THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. DS-2018-0099

FOR THE CONSIDERATION OF COUNCIL August 15, 2018

SUBJECT: PLANNING APPLICATIONS AND SERVICES FEE BY-LAW REVIEW

1. RECOMMENDATION:

- 1. That Council receive Report No. DS-2018-0099 prepared by the Planning Division, Development Services Department dated August 15, 2018 respecting the Planning Applications and Services Fee By-law Review.
- 2. That Council authorize staff to proceed with the Public Open House on August 22, 2018.
- 3. That staff, after consideration of the public comments, return to Council with the final proposed Planning Applications and Services Fee By-law for Council's consideration and adoption.

2. PURPOSE:

The purpose of this report is to provide Council with a summary of the analytical results of the Planning Applications and Services Fee By-law Review conducted by Hemson Consulting Ltd. ("Hemson") on behalf of the Town.

3. BACKGROUND:

The Town of Georgina retained Hemson to undertake a Fee Review of the full costs of processing the applications and the provisions of services related to Planning Act applications and municipal procedures in relation to same, to achieve full cost recovery pursuant to the *Planning Act* and *Municipal Act*, and municipal fiscal principles and objectives.

Pursuant to s. 69 of the *Planning Act*, municipalities are allowed to impose fees by way of a by-law for the purposes of processing planning applications. The *Act* stipulates:

"69.(1) Tariff of Fees. - 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."

Furthermore, pursuant to s. 69 (2) of the *Act*, the Council, Planning Board, Committee of Adjustment or Land Division Committee, in processing an application, may reduce the amount of or waive the requirement for the payment of a fee in respect of an application where the Council, Planning Board or Committee is satisfied that it would be unreasonable to require payment in accordance with the tariff.

Similarly, the provisions of Part XII of the *Municipal Act* provides municipalities with broad powers to impose fees and charges via the 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 the municipality;
- Costs payable by the municipality for services or activities provided or done by or on behalf or any other municipality or local board; and
- Use of its property including property under control of the municipality.

The Town's current Fee By-law was enacted in 2011, and the established fees have been indexed on an annual basis reflective of the annual Consumer Price Index (C.P.I.) rates. Many changes have occurred to the Planning services and development application processes since 2011, warranting the review.

Hemson has approached the fee review through a three-phase process:

- Phase I provides for an initial consultation with the Steering Committee (staff team) and a period for information gathering on the various applications and processes undertaken, the budgetary and revenue information, the volume on the various types of applications processed, conducting interviews with staff involved in the processes, and a financial forecast of future fee revenues. Phase I also includes a comparative review or "benchmarking exercise" of the user fees and fee practices of select York Region municipalities such as Aurora, East Gwillimbury, King, Newmarket and Whitchurch-Stouffville.
- Phase II provides for the analysis of the data gathered in Phase I, along with the information obtained in the interviews and comparative review, to establish the full cost of providing services. The full direct and indirect costs of providing services, as well as the future anticipated costs, are included in the analysis. Direct costs include the costs that directly relate to reviewing applications or conducting the service (excluding, pre-consultation process, street naming requests, requests for change of municipal address, renewable energy project requests, etc.). Indirect costs include those costs related to supporting and administering a service. Future anticipated costs are those costs that may not currently exist yet are also being considered, such as salary increases, changes to service standards, or capital replacements. At this point in the process, Hemson will also identify and recommend any new fees that the Town

can charge for those services currently not captured by the existing fee by-law. The proposed fee structure will be created and provided to the Steering Committee for consideration.

 Phase III is the final phase, and is devoted to refining the full cost of service analysis results, reporting on same, and communicating to the various stakeholders. The final recommendations and proposed changes to the Fee By-law will be brought before Council for approval.

4. ANALYSIS:

At this time, Hemson has completed Phase I (information gathering) and Phase II (analysis), and has prepared the attached memorandum, identifying the calculated fees for full cost recovery associated with the processing of Planning Applications and the provision of Planning Services undertaken by the Town. Hemson has also provided a table outlining the results of their 'benchmarking' exercise in comparing the calculated fees against the current fees of various other municipalities. As anticipated, in order to capture the cost of service, increases to all of the current fees would be necessary, in addition to the establishment of new fees for services not presently captured in the 2011 Fee By-law.

A copy of the Hemson memorandum is provided as Attachment '1'.

Given the condensed time frame to complete the Fee By-law Review prior to the end of the Council term, the final Hemson report providing the background analysis, consideration of public comment, and formulation of recommendations, will be provided to Council through the next staff report, tentatively scheduled for mid-September 2018. Also anticipated for that Council Meeting, is the consideration of the 'new' Fee By-law for implementation effective January 1, 2019.

5. RELATIONSHIP TO STRATEGIC PLAN:

This report addresses the following Town of Georgina corporate strategic goals:

GOAL 4: "Provide Exceptional Municipal Service" – ORGANIZATIONAL & OPERATIONAL EXCELLENCE

6. FINANCIAL AND BUDGETARY IMPACT:

The purpose of the fee review is to identify the total cost of processing *Planning Act* applications and the provision of planning related services, which allows for the establishment of a fee structure that achieves full cost recovery for each application type and service.

However, should Council decide to adopt any fee or service at less than full cost recovery, than the net difference would need to be absorbed by another funding source (ie. general tax levy and/or reserve funds). For example, in this regard, historically Council has not set the fee for a Minor Variance application at the full cost recovery rate.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

No public consultation process or notice requirements for a fees and charges by-law is required under the *Planning Act* or the *Municipal Act*. However, pursuant to the municipal procedural policy, Policy No. DAS-CL-030 (2007), the provision of public notice a minimum of 2 weeks prior to the passing of a by-law to impose fees or charges is required. Also, a copy of this report, including the Hemson results attached thereto, was posted to the Town's website on August 8, 2018. Furthermore, the development industry and the public will have an opportunity to attend an Open House to be held on August 22, 2018 between 7:00 p.m. and 9 p.m. at the ROC facility. Notice of this Open House will be advertised through the Town's website (August 8, 2018), and through the August 9 and August 16 editions of the Georgina Advocate. Input and comments received from the public and land development industry will be considered in the study process and final recommendations.

8. CONCLUSIONS:

Staff are of the opinion that the draft calculated fees identified within the Hemson review are reasonable and the next step of holding an Open House is appropriate to obtain public and industry comments on the draft fees.

Following the scheduled Open House on August 22, 2018, it is anticipated that the final report and updated Fee By-law will be presented to Council at the scheduled Council Meeting at 9:00 a.m. on September 19, 2018. Notice for the proposed enactment of the By-law will be provided a minimum of 2 weeks (14 days) prior to the Council meeting date to consider same.

Prepared by:

Velvet L. Ross, MCIP, RPP

Manager of Planning

Recommended by:

Harold W. Lenters, M.Sc.Pl., MCIP, RPP

Director of Development Services

Approved by:

David Reddon

Acting Chief Administrative Officer

24 July 2018

Attachment 1 – Planning Applications and Services Fees Review – Hemson (July 2018)



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MEMORANDUM

To:

Velvet Ross

From:

Hemson Consulting

Date:

August 3, 2018

Re:

Planning Applications and Service Fees By-law Review - Draft Results

Municipalities in Ontario are responsible for ensuring that the delivery of local services is undertaken in accordance with the provisions of Provincial legislation. To offset the cost of providing services, municipalities are permitted to charge fees. The Town of Georgina has levied such fees for many years. It has not, however, undertaken a comprehensive review of its planning fees since 2011. Since that time, there have been several important changes:

- Town Council adopted the Georgina Official Plan (2016) which has impacted the pattern of development occurring in the Town;
- Financial pressures, in particular the pressure to shift the funding of municipal services toward user fees and away from property taxes, means that regular fee reviews are prudent.

In light of this, the Town wishes to conduct a review of its planning services fees. The purpose of the study is to establish the full cost of providing services and determine appropriate fee rates for recovering some or all costs as permitted under the *Planning Act* and the *Municipal Act*.

Full cost recovery fee rates are based on the average annual level of development application activity and cost of providing review services over the same time period. This analysis looks at the fees required to recover the full cost of providing planning application review services over the five-year period from 2018-2022.

A. PLANNING ACT FEE PROVISIONS

The *Planning Act* stipulates that planning (or development application) fees must "meet only the anticipated cost to the municipality" of each type of application provided in its tariff of fees. Section 69 (1) of the *Planning Act* contains the following provision:

69. (1) 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. R.S.O. 1990, c. P.13, s.69 (1); 1996, c. 4, s. 35 (1).

The *Planning Act* also allows for these fees to be reduced or waived by Council for any application (s.69 (2)). Moreover, it provides a mechanism for fees to be appealed to the Local Planning Appeal Tribunal.

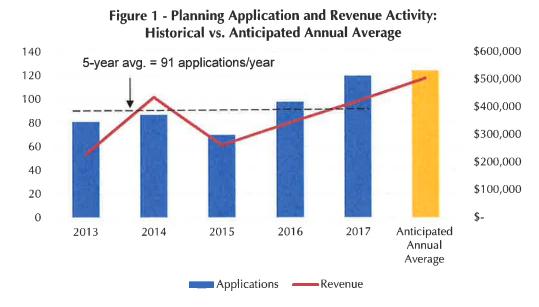
B. DEVELOPMENT APPLICATION FEE REVENUE

The planning fee structure in Georgina has been in place for several years. The Town's current practice is to match anticipated revenues and expenditures on an annual basis; therefore, all fee rates are increased to account for the effects of inflation on an annual basis.

Figure 1 displays the number of planning applications issued by the Town relative to revenues over a five-year period from 2013 to 2017. The figure shows that the average annual number of applications has steadily increased in recent years from 70 applications in 2015 to about 120 applications in 2017. This increase is primarily attributed to recent growth in Committee of Adjustment (Consent and Minor Variance) applications, as well as growth in Zoning By-law Amendment applications.

A forecast of future planning application activity in Georgina over a five-year period from 2018 to 2022 has been prepared for fee setting purposes. The forecast is based on existing growth forecasts for the Town, an analysis of current and proposed planning applications, and discussions with Town staff. Overall, it is assumed that application activity will remain relatively in line with historical trends, although generally higher than 2013 through 2017 as application activity levels in the Keswick area continue to

develop. For the purposes of this analysis, the Town is assumed to receive a similar number of applications per annum from 2018 to 2022 as received in 2017.



The higher application activity projected also reflects the expectation that minor variance and consent applications will continue to be strong and in line with more recent activity levels.

C. ANALYSIS OF COSTS

This section presents an analysis of the direct and indirect costs of delivering services required to process planning applications in Georgina. It should be noted that the cost analysis is represented in constant \$2018.

1. Direct Costs

A number of staff at the Town are responsible for processing applications in respect of planning matters in Georgina. They include staff in the Development Services department, including the Planning, Development Engineering, and Building divisions as well as those in Operations & Infrastructure, Fire Services, Recreation & Culture, and Administration. The entire cost of the time spent by these staff on reviewing planning applications, along with the costs of the resources they use, are considered direct costs under this study. Time shares have been determined based on the information obtained primarily from detailed interviews with all staff members.

Although a portion of staff time is directly attributed to processing planning applications, a significant share is unrelated to application review and is excluded as a cost for fee recovery. This "other" staff time includes planning policy related work, LPAT hearings/preparation, engineering reviews and related site inspections, general customer service activities, and review work for which fees cannot be charged.

The calculations are divided by: payroll; space; and other capital and operating costs. Payroll costs, amounting to \$809,600 and including all benefits, account for the majority (87%) of the direct costs. Space costs include shares of the operating costs of the civic centre building (including common space) as well as the shares of the capital replacement cost of the building. Space allocations in the building were determined based on the staff interviews and building floor plans. Direct costs associated with space total \$56,700 and account for approximately 6% of total direct costs.

Direct operating costs were determined by multiplying the time shares attributed to planning application review staff by 2018 operating budget projections. The cost of the Planning Application Fee Review has been allocated over five years and is included in the direct cost calculation, along with the cost of workstations capital replacement. Other operating and capital direct costs that can be attributed to planning activities amount to a total of \$67,800.

The total direct cost of processing planning applications amounts to approximately \$934,100, as shown in Table 1.

Table 1 – Summary of Direct Costs							
Payroll	\$809,600						
Space Costs	\$56,700						
Operating Budget	\$67,800						
Total Direct Costs	\$934,100						

2. Indirect Costs

The indirect cost of planning application activities in Georgina represent the share of the costs of the Town's corporate departments that can reasonably be attributed as overhead support of the application review service. The indirect costs were calculated based on what drives the cost of the corporate departments' support of Planning Application Review activities. The shares of corporate costs were allocated to each department that provides planning services based on the cost drivers. Costs for

activities, which are clearly unrelated to the direct provision of services (e.g. special events, elections, etc.), were excluded from the calculation. The total indirect costs are calculated to be \$132,100.

3. Cost Summary

A summary of the analysis of costs is displayed in Figure 2 below. It shows that the total annual cost of planning application review services in the Town is \$1.07 million, of which \$934,100 (88%) are direct costs and \$132,100 (12%) are considered to be indirect corporate overhead expenses.

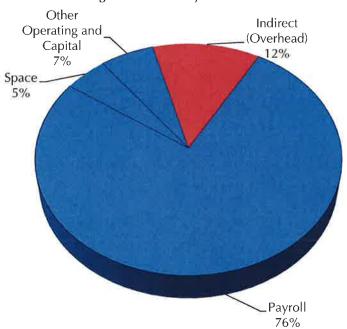


Figure 2 – Summary of Direct Costs

D. FULL COST RECOVERY FEES

This section presents full cost recovery fee rates stemming out of the cost analysis presented in the previous section. Given the provisions of the *Planning Act*, Council has the authority to increase the current fees in order to recover more or all of the full cost of planning application processing. The planning fees required to recover the full cost of processing applications are set out in Table 2. For each application type, the calculated full cost recovery fees represents an increase over the Town's current fee rates.

Type of Application	Current Fee Rate	Full Cost Recovery Fee		
Development Area Plans (DAP)				
New DAP or Major Review/Update to an Existing DAP Consideration of a Minor Revision to an Existing DAP	\$ 14,475 \$ 7,668	\$ 17,700 \$ 11,500		
Official Plan Amendment Application)			
Major Application Fee (e.g. ICI above 250sq.m.; residential above 3 lots/units) Minor Application Fee (e.g. ICI below 250sq.m.; residential below 3 lots/units)	\$ 14,475 \$ 7,668	\$ 29,500 \$ 19,300		
Zoning By-Law Amendment Application				
Major Application Fee (e.g. ICl above 250sq.m.; residential above 3 lots/units) Minor Application Fee (e.g. ICl below 250sq.m.; residential below 3 lots/units)	\$ 11,309 \$ 6,956	\$ 20,800 \$ 14,300		
Garden Suite Extension - New		\$ 3,200		
Removal of Holding or "H" Zone Provision	\$ 1,698	\$ 4,500		
Temporary Use By-Law Application or Extension	\$ 6,956	\$ 7,100		
Part Lot Control Application				
Base Application Fee	\$ 850	\$ 3,600		
Charge per Unit	\$ 115	\$ 160		
Restrictive Covenant Agreement	\$ 1,135	\$ 1,900		
Consent (Lot Creation, Lot Addition/Boundary Adjustment)				
Application Fee Per Lot/Unit/Parcel Created	\$ 2,264			
Change of Consent Conditions Consent Agreement	\$ 1,304 \$ 1,020	. ,		
Validation of Title, Easement, Title Clearance, Mortgage Discharge, Foreclosure, Power of Sale, Partition Order, Land Leases	\$ 567			
Minor Variance, Non-Conforming Uses, Other Permissions				
Application Fee	\$ 567	\$ 2,900		
Minor Variance Agreement File Maintenance Fee	\$ 228 \$ 426			
Site Plan Control Applications				
Minor (Base) Application Fee Major Application Fee (Cap)	\$ 6,787 \$ 12,439	\$ 11,800 \$ 28,500		
Site Plan Control - Additional Units Plus: Fee per Residential Unit/Lot for development exceeding 5 lots/units up to 25 Plus: Fee per sq.m. ICl or mixed use development exceeding 250 sq.m. up to 500 sq.m.	\$ 283 \$ 25	\$ 570 \$ 50		
Amendment to Existing Site Plan				
Major	\$ 4,525			
Minor	\$ 2,264	\$ 3,600		
Plan of Subdivision and/or Condominium	\$ 18,940	\$ 29,800		
Draft Plan of Subdivision or Condominium Application Fee Extension of Draft Plan Approval	\$ 3,395			
Revise or Alter an Approved Draft Plan Requiring Council Approval	\$ 3,395			
Request to Change to Conditions	\$ 2,321	\$ 6,000		
Requesting Exemption from Sec. 51 - Planning Act Processing Requirements	\$ 6,787	\$ 8,900		
Preparation of Subdivision/Condominium Agreement Amendment or Revisions to Agreement for Each Phase Subsequent to 1st Phase	\$ 6,956 \$ 4,638	\$ 7,300 \$ 6,400		
Amendment to Agreement	\$ 2,321	\$ 4,300		
Compliance Certificate for Clearance of Conditions and Final Approval and Registration	\$ 2,321	\$ 4,300		
Draft Plan of Subdvision - Additional Units		e 570		
Plus: Fee per Residential Unit/Lot for First 25 Units/Lots Plus: Fee per Residential Unit/Lot for 26-50 Units/Lots	\$ 286 \$ 172	\$ 570 \$ 340		
Plus: Fee per Residential Unit/Lot for 51+ Units/Lots	\$ 115	\$ 230		
Plus: Fee per Institutional/Commercial/Industrial Unit/Lot/Block	\$ 793	\$ 1,570		
Plus: Fee per Mixed Use Unit/Lot/Block	\$ 793	\$ 1,570		
Deeming By-Law or Repeal of Deeming By-Law				
Base Application Fee Plus: Charge per Lot	\$ 962 \$ 115	\$ 2,600 \$ 240		
Property Verification Report	\$ 139	\$ 320		
Radiocommunication Tower Siting				
Application Submission Fee	\$ 3,395	\$ 4,310		
Prior to Staff Report to Council Regarding Concurrence Request	\$ 3,395	\$ 4,310		

Report # DS-2018-0099 Attachment 1 Pages 6 of 9 In addition to the fees currently levied, Table 3 outlines a range of new fees for services for which the Town provides but no fee is currently charged.

Table 3 – Proposed New Planning Application Fees							
Application Type	Description	Fee to Consider					
Exemption Request	Staff consideration of an exemption request and preparation of a report to Council related to the "2-year timeout window" for OPA, ZBA, or minor variance applications	\$760					
Property Information Letter	Staff review of zoning and/or other factors impacting development potential, including preparation of a letter	\$570					
Address Change	Per property	\$490					
Street Name Change	Per street	\$490					
New Street Name - Proposed	Per street	\$490					
New Street Name – From Pre- Approved List	Per street	\$240					
Street Number (Lot Through Consent)	Per address	\$240					
New Street / Unit Address	Per address or per unit	\$80					
Demolition Permit Agreement	Staff process including report to Council, registration, etc.	\$650					
Cash-in-lieu of Parking	Staff process including report to Council, registration, etc.	\$970					
Model Homes / Sales Office	Staff review process	\$810					
Feed-In Tariff (FIT) Program Application	Staff review and report to council	\$810					

In addition to these proposed new fees, it is noted that staff are considering implementation of a Pre-Consultation fee. An estimated full cost recovery fee per Pre-Consultation application, which accounts for staff time required for two meetings with the applicant, has been calculated at \$3,300. By comparison, similar fees charged by other municipalities in the GTA, York Region, and Simcoe County are typically in the order of \$500 to \$1,500. Further discussions with staff and council will be held to determine an appropriate approach to charging a fee for this service.

Consistent with current practice, it is recommended that the fees continue to be increased annually to cover rising costs caused by the level of inflation, which can reasonably be anticipated over the five-year cycle.

E. FEE OPTIONS

The *Planning Act* allows the Town to establish fees for planning services as long as the fees do not exceed the full cost of the service provided. When setting fee rates, the Town should consider the following:

- The revenue shortfall that would result from imposing less than full cost recovery fees (a shortfall that would almost certainly have to be funded from taxes);
- The competitiveness of the Town's fees relative to other select municipalities in York Region (see below and Table 4); and
- The ability of applicants to pay the fee.

F. DEVELOPMENT APPLICATION FEE COMPARISONS

In order to provide an understanding of the current and full cost recovery fee rates in Georgina in relation to similar and surrounding municipalities, a planning application fee comparison was prepared. The results of this comparison are presented in Table 4. The rates for the other municipalities are those that are currently in force and may not recover the full cost of providing planning application review services.

The table shows that the current development application fees in Georgina fall into the low-mid range of fee rates levied in York Region while excluding those rates in force in the urban municipalities of Vaughan, Markham and Richmond Hill. The calculated full cost recovery rates, if adopted, would place the Town closer to the benchmark average for most application types and on the higher-end of the spectrum for a few other applications, though still competitive with neighbouring communities. Note that this comparison does not take into account any service level differences that may exist in terms of, for example, the time taken to process an application or the level of customer service provided to applicants.

TABLE 4
BENCHMARK ANALYSIS

Benchmark Fee (before taxes)		Georgina Georgina			East Newmarket				Aurora	Whitchurch-			King	Comparator		
		Current Fee		Full Cost Fee		Gwillimbury					Stouffville				Average	
Planning				11111				- X			J.					
Development Area Plan (DAP)																
Major DAP	\$	14,475	\$	17,700	é		94		\$	10,572	27		0.7		\$	10,572
Minor DAP	\$	7,668	\$	11,500	e		29		\$	10,572	**		(*)		\$	10,572
Per Hectare	*				\$	2,147	7		\$	552	•		\$	249	\$	983
Official Plan Amendment	l															
Official Plan Amendment (Major)	\$	14,475	\$	29,500	\$	42,912	\$	23,974	\$	25,874	\$	28,842	\$	21,120	\$	28,544
Official Plan Amendment (Minor)	\$	7,668	\$	19,300	\$	17,166	\$	23,974	\$	16,942	\$	28,842	\$	21,120	\$	21,609
Zoning By-law amendment															l	
Base	ı														l	
Major	\$	11,309	\$	20,800	\$	19,847	\$	20,898	\$	17,597	\$	14,392	\$	9,842	\$	16,515
Minor	\$	6,956	\$	14,300	\$	11,318	\$	20,898	\$	11,922	\$	14,392	\$	9,842	\$	13,674
Lift H symbol	\$	1,698	\$	4,500	\$	5,879	\$	3,895	\$	4,237	\$	5,000	\$	2,746	\$	4,351
Temporary use	\$	6,956	\$	7,100	\$	7,435			\$	6,203	\$	14,392	\$	5,808	\$	8,459
Plan of Subdivision	l															
50 Lot Plan of Subdivision	\$	37,346	\$	59,850	\$	48,274	\$	86,033	\$	46,710	\$	58,288	\$	46,086	\$	57,078
100 Lot Plan of Subdivision	\$	43,096	\$	71,350	\$	74,524	\$	95,893	\$	78,110	\$	83,463	\$	51,361	\$	76,670
Site Plan	l														ı	
50 Unit Site Plan Application	\$	12,439	\$	28,500	\$	13,691	\$	49,001	\$	37,664	\$	38,800	\$	5,280	\$	28,887
Other fees															ı	
Deeming By-law	\$	962	\$	2,600	\$	376	26						\$	1,393	\$	884
Plus: Per lot	\$	115	\$	240			9				\$		ě		\$	140
Part lot control	\$	850	\$	3,600	\$	8,045	\$	1,845	\$	2,425	\$	4,400	\$	2,112	\$	3,765
Plus: Per lot	\$	115	\$	160	\$	160		14			\$	150			\$	155
Radio communications tower	\$	3,395	\$	4,310	\$	5,284	\$	12,385	\$	8,148	\$	1,683	\$	5,280	\$	6,556
Committee of Adjustment																
Minor Varience	\$	567	\$	2,900	\$	1,073	\$	1,467	\$	1,949	\$	3,300	\$	1,180	\$	1,794
Consent	\$	2,264	\$	5,200	\$	3,218	\$	6,560	\$	3,395	\$	6,798	\$	4,335	\$	4,861
Revisions to Conditions	\$	1,304	\$	3,700	\$	1,073			\$	898	\$	7,160	5		\$	3,044
Lot Addition Consent	l										\$	150			s	150