



Staff Report to Community Advisory Committee

DATE: Tuesday, February 25, 2025

DEPARTMENT: Land Development

SUBJECT: Development Services Fees and Charges Bylaw Nos. 2120, 2121, 2122 and 2125

EXECUTIVE SUMMARY:

The purpose of this report is to introduce Bylaw Nos. 2120, 2121, 2122 and 2125, which will revise fee schedules for Development Services applications including Current Planning, Building, and Subdivision matters. The proposed new fee schedules include a 5.5% increase over current schedules.

BACKGROUND:

Section 462 of the *Local Government Act* allows municipalities to collect fees for various land use applications and inspections. Section 462(2) of the *Act* limits these fees to the point of cost recovery.

“A fee imposed under subsection (1) must not exceed the estimated average costs of processing, inspection, advertising and administration that are usually related to the type of application or other matter to which the fee relates.”

Typically, fees for Development Services applications (exclusive of building permit fees) have accounted for approximately half of the cost of providing the current planning function, with the other half being paid from general taxation.

The current fee schedule for OCP amendment, Rezoning, Development Permit, and Development Variance Permit applications was adopted on June 20th, 2022. Historically, the fee schedule, and other departmental fee schedules were revised on an ad hoc basis, depending on market conditions and variables such as increased costs and inflation.

At times, the increase in fees has been linked to inflation and at other times linked to the annual tax increase or the Consumer Price Index. To date, there has not been a consistent formula or practice with respect to Development Services application fees.

According to the Bank of Canada's Inflation Calculator, inflation in Canada between 2022 and 2024 amounted to 5.5%, by contrast the CPI for Greater Victoria for the same period was 7% and 3.7% respectively, for an average of 5.35% over the 2 years. This is the basis of the proposed amendment to the fee schedules. All fees have been increased by 5.5%.

COMMENTARY:

Staff have prepared the four bylaws attached to this report. These are:

- Bylaw No. 2120: Amends the application fees with respect to various subdivision applications.
- Bylaw No. 2121: Amends the application fees with respect to various building permit applications.
- Bylaw No. 2122: Amends the application fees with respect to OCP amendments, zoning applications, Development Permit, Development Variance Permit and Temporary Use Permit applications.
- Bylaw No. 2125: Amends the application fees with respect to Sign Development Permit applications.

Each of the fees in each schedule has been increased by the inflation rate of 5.5%.

ADDITIONAL CONSIDERATIONS

Public Hearing Fees:

The current fee schedule was established at a time when a Public Hearing was held for most (if not all) rezoning applications. Given that Council is now prohibited from holding Public Hearings for rezoning applications that are consistent with the Official Community Plan and include residential uses, and given that public notification requirements for rezoning applications are the same regardless of whether a Public Hearing is held, prohibited, or waived, Council may wish to combine the previously separate components of the fee into one combined fee.

Development Permit Amendment Fees:

Due to the way in which development plans can change between the issuance of a Development Permit and the issuance of a Building Permit, the City has had (for the past 20 years or so) a fee for amending a Development Permit. These fees are divided into minor, moderate and major, with some explanation of each. Staff are finding that these definitions do not always match with the amount of work that is required to review and reissue a DP and would like some direction from Council with respect to reworking this section of the fee schedule at a later date.

General Fee Review:

In addition to the proposed inflationary increase to application fees, staff note that the costs

associated with public notification (e.g. mailing Notices, posting signage, and placing newspaper ads) have increased beyond the basic inflationary rates. Due to this, and the fact that these fees have not been reviewed in a fulsome manner in many years, Council may wish to have a wholesale review of its Development Services fees and charges, in particular as compared to other municipalities. This is probably a task that should be outsourced, rather than conducted in-house. The costs of undertaking such a review are unknown at this time but there would be benefits if the City's fee schedule was in line with what other municipalities seeking to attract similar development were charging.

FINANCIAL IMPLICATIONS:

Increasing development application fees will mean that a greater percentage of the cost of processing development services fees are borne by the applicant, and less by the general taxpayer.

LEGAL IMPLICATIONS:

There are no legal implications with respect to the proposed bylaw amendments. The City is permitted, under the *Local Government Act*, to collect fees in compensation for services such as applications to amend the Official Community Plan, rezoning, Development Permits, Development Variance Permits, Building Permits, Temporary Use Permits and Sign Development Permits.

STRATEGIC PLAN ALIGNMENT:

5bi | Ensure that all Budgets are Fiscally Sustainable: Ensuring that sources of revenue are not eroded by inflation aids in ensuring that the City's budget is sustainable.

5g | Maintain the City's long-standing corporate efficiencies: Including these adjustments ensures that the work required by staff is funded proportionally by those utilizing the service rather than by general revenue.

OPTIONS:

Option 1

THAT the Committee recommend that Council:

1. Give First, Second, and Third Reading to Bylaw Nos. 2120, 2121, 2122 and 2125; and
2. Direct staff to:
 - a) Bring forward an amended fee schedule with respect to DP amendment fees.

- b) Engage a consultant to conduct a wholesale review of Development Services fees and charges.

OR Option 2

THAT the Committee recommend that Council give First, Second, and Third Reading to Bylaw Nos. 2120, 2121, 2122 and 2125 with the following amendments:

1. _____
2. _____
3. _____

OR Option 3

THAT Committee recommend that Council take no action with respect to Bylaw Nos. 2120, 2121, 2122, and 2125 at this time.

SUBMITTED BY: Matthew Baldwin, RPP, MCIP, Director of Development Services

Concurrence: Melisa Miles, Manager of Legislative Services

Concurrence: Donna Petrie, Senior Manager of Communications & Economic Development

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Leah Stohmann, RPP, MCIP, Director of Community Planning and Climate Change

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Marie Watmough, Director of Legislative & Protective Services

Concurrence: Braden Hutchins, Deputy Chief Administrative Officer

Concurrence: Darren Kiedyk, Chief Administrative Officer

Attachments: Bylaw No. 2120

Bylaw No. 2121

Bylaw No. 2122

Bylaw No. 2125