

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Finance Committee – November 21, 2024

AUTHOR: Kevin Jones, Assistant Manager, Planning and Development

SUBJECT: **BYLAW NO. 522 - PROPOSED PLANNING FEE AMENDMENTS 2024**

RECOMMENDATION(S)

- (1) THAT the report titled Bylaw No. 522 – Proposed Planning Fee Amendments 2024 be received for information;**
 - (2) AND THAT staff be directed to bring forward an amendment to *Planning & Development Procedures and Fees Bylaw No. 522* with updates to Schedule B (Fee Schedule) as proposed in this report, to come into effect January 1, 2025;**
 - (3) AND FURTHER THAT staff be directed to continue to implement recommendations contained in the *Development Approvals Process Review* to develop a full cost recovery program for planning and development fees and charges.**
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BACKGROUND

Bylaw 522, which governs planning fees and charges, was last updated January 1, 2023. The bylaw aims to achieve full cost recovery for planning services, though this objective has not yet been fully realized. The proposed amendment seeks to bring the current fees closer to this goal, pending a more comprehensive review and revision of the bylaw, which is scheduled for 2025.

At the July 27, 2023 Board meeting, several key motions were passed regarding the *Development Approvals Process Review (DAPR) Final Report*. Among the recommendations, the Board resolved to:

- THAT the report titled *Development Approvals Process Review (DAPR) Final Report* be received for information;
- AND THAT the DAPR Final Report be accepted and endorsed to guide enhancements to the SCRD's development approval process;
- AND THAT implementation of the DAPR Final Report recommendations be considered as part of the 2024 budget process.

The DAPR report highlighted that “the SCRD’s existing development application fees do not recoup the current cost of processing applications” and included the recommendation to “supplement in-house resources” by reviewing and updating the current fees bylaw to support a full cost-recovery model for development applications.

DISCUSSION

Analysis

The proposed changes to Schedule B fees aim to better align development application fees with the actual work effort involved, while simplifying the administration of fees and charges.

Development Permit Fees

The Development Permit category has been redefined to reflect the complexity and effort required for staff-issued versus Board-issued permits. Form and character permit fees have been streamlined, removing incremental charges that did not reflect actual work effort.

Development Variance Permit Fees

The structure for Development Variance Permits has been simplified, combining categories and removing unnecessary fees. The new system proposes a base fee of \$3,250 with an incremental cost of \$300 for each additional variance, streamlining the process while ensuring accurate cost recovery.

Tree Cutting Permits

Tree Cutting Permits are now in their own section, with a base fee of \$200 and an additional charge of \$25 for each tree beyond 10. This ensures that larger-scale applications are appropriately priced.

Subdivision Fees

A key change to subdivision fees is the differentiation between subdivisions of up to three lots and those creating three or more. Subdivisions requiring park dedication or cash in lieu will incur additional review time, with a base fee of \$5,000 plus \$1,000 for each additional lot after two. Other changes include new fees for Lot Line Adjustments and Subdivision Condition Amendments.

Bylaw Amendments

OCP and zoning bylaw amendments have been consolidated into a single category, with a proposed base fee of \$10,000 for individual amendments and \$15,000 for joint OCP and zoning amendments. When a public hearing is required a \$1,500 fee will apply. This streamlines the process and ensures efficient handling of complex applications.

Other Adjustments

Several outdated fees, such as those for Land Use Contracts and Local Board of Health Variances, have been removed. Amendments to existing permits will be charged 50% of the original fee, better aligning to the actual cost of providing this service.

Refunds

Refunds for applications that are withdrawn or do not proceed have been updated to reflect covering approximate percentage of costs incurred at the point the application was terminated.

Official Community Plans

The SCRD's Official Community Plans (OCPs) establish the vision, goals, objectives, and policies that guide community planning and development. In recent years, the Sunshine Coast has experienced significant growth and development alongside evolving regulatory requirements and the increasing impacts of climate change. Many areas within the SCRD are designated as multiple Development Permit Areas (DPAs), which adds complexity and demands additional time and resources for application reviews. To ensure appropriate cost recovery for applying the policies and regulations set out in the OCPs, the planning and development fees outlined in Bylaw No. 522 must be regularly reviewed and updated.

Organization and Intergovernmental Implications

In alignment with Section 462 of the *Local Government Act*, planning fees must not exceed the estimated average cost of providing services. Staff have conducted an analysis of current workflows, processing times, and costs associated with various application types.

Financial Implication

The proposed fee changes are expected to impact revenue. The current 2024 budgeted revenue is \$200,486, while actual revenue to date, as of October, is \$222,600. The estimated annual revenue with the new fees is \$390,000 based on current conservatively-estimated trends, reflecting a projected two-thirds cost recovery. The estimated annual cost for administering these applications is \$603,000, covering the full cost of various planning staff roles, including planning technicians, planners, and management. These estimates are based on planning staff hours for application processing, only, and have not been expanded to include other related functions involved with running a development planning service (such as fleet vehicle use, software, professional accreditation, etc.) that would be contemplated as part of a full cost recovery model.

As the fee revisions shift more revenue reliance onto user fees rather than tax requisition, there is increased risk of fluctuation in revenue from year to year, which could vary based on application volumes. To mitigate this risk, applicable planning reserves will need to be carefully reviewed to ensure they are sufficient to address any unanticipated fluctuations in revenue. The proposed fee adjustments aim to take a second step, following the 2023 update, towards cost recovery while continuing to support efficient service delivery. A proposed 2025 review will aim to align with full cost recovery of development planning services, including considering appropriate reserve fund policies and actioning DAPR implementation items.

Timeline for next steps or estimated completion date

Subject to Board approval, staff will introduce amendments to Bylaw No. 522 by December 2024, with the proposed changes scheduled to take effect on January 1, 2025. These amendments are part of a broader strategy to ensure that development fees more accurately reflect the actual costs of providing planning services, reducing the need for SCRD taxation to subsidize development activities.

In alignment with Recommendation 3 of this report, to achieve full cost recovery staff propose to continue to monitor and analyze the financial impact of current fees and bring forward proposed updates to Planning and Development fees in 2025. Proposed future adjustments would further align fees with the true costs of delivering the service, ensuring a sustainably funded service

model for Planning and Development where the burden of costs is appropriately shared by those benefiting from the services. This phased approach will support the SCRD’s financial sustainability while maintaining a high standard of service delivery for the community.

Communications Strategy

The development community and all relevant stakeholders will be informed of these changes, with details of the changes to be posted on the SCRD website and social media platforms. SCRD staff will also send the updates via established communication channels to relevant stakeholders and the development community to ensure they remain apprised. Signage will be posted at the planning desk at the SCRD Field Road office with the updated fees.’

STRATEGIC PLAN AND RELATED POLICIES

This update aligns with SCRD’s Financial Sustainability Policy and supports long-term financial planning goals by ensuring that planning fees adequately cover the cost of service delivery.

CONCLUSION

Amendments to Bylaw No. 522 are necessary to reflect the actual costs associated with planning services and to provide adequate resources for the growing demand. The recommended fee increases will better align SCRD’s planning fees with those of peer municipalities and ensure financial sustainability for the planning functions.

Attachments

Attachment A – Proposed Bylaw No. 522 Schedule B – Planning Fees Changes Summary

Reviewed by:			
Manager	X - J. Jackson	Finance	
GM	X – I. Hall	Legislative	
CAO	X – T. Perreault		

Proposed Schedule B Changes

Development Permit Fees

- Restructure categories to better reflect work effort requirements rather than DPA type. Current categories do not accurately reflect work effort requirements.
- Main differentiator is staff report and referral effort associated with Board issued development permits compared to delegated staff issued development permits.
- Incremental fees for form and character development permits have been removed as these do not accurately reflect the level of work effort required and are less efficient to administer.
- Where work is done without prior permit a Remedial Pre-Application fee will apply followed by double base and additional fees.

Current

Application Type	Pre-Application Fee	Base Fee	Additional Fee
DP: Geotechnical hazard, aquifer protection	\$200	\$800	\$400 for each subsequent DP Area
DP: Riparian and shoreline projection, form and character	\$500	\$1,000	\$100 / Unit for form and character
DP involving remediation (where work has commenced without a permit)	\$2,500	N/A	N/A

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
Staff Issued DP (Hazard and Environment)	\$500	\$1,500	\$400 per additional DPA
Board Issued DP (Form and Character, Ag Buffer)		\$2,000	\$400 per additional DPA
Remedial DP Pre-Application (Work without Permit)	\$2,500	-	-

Development Variance Permit Fees

- Simplify administration by combining categories.

- Additional variances beyond a single bylaw provision are captured through an additional incremental fee.
- Variances for sign permits have been removed as the fee was rarely utilized and does not accurately represent work effort. All bylaw variances will be handled under a single category.

Current

Application Type	Pre-Application Fee	Base Fee
DVP: variance from a single bylaw provision (e.g. side yard set back)	\$300	\$2,200
DVP: variance from multiple bylaw provisions (e.g. side yard setback, front yard setback and height) or permit requested by another agency	\$500	\$3,000
DVP for Sign (involving sign(s) and no other structures)	N/A	\$150

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
Development Variance Permit	\$600	\$3,250	\$300 per additional variance

Board of Variance

- Simplify administration by combining categories into one.
- Additional variances beyond a single bylaw provision can be captured through an additional incremental fee.

Current

Application Type	Pre-Application Fee	Base Fee
BOV: variance from a single bylaw provision (e.g. side yard setback)	\$300	\$2,200
BOV: variance from multiple bylaw provisions (e.g. side yard setback, front yard setback and height); or permit requested by another agency; or involving industrial, commercial or assembly uses)	\$500	\$3,000

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
Board of Variance	\$600	\$3,000	\$300 per additional variance

Tree Cutting Permits

- Tree Cutting Permit Application Fees are being moved from Other Permit Fees to its own section.
- Additional fee introduced for each additional tree after ten.
- Temporary Use Permits are moved to the Bylaw Amendment section and Strata Conversion to the Subdivision section.

Current

Application Type	Base Fee	Additional Fee
Tree Cutting	\$100	N/A
Temporary Use Permits	\$500	\$1/m2 floor area to a maximum of \$1,000
Strata conversion	\$650	N/A

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
Tree Cutting Permit	N/A	\$200	\$25 per additional tree after 10

Subdivision

- The main change to the subdivision fee structure is a distinction between up to three additional lots and more than three additional lots.
- The *Local Government Act* invokes park dedication requirements when more than three additional lots are created by subdivision. This requires significantly more staff time for review.
- The current subdivision fee distinguishes between 10 or more lots and less than 10 lots. This is related to the requirements for a public information meeting.
- The additional fee per lot is sufficient to cover additional staff costs related to a public information meeting.
- Frontage Waiver fee now includes a per additional lot fee.
- Strata Conversion fees are increased to reflect the significant staff time involved in referrals and review.
- Lot Line Adjustment or Consolidation is a new fee category related to subdivision applications. These are a type of subdivision with a simple review process that requires less staff time than full subdivision applications.
- A fee to amend Conditions of Subdivision is introduced.

Current

Application Type	Pre-Application Fee	Base Fee	Additional Fee
Subdivision: up to 9 lots	\$500	\$1,700	\$300 per lot
Subdivision: over 10 hectares or over 10 lots	\$1,000	\$3,000	
Frontage Waiver: request to SCRD to waive the minimum frontage requirements	N/A	\$2,200	N/A

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
Subdivision creating up to two additional lots	\$500	\$5,000	-
Subdivision creating more than two additional lots	\$1,000	\$5,000	\$1,000 per additional lot after two
Frontage Waiver	-	\$2,000	\$250 per additional lot
Strata Conversion	\$500	\$3,000	\$1,000 per additional lot/unit
Lot Line Adjustment or Consolidation	\$500	\$2,000	-
Subdivision Conditions Amendment (PLR)	-	\$500	-

Bylaw Amendments

- Fees related to zoning and OCP bylaw amendments have been simplified by incorporating zoning and OCP bylaw amendments into a single category.
- An option for a Joint OCP and Zoning Bylaw Amendment is provided to reflect efficiencies when considering bylaws in tandem.
- Per unit fees have been removed as this is not an accurate predictor of the work effort required.
- Amendments outside an OCP area would be charged at the same rate as an OCP or Zoning Bylaw Amendment.
- A fee for additional public hearings has been added.

Current

Application Type	Pre-Application Fee	Base Fee	Additional Fee
Zoning Amendment: Text amendment or map amendment	\$500	\$5,500	N/A

for park or environmental protection			
Zoning amendment	\$1,000	\$6,400	\$300 per unit fee
Zoning Amendment for Cannabis Production or Retail (Combined with a license endorsement request to the Liquor and Cannabis Regulation Branch)	N/A	See "Other fees"	N/A
Amendment outside Official Community Plan (OCP) area	N/A	\$1,400	<ul style="list-style-type: none"> a. \$60/hour - professional staff time; b. \$40/hour - technical and clerical staff; c. consulting services, including fees for legal services, billed at cost; d. other related expenses, such as covenant registrations, billed at cost. e. Additional fees will be paid in instalments prior to consideration of third reading and final adoption of the respective bylaw(s).
OCP Amendment: Text amendment or map amendment for park or environmental protection)	\$500		\$5,500
OCP Amendment	\$1,000		\$6,400
Plan Amendment for Cannabis Production or Retail (Combined with a license endorsement request to the Liquor and Cannabis Regulation Branch)			See "Other fees"

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
OCP or Zoning Bylaw Amendment	\$2,000	\$10,000	\$1,500 per public hearing
Joint OCP and Zoning Bylaw Amendment	\$2,500	\$15,000	\$1,500 per public hearing
Temporary Use Permit	\$1,000	\$4,000	-

Liquor and Cannabis Licenses

- Liquor license related fees remain unchanged.
- The option of combining a rezoning with a cannabis licence has been removed as it does not reflect cost and effort of a rezoning application.

Current

Type	Description	Fee
Cannabis Production and Retail	Where an application is made to rezone a property where cannabis production or retail is proposed to occur the fee for an endorsement will include the zoning bylaw amendment fee	\$4,275
	Where a request for endorsement for cannabis production or retail is received within a permitted zone	\$3,275
Liquor License Application or Amendment	Where a request for endorsement for a new or amended liquor-related license is received within a permitted zone	\$3,275

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
Liquor Licence	-	\$3,500	-
Cannabis Licence	-	\$4,500	-

Other Fees and Charges

- Land Use Contract fees have been removed as they are no longer relevant.
- Local Board of Health Variance fees have been removed as they are no longer relevant.
- Site Inspection fee is a flat rate rather than hourly to simplify administration.
- Consolidate Property Information Request fees.

Proposed

Description	Pre-Application Fee	Base Fee	Additional Fee
Change of Applicant	-	\$200	-
Covenant Discharge or Amendment	-	\$1,000	-
Site Inspection	-	-	\$300 per site inspection
Property Information Request (Comfort Letter)	-	\$500	-

Title Document	-	-	\$50 per document
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Work Without Permits

- All work started before obtaining the required permit is subject to double the Base Fee and Additional Fee.
- Double pre-application fee removed for development variance permits, board of variance, rezoning or OCP amendment. This was overly burdensome as double application fees still apply.
- Increased development permit pre-application fee for remedial work is maintained.
- Consolidate and simplify pre-application fees.
- Permit amendments continue to be 50% of the original fee.

Current

5. Work Without Permit(s)

If land alteration, tree cutting, construction of buildings or structures have commenced without a valid permit pursuant to this bylaw:

(1) the pre-application fee for an application for a development variance permit, Board of Variance, rezoning or official community plan amendment will be double the applicable fee.

(2) the base fee and any additional fees for such applications will be double the applicable fee.

Proposed

Permit Amendments and Work Without Permits

1. All amendments or extensions to liquor and cannabis licenses, temporary use permits, development permits, tree cutting permits, and development variance permits shall be subject to 50% of the original Base Fee and Additional Fee.
2. The application fee shall be 200% of the original Fee where work has started without the required development permit, tree cutting permit, development variance permit, or board of variance approval.

Refunds

- Change refund of bylaw amendment that does not proceed to public hearing or third reading to 25% of the original fee to reflect increase in base fees and legislation that no longer allows some public hearings.
- Removed non-profit fee reduction request as this is not compatible with cost recovery and request for fee reduction can be considered through Grant-In-Aid process.

Current

11. Refunds

An application fee paid pursuant to this bylaw is non-refundable, except;

- (1) where an application is withdrawn within twenty-one (21) days of its submission, in which case a refund equalling half of the applicable fee will be paid to the applicant within 14 (fourteen) days immediately following receipt of the withdrawal notice; or
- (2) where an application to amend an official community plan, zoning bylaw or land use contract does not proceed to a public hearing, a refund of \$2,000 will be provided.
- (3) A non-profit corporation or a public utility operated by an improvement district or local government may apply to the Regional District to reduce up to half of the applicable fee for a bylaw amendment application, development permit or development variance permit.
- (4) Public hearing advertisement costs may be waived if advertisement fees have been paid and more than one public hearing is required to correct a procedural and/or legal matter.

Proposed

Refunds

1. 50% of the Base Fee and Additional Fee will be refunded when an application is withdrawn within 21 days of submission.
2. If a bylaw amendment does not proceed to a public hearing, or third reading if a public hearing is not required, a refund of 25% of the original application fee will be provided.
3. A non-profit organization or public utility operated by a local government may apply to the SCRD Board to reduce fees up to 50% for a bylaw amendment, development permit, or development variance permit.