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PLANNING APPLICATION FEES

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, November 10, 2005, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. The Regional development application fees be streamlined as shown in Attachment No. 1 to this report.
1. The new development application fees identified in Attachment No. 1 take effect February 1, 2006.
2. The Regional Solicitor prepare the necessary By-law to enact the new fees.
3. All applicants of plans of subdivision that are greater than 10 years old, which York Region is the approval authority for, be advised that their application must be registered by January 30, 2008 or the file will be closed. Upon closure applicants can submit a new application to the area municipality which is the approval authority.

2. PURPOSE

The purpose of this report is to:

- Report on a detailed review of the development application fees and streamline the fee structure to reflect current review functions.
- Identify the new review procedures and policy changes impacting the review of planning applications carried out at the Regional level since January 2003 (last fee review).
- Recommend an increase to the application fees based on cost recovery to process the applicable application.

3. BACKGROUND

In December 2002 Regional staff reviewed fees charged for development applications and Regional Council subsequently recommended a fee increase to take effect on February 1, 2003. The current fees, which are shown on Attachment No. 1, are effective till January 31, 2006 and a new fee schedule is required as of February 1, 2006. In December 2002 Regional Council requested a detailed review of the application fees prior to the next increase.

The Planning Act indicates that an application fee must only meet the anticipated cost to process the type of application. Section 69 (1) of the Planning Act states:

“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 of the application provided for in the tariff.”

3.1 Types of Development Applications

York Region charges fees for approval of development applications and to comment to the area municipalities on development applications. York Region is the approval authority for the following development applications:

- Regional Official Plan Amendments
- Local Official Plans
- Major local Official Plan Amendments and minor or routine local Official Plan Amendments.

York Region staff provide comments and conditions of approval to the area municipalities on the following development applications:

- Plans of subdivision (draft approval conditions and final plan clearances)
- Plans of condominium (draft approval conditions and final plan clearances)
- Site Plans
- Rezoning applications
- Consents

Fees associated with site plans, rezoning and consent applications are administered by the Development Approvals branch of the Transportation and Works department and are the subject of a separate report prepared by the Transportation and Works staff. The report will be presented to Committee and Council in December or January.

3.2 Changes to Development Review Since 2003

A number of changes have occurred at the Regional level with respect to the review of development applications since January 2003. These include legislative and policy changes at the Provincial level, and organizational changes for the review of applications at the Regional level.

3.2.1 Legislative and Policy Changes

Regional Planning staff are responsible for reviewing and evaluating Regional and local Official Plan amendments for consistency and conformity to Provincial Policy. Since 2003 the following changes have taken place at the Provincial level:

- Greenbelt Protection Act received Royal Assent on June 24, 2004
- Greenbelt Plan came into effect February 2005 and was retroactive to December 16, 2004
- The Provincial Policy Statement (2005) came into effect March 1, 2005.
- A draft growth plan for the Greater Toronto Golden Horseshoe Area was released February 2005.

3.2.2 Bill 124

Bill 124, the Building Code Statute Law Amendment Act, 2002 was given Royal Assent on June 27, 2002 and contains amendments which come into force on January 2006 relating to development application fees. Changes to the Act effect fees associated with issuance of permits, e.g. building permits. Although Regional staff often impose conditions on development applications that impact the timing of the issuance of building permits, Regional staff do not issue building permits as this is the responsibility of the local area municipalities. Bill 124 does not impact the development application fees administered by the Regional Planning department.

3.2.3 Organization Changes at the Region

Since 2003 the following changes have occurred at the Region which impact the review of development application fees:

- Creation of York Rapid Transit Corporation (YRTC) and circulation to YRTC of development applications within the 500 metre transit corridors and review of the applications by YRTC.
- Review of all development applications by York Region Transit (YRT) staff.
- Approval of ROPA 41 (Oak Ridges Moraine Conservation Plan Conformity exercise) and ROPA 43 (Centres and Corridors amendment) which must be assessed when evaluating development applications.

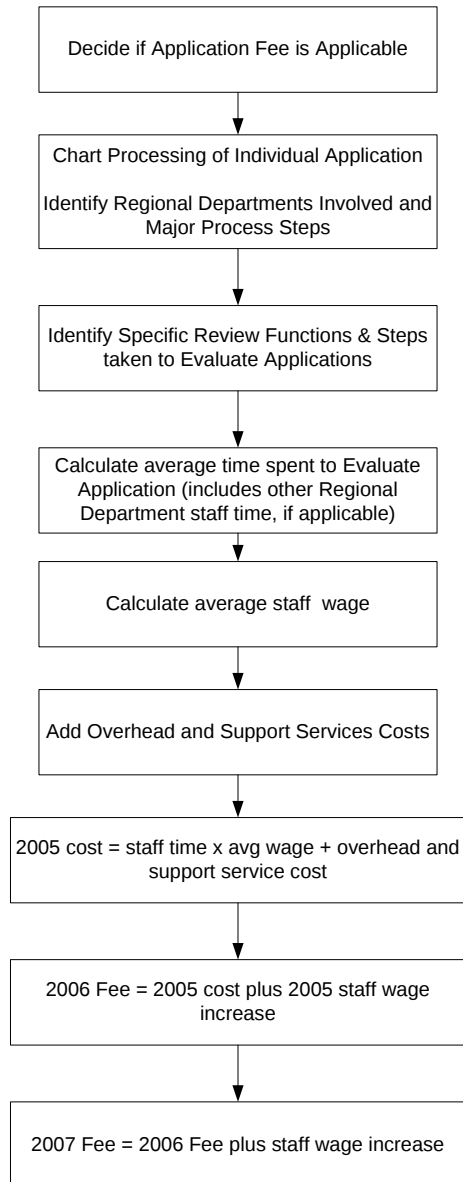
3.3 Methodology to Calculate Development Application Fees

Methods to determine the appropriate fee for a development application include:

- Percentage increase to existing fees based on Consumer Price Index.
- Percentage increase to existing fees based on average wage increase to Regional staff.
- Comprehensive review of the development approval process. Fees determined by the staff time and resources required to process each type of application.

Given the number of changes that have taken place at both the Provincial and Regional level it is appropriate to carry out a comprehensive review of development application fees. The methodology for the comprehensive review is shown in the chart below. A base cost for 2005 is established by calculating the time taken to process applications, multiplying the time by average wage cost and adding benefits, overhead and support service costs. To determine fees for 2006 and 2007, wage increases to Regional staff are applied to the 2005 cost.

Methodology to Calculate Development Application Fees



4. ANALYSIS AND OPTIONS

Community Planning staff spend approximately 70% of their time on processing development applications and the other 30% on input to and preparing policy reports, such as centres and corridors strategy, transit oriented development and the tele-communication protocol. However, not all of staff's time spent on processing development applications is recoverable through application fees. Staff time spent on

processing development applications that are municipally initiated or located outside the boundaries of York Region cannot be assessed an application fee. In addition, the time spent on matters that are appealed to the Ontario Municipal Board is not recoverable. It is estimated that approximately 50% of the community planning branch's time is not recoverable through development applications.

The methodology to determine development application fees for 2006 and 2007 has been applied and described in the following subsections. In summary, 11 fees are to be deleted as they are no longer applicable, 6 are to be increased, and 10 to remain the same. As a result of streamlining initiatives such as delegating authority from Council to the Commissioner for issuing comments and conditions, the time taken to process some applications has decreased. In those cases, the existing fee structure has been maintained.

4.1 Applicable/Non – Applicable Fees

There are currently 24 different types of development application fees administered by the Planning Department and one by the Legal department (*see Attachment No. 1*). This fee structure was established in the 1990's, when the Region was the approval authority for most plans of subdivision and condominium. Since that time all of the local area municipalities have taken on the approval authority for subdivision and condominium applications submitted after April 30, 1995.

4.1.1 Proposed Changes to Fee Structure for Subdivision and Condominium Approval by the Region

The Region is still the approval authority for 52 subdivision applications that pre-date May 1, 1995, all of which are now over 10 years old. Given the length of time these files have been under review they should either proceed to registration as soon as possible or be closed. In this regard, the subdivisions that are draft approved should proceed to registration within 2 years (by February 1, 2008) or the file should be closed and the applicant required to open a new file at the local level.

The fees related to processing of old subdivision and condominium files should be deleted. Extensions to draft plan approval for the old subdivision applications should not be provided beyond February 1, 2008 for reasons noted above. Items 1, 2, 3 and 6 to 9 inclusive in Table 1 shown below identify these fee changes.

Application fees for Regional review and comment to the area municipality for subdivisions and condominiums require description clarification. The current fee descriptions refer to revisions to subdivisions and condominiums that may require circulation to other Regional departments. The wording of these descriptions should be clarified as any revised plan circulated by the area municipality to the Region will require internal circulation to other Regional departments for comments with respect to Regional roads, transit or servicing. Items 4, 5, 10, and 11 in Table 1 show the proposed changes.

Table 1
Changes to Application Fees

Fee Category Current Fee Description	Proposed Action/ New Description	Rationale
1. To revise or alter an application for Regional approval of a draft plan of subdivision requiring circulation.	To be deleted by February 1, 2008.	This fee applies to proposed applications over 10 years old. These files should be closed and the applicant can pursue subdivision approval by opening a new application at the local level.
2. For the Regional corporation to change conditions of approval of a plan of subdivision.	To be deleted by February 1, 2008.	This fee applies to draft approved subdivisions that are over 10 years old. These subdivisions should be registered by February 1, 2008 or the applicant can open a new file at the local level.
3. For the Regional Corporation to extend the duration of approval of a plan of subdivision.	To be deleted as of February 1, 2008.	As above.
4. To review an application to an area municipality for approval of a draft plan of subdivision or major revision thereto requiring recirculation.	To review an application to an area municipality for approval of a draft plan of subdivision.	The words " <i>or major revision thereto requiring recirculation</i> " are deleted as all revisions are captured in the proposed fee noted below
5. To review an application to an area municipality for approval of a draft plan of subdivision that does not require circulation to Regional departments.	To review a revised application to an area municipality for approval of a draft plan of subdivision.	Area municipalities only circulate revisions to the Region that require comprehensive review and circulation to other Regional departments.
6. To revise or alter an application for Regional approval of a draft plan of condominium requiring recirculation.	Delete	There are no applications to which this fee would apply. All new condominium applications are submitted to the area municipalities.
7. For the Regional Corporation to change conditions of approval of a plan of condominium.	Delete	There are no applications to which this fee would apply.
8. For the Regional Corporation to extend the duration of approval of a plan of condominium	Delete	There are no applications to which this fee would apply.

9. For Regional approval of a second phase of a condominium where approval of a final plan of condominium is phased.	Delete	There are no applications to which this fee would apply.
10. To review an application to an area municipality for approval of a draft plan of condominium or major revision thereto requiring recirculation.	To review an application to an area municipality for approval of a draft plan of condominium.	The words “ <i>or major revision thereto requiring recirculation</i> ” are deleted as all revisions are captured in the proposed fee noted below.
11. To review an application to an area municipality for approval of a draft plan of condominium that does not require circulation to Regional departments	To review an application to an area municipality for approval of a draft plan of condominium.	Area municipalities only circulate revisions to the Region that impact Regional roads and servicing requirements. Therefore all revisions must be comprehensively reviewed.

4.2 Chart Processing of Development Applications

Processing charts, or workflow charts, have been prepared for the different types of development applications as part of the internal restructuring at the Regional level. An example of a workflow chart is the review process for Regional Official Plan amendments, local official plans, and major local official plan amendments which is shown on *Attachment No. 2*. These applications require extensive circulation to various Regional departments and in some instances outside agencies. Recent issues regarding availability of servicing now require identification of Regional infrastructure at the Official Plan amendment stage. The processing of these major applications requires significant staff time and resources.

Other workflow charts have been prepared for:

- minor Official Plan amendments and local Official Plan amendments that are eligible for exemption from Regional approval.
- forwarding comments/conditions on draft plans of subdivision and condominium to the area municipalities.
- clearing Regional conditions on plans of subdivision and condominium.

4.3 Process Steps and Review Functions

The steps involved in reviewing the different types of development applications are listed in order to calculate the average processing time. *Attachment No. 3* shows the processing steps and average time taken for processing Regional Official Plan amendments. The processing steps for major local Official Plan amendments, minor local Official Plan amendments, plans of subdivision and condominium have also been listed and the

average time taken is shown in column 2 of Table 2 on page 8. A detailed list of review steps for these types of applications is available for examination upon request.

4.4 Cost to Process Development Applications

The cost to process a type of development application is derived by multiplying the time taken by staff to review and provide a recommendation to Council, or a response to the area municipality, by the average wage of staff involved, plus staff benefits, overhead and support services costs.

The mid range of the staff position is used for salary. Staff benefits are 21.5 % of salary. Overhead consists of supplies, training, personal computers, telephone and space rental. Support services consists of IT, space utilization, supplies and services, legal and human resources. The average support service cost, per person, per hour is \$13.04 (*see Attachment No. 4*).

The average processing time, staff costs, and overhead and support costs are shown in the Table 2 below.

Fees for 2006 are calculated by using the cost for 2005 and adding an increase of 3% based on Regional staff wage increase. Fees for 2007 are calculated by using the 2006 fee and adding a 3% staff wage increase. The proposed fees are shown in Columns 4 and 5 of *Attachment No. 1*.

York Region's fees for plans of subdivisions and condominium do not reflect the hours put in by staff to manage the water and sewer servicing situation which impacts the Region until 2010/11.

Table 2

Application Process	Average Processing Time Taken (hrs)	Average Staff Costs	Benefits	Overhead & Support Service Cost	2005 Total Cost
Regional Official Plan Amendment	106.5	\$4,731	\$1,017	\$1,388	\$7,136
Major area municipal Official Plan Amendment	67	\$3,081	\$662	\$874	\$4,616
Minor Official Plan Amendment.	20.5	\$828	\$178	\$267	\$1,273
Request for exemption from Regional approval of a locally significant official plan amendment.	20.5	\$828	\$178	\$267	\$1,273

Regional approval of a 2 nd or subsequent phase of a final plan.	16	\$585	\$125	\$208	\$918
To review an application to an area municipality for draft plan approval. (includes one phase of a final plan)	38.5	\$1,397	\$300	\$501	\$2,198
To review an application to the area municipality for a revised plan of subdivision	16.5	\$643	\$138	\$215	\$996
To review an application to an area municipality to change the conditions of draft plan approval	16.5	\$643	\$138	\$215	\$996
For clearing second and subsequent phases of a plan of subdivision	15	\$546	\$117	\$195	\$858
To review an application to an area municipality for approval of a draft plan of condominium	23	\$812	\$174	\$300	\$1,286
To review an application to an area municipality for approval of a revised plan of condominium	13.5	\$497	\$107	\$176	\$780
To prepare a record to the Ontario Municipal Board	6	\$262	\$56	\$78	\$396

4.5 Comparison of Fees to Other Municipalities

In comparison to fees charged by other municipalities, York Region's 2005 fees for Regional Official Plan amendments are about average, major local official plan amendments are at the upper end of the scale, minor local official plan amendments are less, and subdivision or condominium fees are lower than other municipality's fees. *Attachment No. 5* compares fees charged by other municipalities.

4.6 Relationship to Vision 2026

Action areas of Goal 8 of Vision 2026 include "*Being Fiscally Responsible*" and "*Providing cost effective service*". The changes recommended in this report to the current development application fee structure ensure that applicants are being charged for the service they receive, consistent with the action areas of Vision 2026.

5. FINANCIAL IMPLICATIONS

Revenue generated from development application fees in 2004 was \$280,000 and for the first three quarters of 2005 \$214,000. Revenue for all of 2005 is expected to be marginally less than 2004.

As of September 2005 staff received approximately 30 new subdivision applications, 20 condominium applications, 10 revised plans, 5 major local Official Plan amendments, 2 Regional Official Plan amendments and 20 minor local official plan amendments. These numbers are expected to increase by approximately 25% by year end.

Revenue for 2006 is anticipated to be slightly less than in 2005. The number of new development applications processed in 2006 is expected to decline slightly from the average of the past 3 years as the pace of growth moderates relative to the pace for the past 3 years. Servicing constraints may limit new draft plan approvals and submission of new applications. If the number of applications for 2006 remains the same as in 2005, revenue for 2006 would increase by \$5,000 to \$10,000 or approximately 2.5 %.

6. LOCAL MUNICIPAL IMPACT

This report has no direct impact on the local area municipalities. Some area municipal staff collect Regional development application fees on behalf of the Region.

7. CONCLUSION

Regional development application fees should be streamlined by deleting and revising specific fees as shown on *Attachment No. 1*.

The new fees, which are shown on *Attachment No. 1* are to take effect February 1, 2006 and shall be reviewed prior to February 1, 2008.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)