

Extending Planning & Development Fee Relief Measures

RECOMMENDATION(S):

That Council direct Administration to implement the updated Planning & Development 2021 Fee Schedule effective 2021 May 01 as outlined in Attachment 2.

HIGHLIGHTS

- In response to the COVID-19 pandemic, Planning & Development implemented fee relief measures from 2020 May 01 to 2021 April 30 to support customers and business. Due to the continued impacts of the pandemic, Administration recommends extending fee relief for an additional eight (8) months from 2021 May 01 to 2021 December 31.
- *What does this mean for Calgarians?* Continuing to offer relief will enable Planning & Development to extend existing support for customers and businesses who are facing continued financial challenges.
- *Why does this matter?* Deferring and/or waiving Planning & Development fees offers customers financial flexibility to better manage cash flow and align fees closer to when revenues are received.
- Administration recommends that several permit types continue to be waived including outdoor café and Change of Use Development Permits, CPAG pre-applications. Administration also recommends including additional relief by waiving fees for special function tents to enable businesses to extend their functional space while still adhering to health regulations.
- Administration also proposes to continue offering an optional 75 per cent fee deferral on Commercial and Multi-Family Building Permits (minimum \$5,000 permit fee) with the outstanding deferred amount due at the permit release stage and a 75 per cent temporary refund on building permit fees already paid until applicants are ready to construct.
- Fee relief measures are anticipated to result in forgone revenues of approximately \$1 million dollars over the proposed eight (8) months. Any revenue reductions related to this relief package that result in an operating shortfall at the end of 2021 will be offset by drawing from the Planning & Development Sustainment Reserve.
- At the 2020 October 5 Combined Meeting of Council, a motion was carried to implement fee relief measures, approved through report C2020-1096, until 2021 April 30.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Planning & Development implemented a fee relief package from 2020 May 01 to 2020 October 31 that resulted in \$2.1 million in fees waived and \$4.5 million in fees deferred. Relief was extended from 2020 November 01 to 2021 April 30. As of 2021 March 31, we have waived \$350 thousand in fees and deferred \$7.5 million in fees. To continue providing much needed targeted support, Administration recommends extending fee support until 2021 December 31 (as shown in table 1 below) which is expected to result in an additional \$1 million in foregone revenue. Revenue decreases can be offset by drawing from Planning & Development's Sustainment Reserve with an estimated balance of \$84.2 million as of 2020 December 31.

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Administration has monitored fee relief usage and adjusted ensure the needs of customers and businesses are being met. Tracking and analyzing the usage of various relief measures and based on feedback from key stakeholders, we have identified areas where extending support can be most impactful.

Between 2020 May 01 and 2021 March 31 Planning & Development has seen the following increases in comparison to the previous period. These were unexpected since the following permits are tied to redevelopment activity and/or the opening and expanding of businesses:

- 262% increase in Outdoor Café Development Permits submitted (105 in total);
- 128% increase in submitted CPAG pre-applications (264 in total); and
- 14% increase in Change of Use Development Permits (542 total).

Table 1: Summary of Planning & Development Fee Relief	2020 May 1 to 2020 October 31	2020 November 01 to 2021 April 30	2021 May 01 to 2021 December 31 <i>Proposed</i>
1. Certificates of Compliance (residential, single, semi-detached, duplex)	Included	Not included	Not included
2. Home Occupation (Class 2) Development Permits	Included	Not included	Not included
3. Change of Use Development Permits	Included	Included	Include
4. CPAG Pre-applications	Included	Included	Include
5. Outdoor Cafe Development Permits	Included	Included	Include
6. Building permit fee - construction to extend patio or install interior partitions (restaurants, breweries, cafes etc.)	Included	Included	Include
7. Commercial and Multi-Family Building Permit (\$5,000 minimum, 25 per cent due upfront, remainder due prior to issuance of the building permit)	Included	Included	Include
8. Special function tents	Not included	Not included	Include

Administration will continue to monitor the usage of the proposed fee relief measures and provide an update to Council no later than Q2 2021. Additionally, Administration can provide an update to Council at budget deliberations if further relief is needed in the 2022 year due to economic conditions.

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STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder or customer dialogue/relations were undertaken

Through the Business Sector Task Force, teams have engaged with various stakeholders to gather feedback on where fee relief measures can be most impactful. Feedback gathered from the Business & Local Economy team indicates that including special function tents in this package is valuable. As we move into the warmer summer months, special function tents will allow businesses to extend their functional footprint and utilize more outdoor space while continuing to adhere to health regulations.

Based on information gathered from this engagement, Administration believes that in addition to continuing to defer fees, waiving fees for special function tents will allow customers to increase the amount of space for business activity while adhering to recommended health guidelines.

IMPLICATIONS

Social

Remaining responsive to the needs of customers during these unprecedented times of economic hardship is a critical social consideration.

Environmental

Not applicable

Economic

Enabling direct financial support to those experiencing financial challenges will further facilitate their continued participation in the local economy.

Service and Financial Implications

Self-supported funding

\$1,000,000

Any revenue reductions related to this relief package that result in an operating shortfall at the end of 2021 will be offset by drawing from the Planning & Development Sustainment Reserve.

RISK

There is a potential financial risk that the estimated foregone revenues for waived or deferred fees will be larger than anticipated. This risk is low and can be monitored and mitigated through drawing on the Planning & Development Sustainment Reserve if required.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. 2021 Planning & Development Applications Fee Schedule

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Department Circulation

General Manager	Department	Approve/Consult/Inform
Stuart Dagleish	Planning & Development	Approve