



Proposed Development Fee and Building By-laws Update (2021)

**November 23, 2020
Development Services Committee Meeting**



Agenda

- Introduction
- Planning & Engineering Fees
- Building Permits Fees
- Consultation with Development Industry
- Summary & Next Steps



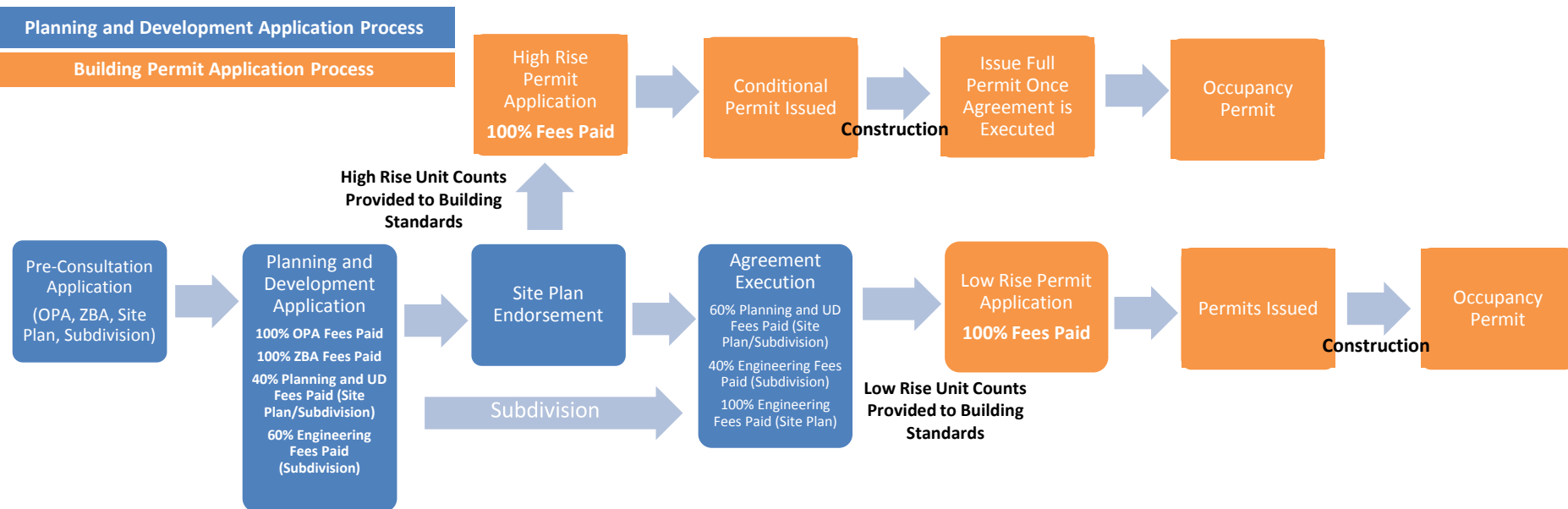
Introduction

- Municipalities have the legislated authority to collect reasonable fees to administer the *Planning Act* and the *Building Code Act*.
- Planning & Urban Design, Engineering and Building Standards rely upon these fees to pay for 100% of the costs for the review and approval of development applications, administration of agreements, inspections and the administration & enforcement of the Building Code Act
- Previous years Fee updates relied on a fee model to determine staff effort and associated fees, using historic development activity and financial expenditure trends.
- A new input to the Fee model has been developed to forecast development activity



Introduction

Development Application Process and Building Permit Process





Introduction

- Council enacts bylaws to set fees for development applications and building permits
- Fees are adjusted annually to cover the anticipated reasonable costs [direct & indirect] to process development applications and for the administration and enforcement of the *Building Code Act*, and to maintain a reserve equivalent of 1.0 to 1.5 times the annual fee funded operating costs
- The Building Code Act and Ontario Building Code provide for the establishment of a reserve fund
- Building reserve fund can only be used to:
 - ❖ Fund departmental costs in cases of revenue shortfalls
 - ❖ Fund special projects related to the enforcement of the Building Code
- Where a change to any building permit fee is proposed, the *Building Code Act* requires notice to be given and to hold a public meeting



Planning and Engineering Fee Changes

- Combined Planning and Engineering has a positive reserve balance estimated to be \$3.866M entering 2021 (Target Reserve Balance: \$28.5M)
- Proposed 2021 fee adjustments:
 - ❖ 5% increase recommended for 2021
 - ❖ Revenue projected to be \$22.342M
 - ❖ Expenditures projected to be \$18.988M
 - ❖ Results in an estimated \$7.037M reserve balance at end of 2021
- Recommend 2022 fee increase for Planning & Urban Design and Engineering be limited to inflation provided no unexpected circumstances occur (subject to the approval of the Commissioner of Development Services and the City's Treasurer)



Building Permit Fee Changes

- Building Standards has a positive reserve balance estimated to be \$6.936M entering 2021 (Target Reserve Balance: \$14.6M)
- Proposed 2021 fee adjustments:
 - ❖ 5.0% increase recommended
 - ❖ Revenue projected to be \$11.257M
 - ❖ Expenditures projected to be \$9.726M
 - ❖ Results in an estimated \$8.501M reserve balance at end of 2021



Consultation with Development Industry

- Representatives from the Development Industry support the City's proposal of:
 - 5% fee increases in 2021
 - 2022 Planning & Urban Design and Engineering fee increases limited to inflation provided no unexpected circumstances occur
- Continue to work with Development Industry in early 2021:
 - Review structure and components of the Development Fee By-law



Summary

- Recommended 2021 fee increase of 5% for Planning & Urban Design, 5% for Engineering, and 5% for Building
- With the proposed 2021 increase in fees and forecasted development activity, Planning & Urban Design, Engineering, and Building Standards is anticipated to have a positive reserve balance
- Recommend 2022 fee increase for Planning & Urban Design and Engineering be limited to inflation provided no unexpected circumstances occur (subject to the approval of the Commissioner of Development Services and the City's Treasurer)



Next Steps

- Proposed fee by-laws presented to DSC Public Meeting on December 1, 2020
- Recommendation to proceed to Council meeting on December 9, 2020 for final approval
- Fee increases would take effect January 1, 2021