



# Corporate Report

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**PDC** FEB 27 2012

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**DATE:** February 7, 2012

**TO:** Chair and Members of the Planning and Development Committee  
Meeting Date: February 27, 2012

**FROM:** Edward R. Sajecki  
Commissioner of Planning and Building

**SUBJECT:** **Planning Application and Building Permit Fees**

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- RECOMMENDATION:**
1. That the report titled "*Planning Application and Building Permit Fees*" from the Commissioner of Planning and Building, dated February 7, 2012, be adopted.
  2. That the necessary amending by-law to the City's *Planning Act* Fees and Charges By-law be prepared in accordance with Appendix 4, attached to the report titled "*Planning Application and Building Permit Fees*", dated February 7, 2012 to be in effect May 1, 2012.
  3. That the necessary amending by-law to the City's General Fees and Charges By-law be prepared to be in effect May 1, 2012.
  4. That the necessary amending by-law to the City's Building By-law be prepared to be in effect May 1, 2012.

**BACKGROUND:** In 2008, Watson & Associates Economists Ltd., (Watson) was retained by the City to identify the full costs associated with processing planning applications within sections/divisions of four City departments. In 2009, a new fee structure and rates were approved by Council with the intent of improving the City's cost recovery performance regarding planning application processing costs. In response to development applications related revenue shortfalls, a Three Year Plan was prepared to reduce operating costs over 2011, 2012 and 2013 to be realized through a combination of labour savings,

fee increases and the phasing out of transfers from reserves. The Plan was received by City Council Budget Committee on December 7, 2009. In keeping with the Plan, building permit fees were increased by 3% in the 2011 budget. An additional 3% increase in building permit fees was planned for in 2012 with another review of the fee rates for planning development applications to be undertaken in 2013.

Since the completion of the 2008 Study and implementation of a new fee structure for planning applications in 2009, the City has experienced changes in planning application characteristics and volumes resulting in budgetary pressures. Planning and Building staff received direction in August 2011, to move up the review of planning application fees and to expand the review to include building permit application fees to determine how full cost recovery could be achieved.

The guiding principles established for the review were that the fee rates be defensible; equitable; in line with comparators; and, supportive of Official Plan policy implementation.

In September 2011, Watson was retained to update the review of the planning application fees charged in accordance with the *Planning Act*, excluding minor variance and consent application fees, to measure the changes and to identify cost recovery improvements. In addition, Watson was requested to review building permit fees charged in accordance with the *Building Code Act*, as well as sign permit fees and zoning review application fees. The full technical report prepared by Watson, including an Executive Summary entitled *Development Fees Review Study*, February 7, 2012 is attached as Appendix 1.

The consultant's report outlines the following: the legislative context for the planning applications and building permit fees and charges review; the methodology undertaken; activity based costing results for planning applications and selected categories of building permit applications; and, fee rate options.

The purpose of this report is to provide a summary of the findings of the review conducted by Watson and recommend new fee rates for planning and building permit application fees that will achieve improved cost recovery.

**COMMENTS:****PLANNING APPLICATIONS**

Since the 2008 Study was completed, there have been changes in the characteristics and volumes of planning applications due to the economy and the City's stage of development. This has had a significant impact on cost recovery. The 2008 Study was based on planning application volumes and characteristics exhibited during the period 2004 to 2007. During the period 2004 to 2007, planning application volumes averaged 438 per year, compared to 340 applications per year for the period 2008 to 2010. The decline in the annual application volumes was largely experienced in rezoning, Official Plan amendment/rezoning, removal of holding provision, subdivision and non-infill site plan applications. The volume of residential infill site plan and minor site plan applications and site plan approval express (SPAX) requests increased or stabilized during 2008 to 2010.

Based on the new fee schedule adopted by Council in 2009 and assuming that the average historical volumes would be maintained, it was anticipated that approximately 70% of the total costs would be recovered. With the average volumes realized during the period of 2008 to 2010, the City is currently only recovering approximately 46% of total costs.

**Methodology**

The Activity Based Costing methodology used by Watson for the 2011 planning application fee review was the same as used for the 2008 review. The average processing times for different types of planning applications were based on time estimates provided by staff reflecting their involvement or "hands-on-the-file" for each application type. These average processing times were applied to average planning application volumes for the period 2008 to 2010 to determine annual staff time required to process the various types of application. Time spent by management for coaching and oversight and a portion of time spent on planning policy and special projects was allocated proportionately based on effort and volume. These processing effort estimates were then used to calculate direct costs. Indirect costs were also applied as a basis for establishing fees to determine total costs of processing planning applications. In establishing fee rates, it was recognized that the *Planning Act* does

not allow for cross subsidization of fees and that payment of fees can be made under protest and appealed to the Ontario Municipal Board (OMB). For this reason, fees must be designed to recover the cost of processing each specific type of application.

### **Options for Planning Application Fee Rates**

The 2011 Study provides two fee rate options as shown on pages (iv) and (v) of the Watson report Executive Summary, (Appendix 1). One is consistent with the approach taken by Watson in the 2008 Study, and the second option is based on discussions with the staff Working Group on changes that have occurred since the 2008 Study and consideration of approaches now being taken by other municipalities.

Both options include opportunities for additional sources of revenue. The difference between the two options is based on what is included in the definition of full cost:

Option 1 includes:

- Average processing times reflecting staff's involvement or "hands-on-the-file";
- Time spent by management for coaching and oversight;
- Portion of time spent by staff on planning policy and design related projects;
- Indirect costs.

Option 2 includes:

- Average processing times reflecting staff's involvement or "hands-on-the-file";
- Time spent by management for coaching and oversight;
- Indirect costs.

The Option 1 definition of full cost is consistent with the definition used in the 2008 Study.

The Option 2 definition of full cost does not include the cost of staff time spent on policy and design related projects. This definition recognizes the difficulty in determining an appropriate allocation of policy and design related project costs to the "hands-on-the-file" processing of planning applications as the resulting policies,

guidelines and standards also benefit the community as a whole. Fees structure and rates based on this definition would be more defensible if fees are paid under protest and appealed to the Ontario Municipal Board. This is consistent with the approach taken by other municipalities such as Oakville and Toronto.

Watson's Option 2 is the recommended option with the following modifications:

*Payment-In-Lieu of Off-Street Parking (PIL)* - A review of the Corporate policy and process is underway.

**RECOMMENDATION:**

That PIL fees remain unchanged at this time.

*Telecommunication Towers* - The Watson Study recommends a fee of \$1,100 based on the existing process for reviewing proposals for telecommunication towers. Staff is developing a revised telecommunication protocol, which will be included in a report to Planning and Development Committee scheduled to be considered on March 19, 2012.

**RECOMMENDATION:**

That a new fee for Telecommunication Tower proposals not be implemented at this time.

*Preliminary Meetings On Site Plan* - The Watson Study identifies a fee of \$2,300 for a preliminary meeting for proposals requiring site plan approval, which would be credited towards the total application fee. Staff does not support pre-payment of this fee because there is concern that it would discourage discussion with staff regarding opportunities/constraints and requirements of site specific development proposals.

**RECOMMENDATION:**

That a fee for preliminary meetings on site plans not be implemented.

*Rezoning and Site Plan Fees for Small Scale Retail Commercial Development* - The Watson Study recommends increased base fees and per square metre charges for all retail commercial development. In keeping with the principle that the fee rates should support

achieving City policy directions such as the Official Plan and Downtown21 Masterplan, it is recommended that increases not be applied to retail commercial, 220 m<sup>2</sup> (2,370 sq. ft.) or less in C4, CC1 and CC2 base and exception zones. This would address concerns related to prohibitive fee levels for smaller businesses wishing to locate in designated Community Nodes such as Port Credit, Clarkson, Streetsville and Cooksville, and in the Downtown.

**RECOMMENDATION:**

That for retail commercial up to a maximum of 220 m<sup>2</sup> (2,370 sq. ft.) in C4, CC1 and CC2 base and exception zones, the rezoning base fee be lowered by 50% from \$28,800 to \$14,400 with no additional per square metre charges, and that site plan base fees remain unchanged at \$4,560, with no additional per square metre charges.

*Development Application Review Committee Meetings (DARC) -*

DARC meetings provide applicants with application requirements for Official Plan amendment/rezoning, rezoning and subdivision applications and for complex site plan applications. The Watson Study recommends the following fees for DARC meetings:

- Official Plan amendment/rezoning and rezoning - \$5,400;
- subdivision - \$4,700;
- site plan - \$3,700.

The amount paid would be credited towards the application fee at the time the application is submitted. A survey of other municipalities indicated fees being charged for pre-consultation meetings range from \$200 to \$1,040.

It is proposed that the fees paid at the time of submission of proposal be 50% of the fees recommended by the Watson study so as not to deter applicants from submitting proposals in advance of their applications.

**RECOMMENDATION:**

That the following fees be paid at the time of submission of proposals for Development Application Review Committee, and be credited towards the application at the time of application submission:

- Official plan amendment/rezoning and rezoning - \$2,700;
- Subdivision - \$2,350;
- Site plan - \$1,850.

### ***Revenue Impact***

The following table shows the potential impact on revenues of Options 1 and 2 compared to revenues if the existing fee structure is maintained:

Planning Application Revenue Projections 2012 <sup>1</sup>

	<b>Existing Fee Structure</b>	<b>Option 1</b>	<b>Option 2 (modified)</b>
<b>Cost</b>	\$6,770,000	\$6,770,000	\$4,770,000
<b>Projected Revenue based on 2008-2010 average volumes</b>	\$3,110,000	\$6,770,000	\$4,770,000
<b>Projected Revenue Based on minimum anticipated future volumes</b>	\$2,054,000	\$5,000,000	\$3,800,000
<b>Approximate Cost Recovery Range %</b>	30% to 46%	74% to 100%	80% to 100%
<b>2012 Budget (Before Allocations)</b>	\$2,000,000	\$2,000,000	\$2,000,000
<b>Range of Surplus</b>	\$54,000 to \$1,110,000	\$3,000,000 to \$4,770,000	\$1,800,000 to \$2,770,000

Note:

<sup>1</sup> Based on a full year implementation before allocations to other departments.

### ***Comparison with Other Municipalities***

The Watson Study includes a comparison of Mississauga's existing fees, and Options 1 and 2 full cost fees with other municipalities in Ontario. There are difficulties with such a comparison due to differences in how costs are defined and measured by the various municipalities. It is important to note that in December 2009, the Building Industry and Land Development Association released a report titled, *Creating a More Efficient Development Approval*

*Process: Municipal Best Practice*, which was developed by surveying BILD membership working across the GTA to identify the most efficient policies and programs that deliver municipal outcomes while supporting the development process. The majority of the best practices included in the report are practices that the City has developed and implemented. It should also be noted that process reviews and reorganization of staff have been undertaken to further improve the efficiency and effectiveness of processes. This is a continuous part of the Land Development Services business model.

As shown in Appendix 2, based on total development fee costs, Mississauga would be in line with comparators, with Option 2 resulting in lower fees than Option 1.

#### **RECOMMENDATION:**

Option 2 - Planning Application Fee Rates with modifications should be implemented as it will achieve the following:

- 100% cost recovery of “hands-on-the-file” activities;
- revenue targets met or exceeded;
- defensible fee structure at the Ontario Municipal Board;
- comparable total development costs;
- support for implementation of Official Plan policies.

That Option 2 - Planning Application Fees (Modified) be implemented for planning application fees, in accordance with Appendices 3 and 4.

#### **BUILDING APPLICATIONS**

The 2008 Study did not consider building permit application fees. The Building Division has reviewed the Permit Fee Schedule on a regular basis and increased fees consistent with increased costs incurred by the City in the review of building permit applications and inspections. Fee increases have generally been in keeping with the fees charged for similar services by neighbouring Greater Toronto Area municipalities. Due to significant revenue decreases experienced in recent years as the result of the economy and the City’s stage of development, it was determined that the 2011 Study should also review building permit application fees. In 2011, the cost recovery was approximately 85%.



## **Methodology**

The Activity Based Costing methodology used by Watson for the building permit fee review was the same as that used in the review of planning application fees.

Unlike the restrictions on planning application fees, the *Building Code Act* allows for cross-subsidization of fees. For this reason, it is possible to consider charging higher fees in some areas to make up for lower cost recovery in others to address concerns related to prohibitive fee levels for smaller businesses and residents.

## **Options for Building Permit Application Fee Rates**

The Watson Study provides two options for building permit fee rates as shown on page (vi) of the Watson report Executive Summary, (Appendix 1). The Watson Study also addressed other possible building fee increases and opportunities for additional sources of revenue.

Option 1 proposes fee rates to achieve full recovery of costs and to generate enough annual revenue to fund a reserve fund of approximately twice the annual costs within a 7 to 8 year period. It is based on matching fees to the average or the highest fees in the comparator range. The highest fee in the comparator range was applied for categories that had the highest under-recovery and/or the highest activity volumes. One of the fee categories most significantly impacted by fee rate increases is alteration permits.

Option 2 was developed based on discussions with the staff Working Group regarding specific Mississauga market circumstances. It also achieves full recovery of costs related to building permit application processing, but with lower surplus levels resulting in a longer time period required for building a reserve fund of twice the annual costs, (13 to 18 years).

Option 2 also increases fees in categories where there is adjustment room based upon comparator municipalities and where current and future activity volumes will yield the greatest return, but the fee rates are set to compare more favourably with comparator municipalities.

The most notable difference between Options 1 and 2 is in how they address the alteration permit categories. Option 2 takes into account that there are possible negative impacts of substantially increasing fees for alteration permit categories such as the potential for construction being undertaken without permits leading to increased enforcement costs. It recognizes that although there is currently a high volume of alteration permit activity, it is expected that in the future, industrial/commercial and high rise residential construction will contribute to a greater extent. Since there is the ability to cross-subsidize under the *Building Code Act*, Option 2 proposes that the under-recovery in the alteration permit categories be partially offset by the fees for industrial/commercial and apartment categories.

Option 2 proposes other similar but less significant differences in fees from Option 1 based on setting fees differently within the comparator ranges. Option 2 is therefore more sensitive to Mississauga's market circumstances and proposes a fee structure more in line with the City's comparators.

### ***Revenue Impact***

The following table shows the potential impact on revenues of Option 1 and 2 compared to revenues if the existing structure is maintained:

Building Permit Revenue Projections 2012 <sup>1</sup>

	<b>Existing Fee Structure</b>	<b>Option 1</b>	<b>Option 2</b>
<b>Cost</b>	\$8,900,000	\$8,900,000	\$8,900,000
<b>Revenue</b>	\$7,600,000	\$10,700,000	\$9,700,000
<b>Available for Reserve</b>	\$0	\$1,800,000	\$800,000
<b>Approximate Cost Recovery %</b>	85%	120%	109%
<b>2012 Budget</b>	\$10,300,000	\$10,300,000	\$10,300,000

Notes:

<sup>1</sup> Based on a full year implementation

**RECOMMENDATION:**

Option 2 - Building Permit Fee Rates should be implemented as it will achieve the following:

- 100% cost recovery of effort of processing of applications;
- revenue targets exceeded;
- building of a reserve;
- consistency with comparators;
- fee structure reflective of Mississauga market conditions.

That Option 2 - Building Permit Fees be implemented for building permit fees, (Appendix 5).

**Other Building Fees**

The following are recommendations regarding the opportunities identified by the Watson Study to add or increase other building fees:

***Signs***

The Watson Study indicates that the sign permit fees generally recover the full cost of processing Sign Permit Applications. Further review of a sign removal fee is required.

**RECOMMENDATION:**

That the sign permit fees remain unchanged.

***Zoning******Pre-application Zoning and Applicable Law Review Applications -***

The Watson Study identifies additional review time in the processing of Pre-application Zoning and Applicable Law Review Applications separate from the building permit process and recommends that a fee of \$380 be charged for this service. Staff agrees with this recommendation.

**RECOMMENDATION:**

That a new fee of \$380 be established in the General Fees and Charges By-law for Pre-application Zoning and Applicable Law Review Applications distinct from fees charged in the building permit process providing for cost recovery of this service.

*Zoning Letters* - An opportunity to increase fees has been identified by the Watson Study based on the costing analysis, which indicates a current cost recovery of 43%. The Study recommends an increase to \$235. Based on a staff review of fees charged by comparator municipalities, it is recommended that this fee be increased from \$100 to \$150 for homeowners and to \$200 for all other residential and non-residential.

**RECOMMENDATION:**

That the fee for providing zoning letters be increased to \$150 for homeowners and \$200 for other residential and non-residential.

*Swimming Pools* -The Watson Study recommends that consideration be given to introducing a fee of \$260 to recover costs for zoning staff's involvement in the swimming pool enclosure permit application review process. A cross-departmental team has been formed to review this process and associated fees.

**RECOMMENDATION:**

That a new fee for swimming pool enclosure permits not be implemented at this time.

*Zoning Certificates* - The Watson Study recommends the fee per Zoning Certificate application be increased to \$735 based on the cost of providing this service. Staff has surveyed comparator municipalities and found that the majority do not issue a separate Zoning Certificate of Occupancy, but instead conduct the zoning review through the building permit approval process. Generally these applications form part of a building permit application. An increase in the fee from \$150 to \$735 could drive the work underground resulting in increased enforcement costs and a decrease in revenue. It is recommended that the fee be increased from \$150 to \$250 per application.

**RECOMMENDATION:**

That the fee for zoning certificates be increased to \$250.

**SUMMARY OF COMMENTS FROM DEVELOPMENT  
INDUSTRY STAKEHOLDERS**

On February 6, 2012, a meeting was held with representatives of the development industry to provide an overview of the background and

legislative context, the study methodology, costing results and next steps. The recommended fee rates were not presented at the meeting. The following is a summary of questions and responses provided.

Question: Is the intent to maintain a maximum charge for the various types of applications and different amounts for residential and non-residential?

Response: Maximum charges have been maintained and the maximum charge for non-residential is less than that of residential recognizing the difference in the level of effort.

Question: Is the intent to maintain a fee for repeat permits?

Response: A fee for repeat permits has been maintained.

Question: Are the category of building permits going to change?

Response: The number of categories has decreased.

#### **FINANCIAL IMPACT: Planning Application Revenues**

The 2012 Land Development Services operating budget includes \$2 million for planning application revenues which takes into account a fee increase of 15% or \$175,000. This was considered reasonable to project in advance of the 2011 Watson Study being completed as planning application revenues have been meeting budget for two years.

The 2013 planning application budget revenues and percentage allocations of planning application budget revenues to other departments should be reviewed based on an assessment of the impact of the new fee rates implemented for May to December 2012.

#### **Building Permit Revenues**

The 2012 Land Development Services operating budget includes \$10.3 million for building permit revenues. The building permit budget revenue projection for 2013 should reflect the impact of increased fees to be implemented for May to December 2012.

It is important to note that in keeping with the *Building Code Act*, any revenue collected that is above the cost of providing the service of processing building permit applications must be put into a reserve and

cannot be used to cover any other costs. This will need to be taken into account when establishing 2013 budget revenue targets.

**CONCLUSION:**

In keeping with direction to explore ways to increase cost recovery for services provided by Land Development Services, the update of the review of planning application revenues planned for 2013 was moved up and expanded to include building application fees.

The report prepared by Watson provides two options for increased planning application fee rates, and two options for increased building permit fees, as well as recommendations regarding opportunities to establish new fees or increase existing fees for other planning and building applications and services.

A staff review of the Watson 2011 Study has concluded that a modified Option 2 - Planning Application Fees (Appendices 3 and 4) and Option 2 - Building Permit Fees (Appendix 5), along with the staff recommendations in the report regarding additional fees, be implemented effective May 1, 2012. This will result in fee rates that are defensible; equitable; in line with comparator municipalities; and supportive of Official Plan policy implementation. Based on expected application volumes, the recommended fees will allow for improved cost recovery to be achieved, and for the building of a reserve fund for building permit revenue.

**ATTACHMENTS:**

- Appendix 1: Watson & Associates Economists Ltd.,  
*City of Mississauga Development Fees Review Study*  
February 7, 2012.
- Appendix 2: GTA Development Fee and Development Charges  
Comparisons
- Appendix 3: Option 2 - Planning Application Fees (Modified)
- Appendix 4: Proposed Planning Application Fee Schedule
- Appendix 5: Option 2 - Building Permit Fees

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Edward R. Sajecki  
Commissioner of Planning and Building

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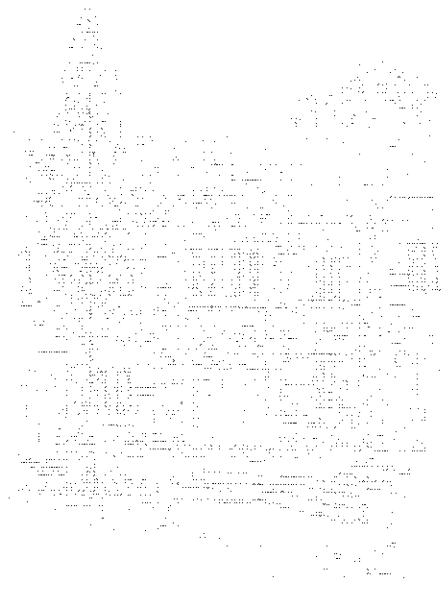
# **APPENDIX 1**

## **Watson and Associates City of Mississauga Development Fees Review Study**

**February 7, 2012**

**CITY OF MISSISSAUGA**  
**DEVELOPMENT FEES REVIEW**  
**STUDY**

FEBRUARY 7, 2012



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 Planning for growth



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## **EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

Watson & Associates Economists Ltd. (Watson) was retained by the City of Mississauga to undertake a full cost recovery planning application fees review in 2008. The 2008 Study formed the basis for the City's phased approach to improving cost recovery performance for these services. In 2011, Watson was retained by the City to update the initial planning application fees review, measuring the changes to planning application processes and characteristics, and to identify cost recovery improvements. Moreover, the City identified the need to expand the review to incorporate building permit fees, sign permit fees and zoning application fees.

The costing review was undertaken using an activity-based costing approach, to identify the direct, indirect and capital-related costs of services within the permissible legislative context. Based on average activity volumes for the period 2008-2010, the following table summarizes the annual costs of processing and the current level of cost recovery within existing fee structures.

### Annual Processing Costs and Current Fee Recovery

Cost Component	Planning Application Fees	Building Permit Fees	Sign Permits/Fees	Zoning Fees
Direct	5.26	7.00	0.47	0.44
Indirect	1.30	1.53	0.13	0.10
Capital	0.21	0.35	0.03	0.02
<b>Total Costs</b>	<b>6.77</b>	<b>8.88</b>	<b>0.63</b>	<b>0.56</b>
Existing Fee Structure Revenue	3.11	7.59	0.51	0.11
<b>Net Position</b>	<b>3.73</b>	<b>1.29</b>	<b>0.12</b>	<b>0.45</b>
<b>Cost Recovery %</b>	<b>46%</b>	<b>85%</b>	<b>81%</b>	<b>20%</b>

As a result of this costing review, and the modeled application characteristics, two fee structure options were developed for the City's consideration. These fee structure options include:

- Option 1 – Full Cost Recovery Fee Structure Option – identifies all direct, indirect and capital costs related to processing planning applications, permits, and administration and enforcement under the *Building Code Act*. Planning application fees includes a portion of the City's costs of planning policy and special projects, recognizing the benefits of such conferred upon applicants. The building permit fee structure recommendations identify fee increases to high-end of market limits where fees are dramatically under-recovering and a 5% increase to all other fee categories. Sign and zoning fee recommendations included adjustments to current fees and consideration for additional fees to improve cost recovery performance.
- Option 2 – Adjusted Full Cost Recovery Fee Structure Option – based on discussions with the City Working Group, the full cost recovery planning application fee structure was adjusted to remove planning policy and special projects, thereby reflecting more directly the processing activities related to applications. Under this option, the annual costs of processing planning applications would decline by \$2 million annually (\$6.77 million - \$4.77 million) reflecting the removal of planning policy and special projects costs. Compared to Option 1, the City's current planning application fees are recovering approximately 65% of annual costs under this option. The City Working Group also recommended fee structure adjustments for building permit fees under this option to provide full cost recovery levels (and provision for reserve funds) with greater consideration to local market circumstances. Sign and zoning fee recommendations remain unchanged under this option.

Fee Structure Option 1 would produce fees equal to annual processing costs for all services. The recommended building permit fees under this alternative would also produce an estimated annual reserve fund contribution of \$1.8 million annually (i.e. total revenues of \$10.7 million), based on 2008-2010 historic activity levels. These funds would be used to provide service sustainability during periods of fluctuation in economic activity. Under Option 2 the estimated annual reserve fund contribution would be approximately \$0.8 million (i.e. total revenues of \$9.7 million).

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(iii)

To measure the impacts of the two proposed fee structure options, a survey of GTA municipalities was provided. The survey measures the impacts of the fee structure options for 5 different development types, including development charges. Based on the survey results, the full cost recovery fee structure option (Option 1) generally produces development fees greater than those provided under the adjusted full cost recovery fee structure (Option 2). The fee impacts for smaller development applications will be greater than larger applications reflecting the fixed application processing cost realities. Finally, while the planning and building permit fee impacts under the two options are significant in most cases, when measured on a total development cost basis, including development charges, the overall cost impacts are nominal large applications.

The intent of the development fee review is to provide the City with fee structure options for Council's consideration to appropriately recover the full costs of service from benefiting parties. The City will ultimately determine the level of cost recovery and phasing strategy that is suitable to meet their objectives. The potential full cost recovery fee structure (Option 1) and adjusted full cost recovery fee structure (Option 2) recommendations are summarized below for the consideration of staff and City Council.

**Planning Application Fees**

Planning Application Type	Current Fees \$	Fee Structure Option 1 \$	Fee Structure Option 2 \$
<b>Official Plan Amendment (OPA)</b>	13,120	35,000	21,990
<b>Official Plan Amendment/Zoning By-law Amendment</b>			
- Base Fee	22,330	54,400	39,600
<u>Residential</u>			
- first 25 units	640	1,030	830
- for units 26-100 units	320	760	440
- for units 101-200 units	160	330	230
- for additional units beyond 200	80	160	110
- maximum fee	80,000	200,000	180,000
<u>Non-Residential</u>			
- Commercial/Institutional per sq.mt.	6.40	18.50	13.10
- Industrial/Office per ha.	4,160	5,660	4,010
- maximum fee	60,000	110,000	100,000
<b>Zoning By-law Amendment</b>			
- Base Fee	9,120	35,800	28,800
- Additional Base Fee (non-apartment, industrial)	16,000	-	-
<u>Residential</u>			
- first 25 units	640	1,330	1,060
- for units 26-100 units	320	1,020	820
- for units 101-200 units	160	610	480
- for additional units beyond 200	80	260	190
- maximum fee	80,000	200,000	180,000
<u>Non-Residential</u>			
- Commercial/Institutional per sq.mt.	6.40	25.60	16.30
- Industrial/Office per ha.	4,160	21,480	9,600
- maximum fee	60,000	110,000	100,000
<b>Site Plan Control</b>			
- Base Fee	4,560	11,000	7,800
<u>Residential</u>			
- first 25 units	320	550	530
- for units 26-100 units	240	330	320
- for additional units beyond 100	80	110	110
- maximum fee	50,000	95,000	75,000
<u>Non-Residential</u>			
-first 2,000 square metres,	3.60	7.00	6.70
- for square meters 2,001-4,500,	2.40	5.00	4.80
- for square meters 4,501-7,000,	1.60	3.00	2.90
- for additional square meters beyond 7,000.	0.80	1.50	1.40
- maximum fee	35,000	66,000	52,000
<b>Site Plan Minor/Surcharges</b>			
<u>Site Plan Inspection Fees</u>			
- Infill – initial inspection	250	650	440
- Infill – subsequent inspection	95	370	190
- Non-Infill – initial inspection	650	720	690
- Non-Infill – subsequent inspection	250	590	560
Express Site Plan Approval	320	600	300

**Planning Application Fees**

Planning Application Type	Current Fees \$	Fee Structure Option 1 \$	Fee Structure Option 2 \$
Site Plan Minor Building Alterations or Site Revisions	1,520	3,600	2,400
<b>Site Plan Minor Surcharges</b>			
- Planning and Building Landscape Inspection	600	600	600
- Transportation and Works Environmental Review	90	90	90
- Community Services Forestry Review	180	180	180
- Transportation and Works Development Engineering Review	240	340	340
- Transportation and Works Storm Drainage Review	100	120	120
- Community Services Fire Review	60	70	70
<b>Removal of Holding Symbol</b>			
- Base Fee	15,800	40,000	28,700
- Additional Fee - City Centre Area	12,320	19,400	14,100
<b>Part Lot Control Exemption</b>			
- Base Fee	1,300	1,300	1,300
- Per Lot	53	53	53
<b>Payment in Lieu of Off-Street Parking</b>	800	12,100	8,200
<b>Condominium Standard</b>			
- Base Fee	3,700	6,100	5,400
- per apartment unit	21.00	35.00	31.00
- per non-apartment or vacant lot	53.00	87.00	77.00
- per non-residential hectare	105.00	173.00	153.00
Common Element	7,680	17,000	12,400
<b>Subdivision</b>			
- Base Fee	4,300	11,500	7,800
- Detached, semi-detached and townhouse dwellings per unit	320	860	580
- All other residential, commercial or institutional uses per sq.mt.	1.60	4.30	2.90
- Industrial and Office uses per ha.	2,700	7,200	4,900
- maximum fee	48,000	160,000	120,000
<b>Surcharge Fees</b>			
<b>Environmental Impact Study (EIS)</b>			
- Environmental Review	1,600	1,600	1,600
- Minor EIS required	2,960	2,960	2,960
- Major EIS required	8,720	8,720	8,720
Parking Utilization Study	3,040	3,490	3,490
Forestry Inspection	90	90	90
Heritage	1,280	1,280	1,280
Telecommunication Towers	-	1,900	1,100
DARC Meeting (OPA/Rezoning and Rezoning)	-	5,400	5,400
DARC Meeting (Site Plan)	-	3,700	3,700
DARC Meeting (Subdivision)	-	4,700	4,700
Preliminary Meeting (Site Plan)	-	2,300	2,300

**Building Permit Fees**

Permit Categories	Current Fees \$/sq.mt.	Fee Structure Option 1 \$/sq.mt.	Fee Structure Option 2 \$/sq.mt.
<b><u>Building Permit Fees</u></b>			
Assembly	12.78	13.41	15.00
Institutional	17.25	18.11	19.00
Residential - Apartment	9.80	10.29	14.50
Residential - Detached / Semi Detached/ Townhouse (>400 m2)	13.40	13.40	13.40
Residential - Detached / Semi Detached (<400 m2)	11.05	14.27	13.40
Residential - Townhouse (<400 m2)	11.05	15.08	13.40
Residential - Addition (Detached / Semi / Townhouse)	9.35	11.69	9.50
Business and Personal Service - Shell	10.23	10.74	11.25
Business and Personal Service - Finished	12.65	13.28	14.50
Mercentile - Shell	8.75	9.19	10.50
Mercentile - Finished	10.75	11.29	14.00
Industrial - Shell	6.07	6.37	7.00
Industrial - Finished	7.65	8.03	10.00
Part 3 Building Alterations	2.95	9.20	4.75
Part 9 Building Alterations	3.00	5.30	4.75
Other Building Alterations	2.95	6.60	4.75
Occupancy of Unfinished Building	980	1,029	1,029
Conditional	1,442	1,514	1,514
Demolition	101	106	106
Sign Fascia	25.00	26.25	26.25
Sign Ground	25.00	26.25	26.25

**Sign Permit Fees**

- Sign permit fees remain unchanged
- Consideration may be given to introducing fees for sign removal activities to mitigate the annual \$118,000 in costs. However, based on the circumstances related to imposing these fees and the City's unsuccessful experience imposing similar fees for the 2006 Federal and Municipal Elections, further analysis and consideration would be required.

**Zoning Fees**

- Pre-application zoning review fees should be introduced separate from building permit fees at a rate of \$380 per application
- Zoning letters - increase current fees to \$235 per application
- Zoning certificate of occupancy fees – increase current fees to \$735/application
- Swimming pool review processes - consider new fee of \$260/application or undertake a further costing analysis to identify other municipal input costs related to this process.



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## **1. INTRODUCTION**

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# 1. INTRODUCTION

## 1.1 Introduction

In 2008 Watson & Associates Economists Ltd. (Watson) was retained by the City of Mississauga to undertake a comprehensive financial review of its planning application fees. Planning application fee structure recommendations were approved by Council based on the 2008 Study and City Planning phasing plan to improve the City's cost recovery performance. Since the completion of the 2008 Study, the City has experienced changes in planning application volumes and characteristics resulting in increased budgetary pressures. The City retained Watson to undertake a subsequent review of its planning application fees to measure these changes and to identify cost recovery improvements. Moreover, the City also identified the need to expand the review study to incorporate building permit fees, sign permit fees and zoning application fees.

Recently, a number of municipalities have undertaken updates to their development fees to address changes in application characteristics and cost-recovery levels with the intent of continuing to improve fee structures so that they more accurately reflect processing efforts and service costs.

This technical report summarizes the legislative context for the fees review, provides in detail the methodology utilized to assess the full costs of processing and presents the financial implications of full cost recovery and the associated fee schedules.

## 1.2 Study Process Undertaken

Table 1-1 sets out the major work plan components that have been undertaken in the execution of the project.

**Table 1-1**  
**Development Fees Review Workplan**

<i>Workplan Task</i>	<i>Task Description</i>
1. Review the City's planning applications cost recovery performance for 2008-2010	<ul style="list-style-type: none"> <li>Review the City development fees cost recovery performance for the 2008-2010 period. The intent of the review will be to analyze where revenues have not kept pace with expenditures, relating performance to application volume patterns, application characteristics, 2008 fee structure decisions, etc.</li> <li>Initial review findings were utilized in project initiation discussions with the City Project Team and in developing the recommended fee structure adjustments.</li> </ul>
2. Project initiation meeting	<ul style="list-style-type: none"> <li>Review with the City Project Team, the project methodology, including: legislative context, activity based costing methodology, industry trends relating to incorporating aspects of marginal cost.</li> <li>Discuss project time schedule and deliverables to ensure that the timing and deliverables relate with other City initiatives.</li> <li>Initiate discussions on fee design and fee categorization. Discussions with City Project Team will include modifications to the fee categories modeled in the City's planning applications activity based costing model and building permit fee costing categories. The focus will be on incorporating marginal cost aspects based on application characteristics that differentiate processing effort.</li> <li>Identify information requirements for the assignment.</li> </ul>
3. Update City planning application process maps and to develop building permit, sign permit and zoning fee process maps	<ul style="list-style-type: none"> <li>In the context of fee categorization recommendations provided at the project initiation meeting, our consulting team will refine the City's existing planning application process maps and develop new process maps for building permit fee categories. City staff resources will be utilized in refining the existing planning application process maps to reflect changes in planning application processes. The consulting team will work with building department staff to develop building permit process maps for the various costing categories.</li> <li>Process maps will be presented to City Project Team before finalizing.</li> </ul>

**Table 1-1 (cont'd)**  
**Development Fees Review Workplan**

<i>Workplan Task</i>	<i>Task Description</i>
4. Update planning application processing efforts and undertake facilitated workshop sessions with City Building representatives to estimate processing effort	<ul style="list-style-type: none"> <li>• City staff resources will be utilized to update the processing effort estimates for the City's planning application categories.</li> <li>• The consulting team will support staff in two working sessions to document processing effort estimates for all building permit fee categories.</li> <li>• Prepare staff capacity utilization analysis to measure staff effort allotted to development fee processes, relative to other non-development fee activities.</li> <li>• Provide benchmarking analysis for processing effort results relative to other comparable municipalities.</li> <li>• Staff capacity utilization analysis and benchmark analysis will be used to verify accuracy and the defensibility of processing effort estimates within the activity based costing model.</li> </ul>
5. Modify the City's activity based costing fees model	<ul style="list-style-type: none"> <li>• Modify and update the City's existing planning applications activity based costing model to process changes, effort estimates and 2011 financial data.</li> <li>• Expand the City's existing planning applications activity based costing model to include building permit costing categories.</li> <li>• Update indirect cost drivers and generate full cost fee schedules for planning applications and building permit fees. Model will project annual activity based costs for development applications volumes by costing category.</li> <li>• Model results will be utilized to generate development fee structure options. Full cost and other policy-driven fee structure options will be considered in consultation with the City Project Team. These policy-driven fee structure options will be developed with regard for industry best practices, City economic development and fiscal planning initiatives, comparative analysis and applicant affordability.</li> <li>• A reserve fund analysis will be provided considering the legislative authority for the creation of reserve funds, rationale for its use and sustainability targets.</li> <li>• Present fee structure options to the City Project Team staff for consideration.</li> </ul>
6. Prepare and present final report	<ul style="list-style-type: none"> <li>• Final Report will be prepared summarizing project methodology and findings, proposed fee structure, property specific impact scenarios and municipal planning and building permit fees survey. The report will include commentary on policy-driven considerations for fee recommendations and recommendations for annual fee adjustments.</li> <li>• Draft report and recommended fee structure will be presented to the Development Community and City Senior Management Team for input into the final report.</li> <li>• Final report and recommended fee structure will be presented to City Council for their consideration.</li> </ul>

**Table 1-1 (cont'd)**  
**Development Fees Review Workplan**

<i>Workplan Task</i>	<i>Task Description</i>
7. Deliver updated City development fees model	<ul style="list-style-type: none"> <li>Activity based costing model for planning applications and building permit fees will be provided to City Project Team designate. Consulting team will provide staff with model orientation and user instruction manual to allow for its future use.</li> </ul>

### **1.3 Legislative Context for User Fees Review**

Development 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 have the ability to impose fees and charges under Part XII (s. 391) of the *Municipal Act*. The following summarizes the provisions of the statute as it pertains to user fees.

#### ***Planning Act, 1990***

Section 69 of the *Planning Act*, allows municipalities to impose fees through 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 many cost recovery 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 Amendment, etc.).

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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 the 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, recent amendments to the fee provisions of the *Municipal Act* and *Building Code Act* are providing 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 Municipal Board (OMB) if the applicant believes the fees were inappropriately charged or are unreasonable. The OMB 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 by the Board. 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.

### ***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.

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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. As the requirements of the Act do not limit municipalities to the costs directly related to the service, *Building Code Act* fees can include corporate management costs related to the provision of service (e.g. Governance, Chief Administrative Officer, Finance, etc.). 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.

### ***Municipal Act, 2001***

Part XII of the *Municipal Act* provides municipalities 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 charge for:

- Services or activities provided or done by or on behalf of it;
- Costs payable by it for services or activities provided or done by or on behalf of any other municipality or local board; and
- Use of its property including property under its control.

Fees and charges permissible under the authority of the *Municipal Act* would include sign permit and zoning application fees not specifically provided for under the statutes identified above. Moreover, municipal engineering review and inspection fees are also imposed under the authority of the Act. In contrast to cost justification requirements under other legislation, the Act does not impose explicit requirements for cost justification when establishing fees for municipal



services. However, in setting fees and charges for these services, municipalities should have regard for legal precedents and the reasonableness of fees and charges. While the Act does not explicitly provide for appeal to the Ontario Municipal Board, fees and charges may be appealed to the courts if municipalities are acting outside of 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 bylaws provide for transparency with respect to the imposition of fees and charges.

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## **2. ACTIVITY BASED COSTING USER FEE METHODOLOGY**

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## **2. ACTIVITY BASED COSTING USER FEE METHODOLOGY**

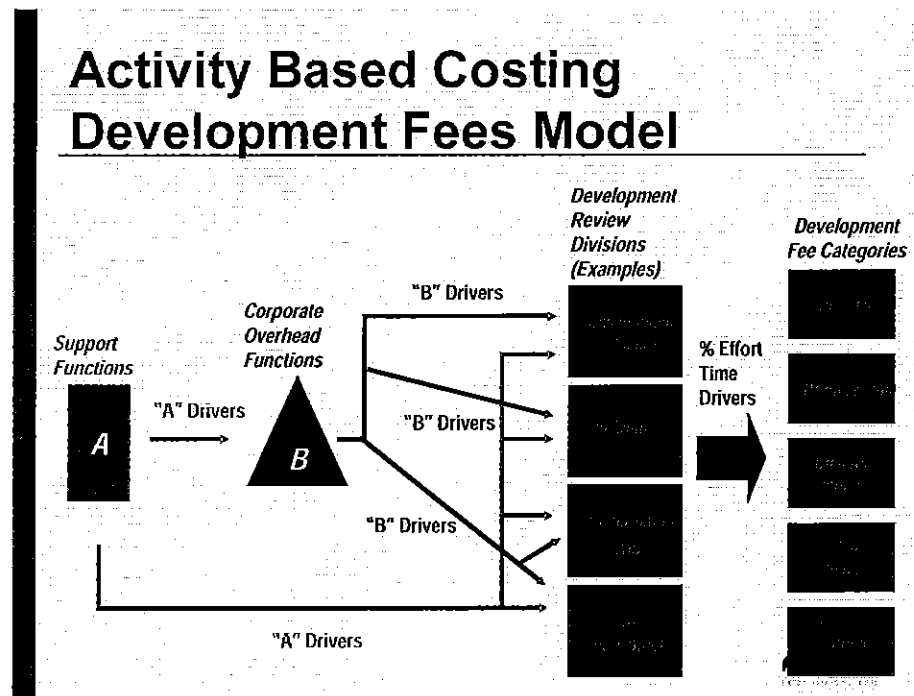
### **2.1 Activity Based Costing Methodology**

An activity based costing (ABC) methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. One of the service channels provided by municipalities is the development review process. Conventional municipal accounting structures are typically not well suited to the costing challenges associated with development processing activities, as these accounting structures are business unit focussed and thereby inadequate for fully costing services with involvement from multiple City business units. An ABC approach better identifies the costs associated with the processing activities for specific application types and thus is an ideal method for determining full cost recovery development fees.

As illustrated in Figure 2-1, an ABC methodology attributes processing effort and associated costs from all participating City business units to the appropriate development fee service categories. The resource costs attributed to processing activities and application 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 departmental personal computers 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 development fee service categories (and other non-development City services), based on the business unit's direct involvement in development review process activities. The assessment of each business unit's direct involvement in development review process activities is accomplished by tracking the relative shares of staff processing effort across each development fee category's sequence of mapped process steps. The results of employing this costing methodology provides municipalities with a better recognition of the costs utilized in delivering development review processes, as it acknowledges not only the direct costs of resources deployed but also the operating and capital support required by those resources to provide services.

The following sections of this chapter review each component of the ABC methodology as it pertains to the City's development review process fees review.

**Figure 2-1**  
**Activity Based Costing Conceptual Cost Flow Diagram**



## 2.2 Application Category Definition

A critical component of the full cost user fees review is the selection of development fee costing categories. This is an important first step as the process design, effort estimation and subsequent costing is based on these categorization decisions. It is also important from a compliance stand point where, as noted previously, the *Planning Act* requires user fees to be cost justified by application type consistent with the categorization contained within the City's tariff of fees. Moreover, it is equally important in costing building permit fees to understand the cost/revenue relationships within the City's Bylaw, beyond the statutory cost justification for fees established at the administration and enforcement under the authority of the building code.

The fee categories were established for planning applications in the 2008 Study, and remain largely unchanged in this update. The fee categorization process for building, signs and zoning fees occurred at the project initiation meeting and through subsequent discussions with Project Team members. Typical processing characteristics for each costing category were updated by City Planning staff for planning applications and developed City Building staff for building permit applications. These characteristics were included in the process maps that were used to survey

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City staff members and ascertain processing effort estimates. Fee category characteristics are established to provide for consistency in processing effort estimates and in designing a fee structure suitable to recovery processing costs.

Given the cost justification requirements of the *Planning Act* and recent comments of the OMB with respect to marginal costing, the planning application fee categories reflect differing levels of processing effort by application types. This level of disaggregation within application types is in direct response to the comments of the OMB and reflects an evolution in the costing methodology to exceed the statutory requirements and to better understand the factors influencing processing effort. Again, while not statutorily required, this methodology has also been extended to building permit fees to better understand the City's current pricing and its implications on full cost recovery of services.

Table 2-1 and Table 2-2 summarize the development fee costing categories for various development fees included in the activity based costing model and later used to rationalize changes to the City's development fee schedules.

The following states the rationale for the planning application categorization decisions utilized in the 2008 Study:

- When the City receives an application for an Official Plan Amendment it is typically submitted in conjunction with a Zoning By-law Amendment application. As such the process was costed jointly to reflect these concurrent processes. While situations are rare where only an applicant-initiated OPA application would be submitted, in consultation with the City Project Team it was determined that a standalone OPA application should be costed through this review;
- Planning application fees were disaggregated by development type (e.g. residential, commercial/office, industrial etc.) for Official Plan/Zoning By-law Amendment, Zoning By-law Amendment and Site Plan application types to reflect differences in processing effort typically experienced. Site Plan categorization went beyond development type to consider application size and location characteristics;
- Removal of Holding Symbol applications were perceived to have distinct processing requirements if the development was within the City Centre area or outside of the City Centre area. As such multiple application categories were costed for this type;
- Condominium application fees were disaggregated to reflect distinctions in level of processing effort relating to application type (i.e. standard or common element); and

- Recognizing that there may be characteristics to an application that are not included in the typical process a number of surcharge fees were costed. These surcharges reflect additional fees that could be levied by the City for a number of sub-processes including: EIS Environmental review, parking utilization studies, forestry inspection, heritage review, and minor site plan issues (e.g. landscape inspection, storm drainage, environmental, fire and forestry).

In addition to these initial categorization decisions, fee costing categories were established for:

- Site plan inspections, expanding the categorization to consider processing differences if inspections are being undertaken for infill or non-infill applications and reduced processing efforts associated with initial and subsequent inspections;
- DARC and Preliminary meeting sub-processes required for rezoning, rezoning/OPA, subdivision site plan applications; and
- New application processes identified for reviews relating to telecommunication towers.

For building permits, sign permits and zoning applications, fee categorization decisions reflected:

- Differences in processing activities, effort and mandatory review and inspections by group as specified under the Building Code;
- Within a specific group, disaggregation by development type (e.g. residential apartment, residential single/semi-detached, business personal service shell, business personal service finished);
- Application size characteristics (e.g. residential permit application greater and less than 400 square metres);
- Differences related to new development permits and building permits for additions and alterations by development type (i.e. Part 9, Part 3 or other);
- Sign permits reflect processing effort differences for counter permit applications and on-line application processes; and
- Zoning applications include pre-application zoning reviews pertaining to applicable law requirements under the Building Code, as well as separate zoning letter and certificate programs.

**Table 2-1**  
**Planning Application Fee Types and Costing Categories**

Planning Application Type	Planning Application Costing Category
Official Plan Amendment/Zoning By-law Amendment	Single Family
	Townhouse
	Apartment
	Commercial
	Industrial/Office
Official Plan Amendment (OPA)	
Zoning By-law Amendment (ZBA)	Single Family
	Townhouse
	Apartment
	Commercial
	Industrial/Office
Site Plan	Infill Housing
	Mixed Use
	City Centre Apartment
	Apartment
	Commercial
	Industrial Small
	Industrial Medium
	Industrial Large
	Industrial Very Large
	Institutional Public/Other
	Institutional School
	Inspection – Infill – Initial Inspection
	Inspection – Infill – Subsequent Inspection
	Inspection – Non-Infill – Initial Inspection
	Inspection – Non-Infill – Subsequent Inspection
	Express Site Plan Approval (SPAX)
	Minor Site Plan
Site Plan Minor Surcharge	Planning and Building Landscape Inspection
	Transportation and Works Development Engineering Review
	Transportation and Works Storm Drainage Review
	Transportation and Works Environmental Review
	Community Services Fire Review
	Community Services Forestry Review
Removal of Holding Symbol	City Centre
	All Other
Part Lot Control Exemption	
Payment in Lieu of Off-Street Parking	
Condominium	Standard
	Common Element

**Table 2-1 (cont'd)**  
**Planning Application Fee Types and Costing Categories**

Planning Application Type	Planning Application Costing Category
Subdivision	
EIS Environmental Surcharge (applicable for ZBA, OPA/ZBA and Subdivision applications)	Environmental Review
	EIS Minor
	EIS Major
Parking Utilization Study (applicable for ZBA and OPA/ZBA applications)	
Forestry Inspection Fee	
Heritage Surcharge	

**Table 2-2**  
**Building Permits, Sign Permits and Zoning Fee Types and Costing Categories**

Application Type	Application Costing Category
Building Permits	Assembly
	Institutional
	Residential - Apartment
	Residential - Detached / Semi Detached/ Townhouse (>400 m2)
	Residential - Detached / Semi Detached (<400 m2)
	Residential - Townhouse (<400 m2)
	Residential - Addition (Detached / Semi / Townhouse)
	Business and Personal Service - Shell
	Business and Personal Service - Finished
	Mercantile - Shell
	Mercantile - Finished
	Industrial - Shell
	Industrial - Finished
	Part 3 Building Alterations
	Part 9 Building Alterations
	Other Building Alterations
	Occupancy of Unfinished Building
	Conditional
	Demolition
	Sign Fascia
	Sign Ground
Sign Permits	Portable Sign - Counter Service - Road Allowances
	Portable Sign - On-line Service - Road Allowances
	Portable Sign - Counter Service - Private Property
	Portable Sign - On-line Service - Private Property
	Portable Signs - Festivals
	Permanent Sign - Sign By-law
	Sign Variance
	Sign Removal - Litter, Summer Projects, Elections



**Table 2-2 (cont'd)**  
**Building Permits, Sign Permits and Zoning Fee Types and Costing Categories**

Application Type	Application Costing Category
Zoning Fees	Pre-Application Zoning Review - Residential
	Pre-Application Zoning Review - Non - Residential
	Zoning Letters
	Swimming Pool Review Process
	Zoning Certificate of Occupancy Process

### **2.3 Application Processing Effort Cost Allocation**

To capture each participating City staff member's relative level of effort in processing development applications, process map templates were prepared for each of the above referenced costing categories. These process map templates outline the typical process steps undertaken for each development fee costing category identified previously. The planning applications process maps utilized in the 2008 Study were updated by the City Project Team. The process map templates generated for building, sign and zoning fees was initially generated using generic industry process maps, which were refined by the City Project Team to include processes and application characteristics germane to the City. The finalized process templates were circulated to members of the City Business Unit Working Groups and initial effort estimates were provided through the City Project Team.

The effort estimates received were applied against average annual application volumes for the period 2008-2010 to assess the average annual processing time per position spent on each development fee category. Annual processing effort per staff position was measured against available processing capacity to determine overall service levels. The results of the initial capacity analysis were reviewed with the City Project Team. Effort estimates were subsequently refined by the City Project Team in consultation with the participating business units to better reflect current staff utilization levels. These refinements provided for the recognition of efforts within the development fees review processes ancillary to direct processing tasks, i.e. management and application oversight activities by departmental senior management, enforcement activities under the authority of the Building Code, and planning policy and special projects related to planning applications.

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Multiple iterations of the staff effort estimation and capacity analysis were undertaken in finalizing the results. To further test the reasonableness of the results of the analysis, planning application and building permit processing effort estimates were compared with peer municipalities and discussed with the City Project Team.

## **2.4 Direct Cost Business Units**

Table 2-3 summarizes the City business units that are directly involved in processing the development fees included in the review. Based on the results of the resource capacity analysis summarized above, the proportionate share of each individual's direct costs is allocated to the respective development fee categories. The City's 2011 Operating Budget was used to generate the direct cost allocations within the model and include the cost components such as:

- Labour Costs, e.g. salary, wages and benefits;
- Staff Development Costs;
- Communication Costs;
- Transportation Costs;
- Equipment Costs and Maintenance Agreements;
- Contractor and Professional Services;
- Advertising and Promotions; and
- Materials, Supplies and Other Services.

It should be noted that transfers to reserves (reserve funds) and transfers to capital have been excluded from the direct service costs, as these reflect financing costs. Moreover, capital costs have been provided for separately within the analysis.

**Table 2-3**  
**City Business Units Directly Participating in Development Review Applications**

<u>City Manager Department</u>		
-Economic Development	-Legal Services	
<u>Community Services Department</u>		
-Fire Prevention	-Parks Planning and	-Heritage
-Forestry	Development	-Culture
<u>Corporate Services Department</u>		
-Office of the Clerk	-Corporate Finance	-Facilities and Property Management
<u>Planning and Building Department</u>		
-Building	-Development and Design	-Planning Policy
-Planning and Building Business Services		
<u>Transportation and Works Department</u>		
-Transportation and Infrastructure Planning	-Geomatics	-Engineering and Capital Works
-Development Construction		

## 2.5 Indirect Cost Functions and Cost Drivers

An activity based costing review includes not only the direct service 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 development 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 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 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 development review process, but that their efforts facilitate services being provided by the City's direct business units.

Table 2-4 summarizes the support and corporate overhead functions included in the development fees 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 by municipalities of similar characteristics. Moreover, many of the drivers selected are consistent with the Ontario Municipal Benchmarking Initiative (OMBI) for reporting requirements for Financial Information Returns.

**Table 2-4**  
**Indirect Support and Corporate Overhead Functions and Cost Drivers**

Indirect Cost Functions	Cost Driver
<b><u>Indirect Support Functions</u></b>	
Building Maintenance	Occupied facility square footage
Security	Occupied facility square footage
Building Operations	Occupied facility square footage
Utilities	Occupied facility square footage
Community Services Departmental Support	Departmental Operating Expenditures
Fire & Emergency Support Services	Departmental Operating Expenditures
Parks & Rec. Divisional Support Services	Departmental Operating Expenditures
Facility & Property Management Divisional Support	Departmental Operating Expenditures
Corporate Services Departmental Support Services	Departmental Operating Expenditures
Land Development Departmental Support Services	Departmental Operating Expenditures
T&W Departmental Support Services	Departmental Operating Expenditures
Information Technology	Personal Computers
Corporate Human Resources	Payroll Transactions
Insurance	Insurance Claims
Workers Compensation & Rehabilitation	Payroll Transactions
Legal Services	Legal Time Allocation

**Table 2-4 (cont'd)**  
**Indirect Support and Corporate Overhead Functions and Cost Drivers**

Indirect Cost Functions	Cost Driver
<b><u>Indirect Corporate Overhead Functions</u></b>	
City Manager's Office	Gross Operating Expenditures
Internal Audit	Internal Audit Time
Corporate Finance	General Ledger Transactions
Revenue & Materiel Management	General Ledger Transactions
Communications	Gross Operating Expenditures
Office of the City Clerk	Gross Operating Expenditures
Council Committees	Gross Operating Expenditures
Mayor & Council	Gross Operating Expenditures
Bank & External Audit	Gross Operating Expenditures

## **2.6 Capital Costs**

The inclusion of capital costs within the full cost development fees calculations follow a methodology similar to indirect costs. Market-equivalent rents and/or replacement value of assets commonly utilized to provide direct business unit services have been included to reflect capital costs of service. The replacement value approach determines that annual asset replacement value over the expected useful life of the respective assets. This reflects the annual depreciation of the asset over its useful life based on current asset replacement values using a sinking fund approach. This annuity is then allocated across all fee categories based on the capacity utilization of direct business units. For market-equivalent rents, the annual rent costs is calculated based on market rate and floor space utilized and then allocated to the various fee categories in a similar manner.

The market-equivalent rate applied for facility space is \$29/square foot. This information was provided by City Finance consistent with municipal practices. In addition to facility space, annual capital replacement costs have been estimated for computer workstations. Based on information provided by City Finance, capital replacement costs for computer workstations were estimated at \$9,000 each. Average useful life estimates for computer workstations is 15 years. Assuming a 2% net interest rate, the annual sinking fund per computer workstation was applied to the number of business unit workstations to determine the business unit's annual replacement cost. These annual capital costs estimates were then allocated to the fee categories based on resource capacity utilization.

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### **3. PLANNING APPLICATIONS FEES REVIEW**

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### **3. PLANNING APPLICATIONS FEES REVIEW**

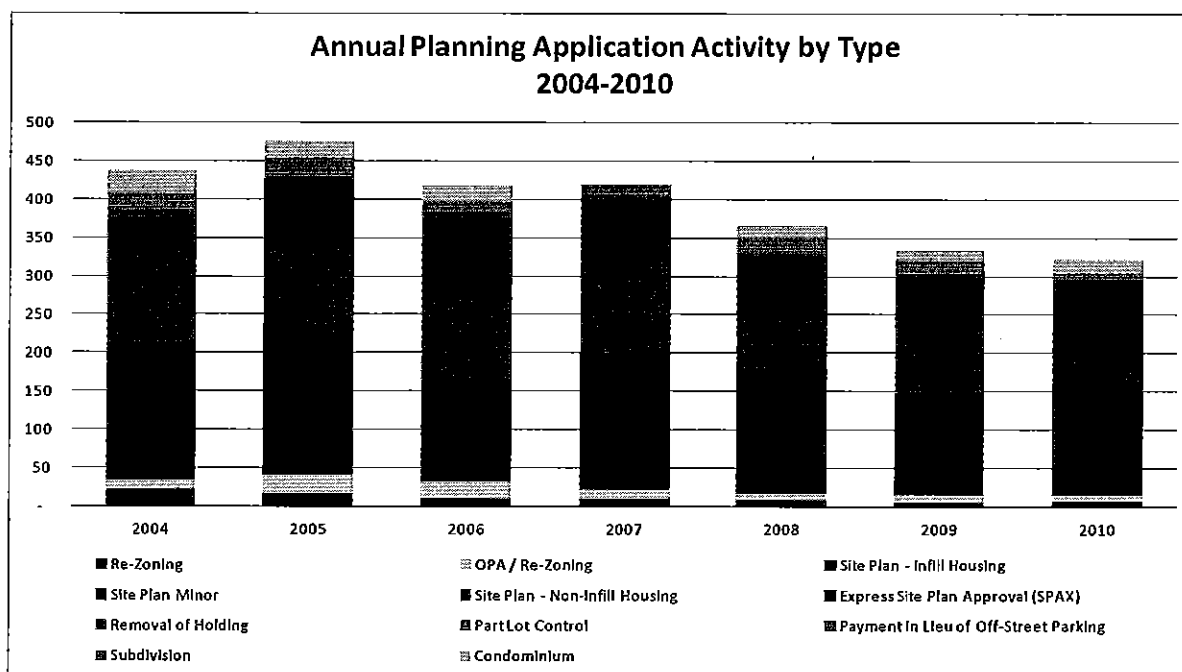
#### **3.1 Staff Capacity Utilization Results**

The City's 2008 Study designed fee structures based on planning application activity and characteristics exhibited over the 2004-2007 period. This update considers the application activity and characteristics witnessed over the 2008-2010 period. Moreover, the processing effort estimates were updated to reflect these current application characteristics.

Comparing the two periods, planning applications have gradually declined over the period 2004-2010. As illustrated in Figure 3-1, during the period 2004-2007 planning applications averaged 438/year. For the period 2008-2010 annual planning applications averaged 340/year, approximately a 22% reduction in overall application volumes. The decline in annual application activity was largely experienced in major planning applications, such as zoning bylaw amendments, official plan amendment/ zoning bylaw amendments, non-infill site plans, and subdivisions. Smaller applications however, e.g. residential infill site plans, minor site plans and express site plan approval activities stabilized or increased. Site plan applications continue to account for the largest share of annual application volume activities within the City (i.e. 85% of applications).

Measuring the decline in total applications and change in the mix of planning applications on total processing effort, current per application processing times were applied to annual planning application volumes for the 2004-2010 period. Assuming per application processing effort during the period remained constant, total annual processing hours per application declined more than application volumes. On average annual application volumes declined by 22% between 2004-07 and 2008-10, while average annual processing times declined by 39% for the same period. Average processing hours per application decreased from 265 to 209 during the period. This is reflective of change in mix from more effort intensive applications (e.g. rezoning, OPA/rezoning, subdivision) to less effort intensive minor applications (e.g. site plan infill housing).

**Figure 3-1**  
**Mississauga Planning Application by Type (2004-2010)**



City Planning staff updated the per application processing efforts for input into the costing analysis. Table 3-1 provides a comparison of the average per application processing time estimates for the 2011 update compared with the 2008 Study. In most cases the average processing times have increased, on a weighted average basis processing times have increased by approximately 32% over 2008 Study estimates. This increase reflects increased complexity in application processing times arising from changes in current application characteristics. Moreover, in both the 2008 Study and current estimates a portion of planning policy and special projects time has been allocated to planning applications to reflect the benefits associated with development. As the volume of activity (i.e. applications) has declined over the period, this fixed cost component of applications has increased. As such the processing effort associated with each application has increased and is reflected in this overall increase. In the context of the statement in the prior paragraph indicating annual processing times would decline by 39% over the prior period with no change in processing efforts, the increase of approximately 32% in average processing effort estimates results in smaller annual processing cost reductions (excluding inflationary adjustments).



**Table 3-1**  
**2008/2011 Comparison of Application Processing Times (in minutes)**

	Re-Zoning Single Family	Re-Zoning Townhouse	Re-Zoning Apartment	Re-Zoning Commercial	Re-Zoning Industrial & Office	OPA / Re- Zoning - Single Family	OPA / Re- Zoning - Townhouse	OPA / Re- Zoning - Apartment	OPA / Re- Zoning - Commercial	OPA / Re- Zoning - Industrial & Office	Part Lot Control
2011	68,187	75,189	77,554	73,042	68,714	76,932	83,117	84,970	79,381	74,251	1,503
2008	40,132	47,553	45,988	44,396	41,153	52,420	58,781	62,083	54,875	47,811	1,126
Difference (mins)	28,056	27,636	31,567	28,646	27,561	24,513	24,336	22,888	24,506	26,439	376
Difference (%)	70%	58%	69%	65%	67%	47%	41%	37%	45%	55%	33%

	Site Plan - Infill Housing	Site Plan - Mixed Combo	Site Plan - City Centre Apartment	Site Plan - Apartment	Site Plan - Commercial	Site Plan - Industrial Small	Site Plan - Industrial Medium	Site Plan - Industrial Large	Site Plan - Industrial Very Large	Site Plan - Institutional Public / Other	Site Plan - Institutional School
2011	7,187	23,505	37,699	24,050	20,639	16,608	17,690	18,773	19,311	23,598	22,067
2008	6,741	19,823	26,363	21,323	14,736	11,412	11,519	12,400	13,845	19,581	15,807
Difference (mins)	447	3,682	11,336	2,727	5,903	5,197	6,171	6,373	5,466	4,017	6,260
Difference (%)	7%	19%	43%	13%	40%	46%	54%	51%	39%	21%	40%

	Site Plan Inspection	Express Site Plan Approval (SPAX)	Site Plan Minor	Removal of H Holding - City Centre	Removal of H Holding	Payment in Lieu of Off- Street Parking	OPA	Subdivision	Condo Standard	Condo Common Element	Telecom. Tower
2011	231-473	353	2,247	37,804	25,275	7,463	21,699	68,226	9,340	12,504	1,066
2008	583	290	1,340	24,121	13,766	7,941	11,747	37,992	5,506	7,326	
Difference (mins)	n/a	64	907	13,683	11,509	(478)	9,952	30,235	3,835	5,178	1,066
Difference (%)	n/a	22%	68%	57%	84%	-6%	85%	80%	70%	71%	n/a

Table 3-2 compares the number of full time equivalent (FTE) positions attributable to planning applications based on the 2008 Study volume and processing time assumptions and the updated estimates. The results of the updated capacity analysis generally supports the trend in annual processing time suggested by the change in mix of application types, however while effort estimate reductions associated with mix would suggest a 39% reduction in effort, the updated capacity analysis provides for a 13% reduction in effort measured by FTEs for respective periods. This is reflective of the increases in average processing times.

**Table 3-2**  
**Planning Application Resource Utilization by Business Unit (in Full Time Equivalents)**

	FTE Allocation Planning Applications	
	2011	2008
City Managers Office	0.43	0.01
Community Services	3.75	5.44
Corporate Services	0.75	0.91
Planning & Building Business Services	4.67	4.70
Development & Design	24.43	28.99
Planning Policy	4.99	3.69
Building	1.16	1.18
Transportation & Works	7.64	10.04
<b>Total</b>	<b>47.83</b>	<b>54.96</b>

The following observations are provided based on the results of the capacity analysis presented in Table 3-2:

- On average approximately 55% of all available planning application staff resources within the Development and Design Division are fully consumed annually processing applications. This division continues to provide the largest amount of effort to planning applications within the City. This level of planning recovery is consistent with levels of participation in other GTA municipalities, reflecting a significant amount of non-planning application processing effort provided by planning departments for corporate management, Ontario Municipal Board appeals and public information tasks.
- Transportation and Works Departments represents the second largest allocation of staff resources to planning applications. The overall utilization of these staff positions within Transportation & Infrastructure Planning is approximately 17%.
- Approximately 24% of Planning Policy staff resources have been allocated to planning application activities. This reflects the support provided by planning policy to processing applications. While FTE support from planning policy has increased compared to the

2008 Study, based on this level of allocation approximately 75% of planning policy resource cost are been attributed to the general community for tax based recovery.

- Planning and Building Business Services and Community Services Parks Planning and Development also contribute directly to planning applications. These divisions allocate approximately 17% and 6% of their respective total staff resources to planning applications annually.
- There are a number of City business units such as Economic Development, Corporate Finance, Legal, Realty Services, etc. that provide relatively small allotments of effort to planning applications. These business units provide a small number of staff positions with specific planning application review requirements.

### **3.2 Consolidated Full Cost Planning Application Fees**

Table 3-3 documents the City's annual costs of providing planning application processing services by cost component. The annual costs reflect the organizational direct, indirect and capital costs associated with processing applications at average historic volumes levels for the period 2008-2010. These costs are based on 2011 budget estimates and are compared with revenues derived from current application fees applied to average application volumes and charging parameters. To assess overall cost recovery levels, historic planning fee revenues for each application were provided for the same 2008-2010 period used in the capacity analysis. The charging parameters for these applications (i.e. number of residential units, non-residential gross floor area in square meters and lot size in hectares), derived from the City's planning applications database, were applied against the 2011 planning applications fees schedule to calculate an average per application revenue. This average revenue per application type was subsequently applied to the annual application volume assumptions in the capacity analysis to generate comparable aggregate revenues.

As summarized in the table below, the direct costs incurred by the City for processing average historic application volume levels represent the majority of annual costs, i.e. 78% of total costs or \$5.3 million. These costs are derived from the capacity analysis generated based on the processing estimates for each application type and includes employment costs (e.g. salary, wages and benefits) as well as other direct costs (e.g. staff development, communication, etc.). Indirect support and corporate overhead costs represent 19% of total processing costs, or \$1.3 million annually. Annual capital costs, reflecting the annual market-equivalent rents and sinking

fund costs of computer workstations represent 3% or \$210,000. In total the average annual processing costs are approximately \$6.8 million. This is down from \$7.2 million in total costs identified in the 2008 Study, reflecting lower annual activity (i.e. volumes), increased processing efforts per application and general cost increases over the period. Compared with average modelled revenues under the current fee schedule of \$3.1 million, the current City current planning fees are recovering approximately 46% of total costs.

**Table 3-3**  
**Consolidated Planning Application Fees Modeling Impact**  
**(2011\$ in millions)**

Cost Component	Total Planning Application Costs and Revenues
Direct	5.26
Indirect	1.30
Capital	0.21
<b>Total Full Costs</b>	<b>6.77</b>
Existing Planning Fees Revenue	3.11
<b>Net Position</b>	<b>3.73</b>

Table 3-4 summarizes the average annual costs and revenues presented above by planning application type. Based on average historic application volume levels for 2008-2010, Zoning Bylaw Amendment, OPA/Zoning By-law Amendment and Site Plan Control applications represent the largest proportion of costs and revenues (approximately 86% of total costs and revenues) within the City. While current planning fees are recovering 46% of total processing costs annually, Zoning Bylaw Amendment, Subdivisions and Payment in Lieu of Off-Street Parking applications are recovering costs at lower than average levels. Condominium and Other (e.g. surcharge fees) applications recovering above City average levels. Part Lot Control Exemption applications are the only applications currently recovering full costs of processing annually.

**Table 3-4**  
**Planning Fees Modeling Impacts by Application Type**  
**(2011\$, in millions)**

Application Type	Total Annual Cost (\$)	Total Revenue (\$)	Cost Recovery (%)
Zoning By-law Amendment	0.81	0.32	40%
OPA / Zoning By-law Amendment	1.16	0.50	43%
Removal of (H) Holding Symbol	0.17	0.07	44%
Site Plan Control	3.80	1.81	48%
Plan of Subdivision	0.40	0.15	37%
Payment In Lieu of Off-Street Parking (PIL)	0.04	0.00	7%
Part Lot Control Exemption	0.02	0.02	107%
Plan of Condominium	0.20	0.11	58%
Other	0.17	0.12	72%
<b>TOTAL</b>	<b>6.77</b>	<b>3.11</b>	<b>46%</b>

### **3.3 Planning Application Type Impacts**

The focus of this assignment is to develop full cost fee structure recommendations that would achieve *Planning Act* compliance and account for the recent comments of the OMB with respect to planning fees. The project methodology was designed in recognition of these requirements and informed model development design decision, most notably expanding the number of planning fee costing categories to consider sub-application type distinctions and the development of surcharge fees for processes that are not common to the majority of applications.

To facilitate this detailed costing approach, the City Project Team provided the consulting team with revenues estimates for each application costing category for the 2008-2010 period. In doing so, this allowed the analysis to consider not only the variation between average sub-type application costs, but also to develop a fee structure based on the underlying application charging characteristics. Table 3-5 expands upon the aggregate cost/revenue per application type presentation provided above and identifies the average cost fee and average fee revenue impacts at the sub-type application level. Based on this analysis the following observations are provided and considered in the fee structure recommendations.

**Table 3-5**  
**Planning Fees Modeling Impacts by Application Sub-Type (or Costing Category)**  
**(2011\$ per Application Type)**

<b>Sub-Type Application Category (Costing Category)</b>	<b>Modeled Full Cost/Fee (\$)</b>	<b>Modeled Revenue/Fee (\$)</b>	<b>Fee Increase/Decrease (%)</b>
OPA	35,012	13,120	167%
OPA / Re-Zoning - Single Family	119,217	30,330	293%
OPA / Re-Zoning - Townhouse	128,364	63,386	103%
OPA / Re-Zoning - Apartment	131,370	78,842	67%
OPA / Re-Zoning - Commercial	123,134	40,692	203%
OPA / Re-Zoning - Industrial & Office	114,542	60,000	91%
Re-Zoning Single Family	107,066	46,560	130%
Re-Zoning Townhouse	117,774	49,440	138%
Re-Zoning Apartment	121,568	70,960	71%
Re-Zoning Commercial	114,898	44,378	159%
Re-Zoning Industrial & Office	107,523	36,685	193%
Site Plan - Infill Housing	10,828	4,560	137%
Site Plan - Mixed Combo	38,483	21,441	79%
Site Plan - City Centre Apartment	61,896	36,960	67%
Site Plan - Apartment	40,032	50,280	-20%
Site Plan - Commercial	34,094	16,354	108%
Site Plan - Industrial Small	27,348	10,466	161%
Site Plan - Industrial Medium	29,158	23,684	23%
Site Plan - Industrial Large	31,043	31,315	-1%
Site Plan - Industrial Very Large	31,953	35,000	-9%
Site Plan - Institutional Public / Other	39,127	11,295	246%
Site Plan - Institutional School	36,452	15,502	135%
Site Plan - Infill Inspection - Initial Inspection	653	250	161%
Site Plan - Infill Inspection - Subsequent Inspections	370	95	290%
Site Plan - Non-Infill Inspection - Initial Inspection	722	650	11%
Site Plan - Non-Infill Inspection - Subsequent Inspections	592	250	137%

**Table 3-5 (cont'd)**  
**Planning Fees Modeling Impacts by Application Sub-Type (or Costing Category)**  
**(2011\$ per Application Type)**

<b>Sub-Type Application Category (Costing Category)</b>	<b>Modeled Full Cost/Fee (\$)</b>	<b>Modeled Revenue/Fee (\$)</b>	<b>Fee Increase/Decrease (%)</b>
Site Plan Minor	3,624	1,520	138%
Express Site Plan Approval (SPAX)	605	320	89%
Site Plan Minor Surcharge: Planning and Building Landscape Inspection	262	600	n/a
Site Plan Minor Surcharge: Transportation and Works Development Engineering Review	343	240	n/a
Site Plan Minor Surcharge: Transportation and Works Storm Drainage Review	118	100	n/a
Site Plan Minor Surcharge: Environmental Review	94	90	n/a
Site Plan Minor Surcharge: Community Services Fire Review	75	60	n/a
Site Plan Minor Surcharge: Community Services Forestry Review	159	180	n/a
Removal of H Holding - City Centre	59,426	28,120	111%
Removal of H Holding	39,996	15,800	153%
Part Lot Control Exemption	2,054	2,201	-7%
Payment in Lieu of Off-Street Parking	12,109	800	1414%
Condominium Standard	11,977	7,297	64%
Condominium Common Element	17,021	7,680	122%
Subdivision	108,435	40,420	168%
Telecommunication Towers	1,888	-	n/a
Environmental Review for EIS (ZBA, OPA/ZBA, Subdivision)	1,413	1,600	-12%
EIS (Enviro) Surcharge (ZBA, OPA/ZBA, Subdivision) EIS MINOR	2,650	2,960	-10%
EIS (Enviro) Surcharge (ZBA, OPA/ZBA, Subdivision) EIS MAJOR	8,001	8,720	-8%
Parking Utilization Study Surcharge (ZBA, OPA/ZBA, Subdivision)	3,491	3,040	15%
Forestry Inspection Fee	79	90	-12%
Heritage Surcharge	922	1,280	-28%

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### **3.4 Full Cost Recovery Fee Structure (Option 1)**

Based on the foregoing the following summarizes the fee structure analysis by planning application type to achieve full cost recovery. The recommended fee structures are based on the activity based costing model and average application characteristics underlying planning applications during the 2008-2010 period.

#### **Official Plan Amendment (OPA)**

Applicant initiated Official Plan Amendments rarely occur, however to the extent that on OPA may be initiated under the *Planning Act* the process has been identified, effort estimated and costs determined. Currently the City imposes a flat rate fee for OPA applications of \$13,120. Based on the results of the activity based costing model, this process would require approximately \$35,012 to process.

- Full Cost Recovery Recommendation
  - Maintain the existing flat fee structure and increase the fee to \$35,000 per application.

#### **Official Plan Amendment/Zoning By-law Amendment**

Historic per application charging parameters for each application category, for the period 2008-2010, are as follows:

- OPA / Re-Zoning - Single Family – 13 units
- OPA / Re-Zoning – Townhouse – 107 units
- OPA / Re-Zoning – Apartment – 206 units
- OPA / Re-Zoning – Commercial – 2,869 sq.mt.
- OPA / Re-Zoning - Industrial & Office – 13.9 ha.

Compared to current cost recovery performance, small residential and commercial applications are significantly under recovering the costs of processing. As a result the proposed fee structure includes higher application base charge and greater fee increases for lower residential unit intervals.

- Full Cost Recovery Recommendations
  - Increase the base fee to \$54,400.



- Implement an declining block rate structure for all residential applications as follows
  - \$1,030/unit for first 25 units,
  - \$760/unit for units 26-100 units,
  - \$330/unit for units 101-200 units,
  - \$160/unit for additional units beyond 200.
- Increase the fee per square metre for commercial \$18.50
- Increase the fee per gross hectare for industrial and office to \$5,660.
- Consider implementation of a maximum charge of \$200,000 for residential applications and \$110,000 for non-residential applications.

### **Zoning By-law Amendment**

Historic per application charging parameters for each application category, for the period 2008-2010, are as follows:

- Re-Zoning - Single Family – 42 units
- Re-Zoning – Townhouse – 51 units
- Re-Zoning – Apartment – 273 units
- Re-Zoning – Commercial – 3,009 sq.mt.
- Re-Zoning - Industrial & Office – 2.79 ha.

Compared to average cost per application for OPA/Rezoning, the average cost for a rezoning application is virtually identical. Similar to OPA/Rezoning applications small residential, commercial and industrial/office applications are significantly under recovering the costs of processing. As a result the proposed fee structure includes higher application base charge and greater fee increases for lower residential unit intervals and for non-residential uses.

- Full Cost Recovery Recommendations
  - Increase the base fee to \$35,800 for all application types.
  - Implement an declining block rate structure for all residential applications as follows
    - \$1,330/unit for first 25 units,
    - \$1,020/unit for units 26-100 units,
    - \$610/unit for units 101-200 units,
    - \$260/unit for additional units beyond 200.

- Increase the fee per square metre for commercial to \$25.60
- Increase the fee per gross hectare for industrial and office to \$21,480.
- Consider implementation of a maximum charge of \$200,000 for residential applications and \$110,000 for non-residential applications.

### **Site Plan Control**

Historic per application charging parameters for each application category, for the period 2008-2010, are as follows:

- Site Plan - Infill Housing – 1 unit
- Site Plan - Mixed Combo – 62 units
- Site Plan - City Centre Apartment – 180 units
- Site Plan - Apartment – 347 units
- Site Plan - Commercial – 3,914 sq.mt.
- Site Plan - Industrial Small – 1,641 sq.mt.
- Site Plan - Industrial Medium – 9,405 sq.mt.
- Site Plan - Industrial Large – no applications
- Site Plan - Industrial Very Large – 59,474 sq.mt.
- Site Plan - Institutional Public / Other – 1,871 sq.mt.
- Site Plan - Institutional School – 3,559 sq.mt.

Small residential and non-residential applications cost recovery performance is lower than the site plan average. In particular, residential infill site plan applications are recovering 42% of full cost, which is resulting in approximately \$695,000 in unrecovered costs annually, or approximately 20% of the annual planning fee deficit. The proposed fee structure includes higher application base charge equal to the per application cost for infill site plan applications, reflecting the largely fixed costs of applications. In addition fee increases on smaller residential intervals and non-residential applications is recommended.

- Full Cost Recovery Recommendations
  - Increase the base fee to \$11,000, including infill housing applications.
  - Implement an declining block rate structure for all residential applications as follows :
    - \$550/unit for first 25 units,
    - \$330/unit for units 26-100 units,

- \$110/unit for additional units beyond 100.
- Implement an declining block rate structure for all non-residential (ICI) applications as follows:
  - \$7.00/sq.mt. for first 2,000 square metres,
  - \$5.00/sq.mt. for square meters 2,001-4,500,
  - \$3.00/sq.mt. for square meters 4,501-7,000,
  - \$1.50/sq.mt. for additional square meters beyond 7,000.
- Consider implementation of a maximum charge of \$95,000 for residential applications and \$60,000 for non-residential applications.

Updated cost estimates for minor site plan, express site plan and surcharges undertaken. In additional fee recommendations for infill and non-infill inspection fees have also been recommended based on the costing analysis.

#### Full Cost Recovery Recommendations

- Implement Site Plan Inspection fees as follows:
  - Infill – initial inspection \$650, subsequent inspection \$370
  - Non-Infill - initial inspection \$720, subsequent inspection \$590
- Increase Express Site Plan Approval to \$600.
- Increase Site Plan Minor Building Alterations or Site Revisions to \$3,600.
- Maintain current Site Plan Minor Surcharges:
  - Planning and Building Landscape Inspection - \$600
  - Transportation and Works Environmental Review - \$90
  - Community Services Forestry Review - \$180
- Increase current Site Plan Minor Surcharges:
  - Transportation and Works Development Engineering Review - \$340
  - Transportation and Works Storm Drainage Review - \$120
  - Community Services Fire Review - \$70

**Removal of Holding Symbol, Part Lot Control Exemption, Payment in Lieu of Off-Street Parking, Condominium and Subdivision**

Many of the fees imposed for these planning applications are flat fees (i.e. charge per application, with additional charges for application size). Historic per application charging parameters for Part Lot Control Exemption, Subdivision and Condominium application categories are as follows:

- Part Lot Control – 17 lots
- Subdivision – 113 units
- Condominium Standard – 117 apartment units, 21 non-apartment/lots, and 0.27 non-residential ha.

Full cost fee recommendations provide for adjustments to the average application cost for flat fee applications. Part Lot Control the application characteristics appear to be recovering the full costs of processing and therefore no fee adjustments are recommended. Subdivision applications are generally smaller in terms of units than historically and, as such, the recommended increases are significantly higher to achieve full cost recovery. Condominium applications are generally more complex than under the previous analysis.

- Full Cost Recovery Recommendations
  - Increase the current Holding Bylaw Amendment fees as follows:
    - Increase Holding Bylaw Amendment fee to \$40,000
    - Increase additional fee for Holding Bylaw Amendment applications within the defined City Centre area to \$19,400.
  - Maintain the existing fees for Part Lot Control Exemption of \$1,300 base fee and \$53/lot.
  - Increase the fee for Payment in Lieu of Off-Street Parking to \$12,100 per application.
  - Increase Condominium application fees as follows:
    - \$6,100 base fee,
    - \$35.00/apartment unit,
    - \$87.00/non-apartment or vacant lot, and
    - \$173.00/hectare for non-residential
  - Increase the Condominium Common Element fee to \$17,000/application

- Increase the Subdivision application fees as follows:
  - Base fee: \$11,500
  - Detached, semi-detached and townhouse dwellings: \$860/unit
  - All other residential, commercial or institutional uses: \$4.30/m<sup>2</sup> for gfa
  - Industrial and Office uses: \$7,200/gross hectare.
  - Consider increasing maximum fee to \$160,000 per application

### **Surcharge Fees**

Surcharge fees were identified in the 2008 Study and included in the update. In addition to these fees and additional fee category has been identified for Telecommunication Towers. The following full cost fee recommendations are provided in this regard.

- Full Cost Recovery Recommendations
  - Environmental Impact Study (EIS) surcharges applicable in conjunction with Zoning By-law Amendment, Official Plan/Zoning By-law Amendment and/or Subdivision applications be maintained at current rates as follows:
    - Environmental Review Base Fee - \$1,600,
    - Minor EIS is required - \$2,960,
    - Major EIS is required - \$8,720.
  - Parking Utilization Study Surcharge applicable in conjunction with Zoning By-law Amendment, Official Plan/Zoning By-law Amendment and/or Subdivision applications be increased to - \$3,500.
  - Forestry Inspection Fee associated with a planning application be maintained at current rates - \$90.
  - Heritage Surcharge associated with an application be maintained at current rates - \$1,280.
  - Telecommunication Towers fee be introduced - \$1,900
  - DARC Meeting fees be introduced for the following application types. Fees would be deducted from total application fee:
    - OPA/Rezoning and Rezoning - \$5,400
    - Site Plan – \$3,700
    - Subdivision - \$4,700
  - Preliminary Meeting fee be introduced for Site Plan applications, with fee deducted from total application fee - \$2,300

### **3.5 Full Cost Recovery Fee Structure – Excluding Policy and Special Projects (Option 2)**

Subsequent discussions were undertaken with the Project Team with respect to the full cost recovery planning fee impacts. A separate fee structure option was requested to measure the impacts arising from the inclusion of planning policy and special projects effort for recovery under the full costs fees. A portion of planning policy and special projects resource efforts has been included in the calculation of the full cost recovery planning fees. The inclusion of these service costs acknowledges the necessary policy framework that must be provided by the City to allow for the processing of applications. The following section provides the overall cost impacts with the removal of planning policy and special projects, and a comparison of the calculated fee structure under this option relative to the City's existing fees and the full cost recovery fee structure option (i.e. Option 1).

**Table 3-6**  
**Consolidated Planning Application Fees Modeling Impact**  
**Full Cost excluding Policy and Special Projects (Option 2)**  
**(2011\$ in millions)**

Cost Component	Total Annual Planning Application Costs and Revenues
Direct	3.76
Indirect	0.87
Capital	0.14
<b>Total Costs</b>	<b>4.77</b>
Existing Planning Fees Revenue	3.11
<b>Net Position</b>	<b>1.66</b>

Table 3-6 summarizes the aggregate impact on planning application fees under the fee structure option. With the removal of planning policy and special projects efforts, the annual costs of planning applications would decline by \$2.0 million, or 30%, from the full cost recovery option. Under this fee structure option, the City's current planning fees are recovering approximately 65% of costs. Table 3-7 provides a comparison of the rates (i.e. City's existing

fee structure, full cost recovery fee structure (Option 1) and full cost recovery fee structure excluding policy and special projects (Option 2)) for the City's consideration.

**Table 3-7**  
**Comparison of Planning Application Fees**  
**Under the City's Current Bylaw and Fee Structure Options 1 and 2**

Planning Application Type	Current Fees \$	Fee Structure Option 1 \$	Fee Structure Option 2 \$
<b>Official Plan Amendment (OPA)</b>	13,120	35,000	21,990
<b>Official Plan Amendment/Zoning By-law Amendment</b>			
- Base Fee	22,330	54,400	39,600
<u>Residential</u>			
- first 25 units	640	1,030	830
- for units 26-100 units	320	760	440
- for units 101-200 units	160	330	230
- for additional units beyond 200	80	160	110
- maximum fee	80,000	200,000	180,000
<u>Non-Residential</u>			
- Commercial/Institutional per sq.mt.	6.40	18.50	13.10
- Industrial/Office per ha.	4,160	5,660	4,010
- maximum fee	60,000	110,000	100,000
<b>Zoning By-law Amendment</b>			
- Base Fee	9,120	35,800	28,800
- Additional Base Fee (non-apartment, industrial)	16,000	-	-
<u>Residential</u>			
- first 25 units	640	1,330	1,060
- for units 26-100 units	320	1,020	820
- for units 101-200 units	160	610	480
- for additional units beyond 200	80	260	190
- maximum fee	80,000	200,000	180,000
<u>Non-Residential</u>			
- Commercial/Institutional per sq.mt.	6.40	25.60	16.30
- Industrial/Office per ha.	4,160	21,480	9,600
- maximum fee	60,000	110,000	100,000

**Table 3-7 (cont'd)**  
**Comparison of Planning Application Fees**  
**Under the City's Current Bylaw and Fee Structure Options 1 and 2**

Planning Application Type	Current Fees \$	Fee Structure Option 1 \$	Fee Structure Option 2 \$
<b>Site Plan Control</b>			
- Base Fee	4,560	11,000	7,800
<u>Residential</u>			
- first 25 units	320	550	530
- for units 26-100 units	240	330	320
- for additional units beyond 100	80	110	110
- maximum fee	50,000	95,000	75,000
<u>Non-Residential</u>			
-first 2,000 square metres,	3.60	7.00	6.70
- for square meters 2,001-4,500,	2.40	5.00	4.80
- for square meters 4,501-7,000,	1.60	3.00	2.90
- for additional square meters beyond 7,000.	0.80	1.50	1.40
- maximum fee	35,000	66,000	52,000
<b>Site Plan Minor/Surcharges</b>			
<u>Site Plan Inspection Fees</u>			
- Infill – initial inspection	250	650	440
- Infill – subsequent inspection	95	370	190
- Non-Infill – initial inspection	650	720	690
- Non-Infill – subsequent inspection	250	590	560
Express Site Plan Approval	320	600	300
Site Plan Minor Building Alterations or Site Revisions	1,520	3,600	2,400
<u>Site Plan Minor Surcharges</u>			
- Planning and Building Landscape Inspection	600	600	600
- Transportation and Works Environmental Review	90	90	90
- Community Services Forestry Review	180	180	180
- Transportation and Works Development Engineering Review	240	340	340
- Transportation and Works Storm Drainage Review	100	120	120
- Community Services Fire Review	60	70	70
<b>Removal of Holding Symbol</b>			
- Base Fee	15,800	40,000	28,700
- Additional Fee - City Centre Area	12,320	19,400	14,100
<b>Part Lot Control Exemption</b>			
- Base Fee	1,300	1,300	1,300
- Per Lot	53	53	53
<b>Payment in Lieu of Off-Street Parking</b>	800	12,100	8,200



**Table 3-7 (cont'd)**  
**Comparison of Planning Application Fees**  
**Under the City's Current Bylaw and Fee Structure Options 1 and 2**

Planning Application Type	Current Fees \$	Fee Structure Option 1 \$	Fee Structure Option 2 \$
<b>Condominium Standard</b>			
- Base Fee	3,700	6,100	5,400
- per apartment unit	21.00	35.00	31.00
- per non-apartment or vacant lot	53.00	87.00	77.00
- per non-residential hectare	105.00	173.00	153.00
Common Element	7,680	17,000	12,400
<b>Subdivision</b>			
- Base Fee	4,300	11,500	7,800
- Detached, semi-detached and townhouse dwellings per unit	320	860	580
- All other residential, commercial or institutional uses per sq.mt.	1.60	4.30	2.90
- Industrial and Office uses per ha.	2,700	7,200	4,900
- maximum fee	48,000	160,000	120,000
<b>Surcharge Fees</b>			
<b>Environmental Impact Study (EIS)</b>			
- Environmental Review	1,600	1,600	1,600
- Minor EIS required	2,960	2,960	2,960
- Major EIS required	8,720	8,720	8,720
Parking Utilization Study	3,040	3,490	3,490
Forestry Inspection	90	90	90
Heritage	1,280	1,280	1,280
Telecommunication Towers	-	1,900	1,100
DARC Meeting (OPA/Rezoning and Rezoning)	-	5,400	5,400
DARC Meeting (Site Plan)	-	3,700	3,700
DARC Meeting (Subdivision)	-	4,700	4,700
Preliminary Meeting (Site Plan)	-	2,300	2,300

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## **4. BUILDING PERMITS, SIGN PERMITS AND ZONING FEES REVIEW**

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## **4. BUILDING PERMITS, SIGN PERMITS AND ZONING FEES REVIEW**

### **4.1 Staff Capacity Utilization Results**

Similar to the analysis undertaken for City Planning, the fee review for building permits, sign permits and zoning fees considers the application activity and characteristics witnessed over the 2008-2010 period. Typical processing effort estimates were provided for each fee costing category and these estimates were reviewed against the City current resource capacity and estimates in other municipalities to ensure reasonableness. As illustrated in Table 4-1, building permit applications have remained relatively constant over the 2008-2010 period, totalling 3,400 permits annually on average. Based on this information approximately 55% of the City's annual building permit volumes relate to alteration permits for residential (Part 9) and non-residential (Part 3) buildings.

Average processing time estimates were provided by City staff reflecting their involvement in each permit type. The average time per permit is approximately 1,832 minutes per application. Applying these average processing time estimates to the historic building permit volumes produces the annual corporate activity related to building permits. In this regard, the residential and non-residential alteration permits still represent a significant share of overall activity (and therefore service costs) at 49% of total effort. On this basis new residential building permits represent the next largest share of effort at approximately 22% of annual effort. The remaining 30% of annual resource effort is allocated to high density residential, residential additions, non-residential and other ancillary permits.

**Table 4-1**  
**Historic Building Permit Applications by Type**  
**and Average Processing Effort Estimates**

Annual Building Permits	2008	2009	2010	Average	Distr.
Assembly/Institutional	25	19	25	23	0.7%
Residential - Highrise	15	5	-	7	0.2%
Residential - Addition	254	422	403	360	10.7%
Residential - New	443	537	364	448	13.3%
Business/Mercentile	34	28	13	25	0.7%
Industrial	11	20	28	20	0.6%
Alterations	1,902	1,702	1,939	1,848	54.9%
Other	644	575	693	637	18.9%
<b>TOTAL</b>	<b>3,328</b>	<b>3,308</b>	<b>3,465</b>	<b>3,367</b>	<b>100.0%</b>

Processing Time/Permit (mins.)	2008	2009	2010	Average
Assembly/Institutional	4,130	3,903	4,583	4,205
Residential - Highrise	32,289	32,289	-	21,526
Residential - Addition	2,293	2,293	2,293	2,293
Residential - New	2,990	2,984	2,983	2,986
Business/Mercentile	4,561	5,237	5,518	5,105
Industrial	4,436	5,374	5,391	5,067
Alterations	1,627	1,618	1,641	1,629
Other	661	718	771	717
<b>TOTAL</b>	<b>1,869</b>	<b>1,882</b>	<b>1,750</b>	<b>1,834</b>

Annual Processing Time (mins.)	2008	2009	2010	Average	Distr.
Assembly/Institutional	103,244	74,162	114,569	97,325	1.6%
Residential - Highrise	484,337	161,446	-	215,261	3.5%
Residential - Addition	582,424	967,649	924,082	824,718	13.4%
Residential - New	1,324,504	1,602,423	1,085,818	1,337,581	21.7%
Business/Mercentile	155,074	146,639	71,738	124,484	2.0%
Industrial	48,795	107,471	150,948	102,405	1.7%
Alterations	3,095,105	2,753,550	3,182,164	3,010,273	48.8%
Other	425,627	412,892	534,019	457,513	7.4%
<b>TOTAL</b>	<b>6,219,110</b>	<b>6,226,232</b>	<b>6,063,336</b>	<b>6,169,560</b>	<b>100.0%</b>

Sign permit application volumes have also remained relatively constant over the 2008-2010 period. The City has introduced a portable sign on-line application process for road allowances and private property signs. Approximately 90% of current applications are being processed on-line. These application volumes form part of the overall application mix, i.e. reducing the number of applications submitted at the counter. In total annual applications averaged approximately 4,710 permits annually, with the majority 92% (4,320 permits) attributable to portable sign permits. Permanent Signs and Sign Variance represent the remaining 8% of annual activity. Applying the effort estimates provided by City staff, portable signs account for

approximately 80% of application processing time annually, with permanent signs and sign variance accounting for the other 20%. In addition a significant amount of effort is currently deployed by the City on Sign Removal processes for which the City does not impose fees.

Zoning application fees considered within the review includes Pre-application Zoning Review, differentiated for residential and non-residential building permit process; Zoning Letters; Zoning Certificate of Occupancy Processes and Swimming Pool Review Processes. In terms of volume of activity, Zoning Certificate of Occupancy Processes represent approximately 70% of annual volumes (or 660 applications annually) for these costing categories. Swimming Pool Review Processes account for the next largest share at 20% of volumes, with Zoning Letters accounting for 10%. Pre-application zoning review volumes are negligible. In applying the effort estimates provided by staff, Zoning Certificate of Occupancy Processes represents approximately 80% of total processing effort across these categories.

Table 4-2 summarizes the number of full time equivalent (FTE) positions attributable to building permits, sign permits and zoning application processes across the organization by business unit. For building permit processes, the Building Division represents the majority of effort with 75% of the total FTEs allocated to these processes. Planning and Building Business Services account of 11% of total FTEs attributable to annual building processes and Fire represents approximately 8%. Similarly the signs inspection group and zoning examiners represent the majority of FTE deployed against their respective service categories, at 82% and 84% respectively.

The following observations are provided based on the results of the capacity analysis presented in Table 4-2:

- In total approximately 78% of the City Building Division is directly attributable to processing and enforcement activities under the *Building Code Act*. This includes the directors and administrative staff, plans examination services (both building and mechanical and zoning), and building inspection services (including building, mechanical and signs)

**Table 4-2**  
**Building Permit, Sign Permit and Zoning Fee Resource Utilization**  
**by Business Unit (in Full Time Equivalents)**

Full Time Equivalents	Building Permits	Signs	Zoning	Total
P&B Business Services	7.46	0.80	0.61	13.55
Development & Design	-	0.08	-	24.35
Planning Policy	-	-	-	4.99
Building - Admin	1.47	0.01	0.11	1.63
Building- Zoning	5.75	-	3.65	10.43
Building - Plans Exam.	13.44	-	-	13.44
Building - Inspection	29.82	0.10	-	29.94
Building - Signs	0.85	4.57	-	5.42
Fire	5.69	-	-	5.82
T&W	3.58	0.05	-	11.38

- Plans Examination Services, approximately 85% of building and mechanical services are being allocated to building permit processes based on 2008-2010 activity levels. The zoning examination group is approximately 87% utilized with 48% allocated to building permits, 30% to zoning applications and 9% allocated to planning applications.
- Building Inspections Services, approximately 73% of building and mechanical service resources are allocated to Building Code related matters and permits. Sign inspection services is approximately 77% allocated with 65% of resources allocated to sign permits and the remaining 12% allocated to signs inspection activities under the authority Building Code.
- Fire Services resources dedicated to the building permits accounts for slightly less than 6 FTEs annually, or 15% of resources within the Fire Prevention and Life Safety Division.
- Planning and Building Business Services provides direct input into the various development review processes. In total 50% of services are directly attributable to development review processes with 28% of resources allocated to building permit processes, 3% allocated to sign permits, 2% to zoning applications and 17% to planning applications.
- Transportation and Works Departments contributes approximately 3.6 FTE's to building permit processes. Development Construction represents the largest share of this

allocation with approximately 49% of 8 positions being deployed to building permit operations.

## **4.2 Consolidated Full Cost Building, Signs and Zoning Fees**

Table 4-3 documents the City's annual costs of providing building permit, sign permit and zoning application processing services by cost component. The annual costs reflect the organizational direct, indirect and capital costs associated with processing applications at average historic volumes levels for the period 2008-2010. These costs are based on 2011 budget estimates and are compared with revenues derived from current application fees applied to average application volumes and charging parameters. To assess overall cost recovery levels, historic application were reviewed from the City's MAX database 2008-2010 period used in the capacity analysis. For building permits, average size estimates and revenue estimates were provided allowing for the measurement of both cost/revenue impact on a per application basis and calculated cost/fee per square metre impacts. These average revenues per application type assumptions were subsequently applied to the annual application volume assumptions in the capacity analysis to generate comparable aggregate revenues.

In total, average historic building permit volume for the 2008-2010 period, the City's building permit fees are currently recovering approximately 86% of full costs (i.e. \$7.6 million of \$8.9 million in annual costs). Approximately 79% of annual costs are for direct processing service costs. Indirect and capital costs account for the remaining 21% of total annual costs.

In aggregate sign permit fees are presently recovering 81% of total annual program costs. Fees currently in place for portable signs, permanent signs and sign variances are currently recovering full costs of service. However, as noted previously, approximately \$118,000 in annual costs relate to the City's sign removal program for which no fees are currently imposed. The annual costs of the sign program are distributed 75% for direct costs, 20% indirect costs and approximately 5% for annual capital costs.

In total, annual program costs for zoning activities are approximately \$560,000. Fees currently imposed for zoning letters and zoning certificates of occupancy recover approximately \$110,000 in revenue annually against these program costs (or 19% cost recovery). In addition, processing costs related to pre-application zoning review is recovered under the City's building permit fees. Swimming pool review processing costs included in the model represent only a

portion of the overall service costs which have not been fully investigated herein as these were deemed to be outside of the scope of this undertaking. As such, measuring cost recovery performance for zoning letter and zoning certificate of occupancy processes only, the City's current level of cost recovery for these service costs is approximately 21%.

**Table 4-3**  
**Consolidated Building Permit, Sign Permit and Zoning Fees Modeling Impact**  
**(2011\$ in millions)**

Cost Component	Annual Building Permit Fees Costs/Revenues	Annual Sign Permit Fees Costs/Revenues	Annual Zoning Fees Costs/Revenues
Direct	7.00	0.47	0.44
Indirect	1.53	0.13	0.10
Capital	0.35	0.03	0.02
<b>Total Full Costs</b>	<b>8.88</b>	<b>0.63</b>	<b>0.56</b>
Existing Fees Revenue	7.59	0.51	0.11
<b>Net Position</b>	<b>1.29</b>	<b>0.12</b>	<b>0.45</b>

Table 4-4 summarizes the average annual costs and revenues presented above by broad costing category. Based on average historic permit volume levels for 2008-2010 and average processing effort estimates, alteration and residential permits represent 87% of total annual costs and 72% of total annual revenues. While building permit fees are currently recovering 86% of total processing costs annually, Alteration and residential addition permits are recovering approximately 35% of costs. These levels of under recovery for alteration and addition permits are not uncommon within the industry, however due to the volume of annual activity related to this represents approximately \$3.6 million in annual costs that need to be recovered from other fees or sources. It is further noted that at present building permit levels current building permit fees are not providing sufficient funds to provide for reserve fund contributions to sustain the City service.



**Table 4-4**  
**Building Permit, Sign Permits and Zoning Fees Modeling Impacts by Application Type**  
**(2011\$, in millions)**

Application Type	Total Annual Costs (\$)	Total Annual Revenues (\$)	Cost Recovery (%)
<b><u>Building Permit Fees</u></b>			
Assembly/Institutional	0.14	0.57	420%
Residential Apartment	0.31	1.35	434%
Residential Addition	1.20	0.50	42%
Residential New	1.94	2.21	114%
Business/Mercantile	0.18	0.80	450%
Industrial	0.15	0.34	235%
Alterations	4.32	1.40	32%
Other	0.66	0.42	63%
<b>Building Permit Fees Total</b>	<b>8.88</b>	<b>7.59</b>	
<b><u>Sign Permit Fees</u></b>			
Portable Signs	0.41	0.43	105%
Permanent Sign	0.07	0.04	57%
Sign Variance	0.03	0.04	113%
Sign Removal	0.12	n/a	n/a
<b>Sign Permit Fees Total</b>	<b>0.63</b>	<b>0.51</b>	
<b><u>Zoning Fees</u></b>			
Pre-Application Zoning Review	0.01	incl. In BP	n/a
Zoning Letters	0.02	0.01	43%
Swimming Pool Review Process	0.05	n/a	n/a
Zoning Certificate of Occupancy Process	0.49	0.10	20%
<b>Zoning Fees Total</b>	<b>0.56</b>	<b>0.11</b>	

### 4.3 **Building Code Act Reserve Fund Design**

*Building Code Act* municipal financial reporting regulations recognize the legitimacy of creating a municipal reserve fund(s) to manage Building Code responsibilities. While the Act does not prescribe a specific methodology for determining an appropriate reserve fund, municipalities have developed building permit reserve funds to providing service stabilization. The City of Mississauga currently has a Building Permit Reserve Fund established for this purpose. The current balance within the reserve fund is approximately \$49,000.

Developing a strategy for service stabilization moving forward, the building permit reserve fund should be developed 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 severe 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. A reserve fund stabilization policy will provide the City with the ability to retain a sustainable portion of the qualified staff across a future economic downturn, while recognizing the City's need to manage resources either through resource management until permit volumes improve during an economic recovery

Based on our experience in measuring the impacts on future service levels, it is recommended that the City develop a reserve fund strategy and pricing to accumulate 1.5-2.0 years direct costs in a building permit reserve fund. Recognizing the general timing of economic cycles an accumulation period of approximately 6 to 7 years in achieving this target would be prudent. Reflecting current direct costs of \$7.0 million annually would suggest at target of \$10.5-\$14.0 million or an annual contribution of \$1.5-\$2.3 million. On this basis, building permit fee adjustments would have achieved annual revenues of \$10.4-\$11.2 million annually.

#### **4.4 Full Cost Recovery Fee structure (Option 1)**

Based on the foregoing, the City's building permit fees are generally recovering 86% costs of processing. However, the City's current building permit reserve fund has been depleted with the recent decline in building permit activity and the fee structure adjustments need to resolve the current under recovery as well as provide for future reserve fund contributions to sustain operations. To achieve this position, the City needs to address the significant under recovery of Part 3 and Part 9 alteration permits and residential additions, and provide for reserve fund contributions while remaining competitive within the development market. The recommended fee structures provided herein are based on the activity based costing model and average application revenues and characteristics generated from the City's MAX database which underlie building permit activities during the 2008-2010 period.

Table 4-5 compares the City's current building permit fees and building permit rates within selected peer GTA municipalities<sup>1</sup>. In most cases, the City's current building permit fees are below the average of the municipal comparators. Only with respect to permits for Residential - Detached/Semi Detached/Townhouse (>400 m<sup>2</sup>) and Residential - Addition (Detached/Semi/Townhouse) is the City's current fees higher than the municipal average. With respect to the permit categories where the City is significantly under-recovery its costs of service:

- Part 3 Alterations – full cost rate per square meter is \$9.20 compared to current City building permit fees of \$2.95/sq.mt. Based on historic activity levels this results in an annual under recovery of approximately \$1.9 million annually. Increasing the price of these permits to full cost, comparable with the Town of Oakville \$9.48/sq.mt. and Burlington \$8.12/sq.mt. would address the annual shortfall.
- Part 9 Alterations – full cost rate is approximately \$11.29/sq.mt. This compares with the City existing fee of \$3.00/sq.mt., which produces an annual under recovery of approximately \$590,000. The average fee for the municipal comparators is \$3.67/sq.mt. The highest fee is the City of Oshawa at \$5.30/sq.mt. Increasing the fee to top end of range (i.e. \$5.30/sq.mt.) would reduce this annual shortfall to approximately \$430,000 annually, securing an additional \$160,000 in annual revenue.
- Other Alterations – full cost rate is approximately \$7.11/sq.mt., compared with the City's current fee of \$2.95/sq.mt. Increasing the fee to top end of range, i.e. \$6.60/sq.mt. would decrease the current annual shortfall of \$380,000 annually to \$50,000 annually, or an increase in revenue of approximately \$330,000.
- Residential Additions – The City's current fee of \$9.35/sq.mt. is greater than the municipal comparator average and generally higher than all of the surveyed municipalities. At current rates, residential addition permits are generating annual shortfalls of \$690,000 annually. Increasing the City's current fee by 25% to \$11.70/sq.mt. would provide additional revenues of \$126,000 annually; however this would place the City amongst the highest in the comparator group.
- Small Residential Permits – Building permits for Detached/Semi-Detached (<400 m<sup>2</sup>) and Townhouse (<400 m<sup>2</sup>) are producing costs in excess of the City's current fees. For the former the cost is approximately \$14.27/sq.mt. and the latter \$21.06/sq.mt. This compares with the City's current fees of \$11.05/sq.mt. Based on the rates in the comparator municipalities a rate of \$14.27/sq.mt. for a detached/semi-detached (<400

<sup>1</sup> Municipal comparison rates reflect mid-point average rates within respective fee categories.

m2) would place the City higher than the comparator average but below that of the City of Toronto at \$15.08. This would eliminate the current shortfall related to these permits of \$360,000 annually. Moreover, increasing the townhouse (<400 m2) permit fee to the high-end of the range equal with the City of Toronto at \$15.08/sq.mt. would reduce the annual shortfall associated with these permit types by \$2,000 annually.

In total, these fee adjustments would provide the City with \$2.9 million in additional revenue annually based on average annual building permit activity levels experienced between 2008-2010. Moreover, as identified in the introduction to this chapter, these permit applications generate a significant amount of City costs and appear to be relatively stable. It should be noted however that in discussions with City Building staff and other building departments in the GTA, it is a common assertion that increasing alteration permit fees may have the product of increasing enforcement activities related to individuals building without permits.

**Table 4-5**  
**Market Comparison of Municipal Building Permit Fees**  
**(for selected comparator municipalities)**

Permit Categories	Current Fee per Sq.Mt.	Market Average Fee per Sq.Mt.	Brampton	Toronto	Oakville	Markham	Vaughan	Burlington	Oshawa
<b>Building Permit Fees</b>									
Assembly	12.78	16.69	13.75	15.95	23.10	14.30	12.38	19.29	18.04
Institutional	17.25	19.67	19.00	26.75	18.16	16.91	15.50	21.91	19.45
Residential - Apartment	9.80	13.86	15.00	23.88	17.62	9.36	9.00	12.31	9.84
Residential - Detached / Semi Detached/ Townhouse (>400 m2)	13.40	12.06	11.50	15.08	13.49	12.86	9.38	11.50	10.60
Residential - Detached / Semi Detached (<400 m2)	11.05	12.10	12.50	15.08	13.49	11.80	9.75	11.50	10.60
Residential - Townhouse (<400 m2)	11.05	12.01	10.50	15.08	13.49	13.92	9.00	11.50	10.60
Residential - Addition (Detached / Semi / Townhouse)	9.35	5.76	4.00	3.77	13.49	7.05	2.75	4.14	5.11
Business and Personal Service - Shell	10.23	12.08	11.00	15.80	14.07	10.07	8.75	14.14	10.71
Business and Personal Service - Finished	12.65	15.34	14.50	19.87	17.39	12.99	11.00	18.25	13.39
Mercantile - Shell	8.75	10.50	11.00	12.80	13.16	8.46	7.00	11.38	9.73
Mercantile - Finished	10.75	13.06	14.50	16.87	13.16	11.08	9.25	14.33	12.25
Industrial - Shell	8.07	6.96	6.50	6.10	9.17	8.55	5.40	7.85	5.14
Industrial - Finished	7.65	10.49	9.63	13.02	10.58	9.06	7.65	13.22	10.27
Part 3 Building Alterations	2.95	5.77	3.60	3.92	9.48	5.31	3.88	8.12	6.16
Part 9 Building Alterations	3.00	3.67	4.00	3.77	3.71	3.02	2.75	3.16	5.30
Other Building Alterations	2.95	3.94	3.50	3.92	6.60	4.17	3.32	2.15	n/a

The fee adjustments identified above would produce \$2.9 million in additional revenues and increase the City's current fee recovery levels to full costs, as well as provide for an estimated annual reserve fund contribution of \$1.6 million annually. Based on the policy rationale to provide for annual reserve contributions of \$1.5-\$2.3 million annually, additional building permit fee increases of 5% over current rates are suggested. The 5% fee increase for Residential - Detached/Semi-Detached/Townhouse (>400 m2) is not being recommended as the City's current fee exceeds the municipal comparator average is comparable to top of range fees.

Table 4-6 provides the estimated annual cost/revenue impact based on the recommended fee structure adjustments for building permit fees.

**Table 4-6**  
**Estimated Revenue Impact for Building Permit Fee Structure Adjustments**

Permit Categories	Average Annual Sq.m./ Permits	City's Current Fee/Sq.mt. Permit (\$)	Recommended Fee/Sq.mt. Permit (\$)	Fee Adjustment %	Total Annual Costs (\$)	Total Annual Revenue (\$)
<b>Building Permit Fees</b>						
Assembly	26,768	12.78	13.41	5%	111,533	359,054
Institutional	13,419	17.25	18.11	5%	25,025	243,046
Residential - Apartment	137,305	9.80	10.29	5%	309,781	1,412,867
Residential - Detached / Semi Detached/ Townhouse (>400 m2)	73,267	13.40	13.40	0%	348,411	981,776
Residential - Detached / Semi Detached (<400 m2)	110,565	11.05	14.27	29%	1,577,454	1,577,454
Residential - Townhouse (<400 m2)	474	11.05	15.08	36%	9,984	7,148
Residential - Addition (Detached / Semi / Townhouse)	53,950	9.35	11.69	25%	1,195,810	630,541
Business and Personal Service - Shell	28,000	10.23	10.74	5%	32,659	300,615
Business and Personal Service - Finished	21,116	12.65	13.28	5%	59,920	280,479
Mercentile - Shell	20,018	8.75	9.19	5%	67,187	183,913
Mercentile - Finished	6,535	10.75	11.29	5%	17,872	73,761
Industrial - Shell	22,915	6.07	6.37	5%	22,031	145,970
Industrial - Finished	26,637	7.65	8.03	5%	123,805	213,959
Part 3 Building Alterations	311,013	2.95	9.20	212%	2,861,261	2,861,261
Part 9 Building Alterations	71,564	3.00	5.30	77%	808,134	379,292
Other Building Alterations	90,865	2.95	6.60	124%	646,310	599,252
Occupancy of Unfinished Building	155	980	1,028.69	5%	346,266	159,104
Conditional	38	1,442	1,514.18	5%	49,959	57,034
Demolition	110	101	106.43	5%	104,000	11,743
Sign Fascia	5,943	25.00	26.25	5%	116,382	156,015
Sign Ground	2,082	25.00	26.25	5%	44,837	54,660
<b>Building Permit Fees Total</b>	<b>1,022,739</b>	<b>2,723</b>	<b>2,878</b>		<b>8,878,621</b>	<b>10,688,943</b>

Based on the model results the following fee recommendations are provided for sign permit fees and zoning fees:

- Sign permit fees remain unchanged as current fees for all costed fees generally recover the full costs of processing. Consideration may be given to introducing fees for sign removal activities to mitigate the annual \$118,000 in costs. However, in discussion with City staff it was communicated that the additional costs associated with documenting the signs removed, identifying the parties responsible and collecting these fees will exceed potential revenues. This is due, in part, to the majority of companies responsible for the erection of signs not being registered businesses or being untraceable. The City had similar experiences with the implementation of sign removal fees for the 2006 Federal and Municipals Elections, which resulted in the removal of such fees from the Sign By-law in 2007.

- Pre-application zoning review fees should be introduced separate from building permit fees. This would provide cost recovery for separate applicable law approvals prior to building permit activities. Based on the costing analysis, a charge of \$380 per application is recommended.
- Zoning letters are currently recovery 43% of processing costs. It is recommended that fees be increased from \$100 per application to \$235 per application based on the costing analysis.
- Zoning certificate of occupancy fees are currently recovering 20% of full costs. Based on the costing analysis, to achieve full cost recovery, these fees should be increased to \$735/application from current fee levels of \$150/application.
- The full cost results for swimming pool review processes are approximately \$260/application. The City may consider introducing a separate fee to recover these costs, similar to those being recommended for pre-application zoning reviews or undertake a further costing analysis to identify other municipal input costs related to this process.

#### **4.5 Full Cost Recovery Fee structure - Adjusted for Market Considerations (Option 2)**

Similar to the planning application fees, subsequent discussions were undertaken with the Project Team with respect to the full cost recovery building permit fee impacts. Based on these discussions a second fee structure option has been provided. The fee structure adjustments reduce the increases proposed for alteration permits under the full cost recovery fee structure option. In addition, the fee structure adjustments take into consideration the market circumstances specific to the City of Mississauga, such as the established relationships between shell and finished permits. This fee structure option also considers the typical permit types processed within the City, as opposed to those suggested based on mid-point market averages.

Table 4-7 presents the building permit fee recommendations for this fee structure option and the associated net revenue impact. The market adjusted fee structure option (Option 2) would produce estimated annual revenues of \$9.67 million compared with \$10.69 million under the full cost recovery rates structure option (i.e. Option 1), based on underlying activity levels. Moreover, the annual reserve fund contribution would decline from \$1.8 million annually to approximately

\$0.8 million, resulting in an accumulation period of 13-18 years to achieve the desired reserve fund multiple and another economic downturn would likely occur within this period. In discussions with City Building staff it was suggested that the mix of future building permit activity may be more heavily weighted to new part 3 and residential highrise applications, which if it was to occur would increase the annual revenue estimates and reserve contributions.

**Table 4-7**  
**Estimated Revenue Impact for Building Permit Fee Structure Adjustments**  
**Sensitivity Analysis**

Permit Categories	Average Annual Sq.m / Permits	City's Current Fee/Sq.mt. Permit (\$)	Recommended Fee/Sq.mt. Permit (\$)	Fee Adjustment %	Total Annual Costs (\$)	Total Annual Revenue (\$)	Net Position (\$)
<b>Building Permit Fees</b>							
Assembly	26,768	12.78	15.00	17%	111,541	401,515	289,973
Institutional	13,419	17.25	19.00	10%	25,027	254,955	229,927
Residential - Apartment	137,305	9.80	14.50	48%	309,807	1,990,920	1,681,113
Residential - Detached / Semi Detached/ Townhouse (>400 m2)	73,267	13.40	13.40	0%	348,443	981,776	633,333
Residential - Detached / Semi Detached (<400 m2)	110,565	11.05	13.40	21%	1,577,596	1,481,575	(96,020)
Residential - Townhouse (<400 m2)	474	11.05	13.40	21%	9,985	6,352	(3,633)
Residential - Addition (Detached / Semi / Townhouse)	53,950	9.35	9.50	2%	1,195,919	512,525	(683,394)
Business and Personal Service - Shell	28,000	10.23	11.25	10%	32,662	315,000	282,338
Business and Personal Service - Finished	21,116	12.65	14.50	15%	59,924	306,188	246,264
Mercentile - Shell	20,018	8.75	10.50	20%	67,193	210,186	142,993
Mercentile - Finished	6,535	10.75	14.00	30%	17,874	91,486	73,612
Industrial - Shell	22,915	6.07	7.00	15%	22,033	160,407	138,374
Industrial - Finished	26,637	7.65	10.00	31%	123,815	266,367	142,552
Part 3 Building Alterations	311,013	2.95	4.75	61%	2,861,513	1,477,312	(1,384,201)
Part 9 Building Alterations	71,564	3.00	4.75	58%	808,216	339,931	(468,285)
Other Building Alterations	90,865	2.95	4.75	61%	646,372	431,607	(214,765)
Occupancy of Unfinished Building	155	980	1,028.69	5%	346,298	159,104	(187,194)
Conditional	38	1,442	1,514.18	5%	49,964	57,034	7,071
Demolition	110	101	106.43	5%	104,010	11,743	(92,268)
Sign Fascia	5,943	25.00	26.25	5%	116,387	156,015	39,628
Sign Ground	2,082	25.00	26.25	5%	44,839	54,660	9,821
<b>Building Permit Fees Total</b>	<b>1,022,739</b>	<b>2,723</b>	<b>2,882</b>	<b>4</b>	<b>8,679,417</b>	<b>9,656,657</b>	<b>787,239</b>

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## **5. IMPACT ANALYSIS OF FEE STRUCTURE ADJUSTMENTS**



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## 5. IMPACT ANALYSIS OF FEE STRUCTURE ADJUSTMENTS

### 5.1 Impact Analysis of Fee Structure Adjustments

In order to understand the impacts of the full cost recovery planning application and building permit fee structure options an impact analysis for sample developments has been prepared. Five development types have been considered, including:

- Site Plan Control and Zoning By-law Amendment applications for a retail building of 1,000 square meters;
- Site Plan Control and Condominium applications for a multi-residential building of 300 residential units;
- Residential Subdivision application of 200 single detached units;
- Site Plan Control application for an office building of 20,000 square meters; and
- Site Plan Control application for an industrial building of 10,000 square meters.

In addition to providing the fee impacts for the City of Mississauga, Figures 5-1 through 5-5 provide development fee comparisons for GTA municipalities. The development fee comparison includes planning application fees, building permit fees and development charges for each of the five development types. The comparison illustrates the impacts of the planning application and building permit fee structure options in the context of the total development fees payable to provide a broader context for the fee considerations.

#### **Retail Building (1,000 sq.mt.) - Site Plan Control and Zoning By-law Amendment applications (Figure 5-1)**

The current planning fees for this retail development would be \$39,680 (\$8,160 Site Plan + \$31,520 Zoning By-law Amendment). Imposing the full cost fee structure (Option 1) would result in a charge of \$79,400 (\$18,000 Site Plan + \$61,400 Zoning By-law Amendment) or an increase of \$39,720 (+100%). Building permit fee increase of 5% under the full cost fee structure option would add an additional \$438 increase to the application. The total combined increase would be \$40,158 (+83%) under the full cost recovery option.

The adjusted full cost recovery fee option (Option 2) planning fees would increase by \$19,920 or 50%, to total planning fees of \$59,600. Building permit fee increase would be higher than under the full cost recovery option, providing additional building permit fees of \$1,750. The total combined increase under Option 2 would be \$21,670 (+45%).

The impact of the two fee structure options on total development fees payable, including development charges, would be minimal compared to other GTA municipalities. This is due in part to the City favourable DC position relative to other GTA municipalities. In total the City's development fees would increase by 19% under the full cost recovery option (Option 1), moving the City from 23<sup>rd</sup> position to 21<sup>st</sup> position in the GTA. Under adjusted full cost recovery fee option (Option 2), the total input costs would increase by 10%, with the City moving to 22<sup>nd</sup> position within the GTA.

**Multi-Residential Building (300 units) - Site Plan Control and Condominium applications (Figure 5-2)**

On a per unit basis, the total planning fees applicable for a new multi-residential building submitting a Site Plan and Condominium application would increase by \$105 or 53% under Option 1. Under Option 2, the planning fees would increase by \$84/unit or 42%. Building permit fees would increase by \$46/unit or 5% under Option 1 and \$442/unit or 48% under Option 2. In total, the planning and building permit fee impacts for Option 1 is \$151/unit (+14%) and under Option 2 fees would increase \$526 (+47%). The higher increase under Option 2 is as a result of higher proposed building permit fee increases for this development category.

Including development charges, on a per unit basis the impact on the total development fee would result in a 1.7% increase under Option 2 and a 0.5% increase under Option 1. The total fee impact per unit is lower than the prior comparison as a result of development charges accounting for 95% of the total overall municipal input costs on this type of applicant.

**Residential Single Detached (200 units) – Subdivision application (Figure 5-3)**

A 200 unit single detached residential subdivision in the City of Mississauga would pay \$315 per unit in planning fees under the City's current fee structure. Building permit fees on a per unit basis total approximately \$1,850.

Option 1 fee structure would increase the planning application fees by \$510/unit to \$825/unit (an increase of 162%). The building permit fee per unit would increase by 29% or \$538 to

\$2,386/unit under Option 1. The implementation of the full cost recovery fee structure (Option 1) would see the City's total development fees increase by \$1,048/unit (or 48%). Including development charges, the increase of \$1,048/unit would equate to a 2.8% increase in the total development cost per unit.

The adjusted full cost fee structure (Option 2) would increase the planning application fees by \$310/unit to \$625/unit (increase of 98%). The building permit fee per unit would increase by 21% or \$393 to \$2,241/unit under Option 2. In total the development fees would increase by \$703/unit or 33% under this option. Including development charges, the overall development fee impact per unit would be 1.9% under this option.

**Industrial Building (10,000 sq.mt.) - Site Plan Control application (Figure 5-4)**

The current planning fees for an industrial site plan of 10,000 sq.mt. would be \$24,160. Imposing the fee structure under Option 1 would result in a charge of \$49,500, an increase of \$25,340 (or +105%). The 5% building permit increase under this option would add an additional \$2,700 to the application for a total increase of \$28,040 (+36%). Measuring the impact including development charges, the total input cost would increase by 2.1%. Under this option the City's position relative to the GTA would remain unchanged at 14<sup>th</sup> out of 25 municipalities.

Fee structure Option 2 total development fees for planning and building permit fees would increase to \$106,750, an increase of \$28,590 (or +37%). The planning fees would account for \$20,490 of the increase with the building permit fees accounting for \$8,100. The total increase of \$28,590 would result in a 2.2% increase in the total development fee, including development charges. The City's position relative to the GTA would remain unchanged at 14<sup>th</sup> out of 25 municipalities under Option 2.

**Office Building (20,000 sq.mt.) - Site Plan Control application (Figure 5-5)**

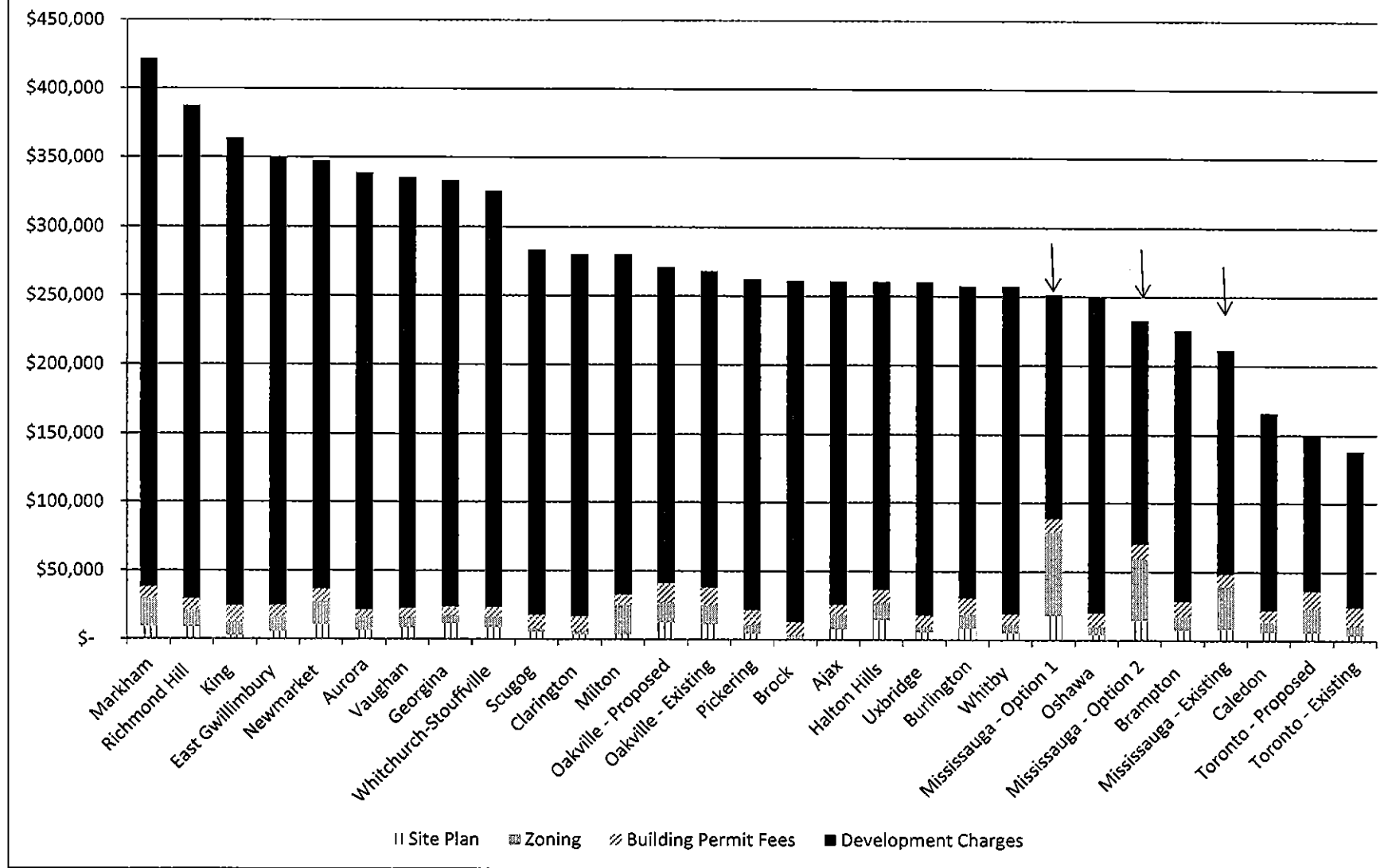
Figure 5-5 illustrates the development fee comparison for a 20,000 sq.mt. office building application submitting a site plan application. For this application type, the total planning fees would increase from \$32,160 to \$64,500 (\$32,340 or 101%) under fee structure Option 1. Under Option 2, the planning fees would increase to \$58,650 or an increase of \$26,490 (82%). Building permit fees would increase from \$194,000 under the current fee structure to \$203,700 under Option 1 and \$213,400 under Option 2. This represents an increase of \$9,700 (+5%) and \$19,400 (+10%) under the respective fee structure options.

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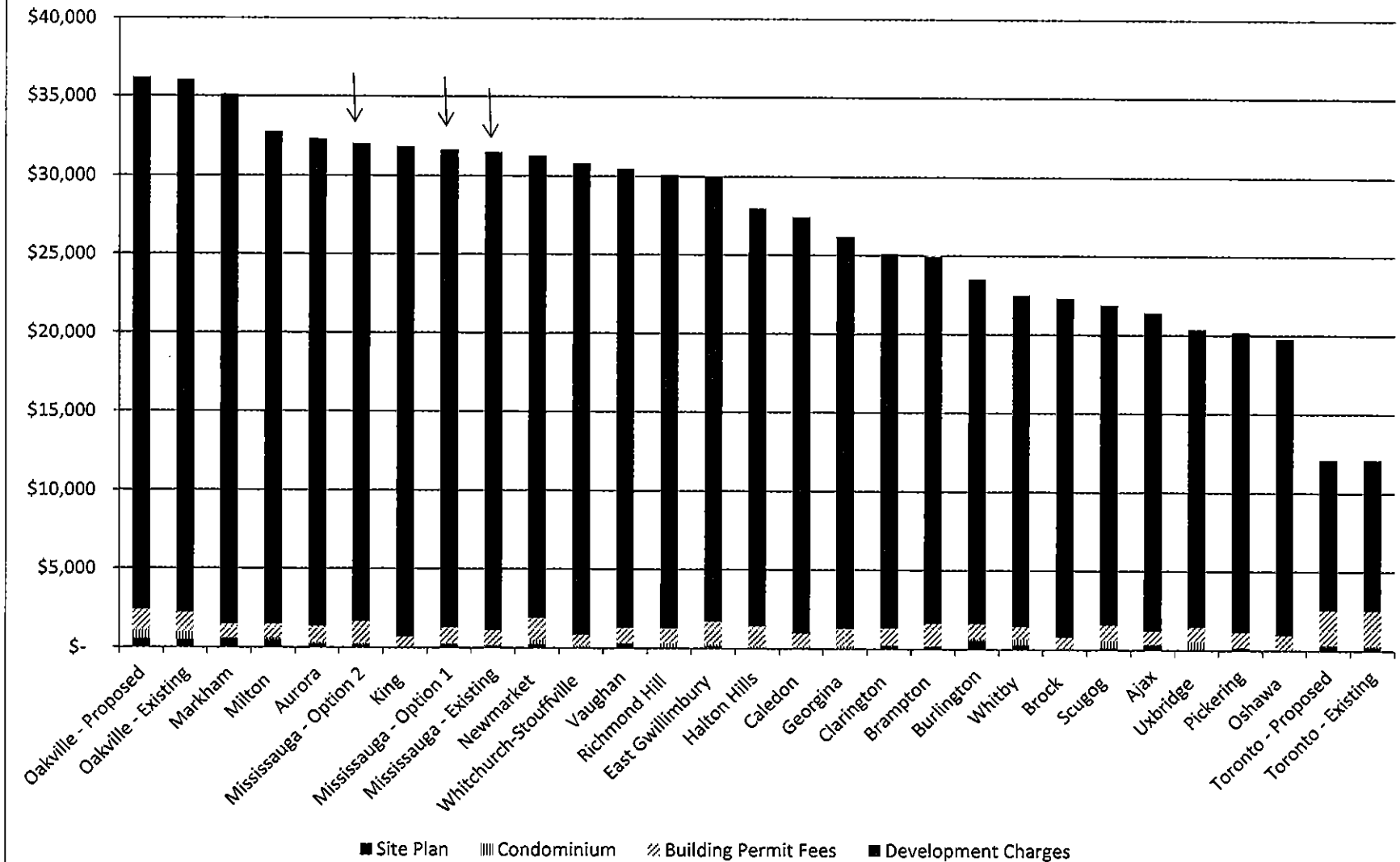
In total, the combined planning and building permit fee increases total \$42,040 (+19%) under Option 1 and \$45,890 (+20%) under Option 2. Including development charges the proposed increase of \$42,000-\$45,900 under the two fee structure options would produce an increase in total development fees of slightly more than 1%.

Based on the survey results, the full cost recovery fee structure option (Option 1) generally produces development fees greater than those provided under the adjusted full cost recovery fee structure (Option 2), except for the 300 unit multi-residential application (and to a lesser extent the industrial and office site plan applications). The fee impacts for smaller development application, such as the 1,000 sq.mt. retail development, will be greater than larger applications reflecting the fixed application processing cost realities. Finally, while the planning and building permit fee impacts under the two options are significant in most cases, when measured on a total development cost basis, including development charges, the overall cost impacts are nominal for large applications.

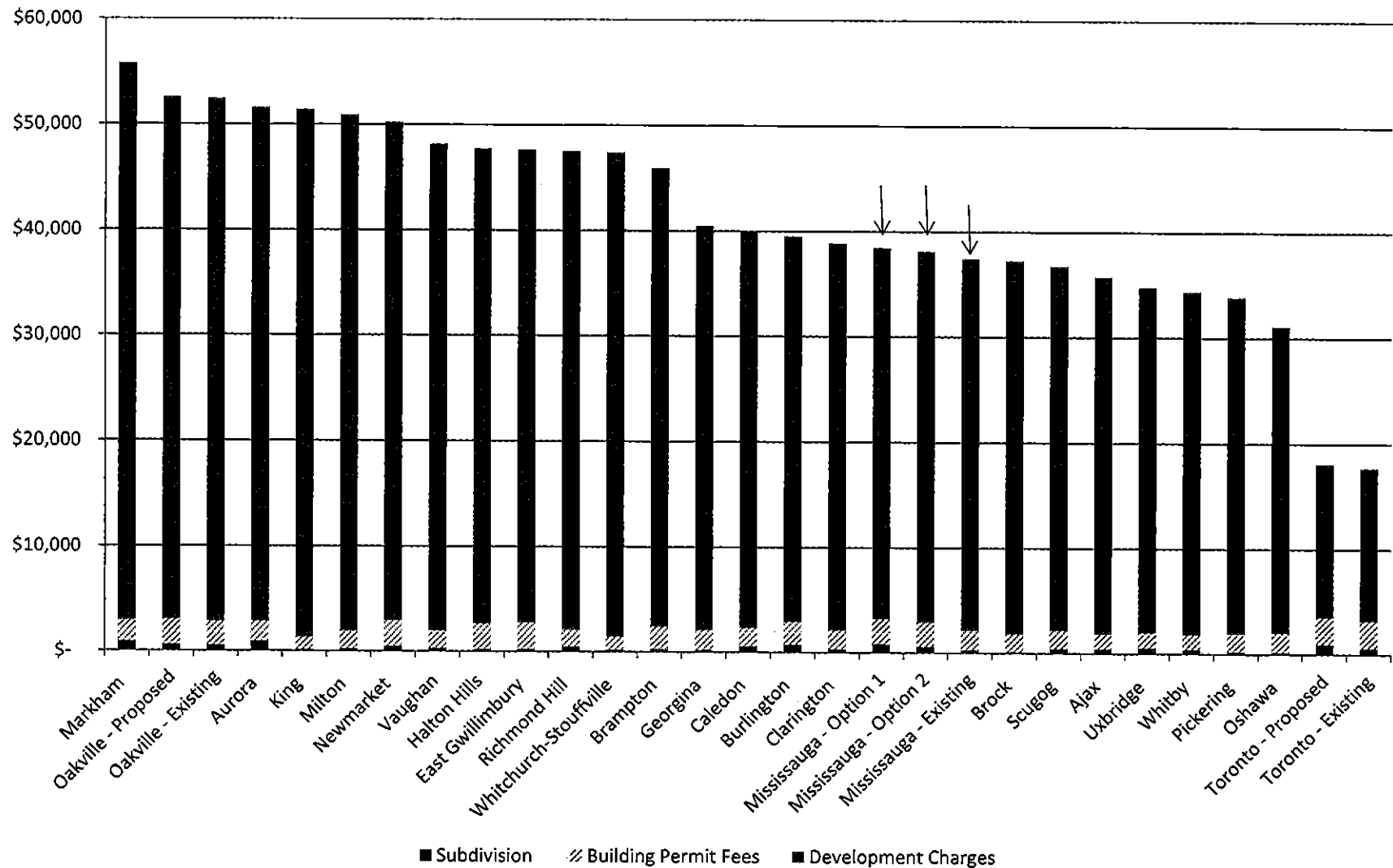
**Figure 5-1 - GTA Development Fee & DC Comparison  
1,000 m2 Retail Development**



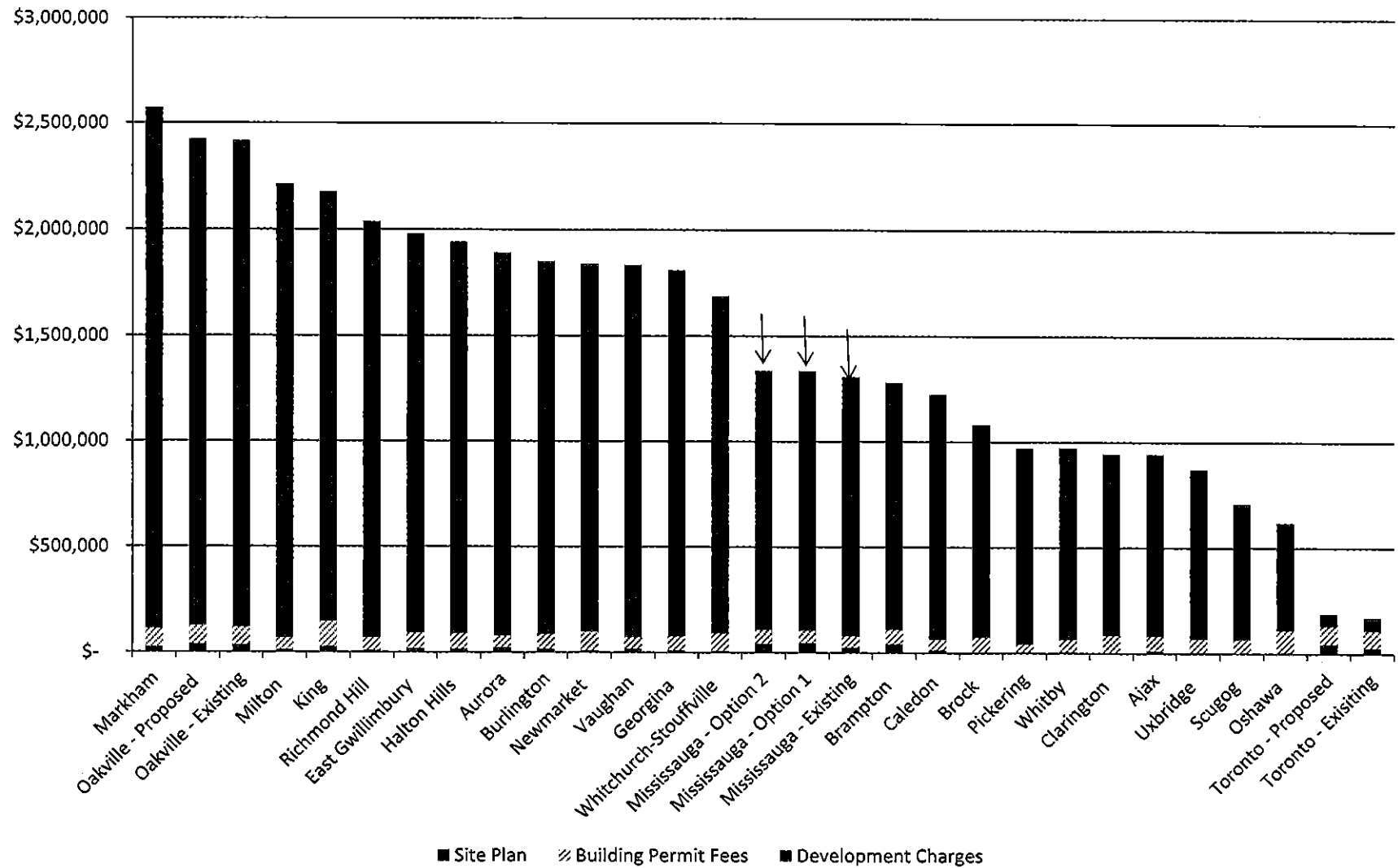
**Figure 5-2 - GTA Development Fee & DC Comparison  
300 Unit Condominium Development (cost per unit)**



**Figure 5-3 - GTA Development Fee & DC Comparison  
200 Single Dwelling Unit Subdivision (cost per unit)**

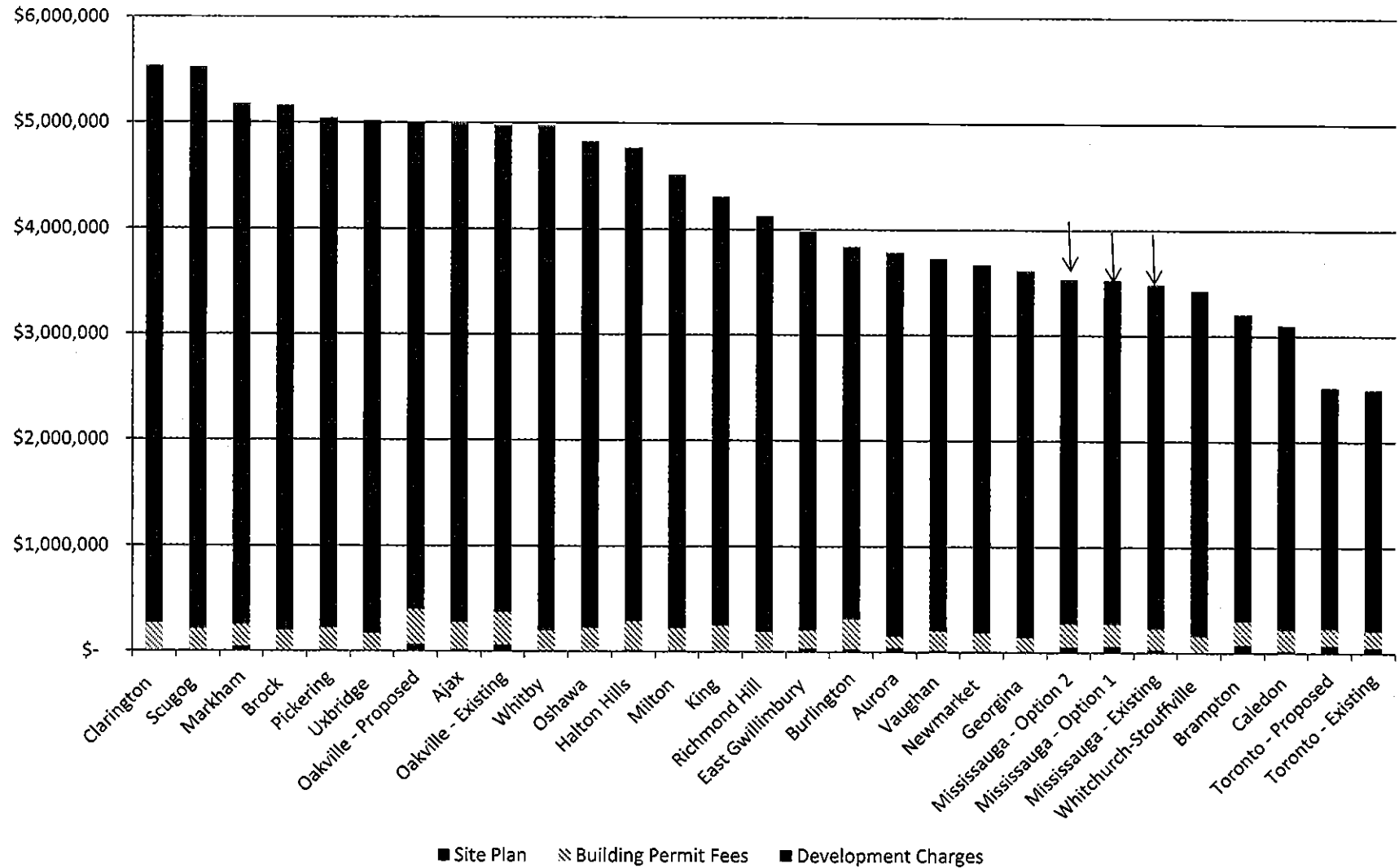


**Figure 5-4 - GTA Development Fee & DC Comparison  
10,000 m2 Industrial Development**





**Figure 5-5 - GTA Development Fee & DC Comparison  
20,000 m2 Office Building**



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## **6. DEVELOPMENT FEE REVIEW CONCLUSIONS**

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## **6. DEVELOPMENT FEE REVIEW CONCLUSIONS**

### **6.1 Conclusions**

This technical report summarizes the legislative context for the development fees review, the methodology undertaken, activity based costing results and the associated full cost recovery fee structure recommendations. Moreover, additional fee structure options have been provided as an alternative to the full cost recovery fee structure recommendations based on discussions with Project Team members. In developing the full cost recovery fee structure options careful consideration was given to the recent trends pertaining to planning fees, including recent comments of the Ontario Municipal Board concerning planning application fees. Building permit fee recommendations considered the mix of building permit application activity and service demands in addressing current under recovery of service costs and provisions for sustainable reserves. Sign permit and zoning fees recommendations considered alternatives for the introduction of new fees, in addition to fee structure recommendations.

The intent of the user fee review is to provide the City with fee structure alternatives for Council's consideration to appropriately recover the service costs from benefiting parties. The municipality will ultimately determine the level of cost recovery and phasing strategy that is suitable for their objectives.

The potential full cost recovery fee structure (Option 1) and adjusted full cost recovery fee structure (Option 2) recommendations are summarized below for the consideration of staff and City Council.

**Planning Application Fees**

Planning Application Type	Current Fees \$	Fee Structure Option 1 \$	Fee Structure Option 2 \$
<b>Official Plan Amendment (OPA)</b>	13,120	35,000	21,990
<b>Official Plan Amendment/Zoning By-law Amendment</b>			
- Base Fee	22,330	54,400	39,600
<b>Residential</b>			
- first 25 units	640	1,030	830
- for units 26-100 units	320	760	440
- for units 101-200 units	160	330	230
- for additional units beyond 200	80	160	110
- maximum fee	80,000	200,000	180,000
<b>Non-Residential</b>			
- Commercial/Institutional per sq.mt.	6.40	18.50	13.10
- Industrial/Office per ha.	4,160	5,660	4,010
- maximum fee	60,000	110,000	100,000
<b>Zoning By-law Amendment</b>			
- Base Fee	9,120	35,800	28,800
- Additional Base Fee (non-apartment, industrial)	16,000	-	-
<b>Residential</b>			
- first 25 units	640	1,330	1,060
- for units 26-100 units	320	1,020	820
- for units 101-200 units	160	610	480
- for additional units beyond 200	80	260	190
- maximum fee	80,000	200,000	180,000
<b>Non-Residential</b>			
- Commercial/Institutional per sq.mt.	6.40	25.60	16.30
- Industrial/Office per ha.	4,160	21,480	9,600
- maximum fee	60,000	110,000	100,000
<b>Site Plan Control</b>			
- Base Fee	4,560	11,000	7,800
<b>Residential</b>			
- first 25 units	320	550	530
- for units 26-100 units	240	330	320
- for additional units beyond 100	80	110	110
- maximum fee	50,000	95,000	75,000
<b>Non-Residential</b>			
-first 2,000 square metres,	3.60	7.00	6.70
- for square meters 2,001-4,500,	2.40	5.00	4.80
- for square meters 4,501-7,000,	1.60	3.00	2.90
- for additional square meters beyond 7,000.	0.80	1.50	1.40
- maximum fee	35,000	66,000	52,000
<b>Site Plan Minor/Surcharges</b>			
<b>Site Plan Inspection Fees</b>			
- Infill – initial inspection	250	650	440
- Infill – subsequent inspection	95	370	190
- Non-Infill – initial inspection	650	720	690
- Non-Infill – subsequent inspection	250	590	560
<b>Express Site Plan Approval</b>	320	600	300

**Planning Application Fees**

Planning Application Type	Current Fees \$	Fee Structure Option 1 \$	Fee Structure Option 2 \$
Site Plan Minor Building Alterations or Site Revisions	1,520	3,600	2,400
<b>Site Plan Minor Surcharges</b>			
- Planning and Building Landscape Inspection	600	600	600
- Transportation and Works Environmental Review	90	90	90
- Community Services Forestry Review	180	180	180
- Transportation and Works Development Engineering Review	240	340	340
- Transportation and Works Storm Drainage Review	100	120	120
- Community Services Fire Review	60	70	70
<b>Removal of Holding Symbol</b>			
- Base Fee	15,800	40,000	28,700
- Additional Fee - City Centre Area	12,320	19,400	14,100
<b>Part Lot Control Exemption</b>			
- Base Fee	1,300	1,300	1,300
- Per Lot	53	53	53
<b>Payment in Lieu of Off-Street Parking</b>	800	12,100	8,200
<b>Condominium Standard</b>			
- Base Fee	3,700	6,100	5,400
- per apartment unit	21.00	35.00	31.00
- per non-apartment or vacant lot	53.00	87.00	77.00
- per non-residential hectare	105.00	173.00	153.00
Common Element	7,680	17,000	12,400
<b>Subdivision</b>			
- Base Fee	4,300	11,500	7,800
- Detached, semi-detached and townhouse dwellings per unit	320	860	580
- All other residential, commercial or institutional uses per sq.mt.	1.60	4.30	2.90
- Industrial and Office uses per ha.	2,700	7,200	4,900
- maximum fee	48,000	160,000	120,000
<b>Surcharge Fees</b>			
<b>Environmental Impact Study (EIS)</b>			
- Environmental Review	1,600	1,600	1,600
- Minor EIS required	2,960	2,960	2,960
- Major EIS required	8,720	8,720	8,720
Parking Utilization Study	3,040	3,490	3,490
Forestry Inspection	90	90	90
Heritage	1,280	1,280	1,280
Telecommunication Towers	-	1,900	1,100
DARC Meeting (OPA/Rezoning and Rezoning)	-	5,400	5,400
DARC Meeting (Site Plan)	-	3,700	3,700
DARC Meeting (Subdivision)	-	4,700	4,700
Preliminary Meeting (Site Plan)	-	2,300	2,300

**Building Permit Fees**

Permit Categories	Current Fees \$/sq.mt.	Fee Structure Option 1 \$/sq.mt.	Fee Structure Option 2 \$/sq.mt.
<b><u>Building Permit Fees</u></b>			
Assembly	12.78	13.41	15.00
Institutional	17.25	18.11	19.00
Residential - Apartment	9.80	10.29	14.50
Residential - Detached / Semi Detached/ Townhouse (>400 m2)	13.40	13.40	13.40
Residential - Detached / Semi Detached (<400 m2)	11.05	14.27	13.40
Residential - Townhouse (<400 m2)	11.05	15.08	13.40
Residential - Addition (Detached / Semi / Townhouse)	9.35	11.69	9.50
Business and Personal Service - Shell	10.23	10.74	11.25
Business and Personal Service - Finished	12.65	13.28	14.50
Mercentile - Shell	8.75	9.19	10.50
Mercentile - Finished	10.75	11.29	14.00
Industrial - Shell	6.07	6.37	7.00
Industrial - Finished	7.65	8.03	10.00
Part 3 Building Alterations	2.95	9.20	4.75
Part 9 Building Alterations	3.00	5.30	4.75
Other Building Alterations	2.95	6.60	4.75
Occupancy of Unfinished Building	980	1,029	1,029
Conditional	1,442	1,514	1,514
Demolition	101	106	106
Sign Fascia	25.00	26.25	26.25
Sign Ground	25.00	26.25	26.25

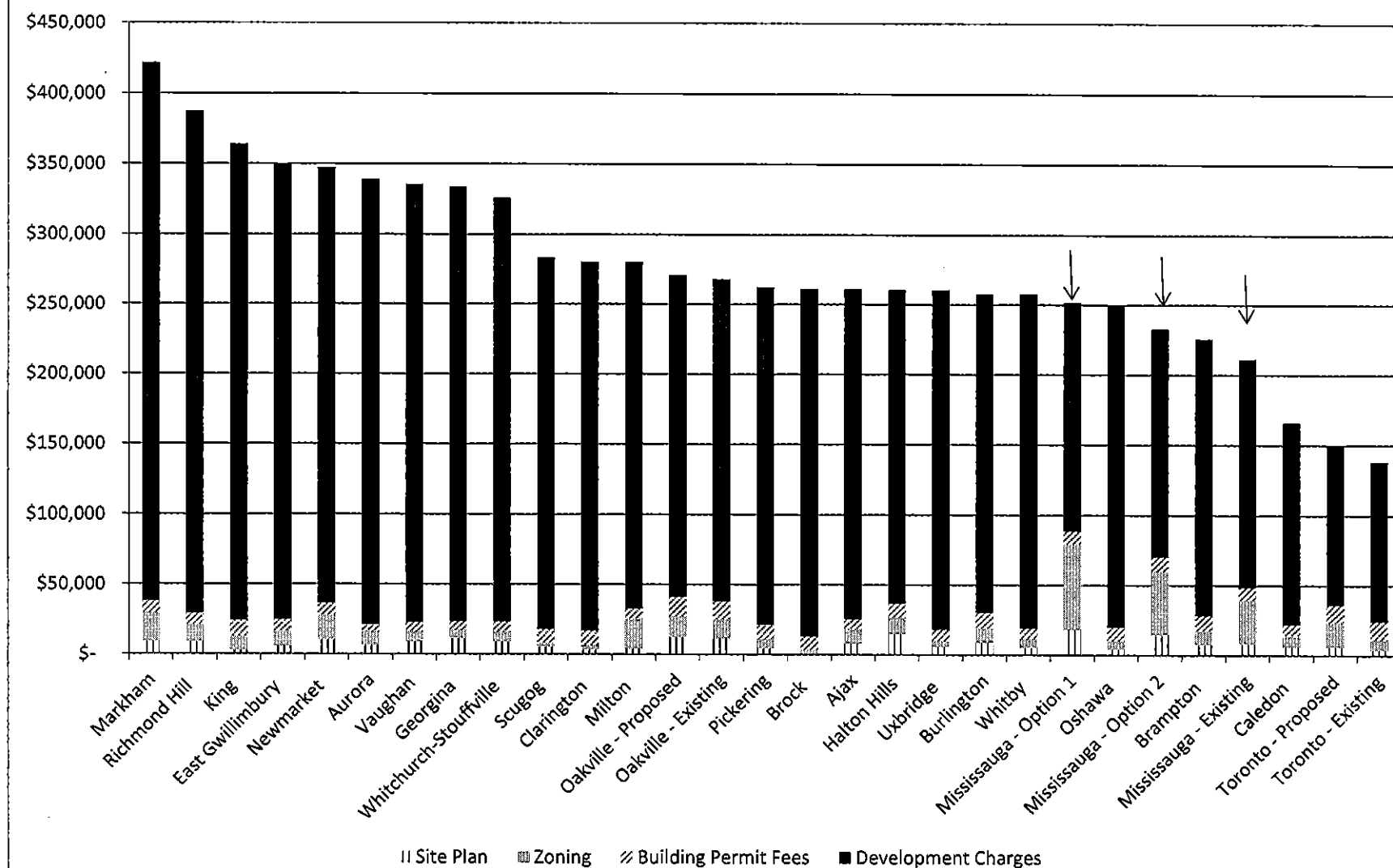
**Sign Permit Fees**

- Sign permit fees remain unchanged
- Consideration may be given to introducing fees for sign removal activities to mitigate the annual \$118,000 in costs. However, based on the circumstances related to imposing these fees and the City's unsuccessful experience imposing similar fees for the 2006 Federal and Municipal Elections, further analysis and consideration would be required.

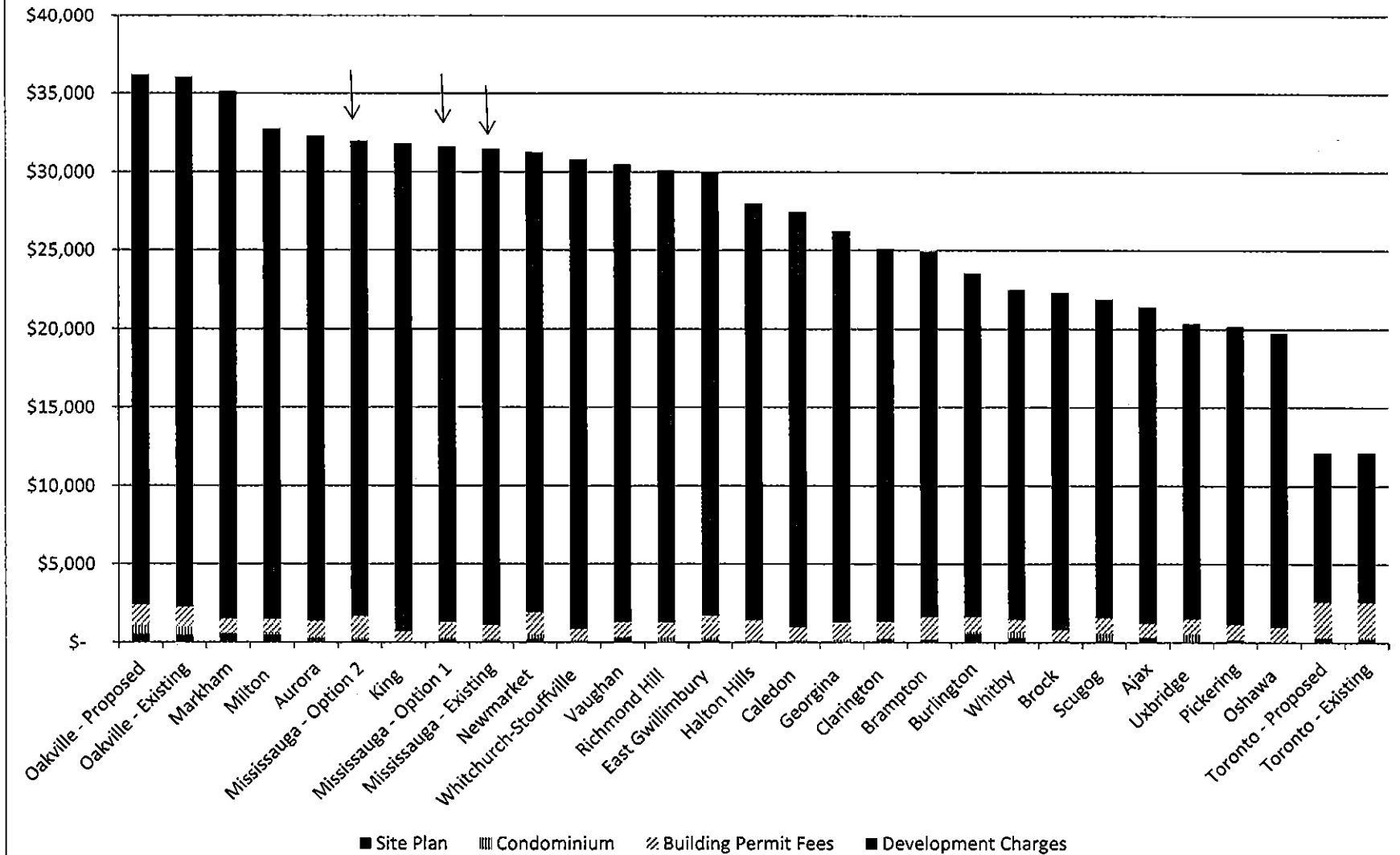
**Zoning Fees**

- Pre-application zoning review fees should be introduced separate from building permit fees at a rate of \$380 per application
- Zoning letters - increase current fees to \$235 per application
- Zoning certificate of occupancy fees – increase current fees to \$735/application
- Swimming pool review processes - consider new fee of \$260/application or undertake a further costing analysis to identify other municipal input costs related to this process.

**Figure 5-1 - GTA Development Fee & DC Comparison  
1,000 m2 Retail Development**

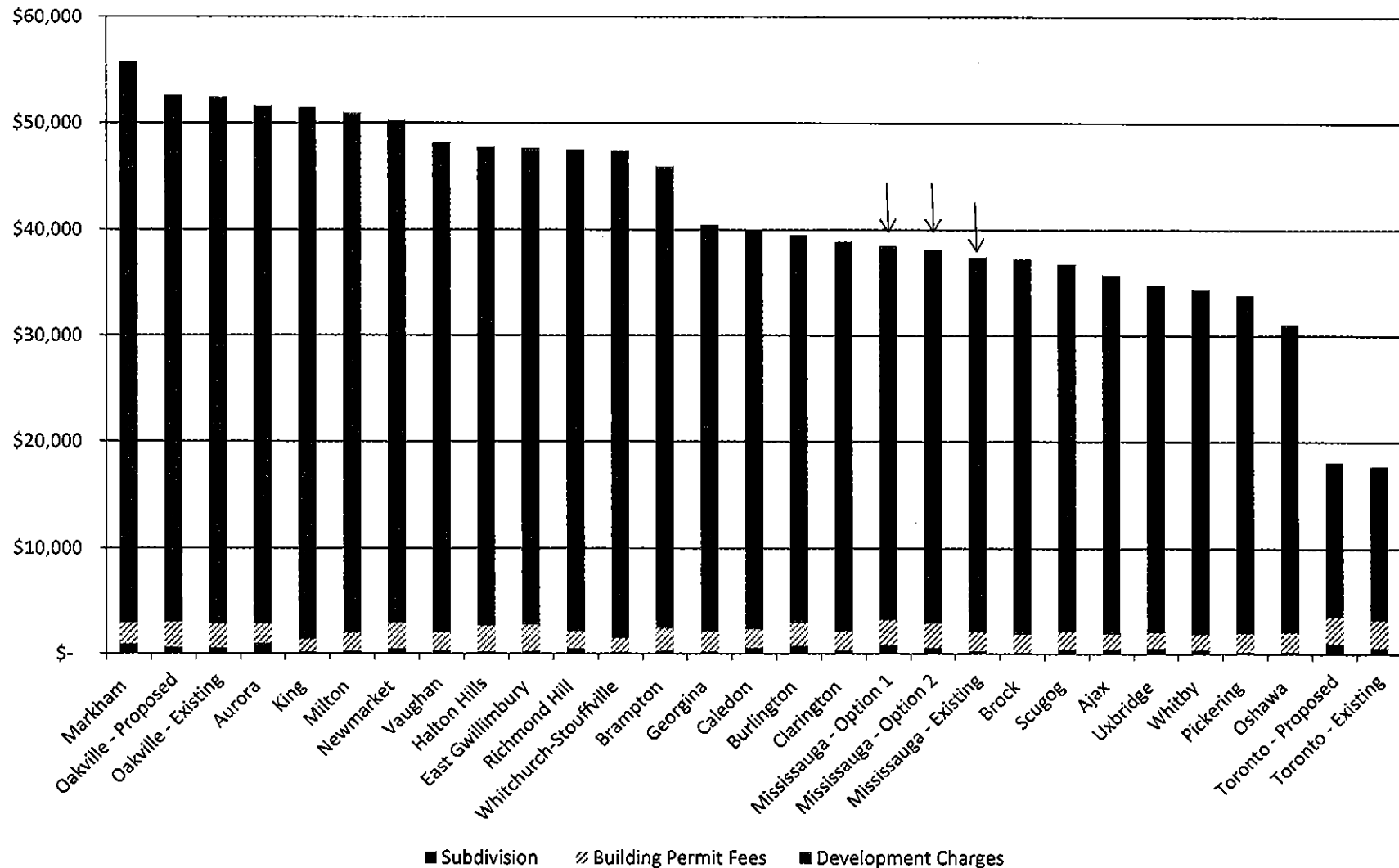


**Figure 5-2 - GTA Development Fee & DC Comparison  
300 Unit Condominium Development (cost per unit)**

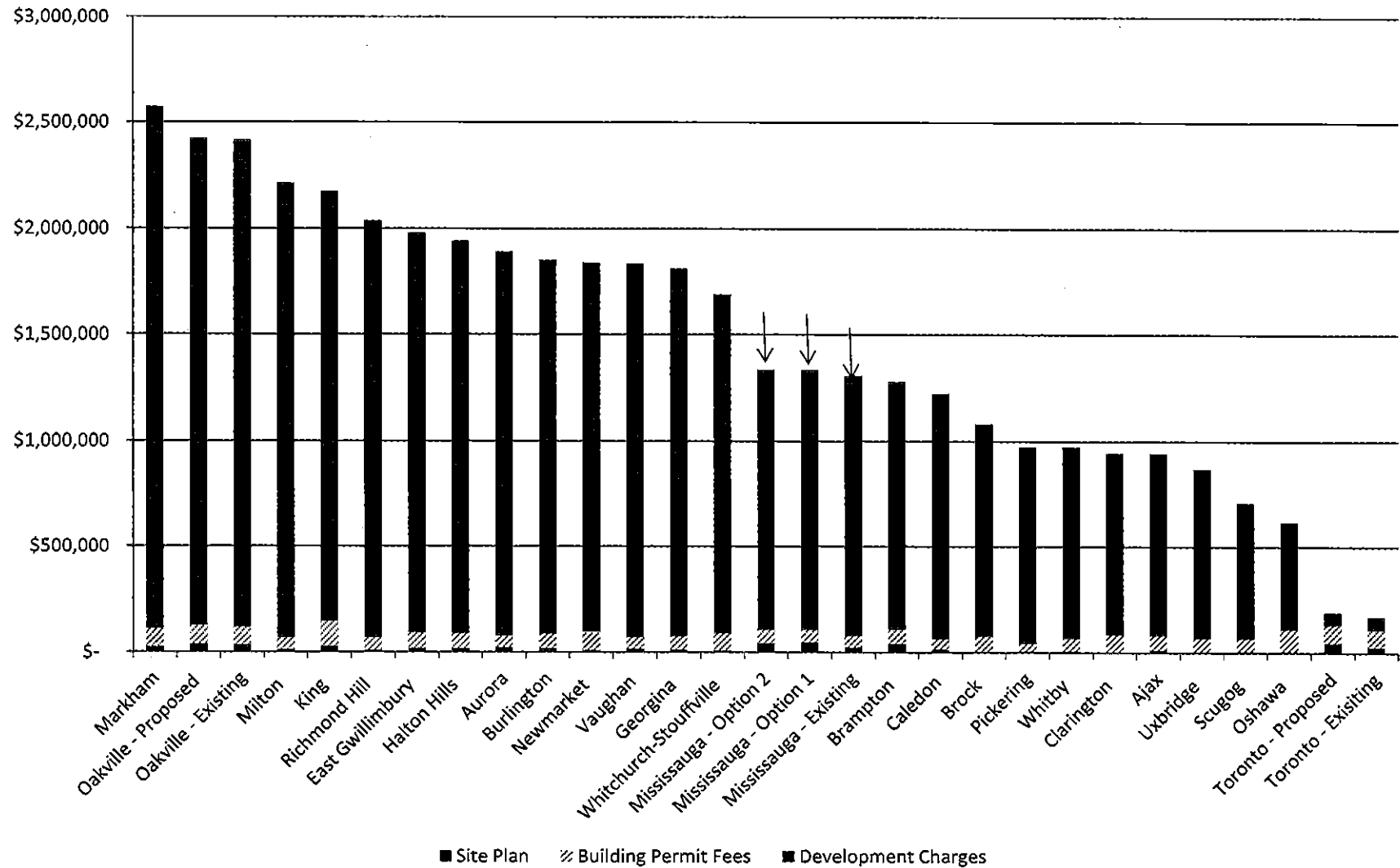




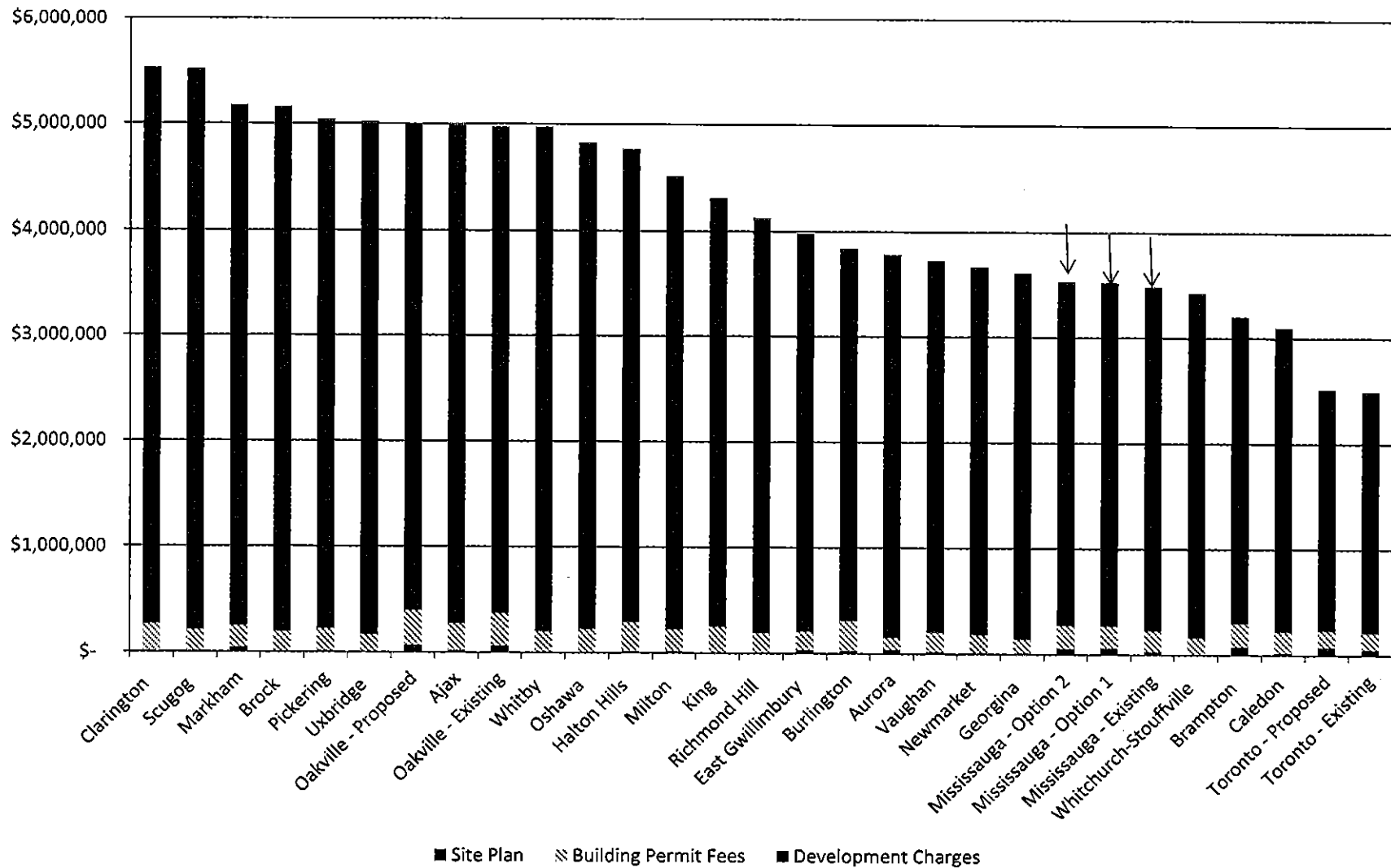
**Figure 5-3 - GTA Development Fee & DC Comparison  
200 Single Dwelling Unit Subdivision (cost per unit)**



**Figure 5-4 - GTA Development Fee & DC Comparison  
10,000 m2 Industrial Development**



**Figure 5-5 - GTA Development Fee & DC Comparison  
20,000 m2 Office Building**



## Option 2 - Planning Application Fees (Modified)

Planning Application Type	Current Fees \$	Fee Structure Option 2 \$	\$ Change	% Change	Description
<b>Official Plan Amendment (OPA)</b>	13,120	21,990	8,780	67	Official Plan Amendment (OPA) Base Fee
<b>Official Plan Amendment/Zoning By-law Amendment</b>	22,240	39,600	17,360	78	Official Plan Amendment/Zoning By-law Amendment Base Fee
	640	830	190	30	Residential: \$/unit for first 25 units
	320	440	120	38	Residential: \$/unit for units 26-100
	160	230	70	44	Residential: \$/unit for units 101-200
	80	110	30	38	Residential: \$/unit for units beyond 200
	80,000	180,000	100,000	125	Maximum residential charge per application
	6.40	13.10	6.70	105	Commercial/Institutional: \$/m2.
	4,160	4,010	(150)	(4)	Industrial/Office: \$/gross hectare
<b>Zoning By-law Amendment</b>	60,000	100,000	40,000	66	Maximum industrial, commercial and office charge per application
	9,120	28,800	19,680	216	Base Fee
	16,000	-	-	N/A	Single/semi-detached and townhouse residential and commercial and office use flat rate per application
	640	1,060	420	66	Residential: \$/unit for first 25 units
	320	820	500	156	Residential: \$/unit for units 26-100
	160	480	320	200	Residential: \$/unit for units 101-200
	80	190	110	138	Residential: \$/unit for units beyond 200
	80,000	180,000	100,000	125	Maximum residential charge per application
<b>Site Plan Control</b>	6.40	16.30	9.90	155	Commercial/Institutional \$/m2.
	4,160	9,600	5,440	131	Industrial/Office: \$/gross hectare
	60,000	100,000	40,000	66	Maximum Industrial, commercial and office charge per application
	4,560	7,800	3,240	71	Base Fee
	320	530	210	66	Residential: \$/unit for first 25 units
	240	320	80	33	Residential: \$/unit for units 26-100
	80	110	30	38	Residential: \$/unit for units beyond 100
	50,000	75,000	25,000	50	Maximum residential charge per application
<b>Site Plan Inspections</b>	3.60	6.70	3.10	86	infill housing (new dwellings, replacement housing and additions)
	2.40	4.80	2.40	100	Non-residential (ICI): \$/m2 for first 2,000 m2
	1.60	2.90	1.30	81	Non-residential (ICI): \$/m2 for 2001-4,500 m2
	0.80	1.40	0.60	75	Non-residential (ICI): \$/m2 for 4,501-7,000 m2
	35,000	52,000	17,000	49	Non-residential (ICI): \$/m2 beyond 7,000 m2
	250	440	190	76	Maximum Non-residential (ICI) charge per application
	95	190	95	100	Infill – initial inspection
	650	690	40	6	Infill – subsequent inspection
<b>Express Site Plan Approval</b>	250	560	310	124	Non-Infill – initial inspection
	320	300	(20)	(6)	Non-Infill – subsequent inspection
<b>Site Plan Minor Building Alterations or Site Revisions</b>	320	300	(20)	(6)	SPAX approval
	1,520	2,400	880	58	Base Fee
	600	600	-	-	Applicable Site Plan Minor Surcharge Fees:
	90	90	-	-	Planning and Building Site Inventory Review
	180	180	-	-	Transportation and Works Environmental Review
	240	340	100	42	Community Services Forestry Review
	100	120	20	20	Transportation and Works Development Engineering Review
<b>Removal of Holding Symbol</b>	60	70	10	17	Transportation and Works Storm Drainage Review
	15,800	28,700	12,900	82	Community Services Fire Review
<b>Part Lot Control Exemption</b>	12,320	14,100	1,780	14	Base Fee
	1,300	1,300	-	-	Additional Fee per application for applications within City Centre
<b>Payment in Lieu of Off-Street Parking (PIL)</b>	53	53	-	-	Base Fee
	800	800	-	-	Per lot or block created
<b>Plan of Condominium</b>	3,700	5,400	1,700	46	Base Fee
	21	31	10	48	Condominium Standard Base Fee
	53	77	24	45	Per apartment unit
	105	153	48	46	Per non-apartment or vacant lot
	7,680	12,400	4,720	61	Per non-residential hectare
<b>Subdivision</b>	4,300	7,800	3,500	81	Common Element Condominium
	320	580	260	81	Base Fee
	1.60	2.90	1.30	81	Detached, semi-detached and townhouse dwellings: \$/unit
	2,700	4,900	2,200	81	All other residential, commercial or institutional uses: \$/m2 beyond 500 m2
	48,000	120,000	72,000	150	Industrial and Office uses: \$/ha
<b>Surcharge Fees</b>	1,600	1,600	-	-	Maximum fee per application
	2,960	2,960	-	-	Environmental Impact Study (EIS)
	8,720	8,720	-	-	- Environmental Review
	3,040	3,490	450	15	- Minor EIS required
	90	90	-	-	- Major EIS required
	1,280	1,280	-	-	Parking Utilization Study
<b>Development Application Review Committee (DARC) Meeting</b>	-	2,700	-	-	Forestry Inspection
	-	2,350	-	-	Heritage
	-	1,850	-	-	OPA/Rezoning and Rezoning
					Subdivision
					Site Plan

## PROPOSED FEE SCHEDULE

APPLICATION TYPE	BASE FEE	ADDITIONAL FEE DETAILS	AMOUNT
<b>Official Plan Amendment</b>	\$21,990.00	Not Applicable	
<b>Official Plan Amendment/Zoning By-law Amendment</b>	\$39,600.00	<b>Plus:</b> Residential: \$/unit for first 25 units Residential: \$/unit for units 26 - 100 Residential: \$/unit for units 101 - 200 Residential: \$/unit for additional units beyond 200 Commercial and Institutional: \$/m <sup>2</sup> Industrial and Office: \$/gross ha ----- Maximum Residential charge per application Maximum Industrial, Commercial and Office (ICI) charge per application Major Revision to Application requiring Recirculation of Application to Commenting Agencies	\$830.00 \$440.00 \$230.00 \$110.00 \$13.10 \$4,010.00  \$180,000.00 \$100,000.00 50% of total application fee
<b>Zoning By-law Amendment</b> (see Note 1 below)	\$28,800.00	<b>Plus:</b> Residential: \$/unit for first 25 units Residential: \$/unit for units 26 - 100 Residential: \$/unit for units 101 - 200 Residential: \$/unit for additional units beyond 200 Commercial and Institutional: \$/m <sup>2</sup> Industrial and Office: \$/gross ha ----- Maximum Residential charge per application Maximum Industrial, Commercial and Office (ICI) charge per application Major Revision to Application requiring Recirculation of Application to Commenting Agencies	\$1,060.00 \$820.00 \$480.00 \$190.00 \$16.30 \$9,600.00  \$180,000.00 \$100,000.00 50% of total application fee
<b>Temporary Use By-law</b>	\$4,500.00		
<b>Extension of Temporary Use By-law</b>	\$3,500.00		
<b>Site Plan Control-Except for Infill Residential (New Dwellings, Replacement Housing and Additions)</b> (See Notes 2 and 3 below)	\$7,800	<b>Plus:</b> Residential: \$/unit for first 25 units Residential: \$/unit for units 26 - 100 Residential: \$/unit for additional units beyond 100 Non-residential (ICI): \$/m <sup>2</sup> for first 2 000 m <sup>2</sup> Non-residential (ICI): \$/m <sup>2</sup> for 2 001 - 4 500 m <sup>2</sup> Non-residential (ICI): \$/m <sup>2</sup> for 4 501 - 7 000 m <sup>2</sup> Non-residential (ICI): \$/m <sup>2</sup> beyond 7 000 m <sup>2</sup> ----- Maximum Residential charge per application, <sup>(3)</sup> Maximum Non-residential (ICI) charge per application Major Revision to Application requiring Recirculation of Application to Commenting Agencies	\$530.00 \$320.00 \$110.00 \$6.70 \$4.80 \$2.90 \$1.40  \$75,000.00 \$52,000.00 50% of total application fee

APPLICATION TYPE	BASE FEE	ADDITIONAL FEE DETAILS	AMOUNT
<b>Site Plan Control - for Infill Residential (New Dwellings, Replacement Housing and Additions)</b>	\$7,800	Major Revision to Application requiring Recirculation of Application to Commenting Agencies	50% of total application fee
<b>Site Plan Inspection Except for Infill Residential (New Dwellings, Replacement Housing and Additions)</b>		Initial Inspection Each Additional Inspection	\$690.00 \$560.00
<b>Site Plan Inspection Infill Residential (New Dwellings, Replacement Housing and Additions)</b>		Initial Inspection Each Additional Inspection	\$440.00 \$190.00
<b>Site Plan Minor Building Alterations or Site Revisions</b>	\$2,400.00	<b>Plus:</b> Applicable Site Plan Minor Surcharge Fees: Planning & Building - Site Inventory Review Transportation & Works - Development Engineering Review Transportation & Works - Storm Drainage Review Transportation & Works - Environmental Review Community Services - Fire Review Community Services - Forestry Review	 \$600.00 \$340.00 \$120.00 \$90.00 \$70.00 \$180.00
<b>Site Plan Approval Express (SPAX)</b>	\$300.00		
<b>Removal of (H) Holding Symbol</b>	\$28,700.00	Additional fee per application for applications within City Centre	\$14,100.00
<b>Part Lot Control</b>	\$1,300.00	<b>Plus:</b> For each lot or block created -----	\$53.00
Repeal of Exempting By-law Deletion of Restrictions Extension of Exempting By-law Consent to Transfer/Charge	\$156.00 \$156.00 \$156.00 \$130.00		
<b>Payment In Lieu of Off-Street Parking (PIL)</b>	\$800.00		
<b>Plan of Condominium Standard</b>	\$5,400.00	<b>Plus:</b> Apartment: \$/unit Non-apartment or vacant lot: \$/unit Non-residential: \$/ha -----	\$31.00 \$77.00 \$153.00
<b>Plan of Condominium Common Element</b>	\$12,400.00	Recirculation of Application due to Lapsing of Draft Approval  Recirculation of Application due to revisions to the application requiring recirculation to commenting agencies Condominium Amalgamation Fee Condominium Amendment Fee	50% of total application fee \$650.00 per revision \$650.00 \$650.00

APPLICATION TYPE	BASE FEE	ADDITIONAL FEE DETAILS	AMOUNT
<b>Plan of Subdivision</b> (see Note 4 below)	\$7,800.00	<b>Plus:</b> Detached, semi-detached and townhouse dwellings: \$/unit All other residential, commercial or institutional uses: \$/m <sup>2</sup> beyond 500 m <sup>2</sup>  Industrial and Office: \$/gross ha ----- Maximum fee per application Major Revision to Application requiring Recirculation to Commenting Agencies  Revision to Draft Approved Plan requiring Circulation  Recirculation of Application due to Lapsing of Draft Approval	\$580.00 \$2.90  \$4,900.00  \$120,000.00 50% of total application fee 50% of total application fee 50% of total application fee
<b>Surcharge Fees</b> (see Notes 5, 6, 7, 8 and 9 below)		Community Services - Heritage Review <sup>(5)</sup>  Planning & Building - Environmental Review (Natural Heritage and/or Natural Hazards) Base Fee <sup>(5)</sup> if Environmental Impact Statement (EIS) Minor required <sup>(6)</sup> if Environmental Impact Statement (EIS) Major required <sup>(7)</sup>  Planning & Building - Parking Utilization Study <sup>(8)</sup>  Community Services - Forestry Inspection <sup>(9)</sup>	\$1,280.00  \$1,600.00 plus \$2,960.00 or \$8,720.00  \$3,490.00  \$90.00
<b>Development Application Review Committee (DARC) Meeting Proposal Submissions</b> (See Note 10 below)		OPA/Rezoning and Rezoning Subdivision Site Plan	\$2,700.00 \$2,350.00 \$1,850.00

**NOTES:**

1. Rezoning fee of \$14,400.00 for Commercial is applicable with no additional per square metre charge for applications up to a maximum of 220 m<sup>2</sup> in C4, CC1 and CC2 base or exception zones.
2. Site Plan fee of \$4,560.00 for Non-Residential Commercial is applicable with no additional per square metre charge for applications up to a maximum of 220 m<sup>2</sup> in C4, CC1 and CC2 base or exception zones.
3. For Residential apartment applications with more than one (1) apartment building, maximum charge applies to each building.
4. For Plan of Subdivision applications processed in conjunction with an Official Plan Amendment/Zoning By-law Amendment or Zoning By-law Amendment application, only 70% of the total subdivision fee (base fee plus applicable per unit, per square metre and per hectare fee) shall be collected.
5. Surcharge fee for Environmental Review and Heritage Review applies only to Official Plan Amendment only, Official Plan Amendment/Zoning By-law Amendment, Zoning By-law Amendment and Plan of Subdivision applications.
6. EIS Minor refers to no encroachment into natural area.
7. EIS Major refers to encroachment into natural area.
8. Surcharge fee for Parking Utilization Study applies only to Official Plan Amendment only, Official Plan Amendment/Zoning By-law Amendment, Zoning By-law Amendment applications.
9. Surcharge fee for Forestry Inspection applies only to Site Plan Control applications.
10. Amount paid for submission for Development Application Review Committee to be credited towards total application fee applicable at time of application submission.

**EFFECTIVE DATE:**

Any applications submitted prior to the effective date this By-law comes into force would be processed under former fee structure.

**REFUNDS:**

If a person wishes to withdraw or discontinue an application for a planning matter prior to completion of the entire process related to an application, refunds of application fees are available upon written request in accordance with the following:

For Official Plan Amendment only, Official Plan Amendment/Zoning By-law Amendment, Zoning By-law Amendment and Plan of Subdivision applications:

- 90% refund prior to receipt of initial Application Status Report (ASR);
- 70% refund following receipt of initial Application Status Report (ASR) and prior to consideration of Information Report by Planning and Development Committee;
- 50% refund following consideration of Information Report to Planning and Development Committee and prior to consideration of Supplementary Report by Planning and Development Committee/Council;
- 10% refund following consideration of Supplementary Report by Planning and Development Committee/Council and prior to preparation of Zoning By-law/Official Plan Amendment//Conditions of Draft Plan of Subdivision Approval.

For Removal of (H) Holding Symbol and Payment In Lieu of Off-Street Parking (PIL) applications:

- 90% refund prior to receipt of initial Application Status Report (ASR);
- 70% refund following receipt of initial Application Status Report (ASR) and prior to consideration of report by Planning and Development Committee/Council;
- 10% refund following consideration of report by Planning and Development Committee/Council and prior to preparation of By-law/Agreement.

For Site Plan Control applications:

- 90% refund prior to receipt of initial Application Status Report (ASR);
- 50% refund following receipt of initial Application Status Report (ASR) and prior to next resubmission;
- 30% refund following receipt of 2<sup>nd</sup> Application Status Report (ASR) and prior to next resubmission;
- 10% refund following receipt of 3<sup>rd</sup> and subsequent Application Status Reports (ASRs) and prior to final site plan approval.

For greater clarity, no refund shall be available upon completion of the entire process related to the application for the applicable planning matter.



### Option 2 - Building Permit Fees

Permit Categories	Current Fees \$/sq.mt.	Fee Structure Option 2 \$/sq.mt.
<u>Building Permit Fees</u>		
Assembly	12.78	15.00
Institutional	17.25	19.00
Residential - Apartment	9.80	14.50
Residential - Detached / Semi Detached/ Townhouse (>400 m2)	13.40	13.40
Residential - Detached / Semi Detached (<400 m2)	11.05	13.40
Residential - Townhouse (<400 m2)	11.05	13.40
Residential - Addition (Detached / Semi / Townhouse)	9.35	9.50
Business and Personal Service - Shell	10.23	11.25
Business and Personal Service - Finished	12.65	14.50
Mercentile - Shell	8.75	10.50
Mercentile - Finished	10.75	14.00
Industrial - Shell	6.07	7.00
Industrial - Finished	7.65	10.00
Part 3 Building Alterations	2.95	4.75
Part 9 Building Alterations	3.00	4.75
Other Building Alterations	2.95	4.75
Occupancy of Unfinished Building	980	1,029
Conditional	1,442	1,514
Demolition	101	106
Sign Fascia	25.00	26.25
Sign Ground	25.00	26.25