



**STAFF REPORT
ACTION REQUIRED**

Development Application Review Fee Update

Date:	October 13, 2016
To:	Executive Committee
From:	Chief Planner and Executive Director, City Planning Division
Wards:	All
Reference Number:	P: \2016\Cluster B\PLN\Executive Committee\EX16125

SUMMARY

In accordance with the City's User Fee Policy, a four year comprehensive review of City development application fees was conducted. The review re-evaluated the assumptions upon which the user fee is based and considered the degree to which the User Fee Policy is complied with.

City Planning is responsible for the processing of Planning applications (Official Plan Amendment, Zoning By-law Amendment, Site Plan, Condominium, Subdivision, Consent, Minor Variance etc.) which involves coordination and feedback from 16 business units in 11 divisions.

This report outlines the process undertaken in the Development Application fee review together with a summary of the results and provides recommendations on new Planning application fees to ensure that the City's costs to provide development review service are recovered. A new Planning application fee schedule that includes new fee categories for Site Plan Amendments, Condominium Amendments and a combined Rezoning/Subdivision application is provided for consideration. New fees together with existing fees, as updated, are detailed in Appendix 1.

The report also includes details on a municipal comparison carried out using three application scenarios. The results showed that in relation to Building Permit fees and Development Charges, Planning fees on average only represent 2-9% of the total development costs outlined. As illustrated in Appendix 5, the City of Toronto's total cost of development ranks 7th or 8th out of 12 municipalities, in three of the four scenarios.

The results of the fee review were shared with BILD's Toronto Chapter ahead of a consultation which took place on September 9, 2016. At that meeting, constructive discussion took place with BILD representatives, the Chief Planner and city staff and an understanding was reached regarding the extent of the fee increase required to address the City's costs to process Planning applications.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning Division recommends that:

1. City Council adopt the new Planning application fees and fee amounts set out in Appendix 1 to this report, effective January 1, 2017 and authorize that Appendix C of Schedule 13 of Chapter 441, Fees and Charges, of the City's Municipal Code be updated to reflect the new fee amounts.
2. City Council authorize the City Solicitor to introduce the necessary Bills to give effect to these recommendations.

Implementation Points

The new fees set out in Appendix 1, if adopted, will come into effect on January 1, 2017 and will be subject to the annual increase for inflation in accordance with the City's User Fee Policy.

Financial Impact

The average annual processing costs for development review are approximately \$50 million. Compared with revenues of \$36 million, the current Planning application fees are recovering approximately 72% of the City's total costs or under-recovering \$14 million annually.

Subject to Council approval, Planning application fees will increase by 34% on aggregate and are anticipated to generate \$12 million in additional revenue, with total Planning application fee revenue estimated at \$48 million (2016\$). Anticipated revenues are \$2 million less than anticipated costs as the surcharge for Section 37 includes Legal Services costs only and excludes all other City processing costs (\$2 million).

The Planning application fee changes recommended in this report and detailed in Appendix 1 reflect cost recovery for development review services based on the number of business units and staff effort involved (direct costs), indirect and capital costs, as well as process changes that have taken place since the cost recovery model was developed in 2006. The report also introduces three new fees associated with services provided.

The City divisions involved in development review services receive an allocation based on their level of effort involved in processing Planning applications (detailed in Table 3).

If approved, the new fee schedule will be effective January 1, 2017 and respective revenues will be reflected in divisions' 2017 operating budgets.

The fee increases recommended are designed to achieve cost recovery for development review service based on the 2016 cost of development review. In accordance with the City's User Fee Policy, fees will automatically be adjusted for inflation on January 1, 2017. The Deputy City Manager & Chief Financial Officer have reviewed this report and agree with the financial impact information.

DECISION HISTORY

On September 26-27, 2011, City Council adopted Executive Committee Report EX 10.2, to implement a User Fee Policy.

This report can be found at:

<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-40701.pdf>

At its meeting on January 17, 2012 City Council adopted a cost recovery model for Development Application Review Fees in accordance with the User Fee Policy.

This report can be found at:

<http://www.toronto.ca/legdocs/mmis/2011/bu/bgrd/backgroundfile-42723.pdf>

ISSUE BACKGROUND

The City retained Watson and Associates Economists Ltd. in 2006 to develop an activity based fee model for the development review process to establish Planning application fees to move forward with a cost recovery model for development review services. Cost recovery for the development review process was implemented in April 2012. In accordance with the City's User Fee Policy, Planning application fees must be reviewed and updated every four years. Watson and Associates Economists Ltd. were retained again in 2015 to conduct the four year comprehensive review of the Planning application fees and to update the fee model in accordance with the City's User Fee Policy.

The history of increases to City Planning application fees following Council's direction in 2011 to implement a cost recovery model and to update Planning fees to recover the costs of providing development review service is outlined in the chart below.

Chart 1: History of Planning Application Fees

YEAR	Action
2012	<ul style="list-style-type: none"> • Activity based model (2006) updated to reflect 2011 staff capacity • New Planning application fees implemented
2013	<ul style="list-style-type: none"> • Planning application fees increased based on the Cost of Living Allowance (COLA)
2014	<ul style="list-style-type: none"> • Planning application fees increased based on the COLA
2015	<ul style="list-style-type: none"> • Planning application fees increased based on the COLA • Activity based model updated with additional overall effort for all staff and additional costs • Planning application fees increased due to updates to model
2016	<ul style="list-style-type: none"> • Entire Activity based model updated with staff complement, individual processing efforts, costs and new methods for calculating indirect costs

To offset increases in costs in the years between reviews, Planning application fees are adjusted annual based on the Cost of Living Adjustment.

COMMENTS

Legislative Authority

The *Planning Act* allows municipalities to impose fees through by-law for the purposes of processing planning applications. In determining the associated fees, Section 69 of the *Planning Act* requires that: “The council of a municipality, by by-law, and a planning board, by resolution, may establish a tariff of fees for the processing of applications made in respect of planning matters, which tariff shall be designed to meet only the anticipated cost to the municipality or to a committee of adjustment or land division committee constituted by the council of the municipality or to the planning board in respect of the processing of each type of application provided for in the tariff.”

Development Application Review

City Planning staff play the lead role in the processing of Planning applications, coordinating feedback from internal and external commenting partners, resolving conflicts, consulting with communities to ensure the proposed developments meet the objectives of the Official Plan and contribute to Toronto's economic, physical, social and environmental quality of life.

The City of Toronto utilizes a team approach to processing Planning applications which involves input from 16 separate business units from 11 divisions to ensure high quality City building. Several other divisions, such as Policy, Planning, Finance and Administration, Human Resources and Information and Technology, provide internal indirect and external indirect services to these 11 divisions. Divisional costs to review and provide commentary on development applications are being recovered through the City's fee schedule for Planning applications.

Activity Based Costing

Watson and Associates utilizes an activity based costing (ABC) methodology to establish service fees, by assigning resource costs to the various activities undertaken to provide planning application review services to the public. Conventional municipal accounting structures are typically not well suited to the costing challenges associated with Planning application processing activities, as these accounting structures are business unit focussed and thereby inadequate for fully costing services with involvement from multiple City business units. An ABC approach is a more robust methodology for better identifying the costs associated with the processing activities for specific application types and thus was an ideal method for determining full-cost recovery for Planning application fees.

An ABC methodology attributes processing effort and associated costs from all participating City business units to the appropriate user fee service categories (Planning application types). The resource costs attributed to processing activities and application categories include direct operating costs, indirect support costs and capital costs. Support costs were allocated amongst direct business units, the accumulated costs (i.e. indirect, direct and capital costs) were then distributed across the various Planning application categories (and other non-development City services) based on the business unit's direct involvement in development application review activities. The assessment of each business unit's direct involvement in Planning application review activities was accomplished by tracking the relative shares of staff processing effort across each application's sequence of mapped process steps.

Methodology for Comprehensive Review of Application Fees

The methodology for the four year comprehensive review included the following:

- Reviewing and updating the Planning application costing categories, process maps and staff complement directly participating in Planning applications;
- Reviewing and updating the staff resource capacity utilization participating in Planning applications;
- Reviewing and updating Direct, Indirect and Capital costs of processing activities;
- Updating Planning application fee structures; and
- Measuring and reporting on financial impacts of the proposed cost recovery fee structures.

Planning Application Costing Categories, Process Maps and Direct Participants

A review of Planning application costing categories resulted in the addition of three new costing categories: Site Plan Amendments, Condominium Amendments and a combination Rezoning/Subdivision applications.

Process maps for all existing Planning application costing categories were updated to reflect current processing activities. New process maps were developed for the three new costing categories. Staff processing efforts for each application were reviewed by participating divisions and modified to reflect current estimates. Adjustments were made to the process mapping in response to new legislative requirements for complete

applications and to reflect the change in Committee of Adjustment application intake that is scheduled to be undertaken by Toronto Building Customer Service staff.

Staff Resources Dedicated to Processing Planning applications

The number of staff undertaking Planning application review, their level of effort involved in processing Planning applications and average volumes of applications processed in a given year, were used as inputs into the fee review.

Average annual Planning application volumes as summarized in Appendix 2, were calculated using 2012-2014 data. The 2015 Study showed an increase in volume of Planning applications since the 2011 Study.

As part of the review, staff resources dedicated to the processing Planning applications were re-evaluated to ensure the estimated processing activities underlying the new fee structures are current, reasonable and defensible.

Staff effort levels per division and the number of business units now involved in Planning application review activities have been updated. Economic Development, Real Estate Law and Environment & Energy processing efforts have now been added to the model. Divisional involvement reflects current processing effort. To address the volume of activity some divisions have increased their staff complement, while other divisions have increased their staff effort levels. The changes allow the City to respond to the increase in the complexity of development proposals being submitted. In total, direct staff involvement in Planning applications has increased by 14% [i.e. 270 vs. 314 Full Time Equivalents (FTE)] between the 2011 and 2015 reviews. City Planning represents the largest share of processing effort (i.e. 168 FTEs or 54%).

Costs of Planning Application Processing Activities

The estimated costs of processing Planning applications include direct, indirect and capital costs. To ensure that these costs represent current costs, direct, indirect and capital costs were determined using the following:

- Direct costs were calculated using 2014 actuals, adjusted for inflation to 2016\$.
- Indirect costs were calculated using the new full costing model principles approved by City Council on January 17th, 2012. The new model includes new cost components and a new methodology.
- Capital costs were updated using a more comprehensive capital asset database and allocation methodology.

Costs by Component (Table 1)

Table 1 below summarizes the annual costs of processing Planning applications at a macro level, showing the increase from the 2011 Study to the 2015 Study.

Table 1: Costs by Component

	Total		
	2011 Study (\$ in millions)	2011 Study (2016 \$ in millions)	2015 Study (\$ in millions)
<u>Direct Costs</u>			
Salaries, Wages and Benefits (SWB)	25.24	27.54	37.40
Non-SWB ^{1,2}	1.73	1.89	2.21
Total Direct Costs	26.97	29.43	39.61
<u>Indirect Costs</u>			
Internal ³	1.05	1.15	0.59
External	2.20	2.40	6.35
Corporate Managed Items ⁴	-	-	2.48
Total Indirect Costs	3.25	3.55	9.42
Capital Replacement Costs	0.70	0.77	0.98
Total Costs	30.92	33.74	50.01

1. 2011 Study Non-SWB Costs includes reserve funds and IDC's
2. 2015 Study Non-SWB Costs include IDCs for Clerks, Fleet and Facilities
3. 2011 Study costs include PPFA and IDC, 2015 Study costs include PPFA
4. Reserve funds and Items funded by capital

The average annual processing costs for reviewing development applications increased approximately \$16 million (2016\$). Of the \$16 million, \$10 million are considered direct costs, \$6 million are indirect costs and \$0.2 million are capital costs.

Cost to Provide Development Review Services (Table 2)

Table 2 below summarizes the annual costs for processing Planning applications by participating Division and cost category. The distribution percentage represents the portion of revenues that each Division will receive based on their respective processing costs, if the new Planning fees set out in Appendix 1 are adopted.

Table 2: Cost to Provide Development Review Services

Division	Total Direct Costs (\$ in millions)	Total Indirect Costs (\$ in millions)	Capital Costs (\$ in millions)	Total Costs (\$ in millions)	Distribution %
City Planning	20.54	5.18	0.42	26.14	52.3%
Toronto Building	1.59	0.39	0.02	2.00	4.0%
Engineering and Construction Services	5.56	0.90	0.10	6.57	13.1%
Fire	0.57	0.05	0.01	0.62	1.2%
Parks, Forestry & Recreation	2.03	0.11	0.06	2.20	4.4%
Solid Waste Management	0.26	0.04	0.01	0.32	0.6%
Transportation Services	2.90	1.32	0.09	4.31	8.6%
Toronto Water	1.25	0.19	0.16	1.61	3.2%
Economic Development	0.39	0.06	0.01	0.46	0.9%
Legal Services	4.34	1.15	0.09	5.58	11.2%
Energy & Environment	.19	0.02	0.00	0.20	0.4%
Total	39.61	9.42	0.98	50.01	100.0%

Development Review Fees

To satisfy the requirements of the *Planning Act*, processing costs have been justified by application type. Some application types require increases larger than the average to achieve cost recovery and others will require smaller increases or in some cases a reduction.

The new fee schedule (Appendix 1) takes into account the direct, indirect and capital costs to provide development review services as well as the average size of applications by type based on average application characteristics (i.e. application size) as provided by IBMS data for 2012-2014. Graduated pricing is used to recognize the different sizes of projects and address the economies of scale.

The new fee schedule includes a surcharge for Planning & Administrative Tribunal Law and Real Estate Law costs for processing Section 37/Section 45 Agreements. City Planning and other commenting partner's costs for applications with a Section 37 component have been identified but are not recommended for recovery at this time. Further review is necessary to implement an appropriate, equitable and defensible fee structure to recover all costs associated with applications where Section 37 is applicable.

Appendix 4: Cost Recovery by Planning Application Type, shows the resulting current average total annual cost recovery (deficit/surplus), and a per application cost recovery by application type. Cost recovery (deficit/surplus) was calculated by subtracting the costs to carry out the development review service from revenues received through Planning application fees.

On a per application basis, the average revenue was determined using 2012-2014 average application characteristics data from IBMS and the current fee schedule in 2016\$. Costs per application were determined using the results of the updated fee model. The difference between the costs using the current fee schedule and the costs following the fee model update is shown as a Surplus/Deficit by application type.

Staff Report for Action Development Application Review Fees

Annual revenue by application type (\$36 million) was calculated by multiplying the average revenue per application by the average 2012-2014 annual application volumes. The total cost by application type (\$48 million) was calculated using the updated modelled processing costs and multiplying these by the average volumes as well. The resulting overall deficit of \$12 million will be recovered through the implementation of the new fee schedule.

New Fees

A review of business processes/practices identified the need for the following three new fee categories:

Site Plan Amendment applications

Site Plan Amendments have become more common and require a level of effort not accounted for in the current Agreement/Revision fee.

Condominium Amendment applications

Condominium Amendments have become more common where applicants request amendments to their Condominium after registration to alter the extent of the common elements, unitize parts of the common elements and modify the boundaries between units. The City does not currently charge a fee for these requests.

Combined Rezoning/Subdivision applications

Rezoning/Subdivision combined application is offered at a lower fee if the applications are submitted and processed simultaneously as many of the processing steps are the same and would be combined.

Municipal Comparisons (Appendix 5)

To test the reasonableness of the development review results, Planning application processes and average application processing effort estimates were compared with peer municipalities as illustrated in Appendix 5. Watson and Associates concluded that the City of Toronto's results were competitive with the City's municipal peers.

Evolution of Development Review 2006-2015

The current fee structure is based on development proposals, application review effort and process steps identified in 2006. Since then, several factors have contributed to changes in application review effort and process steps. The factors are outlined below:

Development Proposals

Development in the City has evolved since 2006. The development proposals are denser, with more square footage being accommodated in smaller footprints. The built forms and layouts have also become more complex. This has placed significantly more pressure on existing municipal infrastructure and City services which in turn has resulted in an

increased level of effort for Engineering and Construction Services and their one-window partners Transportation Services, Toronto Water, Fire Services and Solid Waste Management to secure new municipal infrastructure and to ensure compliance with provincial and municipal legislation and guidelines.

The number and complexity of Section 37 Agreements has increased resulting in greater staff time and associated effort on the part of Legal Services. Complex land transactions require input from the Real Estate Law section. Legal Services have also been addressing more complex ownership structures in developments and the need for legal agreements arising from site constraints such as Limiting Distance Agreements, Agreements with Fire Services for private fire routes and an increase in stratified conveyances.

The level and frequency of reviews and negotiations on conditions of approval have increased significantly due to site constraints, costs, development-related construction schedules, partial submissions, etc.

Engagement

Stakeholder and community consultations have increased significantly since 2006, as larger, more complex applications result in the need to have transparent and comprehensive dialogue with the public to ensure new development does not have adverse impacts on existing communities. Given the complexity of development in a mature urban environment undergoing the development intensification, the number of development-related meetings with City Divisions, applicants and their consultants and their solicitors have increased.

New Guidelines and Studies

To accommodate the impacts of taller and/or denser development, the City has responded with Urban Design Guidelines including those for Tall Buildings and Mid-Rise Buildings. Stronger environmental standards were implemented through the Green Roof By-law and the Toronto Green Standard which was updated in 2014. The new Streets By-law was introduced by Transportation Services in 2012.

Additional requirements were added to various application study terms of reference and existing design guidelines were updated to reflect best practices and provide more appropriate methods to address the complexity of new development forms. Two new study requirements were added to assist in reviewing applications including Electromagnetic Field Studies to ensure the safety of development adjacent to hydro lines and Avenue Segment Studies to ensure appropriate re-urbanization is undertaken in *Mixed Use Areas* on Avenues that do not yet have an Avenue Study completed by the City.

Guidelines and harmonized business practices are necessary to ensure the development review process is transparent and streamlined where possible. Guidelines have been developed to provide direction on complex issues and are intended to assist applicants with their application submission. Submissions that vary from the guidelines and City standards require more time, effort and negotiations.

City Priorities and Initiatives

Parkland Dedication

To support the significant population increases arising from development, the City is focusing more on parkland dedication rather than on cash in lieu contributions. Parkland acquisitions often involve environmental components i.e. clean-up or remediation and complex negotiations which require more effort from a variety of business units.

Gold Star Service for Business

In order to retain existing businesses and attract new business to the City, a Gold Star Service for business was implemented and further enhanced offering shorter timelines for development review. As part of the Gold Star Service, dedicated staff from Economic Development work with the applicant and City staff to address conflicts and ensure a streamlined process.

eCity

As City Planning's eService Delivery Program advances and harmonized business practices are implemented, Committee of Adjustment staff will no longer be accepting applications at the counter in the Toronto and East York and Etobicoke York District offices. Beginning in January 2017, responsibility for application intake for Committee of Adjustment applications in these two district offices will be transferred from City Planning to Toronto Building Customer Service staff. This change in process will result in Toronto Building Customer Service staff accepting all City Planning applications electronically, in person and by email for all districts. Toronto Building will look to add 4 new positions to provide this service in all districts.

In reviewing resources and staff capacity, temporary positions were added to the Committee of Adjustment to address the increase in application volumes. Furthermore, City Planning identified a need for a Committee of Adjustment director position. This position has been established to focus on Committee of Adjustment business practices and opportunities to improve service delivery for Committee Members and the public. This realignment of resources will enable Community Planning Directors to concentrate on Community Planning applications, studies and other Planning and administrative matters.

City Planning is undertaking a thorough review of staff resources in the Committee of Adjustment with the advancement of our eService Delivery Program and will realign resources, as required, to improve service delivery.

Development Review Process Improvements

In 2011, the Development Application Review Project (DARP) moved as an organizational unit from the Office of the Deputy City Manager, Cluster B to the City Planning Division. The interdivisional coordination that DARP lead was rebranded to Developing Toronto with oversight by City Planning. The name change was made to more accurately represent the services provided by this unit and to clarify that this unit is

no longer a "project" but an ongoing corporate continuous improvement initiative.

The Developing Toronto Steering Committee mandate provides strategic leadership and management oversight on development related issues for the City of Toronto. Developing Toronto serves as a single point of contact to guide the coordination and implementation of process improvements, implementation of new legislative requirements and resolution of development-related issues between divisions, applicants, the Building Industry and Land Development Association (BILD) and the National Association of Industrial Office Properties (NAIOP) as a representative of the ICI community. This partnership model responds to the applicant and the development industry's request to be aware of changes at the City and reinforces the City's service commitment to all applicants.

The Developing Toronto Steering Committee and associated Working Groups continue to develop service improvements and find efficiencies by reducing non-value added steps, harmonizing business practices, developing guidelines, implementing staff directives and creating additional policies. Process improvements from 2011- 2015 are included in Appendix 6.

Consultation and Notice

The results of the review and proposed cost recovery strategy, were shared with the Toronto Chapter of the Building Industry and Land Development Association (BILD) for feedback. Further consultation was conducted on September 9th, 2016. BILD members voiced concerns that fee increases should be coupled with service efficiencies. City staff confirmed that the Planning application fee review results represent the cost to provide the development review service today, not the cost to hire more staff to offer an enhanced level of service. The City is committed to process improvements and will continue to collaborate with BILD to implement changes to current business practices where necessary.

During consultation with BILD, a concern was raised that the application fee for Mid-Rise developments coupled with the soft costs makes it prohibitive to build. The City responded that the Planning work undertaken for Mid-Rise and High-Rise development often involves the same level of effort and that it can be more complicated trying to fit a Mid-Rise development onto a small parcel of land on an Avenue. As such, it is recommended that the base fee for Mid-Rise developments and High-Rise developments remain the same.

CONCLUSION

The comprehensive review, updates all aspects of the cost recovery model and reflects the current effort costs involved in processing Planning applications.

The Fee Schedule shown in Appendix 1 provides the comparison of the City's current Planning application fees and those recommended based on the 2015 study. If approved by Council, this will inform the new Planning fee schedule.

It is recommended that Planning application fees be increased to recover the increased costs in processing applications and that new fees for Site Plan Amendment application, Condominium Amendment application and a combined Rezoning/Subdivision application be implemented.

CONTACT

Karen McNabney, Manager
Strategic Initiatives, Policy & Analysis
City Planning Division
Tel: 416-392-8126
kmcnabne@toronto.ca

SIGNATURE

Jennifer Keesmaat, MES, MCIP, RPP
Chief Planner and Executive Director
City Planning Division

ATTACHMENTS

Appendix 1 - Planning Application Fee Structure Recommendations
Appendix 2 - Average Number of Planning Applications by Type
Appendix 3 - Direct, Indirect and Capital Costs
Appendix 4 - Cost Recovery by Planning Application Type
Appendix 5 - Fee Impact & Municipal Comparisons
Appendix 6 - Process Improvements 2011-2015

P: \2016\Cluster B\PLN\Executive\EX16125

Appendix 1: Planning Application Fee Structure Recommendations

Application Type	Current Fees (2016)	New Fees*	Percentage Change
<u>Re-Zoning Residential</u>			
Base Fee	17,751	40,000	125%
Variable Fee (\$/sq.m. over 500 sq.m.)	6.00	8.32	39%
<u>Re-Zoning Non-Residential</u>			
Base Fee	17,751	40,000	125%
Variable Fee (\$/sq.m. over 500 sq.m.)	4.47	6.88	54%
<u>Re-Zoning Mixed Use</u>			
Base Fee	17,751	40,000	125%
Variable Fee (\$/sq.m. over 500 sq.m.)	3.33	4.39	32%
<u>OPA / Re-Zoning Combo - Residential</u>			
Base Fee	17,882	38,000	113%
Variable Fee (\$/sq.m. over 500 sq.m.)	6.00	7.47	25%
<u>OPA / Re-Zoning Combo - Non-Residential</u>			
Base Fee	17,882	38,000	113%
Variable Fee (\$/sq.m. over 500 sq.m.)	4.47	6.67	49%
<u>OPA / Re-Zoning Combo - Mixed Use</u>			
Base Fee	17,882	28,000	57%
Variable Fee (\$/sq.m. over 500 sq.m.)	3.33	2.77	-17%
<u>Official Plan Amendment</u>			
	17,882	53,481	199%
<u>Section 37 Surcharge: Re-Zoning (Res, Non-Res, Mixed, OPA/Rez)</u>			
	10,183	14,990	47%
<u>Site Plan - Residential</u>			
Base Fee	5,114	20,408	299%
Variable Fee (\$/sq.m.)			
0-500 sq.m.	-	-	
500-700 sq.m.	11.99	14.38	20%
700-1,400 sq.m.	9.26	11.11	20%
1,400-4,400 sq.m.	6.02	7.22	20%
>4,400 sq.m.	2.99	3.59	20%
<u>Site Plan - Non-Residential</u>			
Base Fee	5,114	20,408	299%
Variable Fee (\$/sq.m. over 500 sq.m.)	2.99	6.76	126%
<u>Site Plan - Mixed Use</u>			
Base Fee	5,114	20,408	299%
Variable Fee (\$/sq.m. over 500 sq.m.)	4.15	4.63	12%

Appendix 1: Planning Application Fee Structure Recommendations (con't)

Application Type	Current Fees (2016)	New Fees*	Percentage Change
<u>Site Plan Amendment</u>	5,114	20,408	299%
<u>Removal of H</u>	9,799	20,465	109%
<u>Part Lot Control Exemption</u>			
Base Fee	4,318	8,500	97%
Variable Fee (\$/proposed lot)	432	549	27%
<u>Minor Variance</u>			
Clear Title	1,137	813	-28%
Additions/Alterations to existing dwellings (3 or less units)	1,517	1,085	-28%
Residential dwellings with 3 units or less	3,411	2,439	-28%
All other uses	4,414	3,157	-28%
<u>Consent (Applications)</u>			
Severance (Number of Base fees charged)	3,109	5,500	77%
Fee for each additional lot created (>1)	1,993	4,466	124%
<u>Subdivision / Rezoning*</u>			
Base Fee	49,077	90,000	83%
Variable Fee (\$ / lot)	2,103	3,533	68%
<u>Subdivision</u>			
Base Fee	31,326	51,000	63%
Variable Fee (\$/lot)	989	1,847	87%
<u>Condominium - New</u>			
Base Fee	8,238	9,000	9%
Variable Fee (\$/unit)	21.89	24.90	14%
<u>Condominium Conversion</u>			
Base Fee	17,143	15,082	-12%
Variable Fee (\$/unit)	78	-	N/A
<u>Condominium - New Common Elements / Vacant land</u>	8,238	12,666	54%
<u>Condominium Amendment</u>	8,238	3,871	-53%

*In accordance with the City's User Fee Policy fees will be adjusted January 1st for inflation

Appendix 2: Average Number of Planning Applications by Type

Costing Categories	Volumes	
	2011 Study	2015 Study
Re-Zoning Residential	30	36
Section 37: Re-Zoning (Res, Non-Res, Mixed, OPA/Rez)	8	66
Re-Zoning Non-Residential	8	11
Re-Zoning Mixed Use	40	58
Site Plan - Residential	130	58
Site Plan - Non-Residential	128	100
Site Plan - Mixed Use	168	113
Site Plan Amendment*		26
Removal of H	8	5
Part Lot Control	20	13
Minor Variance	3,005	3,024
Consent	500	339
OPA / Re-Zoning Combo	33	33
Subdivision / Rezoning*	11	15
Condominium - New	63	72
Condominium Conversion	0.2	0.3
Condominium - New Common Elements / Vacant land	4	7
Condominium - Amendment*		5
Condominium Conversion - 6 units or more	16	

*New costing category

Appendix 3: Direct, Indirect and Capital Costs

Direct Costs:

- Salaries (wages and benefits, including overtime)
- Materials and supplies, e.g. maintenance items, office supplies, utilities etc.
- Equipment, e.g. Furniture, machinery, replacement parts, etc.
- Services and rents, e.g. Insurance, contracted services, rental charges, etc.
- Interdivisional charges (e.g. Expenses for use or consumption of goods or services provided by centralized support divisions) and;
- Other expenditures, e.g. Bank service charges, interest charges etc.

Indirect costs:

1. Program Support Costs

a. Internal Program Support includes direct support business units contained within divisions that provide services to that division.

b. External Program Support includes support at the Corporate level such as Purchasing & Materials Management, Pension, Payroll & Employee Benefits, I & T, Human Resources etc.

2. Corporate Managed Items. This is a new component that was added to the development fee model and includes:

a. Program Related Expenditures Funded by Reserve Funds such as: Retiree benefits, WSIB, sick leave benefits, Long Term Disability benefits, and insurance expenditures

b. Unfunded Employee Benefits Liability i.e. future employee benefit and insurance cost incurred in the current year

c. Operating Expenditures Recorded in Capital Budget include program expenditures budgeted and recorded in capital funding's General Ledger which do not meet the Public Sector Accounting Board Tangible Capital Assets requirements. They are considered operating, and re-classified to operating costs.

Capital Costs

Capital costs in the form of amortization costs of capital assets were updated with data from Corporate Accounting for Planning Division facilities and facilities occupied by other business units involved in processing Planning applications.

Appendix 4: Cost Recovery by Planning Application Type

Costing Categories	Average Annual Volumes	2016 Cost Recovery Summary					
		Average Per Application			Annual Total		
		Revenue ^{1,3}	2015 Study Costs	Surplus/ (Deficit)	Revenue ³	2015 Study Costs	Surplus/ (Deficit)
Re-Zoning Residential	36	75,428	119,990	(44,562)	2,715,416	4,319,635	(1,604,218)
Section 37: Re-Zoning (Res, Non-Res, Mixed, OPA/Rez)	66	10,183	14,990	(4,807)	668,667	984,312	(315,645)
Re-Zoning Non-Residential	11	66,366	114,825	(48,460)	730,022	1,263,079	(533,057)
Re-Zoning Mixed Use	58	74,190	114,478	(40,288)	4,327,759	6,677,883	(2,350,124)
Site Plan - Residential	58	44,321	67,433	(23,112)	2,555,847	3,888,630	(1,332,782)
Site Plan - Non-Residential	100	20,654	55,550	(34,896)	2,058,542	5,536,529	(3,477,987)
Site Plan - Mixed Use	113	39,923	59,249	(19,326)	4,524,602	6,714,884	(2,190,282)
Site Plan Amendment	26	5,114	20,408	(15,294)	132,953	530,609	(397,656)
Removal of H	5	9,799	20,465	(10,666)	52,260	109,147	(56,887)
Part Lot Control	13	17,067	24,701	(7,634)	227,564	329,350	(101,786)
Minor Variance Consent (Applications)	3,024	3,470	2,482	988	10,492,123	7,503,529	2,988,594
<i>Severance (Number of Base fees charged)</i>	339	3,885	7,239	(3,354)	1,317,091	2,454,040	(1,136,949)
OPA / Re-Zoning Combo							
<i>Residential</i>	9	85,862	122,602	(36,740)	793,281	1,132,728	(339,447)
<i>Non-Residential</i>	3	74,561	122,602	(48,041)	246,026	404,546	(158,520)
<i>Mixed Use</i>	20	131,439	122,602	8,837	2,645,590	2,467,729	177,861
Subdivision / Rezoning	15	98,967	186,589	(87,622)	1,451,520	2,736,645	(1,285,124)
Condominium - New	72	13,020	14,439	(1,420)	941,746	1,044,431	(102,685)
Condominium Conversion	0	20,423	15,082	5,341	6,808	5,027	1,780
Condominium - New Common Elements / Vacant land	7	8,238	12,666	(4,429)	54,917	84,441	(29,524)
Condominium Amendment	5	8,238	3,871	4,367	41,188	19,355	21,833
Total					35,983,924	48,206,528	(12,222,604)

1. Based on 2012-2014 average application characteristics.
2. Includes costs associated with Legal Department only (\$1,805,564 related to processing S.37 applications not included).
3. Based on current fee schedule in 2016\$.

Appendix 5: Fee Impact & Municipal Comparisons

The following 4 Tables provide the current and proposed fees in comparison to other municipalities in Ontario using samples of development application types rather than a comparison of fee schedules as each municipality's fee schedules have different components. The municipalities included in the comparison represent jurisdictions that have undertaken cost recovery planning fee reviews and have adopted varying degrees of cost recovery within their fee schedules. The impact of the cost recovery fee structure for the sample development applications indicates that the City of Toronto fees would be similar to those in other Ontario municipalities.

The majority of large GTA municipalities are still functioning within green-field development patterns, unlike the City which is operating almost exclusively in a post-green-field or infill development environment. It is noted that some planning application types (e.g. Site Plan Control, Zoning By-law Amendment, etc.) are more effort intensive for infill development environments.

Table 1
24,500 m² Mixed Use Rezoning and Site Plan

Rank	Municipality	Site Plan (Upper Tier)	Site Plan (Lower Tier)	Rezoning (Upper Tier)	Rezoning (Lower Tier)	Building Permit Fees	Development Charges	Total	Planning Fees %
1	City of Mississauga	\$ 2,000	\$ 83,735	\$ -	\$ 172,020	\$ 397,750	\$ 14,662,444	\$ 15,317,949	2%
2	City of Brampton	\$ 2,000	\$ 62,857	\$ -	\$ 66,092	\$ 384,529	\$ 13,938,236	\$ 14,453,713	1%
3	Town of Markham	\$ 8,300	\$ 353,454	\$ 1,000	\$ 31,750	\$ 272,915	\$ 12,871,960	\$ 13,539,379	3%
4	City of Vaughan	\$ 8,300	\$ 109,493	\$ 1,000	\$ 68,314	\$ 225,678	\$ 12,464,784	\$ 12,877,569	1%
5	Town of Richmond Hill	\$ 8,300	\$ 22,134	\$ 1,000	\$ 13,873	\$ 344,567	\$ 11,347,768	\$ 11,737,642	0%
6	City of Burlington	\$ 1,053	\$ 45,659	\$ 931	\$ 121,243	\$ 360,174	\$ 8,169,611	\$ 8,698,669	2%
7	City of Toronto (Proposed)	\$ -	\$ 133,727	\$ -	\$ 145,250	\$ 421,233	\$ 7,267,659	\$ 7,967,870	4%
8	City of Toronto (Current)	\$ -	\$ 106,685	\$ -	\$ 97,588	\$ 421,233	\$ 7,267,659	\$ 7,893,165	3%
9	Town of Whitby	\$ -	\$ 66,539	\$ 1,000	\$ 13,325	\$ 307,259	\$ 7,394,934	\$ 7,783,057	1%
10	City of Pickering	\$ -	\$ 57,900	\$ 1,000	\$ 12,800	\$ 295,073	\$ 7,015,998	\$ 7,382,770	1%
11	City of Hamilton	\$ -	\$ 36,455	\$ -	\$ 21,890	\$ 343,396	\$ 6,555,436	\$ 6,957,177	1%
12	City of Ottawa	\$ -	\$ 20,684	\$ -	\$ 15,914	\$ 216,595	\$ 5,480,932	\$ 5,734,125	1%

	Current	Proposed	Difference
Site Plan	\$ 106,685	\$ 133,727	\$ 27,042
Rezoning	\$ 97,588	\$ 145,250	\$ 47,662
Total	\$ 204,273	\$ 278,978	\$ 74,705

Table 2
300 Res. Unit Condominium and Site Plan

Rank	Municipality	Site Plan (Upper Tier)	Site Plan (Lower Tier)	Plan of Condominium (Upper Tier)	Plan of Condominium (Lower Tier)	Building Permit Fees	Development Charges	Total	Planning Fees %
1	City of Mississauga	\$ 2,000	\$ 71,575	\$ 3,000	\$ 15,831	\$ 420,154	\$ 15,811,212	\$16,323,772	1%
2	City of Brampton	\$ 2,000	\$ 64,826	\$ 3,000	\$ 65,566	\$ 286,457	\$ 15,131,364	\$15,553,213	1%
3	Town of Markham	\$ 8,300	\$ 471,487	\$ 3,600	\$ -	\$ 280,437	\$ 13,364,100	\$14,127,925	3%
4	City of Vaughan	\$ 8,300	\$ 117,320	\$ 3,600	\$ -	\$ 303,514	\$ 13,413,600	\$13,846,334	1%
5	Town of Richmond Hill	\$ 8,300	\$ 22,134	\$ 3,600	\$ 5,484	\$ 353,682	\$ 12,132,600	\$12,525,800	0%
6	City of Burlington	\$ 1,053	\$ 46,780	\$ 3,449	\$ 3,570	\$ 386,291	\$ 8,646,006	\$ 9,087,149	1%
7	Town of Whitby	\$ -	\$ 61,756	\$ 2,500	\$ 9,020	\$ 312,795	\$ 7,923,600	\$ 8,309,671	1%
8	City of Toronto (Proposed)	\$ -	\$ 126,977	\$ -	\$ 16,470	\$ 436,439	\$ 7,669,800	\$ 8,249,686	2%
9	City of Toronto (Current)	\$ -	\$ 93,899	\$ -	\$ 14,805	\$ 436,439	\$ 7,669,800	\$ 8,214,943	1%
10	City of Pickering	\$ -	\$ 63,200	\$ 2,500	\$ 7,200	\$ 301,006	\$ 7,466,700	\$ 7,840,606	1%
11	City of Hamilton	\$ -	\$ 27,220	\$ -	\$ -	\$ 359,953	\$ 7,145,700	\$ 7,532,873	0%
12	City of Ottawa	\$ -	\$ 20,684	\$ -	\$ 14,683	\$ 275,400	\$ 5,595,300	\$ 5,906,067	1%

	Current	Proposed	Difference
Site Plan	\$ 93,899	\$ 126,977	\$ 33,078
Condominium	\$ 14,805	\$ 16,470	\$ 1,665
Total	\$ 108,703	\$ 143,477	\$ 34,743

Table 3
100 Residential Unit Rezoning and Subdivision

Rank	Municipality	Subdivision Fees (Upper Tier)	Subdivision Fees (Lower Tier)	Rezoning (Upper Tier)	Rezoning (Lower Tier)	Building Permit Fees	Development Charges	Total	Planning Fees %
1	City of Mississauga	\$ 15,000	\$ 70,350	\$ -	\$ 124,957	\$ 258,850	\$ 8,076,920	\$ 8,546,077	2%
2	City of Brampton	\$ 15,000	\$ 70,523	\$ -	\$ 72,985	\$ 190,714	\$ 8,154,774	\$ 8,503,996	2%
3	Town of Markham	\$ 7,800	\$ 222,840	\$ 1,000	\$ 31,750	\$ 235,303	\$ 6,795,000	\$ 7,293,693	4%
4	City of Vaughan	\$ 7,800	\$ 53,530	\$ 1,000	\$ 33,745	\$ 180,360	\$ 6,976,800	\$ 7,253,235	1%
5	Town of Richmond Hill	\$ 7,800	\$ 57,064	\$ 1,000	\$ 12,671	\$ 235,470	\$ 6,169,100	\$ 6,483,105	1%
6	City of Burlington	\$ 11,583	\$ 28,050	\$ 931	\$ 68,880	\$ 179,024	\$ 5,177,569	\$ 5,466,037	2%
7	City of Toronto (Proposed)	\$ -	\$ 443,300	\$ -	\$ -	\$ 285,487	\$ 4,064,300	\$ 4,793,087	9%
8	City of Toronto (Current)	\$ -	\$ 130,188	\$ -	\$ 129,235	\$ 285,487	\$ 4,064,300	\$ 4,609,210	6%
9	Town of Whitby	\$ 4,000	\$ 69,700	\$ 1,000	\$ 13,325	\$ 191,549	\$ 4,174,000	\$ 4,453,574	2%
10	City of Pickering	\$ 4,000	\$ 29,100	\$ 1,000	\$ 12,800	\$ 200,400	\$ 4,198,700	\$ 4,446,000	1%
11	City of Hamilton	\$ -	\$ 56,725	\$ -	\$ 21,890	\$ 239,645	\$ 3,778,100	\$ 4,096,360	2%
12	City of Ottawa	\$ -	\$ 72,578	\$ -	\$ 15,914	\$ 172,567	\$ 3,308,200	\$ 3,569,259	2%

	Current	Proposed	Difference
Subdivision	\$ 130,188	\$ 443,300	\$ 313,112
Rezoning	\$ 129,235		\$ (129,235)
Total	\$ 259,423	\$ 443,300	\$ 183,877

Table 4
10,000 m² Industrial Rezoning and Site Plan

Rank	Municipality	Site Plan (Upper Tier)	Site Plan (Lower Tier)	Rezoning (Upper Tier)	Rezoning (Lower Tier)	Building Permit Fees	Development Charges	Total	Planning Fees %
1	Town of Markham	\$ 8,300	\$ 39,330	\$ 1,000	\$ 31,750	\$ 108,200	\$ 4,511,500	\$ 4,700,080	2%
2	City of Vaughan	\$ 8,300	\$ 22,670	\$ 1,000	\$ 13,830	\$ 89,000	\$ 2,807,900	\$ 2,942,700	2%
3	Town of Richmond Hill	\$ 8,300	\$ 3,466	\$ 1,000	\$ 12,671	\$ 138,000	\$ 2,778,800	\$ 2,942,237	1%
4	City of Mississauga	\$ 2,000	\$ 39,230	\$ -	\$ 41,107	\$ 116,000	\$ 2,260,000	\$ 2,458,337	3%
5	City of Burlington	\$ 1,053	\$ 18,530	\$ 931	\$ 28,830	\$ 69,623	\$ 2,323,500	\$ 2,442,467	2%
6	City of Brampton	\$ 2,000	\$ 18,851	\$ -	\$ 15,494	\$ 103,300	\$ 1,923,300	\$ 2,062,945	2%
7	City of Pickering	\$ -	\$ 5,950	\$ 1,000	\$ 12,800	\$ 80,000	\$ 1,592,000	\$ 1,691,750	1%
8	Town of Whitby	\$ -	\$ 54,325	\$ 1,000	\$ 13,325	\$ 95,100	\$ 1,496,200	\$ 1,659,950	4%
9	City of Ottawa	\$ -	\$ 20,684	\$ -	\$ 15,914	\$ 86,111	\$ 1,093,600	\$ 1,216,310	3%
10	City of Hamilton	\$ -	\$ 59,120	\$ -	\$ 21,890	\$ 77,500	\$ 1,032,300	\$ 1,190,810	7%
11	City of Toronto (Proposed)	\$ -	\$ 89,008	\$ -	\$ 105,360	\$ 135,900	\$ 115,200	\$ 444,468	44%
12	City of Toronto (Current)	\$ -	\$ 35,014	\$ -	\$ 60,216	\$ 135,900	\$ 115,200	\$ 346,330	27%

	Current	Proposed	Difference
Site Plan	\$ 35,014	\$ 88,008	\$ 52,994
Rezoning	\$ 60,216	\$ 105,360	\$ 45,144
Total	\$ 95,230	\$ 193,368	\$ 98,138

Appendix 6: Process Improvements 2011-2015

- Condominium process streamlined, no longer connected to Site Plan (2012)
- Site Plan process now secures sustainable design (boulevard improvements); encroachment agreements are no longer necessary in all cases (2012)
- City wide Site Plan By-law passed (2012)
- Harmonized letter of credit process, improved tracking of financial securities (2012)
- New Streets By-law passed (2012)
- Requirements for Garbage, Recycling and Organics Collection Services for new development and re-developments (2012)
- Gold Star for business improvements – clearer criteria, Gold Star service extending to Building Permit issuance (2013)
- City wide Zoning By-law passed (2013)
- Appointment booking with Customer Service staff to submit applications (2013)
- Tall Building Guidelines (2013)
- Application Information Centre (AIC) enhanced to provide greater opportunity for engagement - feedback provided on-line (2013)
- New development approval re-submission process including new naming conventions to facilitate electronic circulation of application material (2013)
- New guidelines for Transportation Studies (2013)
- Section 37 Policies related to Affordable Housing (2013)
- Toronto Green Standard performance measures amended in response to industry feedback (2013)
- Toronto Green Standard performance measures tracking protocol (2014)
- Official Plan Policy 5.5.2 Complete Application business rules amended to ensure a response is provided to City Planning on every application (2014)
- City wide Site Plan Control By-law amended to reword the exemption clause (2014)
- Zoning By-law templates (2014)
- QR codes added to development application notice signs (2014)
- Development application forms updated to capture legislative requirements that will improve processing, to provide additional information on submission and re-submission requirements (2014)
- Updated and automated application forms and pre-application checklists (2015)
- Active Leadership in Development Review – launched Toronto's Development Team with City Planning as "Team Lead" (2015)
- Developed a structured Pre-Application Process (2015)
- Electronic circulation to Toronto Building (2015)
- Commenting Portal pilot with Parks to circulate applications electronically and receive comments back through a portal (2015)
- Community Planning application submission material available on the City's website through the Application Information Centre (AIC) (2015)
- Notice of development application sign piloted (2015)
- Terms of reference for Study submission requirements (2015)
- Policy for Accepting Potentially Contaminated lands (2015)