

To: Regular Meeting of Council
Date: May 9, 2022
From: Marlie Boven, Manager, Finance
RE: 2021 Annual Development Cost Charges Report
File: 1765-01

RECOMMENDATION

THAT the 2021 Annual Development Cost Charges Report be received for information purposes only.

SUMMARY AND PURPOSE

Municipalities are required to report annually on the development cost charges collected and used during the fiscal period. The 2021 development cost charge (DCC) activity is reported in the attached Appendix 1.

BACKGROUND

Section 569 (1) of the *Local Government Act* requires a municipality to report on development cost charges received and expended during the fiscal year. This legislated report must be prepared annually and be made available to the public.

The City's road development cost charge bylaw may be cited as City of Colwood "Development Cost Charge Bylaw - Roads, Bylaw. No. 1836, 2021". The City's sewer development cost charge bylaw may be cited as "Colwood Sewer Enhancement Development Cost Charge Bylaw No. 1431, 2011".

OPTIONS / ALTERNATIVES

Option 1: Receive the report for information.

This will provide adherence to the legislation.

Option 2: Do not receive the report for information.

This will be in contravention of the legislation.

Option 3: Request staff revise the report and bring back to Council to receive for information.

This could provide adherence to the legislation if done so prior to June 30, 2022.

CONCLUSIONS

In order to adhere to the *Local Government Act*, the 2021 Annual Development Cost Charges Report must be received for information by June 30, 2022.

COMMUNICATIONS

The public will have access to this report through the meeting agenda and Council resolution to receive for information.

FINANCIAL CONSIDERATION

Development cost charges are recorded as deferred revenue when collected. When spending is authorized in accordance with the terms of the City’s development cost charges bylaws, and the financial plan bylaw, the corresponding amount is recorded as revenue and as a capital expenditure.

Of note, as approved in the 2022 – 2026 Financial Plan, the City has budgeted \$7,554,100 in DCC funding for road infrastructure projects in 2022 and Council has committed to providing a future DCC credit of \$2,242,500 to the developer that is undertaking the road improvements project on Latoria from Metchosin to Sparrowhawk.

STRATEGIC PLAN AND RELATED POLICIES

This report supports Council’s strategic objectives of responsible financial management and open and transparent governance.

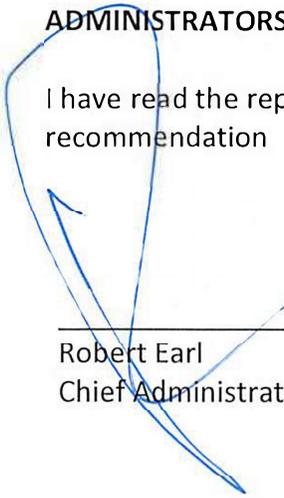
Respectfully submitted,



Marlie Boven, CPA, CMA
Manager of Finance

ADMINISTRATORS COMMENTS:

I have read the report and endorse the recommendation



Robert Earl
Chief Administrative Officer

Attachments:

APPENDIX 1: 2021 Annual Development Cost Charges Report

APPENDIX 1

**City of Colwood
Annual Development Cost Charges (DCC) Report
December 31, 2021**

<u>2021 Road Development Cost Charges Activity:</u>		
Road DCC Balance, January 1, 2021	\$	6,843,327
Add: DCCs received during the year		864,151
Less: Amounts spent on projects and recorded as revenue		(123,543)
Add: interest revenue earned during the year		67,871
Road DCC Balance, December 31, 2021	\$	7,651,806
<u>2021 Sewer Development Cost Charges Activity:</u>		
Sewer DCC Balance, January 1, 2021	\$	888,379
Add: DCCs received during the year		230,589
Less: Amounts spent on projects and recorded as revenue		-
Add: interest revenue earned during the year		9,442
Sewer DCC Balance, December 31, 2021	\$	1,128,410

There were no waivers or reductions of DCCs in 2021.