



MINUTES

GOVERNANCE AND PRIORITIES COMMITTEE MEETING

Monday, December 8, 2025, 1:58 P.M.
Shaw Auditorium, Vancouver Island Conference Centre
80 Commercial Street, Nanaimo, BC

Members: Councillor T. Brown, Chair
Mayor L. Krog
Councillor S. Armstrong
Councillor H. Eastmure
Councillor B. Geselbracht
Councillor E. Hemmens
Councillor P. Manly
Councillor J. Perrino
Councillor I. Thorpe

Staff: L. Bhopalsingh, 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
P. Rosen, Director, Engineering
J. Rose, Manager, Transportation
F. Mah, Transportation Engineer
N. Sponaule, Strategic Initiatives Advisor
L. Young, Recording Secretary

1. CALL THE MEETING TO ORDER:

The Governance and Priorities Committee Meeting was called to order at 1:58 p.m.

2. APPROVAL OF THE AGENDA:

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

3. AGENDA PLANNING:

(a) Upcoming Topics and Initiatives

Sheila Gurrie, Director, Legislative Services, spoke regarding topics and initiatives scheduled for upcoming Governance and Priorities Committee (GPC) meetings.

4. REPORTS:

(a) Green Nanaimo:

(1) Neighbourhood Zero Emission Vehicle Bylaw

Fraser Mah, Transportation Engineer, provided an overview of the report included in the agenda package.

Committee and Staff discussion took place. Highlights included:

- Neighbourhood Zero Emission Vehicles (NZEVs) driving on City streets require insurance and a valid Vehicle Identification Number (VIN)
- Golf carts have different safety requirements than NZEVs
- Concern regarding the lack of awareness in the community of Slow Moving Vehicle requirements outlined in “Traffic and Highways Regulation Bylaw 1993 No. 5000”

It was moved and seconded that the Governance and Priorities Committee recommend that Council retain the existing language in “Traffic and Highways Regulation Bylaw 1993 No. 5000” Section 3.4 Slow Moving Vehicles as the primary regulation for Neighbourhood Zero Emission Vehicles and Low Speed Vehicles operating on municipal streets. The motion carried unanimously.

(b) Prosperous Nanaimo:

(1) Development Cost Charge and Amenity Cost Charge Engagement and Economic Analysis Update

Bill Sims, General Manager, Engineering and Public Works, provided an overview of the report included in the agenda package.

Presentation:

1. Shaun Heffernan, Senior Local Government Advisor, Urban Systems, Laura Bernier, Strategic Services Consultant, Urban Systems, and Ian Smedley, Manager, Infrastructure, Capital Projects and Sustainability, KPMG LLP, provided an

on-screen presentation included in the agenda package, advising the following:

- The open house on 2025-OCT-09 had 52 attendees, which is a higher-than-normal attendance rate, and included members of the real estate and development communities
- Feedback from attendees included:
 - concerns that the proposed rates would impact housing affordability and development viability
 - the potential for increasing the level of assistance broadly
 - a phased approach to implementation of Development Cost Charge (DCC) rate changes and Amenity Cost Charge (ACC) rates
- A survey occurred between 2025-SEP-02 and 2025-OCT-24, with 62 responses. Feedback included:
 - Concerns regarding affordability and barriers to housing
 - Interest in greater financial transparency
 - A desire to ensure that the DCC and ACC bylaws align with other documents
 - Interest in incentivizing certain types of housing

Committee discussion took place. Highlights included:

- Mixed support was expressed for a phased approach; however, it is unclear whether those who indicated that they were not in support were expressing that they were unsupportive of DCC rate changes overall, or unsupportive of a phased approach to the implementation of the rate changes
- A phased approach would shift the burden of the DCC rates onto the taxpayers
- Some municipalities have reported increased DCC rates having an impact on development; however, the economic conditions vary from region to region

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S. Heffernan, Senior Local Government Advisor, Urban Systems, and L. Bernier, Strategic Services Consultant, Urban Systems, continued the presentation, and noted economic analysis indicates that construction, labour, and financing costs have a greater impact on development than ACCs and DCCs. DCCs and ACCs must not discourage housing and land development.

Committee and Staff discussion took place. Highlights included:

- Profitability for development varies vastly by geography, and there are several site-specific factors that affect a developer's profit. Most developers aim to achieve 10 to 15% profit
- Concern that, while the DCC and ACC rates are not a main driver in making development unviable, increases may compound the issue
- A phased approach may give in-progress projects a break to allow time for the stabilization of labour and construction costs; however, it would not assist with currently unviable development, and would take a considerable amount of Staff time to administrate
- Land value is a significant factor in development costs tends to fluctuate over time
- Challenges associated with balancing development costs, taxpayer expenses, and the provision of infrastructure necessary to support growth

S. Heffernan, Senior Local Government Advisor, Urban Systems, and L. Bernier, Strategic Services Consultant, Urban Systems, continued the presentation, advising that next steps for the project include three readings of the DCC and ACC Bylaws, anticipated to occur in early 2026, ministry approval of DCC materials, and adoption of DCC and ACC Bylaws in Q2 of 2026.

I. Smedley, Manager, Infrastructure, Capital Projects and Sustainability, KPMG LLP, continued the presentation and provided an overview of the historical DCC rates, current DCC rates, and proposed DCC rates.

Committee and Staff discussion took place. Highlights included:

- If DCC projects were funded solely through taxation, it would require an estimated 18% annual tax increase over the next 20 years
- There was minimal feedback regarding the technical aspects of the DCC and ACC programs and no changes to the bylaws were deemed necessary
- DCC funds can only be used for DCC-specific projects, and the process is heavily controlled and audited

5. QUESTION PERIOD:

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

6. ADJOURNMENT:

It was moved and seconded at 3:14 p.m. that the meeting adjourn. The motion carried unanimously.

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER