



# Development Application Fee Review

City of Richmond Hill

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Final Report

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# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Background

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The City of Richmond Hill (City) implements fees and charges for the review of planning applications, building permits, and the review and inspections relating to development applications by the Infrastructure and Engineering Services (IES) department. These fees collectively are referred to as development application fees herein.

In recent years, the City has seen a continued evolution of development patterns, development characteristics, and legislative changes which in turn has led to changes to the development application review processes such as a greater emphasis on pre-application consultation processes and increased public consultation requirements.

The City retained Watson & Associates Economists Ltd. (Watson) to conduct a review of their development application fees 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.

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.

This document provides the study process and the legislation governing the fees within the scope of this review, the methodology utilized to calculate the full costs of service 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 support, and applicant affordability relative to market comparators.

## 1.2 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> <li>Review a draft engagement and communication plan</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>
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> <li>Provide finalized engagement/communication plan and review with the Steering Committee and City Finance</li> </ul>
4. 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>
<b>Phase 2 - Review of service fee structures and recommendations for cost recovery</b>	
5. Fee Design Workshops and Review Finalized Work Plan	<ul style="list-style-type: none"> <li>Review finalized work plan and methodology with each Project Working Team</li> <li>Communicate the expectations of staff to address any potential resource constraints or conflicts</li> <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> </ul>



Work Plan Component	Description
	<ul style="list-style-type: none"> <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>
6. 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>
7. 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> <li>Undertake a comprehensive survey development application user fees in the G.T.A.</li> <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>Present findings to Project Team and Executive Leadership Team and receive feedback from City Staff</li> </ul>
8. Prepare Final Report and Recommended Fee Structure	<ul style="list-style-type: none"> <li>Prepare a final report summarizing the project methodology, findings and full cost recovery and proposed fee structures, and municipal comparisons and development impact analyses</li> </ul>
9. 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>
10. Present to City Council	<ul style="list-style-type: none"> <li>Present the final report to City Council, incorporating feedback from City staff and development industry representatives.</li> </ul>

### 1.3 Legislative Context for the Imposition of Development Application Fees

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 IES fees imposed by the City.





### 1.3.1 *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* provide 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.

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

The Province recently approved the *More Homes for Everyone Act*. One of the amendments to the *Planning Act* now 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.

#### *1.3.1.2 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.

In response to the ongoing legislative changes with respect to planning application review, the City retained KMPG to undertake a comprehensive review of the development review process in 2022. The recommendations provided herein have been made in the context of the anticipated state of application review processes, including the Collaborative Application Process (CAP) fees that have been recommended in response to the City's recent changes to the pre-application submission process. Further impacts to the City's planning application arising from the *More Homes Built Faster Act* amendments will continue to be studied by the City.

### **1.3.2 *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.

### **1.3.3 *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

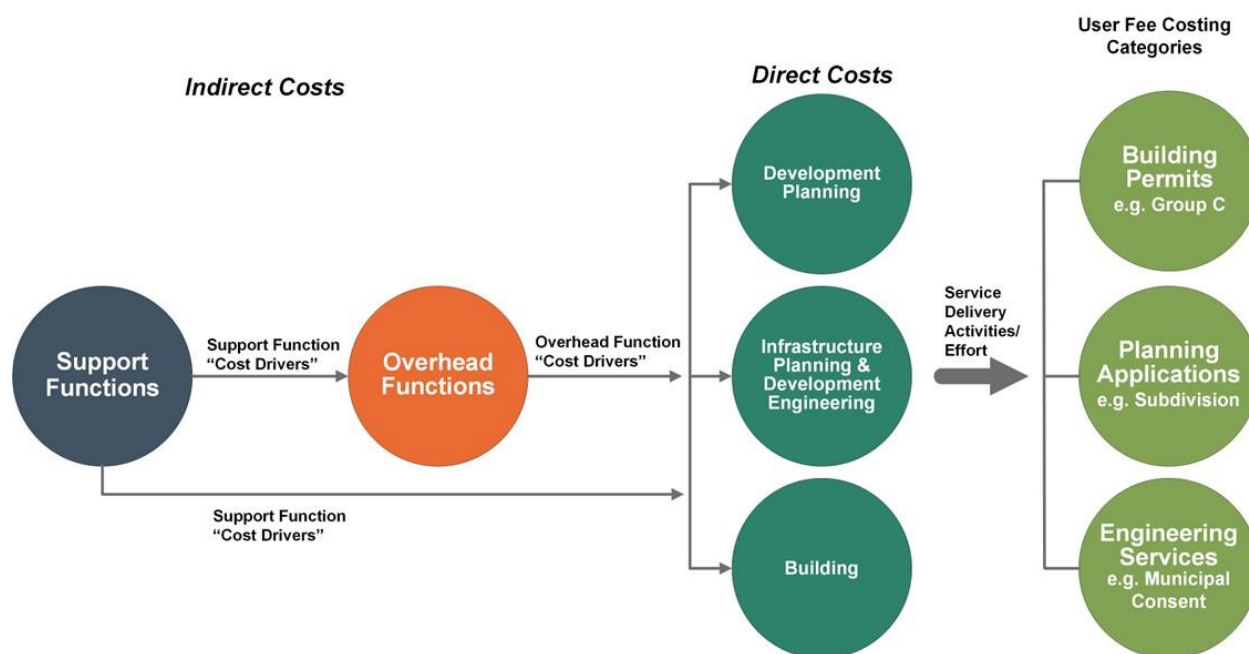
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An A.B.C. methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. Conventional municipal accounting structures are typically not well-suited to the costing 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 Act*.

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. Some of the key categorization decisions are summarized below:





- IES Fee Categories
  - Categories were included that generally reflected current fee schedule distinctions, including assessing the difference in costs between engineering review and infrastructure delivery and time spent on agreement preparation and inspection activities.
- Building Permit Fee Categories
  - Categories reflected the City's current fee structure including distinctions for new construction vs. alteration and other minor development permits.
- Planning Application Fee Categories
  - Categories include Development Planning fees (i.e., planning applications) and Policy Planning fees (i.e., Parks and Natural Heritage and Heritage Property reviews)
  - Categories for planning applications include:
    - Minor and major categories by application type;
    - Different development sizes Zoning By-law Amendment, Subdivision, and Site Plan applications to assess costs as applications increase in size;
    - Residential vs. non-residential applications; and
    - New applications vs. amendments and resubmissions

## 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 in the City's Business Process Blue Print Documentation which were then reviewed and updated by staff to ensure that the processes reflected the current and proposed practices within 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 departments and individuals would be involved in each of the processes being analysed. City staff then



went through the process of estimating the amount of time each individual involved spends on any of the given process steps for each costing category. The effort estimates received were then applied against average annual user fee volumes for the 2017 to 2021 period 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 and by major fee review category (i.e., Planning, Building, and IES). The utilization is presented as a percentage of available time by department/division and also expressed in utilized full time equivalents (FTEs).

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

- IES Fees
  - IES fees comprise 30.7 FTE of staff involvement annually.
  - Staff from the following areas provide the majority of the involvement in IES fees, accounting for 90% or 27.7 FTEs of total annual staff involvement (Utilized FTEs are shown in parenthesis):
    - Subdivision Development (8.5 FTEs)
    - Site Plans, Infills & High Rise Construction (6.0 FTEs)
    - Transportation (5.2 FTEs)
    - Field Services (3.6 FTEs)
    - Water Resources (2.6 FTEs)
    - Capital Infrastructure & PMO (0.6 FTEs)
    - Wastewater Administration (0.6 FTEs)
    - Development Engineering Administration (0.5 FTEs)
    - Infrastructure Delivery Administration (0.1 FTEs)
  - The remaining 10% (3.0 FTEs) of annual efforts spent on IES fees are contributed from the following staff areas (Utilized FTEs are shown in parenthesis):

▪ Legal Administration (1.1)	▪ Assistant City Solicitor (0.3)
▪ Risk and Insurance (0.4)	▪ GIS (0.8)



- Building Services Administration (0.1%)
- Plans Review and Compliance (0.8%)
- Building Permit Fees
  - 40.9 FTEs are utilized annually on the administration and enforcement of the *Building Code* from across the City
  - The majority (98% of the total efforts) of the involvement in administering and enforcing the *Building Code* is undertaken by Building Services Administrative staff (7% of total efforts), Inspections (32% of total efforts) and Plans Review and Compliance (59% of total efforts). These three areas are utilized between 93% and 100% on building permit review activities.
  - Other areas with minor involvement in the building permit review process include Fire Prevention and GIS (accounting for the remainder of the annual involvement in building permit review)
- Planning Application Review
  - 29.7 FTEs are utilized on the processing of planning applications, inclusive of Staff from the Development Planning staff (inclusive of 3.9 FTEs spent on Policy Planning fee related activities such as Parks and Natural Heritage and Heritage Property reviews).
  - Of the 25.9 FTEs of annual involvement on planning application review (i.e. net of the 3.9 FTEs of involvement on Policy Planning fees), 23.1 FTEs are contributed by Development Planning Administrative, Committee of Adjustment, Planning, and Urban Design staff. This level of involvement represents 86% of the annual involvement of staff in these areas.
  - Of the 3.9 FTEs involved annually in Policy Planning fees, the majority of staff involvement (i.e. 85%) is from Parks and Natural Heritage Planning staff.
  - Development Planning (inclusive of Development Planning Administrative and review staff, and Committee of Adjustments staff) undertake 68% of the efforts required to review the various planning applications the City receives on an annual basis. These staff are utilizing approximately 89% of their annual time on the review of planning applications with the remainder of the time spent on other planning matters (e.g., O.L.T. hearings) and City initiatives.



- The annual efforts included on planning application review activities does not include time spent on other planning matters such as O.L.T. hearings and policy planning or other City initiatives.

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

Service Area	FTEs	Staff Utilization					
		% Utilization			Full-Time Equivalents		
		Planning	Building	IPDE	Planning	Building	IPDE
Legal Administration	6.0			17.8%			1.1
Risk and Insurance	3.0			13.3%			0.4
Real Estate	1.0						
Assistant City Solicitor	3.0			10.0%			0.3
GIS	10.0	1.8%	0.0%	8.0%	0.2	0.0	0.8
Fire Prevention	11.0		9.2%			1.0	
Parks & Natural Heritage Planning	6.0	76.1%			4.6		
Urban Forestry Section	3.0	16.7%			0.5		
Urban Design	4.0	80.1%			3.2		
Policy Planning	7.0	1.4%			0.1		
Sustainability	5.0	3.1%			0.2		
Development Engineering	2.0			25.0%			0.5
Site Plans, Infills & High Rise Construction	7.0	6.9%		86.0%	0.5		6.0
Subdivision Development	9.0			94.4%			8.5
Transportation	10.0	3.5%		52.1%	0.4		5.2
Development Planning	2.0	92.1%		0.4%	1.8		0.0
Committee of Adjustments	2.0	93.7%			1.9		
Planning	19.0	87.9%		0.8%	16.7		0.2
Water Resources	6.0			43.3%			2.6
Infrastructure Delivery	2.0			2.5%			0.1
Capital Infrastructure & PMO	9.0			6.7%			0.6
Field Services	11.0			32.7%			3.6
Waste Water Administration	8.0			7.5%			0.6
Building Services Administration	3.0		93.1%	0.6%		2.8	0.0
Inspections	13.0		100.0%			13.0	
Plans Review and Compliance	25.0		96.5%	0.9%		24.1	0.2
<b>Total</b>	<b>187.0</b>	<b>16.0%</b>	<b>21.9%</b>	<b>16.4%</b>	<b>29.9</b>	<b>40.9</b>	<b>30.7</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 in Table 2-1 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	SECTION	Driver
CAO	ADMINCAO	City-Wide Budget
CAO	BRPARTCAO	City-Wide Budget
CAO	DEVELOPMEN	City-Wide Budget
CAO	INSURANCE	City-Wide Budget
CAO	LEGAL	City-Wide Budget
CAO	LITIGATION	City-Wide Budget
CAO	REALESTATE	City-Wide Budget
CAO	TRANSFORM	City-Wide Budget
CAO	TRANSGOV	City-Wide Budget
CFS	ACCOUNTIN	City-Wide Budget
CFS	ADMINCFS	CFS Budget
CFS	ARHCLK	City-Wide Budget
CFS	CAPFINANCE	City-Wide Budget
CFS	CIO	FTEs
CFS	CLERK	City-Wide Budget
CFS	CORPEXPBLD	City-Wide Budget
CFS	CORPGRANTS	FTEs
CFS	ELECTIONS	City-Wide Budget
CFS	FINPLANING	City-Wide Budget
CFS	HR	FTEs
CFS	HRADMIN	FTEs
CFS	HREWHS	FTEs
CFS	HRWFP	FTEs
CFS	INFOGOV	FTEs
CFS	ITAP	FTEs
CFS	ITCLIENT	FTEs



DEPARTMENT	SECTION	Driver
CFS	ITFIRE	Fire FTEs
CFS	ITGIS	FTEs
CFS	ITINFRAST	FTEs
CFS	ITPMP	FTEs
CFS	LEGSERV	City-Wide Budget
CFS	PROCUREMENT	City-Wide Budget
CFS	STCOMMCF	City-Wide Budget
CFS	TREASURER	City-Wide Budget
COUNCIL	MAYOREXP	City-Wide Budget
COUNCIL	DEPMAYOR	City-Wide Budget
COUNCIL	REGIONAL	City-Wide Budget
COUNCIL	WARD1	City-Wide Budget
COUNCIL	WARD2	City-Wide Budget
COUNCIL	WARD3	City-Wide Budget
COUNCIL	WARD4	City-Wide Budget
COUNCIL	WARD5	City-Wide Budget
COUNCIL	WARD6	City-Wide Budget
CSD	ADMINCSD	CSD Budget
EIS	CAMPE	City-Wide Budget
EIS	FACILTYADM	Allocation
EIS	FACILTYDC	Allocation
EIS	FACILTYENG	Allocation
EIS	FACILTYMNT	Allocation
PRS	ADMINPRS	PRS Budget
LIBRARY	ADMIN	Library Budget



### **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 2.0 years' annual direct costs of administering and enforcing the building code based on the City's policy established through the 2013 building permit review. The balance in the City's reserve fund was estimated to be \$4.2 million on December 31, 2022. While this balance does not reflect the 2.0x multiple of annual direct 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.

### ***2.5.5 Establishing a Stabilization Reserve for Planning Act Application Fees***

The *Planning Act* limits the cost recovery of planning application fees to the "anticipated cost" of processing each type of application (as described in section 1.3.1). As such, this precludes the City from deliberately pricing into their fees contributions to a reserve to provide for service stabilization (as this would not be considered a cost of processing applications). However, some municipalities opt to have a reserve to manage the recognition of revenue in the years in which the work processing applications is undertaken. In particular, this can be helpful for municipalities in their budgeting process as some planning applications (e.g., subdivision applications) may span multiple years and the revenues can be recognized in the years in which the staff efforts are expected to be undertaken.



# 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. This chapter presents the full costs assessment and cost recovery levels in 2023\$ values. Recommended fees are presented in 2023\$ values unless noted otherwise, inflationary adjustments would be applied to the 2023 fee recommendations for implementation in 2024 (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 2023 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, number of residential units, average construction value) 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 \$18.5 million. In total, direct service costs represent 74.7% of annual costs (\$13.8 million). Indirect and capital costs constitute 23.1% (\$4.3 million) and 2.2% (\$0.4



million) of total costs, respectively. In aggregate, revenues associated with current fees and average annual application/permit volumes total \$15.18 million, or 82% of costs.

Annual processing costs for IES fees total \$5.95 million, with annual revenues of approximately \$5.84 million, achieving 98% cost recovery. Annual costs of administering and enforcing the *Building Code* account for \$6.81 million. Based on the modelled permit volumes, the City's current building permit fees recover approximately 84% of total costs annually. Planning application review activities account for a total of \$5.75 in annual processing costs, achieving 63% cost recovery (\$3.63 million). A detailed analysis and costs and revenue by costing category, in Sections 3.3 to 3.5, and has been used to inform decisions for potential fee structure changes.

Further details on the cost recovery assessment, recommendations, and modelled impact on revenues, including a forecast of building permit activity, revenues and *Building Code Act* reserve fund levels are provided in the following sections.

Table 3-1  
Cost Recovery Assessment of Current Development Application Fees  
(2023\$, in millions)

Service Area	Direct Costs			Indirect Costs	Capital Costs	Total Annual Costs	Modeled Revenue at Current Fees		
	Salary, Wage & Benefits	Other Direct Costs	Total Direct Costs				Annual Revenue	Surplus/ (Deficit)	Cost Recovery %
IPDE Fees	\$ 4.15	\$ 0.22	\$ 4.37	\$ 1.44	\$ 0.14	\$ 5.95	\$ 5.84	\$ (0.10)	98%
Building Permit Fees	\$ 4.95	\$ 0.18	\$ 5.13	\$ 1.52	\$ 0.17	\$ 6.81	\$ 5.71	\$ (1.11)	84%
Planning Application Fees	\$ 4.26	\$ 0.06	\$ 4.32	\$ 1.32	\$ 0.10	\$ 5.75	\$ 3.63	\$ (2.12)	63%
<b>Total</b>	<b>\$ 13.36</b>	<b>\$ 0.46</b>	<b>\$ 13.82</b>	<b>\$ 4.28</b>	<b>\$ 0.41</b>	<b>\$ 18.51</b>	<b>\$ 15.18</b>	<b>\$ (3.33)</b>	<b>82%</b>

### 3.3 IES Costs and Fee Recommendations

Table 3-2 summarizes the costing results and recovery levels for each major IES costing category within the City's A.B.C. model. The annual cost to the City for IES review and inspections is \$5.9 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 application type. In aggregate, the City's current fees are recovering 98% of annual costs (\$5.8 million). When assessed by application type:

- Subdivision and Site Plan engineering review and inspection fees account for \$4.9 million or 82% of the total annual costs of service. Revenue generated from



these fees are currently recovering the full costs of service. These fees account for the majority of the total IES fee revenue, accounting for \$5.7 million or 97% of annual IES fee revenues.

- The remaining application types (i.e., Single Residential Lot Review and Inspections, Consents, Site Alteration Permits, and other reviews) account for the remaining 18% of costs (\$1.1 million).

Table 3-2  
IES Fees Full Cost Impacts by Costing Category (2023\$)  
Current Fees

Costing Category Group	Total Costs	Current Fees		
		Annual Revenue	Costs Recovery (%)	Surplus/ (Deficit)
Subdivision Review	1,973,358	2,196,069	111%	222,711
Subdivision Inspection	929,736	1,503,271	162%	573,535
Site Plan Review	1,464,799	1,220,395	83%	(244,404)
Site Plan Inspection	520,834	793,463	152%	272,630
Single Residential Lot Engineering Review and Inspection	393,849	44,759	11%	(349,090)
Consent Engineering Review	92,897	6,342	7%	(86,556)
Site Alteration Permits	555,053	56,610	10%	(498,443)
Other	14,817	20,744	140%	5,927
<b>Grand Total</b>	<b>5,945,344</b>	<b>5,841,653</b>	<b>98%</b>	<b>(103,691)</b>

Development Engineering application fee structure recommendations are provided in Table 3-3 (these have been indexed to 2024 dollars for implementation purposes based on changes in CPI). 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). All fee recommendations would be increased annually beginning in 2025 based on the last year over year change in the Statistics Canada Consumer Price Index (Toronto). Current fee structures have generally been maintained within the recommended fees, with the following exceptions:

- The separate engineering review and inspections fees that are imposed for subdivision and site plan review have been combined into one fee for each of subdivision and site plan for ease of administration.



- With regard to the subdivision engineering review and inspection fees, a declining block rate based on the total cost of works being reviewed has been implemented to have regard for the economies of scale when reviewing larger applications. The result of this proposed change would be a reduction in subdivision revenues of approximately 14%, specifically related to subdivision engineering review and inspections for larger developments.
- Site Plan engineering review and inspection fees have been structured such that the applicant will pay a base fee plus a per unit fee (for residential units) and/or a per square metre fee (for non-residential gross floor area) to better align with drivers of costs incurred by the City (i.e., cost of municipal works versus the size of the development). Moreover, a maximum fee limit of \$375,000 per application is recommended for site plan engineering review and inspection. This would result in a 10% increase in annual revenues. Furthermore, for site plan applications with significant off-site works, the engineering review and inspection fee will be the greater of Site Plan Engineering Review and Inspection fee or the Engineering Review and Inspection fee (subdivision, development agreements, servicing agreements, etc.)
- Multi-Unit Site Alteration Permit fees for engineering review and inspection for developments of 10 units and less that are not subject to Site Plan review (due to recent legislative changes) have been introduced of \$12,000 plus \$1,000 per unit.

Overall, the fee recommendations have attempted to better align the City's revenues to their annual costs of service by type of review. The recommendations presented herein would result in the development engineering review fees increasing from 98% cost recovery to 100% cost recovery in aggregate. 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 3-4 presents the annual revenues and cost recovery levels associated with the proposed fees for the same major application types summarized in Table 3-2.



**Table 3-3  
Recommended Development Engineering Fees**

Current Fee Categories	Current Fees (2023\$)	Proposed Fee Categories	Recommended Fees (2024\$)
Subdivision Engineering Review	6.10%	Engineering Review and Inspection Fees for Municipal Works (subdivision, development agreements, servicing agreements, etc.) <sup>1</sup>	
0 to 1,000,000		0 to 1,000,000	13.1%
1,000,000 to 2,500,000		1,000,000 to 2,500,000	11.2%
2,500,000 to 5,000,000		2,500,000 to 5,000,000	9.2%
5,000,000+		5,000,000+	7.3%
Subdivision Servicing Agreement	2,871	Subdivision Servicing Agreement	5,198
Subdivision Site Alteration Permit	1,378	Subdivision Site Alteration Permit	5,198
Site Plan Engineering Review	6.10%		
		Site Plan Engineering Review and Inspection <sup>1</sup>	
		Base Fee	14,556
		per unit (residential)	832
		per sq. m. (non-residential)	8.32
		Maximum Fee	389,881
		Multi-Unit Site Alteration Permit (10 units or less)	
		Base Fee	12,476
		Per Unit	1,040
Site Plan Servicing Agreement	2,871	Site Plan Servicing Agreement	5,198
		Development Servicing Agreement	5,198
Site Plan Site Alteration Permit <sup>4</sup>	1,378	Site Plan Alteration Permit - Pre Grading/Pre Servicing	5,198
Site Plan Site Alteration Permit (Shoring)	1,378	Site Plan Site Alteration Permit (Shoring)	5,198
Single Residential Lot Within Site Plan Control Engineering Review and Inspection - New Construction	468	Single Residential Lot Site Alteration Permit - New Construction	1,040
Single Residential Lot Within Site Plan Control Engineering Review and Inspection - Addition to Existing	468	Single Residential Lot Site Alteration Permit - Addition to Existing	624
		Single Residential Lot Within Site Plan Control Engineering Review and Inspection - New Construction	1,560
Single Residential Lot Outside Site Plan Control - Site Alteration Permit	499		
Single Residential Lot Outside Site Plan Control - Grading/Servicing Agreement	561		
Consent Engineering Review	468	Consent Engineering Review	1,040
Consent Grading/Servicing Agreement	1,652	Consent Grading/Servicing Agreement	5,198
Site Alteration Permit - Swimming Pool, Landscape, Fill, Miscellaneous)	499	Site Alteration Permit - Swimming Pool, Landscape, Fill, Miscellaneous)	624
Site Alteration Permit - Grading Complaint Inspection Fee	101	Site Alteration Permit - Grading Complaint Inspection Fee	208
Traffic Count Data Fee - i)Intersection turning movement counts, traffic signal timing plans and collision data	95	Traffic Count Data Fee - i)Intersection turning movement counts, traffic signal timing plans and collision data	99
i)Intersection turning movement counts, traffic signal timing plans and collision data - ii)Daily traffic volumes	48	i)Intersection turning movement counts, traffic signal timing plans and collision data - ii)Daily traffic volumes	50
ii)Daily traffic volumes - iii)Traffic forecast for noise studies	116	ii)Daily traffic volumes - iii)Traffic forecast for noise studies	121
MECP fees	1,100		
Copies of drawings	1.20	Copies of drawings	1.25
Survey layout rear lot catch basin (for infill development).	776.77	Survey layout rear lot catch basin (for infill development).	807.59
Subdivision Engineering Inspection	4.20%		
Site Plan Engineering Inspection	4.20%		

<sup>1</sup>Note: Engineering review and inspection fees for Site Plans will be calculated as the maximum of the Engineering Review and Inspection Fees for Municipal Works (subdivision, development agreements, servicing agreements, etc.) based on external municipal works and the Site Plan Engineering Review and Inspection fee



Table 3-4  
IES Fees Full Cost Impacts by Costing Category (2023\$)  
Recommended Fees

Costing Category Group	Total Costs	Recommended Fees		
		Annual Revenue	Costs Recovery (%)	Surplus/ (Deficit)
Subdivision Review	1,973,358	2,177,496	110%	204,138
Subdivision Inspection	929,736	1,011,780	109%	82,044
Site Plan Review	1,464,799	1,604,406	110%	139,606
Site Plan Inspection	520,834	576,978	111%	56,144
Single Residential Lot Engineering Review and Inspection	393,849	90,903	23%	(302,947)
Consent Engineering Review	92,897	17,952	19%	(74,945)
Site Alteration Permits	555,053	445,086	80%	(109,968)
Other	14,817	20,744	140%	5,927
<b>Grand Total</b>	<b>5,945,344</b>	<b>5,945,344</b>	<b>100%</b>	<b>-</b>

### 3.4 Building Permit Review Costs and Fee Recommendations

Annual costs for the administration and enforcement of the Building Code total \$6.8 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 3-5. Annual revenues based on the City's current fee structure and average historical activity levels are estimated at \$5.7 million or 84% of costs. The table also demonstrates differences exist between the performance of the various permit categories. For example, permits for residential alterations and additions are under-recovering costs (15% cost recovery) compared to permits for new stacked and back-to-back townhouses that are recovering 157% of costs.





Table 3-5  
Building Fees Full Cost Impacts by Costing Category (2023\$)  
Current Fees

Costing Category Group	Total Costs	Current Fees		
		Annual Revenue	Costs Recovery (%)	Surplus/ (Deficit)
Non-Residential New Construction	310,333	717,943	231%	407,610
Non-Residential Alteration	886,587	72,717	8%	(813,871)
Single or semi-detached Dwelling, Townhouse, Duplex	2,408,860	1,311,160	54%	(1,097,700)
Stacked and Back to Back Townhouses	1,048,075	1,644,034	157%	595,960
High Density Residential New Construction	344,449	1,259,397	366%	914,948
Residential Alterations and Additions	1,456,711	217,360	15%	(1,239,352)
Residential Demolition	109,657	24,142	22%	(85,515)
Conditional Permits	61,122	45,733	75%	(15,389)
Other	188,434	413,614	220%	225,180
<b>Grand Total</b>	<b>6,814,228</b>	<b>5,706,099</b>	<b>84%</b>	<b>(1,108,129)</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 2.0 times direct annual costs. The reserve fund target was determined by the City in the previous Building Permit Review in 2013. Based on annual direct costs of \$4.9 million, the 2023 reserve fund target balance would equate to \$9.9 million at the desired multiple, compared to the current reserve fund balance of \$4.2 million.

Annual costs and revenues have been forecast based on the forecast building permit activity from 2023 to 2033. Forecast building permit activity has been derived from the City's previous development charges and community benefits charges studies (prior to the current 2023 update study). Over the forecast period, annual building permit volumes are expected to remain relatively unchanged with the exception that a greater share of residential dwelling unit construction would be through medium and high-density development as opposed to low density single and semi-detached dwelling units in comparison the average historical building permit activity over the 2017- 2021 period. The forecast of building permit activity is presented in Table 3-9.

In addition to the change to the mix of application types, the City is anticipating increased staffing costs for building officials in the 2024 to 2033 period. This increase in staffing costs is in response to the City maintaining competitive compensation packages



for staff in comparison to neighbouring municipalities. It is anticipated that in 2024 costs will increase \$100,000 and by \$200,000 in 2025.

The resulting reserve fund continuity based on current fees and forecast volumes is presented in Table 3-7. Based on these projections and assuming 3% annual increases to fees for modeling purposes, the reserve fund balance would be fully depleted by 2026 after which tax-based funding support would be required.

Fee increases have been proposed to ensure the forecast reserve fund balance moves toward the City's target (i.e., 2.0 times annual direct costs) while maintaining competitiveness with surrounding municipalities. The forecast reserve fund balance reflecting the proposed rates is presented in Table 3-8. As shown below, the reserve fund balance would grow to 1.00 times multiple of direct costs by 2033. 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, further inflationary increases may not be required.

Fee recommendations are presented in Table 3-10. The recommended fees are presented in 2024 dollars inclusive of 4.0% indexing (the average year-over-year change in Statistics Canada's Consumer Price Index – Toronto Series) for implementation purposes and these fees would be further increased annually beginning in 2025 based on CPI. The highlights below are presented in 2023 dollars to show a like for like comparison prior to inflationary increases for 2024:

- Residential
  - New low and medium density fee increasing from 17.61 per square metre to 25.05 per square metre (increasing cost recovery by 36%)
  - New Multi-residential fee increasing from 23.10 per square metre to 23.67 per square metre (increasing cost recovery by 9%)
  - Garage permit and other structures increasing to \$350 for less than 50 square metre and \$500 for greater than 50 square metres (improving cost recovery levels by 11% to 17%)
  - Deck permits increasing from \$156 to \$200 to levels seen in other municipalities (improving cost recovery levels by 30%)
  - Finishing Basement fees increasing from \$3.97 per square metre to 6.00 per square metre to move the fee in line with market comparators.
- Non-Residential



- Generally, non-residential fees have been increased by 15% to 50% to move the City's fees in line with other market comparators.
- These increases would result in cost recovery increasing by 19% for new non-residential construction permits and by 50% for non-residential alteration permits.

Table 3-6 presents the annual revenues and cost recovery levels associated with the proposed fees in 2023 dollars

Table 3-6  
Building Fees Full Cost Impacts by Costing Category (2023\$)  
Recommended Fees

Costing Category Group	Total Costs	Recommended Fees		
		Annual Revenue	Costs Recovery (%)	Surplus/ (Deficit)
Non-Residential New Construction	310,333	855,237	276%	544,903
Non-Residential Alteration	886,587	106,258	12%	(780,329)
Single or semi-detached Dwelling, Townhouse, Duplex	2,408,860	1,865,214	77%	(543,646)
Stacked and Back to Back Townhouses	1,048,075	2,338,750	223%	1,290,676
High Density Residential New Construction	344,449	1,288,202	374%	943,753
Residential Alterations and Additions	1,456,711	263,793	18%	(1,192,918)
Residential Demolition	109,657	43,200	39%	(66,457)
Conditional Permits	61,122	45,733	75%	(15,389)
Other	188,434	460,719	244%	272,285
<b>Grand Total</b>	<b>6,814,228</b>	<b>7,267,106</b>	<b>107%</b>	<b>452,878</b>



**Table 3-7**  
**Reserve Fund Continuity - Current Fees (Indexing Only)**

Description	2023	2024	2025	2026	2027	2028
Opening Balance	4,215,751	3,031,190	1,696,481	203,753	(1,349,405)	(2,964,970)
Revenue	5,706,108	5,877,385	6,053,726	6,235,358	6,422,439	6,615,133
Expense	6,926,724	7,135,615	7,349,908	7,570,636	7,797,993	8,032,178
Additional Staff Costs	-	100,000	206,000	212,180	218,545	225,102
Contribution/(Draw)	(1,220,616)	(1,358,230)	(1,502,182)	(1,547,458)	(1,594,100)	(1,642,147)
Interest	36,054	23,521	9,454	(5,700)	(21,465)	(37,860)
<b>Closing Balance</b>	<b>3,031,190</b>	<b>1,696,481</b>	<b>203,753</b>	<b>(1,349,405)</b>	<b>(2,964,970)</b>	<b>(4,644,977)</b>
Direct Costs	4,947,015	5,196,204	5,455,250	5,619,073	5,787,815	5,961,624
Reserve Fund/Expense Ratio	0.61	0.33	0.04	(0.24)	(0.51)	(0.78)
Description	2029	2030	2031	2032	2033	
Opening Balance	(4,644,977)	(6,391,527)	(8,206,789)	(10,092,998)	(12,052,460)	
Revenue	6,813,609	7,018,040	7,228,605	7,445,488	7,668,879	
Expense	8,273,396	8,521,863	8,777,796	9,041,420	9,312,967	
Additional Staff Costs	231,855	238,810	245,975	253,354	260,955	
Contribution/(Draw)	(1,691,642)	(1,742,633)	(1,795,165)	(1,849,286)	(1,905,042)	
Interest	(54,908)	(72,628)	(91,044)	(110,176)	(130,050)	
<b>Closing Balance</b>	<b>(6,391,527)</b>	<b>(8,206,789)</b>	<b>(10,092,998)</b>	<b>(12,052,460)</b>	<b>(14,087,552)</b>	
Direct Costs	6,140,653	6,325,062	6,515,012	6,710,670	6,912,207	
Reserve Fund/Expense Ratio	(1.04)	(1.30)	(1.55)	(1.80)	(2.04)	

**Table 3-8**  
**Reserve Fund Continuity - Recommended Fees**

Description	2023	2024	2025	2026	2027	2028
Opening Balance	4,215,751	3,815,603	4,169,854	4,433,410	4,706,049	4,988,047
Revenue	6,486,619	7,550,136	7,776,662	8,009,985	8,250,308	8,497,841
Expense	6,926,724	7,135,615	7,349,908	7,570,636	7,797,993	8,032,178
Additional Staffing Costs	-	100,000	206,000	212,180	218,545	225,102
Contribution/(Draw)	(440,105)	314,521	220,755	227,169	233,769	240,561
Interest	39,957	39,729	42,802	45,470	48,229	51,083
<b>Closing Balance</b>	<b>3,815,603</b>	<b>4,169,854</b>	<b>4,433,410</b>	<b>4,706,049</b>	<b>4,988,047</b>	<b>5,279,691</b>
Direct Costs	4,947,015	5,196,204	5,455,250	5,619,073	5,787,815	5,961,624
Reserve Fund/Expense Ratio	0.77	0.80	0.81	0.84	0.86	0.89
Description	2029	2030	2031	2032	2033	
Opening Balance	5,279,691	5,581,275	5,893,099	6,215,470	6,548,705	
Revenue	8,752,801	9,015,410	9,285,900	9,564,505	9,851,470	
Expense	8,273,396	8,521,863	8,777,796	9,041,420	9,312,967	
Additional Staffing Costs	231,855	238,810	245,975	253,354	260,955	
Contribution/(Draw)	247,550	254,737	262,129	269,731	277,549	
Interest	54,035	57,086	60,242	63,503	66,875	
<b>Closing Balance</b>	<b>5,581,275</b>	<b>5,893,099</b>	<b>6,215,470</b>	<b>6,548,705</b>	<b>6,893,128</b>	
Direct Costs	6,140,653	6,325,062	6,515,012	6,710,670	6,912,207	
Reserve Fund/Expense Ratio	0.91	0.93	0.95	0.98	1.00	



Table 3-9  
Building Permit Volume Forecast

Costing Category Group	Historical Average	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Non-Residential New Construction	11.7	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4
Non-Residential Alteration	45.7	45.7	45.7	45.7	45.7	45.7	45.7	45.7	45.7	45.7	45.7	45.7
Single or semi-detached Dwelling, Townhouse, Duplex	330.2	265.2	265.2	265.2	265.2	265.2	265.2	265.2	265.2	265.2	265.2	265.2
Stacked and Back to Back Townhouses	34.2	45.9	45.9	45.9	45.9	45.9	45.9	45.9	45.9	45.9	45.9	45.9
High Density Residential New Construction	3.9	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Residential Alterations and Additions	289.7	325.7	325.9	326.0	326.0	326.1	326.1	326.2	326.2	326.3	326.3	326.4
Residential Demolition	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4	86.4
Conditional Permits	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Other	908.1	908.1	908.1	908.1	908.1	908.1	908.1	908.1	908.1	908.1	908.1	908.1
<b>Grand Total</b>	<b>1,716.8</b>	<b>1,704.9</b>	<b>1,705.1</b>	<b>1,705.1</b>	<b>1,705.2</b>	<b>1,705.2</b>	<b>1,705.3</b>	<b>1,705.3</b>	<b>1,705.4</b>	<b>1,705.4</b>	<b>1,705.5</b>	<b>1,705.5</b>



**Table 3-10**  
**Recommended Building Permit Fees**

<b>TABLE 3.1 CONSTRUCTION</b> <b>New buildings, additions to existing buildings (Fees include plumbing inspection services)</b>				
<b>Class of Permit, Occupancy Classification and Work Description</b>		<b>Charging Parameter</b>	<b>Current Fee (2023\$)</b>	<b>Proposed Fee (2024\$)</b>
Group A: Assembly	Transit Station, Bus Terminal	Per sq. m.	\$21.24	32.30
	Portable Classroom(s)	Flat Fee	\$400.00	603.02
	Other Assembly Occupancies - Shell only	Per sq. m.	\$22.03	22.90
	Other Assembly Occupancies - Partitioned and/or Finished	Per sq. m.	\$37.49	\$38.98
Group B: Institutional	Shell only	Per sq. m.	\$24.75	31.76
	Partitioned and/or Finished	Per sq. m.	\$28.71	36.86
Group C: Residential	Single/semi-detached Dwelling, Townhouse, Duplex	Per sq. m.	\$17.61	26.05
	Hotel, Motel	Per sq. m.	\$27.47	28.56
	All other Multiple Unit Residential Buildings	Per sq. m.	\$23.10	24.61
	Finishing Basement	Per sq. m.	\$3.97	6.24
	Attached or Detached Garage or Other Detached Structure less than or equal to 50 m <sup>2</sup> in floor area accessory to a Single/semi-detached dwelling, Townhouse, or Duplex	Flat Fee	300	363.89
	Attached or Detached Garage or Other Detached Structure greater than 50 m <sup>2</sup> in floor area accessory to a Single/semi-detached dwelling, Townhouse, or Duplex	Flat Fee	450	519.84
Group D: Business & Personal Services	Unenclosed Deck or Porch attached to a Single/semi-detached Dwelling or Townhouse	Flat Fee	156.23	207.94
	Shell only	Per sq. m.	\$15.86	20.55
	Partitioned and/or Finished	Per sq. m.	\$24.12	28.07
Group E: Mercantile	Shell only	Per sq. m.	\$14.84	20.55
	Partitioned and/or Finished	Per sq. m.	\$18.86	28.07
Group F: Industrial	Shell only	Per sq. m.	\$10.25	13.95
	Partitioned and/or Finished	Per sq. m.	\$17.27	19.96
	Gas Station, Car Wash	Per sq. m.	\$12.23	14.13
	Parking Garage (underground, above ground, open air)	Per sq. m.	\$6.23	7.19
Miscellaneous	Sales Trailer	Per sq. m.	\$9.35	14.22
	Sales Pavilion, Office	Per sq. m.	\$16.26	24.73
	Permanent Tent, Air Supported Structure	Per sq. m.	\$6.46	9.83
	Mezzanines		per intended occupancy	per intended occupancy
	Mechanical Penthouse	Per sq. m.	\$9.12	11.32
	Temporary Building/Structure (less than 30 days)	Flat Fee	387.54	439.79
	Unfinished Basement to accommodate a Building moved from elsewhere	Per sq. m.	\$5.49	6.97
	Communication Tower	Flat Fee	387.54	589.64
	Installation of Solar Panels (residential)	Flat Fee	237.48	361.33
	Installation of Solar Panels (all other occupancies)	Flat Fee	237.48	361.33
	Installation of Wind Turbines	Flat Fee	156.29	237.78
	Retaining Wall		\$11.28/m of length Maximum \$573.22	\$11.00/m of length Maximum \$573.22
	Partial Permit (additional fee for each partial permit)	Flat Fee		467.86
	Farm Building	Per sq. m.	\$4.87	6.59



**Table 3-10 Cont'd**  
**Recommended Building Permit Fees**

TABLE 3.1 CONSTRUCTION New buildings, additions to existing buildings (Fees include plumbing inspection services)				
Class of Permit, Occupancy Classification and Work Description		Charging Parameter	Current Fee (2023\$)	Proposed Fee (2024\$)
<b>TABLE 3.2 ALTERATIONS / CHANGE OF USE</b>				
Group A: Assembly	Restaurant	Per sq. m.	\$8.89	13.54
	All other Assembly Occupancies	Per sq. m.	\$5.72	8.70
Group B: Institutional		Per sq. m.	\$5.72	8.70
Group C: Residential and Additional Residential Unit		Per sq. m.	\$6.51	9.90
Group D: Business & Personal Services		Per sq. m.	\$5.72	8.70
Group E: Mercantile		Per sq. m.	\$4.37	6.64
Group F: Industrial		Per sq. m.	\$4.37	6.64
All Occupancies (other than a Single Family Dwelling)	Parking Structure Repair	Per sq. m.	\$2.16	3.28
	Balcony Guard Replacement		\$2.16/m of length	\$2.16/m of length
<b>TABLE 3.3 DEMOLITION</b>				
Part 9 residential structures (e.g. single, semi, townhouse, and related accessory structures)		Flat Fee	275.03	519.84
All other Occupancies			437.55	519.84
All other Occupancies		Flat Fee	437.55	1,039.68
<b>TABLE 3.4 MECHANICAL WORK</b>				
Group A: Assembly	Heating, Ventilation, Air Conditioning	Per sq. m.	\$1.08	1.36
Group B: Institutional	Heating, Ventilation, Air Conditioning	Per sq. m.	\$1.08	1.36
Group C: Residential	Heating, Ventilation, Air Conditioning	Per sq. m.	\$0.78	0.98
Group D: Business & Personal Services	Heating, Ventilation, Air Conditioning	Per sq. m.	\$1.08	1.36
Group E: Mercantile	Heating, Ventilation, Air Conditioning	Per sq. m.	\$0.78	0.98
Group F: Industrial	Heating, Ventilation, Air Conditioning	Per sq. m.	\$0.78	0.98
All Occupancies	Fire Alarm - Part 9	Flat Fee	218.75	332.82
	Fire Alarm - Part 3 \$218.75 per floor	Minimum Fee	437.55	453.30
	Sprinkler System \$0.44 Multiplier (\$/M2)	Minimum Fee	437.55	453.30
	Kitchen Exhaust, Spray Booth, Dust Collector	Flat Fee	437.55	665.73
	Electromagnetic Lock \$43.78 each	Minimum Fee	218.75	519.84
	Fireplace, Wood Stove	Flat Fee	108.77	165.50
	Heating Plant Replacement	Flat Fee	218.75	332.82
<b>TABLE 3.5 MISCELLANEOUS</b>				
Occupancy of a building prior to Building Code Division C, Part 1, Subsection 1.3.3.		Flat Fee	575.03	809.91
Storage Tanks/Underground/Above Ground		Flat Fee	\$218.75/tank	400.00/tank
Swimming Pool Enclosure	In Ground		as per Site Alteration By-law	as per Site Alteration By-law
	Above Ground			
Signs			as per Sign By-law	as per Sign By-law
<b>TABLE 3.6 SEWAGE SYSTEMS</b>				
New System for Residential, Farm, Commercial, Industrial or Institutional	where the structure is 185 m <sup>2</sup> or less	Flat Fee	725.04	753.81
	where the structure is greater than 185 m <sup>2</sup>		\$4.37 for each m2 of the structure, Maximum \$4,325.29	\$4.37 for each m2 of the structure, Maximum \$4,325.29
Communal Subsurface Sewage Disposal Systems	where the structure is 185 m <sup>2</sup> or less	Flat Fee	725.04	753.81
	where the structure is greater than 185 m <sup>2</sup>		\$4.37 for each m2 of the structure, Maximum \$4,325.29	\$4.37 for each m2 of the structure, Maximum \$4,325.29
Minor alterations or repairs to a Sewage Disposal System, including replacement of the tile bed		Flat Fee	287.5	437.43
Replacement of Sewage System		Flat Fee	575.03	1,107.26



**Table 3-10 Cont'd**  
**Recommended Building Permit Fees**

<b>TABLE 3.1 CONSTRUCTION</b> <b>New buildings, additions to existing buildings (Fees include plumbing inspection services)</b>				
<b>Class of Permit, Occupancy Classification and Work Description</b>		<b>Charging Parameter</b>	<b>Current Fee (2023\$)</b>	<b>Proposed Fee (2024\$)</b>
<b>TABLE 3.7 PLUMBING</b>				
For each Fixture, Appliance, Floor Drain, Vented Trap or Roof Hopper		Flat Fee	\$21.24	27.03
Water Services: For each Water Service	50 mm (2") or less	Flat Fee	\$30.01	45.66
	100 mm (4")	Flat Fee	\$57.48	87.44
	150 mm (6")	Flat Fee	\$87.49	133.11
	200 mm (8")	Flat Fee	\$115.01	174.98
	250 mm (10")	Flat Fee	\$145.02	220.64
	300 mm (12") or larger	Flat Fee	\$172.48	262.42
Backflow Preventer:	1" or less	Flat Fee	\$13.75	14.30
	2"	Flat Fee	\$30.01	31.20
	3"	Flat Fee	\$43.78	45.52
	4"	Flat Fee	\$57.48	59.76
Drains - Residential: Single Family Dwellings, including Townhouse and Semi-detached Dwellings. For each Residential Drain and Sewer (includes both Storm and Sanitary, inside and outside drains) For Multiple Dwellings and Apartment Buildings, see Commercial.		Flat Fee	\$145.02	187.14
Drains - Commercial: For each Storm and Sanitary Drain, inside and outside.	100 mm (4") or less	Flat Fee	\$57.48	87.44
	150 mm (6")	Flat Fee	\$87.49	133.11
	200 mm (8")	Flat Fee	\$115.01	174.98
	250 mm (10")	Flat Fee	\$145.02	220.64
	300 mm (12")	Flat Fee	\$172.48	262.42
For each conversion from Well to Municipal Water		Flat Fee	\$145.02	220.64
For each conversion including Sewer		Flat Fee	\$145.02	220.64
For each Manhole, Catch Basin, or Area Drain		Flat Fee	\$71.23	74.06
Interceptors, including Oil, Grease, Neutralizers (acid) Storm Water Treatment Structures		Flat Fee	\$71.23	74.06
Plumbing Permit (Flat Fee)		Flat Fee	\$145.02	150.77
<b>TABLE 3.8 ADMINISTRATIVE FEES</b>				
(a)	Construction, alteration, or mechanical work commenced prior to issuance of permit and where an Order to Comply (OTC) and/or Stop Work Order (SWO) has been issued, the permit fee prescribed in (3) shall be increased by the greater of \$129.28 or as follows:		SFD/ Part 9 Buildings: Home owners: 0% if OTC issued 25% if SWO issued Builders: 0% if OTC issued 50% if SWO issued	SFD/ Part 9 Buildings: 0% if OTC issued 50% if SWO issued
			Part 3 Buildings: 0% if OTC issued 50% if SWO issued	Part 3 Buildings: 0% if OTC issued 50% if SWO issued
			maximum \$33,624.29	maximum \$33,624.29
(b)	Demolition work commenced prior to issuance of permit and where an Order to Comply (OTC) and/or Stop Work Order (SWO) has been issued, the permit fee prescribed in (3) shall be increased by the greater of \$129.28 or as follows:		100% if no application made prior to demolition, 25% if application had been made prior to demolition	100% if no application made prior to demolition, 25% if application had been made prior to demolition
(c)	Transfer of permit from permit holder to another person.	Flat Fee	137.49	200.00
(d)	With respect to written requests for information concerning compliance with the Building Code and applicable law.		as per Tariff of Fees By-law	as per Tariff of Fees By-law
(e)	With respect to minor (Part 9) revisions of plans already examined. (hourly rate applies)	Minimum Fee	137.49	142.95
(f)	With respect to major (Part 3) revisions of plans already examined. (hourly rate applies)	Minimum Fee	412.52	428.89
(g)	With respect to phased projects, in addition to the fee for the complete building, an additional fee of \$200 for each phased permit shall be levied.			





**Table 3-10 Cont'd  
Recommended Building Permit Fees (2023\$)**

<b>TABLE 3.1 CONSTRUCTION</b> <b>New buildings, additions to existing buildings (Fees include plumbing inspection services)</b>				
<b>Class of Permit, Occupancy Classification and Work Description</b>		<b>Charging Parameter</b>	<b>Current Fee (2023\$)</b>	<b>Proposed Fee (2024\$)</b>
(h)	Conditional permits.	Flat Fee	6725.42	6,992.30
	Extension (date) to Conditional Permit Agreement (new fee)	Flat Fee		519.84
(i)	With respect to changes to house models within a plan of subdivision where permits have been issued for both models involve, the fee shall be \$331.47 plus the rate as set out in Section (A) Group C: Residential (single/semi-detached dwelling, townhouse, duplex) per square metre of increased floor area. Where the floor area is reduced, no refund applies.			
(j)	Where upon request, an inspection reveals an infraction identified at a previous inspection and not remedied or, an inspection reveals that the stage of construction requested to be inspected is not substantially completed, the fee shall be \$121.54 per inspection, payable upon receipt of a written invoice.			
(k)	With respect to the review of plans for compliance with the Ontario Building Code prior to application for building permit, i.e. pre-permit application model review.  Note: The provision of this service is subject to available resources and is at the sole discretion of the chief building official.		25% of the fee calculated in accordance with Table 3.1 with said fee being non-refundable. Note: This is in addition to the full permit application fee applicable and payable at the time of permit application.	25% of the fee calculated in accordance with Table 3.1 with said fee being non-refundable. Note: This is in addition to the full permit application fee applicable and payable at the time of permit application.
(l)	Spatial separation agreements	Flat Fee	537.55	644.60
(m)	Remediation (including, but not limited to grow-ops, clandestine drug labs)	Flat Fee	2025.1	2,495.24
	Fire department vehicle as required: Per vehicle for first hour or part thereof Per vehicle for each additional half hour or part thereof		as per Tariff of Fees By-law	as per Tariff of Fees By-law
(n)	Alternate solutions/Equivalents (when associated with a permit application)		\$412.52 minimum, includes up to 3 hours, \$134.99 each additional hour or part thereafter.	\$1,300 plus costs of additional 3rd party review
(o)	Emergency Measures (after normal working hours minimum fee 3 Hrs)		1.5 x hourly rate minimum	1.5 x hourly rate minimum
(p)	Minimum Permit Fee, unless specified elsewhere	Minimum Fee	\$137.49 flat fee residential \$350.01 flat fee for all others	\$200 flat fee Part 9 Residential \$400 flat fee for all others
(q)	Where a permit has been signed off deficient/dormant for a period greater than two years since such date and an inspection is subsequently requested, an administration fee shall be paid for each such inspection.	Flat Fee	\$137.49 flat fee for each inspection	\$142.95 flat fee for each inspection
(r)	General Zoning By-law Information (Note: Electronic Service Only)		Nil	Nil
(s)	Hourly Rate		n/a	142.95

### 3.5 Planning Application Fee Review Costs and Recommendations

Total annual costs incurred by the City related to planning application review are \$5.75 million. Table 3-11 presents these cost for the higher application types/service areas within planning and the cost recovery levels achieved by current fees. Current revenues are calculated by using the City's current application fees and applying the



historical annual application volumes which result in total annual modeled revenues of \$3.6 million.

Table 3-11  
Planning Application Fees Full Cost Impacts by Service Area (2023\$)  
Current Fees

Service Area	Total Costs	Current Fees		
		Annual Revenue	Costs Recovery (%)	Surplus/ (Deficit)
OPA	465,989	407,988	88%	(58,001)
ZBA & Temporary Use	1,272,530	568,420	45%	(704,110)
Subdivision	1,106,309	693,388	63%	(412,920)
Condominium	182,030	180,823	99%	(1,207)
Site Plan	1,249,802	566,254	45%	(683,549)
Consent	170,402	168,892	99%	(1,510)
Minor Variance	312,004	310,971	100%	(1,032)
Heritage Permits	89,144	9,010	10%	(80,134)
Parks and Natural Heritage	800,879	581,281	73%	(219,598)
Urban Forestry	51,888	44,421	86%	(7,467)
Miscellaneous	47,321	96,458	204%	49,137
<b>Grand Total</b>	<b>5,748,298</b>	<b>3,627,907</b>	<b>63%</b>	<b>(2,120,391)</b>

Based on this analysis, the City's planning fees are recovering approximately 63% of the total annual cost of service. The fee recommendations are presented in Table 3-12 and highlights of the major changes are outlined below (recommended fees are presented in 2024 dollars for implementation purposes and would be increased annually beginning in 2025 based on CPI). The recommendations have been made in the context of ensuring that each type of fee (as defined in the tariff of fees) will be set so that they will recover no more than their anticipated processing costs. The below highlights are presented in 2023 dollars for comparison purposes prior to inflationary increases for 2024.

- **Official Plan Amendment (OPA)**
  - Current fees are recovering 88% of the cost of service.
  - Recommendations include a 15% increase to major application types and a 9% increase to minor application types.
  - No changes have been recommended to the re-application fees (for the review of dormant applications)



- **Zoning By-law Amendment (ZBA)**

- The current ZBA fee is implemented on a flat fee basis. This does not account for the varying amount of effort based on the complexity and size of the application.
- The fee recommendations proposed herein are to change the structure of the ZBA fee to include a base fee of \$23,500 and per unit fee of \$303 (for residential) and per square metre of gross floor area fee of \$2.02 (for non-residential) up to a maximum of \$53,831. This fee structure allows for better alignment of costs of reviewing the application and the size and complexity of the application.
- Minor application fees would be increased to \$12,000 (+39%)

- **Subdivision**

- Subdivision fees within the City are currently imposed on a base fee plus a per unit and per hectare fee (for residential and non-residential blocks within a draft plan of subdivision).
- Fee recommendations provided in this report include an increase to the base fee to \$37,500 to better align the fee to the base level of effort and review required for a subdivision application, an increase from \$612 to \$628 for the per unit fee and implementing a maximum fee of \$275,000.
- In addition, a new fee for Technical Subdivisions (i.e., where no Subdivision Agreement is required and/or to place the lands within a registered Plan of Subdivision for the purposes of future Part Lot Control Exemption) has been introduced equivalent to the base fee of \$37,500.

- **Condominium**

- Base application fees for condominium applications have been increased, while the variable fees per unit or per non-residential block have been decreased to better align the fees with the fixed and variable costs of processing

- **Site Plan**

- Base application fee to be increased to \$10,000 to recognize fixed cost of processing. Non-residential variable fees to be charged on a per square metre of gross floor area basis to remove inequities between residential and non-residential fees when residential fees are imposed on a per ha basis.



- **Committee of Adjustment Applications**
  - Reductions to Minor Variance and Consent application fees to recover the full costs of service.
- **Collaborative Application Process (CAP) Fees**
  - The CAP fees that the City introduced in 2023 to recover the costs of the Phase 1 and Phase 2 per-application submission process have been maintained through this review
- **Reapplication Fee and Revisions/Extension Fees**
  - Reapplication and Revision/Extensions fees have been changed from a flat fee to a percentage of the original application (50% and 25%, respectively) for subdivision applications, condominium applications and site plan and site plan amendment applications.
- **Heritage Property Fees**
  - Moderate increases to Heritage Property fees have been recommended through discussions with staff to ensure that compliance with the Heritage permit process is not discouraged.
- **Parks and Natural Heritage Planning Fees**
  - Fees for Tree replacement will be phased-in over the 2024-2026 period from \$700 in 2024 to \$800 in 2025, and \$900 in 2026, plus inflationary increases.
- **Urban Forestry and Natural Environment Fees**
  - Boulevard Tree Planting fees have been recommended at the same increases as for tree replacement fees (i.e., \$700 in 2024 to \$800 in 2025, and \$900 in 2026, plus inflationary increases).

Table 3-13 presents the annual revenues and cost recovery levels associated with the proposed fees for the same major application types summarized in Table 3-11. In aggregate planning application cost recovery would increase from 63% to 93% (i.e., 52% increase in annual revenue). The shortfall in revenue in comparison to full costs is related primarily to minor application types such as minor OPA and ZBA applications, minor Site Plan amendments, and heritage permits and related review.



**Table 3-12**  
**Recommended Planning Application Fees**

Current Description of Service	Current Fee (2023\$)		Recommended Description of Service	Recommended Fee (2024\$)
<b>OPA</b>			<b>Section A - Official Plan Amendment pursuant to Section 22 of the Planning Act)</b>	
Major Official Plan Amendment Application Fee	56,104	1	Major Official Plan Amendment Application Fee (see Footnote 2 below)	66,890
Minor Official Plan Amendment Application Fee	33,296	2	Minor Official Plan Amendment Application Fee (see Footnote 2 below)	37,660
Major Official Plan Amendment Re-Application Fee	9,831	3	Major Official Plan Amendment Re-Application Fee (see Footnotes 2 and 3 below)	10,221
Minor Official Plan Amendment Re-Application Fee	5,835	4	Minor Official Plan Amendment Re-Application Fee (see Footnotes 2 and 3 below)	6,067
Special Study - In the event that extra costs are incurred by the City for a Special Study/Studies necessitated by the Official Plan Amendment Application, the said extra costs shall be paid by the applicant in a manner and amount to be determined by the Council of the Corporation of the City of Richmond Hill	Cost of Study/studies + 20%	5	<b>Special Study - Extra Cost</b> A) In the event that extra costs are incurred by the City for a Special Study/Studies necessitated by the Official Plan Amendment Application, the said extra costs shall be paid by the applicant in a manner and amount to be determined by the Council of the Corporation of the City of Richmond Hill	Cost of Study/studies + 25%
		5A	Special Study - Letter of Credit Requirements	
		6	The proponent of an Official Plan Amendment Application which requires a Special Study/Studies shall provide a Letter of Credit or another form of security satisfactory to the City of Richmond Hill for the estimated cost of the required Special Study/Studies, prior to the commencement of the work. The Commissioner of Planning and Development shall be authorized to draw upon the posted security to pay the costs of the Special Study/Studies.	
			<b>Footnotes</b>	
			1. The submission of combined development applications shall necessitate the payment of only one (1) CPM and CDA Advertising fee.	
			2. Please refer to the City's Consolidated Development Application Guide to determine whether the application is a major or minor application.	
			3. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.	
			Where any combination Official Plan Amendment, Zoning By-law Amendment, Plan of Subdivision, Site Plan, and Condominium Applications are received concurrently the highest individual application fee plus 75% of all other application fees will apply	
			CPM = Council Public Meeting	
			CDA= Complete Development Application Advertising	
<b>ZBA/Temporary Use</b>			<b>Section B - Zoning By-Law Amendment (Pursuant to Sections 34, 36 and 37 of the planning Act)</b>	
Major Zoning By-law Amendment Application Fee	14,426	1	Major Zoning By-law Amendment Application Base Fee, plus: (See Footnote 2 below)	24,433
			Variable Fee	-
		1A	(a) Per Unit (residential)	315
		1B	(b) Per sq. m. (non-residential)	2.10
			(c) where an application combines units and non-residential gross floor area as identified under (a) and (b) above	the sum of (a) + (b)
		1D	Maximum (Combined Base and Variable Fee)	55,967
Minor Zoning By-law Amendment Application Fee	8,656	2	Minor Zoning By-law Amendment Application Fee (see Footnote 2 below)	12,476
Removal of Holding "H" Provision	2,326	3	Removal of Holding "H" Provision	15,012
Major Zoning By-law Amendment Re-Application Fee	2,424	4	Major Zoning By-law Amendment Re-Application Fee (see Footnotes 2 and 3 below)	4,105
Minor Zoning By-Law Amendment Re-Application Fee	1,455	5	Minor Zoning By-Law Amendment Re-Application Fee (see Footnotes 2 and 3 below)	2,097
Deeming By-law	704	6	Deeming By-law	753
			<b>Footnotes</b>	
			1. The submission of combined development applications shall necessitate the payment of only one (1) CPM and CDA Advertising fee.	
			2. Please refer to the City's Consolidated Development Application Guide to determine whether the application is a major or minor application.	
			3. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.	
			Where any combination Official Plan Amendment, Zoning By-law Amendment, Plan of Subdivision, Site Plan, and Condominium Applications are received concurrently the highest individual application fee plus 75% of all other application fees will apply	
			CPM = Council Public Meeting	
			CDA= Complete Development Application Advertising	



**Table 3-12**  
**Recommended Planning Application Fees**

Current Description of Service	Current Fee (2023\$)		Recommended Description of Service	Recommended Fee (2024\$)
<b>ZBA/Temporary Use</b>			<b>Section C - Temporary Use By-Law (pursuant to Section 39 of the Planning Act)</b>	
Temporary Use By-law Application Fee	14,426	1	Temporary Use By-law Application Fee	15,301
Temporary Use By-law Renewal Fee	3,435	2	Temporary Use By-law Renewal Fee	12,476
Temporary use By-law Re-Application Fee	3,435	3	Temporary use By-law Re-Application Fee	12,476
		<b>Footnotes</b>		
		1. The submission of combined development applications shall necessitate the payment of only one (1) CPM and CDA Advertising fee.		
		2. Please refer to the City's Consolidated Development Application Guide to determine whether the application is a major or minor application.		
		3. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.		
		CPM = Council Public Meeting		
		CDA= Complete Development Application Advertising		
<b>Subdivision</b>			<b>Section D - Draft Plans of Subdivision (pursuant to Section 51 of the Planning Act)</b>	
Draft Plan of Subdivision Application Fee	2,506	1	Draft Plan of Subdivision Application Base Fee plus:	38,988
Draft Plan of Subdivision Processing Fee			Variable Fee	
1. In addition to any other fees associated with the approval of a draft Plan of Subdivision, upon approval of an application filed pursuant to this section, the following fees shall apply:				
		1A	(a) for dwelling units on individual lots within a draft Plan of Subdivision - Per Unit	653
(a) for dwelling units on individual lots within a draft Plan of Subdivision - Per Unit	612	1B	(b) for residential and non-residential blocks within a draft Plan of Subdivision - per hectare (see Footnote 2 below)	8,134
(b) for residential and non-residential blocks within a draft Plan of Subdivision - per hectare	7,824	1C	(c) where a draft Plan of Subdivision combines units and blocks as identified under (a) and (b) above	the sum of (a) + (b)
(d) in no case shall the fee assessed under this section be less than	6,337	1D	Maximum Fee (Combined Base Fee and Variable Fee)	285,913
(c) where a draft Plan of Subdivision combines units and blocks as identified under (a) and (b) above	the sum of (a) + (b)	2	Technical Subdivision	38,988
Draft Plan of Subdivision Application Advertising Fee (for stand-alone applications only)	1,210	3	Draft Plan of Subdivision Application Advertising Fee (for stand-alone applications only)	1,258
Draft Plan of Subdivision Re-Application Fee	1,691	4	Draft Plan of Subdivision Re-Application Fee (see Footnote 1 below)	50% of total application fee
Draft Plan of Subdivision Revision/Extension Fee (for revisions to a Draft Plan of Subdivision which requires further circulation OR to alter a condition of draft approval OR to extend the duration of draft approval)	1,691		Draft Plan of Subdivision Revision/Extension Fee (for revisions to a Draft Plan of Subdivision which requires further circulation OR to alter a condition of draft approval OR to extend the duration of draft approval)	25% of total application fee
		<b>Footnotes</b>		
		1. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.		
		2. The Processing Fee for Item 1(b) above shall not include blocks for streets, road widenings, 0.3 metre reserves and natural heritage system lands.		
		Where any combination Official Plan Amendment, Zoning By-law Amendment, Plan of Subdivision, Site Plan, and Condominium Applications are received concurrently the highest individual application fee plus 75% of all other application fees will apply		
		CPM = Council Public Meeting		
		CDA= Complete Development Application Advertising		



**Table 3-12 Cont'd  
Recommended Planning Application Fees**

Current Description of Service	Current Fee (2023\$)		Recommended Description of Service	Recommended Fee (2024\$)
<b>Condominium</b>			<b>Section E - Draft Plans of Condominium (pursuant to Section 59 of the Condominium Act)</b>	
Draft Plan of Condominium Application Fee	6,243	1	Draft Plan of Condominium Application Base Fee, plus: Variable Fee (see Footnotes 2 and 3 below)	10,397
(i) for individual dwelling units (single and semi-detached) - per unit	1,860	1A	(a) Per Unit	1,789
(ii) for residential or non-residential blocks within a draft Plan of Condominium - per hectare	23,591	1B	(b) for residential or non-residential blocks within a draft Plan of Condominium - per hectare	22,690
(iii) where a draft Plan of Condominium combines dwelling units and blocks as identified under (i) and (ii) above	the sum of (a) + (b)	1C	(c) where a draft Plan of Condominium combines dwelling units and blocks as identified under (a) and (b) above	the sum of (a) + (b)
(iv) in no case shall the Condominium Processing Fee be less than	19,015			
Draft Plan of Condominium Application Advertising Fee (for Common Element Condominium and Vacant Land Condominium proposals ONLY)	1,210	2	Draft Plan of Condominium Application Advertising Fee (for Common Element Condominium and Vacant Land Condominium proposals ONLY)	1,258
Draft Plan of Condominium Application Processing Fee				
1. In addition to any other fees associated with the approval of a draft Plan of Condominium, upon approval of an application filed pursuant to this section, the following fees shall apply:				
(a) where an exemption from processing pursuant to Section 9 of the Condominium Act is recommended	5,884	3	Condominium Exemption (see Footnotes 2 and 3 below)	10,397
(b) where an approval pursuant to Section 9 of the Condominium Act is recommended, the following fee(s) shall apply:				
Draft Plan of Condominium Revision/Extension Fee (for revisions to a draft Plan of Condominium which requires further circulation OR to alter a condition of draft approval OR to extend the duration of draft approval	1,691	4	Draft Plan of Condominium Revision/Extension Fee (for revisions to a draft Plan of Condominium which requires further circulation OR to alter a condition of draft approval OR to extend the duration of draft approval	25% of total application fee
Draft Plan of Condominium Re-Application Fee	2,446	5	Draft Plan of Condominium Re-Application Fee	50% of total application fee
			<b>Footnotes</b>	
			1. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.	
			2. For Common Element draft Plans of Condominium, the Processing Fee shall only apply to the land area associated with the common elements.	
			3. For Mixed Use Residential/Commercial draft Plans of Condominium that seek approval of separate condominium plans for each use, the Processing Fee for the commercial draft Plan of Condominium shall be based on the gross floor area of said use.	
			Where any combination Official Plan Amendment, Zoning By-law Amendment, Plan of Subdivision, Site Plan, and Condominium Applications are received concurrently the highest individual application fee plus 75% of all other application fees will apply	
			CPM = Council Public Meeting	
			CDA= Complete Development Application Advertising	
<b>Collaborative Application Process Fees (CAP)</b>			<b>Section F - Collaborative Application Process Fees</b>	
Pre-Application - Stage 1	1,000	1	CAP - Phase 1 - Presubmissions	1,040
Pre-Application Stage 2 - Major Applications	8,500	2	CAP - Phase 2 - Major Applications	8,837
Pre-Application - Stage 2 - Minor Applications	5,000	3	CAP - Phase 2 - Minor Applications	5,198
Pre-Application - Stage 2 - Minor Applications	1,000	4	CAP - Stage 2 - Minor Modifications Applications	1,040
Oak Ridges Moraine (ORM) Conformity Review	471	5	Oak Ridges Moraine (ORM) Conformity Review	490
			<b>Footnotes</b>	
			Amendment, Zoning By-law Amendment, Draft Plan of Subdivision, Draft Plan of Condominium, Site Plan or Site Plan Amendment applications.	
			Zoning By-law Amendment, Draft Plan of Subdivision (greater than 10 units), Draft Plan of Condominium, and Major Site Plan/Site Plan Amendment applications for Non-Residential and Mixed Use development proposals.	
			3. The CAP Phase 2 – Minor Applications fee shall apply to Minor Zoning by-law Amendment and, draft Plan of Subdivision Applications (creation of development blocks).	
			4. The CAP – Phase 2 – Minor Modifications Applications fee shall apply to all Minor Site Plan Amendment Applications.	
			5. All CAP – Phase 2 fees shall be deducted from the total fees required for the submission of complete Official Plan Amendment, Zoning By-law Amendment, Draft Plan of Subdivision, Draft Plan of Condominium, Site Plan or Site Plan Amendment Applications.	
			6. The Oak Ridges Moraine Conformity Fee shall apply to lands subject to By-law 128-04, as amended, that are not sub	



**Table 3-12 Cont'd  
Recommended Planning Application Fees**

Current Description of Service	Current Fee (2023\$)		Recommended Description of Service	Recommended Fee (2024\$)
<b>Part Lot Control</b>			<b>Section G - Part Lot Control Exemption (pursuant to Section 50 of the Planning Act)</b>	
Part Lot Control Exemption Application Fee	2,591	1	Part Lot Control Exemption Application Fee (see Footnote 1 below)	4,099
Part Lot Control Exemption Re-application Fee	1,302	2	Part Lot Control Exemption Re-application Fee (see Footnote 2 below)	2,060
			<b>Footnotes</b>	
			1. A separate application and application fee shall be required for each Reference Plan submitted in conjunction with the submission of a Part Lot Control Exemption request.	
			2. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.	
<b>Site Plan</b>			<b>Section H - Site Plan and Site Plan Amendments (pursuant to Section 41 of the Planning Act)</b>	
<b>Site Plan Application and Processing Fees</b>			<b>Single Detached</b>	
(a) Single Detached Dwelling		1	Application Fee	2,528
(ii) Application Fee	\$1,621.00	2	Amendment	749
(ii) Processing Fee	-	3	Resubmission Fee (see Footnote 3 below)	25% of total application or amendment fee
(iii) Re-Application Fee	\$625.00	4	Re-application Fee (See Footnote 2 below)	50% of total application or amendment fee
(iv) Resubmission Fee	\$625.00		<b>Multiple Residential, Non-Residential and Mixed Use</b>	
(b) Multiple Residential, Non-Residential and Mixed Use development proposals			<b>Application Fee</b>	
(i) Application Fee	\$2,807.00	5	Base Fee, plus: Variable Fee	10,397
(ii) Processing Fee for Multiple Residential development proposals (a minimum of \$7,774 up to a maximum of \$22,391) - Per Unit	\$612.00	5A	(a) Per Unit (residential)	451
(iii) Processing Fee for Non-Residential development proposals (a minimum of \$7,774 up to a maximum of \$22,391) - per hectare	\$1,137.00	5B	(b) Per sq. m. (non-residential)	4.51
		5C	(c) where an application combines units and non-residential gross floor area as identified under (a) and (b) above	the sum of (a) + (b)
		5D	Maximum (Combined Base and Variable Fee)	46,786
(iv) Processing Fee for Mixed Use development proposals (a minimum of \$7,774 up to a maximum of \$22,391)	sum (ii) + (iii)	6	Resubmission Fee (see Footnote 3 below)	25% of total application or amendment fee
(v) Re-Application Fee for all uses (see Footnote 1 below)	\$1,414.00	7	Re-application Fee (See Footnote 2 below)	50% of total application or amendment fee
(vi) Re-Application Processing Fee for Multiple Residential development proposals (a minimum of \$3,888 up to a maximum of \$11,184) - per unit (see Footnote 1 below)	\$302.00		<b>Amendments</b>	
(vii) Re-Application Processing Fee for Non-Residential development proposals (a minimum of \$3,888 up to a maximum of \$11,184) - per hectare (see Footnote 1 below)	\$560.00	8	Major Amendment	Full Site Plan Fee
(viii) Re-Application Processing Fee Mixed Use development proposals (a minimum of \$3,888 up to a maximum of \$11,184) (see Footnote 1 below)	the sum of (vi) + (vii)	9	Minor Amendment	
(ix) Resubmission Fee (see Footnote 2 below)	\$1,414.00	9A	(a) Application Fee (involving no addition or increase to approved GFA) - Memo to File	1,036
Site Plan Amendment and Processing Application Fees		9B	(b) Application Fee - (involving an addition or alteration of less than 10% of the existing GFA or less than 50m2)	2,069
(a) Single Detached Dwelling				
(i) Minor Application Fee (involving no addition or increase to approved GFA)	\$269.00	10	Deregistration of Site Plan Agreement	1,195





**Table 3-12 Cont'd  
Recommended Planning Application Fees**

Current Description of Service	Current Fee (2023\$)		Recommended Description of Service	Recommended Fee (2024\$)
<b>Site Plan</b>			<b>Section H - Site Plan and Site Plan Amendments (pursuant to Section 41 of the Planning Act)</b>	
(ii) Major Application Fee (involving an addition of any size/type)	\$480.00			
(iii) Processing Fee	-			
(iv) Re-Application Fee (see Footnote 1 below)	\$201.00			
(v) Resubmission Fee (see Footnote 2 below)	\$201.00			
(b) Minor Amendment Applications for Multiple Residential, Non-Residential and Mixed Use development proposals:				
(i) Application Fee (involving no addition or increase to approved GFA) - Memo to File	664			
(ii) Application Fee - (involving an addition or alteration of less than 10% of the existing GFA or less than 50m2)	1,327			
(iii) Application Processing Fee	664			
(iv) Re-Application Fee (see Footnote 1 below)	333			
(v) Re-Application Processing Fee (see Footnote 1 below)	167			
(vi) Resubmission Fee (see Footnote 2 below)	333			
(c) Major Amendment Applications for Multiple Residential, Non-Residential and Mixed Use development proposals:				
(i) Application Fee for all development proposals (involving an addition or alteration of equal to or greater than 10% of the existing GFA or 50m2)	\$2,807.00			
(ii) Processing Fee for Multiple Residential development proposals (a minimum of \$7,774 up to maximum of \$22,391) - per unit	\$612.00			
(iii) Processing Fee for Non-Residential development proposals (a minimum of \$7,774 up to a maximum of \$22,391) - per hectare	\$1,137.00			
(iv) Processing Fee for Mixed Use development proposals (a minimum of \$7,774 up to a maximum of \$22,391)	the sum of (ii) + (iii)			
(v) Re-application Fee (for all development proposals)	\$1,414.00			
(vi) Re-Application Processing Fee for Multiple Residential development proposals (a minimum of \$3,888 up to a maximum of \$11,184) - per unit	\$305.00			
(vii) Re-Application Processing Fee for Non-Residential development proposals (a minimum of \$3,888 up to a maximum of \$11,184) - per hectare	\$567.00			
(viii) Re-Application Processing Fee for Mixed Use development proposals (a minimum of \$3,888 up to a maximum of \$11,184)	the sum of (vi) + (vii)			
(ix) Resubmission Fee (see Footnote 3 below)	\$1,414.00			
Sustainable Building Design Agreement (for individual development proposals required to implement the City's Sustainable design requirements such as Energy Star, LEED certification, etc.)	\$664.00			
Deregistration of Site Plan Agreement	\$664.00			
			<b>Footnotes</b>	
			1. Non-Residential development proposal shall include commercial uses, industrial uses, institutional uses, outdoor patios, sales trailers/pavilions and temporary tents/structures.	
			2. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.	
			3. A Resubmission Fee will be applied following the third resubmission and ALL subsequent resubmissions that are required to address outstanding comments.	
			4. Applications submitted by the York District School Board, York Catholic District School Board or Conseil Scolaire de District Catholique Centre-Sud are not subject to any Processing Fee(s)	
			Where any combination Official Plan Amendment, Zoning By-law Amendment, Plan of Subdivision, Site Plan, and Condominium Applications are received concurrently the highest individual application fee plus 75% of all other application fees will apply	
			<b>Section I - Model Homes</b>	
Model Home Application Fee	2,807	1	Model Home Application Base Fee, plus:	2,918
			Variable Fee	
Processing Fee per Unit	583	1A	Processing Fee per Unit	218
Maximum per Unit	7,466	1B	Maximum (Combined Base and Variable Fee)	10,605
Re-Application Fee	1,414	2	Re-Application Fee (see Footnote 1 below)	1,470
Resubmission Fee (see Footnote 2 below)	1,414	3	Resubmission Fee (see Footnote 2 below)	1,470
Agreement Preparation Fee	1,327	4	Agreement Preparation Fee	1,380
			<b>Footnotes</b>	
			1. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.	
			2. A Resubmission Fee will be applied following the third resubmission and ALL subsequent resubmissions that are required to address outstanding comments.	



**Table 3-12 Cont'd  
Recommended Planning Application Fees**

Current Description of Service	Current Fee (2023\$)		Recommended Description of Service	Recommended Fee (2024\$)
<b>Section J - Sign By-law Variance/Amendment (pursuant to Section 99 of the Municipal Act, 2001, c.25)</b>				
Sign By-law Variance Fee		1	Sign By-law Variance Fee	
(a) Application Fee	2,095	1A	(a) Application Fee	2,178
(b) First Notice Fee	376	1B	(b) First Notice Fee	391
(c) Additional Notice(s) Fee - per notice	134	1C	(c) Additional Notice(s) Fee - per notice	139
(d) Re-Application Fee	1,052	1D	(d) Re-Application Fee	1,094
Sign By-law Amendment Fee		2	Sign By-law Amendment Fee	
(a) Application Fee	2,095	2A	(a) Application Fee	2,178
(b) Advertising Fee (including HST)	696	2B	(b) Advertising Fee (including HST)	724
(c) First Notice Sign Fee	376	2C	(c) First Notice Sign Fee	391
(d) Additional Notice(s) Fee	134	2D	(d) Additional Notice(s) Fee	139
(e) Re-Application Fee	1,052	2E	(e) Re-Application Fee	1,094
Administration Fee (for processing an application involving existing illegal signs)	1,291	3	Administration Fee (for processing an application involving existing illegal signs)	1,342
<b>Footnotes</b>				
1. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.				
<b>Section K - Radio-Communications and Broadcasting Antenna Systems</b>				
Radio-Communications and Broadcasting Antenna Systems		1	Radio-Communications and Broadcasting Antenna Systems	
a) Application Fee	1,879	1A	a) Application Fee	1,954
b) Re-Application Fee	940	1B	b) Re-Application Fee	977
<b>Footnotes</b>				
1. A Re-Application Fee shall apply to an application that has been dormant for one (1) year or for owner initiated modifications or revisions to an application that was previously circulated for review and comment.				
<b>Consent</b>				
<b>Section L - Consent (pursuant to Section 69 of the Planning Act)</b>				
Application Fee	5,951	1	Application Fee	6,187
Validation of Title Application Fee	5,951	2	Validation of Title Application Fee	6,187
Revision and Recirculation Fee	3,394	3	Revision and Recirculation Fee	3,529
Processing Adjourned Applications - Administration Fee	1,264	4	Processing Adjourned Applications - Administration Fee	431
Change of Condition(s) of Approval Fee	625	5	Change of Condition(s) of Approval Fee	650
Processing Appeals to the Ontario Land Tribunal Administration Fee	167	6	Processing Appeals to the Ontario Land Tribunal Administration Fee	174
		7	Certificate Fee	
a) Certificate Fee - Residential	1,481	7A	a) Certificate Fee - Residential	1,540
b) Certificate Fee - Non-Residential	5,951	7B	b) Non-Residential	6,187
Fee for Notice Signs:		8	Fee for Notice Signs:	
(a) First Notice Sign	125	8A	(a) First Notice Sign	130
(b) Each Additional Sign	42	8B	(b) Each Additional Sign	44
<b>Minor Variance</b>				
<b>Section M - Minor Variance (pursuant to Section 69 of the Planning Act)</b>				
Minor Variance Application Fee	4,418	1	Minor Variance Application Fee	4,593
Recirculation & Revision Fee - Minor Variance	2,211	2	Recirculation & Revision Fee - Minor Variance	2,299
Processing Adjourned Applications	930	3	Processing Adjourned Applications	431
Processing Appeals to the Ontario Land Tribunal - Administration Fee	167	4	Processing Appeals to the Ontario Land Tribunal - Administration Fee	174
Fee for Notice Signs:		5	Fee for Notice Signs:	
(a) First Notice Sign	125	5A	(a) First Notice Sign	130
(b) Each Additional Sign	42	5B	(b) Each Additional Sign	44
<b>Footnotes</b>				
The Committee of Adjustment may reduce or waive a fee pursuant to subsection 69 (2) of the Planning Act, R.S.O. 1990, c. P.13 as amended				
<b>Miscellaneous</b>				
<b>Section N - Other</b>				
Sustainable Building Design Agreement (for individual development proposals required to implement the City's Sustainable design requirements such as Energy Star, LEED certification, etc.)	664	1	Sustainable Building Design Agreement (for individual development proposals required to implement the City's Sustainable design requirements such as Energy Star, LEED certification, etc.)	1,195
Complete Development Application Advertising Fee (where a development application is made which requires the City of Richmond Hill to advertise notice of the receipt of a complete development application in the newspaper)	605	2	Complete Development Application Advertising Fee (where a development application is made which requires the City of Richmond Hill to advertise notice of the receipt of a complete development application in the newspaper)	629
Council Public Meeting Advertising Fee (where a development application is made which requires the City of Richmond Hill to advertise notice of the scheduling of a Statutory Council Public Meeting in the newspaper)	605	3	Council Public Meeting Advertising Fee (where a development application is made which requires the City of Richmond Hill to advertise notice of the scheduling of a Statutory Council Public Meeting in the newspaper)	629
Municipal Addressing Fee		4	Municipal Addressing Fee	
(a) each application (one-half of the application fee shall be refunded if the application does not receive final approval)	571	4A	(a) each application (one-half of the application fee shall be refunded if the application does not receive final approval)	333
Private Street Naming Application Fee	1,809	5	Private Street Naming Application Fee	426



**Table 3-12 Cont'd**  
**Recommended Planning Application Fees**

Current Description of Service	Current Fee (2023\$)	Recommended Description of Service	Recommended Fee (2024\$)
<b>Heritage Property</b>			
Heritage Property Status Letter (for listed, registered or designated properties)	95	Heritage Property Status Letter (for listed, registered or designated properties)	104
1. Heritage Permit Application (Minor)	415	1. Heritage Permit Application (Minor)	535
2. Heritage Permit Application (Major)	3,553	2. Heritage Permit Application (Major)	4,159
Repeal of Designating By-Law	1,184	Repeal of Designating By-Law	1,232
<b>PNHP Fees</b>			
<b>Permit To Injure or Destroy a Tree</b>			
Permit to injure or destroy a tree (One Tree)	163	Permit To Injure or Destroy a Tree Permit to injure or destroy a tree (One Tree)	299
of the same application)	57	the same application)	104
<b>Parks Administration &amp; Inspection Fees</b>			
Parks Administration (% of the costs of Parks/ Landscape Services)	11.1%	Parks Administration & Inspection Fees Parks Administration (% of the costs of Parks/ Landscape Services)	14.4%
Landscape Inspection	459	Landscape Inspection	618
<b>Tree Replacement Fee</b>	600	<b>Tree Replacement Fee*</b>	728
<b>Natural Heritage Staking</b>	1,911	<b>Natural Heritage Staking</b>	1,987
<b>UFNEH Fees</b>			
<b>Boulevard Tree Planting Fee (60mm calliper tree)</b>	600	<b>Boulevard Tree Planting Fee (60mm calliper tree)*</b>	728
<b>Boulevard Tree Removal Fees (all fees do not include ISA Plant Appraisal Value and are additional to the application fee)</b>		<b>Boulevard Tree Removal Fees (all fees do not include ISA Plant Appraisal Value and are additional to the application fee)</b>	
<10 cm DBH	240	<10 cm DBH	289
10-20 cm DBH	480	10-20 cm DBH	578
21-40 cm DBH	950	21-40 cm DBH	1,156
>41-60 cm DBH	1,430	>41-60 cm DBH	1,735
>61 cm DBH	1,910	>61 cm DBH	2,313

\*Note: Boulevard Tree Planting Fees and Tree Replacement fee will be phased in as follows: 2024 fee \$700, 2025 fee \$800 and 2026 fee \$900 plus annual inflationary adjustments

**Table 3-13**  
**Planning Application Fees Full Cost Impacts by Service Area (2023\$)**  
**Recommended Fees**

Service Area	Total Costs	Recommended Fees		
		Annual Revenue	Costs Recovery (%)	Surplus/ (Deficit)
OPA	465,989	459,490	99%	(6,499)
ZBA & Temporary Use	1,272,530	1,211,349	95%	(61,181)
Subdivision	1,106,309	1,071,733	97%	(34,575)
Condominium	182,030	178,817	98%	(3,213)
Site Plan	1,249,802	1,198,320	96%	(51,482)
Consent	170,402	167,194	98%	(3,208)
Minor Variance	312,004	309,941	99%	(2,062)
Heritage Permits	89,144	21,952	25%	(67,192)
Parks and Natural Heritage	800,879	800,879	100%	-
Urban Forestry	51,888	51,888	100%	-
Miscellaneous	47,321	47,082	99%	(239)
<b>Grand Total</b>	<b>5,748,298</b>	<b>5,518,645</b>	<b>96%</b>	<b>(229,653)</b>



# Chapter 4

## Impacts of Recommended Fees on Development



## 4. Impact of Recommended Fees on Sample Development Types

### 4.1 Introduction

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The fee recommendations that were presented in Chapter 3 also considered the affordability of the increases and the City's competitiveness of their fees when compared to neighbouring municipalities. As such, all fee recommendations were made so that the City's fees would remain in the range of fees seen in other GTA municipalities. To fully understand the overall impacts that these fee recommendations will have on the competitiveness of the City's total municipal development fees, an impact analysis for sample developments has been prepared comparing the City's current and proposed cost of development to other GTA municipalities. The following section gives an overview of what the potential cost implications would be on sample of development types.

Five development types have been considered including:

- Low-Density Residential – example includes a 100-unit, low density residential development requiring a plan of subdivision and zoning by-law amendment;
- Medium-Density Residential – example includes a 25-unit, medium density residential development requiring a 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;
- Industrial – example includes a 10,000 square metre industrial development requiring site plan application and zoning by-law amendment.
- Office Development – example includes a 20,000 square metre office building requiring a site plan application.

To ensure we are capturing the overall impact of the fees proposed within this review on the costs of development, we have included the following development related fees for each development type:



- Planning Act Application Fees;
- Building Permit Fees;
- Engineering Review and Inspection Fees; and
- Development Charges.

It should be noted that the development charges included for the City under the current and proposed fee scenarios are their proposed charges (inclusive of the mandatory phase in for D.C.s) that are currently in the public consultation process and have not yet been adopted by Council (presented in the “Development Charges Background Study – City of Richmond Hill” document dated December 22, 2023).

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.

All fees and costs in this section are presented in 2023 dollars for comparison purposes.

## **4.2 Low-Density Residential Development**

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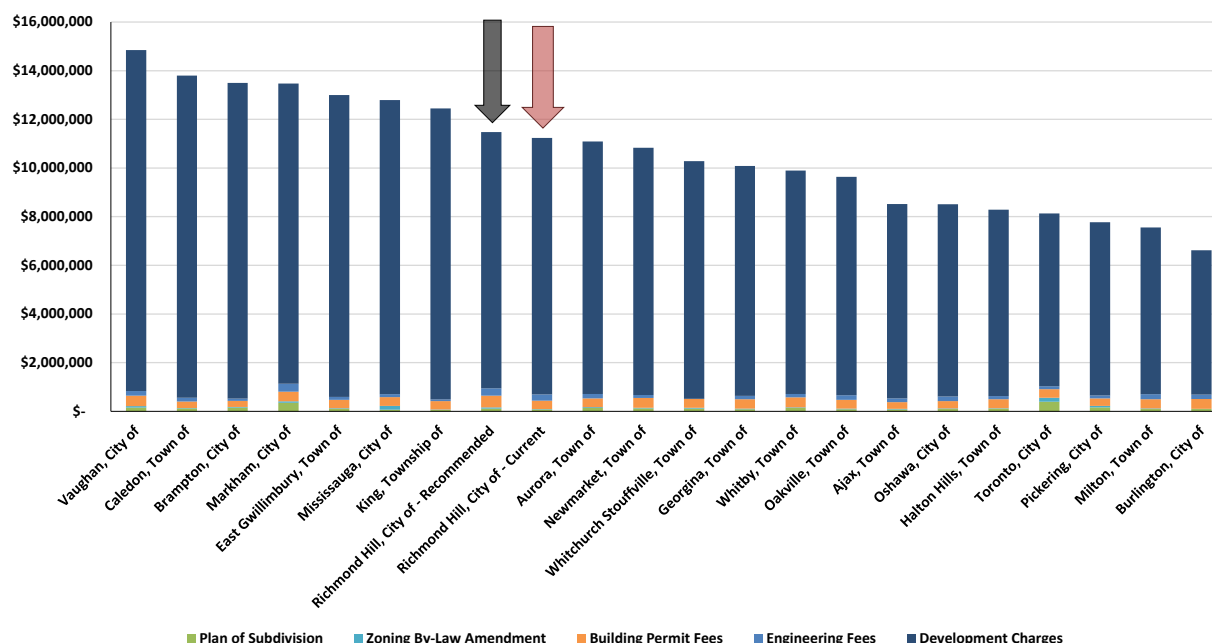
The City’s current development fees imposed on a 100-unit single detached residential subdivision include plan of subdivision application fees, Zoning By-law Amendment, building permit fees, engineering fees, and development charges. On a per unit basis, these fees total \$112,00. Planning applications, development engineering and building permit fees account for \$6,966 or 6.2% of the total per unit fees imposed.

The recommended fees would increase to \$9,637 per unit including a 72% increase to planning application fees, a 45.7% increase to building permit fees and a 16% increase to the development engineering fees which would result in the total fees payable increasing by 2.4% when development charges are accounted for. With these recommendations, the City’s overall ranking would remain unchanged in the comparison (as seen in Figure 4-1 below).



**Figure 4-1**

**Survey of Fees Related to a Residential Subdivision Development  
(100 Single Dwelling Units, 200 m<sup>2</sup> GFA each)**



## 4.3 Medium-Density Residential Development

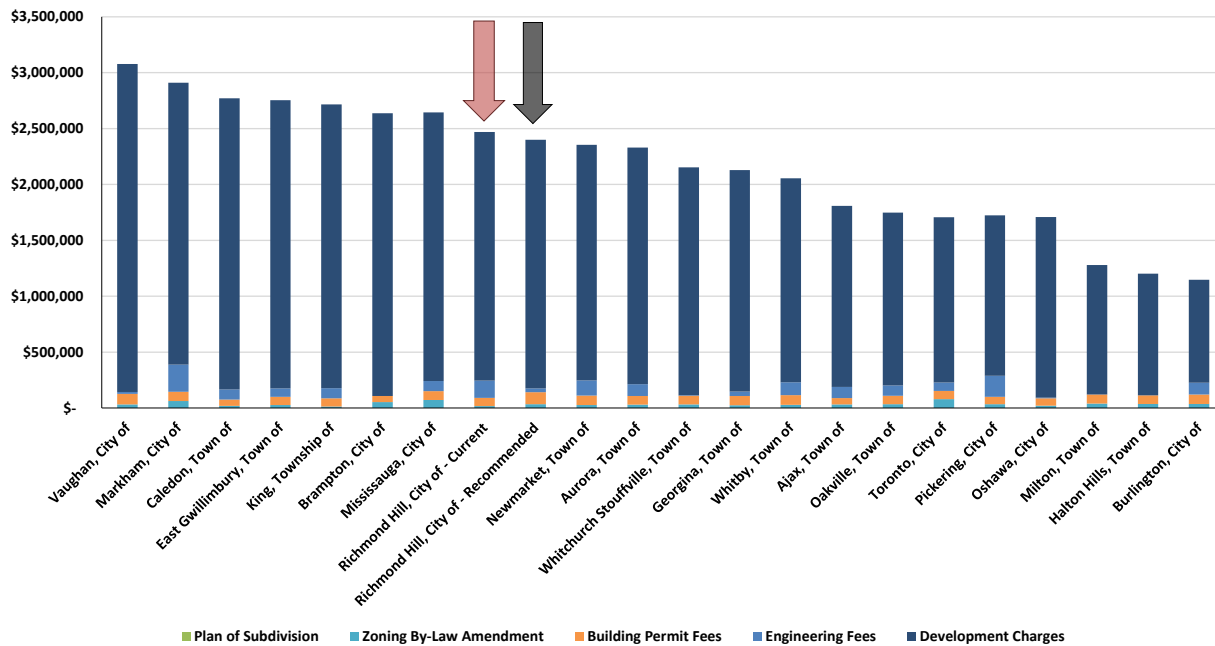
A 25-unit medium density residential development would be subject to fees related to a site plan application, zoning by-law amendment, building permit fees, development engineering fees, and development charges. Planning fees would total \$46,733, building permit fees would total \$73,058, development engineering fees total \$154,500 and development charges would total \$2.2 million. On a per unit basis, total fees payable would be \$99,975. Planning application, development engineering, and building permit fees would represent 11% of the total fees payable.

The recommended fees would decrease the total fees payable by \$67,700. This increase includes a 9% increase to Site Plan fees, a 92% increase to Zoning By-law Amendment fees, a 45.7% increase in building permit fees, and a 78% decrease in Site Plan development engineering fees. This would decrease the total fees payable by 2.7%. The City's ranking within the comparison would remain unchanged in the comparison in Figure 4-2.



**Figure 4-2**

**Survey of Fees Related to a Residential Townhouse Development  
(25 Units, 170 m<sup>2</sup> 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 \$12.8 million under the current fee structure.

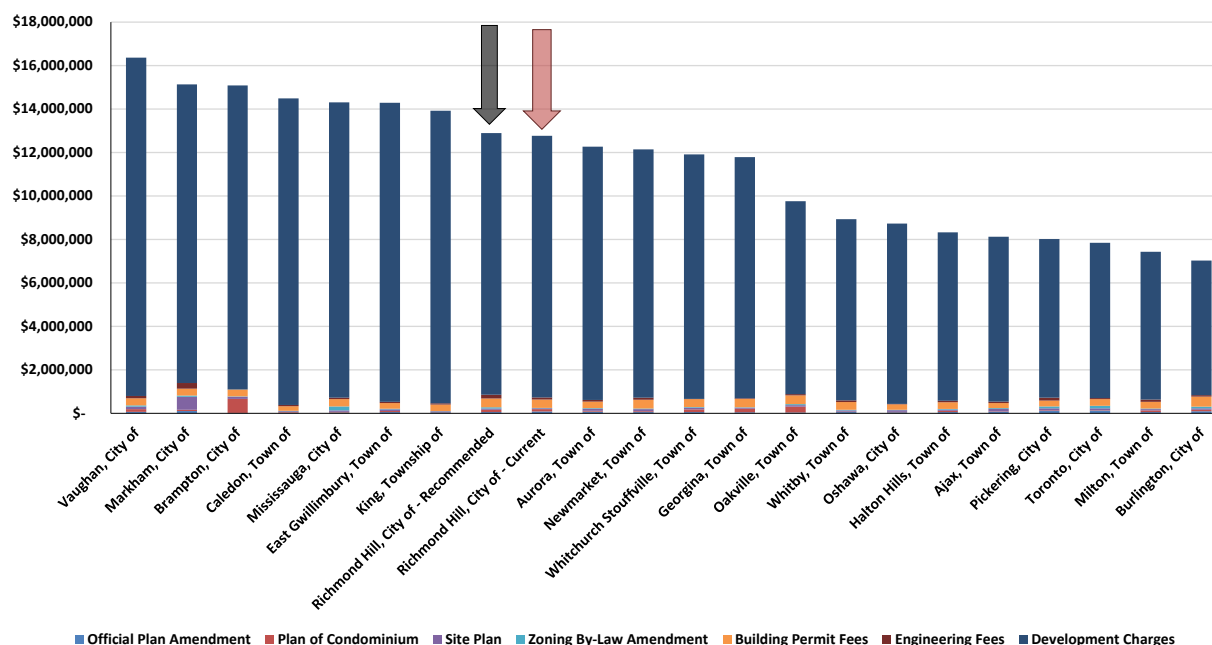
Planning application, development engineering, and building permit fees would represent 5.9% (\$734,500) of the total fees payable. The recommended fees for this type of development would increase the planning application, development engineering, and building permit fees by 16.8% from \$734,500 to \$858,000. With respect to the total fees payable (including D.C.s), this increase represents a total increase of 1.0%. The City's ranking within the comparison would remain unchanged.





**Figure 4-3**

**Survey of Fees Related to a Multi-Residential Apartment Development  
(200 Units, 84 m<sup>2</sup> GFA each) and 500 m<sup>2</sup> of Retail Space**



## 4.5 Industrial Development Impacts

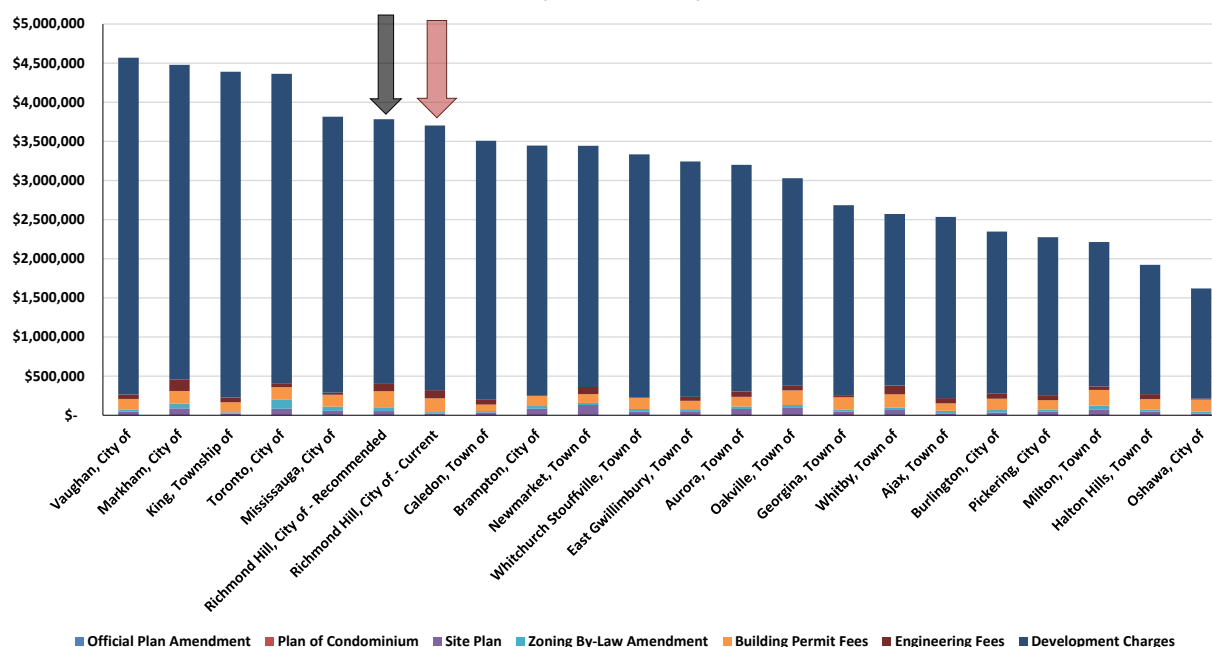
Existing development fees (site plan, zoning by-law amendment, building permits, development engineering, and development charges) imposed for a 10,000 square metre industrial development would total \$3.7 million, of which 91.4% of the costs (\$3.7 million) are for development charges.

Under the recommended fee structure, planning application fees would increase by \$61,400 (+156.6%), development engineering fees would decrease by \$9,000 (-8.7%), and building permit fees would increase by \$27,800 (+ 15.6%). These increases result in a 2.2% increase in the total fees payable. The City's position in the municipal comparators would remain unchanged.



**Figure 4-4**

**Survey of Fees Related to Industrial Development  
(10,000 m<sup>2</sup> GFA)**



## 4.6 Office Development Impacts

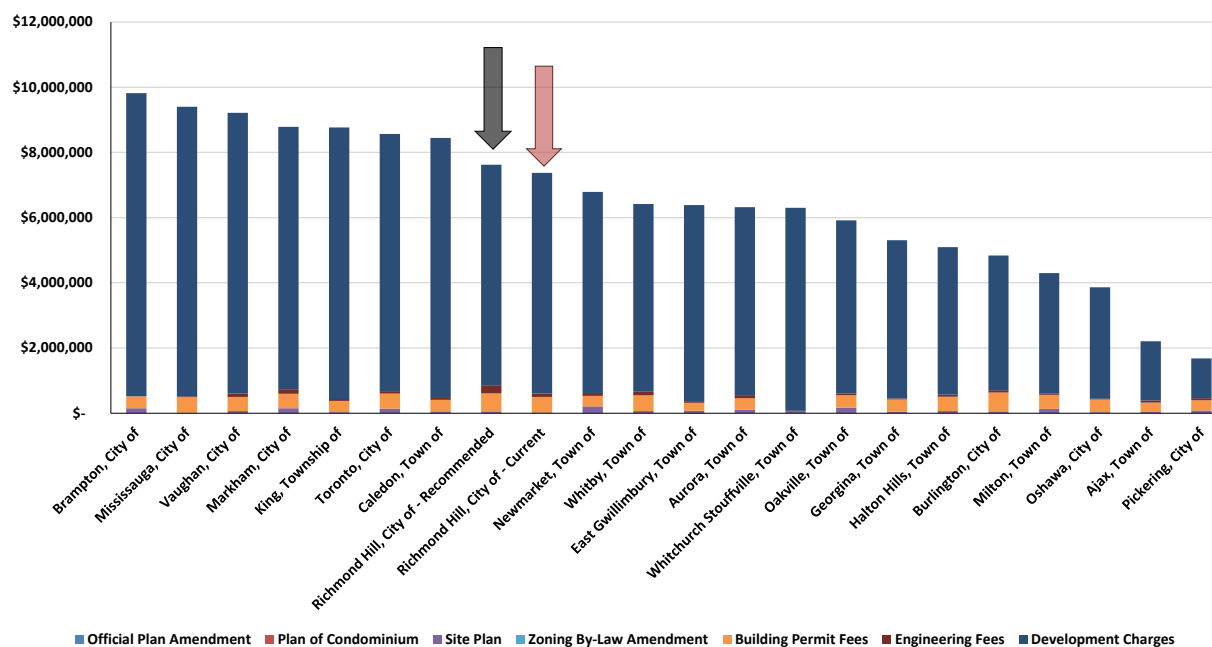
Development user fees currently payable for the office sample application total \$7.4 million. Site plan, development engineering, and building permit fees for this development would total \$604,200 or 8.2% of the total fees payable. Total development charges payable would equal \$6.8 million. The recommended fees would increase the total fees payable by \$251,600 or an increase of 3.4% to the total development fees payable.

As shown in Figure 4-5 below, the City's overall ranking would remain unchanged relative to the comparator municipalities.



**Figure 4-5**

**Survey of Fees Related to Office Development  
(20,000 m<sup>2</sup> 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 ten-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 *More Homes Built Faster Act* amendments.

The recommended fees based on the findings of this study are presented in Tables 3-3, 3-10, and 3-12 for IES fees, building permit fees, and planning application fees, respectively.