



**STAFF REPORT
ACTION REQUIRED**

Supplementary Report: PG33.14 "Implementing a Local Appeal Body for Toronto – Public Consultations and Guiding Principles"

Date:	June 9, 2014
To:	City Council
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

At its May 29, 2014 meeting the Planning and Growth Management Committee considered PG33.14 "Implementing a Local Appeal Body for Toronto – Public Consultation Comments and Guiding Principles". The Committee requested that the City Manager report directly to City Council confirming the availability of start up funding in 2014. This report addresses the issue of funding and makes recommendations regarding the timing and process for reporting back on the implementation of the Local Appeal Body (LAB), should City Council decide to approve its establishment.

RECOMMENDATIONS

The City Manager recommends that, should Council approve the establishment of a Local Appeal Body for Toronto:

1. City Council delete Recommendation 4 of the Planning and Growth Management Committee and replace it with:

"City Council direct that the establishment of a Local Appeal Body be coordinated and overseen by the City Manager and the City Manager report to the Executive Committee early in 2015, with recommendations for the governance and administration of the Local Appeal Body, including the number of members, their remuneration, and a proposed fee structure".

FINANCIAL IMPACT

If Council decides to establish a LAB and to have the City Manager report back early in 2015 on governance structure options, funds for this preliminary work during 2014 can be accommodated within the approved 2014 Operating Budget.

In the longer term, preliminary assumptions on the direct, ongoing costs required to establish and operate a LAB, based on *Guiding Principle Seven - Costs of Implementing and Maintaining a LAB* identified in report PG33.14 *Implementing a Local Appeal Body for Toronto - Public Consultation Comments and Guiding Principles* estimates ongoing operating costs of \$2 million per year. The annual operating costs estimates include \$365,000 for LAB member remuneration; \$846,000 for dedicated support staff salaries and benefits; \$633,000 for office operating expenses, including rent, and \$184,000 in contingency costs. The estimates provided are for direct costs only and do not include estimates for the indirect and ongoing capital costs that would be required to support a LAB. These costs will be further refined during the development of options for the governance and administration of a LAB and development of an implementation plan. Once finalized, and subject to Council approval, these costs will be considered as part of the 2015 (or future year) operating budget process.

Staff have been directed to give consideration to a minimum fee for all appeals; and a fee for appeals initiated by Committee of Adjustment applicants, and that the minimum appeal fee be at least equal to the applicant's Committee of Adjustment fees. Assuming the receipt of 300 appeal applications per year, to achieve the full cost recovery of direct operating costs associated with delivering this service, currently estimated at \$2 million per year, an application fee of \$6,700 per application will be required. However, as per the directions noted above, Council could also choose to adopt LAB application fees that reflect partial cost recovery, (being a mix of user fees and property tax revenues).

In addition, initial estimates on the one-time start-up costs of establishing a LAB are in the order of \$905,000. This includes estimated costs for leasehold improvements (\$500,000); costs for furnishings and equipment (\$200,000); a temporary project lead (\$100,000) and contingency estimates. These costs will be further examined and refined during the development of options for the governance and administration of a LAB and the establishment of an implementation plan.

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

COMMENTS

At its May 29th meeting the Planning and Growth Management Committee considered PG33.14 "Implementing a Local Appeal Body for Toronto – Public Consultation Comments and Guiding Principles".

The Committee requested the City Manager to report directly to City Council to confirm that start up funding exists within the 2014 budget to assist implementation of a LAB. If Council decides to establish a LAB and to have the City Manager report back early in 2015 on governance structure options, funds for this preliminary work during 2014 can be accommodated within the approved 2014 Operating Budget.

However, as noted in the Financial Impact Statement, significant one-time and ongoing costs are associated with the establishment and operation of a LAB and these will be further examined and refined during the development of options for the governance and administration of a LAB.

The Planning and Growth Management Committee requested that the City Manager report back in August 2014 on governance matters such as the number of members, remuneration, and a proposed fee structure. The establishment of governance and decision making bodies such as a LAB are within the jurisdiction of the Executive Committee. The work to develop governance options and recommendations will take some time to conduct thoroughly. Therefore, if Council approves the establishment of a LAB, the City Manager recommends a report to the Executive Committee in early 2015 on these matters.

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SIGNATURE

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