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ROADS RELATED REGIONAL CHARGES AND FEES

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, August 22, 2008, from the Commissioner of Transportation Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve the revised fee schedule for roads related charges and fees as set out in this report.
2. The Regional Solicitor be directed to prepare the necessary by-law.
3. The Regional Clerk forward this report to the York Chapter of the Building Industry and Land Development Association (BILD).

2. PURPOSE

This report requests authorization to update various fees for development approvals and the administration fees charged for the recovery of damages to Regional property. The fees are adjusted periodically to more accurately reflect the cost of providing the service.

3. BACKGROUND

In May, 2006, Council approved By-Law No A-380-2006-049 which authorized York Region to charge fees for various development services and transportation activities.

Table 1 provides an update of the fees charged for fiscal year-ended December 31, 2007 for the activities that are being recommended for revision by this report. All other fees in the above by-law are not being recommended for revision.

Engineering drawings and inspection fees and site plan approval fees are charged to the service users

Fees are charged for the review of draft plans of subdivision and reviewing engineering drawings submitted for works impacting Regional properties. Currently, York Region charges the greater of \$2,000 or 5% of the estimated cost of the works, to a maximum of \$30,000.

Site plan approval fees for the review of and comment on site plan applications are currently the greater of \$750 or 5% of the estimated cost of the works, to a maximum of \$30,000.

Currently, York Region is not recovering the full costs of development review. The 2008 budgeted shortfall is estimated to be \$289,000 (15% of annual budget) which is funded through tax levy as approved in the 2008 Roads Budget. All volume estimates are based on 2007 development application volumes.

Administration costs related to damage caused to Regional Property are recovered from at-fault drivers.

Vehicle accidents that cause damage to Regional property, for example traffic signals and guide-posts, are recovered from the driver's insurance company or from the vehicle's owner when they have no insurance.

Currently, York Region charges \$150 per accident. This fee recovers internal administrative costs associated with coordinating Police and road dispatch, preparing the invoice, contacting the insurance company, and collecting outstanding receivables. In addition, if the driver does not have insurance, the driver is contacted to recover damages. In the event the at-fault driver cannot pay, a claim is then submitted to the provincial Motor Vehicle Accident Claim Fund.

Table 1
Development Approval and Administrative Fees Charged for
Fiscal Year Ended December 31, 2007

Description of Service	Number Processed with Fee	Maximum Fee Charged	Minimum Fee Charged	Total Fees Collected
Engineering Drawings	50	\$30,000	\$2,000	\$377,000
Site Plan Approvals	145	\$30,000	\$750	\$367,000
Damage to Regional Property Administration	450	\$150	\$150	\$68,000

4. ANALYSIS AND OPTIONS

4.1 ENGINEERING DRAWINGS, INSPECTION AND SITE PLAN APPROVALS

Other municipality's fees and charges were researched

Staff had discussions with the City of Toronto, Peel, Halton and Durham Regions, and the Towns of Markham, Newmarket and Aurora. The Regions of Peel and Halton are the only municipalities recovering 100% of their costs. Table 2 below summarizes site plan and engineering fees for the municipalities sampled.

Table 2
Engineering Drawings and Inspection Fee and Site Plan Approval Fees
Summary of Municipality Rates Compared to York Region

Municipality	Site Plan Fee	Engineering Fee
Peel Region*	7.00% or min \$1,800	4.25% - 6.00%
Halton Region*	\$800 - \$1,300	5.00% - 9.00% min \$3,000
Durham Region	Delegated to area municipalities	3.00% min \$250, \$1,500 for revisions and \$2,500 for delegated reviews
York Region	5.00% or min \$750 max \$30,000	5.00% or min \$2,000 max \$30,000
City of Toronto	5.00% or min \$2,202	5.00%
Town of Markham	5.10% min \$2,900	5.10% or \$630 / lot whichever is greater
Town of Newmarket	6.00% min \$600	4.75%
Town of Aurora	4.0% \$2,700 for revisions	4.00% \$2,700 for revisions

* Currently recovering 100% of development approval costs.

Options for funding York Region's costs related to engineering drawings, inspection, and site plan approvals are discussed below:

Option 1 – Continue York Region's current practices

York Region could continue the current fee structure and not make any changes to the current rates. This option would cause York Region residents to continue subsidizing the remaining development review costs 15% or \$289,000 per year shortfall.

Option 2 – Recover full cost from developers

York Region could implement the changes suggested in Table 3 which includes increasing the approval fee from 5% to 7%, increasing site plan fees from \$750 to \$1,200, and removing the maximum cap of \$30,000. These charges are more inline with both Peel and Halton Region, both of which fully recover their approval costs. Table 3 summarizes the impact of each alternative.

Table 3
Engineering Drawings and Inspection Fee and Site Plan Approval Fees
Impact Summary of Fee Adjustments

Proposed Changes	Anticipated Revenue Increase with Fee Changes*
Change to fees:	
• Increase fee percentage to 7%	\$135,000
• Increase minimum fee to \$1,200 for Site Plans	50,000
• Remove \$30,000 maximum	104,000
Anticipated deficit to be covered by tax levy	\$0

* based on actual 2007 volumes

As per Table 2 above, 7% fee is still reasonable in comparison to both Peel and Halton Regions. Also, increasing the minimum charge for Site Plans from \$750 to \$1,200 is reasonable and still within the lower end of the municipalities sampled. Finally, not one of the municipalities sampled have a maximum charge.

Option 3 - Partial Subsidization

York Region could implement one or more of the fee changes outlined in Table 3 above. However, any shortfall would continue to be funded from Regional tax levies.

Staff Recommend Option 2

Staff recommend increasing Regional fees to be more inline with other municipalities as discussed in Option 2.

4.2 DAMAGE TO REGIONAL PROPERTY

The two options available are to increase fees or maintain status quo

Financial analysis has indicated the cost per request is approximately \$175. The current fee is \$150 per request. Increasing the fee to \$175 will assist with recovering costs of administering repairs. Many other municipalities use a percentage of repair costs. In 2006, York Region converted to a flat rate per invoice because the costs of administration are relatively fixed and thus, do not fluctuate with the cost of the repairs. In addition, the percentage method resulted in unusually high fees which insurance companies were refusing to pay. Options are to either recover the entire cost of completing the damage recovery and increasing the administration fee to \$175 from the current \$150, or to continue to subsidize the difference with York Region tax payer's dollars.

5. FINANCIAL IMPLICATIONS

Table 5 below summarizes and compares the current structure to the recommended fees.

Table 5
Current versus Recommended Fees

Service	Current Fee	Recommended Fee
Engineering Drawings and Inspection	\$2,000 or 5% of estimated cost of work, whichever is greater, to a maximum of \$30,000	\$2,000 or 7% of estimated cost of work, whichever is greater
Site Plan Approval	\$750 or 5% of the estimated cost of the work, whichever is greater, to a maximum of \$30,000	\$1,200 or 7% of estimated cost of work, whichever is greater
Damage to Regional Property	\$150 per accident	\$175

Recommended fees will increase development approval revenues by \$289,000 and increase recoveries for damages to Regional properties by \$11,000. All estimates are based on 2007 volumes.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

Due to escalating cost pressures, it has been recognized that specific Transportation Services fees do not currently cover 100% of costs. Following review of other jurisdictions, York Region staff recommends adjusting the rates to ensure that the benefactor pay for the cost of services provided. The fee increases recommended are fair and reasonable.

For more information on this report, please contact Paul Jankowski, General Manager, Roads at Ext. 5901.

The Senior Management Group has reviewed this report.