

## New User Fee for Employment Areas Conversion Requests

**Date:** November 24, 2020

**To:** Planning and Housing Committee

**From:** Chief Planner and Executive Director, City Planning

**Wards:** All

### SUMMARY

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The City's Official Plan Growth Plan Conformity and Municipal Comprehensive Review (MCR) commenced on August 4, 2020. The Work Plan adopted by City Council defines a year-long window between which City staff will receive formal written requests to convert lands designated as *Core Employment Areas* and *General Employment Areas*. Conversion and Removal Policies for *Employment Areas* are provided in Official Plan policies 2.2.4.14 to 2.2.4.18.

Upon receipt of a conversion request, division staff work together to consider and evaluate the request. The process includes reviewing the material submitted in support of the request; staff research on the site and surrounding area; and, the preparation of recommendations to City Council. This equates to a cost of about \$20,000 in salaries and benefits, indirect costs, and capital costs to the City for each conversion request. The City's User Fee Policy states that user fees will be set to recover the full cost of a service where it is determined that it provides direct benefits to identifiable individuals, groups of individuals or businesses, beyond those that accrue to the general public.

This report provides details on City Planning staff's recommended new *Employment Areas* Conversion Request User Fee of \$20,000 per request. The recommended fee would only apply to requests received from December 18, 2020 up to and including August 3, 2021. The fee would be waived in circumstances where a complete application for an Official Plan Amendment (OPA) has been received for the same address(es), including payment of the OPA application fee.

## RECOMMENDATIONS

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

1. City Council amend City of Toronto Municipal Code Chapter 441, Fees and Charges and Chapter 442, Fees and Charges, Administration of, to establish a new *Employment Areas Conversion Request User Fee* of \$20,000 per conversion request received from December 18, 2020 up to and including August 3, 2021.
2. City Council authorize the City Solicitor to introduce the necessary bills to give effect to City Council's decision, and appropriate City staff be authorized and directed to take the necessary actions to give effect thereto.

## FINANCIAL IMPACT

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The *Employment Areas Conversion Request User Fee* is a recommended new fee that applies to conversion requests made by landowners or their agents. The fee per request will be \$20,000. It has been established based on labour input assumptions and will mitigate the costs associated with these requests.

The amount of funds received will depend on the volume of conversion requests received from December 18, 2020 to August 3, 2021.

Careful auditing of the average number of person-days required to consider and evaluate each conversion request will be undertaken by City Planning to ensure the fee is appropriate for the work. This provides an opportunity to assess whether the fees are sufficient or will need to be adjusted accordingly if applied again the future.

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

## DECISION HISTORY

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At its meeting held on September 26 and 27, 2011, City Council adopted the user fee policy set out in Appendix 1 to the report dated September 9, 2011 from the City Manager and Deputy City Manager and Chief Financial Officer (the "User Fee Policy"). The User Fee Policy is found in Appendix 1 of the following link:  
<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-40701.pdf>

On June 29, 2020, City Council adopted a recommended approach and work plan for the Official Plan Growth Plan Conformity and Municipal Comprehensive Review (MCR). The decision directed City Planning, in consultation with the City Solicitor, to review options on introducing a fee associated with reviewing written requests to convert lands designated *Core Employment Areas* or *General Employment Areas*. The decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH14.4>

## COMMENTS

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### **Legislative Authority to Establish Fees**

The recommended fee is being brought forward under the authority of Section 259 of the City of Toronto Act, 2006 and in accordance with Chapters 441 and 442 of the City of Toronto Municipal Code. Part IX of the City of Toronto Act, 2006 addresses fees and charges. Pursuant to section 259(1), the City has authority to pass by-laws imposing fees or charges on persons, (a) for services or activities provided or done by or on behalf of it.

A conversion request is not an application under the Planning Act.

### **User Fee Policy**

The City of Toronto's User Fee Policy provides a framework to ensure a consistent approach for establishing and managing user fees across City Programs and Local Boards. The fundamental principle of the Policy is that user fees should be used to finance City services and goods that confer benefits on individuals, identifiable groups or businesses and that user fees should be set to recover the full cost of those services to the extent that there is no conflict with the City's policy objectives and priorities.

### **Core Employment Areas and General Employment Area Conversion Requests**

Land designated *Core Employment Areas* and *General Employment Areas* in the Official Plan account for 13 percent of the City's land base and accommodate over a quarter of the City's jobs.

A Place to Grow: Growth Plan for the Greater Golden Horseshoe 2020 ("Growth Plan 2020") policies 2.2.5.9 and 2.2.5.10 state that *employment areas* may be converted and lists the tests that need to be considered before any conversion. The City of Toronto's Official Plan policies 2.2.4.14 to 2.2.4.18 provide Conversion and Removal Policies for *Employment Areas* in addition to those set out in the Growth Plan 2020.

Official Plan policy 2.2.4.14 states that a redesignation of land from an *Employment Area* designation to any other designation or the introduction of a use that is otherwise not permitted in an *Employment Area* is a conversion and a removal of land from an *Employment Area* and may only be permitted by way of an MCR. The introduction of a use that may be permitted in a *General Employment Area* into a *Core Employment Area* or the redesignation of a *Core Employment Area* into a *General Employment Area* designation is also a conversion and may only be permitted by way of an MCR.

During the previous MCR, the City received over 140 requests to convert *Employment Areas* for which no minimum submission requirements or fees were associated with the review of each request. Prior to Council's consideration of each conversion request, staff prepared "preliminary assessments" upon receipt of conversion requests and "final assessments" indicating staff's recommendation on the request, a process that took place over the course of three years.

On June 29, 2020, to standardize the expectations for a conversion request, City Council authorized the commencement of the MCR on August 4, 2020, and requested that City Planning receive written requests to convert lands designated *Core Employment Areas* or *General Employment Areas* until August 3, 2021. The necessary "tests" and policy considerations that need to be satisfied for a conversion to occur are provided in the Conversion and Removal Policies for *Employment Areas* of the Official Plan in addition to those set out in the Growth Plan 2020.

On June 29, 2020, City Council directed City Planning, in consultation with the City Solicitor, to review options on introducing a fee associated with reviewing written requests to convert lands designated *Core Employment Areas* or *General Employment Areas*. The site-specific review process is unique to each request and is a service undertaken at the request and for the benefit of an individual, group of individuals, or a business. Like applications for an OPA, the cost to the City associated with processing conversion requests should be recovered by a fee.

### **Conversion Request Process**

The City of Toronto's MCR commenced on August 4, 2020, allowing City staff to start receiving formal requests to convert lands designated as *Core Employment Areas* or *General Employment Areas*. Requests to convert these lands can be submitted for consideration in one of two ways: a complete application for an OPA; or, a written request with supporting material to the City Planning Division. Landowners are responsible for choosing the approach that best meets their individual objectives. In both cases, the request must include a response to the Growth Plan and Official Plan conversion tests.

For each conversion request, staff review the content of the submission request; conduct research on the site and the surrounding area; examine the health and viability of the employment area; consider business activities that may be affected by the introduction of a sensitive use or that have an adverse effect on sensitive uses; and, assess the availability of existing community and physical infrastructure, among other matters. Staff also meet with or receive input from, the Ministry of the Environment, the Ministry of Municipal Affairs and Housing, railway companies, Metrolinx, and from the Toronto Region Conservation Authority on sites that could be affected by these agencies' mandates. Where a conversion request is near an industry that could affect new sensitive uses, or have their operations affected by the introduction of sensitive uses, staff endeavour to visit the business and interview them to gain a better understanding of their operations. Staff consider the findings and prepare a site-specific report that provides a recommendation to City Council on the request.

## **User Fee Consultation**

Public comment on the user fee was solicited through advertisements in NRU and posts on City Planning's Official Plan Review website. City staff met with the Toronto Industry Network (TIN) on November 13, 2020. A meeting has been scheduled with BILD's Toronto Chapter on December 10, 2020 to receive additional input. Should issues arise as part of this consultation, a supplementary report will be provided to City Council with additional information.

## **New Conversion Request Fee**

To recover the costs to the City, it is recommended that the City charge a new *Employment Areas* Conversion Request User Fee that reflects the distinct and additional site-specific review work beyond that which is covered during the related MCR. The fee will apply to requests received from December 18, 2020 to August 3, 2021. An exemption to the user fee will be granted if the conversion request forms part of a complete application for an OPA under the Planning Act, including payment of the application fee.

The proposed fee of \$20,000 for each conversion request is intended to recover the anticipated cost of processing each request. It is based on staff estimates of processing efforts by multiple Divisions and includes proportionate estimates of indirect costs and capital costs. The estimate of effort is based on data from the 2013 MCR.

Landowners and/or their agents considering submitting a request will be encouraged to meet with City staff about the City's *Employment Areas* conversion and removal policies prior to making a request. This will help them to avoid making a request and paying fees if they determine that their proposal would have little likelihood of meeting the policy requirements.

## **Process**

The new user fee will be paid upon submission of the conversion request. Conversion requests are to be submitted in paper and electronic formats to the Director of Strategic Initiatives, Policy & Analysis.

All conversion requests received from December 18, 2020 up to and including August 3, 2020 will have to pay the fee unless a complete application for an OPA has been received for the same address(es), including payment of the OPA application fee.

## **CONTACT**

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## **SIGNATURE**

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Gregg Lintern, MCIP, RPP  
Chief Planner and Executive Director  
City Planning Division

## **ATTACHMENTS**

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Attachment 1: Draft By-Law Amendment

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## CITY OF TORONTO

### BY-LAW -2020

#### To amend City of Toronto Municipal Code Chapter 441, Fees and Charges, and Chapter 442, Fees and Charges, Administration of, to add a fee for Employment Area Conversion Requests.

Whereas Section 259 of the *City of Toronto Act, 2006* provides the City may pass by-laws imposing fees or charges on persons for services or activities provided or done on behalf of it; and

Whereas the Council of the City of Toronto has adopted the recommendations to establish a user fee for *Employment Areas* Conversion Requests in the amount of \$20,000 effective December 18, 2020 up to and including August 3, 2021;

The Council of the City of Toronto enacts:

1. Effective December 18, 2020, Appendix C, Schedule 13, Planning Fees, of the City of Toronto Municipal Code Chapter 441, Fees and Charges, is amended by adding the following:

*	(To Column I Service)	(To Column II Fee Description)	(To Column VIII Category)	(To Column IV Fee Basis)	(To Column V Fee)	(To Column VI Annual Adj.)
64	Development Review, Decision and Implementation	Review fee for Employment Areas Conversion Request	Full Cost Recovery	Per Request	\$20,000	No

\* (To unnumbered column for row numbers)

2. Section 442-9 of Chapter 442, Fees and Charges, Administrative of, of the City of Toronto Municipal Code is amended by adding the following:

G. The fee for a request to convert lands designated *Core Employment Areas* or *General Employment Areas* applies from December 18, 2020 up to and including August 3, 2021.

H. In the case of the submission of a request to convert lands designated *Core Employment Areas* or *General Employment Areas* where a complete application for an official plan amendment has been submitted for the same address(es), the

applicant is only required to pay the fee applicable to the official plan amendment application for an official plan amendment for the same conversion.

3. These amendments come into force on December 18, 2020 up to and including August 3, 2021.

Enacted and passed on November , 2020.

Frances Nunziata  
Speaker

John D. Elvidge  
Interim City Clerk

(Seal of the City)