

**AMENDMENT TO PLANNING APPLICATION FEES BY-LAW  
CITY OF VAUGHAN – FILE 12.13**

**Recommendation**

The Commissioner of Planning in consultation with the Commissioner of Finance and City Treasurer recommends:

1. THAT an amending Planning Application Fees By-law for a 2 year period be brought forward for enactment to the Council Meeting commensurate with the enactment of the Consolidated Fees and Charges By-law, to reflect the revised fees outlined in Attachment #1 of this report, which represents cost of living increases of 5.5% (2011), and 3.85% (2012).
2. THAT the Vaughan Budgeting and Financial Planning Department and the Vaughan Development Planning Department with assistance from external consultants undertake a review of the Cost Recovery Model for Planning Fees to be conducted in 2011 for implementation in 2012.

**Economic Impact**

There are no requirements for new funding associated with this report. The proposed Planning Application Fees are intended to assist in receiving fuller cost recovery by reflecting an annual cost of living increase for each of the next 2 years for all application types of 5.5% (2011) and 3.85% (2012). The resultant revenues generated from Planning Applications would increase under the proposed new fees by \$135K (2011) and \$282K (2012).

**Communications Plan**

N/A

**Purpose**

To amend the Vaughan Development Planning Department's Planning Application Fees By-law, to reflect an annual cost of living increase for each of the 2 years for all application types of 5.5% (2011) and 3.85% (2012); and, to undertake a review of the Cost Recovery Model for Planning Fees in 2011 for implementation in 2012.

**Background – Analysis and Options**

1. Planning Act (Section 69) – Planning Application Fees

Section 69 of the Planning Act allows municipalities to impose fees by way of a by-law for the purposes of processing planning applications. The Act requires:

“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 a planning board in respect of the processing of each type of application provided for in the tariff.”

The Act requires municipalities to have regard for the "anticipated cost" of providing the service, thereby reflecting the estimated costs of processing an application type and not the actual processing costs related to any one specific application. This would suggest that such fees and charges can include direct costs, non-growth capital-related costs, support function costs directly related to the service provided, and general corporate overhead costs apportioned to the service provided. The Act requires that the anticipated costs of such fees should be cost justified by each application type (eg. Official Plan, Zoning By-law, Site Plan, etc.), as defined in the tariff of fees. Cross-subsidization of planning fee revenues across application types is not permissible.

Under the Planning Act, there is no notification requirement or direct appeal mechanism in respect to the passing of a fee by-law. However, an applicant may protest an individual Planning Act application fee by paying the prescribed amount, and then subsequently appeal to the Ontario Municipal Board (OMB), against the levying of the fee or the amount of the fee charged by giving written notice to the OMB within 30 days of the fee payment. The OMB will hear such an appeal and determine if the appeal should be dismissed or direct the municipality to refund payment in such an amount as determined by the OMB. Upon individual appeal, the OMB would be looking at cost accountability. Persons may apply to a court for an order quashing the by-law, as with any by-law, on various grounds.

## 2. Recent Planning Application Fee Amendment

On June 30, 2009, Vaughan Council enacted By-law 170-2009 (current in effect Planning Application Fees By-law) to revise the Planning Application fees in accordance with the Watson & Associates Review and Final Report (2008). The current fees are based on the Watson report, which applied an "Activity Based Costing" (ABC) approach to recover full costs for planning applications in Vaughan. "An ABC methodology attributes processing effort and associated costs from all relevant City business units to the appropriate planning application user fee categories and sub-categories. Direct operating costs, indirect support and corporate overhead costs, and capital replacement costs are all eligible cost flows for fees based recovery." Generally, fees increased for all application types except for Zoning By-law Amendment and Part Lot Control, which decreased; the base Condominium Application fee increased and the supplementary \$/unit fee was eliminated; and, the base Subdivision Application fee increased and the supplementary fees decreased.

## 3. Indexation / Currency of Fees

In the Budget Committee report dated February 9, 2010, the Development Planning Department indicated that Planning Application fees will be reviewed and adjusted accordingly by the Department, to reflect the annual cost of living increase. The proposed Planning Application fees in this report (see Attachment #1) represent an across the board cost of living increase of 5.5% in 2011 (from the previous by-law enacted on June 30, 2009; By-law 170-2009) and 3.85% in 2012.

The proposed fee increase in 2011 will be 5.5% in order to account for the 2 years in between increases (June 2009 to Spring 2011). The fee increases in 2012 will be 3.85%. The proposed cost of living increase amounts were determined in consultation with the Vaughan Budgeting and Financial Planning Department and are based on a department cost structure consisting primarily of labour costs.

The implementing by-law will be enacted at the Council Meeting commensurate with the enactment of the Consolidated Fees and Charges By-law in early 2011, after Council approves the 2011 Budget, and will reflect a cost of living increase for each of the 2 years (2011 and 2012).

It will be necessary to periodically review the Planning Applications fee structure every few years (last undertaken by Watson & Associates in 2006-2008), and make any necessary adjustments, in consultation with the Vaughan Budgeting and Financial Planning Department.

#### 4. Cost Recovery Targets

In 2004, in response to Bill 124, the City was required to cost out the services provided as related to Planning Applications. In order to do this, CN Watson & Associates was retained, and the Final Report "Activity Based Costing Methodology for User Fees" was provided. This prompted the January 2005 Budget Committee recommendation to increase Planning Application fees in two stages with the goal of 100% full cost recovery. On January 24, 2005, Council approved this recommendation. This cost recovery was based on the full aggregate cost of providing all services as calculated by CN Watson using the ABC approach discussed above.

The above study was based on full aggregate cost recovery, but a need was identified to develop a costing model by application type. CN Watson was again retained and the result was the report "Planning Applications User Fee Review" (2008) which provided costs for each individual application type. The current fee schedule is based on this study with the premise to recover full cost per application. However, due to the variation of the number and mix of applications received, this may not necessarily equate to overall full cost recovery for the Development Planning activities even though each individual application has full cost recovered.

Since 2007, total Planning Application Fees collected has fallen within a consistent range of \$2.4 to \$2.7 Million. Due to the difference between full aggregate costing and individual fee recovery, there is an inconsistency with the current policy. The emergence of intensification and the change in the complexity and the volume of applications being received by the Development Planning Department are impacting the revenue numbers and there is uncertainty as to the volume and mix of future applications. The policy goal is full cost recovery. The full cost recovery level for 2011 is forecast to be approximately 50%. The budgeted full cost recovery levels over the last 3 years are 47% in 2008, 47% in 2009, and 45% in 2010. The department cost recovery level for 2011 is forecast to be approximately 90%.

Given the trend of decreasing full cost recovery, it is recommended the Vaughan Budgeting and Financial Planning Department and the Vaughan Development Planning Department with assistance from external consultants undertake a review of the Cost Recovery Model for Planning Fees to be conducted in 2011 for implementation in 2012.

#### **Relationship to Vaughan Vision 2020/Strategic Plan**

This report is consistent with the priorities set out in Vaughan Vision 2020, particularly "Ensure Financial Sustainability".

#### **Regional Implications**

N/A

#### **Conclusion**

The Vaughan Development Planning Department is proposing to amend the Planning Application Fees, which will require an amendment to the current in effect Planning Application Fees By-law 170-2009, to reflect an annual cost of living increase for each of

the next 3 consecutive years for all application types of 5.5% (2011) and 2.5% (2012). Should the Committee concur, the implementing Planning Application Fees By-law can be forwarded to the Council Meeting commensurate with the enactment of the Consolidated Fees and Charges By-law in early 2011, which will replace the current Planning Applications Fee By-law. In addition, the cost recovery target for the Development Planning Department should be revisited. It is recommended that the Vaughan Budgeting and Financial Planning Department and the Vaughan Development Planning Department with assistance from external consultants undertake a review of the Cost Recovery Model for Planning Fees to be conducted in 2011 for implementation in 2012.

**Attachments**

1. Planning Application Fee Increases (2011 and 2012)

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Respectfully submitted,

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Commissioner of Planning

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## Proposed Planning Application Fees (2011 2012) By-Law 170-2009

Attachment #1

Application Type	Current Fee	Proposed 2011 Fee (5.5% Increase)	Increase From previous year	Proposed 2012 Fee (3.85% Increase)	Increase From previous year
<b>Official Plan Applications</b>					
Official Plan Amendment - Major	\$20,233	\$ 21,345	\$1,112	\$ 22,165	\$820
Official Plan Amendment - Minor	\$9,475	\$ 9,995	\$520	\$ 10,380	\$385
<b>Official Plan Supplementary Fees/Surcharges</b>					
Surcharge if Application Approved (Major)	\$5,104	\$ 5,385	\$281	\$ 5,590	\$205
Surcharge if Application Approved (Minor)	\$2,845	\$ 3,000	\$155	\$ 3,115	\$115
Revision to Major/Minor OP Application	\$3,321	\$ 3,505	\$184	\$ 3,640	\$135
<b>Block Plan &amp; Secondary Plan/ha</b>	\$490	\$ 515	\$25	\$ 535	\$20
<b>Zoning By-Law Applications</b>					
Zoning By-law Amendment	\$5,261	\$ 5,550	\$289	\$ 5,765	\$215
By-law to remove Holding Symbol	\$3,562	\$ 3,760	\$198	\$ 3,905	\$145
<b>Zoning By-law Supplementary</b>					
Singles, Semis, Townhouses (per unit)	\$433	\$ 455	\$22	\$ 475	\$20
Multiple unit Blocks (per unit)	\$145	\$ 155	\$10	\$ 160	\$5
Non-residential or Mixed use Blocks (per ha)	\$5,734	\$ 6,050	\$316	\$ 6,285	\$235
Private Open Space (per ha)	\$2,867	\$ 3,025	\$158	\$ 3,140	\$115
Private Open Space Maximum Fee	\$148,415	\$ 156,580	\$8,165	\$ 162,610	\$6,030
Surcharge if Application Approved	\$2,633	\$ 2,780	\$147	\$ 2,885	\$105
Revision to Zoning Application requiring recirculation	\$3,321	\$ 3,505	\$184	\$ 3,640	\$135
<b>Part Lot Control Applications</b>					
Part Lot Control By-law	\$1,623	\$ 1,710	\$87	\$ 1,775	\$65
Interim Control By-law Amendment	\$4,016	\$ 4,235	\$219	\$ 4,400	\$165
<b>Site Plan Applications</b>					
Site Development	\$6,218	\$ 6,560	\$342	\$ 6,815	\$255
<b>Site Plan Supplementary Fees/Surcharges</b>					
Industrial, Office, Private Institutional (per m2)	\$1.73	\$ 1.85	\$0.12	\$ 1.90	\$0.05
Industrial, Office, Private Institutional Portion of GFA over 4,500 m2 (per m2)	\$0.60	\$ 0.65	\$0.05	\$ 0.70	\$0.05
Commercial (Service, Retail, Warehouse)(per m2)	\$5.71	\$ 6.00	\$0.29	\$ 6.25	\$0.25
Commercial (Service, Retail, Warehouse)Portion of GFA over 4,500 m2 (per m2)	\$1.42	\$ 1.50	\$0.08	\$ 1.55	\$0.05

**Proposed Planning Application Fees (2011 2012) By-Law 170-2009**

Application Type	Current Fee	Proposed 2011 Fee (5.5% Increase)	Increase From previous year	Proposed 2012 Fee (3.85% Increase)	Increase From previous year
Residential - Singles, Semis, Townhouses (per unit)	\$871	\$ 920	\$49	\$ 955	\$35
Residential - Singles, Semis, Townhouses if previously paid in Sub. Applic. (per unit)	\$580	\$ 610	\$30	\$ 635	\$25
Residential - Multiple units (per unit)	\$291	\$ 305	\$14	\$ 315	\$10
Residential - Multiple units if previously paid in Sub. Applic. (per unit)	\$191	\$ 200	\$9	\$ 210	\$10
Revision to application requiring recirculation	\$3,321	\$ 3,505	\$184	\$ 3,640	\$135
Simple Revision not requiring recirculation	\$3,109	\$ 3,280	\$171	\$ 3,405	\$125
Complex Revision to a Site Plan Agreement or Letter of Undertaking Substantially changing approved development	Full Fees				
<b><u>Condominium Applications</u></b>					
Draft Plan of Condominium	\$10,610	\$ 11,195	\$585	\$ 11,625	\$430
<b><u>Subdivision Applications</u></b>					
Draft Plan of Subdivision	\$13,232	\$ 13,960	\$728	\$ 14,495	\$535
<b><u>Subdivision Supplementary Fees/Surcharges</u></b>					
Singles, Semis, Townhouses (per unit)	\$221	\$ 235	\$14	\$ 245	\$10
Multiple unit Blocks (per unit)	\$74	\$ 80	\$6	\$ 85	\$5
Part lots for Residential use (per lot)	\$111	\$ 115	\$4	\$ 120	\$5
Non-residential or Mixed use Blocks (per ha)	\$3,072	\$ 3,240	\$168	\$ 3,365	\$125
Revision to Draft Approved Plan recirculation	\$3,321	\$ 3,505	\$184	\$ 3,640	\$135
Revision to Condition(s) of Draft Approval	\$3,321	\$ 3,505	\$184	\$ 3,640	\$135
Extension of Draft Plan	\$1,661	\$ 1,750	\$89	\$ 1,815	\$65
Registration of Each Additional Phase of Plan	\$1,668	\$ 1,760	\$92	\$ 1,830	\$70
<b><u>Other Supplementary Fees/Surcharges</u></b>					
OMB Appeal of Planning Application	\$570	\$ 600	\$30	\$ 625	\$25
Maintenance fee charged to inactive file over 1 yr	\$380	\$ 400	\$20	\$ 415	\$15