

**Corporate  
Services**

Office of the  
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November 20, 2020

**Resolution Number 2020-926**  
**Sent by e-mail**

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**Subject: Update on the Development Services Fee Review**

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I am writing to advise that Regional Council approved the following resolution at its meeting held on November 12, 2020:

**Resolution 2020-926:**

*That the fees review findings as outlined in the report of the Interim Commissioner of Public Works, titled "Update on the Development Services Fee Review", be endorsed;*

*And further, that the proposed phased implementation strategy as outlined in Appendix IX of the subject report be endorsed for consideration as part of the 2021 and 2022 annual budgeting processes;*

*And further, that a copy of the subject report be provided to the local municipalities and the Building Industry and Land Development Association for information.*

A copy of the subject report is report is provided for your information.



Stephanie Jurrius  
Legislative Specialist

Copy: Andrea Warren, Acting Commissioner of Public Works  
Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer  
John Hardcastle, Interim Director of Development Services

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**REPORT TITLE:      Update on the Development Services Fee Review**

**FROM:                      Andrew Farr, Interim Commissioner of Public Works**

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## **RECOMMENDATION**

**That the fees review findings as outlined in the report of the Interim Commissioner of Public Works, titled “Update on the Development Services Fee Review”, be endorsed;**

**And further, that the proposed phased implementation strategy as outlined in Appendix IX of the subject report be endorsed for consideration as part of the 2021 and 2022 annual budgeting processes;**

**And further, that a copy of the subject report be provided to the local municipalities and the Building Industry and Land Development Association for information.**

## **REPORT HIGHLIGHTS**

- In January 2020, staff retained the consulting services of Watson and Associates Economists Limited to conduct a review of all development-related user fees.
- Based on current user fees, the Region of Peel recovers 82 per cent of costs related to the processing of development-related applications. The resulting shortfall of approximately \$1.0 million is currently absorbed by the Region’s property tax base.
- Fee changes are recommended for both Planning and Traffic Development application categories.
- No changes are proposed to Engineering and Site Servicing fees.
- These changes improve the Region’s cost recovery from user fees up to 94 per cent and adhere to the financial principle of “Users Pay Where Appropriate” outlined in the Region’s Long-Term Financial Planning Strategy.
- Staff have also recommended updates to the interim Site Plan application fees, classifications, and criteria that were introduced in 2020.
- A phased implementation of fee changes is proposed to inform the 2021 Regional User Fees By-law as part of the 2021 Budget.

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## **DISCUSSION**

### **1. Background**

#### **a) Context**

In November 2019, Regional Council endorsed a report from the Interim Commissioner of Public Works titled “Development Services Fees Review” directing Development Services staff to undertake a comprehensive review of existing development-related fees, and report back to Council with the results of the study. Current fees related to the review of

## **Update on the Development Services Fee Review**

development applications are set out in the Region of Peel's User Fees and Charges By-law 67-2019 (the By-law).

Fees that were considered within the scope of this review include:

- Planning
- Engineering and Site Servicing
- Traffic Development

Fees collected under the By-law are intended to recover the actual costs of reviewing various development-based applications to ensure Regional interests and infrastructure are protected, in accordance with applicable legislation and standards.

As development trends in Peel continue to evolve, application types are shifting, and the complexity of applications has increased over time. Planning legislation changes and increased development and redevelopment in urban areas are contributing to this shift. Complex development applications require the consideration, evaluation and implementation of new approaches to development review. While these approaches allow the Region and local municipalities to be more agile and collaborative in responding to changing development trends, these are time and resource intensive, in comparison with traditional greenfield development.

The comprehensive fees review will ensure the Regional fee structure is aligned with current processing efforts. Further, it supports the common best practice for municipalities to review fees to address changes in legislation, development process, application characteristics and cost recovery levels. The Region's current development-related fees have remained largely unchanged for more than 10 years, further emphasizing the need for this comprehensive review.

### **b) Fees Review Approach**

In January 2020, the Region retained Watson and Associates Economists Ltd. (Watson) through a competitive procurement process. Watson is recognized as a leader in the field of municipal finance and have conducted Planning and Development application fees reviews for over 45 Ontario municipalities. Watson facilitated a comprehensive review of all development-related fees. An executive summary of the final Watson Report titled "Development Services User Fees Review" is attached as Appendix I and a full copy of the report is available from the Office of the Regional Clerk for viewing.

The objectives of the review included developing an equitable user fee structure that allows for cost recovery from those who directly benefit from the service, known as the "beneficiary pay principle". This objective is well-aligned with the Region's Long-Term Financial Planning Strategy, which establishes the "Users Pay Where Appropriate" principle, whereby users should cover the cost of services provided to them. The Financial Strategy also directs that Regional service outcomes, such as the creation of complete and sustainable communities, should be delivered without placing undue financial pressures on Regional taxpayers.

The Region seeks to achieve appropriate cost recovery through user fees, as there are some review processes that benefit Regional interests, along with the broader community rather than a specific applicant or user. For these processes, seeking full cost recovery through user fees would be inappropriate. The fees review aligns fees with staff processing

## Update on the Development Services Fee Review

effort and enables the determination of whether costs associated with each type of development review should be entirely borne by the applicant. These considerations were incorporated in the fee recommendations outlined in this report and is consistent with the approach of other municipalities in the Greater Toronto and Hamilton Area. For example, York Region recently identified a cost recovery target of 80 per cent for planning applications during their 2019 Fees Review.

A key task in the comprehensive review was to understand the total costs associated with reviewing development submissions. To determine the full costs of services, Watson utilized an activity-based costing (ABC) methodology. The ABC methodology assigns processing effort and associated direct and indirect costs to the application and fee categories. This robust methodology identifies the full costs associated with current processing activities to determine the complete costs, and associated cost recovery of development-related application fees. This methodology allows the Region to establish a framework for establishing fees that is consistent, fair and transparent, through an approach that complies with applicable legislation, industry practices and is reflective of the delivery of Regional services.

## 2. Findings

### a) Annual Cost of Service and Current Revenue

The fees review determined it costs the Region \$5.6 million annually to provide Development application processing and review services. The Region's existing fee structure recovers 82 per cent of the costs attributable to Planning, Engineering and Traffic Development fee categories, resulting in an annual under-recovery of \$1 million.

Table 1 below summarizes the calculated annual processing costs compared with annual revenues, derived from the Region's current fee structure and historical average application volumes.

**Table 1: Existing Cost Recovery of Development-Related User Fees**

Description	Annual Costs	Annual Revenue	Estimated Cost Recovery
<b>Planning Application Fees</b>			
Existing Fees	\$1.2 M	\$1.0 M	84%
Potential New Fees*	\$0.6 M	\$0.0 M**	3%
<b>Subtotal</b>	<b>\$1.8 M</b>	<b>\$1.0 M</b>	<b>56%</b>
<b>Engineering and Site Servicing Fees</b>	<b>\$3.2 M</b>	<b>\$3.2 M</b>	<b>100%</b>
<b>Traffic Development and Permit Fees</b>	<b>\$0.5 M</b>	<b>\$0.3 M</b>	<b>57%</b>
<b>Total</b>	<b>\$5.6 M</b>	<b>\$4.5 M</b>	<b>82%</b>

\*Application categories for which the Region does not currently collect a prescribed fee in accordance with the 2020 Regional User Fee and Charges By-law.

\*\*Actual value is \$19,200

### b) Fee Recommendations

#### i) Planning Fee Recommendations

The Planning Applications category includes existing fee categories defined in the current Regional User Fees and Charges By-law, as well as potential new fee

## Update on the Development Services Fee Review

categories. The potential new fees refer to application types processed by the Region, for which there are no prescribed fees in the current Regional User Fees and Charges By-law.

Recommendations for existing fee categories include moderate increases to the following three fee categories:

- Regional Official Plan Amendments (ROPA)
- Plan of Condominium
- Agreement Review and Execution

Fees for Local Official Plan Amendments are recommended to decrease to better reflect processing efforts, while Plan of Subdivision fees are not proposed to change.

Current fees for Site Plan applications were introduced in the 2020 update to the Regional User Fees and Charges By-law as an interim measure, prior to which no fees were collected for these applications. The interim fees were implemented to address a growing funding gap based on the increasing volume and complexity of Site Plan applications.

Various fee structure options were considered in order to improve cost recovery, along with other factors, such as application affordability and administrative impacts on local municipalities. A graduated flat fee is recommended, with three distinct categories and refined application criteria for each category:

- Full Site Plans (\$3,100 fee)
- Scoped Site Plans (\$1,700 fee)
- Limited Site Plans (no fee)

Limited Site Plans, for which no fee is proposed, are subject to a screening to identify matters of Regional interest. The majority of these applications are screened out, resulting in a small percentage undergoing a review that is scoped specifically to protect identified Regional interests. Significant benefit, particularly with respect to the protection of existing infrastructure, is realized with minimal staff administrative and technical review efforts.

All recommended changes to fees for existing Planning categories are detailed in Table 2 below.

**Table 2: Recommended Fees for Existing Planning Application Categories**

Description	Current Fee	Recommended Fee	% Change
Regional Official Plan Amendment	\$20,000	\$22,100	+ 11%
Local/Area Municipal Official Plan Amendment	\$12,000	\$9,000	- 25%
Plan of Subdivision	\$20,000	\$20,000	0%
Plan of Condominium	\$3,000	\$3,700	+ 23%
Full Site Plan			
- New non-residential or expansions (>500 sq. m)	\$1,000*	\$3,100	+ 210%
- Multi-residential built forms (e.g. townhouses, stacked houses, apartments)			

## Update on the Development Services Fee Review

Description	Current Fee	Recommended Fee	% Change
- 2+ residential units (e.g. townhouses, stacked houses, apartments, single/semi-detached dwellings)			
Scoped Site Plan - New non-residential or expansions (<500 sq.m)	\$500*	\$1,700	+ 240%
Limited Site Plan - Site alterations - Single/semi detached dwellings - Telecommunications towers - Oak Ridges Moraine	\$500*	No charge	- 100%
Agreement Review and Execution	\$2,000	\$2,200	+ 10%

*\*Interim fee introduced in 2020*

Potential new categories were also investigated to determine the full processing costs associated with these Planning application types that currently do not have a fee, and to inform decisions regarding whether a fee should be imposed. Three new fee categories have been proposed:

- Consent
- Zoning By-Law Amendments
- Secondary Plan Amendments

Secondary Plan Amendments are identified as a new sub-category of Local Official Plan Amendments to reflect a lower level of staff effort to process compared to typical Local Official Plan Amendments. In addition to the three new fee categories outlined above, processing efforts were also analyzed for several other potential new fee categories; however, the introduction of fees was not recommended for these categories. Given that these reviews primarily benefit wider Regional interests (rather than just the applicant), it is appropriate that these costs be recovered from the property tax base, rather than from development proponents, in order to ensure an equitable fee structure.

All recommended fees for new Planning application categories are detailed in Table 3 below.

**Table 3: Recommended Fees for New Planning Application Categories**

Description	Current Fee	Recommended Fee	% Change
Consent	-	\$1,400	N/A
Minor Variance	-	No charge	N/A
Zoning By-law Amendment (Stand-alone)	-	\$4,700	N/A
Secondary Plan Amendments* (Stand-alone)	-	\$7,400	N/A
Part Lot Control	-	No charge	N/A
Niagara Escarpment Commission Dev Permits	-	No charge	N/A
Permit to Take Water	-	No charge	N/A
Environmental Compliance Approvals	-	No charge	N/A
Non-Potable Groundwater	-	No charge	N/A

*\*Secondary Plan Amendments are a sub-category of Local Official Plan Amendments (LOPA)*

## Update on the Development Services Fee Review

### ii) Engineering and Site Servicing Fee Recommendations

The Region's existing Engineering and Site Servicing fees approximate full cost recovery levels, as observed in Table 1. As a result, no changes to any engineering or site servicing fees are proposed.

### iii) Traffic Development and Permit Fee Recommendations

Table 4 below outlines recommended increases to Traffic Development fees. The existing fees were established without a fulsome review of the costs of service, and thereby do not accurately reflect current staff effort and resources applied to application review, inspection of works and enforcement of Regional standards. Proposed increases are aligned with current staff processing effort towards increasingly complex and challenging applications arising from infill and intensification in urbanized areas.

Recommended fee increases for road occupancy permits relate only to those permits related to development applications with associated roadworks and requirements. No changes are recommended to fees for road occupancy permits that are associated with standard works or maintenance.

While the engineering and inspection fee is recommended to increase to 10.8 per cent to achieve full cost recovery, the minimum charge will remain at \$1,724.40, which is meant to ease the transition of applicants to the new fee structure.

**Table 4: Recommended Traffic Development Fees**

Description	Current Fee	Recommended Fee	% Change
Site Plan Review/Development Applications/ Engineering & Inspection Fees	7% or minimum charge of \$1,724.40	10.8% or minimum charge of \$1,724.40	+54%
Legal Letters (Access/Servicing Compliance Letters)	\$308	\$1,667	+441%
Temporary Access Fees	\$334	\$1,940	+481%
Road Occupancy Permit (Development Related)	\$450	\$1,509	+235%

### c) Anticipated Cost Recovery

The anticipated cost recovery based on fee changes recommended in this report is detailed in Table 5 below. These figures were determined based on costs of service and revenue generated through a fee structure that is reflective of staff processing efforts, as outlined in the recommended fee changes above.

Through the introduction of new Planning fee categories, the cost recovery of potential new fees would improve to 58 per cent. Recommended fee changes to existing Planning fee categories would improve their cost recovery from 84 to 94 per cent. Overall, the cost recovery of all Planning Application categories would improve from 56 to 82 per cent. Cost recovery for Traffic Development applications would improve to 100 per cent based on full implementation of the recommendations.

## Update on the Development Services Fee Review

In total, implementing the recommended changes would improve the Region's overall cost recovery from 82 to 94 per cent. This reduces the Region's reliance on the property tax base by approximately \$640,000 per year.

**Table 5: Anticipated Cost Recovery of Proposed Development-Related User Fees**

Description	Annual Costs	Annual Revenue (Anticipated)	Estimated Cost Recovery (Anticipated)
<b>Planning Application Fees</b>			
Existing Fees	\$1.2 M	\$1.1 M	94%
Potential New Fees*	\$0.6 M	\$0.3 M	58%
<b>Subtotal</b>	<b>\$1.8 M</b>	<b>\$1.5 M</b>	<b>82%</b>
<b>Engineering and Site Servicing Fees</b>	<b>\$3.2 M</b>	<b>\$3.2 M</b>	<b>100%</b>
<b>Traffic Development and Permit Fees</b>	<b>\$0.5 M</b>	<b>\$0.5 M</b>	<b>100%</b>
<b>Total</b>	<b>\$5.6 M</b>	<b>\$5.2 M</b>	<b>94%</b>

\*Application categories for which the Region does not currently collect a prescribed fee in accordance with the 2020 Regional User Fee By-law.

### d) Fee Recommendations Analysis: Development Impact Scenarios

An important aspect of the fees review is understanding how the proposed fee changes impact the overall costs of a development project and to confirm that there would not be negative impacts to development in Peel. A trusted approach to analyze impacts on development is using samples of development application types and analyzing all the municipal fees these applications would be subject to (i.e. planning, engineering, traffic, building permit and development charges fees). This method is the preferred approach to understanding the relative market position of the proposed fees, rather than a direct comparison of municipal fee schedules. Each municipality's fee schedules have different components, considerations and procedures for processing development applications that make it a challenge to establish direct and objective comparisons.

As part of the impact analysis, five different sample developments (low, medium and high-density residential developments, and small and large non-residential developments) in each of Peel's three local municipalities were examined by Watson.

Overall, it was found that development-related fees make up a small component of the overall expenses of a development project. Further, it was found that the full implementation of the fee recommendations would have a negligible to minor impact on total municipal development costs, increasing overall costs by 0.1 to 0.4 per cent for residential development, and 0.4 to 2.6 per cent for non-residential development.

The analysis also showed that, when compared against other local municipalities, implementing the fee recommendations would not meaningfully change the relative ranking of Peel's local municipalities with respect to total development costs. Details of these scenarios and resulting impacts can be found in Appendices II to VI.



## **Update on the Development Services Fee Review**

### **e) Stakeholder Consultation**

A series of stakeholder consultation sessions were held with planning and development departments from each of the Region's local municipalities in May 2020. In addition, a consultation was held with the Peel Chapter members of the Building Industry and Land Development Association (BILD) on May 19, 2020. The objectives of these meetings were to present the project's initial findings, gather input on the calculated costs and receive feedback on implementation strategies for new and existing fees. All consultation participants were also given the opportunity to provide follow-up written comments to the Region, as needed.

Written feedback was received from the Town of Caledon Economic Development and Tourism division on June 5, 2020, attached in Appendix VII. Industry stakeholders (BILD) sent feedback on June 2, 2020 in the form of written correspondence to Regional Council (attached in Appendix VIII), which was officially received on June 11, 2020.

A follow-up supplementary report was prepared by staff and shared with BILD's Peel Chapter members in September to address feedback and provide requested clarification. A follow up review meeting with BILD members was held on October 9, 2020 to discuss the recommendations of this report. Additional correspondence from BILD is expected ahead of the November 12, 2020 Regional Council meeting.

Regional staff feel the recommendations provide a balance between the feedback received from stakeholders while still maintaining the financial objectives and guiding principles behind the fees review.

## **3. Proposed Direction**

### **a) Phased Implementation Strategy**

In order to achieve desired cost recovery levels, fee change implementation must consider the Region's financial objectives and guiding principles regarding user fees, alongside economic and social context. Primarily, the emergence of the COVID-19 pandemic in the spring of 2020 has had subsequent impacts on many sectors including the development industry, as also noted in BILD's June 2, 2020 correspondence (attached as Appendix VIII). For this reason, it is imperative that the implementation of these recommendations be flexible and responsive so as not to further impede Regional growth and development activity, while also protecting the interests of Regional taxpayers.

As such, a phased implementation strategy (Appendix IX) is proposed as follows:

- Effective upon the passing of the 2021 annual amendments to the Regional User Fees and Charges By-law, any fee reductions should be enacted to their full extent. These changes would be subject to consideration as part of the review of the 2021 fees by-law and 2021 annual budgeting process, any fee reductions should be enacted to their full extent upon the passing of the 2021 amendments to the fees by-law. This includes reductions to LOPA fees, and the implementation of Secondary Plan Amendment fees, which are a subcategory of LOPA fees.

## **Update on the Development Services Fee Review**

- Effective July 1, 2021, 50 per cent of all applicable fee increases should take effect. These changes would also be subject to consideration as part of the review of the 2021 Regional User Fees and Charges By-law and 2021 annual budgeting process.
- Effective upon the passing of the 2022 annual amendments to the Regional User Fees and Charges By-law, all fee recommendations outlined in this report should be fully implemented. These changes would be subject to consideration as part of the review of the 2022 fees by-law and 2022 annual budgeting process.

Delaying the initiation of fee increases until July 2021, and further delaying the full implementation of changes to 2022 helps manage impacts to the development community and provides sufficient time for transition to the new fee structure, while allowing the Region to reduce its reliance on property tax base contributions to the cost of development.

### **b) Next Steps**

Leading practices suggest that fees be reviewed on a regular basis and that an annual mechanism is established to adjust fees commensurate with inflationary rates. Staff recommend that a fulsome follow up review of development related fees be conducted in 2023 to inform the 2024 Regional User Fees and Charges By-law and Budget. Staff will continue to adhere to Regional financial policies and best practices to ensure costs are recovered from the appropriate beneficiary of service.

As part of the Region's ongoing commitment to continuous improvement, staff will continue to plan and implement continuous improvement initiatives that seek to improve customer service and streamline service delivery.

Ongoing and planned initiatives include:

- technology solutions that support electronic plan submission and review
- enhanced development data tracking and workflow processes
- continued implementation of the Streamlining Development Approvals Program, which aims to improve customer service, knowledge, collaboration and partnerships. Five projects have been implemented over the past two years, with an additional nine ongoing projects to be implemented over the next two years

Staff will continue to communicate, consult and coordinate with BILD and local municipalities on these process improvements as they continue to be implemented. Further, some of the activities outlined above could result in cost efficiencies that impact costs of service. Staff will continue to monitor the new fee structure to determine how the new fees are performing and the degree to which cost efficiencies are realized through ongoing improvements. These considerations will be incorporated into adjusted fee recommendations during the fulsome review of fees proposed in 2023. However, in the interim, staff will also continue to review the Region's costs to process development-related applications annually and if changes are required, up or down, will recommend minor changes as part of the annual budget process.

In the interim, staff will also investigate the implications of eliminating or reducing service connection fees for neighbourhood-led projects with community benefits, as directed by Regional Council (as per Council Resolution 2020-716), and report back to Council on this matter in 2022.

## **Update on the Development Services Fee Review**

### **RISK CONSIDERATIONS**

As outlined in this report, current under recovery for development-related applications has a cumulative impact of approximately \$1 million in annual costs that are currently being absorbed by the tax base. Maintaining the current user fee structure will further the Region's reliance on the tax base to subsidize these costs.

There is a simultaneous risk that implementing fee increases may affect the affordability of investing in Peel, thus unintentionally serving as an impediment to development in the Region. However, as found by this review, the proposed fee changes present a negligible to minor impact on the overall costs of development in the Region. Further, the above outlined implementation strategy considers these risks and allows for the pursuit of cost recovery in a reasonable phased manner.

The proposed fee changes reduce the burden on the property tax base and recover service costs, where appropriate from the user, in alignment with the financial principles outlined in the Region's Long-Term Financial Planning Strategy. Throughout the implementation of these recommendations and through any future iterations of the fee review, staff will continue to engage with the building industry and local municipalities, in order to proactively address any concerns that may arise.

Further, as outlined in next steps above, staff will continue to seek out and implement continuous improvement opportunities that will better serve Regional customers, including the development community and local municipalities.

### **FINANCIAL IMPLICATIONS**

The Region's existing fee structure currently recovers approximately 82 per cent of the costs attributable to all development-related fee categories resulting in \$1 million in annual costs absorbed by the tax base.

Staff recommend a phased implementation strategy that allows the development industry sufficient time to transition and prepare for the recommended fee changes. It is proposed that 50 per cent of the proposed fee increases be endorsed and included in the 2021 Regional User Fee and Charges By-law and Budget process to be effective on July 1, 2021, while 100 per cent of the proposed fee changes be endorsed and included in the 2022 Regional User Fee and Charges By-law and Budget process. It is also proposed that the full extent of any fee decreases be endorsed and made effective immediately through the 2021 Regional User Fee and Charges By-law and Budget process.

By implementing the full scope of recommended fee changes by 2022, it is anticipated that cost recovery will improve from 82 per cent to 94 per cent for all three categories of application types. This increase in the proportional recovery of costs translates to a reduction of approximately \$84,000 for 2021 and \$640,000 annually from 2022 onwards in subsidies from the tax base.

## Update on the Development Services Fee Review

### APPENDICES

Appendix I - Development Services Fees Review Final Report (Executive Summary)  
Appendix II - Development Fee Impacts Survey for a Residential Subdivision (Single Detached Units)  
Appendix III - Development Fee Impacts Survey for a Residential Subdivision (Townhouse Units)  
Appendix IV - Development Fee Impacts Survey for a Residential Subdivision (Apartment Units)  
Appendix V - Development Fee Impacts Survey for a Retail Development  
Appendix VI - Development Fee Impacts Survey for an Industrial Development  
Appendix VII - Consultation Comment from Town of Caledon (June 5, 2020)  
Appendix VIII - Correspondence from BILD to Regional Council (June 2, 2020)  
Appendix IX - Proposed Phased Implementation Strategy

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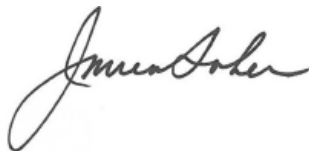
*For further information regarding this report, please contact John Hardcastle, Interim Director, Development Services, Ext. 4418, [john.hardcastle@peelregion.ca](mailto:john.hardcastle@peelregion.ca)*

*Authored By: Sanya Khan, Project Manager, Development Services*

#### ***Reviewed and/or approved in workflow by:***

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.



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J. Baker, Chief Administrative Officer



# Development Services Fees Review

Region of Peel

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## Final Report Executive Summary

September 21, 2020

Watson & Associates Economists Ltd.  
905-272-3600  
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# Executive Summary



## Executive Summary

The Regional Municipality of Peel (Region) retained Watson & Associates Economists Ltd. (Watson) to undertake a review of its Planning Application, Engineering and Site Servicing, and Traffic Development fees. These fee categories are collectively referred to herein as Development-Related User Fees. The objectives of the assignment were to:

- Provide a fee structure that allows for full cost recovery;
- Better position the Region in responding to changing industry needs and maintain or improve current service delivery levels;
- Reflect the emerging mix of application types and complexity of development in the Region;
- Provide a framework to ensure the Region has a consistent, fair, and transparent approach for establishing fees for all development and engineering services in compliance with applicable legislation, leading practices, and delivery of services; and
- Promote equity by recovering the cost of services from those who receive direct benefits from the service.

Municipalities are empowered to charge planning application fees under the authority of Section 69 of the *Planning Act*, 1990. The *Planning Act* allows municipalities to recover the anticipated costs of processing planning applications. The Act is clear that cost/fee justification must be considered by application type, implying that cross subsidization amongst different application types, as defined in the municipality's tariff of fees, is not permitted.

All other Development-Related User Fees considered within the scope of this exercise are governed by Part XII of the *Municipal Act*, 2001. This Act allows a municipality to impose fees or charges for services or activities provided, or done by or on behalf of it; for costs payable by it for services or activities provided, or done by or on behalf of any other municipality or any local board; and for the use of its property, including property under its control. The *Municipal Act* has no explicit requirements for cost justification when establishing fees however, municipalities must have regard for legal precedents and there must be a reasonable nexus between the cost of service and the fee imposed (i.e. the fee cannot be a tax). These fees can be appealed to the courts.



An Activity-Based Costing (A.B.C.) methodology was employed to determine the full costs of service provided by the Region. The A.B.C. methodology attributes processing effort and associated costs from all participating municipal departments to the appropriate application and fee categories. The resource costs attributed to processing activities, and ultimately to these categories, include direct, indirect, and capital costs. Employing this costing methodology provides municipalities with a better recognition of the costs utilized in delivering development review processes, as it acknowledges not only the direct costs of resources deployed but also the indirect support and capital costs required by those resources to enable these services.

The first step in employing the A.B.C. methodology was to determine the costing categories. These categories generally align to the Region's existing development-related user fee schedules, as well as planning applications that the Region processes but currently does not impose a fee for the service. Processing steps for each costing category were developed from existing process maps, the Development Services Procedures Manual, and discussions with Region staff. Staff from across the organization provided effort estimates for each costing category reflecting the average level of effort for each step in the mapped processes. Historical average annual application volumes were applied to the effort estimates to determine the annual level of processing effort by staff position. This processing effort is expressed in terms of the annual capacity utilization for each staff position, across the various fee/costing categories, and in aggregate. This step is also undertaken to confirm the reasonableness of the effort estimates and that the estimated level of effort can be delivered.

Table ES-1 summarizes the annual staff capacity utilized on development application processes by staff in all departments and divisions that were considered within this review. Development Services (D.S.) staff were grouped into the following categories – Director's Office, Planning and Performance, D.S. Planning, Servicing Connections, and D.S. Expert. D.S. Planning staff can be further categorized into planners, subdivision staff, and students. Planning application processing is undertaken by the planners and consumes 71% of their annual available staff capacity. Subdivision staff within D.S. Planning spend approximately 82% of their available capacity on the review of subdivision applications.

Servicing Connections staff dedicate 82% of their capacity on all development applications, including some staff who review the servicing requirements of planning





applications. The majority of Servicing Connections staff time is spent reviewing site servicing submissions.

Reviewing development applications accounts for 63% of the annual staff capacity of Traffic Development and Permitting staff within the Transportation Division. The utilization of all other departments and divisions involved in the review of development applications is summarized in Table ES-1 below.

Table ES-1  
Staff Capacity Utilization by Department

Department/Division	Compliment	Weighted Capacity Utilization (%)
<b>Development Services</b>		
Director's Office	3	43%
Planning & Performance	7	25%
DS Planning	17	75%
Servicing Connections	11	79%
Expert, Development Services	1	85%
<b>Development Services</b>	<b>39</b>	<b>65%</b>
<b>Other Departments/Divisions</b>		
Business Information Services	7	5%
ETS	18	39%
Finance	6	<1%
Housing Policy and Programs	6	<1%
Legal	48	3%
Meter Operations	13	<1%
Operations Wastewater	8	<1%
Operations Water (South Peel)	10	4%
Water Operations (Caledon)	7	2%
Real Estate	20	9%
Traffic Development and Permits	7	63%
Transportation Managers	21	3%
Water and Wastewater Regulatory Compliance	25	2%
Water & Wastewater Program Planning	33	9%
<b>Other Departments/Divisions</b>	<b>249</b>	
<b>Grand Total</b>	<b>288</b>	

Based on the results of the staff resource capacity analysis, the proportionate share of each participating individual's direct costs (e.g. salary, wages, benefits, materials, and supplies) is allocated to the respective costing categories. Consistent with the Region's approach, budgeted indirect costs ("allocation between departments") and capital costs



were allocated to participating departments and/or divisions based on the respective share of the total budget. The costs included in the costing model are taken from the Region's 2020 Budget.

Table ES-2 summarizes the calculated annual processing costs compared with annual revenues, derived from the Region's current fee structure and historical average application volumes and characteristics. Based on the established effort estimates for current processes, the Region spends \$6.5 million annually providing development application processing and review services<sup>1</sup>.

In addition to the development-related user fee revenues, approximately \$910,000 in water and wastewater rate revenue is allocated to fund D.S. review costs for Site Plan and Minor Variance applications. These contributions are provided in recognition of the benefits accruing to water and wastewater services by helping to protect municipal infrastructure from development impacts through the application process. As a portion of these development service costs are funded from these recoveries, the annual costs of processing Site Plan and Minor Variance applications have been reduced proportionately. In total, the net cost of service informing the fee recommendations is \$5.6 million (i.e. service costs of \$6.56 million less water and wastewater rate allocations of \$0.91 million). The Region's existing Development-Related User Fees recovers approximately 82% of these net annual costs.

Table ES-2  
Cost Recovery of Existing Development-Related User Fees

Description	Annual Costs			Total Annual Costs	Water and Wastewater Rate Contribution	Net Cost	Current Fees		
	Salary, Wage & Benefits (SWB)	Non-SWB Direct Costs	Budgeted Indirect & Capital Costs				Annual Revenue	Suplus/ (Deficit)	%
<b>DS-Planning Application Fees</b>									
Existing Fees	1,417,473	107,380	333,654	1,858,508	640,629	1,217,878	1,018,800	(199,078)	84%
Potential New Fee Categories	681,126	44,766	139,431	865,324	269,371	595,953	19,200	(576,753)	3%
<b>Total - DS Planning Application</b>	<b>2,098,600</b>	<b>152,146</b>	<b>473,086</b>	<b>2,723,831</b>	<b>910,000</b>	<b>1,813,831</b>	<b>1,038,000</b>	<b>(775,831)</b>	<b>57%</b>
<b>DS-Engineering and Site Servicing Fees</b>	<b>2,444,617</b>	<b>160,475</b>	<b>644,391</b>	<b>3,249,483</b>	-	<b>3,249,483</b>	<b>3,247,639</b>	<b>(1,844)</b>	<b>100%</b>
Traffic Development & Permits Fees	352,536	39,804	99,370	491,709	-	491,709	278,698	(213,011)	57%
<b>Subtotal</b>	<b>4,895,753</b>	<b>352,424</b>	<b>1,216,846</b>	<b>6,465,024</b>	<b>910,000</b>	<b>5,555,024</b>	<b>4,564,337</b>	<b>(990,686)</b>	<b>82%</b>
ENGINEERING AND SITE SERVICING - Categories Excluded from Fee Recommendations (i.e. assess DS administrative involvement only)	89,287	2,049	7,529	98,864	-	98,864			
<b>Total</b>	<b>4,985,039</b>	<b>354,473</b>	<b>1,224,375</b>	<b>6,563,888</b>	<b>910,000</b>	<b>5,653,888</b>			

Based on the costing results, Regional policy, industry best practices, and municipal competitiveness, the fee recommendations below are provided to improve the Region's cost recovery performance and maintain legislative compliance with the *Planning Act*.

<sup>1</sup> These costs exclude Engineering and Site Servicing administrative fees.



In developing the fee recommendations, the Region consulted with all three area municipalities (City of Brampton, Town of Caledon, and City of Mississauga), as well as development industry stakeholders from the Region's Building Industry Liaison Team (BILT). The stakeholders provided comments on the proposed fee recommendations and implementation strategies.

### Planning Applications

- Regional Official Plan Amendment – increase current fee from \$20,000 to \$22,100, an increase of \$2,100 or 11%;
- Local/Area Municipal Official Plan Amendments – decrease current fee from \$12,000 to \$9,000, a decrease of \$3,000 or 25%;
- Plan of Subdivision – maintain current fee of \$20,000;
- Plan of Condominium – increase current fee by 24% from \$3,000 to \$3,700;
- Agreement Review and Execution – increase current fee from \$2,000 to \$2,200; and
- Introduce new planning application fees for:
  - Consents - \$1,400;
  - Secondary Plan Amendments - \$7,400; and
  - Zoning By-law Amendments - \$4,700.

The full costs of processing Site Plan applications were determined as part of this review. The Region currently imposes fees for major and minor applications based on the criteria of the application<sup>1</sup>. As part of this undertaking, the Region consulted with stakeholders on the current fee structure and proposed changes being considered. A recommended site plan fee structure was developed based on feedback received from stakeholders and other policy considerations. The recommended site plan fee structure includes three categories of site plan applications, i.e. Full Site Plan, Scoped Site Plan, and Limited Site Plan. The following summarizes the characteristics of each fee category and the recommended fee:

- Full Site Plan - \$3,100
  - New non-residential or expansions with floor area greater than 500 square metres
  - Multi-residential built forms (e.g. townhouses, stacked houses, apartments)

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<sup>1</sup> introduced as an interim fee in January 2020.



- Two or more residential units (e.g. townhouses, stacked houses, apartments, single/semi-detached dwellings)
- Scoped Site Plan - \$1,700
  - New non-residential or expansions with floor area less than 500 square metres
- Limited Site Plan – no fee
  - Site alterations
  - Single/Semi detached dwellings
  - Telecommunications towers
  - Oak Ridges Moraine

#### Engineering and Site Servicing

- Engineering and Site Servicing fees are recommended to be maintained at current rates as these are generating full cost recovery.

#### Traffic Development and Permits

- Site Plan Review/Development Applications/ Engineering & Inspection Fees – increase current fees from 7% of the cost of works to 10.8% of the cost of works;
- Legal Letters (Access/Servicing Compliance Letters) – increase current fees from \$308 to \$1,667;
- Temporary Access Fees – increase current fees from \$334 to \$1,940; and
- Road Occupancy Permit - Development Related – increase current fees from \$450 to \$1,500.

The recommended fees, including contributions from water and wastewater services, are anticipated to increase cost recovery to 94%, as summarized in Table ES-3. Based on the recommended fees, the historical mix of application volumes, and typical size characteristics, modelled revenue would increase by approximately 15%, from \$4.6 million to \$5.2 million annually.



Table ES-3  
Cost Recovery of Recommended Fees

Description	Total Annual Costs	Water and Wastewater Rate Contribution	Net Cost	Current Fees			Recommended Fees		
				Annual Revenue	Cost Recovery		Annual Revenue	Cost Recovery	
					Suplus/ (Deficit)	%		Suplus/ (Deficit)	%
<b>DS-Planning Application Fees</b>									
Existing Fees	1,858,508	640,629	1,217,878	1,018,800	(199,078)	84%	1,139,890	(77,988)	94%
Potential New Fee Categories	865,324	269,371	595,953	19,200	(576,753)	3%	328,420	(272,971)	55%
<b>Total - DS Planning Application</b>	<b>2,723,831</b>	<b>910,000</b>	<b>1,813,831</b>	<b>1,038,000</b>	<b>(775,831)</b>	<b>57%</b>	<b>1,468,310</b>	<b>(350,960)</b>	<b>81%</b>
<b>DS-Engineering and Site Servicing Fees</b>	<b>3,249,483</b>	<b>-</b>	<b>3,249,483</b>	<b>3,247,639</b>	<b>(1,844)</b>	<b>100%</b>	<b>3,247,639</b>	<b>(1,844)</b>	<b>100%</b>
<b>Traffic Development &amp; Permits Fees</b>	<b>491,709</b>	<b>-</b>	<b>491,709</b>	<b>278,698</b>	<b>(213,011)</b>	<b>57%</b>	<b>491,709</b>	<b>-</b>	<b>100%</b>
<b>Subtotal</b>	<b>6,465,024</b>	<b>910,000</b>	<b>5,555,024</b>	<b>4,564,337</b>	<b>(990,686)</b>	<b>82%</b>	<b>5,207,658</b>	<b>(352,804)</b>	<b>94%</b>

To understand the impacts of the fee structure recommendations, an impact analysis for sample developments was prepared. The development impact analysis compared development fees for selected Greater Toronto Area (G.T.A.) municipalities, including the Peel Region area municipalities. The development fee comparison considered planning application fees, building permit fees, engineering fees, and development charges.

The development impacts of fee recommendations are similar to those observed in other municipalities undertaking similar fee reviews. Planning and engineering development fees represent a relatively small proportion of the total municipal cost of development, i.e.:

- 2-9% for low-density and high-density residential development;
- 5-16% for medium-density residential development; and
- for non-residential development types, the impacts are larger for smaller developments (6-26%) as compared to larger developments (2-13%) due to fixed application costs and limited economies of scale.

Impacts of implementing the recommended development fees on the total municipal development costs of applicants results in increases of:

- 0.1-0.3% for low-density and high-density residential development;
- 0.3-0.4% for medium-density residential development; and
- 0.4-2.6% for non-residential development (dependent on the size of the development).

Appendix II  
Update on the Development Services Fee Review

Development Fee Impacts Survey for a Residential Subdivision (Single Detached Units)

100 Single Detached Units, \$1,550,000 Cost of Work

Rank	Municipality	Official Plan Amendment	Plan of Subdivision	Zoning By-Law Amendment	Building Permit Fees	Engineering Fees	Development Charges	Total	Planning and Engineering Fees % of Total	% Increase
1	Markham, City of	\$ 96,239	\$ 642,788	\$ 55,575	\$ 324,603	\$ 209,200	\$ 11,508,237	\$ 12,836,643	7.8%	
2	East Gwillimbury, Town of	\$ 66,128	\$ 88,500	\$ 23,687	\$ 290,000	\$ 3,500	\$ 10,364,100	\$ 10,835,915	1.7%	
3	King, Township of	\$ 43,589	\$ 58,093	\$ 13,340	\$ 128,020	\$ 48,500	\$ 10,249,700	\$ 10,541,242	1.6%	
4	Mississauga - Calculated	\$ 47,757	\$ 74,100	\$ 126,675	\$ 322,931	\$ 81,375	\$ 9,874,427	\$ 10,527,265	3.1%	0.1%
5	Mississauga - Current	\$ 45,657	\$ 74,100	\$ 121,975	\$ 322,931	\$ 81,375	\$ 9,874,427	\$ 10,520,465	3.1%	
6	New Market, Town of	\$ 49,946	\$ 125,678	\$ 31,546	\$ 279,081	\$ 89,750	\$ 9,809,000	\$ 10,385,000	2.9%	
7	Brampton - Calculated	\$ 28,753	\$ 96,186	\$ 14,657	\$ 224,268	\$ 81,375	\$ 9,523,212	\$ 9,968,452	2.2%	0.1%
8	Brampton - Current	\$ 26,653	\$ 96,186	\$ 9,957	\$ 224,268	\$ 81,375	\$ 9,523,212	\$ 9,961,652	2.1%	
9	Aurora, Town of	\$ 48,451	\$ 108,430	\$ 21,398	\$ 304,722	\$ 93,500	\$ 9,384,800	\$ 9,961,301	2.7%	
10	Vaughan, City of	\$ 73,241	\$ 139,280	\$ 49,856	\$ 300,448	\$ 108,500	\$ 9,281,400	\$ 9,952,726	3.7%	
11	Whitchurch Stouffville, Town of	\$ 51,673	\$ 104,915	\$ 30,107	\$ 314,000	\$ 56,000	\$ 9,191,100	\$ 9,747,794	2.5%	
12	Richmond Hill, Town of	\$ 74,738	\$ 72,082	\$ 16,715	\$ 296,175	\$ 95,000	\$ 8,857,500	\$ 9,412,210	2.7%	
13	Caledon - Calculated	\$ 39,190	\$ 121,678	\$ 22,129	\$ 234,116	\$ 81,375	\$ 8,840,020	\$ 9,338,507	2.8%	0.1%
14	Caledon - Current	\$ 37,090	\$ 121,678	\$ 17,429	\$ 234,116	\$ 81,375	\$ 8,840,020	\$ 9,331,707	2.8%	
15	Georgina, Town of	\$ 45,605	\$ 71,720	\$ 22,268	\$ 276,000	\$ 84,500	\$ 8,075,900	\$ 8,575,992	2.6%	
16	Oakville, Town of	\$ 35,980	\$ 75,881	\$ 20,406	\$ 318,657	\$ 88,000	\$ 7,532,941	\$ 8,071,866	2.7%	
17	Ajax, Town of	\$ 64,862	\$ 65,272	\$ 26,467	\$ 250,838	\$ 30,500	\$ 6,235,400	\$ 6,673,338	2.8%	
18	Whitby, Town of	\$ 55,053	\$ 129,763	\$ 13,493	\$ 352,474	\$ 30,500	\$ 6,054,300	\$ 6,635,583	3.4%	
19	Oshawa, City of	\$ 35,525	\$ 43,203	\$ 5,286	\$ 256,784	\$ 30,500	\$ 6,070,600	\$ 6,441,898	1.8%	
20	Milton, Town of	\$ 29,699	\$ 85,860	\$ 15,032	\$ 297,661	\$ 88,000	\$ 5,834,431	\$ 6,350,683	3.4%	
21	Halton Hills, Town of	\$ 44,119	\$ 80,596	\$ 56,849	\$ 325,346	\$ 88,000	\$ 5,503,990	\$ 6,098,901	4.4%	
22	Pickering, City of	\$ 65,192	\$ 78,502	\$ 49,877	\$ 250,838	\$ 30,500	\$ 5,259,200	\$ 5,734,108	3.9%	
23	Burlington, City of	\$ 25,495	\$ 121,273	\$ 15,505	\$ 318,657	\$ 88,000	\$ 5,145,431	\$ 5,714,362	4.4%	

Appendix III  
Update on the Development Services Fee Review

Development Fee Impacts Survey for a Residential Subdivision (Townhouse Units)

25 Medium-Density (Townhouse) Units, \$200,000 Cost of Work

Rank	Municipality	Official Plan Amendment	Plan of Subdivision	Zoning By-Law Amendment	Building Permit Fees	Engineering Fees	Development Charges	Total	Planning and Engineering Fees % of Total	% Increase
1	Markham, City of	\$ 96,239	\$ 249,863	\$ 55,575	\$ 60,863	\$ 54,925	\$ 2,300,738	\$ 2,818,203	16.2%	
2	Vaughan, City of	\$ 73,241	\$ 92,180	\$ 30,281	\$ 56,334	\$ 14,000	\$ 2,532,175	\$ 2,798,212	7.5%	
3	East Gwillimbury, Town of	\$ 66,128	\$ 68,504	\$ 23,687	\$ 54,375	\$ 3,500	\$ 2,121,375	\$ 2,337,569	6.9%	
4	King, Township of	\$ 43,589	\$ 48,406	\$ 13,340	\$ 24,004	\$ 8,000	\$ 2,146,075	\$ 2,283,413	5.0%	
5	New Market, Town of	\$ 49,946	\$ 108,067	\$ 31,546	\$ 52,328	\$ 12,125	\$ 1,993,150	\$ 2,247,161	9.0%	
6	Mississauga - Calculated	\$ 47,757	\$ 43,073	\$ 54,975	\$ 60,550	\$ 10,500	\$ 1,997,747	\$ 2,214,602	7.1%	0.3%
7	Mississauga - Current	\$ 45,657	\$ 43,073	\$ 50,275	\$ 60,550	\$ 10,500	\$ 1,997,747	\$ 2,207,802	6.8%	
8	Whitchurch Stouffville, Town of	\$ 51,673	\$ 65,890	\$ 30,107	\$ 58,875	\$ 8,750	\$ 1,878,550	\$ 2,093,844	7.5%	
9	Aurora, Town of	\$ 48,451	\$ 59,155	\$ 21,398	\$ 57,135	\$ 12,500	\$ 1,884,675	\$ 2,083,314	6.8%	
10	Brampton - Calculated	\$ 28,753	\$ 44,286	\$ 14,657	\$ 42,050	\$ 10,500	\$ 1,895,338	\$ 2,035,585	4.8%	0.3%
11	Brampton - Current	\$ 26,653	\$ 44,286	\$ 9,957	\$ 42,050	\$ 10,500	\$ 1,895,338	\$ 2,028,785	4.5%	
12	Richmond Hill, Town of	\$ 74,738	\$ 28,432	\$ 16,715	\$ 55,533	\$ 12,650	\$ 1,794,850	\$ 1,982,918	6.7%	
13	Georgina, Town of	\$ 45,605	\$ 52,055	\$ 22,268	\$ 51,750	\$ 11,600	\$ 1,659,400	\$ 1,842,678	7.1%	
14	Caledon - Calculated	\$ 39,190	\$ 75,253	\$ 22,129	\$ 43,897	\$ 10,500	\$ 1,644,663	\$ 1,835,632	8.0%	0.4%
15	Caledon - Current	\$ 37,090	\$ 75,253	\$ 17,429	\$ 43,897	\$ 10,500	\$ 1,644,663	\$ 1,828,832	7.7%	
16	Oakville, Town of	\$ 35,980	\$ 46,406	\$ 20,406	\$ 59,748	\$ 17,000	\$ 1,394,127	\$ 1,573,668	7.6%	
17	Whitby, Town of	\$ 55,053	\$ 72,030	\$ 13,493	\$ 66,089	\$ 5,500	\$ 1,234,100	\$ 1,446,264	10.1%	
18	Ajax, Town of	\$ 64,862	\$ 34,522	\$ 26,467	\$ 47,032	\$ 5,500	\$ 1,261,400	\$ 1,439,782	9.1%	
19	Oshawa, City of	\$ 35,525	\$ 28,861	\$ 5,286	\$ 48,147	\$ 5,500	\$ 1,238,625	\$ 1,361,944	5.5%	
20	Pickering, City of	\$ 65,192	\$ 48,502	\$ 27,377	\$ 47,032	\$ 5,500	\$ 1,076,000	\$ 1,269,602	11.5%	
21	Milton, Town of	\$ 29,699	\$ 68,910	\$ 15,032	\$ 55,812	\$ 17,000	\$ 1,078,244	\$ 1,264,697	10.3%	
22	Halton Hills, Town of	\$ 36,469	\$ 49,996	\$ 33,899	\$ 61,002	\$ 17,000	\$ 1,010,810	\$ 1,209,177	11.4%	
23	Burlington, City of	\$ 25,495	\$ 66,898	\$ 15,505	\$ 59,748	\$ 17,000	\$ 914,319	\$ 1,098,966	11.4%	

Appendix IV  
Update on the Development Services Fee Review

Development Fee Impacts Survey for a Residential Subdivision (Apartment Units)

100 Apartment Units, \$410,000 Cost of Work

Rank	Municipality	Official Plan Amendment	Plan of Condominium	Site Plan	Zoning By-Law Amendment	Building Permit Fees	Engineering Fees	Development Charges	Total	Planning and Engineering Fees % of Total	% Increase
1	Vaughan, City of	\$ 73,118	\$ 31,701	\$ 68,940	\$ 49,733	\$ 149,249	\$ 72,597	\$ 6,660,950	\$ 7,106,288	4.2%	
2	Markham, City of	\$ 96,239	\$ 48,405	\$ 233,930	\$ 55,575	\$ 134,784	\$ 56,554	\$ 6,173,412	\$ 6,798,899	7.2%	
3	East Gwillimbury, Town of	\$ 66,128	\$ 119,635	\$ 42,637	\$ 23,687	\$ 130,500	\$ 7,700	\$ 5,616,950	\$ 6,007,237	4.3%	
4	Mississauga - Calculated	\$ 47,757	\$ 30,946	\$ 53,686	\$ 126,675	\$ 157,108	\$ 32,880	\$ 5,314,368	\$ 5,763,421	5.1%	0.2%
5	Mississauga - Current	\$ 45,657	\$ 30,246	\$ 51,586	\$ 121,975	\$ 157,108	\$ 28,700	\$ 5,314,368	\$ 5,749,641	4.8%	
6	King, Township of	\$ 43,589	\$ 19,833	\$ 17,268	\$ 13,340	\$ 49,248	\$ 25,700	\$ 5,512,300	\$ 5,681,277	2.1%	
7	New Market, Town of	\$ 49,946	\$ 46,306	\$ 78,985	\$ 31,546	\$ 125,586	\$ 25,700	\$ 5,317,750	\$ 5,675,818	4.1%	
8	Richmond Hill, Town of	\$ 74,738	\$ 370,984	\$ 31,927	\$ 16,715	\$ 174,834	\$ 26,000	\$ 4,856,000	\$ 5,551,198	9.4%	
9	Whitchurch Stouffville, Town of	\$ 51,673	\$ 32,611	\$ 39,782	\$ 30,107	\$ 167,400	\$ 18,200	\$ 5,093,350	\$ 5,433,122	3.2%	
10	Aurora, Town of	\$ 48,451	\$ 36,141	\$ 50,872	\$ 21,398	\$ 128,764	\$ 25,700	\$ 5,102,100	\$ 5,413,426	3.4%	
11	Brampton - Calculated	\$ 28,723	\$ 8,653	\$ 35,853	\$ 14,627	\$ 143,981	\$ 32,880	\$ 4,935,937	\$ 5,200,652	2.3%	0.3%
12	Brampton - Current	\$ 26,623	\$ 7,953	\$ 33,753	\$ 9,927	\$ 143,981	\$ 28,700	\$ 4,935,937	\$ 5,186,872	2.1%	
13	Caledon - Calculated	\$ 39,190	\$ 31,108	\$ 29,446	\$ 22,129	\$ 96,155	\$ 32,880	\$ 4,851,610	\$ 5,102,516	3.0%	0.3%
14	Caledon - Current	\$ 37,090	\$ 30,408	\$ 27,346	\$ 17,429	\$ 96,155	\$ 28,700	\$ 4,851,610	\$ 5,088,736	2.8%	
15	Georgina, Town of	\$ 45,554	\$ 74,464	\$ 41,016	\$ 22,210	\$ 144,000	\$ 23,900	\$ 4,533,850	\$ 4,884,995	4.2%	
16	Oakville, Town of	\$ 35,980	\$ 43,527	\$ 40,418	\$ 36,997	\$ 143,396	\$ 30,100	\$ 3,878,385	\$ 4,208,803	4.4%	
17	Whitby, Town of	\$ 55,006	\$ 56,801	\$ 42,760	\$ 13,446	\$ 158,613	\$ 10,225	\$ 3,126,800	\$ 3,463,651	5.1%	
18	Milton, Town of	\$ 29,699	\$ 16,483	\$ 16,120	\$ 15,032	\$ 133,948	\$ 30,100	\$ 3,184,079	\$ 3,425,461	3.1%	
19	Oshawa, City of	\$ 35,525	\$ 17,530	\$ 38,299	\$ 5,286	\$ 112,877	\$ 10,225	\$ 3,156,750	\$ 3,376,492	3.2%	
20	Halton Hills, Town of	\$ 44,119	\$ 56,467	\$ 44,385	\$ 56,849	\$ 146,071	\$ 30,100	\$ 2,946,013	\$ 3,324,004	7.0%	
21	Ajax, Town of	\$ 64,820	\$ 15,790	\$ 76,940	\$ 26,425	\$ 112,877	\$ 10,225	\$ 2,935,150	\$ 3,242,227	6.0%	
22	Burlington, City of	\$ 25,495	\$ 7,593	\$ 27,044	\$ 69,505	\$ 187,293	\$ 30,100	\$ 2,820,979	\$ 3,168,009	5.0%	
23	Pickering, City of	\$ 65,169	\$ 18,129	\$ 51,529	\$ 49,854	\$ 112,877	\$ 10,225	\$ 2,797,250	\$ 3,105,032	6.3%	



Appendix V  
Update on the Development Services Fee Review

Development Fee Impacts Survey for a Retail Development

1,000 Square Metres, \$275,000 Cost of Work

Rank	Municipality	Site Plan	Zoning By-Law Amendment	Building Permit Fees	Engineering Fees	Development Charges	Total	Planning and Engineering Fees % of Total	% Increase
1	Markham, City of	\$ 35,210	\$ 55,575	\$ 16,400	\$ 43,954	\$ 806,112	\$ 957,251	14.1%	
2	Vaughan, City of	\$ 20,078	\$ 13,648	\$ 16,010	\$ 24,500	\$ 762,203	\$ 836,439	7.0%	
3	New Market, Town of	\$ 63,976	\$ 31,546	\$ 12,700	\$ 16,750	\$ 675,473	\$ 800,445	14.0%	
4	East Gwillimbury, Town of	\$ 18,178	\$ 23,687	\$ 11,840	\$ 1,750	\$ 721,278	\$ 776,733	5.6%	
5	Richmond Hill, Town of	\$ 18,569	\$ 16,715	\$ 17,070	\$ 17,000	\$ 694,163	\$ 763,517	6.8%	
6	King, Township of	\$ 14,343	\$ 13,340	\$ 11,840	\$ 16,750	\$ 703,302	\$ 759,575	5.8%	
7	Whitchurch Stouffville, Town of	\$ 25,059	\$ 30,107	\$ 13,455	\$ 10,500	\$ 675,531	\$ 754,652	8.7%	
8	Aurora, Town of	\$ 20,612	\$ 21,398	\$ 15,400	\$ 16,750	\$ 654,323	\$ 728,483	8.1%	
9	Georgina, Town of	\$ 41,207	\$ 22,382	\$ 13,993	\$ 15,250	\$ 614,713	\$ 707,545	11.1%	
10	Burlington, City of	\$ 9,069	\$ 22,768	\$ 23,850	\$ 22,000	\$ 487,113	\$ 564,800	9.5%	
11	Oakville, Town of	\$ 19,743	\$ 27,492	\$ 23,850	\$ 22,000	\$ 464,533	\$ 557,618	12.4%	
12	Halton Hills, Town of	\$ 21,625	\$ 29,182	\$ 16,580	\$ 22,000	\$ 407,489	\$ 496,876	14.7%	
13	Milton, Town of	\$ 10,045	\$ 16,392	\$ 15,710	\$ 22,000	\$ 423,583	\$ 487,730	9.9%	
14	Mississauga - Calculated	\$ 31,396	\$ 57,274	\$ 17,750	\$ 20,200	\$ 285,449	\$ 412,069	26.4%	1.9%
15	Mississauga - Current	\$ 29,296	\$ 52,574	\$ 17,750	\$ 19,250	\$ 285,449	\$ 404,319	25.0%	
16	Whitby, Town of	\$ 17,536	\$ 27,400	\$ 23,580	\$ 7,188	\$ 316,753	\$ 392,455	13.3%	
17	Oshawa, City of	\$ 6,213	\$ 11,056	\$ 15,990	\$ 7,188	\$ 340,783	\$ 381,229	6.4%	
18	Brampton - Calculated	\$ 7,345	\$ 15,413	\$ 16,650	\$ 20,200	\$ 282,678	\$ 342,285	12.6%	2.3%
19	Ajax, Town of	\$ 9,840	\$ 26,550	\$ 13,000	\$ 7,188	\$ 281,907	\$ 338,484	12.9%	
20	Brampton - Current	\$ 5,245	\$ 10,713	\$ 16,650	\$ 19,250	\$ 282,678	\$ 334,535	10.5%	
21	Caledon - Calculated	\$ 20,612	\$ 22,129	\$ 16,000	\$ 20,200	\$ 222,698	\$ 301,639	20.9%	2.6%
22	Pickering, City of	\$ 12,098	\$ 17,666	\$ 13,750	\$ 7,188	\$ 244,448	\$ 295,149	12.5%	
23	Caledon - Current	\$ 18,512	\$ 17,429	\$ 16,000	\$ 19,250	\$ 222,698	\$ 293,889	18.8%	

Appendix VI  
Update on the Development Services Fee Review

Development Fee Impacts Survey for an Industrial Development

10,000 Square Metres, \$400,000 Cost of Work

Rank	Municipality	Site Plan	Zoning By-Law Amendment	Building Permit Fees	Engineering Fees	Development Charges	Total	Planning and Engineering Fees % of Total	% Increase
1	Markham, City of	\$ 130,430	\$ 55,575	\$ 134,100	\$ 55,854	\$ 4,223,120	\$ 4,599,079	5.3%	
2	Vaughan, City of	\$ 20,197	\$ 19,228	\$ 111,700	\$ 80,500	\$ 4,150,832	\$ 4,382,456	2.7%	
3	King, Township of	\$ 18,393	\$ 13,340	\$ 118,400	\$ 25,000	\$ 3,561,818	\$ 3,736,951	1.5%	
4	New Market, Town of	\$ 140,226	\$ 31,546	\$ 103,100	\$ 25,000	\$ 3,283,532	\$ 3,583,404	5.5%	
5	Whitchurch Stouffville, Town of	\$ 43,059	\$ 30,107	\$ 122,708	\$ 17,500	\$ 3,284,109	\$ 3,497,484	2.6%	
6	Richmond Hill, Town of	\$ 18,569	\$ 16,715	\$ 156,300	\$ 25,300	\$ 3,230,832	\$ 3,447,716	1.8%	
7	East Gwillimbury, Town of	\$ 34,648	\$ 23,687	\$ 102,257	\$ 7,000	\$ 3,123,727	\$ 3,291,319	2.0%	
8	Aurora, Town of	\$ 31,902	\$ 21,398	\$ 103,000	\$ 25,000	\$ 3,072,032	\$ 3,253,332	2.4%	
9	Mississauga - Calculated	\$ 53,222	\$ 71,904	\$ 132,700	\$ 31,800	\$ 2,617,888	\$ 2,907,514	5.4%	0.4%
10	Mississauga - Current	\$ 51,122	\$ 67,204	\$ 132,700	\$ 28,000	\$ 2,617,888	\$ 2,896,914	5.1%	
11	Georgina, Town of	\$ 41,207	\$ 22,382	\$ 115,174	\$ 23,200	\$ 2,675,932	\$ 2,877,894	3.0%	
12	Brampton - Calculated	\$ 7,345	\$ 21,655	\$ 114,900	\$ 31,800	\$ 2,230,875	\$ 2,406,575	2.5%	0.4%
13	Oakville, Town of	\$ 78,243	\$ 33,072	\$ 161,800	\$ 29,500	\$ 2,093,388	\$ 2,396,004	5.9%	
14	Brampton - Current	\$ 5,245	\$ 16,955	\$ 114,900	\$ 28,000	\$ 2,230,875	\$ 2,395,975	2.1%	
15	Caledon - Calculated	\$ 31,412	\$ 22,129	\$ 72,740	\$ 31,800	\$ 2,211,475	\$ 2,369,556	3.6%	0.4%
16	Caledon - Current	\$ 29,312	\$ 17,429	\$ 72,740	\$ 28,000	\$ 2,211,475	\$ 2,358,956	3.2%	
17	Ajax, Town of	\$ 17,940	\$ 26,550	\$ 90,000	\$ 10,000	\$ 1,855,696	\$ 2,000,186	2.7%	
18	Whitby, Town of	\$ 61,276	\$ 27,400	\$ 147,600	\$ 10,000	\$ 1,693,857	\$ 1,940,132	5.1%	
19	Burlington, City of	\$ 21,669	\$ 32,218	\$ 110,177	\$ 29,500	\$ 1,654,988	\$ 1,848,553	4.5%	
20	Pickering, City of	\$ 39,098	\$ 19,853	\$ 102,500	\$ 10,000	\$ 1,481,113	\$ 1,652,563	4.2%	
21	Milton, Town of	\$ 10,045	\$ 28,632	\$ 112,300	\$ 29,500	\$ 1,235,288	\$ 1,415,766	4.8%	
22	Halton Hills, Town of	\$ 43,535	\$ 101,474	\$ 107,920	\$ 29,500	\$ 1,073,021	\$ 1,355,451	12.9%	
23	Oshawa, City of	\$ 6,213	\$ 11,056	\$ 134,100	\$ 10,000	\$ 1,128,057	\$ 1,289,426	2.1%	

# Memo

Date: June 5, 2020

To: Sanya Khan, Project Manager, Strategic Initiatives – Region of Peel

From: Ben Roberts, Manager of Business Development, Tourism & Culture – Strategic Initiatives

Subject: **Region of Peel – Development Services Fees Review – Consultation Comment from Town of Caledon Economic Development & Tourism Office**

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Thank you for the opportunity to provide comment on the Region of Peel, Development Services Fees Review.

In addition to the comment provided in the Consultation meeting on May 19, 2020, I have provided additional detail with reference to our Economic Development Strategy and actions related to having business charges and fees that are competitive with competing jurisdictions.

## **A Common Goal – Investment Attraction and Assessment Growth**

Good economic development planning seeks to enhance competitiveness. The ability of a city or region to compete with other cities or regions for investment, talent, and market share.

Economic development competitiveness in a globally oriented economy however is less about the individual community and more about the combined economic strength of regions or metropolitan areas, and the clusters of organizations and businesses that support that growth. Central to this are themes of collaboration and partnership. It is in this lens that we look to the Region of Peel to assist in our goals of being competitive with other jurisdictions.

## **Caledon Economic Development Strategy – Advocating for Competitive Fees**

On April 28, 2020 Caledon Council adopted *Caledon 2020-2030: An Economic Development Strategy for the Town of Caledon*.

Within Caledon's Economic Development Strategy, it directs Economic Development staff to advocate for an attractive business environment.

In Priority IV: Enhance Investment Readiness, our objective is to:



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- **Provide the structure and policies to effectively target investment attraction and diversification of the local economy**

Further under that objective, Action 4.5 states:

- **Ensure that business taxes, development charges, imposed fees and related costs of expansion remain competitive and are marketed effectively.**

Provided the objective and action approved by Caledon Council, Town of Caledon Economic Development strongly request that fees remain competitive within the within the Greater Toronto Area.

It is recognized the need for cost recovery and for the Region to be accountable to the taxpayer however the analysis must also recognize the cost and impact on lost investment. If municipal government does not provide a business environment that supports investment, that investment goes elsewhere. This experience is then communicated to other businesses and developers and it erodes the reputation for the Region as a place to do business. Region of Peel, City of Mississauga, City of Brampton and Town of Caledon need to be known in the development community as a place that understands business and provides a supportive environment for investment.

### **Cost of Doing Business**

From the information we have received there was no analysis on the impact that increased fees would have on business owners or developers. The Municipal and Regional governments require development charges, cash in lieu of parkland, site plan fees, servicing fees, water and sanitary infrastructure, road widening, building permit fees and the costs associated with the list of studies and plans for approval of their planning applications. The costs have grown exponentially and recently have led to extreme financial strain on several Caledon businesses. At this time support is needed to help business grow and not add to their burden.

### **Creating an Environment for Business Growth**

In relation to the large office study that Region of Peel has been working on, this is an example of how the Region must be competitive. Industrial development activity has been increasing in recent years across the GTA, with an increased focus along the Highway 401 corridor in Mississauga, Brampton and Milton, and in the Highway 400/407 area of Vaughan. Similar trends have been seen in office development as well. The emergence of new office nodes such as Vaughan Metropolitan Centre, Downtown Markham, and Midtown Oakville, place increased competitive pressure on office attraction. It is essential that Mississauga, Brampton and Caledon can be viewed as an attractive location to do business. Our fees and services for businesses must demonstrate that we are the best location for investment, development and growth.



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BUILDING A GREATER GTA  
Building Industry and Land  
Development Association

June 2, 2020

Chair Iannicca and Members of Council  
10 Peel Centre Drive, Suite A and B  
Brampton, ON  
L6T 4B9

Dear Chair Iannicca and Members of Council,

RE: Peel Region Development Services Fee Review

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*In Peel region, the building and renovation industry provides over 4.9 billion in investment value and employs over 39,000 people<sup>1</sup>. As a simple rule of thumb one crane in the sky is equal to 500 jobs. With approximately 1,500 member companies, BILD is the voice of the home building, land development and professional renovation industry in the Greater Toronto Area and Simcoe County. Residential Construction is a key economic driver to every community in Canada.*

On behalf of the Building Industry and Land Development Association (BILD) Peel Chapter members, we would like to take this opportunity to thank Staff for participating in our May 19<sup>th</sup> Peel Chapter meeting. Their attendance provided our members with the opportunity to hear from Peel Staff and discuss the Region's Development Services fee review, which we understand will be brought forward to Council for approval in June 2020.

Our Association and the Region of Peel have maintained a strong working relationship and we recognize the work involved to undertake this review. We also appreciate this relationship and the subsequent consultation on this item. With that said, from the time of March 18<sup>th</sup> – when the Region declared the state of emergency – and extending beyond today's date, the reality of our circumstances as we navigate the unknown but significant effects of COVID-19 has required us all to make adjustments.

**We respectfully ask that Council defer the review the Development Services fees until this period of disruption due to COVID-19 has passed.**

We believe an approach like we have seen in Ontario Regulation 131/20(which resulted in all municipal noise by-laws across Ontario being suspended for the next 18 months) is an example of an effective measure that takes a realistic disruption timeframe into account.

Furthermore, on behalf of the Building Industry and Land Development Association (BILD) and its Peel Chapter members, we submit the following additional comments to you in regards to the Region's Development Services fee review. We believe these items require further dialogue between stakeholders and the Region, and with that, we welcome those conversations.

### **Fee Cap/Cost Recovery**

The Planning Act allows municipalities to charge fees based upon the anticipated costs to process the application. BILD therefore believes that the Region's anticipated cost to process or review an application should not surpass the cost of completing the work by the applicant's consultant. Further, BILD would

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<sup>1</sup> Based on 2018 Canadian Mortgage and Housing Corporation and Statistics Canada data

recommend the addition of a capped rate for any fees being charged at a percentage, specifically the fees related to traffic development inspections.

There is an inherent redundancy of costs between the Region and its local area municipalities that should be acknowledged through both the implementation of these fees, and through the anticipated staff time being allocated to these items.

### **Level of Service**

In recognition of the Region's fee recommendations intended to recover the full cost of service, BILD would like to receive further information on the Region's consideration of staff time as a benefit to existing residents. We would like to better understand the consideration of items such as resident inquiries that are not related to a development application, as well as the peripheral relationship of Regional Staff monitoring overall development as a benefit to existing residents and their interests.

In principle, the industry believes that growth must pay for growth, and in turn we also firmly believe that any increase in application fees should be commensurate with the level of service standards and accompanied by a clear rationale. In review of the York Region 2020 fees, our membership requested additional disclosure materials related to staffing and further analysis outlining the methodology of the review. We believe these additional materials and transparency proved commensurate levels of service to the industry. As a result, BILD was able to submit a positive letter to Council.

BILD firmly believes that any increase in fees must always be met with demonstrated improvements to levels of service received by the applicant. BILD would like to ensure that performance measures are implemented with this fee review, and that they involve adherence to timelines and other matters. As it stands today, there have been many changes made to the way applications and permits are being processed to prioritize safety during COVID-19. We believe these changes have translated into a number of streamlining initiatives which have positively impacted performance measures and should therefore reduce the amount of time Staff will require to administer and review files. It is unclear if these impacts have been accounted for in the background study and this furthers our position in requesting a deferral.

As your community building partners, we look forward to a continued positive and transparent working relationship in the years to come. We trust you will find our comments helpful and should you have any questions please do not hesitate to contact the undersigned.

Stay safe and healthy,



Jennifer Jaruczek  
Planner, Policy and Advocacy BILD

CC: Gavin Bailey, BILD Peel Chapter Co-Chair  
Katy Schofield, BILD Peel Chapter Co-Chair  
John Hardcastle, Peel Region  
Joe Vieira, Peel Region

Appendix IX  
Update on the Development Services Fee Review

**Proposed Phased Implementation Strategy**

Description	Current Fee	July 1, 2021 (50% change)*	2022 (100% change)
<b>PLANNING APPLICATION FEES</b>			
<i>Existing Fees</i>			
Regional Official Plan Amendment	\$20,000	\$21,050	\$22,100
Local/Area Municipal Official Plan Amendment	\$12,000	\$9,000**	\$9,000
Plan of Subdivision	\$20,000	\$20,000	\$20,000
Plan of Condominium	\$3,000	\$3,350	\$3,700
Full Site Plan (Prior to Agreement) - New non-residential or expansions (>500 sq. m) - Multi-residential built forms (e.g. townhouses, stacked houses, apartments) - 2+ residential units (e.g. townhouses, stacked houses, apartments, single/semi-detached dwellings)	\$1,000 (2020 interim fee)	\$2,050	\$3,100
Scoped Site Plan (Prior to Agreement) - New non-residential or expansions (<500 sq.m)	\$500 (2020 interim fee)	\$1,100	\$1,700
Limited Site Plan (Prior to Agreement) - Site alterations - Single/semi detached dwellings - Telecommunications towers - Oak Ridges Moraine	\$500 (2020 interim fee)	No charge	No charge
Agreement Review and Execution	\$2,000	\$2,100	\$2,200
<b>Potential New Fees</b>			
Consent	-	\$700	\$1,400
Minor Variance	-	No charge	No charge
Zoning By-law Amendment	-	\$2,350	\$4,700
Secondary Plan Amendments	-	\$7,400**	\$7,400
Part Lot Control	-	No charge	No charge
Niagara Escarpment Commission Dev Permits	-	No charge	No charge
Permit to Take Water	-	No charge	No charge
Environmental Compliance Approvals	-	No charge	No charge
Non-Potable Groundwater	-	No charge	No charge
<b>TRAFFIC DEVELOPMENT FEES</b>			
Site Plan Review/Development Applications/ Engineering & Inspection Fees	7% or minimum charge of \$1,724.40	8.91% or minimum charge of \$1,724.40	10.8% or minimum charge of \$1,724.40
Legal Letters (Access/Service Compliance Letters)	\$308	\$988	\$1,667
Temporary Access Fees	\$334	\$1,137	\$1,940
Road Occupancy Permit- Development/Construction Related	\$450	\$980	\$1,509

\*50% of all applicable proposed fee increases are proposed for July 1, 2021, fee reductions are proposed to be enacted upon the passing of the 2021 annual amendments to the Regional User Fees and Charges By-law

\*\*Proposed to be enacted upon the passing of the 2021 annual amendments to the Regional User Fees and Charges By-law