



City of Richmond

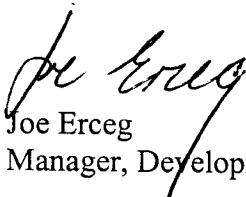
Report to Committee

To: Planning Committee
From: Joe Erceg
Manager, Development Applications
Re: Development Application Fees

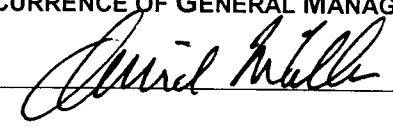
Date: May 3, 2002
File: 1070-01

Staff Recommendation

That Development Application Fees Bylaw No. 7276, which increases and introduces new Development Application fees, be introduced and given first, second and third readings.


Joe Erceg
Manager, Development Applications

HB:blg
Att.

FOR ORIGINATING DIVISION USE ONLY		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
City Clerk	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	
Law	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	

Staff Report

Origin

The General Manager, Urban Development has requested that the Development Application fees be comprehensively reviewed. The intent is that the Development Applications Department work towards becoming more "self sufficient" (i.e. revenues = expenditures). This review has also been prompted by the 2002 budget process and the need to examine all revenue sources.

Findings of Fact

Development Application fees have not been changed since 1997. At that time, they were increased approximately 5%. Since 1997 there has been a reluctance to increase fees in view of the sluggish development sector.

According to Section 931 of the Local Government Act, these fees "*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*".

For comparative purposes, staff surveyed the municipalities of Vancouver, Burnaby, Surrey, Delta and Coquitlam to determine their Development Application fees in 2001. The survey results show that, in general, Development Application fees in Richmond are low compared with these other comparable municipalities. In certain cases, examples comparing the City's existing fees with the recommended new fees and what it would cost for a similar application in Vancouver, Burnaby, Surrey, Delta and Coquitlam are presented.

Staff discussed the issue of Development Application fee increases with the Urban Development Institute (UDI). The President of the Pacific Region of the UDI submitted a letter to the Mayor (and Council) with regard to the proposal to increase the Development Application fees on April 18, 2002 (a copy of which is available in the City Clerk's Department). In this letter and the attached position paper, the UDI identified the following principles it felt needed to be incorporated into this review:

- Consider all the fees (e.g. DCCs, building permits, etc.) for any particular development, not just development application fees;
- Average actual costs for each type of development application;
- Fee increases should be phased in over a number of years;
- Projects under construction should not be impacted by fee increases (grandfathering provisions);
- Parallel tasks should not be doubled charged;
- Time-lines for different development application tasks should be established; and
- Full consultation with the development industry before reporting back to Council.

In response to the UDI submission, and in preparing this report, the Urban Development Division has identified the following principles it believes the City needs to incorporate into the review of Development Application fees:

- The existing fees (which have been in place since 1997) will not be lowered, as this would be counter productive to the intent of the Development Applications Department being more “self sufficient” and to the need to examine (increase) all revenue sources.
- Generally speaking, the City of Richmond wants its Development Application fees to be average in comparison to the neighbouring municipalities surveyed, recognizing that it is difficult to compare the development approval process from one municipality to another.
- The review of all the fees for any particular development (e.g. Development Application fees; Building Permits; Development Cost Charges - DCCs; etc.) is being reviewed and will be reported to Council by the DCC Review Committee.
- The recommended Development Application fees incorporate all of the estimated average costs of processing the different types of application (i.e. includes the time and expense of the City Clerk and other Departments, Development Permit Panel, Council, etc.).
- It is proposed that the new Development Application fees become effective July 1, 2002 for any new applications in order to give the development community some advance warning of these changes (the new fees do not affect projects under construction).
- Where appropriate, this report identifies and responds to the specific concerns the UDI had with regard to the proposed new Development Application fees.

Analysis

The following describes the various Development Application fees staff have reviewed.

1. Rezoning Applications (including both map and/or text amendments)

Richmond	\$1,575.
Vancouver	\$5,000 for first 4,000 m ² of site area plus \$81 for each additional 100 m ² of site area to a maximum of \$50,000 (regular rezoning) to \$82,820 for first 4,000 m ² of site area plus \$667 for each additional 100 m ² of site area (Comprehensive Development Districts).
Burnaby	\$1,260 for first 1,700 m ² of site area and then \$22 for each additional 100 m ² of site area.
Surrey	\$1,375 (rezoning suite within existing single-family dwelling) to \$3,885 plus \$30 per dwelling unit and \$0.129 for each additional 1 m ² for the non-residential portion of a multiple residential or commercial building (Comprehensive Development Districts).
Delta	\$1,270 (text amendment) to \$2,800 plus \$30 for each additional 100 m ² of total floor area in excess of 1,000 m ² and \$15 for each additional 100 m ² in excess of 2,500 m ² (multi-family residential).
Coquitlam	\$907.50 plus \$0.28 to \$49.50 for each additional 100 m ² of site area (rezoning) to \$1,900 (text amendment). \$58.30 for a rezoning application extension.

Richmond is the only municipality that has a flat fee for all rezoning and zoning text amendments regardless of the size or complexity of the application. Generally speaking, our fees are also lower than the adjacent municipalities surveyed.

Over the past few years, the City has received very few zoning text amendment applications. So, these are not a major issue. However, staff are using Comprehensive Development District (CD) zones more frequently. Typically, these rezoning applications require additional work to determine the appropriate density, lot coverage, setbacks, etc. Furthermore, since Richmond has a substantial amount of rural and agricultural land which sometimes is the subject of a rezoning application, staff would prefer to use the maximum number of dwelling units or maximum building area as a measure for fees rather than the site area. The other unique factor in Richmond is our Single-Family Lot Size Policies. Although the City is not initiating many new 702 Policies, the time and process involved in reviewing an existing policy should be reflected in the application fees. Since Richmond's existing Development Permit application fees tend to be higher than the other municipalities surveyed (with the exception of Vancouver) for commercial buildings, it is proposed to keep the rezoning fee more modest for non-residential building areas.

Several municipalities also charge for the preliminary review of a rezoning application. For example, Coquitlam charges \$357.50 to do a preliminary plan review of a multi-family residential rezoning and \$247.50 for all other rezonings. Burnaby charges \$1.65 per \$1,000 of construction value for a preliminary plan approval (with a \$105 minimum fee) and a \$100 fee for any extensions to a rezoning along with \$525 where a servicing agreement is involved. Vancouver charges 25% of the application fee (with a minimum charge of \$313) for preliminary applications. Even research requests in Vancouver are charged to the public at a rate of \$101 for the first two hours of staff time and then \$40.50 for each additional hour thereafter. Surrey also charges \$200 any time there is a change of owner, agent or scope of a submitted Development Application. Richmond staff are not proposing to go this route at this time because we like to encourage pre-application meetings and find they save staff time later in the process.

At present, our bylaws do not indicate whether or not there are any refunds for a Development Application (although refunds have been given on occasion). All of the other municipalities surveyed provide for a refund if a rezoning application is withdrawn before staff begin their review or if it does not proceed to a Public Hearing. The rate of the refund varies from 30% to 100%. It is recommended that staff continue the practice of occasionally giving a refund (e.g. if a rezoning application is withdrawn shortly after it is submitted or the applicant is advised that staff will not support the rezoning). The proposed new Development Application Fees Bylaw indicates that a 50% refund will be provided if a rezoning application does not proceed to Public Hearing.

In commenting on an earlier version of this portion of the report, the UDI stated that "The proposed fees for a zoning bylaw text amendment and fees for rezoning to a standard existing zone are excessive. Zoning fees should acknowledge the broader range in rezoning activity, for the simple text amendment to a complex comprehensive development rezoning in conjunction with other processes. Likewise, single family rezoning with a policy amendment (\$3,000 up from \$1,575) is excessive for the usual nature of the amendments to policy. Some distinction in fees between a technical amendment and complex amendments should be recognized in the fee structure".

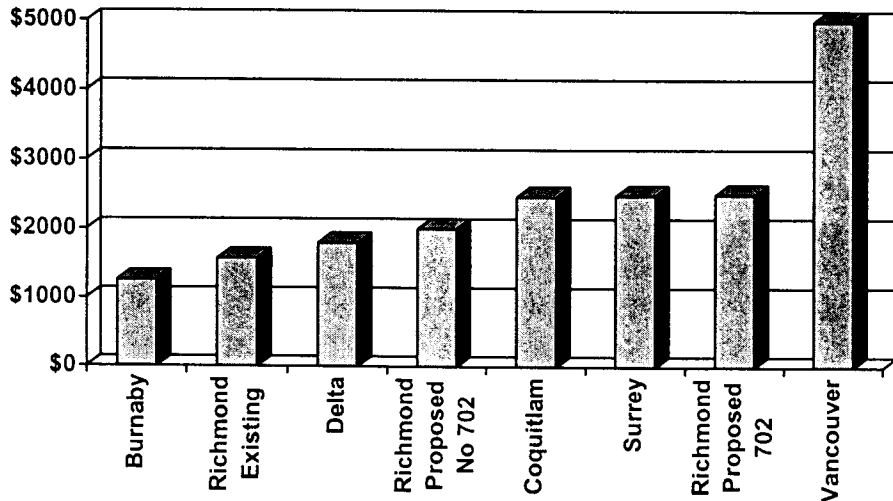
In response to the UDI comments, staff have revised the recommended fees in order to better distinguish between the “simpler” applications (zoning text amendment; R1 rezoning with or without a 702 Policy; rezoning to a standard zone) and the more complex applications (comprehensive development districts). The following recommended fees address the UDI comments and attempt to accurately reflect the cost involved in each type of rezoning or zoning amendment application.

Recommended Rezoning and Zoning Amendment Fees:

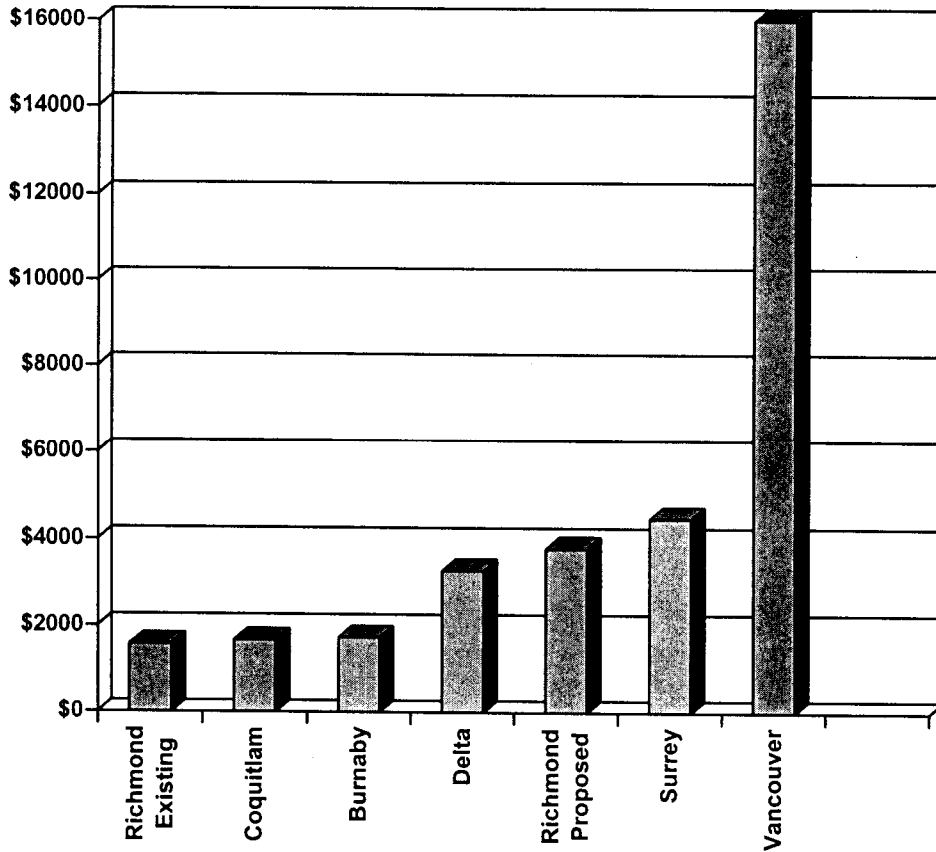
- Zoning Text Amendment:** *\$1,575*
- Rezoning Application:**
 - \$2,000 (Single-Family Housing District (R1) rezoning in compliance with 702 Policy or if no 702 Policy)*
 - \$2,500 (Single-Family Housing District (R1) rezoning requiring new or amended 702 Policy)*
 - \$2,000 plus \$20 per dwelling unit and/or \$15 per 100 m² of new non-residential building area (Standard Zones)*
 - \$3,000 plus \$40 per dwelling unit and/or \$25 per 100 m² of new non-residential building area (Comprehensive Development Districts)*
 - 50% Refund if application does not proceed to Public Hearing.*

The following graphs indicate how these recommended rezoning fees compare to the other municipalities surveyed for some typical developments.

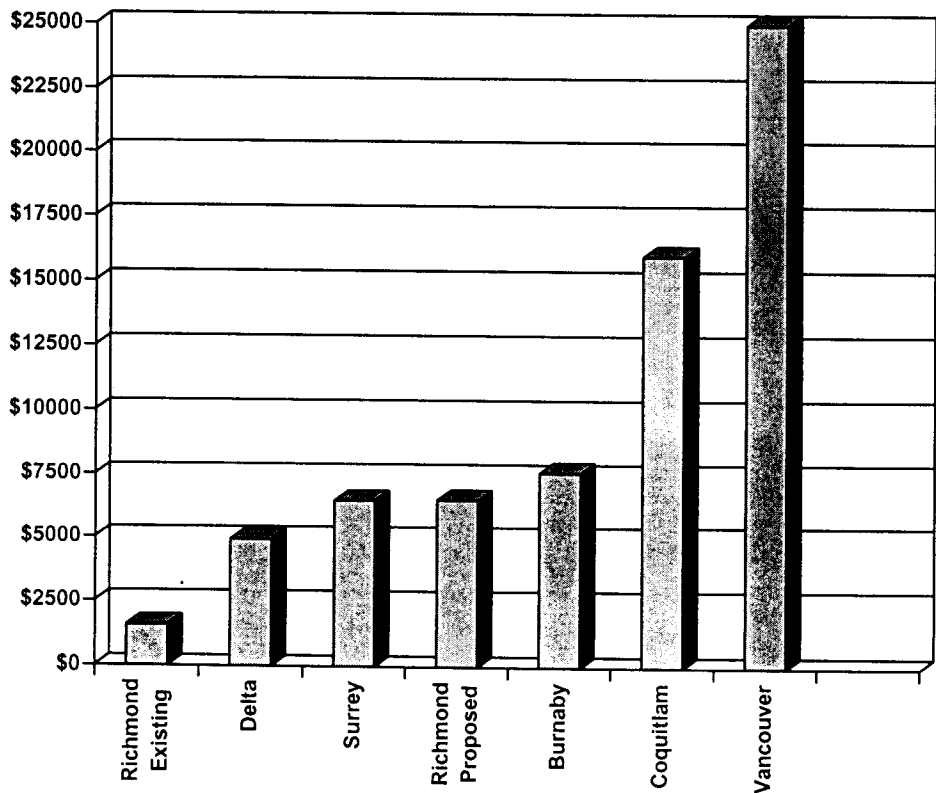
Single Family Residential Rezoning
(Two Lot Subdivision)



Multiple Family Residential Rezoning (20 Unit Townhouse Development in South McLennan)



Commercial Rezoning (Cape Development on Bridgeport Road)



2. Official Community Plan Amendments

Richmond	\$1,575 (only if a rezoning application is not involved).
Vancouver	\$16,665 for up to 0.4 ha (43,128 ft ²) of site area and then \$167 for each additional 100 m ² (1,080 ft ² of site area up to a maximum of \$66,660).
Burnaby	Unknown.
Surrey	\$2,185 plus \$600 per ha.
Delta	\$1,400 (for site area less than 1 ha) to \$3,800 plus \$200 for each additional ha (for sites over 5 ha).
Coquitlam	\$935 plus \$3 for each additional 100 m ² of land.

Generally speaking, City staff want to discourage amendments to the Official Community Plan (OCP) or Area Plans. At the present time, Richmond does not charge a fee to amend these plans if a rezoning application is involved (i.e. the aforesaid rezoning application fees would apply). It was originally recommended that this practice be changed so that all OCP or Area Plan amendments pay the same fee (with or without an associated rezoning application).

The UDI position on this item was “This increase is new, except for the current \$1,575 where there is no concurrent rezoning. Procedures for OCP amendment such as the scope and sequencing of bylaws, referrals, notices and public hearings, are only slightly more stringent than for rezoning. More comprehensive developments and others require a concurrent zoning and OCP amendment. The UDI suggests that there should still be a different fee for an OCP amendment processed alone, but that an OCP amendment done in conjunction with a rezoning should cost only a modest amount more than a rezoning since the processing is largely a duplication of the same steps. Only when an OCP is independent of a proposed rezoning should a full separate fee be applied. The current fee schedule acknowledges this distinction.”

In response to the UDI position, staff have revised their original recommendation to only apply to OCP and Area Plan amendments that do not include a rezoning application (rarely does someone other than City make this type of application). The fee recommended below takes into account the fact that staff may have to consult with and refer such an application to other agencies such as the Greater Vancouver Regional District (GVRD), School District, Vancouver Airport Authority (YVR), etc.

Recommended Official Community Plan or Area Plan Amendment Fees: \$3,000

3. Development Permit Applications (not including Environmentally Sensitive Areas (ESA) and Agricultural Land Reserve (ALR))

Richmond	\$525 for first 464.5 m ² of building and then \$105 for each additional 92.9 m ² up to 9,290 m ² plus \$20 for each 92.9 m ² over 9,290 m ² to a maximum of \$15,750.
Vancouver	\$429 for each 100 m ² up to 10,000 m ² plus \$81 for each 100 m ² over 10,000 m ² for developments requiring Development Permit Board approval. \$313 to \$465 for each 100 m ² up to 500 m ² plus \$152 to \$232 for each additional 100 m ² up to a maximum fee of \$15,564 to \$18,675 for developments not requiring Development Permit Board approval. \$152 for revisions or minor amendments and \$152 to \$313 for extensions or renewals.
Burnaby	Unknown
Surrey	\$1,800 (base fee) to \$3,200 (Comprehensive Development Districts) plus \$24 to \$65 per unit for multi-family residential or \$0.066 per 100 m ² (institutional). \$0.192 to \$0.515 per 100 m ² (commercial) or \$0.452 per 100 m ² (industrial). \$200 (minor) to \$400 (major) amendment to existing Development Permit.
Delta	\$600 with rezoning or \$1,000 (commercial) or \$1,500 (multi-family residential, industrial, mixed-use) base fee plus \$20 for each 100 m ² of total floor area in excess of 1,000 m ² (multi-family residential, commercial or mixed-use) and \$10 per 100 m ² in excess of 2,500 m ² (multi-family residential) or \$50 for each 1,000 m ² of site area (industrial). \$100 (signs) to \$350 (all other) amendments to existing Development Permit.
Coquitlam	\$990 to \$1,925 (building additions). \$148.50 cancellation of issued Development Permit.

Richmond’s base fee for Development Permit applications is much lower than that of Surrey, Delta and Coquitlam. Staff are recommending that the base fee be raised from \$525 to \$2,000 to reflect the amount of work involved in reviewing a simple Development Permit application (i.e. presentation to the Advisory Design Panel; staff review and report; notification of neighbourhood; Development Permit Panel meeting; Council consideration; etc.). It should be noted that the other municipalities surveyed do not necessarily go through the same Development Permit process as Richmond (i.e. they do not provide notification of Development Permits or utilize a Development Permit Panel).

The maximum fee the City charges is slightly lower than Vancouver (which is the only other municipality to have an upper limit for a Development Permit application). Originally it was recommended that the maximum fee be consistent with Vancouver’s upper limit (i.e. approximately \$18,750).

In response to this recommendation, the UDI stated “When a development permit process occurs in conjunction with another application process various parallel tasks should not be double charged. In addition, the proposed maximum limit of \$18,750, up from \$15,750 is unjustified and will adversely affect larger residential projects. While the UDI recognizes that Vancouver and Richmond are the only two jurisdictions that have maximum limits, sliding-scale fees over the base fee in other jurisdictions are consistently lower than Richmond’s \$125 per 100 m². The proposed maximum limit of \$18,750 is even higher than Vancouver’s limit of \$18,675.”

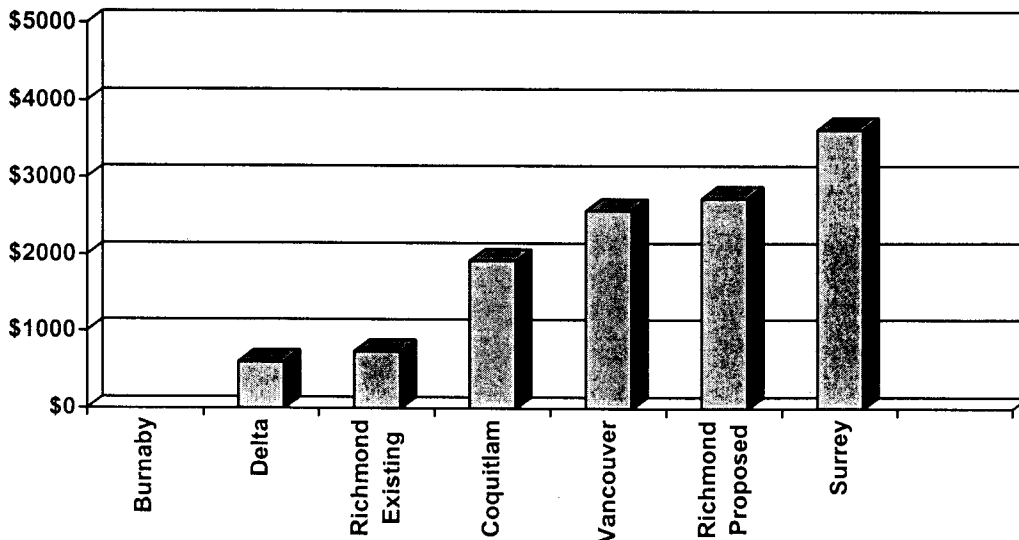
Based on these concerns, staff have agreed to retain the existing limit for Development Permit applications at \$15,750 (and not raise it to \$18,750). In the past year, there have only been two applications which reached this maximum fee - the Aberdeen Centre expansion and Amacon's two residential towers on the corner of Saba and Buswell. Staff have also abandoned their earlier proposal to establish a flat rate of \$125 for each 100 m² of building area and instead will continue to utilize the existing Development Permit fees (\$525 for the first 464.5 m² of building area, plus \$105 for each 92.9 m² up to 9,290 m², and then \$20 for each 92.9 m² over 9,290 m² up to the maximum of \$15,750). Staff do not see any value to changing to the method of calculating these application fees used in the other municipalities surveyed.

It is also recommended that a \$500 fee be established for General Compliance requests. The number and complexity of these requests is increasing.

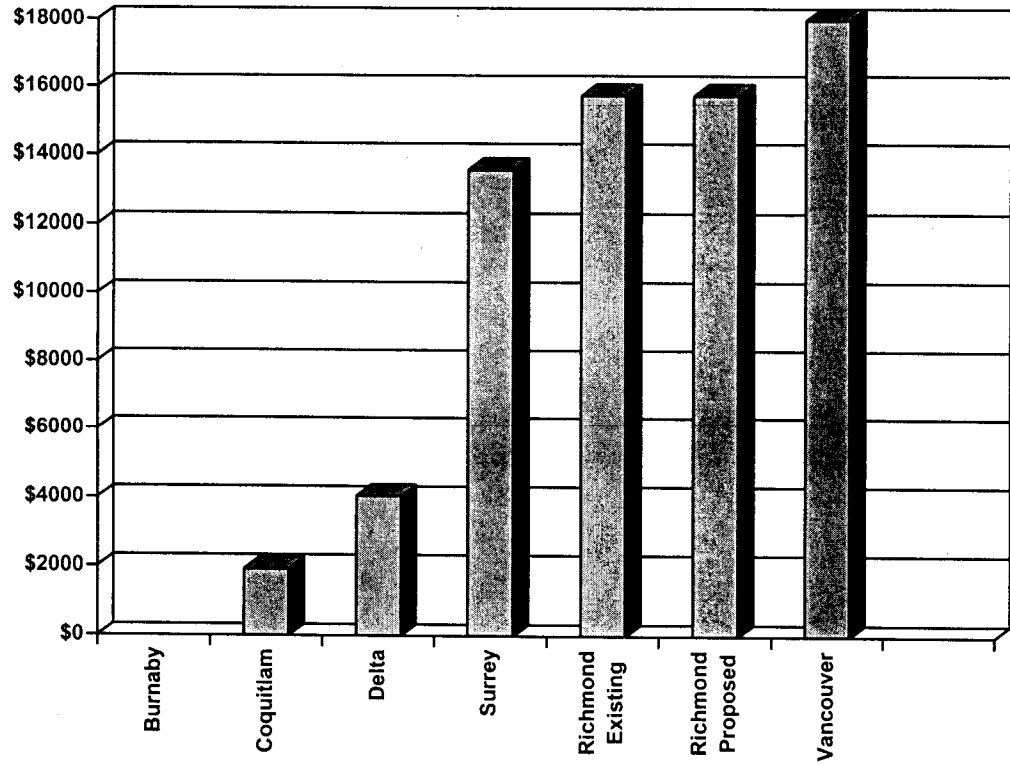
Recommended Development Permit Fees:

Base Fee:	\$2,000 plus
Building Area Fee:	\$525 up to 464.5 m² (5,000 ft²), plus
	\$105 for each additional 92.9 m² (1,000 ft²), or part thereof, of gross floor area up to 9,290 m² (100,000 ft²), plus
	\$20 for each additional 92.9 m² (1,000 ft²), or part thereof, of gross floor area over 9,290 m² (100,000 ft²)
Maximum Limit:	\$15,750
General Compliance Requests:	\$500

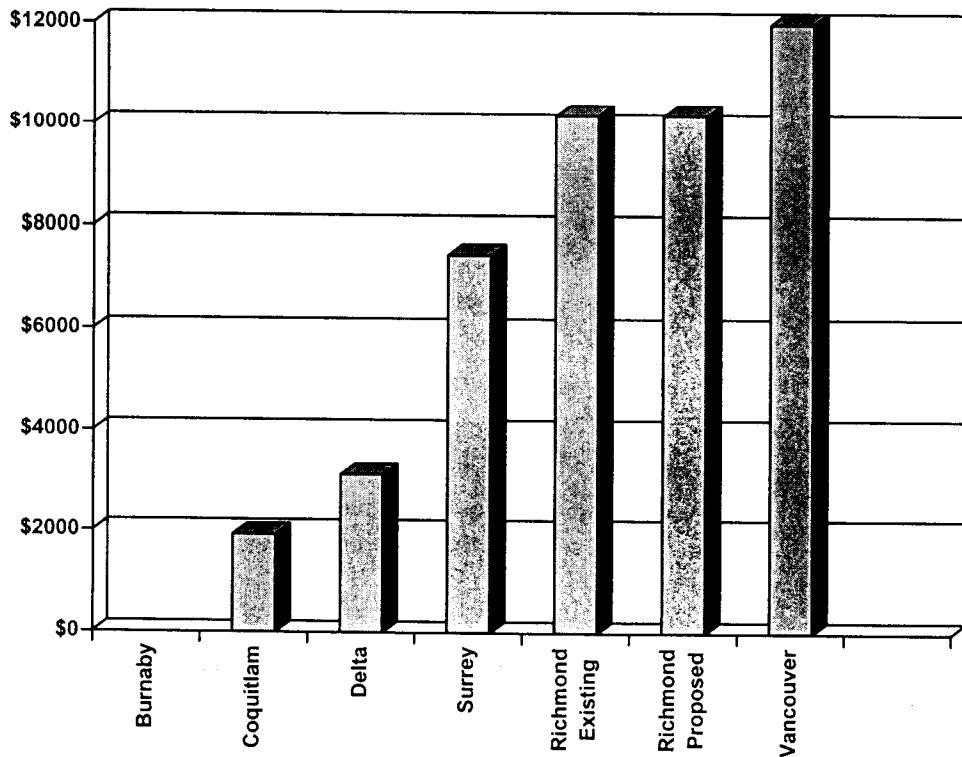
Simple Development Permit Application
(Four Townhouses)



Major Townhouse Development
(Polygon's 94 Unit Development in South McLennan)



Major Commercial Development
(Coppersmith Plaza on Steveston Highway)



4. Development Permit Applications (Environmentally Sensitive Areas (ESA) and Agricultural Land Reserve (ALR))

Richmond	\$525.
Vancouver	Unknown.
Burnaby	Unknown.
Surrey	\$955 (ESA) to \$1,800 (ALR).
Delta	\$935 (including Public Hearing/meeting fee).
Coquitlam	\$291.50 (agricultural), \$990 (industrial or institutional) or \$1,925 (commercial).

Richmond’s OCP designates both ESA’s and all sites adjoining or within 30 m to the edge of the ALR as a Development Permit Area. The City does not receive very many ESA Development Permit applications, and has never processed an ALR Development Permit. The cost of reviewing either of these applications and presenting them to the Development Permit Panel should reflect staff time involved and the notification required to be undertaken by the City Clerk’s Department. The recommended fee is slightly higher than Surrey, Delta and Coquitlam. The UDI did not comment on this recommended new fee.

Recommended ESA and ALR Development Permit Fees: \$2,000

5. Development Variance Permit Applications

Richmond	\$525.
Vancouver	Unknown.
Burnaby	Unknown.
Surrey	\$840 except building elevation variances in Crescent Beach where fee is \$460.
Delta	\$150 (with rezoning) to \$1,050 (multi-family residential, commercial, industrial, offices without rezoning involving three (3) or more variances).
Coquitlam	\$291.50 (Agricultural zone) to \$1,925 (Commercial zones). \$148.50 for cancellation of a previously issued Development Variance Permit. \$148.50 for cancellation of issued Development Variance Permit.

The Development Variance Permit fees in Richmond appear low in comparison to the other municipalities. Furthermore, the fee should cover the cost of staff reviewing the application, preparing a report to the Development Permit Panel, notifying the adjacent property owners and attendance at the Development Permit Panel Meeting. The other municipalities surveyed do not necessarily go through this same process as Richmond. The UDI did not comment on this recommended new fee.

Recommended Development Variance Permit Fees: \$1,500

6. Temporary Commercial and Industrial Use Permits

Richmond	\$1,575.
Vancouver	No response.
Burnaby	Not permitted.
Surrey	\$1,755 (including Public Hearing fee if required).
Delta	\$825 (recreation vehicle park) to \$1,600 (commercial or industrial use).
Coquitlam	\$1,400 (initial application). \$700 (renewal).

Richmond’s fees are in the range of Surrey, Delta and Coquitlam. The major costs involved in processing this type of application are the preparation of the staff report and the notification (similar to a Public Hearing) of the Council Meeting at which the application will be considered. Under the Local Government Act, Council does not have to notify the neighbourhood or hold a Public Hearing and can in fact delegate the authority of issuing a temporary use permit to staff or the Development Permit Panel. Assuming Council wants to retain its existing process, it is proposed to raise the existing fee to be consistent with the basic rezoning application. A renewal fee is also recommended. The UDI did not comment on these fees.

Recommended Temporary Use Permit Fees:

Initial Application: \$2,000

Renewal: \$1,000

7. Land Use Contract Amendments

Richmond	\$210.
Vancouver	Not permitted.
Burnaby	Unknown.
Surrey	\$2,185 (single-family, duplex, institutional, agricultural uses) to \$3,685 (multiple uses).
Delta	\$1,400.
Coquitlam	\$1,226.50.

Clearly, Richmond’s fee to amend a Land Use Contract (LUC) is much lower than our neighbouring municipalities. If the LUC amendment proposes to change the use or density, a Public Hearing is required. If it is some other amendment, a Public Hearing is not required under the Local Government Act. City staff do not encourage LUC amendments and, wherever possible, endeavour to replace the LUC with zoning (e.g. a Comprehensive Development District). Therefore, the fee should be at least equivalent to or more than a rezoning application. Since the Local Government Act no longer permits LUC’s, they are gradually being replaced and the City receives very few applications of this type. The UDI had no comment on this new fee.

Recommended Land Use Contract Amendment Fees: \$2,000

8. Neighbourhood Public House or Cold Beer and Wine Store

Richmond	\$1,050 (without rezoning) to \$4,525 (with rezoning).
Vancouver	No response.
Burnaby	\$525 (new liquor applications) to \$1,260 for first 1,700 m ² and \$22 for each additional 100 m ² (rezoning applications).
Surrey	\$1,755 (including Public Hearing fee if required).
Delta	\$600 (including Public Hearing fee if required).
Coquitlam	\$907.50 plus \$49.50 for each 100 m ² of Commercial zoned lands (rezoning application).

The City of Richmond’s Neighbourhood Public House and Cold Beer and Wine store development application fees are higher than other municipalities because of the unique process Council has adopted. Specifically, if a new liquor license is proposed in area that is not zoned for this use (e.g. Downtown Commercial District (C7) zone), a rezoning application is required. As part of the rezoning process, the City requires the applicant to conduct a neighbourhood survey and then staff host a Public Information Meeting to discuss the results. In other words, considerable staff time goes into this type of application. Since there are so few applications of this nature, staff recommend leaving the fees as they are now.

Recommended Neighbourhood Public House or Cold Beer and Wine Store Fees:

Without Rezoning: \$1,050

With Rezoning: \$4,525

9. Subdivision (not including air space subdivision or consolidation)

Richmond	\$315 for first parcel created and \$105 for each additional parcel plus a \$10 plan approval fee and \$8 title search for each lot created (all fees collected at final approval stage).
Vancouver	\$2,525 (sites less than 40,000 m ² in area) to \$31,180 (sites more than 40,000 m ² in area). \$111 road dedications.
Burnaby	\$1,525. \$100 for tentative approval extension. \$1,500 road closure.
Surrey	\$535 (lot line adjustment) to \$1,310 plus \$65 for each lot created (regular subdivision). \$250 for extensions to preliminary layout approval. \$250 (minor) or \$500 (major) amendments to restrictive covenants.
Delta	\$425 for first parcel plus \$10 for each additional parcel created. \$550 (including Public Hearing fee if required) involved in amending or discharging a restrictive covenant.
Coquitlam	\$891 plus \$52 for every lot created beyond the first 16. \$121 for subdivision re-approval and \$270 for application to establish final configuration. \$950 for a road exchange/cancellation.

Richmond appears to be the only municipality surveyed that collects its subdivision fees at the final approval stage (i.e. signing of the legal survey plans by the Approving Officer). All of the other municipalities have a fee that is paid up front with a subdivision application (in Richmond there is no initial cost to apply to subdivide). The reason the City has taken this approach is to avoid problems related to granting "preliminary approval" to a subdivision and the amount of time (60 days) an Approving Officer has to approve or reject a plan of subdivision. In view of the fact that the other municipalities surveyed do not appear to have encountered these problems, it is recommended that Richmond start to charge when a subdivision application is made. This will help ensure applicants are serious about subdividing. Applicants will continue to sign a waiver form at the time of making an application (and paying these fees) agreeing to be bound by any changes to the City's bylaws which could effect their subdivision.

Furthermore, it is recommended that our fees be raised to better cover costs incurred and to be comparable to other municipalities. So, rather than charging the current \$333 for a standard two lot subdivision, the new subdivision fee would be a flat \$1,000 (Burnaby charges \$891; Surrey \$1,375; Burnaby \$1,525; Vancouver \$2,525).

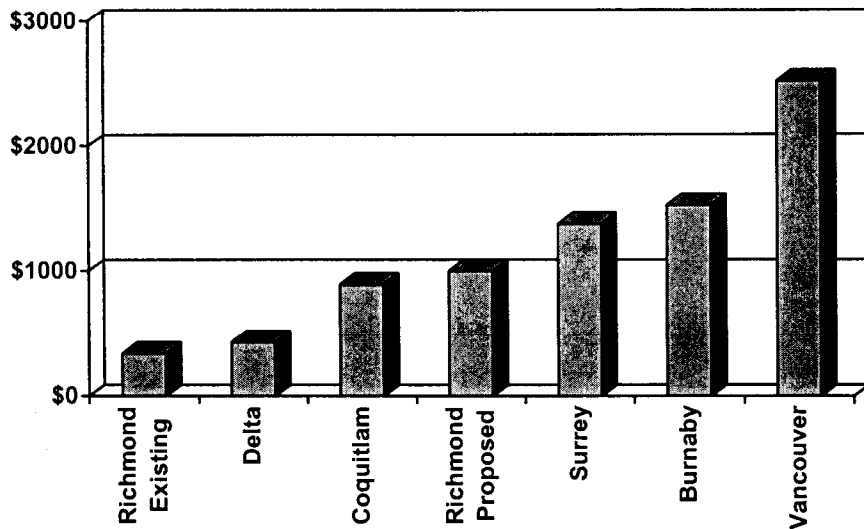
In response to the recommended new subdivision application fees, the UDI has indicated that it felt "The \$1,000 for the first parcel is excessive and lot line adjustments should have a separate fee structure".

Staff do not agree that the recommended \$1,000 fee is excessive. Every subdivision application is comprehensively reviewed by Development Applications staff prior to the preparation of a preliminary letter of approval. Often, the Engineering & Public Works and Law Departments are also involved in determining service connections, preparing legal documents, etc. The staff time involved in such a review can equate to \$1,000 depending on the complexity of the application (which seems to be borne out by the fact that most of the other municipalities surveyed charge a similar fee for a subdivision application). With regard to a lot line adjustment, since this minor type of subdivision application does not create any new parcels, it is proposed that a \$100 fee be collected (similar to a consolidation).

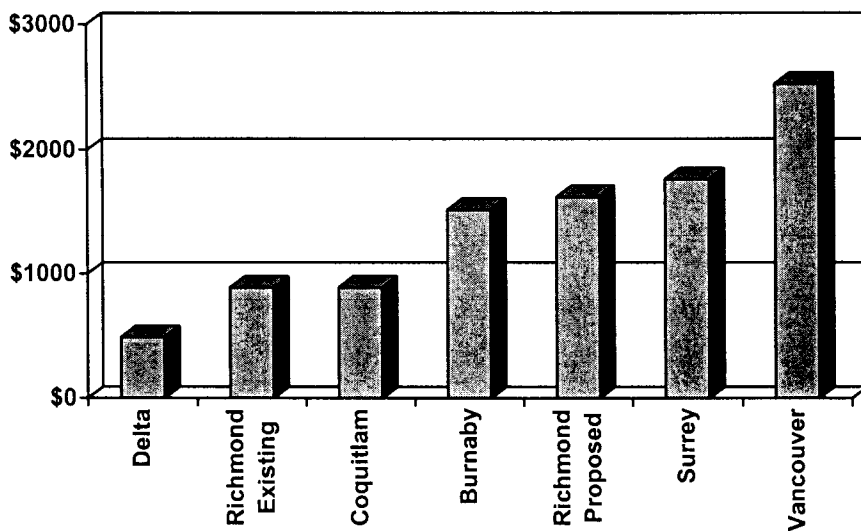
Recommended Subdivision Application Fees:

<i>First New Parcel Created:</i>	<i>\$1,000 (which includes the plan approval fee and any required title searches)</i>
<i>Second and Additional Parcels Created:</i>	<i>\$125</i>
<i>Preliminary Approval Extensions:</i>	<i>\$250</i>
<i>Road Closure/Exchange:</i>	<i>\$1,000</i>
<i>Lot Line Adjustment:</i>	<i>\$100</i>

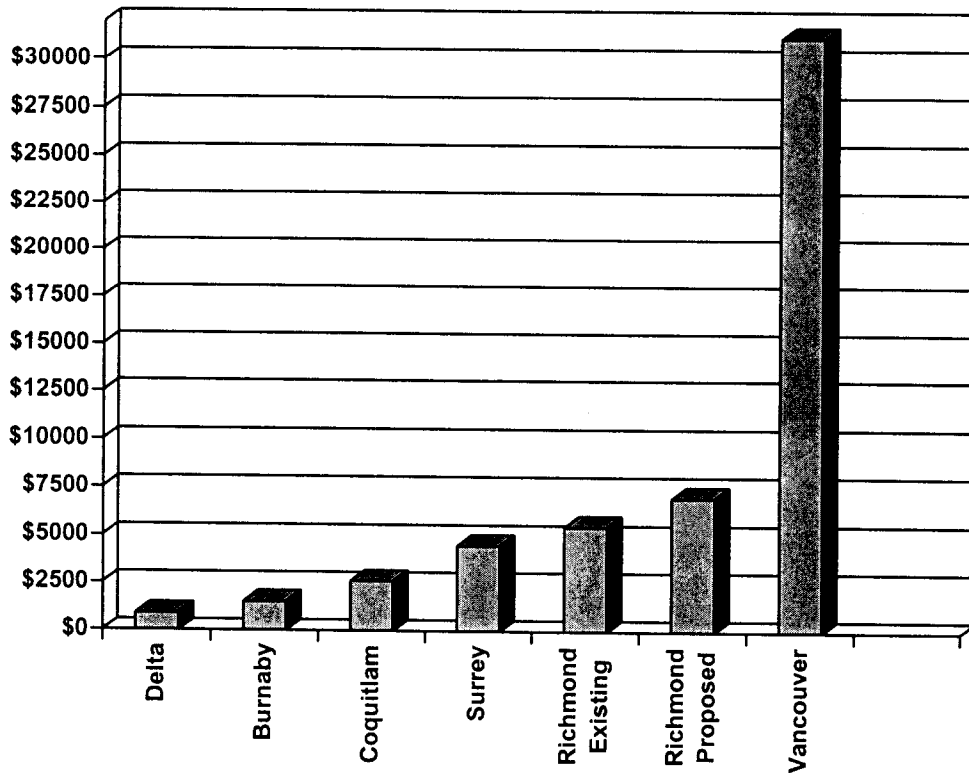
Two Lot Residential Subdivision



8 Lot Industrial Subdivision (Queen Road in East Richmond)



B.C. Packers First Phase Subdivision
 (43 Single Family Residential Lots; 3 Townhouse Sites;
 2 Apartment Sites; 1 Maritime Mixed Use Site)



10. Air Space Subdivision

Richmond	\$1,050.
Vancouver	\$23,755.
Burnaby	\$5,050 plus \$100 after the first air space parcel.
Surrey	Unknown.
Delta	\$425 for first parcel plus \$10 for each additional parcel created.
Coquitlam	Unknown.

The City receives very few air space subdivision applications (i.e. only 3 in the past 10 years). Since these are very complex applications which involve various legal requirements, an increased fee is recommended. The UDI had no comments on this recommendation.

Recommended Air Space Subdivision Fees: \$2,000 plus \$125 for each air space parcel

13. Phased Strata Title Subdivision

Richmond	No charge.
Vancouver	Unknown.
Burnaby	\$768 for first phase, \$303 for last phase and \$100 for each other phase plus \$50 for any amendments to Form P.
Surrey	\$120 (phased strata plans or amendments) to \$535 (Form P approval).
Delta	\$425 for first phase plus \$10 for each additional parcel phase.
Coquitlam	\$950 plus \$135 per phase beyond the first two phases.

All the other municipalities charge for a phased strata subdivision. Obviously, there is some staff time involved in approving this type of application (although the City does not receive a significant amount of phased strata subdivisions). It is recommended that these fees be one half of a regular subdivision application. The UDI did not comment on this new fee.

Recommended Phased Strata Subdivision Fees: \$500

14. Agricultural Land Reserve Application

Richmond	\$550 (non-farm use or subdivision) to \$750 (exclusion), but municipality only retains \$250 (remainder is payable to the Land Reserve Commission).
Vancouver	Same as Richmond – established by Provincial legislation.
Burnaby	Same as Richmond – established by Provincial legislation.
Surrey	Same as Richmond – established by Provincial legislation.
Delta	Same as Richmond – established by Provincial legislation.
Coquitlam	Same as Richmond – established by Provincial legislation.

Since the Agricultural Land Reserve (ALR) fees are established by Provincial legislation, there is no opportunity to change or amend them (regardless if it costs the City more than \$250 to process the non-farm use, subdivision or exclusion application).

Recommended ALR Application Fees: \$550 (non-farm use or subdivision)
\$750 (exclusion)

15. Site Profile Review

Richmond	No Charge.
Vancouver	\$50.50.
Burnaby	\$50.
Surrey	\$50.
Delta	No Charge.
Coquitlam	No Charge.

Site Profiles are required with Development Applications for Rezoning, Development Permit, Development Variance Permit and Subdivision. They are also required for a Demolition Permit and Soil Removal Permit. The Site Profile is required if a site has been used or is used for industrial or commercial purposes or activities. In other words, a residential site normally does not require a Site Profile. The Manager, Zoning currently reviews all submitted Site Profiles and forwards any with potential contaminated soils to the Ministry of Water, Land and Air Protection.

The UDI has stated that “Statute requires a site profile be received by the municipality as part of other applications, and the review of that documentation, which results in no discretionary approval of itself, is simply a limited routine aspect of some other permit process and therefore no separate fee should be applied”.

In light of this concern, staff are prepared to defer the implementation of a \$50 fee for Site Profiles to a future phase of its Development Application fee review (although the record keeping and referral of these Site Profiles does currently involve staff time).

Recommended Site Profile Review Fees: \$0

16. Servicing Agreements

Richmond	4%.
Vancouver	Unknown.
Burnaby	4% (including utilities).
Surrey	4% first \$200,000, 2.5% next \$250,000, 1.5% on any balance for single family residential; 5.25% first \$200,000, 4.25% next \$250,000, 3% on any balance for multiple family residential, commercial, industrial and institutional. \$1,935 to \$40,365 processing fee.
Delta	5% under \$50,000, 4.5% for \$50,000 to \$500,000, 4% over \$500,000. \$300 minimum processing fee.
Coquitlam	4% up to \$200,000, 3.5% for \$200,000 to \$500,000, 3% over \$500,000.

The City of Richmond charges what used to be the standard 4% “inspection” fee for servicing agreements (i.e. off-site engineering works and services). These agreements involve considerable work reviewing the engineering drawings, as well as the inspection of the road work, sidewalks, landscaping, sanitary sewer, water, etc. At present, the Urban Development Division and Public Works & Engineering Division split the 4% fee (which is based on the engineering consultant’s estimate of the approved off-site works and services). The 4% fee is typically paid when the applicant proceeds with the off-site services and requires the City to inspect the work. It is recommended that a processing fee of \$1,000 be charged whenever a servicing agreement is required. This would help cover the cost of reviewing the engineering drawings and address the issue of those servicing agreements that are never completed (i.e. the 4% isn’t paid). No change is proposed to the flat 4% fee currently charged by the City.

The UDI has stated that “The proposed \$1,000 in addition to the 4% inspection fee is excessive”.

In response to this concern, staff have revised their recommendation to indicate that the \$1,000 processing fee will be deducted from the 4% inspection fee when the latter is paid and if this amount is over \$2,000. This way, the minimum amount charged for a minor servicing agreement will be \$1,000 – which is a fair estimate of the cost of staff reviewing the engineering drawings, preparing the legal documentation and inspecting the actual off-site improvements.

Recommended Servicing Agreement Fees:

Processing Fee: \$1,000

Inspection Fee: 4% (less the \$1,000 processing fee if the 4% is over \$2,000)

17. Civic Address Changes

Richmond	\$1,000 personal preference only.
Vancouver	\$470.
Burnaby	\$525.
Surrey	\$500.
Delta	\$100.
Coquitlam	Unknown.

The other municipalities that charge for a civic address change allow this change for personal preferences. Richmond Council has had as its policy for a number of years not to encourage changes of civic addresses for personal preferences (i.e. requests for a civic address change due to ethnic, religious, numerology or personal reasons). This is why the \$1,000 fee was established for personal preference civic address changes only. Vancouver, Burnaby and Surrey charge their fee for any change of address, whether it is for the redevelopment of an existing building or the construction of a new house. Surrey also charges if a corner lot changes its civic address. It was originally recommended that Richmond charge a base fee of \$500 for a civic address change.

The UDI has stated that “These fees are extremely high for such an innocuous task”.

Staff do not agree with the UDI. Any time there is change to a civic address, staff have to update the City’s municipal records (e.g. Amada system and maps) and advise external agencies (such as the BC Assessment Authority) of the change. Therefore, staff believe a new fee of \$250 (down from the original \$500) should be charged where a civic address changes because of a subdivision, new building permit or change to a corner lot.

Recommended Civic Address Changes Fees:

Standard Fee: \$250

Personal Preference Only: \$1,000

Financial Impact

The following table estimates the existing fees collected in 2001 to what would have been collected under the fee structure recommended in this staff report. In the 2001 Budget, the Development Applications Department's approved expenditures were \$737,700. As can be seen, the recommended fees would have moved the Development Applications Department from approximately a 69% recovery rate in 2001 to almost 100%. However, it should be noted that the 2001 revenues were higher than budgeted because there were a couple of major Servicing Agreements that paid the 4% "inspection fee" (i.e. Fraser River Port Authority; Onni Imperial Landing Ltd.). The new recommended Development Application fees can be achieved without an undue impact on the development community because the fees are comparable to similar adjoining municipalities and would only comprise a relatively small portion of the development project's costs.

Application Type	No. of Applications in 2001	Existing Fees Collected in 2001	Potential Recommended Fees in 2001
Zoning Text Amendments	3	\$4,725	\$4,725
Rezoning (R1 in compliance with 702 Policy or no 702 Policy)	21	\$33,075	\$42,000
Rezoning (R1 requiring new or amended 702 Policy)	7	\$11,025	\$17,500
Rezoning (Standard Zones)	11	\$17,325	\$34,050
Rezoning (Comprehensive Development Districts)	21	\$33,075	\$85,790
OCP Amendments	1	\$1,575	\$3,000
Development Permits (not including ESA or ALR)	23	\$105,560	\$128,560
ESA and/or ALR Development Permits	3	\$1,575	\$6,000
Development Variance Permits	15	\$7,875	\$22,500
Temporary Use Permits	1	\$1,575	\$3,000
Land Use Contract Amendments	0	\$0	\$0
Neighbourhood Pub House or Cold Beer and Wine Store	2	\$2,100	\$2,100
Subdivision	46	\$56,930	\$106,430
Air Space Subdivision	0	\$0	\$0
Consolidation	3	\$75	\$300
Strata Title Conversion	3	\$630	\$6,000
Phased Strata Title Subdivision	3	\$0	\$1,500
ALR Appeals	3	\$750	\$750

Application Type	No. of Applications in 2001	Existing Fees Collected in 2001	Potential Recommended Fees in 2001
Site Profile Review	27	\$0	\$0
Servicing Agreements (50% split)	32	\$230,110	\$253,110
Civic Address Changes	40	\$0	\$10,000
TOTAL		\$507,980	\$727,315

Conclusion

Staff are recommending that the Development Application fees be increased in order to more accurately reflect the cost of processing these applications and to be more consistent with the surrounding municipalities. It is estimated that the recommended fees would increase the revenues of the Development Applications Department and move it to closer to a 100% cost recovery rate. The recommended new fees have been reviewed by the Urban Development Institute and staff have made the necessary changes to reflect their concerns. Furthermore, it is proposed that the new Development Application fees become effective July 1, 2002 in order to give the development community additional advance warning of the proposed changes. Staff will ensure that proper notices are posted to advise the public of the increased or new fees (e.g. notices at the Front of the House and on the City's web site).



Holger Burke, MCIP
 Development Coordinator

HB:blg

CITY OF RICHMOND
DEVELOPMENT APPLICATION FEES BYLAW NO. 7276

The Council of the City of Richmond enacts as follows:

PART ONE – ESTABLISHMENT OF FEES

1.1 Council Confirmation of Fees

1.1.1 **Council** declares that the application fees established in this Part are accurate estimates of the costs to the **City**, of processing, inspecting and undertaking public notification, if applicable, in connection with the various types of applications shown.

1.2 Zoning Amendments

1.2.1 Every **applicant** for an amendment to:

- (a) the text of the **Zoning and Development Bylaw** must pay an application fee of \$1,575;
- (b) the land use designation of property shown in the **Zoning and Development Bylaw** must pay an application fee of:
 - (i) \$2,000 for 'Single-Family Housing District (R/1)' where the application is in compliance with a policy adopted under Section 702 of the **Zoning and Development Bylaw**, or where no such policy exists;
 - (ii) \$2,500 for 'Single-Family Housing District (R/1)' where the application requires a new or amended policy adopted under Section 702 of the **Zoning and Development Bylaw**;
 - (iii) \$3,000 for 'Comprehensive Development Districts', plus \$40 per dwelling unit in the case of new residential development, and \$25 per 100 square metres in the case of new non-residential building area; and
 - (iv) \$2,000 for all other zoning districts, plus \$20 per dwelling unit in the case of new residential development, and \$15 per 100 square metres in the case of new non-residential building area.

1.2.2 The application fee specified in subsection 1.2.1 includes any required amendment to the **Official Community Plan** if such applications are submitted simultaneously.

1.2.3 Where an application for an amendment to the **Zoning and Development Bylaw** must be submitted to a second or subsequent **public hearing** because of:

- (a) a failure by the **applicant** to comply with a requirement of the **City**; or
- (b) other actions on the part of the **applicant**,

in connection with the application, such **applicant** must pay a fee of \$750 for a second and each subsequent **public hearing** required.

1.2.4 An **applicant** is entitled to a refund of 50% of the application fee if:

- (a) the application is withdrawn prior to being submitted to a **public hearing**; and
- (b) the **City** does not incur any costs associated with such **public hearing**.

1.3 Official Community Plan Amendments

1.3.1 Every **applicant** for an amendment to the **Official Community Plan** must pay an application fee of \$3,000 where an application for an amendment to the **Zoning and Development Bylaw** is either not required, or not submitted at the same time.

1.3.2 Where an application for an amendment to the **Official Community Plan** must be submitted to a second or subsequent **public hearing** because of:

- (a) a failure by the **applicant** to comply with a requirement of the **City**; or
- (b) other actions on the part of the **applicant**,

in connection with the application, such **applicant** must pay a fee of \$750 for a second and each subsequent **public hearing** required.

1.3.3 Notwithstanding the provisions of subsection 1.3.1, an **applicant** is entitled to a refund of 50% of the application fee if:

- (a) the application is withdrawn prior to being submitted to a **public hearing**; and
- (b) the **City** does not incur any costs associated with such **public hearing**.

1.4 Development Permits

1.4.1 Every **applicant** for a **Development Permit** which does not include property:

- (a) designated in the **Official Community Plan** as an Environmentally Sensitive Area (ESA); or
- (b) located within, or adjacent to, the Agricultural Land Reserve (ALR),

must pay an application fee of \$2,000, plus a fee of \$525 for up to 464.5 square metres of gross floor area:

- (i) plus \$105 for each additional 92.9 square metres or portion of 92.9 square metres of gross floor area up to 9,290 square metres;
- (ii) plus \$20 for each additional 92.9 square metres or portion of 92.9 square metres of gross floor area over 9,290 square metres,

up to a maximum fee of \$15,750.

1.4.2 Where an application for a **Development Permit** includes property:

- (a) designated in the **Official Community Plan** as an Environmentally Sensitive Area (ESA); or
- (b) located within, or adjacent to, the Agricultural Land Reserve (ALR),

a fee of \$2,000 must be paid, in addition to the application fee specified in subsection 1.4.1.

1.4.3 Every **Development Permit** holder requesting a General Compliance Ruling on a **Development Permit** must pay a fee of \$500.

1.5 **Development Variance Permits**

1.5.1 Every **applicant** for a **Development Variance Permit** must pay an application fee of \$1,500.

1.6 **Temporary Use Permits**

1.6.1 Every **applicant** for a **Temporary Use Permit** must pay an application fee of \$2,000, and a fee of \$1,000 for the renewal of such permit.

1.7 **Land Use Contract Amendments**

1.7.1 Every **applicant** for an amendment to a Land Use Contract must pay an application fee of \$2,000.

1.8 **Neighbourhood Public House and Cold Beer and Wine Store Approvals**

1.8.1 Every **applicant** seeking approval from **Council** in connection with a liquor licence for a neighbourhood public house or cold beer and wine store must pay an application fee of:

- (a) \$1,050 where an amendment to the **Zoning and Development Bylaw** is not required; and
- (b) \$4,525 where an amendment to the **Zoning and Development Bylaw** is required.

1.8.2 Where an application fee has been paid in accordance with clause (b) of subsection 1.8.1:

- (a) the **applicant** is not required to pay a separate zoning amendment fee under the provisions of clause (b) of subsection 1.2.1; and
- (b) the application fee includes the costs associated with conducting a neighbourhood survey.

1.9 Subdivision and Consolidation of Property

1.9.1 Every **applicant** for the subdivision of property which does not include an air space subdivision or the consolidation of property, must pay an application fee of \$1,000 for the first new parcel created, plus \$125 for the second and each additional parcel created.

1.9.2 Where an **applicant** requests an extension of a preliminary approval for the subdivision of property, an additional fee of \$250 must be paid.

1.9.3 Where a road closure or road exchange is required as the result of the subdivision of property, a fee of \$1,000 must be paid in addition to the application fee specified in subsection 1.9.1.

1.9.4 Every **applicant** for an air space subdivision must pay an application fee of \$2,000 plus \$125 for each air space parcel created.

1.9.5 Every **applicant** for the consolidation of property, where no further subdivision of such property is undertaken, must pay an application fee of \$100.

1.10 Strata Title Conversion of Existing Buildings

1.10.1 Every **applicant** for a Strata Title Conversion of an existing building must pay an application fee of:

- (a) \$2,000 for a **two-family dwelling**; and
- (b) \$3,000 for **multi-family dwellings**, and commercial and industrial buildings.

1.11 Phased Strata Title Subdivision Applications

1.11.1 Every **applicant** for a phased strata title subdivision must pay an application fee of \$500.

1.12 Servicing Agreements for Off-site Engineering Works & Services

1.12.1 Every **applicant** for a servicing agreement for off-site engineering works and services must pay a processing fee of \$1,000 plus an inspection fee of 4% of the estimated value of the approved off-site works and services.

1.12.2 Notwithstanding the provisions of subsection 1.12.1, where the inspection fee specified in subsection 1.12.1 exceeds an amount of \$2,000, the processing fee of \$1,000 specified in that subsection will be applied as a credit towards any amount over \$2,000.

1.13 Civic Address Changes

1.13.1 Every **applicant** for a civic address change must pay an application fee of:

- (a) \$250 where the civic address changes because of the subdivision or consolidation of property; and
- (b) \$1,000 where the civic address change is as a result of a personal preference on the part of the **applicant**.

PART TWO: INTERPRETATION

2.1 In this bylaw, unless the context otherwise requires:

APPLICANT	means a person who is an owner of the property which is the subject of an application, or a person acting with the written consent of the owner.
CITY	means the City of Richmond.
COUNCIL	means the Council of the City .
DEVELOPMENT PERMIT	means a development permit authorized under Section 920 of the <i>Local Government Act</i> .
DEVELOPMENT VARIANCE PERMIT	means a development variance permit authorized under Section 922 of the <i>Local Government Act</i> .
MULTI-FAMILY DWELLING	means a detached, multi-floor building containing three or more residential dwelling units;
OFFICIAL COMMUNITY PLAN	means the current Official Community Plan of the City .
PUBLIC HEARING	means a Regular Council meeting for public hearings specified under Section 1.2 of the Council Procedure Bylaw .
TEMPORARY USE PERMIT	means a temporary commercial or industrial use permit authorized under Section 921 of the <i>Local Government Act</i> .

TWO-FAMILY DWELLING

means a detached building used exclusively for residential purposes containing two dwelling units only, which building is not readily convertible into additional dwelling units and the plans for which have been filed with the Building inspector showing all areas of the building finished, the design of the building conforming to one of the following classifications:

- (a) Each dwelling unit consisting of one storey only, not set upon another storey or upon a basement; or
- (b) Each dwelling unit consisting of two storeys only, the upper storey not containing a kitchen; not set upon another storey or upon a basement; or
- (c) Each dwelling unit consisting of a split level arrangement of two storeys only, the upper storey not containing a kitchen; not set upon another storey or upon a basement.

ZONING AND DEVELOPMENT BYLAW

means the current Zoning and Development Bylaw of the City.

PART THREE: PREVIOUS BYLAW REPEAL

3.1 Application and Approval Fees Bylaw No. 6710 (adopted January 1997) is repealed.

PART FOUR: SEVERABILITY AND CITATION

4.1 If any part, section, sub-section, clause, or sub-clause of this bylaw is, for any reason, held to be invalid by the decision of a Court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this bylaw.

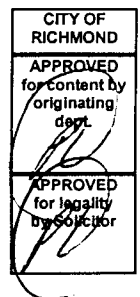
4.2 This bylaw is cited as "**Development Application Fees Bylaw No. 7276**", and comes into force and effect on July 1st, 2002.

FIRST READING

SECOND READING

THIRD READING

ADOPTED



MAYOR

CITY CLERK