

STAFF REPORT: Financial Services



REPORT TO: Council
MEETING DATE: May 5, 2008
REPORT NO.: FS.08.19
SUBJECT: Revised Report on Proposed Fees for the Processing of Planning Act Applications and Related Engineering Services
Rob Armstrong, Manager of Development Planning & IS
PREPARED BY: Reg Russwurm, Director of Engineering & Public Works
Robert Cummings, Director of Finance

A. Recommendations

THAT Council does hereby receive Staff Report FS.08.19, "Revised Report on Proposed Fees for the Processing of Planning Act Applications and Related Engineering Services";

AND THAT

1. The Planning fees as listed on Schedule "A" be adjusted to the Proposed 2008 Fee to reflect the actual costs of processing various applications and that a by-law be enacted.
2. An Engineering Works Fee listed on Schedule "A" be adopted to cover expenses incurred by the Town for review of the design of the Works and for inspections and other matters related to the installation of the Works and that a by-law be enacted.

B. Background

Authority – Planning Act, R.S.O. 1990, c. P.13

69.(1) 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.

Authority – Municipal Act, 2001, S.O. 2001, c.25

391. (1) Without limiting sections 9, 10 and 11, those sections authorize a municipality to impose fees or charges on persons, (a) for services or activities provided or done by or on behalf of it; (b) for costs payable by it for services or

activities provided or done by or on behalf of any other municipality or any local board; and (c) for the use of its property including property under its control.

By-law No. 2005-33, being a by-law to prescribe a tariff of fees for processing applications in respect of planning matters, was passed on April 18, 2005. As some time has passed since those rates were put in place, staff reviewed the updated related costs to determine if any fee should be amended.

It is recommended that the Planning Fees be adjusted to reflect the actual costs of processing various applications in accordance with the background information. It is noted that there is a significant reduction in the cost of preparing Development Agreements. The primary reason for this reduction is the reduced amount of time required by Planning staff in the finalization of agreements with the implementation of the Engineering and Public Works Department. In particular, planning staff no longer act as the coordinator of the engineering consultant during the process. In the case of a joint OPA and Zoning By-law application, the Zoning application fee may be reduced by 25% on the basis that there is only one public notice that goes out for both purposes, and one staff report.

An Engineering Works Fee is recommended to recover the cost of undertaking the review of the technical aspects of developments within the Town. This involves reviewing servicing concepts prior to Draft Plan Approval, commenting on detailed construction drawings, administration of the development agreement, monitoring construction activities and ensuring all works are completed to Town standards and accepted plans. The fee includes staff time and related costs plus some external engineering costs related to review activities generally completed on all developments for infrastructure (ie: storm water management, traffic impact). All non-infrastructure and/or unique external engineering costs related to the development (biological, environmental, modelling, peer review for non-typical works, etc) will be recovered in addition to the Works Fee.

The new Engineering Works Fees will be implemented for those projects which have not yet achieved Accepted for Construction Drawings or executed a Pre-Servicing or Subdivision Agreement by May 5, 2008. The delineation of the Fees at these milestones is based on the fact that a significant proportion of the review effort has already been expended and the Developer's business plan has been based on the Town's existing Works Fee structure. As of end of April, 2008, there are no projects that are imminent to achieve any of these milestones. A visual aid showing when the proposed changes come into effect is provided in Appendix A - DRC Process and Collection of Fees.

A pre-payment of a portion of the Engineering Works Fee will be required upon application. It is recommended that upon execution of the pre-servicing agreement 100% of the Works Fee be paid on the cost of Works undertaken for pre-servicing the site. Once the Subdivision Agreement has been executed, 100% of the Works Fee for the entire project will be levied less any earlier payment of fees such as at application submission or at pre-servicing.

Cost Calculations

Staff has analysed the various costs that are incurred by the Town in relation to processing planning applications and providing inspection services. Direct operating costs, indirect support costs, overhead costs and non-growth capital costs have been considered for cost recovery through this exercise. Cost estimates are based on the year 2008.

When estimating time, materials and services expended to deal with each application, a “typical” application has been considered. There may be applications that require much less time and applications that require much more time than the typical one, but the average has been considered when determining the actual cost of processing the applications.

- staff time for each position has been charged at the Level 5 rate of the appropriate Grade for that position, and has been expressed as an hourly rate, plus 25% to cover the Town cost of providing benefits such as Canada Pension Plan, Employment Insurance, Workers’ Compensation, Health and Dental Insurance, Short Term Disability Insurance, and so on
- all staff involved in the processing of each type of application have been considered when determining the actual costs – in addition to planning staff, those from Financial Services, Fire, Recreation, Clerk’s/CAO and Engineering and Public Works have been included
- departmental operations budgets for training and travel, insurance, administrative expenses, communications and equipment expenses have been allocated to each employee and expressed as an hourly rate
- computer, furniture and fixtures have been estimated for each employee and expressed as an hourly rate
- housing for staff located in the Town Offices has been calculated based on a building estimate of \$5,000,000, amortized over 30 years, and allocated amongst staff sharing the building, expressed as an hourly rate
- corporate overhead includes the following services: Council, CAO/Clerk’s, Financial Services, Corporate Admin, it, and Communications and Economic Development (less \$130,000 in grants to others); these are internal services which do not provide any direct benefit to the public, but support the public services; the total cost of corporate overhead as a percentage of the remaining Town functions (excluding police service, which attracts little Town overhead in relation to the cost of police service) is 24%, therefore a corporate overhead component of 24% has been added to each employee’s adjusted hourly rate - the rate is calculated based on annual revenue fund expenditures, not including transfers
- vehicle costs are expressed as an hourly rate and reflect the typical cost of a Town pickup truck (\$28,000) amortized over four years plus estimated fuel and repairs
- costs such as legal fees and consulting fees specific to each application have not been included as a relevant cost, as those costs would be billed directly to the applicant

- the costs associated with defending a planning application appeal have not been included

Municipal Comparisons

A comparison of similar-type fees in other municipalities is attached to this report in Schedule 'B'.

Also included in this revised report, as Appendix B, is a Development Approval comparison of the costs associated with the Town's proposed fees to Town of Collingwood's fees as was requested by Council from the April 7, 2008 presentation of Staff Report FS.08.07.

Fee Setting Considerations

It should be discussed and determined whether it is appropriate to recover the full cost of the application review from the applicant. Some considerations are: end user affordability; are rates reasonable compared to neighbouring municipalities that also provide the service; is the rate of increase over the previous rate substantial, and should it be phased in; and does a portion of the service benefit the community as a whole, and should a portion of the actual cost be supported through property taxation. If the charge is set at a rate lower than the actual cost of delivering the service, Council should be aware that property taxation will be supporting that shortfall.

Public Information Process

On April 16, 2008, Town staff held a Public Information session in the small hall of the Beaver Valley Community Centre at 7:00 pm. The purpose was to inform interested parties of the proposed fees for the Processing of Planning Act Applications and Related Engineering Services. The session was advertised in the local newspaper, the Town website and the GTDI was informed of the session. Staff informed attendees of the proposed changes and when the changes could come into effect by way of By-Law to be presented to Council on May 5, 2008 after a Public Meeting had been held.

April 28, 2008 at 7:30 pm in the Library, a Public Meeting was held to receive feedback from the community on the proposed fees for the Processing of Planning Act Applications and Related Engineering Services. There were no comments provided from the Public at that meeting. Also, there has been no correspondence received from the public on this item at this time.

C. The Blue Mountains' Strategic Plan (Statement(s) identifying how actions further the goals of the Strategic Plan)

Supporting the Town's Strategic Plan identified under 5.0 Ensuring Long Term Financial Sustainability of the Town.

D. Budget Impact (cc: Treasury if required)

Applying the recommended 2008 Planning rates to the number of applications received in 2007 results in an estimated revenue shortfall of approximately \$39,000 in 2008. However, recent pre-consultations indicate that there may be an increase in the number of 2008 applications that could make up this shortfall.

The Engineering and Public Works revenues adopted through the 2008 budget reflect the increased revenues that will be generated by the implementation of the recommended Engineering Works fees.

E. Attached (Relevant documentation not personal information about an identifiable person)

Schedule A - List of current fees (2007) and recommended fees (2008)

Schedule B - List of Fee Comparisons by Municipality

Appendix A - DRC Process and Collection of Fees

Appendix B - Comparison to Collingwood

Respectfully submitted,

Rob Armstrong

Reg Russwurm

Robert Cummings

APPLICATION AND WORKS FEES

	MAJOR DEVELOPMENT					MINOR DEVELOPMENT					TRANSITION (MAY 5/08)	
	2008 Planning Fees		2008 Works Fees			2008 Planning Fees		2008 Works Fees			Planning Fees	Works Fees
	Fee	Security	Fee	PrePay	Minimum	Fee	Security	Fee	PrePay	Minimum		
DRC Stage 1: Planning Review 												
	3,300	5,000	0	15,000	5,000	2,000	2,500	0	3,500	5,000	NEW FEES	
	2,900	5,000	0	0	0	2,000	2,500	0	0	0		
	2,900	5,000	0	0	0	1,700	2,500	0	0	0		
DRC Stage 2: Technical Review 											AS APPLIED FOR	NEW FEES
	6,900	5,000	0	15,000*	5,000	6,900	5,000	3% / 2%	15,000	5,000		
DRC Stage 3: Development Agreements 											OLD FEES (Provided a Pre-Servicing Agreement or Development Agreement is executed by May 5)	OLD FEES
	700	0	3% / 2%** (100%)			700	0	3% / 2% (100%)				
	0	0	3% / 2%*** (100%)									
	800	0	0	0	0	800	0	0	0	0		

* if not already paid under Stage 1

** 3% of first \$1,000,000 of the estimated cost of works, plus 2% thereafter of Works under Preservicing

*** Percentage of balance of works not covered previously under% thereafter of Works under Preservicing

Appendix B

Development Approval Comparison
Town of The Blue Mountains
vs
Town of Collingwood

Principles: 25 lot Plan of Subdivision that requires Official Plan Amendment and Zoning By-law Amendment.

Estimated Cost of Town Works is \$1,500,000.00

	The Blue Mountains		Collingwood
Planning			
OPA	\$ 2,900	\$	10,540
ZBA	\$ 2,175	\$	1,680
Development Review	\$ 3,300	\$	15,495
County Approval Costs	\$ 6,250		
Agreement Prep.	\$ 6,900	\$	-
Engineering			
Fee	\$ 40,000	\$	75,000
Total	\$ 61,525	\$	102,715

Notes:

1. Collingwood has been delegated approval authority therefore no County Approval costs.
2. Collingwood Works Fee is based on Public Works only.
3. Agreement Preparation is included in Works Fee.

SCHEDULE 'A' - Proposed Fees

	2007 Planning		2008 Planning		2008 Works Fee		
	Proposed Fee	Security Deposit	Proposed 2008 Fee	Security Deposit	Proposed 2008 Fee (Note # 1)	Prepay't of Works Fee	Minimum Works Fee
Official Plan Amendment							
Major	2,500	10,000	2,900	5,000			
Minor	1,500	5,000	2,000	2,500			
Zoning By-law Amendment							
Major	1,200	10,000	2,900	5,000			
Minor	750	5,000	1,700	2,500			
Removal Holding Symbol	500	0	800	0			
Temp.Use By-law (Note # 2)	750	0	1,600	0			
Draft Plan/Site Plan Review							
<u>Residential</u>							
Major > 10 units	1,000	10,000	3,300	5,000	3% / 2%	15,000	5,000
Minor < 10 units	750	5,000	2,000	2,500	3% / 2%	3,500	5,000
<u>Comm/Ind/Recreational</u>							
Major >1000 sq.m. floor area	1,000	10,000	3,100	5,000	3% / 2%	7,500	5,000
Minor <1000 sq.m. floor area	750	5,000	1,500	2,500	3% / 2%	2,500	5,000
Development Modification	50% of initial fee plus security deposit, if required						
Consent to sever	400	0	1,500	0			
deed stamping	200	0	incl in consent fee				
validation	400	0	1,500	0			
Minor variance	400	0	900	0			
Develop. Agree.							
Major / Master	10,000	5,000	6,900	5,000	3% / 2%	15,000	5,000
Minor	5,000	2,000	4,100	2,500	3% / 2%	3,500	5,000
Pre-servicing	500	20,000	700	0	3% / 2%	75% of Fee	
Site Plan Agree.							
Major	1,500	5,000	4,400	5,000	3% / 2%		5,000
Minor	500	2,500	2,200	2,500	3% / 2%		5,000
Modification	50% of initial fee						
Part Lot Control By-law	400	0	500				
Deeming By-law	400	0	500				
O.M.B. Attendance	1,500 1st day, incl prep time 750 each addtl day 100 per hour						
Planning Opinion Letters	50 each		50	each			
Printing							
Map Copies	10		10				
Photocopies	0.50		0.50				
Documents							
T of T B Mts Official Plan	50		50				
By-law No. 10-77	35		35				
By-law No. 83-40	35		35				

Notes:

#1 - Fee is 3% of the first \$1,000,000 of the estimated cost of the Works plus 2% of the estimated cost of the Engineering Works in excess of \$1,000,000

#2 - When ZBA is submitted in conjunction with OPA, a 25% reduction in the ZBA shall be applied

#3 - A 50% fee for modification of any application (i.e. consent/zba/minor variance) where change made by applicant

SCHEDULE 'B' - Comparison of Rates

	TOTBM		Collingwood		Wasaga Beach		Meaford		Clearview		Recom'd New Fee	Diff
	Fee	Deposit	Fee	Deposit	Fee	Deposit	Fee	Deposit	Fee	Deposit		
Official Plan Amendment												
Major	\$ 2,500	\$ 5,000	\$ 10,540	\$ 2,000	\$ 2,000	\$ 500	\$ 2,750	\$ 10,000	\$ 3,000	\$ 2,000	\$ 2,900	\$ 400
Minor	\$ 1,500	\$ 10,000	\$ -	\$ -	\$ 2,000	\$ 500	\$ 1,500	\$ 5,000	\$ 1,500	\$ -	\$ 2,000	\$ 500
Zoning By-law Amendment												
Major	\$ 1,200	\$ 10,000	\$ 3,360	\$ 2,000	\$ 1,300	\$ 300	\$ 2,000	\$ -	\$ 2,000	\$ 1,500	\$ 2,900	\$ 1,700
Minor	\$ 750	\$ 5,000	\$ 2,200	\$ 1,000	\$ 800	\$ 300	\$ 1,200	\$ -	\$ 1,000	\$ -	\$ 1,700	\$ 950
Removal Holding Symbol	\$ 500	\$ -	\$ 1,065	\$ 500	\$ 450	\$ -	\$ 750	\$ -	\$ 500	\$ -	\$ 800	\$ 300
Temp.Use By-law	\$ 750	\$ -	\$ 3,420	\$ 2,000	\$ 450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ 850
Subdiv./ Condo / Site Plan												
Residential Major >10 units	\$ 1,000	\$ 10,000	\$ 17,495	\$ 2,000	\$ 3,500	\$ -	\$ -	\$ -	\$ 500	500 (min)	\$ 3,300	\$ 2,300
Resid. Minor <10 units	\$ 750	\$ 5,000	6075. condo	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,250
			2410. condo exempt									
Comm/Ind/Recretnl.												
Major >1000 sq.m. floor area	\$ 1,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,100	\$ 2,100
Minor <1000 sq.m. floor area	\$ 750	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 750
Consent to sever	\$ 400	\$ -	\$ 2,355	\$ -	\$ 1,000	\$ -	\$ 900	\$ -	\$ 800	\$ -	\$ 1,500	\$ 1,100
deed stamping	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ -	\$ 200
validation	\$ 400	\$ -	\$ 1,445	\$ -	\$ 500	\$ -	\$ 800	\$ -	\$ 300	\$ -	\$ 1,500	\$ 1,100
Minor variance	\$ 400	\$ -	\$ 2,120	\$ -	\$ 450	\$ -	\$ 800	\$ -	\$ 450	\$ -	\$ 900	\$ 500
Development Agreement												
Major / Master	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ 10,000	\$ -	\$ -	\$ 6,900	\$ 3,100
Minor	\$ 5,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 2,500	\$ -	\$ -	\$ 4,100	\$ 900
Pre-servicing	\$ 500	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ 10,000	\$ -	\$ -	\$ 700	\$ 200
Site Plan Agreement												
Major	\$ 1,500	\$ 5,000	\$ 6,455	\$ 5,000	\$ -	\$ -	\$ 1,200	\$ 2,500	\$ -	\$ -	\$ 4,400	\$ 2,900
Minor	\$ 500	\$ 2,500	\$ 3,900	\$ 2,000	\$ -	\$ -	\$ 600	\$ 1,000	\$ -	\$ -	\$ 2,200	\$ 1,700
Part Lot Control By-law	\$ 400	\$ -	\$ 1,820	\$ 500	1500 +	\$ -	\$ 800	\$ -	\$ 500	\$ -	\$ 500	\$ 100
Deeming By-law	\$ 400	\$ -	\$ 1,040	\$ 500	\$ 600	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ 500	\$ 100
Copies												
11x17	0.5		3.00 +tx									
24x36 BW	0.5		10.00 + tx									
24x36 CL	0.5		36.00 + tx									
Plot Maps	10/map		1.00/inch									
OP	60		100									
ZB	35		75									

NOTES:

- Require a fee for re-circulation of an application,(i.e. consent/zba/minor variance)
- "Fee" is a flat payment for processing an application.
- "Deposit" is a security deposit for peer reviews, and OMB work. If not used a refund is made to the applicant