

**Date:** 2023-05-02

**Subject:** **Information Report - Response to Delegation by Solmar/Hampton**

**Secondary Title:** Applicant Request to Reduce the Zoning By-law Application Fee for 241 Queen Street East (Solmar/Hampton)

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**Report Number:** Planning, Bld & Growth Mgt-2023-415

**Recommendations:**

1. **THAT** the report titled “Information Report - Response to Delegation by Solmar/Hampton” to April 26, 2023 Committee of Council meeting – Applicant Request to Reduce the Zoning By-law Application Fee for 241 Queen Street East (Solmar/Hampton)” Report # PBGM-2023-415, be received for information.

**Overview:**

- **A delegation was made by Mauro Peverini, Vice President, Planning and Land Development, Solmar Development Corporation at the April 26, 2023 Committee of Council meeting.**
- **The delegation requested a reduction of the development application fees associated with the application to amend the Zoning By-law by Hampton Development Corp. (associated with Solmar Development Corp.) to permit the redevelopment of their site at 241 Queen Street East.**
- **Council referred this matter back to staff to provide additional information at the May 17 Council meeting.**
- **This report contains additional information to inform Council’s decision and direction on the applicant’s request.**

**Background:**

The applicant (Solmar/Hampton) filed a Zoning By-law Amendment (ZBA) application for lands located at 241 Queen Street East to facilitate a proposed development consisting of four mixed-use apartment buildings, approximately 48 storeys each, with a total of 1,586 residential units, ground floor retail, a daycare, and a 4-storey office building. The development also includes lands to be dedicated to the City for two new planned public roads. The application was submitted with relevant studies through BramPlan Online on April 6, 2023, and is currently undergoing the Completeness Review. This effort helps to facilitate some processing of the application, despite not receiving the required fees. Staff have made efforts to meet with the applicant on several occasions to discuss the City’s fee structure and by-law relative to the development proposal.

In accordance with the City of Brampton’s “Tariff of Fees By-law with Respect to Planning and Other Municipal Applications By-law 85-96” (Fees By-law), the applicant was advised that, as per Schedule A of the By-law, the required Application Review Fee would be \$646,587.53.

The breakdown of that fee is as follows:

<b>Base Fee</b>	<b>Per Unit Fee</b>	<b>Commercial GFA Fee</b>	<b>Proposal Sign Fee</b>	<b>Total Fee</b>
\$21,922	For the first 25 units - \$731 per unit 26 to 100 units - \$585 per unit 101 to 200 units - \$444 per unit 201 units and above - \$368 per unit  Total per unit fee: \$615,012	\$8,199.53	\$1,454.00	<b>\$646,587.53</b>

The applicant, as outlined in their written delegation (Appendix A) believes the application fee is unreasonable and is requesting that Council consider, as permitted by Section 69 of the Planning Act, a Reduction or Waiver of Fees for reasons outlined in their delegation. The City’s Fees By-law (By-law 85-96, as amended by By-law 28-2023) does not contemplate or provide a mechanism for fee reduction or waivers.

The purpose of this Information Report is to provide Council with additional information to inform any decision associated with the applicant’s request.

**Current Situation:**

Planning Context

The applicant outlines in their delegation that the principal land use and density for 241 Queen Street East is already established and designated in the City’s current Official Plan, and in the Draft Brampton Plan for intensification. The applicant notes the City is

required to bring its Zoning By-law into conformity with the Official Plan within one year of the Official Plan's approval by the province. Until such time that this work is completed, the applicant is required to submit a Zoning By-law Amendment and associated fees as prescribed by the Fees By-law.

The applicant has been advised that the City's Integrated City Planning division is currently working on the land use policy permissions for Major Transit Station Areas (MTSAs), including the MTSA at the intersection of Kennedy Road and Queen St. E. where the subject lands are located. All MTSAs will generally be planned for higher density developments such as the development proposed by Solmar. A City initiated rezoning of this MTSA area, and the subject site, is anticipated to be completed by November 2024, following completion of land use plans in 2023.

### 2023 Brampton Application Fee Increase

The City's Fees By-law was increased by 25% by Council in February 2023 (report PBGM-2023-043). Prior to advancing that report for Council's consideration, staff circulated the report to members of BILD (Building Industry and Land Development Association) for their review and consideration. Staff held a meeting with BILD in December 2022 to understand their concerns and collect their feedback.

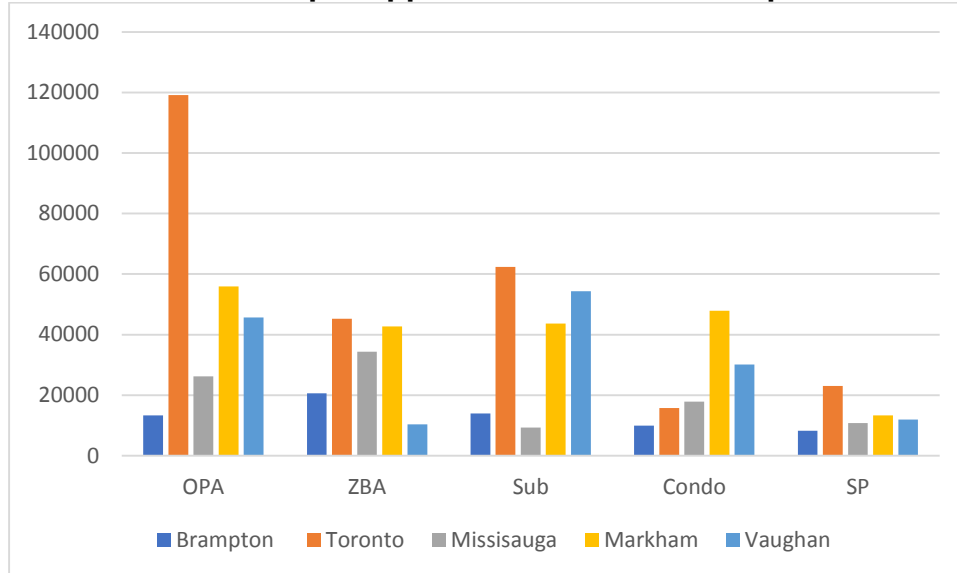
Key drivers in association with the City's fee increase identified that Brampton was experiencing significant growth in both the volume and complexity of development applications. Additionally, recent provincial legislation (Bill 109 and Bill 23) are creating financial and service delivery pressures that need to be appropriately managed to minimize financial exposure to ensure true costs of service delivery are realized.

### Municipal Cost Comparisons

Within their delegation, the applicant notes a similar application in the Cities of Vaughan and Mississauga would be charged a lower application fee than the City of Brampton is charging.

As was highlighted in staff's February 2023 Fee Increase report, as well as the City's Internal Audit Report CAOO-2023-180, Brampton's planning application **base fees** are amongst the lowest of comparator municipalities in the GTA as seen in Table 1 below:

**Table 1: Municipal Application Base Fee Comparisons**



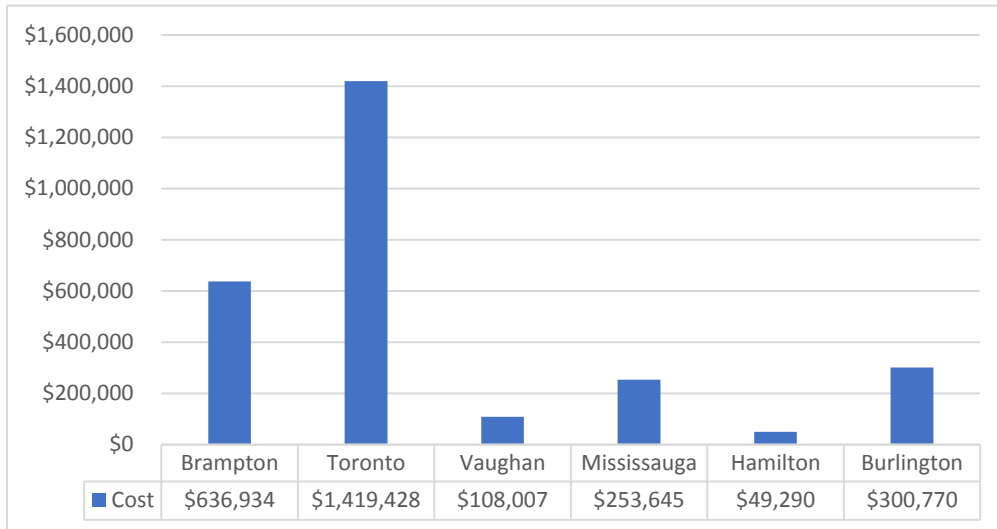
Source: Municipal Fee By-laws, 2023

Also indicated in the City’s Internal Audit Report is commentary on the **‘per unit’ fee** assessment. Per unit fee comparisons have not been considered in the Audit review due to the high degree of variability in how comparator municipalities charge for units. Some cities, like Brampton, use a sliding ‘per unit’ scale, while others utilize a charge based on gross floor area (GFA), or a combination of the two.

Appendix A shows the variation of fees and base fee/unit fee comparison between Brampton, Vaughan, Mississauga, Toronto, Hamilton and Burlington, and details the fee comparison between each municipality relative on the applicant’s proposal. However, it does not demonstrate the degree to which the application fees offsets the total cost to each of the municipalities to complete the work, and the degree to which the application fee review is subsidized by the tax base. In this regard, different municipalities may charge more to accommodate their higher costs, which could result from higher customer service levels and faster processing.

Table 2 below demonstrates the application cost for Brampton, Vaughan, Mississauga, Toronto, Hamilton and Burlington for a Zoning By-law Amendment at the magnitude proposed by the applicant:

**Table 2: Application Costing - Zoning By-law**



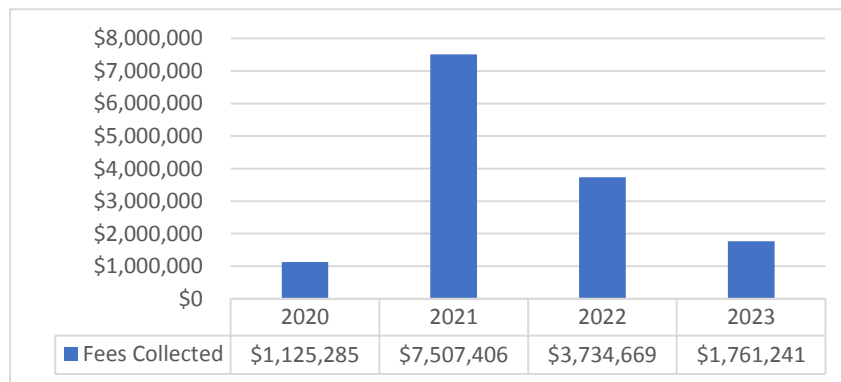
Source: Municipal Fee By-laws, 2023

**Potential Revenue Impacts of Fee Waivers in Major Transit Station Areas (MTSA's)**

The City currently has 21 Pre-Consultation applications proposing Zoning By-law Amendment applications in MTSA's across the City. Should Council determine that application fee waivers are appropriate in MTSA's, the City could, based on the active Pre-Consultation information, see a revenue reduction of up to \$7.5 million dollars, depending on the form and degree of reduction.

Since 2020, over 100 planning applications (Official Plan, Zoning By-law and Subdivision) have been processed in the City's MTSA's, generating over \$14M in application fee revenues:

**Table 3: Application Revenue in MTSA's, 2020 – Present**



Any decision to reduce or waive Development Application Fees will impact the revenue collected and may result in a deficit to the Development Services & Design Division's operating budget and shift the cost to the tax base.

### Next Steps – Comprehensive Fee Review

The applicant has been advised that the City's per unit fees will be fully assessed through our forthcoming Comprehensive Development Application Fee Review (Fee Review) which is to be conducted later this year.

The Fee Review is being undertaken as per the direction received from Council to evaluate the feasibility of raising the development services user fees, to help ensure the rates charged are comparable with neighboring municipalities, and to improve cost recovery ratio and reduce the burden on the tax base. Findings from the City's Internal Audit Report noted that the 2022 user fees do not recover the direct costs incurred by various divisions and that the Development Services & Design Division is potentially losing \$2.3 million in user fee revenue.

The Development Application Fee Review will consider an appropriate fee structure that moves the City towards full-cost realization, reduces financial burden on the tax base, and mitigates potential revenue loss resulting from recent legislative changes. That review will evaluate the fees associated with development applications, including per unit and GFA fees, and withdrawal/resubmission fees.

The City will be releasing a Request for Proposal (RFP) for a consultant to assist with this work. This RFP is scheduled to be released in the summer of 2023 with tentative dates of key milestones noted below:

- October 2023 – Comprehensive Financial Analysis and Benchmarking Report
- November 2023 – Work Plan for Implementing New Fee Structure
- January 2024 – Presentation to Council
- Spring 2024 – Implementation of New Fee Structure

### **Corporate Implications:**

#### Financial Implications:

Any decision to reduce or waive Development Application Fees will impact the revenue collected and may result in a deficit to the Development Services operating budget and shift the cost to the tax base.

### **Term of Council Priorities:**

This report aligns with the 2019-2022 Term of Council Priorities "A Well-Run City" priority providing good stewardship of City resources by mitigating impacts on City revenues.

**Conclusion:**

As the applicant noted in their delegation, the Planning Act, Section 69, gives Council the authority to reduce or waive application fees. Following consideration of this information, if Council would like any reduction or waiver of the development application fees applied to the development by Solmar/Hampton Development Corp., a motion would be required to direct staff in this regard.

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**Attachments:**

Appendix A: Base and Unit Fee Cost Comparison