Agenda - Executive Policy Committee - November 29, 2006

Report - Standing Policy Committee on Property and Development - November 21, 2006

Item No. 2 Winnipeg Zoning By-law Review Project Extension
File EZ-DAZ

STANDING COMMITTEE RECOMMENDATION:

On November 21, 2006, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submits the following to Council:

1. That the Winnipeg Zoning By-law Review project be extended.

2. That The Development Fees Surcharge By-law No. 32/2005 be amended to extend the development permit surcharge to cover additional expenses incurred to date and costs for the next phase of the project up to a maximum of $560,000.00, as outlined in Appendix "A" to the report from the Director of Planning, Property and Development dated November 7, 2006.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - November 29, 2006

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 21, 2006, the Standing Policy Committee on Property and Development concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On February 23, 2005, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That an $11.00 flat fee surcharge on Development Applications be approved in order to fund the comprehensive review of The Winnipeg Zoning By-law No. 6400/94 until such time as the total cost of the review, namely, $400,000.00, is recouped.

2. That the Chief Administrative Officer be delegated the authority to approve and award a multi-year contract not exceeding two (2) years in duration and $400,000.00 in value (including PST and GST) for the provision of a comprehensive review of The Winnipeg Zoning By-law No. 6400/94.

3. That the Proper Officer of the City be authorized to do all things necessary to implement the intent of the foregoing.

RE: Winnipeg Zoning By-law Review Project Extension

FOR SUBMISSION TO: Standing Policy Committee on Property & Development

ORIGINAL REPORT SIGNED BY: Harry Finnigan, Director

REPORT DATE: November 7, 2006

RECOMMENDATION:

1. That the Winnipeg Zoning By-law Review project be extended; and,
2. That The Development Fees Surcharge By-law No. 32/2005 be amended to extend the development permit surcharge to cover additional expenses incurred to date and costs for the next phase of the project up to a maximum of $560,000 (see draft by-law in Appendix A attached).

Report Summary

Key Issues:

- In July 2006, letters received from the Urban Development Institute, Winnipeg Real Estate Board, Destination Winnipeg and other industry members indicated that there were still some outstanding concerns with the by-law text and maps.
- Upon review of these letters, it was agreed that the Public Hearing on the Winnipeg Zoning By-law Review scheduled for July 18, 2006 should be cancelled.
- The City would like to continue its discussions regarding the proposed Zoning By-law with the Zoning Advisory Committee and continue to retain the services of Clarion Associates.
- A project extension is requested to reconvene meetings with the Zoning Advisory Committee and extend the consulting contract.
- Concurrent with project extension, we are proposing to extend the development fee surcharge to fund future project costs and provide a cost recovery for administrative and advertising costs and Change Orders incurred during the earlier work on the project.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s): A project extension would provide an opportunity to maintain the collaborative working relationship the City has developed with community and stakeholder organizations represented on the ZAC and the industry at large.

Policy Implications

(X) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(X) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s):

Report

REASON FOR THE REPORT:
Under the City of Winnipeg Organization By-law No. 7100/97, the Standing Policy Committee on Property and Development is responsible for planning and land use matters in the city including the Winnipeg Zoning By-law No. 6400/94.

A surcharge on development permits was imposed by The Development Fees Surcharge By-law No. 32/2005 and can only be extended by a By-law, which must be enacted by Council.

HISTORY:
On October 5, 2004, the SPC on Property and Development provided direction for the Administration to undertake a comprehensive review of the Winnipeg Zoning By-law and hire a consultant.

On November 2, 2004, the Committee requested that a Project Plan ("blueprint") be prepared. The Project Plan recommended the establishment of a Zoning Advisory Committee to oversee the project process and provide a link between the City, the community and the development industry. The SPC on Property and Development received the Project Plan as information on January 17, 2005 and appointed 22 members to the Zoning Advisory Committee (ZAC).

On February 1, 2005, the Committee recommended the establishment of a temporary surcharge on development permits to fund the comprehensive review. Council passed The Development Fees Surcharge By-law No. 32/2005 on February 23, 2005.

DISCUSSION:

Letters received from industry and stakeholder groups in the summer 2006 recommended that the City of Winnipeg take more time to carefully review the proposed Zoning By-law and maps. The City considered these viewpoints and supported a delay in the project to allow us to undertake additional steps toward finalizing a by-law that might be more fully embraced by the community. We respect the fact that there are still some outstanding details that need to be addressed.

A 6-7 month project extension is proposed. As part of a project extension, the Zoning Advisory Committee (ZAC) would be reconvened, the consulting team would be extended to perform targeted mapping reviews and additional stakeholder and public consultations would be conducted.

The anticipated costs of a project extension could be covered by an amendment to The Development Fees Surcharge By-law (see draft by-law in Appendix A). Costs for the consulting team are expected to be in the order of $75-85,000, depending on the

number of trips required. There will also be some operating costs associated with arrangements for the ZAC and Working Group meetings, plus disbursements for public and stakeholder consultation programs and newspaper advertising. These costs are estimated at $13,400.

In addition, there were 4 change orders and operating costs associated with the project up to July 2006 that should have been included in the cost recovery from the development permit surcharge. These costs total approximately $61,600.

The upset limit for the Development Fee Surcharge currently stands at $400,000. This covers the value of Clarion's initial consulting contract (Cdn $). In total, we recommend that the Development Fee Surcharge limit be increased by $160,000 to cover costs incurred to date and future project costs.

The existing surcharge on development permits currently stands at $11 per permit under The Development Fees Surcharge By-law No. 32/2005. There is no intent to change the amount of the surcharge. The proposed amendment to the by-law only extends the total revenue to be collected from the surcharge before the surcharge will no longer be applied to development permits (see attached Appendix A for draft by-law). It is estimated that this expiry date may be achieved in 2008.

We have had an opportunity to discuss a proposed project extension with the ZAC. The Committee is supportive of taking the extra time to continue the by-law and mapping review, and it also supports an extension to the Development Fees Surcharge to fund the extension.

Following these additional reviews and consultations, the Zoning By-law could be prepared for a Public Hearing in early March 2007.

Financial Impact Statement

Date: October 24, 2006

Project Name:

Winnipeg Zoning By-law Review Project Extension

First Year of Program **2007**

	2007	2008	2009	2010	2011
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 160,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	35,000	125,000	-	-	-
Net Cost/(Benefit)	$ 125,000	$ (125,000)	$ -	$ -	$ -
Less: Existing Budget Amounts	125,000	(125,000)	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs in 2007 represent additional consulting fees, operating costs associated with arrangements for the ZAC and Working Group meetings, plus disbursements for public and stakeholder consultation programs and newspaper advertising. Recoveries in 2007 & 2008 consist of the requested additional $160,000 in surcharge fees. Due to the difference in the anticipated cash inflows and outflows, the Department will finance the addtional expenditures in 2007 from existing budgets.

"Original signed by"

Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Legal Services

External Consultation With:

Zoning Advisory Committee

THIS REPORT SUBMITTED BY:

Planning Property & Development Department
Division: Office of the Director
Prepared by: Valdene Buckley
PPD File No.

APPENDIX "A"

THE CITY OF WINNIPEG

BY-LAW NO. .

A By-law of THE CITY OF WINNIPEG to extend the Development Fees Surcharge By-law No. 32/2005

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. Section 5 of the Development Fees Surcharge By-law is amended by striking out "*$400,000*" and substituting "*$560,000*".

DONE AND PASSED, in Council assembled, this day of , 2006.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning, Property
and Development

Certified as to form:

_____
for City Solicitor/Manager of
Legal Services