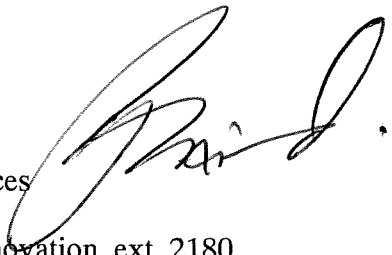


Date: December 13, 2016

MEMORANDUM

TO: Mayor and Members of Council

FROM: Jim Baird, Commissioner of Development Services 

PREPARED BY: Jamie Bosomworth, Manager of Strategy and Innovation, ext. 2180
Andrea Tang, Senior Manager, Financial Planning, ext. 2433

DATE: December 13, 2016

SUBJECT: Development Fee and Building Fee By-laws Update (2017)

RECOMMENDATION:

- 1) That the memorandum dated December 13, 2016 titled, "Development Fee and Building Fee By-laws Update (2017)", be received, and
- 2) That the Minor Variance fees in the Development Fee By-law be changed as shown in Table 1 of this Memorandum, and
- 3) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

Development Services Committee considered a report to update the Development Fee and Building Fee By-laws at a Public Meeting on December 6, 2016. Committee was seeking public input for the increase in fees for both by-laws. No comments were received from the public at the meeting or in writing. Committee members requested follow up from Staff related to the following two issues:

- Ensuring reserve balances for both Building and Planning and Engineering accounts will be in the positive by 2020
- Residential Minor Variance fees with respect to Development Standards are not sufficient for infill housing development

COMMENT:

The Planning and Engineering combined reserve balance continues to be in a deficit position with a projected deficit of (\$11.26M) at the end of 2016. Expenditures are being contained within approved budget levels, and staffing resources are appropriate to the volume of development activity. However, annual revenue generated by the type of applications received in recent years (more higher density development and less subdivision activity) has not been sufficient to reverse the ongoing negative reserve balances.

Staff recommends a 15% increase to Planning and Urban Design fees, and a 15% increase to Engineering fees in 2017. An annual 15% increase is projected for the years from 2018 to 2020 in order to achieve a positive reserve balance in 2020 based on projected activity level.

Staff further recommends a 5% increase to Building fees in 2017, and an annual 5% increase is forecasted for the years 2018 to 2020 in order to maintain a positive reserve.

Staff will review the required rate increases each year. Staff are also continuing to review costs by type of application, and will report back on any further recommended adjustments (e.g. high density site plan fees).

Staff have reviewed the request by Development Services Committee to increase fees for residential minor variances. We believe that it is appropriate to keep the fee low for those variances that are very minor in nature and do not require large amount of staff time to administer the application. Staff agree with Development Services Committee that a further increase in the application fee can be justified for larger scale infill residential construction. Staff review and negotiations with applicants is substantial for infill housing, and we can recommend an increase in fees for these types of applications.

To keep with the projected increase of 15% for development applications, Staff propose to increase the current base fee for minor variances from \$1,400 to \$1,610 but to establish a limit of what construction projects this fee would apply to. Currently the bylaw has 50m² (538 sq ft) threshold for additions to residential developments and Heritage ICI site plan applications. Staff propose to use the same threshold for residential minor variances. Table 1 identifies the proposed changes:

Table 1
Residential Minor Variance Fee Changes

7.1 Minor Variance

7.1.1 With respect to Development Standards

7.1.1.1	Residential – New construction less than 50m² (Single-Detached, Semi-Detached, Townhouses and Accessory Buildings)	\$1,610 per application
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	and Structures)	
7.1.1.2	Residential – New construction 50m² or larger (Single-Detached, Semi-Detached, Townhouses, Apartments, Condominiums and Mixed Use Building/s)	\$4,170 per application
7.1.1.3	ICI	\$4,170 per application

Based on a comparison to other similar municipalities, this would place our base minor variance fee towards the low end of the range, and the infill housing fee at the high end of the range.

Staff recommend that the changes in the above Table be included in the Development Fee Bylaw and that both the Development Fee Bylaw and the Building Fee Bylaw be enacted and the fees come into force on January 1, 2017. The amendments to the minor variance fees have been incorporated into the By-law on the Council Agenda.