

Clarifying Regulations and Reducing Barriers for Businesses and Special Events

Recommendation

That Administration prepare amendments to Zoning Bylaw 12800 as generally outlined in Attachments 1, 2, and 3 of the June 5, 2018, Urban Form and Corporate Strategic Development report CR_5598, and return to a future City Council Public Hearing.

Executive Summary

This report proposes draft amendments to Zoning Bylaw 12800 to streamline the development permit process for new businesses opening in existing buildings and for minor home based businesses. It also establishes a clear framework for temporary special events to support community activities, businesses, and festivals.

The proposed amendments would remove the requirement for a permit for Change of Use and Minor Home Based Business applications in cases where the proposed use is a permitted use in the land use zone. This will decrease costs for applications and improve timelines. The recommendation considers that these applications have minimal impacts on land use.

The report also examines how best to allow temporary special events across the city, and proposes a new use with accompanying regulations.

Report

Zoning Bylaw 12800 contains the rules and regulations for the development of land. Regulations help to manage impacts of land use. Administration develops regulations that are intended to reduce negative land use impacts without becoming a barrier to development.

Change of use developments are required when the use of a building or site changes, (such as when a retail store opens where a hair salon used to be located) or when the activities of the use intensify, such as adding more seats to a restaurant. Minor home based businesses are businesses that a resident operates in the home that have minimal impacts to neighbouring properties and are seldom detectable from the outside of the property.

Temporary special events can range from a backyard wedding, seasonal garden centre, community event, pop-up store, farmers market, to temporary patios on private property. These events are generally short-term in nature and range from a one-day event to a seasonal event that takes place over a few weeks during the year, or in the case of a seasonal garden centre, a few months of the year.

Despite the minimal land use impacts for many of these activities, there are a range of barriers within Zoning Bylaw 12800 for change of use developments, minor home based businesses, and temporary special events. These barriers can include development permit fees, the cost of preparing detailed site and floor plans, parking justification reports, and the time required to review applications during the development permitting process. Administration proposes to reduce these barriers by exempting the need for development permits for some change of use developments and minor home based businesses, and by developing new regulations and development permit exemptions for temporary special events.

Attachment 1 - Proposed Text Amendments for Change of Use Developments includes background information and the mark-up of the draft text amendments for change of use developments. This includes development permit exemptions for non-residential change of use developments where:

- the use is listed as a permitted use;
- the development will not result in any changes to the exterior of the building or the site; and
- no changes will be made to the amount of floor area of the building, such as the development of additional floor space within the building.

The proposed amendments include a parking requirement exemption for change of use applications for those uses listed in Attachment 1 - Proposed Text Amendments for Change of Use Developments. As highlighted in the attachment, an analysis of recent change of use development permit applications suggests this change will have minimal land use impact compared to current practice, while making the permitting process easier for applicants.

Attachment 2 includes background information and the mark-up of the draft text amendments related to minor home based businesses. This includes development permit exemptions for minor home based businesses where:

- the use is listed as a permitted use; and
- the development complies with the Special Land Use Provisions for Minor Home Based Businesses

As these businesses must still obtain a business licence, Administration will verify compliance with Zoning Bylaw 12800 during the business licence application process.

Attachment 3 includes background information and the mark-up of the draft text amendments for temporary special events. This includes:

- the introduction of a new land use - Special Events - and associated Special Land Use Provisions;
- development permit exemptions for specific events; and
- parking requirement exemptions for special events.

The special event regulations provide a simple and clear framework in Zoning Bylaw 12800 for temporary special events while minimizing impacts to surrounding landowners. Attachment 3 also proposes to make changes to the Flea Market definition and to eliminate the special land use provisions for Flea Markets. These changes will align with changes to Business Licence Bylaw 13138 for public markets (adopted in April 2018) and will streamline development permit applications for these developments.

Conclusion

While change of use developments, minor home based businesses, and temporary events will continue to be subject to regulatory requirements, including business licensing and all permits required under the *Safety Codes Act*, the proposed changes reduce barriers to businesses and events in Edmonton at the development permit stage. Taken together, the proposed amendments can contribute to a more robust economy and a more vibrant city for all Edmontonians.

Budget/Financial

By exempting certain uses from requiring development permits, the City will lose revenue generated by application fees. In 2017, this would have accounted for:

- Nearly \$350,000 of revenue from minor home based business development permits (\$122 per application: 2,841 applications).
- Nearly \$83,000 of revenue from change of use (permitted use) development permit fees (\$271 per application: 306 permitted non residential uses that would be exempt under the proposals).

Although losing revenue, Administration believes these changes will create a net benefit through efficiency gains. Staff resources can be redeployed to more complex development permit applications, which can in turn support faster overall processing times. These changes also advance Edmonton's position as a business friendly city.

Public Engagement

A draft of this report was circulated to external stakeholders on March 9, 2018, for four weeks. External stakeholders circulated to include:

- Edmonton Federation of Community Leagues
- All Community Leagues
- Realtors Association of Edmonton
- National Association for Industrial and Office Parks (NAIOP) Commercial Real Estate Development Association
- Edmonton Economic Development Corporation
- 13 Business Improvement Area Associations
- Edmonton Tourism, Edmonton Economic Development Corporation
- 113 market vendors operating in Edmonton

Comments were received from two organizations noting support for the proposed changes to reduce the barriers for simple change of use applications and small local businesses and events. One community league noted concerns regarding informal non-permitted events in public parks, and issues with noise and enforcement.

Administration also conducted a short survey as part of the April mixed topic Insight Community survey. In this survey, Administration asked three questions related to the proposed changes, to identify support or opposition to the direction of the proposed changes. Overall, 2,238 individuals participated in the survey and the results indicated:

- 63 percent were in support of allowing businesses to make the choice about whether existing parking on a site was enough for their customers
- 71 percent strongly or somewhat supported the removal of development permit requirements for minor home based businesses
- 79 percent strongly or somewhat supported the high level categories and exemptions for special events.

The survey also collected additional written comments from 457 individuals (20 percent of total respondents). For additional information on the results of this survey, please refer to Attachment 4 – Insight Survey Results.

Based on the open ended comments from the Insight Survey, Administration reduced the originally proposed maximum duration for special events exempt from development permits from 5 consecutive days and 10 cumulative days per calendar year, to a maximum of 5 consecutive and cumulative days per calendar year.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton has a resilient financial position			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Effective and efficient service delivery: revenue supports ongoing city operations	Current Planning reserve balance as a percentage of annual operating budget expenditures funded by the Development Services reserve	2017: 10% Projected 2018: 6%	Target*: 75% Minimum: 30%

Corporate Outcome: Edmonton has a globally competitive and entrepreneurial business climate			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Effective and efficient service delivery: City of Edmonton Services do not increase barriers to economic growth.	Number of development permits issued for change of use developments operating in compliance with Zoning Bylaw 12800.	803 (2017)	Decrease
	Number of development permits issued for minor home based businesses operating in compliance with Zoning Bylaw 12800.	2,842 (2017)	0 (2020)

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations

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Customer s/Citizens	Current process of obtaining development permits for businesses is challenging and leads to poor customer service	3 - possible	2 - moderate	6 - low	Proposed update to requirements in Zoning Bylaw 12800 help reduce barriers to new businesses	Further refinement of Zoning Bylaw 12800 to adjust regulatory requirements
Legal/ regulatory	Exempting certain activities and development from requiring development permits could result in some being allowed that may otherwise have been refused	2 - unlikely	2 - moderate	4 - low	Monitor outcomes to identify if any exempted activities or development are creating disruption. Employ other regulatory tools to mitigate impacts.	Further refinement of Zoning Bylaw 12800 to adjust regulatory requirements
Public perception	Change of use or Special Events exempt from development permits leads to on-street parking congestion	3 - possible	1- minor	3 - low	Use other tools for on-street parking management tools	Further refinement of Zoning Bylaw 12800 to adjust regulatory requirements
Public perception	Special Events create disruption for residents	3 - possible	1 - minor	1 - low	Any nuisances associated with Special Events would be of limited duration. Other tools, such as Parkland Bylaw 2202, Community Standards Bylaw 14600 and Traffic Bylaw 5590 can also be employed to address nuisances	Further refinement of Zoning Bylaw 12800 to adjust regulatory requirements

Attachments

1. Proposed Text Amendments for Change of Use Developments

2. Proposed Text Amendments for Minor Home Based Businesses
3. Proposed Text Amendments for Temporary Special Events

Others Reviewing this Report

- R. Kits / S. Padbury, Acting Deputy City Managers, Financial and Corporate Services
- M. Sturgeon, Acting Deputy City Manager, Communications and Engagement
- G. Cebryk, Acting Deputy City Manager, City Operations
- R. G. Klassen, Deputy City Manager, Regional and Economic Development
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