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DATE 09 October 1998

TO/DEST. Co-ordinator, Planning and Environment Committee

FROM/EXP. Commissioner, Planning and Development Approvals Department

SUBJECT/OBJET **PROCESSING FEES FOR PLANNING APPLICATIONS**

DEPARTMENTAL RECOMMENDATIONS

That the Planning and Environment Committee recommend that Council approve the following in accordance with the attached report:

- 1. That Council adopt an amendment to the Regional Regulatory Code, Part 6.3, to implement the fees outlined in this report.**
- 2. That the new fee will apply to applications submitted after Council adopts this report. Applications in process, will be phased into the new fee structure in a way that does not increase their anticipated costs, in accordance with this report**

INTRODUCTION

The Business Process Review Study completed in 1997, included a recommendation to examine processing fees for planning applications. Therefore, this report is part of a larger effort to streamline the planning review function. Streamlining calls for a more easily administered processing fee; examining how we charge, invoice and collect. However, many other changes have taken place that may affect the amount of the fees and the specific functions for which they will be charged:

- establishment of a one window development approvals function;
- transfer of provincial planning review responsibilities to the Region;
- approval of a new Regional Official Plan with new requirements for supporting studies.

BACKGROUND

Authority to Charge Processing Fees

Section 69 of the *Planning Act* provides the authority to charge fees. It states that Council may adopt a by-law to establish fees for the processing of planning applications including the work of Land Division Committee. The fee schedule should be designed to offset the anticipated cost of processing the application and not to be a source of additional revenue for the Region.

There is no indication in the Act that it applies only to those applications where the Region is the approval authority. Regions throughout Ontario have interpreted it differently and in some cases charge for all approvals and all comments.

The Act provides for Council to reduce or waive the fee if it is considered 'unreasonable'. Also, if a person objects to the fee they must pay it and then appeal it to the OMB.

Current Processing Fees

Council has adopted Processing Fee By-laws to establish fee schedules for the following planning applications:

- Regional Official Plan Amendments (Policy and Infrastructure Planning Division)
- Plans of Subdivision and Condominium (including condominium conversions) and draft approval extensions (Development Approvals Division)
- Part Lot Control By-laws (Development Approvals Division)
- Consents approved by Land Division Committee (Land Division Committee)

All revenues from Processing Fees go into the General Revenue account and are not credited to the Planning and Development Approvals Department.

Planning Application	Existing Fee
Plan of Subdivision	\$90 per residential unit/block (\$120 unserviced) \$730 per commercial/industrial unit/block (\$920 unserviced)
Plan of Condominium	\$75 per residential unit/block \$260 per commercial/industrial unit/floor
Extension of Draft Plan Approval	\$650
Part Lot Control By-laws	\$515
Land Division Committee Consents	\$595
Regional OPA	\$4,472

The Regional Planning and Development Approvals Department performs the following planning functions for which no fee is charged:

- approve local official plan amendments
- review and comment on zoning by-laws
- review and comment on site plan applications and enter into agreements
- review and comment on consent applications from local Committees of Adjustment

Annex A summarizes the plan review activity for various types of applications.

DISCUSSION

The following applications are usually generated by the private sector and submitted directly to the Region for approval:

Plans of Subdivision and Condominium

The Region is the approval authority for these applications and therefore must ensure that all requirements of the Planning Act are met. The Region has also assumed most of the Provincial review functions in its evaluation of these proposals. The review and approval of lot creation is one of the most significant ways the Region has of ensuring that its Official Plan policies are implemented.

The proponent benefits financially from the increased value of the property and it is reasonable that a processing fee be applied to reduce the cost to taxpayers at large. If the Region were to recover 100% of its anticipated costs for processing a plan of subdivision, the average fee should be \$10,600 for a plan of subdivision and \$6,000 for a plan of condominium.

The current processing fees for plans of subdivision especially, vary tremendously since they are related to the number of proposed units or blocks. This variability is far out of proportion with the variability in the amount of effort required to deal with the issues. Traditionally, the fee has been based on the number of lots. But, a serviced subdivision in the urban area of 200 lots is often simpler to process than a 35 lot rural subdivision. Initially, as a basis for consultation, staff proposed that a flat fee for all subdivisions would be as fair and have the added advantage of being simple to process.

However, feedback from the development community and from some municipalities indicated that they felt it would be more fair to introduce two fee categories based on the size of the application. The Regional Official Plan permits a maximum of 40 lots in a phase of a country lot subdivision and it is generally in the rural area where these smaller plans are. So, a category has been created to capture these at a lower fee. The following fee schedule is now being proposed:

It is recommended that the fee for residential plans of subdivision and condominium be as follows:

<i>Plan of subdivision with the potential for 40 or fewer units:</i>	<i>\$7,000</i>
<i>Plan of subdivision with the potential for more than 40 units:</i>	<i>\$12,000</i>
<i>Plan of condominium (any size)</i>	<i>\$6,000</i>

The fee can be distributed over the life of the application and charged at key milestones. This will allow the invoice amount to be included in the application form and standard letters. Staff would simply not move to the next stage until the invoice had been paid. It is proposed that the key stages be submission, draft approval and registration. In addition, any revisions resulting in the need to recirculate would be subject to an additional \$1,000 fee. If the proponent registers the plan in phases, that final fee would be applied to each phase. The overall effect of this will be to require a larger fee from proponents who have complex and phased development proposals. But the additional fee would be directly attributable to additional processing effort.

It is recommended that the fee be staged at key milestones:

	<i>subdivisions</i>		<i>condominiums</i>
	<i>0 - 40 units</i>	<i>41 or more units</i>	<i>any size</i>
<i>submission</i>	\$3,000	\$6,000	\$2,500
<i>draft approval</i>	\$2,000	\$4,000	\$2,000
<i>registration (each phase)</i>	\$2,000	\$2,000	\$1,500

It is recommended that a \$1,000 fee be applied to major revisions requiring recirculation.

One of the most significant points of contact between the proponent and staff is prior to the plan being prepared and submitted. Early consultation greatly improves the ease of processing. In addition, it allows staff to have input into the design of the subdivision. The subdivision application package has been revised to include a pre-consultation guideline (or checklist) to assist the proponent in meeting the requirements of the Regional Official Plan. To underline the importance of pre-consultation, and to encourage it, the proponent should receive some financial benefit from taking the time to meet and provide the Planning and Development Approvals Department with the information requested in the Guideline.

It is recommended that the applicant receive a \$1,000 reduction on the submission fee for a plan of subdivision and a \$600 reduction on the submission for a plan of condominium fee by preparing for and attending a structured pre-consultation meeting with Regional staff.

Finally, with regard to non-residential plans of subdivision and condominium, it is proposed that the same principle be adopted: flat fee applied at key milestones. The overall fee is being set at \$7,000 with the same opportunity for a \$1,000 reduction in fee for pre-consultation and a \$1,000 additional fee for major revisions. Plans of subdivision that are primarily residential, with some blocks for non-residential uses, will be assessed the residential processing fee.

Extensions of Draft Plan Approval

These fees are currently \$650 which is inadequate to cover the cost of review and approval. It is estimated that a fee of \$3,400 comes closer to representing 100% cost recovery. As the responsibilities of the Region grow, with transfer of review and so on, it is essential that the extension of draft plan approval be subject to all the current policies. A fee of \$3,400 represents a significant increase but is estimated to represent 100% of the average cost.

Subdivision draft approvals lapse for two main reasons. One occurs when market conditions change so much that the proponent decides not to proceed with the application at this time. In those circumstances the plan may remain on the books for ten or fifteen years. The draft approval is extended every two or three years. The other circumstance is when a developer is proceeding in phases and due to circumstances does not complete all phases within the three year prescribed period. Often, little additional work is required to extend the draft approval. Therefore, to more accurately reflect the cost to staff of updating conditions for plans proceeding to registration, the following schedule is proposed for extensions of draft plan approval:

It is recommended that the fee for draft plan approval extensions for plans of subdivision and condominium be as follows:

<i>first extension (three years after date of draft approval):</i>	<i>\$650</i>
<i>subsequent extensions - not proceeding to registration:</i>	<i>\$650</i>
<i>subsequent extensions proceeding to registration:</i>	<i>\$3,400</i>

Land Division Committee (Consents)

When an application is made for a consent in West Carleton, Osgoode, Goulbourn and Rideau, it is made to the Land Division Committee. Two full time staff provide the support function to the Committee including meeting with proponents and conducting site visits. Staff within the Planning and Development Approvals Department also review each application in the context of Regional Official Plan conformity. The fee that is charged to applicants is intended to cover the administrative aspect and not the planning review aspect. Therefore, the fee should cover 100% of the cost of operating the Land Division Committee. This budget includes the two staff people, honorariums and mileage for Committee members and associated supplies/equipment.

The current fee of \$595 is insufficient to meet the anticipated costs. It represents about 65% of cost recovery. The objective should be 100% cost recovery which would require a fee of \$900. Some municipalities are processing consent applications within their Committees if Adjustment and therefore should not be subsidizing the operation of the Land Division Committee.

During consultation only the Township of West Carleton commented on the proposal to raise the fees; their Council adopted the recommendation:

“ Further, that the Townships, in concert with the other members’ municipalities of the Regional Land Division Committee, pursue the delegation of the function effective January, 1999

However, to date, no formal submission has been made to the Region from any of these rural municipalities.

It is recommended that Land Division Committee aim for 100% cost recovery and increase its fee to \$900 per application, payable upon application.

Regional Official Plan Amendments

The Regional Official Plan (ROPA) Amendment application processing fee was established in March, 1991 and was most recently reconfirmed in July, 1996. It is \$4,472 and is intended to cover the cost of staff time for reviewing the application, public meeting advertising, and other miscellaneous costs such as printing and stationery.

Many applications are initiated internally and there is no fee. The Regional Official Plan has been reviewed in its entirety and much study has gone into the development of designations and policies. A great amount of flexibility has been introduced so that development proponents complete studies to meet the requirements of the Plan rather than requiring a ROPA for each application. Therefore, it is anticipated that privately initiated ROPAs will only be initiated for

something that is contrary to the principles of the ROPA and requiring detailed analysis. Since advertising alone can consume the current fee, it is recommended that the fee be raised to offset some of the staff time. To this end, it is recommended that the fee for ROPAs be increased to \$8,000 payable upon application. This is consistent with other regions in Ontario. All of the criteria for waiving or modifying the fee, discussed later, would apply.

It is recommended that the fee for Regional Official Plan Amendments be increased to \$8,000.

The following applications are submitted to the local municipality and come to the Region for comments or for final approval.

Part Lot Control By-Laws

The fee for Part Lot Control By-laws is \$515. These do not take a large amount of time but due to their urgency, they require immediate attention at the expense of other tasks. Other Regions in Ontario who charge fees for this, charge between \$200 and \$800. The Region's fee of \$515 is near the average. Initially staff proposed that this fee remain unchanged. However, based on consultation, it is evident that this fee does not address two anomalies.

The first anomaly occurs when a proponent requires a short extension to the By-law and no additional work is required by the Region. In these circumstances, there should be no Regional fee for approving the extension.

The second anomaly occurs when a proponent uses the Part Lot Control By-law to create a large number of lots without following a subdivision approval process in the first instance. This generally occurs in the built up areas where a very old plan of subdivision exists on the site. The Region will require various agreements to ensure their interests are met. In this case, the existing fee is too small and the actual fee should more closely resemble the fee for a plan of subdivision. It is not intended that the higher fee should discourage small infill projects. So, by-laws to create 15 or fewer lots would be charged the lower fee.

It is recommended that the fee for Part Lot Control By-laws remain unchanged at \$515 with the following exceptions:

- *that no Part Lot Control By-law fee be applied to extensions of the By-law*
- *that, for Part Lot Control By-laws applying to plans of subdivision approved prior to June 1, 1975, and where more than 15 lots are being created, the Regional fee be the equivalent Plan of Subdivision fee for the number of lots being created.*

Local Official Plan Amendments

Local Official Plan Amendments represent a large proportion of the plan review work done by staff. They may be initiated by the municipality or by a private proponent. The Region has been delegated the responsibility of approving these on behalf of the Minister of Municipal Affairs and Housing. Regional staff comments on conformity to the Regional Official Plan in response to the local municipality's circulation. The Region's role at the approval stage is primarily one of ensuring that the Province's interests are addressed and that all requirements of the Planning Act have been met (provided the Region's earlier comments have already been taken into account)

A review of the five year period between 1993 and 1997 inclusive, indicates that of 108 Local Official Plan Amendments submitted, 77 (71%) were initiated by the municipality. The imposition of a processing fee by one level of municipal government on another would undermine the Region's position on promoting a high standard of planning policy and practice throughout the urban and rural area. Many amendments are the result of extensive neighbourhood studies, innovative planning approaches or are required to bring the Local Official Plan into conformity with the Region's.

It is recommended that no processing fees be charged by the Region for Local Official Plan amendments.

Zoning By-laws

Zoning by-law amendments are a condition of approval of almost every plan of subdivision and many severances. As with Local Official Plan amendments this is one of the most effective tools local municipalities have to provide for orderly land use development within their boundaries

It is recommended that no processing fees be charged by the Region for reviewing zoning by-law amendments.

Site Plan Applications

The review of site plan applications is a major component of the work of the Planning and Development Approvals Department. This is due to the large number of applications and also to the complexity of some of them. However, site plan approval is entirely within the jurisdiction of the local municipality. Where site plans are on a Regional Road, the Region may apply conditions concerning road widening and access to and egress from the site. In fact, it is through this process that the Region has a significant amount of land conveyed by owners for future road widenings, turning lanes are provided, improvements are made to intersections and so on. In addition, staff uses this opportunity to inform land owners of many other regional by-laws, requirements and procedures. The Region also enters into agreements other than site plan agreements to provide for such things as landscaping and leasing of land.

Since the Region is benefiting to such a degree from the review of site plan applications, it would not be fair to then charge the proponent a fee for this opportunity. In addition, any fee would have to be levied by the local municipality as they are the approval authority for site plans. That is how it is done in Halton. However, the Region's Legal Department charges a fee for its work in preparing any agreements.

It is recommended that no processing fees be charged by the Region for reviewing site plan applications.

Consents (Committees of Adjustment)

The approval of severances (consents) in West Carleton, Osgoode, Goulbourn, Rockcliffe Park and Rideau are given by the Land Division Committee. In all other municipalities, these approvals are given by the local Committees of Adjustment. Regional staff review all of these applications and provide comments with regard to Local Official Plan conformity. However, the review of Provincial interests, compliance with the Planning Act and conformity at the local level is all done

by the local municipality. As with many other functions, this is an opportunity for the Region to ensure its requirements are met with respect to the ROP and the Regional Regulatory Code.

It is recommended that no processing fees be charged by the Region for reviewing consent applications for the local Committees of Adjustment.

Phasing in of New Fees

All new applications submitted after Council adopts this report, will be subject to the new fees summarized in Annex B. Discretion will be used in phasing in existing applications so that they are not penalized by fees implemented after the date of application. Small subdivisions will continue under their original fee. Large subdivisions will not be reimbursed money paid to date, but no additional fees will be requested if the amount paid to date exceeds the total fee under the new fee structure.

Criteria for Reviewing/Adjusting Fee

The Planning Act provides for the fee to be adjusted in certain circumstances. As discussed earlier, it is proposed that if any of the following criteria are met, the fee could be reviewed to determine if an adjustment is merited:

- the application is to facilitate the provision of social housing.
- the application has been dormant for some time and the proponent is being asked to begin again. We could apply the new policies but reduce the fee to account for what has already been paid.
- the application is in support of a major economic development initiative that will have a significant positive impact in the community.
- the proponent has filed for bankruptcy or is experiencing verifiable hardship and is securing approvals to ensure his property has value.
- an adjustment is required to phase in new fees

The decision to review the fee would be made by the Commissioner of Planning and Development Approvals.

It is recommended that the processing fee could be adjusted or waived by the Commissioner of Planning and Development Approvals if the above criteria are met.

CONSULTATION

The draft Processing Fee report was circulated widely for comments. In addition, staff met with the Builder Developer Council of the Ottawa-Carleton Homebuilders. The report was discussed at the Streamlining Committee (with membership from all municipalities) and at the Regional Planning Commissioners and Directors meeting. Various changes were made to the original proposal and they are documented throughout the report.

FINANCIAL IMPLICATIONS

Administrative procedures for collecting revenue will be significantly streamlined when these recommendations are implemented. This is because the fee request will simply be incorporated into the standard letters issued at particular stages of subdivision/condominium approval. In addition, the proposed fees, are anticipated to recover close to 100% of the costs of processing plans of subdivision, condominium and Part Lot Control By-laws.

*Approved by
N. Tunnacliffe, MCIP, RPP*

Development Applications, RMO (1988-1997)*SUBDIVISION APPLICATIONS PROCESSED (1988-1997)*

Year	Applications Received	Residential Units Proposed	Applications Still Active	Plans Registered
1988	63	4030	15	64
1989	62	7048	24	64
1990	49	5597	18	36
1991	31	3144	16	33
1992	29	5435	13	44
1993	38	3493	21	44
1994	46	11962	31	37
1995	27	4040	25	17
1996	8	755	4	16
1997	13	905	13	29
TOTAL	366	46409	180	384

CONDOMINIUM APPLICATIONS PROCESSED (1988-1997)

Year	Applications Received	Residential Units Proposed	Applications Still Active	Plans Registered
1988	50	4220	7	50
1989	23	1709	1	34
1990	26	1180	12	32
1991	7	120	1	28
1992	8	449	2	17
1993	6	304	3	7
1994	5	335	0	7
1995	5	348	1	13
1996	12	970	4	12
1997	15	489	12	11
TOTAL	157	10124	43	211

PART-LOT CONTROLS, SEVERANCES & REGIONAL OFFICIAL PLAN AMENDMENTS (1988-1997)

Year	Part -Lot Control By-Laws	Severances		Regional Official Plan Amendments
		LDC	CofA	
1988	-	482	748	2
1989	-	458	448	8
1990	4	410	549	24
1991	10	288	505	6
1992	43	252	377	13
1993	61	202	415	7
1994	58	216	464	7
1995	33	114	474	5
1996	34	137	347	9
1997	67	131	200	4
TOTAL	310	2690	4527	85

PROCESSING FEES FOR PLANNING APPLICATIONS

Residential Plans of Subdivision and Condominium*			
	Subdivision		Condominium**
	0 to 40 units	41 or more units	any size
Submission	\$3,000	\$6,000	\$2,500
Draft Approval	\$2,000	\$4,000	\$2,000
Registration (each phase)	\$2,000	\$2,000	\$1,500
Major Revision (recirculation)	\$1,000	\$1,000	\$1,000
Commercial/Industrial Plans of Subdivision, Condominium**			
Submission	\$3,000		
Draft Approval	\$2,000		
Registration (each phase)	\$2,000		
Major Revision (recirculation)	\$1,000		
Draft Approval Extensions for Plans of Subdivision and Condominium			
first extension (three years after date of draft approval):	\$650		
subsequent extensions - not proceeding to registration:	\$650		
subsequent extensions proceeding to registration:	\$3,400		
Part Lot Control By-laws			
Part of a Plan of Subdivision approved after 1 June, 1975	\$515		
Extension of Part Lot Control By-law	no fee		
Part of Plan of Subdivision approved prior to 1 June, 1975, and creating more than 15 lots.	equivalent subdivision approval fee**		
Regional Official Plan Amendments	\$8,000		
Severances (Land Division Committee)	\$900		

* 'Residential' includes mixed use that is primarily residential

** This includes Condominium Conversions

***Apply the total subdivision approval fee associated with the number of lots being created (i.e. for 50 lots the RMOC would require a fee of \$9,000). For 15 or fewer units, the fee is \$515.