



May 17, 2017

Mayor & Council
City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

Re: Development Application Fee Increase

Dear Mayor & Council Members –

The Urban Development Institute (UDI) – Capital Region would once again like to thank City staff for involving us in their consultation process and for asking us to comment on their Development Application Fee Increase review. Development fees are impactful on the bottom line of the developer's project financials. It is understood that permit fees have not been increased since 1998, but UDI feels that the increases being proposed are excessive.

The proposed fee increases see development application costs going up by as much as 45% for large projects. Every additional dollar added to the cost of a project, however large the scale, will be passed on to the end user. When considering affordability, which is top of mind in our market at the moment, these increases are significant and will not help in keeping prices down. Further, the amendment to existing legal agreements sees a new fee of \$1000 plus the City's actual legal costs, which is uncapped. UDI would like to suggest that a fixed fee be implemented to avoid further escalating costs. The accumulation of all these increased and new fees will no doubt result in higher costs of projects in Victoria.

UDI questions why there is an expectation that the planning/approvals department operate on a break even basis strictly on account of application fees. The major benefit to the City from new (large) projects is an increase in the tax base, as well as adding to the vibrancy and economic vitality of the city.

Fee increases are inevitable and UDI recognizes that. However, increases need to be implemented in reasonable increments so not to excessively impact the bottom line cost of the developments. Victoria is a desirable place to work, live and be entertained. Healthy amounts of development will only help to create an even more vibrant City. UDI asks that Mayor and Council review these fee changes and impose less aggressive increases.

UDI is working diligently with Victoria City staff to achieve the rate of growth and vibrancy that the city is trying to achieve. We welcome further discussions regarding this important matter.

Kind Regards,

A handwritten signature in dark ink, appearing to read "Kathy H", with a stylized flourish at the end.

Kathy Hogan – Executive Director
(on behalf of the UDI Capital Region Board of Directors)

CC: Rob Bateman
Jonathan Tinney