

MINUTES OF THE PLANNING, ENVIRONMENT AND DEVELOPMENT
STANDING COMMITTEE MEETING HELD IN THE BOARD ROOM, CITY HALL, ON THURSDAY,
2005-SEP-01, COMMENCING AT 3:30 P.M.

PRESENT: Councillor L. J. Sherry, Chair

Members: Councillor W. J. Holdom
Councillor D. Tyndall

Staff:	B. N. Mehaffey	P. Thorkelsson
	T. P. Seward	K. L. Burley
	A. Tucker	K. King

1. ADOPTION OF MINUTES:

- (a) Minutes of the 2005-JUL-14 Meeting of the Planning, Environment and Development Standing Committee held in the Board Room, City Hall at 3:33 p.m.

It was moved and seconded that the Minutes be adopted as circulated. The motion carried unanimously.

2. CITY MANAGER'S REPORT:

DEVELOPMENT SERVICES:

COMMUNITY PLANNING:

(1) Departure Bay Neighbourhood Plan

In April 2005, Council received a presentation on a new framework for neighbourhood planning which was prepared by a group of graduate planning students from the University of British Columbia School of Community and Regional Planning. The new framework proposed two types of neighbourhood plans in the future; those that would address a wide range of issues identified by neighbourhood residents (Comprehensive Neighbourhood Plans) and those that focus on a limited number of issues which are specific to a neighbourhood (Issue-Based Neighbourhood Plans). However, before either of these types of plans could be initiated, the students recommend that a City-wide needs assessment be undertaken to determine which neighbourhoods were faced with which issues and which should be the subject of the next round of neighbourhood plans.

In June 2005, the executive of the Departure Bay Neighbourhood Association met with Staff to request that the Departure Bay area be used as a test case for the new neighbourhood planning models. They also expressed an interest in working with another group of graduate students from the University of British Columbia School of Community and Regional Planning. The Executive noted that they have made a number of requests over the years to have a neighbourhood plan and were disappointed that the proposed step of a City-wide needs assessment may delay a

neighbourhood plan for the area by a number of years. The executive cited traffic safety concerns, development pressures and the need to preserve neighbourhood character as reasons to pursue a neighbourhood plan at this time.

The School of Community and Regional Planning has been approached about the potential to host a field studies course based on a neighbourhood plan for Departure Bay. The School is enthusiastic about the learning potential for its students and the opportunity to provide a worthwhile contribution to the community. The School provides a honourarium to the host community to cover costs associated with the field course. A draft course outline/work-plan for the neighbourhood plan is attached for Council's review.

Staff has reviewed the request and support the proposal to conduct a neighbourhood plan process in Departure Bay with the assistance of a group of graduate planning students from UBC.

Recommendation: That the Planning, Environment and Development Standing committee recommend that Council authorize the preparation of a neighbourhood plan for Departure Bay in accordance with the course outline.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

(2) Foundry Adaptive Reuse Consultation Process

At the Regular Meeting of Council held 2005-JUN-13, Council approved the issuance of a heritage alteration permit allowing the demolition of two-thirds of the Foundry complex. For the remaining one-third (the original Foundry building), Council directed that a public process be undertaken to determine what would be the most appropriate use for the structure, including private sector commercial use.

In addition to the public process on adaptive reuse, Council is advised that as part of their discussions on the 2006 City Budget, Council will be asked to consider what level of financial assistance, if any, the City would support towards restoration and reuse of the Foundry.

Based on Council's direction, Staff has developed the following proposed public consultation process and timeline:

Phase 1 – Public Consultation:

Over the period of four months (September – December, 2005) the City's Heritage Commission, with the assistance of a professional facilitator, will host a series of Roundtable Events designed to bring interested parties to the table and solicit input on possible reuse scenarios for the Foundry. Each event would be facilitated by a professional facilitator or Staff and would be open to all interested persons.

It is anticipated that three Roundtable Events designed to encourage discussion would be given. The first event would be a presentation on adaptive reuse projects successfully completed in other BC municipalities. A second event could receive presentations from various parties interested in using the Foundry. A third event could be entirely devoted to a general discussion of reuse options.

Phase 2 – Option Evaluation and Costing:

Over the period of two months (January – February, 2006) the City's Heritage Commission, with the assistance of Planning and Parks Staff, will evaluate and develop cost estimates for the options identified in Phase 1. Where an option contains a commercial element, a request for Expressions of Interest will be advertised to test whether there is any interest from the business community. A telephone survey designed to gauge public support for a given option (including final demolition) will also be completed.

Phase 3 – Final Report to Council:

By mid-March, 2006, a final report will be submitted to Council by the Heritage Commission identifying a preferred reuse scenario for the Foundry building.

A budget of \$15,000. will be required to offset the cost of advertising, hiring a professional facilitator and to complete the telephone survey.

Recommendation: That the Planning, Environment and Development Standing Committee recommend that Council direct Staff to:

1. proceed with the Foundry Adaptive Reuse Consultation Process outlined in this report; and,
2. set a \$15,000 budget for the project.

It was moved and seconded that the recommendation be adopted. The motion carried.

Opposed: *Councillor Sherry*

PERMITS AND PROPERTIES

(3) Review of Building Permit Fees (Supplemental)

Schedule "A" of the "DEVELOPMENT SERVICES DEPARTMENT FEES AND CHARGES BYLAW 1999 NO. 5357" determines the fees charged for Building Permits. The fee schedule was adopted as part of "BUILDING BYLAW AMENDMENT BYLAW 1981 NO. 2319" and later amended with a 12 percent increase in 1989. The most recent review and change to Building Permit Fees occurred in 1992 when Council endorsed fee increases of 6 percent to 10 percent to provide for additional Staff to meet the growing volume of construction. No additional reviews of Building Permit Fees have taken place since 1992. Given

the marked increase and complexity of construction activity in Nanaimo during the past four and a half years, it is appropriate that Building Permit Fees be reviewed at this time.

Construction Activity: For the purpose of tracking construction activity, statistics on housing development [particularly Single Family Dwelling (SFD) housing] are used as a primary indicator. In addition, the largest portion of the workload for the Building Inspection Division is a result of Single Family Dwelling construction. Since 2000, the City has experienced increasing construction activity in general, with significant increases in residential construction in particular:

Total Building Permits Issued

2000-2004 62 percent increase in total permits issued
 45 percent increase in the total value of construction

Residential Units Constructed

2000-2004 99 percent increase in number of units
 234 percent increase in the total value of residential construction

Single Family Dwellings (SFD) Constructed

2000-2005 246 percent increase in number of units
 24 percent increase in average construction value

During the same 2000-2004 period, Nanaimo has seen a dramatic increase in the complexity of applications and the complexity of governing regulation. The increasing Building Permit volume and process complexity has resulted in a marked increase in the workload for the Building Inspection Division, both internally and externally in the field. In addition, Council's approval in 2005 of amendments to "ZONING BYLAW 1993 NO. 4000" permitting Secondary Suites in Single Family Residential (RS-) and Rural Agricultural / Residential (A-) Zones within Nanaimo and the adoption of the related enforcement policies has created new responsibilities and work within the Division, which are in large part not supported by corresponding fee revenue.

Staffing Levels: In 1991, Council endorsed a staffing increase in the Building Inspection Division following lengthy discussions with the local construction industry. The intent of the increased staff commitment was to meet the level of expectations for service as expressed by the building community. Most notable was the commitment to a maximum three-week turnaround for the processing of Single Family Dwelling Building Permit Applications. Since 1991, this three-week processing period has formed the prime expected deliverable for the Division. With the increased application volume, complexity and additional duties, it has become increasingly difficult to meet service expectations. Changes introduced to streamline the application process have had significant positive effects, only to be overwhelmed by the volume of applications. Recently, a modest staff increase has also had limited observable impact on the ability to maintain service levels. Current staffing includes 14 CUPE Staff members and two excluded positions for a total of 16 full-time employees. In comparison with the mid-1990s, a period of similar Building Permit volumes and construction activity, staff levels reached 21 full-time

employees at its peak. Currently, the Division has relied on overtime and additional temporary employees to attempt to address the current workload:

<u>2004</u>	
Overtime	\$ 39,488
Temporary Employees	<u>\$110,865</u>
TOTAL	\$ 150,353

<u>2005 Year to date (January 2005 to June 2005)</u>	
Overtime	\$ 33,575
Temporary Employees	<u>\$ 40,328</u>
TOTAL	\$ 73,903

[Note: Two additional full time positions were added in January 2005]

Continuation of Staff working significant overtime hours is not sustainable over time. As a result, it has become evident that additional staffing is required in the Building Inspection Division. Staff is concerned that current revenue levels cannot meet the costs of additional staffing.

Building Inspection Fee: Given the circumstances of the provision of Building Inspection services as outlined above, Staff have undertaken a review of the current Building Inspection Fees with a view towards fee increases to offset the costs associated with new responsibilities, service expectations and the additional staff levels to accommodate the increasing volume and complexity of applications. In addition, Staff has also undertaken an extensive review of fee levels in 11 comparable municipalities in British Columbia. For the purposes of this fee review, the following discussion will examine each section of the Building Inspection Fees individually and provide recommendation for adjustment to the fee where appropriate. A copy of the section for the Building Inspection Division of "DEVELOPMENT SERVICES DEPARTMENT FEES AND CHARGES BYLAW 1999 NO. 5357" has been attached to this report for reference.

- Application Fee: The Application Fee was introduced to the Building Permit process to address the issue of Builders submitting "place holding" applications with no intention of completion of the Building Permits as submitted. At the time of introduction, the average Building Permit Fee for Single Family Dwellings was under \$1000.00. Currently the average Building Permit Fee is approximately \$1400.00. The proposed amendment to this fee from \$125.00 to \$175.00 is to reflect the increased value of construction and complexity of applications.
- Accelerated Permit Review: No change in the existing fee is proposed.
- Re-Inspection Request: No change in the existing fee is proposed.
- Special Inspection: No change in the existing fee is proposed.

- **Building Permit Fee:** The Building Permit Fee is calculated based on the value of construction on a sliding scale. As discussed previously the fees for Building Permits were last reviewed and amended in 1992. For the purposes of this analysis, the data presented compares the Building Permit Fees for various levels of construction value in the City to the respective average of fees charged in two groups of comparison municipalities. One group consists of small local Vancouver Island municipalities (Parksville, Qualicum Beach, Courtney, Comox) and the other of comparably sized communities from Vancouver Island, the Lower Mainland and the Okanagan (Victoria, Saanich, Maple Ridge, Delta, Kelowna, Kamloops and Prince George).

The following table outlines the comparison of Building Permit Fee costs for typical Single Family Dwellings and small Multifamily / Commercial projects:

CONSTRUCTION VALUE	CITY OF NANAIMO PERMIT FEES	COMPARABLE AVERAGE PERMIT FEE	LOCAL AVERAGE PERMIT FEE
\$150,000	\$1,355	\$1,401	\$1,076
*\$172,636	\$1,502	\$1,564	\$1,203
\$225,000	\$1,842	\$1,910	\$1,498
\$250,000	\$2,005	\$2,123	\$1,639
\$300,000	\$2,330	\$2,484	\$1,920

* indicates 2004 average value for permitted Single Family Dwellings in the City of Nanaimo.

In comparison then, Building Permit Fees in the City of Nanaimo are 3.5 to 6.6 percent below the average Building Permit Fees of the comparable municipality group for the respective range in construction value (\$150,000 to \$300,000). The City of Nanaimo Building Permit Fees are consistently higher than the average Building Permit Fees of the local municipality group throughout the range in construction value. This is not unexpected given the characteristics of the group, which consists of significantly smaller communities with less complex governing regulation.

The following table outlines the comparison of Building Permit Fee Costs for larger Commercial and Multifamily projects:

CONSTRUCTION VALUE	CITY OF NANAIMO PERMIT FEES	COMPARABLE AVERAGE PERMIT FEE	LOCAL AVERAGE PERMIT FEE
\$1,000,000	\$5,380	\$7,759	\$5,482
\$1,500,000	\$7,130	\$11,102	\$7,920
\$2,000,000	\$8,880	\$14,445	\$10,357

For this range in construction value, Building Permit Fees in the City of Nanaimo are 44.2 percent to 62.7 percent below the average Building Permit Fees of the comparable municipality group. Interestingly, the Building Permit Fees in the City of Nanaimo are also significantly lower than the average of the local municipality group ranging from 1.9 percent to 16.6 percent below at \$2,000,000 in construction value.

Given the gap between City of Nanaimo Building Permit Fees and the average Building Permit Fees of the comparable group of municipalities; length of time since Building Permit Fees have been reviewed and updated (and the increases in the cost of providing services over that time); the increasing complexity of applications and governing regulation; and the City's goal in maintaining the level of service to the construction industry, Staff are recommending increases to the Building Permit Fee rates as indicated below:

VALUE OF CONSTRUCTION	PROPOSED FEE RATE	CURRENT FEE RATE
\$0 - \$500	\$40	\$25
\$501 - \$1,000	\$65	\$40
\$1000.01 - \$100,000	\$10 / \$1000	\$10 / \$1000
\$100,000.01 - \$500,000	\$7 / \$1000	\$6.50 / \$1000
\$500,000.01	\$4.50 / \$1000	\$3.50 / \$1000

These increases in Building Permit Fee rates will correspond to increases in the Building Permit Fees charged by the City. The following table provides a comparison of increased City of Nanaimo Building Permit Fees to the average Building Permit Fees of the comparable and local groups of municipalities:

CONSTRUCTION VALUE	CITY OF NANAIMO PERMIT FEES	COMPARABLE AVERAGE PERMIT FEE	LOCAL AVERAGE PERMIT FEE
\$150,000	\$1,440	\$1,401	\$1,076
\$172,636	\$1,563.45	\$1,564	\$1,203
\$225,000	\$1,930	\$1,910	\$1,498
\$250,000	\$2,105	\$2,123	\$1,639
\$300,000	\$2,455	\$2,484	\$1,920
\$1,000,000	\$6,105	\$7,759	\$5,482
\$1,500,000	\$8,355	\$11,102	\$7,920
\$2,000,000	\$10,605	\$14,445	\$10,357

The Building Permit Fee rate increases will then result in Building Permit Fees in the City similar to the average from the comparable group. The Building Permit Fee for the average Single Family Dwelling in Nanaimo, for example, (construction value = \$172,636) would increase from \$1,502.13 to \$1,563.45 equal to the comparable average and representing a \$61.32 (4.08 percent) increase.

For larger projects with construction values over \$1,000,000, the Building Permit Fee rate changes result in increased City of Nanaimo Building Permit Fees which remain substantially below (27 percent to 36 percent) the comparable municipality average and are slightly above (2 percent to 10 percent) the local average.

- **Professional Certification:** The reduction of Building Permit Fees for a Building Permit where an architect and / or Engineer is retained by the owner and provides letter(s) of assurance is proposed to be increased from 2.5 percent of the Building Permit Fee to 5 percent of the Building Permit Fee. This change reflects previous amendments to "BUILDING BYLAW 2003 NO. 5693". In addition, the proposed change is to remove the maximum fee reduction to reflect the involvement and responsibility of the Registered Professional.
- **Building Permit Renewal Fee:** No change in the existing Building Permit Renewal Fee is proposed.
- **Demolition Permit Fee:** No change in the existing Demolition Permit Fee is proposed.
- **Moving Permit Fee:** No changes in the existing Moving Permit Fee are proposed.
- **Heating Appliances (per inspection):** No change in the existing Building Permit Fee is proposed.
- **Plumbing Permit Fee:** Fees for Plumbing Permits are calculated based on a "Per Fixture Unit Fee". This methodology is typical of most municipalities though the Per Fixture Fee and corresponding Plumbing Permit Fee costs vary widely. For the purposes of this review, the following table provides a comparison of Plumbing Permit Fees in the City of Nanaimo to the Plumbing Permit Fees in comparable and local municipality groups:

FIXTURE UNITS	CITY OF NANAIMO PERMIT FEE	COMPARABLE AVERAGE PERMIT FEE	LOCAL AVERAGE PERMIT FEE
10	\$98	\$155	\$81.25
12	\$113	\$179	\$93
*14	\$129	\$207	\$106
20	\$173	\$279	\$141

* indicates 2004 average fixture count for permitted Single Family Dwellings in Nanaimo.

The Plumbing Permit Fees in the City of Nanaimo, for the typical range of fixture units found in Single Family Dwelling construction, is significantly lower (60 percent) than the average Plumbing Permit Fee of the comparable municipality group. The City of Nanaimo Plumbing Permit Fees are comparable to the average of Plumbing Permit Fees in the local municipality group.

Given the gap between City of Nanaimo Plumbing Permit Fees; the average Plumbing Permit Fees of the comparable group of municipalities; the length of time since Plumbing Permit Fees have been reviewed and updated (and the increases in the costs of providing Plumbing Inspection services over that time); the increasing complexity of construction; and the dramatic increase in Plumbing Inspection workload, Staff are recommending an increase to the Plumbing Permit Fee rate as indicated below:

PLUMBING PERMIT FEE	PROPOSED FEE	CURRENT FEE
Minimum Charge	\$40	\$20
Per Fixture	\$8 / Fixture	\$10 for the first fixture / \$7.50 for each additional fixture

For the average Single Family Dwelling, the proposed Plumbing Permit Fee increases will result in a plumbing Permit Fee increase from \$129.00 to \$152.00 (18 percent). This Plumbing Permit Fee remains significantly below the comparable municipality average and the increased revenue received by the Building Inspection Division will partially offset the costs of additional temporary Staff, which have been required to manage the increased Plumbing Inspection volume.

- Service Pipe / Single Family Dwelling: These fees are directly related to the provision of on site inspection services. The current fee levels significantly under estimate the cost of providing the service. However, because inspectors are often able to group these inspections, Staff are proposing a modest increase in the respective fees.

SERVICE PIPE FEE SINGLE FAMILY DWELLING / 2 FAMILY DWELLING	PROPOSED FEE	CURRENT FEE
Water Service	\$25.00	\$20
Lawn Sprinkler Systems	\$35.00	\$20
Foundation Drains	\$20.00	\$20
Rain Water Drains	\$20.00	\$20
Building Storm Sewer	\$25.00	\$20
Building Sanitary Sewer	\$25.00	\$20

- Service Pipe / Commercial: No change to the existing Service Pipe Fee is proposed.

- Other Service Fixtures: These Other Fixture Permit Fees are directly related to the provision of on site inspection services. The following increases in the respective fees are proposed:

OTHER SERVICE FIXTURE FEES	PROPOSED FEE	CURRENT FEE
Sumps Catch basins	\$15	\$10
Rain Water	\$15	\$10
Fire Hydrants	\$15	\$10
Wet and Dry Outlets	\$15	\$10
Manholes / Inspections	\$15	\$10

- Sprinkler Systems Inspection Fee: No change to the Sprinkler Inspection Fee is proposed. An increase to the minimum Permit Fee is proposed:

SPRINKLER SYSTEM INSPECTION FEE	PROPOSED FEE	CURRENT FEE
Minimum Sprinkler	\$40.00	\$20
Per square metre of Building	.50	.50

This increase in the minimum charge is to offset the costs of providing the service particularly for small projects.

- Administrative Charges: No change to the fee for "Non-Active file Review" is proposed.

Forthcoming changes to the *British Columbia Building Code* will permit additional opportunities for applicants to provide equivalent measures for *BC Building Code* compliant construction. As a result, Staff are expecting an increase in the volume of equivalency reports received by the Building Inspection Division. In light of this, the following change to the Fee schedule is proposed:

CODE EQUIVALENCY REPORT REVIEW	PROPOSED FEE	CURRENT FEE
Up to four equivalencies	\$200.00	\$50 / Per Hour
More than four equivalencies	\$300.00	

The review of these reports is highly technical and requires significant senior Staff resources. The proposed fee change reflects the required resources involved and eliminates administrative duties required to track review time under an hourly fee.

Periodically, Permit holders misplace or destroy their copy of the Permit drawings. The presence of the drawings on site is a required and essential part of the inspection process and as a result, the builder in question must replace the missing Permit drawings. To replace these drawings Building Inspection Division Staff must undertake a process of copying and restamping / noting a new set of drawings. This process involves significant staff time and it is proposed to add an administration fee to offset the cost of this service:

PERMIT DRAWING REPLACEMENT	PROPOSED FEE	CURRENT FEE
Plan restamping	\$50.00	N/A

- Sign Permit Fee: The current Sign Permit Fee charged for the required processing and inspections involved in Sign Permits does not accurately represent the cost of providing the service. The current Sign Permit Fee is the same for all signs except for special events signage and temporary portable signs. The following changes for Sign Permit Fees are proposed:

SIGN PERMITS	PROPOSED FEE	CURRENT FEE
Minimum Permit Charge	\$40.00	\$20
Area fee per sign to \$150.00 maximum	\$5.00 per square metre	\$5
Special event signage	Maximum \$200.00	\$200
Minimum performance bond	\$200.00	\$200
Sign Permit renewal	\$20.00	\$20

The proposed timeline for the increase to the Building Permit Application Fee process would be as follows:

2005-SEP-01	Planning, Environment and Development Standing Committee
2005-SEP-02	Refer to industry (<i>Canadian Home Builders Association</i>)
2005-SEP-14	Response from industry (<i>Canadian Home Builders Association</i>)
2005-OCT-03	Report to Council for bylaw amendment / consideration of three readings
2005-OCT-17	Bylaw amendment for consideration of final reading and adoption by Council

Recommendation: That the Planning, Environment and Development Standing Committee recommend that Council direct Staff to refer this report to the *Canadian Homebuilders Association* for comment and forward a subsequent report to the 2005-OCT-03 Regular Meeting of Council.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

3. INFORMATION ONLY ITEMS:

- (a) Report from Mr. A. Tucker, re: Harewood Plains Environmentally Sensitive Areas Project.

It was moved and seconded that the Information Only Item be received. The motion carried unanimously.

4. ADJOURNMENT:

It was moved and seconded at 4:03 p.m. that the meeting terminate. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

MANAGER OF
LEGISLATIVE SERVICES