

C2017-0595
Supplementary Report to
PFC2017-0480 - Outline Plan and
Land Use Amendment Application
Fees

Combined Meeting of
Council
2017 July 31



Previous Direction from PFC

1. Forward this report directly to the July 31 Combined meeting of Council, and that Council:
 - a. Hold a public hearing on the proposed bylaw set out in Attachment 6;
 - b. Give three readings to the proposed bylaw; and
 - c. Direct Administration to continue working with Industry on developing a process for strategic growth analysis and decisions, and bring an update report to the Priorities and Finance Committee no later than Q1 2018; and
2. **Direct Administration to develop, working with Industry, a proposed full cost recovery fee for combined Outline Plan and Land Use applications, and bring forward a supplementary report to the July 31 meeting of Council.**

- On 2017 June 06, the Priorities and Finance Committee received PFC2017-0480 with a recommendation to amend the Municipal Development Plan to allow developers in all Area Structure Plans to submit combined Outline Plan and Land Use applications prior to Growth Management Overlay removal decisions.
- The policy change responds to developers who wish to proceed further into the planning application process.
- In the report, revenue implications of the policy change are discussed. Specifically, the need to ensure City costs associated with these applications are recovered through an appropriate fee structure.
- The current operating cost pressures faced by The City have highlighted the financial risk associated with the current fee structure for these applications.

Fee Options

Administration looked at 3 options for fees in response to the direction received from PFC:

Option 1: Continuation of Current Fee (Status Quo)

- Current fees are based on the area under evaluation and land use designation plus associated administrative fees related to processing and advertising
- Option 1 is not consistent with the principle of full cost recovery

Option 2: Full Cost Recovery Fee Only for Combined Outline Plan and Land Use Applications in Areas with Growth Management Overlays

- These files are the catalyst for moving to a full cost recovery model, as they will lead to an increase in application complexity and volumes.
- Option 2 would only achieve full cost recovery for some files, and raises fairness concerns based on differential fee treatment on a major application type.

Option 3: Full Cost Recovery Fee for All Combined Outline Plan and Land Use Applications

- Option 3 is recommended, it achieves full cost recovery for all applications of this type
- Maintains fairness for applicants of the same file type
- Allows all applicants to receive the benefit of only paying for services received
- Ensures greater efficiency and provides sufficient revenue to properly resource the reviews.

New Fee Structure

- City staff time will be tracked in 0.5 hr increments, a monthly statement will itemize costs
- Initial payment of \$125,000 to be drawn down during review
- Whenever the amount held by The City is \$20,000 or less, the next monthly statement will include a requirement for a further payment of \$75,000
- Failure by the applicant to pay any invoice will result in stopping the work until funds are received
- Fees in the new Fee Schedule were developed using the Developer Funded ASP model. Rates were blended to establish two fee levels for *Professional Review and Support* and *Management Oversight*
- At the conclusion of the review, The City will either refund any excess funds or invoice the applicant for final payment

Change Management and Next Steps

- Administration will send out communications to Industry members and internal staff regarding the changes and implementation, should the new fee structure be approved
- During the transition period Administration will assist developers with the process changes
- Training will be provided to staff on the new changes and requirements
- This work is related to the Industry/City Work Plan. Administration will continue to work with Industry on the strategic growth decision making framework due back to PFC by Q1 2018, including process development, options, and risks associated with the Growth Management Overlay.

Administration Recommendations

Administration recommends that Council:

1. Amend the 2017 Planning Applications Fee Schedule by adding the proposed 2017 Combined Outline Plan and Land Use Amendment and Ancillary Applications Fee Schedule in Attachment 1, and;
2. Delete the 2017 Subdivision Fee Schedule and replace it with the proposed 2017 and 2018 Subdivision Fee Schedule in Attachment 2.