

1. PROCESSING FEES FOR PLANNING APPLICATIONS

COMMITTEE RECOMMENDATIONS AS AMENDED

1. That Council approve the following in accordance with the attached report:
  - a. That Council adopt an amendment to the Regional Regulatory Code, Part 6.3, to implement the fees outlined in this report;
  - b. 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.
2. That the report be amended under the criteria for reviewing/adjusting a fee, to include:
  - a community group or concerned resident without the means to pay the full fee.
3. That the fee schedule and the application form clearly indicate that for Regional Official Plan Amendment applications “the Commissioner has discretionary authority to lower this fee”.

DOCUMENTATION:

1. Committee Coordinator’s report dated 16 Nov 98, Planning and Development Approvals Commissioner’s report dated 09 Oct 98 and Addendum to staff report dated 16 Nov 98 are immediately attached.
2. Correspondence dated 16 Nov 1998 from Murray Chown, Novatech Engineering Consultants Ltd. and correspondence from Pierre Dufresne, Ottawa-Carleton Home Builders’ Association dated 20 Nov 1998, immediately follow the reports.
3. Extract of Minute, 10 Nov 98 and Extract of Draft Minute, 24 Nov 98, follows and includes a record of the vote.

REGION OF OTTAWA-CARLETON  
RÉGION D'OTTAWA-CARLETON

REPORT  
RAPPORT

Our File/N/Réf.            03 07-98-0119  
Your File/V/Réf.

DATE                        16 November 1998

TO/DEST.                 Chair and Members of  
                                  Planning and Environment Committee

FROM/EXP.                Coordinator, Planning and Environment Committee

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

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**DEPARTMENTAL RECOMMENDATIONS**

- 1. That the Planning and Environment Committee recommend that Council approve the following in accordance with the attached report:**
  - a. That Council adopt an amendment to the Regional Regulatory Code, Part 6.3, to implement the fees outlined in this report;**
  - b. 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.**
- 2. That the Planning and Environment Committee and Council consider the information provided in this addendum in their review of the Processing Fees Report of 09 October 1998.**

**BACKGROUND**

At the Planning and Environment Committee meeting of 10 November 1998, the Committee deferred consideration of the staff report dated 09 Oct 98 for two weeks, to permit staff to undertake further consultation with the business community (see Addendum report dated 16 Nov 98). The following motion put forward by Councillor Munter was tabled, to be lifted when the report is back before the Committee.

- That the report be amended, under the criteria for reviewing/adjusting a fee, to include:
- a community group or concerned resident without the means to pay the full fee.

*Approved by*  
*Dawn Whelan*

Our File/N/Réf. 00-95.0002

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**

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### **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.

<b>Planning Application</b>	<b>Existing Fee</b>
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
<b>TOTAL</b>	<b>366</b>	<b>46409</b>	<b>180</b>	<b>384</b>

*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
<b>TOTAL</b>	<b>157</b>	<b>10124</b>	<b>43</b>	<b>211</b>

*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
<b>TOTAL</b>	<b>310</b>	<b>2690</b>	<b>4527</b>	<b>85</b>

PROCESSING FEES FOR PLANNING APPLICATIONS

<b>Residential Plans of Subdivision and Condominium*</b>			
	<b>Subdivision</b>		<b>Condominium**</b>
	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
<b>Commercial/Industrial Plans of Subdivision, Condominium**</b>			
Submission	\$3,000		
Draft Approval	\$2,000		
Registration (each phase)	\$2,000		
Major Revision (recirculation)	\$1,000		
<b>Draft Approval Extensions for Plans of Subdivision and Condominium</b>			
first extension (three years after date of draft approval):	\$650		
subsequent extensions - not proceeding to registration:	\$650		
subsequent extensions proceeding to registration:	\$3,400		
<b>Part Lot Control By-laws</b>			
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**		
<b>Regional Official Plan Amendments</b>	\$8,000		
<b>Severances (Land Division Committee)</b>	\$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.

REGION OF OTTAWA-CARLETON  
RÉGION D'OTTAWA-CARLETON

REPORT  
RAPPORT

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Our File/N/Réf.            00-98.0023

DATE                        16 November 1998

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

FROM/EXP.                Commissioner, Planning and Development Approvals Department

SUBJECT/OBJET            **PROCESSING FEES FOR PLANNING APPLICATIONS -  
 ADDENDUM TO REPORT DATED 09 OCTOBER, 1998.**

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### DEPARTMENTAL RECOMMENDATION

**That the Planning and Environment Committee and Council consider the information provided in this addendum in their review of the Processing Fees Report of 09 October, 1998.**

### INTRODUCTION

At the Planning and Environment Committee meeting of 10 November, 1998, staff presented a proposal to amend the Regional Regulatory Code as it relates to Planning Processing Fees as outlined in the attached report. At that meeting, Mr. Murray Chown, a consultant who frequently works for small developers, suggested that the proposed fees would be too high for those clients. Also, in his view, they represent too significant of an increase for them.

Planning and Environment Committee directed staff to consult further on this matter. Staff met with Mr. Chown who had spoken with his colleagues and they all agreed that contacting this group of clients would be difficult because they tend to be one time developers. He suggested that staff develop four categories of fees and decrease the lower category while off-setting that with in a increase in the higher category.

### DISCUSSION

It is staff's position that the amount of time required to process a plan of subdivision is not related to its size. Nothing raised through the additional consultation has challenged that position. The argument is that to apply one or two standard fees, represents a significant increase for the smaller developer.

If the fees are distributed as follows, it is estimated that the Planning Department would receive an *average* fee of \$10,600 which represents 100% cost recovery:

- 1-20 units: \$4,000
- 21 to 40 units: \$7,000
- 41 to 250 units: \$12,000
- more than 250 units: \$15,000

The fees could be collected at key points in the approval process as described in Table 1.

**Table 1: Processing Fees for Plans of Subdivision if 4 Classes of Fees are Recommended**

	<b>Subdivision*</b>			
	1-20 units	21 to 40 units	41 to 250 units	more than 250 units
Submission	\$1,000	\$3,000	\$6,000	\$8,000
Draft Approval	\$1,000	\$2,000	\$4,000	\$5,000
Registration (each phase)	\$2,000	\$2,000	\$2,000	\$2,000
<i>Total fee</i>	<i>\$4,000</i>	<i>\$7,000</i>	<i>\$12,000</i>	<i>\$15,000</i>

\* The fee for a major revision requiring recirculation would be \$1,000 for all subdivisions.

#### FINANCIAL IMPLICATIONS

The financial impact of implementing four classes of fees should be similar to the impact of having one fee at \$10,600. The implementation of four classes of fees will be less streamlined than what was originally proposed but still an improvement over current practices. The implementation of four classes of fees would mean that most small developers will not be paying the costs associated with their proposal and the larger developers will pick up this difference.

*Approved by*  
*N. Tunnacliffe, MCIP, RPP*



ENGINEERING CONSULTANTS LTD.

CONSULTING ENGINEERS AND PLANNERS

November 16, 1998

Regional Municipality of Ottawa-Carleton  
111 Lisgar Street, 2<sup>nd</sup> Floor - Councilor's Offices  
Ottawa, Ontario  
Canada  
K2P 2L7

FAX

Attention: Mr. Gord Hunter, Chair  
Planning and Environment Committee

Dear Sir:

Re: Processing Fees  
Report No. 00-95-002

I appreciate being given the opportunity to meet with RMOC staff to review my concerns with respect to recommendations for new processing fees. I regret that I was unable to participate in earlier discussions regarding this report. As I am no longer a member of the Builder Developer Council, I was unaware of the report. I apologize for the delay that has resulted from my involvement, late in the process.

The concerns I raised at Planning and Environment Committee related to the impact of the proposed fees on small or one-time developers and individual property owners. In particular, my concerns related to the increase in fees for Regional Official Plan Amendment applications. At the same time, I felt the Committee should consider the effect of increasing processing fees for smaller subdivision applications.

I would remind members of the Committee that Novatech Engineering acts for a broad range of developers, and we fully support the basic approach to amending processing fees that is recommended in the staff report.

#### *Regional Official Plan Amendments*

The staff recommendation would increase the processing fee for Regional Official Plan Amendments from \$4,472 to \$8,000. The initial reaction to this dramatic increase is that it will be extremely onerous for the small property owner in the Region. I take a great deal of comfort from the advice that the Commissioner of Planning and Development has discretionary authority to adjust processing fees.

In the years I have been working in the private sector, since leaving the Region's Planning Department in 1987, I was never aware of the Commissioner's discretionary authority. It would relieve a great deal of concern on the part of small property owners if this information could be made available to them when they are considering an Official Plan amendment application, rather than facing the spectre of having to pay an \$8,000.00 processing fee.

Based on the understanding that the Commissioner has discretion with respect to altering processing fees, I am now comfortable with the proposed processing fee for Regional Official Plan Amendments.



### *Subdivision Applications*

The current processing fee for subdivisions is based on a per unit cost. I share the concern expressed in the staff report, that this approach does not fairly reflect the actual costs of processing these applications. It is understood that generally speaking, the cost of processing a "large" subdivision is no different than the cost of processing a "small" subdivision. The current processing fees for large subdivisions are therefore undeniably excessive. The cost for processing a "small" subdivision may in fact be higher than for "large" subdivisions because of the time spent assisting "one-time" developers.

It is logical therefore to apply one fee to all subdivision applications. This could prove onerous, however, for small or "one-time" developers. It is appreciated that the recommendation of staff would provide some relief for developers of subdivisions with 40 units or fewer.

As a result of discussions with planning staff, an option has been tabled which produces a further category for subdivision applications of 20 units or less. The revenue lost by creating this category for smaller subdivisions could be off set by an increase in the fee for very large subdivisions (more than 250 units).

The attached table summarizes the processing fees of various subdivision applications under the existing policy, the staff recommendation and the tabled alternative.

It can be seen from this table that the processing fees for all subdivision applications over 135 units would be reduced under either proposal as compared to the current fees. Although this represents savings for large subdivision applications, it is evident that large subdivisions would continue to subsidize, in part, the costs associated with processing smaller subdivisions.

There is no doubt that a flat fee for processing subdivision applications would most accurately represent the cost of administering these applications. The issue to be considered by Committee is whether affordability/accessibility of the subdivision approval process should be a factor in approving new processing fees.

Once again, I appreciate having the opportunity of meeting with staff to discuss their recommendations. I apologize for the delay in implementing new processing fees that may have resulted from my involvement, late in this process.

Yours truly,

**NOVATECH ENGINEERING CONSULTANTS LTD.**

Murray Chown, MCIP

MC/mm

cc. Nick Tunnacliffe, Commissioner  
Barry Edgington, Director  
Lesley Paterson, Manager  
Richard Lee, OCHBA  
Pierre Dufresne, Tartan

**R.M.O.C.  
Subdivision Processing Fees**

<b>Number of Lots</b>	<b>Current Fees</b>	<b>Staff Recommendation</b>	<b>Addendum Report</b>
20 (Urban)	1,800 (90/lot)	7,000	4,000
20 (Rural)	2,400 (120/lot)	7,000	4,000
21 (Urban)	1,890 (90/lot)	7,000	7,000
21 (Rural)	2,520 (120/lot)	7,000	7,000
40 (Urban)	3,600 (90/lot)	7,000	7,000
40 (Rural)	4,800 (120/lot)	7,000	7,000
41	3,690	12,000	12,000
134	12,060	12,000	12,000
250	22,500	12,000	12,000
251	22,590	12,000	15,000

Prepared By  
Novatech Engineering  
November 18, 1998

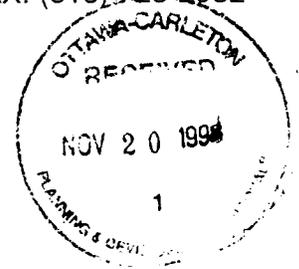


Ottawa-Carleton Home Builders' Association  
Association d'Ottawa-Carleton  
des constructeurs d'habitations

203-30 Concourse Gate, Nepean, Ontario K2E 7V7  
Tel.: (613) 723-2926 FAX: (613) 723-2982

November 20, 1998

Councillor Gordon Hunter  
Chairman, Planning and Environment Committee  
Region of Ottawa-Carleton  
111 Lisgar Street  
2nd Floor  
Ottawa, Ontario  
K2P 2L7



Dear Mr. Hunter:

**Re: Processing Fees for Planning Applications Report to Planning and Environment Committee**

We are in receipt of the addendum to the Processing Fees for Planning Applications report dated 16 November 1998, and have the following comments to make for your consideration.

Prior to the report dated 09 October 1998 and presented at the November 10, 1998 Committee meeting, members of the Builder/Developer Council of the Ottawa-Carleton Homebuilders Association (OCHBA) met with staff of the Planning and Development Approvals Department to review and have input into the original draft of the report.

Our Council acknowledged the objective of 100 percent cost recovery for staff time in dealing with our development applications, as well as the fact that applications of a small-scale nature often took as much or more staff time than larger applications. We further recognise that staff were thus attempting to equalize the cost to the development proponent by removing the per-unit cost factor and replacing it with a standard fee. At that time, in the interest of fairness, we submitted that there should be a differential fee for those smaller applications which resulted in 40 or fewer units, and agreed upon this cut off point. We were further assured that the Commissioner of Planning and Development could use discretion in applying the fee to smaller applications should circumstances warrant such consideration. We also felt that this consultation process demonstrated a pro-active approach on behalf of staff to dealing with our applications and concerns, an approach which we greatly appreciate.

We submit that we cannot support the fee schedule as shown in the addendum to the original report as the greater subsidy which the larger developers must provide for the benefit of the smaller developers contradicts the overriding principle to the intent of the exercise, the principle of fairness and accountability. For these reasons the OCHBA support the fee schedule as reflected in the staff report and recommendation presented to the November 10 Planning and Environment Committee which we feel is equitable to all proponents of development applications.

Yours very truly,

**OTTAWA-CARLETON HOMEBUILDERS ASSOCIATION**



Pierre Dufresne  
Chairman, Builder/Developer Council

c.c. Members of Planning and Environment Committee.  
Mr. Barry Edgington, Planning and Development Approvals.  
Ms. Lesley Paterson, Planning and Development Approvals.  
Mr. Murray Chown, Novatech Engineering Consultants Ltd.  
Mr. Richard Lee, OCHBA.

1. PROCESSING FEES FOR PLANNING APPLICATIONS

- Committee Coordinator's report dated 16 Nov 98
- Planning and Development Approvals Commissioner's report dated 09 Oct 98
- Addendum to staff report dated 16 Nov 98

Lesley Paterson, Senior Project Manager, Development Approvals Division, Planning and Development Approvals Department, noted the Addendum report (page 13 of the Agenda) addresses the issue raised at the last Planning and Environment Committee meeting. She indicated, provided a few assumptions are true (i.e. same number and mix of applications), this distribution of fees would still result in an average fee of \$10,600 per application.

Committee Chair Hunter pointed out and Ms. Paterson confirmed, staff are saying if it is the will of Committee to further break down the fee structure, it would be staff's recommendation to proceed with 4 classes of fees (as set out in Table 1, page 14 of the Agenda). However, the recommendations contained in the original staff report dated 09 October 1998, are the preferred choice of staff.

Councillor van den Ham questioned whether the proposed four categories would in effect have the larger subdivisions subsidizing the smaller subdivisions. Ms. Paterson agreed the smaller applications would not likely be paying what it really costs to process their applications, while the larger subdivisions would be paying more than it costs to review their applications. Ms. Paterson also confirmed for the Councillor, it was staff's "starting point", to have cost recovery on these processes.

Councillor Hill stated she still had concerns with the increased fees, particularly for rural subdivisions which tend to be smaller, as she felt the increase would be onerous to small developers and would discourage what little development there is in the rural areas. She asked staff to comment on this. Ms. Paterson noted staff met with Mr. Chown, who agreed it would be difficult to contact the group of persons he felt the fees would be most onerous to, as they tend to be one-time developers. In light of this, it was agreed that the best approach was to show four categories that would together, result in 100% cost recovery. Ms. Paterson pointed out as well, in the smallest category where the fee is \$4000, there is a further recommendation that if the applicant attends a pre-consultation meeting the fee would be reduced by \$1,000.

Councillor Beamish referring to the average fee of \$10,600.00, questioned how, even at a conservative estimate of \$500 per day for staff time, it would take 20 full days of staff time to process each subdivision plan. Ms. Paterson stated it would take at least this amount of time to process each subdivision. She noted this would include developing all of the conditions, doing all of the review (as it is no longer circulated to any Provincial bodies) and, coordinating with the applicant, area municipality, O-C Transpo, etc.

Councillor Bellemare, noted the new Regional Official Plan encourages intensification/development within the Greenbelt and he asked if the proposed fee policy would encourage or discourage this type of intensification.

Pierre Dufresne, Ottawa-Carleton Home Builders Association (OCHBA) advised OCHBA represents all developers, both in the suburban area and within the Greenbelt. He noted it is the industry's opinion it would not be a function of the development fee process to either promote or discourage development within the Greenbelt. He went on to say the proposed fees were really an equalization, where real costs are being identified and paid by the applicants. Mr. Dufresne pointed out, typically development within the Greenbelt is undertaken through the part lot control process, rather than the subdivision approval process. This is because the majority of these lands have previously been registered as blocks of land through prior development applications. He said this was one area identified in discussions with Regional staff, where the development industry wanted to make sure the fees charged to these applicants were applied equitably.

Councillor Bellemare then asked staff if the Region would normally receive subdivision applications within the City of Ottawa from smaller developers applying for 40 units and less. Ms. Paterson replied the vast majority of development applications in the City of Ottawa come in under the Part Lot Control By-laws. She noted the current fee for which is \$515 and staff are suggesting, where more than 15 lots are being created, this fee should be the same as for a small subdivision.

Councillor Munter asked Mr. Dufresne what the development industry was more concerned about - development fees or planning application processing fees. Mr. Dufresne replied the industry was very concerned about development charges and have initiated discussions with Regional staff about these concerns. He said the industry's position is the development charge must be transparent and understandable, with realistic costing structures. Mr. Dufresne stated when this occurs, the industry will be able to support the charge. He said this was also the industry's view with regards to the processing fees, in that it had to be equitable and transparent, such that the larger developers were not subsidizing the smaller developers.

At Committee Chair Hunter's invitation, Mr. Dufresne then relayed OCHBA's position. He noted he had sent a letter to members of Council (held on file with the Regional Clerk) which expressed OCHBA's support of the original staff recommendations. He said this was a fairer and more equitable approach than a per unit fee (as is the current practice) or that which is suggested in addendum of having the larger developers subsidizing the smaller developers.

Responding to questions from Councillor Beamish, Ms. Paterson advised, based on the previous five years, approximately 10% of the subdivision applications had been for 1 to 20 units, 25% at 21 to 40 units, 43% at 41 to 250 units and 22% over 250 units. She confirmed the maximum number of applications would be 30 per year.

Councillor Legendre asked staff if the Region had the ability, once an applicant had paid their fee, to charge additional fees in instances where a developer refused to abide by the established parameters of the development process. Ms. Paterson advised one of the options staff examined was recording actual staff time involved in processing each application; however, in an effort to balance cost recovery with simplification of the process, this option was not recommended. She noted staff are recommending additional fees for major revisions and a separate fee for each phase registered but there is no component that would charge an additional fee for “problem” developers.

Councillor Legendre questioned why, when the processing fees are being reviewed, the Region would not take the opportunity to introduce such a charge. Ms. Paterson indicated it would be difficult to design a standard procedure for the “exceptions”. She said the proposed policy was designed to meet 98% of the applications.

Barry Edgington, Director, Development Approvals Division, stated the Department has some discretion with respect to the criteria and adjustment of fees. He said, in instances where developers are not abiding by the conditions of the development agreement or are not cooperating with staff, the Region could possibly have some discretion to increase fees to recover these unique costs.

Tim Marc, Manager, Planning and Environment Law, opined the possibility of these additional fees should be in existence at the time the application is made. He gave hypothetical examples of inspections of watermains or additional planning reviews and noted these fees could be built into the application but should be established at the time the application is made. Mr. Marc noted in instances where a developer is violating the terms of the Subdivision Agreement or the Planning Act, the Region could issue a stop work order or seek a court order declaring the developer in violation of the Planning Act. He said however, it would be his opinion the Region could not use fees as fines.

Murray Chown, Novatech Engineering Consultants Ltd., referred to his letter to the Committee dated 16 November 1998 and stated the fee that initially caused him the greatest concern was the fee for Regional Official Plan Amendments (ROPA) which was recommended to be increased from \$4,472 to \$8,000. However, he stated the report indicates the Commissioner has discretion with respect to processing fees, which eases his concern somewhat and he said he would hope the Commissioner would exercise this ability in circumstances where an individual property owner applied for a ROPA and was unable to afford this fee.

With respect to the subdivision processing fees, Mr. Chown stated there was not a significant difference between the recommendations contained in the original report and the addendum report. He noted the initial staff recommendation reflects an approach for cost recovery, while providing some relief for developments of 40 units and less; the addendum provides further relief for applications of less than 20 units. Mr. Chown pointed out, given all of the costs

associated with a development, the difference between \$4,000 and \$7,000 would be a “drop in the bucket”.

Councillor Beamish asked Mr. Chown if he felt the fee for a ROPA would be somewhat intimidating to the average citizen. Mr. Chown stated this was the cause of his initial concern, however, he did not realize at that time the Commissioner had discretion with respect to altering or waiving the fee. Councillor Beamish indicated the first line contact with persons wishing to make ROPAs, would be staff in the local municipalities and he commented it would be unlikely they would provide information on the Commissioner’s discretionary authority. Mr. Chown stated opportunities exist for the Commissioner to make this information known to the local municipalities and he felt sure they in turn would make this information known to applicants.

Responding to questions from Councillor Munter, regarding the profile of ROPAs, Joseph Phelan, Senior Project Manager, Land Use, advised the number of applications for ROPAs has typically been between 4 and 7 per year and the majority of these are for large developments (e.g. a large retail application or urban expansion). He advised approximately 64% of the applications are privately initiated and the balance are initiated by staff either as a result of Council direction or to bring certain aspects of the Regional Plan up to date. Mr. Phelan noted the Commissioner has exercised his discretion in waiving the fee for many of the site-specific applications and gave examples of churches in Kanata and Gloucester and the Perley Hospital in Ottawa.

Ted Phillips, Richcraft Homes, urged the Committee to support the recommendations contained in the original staff report. He referred to comments made by Councillor Legendre with respect to developers who do not abide by the terms of the subdivision agreement and noted Richcraft would encourage the Region to develop a system to penalize those developers who are ruining things for developers who are “playing by the rules”. Mr. Phillips stated it was important to treat those developers who are attempting to abide by the rules, fairly and equitably and he felt the original staff report did this.

Councillor Beamish asked staff if the proposed fee for ROPAs of \$8000 represented cost recovery. Ms. Paterson replied the existing fee simply covers the cost of advertisements and some of the clerical work. The proposed fee represents an average of what other regions are charging, but does not come close to representing full cost recovery. She noted the applications are so variable it would be impossible to find one common fee.

Councillor Legendre indicated he would be moving a motion to remove the third bullet under Criteria for Reviewing and Adjusting Fees (i.e. the application is in support of a major economic development initiative that will have a significant positive impact in the community). He stated he did not agree the Commissioner should have discretion to remove or adjust the fee on such an application and noted the fee would be an insignificant amount for a major

development. The Councillor felt if the proponent wanted to have the fee waived/adjusted, they could make this request to the Committee.

Councillor Munter lifted his motion (tabled at the last meeting), to add a bullet under Criteria for Reviewing/Adjusting Fees, namely, "a community group or concerned resident without the means to pay the full fee".

Chair Hunter then read the following two motions put forward by Councillor Beamish.

That the fee schedule and the application form clearly indicate that for ROPA applications "the Commissioner has discretionary authority to lower this fee".

That the subdivision processing fees be set at 1 to 20 units - \$4,000; 21 to 40 units \$7,000; and, 41 units and over - \$12,000.

Councillor van den Ham stated he would be supporting the recommendations contained in the original staff report and indicated he would not be supporting Councillor Beamish's motion to alter the fees. He calculated the difference in cost to be approximately \$100 to \$150 per lot and noted this would not be a significant cost in a development. With respect to Councillor Munter's motion, he stated he would not be supporting this as he felt it would be difficult to determine a person's ability to pay. As well, he felt the existing option of incorporating such an amendment in a staff initiated "housekeeping amendment" would address this issue.

Councillor Munter indicated he too would be supporting the original staff recommendations and agreed with Councillor van den Ham that these fees would not represent a huge cost to developers. He said he felt staff had put together a good plan that simply tries to recover most of the Region's costs in processing these applications. However, he said there are people, such as community groups and individuals who want to participate in the planning process, for whom these fees would represent a large cost. The Councillor felt his motion introduced a further consideration for the Commissioner when reviewing/adjusting a fee, that would take into account the Region's intent to have a planning process, not just for developers but also for the community.

Councillor Legendre suggested Councillor Munter's motion be amended by adding the words "having a significant social impact", which he felt recognized not just a concerned resident, but a social benefit to the project which is driving the need for the application. Councillor Munter did not agree to accept this as a friendly amendment, so Councillor Legendre moved an independent motion.

Moved by J. Legendre

**That the words "having a significant social impact" be added to Councillor Munter's motion.**

LOST

NAYS: D. Beamish, P. Hume, R. van den Ham and G. Hunter.....4  
YEAS: M. Bellemare, B. Hill, J. Legendre and A. Munter....4

Moved by A. Munter

**That the report be amended under the criteria for reviewing/adjusting a fee, to include:**

- **a community group or concerned resident without the means to pay the full fee.**

CARRIED

YEAS: M. Bellemare, B. Hill, J. Legendre, A. Munter and G. Hunter....5  
NAYS: D. Beamish, P. Hume and R. van den Ham.....3

Moved by D. Beamish

**That the fee schedule and the application form clearly indicate that for ROPA applications “the Commissioner has discretionary authority to lower this fee”.**

CARRIED

(P. Hume dissented)

Moved by J. Legendre

**That the Commissioner’s discretion to waive or adjust fees in the case of major economic development initiatives that will have a significant positive impact in the community, be removed.**

LOST

NAYS: M. Bellemare, B. Hill, P. Hume G. Hunter, A. Munter and R. van den Ham.....6  
YEAS: D. Beamish and J. Legendre.....2

Speaking to his motion on subdivision processing fees, Councillor Beamish noted staff have indicated there is an average of 30 subdivisions applications per year and 22% are in the over 250 units category; approval of his motion would result in a loss of revenue of \$3,000 per subdivision over 250 units, for a total loss of revenue of approximately \$18,000. He felt it would be proper for the Region to assist smaller development applications and, although some might think the application processing fees are insignificant compared to development charges,

he pointed out all of these fees are cumulative. The Councillor stated his motion would have the Region subsidize the smaller developers, while not penalizing the larger developers.

Moved by D. Beamish

**That the subdivision processing fees be set at 1 to 20 units - \$4,000; 21 to 40 units \$7,000; and, 41 units and over - \$12,000.**

LOST

NAYS: M. Bellemare, P. Hume G. Hunter, A. Munter and R. van den Ham.....5  
YEAS: D. Beamish, B. Hill and J. Legendre.....3

The Committee then considered the original recommendations as contained in the staff report dated 09 October 1998, as amended.

1. **That Council approve the following in accordance with the attached report:**
  - a. **That Council adopt an amendment to the Regional Regulatory Code, Part 6.3, to implement the fees outlined in this report;**
  - b. **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.**
2. **That the report be amended under the criteria for reviewing/adjusting a fee, to include:**
  - **a community group or concerned resident without the means to pay the full fee.**
3. **That the fee schedule and the application form clearly indicate that for Regional Official Plan Amendment applications “the Commissioner has discretionary authority to lower this fee”.**

CARRIED as amended  
(B. Hill dissented)