Memorandum

To	Jeff Markowiak
From	Watson & Associates Economists Ltd.
Date	March 25, 2025
Re:	Halton Hills Development Fee Review Stakeholder Consultation

Fax ☐ Courier ☐ Mail ☐ Email ☒

Subsequent to presenting draft findings of the Town of Halton Hills (Town) development Fee Review to development industry stakeholders, the Town received a memorandum from Keleher Planning & Economic Consulting Inc (KPEC) on behalf of the Southwest Georgetown Landowners Group Inc. with a number of questions about the review. This memorandum has been prepared to respond to those questions and follows the same numbering in the original KPEC memorandum.

Question 1: *Page 13 of the presentation states that there will be "added new fees for development agreements" – what is this fee anticipated to be? The technical appendix shows a Recommended fee of $1,797 for a pre-servicing agreement and $1,902 for other development agreements, without any notation whether these new fees are this is a 'base fee' or imposed in some other manner.*

Response:

The fees indicated on page 13 of the presentation are in reference to fees for pre-servicing agreements and other development agreements. These are to be charged as a flat or base fee with no variable fee associated.

Question 2: *Slides 14-15 show the 'modelled revenues' – can additional detail be provided showing how those amounts were calculated?*

Response:

The modelled revenues on slide 14 and 15 have been calculated using historical application volumes (by application type), historical application

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characteristics (e.g., number of units) and recommended fees. The general formula for the calculations is as follows:

$$Average\ Historical\ Application\ Volumes\ x\ (Recommended\ Base\ Fee + Average\ Historical\ Application\ Charateristics\ (e.g., number\ of\ units\ per\ application)\ x\ Recommended\ Variable\ fee) = Modeled\ Revenues$$

The above calculation is illustrated for the recommended fees, however, the same approach would have been used for calculating the modelled revenues from current fees.

Question 3: *The Urban Boundary Expansion fee is $240,000 and would equate to roughly 7% of Town-wide costs (direct, indirect, capital) for a single application alone.*

a. *What costs were assumed to devise the Urban Boundary Expansion fee of $240,000?*

Response:

The costs that have been included within the Urban Boundary Expansion applications include:

- Town staff time to review the application and coordinate with external consultants.
- External consultant costs that have been based on estimates provided by consultants for the anticipated work that would be required.

With regard to the Town staff time, Urban Boundary OPA requests can be more complicated than a traditional development proposal seeking to amend specific policies within the Town's Official Plan. An Urban Boundary Expansion proposal is challenging the municipality's land needs assessments and project growth targets to justify the need for additional lands to be incorporated into the urban boundary. Therefore, these proposals require staff to re-evaluate the previous land needs and growth assessments and engage with the consultants retained to produce that work. This can be quite a labour-intensive process, involving other staff not typically part of the development review process. Urban Boundary Expansion requests also require additional submission materials such as AIA or MDS studies that the municipality will need to have peer reviewed; the recommended Urban Boundary OPA fee incorporates any anticipated peer review costs. It should also be noted that the Urban Boundary Expansion fee is recommended as a flat $240,000 and does not include any variable rate that is applied to a traditional OPA application.

b. *Would these costs be in addition to the costs for 'standard' Official Plan Amendments?*

Response:

No, the only costs associated with the Urban Boundary Expansion would be those identified under the Urban Boundary Expansion Fee and additional Official Plan Amendment Fees would not apply.

Question 4: *The chart on page 23 of the presentation shows a zero under units "201-1000" for Official Plan Amendments – can it be confirmed that the Town would not impose a per unit fee on OPAs with more than 200 units?*

Response:

Yes, that would be the case with the intent that this would set a maximum fee payable.

Question 5: *The fee schedule shows that an application requiring an OPA, a ZBLA, a Site Plan and a Subdivision would pay four separate sets of per unit rates. Has the Town considered use of a discount for applications or a maximum fee for applications that might require multiple planning applications, to account for and acknowledge the efficiencies and economies of scale of larger applications?*

Response:

Yes, consistent with the Town's current policy, discounts would be applied for combined applications as per their current fee schedule (depicted below).

Halton Hills Municipal Rates and Service Charges Effective 2025 - Planning & Development	
Combined Applications	**Fee Calculation**
Official Plan Amendment and Zoning By-law Amendment Applications received concurrently	Full OPA application fee plus ZBA application Base Fee
Zoning By-law Amendment and Plan of Subdivision Applications received concurrently	Full SUB application fee plus 75% of ZBA application Base Fee
Official Plan Amendment, Zoning By-law Amendment and Plan of Subdivision Applications received concurrently	Full SUB application fee plus OPA application Base Fee and 75% of ZBA application Base Fee
Official Plan Amendment and Plan of Subdivision Applications received concurrently	Full SUB application fee plus OPA application Base Fee
Condominium, Part Lot Control Exemption and Minor and/or Technical, Administrative Plan of Subdivision Applications received concurrently	Full CDM and PLC application fees plus 10% of Minor and/or Technical, Administrative SUB application fee

Question 6: *What is meant by a "new secondary fee" for site plan applications submitted concurrently or within one year of another planning application?*

Based on the proposed fee schedule, the only apparent discount associated with a 'secondary fee' is that the base fee falls from $40,000 to $20,000, while the per unit rates remain constant regardless of whether the 'secondary fee' applies or not.

<u>Response</u>:

It was recommended that the Base Fee for a Standard Site Plan application increase to $40,000. However, the Town recognizes that for development projects where a Site Plan application is submitted concurrently or shortly after an associated OPA/ZBA, some of the work traditionally completed at the SPA stage may have already occurred through the review of OPA/ZBA applications. Therefore, to reflect these efficiencies it was recommended that a Secondary SPA application fee be established that would be lower than the Standard fee. The Secondary fee would also apply to non-residential uses located outside of the Premier Gateway to support their development and acknowledging that the size and complexity of these types of projects usually require less staff effort. Below is a draft of the note intended to be attached to a fee schedule that outlines when the two different fees would be collected:

- "Site Plan Standard vs. Secondary Fees: The Secondary Site Plan (SPA) Fee applies to a Site Plan application filed:
  1. concurrently with Official Plan Amendment (OPA) and/or Zoning By-law Amendment (ZBA) applications;
  2. within 1 year of the date of a development project having obtained approval for an OPA and/or ZBA; or
  3. Non-residential uses located outside of the Premier Gateway Employment Area.
- The Standard Site Plan (SPA) Fee applies to all other Site Plan applications where the primary review of the development proposal occurs through the Site Plan Control process."

Question 7: *Given that Subdivisions were achieving 92% cost recovery, why have the subdivision application fees been proposed to increase as substantially as proposed? Based on the information provided, the Subdivision fees would see the following increases: The base fee would increase by 134%, increasing from $27,682 to $65,000;*

a. *The per unit fees are proposed to increase from 40-54% for unit ranges of 1-25, 26-100 and 101- 200, offset by a 40% decrease for units above 200.*
b. *For a 300-unit subdivision, the above increases and changes would equate to a 43% increase including the base fees.*

Response:

The decision to increase the base fee and first three blocks while decreasing the 200+ block was determined based on the expected change in application sizes in the future. In the last number of years there have been a number of large subdivision applications processed generating a large portion of the revenues related to subdivision applications. The following table provides a breakdown of the number of applications and the size of the applications seen in the last four years.

Unit Ranges	Number of Applications in last 4 Years	Average Size in Group
0 to 100	1	31
100 to 500	0	n/a
501 to 1000	3	672
1000+	2	1,293

Moving forward, it is anticipated that the number of units seen per application will decrease as less large greenfield applications will be seen and more infill developments are anticipated. Smaller applications will result in a decrease in per application, however, it is not anticipated that costs will decrease proportionately. As such, smaller applications will decrease the subdivision cost recovery levels at current fees. To mitigate some of this revenue shortfall risk with smaller applications, the decision was made to improve the cost recovery levels between smaller applications and larger applications to ensure that there are sufficient revenues to cover the costs of subdivision review.

Question 8: *The Subdivision Engineering is shown as achieving 78% cost recovery. However, the fees for Subdivision engineering review (page 12 of the presentation) would result in a substantial increase for smaller applications, with increases of up to 86%.*

What is the basis for the substantial cost increase when a more moderate fee increase appears to be all that was necessary to move from 78% to 100% cost recovery?

Response:

Similar to the case of the for the response on question 7., historically, the Town has received larger subdivision applications which would generate larger amounts of revenue, that would subsidize smaller applications, and positively influence the current cost recovery levels. With the anticipated shift away from large greenfield developments to smaller developments, the decision was made to improve cost recovery levels from smaller developments and to mitigate the risk of the Town not receiving large applications resulting in under recovery of the costs of engineering review and inspection activities.

Please note, there was an error in the presentation for the modelled revenues from current fees. The current cost recovery level should have been presented as 72%, not 78%.