

STAFF REPORT: PLANNING & BUILDING SERVICES (PLANNING)

REPORT TO: Council
MEETING DATE: April 26, 2010
REPORT NO.: PL.10.32
SUBJECT: Building, Engineering & Planning Application Fees
PREPARED BY: D. Finbow, Director, Planning & Building Services
 R. Russwurm, Director, Engineering & Public Works
 G. Miller, Manager, Building & By-law Services & Chief Building Official

A. Recommendations

THAT Council receive Staff Report No. PL.10.32 respecting Building, Engineering & Planning Application Fees;

THAT Council enact a by-law pursuant to Section 7 of the *Building Code Act* related to permits and inspections including classes of permits, required information, fees, notice requirements related to construction, forms; and, such other matters as may be permitted by said Section; and,

THAT Council enact a by-law pursuant to the *Planning Act* and *Municipal Act* with respect to fees and charges related to the processing of planning applications and related engineering services.

B. Background

Council at its meeting of March 9, 2009 adopted the minutes of the March 2, 2009 Planning & Building Committee and by so doing confirmed that it was Council's desire that updated Planning Application Fees & Charges be developed on the basis of full cost recovery.

On November 9, 2009 Council adopted the minutes of the November 2, 2009 Planning & Building Committee and by so doing authorized Town staff to proceed to a public meeting related to proposed changes to Building Permit and Planning Application fees.

Council, at its meeting of November 23, 2009, adopted the minutes of the November 10, 2009 Infrastructure & Recreation Committee and by so doing authorized Town staff to proceed to a public meeting related to proposed changes to Engineering Fees related to planning applications.

Following the provision of notice within the local newspapers, Town website and direct circulation to various stakeholders (Georgian Triangle Development Institute ("GTDI"))

and the Southern Georgina Bay Builders and Trades Association), a Public Information Centre was held on January 25, 2010 respecting the proposed changes to the Town's Building, Engineering & Planning Fees. A few people attended in order to seek clarification on the proposed changes. The questions posed were related to proposed timing of the changes, transitional provisions that may be considered and how the proposed fee schedule would address multiple planning applications (i.e. Zoning By-law Amendment processed at the same time as an Official Plan Amendment).

Also on January 25, 2010 a Public Meeting was held respecting the proposed changes. Shelley Hensel, President, GTDI, was in attendance and expressed concerns related to the timing of the proposed increases in fees given the current economic climate and further indicated that GTDI would forward correspondence related to the proposed changes.

On February 16, 2010 GTDI submitted a letter respecting the proposed changes (Addendum A). In response to the issues raised, Town staff note the following:

Full Cost Recovery

The Planning & Building Committee at its meeting of March 2, 2009 reviewed the parameters of full cost recovery and provided clear direction to Town staff that it was their expectation that a new fee by-law would address direct and indirect costs.

Economic Climate

It is acknowledged that the economy still has not recovered. However, given activity levels and expectations, the Town does not have the capacity to further reduce operating costs. If the Town does not turn to the Development Industry to bear the costs, it would be up to the general taxpayer to do so.

Scale of Development

Town staff had previously reviewed this matter and note that we are not proposing increases in the fees for minor variances, not significantly increasing fees for minor/small building permit applications, are working towards broader site plan control exemptions and more permissive zoning controls through the development of the Town's new zoning by-law.

Multiple Applications, Steps and Timing of Payment

Town staff have retained the current reduction on multiple applications (e.g. on a combined Official Plan/Zoning By-law Amendment, the fee for the ZBLA will be reduced by 25%).

So as to address concerns related to the classes of development and the related fees, we have incorporated an additional class of development for which the fees apply. Previously circulated information reflected "Major" (> 20 units/>1,000 m²) and "Minor"

(<20/<1,000 m2) application types. We have now incorporated "Large Scale" (>50 units/>2,000 m2), "Mid Scale" (>10 units/1,000 m2 and <=50 units/2,000 m2) and "Small Scale" (<=10 units/1,000 m2).

C. The Blue Mountains' Strategic Plan

"Providing a strong, well managed municipal government"
"Ensuring long-term financial stability"

D. Environmental Impacts

N/A

E. Budget Impact

If the proposed fees and charges are implemented, Building, Engineering and Development Planning revenues will better reflect actual costs.

F. Attached

1. Letter from GTDI

Respectfully submitted,

David Finbow
Director, Planning & Building Services



GEORGIAN TRIANGLE DEVELOPMENT INSTITUTE

February 16, 2010

Mr. David Finbow
Director, Planning & Building Services
26 Bridge Street E.
P.O. Box 310
Thornbury, ON
N0H 2P0

Dear Mr. Finbow:

RE: Planning, Building and Engineering & Public Works Proposed Fees and Charges

The Georgian Triangle Development Institute maintains open lines of communication with The Blue Mountains and as such provides input on proposed and existing policies and procedures which would have an impact on its members as well as the local development industry and consequently the economic prosperity of The Blue Mountains' community.

At the January 25, 2010 Public Meeting regarding the proposed fees and charges for the Planning & Building Services Department and Engineering & Public Works Department, a brief statement was made on behalf of the GTDI membership which noted that the GTDI was not in favour of the increased fees and charges proposed. We acknowledge that Council desires to have full cost recovery for Planning related work and have reviewed the Staff Report available on this topic. Although not undertaking detailed analysis of Staffs' findings, we have identified a number of factors in the full cost recovery approach which suggest further consideration and exploration before final recommendations are adopted .

The full cost recovery approach assumes that the policies and processes of the municipality directly related to the development sector apply to the developers only. In reality, these development related policies and processes in effect, have some benefit to both the municipality and its citizens. The full cost recovery approach fails to address the following:

- a. "development" as a generic activity within the municipality is deemed to be of public benefit by virtue of the Official Plan (for example: provision of additional facilities, broadening of economy, broadening of tax base, support of existing industry).
- b. As a public benefit, the policies and processes are a means of assessing proposals on behalf of the public in light of public documents that are intended to enable development that is desirable in the community (example, severance of an oversized serviced town lot is consistent with maximizing municipal infrastructure and intensification).

- c. As a public benefit, development proposals seeking to change existing regulations or policy are important and are to be encouraged in order to ensure innovation and a healthy ongoing critical assessment of existing approved regulations and policy.

The GTDI represents various fields within the local development industry, and is positioned to identify concerns on opportunities and constraints to the local economy. At a time where the local economy is trying to rebound from a serious recession, proposed increases in costs are yet another prohibiting factor to local economic development.

An acknowledged and significant component of economic growth is the "small business" sector. We can quote the proportion of new jobs created through small business vs big business – but the small business sector is significant. An increase in municipal application fees without accounting for the size and nature of applications is probably counter-productive. As either as start up operation or, as an operation seeking modest expansion, application fees for approvals can be inhibitive. Consider a hypothetical need for a small commercial building to expand by 20 or 30m² to provide for additional employees or services. Factor in a potential zoning application, site plan approval, site plan agreement, development charges and building permit fees and, for a small business owner the choices may very well be: don't expand; expand and never realize a return on capital investment, or; move.

We also suggest that increasing application fees across the board without having regard for scale could be considered an unwarranted financial burden on individuals who do not have any commercial interests– for example individual home owners wishing to improve property but require some minor planning permission. Prohibitively high application fees could stifle small local initiatives to maintain or improve property.

Development review and approval application geared to larger proposals need an appropriate upper limit. In addition, consideration should be given for both combined fees (i.e., combination OPA, ZBA and Subdivision, combination of ZBA, Site Plan, Development Agreements, etc.). Finally, for larger developments, consideration could be given to phasing in of fees when such fees exceed a predetermined ceiling (e.g. if total application fees are in excess of \$10,000, perhaps a \$5,000 and \$5,000 step) in order to appropriately reflect costs of processing vs where the applications are in process.

The construction industry is an important element of the economic activity generated within The Blue Mountains and the GTDI respectfully suggests that Town policies and processes take this into consideration in order to encourage this important economic generator.

The Georgian Triangle Development Institute thanks you for your consideration of this letter and would be pleased to speak with you regarding the proposed fees and charges and their effect on the local development industry.

Respectfully submitted,

GEORGIAN TRIANGLE DEVELOPMENT INSTITUTE



Shelley Hensel, Hons. B.A.
President

cc: Town Clerk
All Councillors, The Blue Mountains
Board of Directors, Georgian Triangle Development Institute