- b) One half of the balance within one year after the date of the approval of the subdivision or granting of the building permit; and
- c) The remaining balance within two years of the approval of the subdivision or granting of the building permit.

DISCUSSION

Completed subdivision and building permit applications in 2022 have paid DCCs to the City based on the rates established in either the 2021 DCC Bylaw or the 2022 DCC Bylaw, depending on eligibility requirements provided in these Bylaws, as required by the *Local Government Act*.

Departments are diligent in their allocation and use of DCCs to help support growth in the City. While there was a reserve of approximately \$334 million as of December 31, 2022, as noted in Table 1 of Appendix "I", approximately \$46 million is in the form of receivables that will be collected between 2023 and 2025, which results in \$288 million of funding which has been allocated to 2023 and 2024 construction and active parkland acquisition negotiations to help support growth in the City.

DCC Funded Projects and park acquisitions in 2022

DCC funding enabled the delivery or continued construction of a number of important growth related projects and park acquisitions in the City in 2022, including:

- 84 Avenue extension between 140 Avenue and King George Boulevard;
- Fraser Highway Widening between Whalley Boulevard and 140 Street;
- New traffic signals at various locations in the City;
- Sanitary, drainage and water main upgrades at various locations, including on 20 Avenue and in the Robson neighbourhood;
- New neighbourhood park in South Newton at 5869 - 142 Street;
- Riparian area protection and a new park in Darts Hill at 17351 - 16 Avenue; and
- New park in Redwood Heights at 17891 - 24 Avenue.

CONCLUSION

The City is diligent in its allocation and use of DCCs to help support growth. Each year, staff prepare the next edition of the 10-Year Servicing Plan (2024-2033) and update the DCC Bylaw to reflect annual increases in construction and land costs.

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Appendix "I" – Reserve Account Status

APPENDIX “I”

Reserve Account Status

The financial transactions of each reserve account in 2022 was as follows:

Table 1: Financial Transactions (2022)

DCC Program ¹	Reserve Account Balance Dec. 31, 2021	DCC Expenditures in 2022	Contributions in 2022	Reserve Account Balance Dec. 31, 2022
Water	\$24,230,134.91	\$4,429,263.85	\$5,469,932.19	\$25,270,803.25
Drainage	\$48,772,965.66	\$3,042,183.20	\$4,410,882.48	\$50,141,664.94
Arterial Roads	\$91,492,584.21	\$36,522,350.25	\$26,137,033.62	\$81,107,267.58
Collector Roads	\$20,695,298.03	\$3,154,083.95	\$6,110,484.01	\$23,651,698.09
Sanitary Sewer	\$37,403,863.27	\$11,775,753.87	\$7,991,308.30	\$33,619,417.70
Parkland ²	\$75,042,833.21	\$59,660,574.39	\$24,323,936.38	\$39,706,195.20
Parkland Development	\$3,021,413.29	\$592,931.74	\$1,431,888.86	\$3,860,370.41
Campbell Heights	\$50,801,147.39	\$2,976,913.59	\$3,747,852.18	\$51,572,085.98
Hwy 99 Corridor	\$12,373,666.66	\$242,832.54	\$951,505.02	\$13,082,339.14
Annedale-Tynehead	\$0.00	\$0.00	\$0.00	\$0.00
West Clayton	\$630,467.20	\$351,450.00	\$1,576.20	\$280,593.40
Redwood Heights	\$0.00	\$0.00	\$0.00	\$0.00
Darts Hill	\$0.00	\$0.00	\$0.00	\$0.00
City Centre - Local Roads	\$7,239,647.63	\$12,643.46	\$4,038,099.42	\$11,265,103.59
TOTAL	\$371,704,021.46	\$122,760,980.84	\$84,614,498.66	\$333,557,539.28

Notes:

1. The values reported above do not include the value of the City’s Municipal Assist Factor.
2. Program value includes funding for the City’s Biodiversity Conservation Strategy (“BCS”) which was introduced as a component of the Parkland Acquisition DCC rate in 2022.

A large portion of the DCCs recognized in reserve accounts are outstanding receivables since developers have the option to pay DCCs in three equal payments over a two-year period. The value of these receivables was as follows:

Table 2: Value of Outstanding Receivables

DCC Program	Receivables Included in Reserve Account Balance Dec. 31, 2021	Receivables Included in Reserve Account Balance Dec. 31, 2022
Water	\$3,458,229.52	\$2,854,963.82
Drainage	\$3,063,020.82	\$2,701,369.23
Arterial Roads	\$17,032,533.70	\$15,353,004.63
Collector Roads	\$3,926,425.20	\$3,577,253.81
Sanitary Sewer	\$4,396,737.14	\$3,979,183.88
Parkland	\$17,391,587.68	\$15,948,029.67
Parkland Development	\$0.00	\$0.00
Campbell Heights	\$2,037,918.38	\$379,938.71
Highway 99 Corridor	\$0.00	\$0.00

DCC Program	Receivables Included in Reserve Account Balance Dec. 31, 2021 (continued)	Receivables Included in Reserve Account Balance Dec. 31, 2022 (continued)
Anniedale-Tynehead	\$0.00	\$0.00
West Clayton	\$0.00	\$0.00
Redwood Heights	\$0.00	\$0.00
Darts Hill	\$0.00	\$0.00
City Centre - Local Roads	\$1,714,198.25	\$1,036,601.81
TOTAL	\$53,020,650.69	*\$45,830,345.56

*Includes approximately \$14M to be collected in 2023 and approximately \$32M to be collected between 2024 and 2025