



MINUTES

GOVERNANCE AND PRIORITIES COMMITTEE MEETING

Monday, November 25, 2024, 1:01 P.M.
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE
80 COMMERCIAL STREET, NANAIMO, BC

Members:

- Councillor J. Perrino, Chair
- Mayor L. Krog
- Councillor S. Armstrong
- Councillor T. Brown*
- Councillor H. Eastmure
- Councillor B. Geselbracht
- Councillor E. Hemmens
- Councillor P. Manly* (joined 1:02 p.m.)
- Councillor I. Thorpe

Staff:

- D. Lindsay, Chief Administrative Officer
- R. Harding, General Manager, Community Services/Deputy Chief Administrative Officer
- L. Mercer, General Manager, Corporate Services
- B. Sims, General Manager, Engineering and Public Works
- S. Gurrie, Director, Legislative Services
- J. Holm, Director, Planning and Development
- P. Rosen, Director, Engineering
- L. Brinkman, Manager, Community Planning
- N. Sponaule, Communications Advisor
- L. Young, Recording Secretary

1. CALL THE MEETING TO ORDER:

The Governance and Priorities Committee Meeting was called to order at 1:01 p.m.

* Denotes electronic meeting participation as authorized by "Council Procedure Bylaw 2018 No. 7272"

2. APPROVAL OF THE AGENDA:

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

3. ADOPTION OF THE MINUTES:

It was moved and seconded that the Minutes of the Governance and Priorities Committee held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Monday, October 28, 2024, at 1:00 p.m. be adopted as circulated. The motion carried unanimously.

Councillor Manly joined the meeting electronically at 1:02 p.m.

4. AGENDA PLANNING:

a. Upcoming Topics and Initiatives

Sheila Gurrie, Director, Legislative Services, provided an overview of topics and initiatives scheduled for upcoming Governance and Priorities Committee (GPC) meetings.

Committee discussion took place. Highlights included:

- Potentially developing and implementing a construction recycling, deconstruction and demolition bylaw
- Scheduling a discussion regarding the Social Issues Initiatives topic with stakeholders such as the Nanaimo Systems Planning Organization, Vancouver Island Regional Library, and other front-line service providers
- Potentially scheduling the Social Issues Initiatives topic as its own meeting in order to facilitate a larger discussion

It was moved and seconded that the Governance and Priorities Committee recommend that Council direct Staff to move the topic “Social Issues Initiatives” from the 2025-JAN-27 Governance and Priorities Committee Meeting to a future Governance and Priorities Committee Meeting to facilitate an expanded conversation and invite stakeholders such as the Vancouver Island Regional Library and the Nanaimo Systems Planning Organization to participate in the discussion. The motion carried unanimously.

5. REPORTS:

a. Prosperous Nanaimo:

1. Development Cost Charge and Amenity Cost Charge Programs

Introduced by Lisa Brinkman, Manager, Community Planning, and Poul Rosen, Director, Engineering. Highlights included:

- The City of Nanaimo Development Cost Charge Bylaw 2017 No. 7252 that helps fund infrastructure required for growth was last updated in 2018
- Updates to the Bylaw are needed due to factors such as: increasing infrastructure costs, a shift in development styles, and changes to regulations
- A draft bylaw with updated Development Cost Charge (DCC) rates is expected to be brought forward in 2025
- With the passing of Bill 46 *Housing Statutes (Development Financing) Amendment Act* in 2023, the City can create an Amenity Cost Charge (ACC) program to collect funds for amenities like recreation centres
- A draft ACC bylaw is being developed in tandem with the DCC Bylaw update with the assistance of consultants from Urban Systems

Presentation:

1. Shaun Heffernan, Project Lead and Local Government Advisor, and Laura Bernier, Strategic Services Consultant, Urban Systems, provided a PowerPoint presentation. Highlights included:

- DCCs are legislated tools created by the Province to offset costs of off-site infrastructure needed for growth
- DCCs allow infrastructure to be paid for fairly and equitably, support consistency, and provide certainty that services support growth and development
- DCC rates are determined by estimating residential and non-residential growth, considering costs and timing needed to support growth, determining the extent to which each project benefits growth (benefit allocation), and Council input

- DCC funds can be used for costs associated with planning, engineering, design, or studies for transportation, water, drainage, sewer, parkland, fire protection facilities, police facilities and solid waste and recycling facilities
- DCC funds cannot be used for infrastructure park deficiencies and/or asset replacement
- DCC projects are assigned a benefit allocation percentage rate based on how much of the project is growth driven and therefore eligible for DCCs

Committee and Staff discussion took place. Highlights included:

- Challenges associated with comparing municipalities to determine the right balance in DCC rates
- DCC rates that are set too high inhibit development
- The desire to consult with developers regarding DCC rates prior to Council's review and the back and forth nature of the rates review process

Shaun Heffernan, Project Lead and Local Government Advisor, and Laura Bernier, Strategic Services Consultant, Urban Systems, continued the presentation. Highlights included:

- Council has the authority to provide some assistance for DCC rates if Council determines the rate is too high
- Assisting with DCCs allows Council to demonstrate support for developers in a clear and transparent way

Committee and Staff discussion took place. Highlights included:

- Options for implementing DCC assistance
- Clarification that any DCC assistance must be funded through another municipal source such as taxation
- An assist factor provides Council with more flexibility than lowering DCC rates

Shaun Heffernan, Project Lead and Local Government Advisor, and Laura Bernier, Strategic Services Consultant, Urban Systems, continued the presentation. Highlights included:

- Review of Nanaimo's current DCC rates and how they compare to similar municipalities
- ACCs are intended to recover the costs of amenities that provide social, cultural, heritage, recreational or environmental benefits, and cannot overlap with any other cost-funding mechanism
- DCC rates must be reviewed and approved by the Inspector of Municipalities; however, ACC rates do not need Inspector approval
- The ACC rate would be determined by identifying growth projections and amenity needs, followed by consultation with stakeholders prior to adoption of an ACC bylaw
- Proposed ACC projects: Beban Park Master Plan, Community Centres (largely the South End Community Centre), and Improvements and Expansion of the Stadium District

Committee and Staff discussion took place. Highlights included:

- Staff reviewed the Integrated Action Plan (IAP) and the City Plan to identify projects that fit the criteria of the ACC program
- It was requested that the Committee be provided the full list of potential ACC projects, and rationale for selecting the three projects and excluding other projects
- The ACC program is a more transparent tool for the provision of amenities and is collected during the building permit stage, whereas contributions under the Community Amenity Contribution (CAC) Policy are only collected during the rezoning process
- The CAC Policy will need to be amended once an ACC bylaw is adopted

- Council recently implemented a large amount of pre-zoning. As a result, there could be a reduced number of rezoning applications, resulting in fewer CACs.
- Concern that smaller projects which are currently captured in the CAC Policy will not receive funding. Staff will still have the opportunity to secure smaller amenities on a case-by-case basis

Shaun Heffernan, Project Lead and Local Government Advisor, and Laura Bernier, Strategic Services Consultant, Urban Systems, continued the presentation. Highlights included:

- Reviewed ACC rates implemented in other municipalities
- Reviewed statutory exemptions for DCCs and ACCs
- Next steps would be to develop the draft ACC and DCC rates, which would be brought to Council for input, then provided to the development community for consultation
- Waivers and reductions to ACCs and DCCs can be established in a separate bylaw which would be adjusted as needed without ministerial approval
- Legislation provides a 12-month grace period for in-stream building applications and subdivision applications
- Reviewed developers' options/eligibility requirements to apply for DCC credits to reduce their DCCs payable
- Outlined the timeline for the DCC and ACC bylaw updates/implementation

Committee and Staff discussion too place. Highlights included:

- Having a more fulsome discussion regarding the ACC project list once the ACC rate has been presented and more accurate costs are available
- Clarification that Staff provided three ACC recommendations based on the legislation and Council's previously stated priorities

- Potentially including the Waterfront Walkway as an ACC project and challenges related to projects that are not on City-owned land

Shaun Heffernan, Project Lead and Local Government Advisor, and Laura Bernier, Strategic Services Consultant, Urban Systems, concluded the presentation by reviewing next steps, which include providing Council with draft rates, consulting with stakeholders, making amendments if required, and then bringing the bylaws forward for Council's consideration.

It was moved and seconded that the Governance and Priorities Committee recommend that Council direct Staff to proceed with the development of an Amenity Cost Charge (ACC) program that includes the following facilities:

- a. Improvements and expansions as outlined in the Beban Park Master Plan;
- b. Improvements and expansions in the Stadium District; and,
- c. A community recreation facility in the Southgate Urban Centre.

The motion carried unanimously.

6. QUESTION PERIOD:

The Committee received no questions from the public regarding agenda items.

7. ADJOURNMENT:

It was moved and seconded at 2:39 p.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER