

DATE OF MEETING NOVEMBER 20, 2024

AUTHORED BY JEREMY HOLM, DIRECTOR, PLANNING & DEVELOPMENT

**SUBJECT LOAVES AND FISHES WAREHOUSE DISTRIBUTION CENTRE –  
REQUEST TO WAIVE FEES AND SERVICING REQUIREMENTS**

## **OVERVIEW**

### **Purpose of Report:**

To provide an overview of the impact of waiving the building permit fee and the servicing requirements for Loaves and Fishes new Warehouse Distribution Centre located at 1861 East Wellington Road.

## **BACKGROUND**

At the regular meeting held 2024-OCT-07, Council received a presentation regarding an update on the planned warehouse distribution centre for Loaves and Fishes. At that meeting, the following motion was passed:

*“that Council direct Staff to provide a report outlining the cost implications of waiving the building permit fee and service contribution agreement payment for the new Loaves and Fishes warehouse distribution centre located at 1861 East Wellington Road.”*

Loaves & Fishes Community Food Bank has been in operation in Nanaimo since 1996. Since 2008, Loaves and Fishes have opened an additional 11 satellite depots to serve over 15,000 people in more than 30 communities across Vancouver Island. In 2014, the City of Nanaimo provided \$275,000 towards the purchase of Loaves and Fishes’s current central food recovery warehouse location at 210 Fry Street.

At the 2021-MAR-17 Finance and Audit Committee Meeting, Loaves and Fishes requested financial support in the amount of \$930,000 from the City of Nanaimo towards the acquisition of a vacant industrial parcel located at 1861 East Wellington Road as a future site for a proposed 2,322m<sup>2</sup> food recovery warehouse to meet increased demands for its services. The City subsequently purchased 1861 East Wellington Road for \$1,300,000 and on 2021-Dec-20, entered into a 30-year lease with Loaves and Fishes for the property at a nominal rent of \$10 for the term of the lease.

A cost-share commitment between the previous owner of 1861 East Wellington Road and the owner of 200 Hansen Road for the construction of Hansen Road was honoured by the City through the purchase of the property. The construction of Hansen Road fronting 1861 East Wellington Road has now been substantially completed as a requirement of the development of 200 Hansen Road, with the City contributing \$144,100 to the works within Hansen Road fronting 1861 East Wellington Road including the installation of six street trees at an estimate of \$4,500.

## **DISCUSSION**

Loaves and Fishes have submitted a building permit application (BP129739) for a 1-storey 2,061m<sup>2</sup> distribution warehouse with a 3-storey 386m<sup>2</sup> office, along with retail space, a kitchen, and ground level parkade at 1861 East Wellington Road (Attachment A).

### **Building Permit Fees**

The Building Inspections section generates revenue through building permit fees to recover costs for services provided. Typically, these services are not full cost recovery. Building permit fees vary depending on building permit type and are generally based on a percentage of the permitted value of construction. Building permit fees of \$69,569.75 are payable prior to issuance of building permit BP129739 based on a construction value estimate of \$10,000,000.

There is no bylaw provision to waive building permit fees payable. Nor is there a specific grant fund established to offset building permit fees for projects undertaken by non-profit entities such as the City, BC Housing, Island Health, School District 68 and non-profit societies. These entities pay building permit fees required by bylaw to recover costs associated with the services of the Building Inspections Section.

### **Works and Services - Servicing Contribution Agreement**

Frontage works and services are required under “Building Bylaw 2016 No. 7224” and are required to be secured prior to issuance of a building permit based on a value of works determined by the applicant’s civil engineer. For building permit BP129739, the required works and services include \$37,037 for completion of access improvements on Hansen Road, as well as \$54,733.20 for asphalt replacement and curbing fronting the property on East Wellington Road.

The City has a sidewalk and cycling facility project scheduled for 2026 on East Wellington Road between Madsen Road and Bowen Road, which will include works along the frontage of 1861 East Wellington. Rather than having the required works and services fronting 1861 East Wellington Road completed independently by Loaves and Fishes, the City is entering into a servicing contribution agreement with Loaves and Fishes, which will see the City use the security provided by Loaves and Fishes for the required East Wellington Road works and services (\$54,733.20) to complete the works as part of its 2026 East Wellington Road improvement project.

Council could consider a request to vary the frontage works and services required under the Building Bylaw through a Development Variance Permit application. |

## **FINANCIAL CONSIDERATIONS**

Should Council choose to cover the costs of the building permit fees, a funding source would need to be identified. The total building permit fees are \$69,569.75.

Should the applicant apply for, and Council approve, a development variance permit application to not require the works and services on East Wellington, which are subject to a servicing contribution agreement, the City would absorb the cost of the works and services fronting the property on East Wellington Road into its sidewalk and cycling facility project scheduled for 2026.

The East Wellington Road frontage works and services attributable to Loaves and Fishes building permit BP129739 included in the servicing contribution agreement are valued at \$54,733.20 |

**SUMMARY POINTS**

- Loaves and Fishes have submitted a building permit application to construct a new warehouse distribution centre located at 1861 East Wellington Road
- At the 2024-OCT-07 Council Meeting, Loaves and Fishes made a request to waive the building permit fee and the service contribution agreement payment.

**ATTACHMENTS:**

ATTACHMENT A: Site Location Map: 1861 East Wellington Road |

**Submitted by:**

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**Concurrence by:**

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