
To: Mayor and Council
From: Paul Gipps, CAO
Meeting Date: January 14, 2025
Meeting Type: Regular Council Meeting

Prepared by: Reyna Seabrook, Director of Corporate Services
Department: Corporate Services

Title: Subdivision and Development Servicing Amendment (Cash In-Lieu) Bylaw 1262, 2025
Description: Updates to the provision for Cash In-Lieu for the construction of works and services

RECOMMENDATION

THAT Subdivision and Development Servicing Amendment (Cash In-Lieu) Bylaw 1262, 2025 be read a first, second and third time.

DISCUSSION/ANALYSIS

Staff are proposing minor amendments to the Cash in Lieu section of the Subdivision and Development Servicing Bylaw (Schedule T, subsection T.1.4) subsequent to a full review and rewrite of the SDDS bylaw in 2025. The interim amendments will provide clarification and establish clear processes for both staff and applicants related to cash in lieu requirements.

The current language in section T.1.4 sets an absolute dollar value to be paid as cash in lieu (150% of Owner's engineer's fee for design and 125% of design, construction and installation) which may not be practicable in all situations. The updated language delegates authority to the District Engineer to determine the amount of cash in lieu based on sound engineering principles and cost estimates submitted by the Owner's Engineering. It also establishes a maximum dollar value at 125% of design, construction and installation.

The proposed language includes additional regulations for cash in lieu including the requirement to enter into a Subdivision and Development Servicing Agreement, the requirement for funds to be deposited into a reserve and clarification that payment is due before subdivision approval or issuance of a building permit which aligns with the *Local Government Act*.

Existing Language

T.1.4 Cash in Lieu:

- (a) The District Engineer may require the Owner to provide to the District non-refundable cash in lieu of work where works are:
- (i) Required to be constructed or installed under Section B.4 (Building Permit) or B.5 (Subdivision); or
 - (ii) Where works are scheduled to be constructed at a future date pursuant to the Transportation for Tomorrow Plan Development Cost Charge Bylaw or other District Infrastructure master plans; the form of cash in lieu required is as follows:
 - A. 150% of the Owner's Engineer's fee for the design; and
 - B. 125% of the value of the design, construction and installation of the work as estimated and submitted by the Owner's Engineer and approved by the District Engineer. The value of design will be 10% of estimated construction cost.

Proposed Language

T.1.4 Cash-in Lieu

- (a) Notwithstanding Schedule S-Forms, Agreements and Certificates, subsection S.1.3 (See Note) the District Engineer may require an Owner to provide a non-refundable payment in lieu (cash-in lieu) of constructing or installing all, or a portion of, works and services required under the provisions of this bylaw where, as determined by the District Engineer, such works may be undertaken at a future date or concurrently with other works and services in connection with the development of land.
- (b) Cash-in-lieu payments:
 - (i) will be established through a Subdivision and Development Servicing Agreement between the Owner and District;
 - (ii) will be deposited into a reserve fund for the future construction or installation of works and services;
 - (c) are due before the approving officer approves of the subdivision or the building inspector issues the building permit;
 - (d) will not exceed an amount greater than 125% of the costs of design and construction at the time of entering into an agreement, plus any required land acquisition costs.
 - (e) Will be determined by the District Engineer using sound engineering principles and will be based on cost estimates prepared by the Owners Engineer submitted to the District Engineer for acceptance.

Note: Subsection S.1.3 requires all works to be completed by the Owner before a subdivision can be approved or a building permit can be issued. Or the Owner can agree to complete the works within one year by entering into an agreement, providing 125% of the tender value plus 125% of Owner's Engineers fee in security and providing 18 months maintenance of the works. There is no ability in Section S.1.3 to approve a subdivision or issue a building permit where cash in lieu has been provided. As such, a notwithstanding clause has been added to subsection T.1.4.(a) thus allowing approval or a permit, in exchange for cash in lieu. Staff are not recommending any changes to the security provisions in section S.1.3 at this time although all language and provisions will be considered during a comprehensive bylaw review and rewrite earmarked for 2025.

LEGISLATION

Local Government Act section 506 sets out the authority to establish a servicing bylaw establishing the regulation and requirement of works and services for the development of land. Section 506.3 grants authority to require works and services as a condition of building permit or subdivision approval and section 509 authorizes the deposit of a security in exchange for issuance of a permit or approval of a subdivision by way of entering into an agreement that the local government undertake the works.

FINANCIAL IMPLICATIONS

None Budget Previously Approved Other (see below)

ALTERNATE RECOMMENDATION(S)

Respectfully Submitted.

Reyna Seabrook, Director of Corporate Services

Report Approval Details

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| Document Title: | Subdivision and Development Servicing Amendment (Cash In-Lieu) Bylaw 1262, 2025.docx |
| Attachments: | - Attachment A-SDDS Amendment (Cash in Lieu) Bylaw 1262, 2024.pdf |
| Final Approval Date: | Jan 9, 2025 |

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Steven Gubbels, Development Engineering Manager - Jan 8, 2025 - 3:15 PM

No Signature found

Matthew Salmon, Infrastructure & Development Engineering Director - Jan 9, 2025 - 12:56 PM

No Signature found

Brad Savoury, Director of Legal Services and Risk Management - Jan 9, 2025 - 2:00 PM

Paul Gipps, Chief Administrative Officer - Jan 9, 2025 - 2:09 PM