

Re: Administrative Fee Structure for Leases of Water Lots in the  
North Area of the Fraser River opposite Municipally-Owned Properties

On March 17, 1975, Council directed that consideration be given to

1. The feasibility of increasing the administrative fee structure for Municipal consent to leases of water lots by the North Fraser Harbour Commission; and
2. The possibility of instituting a penalty system in cases where applications for renewal of leases takes place after the expiration date of the former lease.

The following formula for the calculation of administrative fees was adopted by Council on October 30, 1972:

1. 20% for a lease costing up to \$500, plus
2. 10% for any cost of lease over the first \$500, plus
3. an amount equal to taxes prorated for the current year if the lessee is not already on the tax roll.

In the interval since 1972, it is estimated that administrative costs have increased by at least 35%.

Using the same basis and applying a 35% increase to the cost, a Lease costing up to \$500 would require payment of \$135 for consent, and on the amount over \$500, the rate of 10% on the amount over would still apply, plus an addition of 35% on the product of 10% applied to the amount over \$500. By way of example, the rate on a leased value of \$1,000 would be as follows:

a) \$500 x 20% = \$100	---	\$100 x 35% = \$35.00	---	\$100 + \$35.00 = \$135.00
b) \$500 x 10% = \$ 50	---	\$ 50 x 35% = \$17.50	---	\$ 50 + \$17.50 = \$ 67.50
Total Administrative Fee				<u>\$202.50</u>

The administrative fee as calculated on the basis on the existing formula would be:

a) \$500 x 20% = \$100
b) \$500 x 10% = \$ 50
Total Admin. Fee <u>\$150</u>

It is understood that the tax requirement which has been previously approved would remain in effect regardless of the change in fee structure.

With regard to late renewal, we recommend that if a renewal application is not made within 15 days of its due date, that the fee for the consent to the waterlot be increased by 50%.

We also suggest that a less complicated procedure be instituted regarding the granting of waterlot consents. Experience shows that there is a considerable amount of staff time expended on this matter for the return derived by the Municipality. For this reason, we are of the opinion that Municipal consent should be granted without having the matter referred to Council, conditional of course, upon an acceptance of the new rate structure by the parties who receive water lot leases from the North Fraser Harbour Commissioners. This procedure would have a contributing effect on the overall reduction of administrative costs, and also, would preclude Council from having to consider individual transactions that involve only nominal sums of money.

**RECOMMENDATIONS:**

1. THAT the Administrative Fee structure for Municipal consent to lease water lots be increased by 35% as outlined in the report; and
2. THAT the Administrative Fee for consent be increased by 50% if a renewal application is not made within 15 days of its due date; and
3. THAT Council authorize the Municipal Manager to grant Municipal consent for the lease of water lots (it being understood that such authorization would be subject to the application of the new rate structure).