

Executive Policy Committee

Meeting of October 19, 2016

MOTION

WHEREAS for more than a decade the City of Winnipeg has reviewed, analyzed, consulted and discussed options to create and implement ways to pay for increasing demands due to growth, without placing complete reliance for funding solely on property tax revenues;

AND WHEREAS during the planning of the 2016 Budget, the City contemplated growth-related fees and through discussion with Winnipeg's local development and homebuilder industry, a one-year delay was determined to be required to study the relationship between growth-related costs in Winnipeg and funds were allocated in the 2016 Budget to conduct this study externally;

AND WHEREAS the results of the study conducted and completed by Hemson Consulting Inc, were published September 1, 2016, concluded that growth in Winnipeg is not funding its fair share of growth related costs;

AND WHEREAS the Winnipeg Public Service presented its report *Implementation of an Impact Fee* to Executive Policy Committee September 21, 2016 at which time the executive Policy Committee laid the matter over for additional consultation with Council and industry stakeholders to be led by the Chair of Property and Development, Heritage and Downtown Development, Councillor Orlikow;

AND WHEREAS meetings with more than 40 stakeholders have been held by the Chair of Property, Development, Heritage and Downtown Development over the past weeks;

AND WHEREAS through consultation and collaboration with industry and Council members, no fees will be applied to building permits for 6 months, a phased-in approach of reduced rates, based on categories, along with developing a process to build-in ongoing, meaningful consultation with industry stakeholders has been determined;

THEREFORE BE IT RESOLVED that the Executive Policy Committee recommend that Council concur with the Implementation of an Impact Fee report of September 21, 2016 (the "Report") subject to the following amendments and Recommendations:

1. That an Impact Fee Working Group be established as per the "Impact Fee Working Group Terms of Reference" to ensure long-term, ongoing collaboration and consultation with industry and community stakeholders which will review market trends, exemption options and provide recommendations to the Ad Hoc Committee on Development Standards and the "Impact Fee Working Group Terms of Reference" (draft attached) be included in the report and attached as Appendix E

2. That the “Phase One: Impact Fee Implementation Plan” (attached) be attached to the report as Appendix D
3. Replacing the recommendations set out in the Report with the following:
 1. *That Council receive the reports prepared by Hemson Consulting Ltd., Review Of Municipal Growth Financing Mechanisms and Determination Of Regulatory Fees To Finance Growth: Technical Report, dated August 31, 2016 (attached as Appendices A and B) as information.*
 2. *That Council enact the Impact Fee By-law (draft attached as Appendix C) which will apply an impact fee effective May 1, 2017, for residential development in New and Emerging Communities as identified in OurWinnipeg and outlined in bold in Appendix D, and that, for the purposes of the Impact Fee By-law, Council establish the following:*
 - (a) that the fee amounts increase on January 1 of each year by the rate of construction inflation for the previous year as determined by the Chief Financial Officer;*
 - (b) an administration fee for refunds in the amount of \$100.00;*
 - (c) an application fee for Director review in the amount of \$100.00; and*
 - (d) an appeal fee in the amount of \$250.00.*
 3. *That Council establish the following as Phase One of the Impact Fee Implementation Plan: effective May1, 2017 as fee amounts per square meter of gross floor space in the following five categories for residential development in New and Emerging Communities as identified in OurWinnipeg and outlined in bold in Appendix D:*
 - (a) Residential: \$54.73 per m2*
 - (b) Office: \$0.00 per m2 -*
 - (c) Commercial: \$0.00 per m2*
 - (d) Industrial: \$0.00 per m2*
 - (e) Public and Institutional: \$0.00 per m2*
 4. *That Council, with recommendations from the Working Group, may consider rates for implementation for the following:*
 - (a) non-residential uses in New and Emerging Communities as identified in OurWinnipeg and outlined in bold in Appendix D no earlier than November1, 2018 – Phase 2*
 - (b) All uses in all other areas of the City no earlier than November 1, 2019- Phase 3*

5. *That Council establish the Impact Fee Reserve Fund as follows:*
 - (a) *All funds generated by the impact fee are to be deposited into the Fund;*
 - (b) *The purposes of the Fund are:*
 - i. *to fund capital projects approved by Council recommended by the Chief Financial Officer with consideration given to the input provided by the Working Group;*
 - ii. *to pay the costs of administering the Impact Fee By-law and Reserve Fund.*
6. *That the Winnipeg Public Service report to Council every 24 months with the results of a review of the impact fee, which must include consideration of recommendations provided by the Working Group and alignment of the impact fee with OurWinnipeg”;*
4. Changing the draft Impact Fee By-law (Appendix C to the Report):
 - (a) To reflect the content of the altered Report recommendations set out above
 - (b) To exempt from application of the fee building or development permits issued within 6 months of receipt of application made prior to May 1, 2017, at the discretion of the Director of Property and Development, where construction begins or conversion takes place by November 1, 2018.
5. That the proper officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.