



Tracey Cook
Deputy City Manager
Infrastructure and Development Services

City Planning
City Hall, 12th Floor,
100 Queen St. West]
Toronto, ON M5H 2N2]

Gregg Lintern
Chief Planner and
Executive Director

Tel: (416) 392-8772
Gregg.Lintern@toronto.ca
www.toronto.ca

2021 OPERATING BUDGET BRIEFING NOTE

City Planning Division – Application Fees

Issue/Background

- At its meeting of January 20, 2021, Budget Committee requested staff prepare a briefing note on the potential to increase planning fees in 2021 and the financial impact that increasing fees will have on the operating budget.
- In 2015, City Planning retained Watson and Associates Economists Ltd. to develop an activity based fee model for the development review process to establish Planning application fees.
- In accordance with the City's User Fee Policy and a commitment to transparency and accountability, the City is required to give notice to the public of its intent to change existing user fees and introduce new fees. Public notice is posted on the City's website where constituents are given the opportunity to provide input or depute the proposed changes to fees.
- The fee review is normally conducted every 5 years. The next review is scheduled to commence in 2022.

Key Points:

- At its December 13, 14 and 15, 2016 meeting, City Council adopted the report from the Chief Planner entitled "Development Application Review Fee Update" (PG16.1). City Council adopted the new fees effective January 1, 2017 based on cost recovery for development review services.
- Fees are also subject to an annual increase for inflation in accordance with the City's User Fee Policy ensuring the level of cost recovery is maintained annually.
- The Division's 2021 budget includes an inflationary increase of 1.86% that is expected to generate an added \$566.9 thousand of revenue.
- 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. Other divisions provide internal indirect services such as People and Equity, Technology Services and Policy, Planning, Finance and Administration.

- Concept 2 Keys (C2K) through the City Manager's Office is looking to transform, enhance and improve how the City of Toronto attracts, facilitates and regulates development activity. This work is currently underway. It is anticipated that revised fees and fee structure will be based on process changes resulting from this project over the next 12 to 18 months.
- Consultants will be retained in 2022 to further refine the City's full cost recovery development application processing model. In consultation with partner divisions, the consultant will identify the level of effort involved in processing Planning applications. The findings from the fee review will form the basis for the 2023 budget submissions.

Prepared by: Michael Mizzi, Director, Zoning and Committee of Adjustment, 416-392-0888, Michael.Mizzi@toronto.ca, and Doris Michel, Program Manager, Office of the Chief Planner, 416-392-7566, Doris.Michel@toronto.ca

Further information: Gregg Lintern, 392-8772, Michael Mizzi, 392-0888, Doris Michel, 392-7566

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