

Proposed 2007 Development Application Fees Adjustments – City Planning Division

Date:	January 29, 2007
To:	Executive Committee
From:	Ted Tyndorf, Chief Planner & Executive Director
Wards:	All Wards
Reference Number:	EX70005

SUMMARY

This report requests Council's authority to amend the Toronto Municipal Code, Chapter 441, to adjust all City Planning application fees annually at the rate equal to the applicable annual wage adjustment increase; plus increase application fees for Committee of Adjustment minor variance applications under s. 45 of the Planning Act related to multi-residential, which includes any development containing more than 3 dwelling units, and mixed use and non-residential properties; and establish a fee for Committee of Adjustment research requests.

RECOMMENDATIONS

The City Planning Division recommends that:

1. Council amend the Toronto Municipal Code, Chapter 441, to increase all City Planning application fees listed in Schedule 16, Appendix C, which are subject to annual adjustments at a rate equal to the applicable annual wage adjustment increase, effective April 1st, commencing in 2007 and then each January 1st thereafter. In years where the wage adjustment increase is not known by January 1st, the fee would increase by the percentage increase in the All Items Index of the Consumer Price Index (not seasonally adjusted) for the Toronto Census Metropolitan Area, published by Statistics Canada, during the twelve month period ending on October 1st in the year immediately preceding the rate increase.

2. Council amend Toronto Municipal Code, Chapter 441, to increase application fees listed in Schedule 16, Appendix C, for Committee of Adjustment minor variance applications under s. 45 of the *Planning Act* related to multi-residential, which includes any development containing more than 3 dwelling units, and mixed use and non-residential properties from \$1,383.71 to \$1,850.00 per application, effective April 1st, 2007 and annually thereafter at a rate equal to the applicable annual wage adjustment increase, effective January 1st.
3. Council amend the Toronto Municipal Code, Chapter 441, to establish a user fee of \$150.00 for Committee of Adjustment research requests, effective April 1st, 2007, which is not subject to an annual adjustment.
4. Council authorize the City Solicitor to prepare the necessary changes to the Toronto Municipal Code, Chapter 441, and the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The recommended fee adjustments have been reflected in the City Planning Division's 2007 Operating Budget submission and are assumed in the budgeted fees, effective April 1, 2007. If approval for these adjustments is not given at this time, operating expenditures will have to be reduced to adjust for the loss in anticipated revenues.

Two of the three fees noted below are existing and the recommendation is to annually increase them by annual wage adjustment increase ("COLA"), this would be effective April 1, 2007 and then each January 1st thereafter. The rate of COLA to be used for the recommended April 1, 2007 fee increase is 3.25%. The adjustment to COLA will be consistent with the annual increases related to staff costs and allow City Planning to move closer to full cost recovery for the processing of development applications.

The third fee noted below is a recommended new fee for research requests that are routinely requested from the Committee of Adjustment offices. This fee has also been assumed in the City Planning operating budget for an April 1, 2007 implementation. The fee per request will be \$150.00 which is consistent with similar fees established across the City and will mitigate the costs associated with these requests.

Type of funding	Source of funds	2007 Revenue (9 month implementation)	2008 Incremental Revenue
Application Fee	Community Planning applications	\$159,400	\$53,100
Application Fee	Committee of Adjustment applications	\$151,400	\$50,500
User Fee	Committee of Adjustment – Research Request applications	\$54,000	\$18,000

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

Legislative Authority to Establish Fees

Section 69 of the *Planning Act* provides the municipality the authority to establish fees for the processing of planning applications. The *Act* also indicates that the tariff must only cover the anticipated cost of processing such applications. The municipality does not have the authority to charge fees which exceed the processing cost. Due to this legislative requirement, planning fees must be set at a rate that does not exceed the cost of processing.

Chapter 441-2 of the Toronto Municipal Code requires that all City Planning application fees, including Committee of Adjustment applications, automatically increase on January 1st of each year by the percentage increase in the All Items Index of the Consumer Price Index (CPI) for the Toronto Census Metropolitan Area, published by Statistics Canada, during the twelve month period ending October 1st in the year immediately preceding the rate increase date.

COMMENTS

Current Level of Cost Recovery – Community Planning & Committee of Adjustment

Community Planning applications include Official Plan and zoning amendments, site plan approvals, plans of subdivision and condominium and part lot control. Expenditures incurred to process community planning applications in the Division include the apportioned cost of the staff and work plan involved in reviewing and processing planning applications and an apportioned cost of the front counter customer service operation that provides the intake function for applications. In 2005, a total of 760 applications were received; similar volumes were experienced in 2006 and are assumed for 2007. As a result of an 18.1% community planning fee increase adopted by City Council during the 2006 Operating Budget process, at the current time, approximately 94% of the costs incurred by the development review component of the Division's work plan are recovered through fees. The 2006 budgeted revenue for community planning applications was \$13,570,444.

Committee of Adjustment applications include minor variances and consents. In 2005, there were 3350 applications processed; similar volumes were experienced in 2006 and are assumed for 2007. At the current time, approximately 86% of the costs to process Committee of Adjustment applications are recovered through fees. Similar to community planning fees, as of 2002, Committee of Adjustment fees increase automatically on

January 1st of each year by the CPI percentage increase and they have not be subject to any additional fees increases since that time. The 2006 budgeted revenue for Committee of Adjustment applications was \$3,939,500.

Proposed 2007 Fee Adjustments

All City Planning Application Fees:

In 2007, there will be additional work program and related expenditure pressures on the City Planning Division. The key costs driving this are merit and step increases, benefits and the 2007 Cost of Living Allowance, as well as annualization of the nine new positions added in 2006. As a result, service delivery costs will continue to rise annually and it will be necessary to increase fees over time to reflect increased costs in order to maintain the current level of cost recovery.

To reflect these changes it is recommended the Toronto Municipal Code, Chapter 441, be amended to adjust all City Planning application fees annually at a rate equal to the applicable annual wage adjustment increase, effective April 1st, commencing in 2007 and then each January 1st thereafter rather than the current requirement of annual CPI percentage increase. In years where the wage adjustment increase is not known by January 1st, the fees would increased by the percentage increase in the All Items Index of the Consumer Price Index (not seasonally adjusted) for the Toronto Census Metropolitan Area, published by Statistics Canada, during the twelve month period ending on October 1st in the year immediately preceding the rate increase. The incremental impact in increasing City Planning application fees by the Cost of Living Allowance in 2007 will generate an additional \$159,400 in revenue. There is also a 2008 incremental impact of \$53,100 for the City Planning Division.

Committee of Adjustment:

As noted previously, Committee of Adjustment applications include minor variances and consents. Approximately 86% of the costs attributable to processing Committee of Adjustment applications are recovered through fees. To move closer to 100% cost recovery, the City Planning Division is recommending a fee adjustment related to Committee of Adjustment applications which will result in a cost recovery rate of approximately 93%. In addition, the Division is also recommending the establishment of a Committee of Adjustment Research Request fee.

- a) Variance applications made under s. 45 of the Planning Act related to multi-residential, which includes any development containing more than 3 dwelling units, and mixed use and non-residential properties are more complex and require additional staff time and resources in evaluating and processing than those related to grade related residential units. In some cases, considerable research, review and

consultation with other City Planning staff is required, especially if the application requires an amendment to existing site specific zoning.

The current Committee of Adjustment fee structure does not differentiate between categories of applications. To that end, the Division is proposing an increase to application fees for Committee of Adjustment minor variance applications related to multi-residential, which includes any development containing more than 3 dwelling units, and mixed use and non-residential properties from \$1,383.71 to \$1,850.00 per application effective April 1, 2007 and annually thereafter at a rate equal to the applicable annual wage adjustment increase, effective January 1st. The Division compared its recovery rate for the development review component of the Division's work plan (approximately 94%) versus the costs to process Committee of Adjustment applications (approximately 86%) with a view to increasing the Committee of Adjustment recovery rate to be more in line with community planning. Both community planning development review and Committee of Adjustment recovery rates are now approximately in line. It is anticipated that this increase will generate an additional \$151,400 in revenue in 2007 and an incremental impact of \$50,500 in 2008.

- b) Committee of Adjustment staff receive approximately 40 research requests per month which are not currently the subject of a fee. These requests generally arise in the context of Ontario Municipal Board appeals and/or active Committee of Adjustment applications, when applicants or objectors request information on a range of addresses in a particular area. To recover the costs associated with staff time required to research, compile and produce the requested documentation, the City Planning Division is proposing the establishment of a Research Request fee of \$150.00 per request. This is similar to user fees established across the City, including the Routine Compliance Research Fee charged by the Building Division. It is anticipated that this fee will generate an additional \$54,000 in revenue in 2007 and an incremental impact of \$18,000 in 2008. Minor and routine information requests associated with the ongoing processing of Committee of Adjustment applications will not be subject to this fee.

CONTACT

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SIGNATURE

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