

DATE OF MEETING November 15, 2021  
AUTHORED BY CLAIRE NEGRIN, MANAGER, SUBDIVISION  
**SUBJECT SCHOOL SITE ACQUISITION CHARGES**

## **OVERVIEW**

### **Purpose of Report**

To seek Council's endorsement of the Nanaimo Ladysmith Public Schools' Resolution to institute a School Site Acquisition Charge, and to request Council's direction regarding the development of a companion bylaw within the City.

### **Recommendation**

That Council:

1. support the Nanaimo Ladysmith Public Schools' Board Resolution to institute a School Site Acquisition Charge; and
2. direct Staff to prepare a companion bylaw under Section 573 (2) of the *Local Government Act* that would enable the collection of School Site Acquisition Charges on any development of two and three residential units.

## **BACKGROUND**

On 2021-JUL-05, Council was presented with an Information Report providing an introduction to Nanaimo Ladysmith Public Schools' plans to implement a School Site Acquisition Charge (SSAC) bylaw. An SSAC, similar to a Development Cost Charge (DCC), is a fee charged on new development, collected either at the subdivision or building permit stage of development on a per parcel or per unit basis. The funds collected from SSACs are used to pay only for the cost of land acquisition needed for new or expanded school sites.

On 2021-OCT-27, the Nanaimo Ladysmith Public Schools' (NLPS) Board resolved to institute a School Site Acquisition Charge (Attachment A). As per Section 574 (6) of the *Local Government Act*, Council must consider the request of the school district and must either pass a resolution accepting the school district Board's resolution (the "Resolution") respecting proposed eligible school site requirements, or respond indicating that it does not accept the proposed school site requirements. If Council does not accept the proposed school site requirements, it must state the proposed eligible school site requirement to which it objects, and the reasons for the objection.

Council's acceptance of the Resolution is only as it relates to the information contained within the Resolution and method used to determine that information, rather than the SSAC itself.

Once implemented, the SSAC bylaw adopted by NLPS will apply to all subdivisions of land zoned to allow single family residential uses and all development (building permits) of four residential units or more. In addition to their SSAC bylaw, NLPS has requested that the City adopt a companion bylaw under Section 573 (2) of the *Local Government Act* to allow for the

collection of SSACs with building permits for two and three residential units. The requirements for the collection of SSACs is comparable with the way that DCCs are collected, and as the City already collects DCCs for all development of two units or more, it would provide a consistent approach to also collect SSACs for the same developments, which would be implemented by the companion bylaw requested by NLPS.

## **DISCUSSION**

To develop the SSAC, NLPS used development projections provided by each local government within the SSAC area, being the District of Lantzville, the Regional District of Nanaimo, and the City of Nanaimo. For information, the Town of Ladysmith, the areas of the Cowichan Valley Regional District located inside the NLPS district, and the areas of the Regional District of Nanaimo located outside of the NLPS district were not used in the calculation of the SSAC. Based on the development projections, NLPS then applied factors based on the anticipated number of children living within each form of development, and determined the amount of additional school capacity required to accommodate that growth.

Since first introduced, the NLPS has been working on refining their school site requirements in order to formally establish the SSAC. This has resulted in a reduced land area requirement over the ten-year projection, and subsequent reduction in the total amount of funds required to acquire that land. The Resolution now identifies a total of 5.4 hectares of land required for new and expanded school sites in the next ten years, totalling \$10.5 million dollars in value. All of the new and expanded sites identified are located within the city of Nanaimo.

City Staff have reviewed the information used to determine the proposed SSAC and are in agreement with the information and the method used to determine the information, including the student projections and the site areas and locations. As such, Staff are recommending Council support the NLPS Board's SSAC Resolution as presented.

Should Council disagree with the information contained within the Resolution, more information can be requested or Council can decide not to accept the SSAC Resolution as presented. Should Council decide not to accept the Resolution, a formal mediation process would be triggered to assist the City and NLPS in reaching an acceptable resolution. However, it is noted that Council cannot refuse the implementation of the SSAC altogether.

## **Consultation**

At the request of City Staff, NLPS staff met with members of the development community to discuss the SSAC and the impact on development. Representatives from the Nanaimo Development Group and the Vancouver Island Construction Association attended the meeting.

In general, there was concern raised by attendees that there is a trend to 'download' costs to developers, although there was recognition that these costs are then passed on to home buyers. There is a desire from the development community to create more innovative ways to accommodate growth and the resulting impacts from that growth on the community.

However, as SSACs are a tool prescribed by legislation with restrictions and requirements regarding their implementation, there are limits to how they can be applied.

Should Council direct Staff to prepare a bylaw to allow SSACs to be collected on two and three residential unit developments as requested by NLPS, there will be opportunity for community comment on the bylaw when it is introduced at Council.

## **OPTIONS**

1. That Council
  1. support the Nanaimo Ladysmith Public Schools' Board Resolution to institute a School Site Acquisition Charge; and
  2. direct Staff to prepare a companion bylaw under Section 573 (2) of the *Local Government Act* that would enable the collection of School Site Acquisition Charges on any development of two and three residential units.
    - Advantages: Enables NLPS to move forward with the implementation of the SSAC bylaw. The City's companion bylaw will ensure that smaller developments of two and three residential units are also contributing SSACs. The companion bylaw will provide consistency by aligning the collection of SSACs with the City's existing collection of DCCs, which will ease the administration of the fees.
    - Disadvantages: None identified.
    - Financial Implications: The City will collect SSACs and provide them to NLPS. The City will collect administration fees for this service, totalling \$2,000.00 per year, plus 0.1% of all fees collected.
2. That Council
  1. support the Nanaimo Ladysmith Public Schools' Board Resolution to institute a School Site Acquisition Charge; and
  2. provide no direction to Staff regarding the preparation of a companion bylaw under Section 573 (2) of the *Local Government Act* enabling the collection of School Site Acquisition Charges on any development of two and three residential units.
    - Advantages: Enables NLPS to move forward with the implementation of the SSAC bylaw.
    - Disadvantages: Does not provide Staff with direction to prepare a companion bylaw to implement collection of SSACs for developments of two and three residential units. This means that SSACs would only be collectable for developments of four units or more. Without a companion bylaw, NLPS would not receive the amount of fees that they have identified as being required.
    - Financial implications: The City will collect SSACs and provide them to NLPS. The City will collect administration fees for this service, totalling \$2,000 per year, plus 0.1% of all fees collected.
3. That Council provide notice to the Nanaimo Ladysmith Public Schools' Board denying support for the proposed eligible school site requirements for the school district.
  - Advantages: None identified.
  - Disadvantages: Should Council not accept the requirements of the NLPS, a formal mediation process will be initiated to assist the City and the NLPS in coming to more agreeable terms for the SSAC.

### **SUMMARY POINTS**

- On 2021-OCT-27, the NLPS Board resolved to implement a School Site Acquisition Charge (SSAC).
- Once implemented, the SSACs will apply to all subdivisions of land zoned to allow single family residential uses and all development of four residential units or more.
- At the request of the NLPS, City Staff are recommending that Council pursue the implementation of a companion bylaw that will require SSACs to be collected for all building permits of two and three residential units.

### **ATTACHMENTS:**

ATTACHMENT A: NLPS Letter to the City of Nanaimo dated 2021-OCT-29

ATTACHMENT B: NLPS Board Resolution

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#### **Concurrence by:**

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