

## Report to Planning and Environment Committee

**To:** Chair and Members  
Planning & Environment Committee

**From:** John M. Fleming  
Managing Director, Planning and City Planner  
George Kotsifas, P.Eng.  
Managing Director, Development and Compliance Services &  
Chief Building Official

**Subject:** Planning Services and Development Services Application  
Fees and Charges Update

**Meeting on:** August 13, 2018

## Recommendation

That, on the recommendation of the Managing Director, Planning and City Planner and the Managing Director, Development and Compliance Services and Chief Building Official, the following actions be taken:

- (a) the information report regarding the Planning Services and Development Services fee review **BE RECEIVED** for information; and,
- (b) this item **BE REMOVED** from the Planning and Environment Committee Deferred Matters list (Item #3 of the May 28, 2018 PEC report), it being noted that a Public Participation Meeting will be held at the Strategic Priorities and Policy Committee on September 17, 2018.

## Executive Summary

### Purpose and the Effect of Recommended Action

The purpose and effect of this information report is to summarize the existing fees, highlight the consultation process with local stakeholders and outline the proposed fee modifications for Planning Services and Development Services. The recommended fee modifications, including the introduction of new fees and modifications to existing fees, will be included in the update to the Fees and Charges By-law to be considered by Municipal Council in September, 2018.

The recommended fees and a comparison to the existing fees is provided in Appendix A.

## Analysis

### 1.0 Background

#### 1.1 Previous Fee Reviews

The last comprehensive review of the combined Planning Services and Development Services processing fees occurred in 2008. The focus in 2008 was on improving cost recovery. These fee increases were phased in over 2009.

A further comprehensive review of processing fees has not been undertaken since 2008. Some individual fee increases have occurred in intervening years:

- In 2010, the application fee for condominium amalgamations was decreased to 50% of the processing fee for a standard condominium, recognizing the reduced level of effort required to perform the applicable analyses for the application.
- Official Plan and Zoning Amendment fees were increased in 2013, following the results of an internal audit by PricewaterhouseCoopers LLP which recommended

a cost-benefit analysis be performed to determine whether application fees should be modified. The fee increases were intended to align application fees with like-sized municipalities to ensure the maintenance of appropriate levels of cost recovery. Staff initially recommended an annual escalation fee of 2 percent compounded annually be applied such that fees would increase gradually every year, however the initial recommendations were referred by Municipal Council back to Staff for further consultation. Following this further consultation, the annual escalation fee was removed from the recommendations and the fee increases were adopted by Municipal Council. At this time, the maximum site plan approval application fee was also removed.

- Subdivision draft approval extension fees were reviewed in 2015. Although no changes were made to the base fee for draft approval extensions, a variable fee was introduced for extensions greater than 6 months.

A list of reports associated with the previous fee reviews can be found in Appendix B.

## **1.2 Existing Fees**

Appendix A provides a listing of fees that were considered through the 2018 Fees Review, including existing fee amounts and timetables for the most recent review/update.

## **1.3 Factors Influencing 2018 Fee Review**

The following factors informed the 2018 Fees Review, reflecting multiple perspectives from community and industry stakeholders and staff:

- Length of time since previous reviews – The last comprehensive fee review of combined Development Services and Planning Services application fees was completed in 2008. A subsequent review limited to Official Plan and Zoning By-law Amendment fees was completed in 2013. Few fee changes have occurred since these previous reviews.
- Additional costs to the industry – Concern about burden of increased fees on the development industry and the need to remain competitive.
- Requirement to investigate additional revenue sources – Recommendations from the audit review to explore methods to generate revenue and requests to explore fee increases raised during the review of assessment growth business cases.
- Compounding nature of fee/charges increases (Planning Services Fees, Development Services Fees, Development Charges, Building Permit Fees) – Consider the combined impact of fees on housing prices and the development industry.
- Need to respond to community desires and expectations – New/updated policies, regulates and guidelines requires more involved application review.
- Request for phase-in of fee increases – Desire expressed by stakeholders to phase-in fee increases/stagger fee increases rather than having one significant fee increase.
- Fees to incent preparedness – Encourage the submission of applications that can proceed expeditiously to approval and avoid the need to conduct multiple reviews of submitted materials/inspection requests.
- Desire for improved service – Hiring additional staff resources to improve review timelines and improving processes.
- Actual costs to deliver services (Planning Service, Development Service and partners) – Fees should recognize the actual costs of service delivery

beyond the Planning Services and Development Services resources, including the other commenting divisions, Legal Services, and the City Clerk's Office.

- Growth should pay for growth – The idea that growth should help to fund growth requirements, rather than having the tax base fund the bulk of costs associated with growth.

## 2.0 Consultation

### 2.1 Consultation to Inform Review

The recommended fees are the result of discussion with the Urban League, the development community, and staff. Staff held three consultation meetings with stakeholders to inform the approach to the fees review and to establish the recommended fees.

The first stakeholder meeting, held on June 8, 2018, outlined the context and scope of the fee review, provide an opportunity to determine the considerations for analysis/draft fees and established a methodology for the review. At this meeting, potential approaches were discussed for the methodology for the fee review, at which point it was determined that a recovery rate approach for Planning Services and Development Services expenditures for the review of applications would be the preferred approach. This was determined to allow for a balance between the costs of development applications incurred by applicants while recognizing the public benefit that also results from development. The use of municipal comparators was determined to be considered as contextual for the fees review, rather than be a primary method for establishing fees as fees methodology can vary significantly between municipalities.

Other comments from the meeting included:

- fees should be made simple and easy to understand;
- inefficiencies should be targeted to reduce expenditures;
- consider an annual fee increase based on a fixed rate rather than significant increases every few years;
- requested to eliminate/avoid “surcharges” – fees applied in addition to application fees as subsequent points in the process;
- recommended fees should be presented in a table of all fees, including those fees that are not changing;
- consider the possibility of major/minor application categories and associated fees; and
- the proposal to add new for resubmissions should be reconsidered, recognizing there are merits to resubmission fees and also merits to not penalizing developers for making a resubmission.

These comments were considered and helped to inform the development of the draft fees and recommended next steps.

At the second meeting, held on July 16, 2018, the draft fees were presented for Planning Services and Development Services. These fees were developed based on the following considerations:

- a 30% recovery target;
- the impact of increase/decrease for individual fees;

- hypothetical development examples with pre- and post-fee increases;
- municipal comparators; and
- an approximation of level of effort required to review the applications.

In addition to existing fees, draft proposals were made for a Resubmission Fee, Pre-application Consultation Fee, Deeming By-law Fee, Consent Agreement Fee, and Site Plan/Subdivision Compliance Fee.

The following comments were also identified at the meeting:

- consider allowing a new use to be added through the Committee of Adjustment process rather than requiring a Zoning By-law Amendment;
- the monetary value that an application adds to a property should be considered;
- consider the cumulative impact of the fee increases from across city divisions on the cost of constructing new housing;
- recommend establishing the base fee for compliance inspections to cover the average number of inspections and then charge additional fees for inspections that exceed this average;
- concerns expressed about the Planning and Development Services Fees Review being undertaken in the isolation of other fees and charges reviews (Parks, Building, Development Charges); and
- consider the introduction of major/minor application categories and associated fees.

At the third meeting, held on July 31, 2018, the recommended fees and next steps were presented. The fees presented at the meeting were consistent with the recommended fees included in this report.

The following comments were identified at the meeting:

- the need to coordinate fees with other development-related fee reviews (i.e. Development Charges, Building Permits etc.);
- consideration must be given to the impact of fee increases on housing affordability by increasing home prices;
- the need for a comprehensive review to consider such matters as the relationships between fees and the construction value of a project;
- revenue recovery rates should be considered from smaller municipalities;
- inefficiencies need to be addressed;
- consideration should be given when considering application fees to the revenue generated by the assessment growth from new development;
- consider the cumulative impact of the fee increases from across city divisions on the cost of constructing new housing;
- the amount of time required for the review of applications should be tracked and used to determine fees;

- consider the introduction of major/minor application categories and associated fee;
- draft fees from other service areas have not been released, so a concern was identified about the compounding impact of fee increases on development; and
- the addition of indexing will help to ensure revenue recovery levels are maintained in the future.

At this meeting staff identified that a comprehensive fee review was required to determine future fee levels and the approach to “pricing” for Planning Services and Development Services application review. Staff will be engaging a consultant to undertake the review for new fees to be implemented in 2022. This comprehensive fees review would consider matters that would address many of the comments received as part of the 2018 review that are presently beyond Staff’s ability to provide a fulsome response. Further details about the recommended comprehensive fee review are provided in Section “5.0 – Next Steps”.

## **3.0 Methodology**

### **3.1 Recovery Rate**

Through consultation with the local stakeholders, it was recommended that a recovery rate approach be adopted when establishing fees. The recovery rate approach sets a benchmark for the percentage of the municipal expenditure allocated towards the review of development applications that will be recovered through application fees, recognizing the public benefit that is also derived from development approvals. The recovery rate approach was considered in previous fee reviews.

The current review considered the total direct departmental expenditure of Planning Services and Development Services directed to the review of development applications. Over the last three years (2015, 2016, and 2017), the cost recovery from application fees for both Planning Services and Development Services has averaged approximately 22 percent, with the remaining 78 percent being funded by the tax base. Staff established a working target of 30 percent, seeking to balance the funding for the review of development applications between the applicant and the public, recognizing the public benefit provided by development. The 30 percent recovery target was considered in the development of the recommended fees, while also recognizing the impact fee increases could have on development proposals.

### **3.2 Municipal Comparators**

The review of the development application fees for other municipalities was considered in the review, to inform the analysis of fee increases and to test the reasonableness of proposals.

As part of the fee review, London was reviewed against what were determined to be its most similar municipalities – mid-sized cities in Southern Ontario that are outside of the Greater Toronto Area. Mid-sized cities are defined as cities with populations between 50,000 and 500,000. This allowed for a comparison to other cities that were facing similar challenges to London based on their size and that reviewed development proposals which had a similar diversity of uses, level of intensification and required similar considerations.

Smaller surrounding municipalities were also considered in this review, however these municipalities were identified as generally facing different considerations through the development review process and a different fee structure. Differences often include:

- applicant is often responsible for paying the peer review costs for materials submitted with the application in smaller municipalities whereas in larger municipalities the review of these materials is included as part of the application fee given that the larger centres have experts on staff to review applications (i.e. heritage, urban design, engineering etc.);

- advertising and circulation costs are higher;
- larger centres generally have a wider variety of different land use applications, such as institutional, high density residential, and certain industrial uses which may not be as predominant in smaller centres;
- larger centers often experience a greater proportion of applications for residential intensification than smaller centres;
- there are often more interest groups involved

The review of similar municipalities assisted in testing the reasonableness of recommended fees.

Comparative fee information for 15 municipalities is provide in Appendix C.

## **4.0 Recommended Fees**

### **4.1 Official Plan and Zoning By-law Amendment Fees**

#### *Current and Recommended Fees*

The current and recommended fees are provided in Appendix A.

These fees have remained constant and have not been increased since the 2013 Fee Review which resulted in certain fees increasing for 2014. The increase in Official Plan Amendment, Zoning By-law Amendment and combined Official Plan and Zoning By-law Amendment application fees is intended to help achieve the 30 percent cost recovery for the review of these development applications, with consideration for municipal comparators.

The recommended fees have resulted in greater parity in cost between Official Plan Amendment and Zoning By-law Amendment application fees. This is intended to reflect the similarity in the complexity of the review associated with each application, recognizing that the staff time required to review a Zoning By-law Amendment application is similar to the time required to review an Official Plan Amendment application. An increase is also proposed to the combined Official Plan Amendment and Zoning By-law Amendment application fee. This increased fee is intended to reflect the significant consultation required for these applications as changes are being proposed to the way the community expected a site to be developed.

No increase is proposed to the existing Holding Provision Removal or Temporary Zone Extension Fees. It was determined that the existing fees continue to be reasonable for these processes for cost recovery and are comparable to other municipalities. Whether these fees need to be increased would be re-evaluated as part of the future comprehensive fee review.

#### *Pre-Application Consultation Fee*

The City of London does not currently charge a fee for the processing of pre-application consultations. This pre-application consultation fee would apply to both Planning Services and Development Services.

On average Planning Services reviews approximately 100 proposal summaries annually for pre-application consultation, of which approximately half result in Official Plan Amendment and/or Zoning By-law Amendment applications. Additionally, almost 200 consultation occur each year for site plan approvals and subdivisions combined. The review of proposals employs a considerable amount of staff resources, as Planners review the application and consolidate comments from various other staff members including Heritage Planners, Urban Designers, Parks Planners, Engineers, Ecologists, and Site Development Planners. These proposal summaries are then also reviewed by

management and a meeting is held with the applicant to provide preliminary feedback about the proposal summary and outline required submission materials. This is a valuable process that helps to identify potential issues before an application is submitted and provides clarity on submission materials. It is a requirement before the submission of applications for Official Plan Amendment, Zoning By-law Amendment, subdivision approval or site plan control.

While staff recognize that the pre-application consultation is a very important process, it is a staff-intensive process. The introduction of a pre-application consultation fee is intended to allow for some cost recovery and also to discourage the submission of proposal summaries that are not well formulated, have little chance to come to fruition as an application, or are better suited as an informal inquiry, while continuing to make the process accessible.

At the recommended pre-application consultation fee, London would have the lowest pre-application consultation fee among mid-sized cities in Southern Ontario charging pre-application consultation fees. Pre-application consultation fees are charged in Kitchener (\$933 for an Official Plan Amendment, \$622 for a Zoning By-law Amendment), St. Catharines (\$1,192.25), Guelph (\$400), Cambridge (\$415), Brantford (\$400), and Sarnia (\$275). Windsor, Waterloo, Niagara Falls, and Welland do not charge pre-application consultation fees. Similar to most municipalities with pre-application consultation fees, the pre-application consultation fee would be refundable towards the cost of the planning application should an application be submitted in the future.

Staff will continue to monitor the pre-application consultation fee to determine its effectiveness. The effectiveness of this fee would be evaluated as part of the recommended comprehensive fee review.

### *Municipal Comparators*

Municipal comparators were considered when developing the recommended fees, in order to ensure that fees remained at a reasonable level when compared to similar-sized municipalities in Southern Ontario. Application fees for the City of London were reviewed against the 11 mid-sized municipalities in Southern Ontario, located outside of the Greater Toronto Area. Mid-sized municipalities are defined as municipalities having populations between 50,000 and 500,000. The following municipalities were used in the comparison: Waterloo, Cambridge, Kitchener, Niagara Falls, St. Catharines, Guelph, Welland, Brantford, Windsor, and Sarnia. London is the largest of these municipalities. It is anticipated that other mid-sized municipalities will face a similar level of complexity in the review of development applications.

When the existing fees were compared against the other mid-sized cities in Southern Ontario, out of 11 municipalities, London had the fourth lowest Zoning By-law Amendment application fee, the third lowest Official Plan Amendment application fee, and the third lowest fee for a combined Official Plan Amendment and Zoning By-law Amendment application. The recommended fees would bring London into the median range of these mid-sized municipalities. Graphs are provided in Appendix C providing comparisons of how existing and recommended fees compare to other mid-sized municipalities in Southern Ontario.

The municipalities immediately surrounding municipalities were also considered. When compared to the surrounding municipalities of Strathroy-Caradoc, St. Thomas, Middlesex Centre, Woodstock and Thames Centre, the existing fees of the City of London are the highest for Zoning By-law Amendments, Official Plan Amendments, and combined Official Plan Amendments and Zoning By-law Amendments. The recommended fees would continue to be higher than these surrounding municipalities. This is reflective of the fact that for many of these municipalities the applicant is required to pay for peer review fees, such reviews of Heritage Impact Assessments, Environmental Impact Assessments, or engineering documents, which are included in the application fees for the City of London who have specialists on staff to review these applications. The wider range of applications made to the City of London introduce

issues that may not exist in smaller municipalities (i.e. high rise development, large industrial uses, institutional uses, near-campus applications). There is also a greater proportion of proposals for residential intensification than is generally reviewed by these smaller municipalities, which require significant consultation and project modification. Graphs are provided in Appendix C providing comparisons of how existing and recommended fees compare to other mid-sized municipalities.

### Recovery Rate

It is estimated that 25 percent of all Planning Services expenditures are devoted to the review of development applications. The recovery rate approach targeted a 30 percent cost recovery of these Planning Services expenses devoted to the review of development applications. Table 1 below provides information on the recovery rate for the past 3 years, with an average cost recovery of 22 percent for the period.

**Table 1: Planning Services Recovery (2015 – 2017)**

Planning Services	2015	2016	2017	Average
Planning Services Expenditures (25%) <small>*excludes other associated expenditures ie. Engineering, City Clerks, Legal etc.</small>	\$1.33 million	\$1.52 million	\$1.59 million	\$1.48 million
Planning Services Revenues	\$0.32 million	\$0.39 million	\$0.27 million	\$0.32 million
Tax contributions	\$1.01 million	\$1.11 million	\$1.32 million	\$1.16 million
Tax to fees ratio	3.2	2.8	4.9	3.6
Percentage Recovery	24.0%	26.0%	17.0%	21.9%

It is estimated that the cost recovery will be improved based on the recommended fees. While it is anticipated that the recommended fees will still not produce a 30 percent cost recovery, this increase in fees is working towards this 30 percent cost recovery. The decision to have recommended fees lead to a cost recovery that still does not meet the 30 percent target was done after stakeholder consultation determined that an increase in fees to reach a 30 percent cost recovery would lead to significant cumulative increases in existing fees. The recommended fees were found to improve cost recovery, moving towards a 30 percent cost recovery, while keeping fee increases at a reasonable level for the development community. The addition of annual indexing to the fees will help to ensure that future increases will not be required to be as significant to maintain levels of cost recovery.

These cost recovery considerations for the purposes of this fee review are based exclusively on the Planning Services expenditures. Many other city divisions are involved in the review and processing of Planning Services applications, such as Development Services, Legal Services, Engineering Services and the City Clerk's Office. It is anticipated that the actual cost recovery when the inputs from all divisions are considered is significantly less than the cost recovery used for the purposes of this fee review, which only accounted for Planning Services expenditures. The recommended comprehensive fee review to be conducted by a consultant before 2021 will provide a more thorough review of all costs associated with the review of development applications.

## 3.2 Development Services Fees

### Current and Recommended Fees

In addition to Official Plan and Zoning By-law Amendment applications, a wider range of Planning Act applications are also processed by Development Services, including subdivisions, part lot control, consents, condominiums, site plan approvals, site plan



amendments, and minor variances. The fees for certain applications processed by Development Services have not been substantially updated since the 2008 Fee Review. Fees are also charged for street renaming and municipal address changes.

A list of the current fees and recommended fees is provided in Schedule A.

The recommended fees include increases to fees for applications for site plan approval, site plan amendments, street renaming, municipal address changes, minor variances, and certain components of applications for subdivisions, consents and condominiums. Fees for final approval and agreement preparation for subdivisions and condominiums are recommended to be deleted, as these will be addressed through increases to the base fee. No changes were made to the cost of applications for part lot control, and fees for certain components of subdivision, consent, and condominium applications also remained unchanged. New fees were added for deeming by-laws, consent agreements and compliance re-inspections, with two compliance inspections included in application fees, but a charge subsequently applied to help incentivize compliance during the first and second inspections.

The need to simplify the fee structure was a goal identified through the consultation process, as the existing fee structure includes a number of individual cost components for subdivision and condominium applications, and also a complex formula for the calculation of fees for site plan control applications. The proposed fee structure simplifies these fees, including certain components of the subdivision and condominium applications in the base fee for these applications and simplifying the formula for the calculation of site plan control application fees.

The proposed changes to fees for applications for Official Plan Amendments, Zoning By-law Amendments, combined Official Plan and Zoning By-law Amendments, and the introduction of the pre-application consultation fee will also apply to Development Services, where certain Official Plan and Zoning By-law Amendment applications are also processed. The recommendation for no change to existing fees for the removal of Holding Provisions and Temporary Zone Extensions would also apply to Development Services where these applications are also processed.

The recommended fees would be increased by inflationary adjustments based on the construction index used, in the same method used for calculating development charges. This will help to maintain levels of cost recovery as expenditures increase from inflation impacting the cost of goods and increases to staff salaries outlined in the collective agreement.

### *Municipal Comparators*

Appendix B provides comparative municipal fee information for major fees administered by Development Services. It should be noted that “apples-to-apples” comparisons of these fees are challenging as significant variation exists in how fees are structured (e.g., some municipalities opt for base and variable fees, while others do not). When examining base fees amongst the municipalities, the City of London’s existing fees are generally lower than the average for mid-sized cities, while most local municipalities have lower fees. This information provided context for the Fees Review analysis and the recommended fee increases.

### *Recovery Rate*

Unlike Planning Services which includes staff that work on studies and do not directly process development applications, Development Services expenditures (with the exception of Development Finance) are directly attributable to the review of applications. The recovery rate approach targeted a 30 percent cost recovery of Development Services expenditures. As noted in Table 2, the average recovery rate was 22 percent for 2015-2017. It should be noted that costs and revenues associated with drawing review and Ministry of Environment fees are also included in Table 2, but are not being examined with this fees review.

**Table 2: Development Services Recovery (2015 – 2017)**

Development Services	2015	2016	2017	Average
Development Services Expenditures <small>*excludes DF and other associated expenditures w/ EES, Clerks, Legal etc.</small>	\$4.16 million	\$4.79 million	\$5.11 million	<b>\$4.69 million</b>
Development Services Revenues	\$1.05 million	\$1.04 million	\$1.04 million	<b>\$1.04 million</b>
Tax contributions	\$3.11 million	\$3.75 million	\$4.07 million	<b>\$3.64 million</b>
Tax to fees ratio	3.0	3.6	3.9	<b>3.5</b>
Percentage Recovery	25.2%	21.7%	20.4%	<b>22.2%</b>

It is anticipated that cost recovery will be improved based on the proposed fees and annual indexing. While cost recovery is estimated to improve at the proposed application fees, Development Services is not anticipated to meet the 30 percent cost recovery target. While the recommended fees are short of the recovery target, the increases are bringing cost recovery closer to the target. This is done out of an effort to increase fees at a reasonable rate for the development community. It is anticipated that the proposed comprehensive fees review would improve this cost recovery rate with revised fees to be implemented in 2022.

The recovery rate was calculated using exclusively Development Services expenditures, and does not include expenditures from other divisions involved in the review and processing of Development Services applications, such as Legal Services, Planning Services, and the City Clerk’s Office. Costs associated with Development Finance are also excluded. When all expenditures towards the review and processing of an application are considered, it is anticipated that the recovery rate would be significantly lower than when exclusively Development Services expenditures are considered. The consideration of other departmental expenditures in the review of applications would be considered as part of the comprehensive fee review recommended to be conducted to establish fees in 2021.

**3.3 Hypothetical Development Examples**

One of the concerns expressed through meetings with stakeholders was with regard to the cumulative impact of the fee increase on development applications. The below Table 3 provides examples of how existing and recommended fees would compare in potential development scenarios:

**Table 3 - Examples of Cumulative Application Fees**

Example Development	Existing Cumulative Fee	Proposed Cumulative Fee	Difference	% Change
Small commercial development (2,500sqm) with a change in use (Zoning By-law Amendment and Site Plan)	\$8,950	\$13,500	\$4,450	51%
Large format retail development (10,000sqm) (Zoning By-law Amendment and Site Plan)	\$13,450	\$21,000	\$8,550	56%
50 unit townhouse block (Zoning By-law Amendment, Site Plan, Condominium Application)	\$12,350	\$18,250	\$6,400	48%
180 unit condominium apartment building (Official Plan Amendment, Zoning By-law Amendment, Site Plan, Standard Condominium)	\$22,550	\$34,250	\$11,700	52%
Subdivision (119 lots, 5 blocks)(Subdivision and Zoning By-law Amendment)	\$32,625	\$45,350	\$12,725	39%

As described earlier in this report, the analysis of hypothetical development examples was an important “feedback loop” in considering the impacts and reasonableness of the recommended application fees.

### **3.4 Indexing**

Historically, the City of London has not included inflationary adjustments as part of Planning Application fees. Although this was considered during the 2008 comprehensive review, annual adjustments were omitted with the approved fees.

As a result of discussions with stakeholders, Staff are recommending that inflationary adjustments be applied to all Planning Services and Development Services fees described in this report following the 2019 “baseline” fee year (i.e., for 2020 and 2021). Most municipalities surveyed performed a version of annual adjustments, based on a 2% fixed increase, the Consumer Price Index (CPI), or set dollar amounts (e.g., a \$100 increase to the base fee each year).

Staff are recommending the use of the construction price index presently used to adjust Development Charges (DCs) rates each year. The construction price index is universally used throughout the Province for DCs and is accepted in the industry. Further, it reflects cost fluctuations in the construction sector, which is more directly relatable to the product of development approvals than the goods that are used to inform the CPI. Over the past 4 years, the average annual adjustment for DCs has been 2.36%, and this rate has been used as a proxy for modelling purposes for the estimated future revenue information contained in this report. It should be noted that the indexing of fees to be performed in 2020 and 2021 will be to the applicable indexing value available for the period preceding the annual adjustment (e.g., the November 2019 indexing value will be applied to January 1, 2020 fees).

### **3.5 Other Fees Considered**

#### *Resubmission Fee*

The concept of a resubmission fee was considered as part of this fee review. Resubmission fees are charged by many municipalities to cover the cost of the staff resources required to review a revised proposal and the costs associated with the mailing and advertising of the notices associated with the draft proposal.

Through consultation with the stakeholders, it was recognized that the majority of resubmissions are made to address comments from staff and the community. Staff are of the opinion that it is best not to discourage these revisions, as such it is recommended that resubmissions continue to occur at no additional cost to the applicant.

#### *Consent Agreement Fee*

With the tabling of the draft fees, Staff proposed the introduction of a consent agreement fee to contribute towards the preparation and review of these documents. As a result of further discussion and consideration, this fee is not being recommended at this time as most consent agreements are prepared to register on title the requirement for site plan approval, where applicable. Staff will continue to monitor the need for this fee in the future.

#### *Major/Minor Application Fees*

Another concept that was considered was the introduction of a major/minor classification for Official Plan Amendment and Zoning By-law Amendment applications. Several municipalities have implemented a differentiation between major and minor Official Plan and/or Zoning By-law Amendment fees, with minor applications having lesser fees than major applications.

The criteria to determine if an application is major or minor varies significantly between municipalities. For example, in Guelph a major Zoning By-law Amendment application is categorized as a change in zone category, while in Windsor a minor amendment is defined as an addition to the range of permitted uses for commercial, industrial or

institutional zones, a change to existing regulations or zoning district to match the lot lines, a rezoning to accommodate a maximum of six dwelling units for a site designated as residential in the Official Plan, and site-specific zoning applications on sites with an area of less than 1,000 square metres that are designated as a use other than residential in the Official Plan.

It was determined that it would be difficult to make a distinction between major and minor applications that reflected cost recovery as each application is unique and the uses and scale proposed do not necessarily reflect the amount of staff resources that would be required to process the application. The introduction of a distinction between major and minor Official Plan and Zoning By-law Amendment applications is recommended to be further considered as part of the comprehensive fee review process proposed for fees to be implemented in 2022.

In lieu of the introduction of a major/minor classification for Official Plan and Zoning By-law Amendment applications, it was also suggested through the consultation process that the City of London consider the addition of uses through the Committee of Adjustment. This suggestion was considered, however it was determined that this practice could not be implemented at this time as further review of consistency with the Planning Act legislation is required. Of particular importance is whether this would be consistent with the duties and responsibility of Municipal Council and the Committee of Adjustment outlined in legislation and whether this approval authority role could be delegated from Municipal Council to the Committee of Adjustment.

#### **4.0 Next Steps**

This report provides background on the recommended changes to the Fees and Charges By-law for Planning Services and Development Services. A Public Participation Meeting for the Fees and Charges By-law will occur at the September 17, 2018 Strategic Priorities and Policy Committee meeting.

Stakeholder consultation has led to a recommendation that a comprehensive fee review be completed in 2021, for implementation in 2022. This will require the engagement of a consultant. This review would evaluate the methodology that has been used in the establishment of application fees (i.e., the recovery rate approach) and would also provide an opportunity to examine performance targets, service standards and non-direct costs. The recommended fee modifications outlined in this report would serve as an interim measure until the Comprehensive Fee Review is completed. The kick-off for the comprehensive review will occur in the fall of 2020.

#### **5.0 Conclusion**

The recommended fees for various development applications outlined in this report will be included in the update to the Fees and Charges By-law to be considered by Municipal Council in the fall of 2018. The recommended fees are based on a 30 percent cost recovery approach with consideration of impacts of individual fee increases, hypothetical development examples, comparable municipalities and a rough approximation of level of effort. The intention of the Fees Review has been to work towards fees that balance the funding for the review of development applications between the applicant and the public in future reviews, recognizing the public benefit provided by development. The recommended fees were developed in consultation with stakeholders, who provided valuable input to develop the methodology and establish the recommended fees. The recommended fees are also intended to simplify the fee structure, providing greater clarity to applicants on the fees that can be expected as part of the development process. Based on the outcome of stakeholder consultation, staff will be engaging a consultant to perform a comprehensive fee review in 2021 considering a number of factors that were beyond the scope of the current fee review to help inform future fee updates.

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<p>Note: The opinions contained herein are offered by a person or persons qualified to provide expert opinion. Further detail with respect to qualifications can be obtained from Planning Services</p>	

August 3, 2018  
MT/mt

## Appendix A

### Official Plan Amendment and Zoning By-law Amendment Fees – Existing and Proposed

Application	Existing Fee	Proposed Fee	\$ Change	% Change	Previous Review	Notes
Official Plan Amendment	\$10,000	\$12,000	\$2000	20%	2013	N/A
Official Plan Amendment/Zoning By-law Amendment	\$15,000	\$20,000	\$5000	33%	2013	N/A
Zoning By-law Amendment	\$7000	\$11,000	\$4000	57%	2013	N/A
Temporary Zone Extension	\$1300	\$1300	0	0%	>2008	N/A
Holding Provisions Removal	\$1000	\$1000	\$0	0%	2008	N/A
Pre-Application Consultation Fee	\$0	\$250	New Fee	New Fee	N/A	Refunded with submission of a development application

### Additional Development Services Fees – Existing and Proposed

Application	Existing Fee	Proposed Fee	\$ Change	% Change	Previous Review	Notes
Subdivisions:						
Draft Approval	\$7500+	\$15000+	\$7500	100%	2008	Base fee plus \$150 per lot (\$125) and \$300 per block (\$250)
Draft Approval Extension	\$1000+	\$1000+	\$0	0%	2015	<= 6 mos, \$1000; 6+, Base fee plus \$50 per lot and \$100 per block
Draft Approval Revision	\$1000	\$1000	\$0	0%	<2008	If major revision, new fee required
Subdivision Agreement	\$1000	\$0	-\$1000	-100%	<2008	Included in base fee
Subdivision Final Approval	\$1000	\$0	-\$1000	-100%	<2008	Included in base fee
Part Lot Control	\$200	\$200	\$0	0%	>2008	N/A
Consents:						
Lot Creation	\$1100+	\$1500+	\$400	36%	>2008	Base fee plus \$150 per additional lot (\$125)
Other	\$900	\$1000	\$100	11%	>2008	For easements, title validation, leases
Deed Certification	\$100+	\$100+	\$0	0%	>2008	\$100 for first certificate and \$200 for each additional certificate
Consent and Minor Variance	\$2100	\$2500	\$400	14%	>2008	Combined fee of \$1500 for consent and \$1000 for variance

Application	Existing Fee	Proposed Fee	\$ Change	% Change	Previous Review	Notes
Condominium (Non Vacant Land):						
Application						
Final Approval	\$3000	\$4500	\$1500	50%	2008	N/A
Revisions	\$300	\$0	-\$300	-100%	2008	N/A
Draft Approval Extensions	\$200	\$200	\$0	0%	2008	N/A
	\$100	\$100	\$0	0%	2008	N/A
Condominium (Vacant Land):						
Application	\$3750+	\$7500+	\$3750	100%	2008	Base fee plus \$150 per unit (\$125)
Final Approval	\$500	\$0	-\$500	-100%	2008	Included in base fee
Revisions	\$1000	\$1000	\$0	0%	2008	N/A
Draft Approval Extensions	\$500	\$500	\$0	0%	2008	N/A
Condominium (Amalgamated):						
Application	\$1500	\$1800	\$300	20%	2010	N/A
Final Approval	\$300	\$0	-\$300	-100%	2008	Included in base fee
Revisions	\$200	\$200	\$0	0%	2008	N/A
Extensions	\$100	\$100	\$0	0%	2008	N/A

Application	Existing Fee	Proposed Fee	\$ Change	% Change	Previous Review	Notes
Site Plan Approval:						
Residential	\$750+	\$1000+	\$250	33%	2013	Base fee plus (total units – 5 units x \$50)
Non-residential (new site plan)	\$750+	\$1000+	\$250	33%	2013	Base fee plus (total GFA sqm – 1000 sqm) x \$1)
Non-residential (old site plan)	\$750+	N/A	N/A	N/A	2013	Same as non-residential new building
Site Plan Amendments:						
General Amendments	\$450	\$750	\$300	67%	2008	N/A
Fire Routes	\$450	\$750	\$300	67%	2008	N/A
Street Renaming	\$175	\$500	\$325	186%	>2008	Base fee plus costs of advertising, signage, installation and homeowner reimbursement of \$50/household
Municipal Address Change	\$100	\$500	\$400	400%	>2008	N/A
Minor Variances:						
Category 1	\$300	\$400	\$100	33%	>2008	Accessory structures with no dwelling units
Category 2	\$400	\$500	\$100	25%	>2008	Yard setbacks
Category 3	\$800	\$1000	\$200	25%	>2008	Permissions re: non-conforming uses
Category 4	\$1000	\$1200	\$200	20%	>2008	Lot/yard requirements, general uses, home occupations, etc.
Deeming By-law	\$0	\$1000	New Fee	New Fee	N/A	N/A
Compliance Re-inspections	\$0	\$250	New Fee	New Fee	N/A	Each inspection after 2nd

## **Appendix B – Previous Fee Reviews**

### **Reports from Previous Fee Reviews**

February 8, 2018 – Report to Planning Committee – “Condominium Amalgamation Application Fees”

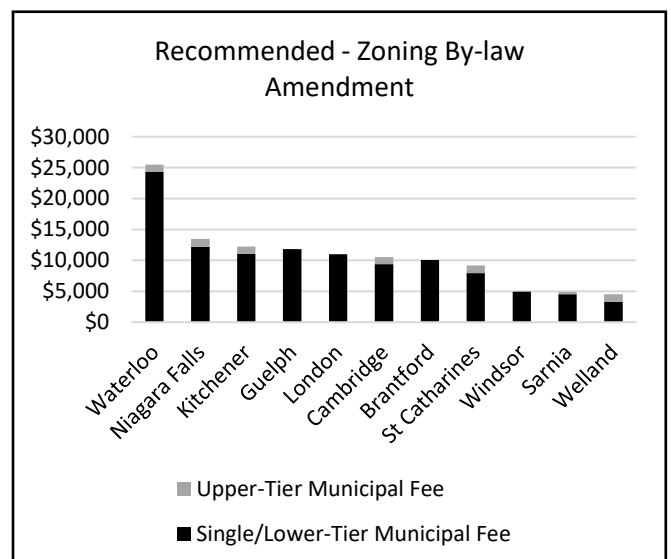
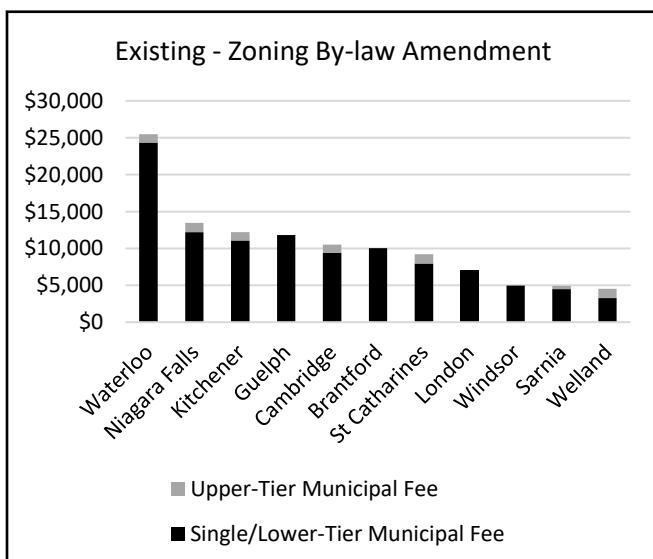
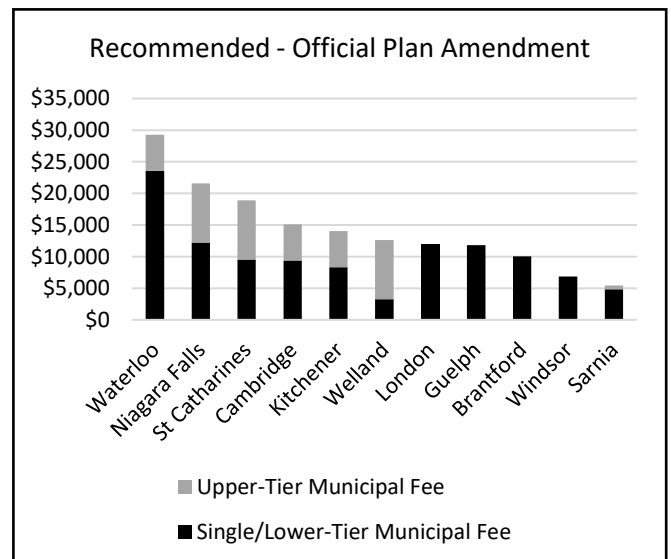
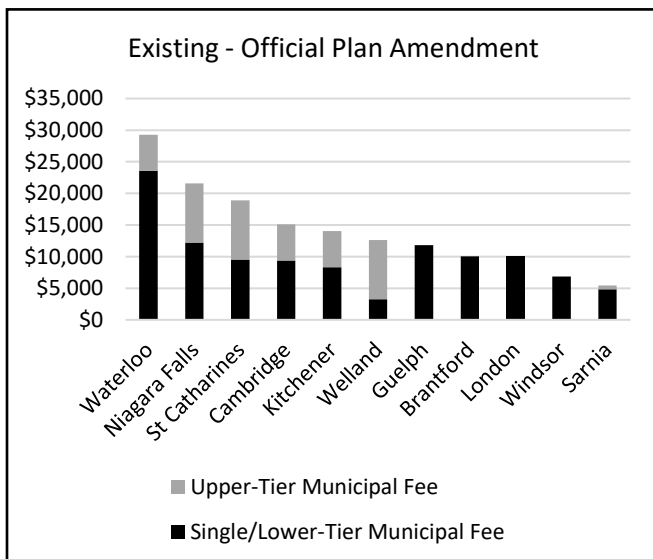
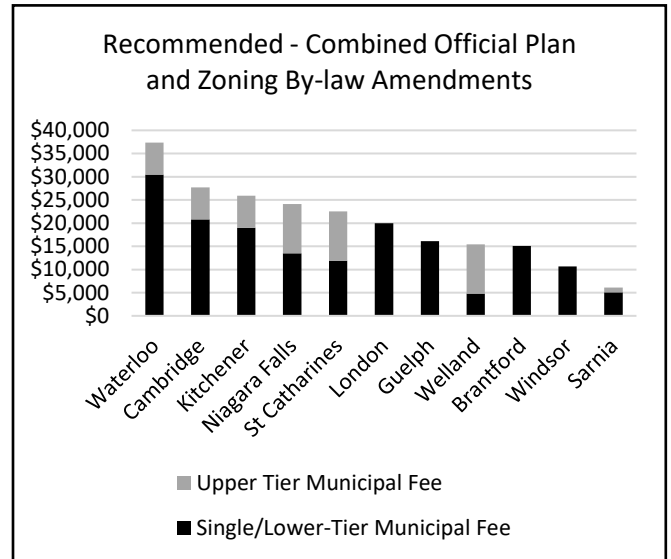
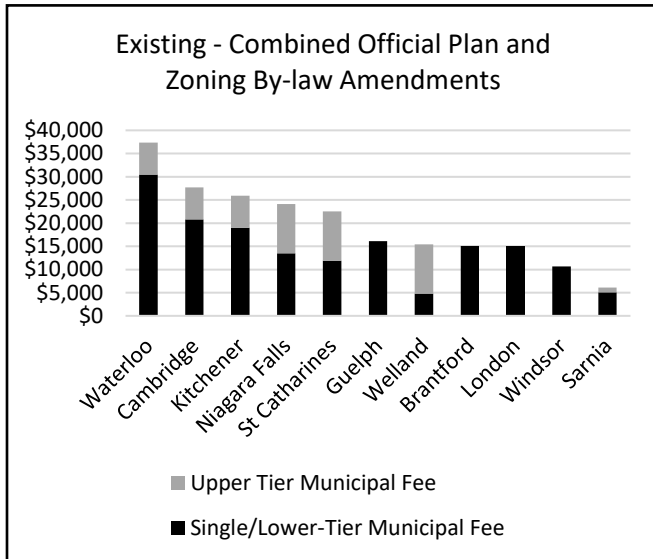
November 26, 2013 – Report to Planning and Environment Committee – “Review of Planning Application Fees”

November 12, 2013 – Report to Planning and Environment Committee – “Review of Planning Application Fees”

November 24, 2008 – Report to Planning Committee – “Review of Planning Application Fees”

## Appendix C – Municipal Comparators

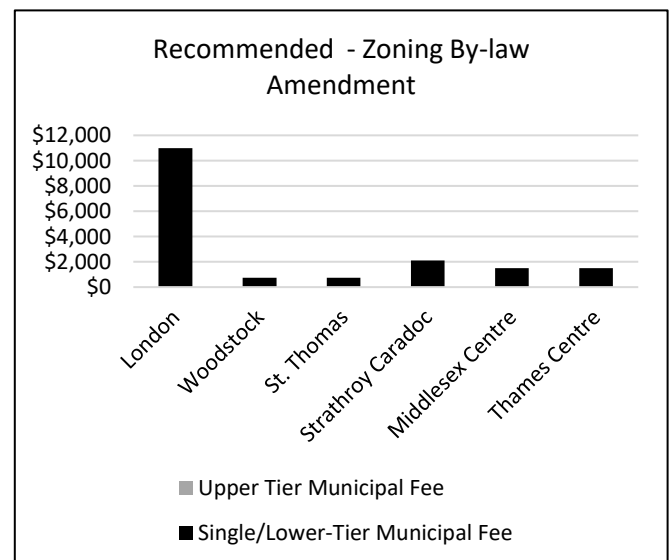
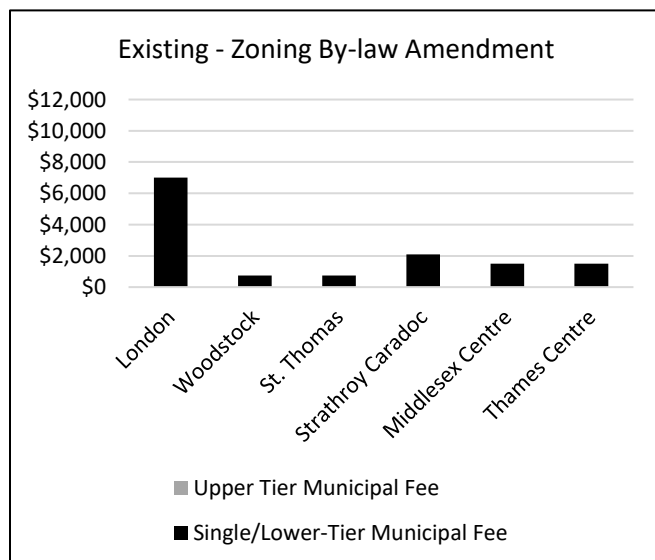
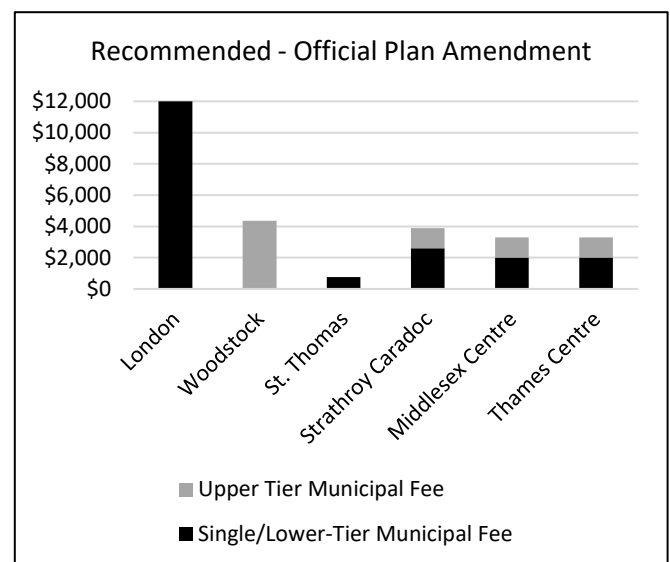
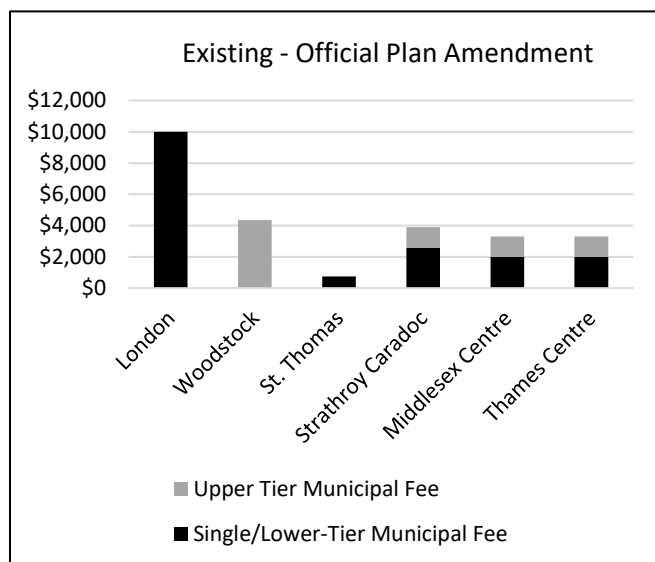
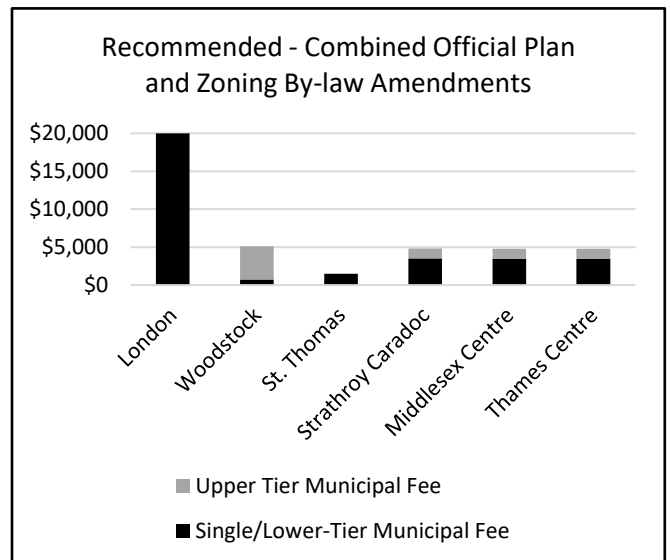
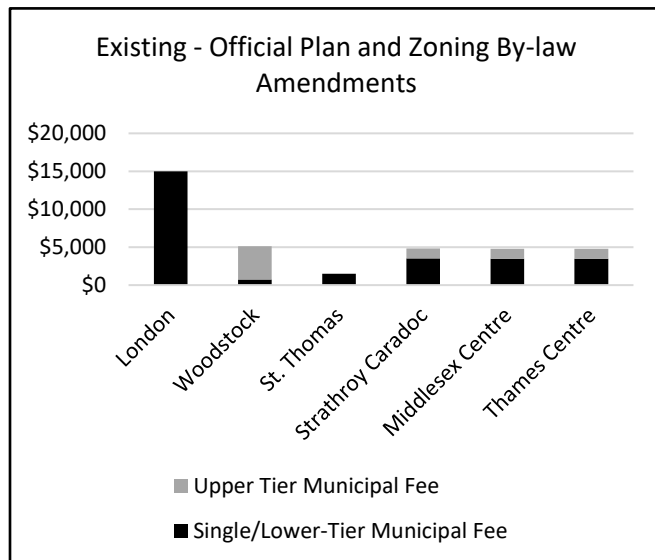
### Municipal Comparators – Existing and Recommended Official Plan and Zoning By-law Amendment Application Fees



\*Note: Due to variable fee structures between municipalities, this analysis assumes that the development includes 20 residential apartment units (100 sqm per unit) on an undeveloped site



## Municipal Comparators – Nearby Municipalities – Existing and Recommended Official Plan and Zoning By-law Amendment Application Fees



*\*Note: Due to variable fee structures between municipalities, this analysis assumes that the development includes 20 residential apartment units (100 sqm per unit) on an undeveloped site*

# Municipal Comparators – Additional Development Services Fees

Development Services Comparative Fee Analysis  
July 31 2018

	Waterloo	Cambridge	Kitchener	Niagara Falls	St. Catharines	Guelph	Welland	Brantford	Windsor	Samia	Average	Min	Max	London Existing	London Proposed
Subdivision Draft Approval	\$ 46,579	\$ 13,390	\$ 12,653	\$ 18,500	\$ 16,922	\$ 34,142	\$ 11,921	\$ 21,777	\$ -	\$ 7,650	\$ 18,353	\$ -	\$ 46,579	\$ 7,500	\$ 15,000
Subdivision Variable	\$ -	\$ 375	\$ 180	\$ 1,100	\$ -	\$ -	\$ 57	\$ 681	\$ 600	\$ -	N/A	N/A	N/A	\$ 125	\$ 150
Subdivision Agreement	\$ -	\$ 1,600	\$ -	\$ -	\$ 7,948	\$ -	\$ 1,010	\$ 2,000	\$ 1,500	\$ -	\$ 1,406	\$ -	\$ 7,948	\$ 1,000	\$ -
Subdivision Final Approval	\$ -	\$ -	\$ 2,583	\$ 2,500	\$ 990	\$ 14,310	\$ -	\$ -	\$ 460	\$ -	\$ 2,084	\$ -	\$ 14,310	\$ 1,000	\$ -
Subdivision Draft Extension	\$ 1,300	\$ -	\$ -	\$ 2,250	\$ 3,215	\$ 1,899	\$ 2,683	\$ 1,000	\$ 2,950	\$ -	\$ 1,530	\$ -	\$ 3,215	\$ 1,000	\$ 1,000
Subdivision Revisions	\$ 2,285	\$ 1,150	\$ 4,405	\$ 2,500	\$ 1,969	\$ -	\$ 1,598	\$ 250	\$ 3,280	\$ -	\$ 1,744	\$ -	\$ 3,280	\$ 1,000	\$ 1,000
Consents - Lot creation	\$ 1,430	\$ 1,810	\$ 1,450	\$ 3,995	\$ 2,368	\$ 1,961	\$ 1,970	\$ 2,507	\$ 2,246	\$ 1,325	\$ 2,106	\$ 1,325	\$ 3,995	\$ 1,100	\$ 1,500
Condominium - Non VLC	\$ 12,166	\$ 5,305	\$ 5,386	\$ 4,000	\$ 9,124	\$ 6,463	\$ 9,422	\$ 19,196	\$ 160	\$ 2,750	\$ 7,397	\$ -	\$ 19,196	\$ 3,300	\$ 4,500
Condominium - VLC	\$ 22,366	\$ 9,550	\$ 8,459	\$ 15,000	\$ 11,624	\$ 6,463	\$ 11,922	\$ 19,196	\$ 160	\$ 6,100	\$ 11,084	\$ -	\$ 22,366	\$ 4,250	\$ 7,500
Site Plan - Residential	\$ 5,369	\$ 6,525	\$ 4,608	\$ 5,250	\$ 8,312	\$ 5,692	\$ 3,513	\$ 4,761	\$ 5,626	\$ 3,500	\$ 5,316	\$ 3,500	\$ 8,312	\$ 750	\$ 1,000
Site Plan - Residential Variable	\$ -	\$ -	\$ 91	\$ -	\$ -	\$ 132	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	\$ 40	\$ 50
Site Plan - Non-residential	\$ 5,369	\$ 6,525	\$ 4,608	\$ 5,250	\$ 8,312	\$ 5,692	\$ 3,513	\$ 4,761	\$ 5,626	\$ 3,500	\$ 5,316	\$ 3,500	\$ 8,312	\$ 750	\$ 1,000
Site Plan - Non-residential Variable	\$ -	\$ -	\$ 2	\$ -	\$ 4,890	\$ 2	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	\$ 150	\$ 1
Minor Variances	\$ 1,225	\$ 1,040	\$ 1,225	\$ 2,500	\$ 1,835	\$ 951	\$ 1,443	\$ 1,758	\$ 2,143	\$ 535	\$ 1,465	\$ 535	\$ 2,500	\$ 1,000	\$ 1,200

	Woodstock	St. Thomas	Middlesex Centre	Thames Centre	Strathroy-Caradoc	Average	Min	Max	London Existing	London Proposed
Subdivision Draft Approval	\$ 2,850	\$ 2,250	\$ 8,000	\$ 5,000	\$ 9,700	\$ 5,560	\$ 2,250	\$ 9,700	\$ 7,500	\$ 15,000
Subdivision Variable	\$ 75	\$ 20	\$ -	\$ -	\$ -	N/A	N/A	N/A	\$ 125	\$ 150
Subdivision Agreement	\$ -	\$ 300	\$ 600	\$ -	\$ -	\$ 180	\$ -	\$ 600	\$ 1,000	\$ -
Subdivision Final Approval	\$ <52500	\$ <52000	\$ 300	\$ 300	\$ 300	\$ 1,080	\$ 300	\$ 2,500	\$ 1,000	\$ -
Subdivision Draft Extension	\$ 460	\$ -	\$ 300	\$ 300	\$ 300	\$ 272	\$ -	\$ 460	\$ 1,000	\$ 1,000
Subdivision Revisions	\$ 560	\$ -	\$ 600	\$ 300	\$ 300	\$ 352	\$ -	\$ 600	\$ 1,000	\$ 1,000
Consents - Lot creation	\$ 2,275	\$ 450	\$ 1,000	\$ 1,500	\$ 1,750	\$ 1,395	\$ -	\$ 2,275	\$ 1,100	\$ 1,500
Condominium - Non VLC	\$ 2,205	\$ 2,250	\$ 7,000	\$ 4,000	\$ 9,700	\$ 5,031	\$ 2,205	\$ 9,700	\$ 3,300	\$ 4,500
Condominium - VLC	\$ 2,205	\$ 2,250	\$ 7,000	\$ 4,000	\$ 9,700	\$ 5,031	\$ 2,205	\$ 9,700	\$ 4,250	\$ 7,500
Site Plan - Residential	\$ 450	\$ 1,100	\$ 750	\$ 1,000	\$ 1,350	\$ 930	\$ 450	\$ 1,350	\$ 750	\$ 1,000
Site Plan - Residential Variable	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	\$ 40	\$ 50
Site Plan - Non-residential	\$ 450	\$ 1,100	\$ 750	\$ 1,000	\$ 1,350	\$ 930	\$ 450	\$ 1,350	\$ 750	\$ 1,000
Site Plan - Non-residential Variable	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	\$ 150	\$ 1
Minor Variances	\$ 700	\$ 400	\$ 600	\$ 750	\$ 700	\$ 630	\$ 400	\$ 750	\$ 1,000	\$ 1,200