



Report to: Development Services Committee Meeting Date: December 10, 2024

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**SUBJECT:** 2025 Development Fee and Municipal Fee By-laws Update

**PREPARED BY:** John Yeh, MCIP, RPP, Manager Strategy & Innovation and Acting Senior Manager Policy & Research, Zoning & Special Projects, Ext. 7922

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**RECOMMENDATION:**

1. THAT the December 10, 2024, report titled, "2025 Development Fee and Municipal Fee By-laws Update", be received;
2. THAT the amendment to By-law 211-83, as amended, "A By-law to prescribe a Tariff for the Processing of Planning Applications," substantially in the form attached as Appendix 'B', be enacted;
3. THAT the amendment to By-law 2002-276, as amended "To impose fees or charges for services or activities provided or done by the City of Markham" substantially in the form attached as Appendix 'C', be enacted';
4. AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

This report provides an overview of proposed amendments to development application and related fees contained in the Development Fee and Municipal Fee By-laws that offset the costs associated with staff review and processing.

**BACKGROUND:**

The Development Fee By-law and Municipal Fee By-law are reviewed and adjusted annually as needed to recover the anticipated reasonable costs associated with the administration of Planning Act applications. A fee model was established in 2005 to calculate the annual adjustments necessary to ensure the City's Planning and Urban Design and Engineering Departments remain adequately funded by development fees, as required by the Planning Act.

A broad review of the City's development application fees was completed in 2023 with Council's approval on December 13, 2023, to implement amendments to the Development Fee By-law and Municipal Fee By-law on January 1, 2024. The review addressed changes in staffing and application review processes from the following:

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- Bill 108, More Homes More Choice Act (2019)
  - Bill 109, More Homes for Everyone Act (2022)
  - Bill 23, More Homes Built Faster Act (2022)
  - Anticipated changes to the complexity of applications from the increasing range and mix of housing types and form (e.g. intensification and built form)
  - New greenfield areas in the northern part of Markham
  - Increasing complexity of engineering reviews

The 2023 Council approval of the current Development Fee By-law included a yearly increase of development application fees by the Consumer Price Index (“CPI”), Ontario All Items, published each year in September, to a maximum increase of 5% each year. The published September 2024 CPI value is 1.94% and fees will be adjusted and in effect on January 1, 2025. The City will continue to monitor fee revenues and service costs and determine when to conduct another broad development application fee review.

In parallel with reviewing the Development Fee By-law and monitoring fee revenues and costs, the City is facilitating growth and development and working collaboratively with the development industry to facilitate continuous improvements to the development review process. The City is committed to facilitating development in our high growth areas permissive and as of right. Recent initiatives include the preparation of multiple secondary plans for areas throughout the City that are identified to accommodate growth through transit supportive development, many of which align with the City’s 22 Protected Major Transit Station Areas (“PMTSAs”), including the adoption of two new secondary plans (i.e., Markham Road – Mount Joy and Milliken Centre) and the release of a draft secondary plan for Markham Centre in Summer 2024. Secondary plan studies are also underway for the Yonge North Corridor, which will be serviced by the Yonge North Subway Extension, Markville, and the update for Cornell Centre. Implementing zoning by-laws will follow in every growth area making sure that compliant high density development will only require site plan approval and building permits to proceed and as needed municipal service and parks and open space agreements.

There have been many improved development processes implemented in the past five years, as highlighted below (**Appendix A** includes additional examples):

- Streamlined site plan, zoning by-law amendment, and official plan amendment processes in response to Bills 109 and 23 - Since July 2023 implementation, the City has not missed a single Planning Act timeline for these application types
- New Municipal Services Agreement and Parks and Open Space Agreement processes resulting from the update to the site plan process
- Implementation of Council approved Lean review identifying 18 recommendation areas for improvement
- Upgraded ePLAN (Project Dox) development review software

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- Implemented updated ePLAN website application submission process
  - Developed a mobile app for building permit inspections
  - Developed electronic 3D modelling software to support application review
  - Prepared MappiT online public development applications viewer
  - New Development Fee By-law (see below on changes to the by-law)
  - Completed Comprehensive Zoning By-law
  - Telecommunication facilities process update

The following are in progress development process improvements:

- Comprehensive guidance on Urban Design Guidelines
- Checklists and guides on Age Friendly Design Implementation
- Various guidelines and processes related to Streetscape Guidelines/Manual and Tree Permits
- Subdivision application process review
- Heritage permit workflow in ePLAN
- Electronic 3D model as part of development application complete submission
- Site plan update opportunities from Bill 185
- Development application submission standards for drawing templates
- Minister's Zoning Order process
- Standard operating procedures for development applications
- Customized ePLAN workflows by development application type
- Development application file closure protocol

As a result of the improvements to the City's development application process in the past five years, a recent [BILD Benchmarking Study](https://www.bildgta.ca/wp-content/uploads/2024/09/2024-GTA-Municipal-Benchmarking-Study-Our-number-7147-Final.pdf) with 16 participating municipalities noted the City of Markham ranked 5th out of 16 municipalities in three combined categories of 1) development application approval timelines, 2) municipal fees (DCs), and 3) planning features (e.g. ePLAN, etc.): <https://www.bildgta.ca/wp-content/uploads/2024/09/2024-GTA-Municipal-Benchmarking-Study-Our-number-7147-Final.pdf>. This has improved significantly from 2020 when Markham ranked 18th out of 18 municipalities and in 2022, 13th out of 16 municipalities. Continuous improvement in the City's development review process is an ongoing priority while ensuring excellence in the built environment. Completion of the City's next phase of development process improvements noted is expected to further achieve improved timelines, improved customer experiences, and further efficiencies.

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**DISCUSSION:****Proposed Development Fee By-law Changes**

- 1. To amend Schedule A of the Development Fee By-law in the following manner (see Appendix B):**
  - a) To amend section 3.1 to clarify and permit additional conditions beyond changes in construction cost for fee payment adjustment at each payment stage to include gross floor area, estimated cost of works, consultant's review fees, etc.
  - b) To introduce new section 3.2 to clarify and address when fees have not been paid at submission or an incorrect payment amount, to require payment upon approval of the development application or execution of any required agreement.
  - c) To delete notation <sup>(3)</sup> as a cleanup exercise at the end of the subtitle "Revision of Draft Approved Plan and/or Draft Plan Conditions Requested by Applicant" in Table 4 as the previously associated footnote from the 2023 By-law was "At the request of the owner" which was moved to the subtitle as noted above.
  - d) To amend footnote (2) in Table 4 to note that where a subdivision phasing plan has been submitted with an application for draft approval of a plan of subdivision, the Engineering fees shall be calculated and paid at each phase of the first engineering technical file or drawing submission.
  - e) To amend Table 7, section 7.2.3 and add new footnote (11) to clarify the Consent land area fee applies to all Consents to create new lots other than new residential lots.
  - f) To amend "Construction Cost" in the "Engineering" section of Definitions to enable internal and external works with the Plan of Subdivision, plus a 10% contingency to be verified on or before Acceptance for Maintenance and not just on or before execution of the Subdivision Agreement.
  - g) To delete section 9.4 Telecommunication Tower and the \$29,460 fee from Table 9 as a streamlined process to review has been established and a revised fee will be added to the Municipal Fee By-law.
  
- 2. To amend Schedule A of the Municipal Fee By-law in the following manner (See Appendix C):**
  - a) To introduce a new Development Services section on Telecommunication Facilities review fee of \$1,800.

**Telecommunications Facilities Process Update**

The Radiocommunication Act appoints Innovation, Science and Economic Development Canada ("ISED") as the approval authority for the location and operation of Telecommunication Facilities across Canada. Though Provincial legislation, such as the Planning Act, including zoning by-laws and site plan controls are not applicable, ISED recognizes the importance of municipal consultation and encourages proponents to consult with the local municipality for comments.

With the City's limited jurisdiction around the regulation of telecommunication facilities, staff updated the review process of these facilities to reflect the municipality's legislative role that includes:

- Communication to proponents of location and aesthetic preferences, and relevant planning priorities and characteristics to a proposed system
- Advising the proponent on the public consultation requirements

If a facility is exempt from municipal review, the process would conclude with Staff's issuance of a Letter of Concurrence. If an application is required, Staff would determine if public consultation is needed, and if it is, the proponent must organize a community meeting and provide a memo to the City on the comments received and how they have been addressed. The Director of Planning and Urban Design would be authorized to provide a Letter of Concurrence or Non-Concurrence (subject to conditions, if required) to conclude the review process.

Applications would not generally be required for maintenance of existing facilities, addition or modification to facilities, installation for a limited duration of facilities, co-location of an existing telecommunication tower, and amateur radio towers.

### **FINANCIAL CONSIDERATIONS**

This report has no immediate financial impact on the Operating Budget or Life Cycle Reserve. The Planning and Urban Design Department and Finance Department have been collaborating to ensure appropriate direct and indirect cost recovery and to incorporate the results into any future operating budget.

### **HUMAN RESOURCES CONSIDERATIONS**

Not applicable

### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

Goal 1 - Exceptional Services by Exceptional People, Goal 3 – Safe, Sustainable and Complete, Community Goal 4- Stewardship of Money and Resources

### **BUSINESS UNITS CONSULTED AND AFFECTED:**

Planning and Urban Design, Engineering, Legal Services, Finance

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**RECOMMENDED BY:**

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Giulio Cescato, MCIP, RPP  
Director Planning and Urban Design

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Frank Clarizio  
Director Engineering

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Arvin Prasad, MCIP, RPP  
Commissioner Development Services

**ATTACHMENTS:**

Appendix A – List of Recent Development Process Improvements

Appendix B – Draft of By-law to amend Development Fee By-law 211-83

Appendix C – Draft of By-law to amend Municipal Fee By-law 2002-276