

NO: R125

COUNCIL DATE: June 24, 2024

---

## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **June 20, 2024**

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

FILE: **3150-01**

SUBJECT: **Annual (2023) 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 2023, the expenditures in 2023 from each DCC reserve fund, the balance in each DCC reserve, and to advise of any waivers and reductions provided in 2023.

## 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 2023 have paid DCCs to the City based on the rates established in either the 2022 DCC Bylaw or the 2023 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 \$375 million as of December 31, 2023, as noted in Table 1 of Appendix "1", approximately \$68 million is in the form of receivables that will be collected between 2024 and 2026, which results in \$307 million in available funding.

### **DCC Funded Projects and Park Acquisitions in 2023**

DCC funding enabled the delivery or continued construction of a number of important growth-related projects and park acquisitions in the City in 2023, including:

- Nicomekl Bridge replacement at King Geoge Boulevard;
- 84 Avenue extension between 140 Avenue and King George Boulevard;
- 80 Avenue road widening between 120 Street and 128 Street;
- New traffic signals at various locations in the City;
- Sanitary, drainage and water main upgrades at various locations;
- Land acquisition for addition to Orchard Grove Park at 16723 - 24 Avenue; and
- Land acquisition for portion of new neighbourhood park per the Guildford Town Centre Plan at 15484 - 105 Avenue.

### **DCC Projects and Park Acquisitions in 2024**

The current DCC reserve funding of about \$307 million is largely attributable to development of arterial roads throughout the City and for the acquisition of parkland. In 2024/2025, the construction of the expansion of 32 Avenue from 176 Street to 188 Street will be funded from the Campbell Heights Arterial Roads DCC reserve. Future widening of the 24 Avenue corridor from 188 Street to 192 Street and the expansion of 192 Street from 16 Avenue to 28 Avenue will continue to utilize almost the entire arterial road reserve in Campbell Heights in the coming years.

Eight significant parkland expenditures have been completed in the first two quarters of 2024, with a total cost of \$43.4 million. In addition, a number of key parkland purchases are anticipated to complete before the end of 2024. Staff anticipate that these purchases will greatly reduce the amount of funds remaining in the Parkland DCC reserve at year-end 2024, leaving very limited funds available in the Parkland DCC reserve for future parkland acquisitions.

## 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 (2025-2034) and update the DCC Bylaw to reflect annual increases in construction and land costs.

Scott Neuman, P.Eng.  
General Manager,  
Engineering

Kam Grewal, CPA, CMA  
General Manager,  
Finance

Laurie Cavan  
General Manager,  
Parks, Recreation & Culture

DM/AS/cc

Appendix "I" – Reserve Account Status

Reserve Account Status

The financial transactions of each reserve account in 2023 was as follows:

**Table 1: Financial Transactions (2023)**

DCC Program <sup>1</sup>	Reserve Account Balance Dec. 31, 2022	Total DCC Expenditures in 2023	Total Contributions in 2023	Reserve Account Balance Dec. 31, 2023
Water	\$25,270,803.25	\$7,771,929.91	\$6,548,466.68	\$24,047,340.02
Drainage	\$50,141,664.94	\$2,232,693.73	\$5,293,882.49	\$53,202,853.70
Arterial Roads	\$81,107,267.58	\$28,349,308.71	\$30,186,403.50	\$82,944,362.37
Collector Roads	\$23,651,698.09	\$1,733,603.05	\$7,105,262.12	\$29,023,357.16
Sanitary Sewer	\$33,619,417.70	\$9,606,366.78	\$9,295,893.36	\$33,308,944.28
Parkland <sup>2</sup>	\$39,706,195.20	\$9,345,945.79	\$30,043,275.84	\$60,403,525.25
Parkland Development	\$3,860,370.41	\$655,958.01	\$1,793,887.73	\$4,998,300.13
Campbell Heights	\$51,572,085.98	\$2,819,265.80	\$8,986,754.60	\$57,739,574.78
Hwy 99 Corridor	\$13,082,339.14	\$33,003.44	\$100,734.00	\$13,150,069.70
Anniedale-Tynehead	\$0.00	\$0.00	\$0.00	\$0.00
West Clayton	\$280,593.40	\$0.00	\$2,160.60	\$282,754.00
Redwood Heights	\$0.00	\$0.00	\$0.00	\$0.00
Darts Hill	\$0.00	\$0.00	\$0.00	\$0.00
City Centre - Local Roads	\$11,265,103.59	\$76,754.42	\$4,399,968.51	\$15,588,317.68
<b>TOTAL</b>	<b>\$333,557,539.28</b>	<b>\$62,624,829.64</b>	<b>\$103,756,689.43</b>	<b>\$374,689,399.07</b>

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, 2022	Receivables Included in Reserve Account Balance Dec. 31, 2023
Water	\$2,854,963.82	\$4,205,683.29
Drainage	\$2,701,369.23	\$2,972,171.40
Arterial Roads	\$15,353,004.63	\$20,648,785.93
Collector Roads	\$3,577,253.81	\$4,837,628.90
Sanitary Sewer	\$3,979,183.88	\$6,117,853.31
Parkland	\$15,948,029.67	\$22,692,116.86
Parkland Development	\$0.00	\$0.00
Campbell Heights	\$379,938.71	\$3,340,350.50

<b>DCC Program</b>	<b>Receivables included in Reserve Account Balance Dec. 31, 2022</b>	<b>Receivables Included in Reserve Account Balance Dec. 31, 2023</b>
Highway 99 Corridor	\$0.00	\$0.00
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	\$1,036,601.81	\$2,641,516.24
<b>TOTAL</b>	<b>\$45,830,345.56</b>	<b>*\$67,456,106.43</b>

\* Includes approximately \$13M to be collected in 2024 and approximately \$55M to be collected between 2025 and 2026