



City of Port Moody

Report/Recommendation to Council

Date: July 11, 2023

Submitted by: Community Development Department – Development Planning Division

Subject: Amendment to Fees Bylaw, 2022, No. 3383 – Community Development Fees

Purpose

To amend the Fees Bylaw with an updated Community Development fees schedule based on a municipal comparison review, and increasing cost pressures, and the range of services being provided.

Recommended Resolution(s)

THAT City of Port Moody Fees Bylaw, 2022, No. 3383, Amendment Bylaw No. 4, 2023, No. 3416 (Community Development) be read a first, second, and third time as recommended in the report dated July 11, 2023, from the Community Development Department – Development Planning Division regarding Amendment to Fees Bylaw, 2022, No. 3383 – Community Development Fees.

Background

City of Port Moody Fees Bylaw, 2022, No. 3383 sets out the various municipal fees across all service areas and was last updated in September 2022. While cost of living increased were implemented a more fulsome review of the planning related fees was not included in this update. The Department recently undertook a review of the fees pertaining to development applications and are bringing forward a recommended, updated fees schedule for Council's consideration.

Attached to Amendment Bylaw No. 3416 (**Attachment 1**) is Schedule A – Revised Fees that is the result of this fees review. The bylaw and attached Schedule A are being submitted to Council for consideration of first, second and third readings.

Discussion

Recognizing that a comprehensive review of development application fees has not been undertaken for several years. This review dealt primarily with the fees charged by the Community Development Department relating to development applications and did not address building permit application and other associated department fees. The various fees collected by the Building, Bylaws and Licensing Division are subject to periodic reviews and adjusted annually or otherwise as required.

This current review of the fees charged for these services by the Community Development Department focused on several questions:

- How does the scope and level of development application fees charged by the City compare to other lower mainland municipalities?
- Are the existing types and amounts of development fees being charged appropriate and relevant to the related services being provided?
- Focusing on development application fees, how do the overall revenues received compare to Development Planning Division expenditures, i.e., what is the level of cost recovery?
- Is the current schedule of fees “user friendly”, i.e., is the schedule and specific items listed understandable, easy to navigate and allow for clear, straightforward calculation?
- Are there longstanding services that were previously provided but are still listed in the schedule of fees that are less pertinent in an era of continued technology change?

This initiative began with staff reviewing the development application fees charged in selected other Metro Vancouver municipalities (Burnaby, Coquitlam, New Westminster, North Vancouver City, North Vancouver District, Port Coquitlam, and Surrey). These municipalities were chosen because of their proximity to Port Moody and/or because they process a wide range of development applications, from low density residential to high density mixed-use projects, as does Port Moody. This review found that the fee structures vary widely between these municipalities, making “apples to apples” comparisons difficult. Nonetheless, three development scenarios for projects with different proposed densities on a 0.4 ha/1.0 ac size site (Scenario 1 a 20-unit townhouse project, Scenario 2 an 80-unit, 6-storey apartment building, and Scenario 3 a 26-storey high-rise apartment) was generated to compare the total fees that would be collected by each of the municipalities for rezoning and development permit (form and character) applications. The findings of this comparative municipal fee review are summarized as follows:

- Overall, Port Moody’s fees are in the higher range between the selected comparison municipalities.
- Fees for certain building types, such as townhouses, were more middle of the range, and very close to the fees charged by the City of Coquitlam.
- High-rise apartment application fees in New Westminster are about 15% higher for the same project in Port Moody.
- Most of the municipalities have both “Base” and added “Plus” fees driven by the amount and type of density being proposed. This fee structure reflects the generally greater complexity of the review process for larger developments, including multi-phase and mixed-use projects.
- Several of the municipalities have both delegated and non-delegated fees for Development Permits and, as of recently, Development Variance Permits, with the delegated fees being lower because there is no direct Council involvement with those types of applications (e.g., no report writing, meeting agenda preparation or Council consideration).
- Pre-application review fees across the comparison municipalities appear low relative to the amount of staff time that is typically incurred.

- Port Moody is the only municipality that charges for external architect and landscape architect review services on the City's behalf. The other municipalities have in-house staff who undertake the reviews (some of the larger municipalities even have registered architects and landscape architects on staff) and/or they primarily rely on Advisory Design Panels to provide design review input.

Drawing on this municipal comparison review, there appears to be little rationale to materially increase rezoning and development permit application fees in Port Moody if the desire is generally to be comparable to other municipalities. However, the findings of this comparative review along with the overall assessment of the City's current development application fees schedule did identify some updates that should be considered. These updates include moderate fee increases for some application types, new fees for recently emerging services, and an overall streamlining, as summarized below:

- The recommended Community Development fees have been retitled, the layout streamlined and restructured to follow the order or sequence in the development application process (e.g., Pre-Application Review through to Pre-Construction Review and Inspection).
- The first section has been retitled "Community Development Services & Miscellaneous", set in alphabetical order for ease of reference and condensed by removing no longer relevant services (e.g., copying, printing, and scanning), inserting newly emerging functions (e.g., Public Engagement Information Posting), and also shifting other fee for services (e.g., Pre-Application Review, architectural, and legal reviews) to separate, more relevant sections in the schedule.
- Several of the application fees, such as for Pre-Application Review and standalone Official Community Plan (OCP) amendments have been increased along with including an additional "Plus" charge based on proposed building size and/or site area to better balance the staff time expended on these applications.
- Other fees have been increased in the range of 10-20%.
- Reflecting evolving Provincial legislative provisions and in coordination with the updated Development Approval Procedures Bylaw also being brought forward for Council's consideration, Development Permit and Development Variance Permit fees are broken out between "Council Authorized" and "Staff Authorized", as touched on briefly in the above comparative review discussion.
- New fees are being recommended for Bylaw Third Reading Extension and Inactive Application Extension requests.
- Architecture and Landscape Architecture Review fee for services are recommended to be retained but have been simplified, increased slightly to better re-capture actual costs incurred and set on an increasing scale based on the project size.

Should Council support implementing the updated fees schedule, it is difficult to precisely project the impact on City revenues as development application fee totals have fluctuated widely in recent years and are largely dependent on the number and scale of applications submitted. For example, over the period 2018 – 2022 total development application revenues ranged from \$97,109 in 2020 to \$724,826 in 2022. Given the current number of applications in process and new development proposals being discussed, it is anticipated that fees will remain strong for the next few years. In terms of cost recovery for the Development Planning Division,

fee revenues at these levels will help sustain the operation of this area and contribute to the development processing reserve.

Licensing Fee Change

While a licensing fees review was outside of the scope of this fee review and comparison analysis, staff identified one licensing fee change for consideration to alleviate a financial burden that has been expressed by some business owners. To better support business owners, who have leased multiple locations in a building or complex because of challenges finding available commercial space all in one location in Port Moody, staff are recommending a new licensing fee category called 'location extension'. This new modest second fee will be used for businesses that operate in multiple detached commercial units within the same building or complex where the additional location is an extension of the primary location and serves the same clientele. Currently, businesses in this situation pay separate full business license fees for each unit. If this new fee proceeds, additional parameters will be prepared in an operational procedure to outline when this alternate fee calculation will be applied. Staff will work with business owners who are in this situation to ensure fees are applied consistently with the primary license assessed based business type and total square footage and subsequent license(s) the location extension fee.

Other Option(s)

Council may request that staff make further changes to the proposed fees update Amendment Bylaw No. 3416.

Financial Implications

Amending the fees in the Fees Bylaw as recommended in this report is anticipated to result in a modest increase to municipal revenues. The amount of change will be dependant on the volume of development applications. Periodic evaluations of fees and increases as applicable supports sustaining core services, achieving the Financial Plan Bylaw objective of improved cost recovery for providing specific applicant/user services, and reducing dependence on municipal property tax.

Communications and Civic Engagement Initiatives

Should Council adopt Amendment Bylaw No. 3416, the fee schedule will be updated to reflect the new fees.

Council Strategic Plan Objectives

The recommended Fees Bylaw update addresses the Sustainable Core Services Strategic Priority Area and works towards the Strategic Goal of ensuring financial sustainability.

Attachment(s)

1. Draft City of Port Moody Fees Bylaw, 2022, No. 3383, Amendment Bylaw No. 4, 2023, No. 3416 (Community Development).

Report Author

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Report Approval Details

Document Title:	Amendment to Fees Bylaw, 2022, No. 3383 – Community Development Fees.docx
Attachments:	- Attachment 1 - Draft Fees Bylaw, 2022, No. 3383, Amendment Bylaw No. 4, 2023, No. 3416 (Community Development).pdf
Final Approval Date:	Jul 4, 2023

This report and all of its attachments were approved and signed as outlined below:

Kate Zanon, General Manager of Community Development - Jun 29, 2023 - 5:20 PM

Tracey Takahashi, Deputy Corporate Officer, for Stephanie Lam, City Clerk and Manager of Legislative Services - Jun 29, 2023 - 5:54 PM

Natasha Vander Wal for Lindsay Todd, Manager of Communications and Engagement - Jun 30, 2023 - 10:11 AM

Paul Rockwood, General Manager of Finance and Technology - Jul 1, 2023 - 1:20 PM

Anna Mathewson, General Manager of Community Services, for Tim Savoie, City Manager - Jul 4, 2023 - 10:18 AM