

# Report to Council



**Date:** April 18, 2016  
**File:** 0245-01  
**To:** City Manager  
**From:** Ryan Smith, Community Planning Manager  
**Subject:** Development Application Fee Bylaw No.10560 Amendment

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## **Recommendation:**

THAT Council receives, for information, the Report from the Community Planning Department Manager dated April 18, 2016 with respect to amendments to the Development Application Fees Bylaw;

AND THAT Bylaw No. 11233, being Amendment No. 5 to Development Application Fees Bylaw No. 10560 be advanced for reading considerations.

## **Purpose:**

To amend Development Application Fees Bylaw No.10560.

## **Background:**

In the fall of 2015, staff selected Deloitte LLP to conduct a review of the City's Development Application Fees Bylaw No.10560. The last review occurred 5 years ago (in 2011) and staff felt it was time to review the costs of processing each type of development application versus the fees collected for doing so.

Staff/Deloitte approached this project with a few key principles in mind:

- There is a public benefit to the City's review of development applications and therefore 100% cost recovery would not be targeted. Instead targets were set for 85% cost recovery on developer oriented applications and 55% on applications of a more minor scale. The overall recovery rate was target between 70-75%.
- Cost recovery varies for different types of applications to ensure that a disincentive for compliance permitting isn't created.
- Fee should not substantially more or less than other comparable municipalities.

- Fees should be based on staff time processing applications and not merely benchmarked to other municipalities.
- Not all staff time is spent on files generating revenue and as such, complete cost recovery would not be a goal.
- An annual increase should be built into the bylaw so that fees keep pace with costs.

With these principles in mind, staff began working with Deloitte LLP on the comprehensive review. Planning staff tracked their time on various types of applications while the Deloitte team researched other municipal fees and completed a fee modelling tool.

Staff also worked with Deloitte to update fees that were confusing or in some cases, split fees into minor/major categories in order to allow more fairness in their application.

In order to ensure that Development Application Fees keep up with costs, staff worked with Deloitte to identify and automatic annual increase that will be linked to the Consumer Price Index.

Generally, fees will increase roughly 8% which will increase cost recovery in the development application review process from 64% to 72%. Some fee categories are subject to minor reductions (based on measures of staff time to process the application while others have slightly larger increases. As mentioned above, staff have attempted to keep some minor application types affordable to ensure that application fee is not a barrier to bylaw compliance.

Staff have also made sure that the fees are consistent with those of other British Columbia municipalities of comparable size including: Abbotsford, Chilliwack, Nanaimo and Richmond. All of those municipalities also reportedly target fee recovery of between 70-80%.

This proposed fee strategy is generally consistent with Council's Priority of Providing Strong Financial Management by updating financial strategies and policies. Deloitte has also created a dynamic model that will allow future development application fee analysis based on staff time and targeted cost recovery without the need for additional consulting services. Staff plan on regular reviews (5 year intervals to ensure that fees remain current).

#### **Internal Circulation:**

Policy and Planning (JM)

#### **Legal/Statutory Authority:**

Local Government Act, Section 462

#### **Existing Policy/Bylaw:**

Development Application Fees Bylaw No.10560.

#### **Financial/Budgetary Considerations:**

Current budgeted revenue for the Community Planning and Real Estate Department is \$389,000. This budgeted revenue is based on a 10-year revenue average.

**External Agency/Public Comments:**

The proposed Development Application Fee Bylaw amendments were circulated to the local Urban Development Institute Chapter (UDI) and a letter of support has been provided (Attached as Schedule 'B').

**Communications Comments:**

Staff plan to notify the development community of the fee increase by email to both local UDI and CHBA chapters. Further, notices will be posted in the City Hall Permit Centre reception area.

**Considerations not applicable to this report:**

**Personnel Implications:**

**Alternate Recommendation:**

**Legal/Statutory Procedural Requirements:**

Submitted by:

R.Smith, Community Planning Manager

Approved for inclusion:



D.Gilchrist, Divisional Director of Community Planning and Real Estate

cc: Policy and Planning (JM)  
Finance (GK)