



Response to Feedback Received from UDI Bylaw No.0028 (Fees and Charges Bylaw)

Dear UDI Members,

Thank you for taking the time to provide feedback on the Draft Fees and Charges Amendments for the City of West Kelowna, your feedback is greatly appreciated and we wish to continue to work together on development related projects that may arise in the future. The proposed Fees and Charges Amendments represents the collaborative efforts of our diverse City team and members from the development community, which we believe has been essential to the development of this updated Bylaw. Based on the feedback that has been provided in the original referral (2019) and in the referral provided this spring, the City has made some changes based on the suggestions from the UDI. We believe these changes adequately represent the interests of the UDI, while maintaining the intent of the amendments to the bylaw. Please find below the City's response to your questions which we hope will provide clarification on the proposed amendments.

Schedule 2 Building Permit Fees #1 (Application Fees): It states that there will be a non-refundable application fee similar to the previous \$200 and \$500 deposits, but they will no longer be credited on the permit at issuance, with the exception of projects with high permit values. UDI Okanagan suggests that all application fees be refundable, not only those of project with high permit values.

The intent behind no longer crediting the application fee is to ensure that there is a consistent cost recovery throughout the process. By clarifying our permit structure to have a defined application fee and subsequent permit fee, we can more clearly separate the plan check process (application fee) from the inspection process (permit fee). While the permit fees will always partially subsidise the initial review, the process ensures there is an established baseline for cost recovery throughout permit processing. The proposed changes also creates a broader range of applications fees so they are more representative of the cost of the project and associated review. With higher permit value projects we acknowledge that while there is a significant review associated, the permit values are also higher so the crediting process is appropriate.

Schedule 2 Building Permit Fees #3 (Permit Fees): There is an item called 'subsequent re-inspection fee' which is double the previous re-inspection fee to a maximum re-inspection fee of \$1,000. UDI Okanagan does not support the concept of a subsequent re-inspection fee that is larger than the initial inspection fee. This fee should focus on cost recovery and should not be used to penalize an applicant that may need to have a re-inspection.

For clarification we have made changes and will provide an overview here of how this fee would apply. First, clarity has been added to the Bylaw to detail when a re-inspection fee would be applied, i.e. after the 3rd inspection at a cost of \$150. Should an additional inspection be required beyond that (a fourth inspection, a fifth inspection etc.) a flat fee would be charged at \$300 per additional inspection. The intent behind the

\$300 fee is to ensure the City can efficiently manage its staff resources and ensure that builders book inspections once all identified concerns have been addressed. The proposed fee structure is intended to only apply in scenarios where one builder or permit holder is monopolizing an inspectors time instead of progressing through the permitting process.

Schedule 2 Building Permit Fees #4 (Permit Fees): There is an item called ‘Non-standard building permit review or inspections’. UDI Okanagan would like to have a definition of what constitutes a non-standard building permit and suggests that this definition be inserted into the bylaw as well.

The intent of the fee is to allow the Building Department to have a tool to be able to utilize a “non-standard” process. We have added examples and a requirement for Director approval to ensure that this processing is fairly administered and only applied in an agreed upon manner. Examples of when the non-standard building permit review or inspection may be reviewed for application would be for a Section 57 Notice on Title removal, addressing life safety concerns, or where an identified hazard poses imminent concern.


Schedule 2 Building Permit Fees #5 (Permit Fees): There is an item called ‘Permit cancellation or expiry after issuance (construction has not commenced)’ that states that 75% of the cost of the permit fee will be refunded. UDI Okanagan is not in support of this approach since the fee should ultimately be about cost recovery. UDI Okanagan believes that the costs contemplated exceed cost recovery and requests that the City provide some justification for keeping 25% of a permit fee upon cancellation of a project.

The proposed permit fee refund is a means of providing the City with cost recovery for the time required to close-out a permit and as highlighted in the first response acknowledges that the application fee is subsidised by the permit fee (e.g., it takes far more than \$500 worth of staff time to review a building permit with a \$2,000,000 value). In addition, cancellation of a project after issuance not only requires review by Development Services staff, but also coordination with the Finance Department to issue a refund including cheque issuance through the Mayor. The application of a 75% refund is consistent with the City of Kelowna and City of Vernon.

Schedule 3 Subdivision, Development Engineering and Approving Officer Fees #1: The proposed increased engineering fee for developments from 1.8% of onsite works to 3% appears as though it could be excessive. UDI Okanagan requests further justification for this fee increase.

For clarification, the engineering fee for developments is not increasing, this was proposed in the initial review in 2017 and removed based on UDI feedback. Unfortunately, the referral package was not updated to reflect the change. The fees noted in the proposed amendments are the same as the fees that are in the existing West Kelowna Fees and Charges Bylaw.

Schedule 3 Subdivision, Development Engineering and Approving Officer Fees #2: There is an item called ‘Development (excluding asphalt and concrete)’ that includes a 1.8% onsite and/or 3% offsite works charge with a note that the exclusion only applies to the 1.8% of onsite works. UDI Okanagan believes that this should not apply to strata developments and suggests including language within the bylaw to reference this. This relates to a larger issue that UDI Okanagan would like to discuss with the City of West Kelowna at a future liaison committee meeting.



This change is a clarification of the existing bylaw and is not a fee increase. The existing fee in part, off-set's staffing review costs. Without applying the 1.8% on-site civil works fee to strata's (an important contribution to fee collection) other fees would need to increase to make up for the amount of staff time to review strata developments.

Although strata's on-site works are private infrastructure, they are reviewed by the City for compliance with City Bylaws and they can take significant staff resources to evaluate given their large amount of underground works. The percentage-based fee proportionally represents all developments large or small.

Schedule 5 Development Planning Services Fee #1: The Development Variance Permit fees have been separated into two categories (1 to 2 variances, and 3 or more variances) with the intent of limiting the number of variances requested. UDI Okanagan does not support the concept of penalizing applicants for having more than two variants by charging a higher fee once an applicant applies for 3 or more variances. There are various reasons why applicants request variances. It is very specific to each project and also influenced by the current bylaws that are in place. It is not uncommon for 3 or more variances to be requested for a given project. Development Variance Permit fees should be based on recovering costs and not attempting to limit how many variances are requested. For this reason, we recommend charging the same fee per variance regardless of the total amount of variances requested. UDI Okanagan also suggests that the City of West Kelowna undergo a bylaw review in order to help reduce the number of variances needed in applications. UDI Okanagan requests clarification on what the proposed additional fee is if an application reaches 3 or more variants.

For clarification, the DVP fees are not being separated into categories, this was proposed in the initial review in 2017 and removed based on UDI feedback. Unfortunately, the referral package was not updated to reflect the change. The reference being made to the two categories (1 to 2 variances, and 3 or more variances) was included as part of the City's research and is an example of what the City of Penticton is doing. The City of West Kelowna will continue to apply a single permit fee regardless of the number of variances requested in an application.

