



## PLANNING AND DEVELOPMENT SERVICES

**TO:** Council

**DATE:** March 23, 2021 **DIVISION:** All

**FILE:** N/A

**SUBJECT:** Infrastructure Cost Recovery, C-406

### POLICY DIRECTION:

Council regularly develops and reviews its policies, such as Infrastructure Cost Recovery C-406 to ensure Council's objectives are represented and the needs of the County are addressed, in accordance with Council's responsibilities in the *Municipal Government Act*.

### EXECUTIVE SUMMARY:

The *Municipal Government Act* allows Council to establish and charge fees for matters under Part 17 (Planning and Development).

Administration reviewed the Infrastructure Cost Recovery Policy C-406 as part of the County's policy review project. Council Policy 406 provides a mechanism for approved subdivision and development proponents to enter into a cost recovery agreement with the County to recover a proportion of the costs incurred to construct and/or install required infrastructure that benefits other lands. Due to the current economic environment and to align with Council's strategic objective of enhancing customer service, Administration is recommending to increase the recovery period from 15 to 20 years as this more accurately represents the useful life of the infrastructure typically covered under these agreements.

Furthermore, the purpose and intent of this update is to better reflect current practice and provide additional clarity as to how to implement the Infrastructure Cost Recovery Policy. The current approach to calculate cost recovery fees is based on an equal distribution of the total infrastructure cost over an area of benefiting lands.

### ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

### DISCUSSION:

In addition to applying the County's current policy format and writing standards, the proposed amendments to Policy Infrastructure Cost Recovery C-406 include:

Proposed Amendment	Reasoning
<del>The application of the Infrastructure Cost Recovery Policy will be discussed</del> <u>The potential for Infrastructure Cost Recovery Policy is evaluated at the subdivision or development application stage or at concept scheme review, prior to recommendations to Council, and is subject to Council or Municipal Planning Commission passing a resolution to apply this policy and the</u>	<ul style="list-style-type: none"> <li>Update the policy to reflect current practice to apply the Policy at the subdivision or development permit stages.</li> </ul>

### Administration Resources

Jeannette Lee, Planning and Development Services

<p><u>requirement of the agreement holder entering into a development agreement with the County.</u></p>	
<p><u>Upon issuance of the Construction Completion Certificate (CCC) related to the proposed infrastructure, the per acre charges identified in the agreement are updated to reflect actual costs incurred by the agreement holder based on certified construction receipts provided by the agreement holder's engineering representative and approval by administration.</u></p>	<ul style="list-style-type: none"> <li>Updated policy to reflect current practices and process of updating the agreement with the actual costs upon construction completion.</li> </ul>
<p>The <u>infrastructure Cost Recovery</u> will <del>apply</del> applies to:</p> <p><del>(1) Development, excluding permitted uses that require relaxations of land use rules (i.e. height and or setbacks) and renewable development permits (i.e. Home Based Business), that require a development permit under the Land Use Bylaw C-484-97 as amended.</del></p> <p><u>(2) all new development applications within the development region that require a development permit under the Land Use Bylaw C-8000-2020 as amended; and</u></p> <p><u>(3) the total gross area of the subject parcel.</u></p>	<ul style="list-style-type: none"> <li>Updated policy to provide clarity around the applicability to all new development applications that require a development permit.</li> </ul>
<p><u>The following subdivision and development applications are exempt from providing payment if they are bound by an active cost recovery agreement:</u></p> <p><u>(1) uses that require relaxations of land use regulations (i.e. building height, setbacks, parcel coverage areas);</u></p> <p><u>(2) renewable development permits (i.e. Home Based Businesses);</u></p>	<ul style="list-style-type: none"> <li>Updated policy to provide clarity around the exemptions of the policy.</li> </ul>



<p><u>(3) uses that do not materially benefit from the infrastructure constructed under an active cost recovery agreement (ie. the use would have been permitted to proceed without the newly constructed infrastructure in place); and</u></p> <p><u>(4) new subdivisions that do not materially benefit from the infrastructure constructed under an active cost recovery agreement (ie. the subdivision would have been permitted to proceed without the newly constructed infrastructure in place).</u></p>	
<p><del>The Infrastructure Cost Recovery Policy</del> <u>A cost recovery agreement:</u></p> <p><u>(1) will be</u> is valid for a period of <u>fifteen (15) years</u> <del>twenty (20) years</del>;</p> <p><u>(2) commences at the date of signing the development agreement respecting the cost recovery; and</u></p> <p><del>will be</del> <u>is</u> considered terminated after this period <u>unless determined otherwise by Council.</u></p>	<ul style="list-style-type: none"> <li>• To update the policy to align with industry practice and Council's strategic objective in enhancing customer service.</li> <li>• A 20 year timeframe more accurately represents the useful life of the infrastructure covered under these agreements.</li> </ul>
<p><del>The County will not be responsible for any recovery that has not materialized due to lack of development. If an agreement holder does not receive the full amount of cost-recovery fees due to a lack of development within the development region, the County does not pay outstanding fees.</del></p>	<ul style="list-style-type: none"> <li>• Updated policy to provide clarity of the County's obligation in the collection of cost-recovery.</li> </ul>
<p><u>The cost recovery agreement is</u> bound to the agreement holder and not to titled lands. Assignment of the <del>development agreement</del> <u>cost recovery agreement</u> <del>will only be</del> <u>is</u> recognized <del>upon consent of the Municipal Council</del> <u>only by Council resolution.</u></p>	<ul style="list-style-type: none"> <li>• Updated policy to provide clarity that the assignment of the agreement will be at the discretion of Council.</li> </ul>



<p>Cost recovery funds are releasable to the agreement holder only once the construction of infrastructure has commenced or a CCC for the infrastructure has been issued.</p>	<ul style="list-style-type: none"> <li>• Updated policy to provide clarity that no funds will be released until such time that the improvements have been constructed or initiated</li> <li>• Administration would hold the funds until construction has commenced or a CCC issued on the infrastructure</li> </ul>
<p>Previously approved subdivision applications or development <del>permits applications will be</del><u>are</u> reviewed by <del>staff the County</del> to determine if they qualify for <del>the Infrastructure Cost Recovery</del>, <u>but Applications</u> must meet all of the following criteria:</p> <p>a- <del>(1) The infrastructure that will be under</del> <u>is under or will be transferred to</u> the jurisdiction of the County; <del>and</del></p> <p>b- <del>(2) Requests for review of this policy in relation to past</del> a previously approved subdivisions or developments <del>application</del> must <u>originate</u> from the agreement holder as defined by this policy; <del>and</del></p> <p>c- <del>(3) the subdivision or development infrastructure</del> has not received a <del>Final Acceptance Certificate (FAC)</del> from the County; <del>and</del></p> <p>d- <del>(4) Development agreements that are older than five (5) years from the date of signing of the development agreement</del> <u>will not be are not</u> considered under this policy; and</p> <p>e- <del>(5)</del> valid construction cost receipts for the installation of the infrastructure are provided.</p> <p>f- <del>(6) The other criteria listed within this policy, and</del></p> <p>g- <del>(7) Applications for re-evaluation under the Infrastructure Cost Recovery Policy will be subject to the hourly transportation research fees outlined in the Master Rates Bylaw.</del></p>	<ul style="list-style-type: none"> <li>• Updated the policy's criteria in assessing the subdivision or development permit application to align with current practices.</li> </ul>

<p>The Infrastructure Cost Recovery Policy will be a forward looking document that <del>requires yearly review and tracking</del> is reviewed every three (3) years to ensure consistency with Council direction.</p>	<ul style="list-style-type: none"> <li>Updated policy to commit to a review process to ensure consistency with Council's direction.</li> </ul>
<p>Definitions added:</p> <ul style="list-style-type: none"> <li>Benefiting Lands</li> <li>Construction Completion Certificate</li> <li>Cost Recovery Agreement</li> <li>County</li> <li>Developer</li> </ul>	<ul style="list-style-type: none"> <li>Updated policy to provide definitions to address the proposed amendments.</li> </ul>

#### **BACKGROUND:**

The Infrastructure Cost Recovery Policy is used in association with subdivision and development approvals for the construction of new infrastructure required to support subdivision or development. At times, this infrastructure may provide benefit to lands other than the land actively being subdivided or developed. These additional lands tend to benefit by means of gaining physical access or connection to the infrastructure and are required to pay their proportionate share of cost of the infrastructure on a per acre basis.

Should Council be supportive of the amendments, the policy will allow for an additional five (5) year extension to all existing Infrastructure Cost Recovery Agreements that are currently active. There are a total of 35 active Agreements that will be impacted by the amendment of this policy.

#### **BUDGET IMPLICATIONS:**

There are no budget implications at this time.

#### **OPTIONS:**

Option #1: THAT Infrastructure Cost Recovery Policy C-406 be amended as per Attachment 'A'.

Option #2: THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"Brock Beach"

"Al Hoggan"

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Acting Executive Director  
Community Development Services

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Chief Administrative Officer



**ATTACHMENTS:**

ATTACHMENT 'A': Proposed Infrastructure Cost Recovery Policy C-406

ATTACHMENT 'B': Amendments to Infrastructure Cost Recovery Policy C-406