

**COMMITTEE OF THE WHOLE (2) – APRIL 18, 2023****COMMUNICATIONS**

| <b><u>Distributed April 14, 2023</u></b> |                                                                                                                                                                                      | <b><u>Item No.</u></b>     |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| C1.                                      | Staff presentation titled “ <i>Better Your Business: Social and Environmental Sustainability Ceremonial Presentation</i> ”, dated April 18, 2023                                     | Ceremonial Presentation #1 |
| C2.                                      | Memorandum from the Deputy City Manager, Planning and Growth Management and Deputy City Manager, Infrastructure Development, dated April 14, 2023                                    | 3                          |
| C3.                                      | Victoria Mortelliti, Senior Manager, Policy & Advocacy, Building Industry and Land Development Association (BILD), Sheppard Avenue East, Toronto, dated April 14, 2023               | 3                          |
| <b><u>Distributed April 17, 2023</u></b> |                                                                                                                                                                                      |                            |
| C4.                                      | Watson & Associates Economists Ltd., Presentation material titled “ <i>City of Vaughan Development Fees Review Study</i> ”, Argentia Road, Mississauga, dated April 18, 2023         | 3                          |
| C5.                                      | Calloway REIT (Rutherford) Inc., Presentation material titled “ <i>Sign Variance Application Appeal, 9200 Bathurst Street, Thornhill</i> ”, Highway 7, Vaughan, dated April 18, 2023 | 1                          |
| C6.                                      | Victoria Mortelliti, Senior Manager, Policy & Advocacy, Building Industry and Land Development Association (BILD), Sheppard Avenue East, Toronto, dated April 17, 2023               | 3                          |
| C7.                                      | Marco Filice, Senior Vice President, Liberty Development Group, Highway 7 East, Markham, dated April 17, 2023                                                                        | 3                          |

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Please note there may be further Communications.

Communication: C1  
Committee of the Whole (2)  
April 18, 2023  
Item - Ceremonial Presentation #1

# Better Your Business:

## Social and Environmental Sustainability Ceremonial Presentation



# Opening Remarks

*Raphael Costa, Director of Economic Development*



## 2022 Program Overview

- The 17 Sustainable Development Goals (SDGs) were adopted by the United Nations (UN) in 2015, at the Paris Climate Summit.
- Five Vaughan-based businesses were selected and worked with York University Professor Mark Terry, Ph.D., who helped the businesses incorporate the 17 SDGs into their business practices





# SUSTAINABLE DEVELOPMENT GOALS





## 2022 Program Timeline

- Program applications launched on September 12, 2022, and applications closed on September 30, 2022
- The businesses met with Professor Mark Terry one-on-one from October to November 2022 working on updating their business mandates with the 17 SDGs



## 2022 Program Recipients

- Convergence Robotics Inc.
- Last20
- Mr. & Mrs. Bao
- Steel Peak Climbing & Ninja
- The Wellness Studio by Cicco Aroma



## Program Participants – Feedback

- *“We believe that the program is a valuable resource for Vaughan-based businesses looking to improve their sustainability and would recommend it to others in the community.”*  
– **Convergence Robotics Inc**
- *“This program was a great investment in the future success of our business.”*  
– **Last20**



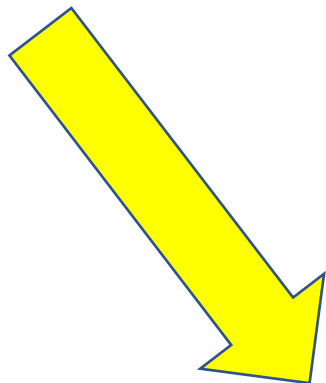
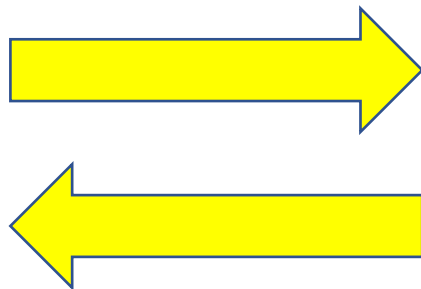


## SDG 2: No Hunger

**Call to Action:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture.







# ACHIM STEINER

Vice-Chair of the UN Sustainable Development Group







## Next Steps

- If your business is interested in registering for the next intake for our Social and Environmental Sustainability Program, contact our offices at:
- Email: [ed@vaughan.ca](mailto:ed@vaughan.ca)
- Phone: [905-832-8526](tel:905-832-8526)
- Website: <https://vaughanbusiness.ca/social-and-environmental-sustainability-program>



# Better Your Business:

Social and Environmental Sustainability Ceremonial  
Presentation

**DATE:** April 14, 2023

**TO:** Mayor and Members of Council

**FROM:** Haiqing Xu, Deputy City Manager, Planning and Growth Management  
Vince Musacchio, Deputy City Manager, Infrastructure Development

**RE:** **COMMUNICATION – Committee of the Whole (2), April 18, 2023**

**ITEM # 3**

**CITY OF VAUGHAN DEVELOPMENT SERVICES FEE  
STRUCTURE REVIEW  
DEVELOPMENT PLANNING, DEVELOPMENT ENGINEERING  
AND BUILDING STANDARDS FEES**

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**Recommendation**

The Deputy City Manager, Planning and Growth Management and the Deputy City Manager, Infrastructure Development recommend:

1. THAT Attachment #1 of the report on the April 18, 2023 Committee of the Whole (2) agenda be replaced with Attachment #1 to this communication.
2. THAT recommendations 2 and 3 of the staff report be replaced with the following:
  2. THAT staff be directed to amend the City's Fees and Charges By-law 010-2023 to set the fees and charges required to recover the cost of processing a Community Infrastructure and Housing Accelerator (CIHA) request.
  3. THAT the following By-laws be amended to implement the recommendations of the City of Vaughan Development Services Fee Structure Review, Development Planning and Development Engineering Fees, included as Attachment 1, prepared by Watson & Associates Economists Ltd.:
    - i. By-law 010-2023 Schedule "G" of the Fees and Charges to implement the Tariff of Fees for Vaughan Planning Applications;
    - ii. By-law 010-2023 Schedule "M" of the fees and charges under the Planning Act for Committee of Adjustment applications;
    - iii. By-law 010-2023 Schedule "A" of the Fees and Charges to implement the general fees and charges under the Municipal Act.
    - iv. By-law 010-2023 Schedule "K" of the Fees and Charges to implement the new Development Engineering Fees



## **Background**

The City retained Watson & Associates Economists Ltd., to undertake a comprehensive review of the full costs of Development Planning, Development Engineering and Building Standards functions and to make fee structure recommendations to provide for reasonable full cost for the services.

For more information, contact Elysha Mahmud, Acting Manager, Business Transformation at ext. 8287.

Respectfully submitted by

A handwritten signature in black ink, appearing to read 'Haiqing Xu'.

Haiqing Xu, Deputy City Manager,  
Planning and Growth Management

A handwritten signature in black ink, appearing to read 'Vince Musacchio'.

Vince Musacchio, Deputy City Manager,  
Infrastructure Development

Attachments:

1. Development Fees Review Study – Final Report



# Development Fees Review Study

City of Vaughan

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Final Report

March 26, 2023

Watson & Associates Economists Ltd.  
905-272-3600  
[info@watsonecon.ca](mailto:info@watsonecon.ca)

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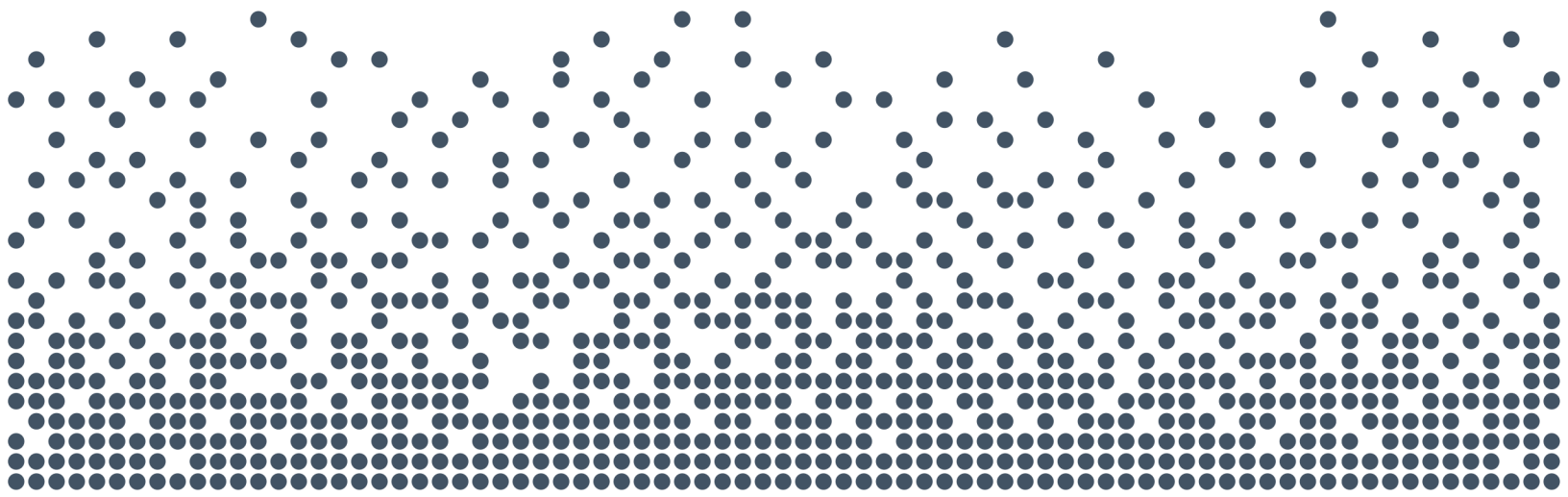
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# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Purpose of this Document

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The City of Vaughan (City) implements fees and charges for the review of planning applications, building permits, and the review and inspections relating to development applications by Development Engineering. These fees collectively are referred to as development application fees. This report summarizes the findings and recommendations of the City's development application fees review undertaken by Watson & Associates Economists Ltd. (Watson). Fees for the processing of planning applications will continue to be studied by the City in response to recent amendments made to the *Planning Act* through the *More Homes for Everyone Act, 2022*. It is anticipated that further planning application fee recommendations will be brought forward separately at the conclusion of that review.

This document provides the context for which the review is being undertaken (i.e., historical context within the City, the study process and the legislation governing the fees within the scope of this review). Moreover, it contains the methodology utilized to calculate the full costs of service (i.e., inclusive of direct, indirect and capital costs) and summarizes the results of the full cost assessment. Finally, it provides the fee recommendations, which have been developed with regard for the governing legislation, maintaining cost recovery from applicants to fund the provision of services, reducing unintended municipal property tax funding, and applicant affordability relative to market comparators.

## 1.2 Historical Fee Reviews in the City of Vaughan

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The City retained Watson to conduct a review of their planning application, building permit, and development engineering fees, i.e. development application fees. This review is an update to the review undertaken in 2015-2018 to assess the full cost of service (i.e., direct, indirect and capital costs) and recommend updated fees related to planning applications, building permits and development engineering reviews.

The intent of the fees currently imposed for planning applications were designed to recover the anticipated processing costs of each type of planning application. The fees imposed for development engineering review and inspections were established to

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recover the reasonable anticipated costs associated with the post-planning application review and inspection of these developments. Building permit fees were set to sufficiently to recover the costs related to the administration and enforcement of the *Building Code Act*, as well as provide sustainability in providing these services to the public with contributions to a reserve fund.

This update study has been conducted in a similar context to past reviews, in which the development application approvals activities undertaken by staff from across the organization is considered. Contextually, this assessment considered the activities undertaken by Planning and Growth Management Staff outside of the review of development applications, e.g., staff time spent on policy planning, time related to defending applications appeals at the Ontario Land Tribunal (OLT), and time spent related to capital projects.

Since the completion of the previous development application fee review study, the City has seen a continued evolution of development patterns and characteristics, including greater public consultation requirements and increase in development size, which in turn has led to changes to the development application review processes.

### 1.3 Development Fee Review Study Process

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Set out in Table 1-1 is the project work plan that has been undertaken in the review of the City's development application fees.

**Table 1-1**  
**Development Fees Review Study Work Plan**

| Work Plan Component                                                                     | Description                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Phase 1 - Evidence-based methodology to develop a new direct/indirect cost model</b> |                                                                                                                                                                                                                                                                                                                           |
| 1. Project Initiation                                                                   | <ul style="list-style-type: none"><li>• Project initiation meeting with staff to review project scope, methodology and work plan</li><li>• Review legislative context, development fee trends, Activity-Based Costing (A.B.C.) full cost methodology and refinements to fee categorization and service delivery</li></ul> |
| 2. Receive and Review Background Information                                            | <ul style="list-style-type: none"><li>• Review of A.B.C. model, cost recovery policies, reserve fund policies and by-laws</li><li>• Establish municipal comparators</li><li>• Review cost recovery performance and application patterns</li></ul>                                                                         |



| Work Plan Component                                                                                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3. Review Current Direct/Indirect Cost Model and Develop Updated Full Cost Recovery Approach                    | <ul style="list-style-type: none"> <li>Assess the performance and approach of the City's current costing model and prepare a recommended approach for this undertaking</li> <li>Develop frameworks and guidelines for the new indirect cost model and the service fee structures for review with City staff</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4. Review Finalized Work Plan/Approach with Project Working Team                                                | <ul style="list-style-type: none"> <li>Review the approved work plan and methodology with representatives from each City department with direct staff involvement in the processing of development application fees</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 5. Develop Indirect Cost Model                                                                                  | <ul style="list-style-type: none"> <li>Review cost drivers for the allocation of support and overhead costs to direct service delivery departments with City Finance</li> <li>Develop the indirect cost model based on established cost drivers and review with the Steering Committee</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 6. Present Overview of Development Fee Review to Development Industry Stakeholders                              | <ul style="list-style-type: none"> <li>Meet with representatives of the development industry to present the proposed methodology, project timeline, receive initial feedback on the current development application user fees and discuss the development industry's involvement in the process</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Phase 2 - Review of service fee structures and recommendations for cost recovery</b>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 7. Fee Design Workshops                                                                                         | <ul style="list-style-type: none"> <li>Fee design working sessions with the Project Working Team to document fee categories and sub-categories (inclusive of those services provided to other City departments), differentiating application/service characteristics, participating City staff positions, and planning application, development engineering, and building permit process maps</li> <li>Working sessions to discuss the development characteristics to be assessed through the costing component of the assignment, to determine if fee structure adjustments are warranted based on material cost recovery impacts. Discussion in the context of fee categorization/characteristics recommendations provided at the initiation meeting and as determined through the review of background documentation</li> <li>Review existing process maps with regard to fee categories/processes established through these discussions</li> <li>Discuss changing levels of service, technology improvements, and regulatory and legislative impacts</li> </ul> |
| 8. Secure Processing Effort Estimates and Quality Test Them Through Capacity Utilization and Benchmarking Tools | <ul style="list-style-type: none"> <li>Prepare communication materials for staff to complete the established fee category effort estimation templates</li> <li>Prepare staff capacity utilization and benchmarking quality control analysis to verify accuracy/defensibility of processing effort estimates</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 9. Construct an A.B.C. Model and Fee Structure Options                                                          | <ul style="list-style-type: none"> <li>Develop an A.B.C. model to ensure appropriate fee costing categories, data flows and full cost fee schedule generation</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



| Work Plan Component                                                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. Prepare Draft Report and Recommended Fee Structure                                                       | <ul style="list-style-type: none"><li>• Prepare a draft report summarizing the project methodology, findings and full cost recovery and proposed fee structures, and municipal comparisons and development impact analyses</li><li>• Receive feedback from City Staff</li></ul>                                                                                                                                                                                                                 |
| 11. Present Project Methodology, Findings and Proposed Fee Structure to Development Industry Representatives | <ul style="list-style-type: none"><li>• Present study findings and the recommended fee structure to a group of development industry stakeholders</li></ul>                                                                                                                                                                                                                                                                                                                                      |
| 12. Prepare Final Report and Recommended Fee Structure and Present to City Council                           | <ul style="list-style-type: none"><li>• Prepare a Final Report (and draft fees by-laws), summarizing legislative context and resultant methodology, the full cost recovery assessment, full cost recovery fee structure, implementation plan, property specific impacts, and a comparative assessment of its relative competitiveness with peer municipalities. The Final Report will also incorporate feedback from the Steering Committee and development industry representatives.</li></ul> |

## 1.4 Legislative Context for the Imposition of Development Engineering and Building Permit Fees

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Development application fees are governed by multiple statutes, each with specific requirements. The City's statutory authority for imposing planning application fees is provided under Section 69 of the *Planning Act*. Building permit fees are governed by the provisions of Section 7 under the *Ontario Building Code Act*. For municipal services where specific statutory authority is not provided, municipalities can impose fees and charges under Section 391 of the *Municipal Act*. This section provides the legislative authority for the development application fees imposed by the City.

### 1.4.1 *Planning Act, 1990*

Section 69 of the *Planning Act* allows municipalities to impose fees through a by-law for the purposes of processing planning applications. In determining the associated fees, the Act requires that:

“The council of a municipality, by by-law, and a planning board, by resolution, may establish a tariff of fees for the processing of applications made in respect of planning matters, which tariff shall be designed to meet only the anticipated cost to the municipality or to a committee of adjustment or land division committee



constituted by the council of the municipality or to the planning board in respect of the processing of each type of application provided for in the tariff.”

Section 69 establishes the requirements that municipalities must consider when undertaking a full cost recovery fee design study. The Act specifies that municipalities may impose fees through by-law and that the anticipated costs of such fees must be cost justified by application type as defined in the tariff of fees (e.g. Subdivision, Zoning By-law Amendment, etc.). Given the cost justification requirements by application type, this would suggest that cross-subsidization of planning fee revenues across application types is not permissible. For instance, if Minor Variance application fees were set at levels below full cost recovery for policy purposes this discount could not be funded by Subdivision application fees set at levels higher than full cost recovery. Our interpretation of Section 69 is that any fee discount must be funded from other general revenue sources such as property taxes. In comparison to the cost justification requirements of the *Building Code Act*, where the justification point is set at the aggregate level of the Act, the requirements of the *Planning Act* are more stringent in this regard.

The legislation further indicates that the fees may be designed to recover the “anticipated cost” of processing each type of application, reflecting the estimated costs of processing activities for an application type. This reference to anticipated costs represents a further costing requirement for a municipality. It is noted that the statutory requirement is not the actual processing costs related to any one specific application. As such, actual time docketing of staff processing effort against application categories or specific applications does not appear to be a requirement of the Act for compliance purposes. As such our methodology which is based on staff estimates of application processing effort meets with the requirements of the Act and is in our opinion a reasonable approach in determining anticipated costs.

The Act does not specifically define the scope of eligible processing activities and there are no explicit restrictions to direct costs as previously witnessed in other statutes. Moreover, amendments to the fee provisions of the *Municipal Act* and *Building Code Act* are providing for broader recognition of indirect costs. Acknowledging that staff effort from multiple business units is involved in processing planning applications, it is our opinion that such fees may include direct costs, capital-related costs, support function costs directly related to the service provided, and general corporate overhead costs apportioned to the service provided.





The payment of *Planning Act* fees can be made under protest with appeal to the Ontario Land Tribunal (OLT) if the applicant believes the fees were inappropriately charged or are unreasonable. The OLT will hear such an appeal and determine if the appeal should be dismissed or direct the municipality to refund payment in such amount as determined. These provisions confirm that fees imposed under the *Planning Act* are always susceptible to appeal. Unlike other fees and charges (e.g. development charges) there is no legislated appeal period related to the timing of by-law passage, mandatory review period, or public process requirements.

#### *1.4.1.1 More Homes for Everyone Act, 2022*

The Province recently approved the *More Homes for Everyone Act*. One of the amendments to the *Planning Act* enacted by the Act requires municipalities to refund Zoning By-Law Amendment and Site Plan application fees if legislated timeframes for decisions/approvals are not met. Furthermore, the Act also includes the ability for municipalities to deem Site Plan applications incomplete and require additional information be provided with the submission of an application.

#### *1.4.1.2 More Homes Built Faster Act, 2022*

The *More Homes Built Faster Act, 2022* received Royal Assent on November 28, 2023. The Act imposes a number of changes to the *Planning Act*, and other growth management and long-range planning initiatives at the municipal level, amongst changes to other pieces of legislation. Some of the planning related changes include:

- Increased housing targets by municipality;
- Removal of planning policy and approval responsibilities for York Region (among other upper tier municipalities in the province);
- Integration of Place to Grow and Provincial Policy Statement; and
- Changes to expand/support rental and affordable housing supply opportunities.

The recommendations provided herein have been made in the context of the current state of application review processes. Further impacts to the City's planning application arising from the *More Homes for Everyone Act* and *More Homes Built Faster Act* amendments will be studied by the City and brought forward at a later date for Council's consideration.



### **1.4.2 Building Code Act, 1992**

Section 7 of the *Building Code Act* provides municipalities with general powers to impose fees through passage of a by-law. The Act provides that:

“The council of a municipality...may pass by-laws

- (c) Requiring the payment of fees on applications for and issuance of permits and prescribing the amounts thereof;
- (d) Providing for refunds of fees under such circumstances as are prescribed;”

The *Building Code Statute Law Amendment Act* imposed additional requirements on municipalities in establishing fees under the Act, in that:

“The total amount of the fees authorized under clause (1)(c) must not exceed the anticipated reasonable cost of the principal authority to administer and enforce this Act in its area of jurisdiction.”

In addition, the amendments also require municipalities to:

- Reduce fees to reflect the portion of service performed by a Registered Code Agency;
- Prepare and make available to the public annual reports with respect to the fees imposed under the Act and associated costs; and
- Undertake a public process, including notice and public meeting requirements, when a change in the fee is proposed.
- O.Reg. 305/03 is the associated regulation arising from the *Building Code Statute Law Amendment Act, 2002*. The regulation provides further details on the contents of the annual report and the public process requirements for the imposition or change in fees. With respect to the annual report, it must contain the total amount of fees collected, the direct and indirect costs of delivering the services related to administration and enforcement of the Act, and the amount of any reserve fund established for the purposes of administration and enforcement of the Act. The regulation also requires that notice of the preparation of the annual report be given to any person or organization that has requested such notice.



Relating to the public process requirements for the imposition or change in fees, the regulations require municipalities to hold at least one public meeting and that at least 21-days' notice be provided via regular mail to all interested parties. Moreover, the regulations require that such notice include, or be made available upon request to the public, an estimate of the costs of administering and enforcing the Act, the amount of the fee or change in existing fee and the rationale for imposing or changing the fee.

The Act specifically requires that fees “must not exceed the anticipated reasonable costs” of providing the service and establishes the cost justification test at the global *Building Code Act* level. With the Act requiring municipalities to report annual direct and indirect costs related to fees, this would suggest that *Building Code Act* fees can include general corporate overhead indirect costs related to the provision of service. Moreover, the recognition of anticipated costs also suggests that municipalities could include costs related to future compliance requirements or fee stabilization reserve fund contributions. As a result, *Building Code Act* fees modeled in this exercise include direct costs, capital related costs, indirect support function costs directly consumed by the service provided, and corporate management costs related to the service provided, as well as provisions for future anticipated costs.

### **1.4.3 *Municipal Act, 2001***

Part XII of the *Municipal Act* provides municipalities and local boards with broad powers to impose fees and charges via passage of a by-law. These powers, as presented in s.391 (1), include imposing 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.”
- This section of the Act also allows municipalities to charge for capital costs related to services that benefit existing persons. The eligible services for inclusion under this subsection of the Act have been expanded by the *Municipal Statute Law Amendment Act*. Moreover, the amendments to the Act have also embraced the broader recognition for cost inclusion within municipal fees and charges with recognition under s.391(3) that “the costs included in a fee or charge may include costs incurred by the municipality or local board related to



administration, enforcement and the establishment, acquisition and replacement of capital assets”.

Fees and charges included in this review, permissible under the authority of the *Municipal Act* would include development engineering fees.

In contrast to cost justification requirements under other legislation, the *Municipal Act* does not impose explicit requirements for cost justification when establishing fees for municipal services. In setting fees and charges for these services, however, municipalities should have regard for legal precedents and the reasonableness of fees and charges. The statute does not provide for appeal of fees and charges to the OLT; however, fees and charges may be appealed to the courts if municipalities are acting outside their statutory authority. Furthermore, no public process or mandatory term for fees and charges by-laws is required under the Act. There is, however, a requirement that municipal procedural by-laws provide for transparency with respect to the imposition of fees and charges.



# Chapter 2

## Activity Based Costing User Fee Methodology





## 2. Activity Based Costing User Fee Methodology

### 2.1 Activity Based Costing Methodology

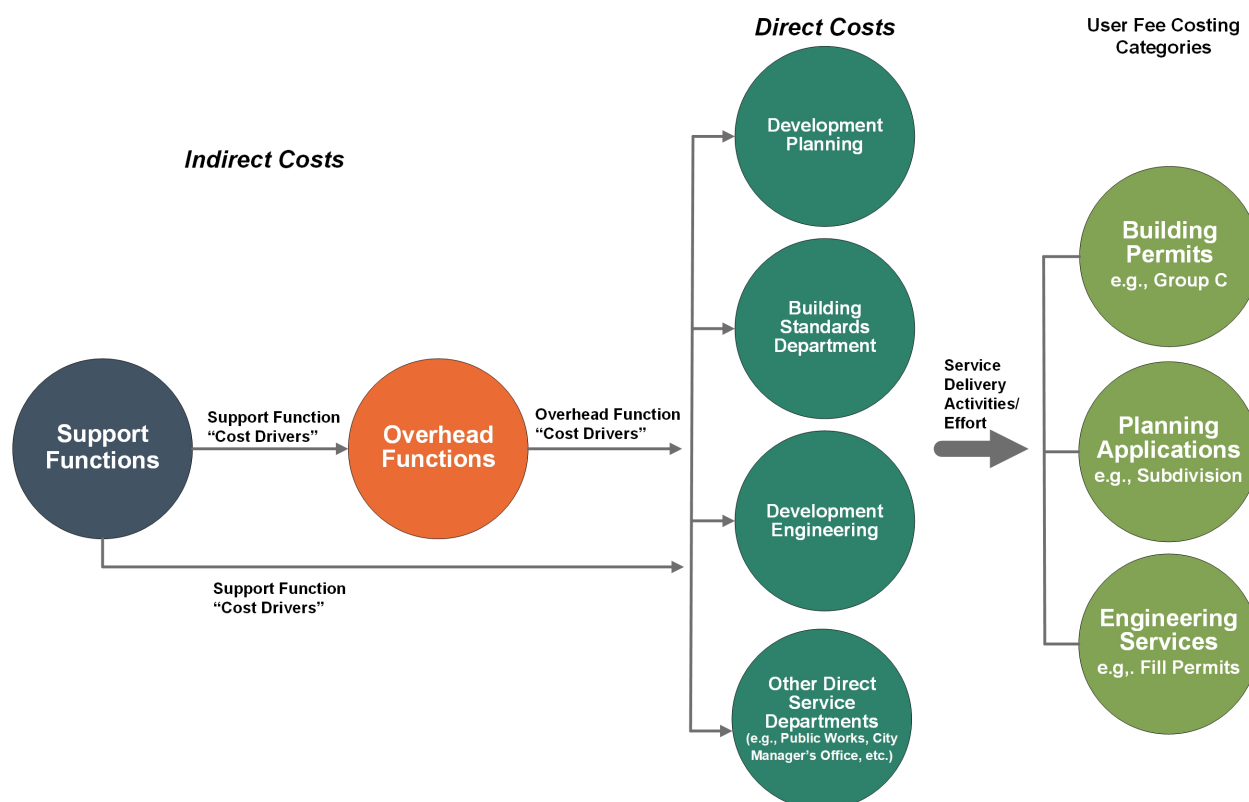
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An A.B.C. methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. Conventional municipal accounting structures are typically not well-suited to the costing challenges associated with application processing activities as these accounting structures are business unit focused and thereby inadequate for fully costing services with involvement from multiple business units. An A.B.C. approach better identifies the costs associated with the processing activities for specific application types and thus is an ideal method for determining the full cost of processing applications and other user fee activities.

As illustrated in Figure 2-1, an A.B.C. methodology attributes processing effort and associated costs from all participating municipal business units to the appropriate service categories (user fee costing categories). The definition of these user fee costing categories is further explained in Section 2.2. The resource costs attributed to processing activities and user fee costing categories include direct operating costs, indirect support costs, and capital costs. Indirect support function and corporate overhead costs are allocated to direct business units according to operational cost drivers (e.g., information technology costs allocated based on the relative share of workstations supported). Once support costs have been allocated amongst direct business units, the accumulated costs (i.e., indirect, direct, and capital costs) are then distributed across the various user fee costing categories, based on the business unit's direct involvement in the processing activities. The assessment of each business unit's direct involvement in the user fee review processes is accomplished by tracking the relative shares of staff processing efforts across the sequence of mapped process steps for each user fee category. The results of employing this costing methodology provides municipalities with a better recognition of the costs utilized in delivering user fee processes, as it acknowledges not only the direct costs of resources deployed but also the operating and capital support costs required by those resources to provide services.



Figure 2-1  
Activity-Based Costing Conceptual Flow Diagram



## 2.2 User Fee Costing Category Definition

The City's business units deliver a variety of user fee related services; these services are captured in various cost objects or user fee categories. A critical component of the full cost user fees review is the selection of the costing categories. This is an important first step as the process design, effort estimation and subsequent costing is based on these categorization decisions. Moreover, it is equally important in costing building permit fees to understand the cost/revenue relationships within the City's by-law, beyond the statutory cost justification for fees established at the level of administration and enforcement under the authority of the Building Code.

The City's A.B.C. user fee model allocates the service channel defined costs (i.e., direct and indirect costs) presented in the following sections across the defined user fee categories. Categorization of user fees occurred during the project initiation stage of the study and through subsequent discussions with City Staff. The user fee costing



categories included in the A.B.C. model and later used to rationalize changes to the City's fee structure are presented in tables throughout the report.

## 2.3 Process Map Documentation

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Once the user fee costing categories have been established, the next step in the process is to create a link between the direct service departments and the costing categories. This is done through the process of documenting the City's review activities and generating process maps. The process maps were generated by starting with the processes established during the 2015-2018 review for City staff for review and update to ensure that they were representative of the current internal processes of the City.

## 2.4 Processing Effort Estimate Collection, Reasonability Check and Cost Allocations

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To capture each participating City staff member's relative level of effort in processing activities related to user fees, staff were first asked to identify which staff would be involved in each of the processes being analysed. They then went through the process of estimating the amount of time each individual involved spends on any of the given process step for each costing category. The effort estimates received were then applied against average annual user fee volumes for the period 2017- 2021 to assess the average annual processing time per position spent on each user fee category.

Annual processing efforts per staff position were then measured against available processing capacity to determine overall service levels. The results of the initial capacity analysis were reviewed with staff to ensure that the effort on an annual and per application basis was appropriate and to give an opportunity for any further refinements to be made. Table 2-1 summarizes the utilization by department or division. The utilization is presented as a percentage of available time and also expressed in full time equivalents (FTEs).

The results of the capacity analysis indicate the following levels of each business units' utilization:

- Building Standards – approximately 99% of staff efforts relate to the administration and enforcement of the Building Code, and reviewing planning and development engineering applications, with the majority of their effort being



related to building permits (i.e., 89.1% annually). Staffs' remaining time is spent on other initiatives outside of the scope of this analysis.

- Development Engineering – approximately 96% of annual staff time is related to the activities within the scope of this review. Development Engineering staff spend the greater part of their efforts reviewing engineering applications (i.e., 80.1%). Staffs' remaining time is spent on other initiatives outside of the scope of this analysis including other internal organizational initiatives.
- Development Planning Department – 62% of annual time for staff within the development Planning department business units (i.e., Administration, Development Planning, Drafting, and Cultural Heritage) is related to development applications. The majority of this time (i.e., 94%) is related to planning application review. The time not assessed against development applications is related to other activities such as planning policy and the defence of applications at the OLT.
- Committee of Adjustment/Development – 44.5% of annual staff time is related to planning applications (including Committee of Adjustment applications), with a further 10% of annual time related to development engineering application review.
- Staff from the following business units are also involved in reviewing development applications as summarized in Table 2-1. In aggregate, these business units contribute 17% of the overall development application review staff efforts.
  - Policy Planning & Environmental Sustainability – Deputy City Manager Planning & Growth Management; Environmental Sustainability
  - Policy Planning
  - Vaughan Metropolitan Centre (VMC) Program
  - Deputy City Manager Administrative Services & City Solicitor
  - Legal Services – Administration
  - Office of the City Clerk - Clerks – Administration; Mailroom/Print Shop; Courier Services
  - By-Law & Compliance & Permit Services – By-Law Compliance; Policy and Business Planning Services
  - Fire and Rescue Service - Fire Communication; Fire Prevention
  - Financial Planning & Development Finance
  - Infrastructure Delivery



- Infrastructure Planning and Corporate Asset Management – Infrastructure Planning
- Parks Infrastructure Planning & Development
- Waste Management - Administration

**Table 2-1**  
**Staff Capacity Utilization by Department and Business Unit**

| Department                                                   | Business Unit                               | Staff Utilization |              |              |                       |              |              |
|--------------------------------------------------------------|---------------------------------------------|-------------------|--------------|--------------|-----------------------|--------------|--------------|
|                                                              |                                             | Utilization %     |              |              | Full-Time Equivalents |              |              |
|                                                              |                                             | Planning          | Engineering  | Building     | Planning              | Engineering  | Building     |
| Building Standards                                           | Building Standards                          | 6.1%              | 4.1%         | 89.1%        | 5.38                  | 3.63         | 78.40        |
| Deputy City Manager Planning & Growth Mgmt                   | Deputy City Manager Planning & Growth Mgmt  | 26.6%             | 8.3%         | 0.1%         | 1.59                  | 0.50         | 0.00         |
| Development Engineering                                      | Development Engineering                     | 11.2%             | 80.1%        | 4.3%         | 5.17                  | 36.85        | 1.97         |
| Development Planning                                         | Planning - Administration                   | 33.4%             | 0.0%         | 0.0%         | 2.01                  | 0.00         | -            |
| Development Planning                                         | Development Planning                        | 61.6%             | 3.6%         | 0.0%         | 22.78                 | 1.34         | -            |
| Development Planning                                         | Drafting                                    | 68.1%             | 0.0%         | 0.0%         | 4.08                  | -            | -            |
| Development Planning                                         | Cultural Heritage                           | 59.0%             | 16.2%        | 0.0%         | 1.18                  | 0.32         | -            |
| Policy Planning & Environmental Sustainability               | Environmental Sustainability                | 7.2%              | 2.8%         | 0.0%         | 0.29                  | 0.11         | -            |
| Policy Planning & Environmental Sustainability               | Policy Planning                             | 14.7%             | 9.8%         | 0.0%         | 2.50                  | 1.66         | -            |
| Vaughan Metropolitan Centre Program                          | VMC Program                                 | 41.7%             | 14.7%        | 0.0%         | 5.00                  | 1.76         | -            |
| Deputy City Manager Administrative Services & City Solicitor | DCMASCS                                     | 4.2%              | 0.0%         | 0.0%         | 0.13                  | -            | -            |
| Legal Services                                               | Legal Services - Admin                      | 6.1%              | 6.2%         | 0.0%         | 1.40                  | 1.42         | -            |
| Office of the City Clerk                                     | Clerks - Administration                     | 4.6%              | 0.0%         | 0.0%         | 0.63                  | -            | -            |
| Office of the City Clerk                                     | Mailroom/Print Shop                         | 3.5%              | 0.0%         | 0.0%         | 0.14                  | -            | -            |
| Office of the City Clerk                                     | Courier Services                            | 3.5%              | 0.0%         | 0.0%         | 0.04                  | -            | -            |
| Office of the City Clerk                                     | Committee of Adjust/Develop.                | 44.5%             | 10.2%        | 0.0%         | 2.67                  | 0.61         | -            |
| By-Law & Compliance, Licensing & Permit Services             | By-Law & Compliance                         | 0.5%              | 0.0%         | 0.0%         | 0.23                  | -            | -            |
| By-Law & Compliance, Licensing & Permit Services             | Policy and Business Planning Services       | 0.5%              | 0.0%         | 0.0%         | 0.08                  | -            | -            |
| Fire and Rescue Service                                      | Fire Communication                          | 0.0%              | 4.0%         | 0.0%         | -                     | 0.04         | -            |
| Fire and Rescue Service                                      | Fire Prevention                             | 0.8%              | 0.8%         | 37.8%        | 0.13                  | 0.13         | 6.04         |
| Financial Planning & Development Finance                     | Financial Planning & Development Finance    | 2.9%              | 3.7%         | 11.1%        | 0.81                  | 1.01         | 3.06         |
| Infrastructure Delivery                                      | Infrastructure Delivery                     | 0.0%              | 8.2%         | 0.0%         | -                     | 2.33         | -            |
| Infrastructure Planning and Corporate Asset Management       | Infrastructure Planning                     | 1.6%              | 3.9%         | 0.0%         | 0.45                  | 1.06         | -            |
| Parks Infrastructure Planning & Development                  | Parks Infrastructure Planning & Development | 9.1%              | 3.5%         | 0.0%         | 1.79                  | 0.69         | -            |
| Environmental Services                                       | Waste Management - Administ.                | 2.6%              | 0.0%         | 0.0%         | 0.18                  | -            | -            |
| <b>Total</b>                                                 |                                             | <b>18.5%</b>      | <b>16.9%</b> | <b>28.2%</b> | <b>58.65</b>          | <b>53.46</b> | <b>89.48</b> |

## 2.5 Full Cost of Providing Development Application Review Services

As defined in Section 2.1, the full cost of providing development application review services consist of direct, indirect, capital costs and, in the case of building permits, contributions to the *Building Code Act* reserve fund. The following sections define each of these cost objects and how each of these are allocated to the individual costing categories.

### 2.5.1 Direct Costs

Direct costs refer to the employee costs (salaries, wages and benefits), materials and supplies, services and rents that are typically consumed by directly involved





departments or business units. To identify the amount of direct costs that should be allocated to the user fee categories, cost drivers have been identified. Cost drivers are the non-financial operational data used to allocate shares of the defined costs across multiple user fee categories. Ideally, cost driver data documents the relative intensity of effort multiple employees deploy against a single cost object/fee category or the relative intensity of effort a single employee deploys against multiple cost objects/fee categories. For the purposes of a full cost user fee analysis, the cost drivers in an A.B.C. user fee model presents the need to distribute multiple employee positions (direct costs) across multiple cost objects. These user fee allocations have been summarized in aggregate above.

### **2.5.2 Indirect Costs**

An A.B.C. review includes not only the direct cost of providing service activities but also the indirect support costs that allow direct service business units to perform these functions. The method of allocation employed in this analysis is referred to as a step costing approach. Under this approach, support function and general corporate overhead functions are classified separate from direct service delivery departments. These indirect cost functions are then allocated to direct service delivery departments based on a set of cost drivers, which subsequently flow to the user fee categories according to staff effort estimates. Cost drivers are a unit of service that best represent the consumption patterns of indirect support and corporate overhead services by direct service delivery departments or business units. As such, the relative share of a cost driver (units of service consumed) for a direct department determines the relative share of support/corporate overhead costs attributed to that direct service department. An example of a cost driver commonly used to allocate information technology support costs would be a department or business unit's share of supported personal computers. Cost drivers are used for allocation purposes acknowledging that these business units do not typically participate directly in the delivery of services, but that their efforts facilitate services being provided by the City's direct business units.

Table 2-2 summarizes the support and corporate overhead functions included in the user fee calculations and the cost drivers assigned to each function for cost allocation purposes. The indirect support and corporate overhead cost drivers used in the fees model reflects accepted practices within the municipal sector.



**Table 2-2**  
**Indirect Support and Corporate Overhead Functions and Cost Drivers**

| Department                                  | Business Unit                                   | Driver                           |
|---------------------------------------------|-------------------------------------------------|----------------------------------|
| Financial Services                          | City Financial Services                         | Share of Budget                  |
| Financial Services                          | Accounting Services                             | Share of Budget                  |
| Financial Services                          | Taxation and Prop. Assessment                   | Share of Budget                  |
| Financial Services                          | Payroll Services                                | Share of Budget                  |
| Office of the Chief Human Resources Officer | Human Resources-Administration                  | Share of SWAB Budget             |
| Office of the Chief Human Resources Officer | Health, Safety & Wellness                       | Share of SWAB Budget             |
| Office of the Chief Human Resources Officer | Learning & Development                          | Share of SWAB Budget             |
| Office of the Chief Human Resources Officer | HR Team 1                                       | Share of SWAB Budget             |
| Office of the Chief Human Resources Officer | Employee Services                               | Share of SWAB Budget             |
| Office of the Chief Human Resources Officer | HR Team 2                                       | Share of SWAB Budget             |
| Office of the Chief Information Officer     | Office of the CIO                               | Number of Workstations           |
| Office of the Chief Information Officer     | ITM - Infrastructure Architecture & Operations  | Number of Workstations           |
| Office of the Chief Information Officer     | ITM - Enterprise Systems, IT Assets & Contracts | Number of Workstations           |
| Office of the Chief Information Officer     | ITM - Client Support & Solution Services        | Number of Workstations           |
| Office of the Chief Information Officer     | Digital Services                                | Number of Workstations           |
| Facilities Management                       | Buildings & Facil. - Admin.                     | Share of Budget                  |
| Facilities Management                       | Festive Lights                                  | Share of Budget                  |
| Facilities Management                       | Trades Shop                                     | Share of Budget                  |
| Facilities Management                       | Civic Center                                    | SWAB Related to the Civic Centre |
| Facilities Management                       | Tigi Court                                      | SWAB Related to Tigi Court       |



| Department                                                       | Business Unit                                  | Driver                                      |
|------------------------------------------------------------------|------------------------------------------------|---------------------------------------------|
| Facilities Management                                            | New City Hall                                  | SWAB Related to City Hall                   |
| Facilities Management                                            | Joint Operations Center                        | SWAB Related to Joint Operations Centre     |
| Procurement Services                                             | Procurement Services                           | Number of Positions                         |
| City Council                                                     | City Council Business Units                    | Share of Budget                             |
| City Manager                                                     | City Manager                                   | Share of Budget                             |
| Access Vaughan                                                   | Access Vaughan                                 | Share of Budget                             |
| Corporate & Strategic Communications                             | Corporate Communications                       | Share of Budget                             |
| Economic & Cultural Development                                  | Municipal Sponsorships                         | Share of Budget - Excluding BSD, DE         |
| Economic & Cultural Development                                  | Cultural Programming                           | Share of Budget - Rec and Libraries Only    |
| Economic & Cultural Development                                  | Smart Cities                                   | Share of Budget - Excluding DP, BSD, DE     |
| Economic & Cultural Development                                  | Corporate Promotional Items                    | Share of Budget - Excluding PGM             |
| Integrity Commissioner                                           | Office- Integrity Commissioner                 | Share of Budget                             |
| Integrity Commissioner                                           | Lobbyist Registrar                             | Share of Budget                             |
| Internal Audit                                                   | Internal Audit                                 | Share of Budget                             |
| Program Management Office                                        | Program Management Office                      | Share of Budget                             |
| Transformation & Strategy Office                                 | Transformation & Strategy Office               | Share of Budget                             |
| Emergency Planning                                               | Emergency Planning                             | Share of Budget                             |
| Deputy City Manager Commty. Serv.                                | Deputy City Manager Commty. Services           | Share of Budget Comm Svcs Step 3 Depts only |
| Deputy City Manager Corporate Services & Chief Financial Officer | CFO & City Treasurer                           | Share of Budget                             |
| Financial Planning & Development Finance                         | Financial Planning & Development Finance       | Share of Budget                             |
| Financial Services                                               | Cashiering Services                            | Share of Budget                             |
| Deputy City Manager Infrastructure Development                   | Deputy City Manager Infrastructure Development | Share of Budget                             |
| Facilities Management                                            | Al Palladini Community Center                  | SWAB Related to Al Palladini                |
| Infrastructure Delivery                                          | Infrastructure Delivery                        | Share of Budget - Excluding PGM             |



| Department                                                   | Business Unit                              | Driver                          |
|--------------------------------------------------------------|--------------------------------------------|---------------------------------|
| Infrastructure Planning and Corporate Asset Management       | Infrastructure Planning                    | Share of Budget - Excluding PGM |
| Real Estate                                                  | Real Estate                                | Share of Budget - Excluding BSD |
| Deputy City Manager Administrative Services & City Solicitor | DCM ASCS                                   | Share of Budget                 |
| Legal Services                                               | Legal Services - Admin                     | Share of Budget                 |
| Office of the City Clerk                                     | Council - Corporate                        | Share of Budget                 |
| Office of the City Clerk                                     | Clerks - Administration                    | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Mayor                       | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Reg. Councillor             | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Reg. Councillor             | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Ward 1                      | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Ward 2                      | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Ward 5                      | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Ward 4                      | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Ward 3                      | Share of Budget                 |
| Office of the City Clerk                                     | Council E.A. - Reg. Councillor             | Share of Budget                 |
| Office of the City Clerk                                     | Recep/Sec-Members of Council               | Share of Budget                 |
| Office of the City Clerk                                     | Council Office Admin.                      | Share of Budget                 |
| Office of the City Clerk                                     | Insurance                                  | Share of Budget                 |
| Office of the City Clerk                                     | Insurance Claims                           | Share of Budget                 |
| Office of the City Clerk                                     | Records Management                         | Share of Budget                 |
| Office of the City Clerk                                     | Archival Services                          | Share of Budget                 |
| Office of the City Clerk                                     | Access & Privacy                           | Share of Budget                 |
| Office of the City Clerk                                     | Mailroom/Print Shop                        | Share of Budget                 |
| Office of the City Clerk                                     | Courier Services                           | Share of Budget                 |
| Deputy City Manager Planning & Growth Mgmt                   | Deputy City Manager Planning & Growth Mgmt | Share of Budget PGM Step 3 Only |
| Deputy City Manager Public Works                             | Deputy City Manager Public Works           | Share of Budget PW Step 3 Only  |



| Department                                 | Business Unit                 | Driver                                      |
|--------------------------------------------|-------------------------------|---------------------------------------------|
| Transportation & Fleet Management Services | Winter Equip. - Fueling       | Number of Vehicles Public Works Step 3 Only |
| Transportation & Fleet Management Services | Vehicle Maintenance           | Number of Vehicles (Total)                  |
| Transportation & Fleet Management Services | Transport of Vehicles - Fleet | Number of Vehicles (Total)                  |
| Transportation & Fleet Management Services | Fleet Management - Admin.     | Number of Vehicles (Total)                  |
| Transportation & Fleet Management Services | Fleet Management Services     | Number of Vehicles (Total)                  |

\*SWAB – Salaries, wages, and benefits





### **2.5.3 Capital Costs**

The inclusion of capital costs within the full cost user fees calculations follows a methodology similar to indirect costs. Replacement value of assets commonly utilized to provide direct business unit services have been included to reflect the capital costs of service. The approach used in estimating these costs includes the identification of the proportion of capital assets by direct department (e.g., City Hall facility square footage occupied), the estimation of annualized capital costs by employing sinking fund replacement value or amortization, and the allocation of these annualized costs to the cost objects/user fee categories based on the respective departmental effort deployed.

The replacement value approach determines the annual asset replacement value over the expected useful life of the respective assets. This reflects the annual depreciation of the asset over its expected useful life based on current asset replacement values. This annuity is then allocated across all fee categories based on the capacity utilization of direct business units. A similar approach is utilized for the amortization method, with asset historic value used in place of replacement value.

With respect to the City's model, capital costs have been identified for facilities and fleet. The annualized costs have been estimated based on current replacement values and the asset useful life assumptions. These costs have been allocated across the various fee categories, and non-user fee activities, based on the underlying effort estimates of direct department staff (as presented in Section 2.4).

### **2.5.4 Building Code Act Reserve Fund Policy**

The *Building Code Act* recognizes the legitimacy of creating a municipal reserve fund to provide for service stability and mitigate the financial and operational risk associated with a temporary downturn in building permit activity. Specifically, a reserve fund should be maintained to reduce the staffing and budgetary challenges associated with a cyclical economic downturn and the requirement for ongoing legislative turnaround time compliance. Without such a reserve fund, reduced permit volumes during a downturn could result in budgetary pressures and the loss of certified City building staff, which would be difficult to replace during the subsequent recovery when mandatory permit processing turnaround times apply.

Although the Act does not prescribe a specific methodology for determining an appropriate reserve fund, municipalities have developed building permit reserve funds



providing service stabilization. Previous fee review studies undertaken by the City established the need for a building code stabilization reserve fund. A target reserve fund balance was established based on the witnessed reduction in building permit activity during recessionary periods when compared with the long-run average to ensure that sufficient reserve fund levels are attained to sustain operations through a downturn in permit activity and acknowledging the City's responsibility to manage some of the cost impacts.

The City's reserve fund target balance has been set equivalent to one- and one-half years' annual costs of building permit review. After considering anticipated activity in 2022, the balance in the City's reserve fund was estimated to be \$21.0 million on December 31, 2022. While this balance does not reflect the 1.5x multiple of annual costs identified in the associated policy, this review has assessed the impact of future building permit activity on costs, revenues, and reserve fund accumulation for fee determination purposes. This analysis is presented in Section 3.4 of this report.



# Chapter 3

## Development Application Full Cost Assessment and Fee Recommendations



## 3. Development Application Full Cost Assessment and Fee Recommendations

### 3.1 Introduction

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This chapter presents the full costs, cost recovery levels of current fees, and recommended fee structure and rates for the development application fees. Furthermore, the impact of the proposed fees on total costs of municipal development fees for sample developments are presented in Chapter 4 of this report. The chapter presents the full costs assessment and cost recovery levels in 2022 values. Recommended fees are presented in 2022\$ values unless noted otherwise, inflationary adjustments would be applied to the 2022 fee recommendations for implementation in 2023 (with 3% inflationary increases applied).

A municipal fee survey, for the fees within the scope of this review, was undertaken for market comparison purposes. The survey results were considered in discussions with City staff in determining recommended user fees.

### 3.2 Full Cost of Providing Development Application Review Services

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Table 3-1 presents the City's annual costs of providing development application review services. The estimated annual costs and revenues based on existing fees are presented in aggregate. The annual costs reflect the organizational direct, indirect, and capital costs associated with processing activities at average historical volumes levels for the period 2017-2021. Costs are based on 2022 budget estimates and are compared with revenues modelled from current development fee schedules applied to average application/permit volumes and charging parameters. The charging parameters for these applications (e.g., building area or number of residential units) were derived from historical application and development fee revenue data provided by City staff.

Overall, across the three development application service channels annual costs total \$35.3 million. In total, direct service costs represent 80% of annual costs (\$28.1 million). Indirect and capital costs constitute 19% (\$6.8 million) and 1% (\$0.4 million) of total costs, respectively.



Annual processing costs for development engineering fees total \$9.7 million, with annual revenues of approximately \$8.3 million, achieving 86% cost recovery. Annual costs of building administration and enforcement account for \$15.2 million. Based on the modelled permit volumes, the City's current building permit fees recover approximately 103% of total costs annually. This level of cost recovery reflects the need to fund not only the full cost of service but also make contributions to the building permit reserve fund for future service stabilization. A detailed analysis of forecast building permit activity, revenues and *Building Code Act* reserve fund levels is contained in Section 3.4, which has been used to inform decisions for potential fee structure changes. The annual cost of processing planning applications totals \$10.5 million, with estimated annual revenues of \$12.1 million, or 115% of the annual processing costs.

Further details on the cost recovery assessment, recommendations, and modelled impact on revenues is provided in the following sections.

**Table 3-1**  
**Cost Recovery Assessment of Current Development Application Fees**  
**(2022\$, in millions)**

| Service Area                         | Direct Costs            |                    |                    | Indirect Costs | Capital Costs  | Total Annual Costs | Modelled Revenue at Current Fees |                    |                 |
|--------------------------------------|-------------------------|--------------------|--------------------|----------------|----------------|--------------------|----------------------------------|--------------------|-----------------|
|                                      | Salary, Wage & Benefits | Other Direct Costs | Total Direct Costs |                |                |                    | Annual Revenue                   | Surplus/ (Deficit) | Cost Recovery % |
| Development Engineering Applications | \$ 7.28                 | \$ 0.48            | \$ 7.77            | \$ 1.78        | \$ 0.12        | \$ 9.67            | \$ 8.28                          | -\$ 1.39           | 86%             |
| Building Permit Applications         | \$ 11.31                | \$ 0.62            | \$ 11.93           | \$ 3.03        | \$ 0.21        | \$ 15.17           | \$ 15.55                         | \$ 0.38            | 103%            |
| Planning Applications                | \$ 8.01                 | \$ 0.43            | \$ 8.43            | \$ 1.96        | \$ 0.11        | \$ 10.50           | \$ 12.10                         | \$ 1.59            | 115%            |
| <b>Total</b>                         | <b>\$ 26.60</b>         | <b>\$ 1.53</b>     | <b>\$ 28.13</b>    | <b>\$ 6.76</b> | <b>\$ 0.44</b> | <b>\$ 35.34</b>    | <b>\$ 35.93</b>                  | <b>\$ 0.59</b>     | <b>102%</b>     |

### 3.3 Development Engineering Costs and Fee Recommendations

Table 3-2 summarizes the costing results and recovery levels for each major development engineering application category within the City's A.B.C. model. The annual cost to the City for development engineering review and inspections is \$9.7 million. Direct service costs represent 80% (\$7.8 million) of the total costs, with indirect and capital costs accounting for the remaining 20% (\$1.9 million).

The City's current fees were applied to average historical application characteristics to model the anticipated revenue and quantify the cost recovery level by type. In



aggregate, the City's development engineering application fees are recovering 86% of annual costs (\$8.3 million). When assessed by application type:

- Subdivision and Site Plan engineering review fees account for \$8.1 or 83% of the total annual costs of service. Revenue generated from these fees are recovering 89% of the annual service costs. These fees account for the majority of the total development engineering fee revenue, accounting for \$7.1 million or 87% of annual development engineering revenues.
- Site Alteration Permits and Lot Grading reviews account for 8% of the total annual costs (\$0.8 million). The fees recover approximately 82% of the annual costs of service, or \$0.6 million annually.
- The remaining development engineering fee categories represent approximately 9% of the annual costs of service, including costs for residential service connections, agreements and amendments, and title restrictions. The fees for these activities are recovering on average 58% of the annual costs or approximately \$0.5 million annually.

**Table 3-2**  
**Development Engineering Fees Full Cost Impacts by Costing Category (2022\$)**

| <b>Development Engineering</b>               | <b>Annual Costs</b> | <b>Annual Revenue</b> | <b>Cost Recovery (%)</b> |
|----------------------------------------------|---------------------|-----------------------|--------------------------|
| Subdivision & Site Plan - Engineering Review | 8,067,947           | 7,162,508             | 89%                      |
| Site Alteration Permits & Lot Grading        | 770,292             | 633,956               | 82%                      |
| Pre-Development Servicing                    | 38,616              | 28,725                | 74%                      |
| Residential Service Connection               | 202,158             | 202,158               | 100%                     |
| Road Closure and Encroachments               | 45,039              | 63,142                | 140%                     |
| Agreements and Amendments                    | 254,738             | 30,965                | 12%                      |
| Title Restrictions                           | 289,768             | 156,930               | 54%                      |
| <b>Total</b>                                 | <b>9,668,558</b>    | <b>8,278,384</b>      | <b>86%</b>               |

Development Engineering application fee structure recommendations are provided in Table 3-3. These fee recommendations are based on the average application costs and revenues, as well as the application characteristics (e.g., residential units and non-residential gross floor area). Current fee structures have been maintained within the recommended fees, with the additional recommendation for a maximum fee with respect to complex site plans. Within the fee recommendations, Site Plan engineering review fees are proposed to increase by 31%. Moreover, a maximum fee limit of \$375,000 per application is recommended based on modeling results. It is further





recommended that the fees for Subdivision engineering review and Development and/or Servicing agreements remain unchanged at 7.5% of construction costs.

Based on the recommended development engineering fees and underlying application volumes, annual revenues would increase by \$1.4 million from 86% to 100% of annual costs. Modelled revenue increases may differ from budgeted increases due to differences in future volume assumptions. Specifically, the modelled revenues reflect historical averages while the budget is prepared based on forward-looking projections.

**Table 3-3**  
**Recommended Development Engineering Fees (2023\$)**

| Item                                                                                                                        | Units                                         | Current Fee (2022\$)                                           | Recommended Fees (2023\$)                                      |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| <b>Administrative</b>                                                                                                       |                                               |                                                                |                                                                |
| Fees or charges under a Subdivision, Development and/or Servicing Agreement                                                 | % of Construction Costs                       | 7.5%                                                           | 7.5%                                                           |
| Engineering Site Plan Criteria Guide                                                                                        |                                               | \$46.35                                                        | \$47.74                                                        |
| Design Criteria & Standard Drawings                                                                                         |                                               | \$152.45                                                       | \$157.00                                                       |
| Request for Engineering Studies - copies                                                                                    |                                               | \$6.70-61.80                                                   | \$6.90- 63.65                                                  |
| Document Search Fee – including Grading Drawing Requests                                                                    |                                               | \$58.70                                                        | \$60.46                                                        |
| Compliance Letters – Agreements only                                                                                        |                                               | \$168.00                                                       | \$173.00                                                       |
| Title Restriction Searches                                                                                                  |                                               | \$168.00                                                       | \$173.00                                                       |
| <b>Site Alteration Permits</b>                                                                                              |                                               |                                                                |                                                                |
| Site-Alteration Permit                                                                                                      | Owner Occupied Residential Property - Minimum | \$570.00                                                       | \$1,236.00                                                     |
|                                                                                                                             | All other types of property/development       | \$5,000.00                                                     | \$10,712.00                                                    |
| <b>Pool Enclosure Permits</b>                                                                                               |                                               |                                                                |                                                                |
| In-ground Pool Permit                                                                                                       |                                               | \$690.00                                                       | \$850.00                                                       |
| Permanent Above-Ground Pool Permit (including hot tub/swim spa)                                                             |                                               | \$515.00                                                       | \$633.00                                                       |
| Temporary/Seasonal Pool Permit                                                                                              |                                               | \$360.00                                                       | \$443.00                                                       |
| Permit Renewal                                                                                                              |                                               | \$155.00                                                       | \$191.00                                                       |
| <b>Residential Grading Permits</b>                                                                                          |                                               |                                                                |                                                                |
| Infill Lot Grading Approval                                                                                                 |                                               | \$745.00                                                       | \$917.00                                                       |
| Addition/Accessory Structure:                                                                                               |                                               |                                                                |                                                                |
| Over 40m2                                                                                                                   |                                               | \$745.00                                                       | \$917.00                                                       |
| Less than 40m2, including walkout & side door entrance                                                                      |                                               | \$515.00                                                       | \$634.00                                                       |
| <b>Subdivision Grading Permits</b>                                                                                          |                                               |                                                                |                                                                |
| Grading New Plans & Subdivision - Singles & Semis                                                                           |                                               | \$468.65                                                       | \$577.00                                                       |
| Grading New Plans & Subdivision - Towns per unit                                                                            |                                               | \$283.25                                                       | \$350.00                                                       |
| <b>Additional Grading Permit Review &amp; Inspection</b>                                                                    |                                               |                                                                |                                                                |
| Additional Grading Inspection                                                                                               |                                               | \$262.25                                                       | \$323.00                                                       |
| For the third and each subsequent drawing review for pool, residential or subdivision grading permit application submission |                                               | \$116.50                                                       | \$143.00                                                       |
| <b>Pre-Development Servicing</b>                                                                                            |                                               |                                                                |                                                                |
| Pre-Development Service Agreement for Development Projects                                                                  | Base Fee                                      | \$5,745.00                                                     | \$7,931.00                                                     |
|                                                                                                                             | plus % of related development agreement fees  | 25%                                                            | 25%                                                            |
| Pre-Development Servicing Agreement for ICI service connection.                                                             |                                               | Base agreement fee or 15% administration                       |                                                                |
| <b>Residential Service Connection</b>                                                                                       |                                               |                                                                |                                                                |
| Residential Service Connection Application Fee                                                                              |                                               | \$ 257.50                                                      | \$265.00                                                       |
| Residential Service Connection                                                                                              |                                               | Cost of works + 15% administration<br>(based on cost of works) | Cost of works + 15% administration<br>(based on cost of works) |



**Table 3-3 Cont'd  
Recommended Development Engineering Fees (2022\$)**

| Item                                                                                                                                                                    |                                                    | Current Fee (2022\$)                                                                                | Recommended Fees (2022\$)                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Agreements &amp; Amendments</b>                                                                                                                                      |                                                    |                                                                                                     |                                                                                                     |
| Subdivision, Development, Spine Servicing and/or External Servicing Agreement. (percentage of construction costs)                                                       |                                                    | Refer to individual agreements. 40% collected at submission, 60% collected upon agreement execution | Refer to individual agreements. 40% collected at submission, 60% collected upon agreement execution |
| Agreement amendment - Complex                                                                                                                                           |                                                    | \$11,480.00                                                                                         | \$23,649.00                                                                                         |
| Agreement amendment - Minor                                                                                                                                             |                                                    | \$5,745.00                                                                                          | \$11,835.00                                                                                         |
| Agreement amendment - Administrative                                                                                                                                    |                                                    | \$2,290.00                                                                                          | \$4,717.00                                                                                          |
| Model Home Agreement                                                                                                                                                    |                                                    | \$2,290.00                                                                                          | \$4,717.00                                                                                          |
| <b>Encroachments</b>                                                                                                                                                    |                                                    |                                                                                                     |                                                                                                     |
| Development Encroachment (Application Fee)                                                                                                                              |                                                    | \$5,735.00                                                                                          | \$5,907.00                                                                                          |
| Tie-back Encroachment (Fee per lineal metre)                                                                                                                            |                                                    | \$11.85                                                                                             | \$12.21                                                                                             |
| Shoring Encroachment (Fee per lineal metre)                                                                                                                             |                                                    | \$11.85                                                                                             | \$12.21                                                                                             |
| Hoarding Encroachment (Fee per lineal metre)                                                                                                                            |                                                    | \$19.10                                                                                             | \$19.67                                                                                             |
| <b>Occupation of Municipal Right-of-Way:</b><br>includes but not limited to staging of equipment, storage of material etc. on existing built-up municipal right-of way. |                                                    | Fee calculated per square metre/month based on 5% per year of land value of                         | \$500 base fee plus \$60/m2 per month                                                               |
| <b>Site Plan Applications – Engineering Review</b>                                                                                                                      |                                                    |                                                                                                     |                                                                                                     |
| Site Plan (minor ICI and residential)                                                                                                                                   |                                                    | \$4,585.00                                                                                          | \$7,653.00                                                                                          |
| Site Plan Complex - ICI and mixed use (per sq.m GFA)                                                                                                                    | First 25,000 sq.m. G.F.A.                          | \$4.79                                                                                              | \$6.39                                                                                              |
|                                                                                                                                                                         | For portion over 25,000 sq.m. GFA                  | \$2.40                                                                                              | \$3.20                                                                                              |
| Site Plan Complex - Residential, Singles, Semis and Towns per unit                                                                                                      | First 0-100 units                                  | \$844.00                                                                                            | \$1,126.00                                                                                          |
|                                                                                                                                                                         | For each unit above 100 units                      | \$422.00                                                                                            | \$563.00                                                                                            |
| Site Plan Complex - Residential - Multiple Units Apartment, Condo (per unit)                                                                                            | First 0-300 units                                  | \$478.00                                                                                            | \$638.00                                                                                            |
|                                                                                                                                                                         | For each unit above 300 units                      | \$240.00                                                                                            | \$320.00                                                                                            |
| Site Plan Application Resubmission Fee                                                                                                                                  | For the 4th and all subsequent resubmissions       | \$4,585.00                                                                                          | \$5,150.00                                                                                          |
| Site Plan Agreement Amendment Fee                                                                                                                                       |                                                    | \$2,290.00                                                                                          | \$2,431.00                                                                                          |
| Maximum Fee for Site Plan, including grading inspection                                                                                                                 |                                                    |                                                                                                     | \$375,000                                                                                           |
| <b>Site Plan Complex – Grading Inspection</b>                                                                                                                           |                                                    |                                                                                                     |                                                                                                     |
| Residential, Single, Semis and Towns per unit                                                                                                                           |                                                    | \$103.00                                                                                            | \$137.00                                                                                            |
| Multiple Units, Apartment & Condo Site size 1 hectare or smaller:                                                                                                       | Base fee                                           | \$412.00                                                                                            | \$550.00                                                                                            |
| Multiple Units, Apartment & Condo Site size 1 hectare or smaller: (base fee)                                                                                            | Sites greater than 1 hectare: (base + per hectare) | \$103.00                                                                                            | \$137.00                                                                                            |
| Sites greater than 1 hectare: (base + per hectare)                                                                                                                      |                                                    |                                                                                                     |                                                                                                     |
| ICI Base                                                                                                                                                                |                                                    | \$309.00                                                                                            | \$412.00                                                                                            |
| <b>Other Services</b>                                                                                                                                                   |                                                    |                                                                                                     |                                                                                                     |
| <b>Peer Review Fee:</b><br>Fee for 3 <sup>rd</sup> party consultant review of major development reports and studies.                                                    |                                                    | Consultant fee + \$100 administration                                                               | Consultant fee + 15% administration                                                                 |
| <b>Road Closure:</b><br>Road Closure- upon approval (plus cost for public consultation)                                                                                 |                                                    | \$5,735.00                                                                                          | \$5,907.00                                                                                          |
| <b>Phased Assumption:</b><br>Requests by Developers to phase assumption of services other than as provided in original Subdivision or Servicing Agreements              |                                                    | \$5,735.00                                                                                          | \$5,907.00                                                                                          |

### 3.4 Building Permit Costs and Fee Recommendations

Annual costs for the administration and enforcement of the Building Code total \$15.2 million. The annual costs, presented in 2022\$ values, reflect the organizational direct, indirect, and capital costs as described in Chapter 2. The majority of these costs (i.e., \$11.9 million or 79%) reflect the annual direct costs of service. Indirect and capital costs account for remaining 21% of annual costs or \$3.2 million.



Costs are compared with revenues derived from the application of current permit fees to average permit charging parameters (e.g., average permit size). Costing and fee recovery levels for the major permit groupings within the City's A.B.C. model are summarized in Table 3-4. Annual revenues based on the City's current fee structure and average historical activity levels are estimated at \$15.6 million or 103% of costs. The table also demonstrates that although the fees are recovering more than the full costs of service at the aggregate level, differences exist between the permit categories. For example, permits for residential alterations and minor permits are under-recovering costs (30% cost recovery) compared to permits for new low and medium density construction that is recovering 236% of costs.

**Table 3-4**  
**Building Fees Full Cost Impacts by Costing Category (2022\$)**

| Building Permits                          | Annual Costs      | Annual Revenue    | Cost Recovery (%) |
|-------------------------------------------|-------------------|-------------------|-------------------|
| <b>Non-Residential</b>                    |                   |                   |                   |
| New Non-Residential Construction          | 1,912,451         | 3,500,101         | 183%              |
| Non-Residential Alterations and Additions | 5,319,996         | 3,977,570         | 75%               |
| <b>Subtotal - Non-Residential</b>         | <b>7,232,447</b>  | <b>7,477,672</b>  | <b>103%</b>       |
| <b>Residential</b>                        |                   |                   |                   |
| New Residential Construction              |                   |                   |                   |
| Low & Medium Density                      | 2,276,135         | 5,362,823         | 236%              |
| High Density                              | 378,280           | 1,652,230         | 437%              |
| Residential Alterations and Minor Permits | 2,140,524         | 647,406           | 30%               |
| <b>Subtotal - Residential</b>             | <b>4,794,939</b>  | <b>7,662,460</b>  | <b>160%</b>       |
| Signs                                     | 1,488,791         | 301,178           | 20%               |
| Other                                     | 1,652,703         | 111,025           | 7%                |
| <b>Total</b>                              | <b>15,168,880</b> | <b>15,552,334</b> | <b>103%</b>       |

As noted in Section 2.5.4 above, the City adopted a policy establishing a *Building Code Act* Reserve Fund for service stabilization. The reserve fund target balance has been set at a multiple of 1.5 times annual costs. Based on annual costs of \$15.2 million, the 2022 reserve fund target balance would equate to \$22.8 million at the desired multiple, compared to the current reserve fund balance of \$21.0 million.

Annual costs and revenues have been forecast based on the forecast building permit activity from 2022 to 2026. Over the forecast period, annual building permit volumes are expected to be approximately 9% greater than the average historical building permit activity over the 2017- 2021 period.



The resulting reserve fund continuity based on current fees and forecast volumes is presented in Table 3-5. Based on these projections, the reserve fund balance would increase to 1.57 times annual direct costs by 2026.

Fees for 2023 are generally proposed to increase by 3% with the following exceptions:

- Non-residential interior alteration fees to increase by 8% from \$6.50 per sq.m. to \$7.00;
- Residential garages/carports: Increase from \$249 to \$540;
- Residential accessory buildings without plumbing (less than 20 sq.m.): Decrease from \$249 to \$180; and
- Residential accessory buildings (greater than 20 sq.m.): Increase from \$249 to \$540

Fee increases have been proposed to ensure the forecast reserve fund balance achieves the City's target at the end of the forecast period while maintaining competitiveness with surrounding municipalities. Annual inflationary increases of 3% would be also applied to all recommended fees for the 2024 to 2026 period. The forecast reserve fund balance reflecting the proposed rates is presented in Table 3-6. As shown below, the reserve fund balance would grow to 1.61 times multiple of direct costs in 2026. It is recommended that the City monitor the annual costs and revenues achieved and impacts on annual reserve fund accumulation. To the extent the targeted reserve fund balance is achieved in 2025 as identified in Table 3-6, further inflationary increases may not be required.

**Table 3-5**  
**Reserve Fund Continuity No Fee Structure Changes (Indexing Only)**

| Description                       | 2022         | 2023         | 2024         | 2025         | 2026         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Opening Balance                   | 19,664,713   | 21,020,615   | 22,514,004   | 24,158,335   | 25,932,825   |
| Revenue                           | 16,617,880   | 17,308,250   | 18,035,009   | 18,752,958   | 19,543,166   |
| Expense                           | (15,376,960) | (15,938,010) | (16,522,822) | (17,120,318) | (17,751,813) |
| Contribution/(Draw)               | 1,240,921    | 1,370,240    | 1,512,187    | 1,632,640    | 1,791,352    |
| Interest                          | 114,981      | 123,150      | 132,144      | 141,850      | 152,483      |
| Closing Balance                   | 21,020,615   | 22,514,004   | 24,158,335   | 25,932,825   | 27,876,661   |
| <i>Reserve Fund/Expense Ratio</i> | <i>1.37</i>  | <i>1.41</i>  | <i>1.46</i>  | <i>1.51</i>  | <i>1.57</i>  |



**Table 3-6**  
**Reserve Fund Continuity Proposed Fee Changes**

| Description                | 2022         | 2023         | 2024         | 2025         | 2026         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Opening Balance            | 19,664,713   | 21,020,615   | 22,675,807   | 24,487,685   | 26,435,644   |
| Revenue                    | 16,617,880   | 17,469,168   | 18,200,755   | 18,923,676   | 19,719,005   |
| Expense                    | (15,376,960) | (15,938,010) | (16,522,822) | (17,120,318) | (17,751,813) |
| Contribution/(Draw)        | 1,240,921    | 1,531,158    | 1,677,932    | 1,803,358    | 1,967,192    |
| Interest                   | 114,981      | 124,035      | 133,946      | 144,601      | 156,216      |
| Closing Balance            | 21,020,615   | 22,675,807   | 24,487,685   | 26,435,644   | 28,559,051   |
| Reserve Fund/Expense Ratio | 1.37         | 1.42         | 1.48         | 1.54         | 1.61         |



**Table 3-7**  
**Recommended Building Permit Fees (2023\$)**

| Occupancy Classification / Type of Construction                                                                   | Current Fees     |                    | 2023 Fees        |                    |
|-------------------------------------------------------------------------------------------------------------------|------------------|--------------------|------------------|--------------------|
|                                                                                                                   | Fees<br>\$175.00 | Units<br>Minimum   | Fees<br>\$180.00 | Units<br>Minimum   |
| Group A (Assembly) - Shell Building                                                                               | \$20.21          | per m <sup>2</sup> | \$20.82          | per m <sup>2</sup> |
| Group A (Assembly) - Finished (Shell and Interiors)                                                               | \$22.48          | per m <sup>2</sup> | \$23.15          | per m <sup>2</sup> |
| Group A (Assembly) - Interior Alteration                                                                          | \$6.50           | per m <sup>2</sup> | \$7.00           | per m <sup>2</sup> |
| Group A (Assembly) - Additions & Mezzanines                                                                       | \$22.48          | per m <sup>2</sup> | \$23.15          | per m <sup>2</sup> |
| Group B (Institutional) - Shell Building                                                                          | \$25.36          | per m <sup>2</sup> | \$26.12          | per m <sup>2</sup> |
| Group B (Institutional) - Finished (Shell and Interiors)                                                          | \$34.42          | per m <sup>2</sup> | \$35.45          | per m <sup>2</sup> |
| Group B (Institutional) - Interior Alteration                                                                     | \$6.50           | per m <sup>2</sup> | \$7.00           | per m <sup>2</sup> |
| Group B (Institutional) - Additions & Mezzanines                                                                  | \$34.42          | per m <sup>2</sup> | \$35.45          | per m <sup>2</sup> |
| Group C (Part 3 Buildings) - Finished (Shell and Interiors)                                                       | \$18.00          | per m <sup>2</sup> | \$18.54          | per m <sup>2</sup> |
| Group C (Part 3 Buildings) - Interior Alteration                                                                  | \$6.50           | per m <sup>2</sup> | \$6.69           | per m <sup>2</sup> |
| Group C (Part 3 Buildings) - Additions & Mezzanines                                                               | \$18.00          | per m <sup>2</sup> | \$18.54          | per m <sup>2</sup> |
| Group C (Midrise Wood) - Finished (Shell and Interiors)                                                           | \$20.36          | per m <sup>2</sup> | \$20.97          | per m <sup>2</sup> |
| Group C (Midrise Wood) - Interior Alteration                                                                      | \$6.50           | per m <sup>2</sup> | \$6.69           | per m <sup>2</sup> |
| Group C (Midrise Wood) - Additions & Mezzanines                                                                   | \$20.36          | per m <sup>2</sup> | \$20.97          | per m <sup>2</sup> |
| Group C (Part 9 Buildings) - Single Dwelling Unit (including secondary unit)                                      | \$19.41          | per m <sup>2</sup> | \$19.99          | per m <sup>2</sup> |
| Group C (Part 9 Buildings) - Multi Unit/Stacked Townhouses                                                        | \$21.20          | per m <sup>2</sup> | \$21.84          | per m <sup>2</sup> |
| Group C (Part 9 Buildings) - Semis and Towns                                                                      | \$21.20          | per m <sup>2</sup> | \$21.84          | per m <sup>2</sup> |
| Group C (Part 9 Buildings) - Interior Alteration                                                                  | \$6.50           | per m <sup>2</sup> | \$6.69           | per m <sup>2</sup> |
| Group C (Part 9 Buildings) - Additions & Mezzanines                                                               | \$19.41          | per m <sup>2</sup> | \$19.99          | per m <sup>2</sup> |
| Group C (Part 9 Buildings) - Accessory Buildings/Structures (Sheds, decks, garages)                               | \$249.00         | flat fee           |                  |                    |
| Group C (Part 9 Buildings) - Garage/Carport                                                                       | \$249.00         |                    | \$540.00         | flat fee           |
| Group C (Part 9 Buildings) - Accessory Building no plumbing (Cabana, Garden Shed, Gazebo) less than 20 sq.m.      | \$249.00         |                    | \$180.00         | flat fee           |
| Group C (Part 9 Buildings) - Accessory Building (Garden Shed, Gazebo) 20 sq.m or greater                          | \$249.00         |                    | \$540.00         | flat fee           |
| Group C (Part 9 Buildings) - Deck, Covered Porch                                                                  | \$249.00         |                    | \$256.00         | flat fee           |
| Group C (Part 9 Buildings) - Cabana 20 sq.m or greater, or with plumbing                                          | \$249.00         |                    | \$19.99          | per m <sup>2</sup> |
| Group D (Office) - Shell Building                                                                                 | \$15.66          | per m <sup>2</sup> | \$16.13          | per m <sup>2</sup> |
| Group D (Office) - Finished (Shell and Interiors)                                                                 | \$20.40          | per m <sup>2</sup> | \$21.01          | per m <sup>2</sup> |
| Group D (Office) - Interior Alteration                                                                            | \$6.50           | per m <sup>2</sup> | \$7.00           | per m <sup>2</sup> |
| Group D (Office) - Additions & Mezzanines                                                                         | \$20.40          | per m <sup>2</sup> | \$21.01          | per m <sup>2</sup> |
| Group E (Mercantile) - Shell Building                                                                             | \$13.46          | per m <sup>2</sup> | \$13.86          | per m <sup>2</sup> |
| Group E (Mercantile) - Finished (Shell and Interiors)                                                             | \$17.68          | per m <sup>2</sup> | \$18.21          | per m <sup>2</sup> |
| Group E (Mercantile) - Interior Alteration                                                                        | \$6.50           | per m <sup>2</sup> | \$7.00           | per m <sup>2</sup> |
| Group E (Mercantile) - Additions & Mezzanines                                                                     | \$17.68          | per m <sup>2</sup> | \$18.21          | per m <sup>2</sup> |
| Group F1&F2 (Industrial) - Shell Building & Mezzanines                                                            | \$8.65           | per m <sup>2</sup> | \$8.91           | per m <sup>2</sup> |
| Group F1 & F2 (Industrial) - Finished (Shell and Interiors)                                                       | \$12.49          | per m <sup>2</sup> | \$12.86          | per m <sup>2</sup> |
| Group F1&F2 (Industrial) - Interior Alteration, Unfinished to Finished Areas (Partitioned Areas other than        | \$6.50           | per m <sup>2</sup> | \$7.00           | per m <sup>2</sup> |
| Group F1&F2 (Industrial) - Interior Alteration, Unfinished to Finished Areas including occupancy (Warehouse &     | \$3.84           | per m <sup>2</sup> | \$3.96           | per m <sup>2</sup> |
| Group F1&F2 (Industrial) - Interior Alteration, to existing occupied areas. Fee applied to area of work proposed. | \$6.50           | per m <sup>2</sup> | \$7.00           | per m <sup>2</sup> |
| Group F1&F2 (industrial) - Additions & Mezzanines                                                                 | \$12.49          | per m <sup>2</sup> | \$12.86          | per m <sup>2</sup> |
| Group F3 (Storage) - (Parking) Garage                                                                             | \$8.47           | per m <sup>2</sup> | \$8.72           | per m <sup>2</sup> |





**Table 3-7 Cont'd  
Recommended Building Permit Fees (2022\$)**

| Occupancy Classification / Type of Construction                                                                       | Current Fees |                      | 2023 Fees  |                      |
|-----------------------------------------------------------------------------------------------------------------------|--------------|----------------------|------------|----------------------|
|                                                                                                                       | Fees         | Units                | Fees       | Units                |
|                                                                                                                       | \$175.00     | Minimum              | \$180.00   | Minimum              |
| <b>Plumbing / Sewage Systems</b>                                                                                      |              |                      |            |                      |
| Site Services - Residential Projects (plus fee for water service/drains)                                              | \$176.00     | flat fee             | \$180.00   | flat fee             |
| Site Services - Other Than Residential Projects (plus fee for water service/drains)                                   | \$176.00     | flat fee             | \$180.00   | flat fee             |
| Water Service 50mm to 100mm                                                                                           | \$38.00      | flat fee             | \$39.00    | flat fee             |
| Water Service 150mm 200mm 250mm                                                                                       | \$98.00      | flat fee             | \$101.00   | flat fee             |
| Water Service over 250mm                                                                                              | \$149.00     | flat fee             | \$153.00   | flat fee             |
| Residential Water Service (50mm or less)                                                                              | \$42.00      | flat fee             | \$43.00    | flat fee             |
| Drains – Residential                                                                                                  | \$175.00     | flat fee             | \$180.00   | flat fee             |
| Drains – Non-Residential/Multi Res. 100mm 150mm                                                                       | \$61.00      | flat fee             | \$63.00    | flat fee             |
| Drains – Non-Residential/Multi Res. 200mm 250mm                                                                       | \$108.00     | flat fee             | \$111.00   | flat fee             |
| Drains – Non-Residential/Multi Res larger than 250mm                                                                  | \$149.00     | flat fee             | \$153.00   | flat fee             |
| Plumbing Fixtures (Toilets, Urinals, lavatories, sinks, floor drains, vented traps, roof drains, backflow preventers) | \$19.00      | flat fee per fixture | \$19.50    | flat fee per fixture |
| Grease Interceptors                                                                                                   | \$75.00      | flat fee             | \$77.00    | flat fee             |
| Plumbing – Miscellaneous (manholes, catch basins, area drains)                                                        | \$49.00      | flat fee             | \$50.00    | flat fee             |
| ***Septic System – Residential, commercial, industrial (GFA less than 186 m <sup>2</sup> )                            | \$618.00     | flat fee plus        | \$637.00   | flat fee plus        |
| Additional fee 186m <sup>2</sup> and over                                                                             |              |                      |            |                      |
| ***Septic System – Residential, commercial, industrial (GFA less than 186 m <sup>2</sup> )                            | \$3.95       | per m <sup>2</sup>   | \$4.05     | per m <sup>2</sup>   |
| Septic System – Farm related project (without internal plumbing)                                                      | \$175.00     | flat fee             | \$180.00   | flat fee             |
| Septic System – non-habitable addition/structure (no effect on system)                                                | \$175.00     | flat fee             | \$180.00   | flat fee             |
| Septic System – non-habitable addition/structure (change to system)                                                   | \$247.00     | flat fee             | \$254.00   | flat fee             |
| Septic System – habitable addition/structure (no effect on system)                                                    | \$175.00     | flat fee             | \$180.00   | flat fee             |
| ***Septic System – habitable addition/structure (change to system) less than 186m <sup>2</sup>                        | \$618.00     | flat fee plus        | \$637.00   | flat fee plus        |
| Additional fee 186m <sup>2</sup> and over                                                                             |              |                      |            |                      |
| ***Septic System – habitable addition/structure (change to system) less than 186m <sup>2</sup>                        | \$3.95       | per m <sup>2</sup>   | \$4.05     | per m <sup>2</sup>   |
| Additional fee 186m <sup>2</sup> and over                                                                             |              |                      |            |                      |
| On Site Sewage System – Maintenance Program Inspection Fee                                                            | \$1,697.00   | flat fee             | \$1,748.00 | flat fee             |
| <b>Mechanical - HVAC</b>                                                                                              |              |                      |            |                      |
| Mechanical - HVAC - Residential                                                                                       | \$311.00     | flat fee             | \$320.00   | flat fee             |
| Mechanical – HVAC - Non-Residential                                                                                   | \$621.00     | flat fee             | \$640.00   | flat fee             |
| Hazardous Processes - Kitchen Exhaust Hood, Spray Booth, Storage of Hazardous Material, Dust Collector                | \$595.00     | flat fee             | \$613.00   | flat fee             |
| <b>Subdivisions – Certified Models</b>                                                                                |              |                      |            |                      |
| Certified Models – Single Dwelling Unit up to 3 Different Elevations (additional cost)                                | \$2,619.00   | flat fee             | \$2,698.00 | flat fee             |
| One Additional Elevation (beyond 3 included in Certified Model, part of Certified Model application)                  | \$175.00     | flat fee             | \$180.00   | flat fee             |
| Change House Type Model (residential plan of subdivision where permit has been issued for a different                 | \$495.00     | flat fee             | \$510.00   | flat fee             |
| Change House Type Model – additional cost per m <sup>2</sup> or portion thereof                                       | \$12.89      | per m <sup>2</sup>   | \$13.27    | per m <sup>2</sup>   |
| <b>Permit Revisions</b>                                                                                               |              |                      |            |                      |
| Permit Revisions – Residential (when original permit calculated as a flat fee)                                        | \$175.00     | flat fee             | \$180.00   | flat fee             |
| Permit Revisions – Residential (includes 3 hours review time)                                                         | \$450.00     | flat rate            | \$464.00   | flat rate            |
| Permit Revisions – Non-Residential (includes 3 hours review time)                                                     | \$522.00     | flat rate            | \$538.00   | flat rate            |
| <b>Demolition</b>                                                                                                     |              |                      |            |                      |
| Demolition – Part 9 Residential (plus hourly rate for review over 3 hours)                                            | \$316.00     | flat fee             | \$325.00   | flat fee             |
| Demolition – Part 3 Residential and Non- Residential (plus hourly rate for review over 3 hours)                       | \$1,019.00   | flat fee             | \$1,050.00 | flat fee             |
| <b>Fire/Life Safety</b>                                                                                               |              |                      |            |                      |
| Active Fire Protection Systems - Fire Alarm, Sprinkler or Standpipe Systems, Mag-Locks (plus additional fee in        | \$228.00     | flat fee             | \$235.00   | flat fee             |
| Part 9 Fire Alarm System (additional fee)                                                                             | \$0.39       | per m <sup>2</sup>   | \$0.40     | per m <sup>2</sup>   |
| Part 3 Per Floor (additional fee)                                                                                     | \$164.00     | per floor            | \$169.00   | per floor            |
| Sprinkler / Standpipe System (additional fee)                                                                         | \$0.52       | per m <sup>2</sup>   | \$0.53     | per m <sup>2</sup>   |
| <b>Fast Track Permit Process</b>                                                                                      |              |                      |            |                      |
| Additional fee – (percentage of full permit fee subject to maximum/minimum amounts below)                             | 50%          | percent              | 50%        | percent              |
| Commercial and Industrial                                                                                             | \$875.00     | min.                 | \$901.00   | min.                 |
|                                                                                                                       | \$8,736.00   | max.                 | \$8,998.00 | max.                 |
| Residential - Detached/Semi Detached                                                                                  | \$583.00     | flat fee             | \$600.00   | flat fee             |
| Residential – Townhouse all types                                                                                     | \$292.00     | per unit             | \$301.00   | per unit             |
|                                                                                                                       | \$8,736.00   | max.                 | \$8,998.00 | max.                 |
| <b>Designated Structures</b>                                                                                          |              |                      |            |                      |
| Miscellaneous - Designated Structure/Public Pool/Public Spa/Retaining Wall                                            | \$626.00     | flat fee             | \$645.00   | flat fee             |
| Solar Collectors (residential Part 9)                                                                                 | \$175.00     | flat fee             | \$180.00   | flat fee             |
| Solar Collectors (Part 3 residential, industrial, commercial, institutional)                                          | \$565.00     | flat fee             | \$582.00   | flat fee             |



**Table 3-7 Cont'd  
Recommended Building Permit Fees (2022\$)**

| Occupancy Classification / Type of Construction                                                                                                          | Current Fees |                        | 2023 Fees                                                   |                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------|-------------------------------------------------------------|------------------------|
|                                                                                                                                                          | Fees         | Units                  | Fees                                                        | Units                  |
|                                                                                                                                                          | \$175.00     | Minimum                | \$180.00                                                    | Minimum                |
| <b>Miscellaneous Permits / Services</b>                                                                                                                  |              |                        |                                                             |                        |
| Alternative Solutions (plus cost of additional review/meetings and any 3 <sup>rd</sup> party review)                                                     | \$1,190.00   |                        | \$1,226.00                                                  |                        |
| Balcony, including guards                                                                                                                                | \$0.57       | per m <sup>2</sup>     | \$0.59                                                      | per m <sup>2</sup>     |
| Change of Use where no construction is proposed - For all Types of Classifications (plus hourly rate for each hour or part thereof)                      | \$342.00     | flat fee               | \$352.00                                                    | flat fee               |
| Conditional Permit (10% of building permit fee in addition to building permit fee)                                                                       | \$1,237.00   | min.                   | \$1,274.00                                                  | min.                   |
|                                                                                                                                                          | \$2,828.00   | max.                   | \$2,913.00                                                  | max.                   |
| Conditional Permit Agreement (amendment)                                                                                                                 | \$246.00     | flat fee               | \$253.00                                                    | flat fee               |
| Construction/Demolition/Change of Use without permit – additional 50% of permit fee                                                                      | \$175.00     | min.                   | \$180.00                                                    | min.                   |
|                                                                                                                                                          | \$5,655.00   | max.                   | \$5,825.00                                                  | max.                   |
| Demising Walls (no other construction)                                                                                                                   | \$4.94       | per linear metre       | \$5.09                                                      | per linear metre       |
| Demountable Event Structures (platforms, stages, bleachers, structures supporting lighting, audio and similar equipment)                                 | \$175.00     | flat fee per structure | \$180.00                                                    | flat fee per structure |
| Farm Buildings                                                                                                                                           | \$6.16       | per m <sup>2</sup>     | \$6.34                                                      | per m <sup>2</sup>     |
| Fireplace / Stove                                                                                                                                        | \$175.00     | flat fee               | \$180.00                                                    | flat fee               |
| Hourly Rate for Review or Inspection (minimum 3 hours may apply)                                                                                         | \$92.00      | per hour               | \$95.00                                                     | per hour               |
| Limiting Distance Agreement                                                                                                                              | \$605.00     | flat fee               | \$623.00                                                    | flat fee               |
| Occupancy Permit – Div C. 1.3.3.1 & 1.3.3.5 (per stage of occupancy)                                                                                     | \$316.00     | flat fee               | \$325.00                                                    | flat fee               |
| Partial Permit (additional fee)                                                                                                                          | \$283.00     | flat fee               | \$291.00                                                    | flat fee               |
| Portable Classroom                                                                                                                                       | \$246.00     | flat fee               | \$253.00                                                    | flat fee               |
| Recladding                                                                                                                                               | \$0.52       | per m <sup>2</sup>     | \$0.53                                                      | per m <sup>2</sup>     |
| Request to Defer Revocation (permit extension)                                                                                                           | \$175.00     | flat fee               | \$180.00                                                    | flat fee               |
| Sales Pavilion                                                                                                                                           | \$9.21       | per m <sup>2</sup>     | \$9.49                                                      | per m <sup>2</sup>     |
| Shelf and Racking System                                                                                                                                 | \$5.18       | per m <sup>2</sup>     | \$5.33                                                      | per m <sup>2</sup>     |
| Signs – All Signs except Billboard and Temporary (Portable) Signs                                                                                        | \$197.00     | flat fee plus          | \$203.00                                                    | flat fee plus          |
|                                                                                                                                                          | \$33.00      | per m2                 | \$34.00                                                     | per m2                 |
| Signs – Billboard                                                                                                                                        | \$170.00     | flat fee plus          | \$175.00                                                    | flat fee plus          |
|                                                                                                                                                          | \$43.00      | per m2                 | \$44.00                                                     | per m2                 |
| Shoring                                                                                                                                                  | \$10.97      | per linear metre       | \$11.30                                                     | per linear metre       |
| Tents/Air Supported Structures                                                                                                                           | \$6.60       | per m <sup>2</sup>     | \$6.80                                                      | per m <sup>2</sup>     |
| Re-install Air Supported Structure to Issued Building Permit                                                                                             | \$500.00     | Flat fee               | \$515.00                                                    | Flat fee               |
| Tents not intended as Permanent Structures                                                                                                               | \$175.00     | flat fee per tent      | \$180.00                                                    | flat fee per tent      |
| Transfer Permit (to new owner)                                                                                                                           | \$175.00     | flat fee               | \$180.00                                                    | flat fee               |
| Window Enlargement                                                                                                                                       | \$2.42       | per m <sup>2</sup>     | \$2.49                                                      | per m <sup>2</sup>     |
| <b>Other Fees</b>                                                                                                                                        |              |                        |                                                             |                        |
| Access Request – Property/Permit Data (plus Photocopy fee)                                                                                               |              |                        | \$84.00                                                     |                        |
| Routine Disclosure of Building Permit Plans / Surveys (plus photocopy fee)                                                                               |              |                        | \$84.00                                                     |                        |
| Photocopying/Scanning (Black and White) per Page (large>11x17)                                                                                           |              |                        | \$0.71/small page; \$6.30/large page                        |                        |
| Photocopying/Scanning (Colour) per Page                                                                                                                  |              |                        | \$1.50 up to 11x17, \$16.50 up to 36x48, \$9.90 up to 24x36 |                        |
| Building Compliance Letter                                                                                                                               |              |                        | \$177.00                                                    |                        |
| Supplementary Building Compliance Letter                                                                                                                 |              |                        | \$101.00                                                    |                        |
| Title Restriction Fee (flat fee per unit for buildings up to 3 storeys in building height)                                                               |              |                        | \$200.00 per unit                                           |                        |
| Title Restriction Fee (multiple units for buildings greater than 3 storeys in building height)                                                           |              |                        | The lower of \$5,000.00 flat fee or \$200.00 per unit       |                        |
| Written Response to Provincial/Regional Licenses (per letter including revisions up to 6 months from application date)                                   |              |                        | \$226.00                                                    |                        |
| Written Zoning Response (per letter)                                                                                                                     |              |                        | \$235.00                                                    |                        |
| Written Response to requests for Consent to Transfer Vacant Land, Consent to Transfer Mortgage or Consent to Transfer Easements (per lot, block or unit) |              |                        | \$80.00                                                     |                        |
| Written Response to request for Consent to Parcel Lands and Register Maintenance Easements (per request)                                                 |              |                        | \$160.00                                                    |                        |
| Inspection Fee Consents to Sever Land (for each lot to be created)                                                                                       |              |                        | \$317.00                                                    |                        |
| Inspection Fee Consents to Sever Land (for each remainder lot)                                                                                           |              |                        | \$317.00                                                    |                        |
| Inspection Fee – Minor Variance (per application)                                                                                                        |              |                        | \$317.00                                                    |                        |
| Temporary Signs (Portable) - A-Frame (per sign for up to 6 months posting), Feather Banner (up to 6 feather banner signs for up to 6 months posting)     |              |                        | \$222.00                                                    |                        |
| Temporary Signs (Portable) - Mobile (for up to 21 days posting)                                                                                          |              |                        | \$159.00                                                    |                        |
| Sign Variance Application Fee                                                                                                                            |              |                        | \$1,273.00                                                  |                        |



### 3.5 Planning Application Costs and Fee Recommendations

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The annual costs of service, revenues, and cost recovery level for each major type of planning application (including Committee of Adjustment Applications) is summarized in Table 3-8.

The City's current fees were applied to average historical application characteristics to model the anticipated revenue and quantify the cost recovery level by type. In aggregate, the City's planning application fees are recovering 115% of annual costs (\$12.1 million). When assessed by application type, all applications with the exception of Condominium, Committee of Adjustment, Pre-Application Consultation (PAC) processes, Design Review Panel (DRP), and miscellaneous processes like addressing and Part Lot Control are generating more than their respective annual costs of service.

- Official Plan Amendment and Zoning By-law Amendment application fees are recovering more than the full costs of service recovering between 109% and 147% of annual costs. Revenues from these two application types represent approximately 27% of total planning application revenues and generate a surplus of \$843,000 in comparison to costs.
- Revenue from Subdivision application fees total \$2.8 million (or 23% of total planning application fee revenue), representing 180% of the annual costs of service for Subdivision review.
- Site Development applications generate \$4.5 million in annual revenue, recovering 121% of Site Development annual costs. Site Development application revenues account for 37% of the total planning application fee revenue and produce an annual revenue surplus of \$791,000.
- Committee of Adjustment applications account for 12% (or \$1.2 million) of the total annual costs planning application review. Revenue from these fees recover 71% of the Committee of Adjustment annual costs.
- The remaining planning application fee categories represent approximately 15% of the annual costs of service, including costs for Pre-Application Consultation (PAC) meetings (\$569,000), Design Review Panel (DRP) (\$183,000) and Condominium applications (\$412,000). The fees for these activities are recovering on average 58% of the annual costs or \$481,900 annually. Across these application types, fees are recovering \$0.6 million or 41% of annual costs.



**Table 3-8**  
**Planning Application Fees Full Cost Impacts by Costing Category (2022\$)**

| Planning Applications                | Annual Costs      | Annual Revenue    | Cost Recovery (%) |
|--------------------------------------|-------------------|-------------------|-------------------|
| Official Plan Amendment              | 735,712           | 804,086           | 109%              |
| Zoning By-Law Amendment              | 1,640,051         | 2,414,763         | 147%              |
| Site Development                     | 3,739,577         | 4,530,766         | 121%              |
| Condominium                          | 411,858           | 281,038           | 68%               |
| Subdivision                          | 1,579,055         | 2,839,502         | 180%              |
| Pre-Application Consultation (PAC)   | 568,901           | 163,635           | 29%               |
| Design Review Panel (DRP)            | 182,743           | -                 | 0%                |
| Committee of Adjustment Applications | 1,209,338         | 860,308           | 71%               |
| Miscellaneous Planning               | 435,624           | 202,627           | 47%               |
| <b>Total</b>                         | <b>10,502,859</b> | <b>12,096,726</b> | <b>115%</b>       |

Planning application fee structure recommendations are provided in Table 3-9. Fee recommendations have considered the average costs and revenues by application type and sub type. Moreover, the average characteristics per application (e.g., residential units and non-residential gross floor area) were also considered in designing full cost recovery fees. To inform fee structure changes, the costs of various application sub-types were assessed for applications of various sizes across different locations within the City (i.e., VMC, infill, heritage, and other areas of the City). The costing results indicated that size an application is the major driver of processing complexity and effort, and as such, it is proposed to remove the application surcharges that currently existing for applications in the VMC, infill areas, and heritage districts of the City. Furthermore, maximum application fees have also been introduced for Zoning By-law Amendment, Subdivision, and Site Development applications in response to the average size of development applications having increased in comparison to the City's prior development fee review. For Zoning By-law Amendment, Subdivision, and Site Development applications, the current practice of imposing the residential or non-residential variable fees (i.e., per unit or per sq.m.) to the residential and non-residential components of mixed-use applications has been maintained.

Within the fee recommendations, the variable fee fees for Zoning By-law and Subdivision applications have been reduced as the current fees are recovering more than the full costs of service. Variable residential per unit fees for Site Development applications have been reduced, while variable per sq.m. fees for non-residential development have been increased with respect to the average processing costs and application size of residential and non-residential development.



Fees for Official Plan Amendments, Part Lot Control, Public Art Agreement, Stratified Title Agreement, Cash in Lieu of Parking Agreement, Street Name Changes, and Address Changes have also been decreased in response to the full cost of service observations.

Minor Variance fees have been disaggregated into three separate fee categories (i.e., Minor Type 1, Minor Type 2, and Major Development), to recognize the variability in the complexity of review and the affordability of the fees for each development type. Definitions of each development type are provided in Table 3-9. Minor Variance fees have been decreased to \$1,700 and \$2,200 for Minor Type 1 and Minor Type 2, respectively. Minor Variance fees for major development have been increased to \$6,100. Furthermore, Minor Variance fees for after the fact applications, will be charged at two times the applicable application fee. For all other planning applications, fees have been increased to full cost recovery levels, as well as a new fee to recover the costs of the Design Review Panel.

When applying the recommended planning application fees to the underlying annual application volumes, annual revenues would decrease by \$1.9 million (-16%) from 115% to 97% of annual costs. The shortfall in anticipated revenue compared to annual costs (i.e., \$327,000) is a result of decreases to Minor Variance application fees for minor development. As with development engineering applications, modelled revenue increases may differ from budgeted increases due to differences in future volume assumptions. Specifically, the modelled revenues reflect historical averages while the budget is prepared based on forward-looking projections.



**Table 3-9  
Recommended Planning Application Fees (2022\$)**

| OFFICIAL PLAN AMENDMENT APPLICATION                                                                                                     |                                                                                                                                                               |                               |                       |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|
| Application Type / Service                                                                                                              | Unit of Measure                                                                                                                                               | 2022 Fees                     | Recommended Fees      |
| Major Official Plan Amendment Base Fee <sup>7</sup>                                                                                     | Application                                                                                                                                                   | \$44,349                      | \$44,349              |
| Major Official Plan Surcharge (if application approved by Council or OLT)                                                               | Application                                                                                                                                                   | \$11,185                      | \$6,769               |
| Minor Official Plan Amendment Base Fee <sup>8</sup>                                                                                     | Application                                                                                                                                                   | \$27,513                      | \$27,513              |
| Minor Official Plan Surcharge (if application approved)                                                                                 | Application                                                                                                                                                   | \$8,267                       | \$4,602               |
| Revision to Official Plan Application requiring recirculation <sup>9</sup>                                                              | Application                                                                                                                                                   | \$5,336                       | \$5,336               |
| Additional Public Meeting and/or Report resulting from change to the Application by Applicant or more than 2 years since initial Public | Surcharge                                                                                                                                                     | \$8,433                       | \$8,433               |
| Additional Committee of the Whole report resulting from a change to the Application by the Applicant <sup>15</sup>                      | Surcharge                                                                                                                                                     | \$8,433                       | \$8,433               |
| ZONING BY-LAW AMENDMENT APPLICATION                                                                                                     |                                                                                                                                                               |                               |                       |
| Application Type / Service                                                                                                              | Unit of Measure                                                                                                                                               | 2022 Fees                     | Recommended Fees      |
| Residential                                                                                                                             | Singles, Semis, Townhouses (includes street, common element, stacked, back-to-back),                                                                          |                               |                       |
|                                                                                                                                         | Base Fee                                                                                                                                                      | Application                   | \$10,046              |
|                                                                                                                                         | Per Unit Fee <sup>13</sup>                                                                                                                                    |                               |                       |
|                                                                                                                                         | For the first 0-25 units                                                                                                                                      | Per Unit                      | \$757                 |
|                                                                                                                                         | For the next 26-100 units                                                                                                                                     | Per Unit                      | \$282                 |
|                                                                                                                                         | For the next 101-200 units                                                                                                                                    | Per Unit                      | \$77                  |
|                                                                                                                                         | For the next 201-1,130 units                                                                                                                                  | Per Unit                      | \$34                  |
|                                                                                                                                         | VMC Surcharge <sup>10</sup>                                                                                                                                   | Application                   | \$18,373              |
|                                                                                                                                         | Heritage Conservation Districts <sup>10</sup>                                                                                                                 | Application                   | \$18,373              |
|                                                                                                                                         | Intensification Area/Infill Surcharge <sup>10</sup>                                                                                                           | Application                   | \$18,373              |
| Non-Residential                                                                                                                         | Maximum Fee                                                                                                                                                   | Per Application               | \$85,000              |
|                                                                                                                                         | Base Fee                                                                                                                                                      | Application                   | \$10,046              |
|                                                                                                                                         | Non-Residential Routine                                                                                                                                       | Hectares/m <sup>2</sup>       | \$6,720 ha            |
|                                                                                                                                         |                                                                                                                                                               |                               | \$0.67 m <sup>2</sup> |
|                                                                                                                                         | Non-Residential VMC/Infill Area                                                                                                                               | Hectares/m <sup>2</sup>       | \$6,720 ha            |
|                                                                                                                                         |                                                                                                                                                               |                               | \$0.67 m <sup>2</sup> |
|                                                                                                                                         | VMC Surcharge <sup>10</sup>                                                                                                                                   | Application                   | \$18,373              |
|                                                                                                                                         | Intensification Area/Infill Surcharge/Heritage Conservation Districts <sup>10</sup>                                                                           | Application                   | \$18,373              |
|                                                                                                                                         | Maximum Fee                                                                                                                                                   | Per Application               | \$85,000              |
|                                                                                                                                         | Base Fee                                                                                                                                                      | Application                   | \$10,046              |
| Mixed-Use                                                                                                                               | Mixed Use Blocks <sup>5,6</sup> (If a residential use is proposed, the Residential Per Unit Fee applies)                                                      | Hectares/m <sup>2</sup>       | \$11,130 ha           |
|                                                                                                                                         |                                                                                                                                                               |                               | \$1.11 m <sup>2</sup> |
|                                                                                                                                         | VMC Surcharge <sup>10</sup>                                                                                                                                   | Application                   | \$50,325              |
|                                                                                                                                         | Intensification Area/Infill Surcharge/Heritage Conservation Districts <sup>10</sup>                                                                           | Application                   | \$63,106              |
|                                                                                                                                         | Maximum Fee                                                                                                                                                   | Per Application               | \$85,000              |
|                                                                                                                                         | Private Open Space                                                                                                                                            | Hectares                      | \$3,969               |
|                                                                                                                                         | Zoning By-law Surcharge (if Zoning Amendment Application is Approved by Council or LPAT)                                                                      | Surcharge                     | \$4,229               |
|                                                                                                                                         | Revision to Zoning Amendment Application Requiring Recirculation <sup>9</sup>                                                                                 | Surcharge                     | \$5,336               |
|                                                                                                                                         | By-law to remove Holding Symbol (H)                                                                                                                           | Application                   | \$5,806               |
|                                                                                                                                         | Interim Control By-Law Amendment                                                                                                                              | Application                   | \$5,659               |
| Other                                                                                                                                   | Part Lot Control By-Law                                                                                                                                       | Application                   | \$4,411               |
|                                                                                                                                         |                                                                                                                                                               | Plus \$ per lot being created | \$667                 |
|                                                                                                                                         | Extension of Part Lot Control                                                                                                                                 | Application                   | \$4,282               |
|                                                                                                                                         | Sections 37 & 45(9)/Community Benefit or Stratified Title Agreement Surcharge                                                                                 | Per Agreement                 | \$37,633              |
|                                                                                                                                         | Public Art Agreement                                                                                                                                          | Per Agreement                 | \$37,633              |
|                                                                                                                                         | Cash-in-Lieu of Parking                                                                                                                                       | Surcharge                     | \$4,964               |
|                                                                                                                                         | Class 4 Designation                                                                                                                                           | Surcharge                     | \$5,789               |
|                                                                                                                                         | Additional Public Meeting and/or Report resulting from change to the Application by Applicant or more than 2 years since initial Public Meeting <sup>15</sup> | Surcharge                     | \$8,433               |
|                                                                                                                                         | Additional Committee of the Whole report resulting from a change to the Application by the Applicant <sup>15</sup>                                            | Surcharge                     | \$8,433               |





**Table 3-9 Cont'd  
Recommended Planning Application Fees (2022\$)**

| SITE DEVELOPMENT APPLICATION               |                                                                                                                                            |                       |           |                  |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------|------------------|
| Application Type / Service                 |                                                                                                                                            | Unit of Measure       | 2022 Fees | Recommended Fees |
| Residential                                | Singles, Semis, Townhouses (includes street, common element, stacked, back-to-back), Apartment, and Condominium Units                      |                       |           |                  |
|                                            | Base Fee                                                                                                                                   | Application           | \$11,579  | \$15,000         |
|                                            | Per Unit Fee <sup>13</sup>                                                                                                                 |                       |           |                  |
|                                            | For the first 0-25 units                                                                                                                   | Per Unit              | \$924     | \$429            |
|                                            | For the next 26-100 units                                                                                                                  | Per Unit              | \$461     | \$214            |
|                                            | For the next 101-200 units                                                                                                                 | Per Unit              | \$324     | \$150            |
|                                            | For the next 201-660 units                                                                                                                 | Per Unit              | \$193     | \$90             |
|                                            | VMC Surcharge <sup>10</sup>                                                                                                                | Application           | \$5,591   | \$0              |
|                                            | <sup>10</sup>                                                                                                                              | Application           | \$37,544  | \$0              |
|                                            | Maximum Fee                                                                                                                                | Per Application       |           | \$120,000        |
| Residential (Already Paid Subdivision Fee) | Base Fee                                                                                                                                   | Application           | \$11,579  | \$15,000         |
|                                            | Per Unit Fee <sup>13</sup>                                                                                                                 |                       |           |                  |
|                                            | For the first 0-25 units                                                                                                                   | Per Unit              | \$614     | \$285            |
|                                            | For the next 26-100 units                                                                                                                  | Per Unit              | \$308     | \$143            |
|                                            | For the next 101-200 units                                                                                                                 | Per Unit              | \$215     | \$100            |
|                                            | For the next 201-660 units                                                                                                                 | Per Unit              | \$109     | \$51             |
|                                            | VMC Surcharge <sup>10</sup>                                                                                                                | Application           | \$5,591   | \$0              |
|                                            | <sup>10</sup>                                                                                                                              | Application           | \$37,544  | \$0              |
|                                            | Maximum Fee                                                                                                                                | Per Application       |           | \$120,000        |
|                                            | Base Fee                                                                                                                                   | Application           | \$11,579  | \$15,000         |
| Non-Residential                            | Industrial/Office/Private Institutional                                                                                                    | Per m <sup>2</sup>    | \$3.45    | \$12.44          |
|                                            | Industrial/Office/Private Institutional: Portions over 4,500m <sup>2</sup> GFA                                                             | Per m <sup>2</sup>    | \$1.75    | \$3.73           |
|                                            | Commercial (Service, Retail Warehouse)                                                                                                     | Per m <sup>2</sup>    | \$11.30   | \$12.44          |
|                                            | Commercial (Service, Retail Warehouse): Portions over 4,500m <sup>2</sup>                                                                  | Per m <sup>2</sup>    | \$3.39    | \$3.73           |
|                                            | VMC Surcharge <sup>10</sup>                                                                                                                | Application           | \$37,544  | \$0              |
|                                            | <sup>10</sup>                                                                                                                              | Application           | \$37,544  | \$0              |
|                                            | Maximum Fee                                                                                                                                | Per Application       |           | \$120,000        |
|                                            | Base Fee                                                                                                                                   | Application           | \$11,579  | \$15,000         |
| Mixed-Use                                  | Per Unit Fee <sup>13</sup>                                                                                                                 |                       |           |                  |
|                                            | For the first 0-25 units                                                                                                                   | Per Unit              | \$924     | \$429            |
|                                            | For the next 26-100 units                                                                                                                  | Per Unit              | \$461     | \$214            |
|                                            | For the next 101-200 units                                                                                                                 | Per Unit              | \$324     | \$150            |
|                                            | For each unit above 200                                                                                                                    | Per Unit              | \$193     | \$90             |
|                                            | Industrial/Office/Private Institutional                                                                                                    | Per m <sup>2</sup>    | \$3.74    | \$12.44          |
|                                            | Industrial/Office/Private Institutional: Portions over 4,500m <sup>2</sup> GFA                                                             | Per m <sup>2</sup>    | \$1.88    | \$3.73           |
|                                            | Commercial (Service, Retail Warehouse)                                                                                                     | Per m <sup>2</sup>    | \$12.23   | \$12.44          |
|                                            | Commercial (Service, Retail Warehouse): Portions over 4,500m <sup>2</sup>                                                                  | Per m <sup>2</sup>    | \$3.66    | \$3.73           |
|                                            | VMC Surcharge <sup>10</sup>                                                                                                                | Application           | \$63,106  | \$0              |
|                                            | <sup>10</sup>                                                                                                                              | Application           | \$63,106  | \$0              |
|                                            | Intensification Area/Infill Surcharge/Heritage Conservation Districts                                                                      | Application           | \$63,106  | \$0              |
|                                            | Minor revision to in progress Site Development Application requiring recirculation prior to Council <sup>9</sup>                           | Application           | \$5,336   | \$5,336          |
|                                            | Minor amendment to an approved Site Development Application not requiring Council Approval (plus any additional GFA proposed) <sup>9</sup> | Application           | \$4,991   | \$4,991          |
| Other                                      | Landscape Inspection Fee <sup>12</sup>                                                                                                     | Surcharge/ Inspection | \$516     | \$516            |
|                                            | Stratified Title Agreement                                                                                                                 | Agreement             | \$35,445  | \$20,388         |
|                                            | Telecommunication (Cell) Tower Application                                                                                                 | Application           | \$21,444  | \$42,006         |
|                                            | Tree Protection Fee (Agreement)                                                                                                            | Agreement             | \$1,928   | \$4,246          |
|                                            | Heritage Review Fee                                                                                                                        | Application           | \$1,917   | \$0              |

| DRAFT PLAN OF CONDOMINIUM                                              |                 |           |                  |
|------------------------------------------------------------------------|-----------------|-----------|------------------|
| Application Type / Service                                             | Unit of Measure | 2022 Fees | Recommended Fees |
| Draft Plan of Condominium Base Fee (includes Standard, Common Element, | Application     | \$29,235  | \$42,864         |
| Revision to a Draft Plan of Condominium                                | Application     | \$8,991   | \$17,544         |



**Table 3-9 Cont'd  
Recommended Planning Application Fees (2022\$)**

| DRAFT PLAN OF SUBDIVISION  |                                                                                                                                                 |                        |                                    |                                    |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------|------------------------------------|
| Application Type / Service |                                                                                                                                                 | Unit of Measure        | 2022 Fees                          | Recommended Fees                   |
| Residential                | Base Fee                                                                                                                                        | Application            | \$52,710                           | \$55,000                           |
|                            | Per Unit Fee <sup>13</sup>                                                                                                                      |                        |                                    |                                    |
|                            | For the first 0-25 units                                                                                                                        | Per Unit               | \$1,360                            | \$781                              |
|                            | For the next 26-100 units                                                                                                                       | Per Unit               | \$680                              | \$391                              |
|                            | For the next 101-200 units                                                                                                                      | Per Unit               | \$205                              | \$118                              |
|                            | For the next 201-900 units                                                                                                                      | Per Unit               | \$61                               | \$35                               |
|                            | Part Lot / Part Block                                                                                                                           | Per Unit               | 50% of Per Unit Fee / Lot or Block | 50% of Per Unit Fee / Lot or Block |
|                            | VMC Surcharge <sup>10</sup>                                                                                                                     | Application            | \$12,781                           | \$0                                |
|                            | <sup>10</sup>                                                                                                                                   | Application            | \$38,343                           | \$0                                |
|                            | Maximum Fee                                                                                                                                     | Per Application        |                                    | \$150,000                          |
| Non-Residential            | Base Fee                                                                                                                                        | Application            | \$52,710                           | \$55,000                           |
|                            | Non-Residential Blocks in Subdivision (fee applies on per hectare)                                                                              | Hectares               | \$14,266                           | \$2,504                            |
|                            | VMC Surcharge <sup>10</sup>                                                                                                                     | Application            | \$25,563                           | \$0                                |
|                            | <sup>10</sup>                                                                                                                                   | Application            | \$25,563                           | \$0                                |
|                            | Maximum Fee                                                                                                                                     | Per Application        |                                    | \$150,000                          |
| Mixed-Use                  | Base Fee                                                                                                                                        | Application            | \$52,710                           | \$55,000                           |
|                            | Per Unit Fee <sup>13</sup>                                                                                                                      |                        |                                    |                                    |
|                            | For the first 0-25 units                                                                                                                        | Per Unit               | \$1,360                            | \$781                              |
|                            | For the next 26-100 units                                                                                                                       | Per Unit               | \$680                              | \$391                              |
|                            | For the next 101-200 units                                                                                                                      | Per Unit               | \$205                              | \$118                              |
|                            | For each unit above 200                                                                                                                         | Per Unit               | \$61                               | \$35                               |
|                            | Mixed-use Blocks in Subdivision <sup>5,6</sup> (Fee applies on a per hectare)                                                                   | Hectares               | \$7,494                            | \$2,504                            |
|                            | VMC Surcharge <sup>10</sup>                                                                                                                     | Application            | \$25,563                           | \$0                                |
|                            | Districts <sup>10</sup>                                                                                                                         | Application            | \$12,781                           | \$0                                |
|                            | Maximum Fee                                                                                                                                     | Per Application        |                                    | \$150,000                          |
| Other                      | Circulation <sup>9</sup>                                                                                                                        | Application            | \$9,035                            | \$9,035                            |
|                            | Revision to Conditions of Draft Plan of Subdivision Approval                                                                                    | Application            | \$5,336                            | \$5,336                            |
|                            | Extension of Draft Plan of Subdivision                                                                                                          | Application            | \$2,664                            | \$2,664                            |
|                            | Registration of Each Additional Phase of a Subdivision Plan                                                                                     | Application            | \$3,880                            | \$21,339                           |
|                            | Landscape Review <sup>12</sup>                                                                                                                  | Application            | \$25,924                           | \$25,924                           |
|                            | Landscape Inspection <sup>12</sup>                                                                                                              | Surcharge / Inspection | \$516                              | \$516                              |
|                            | Additional Public Meeting and/or Report resulting from change to the Application by Applicant or more than 2 years since initial Public Meeting | Surcharge              | \$8,421                            | \$8,421                            |
|                            | Additional Committee of the Whole report resulting from a change to the Application by the Applicant                                            | Surcharge              | \$8,421                            | \$8,421                            |
|                            | Tree Protection Fee (Agreement) <sup>14</sup>                                                                                                   | Agreement              | \$1,928                            | \$1,928                            |
|                            | Heritage Review Fee                                                                                                                             | Application            | \$1,917                            | \$0                                |

| BLOCK PLAN AND SECONDARY PLAN                                 |  |                 |           |                  |
|---------------------------------------------------------------|--|-----------------|-----------|------------------|
| Application Type / Service                                    |  | Unit of Measure | 2022 Fees | Recommended Fees |
| Block Plan and Secondary Plan                                 |  | Hectares        | \$740 ha  | \$740 ha         |
| Revision for Application requiring Recirculation <sup>9</sup> |  | Application     | \$5,181   | \$5,181          |

| PRE-APPLICATION CONSULTATION (PAC)                                |  |                 |           |                  |
|-------------------------------------------------------------------|--|-----------------|-----------|------------------|
| Application Type / Service                                        |  | Unit of Measure | 2022 Fees | Recommended Fees |
| Pre-Application Consultation Meeting                              |  | Application     | \$1,598   | \$5,556          |
| Extension of Pre-Application Consultation Letter of Understanding |  | Application     | \$399     | \$399            |

| HERITAGE REVIEW                                                   |  |                 |           |                  |
|-------------------------------------------------------------------|--|-----------------|-----------|------------------|
| Application Type / Service                                        |  | Unit of Measure | 2022 Fees | Recommended Fees |
| Heritage Review (To be paid at Draft Plan of Subdivision or Site) |  | Application     | \$1,917   | \$0              |
| Heritage Permit                                                   |  | Application     | \$639     | \$639            |
| Heritage Status Letter                                            |  | Application     | \$96      | \$96             |



**Table 3-9 Cont'd  
Recommended Planning Application Fees (2022\$)**

| STREET NAMING AND NUMBERING                        |                       |           |                  |
|----------------------------------------------------|-----------------------|-----------|------------------|
| Application Type / Service                         | Unit of Measure       | 2022 Fees | Recommended Fees |
| Address Change Application                         | Application/ Property | \$1,223   | \$436            |
| Street Name Change                                 | Application/ Property | \$2,345   | \$1,523          |
| New Street Name - Proposed                         | Per Street Name       | \$2,353   | \$4,922          |
| New Street Name - From City's Pre-Approved List    | Per Street Name       | \$322     | \$2,854          |
| Street Number - Lot Through Consent                | Per Address           | \$639     | \$2,109          |
| New Street / Unit Address (Per Address & Per Unit) | Per Address/Unit      | \$47      | \$2,109          |

| DESIGN REVIEW PANEL (DRP)  |                 |           |                  |
|----------------------------|-----------------|-----------|------------------|
| Application Type / Service | Unit of Measure | 2022 Fees | Recommended Fees |
| Design Review Panel        | Application     | -         | \$10,625         |

| COMMITTEE OF ADJUSTMENT                                                               |                 |           |                        |
|---------------------------------------------------------------------------------------|-----------------|-----------|------------------------|
| Application Type / Service                                                            | Unit of Measure | 2022 Fees | Recommended Fees       |
| Consent Application Fee - all land uses                                               | Application     | \$3,875   | \$4,332                |
| Consent - Changing of Conditions                                                      | Application     | \$291     | \$301                  |
| Consent - Application Recirculation                                                   | Application     | \$2,870   | \$3,337                |
| Consent - Certificate of Official                                                     | Application     | \$285     | \$328                  |
| Consent - Cancelling Certificate (subject to the proclamation of Bill 276)            | Application     | \$285     | \$328                  |
| Minor Variance Application Fee - residential, agricultural, institutional             | Application     | \$3,155   | \$0                    |
| Minor Variance Application Fee - industrial, commercial                               | Application     | \$3,671   | \$0                    |
| Minor Development Type 1 <sup>1</sup>                                                 | Application     |           | \$1,700                |
| Minor Development Type 2 <sup>2</sup>                                                 | Application     |           | \$2,200                |
| Major Development <sup>3</sup>                                                        | Application     |           | \$6,100                |
| After the Fact Variances <sup>4</sup>                                                 | Application     |           |                        |
| Minor Variance - Application Recirculation - residential, agricultural, institutional | Application     | \$1,521   | 50% of application fee |
| Minor Variance - Application Recirculation - industrial, commercial                   | Application     | \$1,457   | 50% of application fee |
| Minor Variance & Consent - LPAT Appeal Fee                                            | Application     | \$892     | \$892                  |
| Minor Variance & Consent - Adjournment Fee                                            | Application     | \$579     | \$579                  |

1. Minor Development Type 1 All variances in support of Minor Development Type 1, including but not limited to:

- Driveway
- Landscape, including hard and soft landscape
- Swimming pool
- Accessory building or structure, Residential accessory structure
- Secondary suite
- Balcony, porch, or uncovered platform
- Private garage or carport
- Encroachments including ornamental building feature

2. Minor Development Type 2 All variances in support of Minor Development Type 2, including but not limited to:

- Building additions and alterations to existing dwelling with three dwelling units or less
- Home Industry
- Home Occupation
- Outdoor Display Area
- Outdoor Display Area, Seasonal
- Outdoor Patio associated with restaurant use
- Outdoor Storage

3. Major Development All variances in support of residential, commercial, institutional, and industrial uses or development standards and the creation of new lots. Including, but not limited to:

- Dwelling, Accessory Agriculture
- Model Home
- Temporary Sales Office

4. After the Fact Variances are required as a result of a registered complaint, construction inspection, building order or enforcement action.



# Chapter 4

## Impacts of Recommended Fees on Development



## 4. Impact of Recommended Fees on Development

### 4.1 Introduction

---

To understand the impacts the recommended fees will have on development, an impact analysis for sample developments has been prepared. The development user fee comparison includes planning application fees, building permit fees, development engineering fees, and development charges for each development sample. The comparison illustrates the impacts of the recommended fees in the context of the total development fees payable to provide a broader context for the fee considerations. In addition to providing the fee impacts for the City, Figures 4-1 through 4-5 provide development fee comparisons for select GTAH municipalities.

Five development types have been considered including:

- Low-Density Residential – example includes a 100-unit, low density residential development requiring an official plan amendment, plan of subdivision, and zoning by-law amendment;
- Medium-Density Residential – example includes a 50-unit, medium density residential development requiring a plan of condominium, site plan application and zoning by-law amendment;
- High-Density Residential – example includes a 200-unit, high density residential development (including 500 sq.m. non-residential G.F.A.) requiring an official plan amendment, plan of condominium, site plan amendment, and zoning by-law amendment;
- Retail – example includes a 1,000 square metre retail development requiring site plan application and zoning by-law amendment; and
- Industrial – example includes a 10,000 square metre industrial development requiring site plan application and zoning by-law amendment.

### 4.2 Low-Density Residential Development

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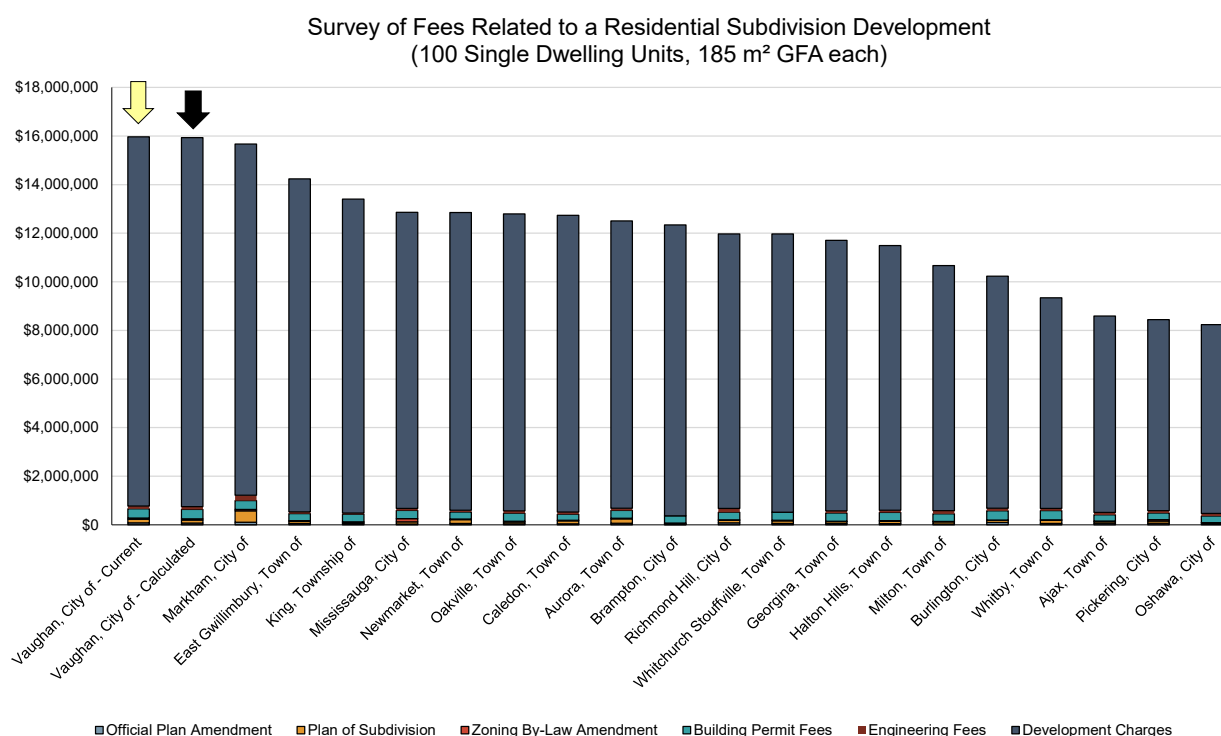
The City's current development fees imposed on a 100-unit single detached residential subdivision include plan of subdivision application fees, Official Plan Amendment, Zoning By-law Amendment, building permit fees, development engineering fees, and development charges. On a per unit basis, these fees total \$159,627. Planning



applications, development engineering and building permit fees account for \$7,752 or 4.9% of the total per unit fees imposed.

The recommended fees would include a 13% decrease to planning application fees, and a 3% increase to building permit fees which would decrease the total fees payable by 0.2%. With these recommendations, the City's overall ranking would be unchanged at first place relative to the other 19 municipalities included in the survey and shown in Figure 4-1 below.

**Figure 4-1**  
**Survey of fees Related to a Low-Density Residential Development**  
**(100-Unit Single Detached Units, 185 sq.m. GFA each)**



### 4.3 Medium-Density Residential Development

A 50-unit condominium development is subject to fees related to plan of condominium application fees, site plan application, zoning by-law amendment, building permit fees, development engineering fees, and development charges. Planning fees would total \$129,325, building permit fees would total \$141,480, development engineering fees total \$42,200 and development charges would total \$6.4 million. On a per unit basis,

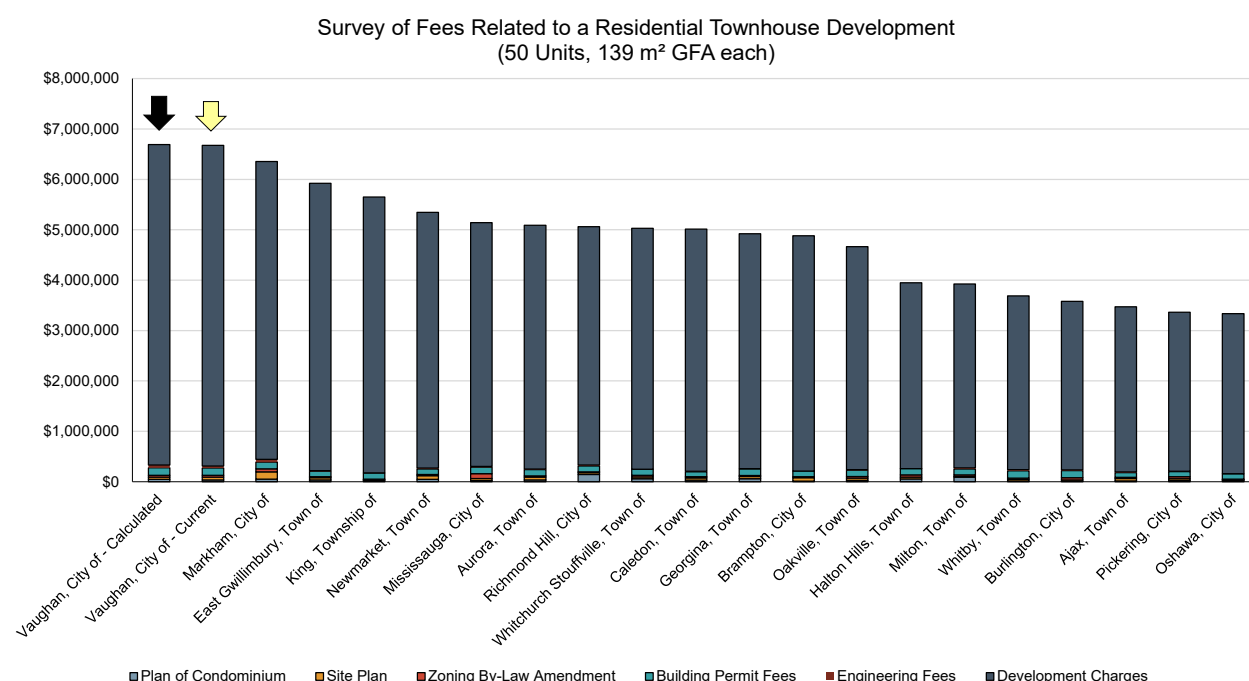




total fees payable would be \$133,490. Planning application, development engineering, and building permit fees would represent 4.9% of the total fees payable.

The recommended fees would increase the total fees payable by \$17,477. This increase includes a 24% decrease to Site Plan fees (-\$276), a 40% increase to Condominium fees (+\$276), a 2% decrease to Zoning By-law Amendment fees (-\$14), a 3% increase in building permit fees (+\$8), and a 33% increase in Site Plan development engineering fees (+\$282). This would increase the total fees payable by 0.3% (or \$350 per unit). The City's ranking within the comparison would remain unchanged at first overall in Figure 4-2

**Figure 4-2**  
**Survey of fees Related to a Medium-Density Residential Development**  
**(50-Unit Single Detached Units, 139 sq.m. GFA each)**



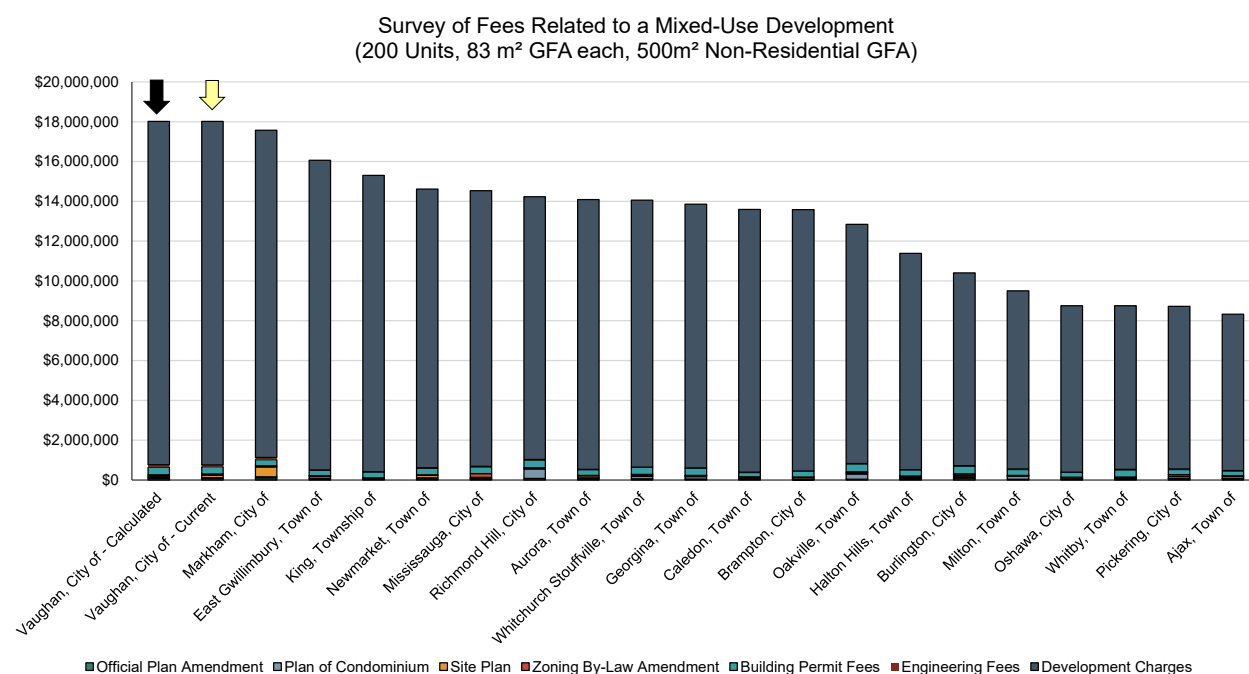
## 4.4 High-Density Residential Development

The 200-unit apartment building example includes fees for an official plan amendment, plan of condominium, site plan application, zoning by-law amendment, building permit fees, development engineering fees, and development charges. Total fees payable for the sample development would be \$18.0 million under the current fee structure.



Planning application, development engineering, and building permit fees would represent 4.2% (\$754,851) of the total fees payable. The recommended fees for this type of development would increase the planning application, development engineering, and building permit fees by 1% from \$754,851 to \$761,380 (i.e., -\$36,371 for planning applications, +\$32,000 for development engineering, and +\$10,901 for building permit fees). With respect to the total fees payable (including D.C.s), this increase represents a total increase of 0.04%. This would not alter the City's ranking when compared to the other municipalities within the survey (Figure 4-3) as the highest ranked municipality.

**Figure 4-3**  
**Survey of fees Related to a High-Density Residential Development**  
**(200-Unit Single Detached Units, 83 sq.m. GFA each)**



## 4.5 Retail Development Impacts

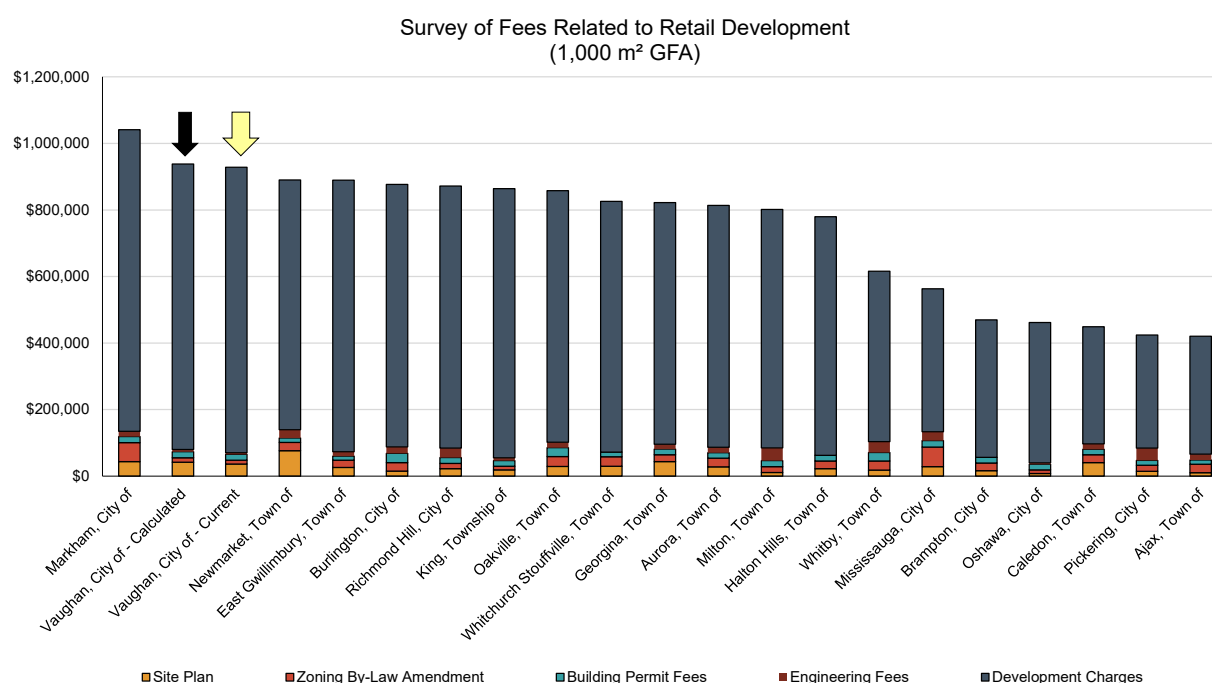
Development user fees currently payable for the retail sample application total \$928,633. Site plan, zoning by-law amendment, development engineering, and building permit fees for this development would total \$70,593 or 7.6% of the total fees payable. Total development charges payable would total \$858,040 or 92.4% of total development costs.



The recommended fees would increase the total fees payable by \$9,470 (+ \$7,339 for planning applications, + \$1,600 for development engineering fees, and + \$530 for building permits) or an increase of 1.0%.

As shown in Figure 4-4 below, the City's overall ranking would not change relative to the comparator municipalities. The City's fees would continue to be below those fees that are imposed in Markham.

**Figure 4-4**  
**Survey of Fees Related to Retail Development (1,000 sq.m. GFA)**



## 4.6 Industrial Development Impacts

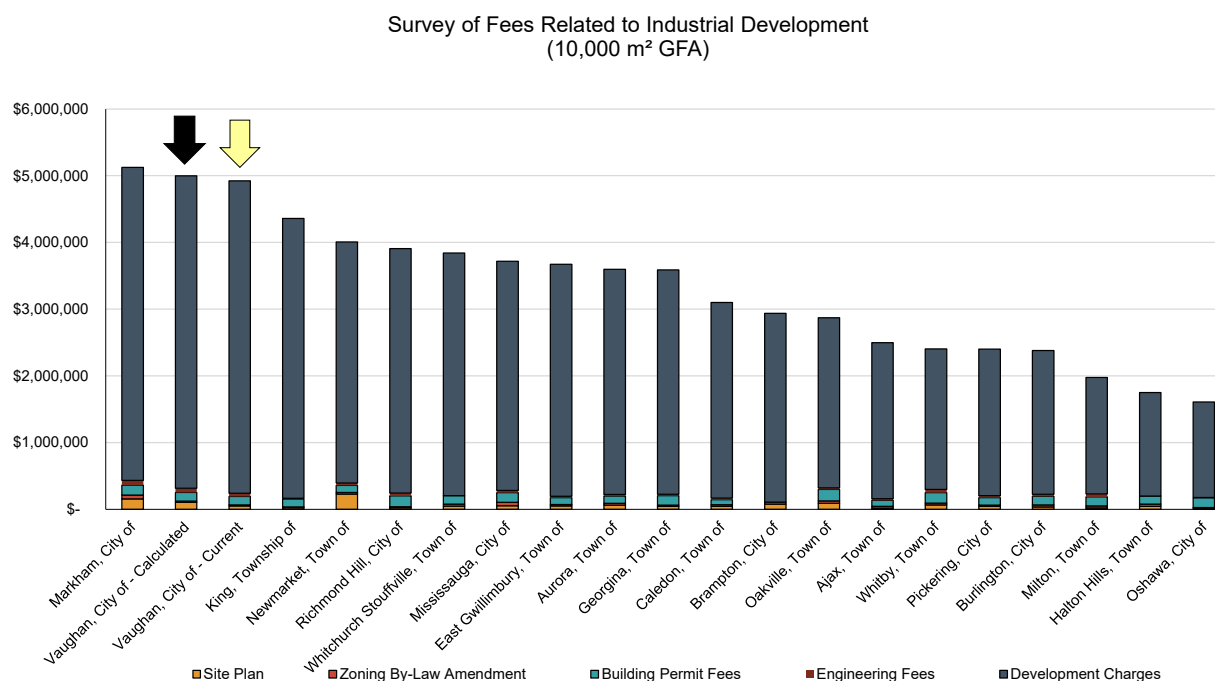
Existing development fees (site plan, zoning by-law amendment, building permits, development engineering, and development charges) imposed for a 10,000 square metre industrial development would total \$4.9 million, of which 95.1% of the costs (\$4.7 million) are for development charges.

Under the recommended fee structure, planning application fees would increase by \$56,238 (+83%), development engineering fees would increase by \$16,000 (+33%), and building permit fees would increase by \$3,747 (+ 3%). These increases result in a



1.5% increase in the total fees payable. The City's overall ranking would be unchanged at second place relative to the comparator municipalities as presented in Figure 4-5.

**Figure 4-5**  
**Survey of Fees Related to Industrial Development (10,000 sq.m. GFA)**





# Chapter 5

## Conclusion



## 5. Conclusion

Summarized in this technical report is the legislative context for the imposition of development application fees (i.e. development engineering, building permit, and planning application fees), the methodology undertaken, A.B.C. model results, the associated full cost recovery, fee structure recommendations to achieve building permit reserve fund sustainability, and market impacts. In developing the recommended cost recovery fee structure, consideration was given to anticipated development in the City over the next five-year period based on the City's D.C. Background Study, including the mix of building permit application activity, affordability concerns, and service demands in addressing current under-recovery of service costs and provisions for sustainable reserves.

The intent of this review is to provide the City with a recommended fee structure, for Council's consideration, to appropriately recover the service costs from benefiting parties. The City will ultimately determine the level of cost recovery and phasing strategy that is suitable for their objectives in this context. Furthermore, planning application fees continue to be evaluated in light of potential changes to development review processes in the City as a result of changes to the *Planning Act* made through the *More Homes for Everyone Act* and *More Homes Built Faster Act* amendments.

The recommended fees based on the findings of this study are presented in Tables 3-5, 3-7, and 3-9 for development engineering, building permits, and planning application fees, respectively.



**Communication: C3**  
**Committee of the Whole (2)**  
**April 18, 2023**  
**Item #3**

**From:** [Clerks@vaughan.ca](mailto:Clerks@vaughan.ca)  
**To:** [Jacquelyn Gillis](#)  
**Subject:** FW: [External] BILD PRELIMINARY CORRESPONDENCE - CITY OF VAUGHAN FEE REVIEW (ITEM 6.3 City of Vaughan Development Services Fee Structure Review – Development Planning, Development Engineering and Building Standards Fees) April 12th COW  
**Date:** Friday, April 14, 2023 11:58:10 AM  
**Attachments:** [image001.png](#)  
**Importance:** High

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**From:** Victoria Mortelliti <vmortelliti@bildgta.ca>  
**Sent:** Friday, April 14, 2023 11:57 AM  
**To:** Clerks@vaughan.ca  
**Cc:** Haiqing Xu <Haiqing.Xu@vaughan.ca>; gdimartino@trinitypoint.com; Danielle Binder <dbinder@bildgta.ca>; Victoria Mortelliti <vmortelliti@bildgta.ca>  
**Subject:** [External] BILD PRELIMINARY CORRESPONDENCE - CITY OF VAUGHAN FEE REVIEW (ITEM 6.3 City of Vaughan Development Services Fee Structure Review – Development Planning, Development Engineering and Building Standards Fees) April 12th COW  
**Importance:** High

Good morning,

Please be advised that the Building Industry and Land Development (BILD) Association will be submitting a letter regarding ***Item 6.3 City of Vaughan Development Services Fee Structure Review – Development Planning, Development Engineering and Building Standards Fees*** as presented on the April 18<sup>th</sup> Committee of the Whole agenda.

This email will serve as a preliminary correspondence in order to be made part of the revised agenda prior to Tuesday's meeting, while our formal letter will be submitted by the commenting deadline of Monday at noon.

BILD appreciates that the City has undertaken this review, as reviewing these fees regularly allows for robust discussion, and greater accountability and transparency when it comes to the City building process.

While we have had some preliminary conversations with staff, we are still digesting the full Watson report which we are reading for the first time with the recent release of the City's staff report on April 11<sup>th</sup>, and would appreciate additional time to so.

As such, we are recommending the deferral to allow additional time for the industry to review this material, as well as to allow for the City and BILD to consult to ensure the contents within this Study are fair and reflective of the actual costs involved. As partners in community building, we must ensure this is a fee model that is equitable and sustainable to the new homeowners of Vaughan who will unavoidably see the financial effects of these fees.

We appreciate you receiving this preliminary correspondence in advance of our formal letter on Monday, April 17<sup>th</sup>. For questions in the interim, please let me know.

Thank you,

**Victoria Mortelliti, MCIP, RPP**  
Senior Manager, Policy and Advocacy  
647-405-2913



**Building Industry and Land Development Association**

2005 Sheppard Avenue East | Suite 102 | Toronto, ON M2J 5B4

[bildgta.ca](http://bildgta.ca) | [renomark.ca](http://renomark.ca) | [torontohomeshows.com](http://torontohomeshows.com)



# City of Vaughan Development Fees Review Study

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Communication: C4  
Committee of the Whole (2)  
April 18, 2023  
Item #3

Committee of the Whole

April 18, 2023

# Introduction

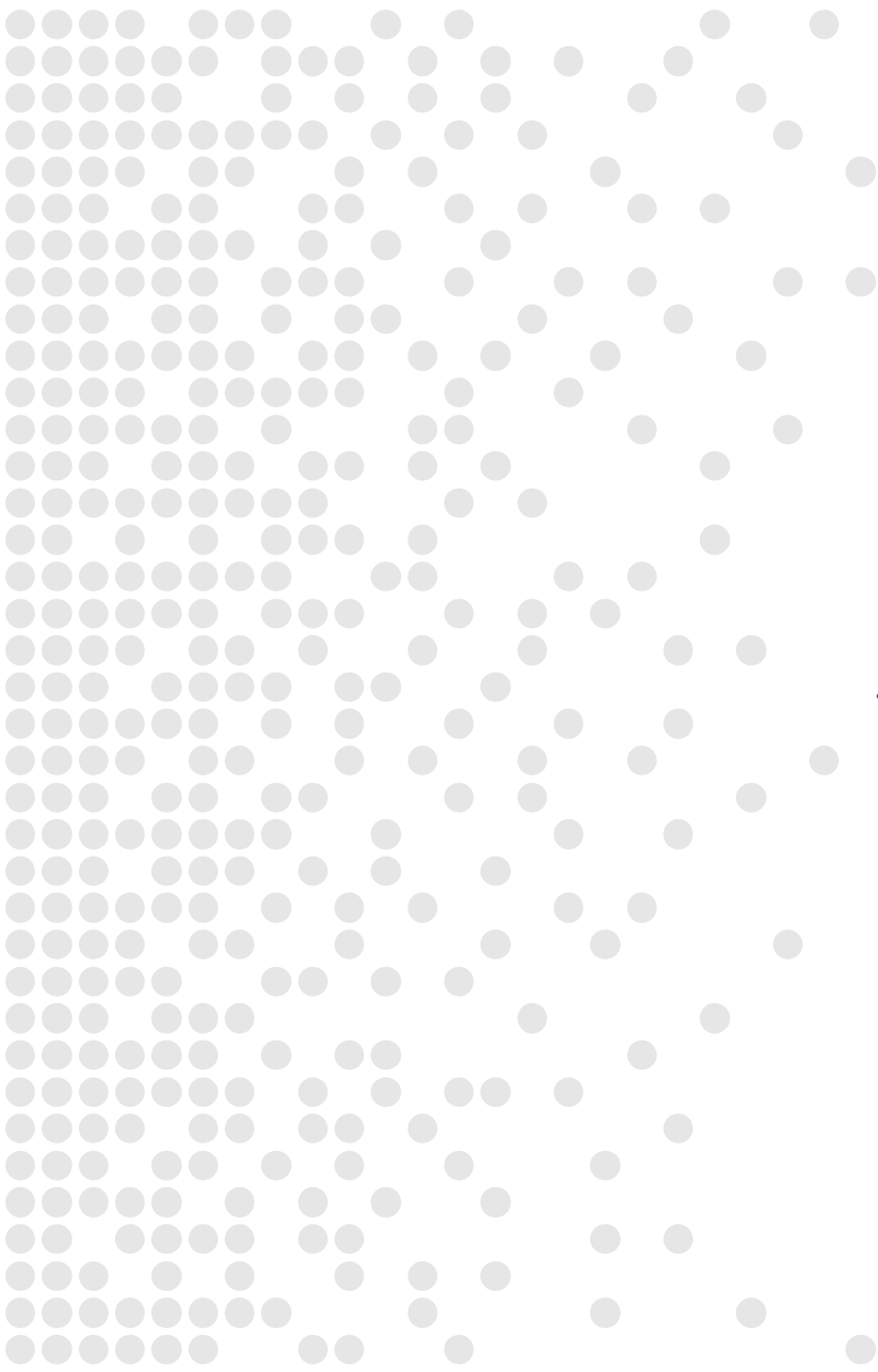


- The City of Vaughan (City) retained Watson & Associates Economists Ltd. (Watson) to undertake a review of its Development Fees
- The scope of the Development Fees includes Development Planning, Committee of Adjustment, Development Engineering and Building Standards
- Fees Review updates the City's studies undertaken between 2016-2018
- Watson employed an activity-based costing methodology to determine the full cost (direct, indirect, and capital) of service within the appropriate legislative context

# Introduction (cont'd)



- The review and recommendations considered:
  - The processes involved, level of staff effort provided and associated costs in relation to development applications;
  - New revenue opportunities and best practice fee-based funding model options; and
  - The impacts of the recommended fee structure changes on the development industry and Vaughan's relative market position
- Consultation with the City's Development Liaison Committee throughout the process
  - November 24, 2021 – introduction forum
  - December 14, 2022 – Development Engineering and Building Standards recommendations
  - March 17, 2023 – Development Planning recommendations



# Activity Based Costing Methodology

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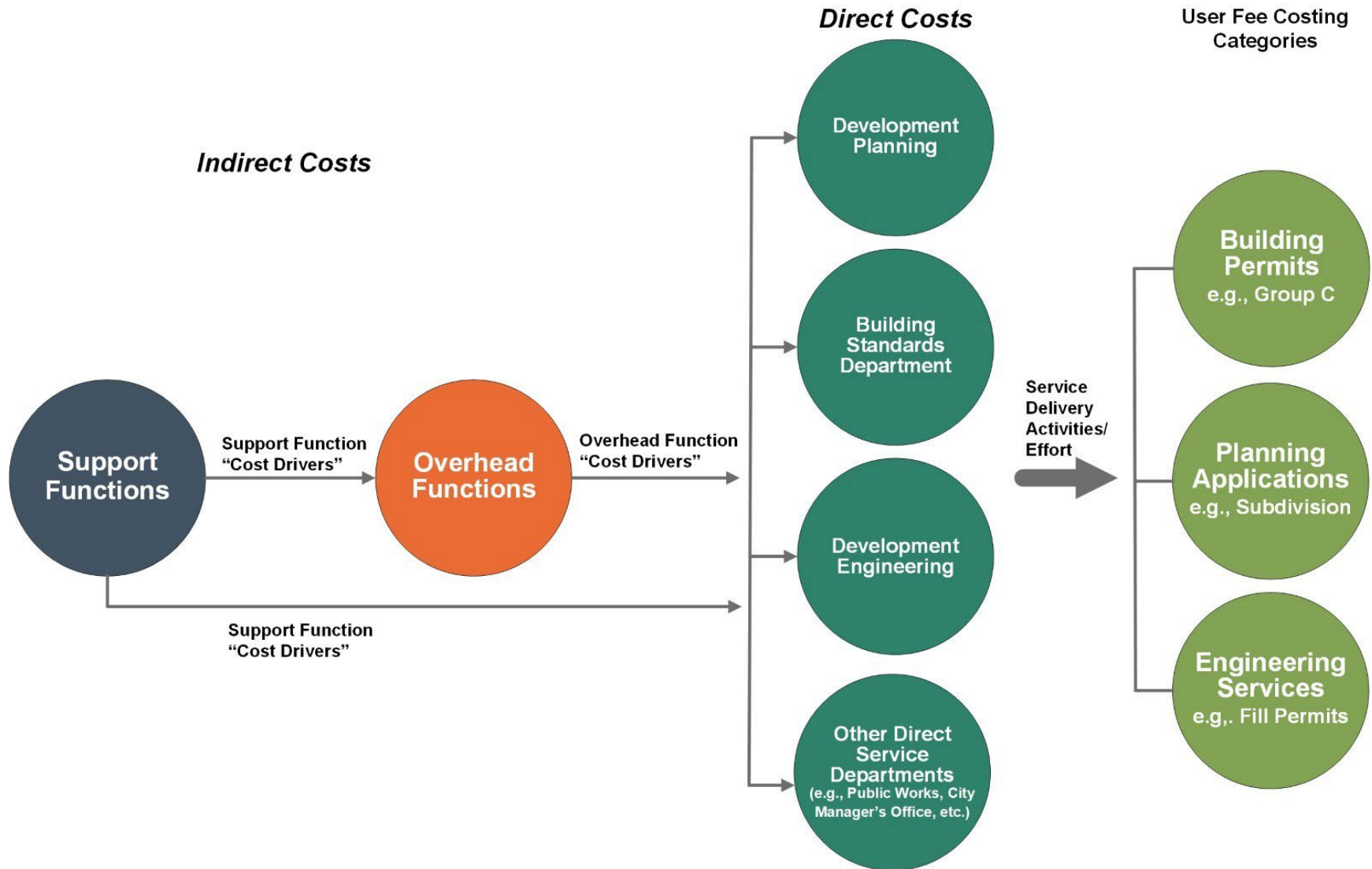
# Full Cost Definition

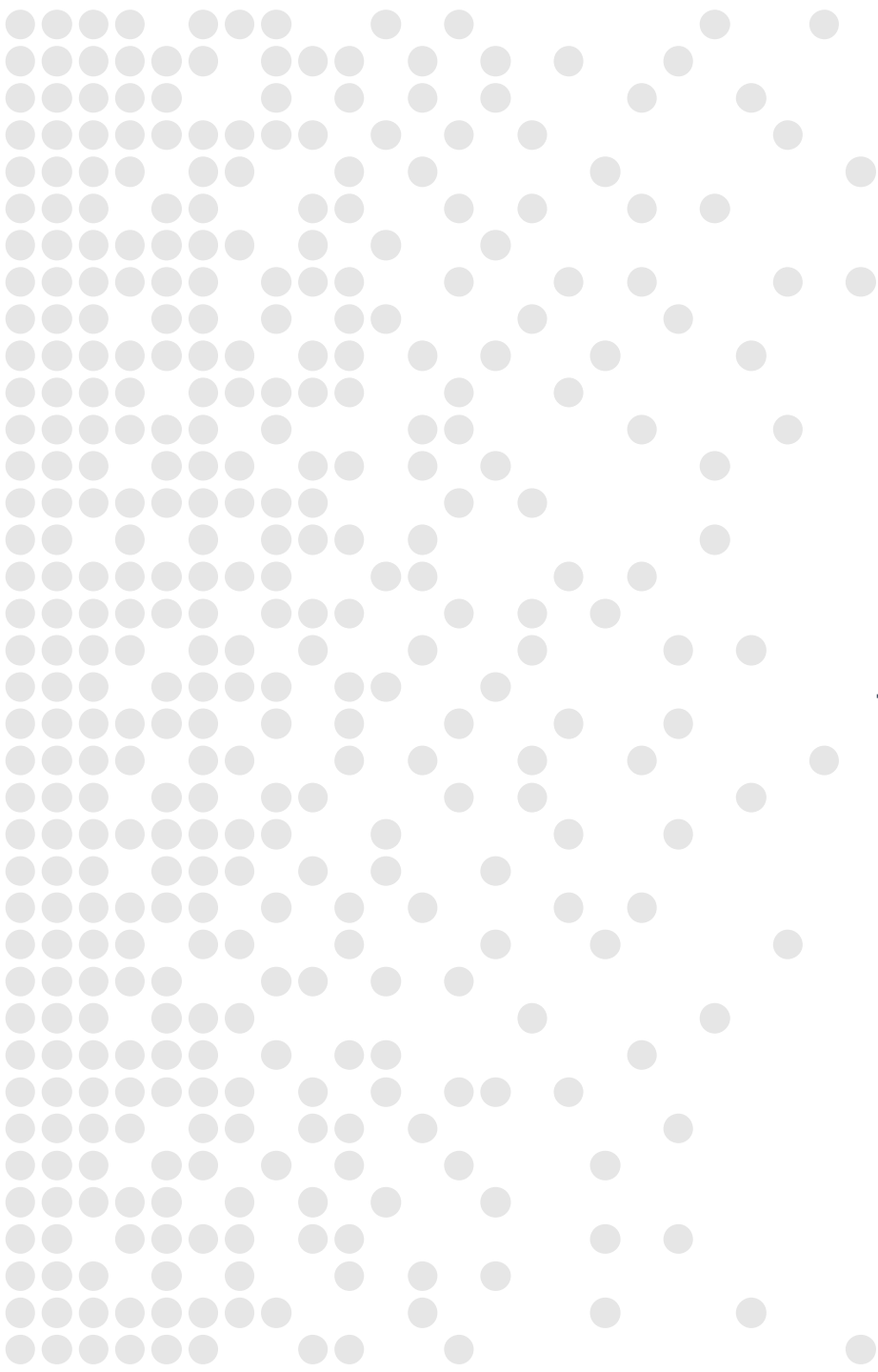


- Full cost recovery activity-based costing definitions:
  - Direct costs –operating costs associated with individuals directly participating in the service delivery activities
  - Indirect costs –operating costs associated with individuals supporting direct service departments. Typically involves support functions (e.g. HR, IT, facility maintenance) and corporate support functions (e.g. Council, CAO, financial planning and budgets, etc.)
  - Capital costs –capital asset replacement costs associated with individuals directly participating in the service delivery activities



# Activity-Based (A.B.C.) Costing Methodology





# Development Fees Review Findings

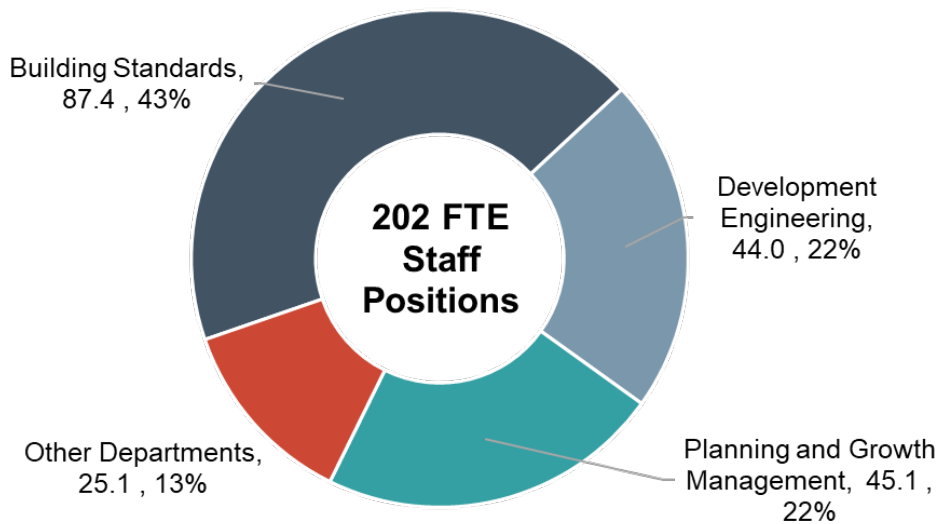
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# Development Fee Review Findings

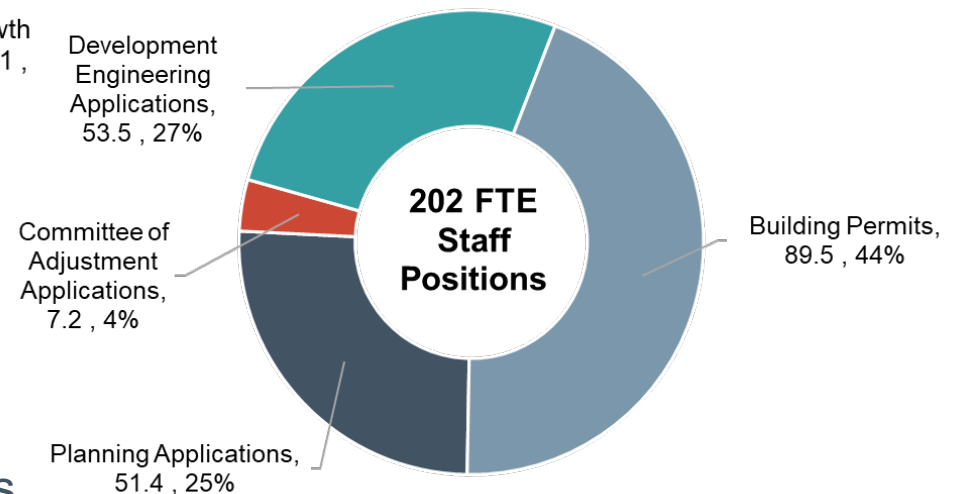
## Staff Resource Utilization



**Development Application Review Staff Utilization  
(FTE) by Department**



**Development Application Review Staff Utilization  
(FTE) by Service Area**



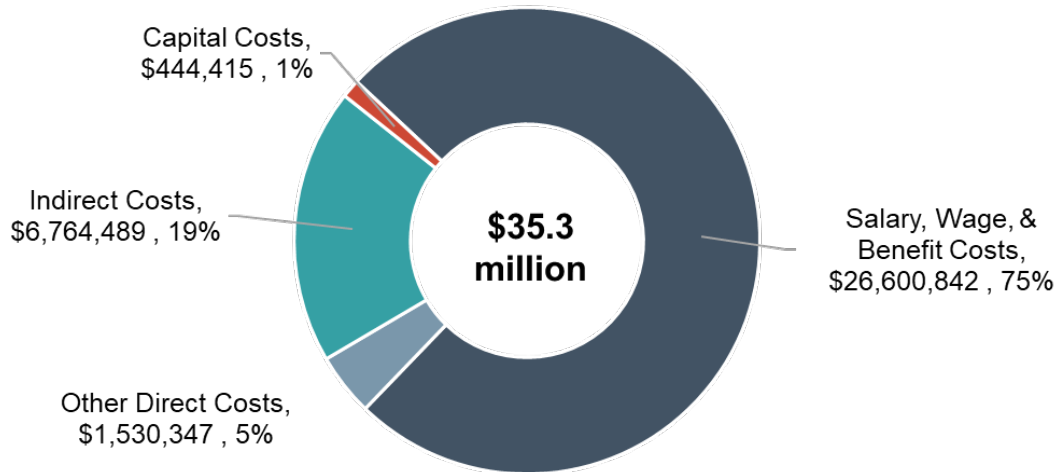
FTE = full-time equivalent staff positions

# Development Fee Review Findings

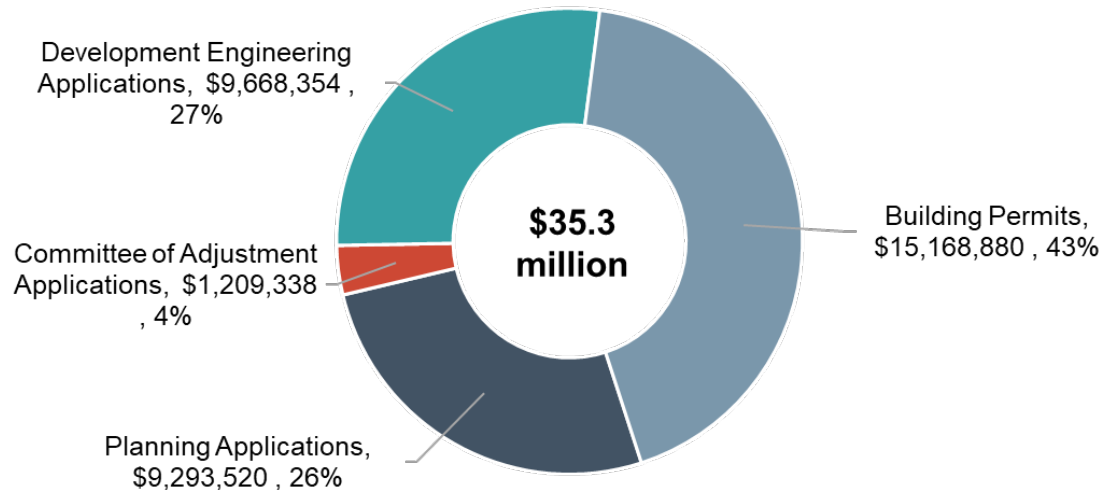
## Annual Costs of Service (2022\$)



**Annual Costs by Type of Expenditure**



**Annual Costs by Service Area**



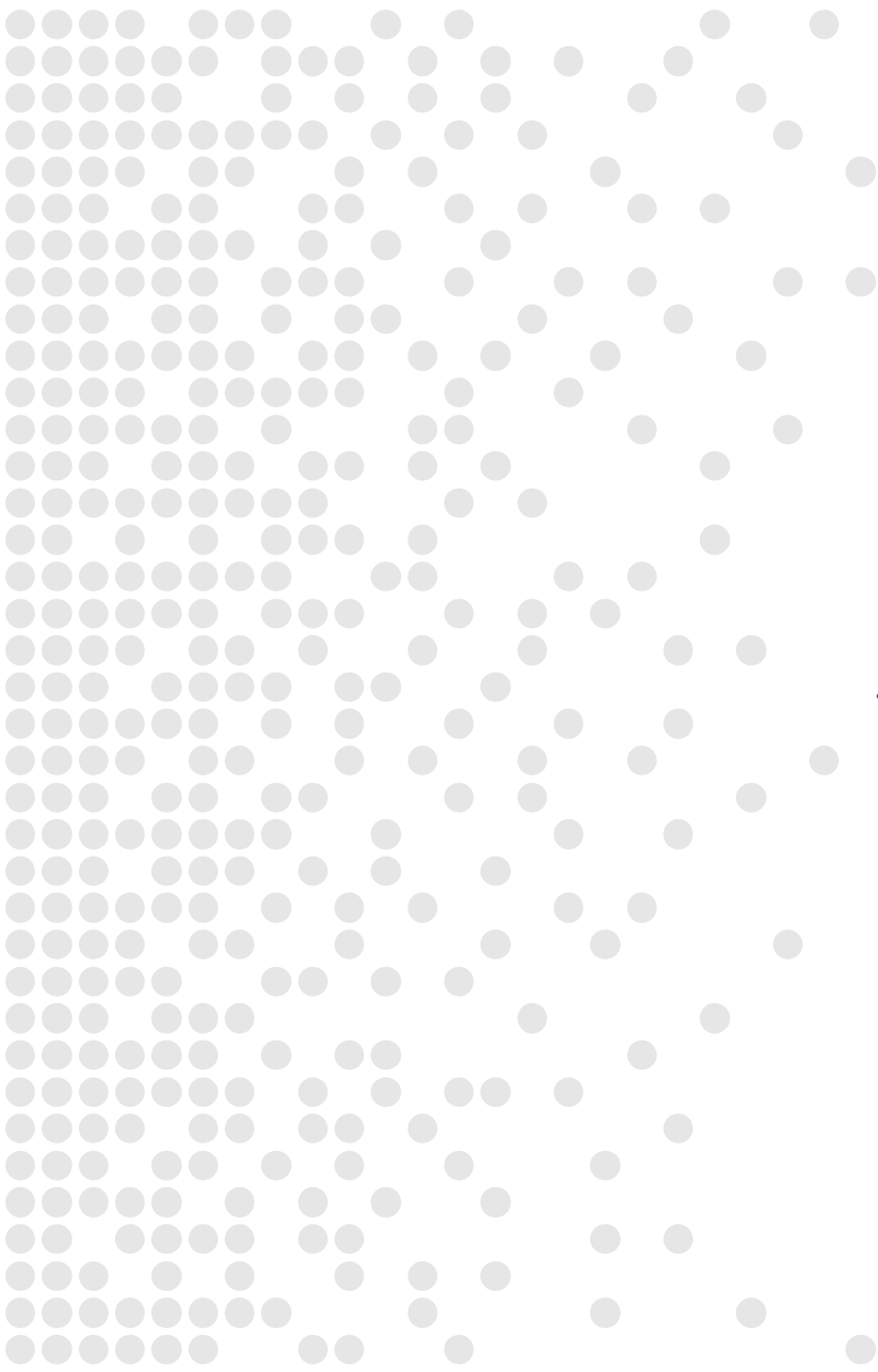
# Development Fee Review Findings

## Current Cost Recovery Performance



| Service Area                         | Direct Costs            |                    |                    | Indirect Costs | Capital Costs  | Total Annual Costs | Modelled Revenue at Current Fees |                    |                 |
|--------------------------------------|-------------------------|--------------------|--------------------|----------------|----------------|--------------------|----------------------------------|--------------------|-----------------|
|                                      | Salary, Wage & Benefits | Other Direct Costs | Total Direct Costs |                |                |                    | Annual Revenue                   | Surplus/ (Deficit) | Cost Recovery % |
| Development Engineering Applications | \$ 7.28                 | \$ 0.48            | \$ 7.77            | \$ 1.78        | \$ 0.12        | \$ 9.67            | \$ 8.28                          | -\$ 1.39           | 86%             |
| Building Permit Applications         | \$ 11.31                | \$ 0.62            | \$ 11.93           | \$ 3.03        | \$ 0.21        | \$ 15.17           | \$ 15.55                         | \$ 0.38            | 103%            |
| Planning Applications                | \$ 8.01                 | \$ 0.43            | \$ 8.43            | \$ 1.96        | \$ 0.11        | \$ 10.50           | \$ 12.10                         | \$ 1.59            | 115%            |
| <b>Total</b>                         | <b>\$ 26.60</b>         | <b>\$ 1.53</b>     | <b>\$ 28.13</b>    | <b>\$ 6.76</b> | <b>\$ 0.44</b> | <b>\$ 35.34</b>    | <b>\$ 35.93</b>                  | <b>\$ 0.59</b>     | <b>102%</b>     |

- Increase volume, size and complexity of development applications has resulted in higher costs for certain application types (e.g. site plan), with higher revenues accounting for the increases in most cases due to charging characteristics



# Development Fees Review Recommendations

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# Development Fee Review Recommendations

## Development Engineering



- Fee recommendations include:
  - Fees for Subdivision Engineering Review and Development/Servicing Agreements remain unchanged at 7.5% of construction costs
  - Fee increases recommended for Site Plan Engineering Review to reflect increase in effort (approx. 31% increase), with maximum fee of \$375,000 per application
  - Increased also recommended for other types of development engineering fees to achieve overall full cost recovery of service, including:
    - Site alteration permits, pool enclosure permits, residential and subdivision grading permits, pre-development servicing agreements, and agreement amendments



# Development Fee Review Recommendations

## Building Standards



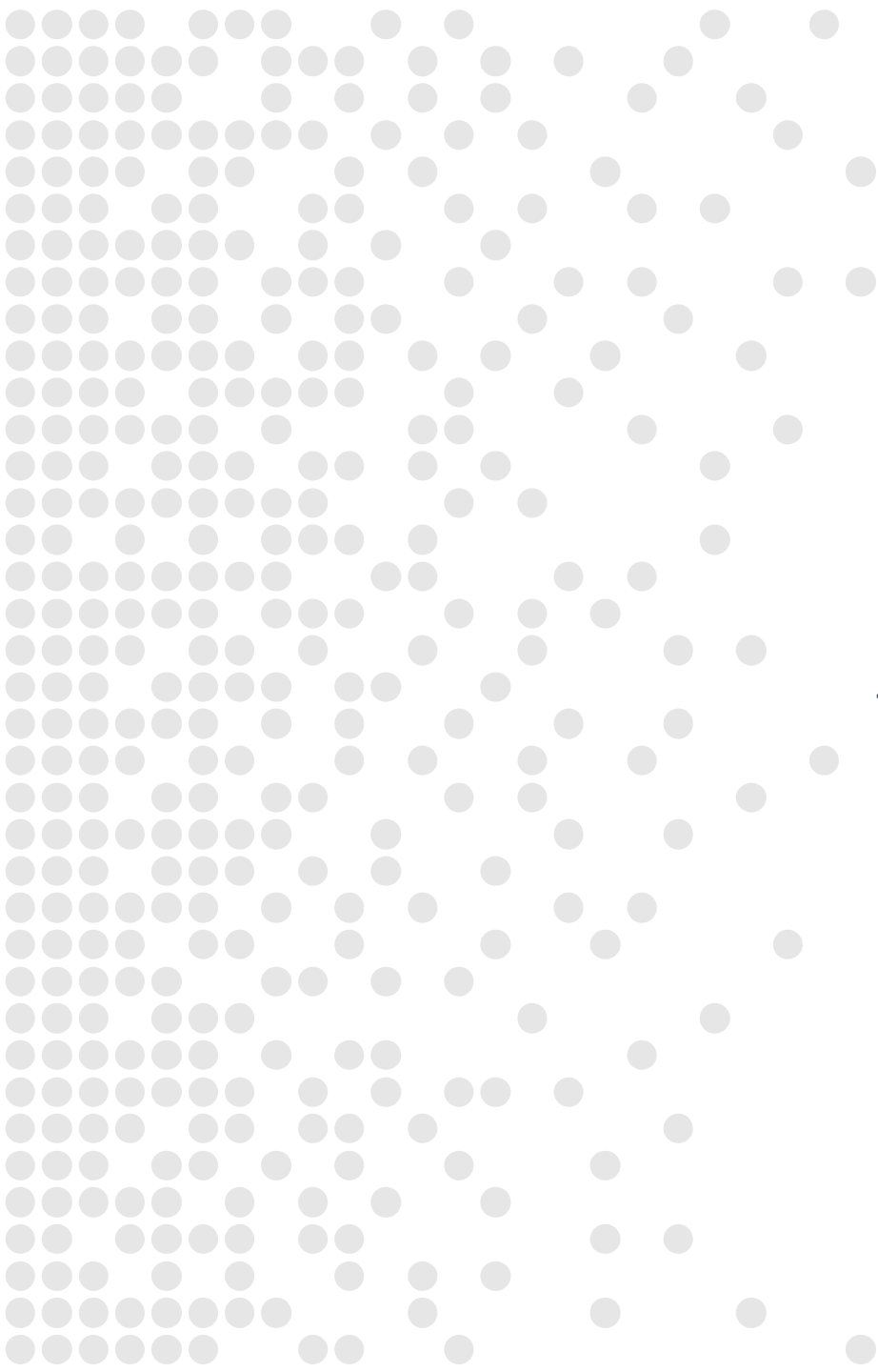
- Fee recommendations made to recognize the following:
  - Legislative authority to recover cost of administration and enforcement under the Building Code, including reserve funds for service sustainability
    - Reserve fund target balance set at 1.5 annual costs
- Fees increased annually for inflation, as well as specific fee adjustments for:
  - Non-residential interior alteration fees, residential garages/carports, residential accessory buildings without plumbing (less than 20 sq.m.), and residential accessory buildings (greater than 20 sq.m.)

# Development Fee Review Recommendations

## Development Planning



- Fee recommendations made to recognize the following:
  - Legislative authority for imposing fees to recover full costs of service
    - Fee increases and decreases within processing cost limitations
  - Cost differences based on modelled observations (i.e. type, size, complexity);
    - VMC, infill, and heritage surcharges proposed to be removed as size is the main driver of application complexity and costs
    - Introduction of maximum application fees for Zoning By-Law Amendment, Site Plan, and Subdivision application fees based on costing observations for large complex applications
  - New fee recommended for Design Review Panel



# Development Fees Review Development Impacts

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# Recommended Development Fee Impacts



- Fee Review considered the impacts of the fee recommendations on a sample of residential, non-residential and mixed-use development projects
- Impacts assess municipal development fees (including development charges) and provides a comparison to other GTA municipalities
- City's relative position to other municipalities is generally determined by development charges
- Development Fee Review recommendations provide minimal impacts on the City's total development fees:
  - 100-unit low density subdivision – 0.2% decrease
  - Medium and high density residential – 0.04%-0.3% increase
  - Non-residential retail and industrial – 1.0%-1.5% increase

# Questions

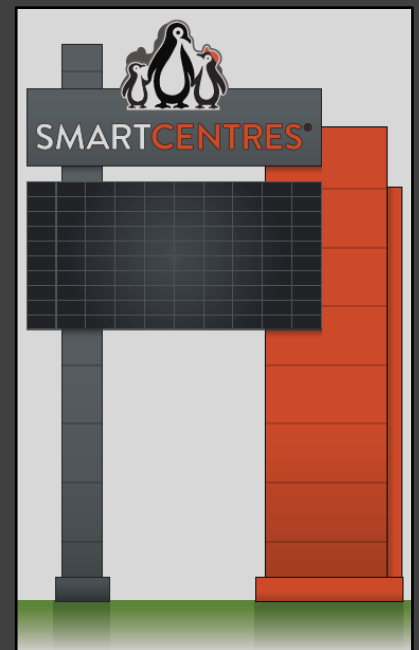


## SMARTCENTRES RUTHERFORD VILLAGE

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**Sign Variance Application Appeal**  
**9200 Bathurst St., Thornhill**

**April 18, 2023**







## Site Context – Aerial View



Proposed Billboard Location



Existing Pylon Signage



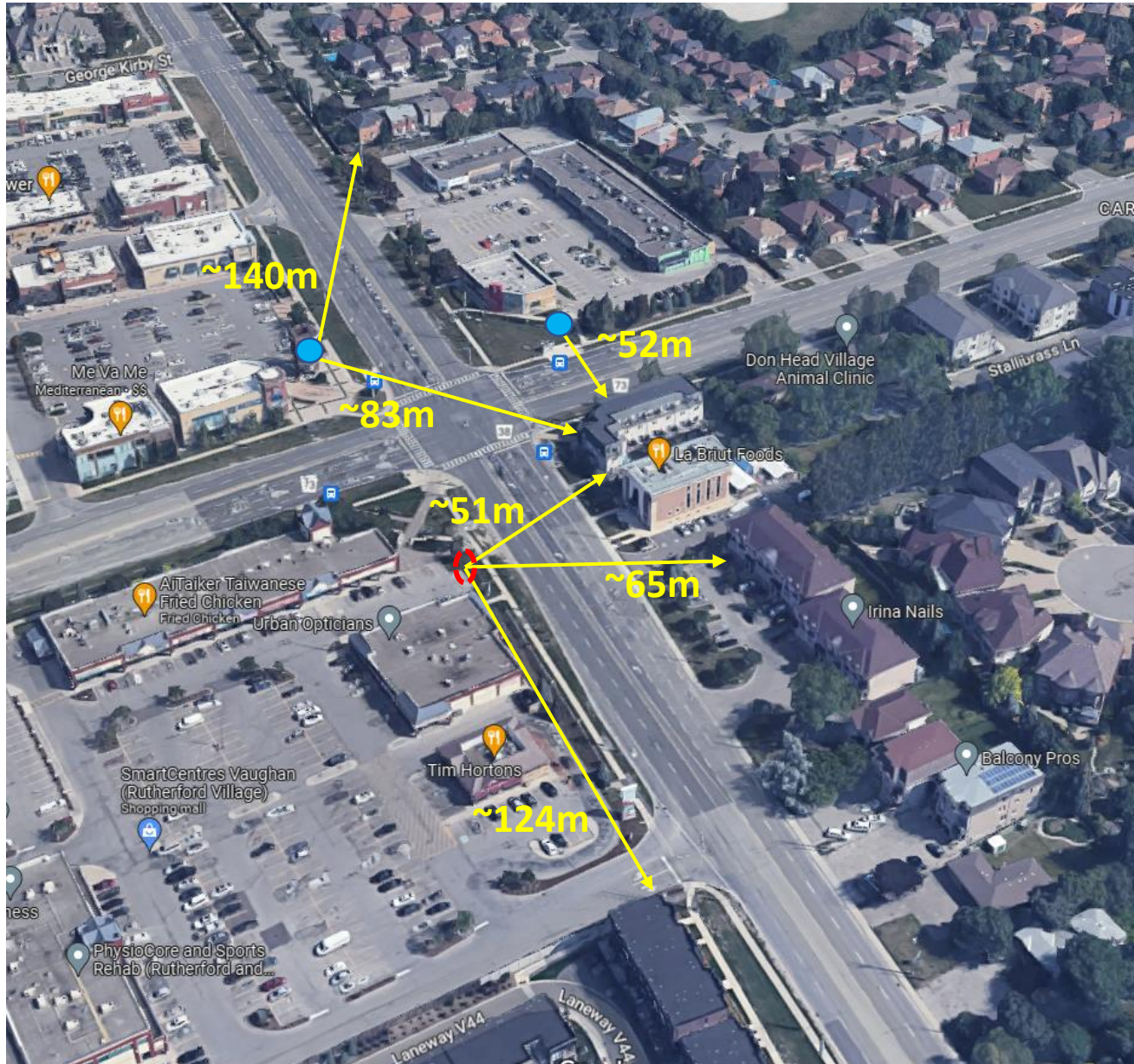
Existing Digital Billboard Signs

(since at least Aug 2011 [First Cap] and July 2018 [Bat Glen Plaza])





## Distance to Residential







## Rendering – Proposed Digital Sign





## Rendering – Comparison Digital Signs





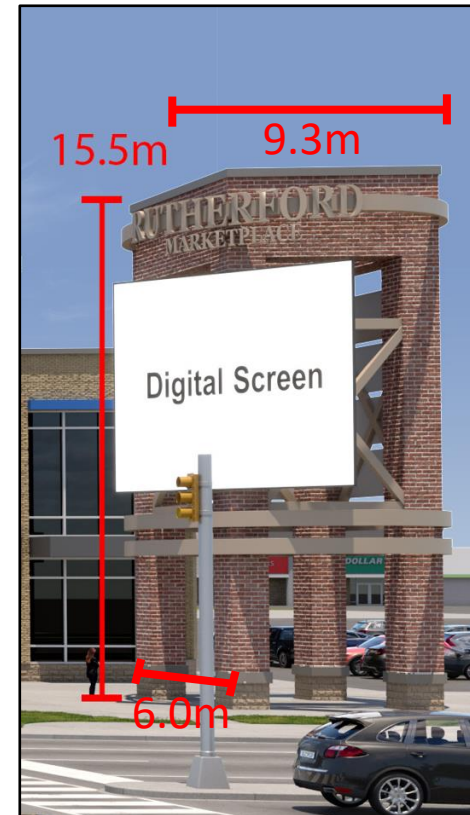


## Sign Dimensions Comparison

SmartCentres Proposed  
Billboard Sign



Existing Billboard Sign @  
Rutherford Marketplace



April 17, 2023

Mayor Steven Del Duca and Members of Council  
City of Vaughan  
2141 Major MacKenzie Dr. W.  
Vaughan, ON  
L6A 1T1  
Sent via email to [clerks@vaughan.ca](mailto:clerks@vaughan.ca)

**RE: City of Vaughan – Development Services Fee Structure Review Study**

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The Building Industry and Land Development Association (BILD) is in receipt of the City of Vaughan's *Development Fees Review Study* by Watson & Associates that is being presented at the April 18<sup>th</sup> meeting of the Committee of the Whole (Item 6.3). On behalf of our York Chapter members, we appreciate the opportunity to provide the following comments.

To begin, we would like to thank staff for continuing open and candidate discussions through our long-standing Developers Liaison Group (DLG), where we first learned that this review was being conducted. BILD appreciates that the City has undertaken this review, as reviewing planning, building and engineering fees regularly allows for greater accountability and transparency to ensure that they are fair and reflective of the actual costs involved. Through our DLG meetings we were able to have preliminary discussions on this topic on two occasions. Following one of our meetings, we provided some preliminary fee commentary to staff in the interest of greater accountability and equity.

Upon our initial review of the planning component of the staff report that was released on April 11<sup>th</sup>, we recognize that this component of the fee study has incorporated our comments and we would like to thank staff for making these changes. While we have a clear understanding and appreciation for the planning component of this work, we are still working through the engineering and building components of this study.

Therefore, further to our email that was submitted on Friday, April 14<sup>th</sup> to Clerks, we continue to ask for a deferral of this item for two Council cycles (which could return to the May 30<sup>th</sup> COW). This would allow additional time for the industry to review and for consultation.

As partners in community building, we must ensure this is a fee model that is equitable and sustainable to the new homeowners of Vaughan who will assume the financial implications of these fees. Thank you for the opportunity to submit these comments. As your community building partner, we trust that you will take them into consideration as we work towards success.

Kind regards,



**Victoria Mortelliti, MCIP, RPP**  
**Senior Manager of Policy and Advocacy**

CC: Haiqing Xu, City of Vaughan  
Danielle Binder, BILD  
Members of the BILD York Chapter

April 17, 2023

City of Vaughan  
2141 Major Mackenzie Drive, Vaughan, ON L6A 1T1  
Attention: City Clerk

RE: Committee of the Whole – April 18, 2023  
Development Services Fee Structure Review, Development Planning, Development  
Engineering and Building Standards Fees (the “Vaughan 23 Fee Review”)

We are writing in our capacity as Development Manager for various project landowners in the City of Vaughan with respect to your Vaughan 23 Fee Review process.

We thank you for your invitation to participate, comment and help facilitate the continuous improvement of the municipality in aiming to bring its Vaughan 23 Fee Review up to date with the future needs of this dynamically evolving and fast growing community. Please accept this submission as a preliminary set of hi-level comments in respect of your Vaughan 23 Fee Review process.

While the City should be applauded for proposing to eliminate the inappropriate “VMC Surcharge” that has been unfortunately paid by thousands of homeowners since 2017, there are more improvements to the fee structures that can be made especially since the statements made on the top of page 6 of the staff report are questionable to new home owners and office users in Vaughan before they even come to Vaughan. Accordingly, this matter should be deferred pending a proper in person consultation with the market participants speaking for those who cannot be heard as they are not yet resident or occupying offices in Vaughan.

#### **EXECUTIVE SUMMARY**

1. **Opportunity:** A proper and more fulsome dialogue with industry, new home and office product manufacturing participants, in person, should be provided prior to approval of this report and recommendations therein. As future taxpayers are not consulted, the only voice is the non-taxpaying participants representing your future taxpayers. Having an in person, discussion is paramount to proper consultation on this topic to ensure all voices are heard, considered and suggestions implemented, and to ensure the PPS and Places to Grow ‘cost considerations’, service level delivery, and other requirements are complied with legally.

**Solution 1:** Given that there has been no in person discussion and dialogue with the new home and office development industry, especially vis a vis service delivery and process standardization, this matter should be deferred pending a more wholesome ‘dialogue’ with your staff and consultants in person. Despite a brief ‘zooming’ meeting was held March 17, on the ‘telephone’, and not in person, and the City’s Watson report came out ‘after’ such meeting (April 11) with zero time for the industry to review and have effective dialogue with staff and the City

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regarding proposed changes being considered today (April 18). 7 days is hardly enough time for any consultation before Committee can approve it for implementation. Note that not all office manufacturers are members of BILD so distribution may need to be wider if the City really desires to hear why office building is a challenge that needs to be addressed.<sup>i</sup>

**Solution 2:** Compliance with PPS, Places to Grow and Bill 23 is mandatory. The PPS explicitly states, in the context of the housing 'crises'<sup>iii</sup> announced by the Ministry of Housing, all Planning Decisions must recognize the 'costs' implications on new home owners, specifically:

**"Planning must recognize the cost effective development standards to minimize costs" ... and the "Long term prosperity of Ontarians" must be met.**

If anything, new homes and offices near major infrastructure in a concentrated place, should per Watson 2008 have 'reduced' costs and charges; see Bottomly reports and Watson reports from April 2008, Region Finance Committee.<sup>iii</sup> There is no reason why the Vaughan products should not have the 'lowest' planning, development and other fees in the Country but to date they are nearly the highest in the top 5 of all jurisdictions on 'fees per unit'. Consideration should be had, as has been deputed earlier, to change all product charges to a 'per square' foot basis, not a 'per unit' basis; that study should be done in consultation with the development manufacturer representatives to make sure this is cost effective on new home and office users or office development will struggle in Vaughan to come forward due to high start up costs.

We need to meet in person and get 'standards' that are cost effective in place asap. Several meetings have been had with the City requesting 'standardized' site plan agreements, standardized subdivision agreements, standardized strata park agreements, and none of them have been established. Therefore before any new fee regime is approved, this process for PPS compliance must be met to be legally effective on any new proposed fee card. This is pertinent for improved 'service delivery' which is related to 'fees' and costs that office users and homeowners pay.

Again, the City should be applauded for reducing the inappropriate "VMC Surcharge", which is akin to a 'negative' area specific tax on certain users, however and in person dialogue following the recent release of the City Watson report should be had to take into consideration the PPS requirements and further changes that can be made to ensure that the new residential and office products have the lowest cost bases in consideration for their proposed proximity to funded and in place major infrastructure.

We would be delighted to have in person continued dialogue on this matter, and provide more detail on the points herein; it would be prudent before any final report proposing material policy changes is presented to Council for approval.

Yours truly,



Marco Filice, Senior Vice President, For and on behalf of various project landowners in Vaughan  
cc. Members of Council

Attachments - Appendix 1 – Watson Bottomley Confirmation of Reduced Costs to be Passed on to New Home and Office Manufacturers in Centres & Corridors, now picked up by City of Vaughan Post Bill 23 Absorption of Planning Requirements



See also source information at: <https://www.yorkalliancegroup.ca/york2022dcdeputation/>

## Appendix 1 – Watson Bottomley Confirmation of Reduced Costs to be Passed on to New Home and Office Manufacturers in Centres & Corridors, now picked up by City of Vaughan Post Bill 23 Absorption of Planning Requirements

Figure Region A – Paul Bottomley and Mr. Watson Report DC Reductions for Apartment Recommendation in 2008, April 30



# Comparative Analysis of Growth Scenarios

Presentation to Planning and  
Economic Development  
Committee

(Committee Report No. D2)

Paul Bottomley

April 30, 2008

## 3. Primary Fiscal Differences Between the Scenarios

2. Capital Costs – differences largely absorbed by development charges, but lower DCs may translate into lower house prices.

- Regional Roads – reduced vehicle km involves intensification-related capital savings of approximately \$176 million for “No Boundary Expansion” in comparison with 30% and a \$44 million savings difference between 40% and 30%.
- Water and Wastewater – 30%/40%/50% same capital cost. “No Boundary Expansion” involves capital savings of approx. \$50 million.
- Schools – more population in apartments = fewer pupils = reduced bus and school needs in York, but no difference in tax burden.
- Area Municipal –intensification of centres should produce savings re Fire, Parks, Waste Management and local Sewer/Water infrastructure

<sup>i</sup> See Resolution of Council in 2012 motioned by then Mayor Bevilacqua, where in Council approved a review of Office Development fees and costs to improve office development in the City. That resolution work should be reviewed in concert with this fees proposal in person with the office manufacturers' representatives.

<sup>ii</sup> The Ministry of Housing re-affirmed the deficient supply state of the 'Housing Crisis' again in 2019 (fn):

""After years of neglect by the former government, there is now a housing crisis in Ontario and the dream of ownership is out of reach for too many..." <https://news.ontario.ca/en/release/52060/ontarios-government-for-the-people-to-make-home-ownership-affordable-for-more-ontario-families> Minister Clark confirms on May 2, 2019 that we are in "a Housing Crisis", reiterating the acknowledgement of the crisis first alarmed in 2018 but implementing tools to address the concerns which require the lower tier municipalities to 'implement' the plans issued by the Province many years ago. See presentations by York Region issued to BILD at the York Chapter meeting of the Region MCR, Water/Wastewater and Transportation Master Update dated January 29, 2021, presented by Paul Freeman, York Region Chief Planner. Source file available upon request. Specifically, see page 42 of the Power Point Presentation entitled "MCR Update Presented to the BILD York Region Chapter, January 29, 2021 from York Region", where Paul Freeman specifically provides an empirical update stating: **York Region is 94,000 behind in population when compared to the required Growth Plan forecast**. If the industry builds only 40,000 units per year in the GTA, then for York Region to 'catchup' there needs to be a tripling or quadrupling of the provision of units in the next 10 years just to 'meet' the Growth Plan forecast.

<sup>iii</sup> See Appendix 1 herein and also source information at:

<https://www.yorkalliancegroup.ca/york2022dcdeputation/>

To achieve this goal of the Province, the municipality has to maximize the number of people and jobs in areas where transit and other infrastructure is funded or available so that the city can maximize its 'ROLA'. The ROLA for a ground typology home system is reported in the April, 2008 York Region Finance Committee report (see Watson Report April 8, 2008) which states, the city loses \$89 for each home that is produced but generates a net positive or \$271 for each apartment that is produced. This is because the city can fit more population per area of costed infrastructure, thus maximizing its investment return. Therefore, in order to ensure optimum riders on VIVA and the Subway, infrastructure that all property owners in Vaughan pay for, and to minimize operating overages, the city must maximize densities to ensure maximum attainable ridership opportunities. This further reduces the capital programs usually otherwise reserved for road expansions (i.e. from 4 lanes to 6 lanes) which keeps government imposed taxes and charges in check, and which further keeps the supply cost of new homes from 'escalating' on an exponential level. In their report, Watson also corroborated this theory by recommending that Development Charges and other fees for products that generate savings in capital/operating should be reduced. This recommendation was not accepted by Regional Council, which is comprised of the various lower tier municipal elected representatives. See also York Region Development Charges Public Consultation Deputation by M. Filice on May 26, 2022 at Regional Council and correspondence filed thereto, including letters by legal counsel on March 23, 2022 <https://www.yorkalliancegroup.ca/york2022dcdeputation/>

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