



Planning and Engineering Fee Review

Town of Halton Hills

Final Report

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Table of Contents

	Page
1. Introduction.....	1-1
1.1 Background Information.....	1-1
1.2 Legislative Context for the Imposition of Development Application Fees.....	1-1
1.2.1 Planning Act, 1990.....	1-2
1.2.2 Municipal Act, 2001.....	1-4
2. Activity-Based Costing User Fee Methodology	2-1
2.1 Activity-Based Costing Methodology.....	2-1
2.2 User Fee Costing Category Definition.....	2-2
2.3 Process Map Documentation.....	2-3
2.4 Processing Effort Estimate Collection, Reasonability Check, and Cost Allocations	2-3
2.5 Full Cost of Providing Development Application Review Services.....	2-4
2.5.1 Direct Costs	2-4
2.5.2 Indirect Costs.....	2-5
2.5.3 Capital Costs.....	2-6
3. Development Application Full Cost Assessment and Fee Recommendation	3-1
3.1 Introduction.....	3-1
3.2 Full Cost of Providing Development Application Review Services.....	3-1
3.3 Planning Application Costs and Fee Recommendations	3-3
3.4 Engineering Review Costs and Fee Recommendations.....	3-12
4. Impact of Recommended Fees on Sample Development Types	4-1
4.1 Introduction.....	4-1
4.2 Planning and Engineering Fee Comparisons.....	4-1
4.3 Subdivision Development Impacts.....	4-5
5. Conclusion	5-1



Chapter 1

Introduction



1. Introduction

1.1 Background Information

The Town of Halton Hills (Town) retained Watson & Associates Economists Ltd. (Watson) to conduct a review and update of its user fees relating to Planning and Engineering reviews. The ultimate goal of the user fee review is to develop an activity-based costing (A.B.C.) model to substantiate the full costs of each service area within the scope of the review. The full cost assessment (i.e., direct, indirect, and capital costs) will be used to inform potential rates and fees to increase user fee revenue and decrease the burden on property taxes. Planning and Engineering fees are imposed under the authority of the *Planning Act* and the *Municipal Act*, respectively. This review builds off the work that was previously completed by Watson in 2018 when the Town's Planning fees were last reviewed.

This update study consisted of the development of an A.B.C. user fee model to first substantiate the full cost of service before fee and policy recommendations were developed with regard for statutory requirements, the affordability of the fees, the Town's market competitiveness, fiscal position, and internal/historical fee setting practices.

The following chapters of this report summarize the legislative context for user fees, the user fee methodology developed, policy review, public consultation, and the findings and recommendations of the user fee review.

This analysis and resulting recommendations are denominated in 2025\$ values unless otherwise stated. Unless explicitly stated in this report, the recommended fees within this report should be indexed annually each year based on the Town's annual budgeted cost increases or other appropriate index (i.e., the Consumer Price Index).

1.2 Legislative Context for the Imposition of Development Application Fees

Development application fees are governed by multiple statutes, each with specific requirements. The Town's statutory authority for imposing planning application fees is provided under Section 69 of the *Planning Act*. For municipal services where specific statutory authority is not provided (i.e., engineering fees), municipalities can impose



fees and charges under Section 391 of the *Municipal Act*. This section provides a summary of the applicable legislative authority for the imposition of fees within the scope of this review.

1.2.1 Planning Act, 1990

Section 69 of the *Planning Act* allows municipalities to impose fees through a by-law for the purposes of processing planning applications. In determining the associated fees, the Act requires that:

“The council of a municipality, by by-law, and a planning board, by resolution, may establish a tariff of fees for the processing of applications made in respect of planning matters, which tariff shall be designed to meet only the anticipated cost to the municipality or to a committee of adjustment or land division committee constituted by the council of the municipality or to the planning board in respect of the processing of each type of application provided for in the tariff.”

Section 69 establishes the requirements that municipalities must consider when undertaking a full cost recovery fee design study. The Act specifies that municipalities may impose fees through by-law and that the anticipated costs of such fees must be cost-justified by application type as defined in the tariff of fees (e.g., Subdivision, Zoning By-law Amendment, etc.). Given the cost justification requirements by application type, this would suggest that cross-subsidization of planning application fee revenues across application types is not permissible. For instance, if Minor Variance application fees were set at levels below full cost recovery for policy purposes, this discount could not be funded by Subdivision application fees set at levels higher than full cost recovery. Our interpretation of Section 69 is that any fee discount must be funded from other general revenue sources, such as property taxes. In comparison to the cost justification requirements of the *Building Code Act*, where the justification point is set at the aggregate level of the Act, the requirements of the *Planning Act* are more stringent in this regard.

The legislation further indicates that the fees may be designed to recover the “anticipated cost” of processing each type of application, reflecting the estimated costs of processing activities for an application type. This reference to anticipated costs represents a further costing requirement for a municipality. It is noted that the statutory requirement is not the actual processing costs related to any one specific application. As such, actual time docketing of staff processing effort against application categories



or specific applications does not appear to be a requirement of the Act for compliance purposes. As such, our methodology, which is based on staff estimates of application processing effort, meets with the requirements of the Act, and is in our opinion, a reasonable approach to determining anticipated costs.

The Act does not specifically define the scope of eligible processing activities and there are no explicit restrictions to direct costs as previously witnessed in other statutes. Moreover, amendments to the fee provisions of the *Municipal Act* and *Building Code Act* provide for broader recognition of indirect costs. Acknowledging that staff effort from multiple business units is involved in processing planning applications, it is our opinion that such fees may include direct costs, capital-related costs, support function costs directly related to the service provided, and general corporate overhead costs apportioned to the service provided.

The payment of *Planning Act* fees can be made under protest with appeal to the Ontario Land Tribunal (OLT) if the applicant believes the fees were inappropriately charged or are unreasonable. The OLT will hear such an appeal and determine if the appeal should be dismissed or direct the municipality to refund payment in such amount as determined. These provisions confirm that fees imposed under the *Planning Act* are always susceptible to appeal. Unlike other fees and charges (e.g., development charges), there is no legislated appeal period related to the timing of by-law passage, mandatory review period, or public process requirements.

1.2.1.1 More Homes for Everyone Act, 2022

The Province approved the *More Homes for Everyone Act in 2022*. One of the amendments to the *Planning Act* now requires municipalities to refund Zoning By-Law Amendment and Site Plan application fees if legislated timeframes for decisions/approvals are not met. This requirement has subsequently been repealed by Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*.

1.2.1.2 More Homes Built Faster Act, 2022

The *More Homes Built Faster Act, 2022* received Royal Assent on November 28, 2022. The Act imposes a number of changes to the *Planning Act*, and other growth management and long-range planning initiatives at the municipal level, amongst changes to other pieces of legislation. Some of the planning related changes include:



- Increased housing targets by municipality;
- Removal of planning policy and approval responsibilities for certain upper tier municipalities in the province (as of July 1, 2024, Halton Region became an upper-tier municipality without planning responsibilities) ;
- Integration of Place to Grow and Provincial Policy Statement; and
- Changes to expand/support rental and affordable housing supply opportunities.

1.2.1.3 Cutting Red Tape to Build More Homes Act, 2024

Bill 185 received royal assent on June 6, 2024, which amended various acts, including the *Planning Act*. In particular, Bill 185 removed the refund requirements for Zoning By-law Amendment and Site Plan applications that was imposed by the *More Homes for Everyone Act, 2022*. Furthermore, Bill 185 removed municipal Council or planning boards ability to pass a by-law requiring applicants to consult with the municipality prior to submitting a formal application.

1.2.2 Municipal Act, 2001

Part XII of the *Municipal Act* provides municipalities and local boards with broad powers to impose fees and charges via passage of a by-law. These powers, as presented in s.391 (1), include imposing fees or charges:

- “for services or activities provided or done by or on behalf of it;
- for costs payable by it for services or activities provided or done by or on behalf of any other municipality or any local board; and
- for the use of its property including property under its control.”
- This section of the Act also allows municipalities to charge for capital costs related to services that benefit existing persons. The eligible services for inclusion under this subsection of the Act have been expanded by the *Municipal Statute Law Amendment Act*. Moreover, the amendments to the Act have also embraced the broader recognition for cost inclusion within municipal fees and charges with recognition under s.391(3) that “the costs included in a fee or charge may include costs incurred by the municipality or local board related to administration, enforcement and the establishment, acquisition and replacement of capital assets”.

Fees and charges included in this review, permissible under the authority of the *Municipal Act*, would include development engineering fees.



In contrast to cost justification requirements under other legislation, the *Municipal Act* does not impose explicit requirements for cost justification when establishing fees for municipal services. In setting fees and charges for these services, however, municipalities should have regard for legal precedents and the reasonableness of fees and charges. The statute does not provide for appeal of fees and charges to the OLT; however, fees and charges may be appealed to the courts if municipalities are acting outside their statutory authority. Furthermore, no public process or mandatory term for fees and charges by-laws are required under the Act. There is, however, a requirement that municipal procedural by-laws provide for transparency with respect to the imposition of fees and charges.



Chapter 2

Activity-Based Costing User Fee Methodolog



2. Activity-Based Costing User Fee Methodology

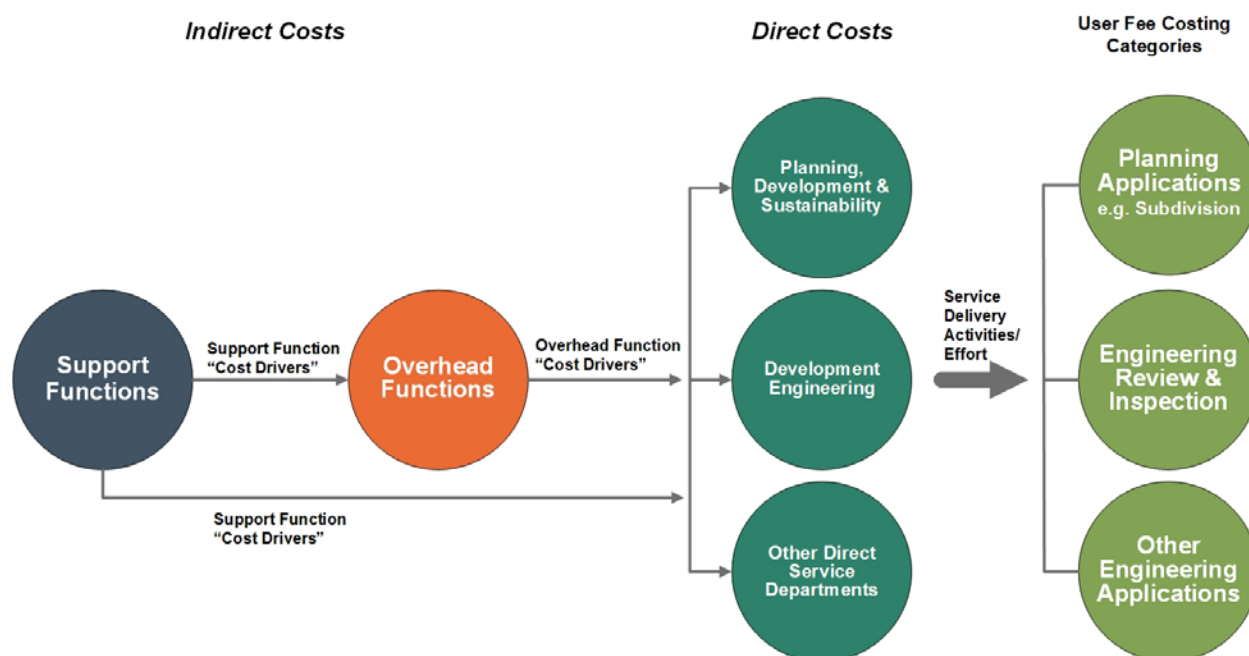
2.1 Activity-Based Costing Methodology

An A.B.C. methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. Conventional municipal accounting structures are typically not well-suited to the costing challenges associated with application processing activities, as these accounting structures are business unit-focused and thereby inadequate for fully costing services with involvement from multiple business units. An A.B.C. approach better identifies the costs associated with the processing activities for specific application types and thus is an ideal method for determining the full cost of processing applications and other user-free activities.

As illustrated in Figure 2-1, an A.B.C. methodology attributes processing effort and associated costs from all participating municipal business units to the appropriate service categories (user fee costing categories). The definition of these user fee costing categories is further explained in Section 2.2. The resource costs attributed to processing activities and user fee costing categories include direct operating costs, indirect support costs, and capital costs. Indirect support function and corporate overhead costs are allocated to direct business units according to operational cost drivers (e.g., human resource costs allocated based on the relative share of full-time equivalent positions supported). Once support costs have been allocated amongst direct business units, the accumulated costs (i.e., indirect, direct, and capital costs) are then distributed across the various user fee costing categories, based on the business unit's direct involvement in the processing activities. The assessment of each business unit's direct involvement in the user fee review processes is accomplished by tracking the relative shares of staff processing efforts across the sequence of mapped process steps for each user fee category. The results of employing this costing methodology provides municipalities with a better recognition of the costs utilized in delivering user fee processes, as it acknowledges not only the direct costs of resources deployed but also the operating and capital support costs required by those resources to provide services.



Figure 2-1
Activity-Based Costing Conceptual Flow Diagram



2.2 User Fee Costing Category Definition

The Town's business units deliver a variety of user fee related services; these services are captured in various cost objects or user fee categories. A critical component of the full cost user fees review is the selection of the costing categories. This is an important first step as the process design, effort estimation, and subsequent costing is based on these categorization decisions.

The Town's A.B.C. user fee model allocates the service channel defined costs (i.e., direct, and indirect costs) presented in the following sections across the defined user fee categories. Categorization of user fees occurred during the project initiation stage of the study and through subsequent discussions with staff. The user fee costing categories included in the A.B.C. model and later used to rationalize changes to the Town's fee structure are presented in tables throughout the report.



2.3 Process Map Documentation

Once the user fee costing categories have been established, the next step in the process is to create a link between the direct service departments and the costing categories. This is done through the process of documenting the Town's review activities and generating process maps/steps. The process maps for planning application review were developed based on 2018 study and updates to reflect process changes that have occurred. The engineering review process maps were developed in consultation with Town staff to reflect their current/anticipated processes.

2.4 Processing Effort Estimate Collection, Reasonability Check, and Cost Allocations

To capture each participating Town staff member's relative level of effort in processing activities related to user fees, staff were first asked to identify which departments and individuals would be involved in each of the processes being analyzed. Town staff then went through the process of estimating the amount of time each individual involved spends on any of the given process steps for each costing category. This process was informed by referencing the departments that had involvement in the processing of applications in the Town's 2018 study as well as their levels of involvement to guide staff in providing estimates of time spent reviewing applications. Particular attention was paid to areas where the process or level of involvement had changed, such as pre-consultation and public consultation.

The effort estimates received were then applied against average annual user fee volumes for the 2020-2023 period to assess the average annual processing time per position spent on each user fee category.

Annual processing efforts per staff position were then measured against available processing capacity to determine overall service levels. The results of the initial capacity analysis were reviewed with staff to ensure that the effort on an annual and per application basis was appropriate, considered time spent on non-plan review activities, and to give an opportunity for any further refinements to be made. Table 2-1 summarizes the utilization by department or division and by major fee review category. The utilization is presented as a percentage of available time by department/division and also expressed in utilized full-time equivalents (FTEs).



Of the 38 individuals within the Planning and Development (21 FTEs) and Engineering (17 FTEs) departments, 39% or 14.8 FTEs are utilized on planning and engineering reviews. Other divisions and departments contribute 1.4 FTEs annually or 8.6% of the annual involvement in planning application and engineering reviews. With respect to the 42% utilization of the Planning and Development department, this reflects the significant amount of staff time that is spent on non-plan review activities, such as policy development and defence of applications at the OLT. Furthermore, additional development review planners have been hired in anticipation of increases in planning application activity.

Table 2-1
Staff Capacity Utilization by Department and Business Unit

Department	FTE	Planning		Engineering		Total	
		Capacity Utilization	Utilized FTEs	Capacity Utilization	Utilized FTEs	Capacity Utilization	Utilized FTEs
Planning and Development	21.0	42%	8.9	<1%	<0.1	42%	8.9
Engineering	17.0	12%	2.1	22%	3.8	35%	5.9
Administration	12.5	4%	0.5	<1%	<0.1	4%	0.5
Business, Environment & Culture	14.0	<1%	0.1	<1%	<0.1	<1%	0.1
Corporate Services	54.5	<1%	0.1	<1%	<0.1	<1%	0.1
Fire Services	55.0	<1%	<0.1	<1%	<0.1	<1%	<0.1
Transportation and Public Works	28.0	1%	0.4	<1%	0.1	2%	0.4
Building	20.5	<1%	0.1	<1%	<0.1	<1%	0.1
Recreation and Parks	49.0	<1%	0.2	<1%	<0.1	<1%	0.2
Grand Total	271.50	5%	12.3	1%	3.9	6%	16.1

2.5 Full Cost of Providing Development Application Review Services

As defined in Section 2.1, the full cost of providing development application review services consist of direct, indirect, and capital costs. The following sections define each of these cost objects and how each of these are allocated to the individual costing categories.

2.5.1 Direct Costs

Direct costs refer to the employee costs (salaries, wages, and benefits), materials and supplies, services, and rents that are typically consumed by directly involved departments or business units. To identify the amount of direct costs that should be allocated to the user fee categories, cost drivers have been identified. Cost drivers are the non-financial operational data used to allocate shares of the defined costs across multiple user fee categories. Ideally, cost driver data documents the relative intensity of



effort multiple employees deploy against a single cost object/fee category or the relative intensity of effort a single employee deploys against multiple cost objects/fee categories. For the purposes of a full cost user fee analysis, the cost drivers in an A.B.C. user fee model presents the need to distribute multiple employee positions (direct costs) across multiple cost objects. The cost drivers for direct costs are the allocations of staff time to the individual user fee costing categories, which have been summarized in aggregate in Table 2-1 above.

2.5.2 Indirect Costs

An A.B.C. review includes not only the direct cost of providing service activities but also the indirect support costs that allow direct service business units to perform these functions. The method of allocation employed in this analysis is referred to as a step costing approach. Under this approach, support function and general corporate overhead functions are classified separate from direct service delivery departments. These indirect cost functions are then allocated to direct service delivery departments based on a set of cost drivers, which subsequently flow to the user fee categories according to staff effort estimates. Cost drivers are a unit of service that best represent the consumption patterns of indirect support and corporate overhead services by direct service delivery departments or business units. As such, the relative share of a cost driver (units of service consumed) for a direct department determines the relative share of support/corporate overhead costs attributed to that direct service department. An example of a cost driver commonly used to allocate human resource support costs would be a department or business unit's share of FTEs. Cost drivers are used for allocation purposes, acknowledging that these business units do not typically participate directly in the delivery of services, but that their efforts facilitate services being provided by the Town's direct business units.

Table 2-2 summarizes the support and corporate overhead functions included in the user fee calculations and the cost drivers assigned to each function for cost allocation purposes. The indirect support and corporate overhead cost drivers used in the fees model reflect accepted practices within the municipal sector.



Table 2-2
Indirect Support and Corporate Overhead Functions and Cost Drivers

Department	Driver
CAO's Office	Town Budgeted Expenditures
Council	Town Budgeted Expenditures
Corporate Services	Town Budgeted Expenditures, Budgeted Salary, Wage & Benefits, and Value of Purchase Orders
CP Corporate	Town Budgeted Expenditures
Fire Services (Administration)	Town Budgeted Expenditures
Library Services (Administration)	Town Budgeted Expenditures
Planning and Development (Administration)	Town Budgeted Expenditures
Transportation & Public Works (Administration)	Town Budgeted Expenditures
Recreation & Parks (Administration)	Town Budgeted Expenditures

2.5.3 Capital Costs

The inclusion of capital costs within the full cost user fees calculations follows a methodology similar to indirect costs. Replacement value of assets commonly utilized to provide direct business unit services have been included to reflect the capital costs of service. The approach used in estimating these costs includes the identification of the proportion of capital assets by direct department (e.g., Town Hall facility square footage occupied), the estimation of annualized capital costs by employing sinking fund replacement value or amortization, and the allocation of these annualized costs to the cost objects/user fee categories based on the respective departmental effort deployed.

With respect to the Town's model, capital costs have been identified for use of facility space and work stations. The annualized costs have been based on the Civic Centre's and work stations' replacement cost, useful life, and space/number of workstations per department. These costs have been allocated across the various fee categories, and non-user fee activities, based on the underlying effort estimates of direct department staff.



Chapter 3

Development Application Full Cost Assessment and Fee Recommendation



3. Development Application Full Cost Assessment and Fee Recommendation

3.1 Introduction

This chapter presents the full costs, cost recovery levels of current fees, and recommended fee structure and rates for the development application fees. Furthermore, the impact of the proposed fees on total costs of municipal development fees for sample developments are presented in Chapter 4 of this report. This chapter presents the full costs assessment and cost recovery levels in 2025\$ values. Recommended fees are presented in 2025\$ values unless noted otherwise. To maintain the cost recovery levels presented in this report for the recommended fees, adjustments will need to be applied to the fee recommendations to index them annually based upon the Town's annual budgeted cost increases or other appropriate index (i.e., the Consumer Price Index).

A municipal fee survey, for the fees within the scope of this review, was undertaken for market comparison purposes. The survey results were considered in discussions with Town staff in determining recommended user fees.

3.2 Full Cost of Providing Development Application Review Services

Table 3-1 presents the Town's annual costs of providing development application review services. The estimated annual costs and revenues are presented in aggregate and are based on existing fees. The annual costs reflect the organizational direct, indirect and capital costs associated with processing activities at average historical volume levels. These historical averages span the periods of 2020-2023 for planning applications. Costs are based on the 2024 budget (which have subsequently indexed to 2025\$) and are compared with revenues modelled from current development fee schedules applied to average application and charging parameters. The charging parameters for these applications (e.g., building area and number of residential units) were derived from historical application data provided by Town staff.



Overall, the total annual costs incurred from planning application and engineering review activities amount to \$3.5 million. Direct costs represent 74.4% of annual costs (\$2.6 million). Indirect and capital costs make up 24.3% (\$857,700) and 1.2% (\$43,800) of total costs, respectively. In aggregate, revenues associated with current fees and average annual applications total \$2.1 million, or 58% of costs, resulting in \$1.5 million of the costs of development review being funded by the municipal tax base.

When assessing the cost and revenues for planning and engineering services, separately, annual costs of planning application review services total \$2.7 million, with revenues of approximately \$1.6 million resulting in 59% cost recovery. Annual costs of engineering review total \$861,200, with associated revenues of approximately \$471,900, achieving 55% cost recovery. A detailed analysis of costs and revenues by costing category is contained in sections 3.3 and 3.4. These findings have been used to inform decisions for potential fee structure changes.

Further details on the cost recovery assessment, recommendations, and modelled impact on revenues are provided in the following sections.

Table 3-1
Cost Recovery Assessment of Current Development Application Fees
(2025\$)

Fee Group	Direct Costs	Indirect Costs	Capital Costs	Total Costs	Annual Revenue	Cost Recovery %	Surplus / Deficit
Planning Fees	2,028,009	603,452	33,336	2,664,797	1,582,006	59%	(1,082,791)
Engineering Fees	596,451	254,261	10,458	861,171	471,880	55%	(389,291)
Grand Total	2,624,460	857,713	43,794	3,525,968	2,053,886	58%	(1,472,082)



3.3 Planning Application Costs and Fee Recommendations

Table 3-2 summarizes the costing results and recovery levels for each major planning costing category within the Town's A.B.C. model.

Table 3-2
Planning Fees Full Cost Impacts by Costing Category (2025\$)
Current Fees

Fee Group	Total Costs	Annual Revenue	Cost Recovery %	Surplus / Deficit
Official Plan Amendment	421,223	134,052	32%	(287,170)
Zoning By-law Amendment	749,458	456,632	61%	(292,826)
Site Plan	405,646	256,599	63%	(149,047)
Subdivision	572,291	525,181	92%	(47,110)
Condominium	38,403	29,282	76%	(9,121)
Part Lot Control	11,260	12,449	111%	1,189
Consent	112,911	65,450	58%	(47,461)
Minor Variance	352,663	101,915	29%	(250,748)
Miscellaneous	941	445	47%	(469)
Grand Total	2,664,797	1,582,006	59%	(1,082,764)

When assessed by application type:

- Official Plan Amendments account for \$421,200 or 15.8% of the total annual costs of service. Revenue generated from these fees currently recover \$134,100 or 32% of costs. These fees account for 8.5% of total planning application revenue.
- Zoning By-law Amendments account for \$749,500 or 28.1% of total annual costs of service. Revenue generated from these fees currently recovers \$458,300 or 61% of costs. These fees account for 28.9% of total planning application revenue. When assessed by application type, Official Plan and Zoning by-law applications contribute the largest share of the revenue shortfall (i.e., \$287,000 and \$298,000 respectively), meaning that fee recommendations for these application types will have the greatest overall impact on cost recovery levels.
- Site Plan applications account for \$405,600 or 15.2% of total annual costs of service. Revenues generated from these fees currently recover \$256,600 or 63% of cost. These fees account for 16.2% of total planning application revenue.



- Subdivision applications account for \$572,300 or 21.4% of total annual costs of planning application review services. Revenues generated from these fees currently recover \$525,200 or 92% of these costs. These fees account largest share of revenues at 33.2% of total planning application revenue.
- Consent applications account for \$112,900 or 4.2% of total annual costs of planning application review services. Revenues generated from these fees currently recover \$53,500 or 58% of costs. These fees account for 4.1% of total planning application revenue.
- Minor Variance applications account for \$352,700 or 13.2% of total annual costs of planning application services. Revenues generated from these fees currently recover 29% of costs. These fees account for 6.4% of total planning application revenue.
- Condominium, Part Lot Control, and Other Miscellaneous applications account for \$50,600 or 1.9% of annual costs of planning application services. Revenues generated from these fees currently recover \$41,300. These fees account for 2.7% of total planning application revenue.

Planning application fee recommendations are provided in Tables 3-3 to 3-13. These fee recommendations are made to improve cost recovery within the legislative constraints of the *Planning Act*, while recognizing the affordability and competitiveness of the fees as well as the application characteristics (e.g., residential units and non-residential gross floor area). All fee recommendations should be increased annually based on the Town's annual budgeted cost increases or other appropriate index (i.e., the Consumer Price Index) to maintain the proposed level of cost recovery.

Current fee structures have generally been maintained within the recommended fees with the following exceptions:

- A new fee has been proposed for Official Plan Amendments related to urban boundary expansions to address changes in legislation that now allow applicants to apply for amendments to the Town's Official Plan to bring additional lands into their urban boundary. The fee is proposed to be set at \$240,000 and would include any peer review consultant costs to review materials submitted in support of the application when the proposal is 50 hectares or less. Any application greater than 50 hectares may require additional fees to cover additional peer review costs as applicable.



- A new fee has been proposed for Official Plan Amendments related to quarry/aggregate extraction applications whose planning responsibility has been downloaded to the Town from the Region of Halton.
- A new fee has been proposed for administrative Zoning By-law Amendments that relate to minor amendments (akin to the level of effort for a minor variance application) where the applicant is required to proceed through a Zoning By-law Amendment due to the nature of the Town's current by-law.
- A Secondary Site Plan application fee is proposed that would apply in the following situations:
 - If the Site Plan application is received concurrently with Official Plan Amendment (OPA) and/or Zoning By-law Amendment (ZBA) applications;
 - If the Site Plan application is received within 1 year of the date of a development project having obtained approval for an OPA and/or ZBA; or
 - If the Site Plan application is received relates to non-residential uses under 2,500 m² located outside of the Premier Gateway Employment Area.
- It is recommended to implement an additional fee for applications of consent for severances beyond the first severance. This is intended to recover the incremental costs associated with processing applications that propose to create additional lots beyond the first new lot.
- A new fee for Block/Tertiary Plan Review.
- In addition, engineering's staff efforts relating to development agreements was costed as part of the exercise to update the Town's current fees. The updated fees are recommended to move to the following levels:
 - Preservicing Agreement - \$7,176
 - Development Agreement Misc (Precedent) - \$7,282
 - Development Agreement Mis (No Precedent) - \$17,908

Overall, the fee recommendations have attempted to better align the Town's revenues to their annual costs of service by type of review and to the type and size of anticipated development applications in the future. This is shown through fee recommendations for Official Plan Amendments, Zoning By-Law Amendments, Site Plan, and Draft Plan of Subdivision that would see a greater share of the costs recovered through the base application fees and variable per unit fees on the first 200-units of a development. This change reflects the observed fixed costs by application type and mitigates the overall revenue risk associated with fees that require large applications to be submitted.



Furthermore, a maximum fee for Official Plan Amendments would exist as the per unit fee would only be applied to the first 200 units per application.

Existing discounts for combined application fees would also continue to be applied recognizing the economies of scale that exist in processing concurrent submissions:

- OPA and ZBA applications received concurrently: Full OPA application fee plus ZBA base application fee
- ZBA and Plan of Subdivision applications received concurrently: Full Subdivision application fee plus 75% of ZBA base application fee
- OPA, ZBA, and Plan of Subdivision applications received concurrently: Full Subdivision application fee plus OPA application base fee plus 75% of ZBA base application fee
- OPA and Plan of Subdivision applications received concurrently: Full Subdivision application fee plus OPA base application fee
- Condominium, Part Lot Control Exemption and Minor and/or Technical, Administrative Plan of Subdivision applications received concurrently: Full Condominium and PLC application fees plus 10% of Minor and/or Technical, Administrative Subdivision application fee

Fee recommendations have been made in consultation with municipal staff and in some cases, based on municipal comparators and other factors, fees have been set below full cost recovery levels. The recommendations presented herein would result in the planning application fees increasing from 59% cost recovery to 80% cost recovery. Based on the modelling, this would result in approximately \$540,300 in additional revenues that would not need to be funded from the tax base. This is equivalent to 0.8% of the Town's total levy requirements based on their 2023 Financial Information Return (indexed to 2025\$). Modelled revenue increases may diverge from budgeted increased due to differences in future application volumes, application types, and characteristics compared to historical averages. Specifically, the modelled revenues reflect historical averages while the budget is prepared based on forward-looking projections. Table 3-14 presents the annual revenues and cost recovery levels associated with the proposed fees for the same major application types summarized in Table 3-2 above.



**Table 3-3
Recommended Planning Fees
Official Plan Amendments**

Official Plan Amendment (OPA)	Base Fee	2025 Rates (Effective January 1, 2025)								Base Fee	Recommended Fees							
		Variable Fee									Variable Fee							
		Per Residential Unit				Per Non-Residential Hectare					Per Residential Unit				Per Non-Residential Hectare			
		0-25	26-100	101-200	201-1,000+	0-1	1-10	10-20	20-40+		0-25	26-100	101-200	201-1,000	0-1	1-10	10-20	20-40
OPA Application Fee	26,108									70,000								
Standard		136	113	93	78	6,956	3,428	1,715	857		900	600	450	-	6,000	3,500	2,500	750
Minor and/or Technical	14,694									15,000								
OPA - Urban Boundary Expansion	N/A									240,000								
OPA Quarry/Aggregate Extraction Application	N/A									163,500								
OPA Deferral Removal Fee Town	5,379									5,379								
OPA Revision Fee	37% of full fee (\$9,647 minimum)									43% of full fee (\$9,647 minimum)								

**Table 3-4
Recommended Planning Fees
Zoning By-law Amendments**

Zoning By-law Amendment (ZBA)	Base Fee	2025 Rates (Effective January 1, 2025)								Base Fee	Recommended Fees							
		Variable Fee									Variable Fee							
		Per Residential Unit				Per Non-Residential Hectare					Per Residential Unit				Per Non-Residential Hectare			
		0-25	26-100	101-200	201-1,000+	0-1	1-10	10-20	20-40+		0-25	26-100	101-200	201-1,000+	0-1	1-10	10-20	20-40+
ZBA Application Fee																		
Standard	22,566	572	342	228	114	5,713	3,428	2,285	571	30,000	600	350	250	150	6,000	3,500	2,500	750
Minor and/or Technical	12,987									15,000								
	40% of full fee (\$8,407 minimum)									36% of full fee (8,407 minimum)								
ZBA Revision Fee																		
ZBA Administrative										6,700								
Holding Removal Application Fee																		
Major	9,290									11,098								
Standard	6,285									7,509								
Minor	3,280									3,919								
Special	656									656								
ZBA Temporary Use Fee	22,566									29,000								
Council Extension of a Temporary Use By-law Fee	5,987									7,925								



**Table 3-5
Recommended Planning Fees
Site Plan**

Site Plan	2025 Rates (Effective January 1, 2025)									Recommended Fees								
	Base Fee	Variable Fee								Base Fee	Variable Fee							
		Per Residential Unit				per sq m					Per Residential Unit				per sq m			
		0-25	26-100	101-200	201-1,000+	0-5000	5001-20,000	20,000-45,000	45,000-100,000+		0-25	26-100	101-200	201-1,000+	0-5000	5001-20,000	20,000-45,000	45,000-100,000+
SPA Fee																		
Standard	14,039	456	224	145	103	3.00	2.45	1.53	0.75	40,000	550	300	250	200	3.00	2.50	2.00	1.00
Secondary	N/A									20,000	550	300	250	200	3.00	2.50	2.00	1.00
Minor and/or Technical	10,232									10,500								
	20% of full fee (\$5,522 minimum)									35% of full fee (\$5,522 minimum)								
SPA Revision	1,281									1,399								
SPA Extension	5,843									5,843								
SPA Agreement																		

**Table 3-6
Recommended Planning Fees
Subdivision**

Subdivision	2025 Rates (Effective January 1, 2025)									Recommended Fees								
	Base Fee	Variable Fee								Base Fee	Variable Fee							
		Per Residential Unit				Per Non-Residential Hectare					Per Residential Unit				Per Non-Residential Hectare			
		0-25	26-100	101-200	201-1,000+	0-1	1-10	10-20	20-40+		0-25	26-100	101-200	201-1,000+	0-1	1-10	10-20	20-40+
SUB Application Fee																		
Standard	27,682	572	456	420	342	5,713	5,083	3,999	3,428	65,000	800	700	600	204	5,713	5,083	3,999	3,428
Minor and/or Technical, Administrative	27,682									28,200								
SUB Final Approval Fee																		
Standard	19,418									20,000								
Minor and/or Technical, Administrative	3,280									3,500								
Sub Revision	23% of full fee (\$7,542 minimum)									21% of full fee (\$7,542 minimum)								
SUB Extension of Draft Approval																		
Council	4,194									4,194								
Staff (Max 1 Year)	1,048									1,048								
Sub Agreement	7,215									7,215								



Table 3-7
Recommended Planning Fees
Condominium

Condominium	2025 Rates (Effective Jan. 1, 2025)	Recommended Fee
	Base Fee	Base Fee
CDM Application Fee	32,056	40,816
CDM Final Approval Fee		
Primary	20,466	26,059
Secondary	6,559	8,351
CDM Revision	35% of full fee (\$7,542 minimum)	35% of full fee (\$7,542 minimum)
CDM Extension of Draft Approval		
Council	3,729	4,748
Staff (Max 1 Year)	829	1,056
CDM Conversion or Exemption Fee	31,274	39,820
CDM Agreement	7,215	9,187

Table 3-8
Recommended Planning Fees
Part Lot Control

Part Lot Control	2025 Rates (Effective Jan. 1, 2025)	Recommended Fees
	Base Fee	Base Fee
Part Lot Control Application	7,615	7,615
Part Lot Control Extension	1,531	1,531
Part Lot Control By-Law Preparation and Registration	2,057	2,057
Part Lot Control Extension of By-Law	2,057	2,057



Table 3-9
Recommended Planning Fees
Consent

Consent	2025 Rates (Effective Jan. 1, 2025)	Recommended
	Base Fee	Base Fee
CON Application Fee - First Lot	11,428	14,143
CON Application Fee - Additional Lots	N/A	1,500
CON Minor App Fee	5,336	6,604
CON Revision Fee	3,120	3,861
CON Post Approval (Certification) Fee	3,148	3,896
Consent Agreement	7,215	8,929
Common Ownership Agreement	2,230	2,760

Table 3-10
Recommended Planning Fees
Minor Variance

Minor Variance	2025 Rates (Effective Jan. 1, 2025)	Recommended
	Base Fee	Base Fee
MV Application Fee	6,571	6,571
MV Minor Residential Application Fee	3,280	3,280

Table 3-11
Recommended Planning Fees
Deeming By-law

Deeming By-law	2025 Rates (Effective Jan. 1, 2025)	Recommended
	Base Fee	Base Fee
Deeming By-law Fee	4,584	4,584



Table 3-12
Recommended Planning Fees
Legal Fees

Legal Fees	2025 Rates (Effective Jan. 1, 2025)	Recommended
	Base Fee	Base Fee
Development Agreement Misc. Precedent	5,379	7,282
No Precedent	16,005	17,908
Pre-Servicing Agreement	5,379	7,176

Table 3-13
Recommended Planning Fees
Block Plan

Block/Tertiary Plans	2025 Rates (Effective Jan. 1, 2025)	Recommnded Fee
	Base Fee	Base Fee
Block/Tertiary Plan Review Fee	N/A	70,000



Table 3-14
Planning Fees Full Cost Impacts by Costing Category (2025\$)
Recommended Fee

Fee Group	Total Costs	Annual Revenue	Cost Recovery %	Surplus / Deficit
Official Plan Amendment	421,223	413,265	98%	(7,957)
Zoning By-law Amendment	749,458	545,984	73%	(203,474)
Site Plan	405,646	390,251	96%	(15,395)
Subdivision	572,291	538,352	94%	(33,939)
Condominium	38,403	37,285	97%	(1,119)
Part Lot Control	11,260	12,449	111%	1,189
Consent	112,911	81,749	72%	(31,162)
Minor Variance	352,663	101,915	29%	(250,748)
Miscellaneous	941	1,019	108%	105
Grand Total	2,664,797	2,122,269	80%	(542,500)

3.4 Engineering Review Costs and Fee Recommendations

Annual costs of the engineering review services total \$861,000. Costs are compared with revenues derived from the application of current fees to average parameters (e.g., average cost of works). Costing and fee recovery levels for the major engineering reviews are summarized in Table 3-15. Annual revenues based on the Town's current fee structure and average historical activity levels are estimated at \$472,000 or 55% of costs.

Table 3-15
Engineering Reviews Full Cost Impacts by Costing Category (2025\$)
Current Fees

Fee Group	Total Costs	Annual Revenue	Cost Recovery %	Surplus / Deficit
Entrance Permits	20,457	5,627	28%	(14,830)
Licencing Agreement	3,242	165	5%	(3,078)
Road Cut	1,808	178	10%	(1,630)
Site Alteration Permit	85,814	65,859	77%	(19,954)
Engineering Other	44,227	37,049	84%	(7,177)
Engineering Subdivision Review and Inspections	517,130	363,002	70%	(154,128)
Engineering Site Plan Review and Inspections	188,493	-	0%	(188,493)
Grand Total	861,171	471,880	55%	(389,291)



When assessed by application type:

- Site Alteration Permits account for \$85,800 or 10% of total annual costs of service. Revenue generated from these fees currently recover \$65,800 or 77% of the costs. These fees account for 14% of total engineering review revenue.
- Engineering Subdivision Review and Inspections account for \$517,100 or 60% of total annual costs of service. Revenue generated from these fees currently recover \$363,000 or 70% of the costs, resulting in a \$154,000 annual revenue shortfall. These fees account for 76.9% of total engineering review revenue.
- Engineering Site Plan Review and Inspections account for \$188,500 or 21.9% of total annual costs of service. The Town currently does not impose fees for these services, resulting in costs of \$188,500 being recovered from the tax base.
- Other engineering reviews account for \$38,000 or 4.4% of total annual costs of services. Estimated revenue generated from these fees is \$24,700. These fees account for 5.2% of total engineering review revenue.

Fee recommendations are presented in Table 3-15. The recommended fees are presented in 2025\$ dollars. Furthermore, Table 3-16 presents the resulting impact of the recommended fees on the Town's cost recovery levels.

The following bullets highlight the major changes to the Town's fee schedule:

- A simplified fee structure is proposed for Entrance Permits including separate lower fee (\$310) for road widening applications and a higher fee (\$676) for all other entrance permit applications.
- License Agreements have been grouped for applications that impact municipal infrastructure and those that do not. The agreements will be charged at \$1,000 with a surcharge of 15% of the estimated cost of works for applications that impact municipal infrastructure.
- New fees have been proposed regarding additional inspections (\$426) or resubmissions (\$619) related to Site Alteration and Excavation applications.
- New fees are proposed for Site Plan applications relating to the detailed engineering review and inspection activities as follows:
 - Site Plan Simple – Commercial or Industrial - \$5,000 plus \$0.44 per sq.m. of G.F.A.
 - Site Plan Complex – Residential - \$5,000 plus \$509 per unit



- Subdivision engineering review and inspection will continue to be charged based on the costs of municipal infrastructure, however the infrastructure thresholds and percentages have been revised to more appropriately recover the anticipated costs from future development:
 - Subdivision - \$0 to \$500,000 cost of works - \$12.1%
 - Subdivision - \$500,001 to \$1,500,000 cost of works - \$10.2%
 - Subdivision - \$1,500,000 to 2,500,000 cost of works - \$8.4%
 - Subdivision - \$2,500,000+ cost of works - \$3.0%

These fees are imposed cumulatively (i.e., a development with \$1 million cost of works is charged 12.1% on the first \$500,000 on infrastructure and 10.2% on the next \$500,000.



Table 3-15
Recommended Engineering Review Fees

Costing Category	Current Fees			Fee Description	Recommended Fees		
	Base	Variable	Unit		Base	Variable	Unit
Annual Municipal Access Agreement	5,714			Annual Municipal Access Agreement	5,714		
Engineering Review Fee of Planning Applications after Fourth Submission	1,120			Engineering Review Fee of Planning Applications after Fourth Submission	1,699		
Engineering Staff Time (Extended Hours)	152			Engineering Staff Time (Extended Hours)	155		
Engineering Staff Time (Regular Hours)	95			Engineering Staff Time (Regular Hours)	104		
1. Entrance Permit - non residential - new	265			Entrance Permit	676		
2. Entrance Permit - residential - rural - new	132			Entrance Permit - Widening	310		
3. Entrance Permit - residential - urban - new	132						
4. Entrance Permit - widening - All	132						
License Agreement (Planning) - Realited to long-term permission to work in Road ROW and other temporary infrastructure	549	15%	est cost of works				
License Agreement (Not part of a Planning App) - Realited to long-term permission to work in Road ROW and other temporary infrastructure	549	15%	est cost of works				
				License Agreement - Encroachment Agreement (No impacts on municipal infrastructure)	1,000		
				License Agreement - Encroachment Agreement (impacts on municipal infrastructure)	1,000	15%	est cost of works
Municipal Consent Application Review Fee	248			Municipal Consent Application Review Fee	418		
Road Cut Permit (Multiple Excavation or Long Duration)	1,257			Road Cut Permit (Multiple Excavation or Long Duration)	3,915		
Road Cut Permit (Single Excavation or Short Duration)	399			Road Cut Permit (Single Excavation or Short Duration)	1,532		
Road Cut Permit Extension	124			Road Cut Permit Extension	1,223		
Agreement re Road Cut Permit	-			Agreement re Road Cut Permit	-	3.50%	Cost of Works
Major landscaping relative to a Residential Dwelling & including backfill and/or decommissioning of inground pools	224			Major landscaping relative to a Residential Dwelling & including backfill and/or decommissioning of inground pools	440		
Residential Dwelling Construction on an infill lot	750			Residential Dwelling Construction on an infill lot	839		
Construction of an additional Commercial, Industrial or Institutional Building	893			Construction of an additional Commercial, Industrial or Institutional Building	2,062		
Site Alteration (Agricultural)	1,622	50	per ha	Alteration of a Site	1,622	50	per ha
Site Alteration (Small)	1,622	50	per ha				
Site Alteration (Large)	1,622	50	per ha				
Site Alteration (Complex)	1,622	50	per ha				
1. Large Scale or Commercial Site Alteration	3,428	0.15	per sq m	Alteration of a Site - Large Scale/Commercial	5,320	0.15	per sq m
2. Large Scale or Commercial Site Alteration (Complex)	3,428	0.15	per sq m				
Alteration of a site subject to a Subwatershed Impacts Study	4,015	125	per ha	Alteration of a Site - Subject to a Subwatershed Impacts Study	4,015	125	per ha
Additional Inspection - Site Alteration and Excavations	-			Additional Inspection - Site Alteration and Excavations	426		
Resubmission - Site Alteration and Excavations	-			Resubmission - Site Alteration and Excavations	619		
Subdivision (Small) - \$750,000	6.5%			Subdivision - \$0 to \$500,000	12.1%		\$0 to \$500,000
Subdivision (Medium) - \$1,500,000	5.5%			Subdivision - \$500,001 to \$1,500,000	10.2%		\$500,001 to \$1,500,000
Subdivision (Large) - \$2,500,000	4.5%			Subdivision - \$1,500,000 to 2,500,000	8.4%		\$1,500,000 to 2,500,000
Subdivision (Complex) - \$2,500,000				Subdivision - \$2,500,000+	3.0%		\$2,500,000+
Site Plan (Simple, Commercial or Industrial and less than 1 year)	-			Site Plan (Simple, Commercial or Industrial and less than 1 year)	5,000	0.44	per sq m
Site Plan (Complex, Residential or longer than 1 year)	-			Site Plan (Complex, Residential or longer than 1 year)	5,000	509	per unit
Interim Security Reduction Processing Fee for Site Plan (includes 1 inspection)	1,500			Interim Security Reduction Processing Fee for Site Plan (includes 1 inspection)	1,500		
Interim Security Reduction Processing Fee for Subdivision (includes 1 inspection)	3,000			Interim Security Reduction Processing Fee for Subdivision (includes 1 inspection)	3,000		
Request for Staged Assumption for Subdivision Plan	5,000			Request for Staged Assumption for Subdivision Plan	5,000		
Residential Dwelling Construction on a lot for attached multiple units	3,000			Residential Dwelling Construction on a lot for attached multiple units	3,000		
Residential Dwelling Construction on a lot for a single detached unit	750			Residential Dwelling Construction on a lot for a single detached unit	750		
Storm Sewer Connection Permit not subject to a Site Plan Application - Residential	1,500			Storm Sewer Connection Permit not subject to a Site Plan Application - Residential	1,500		



Table 3-16
Engineering Review Full Cost Impacts by Costing Category (2025\$)
Recommended Fees

Fee Group	Total Costs	Annual Revenue	Cost Recovery %	Surplus / Deficit
Entrance Permits	20,457	19,861	97%	(596)
Licencing Agreement	3,242	200	6%	(3,042)
Road Cut	1,808	667	37%	(1,141)
Site Alteration Permit	85,814	83,387	97%	(2,427)
Engineering Other	44,227	49,641	112%	5,414
Engineering Subdivision Review and Inspections	517,130	495,863	96%	(21,267)
Engineering Site Plan Review and Inspections	188,493	183,003	97%	(5,490)
Grand Total	861,171	832,622	97%	(28,548)



Chapter 4

Impact of Recommended Fee on Sample Development Types



4. Impact of Recommended Fees on Sample Development Types

4.1 Introduction

The fee recommendations that were presented in Chapter 3 also considered the affordability of the increases and the Town's competitiveness of their fees when compared to neighbouring municipalities in Halton Region and the surrounding area. To fully understand the overall impacts that these fee recommendations will have on the competitiveness of the Town's total planning and engineering fees, an impact analysis for sample developments has been prepared comparing the Town's current and proposed cost of development to other comparable municipalities. The following section gives an overview of what the potential cost implications would be on sample of development types.

Section 4.2 will examine the impact of the recommended fees on various sample developments. Section 4.3 will examine the total development fees (including building permit fees and development charges) for a theoretical subdivision development. This approach will provide the Town with a better understanding of its overall competitiveness relative to other comparable municipalities when considering the total cost of municipal development fees.

4.2 Planning and Engineering Fee Comparisons

Figure 4-1 displays the fee associated with an official plan amendment for a 100 unit residential development with 0.5 hectares of non-residential development. At the current fees the Town has one of the lowest fees in the comparison. The recommended fees result in a \$99,000 or 239% increase in the total fees payable. This increase results in the Town having the second highest fee among the comparator municipalities, between that of Burlington and Oakville.



Figure 4-1
Official Plan Amendment

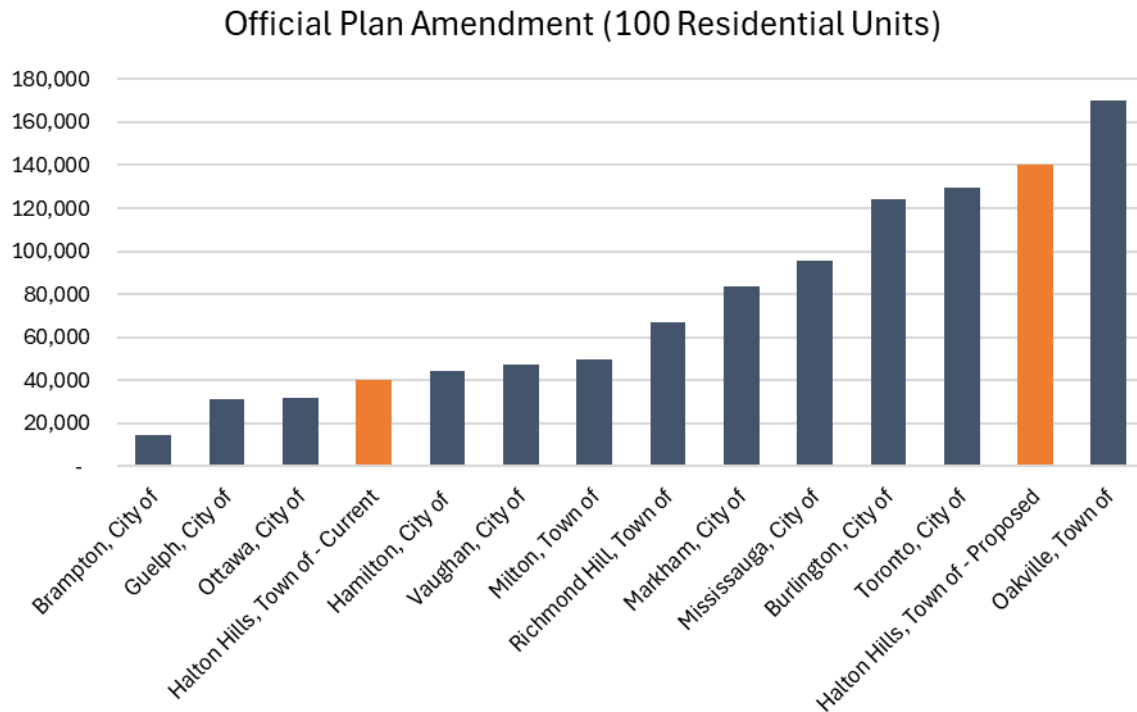


Figure 4-2 compares the zoning by-law amendment fees for a development with 200 residential units and 2.5 hectares of non-residential development. The increases proposed herein would result in a \$11,300 or 12% increase in the applicable fees. These fee increases would result in the Town moving ahead of the City of Burlington in the municipal comparison but remaining in the mid range of the comparator municipalities.



Figure 4-2
Zoning By-law Amendment

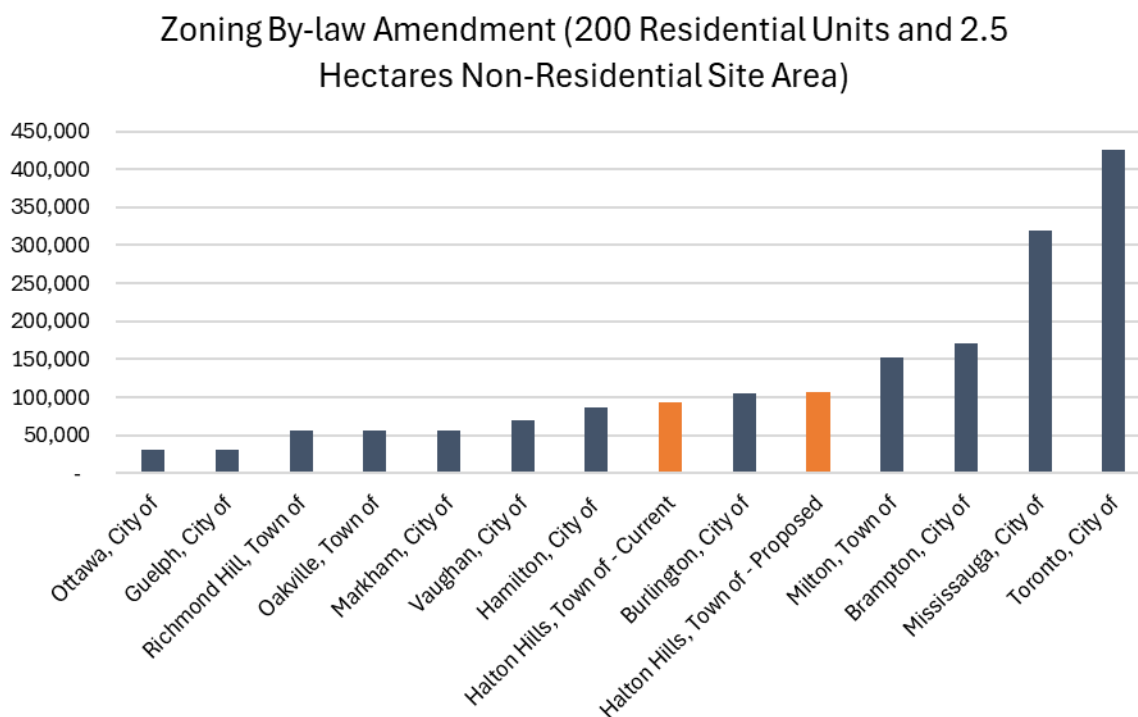


Figure 4-3 compares the total planning and engineering review fees related to a site plan application for a 100 residential unit development where cost of works is \$2.5 million. The recommended fees result in a \$69,900 or 165% increase in the total fees payable within the Town. The recommended fees, which increase by 699 per unit, result in the Town increasing from the lowest in the comparison to the third lowest of the municipalities in the sample. This increase is primarily due to the introduction of the site plan engineering review fee that was not previously imposed.



Figure 4-3
Site Plan

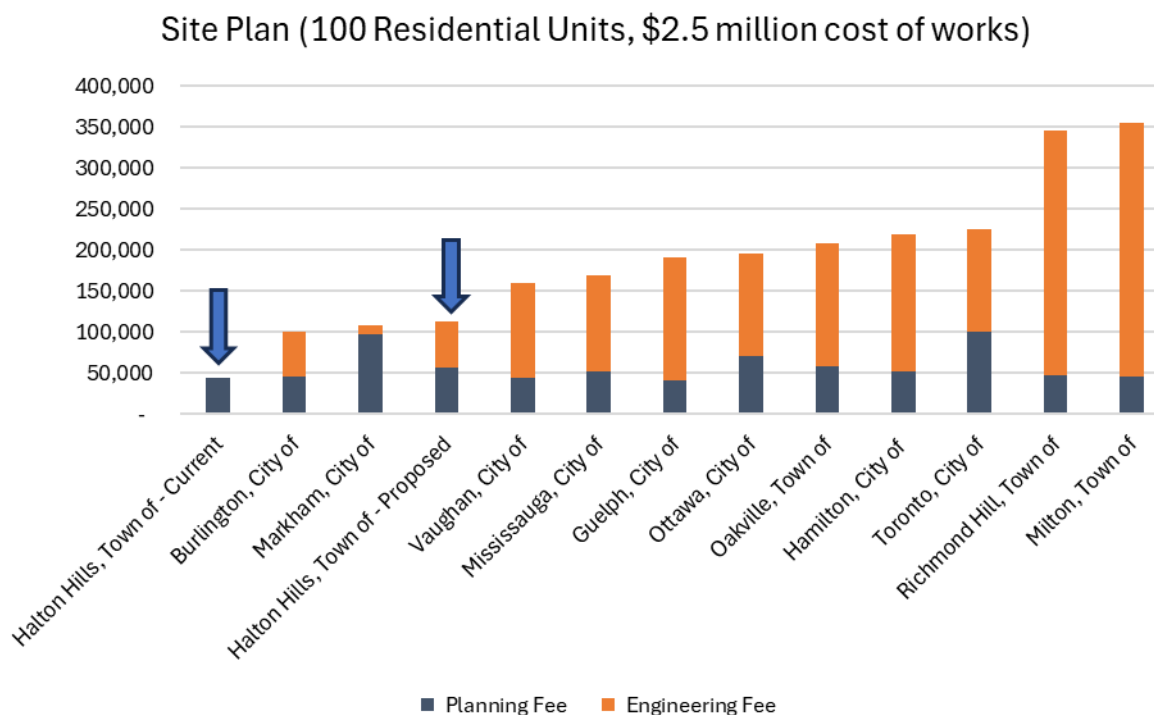
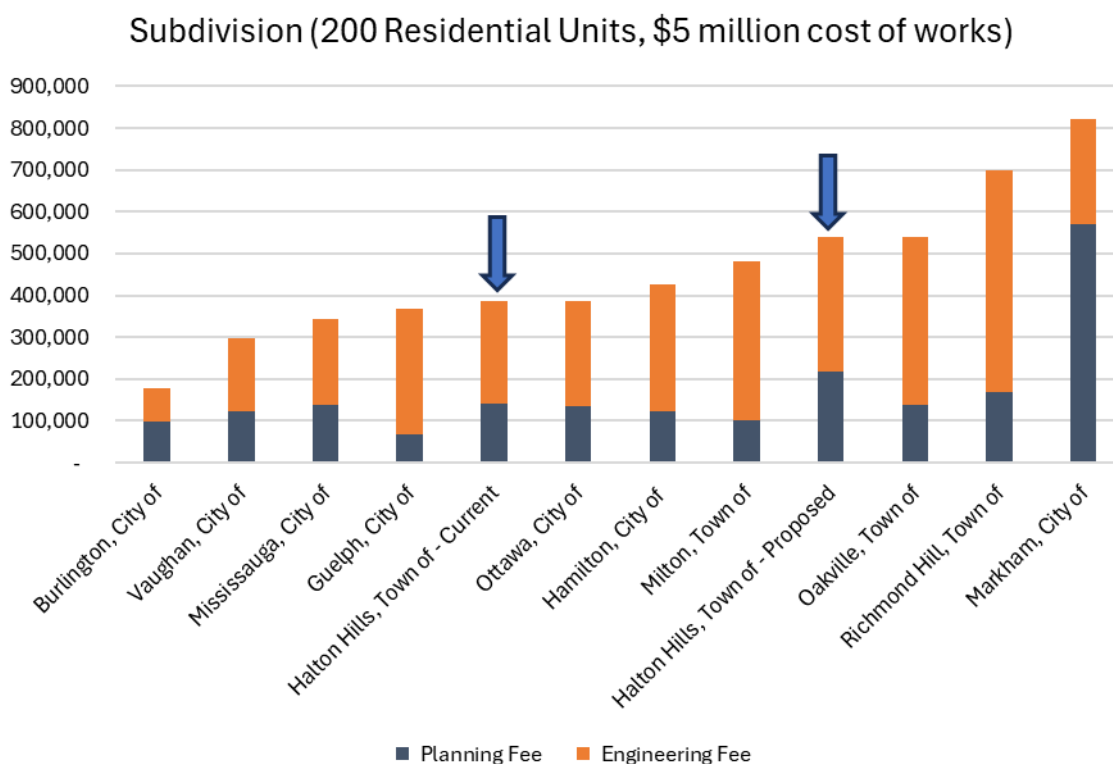


Figure 4-4 shows the impact of the recommendations on the planning and engineering fees payable for a 200 residential unit subdivision where cost of works is \$5 million. The recommended fees result in a \$153,900 or 40% increase to the amount payable to the Town. This increase of \$759 per unit results in the Town increasing from seventh in the comparison to fourth higher, between that of Oakville and Milton. The following section examines all development fees and charges for a similar subdivision development.



Figure 4-4
Subdivision



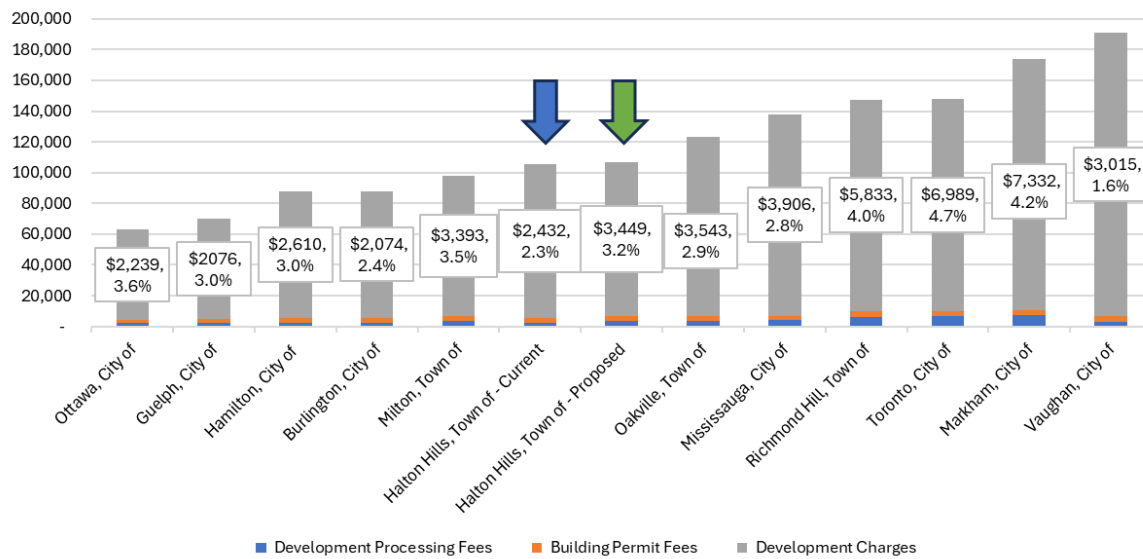
4.3 Subdivision Development Impacts

Figure 4-5 examines the total development fees and charges, including planning (i.e., OPA, ZBA, and Subdivision), engineering fees, building permit fees, and development charges, related to a 200-unit (1,800 sq. ft. per unit) subdivision. This provides a comprehensive analysis of the impacts of the recommended fees and is presented on a per unit basis. The recommended fees result in a \$203,400 (\$1,020 per unit) increase which is a 48% increase in the Town's planning and engineering fees or a 1.0% increase in the total development fees and charges payable for the development. This increase leaves the Town's rank in the municipal comparison unchanged at the seventh out of the 12 comparator municipalities. Furthermore, when examining what share of the total development fees payable the proposed planning application and engineering fees would represent, the Town's fees would be 3.2% of the total fees, which is equal to the average share of the 11 comparator municipalities, indicating these proposed fees are in line with the cost recovery policies of the other municipalities.



Figure 4-5
200-Unit Subdivision Development Impacts

Per Unit Total Development Related Fees (200-unit Subdivision, 1,800 sq. ft. per unit)





Chapter 5

Conclusion



5. Conclusion

Summarized in this technical report is the legislative context for the imposition of planning application and engineering fees, the methodology undertaken, A.B.C. model results, the associated full cost recovery, fee structure recommendations, and market impacts.

The intent of this review is to provide the Town with a recommended fee structure, for Council's consideration, to appropriately recover the service costs from benefiting parties. The recommended planning application fees would generate an additional \$540,300 in annual revenue, improving cost recovery from 59% to 80%, generating \$2.1 million in revenue compared to annual costs of \$2.7 million. The recommended engineering review fees would generate an additional \$360,700 in annual revenue, increasing cost recovery from 55% to 97%. As noted earlier, the cost recovery levels of the recommended are presented in 2025\$ values. It is intended that these fees will be implemented mid-2025 and as such, the annual revenue estimates presented herein will differ from actual and budgeted amounts as the fees will only be in place for part of the year.