



City of Hamilton

GENERAL ISSUES COMMITTEE REVISED

Meeting #: 18-006
Date: March 22, 2019
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

Pages

1. CEREMONIAL ACTIVITIES

2. APPROVAL OF AGENDA

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3. DECLARATIONS OF INTEREST

4. APPROVAL OF MINUTES OF PREVIOUS MEETING

5. COMMUNICATIONS

*5.1 Correspondence from Lachlan Holmes, Founder of HamiltonForward, respecting Item 10.1 - Report PED190156(a) - 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications 4

Recommendation: Be received and referred to the consideration of Item 10.1

*5.2 Correspondence from the Hamilton Burlington Society of Architects, respecting Item 10.1 - Report PED190156(a) - 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications 7

Recommendation: Be received and referred to the consideration of Item 10.1

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- 10.1 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (PED19015(a)) (City Wide) (Outstanding Business List Item) 19

NOTE: This report now includes a presentation.

- 10.2 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (PED19015) (City Wide) (Outstanding Business List Item) 63

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March 19th, 2019

City of Hamilton
Department of Planning and Economic Development
71 Main St. West
Hamilton, ON L8P 4Y5

Attention: Members of the General Issues Committee

CC: Stephanie Paparella, Legislative Coordinator (GIC)

Regarding: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications

I am reaching out today to encourage you to reconsider the approach being recommended by the Planning department in regards to the Fees of Planning and Engineering Development Applications.

I am representing HamiltonForward, a local pro-development advocacy group. Of extreme concern to us is both the further redevelopment of the Downtown and the cost of housing in Hamilton. We believe that these extreme fee increases would be detrimental to both of these concerns.

Concern #1

Our first concern is regarding the impact that a full-recovery fee model will have on the number, scale, and speed of development proposals in Hamilton, specifically in the greater Downtown Core.

We know explicitly from the Director of Economic Development, Glen Norton, that developers are unsure of whether Hamilton will build the B-Line LRT and have thus held off projects along the corridor. Additionally, it is clear that downtown redevelopment proposals have been going in the wrong direction and we must take measures that increase the development of the Downtown, not discourage it.

We do not believe that radical increases to development application fees make sense at this time. On May 1st, 2019, routine rezonings will *almost double* if the staff report is adopted, removal of holding fees in the downtown will also almost double, and Site Plan Applications will more than double. All this followed up by further increases in 2020 and beyond.

HamiltonForward believes that all fee increases at this time should be at most a 10% increase on the current rates.

**Concern #2**

One of the most concerning points of the new plan is the addition of a per unit and per m² fee. It is our view that this fee must be abandoned as it simply does not make sense from an urban planning or housing affordability standpoint.

We believe the city needs new density in the Downtown and on major corridors and that the introduction of a per unit fee does nothing to achieve that goal. Likewise, we believe that this new fee will have an adverse effect on new renters, new homebuyers, and new office and retail tenants. At the end of the day, these costs will be passed down to them.

Concern #3

One key plank of the City's plan to increase housing affordability in Hamilton is the increasing use of Secondary Suites and Laneway Housing. HamiltonForward believes these can help meet a portion of the need but ultimately need to be paired with further land use changes that create an environment conducive to dense development in the Core.

Acknowledging that the City's Planning Department has placed such a bet on secondary suites, we believe it would make sense to either lower the fee to zero or a nominal fee of roughly \$1000. The fee to add a secondary suite will go straight to everyday homeowners simply looking to increase the housing supply and create a rental property so it should be lowered as much as feasible.

Concern #4

We are concerned that the rationale behind the fee increases is flawed. Moving 100% of the cost to developers both devalues the work of public sector planners and ignores the serious cost that developers pay to their private sector planners.

Development is a public benefit, especially dense development and we believe these fee increases tip the scales in a manner which harms the general public who get benefit out of both the planning process and new development which brings new housing supply, while shielding existing homeowners and taxpayers from the reality that city services need to be paid by everyone in the city.

Concern #5

The speed in which development applications are processed in Hamilton remains a concern of our group. As such, it would make sense that applications which take longer than set time periods get a percentage reduction on their Development planning fees.

Concern #6

We believe the further increase of fees on January 1st, 2020 is too much for the market to bare at this time of low supply, especially of rentals. We such recommend that fees increase no more than 20% of **today's rates**.



Concern #7

Hamilton desperately needs to entice development of Purpose Built Rental (PBR) housing. As such, we are concerned that the City has an inadequate plan to increase the supply of PBR housing and believe PBR developments of more than 10 units should be entitled to a development planning fee reduction of 60%.

I would like to end this by thanking the City for receiving our opinions on this matter and that our group is always happy to discuss these issues from our perspective. Additionally, we look forward to the opportunity to comment and make recommendations on the upcoming Development Charges updates.

Best Regards,

Lachlan

Lachlan Holmes
Founder, HamiltonForward



Hamilton/Burlington
Society of Architects

Members of the Development Industry Liaison Group (DILG)
c/o Guy Paparella
City of Hamilton, Planning and Economic Development
71 Main Street East, 1st Floor
Hamilton, ON L8P 4Y5

March 19, 2019

Dear Members of the DILG,

The Hamilton-Burlington Society of Architects have been asked for comment on the proposed increases in the Tariff of Fees. We respectfully offer the following.

The HBSA is concerned that despite the continued elevated pace of construction, downtown and lower city development remains precarious and increasing fees could negatively impact the development industry, affecting everyone in the industry ranging from large developers to individual homeowners, and related professions.

The comments from City Economic Development's Glenn Norton recently are evidence of this: <https://www.thespec.com/news-story/9184584-is-lrt-uncertainty-choking-downtown-hamilton-development/>

In Hamilton, demand for office and commercial space is still very weak. Although some of our members are busy with feasibility studies and there is significant developer interest, there is limited follow through and few higher density housing projects actually being built. The industry remains delicate, so these substantial increases seem premature to us.

The HBSA believes any adjustment to development fees should be individually assessed in relation to the development type. Infill and intensification projects, which are highly sustainable, transit supportive, have very low infrastructure costs and therefore are highly desirable. Infill and intensification projects should not be charged the same fees as those for greenfield developments, which are known to be subsidized by City taxpayers given that development charges do not adequately fund the City for their lifetime of maintenance and repair. Accordingly, fees should be lower for infill and intensification projects, and perhaps focusing in specific geographic areas, in order to incentivize projects that are more cost-effective for the city and support the city and province's goals for intensification.

With respect to the specific fees we offer the following:

Site Plan Control Applications are proposed to increase from \$9,800 to \$25,730 for a Full Application, \$1,215 to \$14,760 for a Minor Application and from \$2,370 to \$12,230 for a preliminary Site Plan Review. The magnitude of these increases seems punitive and a disincentive to development. Increasing the tax base is one benefit of development and if the proposed increases are adopted, the city may lose out on opportunities for increased revenue generation, particularly on smaller projects taken on by smaller scale developers. Application fees for Site Plan Control on agricultural uses are similarly proposed to increase from 2 ½ to 6 ½ time current rates. Agriculture is vital for building sustainable communities and small family farms should be encouraged by the City. Only modest increases to fees should be approved.



Hamilton/Burlington
Society of Architects

The BMA report identifies an increase in Minor Variance Applications of over 50% in the last 4 years. This is concerning from an Open for Business perspective and likely reflects overly restrictive Zoning Bylaws and Zoning By-Law interpretations. It seems almost every project requires Minor Variances now, which creates considerable risk to developers as projects can be appealed to the LPAT. As an older city we need updated Zoning to permit infill and intensification projects without requiring minor variances. Especially when these projects match established good built form. It is worth noting many variance applications are made by individual home-owners. An increase in fee from \$1,619 to \$3,490 is excessive and impactful. We are concerned about the effects these fee increases will have on urban renewal in established neighbourhoods.

The HBSA is also concerned with the magnitude of the fee increase for Rezoning Applications and the doubling of the fees for routine applications and some administrative matters, such as the removal of a “H” Holding Provision.

New fees are also being introduced specifically impacting development downtown: a fee of \$6,260 for a removal of an “H”- Holding Provision, \$8,950 for a Shoring Agreement & Drainage Review, and \$6,750 for a Construction Management Plan.

As indicated in the January 18, 2019 report, the Proposed Tariff of Fees for Planning and Engineering Development Applications is based on a series of “Key Assumptions”. One of these “Assumes ‘status quo’ activity levels which are at historic highs”. As architects, we have witnessed and endured wild swings in the economy. We believe the assumption that the current pace of construction will continue is too optimistic and should not form the basis of Council’s decisions for these fee adjustments. The incentives Council adopted for the Downtown Core have stimulated the private sector growing the downtown, increasing the tax base, and creating a more vibrant and sustainable downtown. This kind of thinking is still needed in Hamilton. Although increases in fees are reasonable to account for the city’s operating costs to process applications, the proposed increase should be reduced, and phased in over time.

Sincerely,

The Hamilton Burlington Society of Architects

Christina Karney, Chair
Paula Hamilton, Vice Chair
Cecilia Nin, Secretary
Esther Link, Treasurer

Cc:

Sherree Donald – City of Hamilton
Bill Curran – HBSA Member
Rick Lintack – HBSA Member
Graham McNally- Past Chair

6.2

Form: Request to Speak to Committee of Council

Submitted on Monday, February 25, 2019 - 11:57 am

==Committee Requested==

Committee: General Issues Committee

==Requestor Information==

Name of Individual: Ed Fothergill**Name of Organization:** Hamilton Chamber of Commerce**Contact Number:** 905-522-1151 ext 230**Email Address:** b.caramento@hamiltonchamber.ca**Mailing Address:**

Hamilton Chamber of Commerce

120 King St W, Plaza Level

Hamilton, ON

L8P4V2

Reason(s) for delegation request: Speak on behalf of the Hamilton Chamber of Commerce on March 22nd, 2019, regarding the proposed increases to user fees.**Will you be requesting funds from the City?** No**Will you be submitting a formal presentation?** No

THE BUSINESS CASE FOR MAINTAINING REASONABLE USER FEE RATES IN HAMILTON



EXECUTIVE SUMMARY

On behalf of the Hamilton Chamber of Commerce, I would like to thank the City of Hamilton for seeking our input on the proposed increase to user fees.

As President & CEO of the Hamilton Chamber of Commerce, Hamilton's oldest institution at 174 years old, I have the privilege of speaking for our 1,000+ members that employ over 75,000 people in this community.

On January 18, 2019, a report went before the General Issues Committee (GIC) at Hamilton City Hall. The City's five-year review of Development Application Fees recommended an increase in Tariff of Fees for Development Applications.

City staff were directed to consult with the development industry within the next 30 days and come report to GIC.

We thank the City for the opportunity to make this submission. The Chamber appreciates the positive ongoing working relationship with staff and commits to continuing to dialogue with staff to find ways to improve the efficiency of the development process to facilitate new investment into our community.

We believe our position represents a fair and balanced approach to ensure that costs to the municipality are to some extent covered through development applications, while at the same time ensuring that the potential impact on local and future businesses is taken into account.

The consideration of the proposed increase in fees has been undertaken within the context of two principles. The first is the extent to which there is a public interest in the development applications that are subject to the increase in fees. The second principle is to assess these changes within the context of ensuring consistency with broader municipal strategies as they relate to economic development and support for small business

1. PUBLIC INTEREST

The background report prepared by the consultant on behalf of the City was tasked with identifying development application fees that would cover 100% of the cost of processing applications. This would put all of the costs on the proponent/applicant at no cost to the municipality, i.e. the public. This allocation is premised on the assumption that the full benefit of the application is to the proponent and that there is no public benefit associated with these applications. The position of the Hamilton Chamber of Commerce is that there is a need to encourage development activity and that costs should be shared in a manner that recognizes the public good involved with specific applications. Our assessment is as follows.

We understand that staff at the City are hired by, paid by, and function under the direction of Council and are there to serve the public interests. As professionals, their main responsibility is to represent the interests of their employer, i.e. the residents of the City of Hamilton through Council. When they spend time processing applications that are brought forward, their time on the file represents a professional role in protecting public interests. Therefore, there is a clear public interest in the role they play.

Similarly, planning consultants who act on behalf of proponents, through their professional ethical standards must consider the public interest in all of the work they undertake with respect to the processing of development applications. Thus, planners in both the public and private sector recognize the need to ensure a proper balance of public and private interests in development applications.

Second, there is a strong public interest associated with the economic benefits arising out of development applications. Development proposals not only generate future sustainable tax revenue, but also help in the creation of new jobs and in sustaining and expanding existing businesses.

There is also a public interest associated with development applications that assist in implementing specific Official Plan policies, including development applications that are anticipated to be forthcoming for properties along the LRT line. As these sites develop, the economic viability and sustainability of the LRT system is enhanced. Similarly, the importance of new development applications in the downtown area, which help to bring vitality through jobs and residents, is evidenced with current enhancement programs where fees, development charges, etc. have either been reduced or waived as part of a broader incentive program.

The public interest element of development applications is also illustrated in applications that relate to activities in the agricultural sector. Given there is a strong public interest in protecting and enhancing agricultural activities and the production of food, consideration of reduced fees for applications in the agricultural sector can be supported on the basis of contributing to the achievement of goals that are in the public interest.

2. ECONOMIC DEVELOPMENT AND SMALL BUSINESS

The second principle in consideration of increasing fees is the extent to which the increase in fees could impede or prevent the achievement of economic development objectives by introducing costs that become an impediment to growth of existing businesses or establishment of new businesses. In cases where large corporations are applicants and the development project is of a large scale, an increase in fees may represent a marginal increase in costs that can be easily passed on through the sale of the final end product. However, it is important to recognize that not all development applications are undertaken by large interests.

In the case of small businesses, funds are limited and the extent to which the increase can be absorbed through high volume economic activity is not always present. Very often the costs and fees are significant and any increase could frustrate new investment in site improvements.

3. FEE STRUCTURE AS AN ECONOMIC DEVELOPMENT TOOL

The consultant prepared a summary chart to compare both existing and proposed application fees with other area municipalities. While this is helpful to assess the comparative position of the City with respect to other municipalities, we believe this comparison can also be used in a positive way in terms of the promotion of economic development in the City.

Rather than suggest our goal will be to have fees that are comparable with other municipalities, we believe there is an economic development advantage to being able to boast that the City of Hamilton is business friendly and enjoys application fees that are lower than those in surrounding communities. This economic development strategy would be consistent with, and help to support, other initiatives that advertise the City of Hamilton as an attractive location in which to operate a business. In the downtown area, we have seen how a strategic fee structure can greatly affect economic outcomes.

Further, consideration of fees in other municipalities, particularly those to the east is not always a fair comparison in that land prices and economic outcomes from development applications are often much higher in those locations, making the application fees a smaller proportion of overall returns than applications within the City.

RECOMMENDATIONS

1. The first position of the Hamilton Chamber of Commerce is that there should be no increase in development application fees other than annual cost of living increases. This is consistent with being able to utilize the fee structure of the City as a helpful tool in terms of economic promotion. This will also minimize impacts on existing and new businesses.

2. At the same time, the Chamber recognizes that it is important to have a fee structure that is fair and reasonable. If fees are to be increased, our recommendation is that the increase be set at maximum of 50% of full cost recovery, recognizing the public and private benefit associated with development applications.

3. Introduce a range of fees for application for official plan amendment in the following manner:

- minor application, i.e. modifying numbers in an Official Plan, adding a land use, implementing a minor map Change: \$5,000
- intermediate application (current fee) \$19,000
- major (50% recovery) \$26,915

4. Introduce three categories for zoning applications as follows:

- minor (including adding a use) \$5,000
- intermediate (current fee) \$11,770
- maximum (50% recoverable fee) \$18,625

5. Increase the reduction for combined applications from 25% to 75% to reflect the marginal amount of additional work required for two applications to be processed concurrently.

6. Establish three categories of site plan application including the following:

- minor site plan application (2 x existing fee) \$2,430
- intermediate (current fee) \$9,800
- major (50% recoverable fee) \$17,765

7. Establish two categories for an amendment to an approved site plan
- minor (current fee) \$2,370
 - major (25% full cost recovery to recognize significance of increase) \$4,441
8. To minimize adverse impact to agricultural applications, in addition to the principle of only charging 50% of fees for agriculture uses, also implement the following:
- severance of surplus farms \$2,500
 - zoning to eliminate development on retained lot as a result of farm consolidation \$2,000
 - site plan application for construction of a barn structure \$2,000
10. Do not create a new fee for the removal of a holding provision in the Downtown.

11. Sign variance - Since this often relates to small business owners, we recommend the fee be retained as current. If an increase is deemed warranted, it is recommended the increase be a maximum of twice the current rate of \$910 to become \$1,820.

12. Given that a number of agreements are in standardized form, the Chamber would recommend that the cost for preparation of these agreements be reduced. This could be implemented in part through the agreements being available to the proponent on line and have the proponent fill in the relevant parts of the agreement.

As such, we believe that the fees for these agreements should be a maximum of \$1,500. This would include agreements such as:

- External Works Agreement
- Special Service Agreement
- Special Water Service Agreement
- Joint Sewer/Water Service Agreement
- Consent Agreements with or without warning clauses

13. Review of Construction Management Plan - Given that this is a review of a generally standardized plan, consideration should be given to setting a maximum fee of \$1500.

14. In order to allow the community to adapt to these changes, if an increase is to be considered, it is recommended that the increases be phased in in the following manner:

- retain the existing fee structure until July 1, 2019
- any proposed increase be limited to 50% until October 1, 2019
- on January 1, 2020 the full fee increase will be implemented

We thank the City for the opportunity to make this submission. The Chamber appreciates the positive ongoing working relationship with staff and commits to continuing to dialogue with staff to find ways to improve the efficiency of the development process to facilitate new investment into our community.

Respectfully Submitted,



Keanin Loomis
President and CEO
Hamilton Chamber of Commerce

6.3

Form: Request to Speak to Committee of Council

Submitted on Tuesday, March 19, 2019 - 11:19 am

==Committee Requested==

Committee: General Issues Committee

==Requestor Information==

Name of Individual: Suzanne Mammel

Name of Organization: Hamilton Halton Home Builders' Association

Contact Number: 9059733663

Email Address: smammel@hhhba.ca

Mailing Address: 1112 Rymal Road East, Hamilton, Ontario

Reason(s) for delegation request:

March 22nd, 2019 - GIC Meeting RE: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide)

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? Noon



Community Builders...Building Communities

City of Hamilton
71 Main Street West,
Hamilton, ON L8P 4Y5

March 14th, 2019

Re: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications

Attn: Mayor and Members of the General Issues Committee

On behalf of the Hamilton Halton Home Builders' Association (HHHBA), I would like to thank the City of Hamilton for seeking our input on the proposed increase to user fees.

In 2018, the City of Hamilton undertook a comprehensive Planning and Development Engineering Fee Review to determine if the current development application fees are reflective of council's direction to achieve full activity-based cost recovery inclusive of overhead costs for all development application related processing. The review is based solely on the current level of service without any enhancements.

Over the last several months, the City of Hamilton has given the opportunity for the public, and many stakeholder groups to comment and provide feedback. The HHHBA would like to thank the City of Hamilton for continuing to work with the industry, and providing us with time to speak to the ongoing changes facing the home building industry in Hamilton. This working relationship has been a positive one, and the HHHBA looks to continue to find ways to help grow the City of Hamilton, while simultaneously supporting the best interests of local business, and every home owner or soon to be home owner in the city.

Errors/Omissions in the User Fee Study:

- Comparison cities – The consultant did not use all cities within an appropriate kilometer radius of Hamilton, but rather selected cities that had higher user fees. All of the cities (but one) were located within the GTA. Cities that should be included within the study are Cambridge/Kitchener/Waterloo, Niagara Falls, Brantford, St Catharines, and Guelph.
- The City of Hamilton often requires complex applications for projects deemed 'routine' in other cities.



- Several examples should be used to gauge the actual costs of user fees compared with other Cities
- The user fee comparison only included base fees, not the additional 'per-unit' fees that are on top of the base fees
- Generally, the consultant's study is only single dimensional; it only looks at base fees, without considering market conditions, expedited services, staff ratios, etc.
- The study falsely assumes that Development Planners do not provide a service to the tax-paying public, as it suggests that 100% of their salaries and benefits are to be covered by user fees
- Errors in consultant's research - the timesheets of the staff are excessive or exaggerated. An example of this being some technical staff (such as transportation/development engineering) are incorrectly shown to be reviewing routine applications.

Our recommendations are as follows;

1. The first recommendation the Hamilton Halton Home Builders' Association is putting forward is that there should be no increase to development application fees beyond inflation.

If this is not the direction taken by the City of Hamilton, the Hamilton Halton Home Builders' Association expresses a need for a cost recovery direction that is in a fair a just manner. Unfortunately, the end result of these particular **100% cost recovery increases for all application types** will be harmful for the City of Hamilton's growth and competitiveness moving forward. Therefore, the HHHBA recommends reduces its proposed increases to a percentage more appropriate relative to the calculations in the user fee study.

2. In addition to the previous point, the calculations in the User fee Study are flawed based on the HHHBA's review of the time sheets prepared by staff. We found that hours were inflated. An example of this was the number of hours by Development Planning Senior Project Manager's spending 1 hour on every minor variance application. The number of hours per staff person, per application type, per task exceeds the total staff hours worked.

These timesheet calculations need to be revaluated and revisited by the City of Hamilton and development industry to ensure all fee increases are based on appropriate calculations.

3. In past meetings with the City of Hamilton, there was talk around adding new application categories in order to help support smaller projects that would be affected greatly by these cost increases. It is important to note, not all application types are completed by industry professional. Many homeowners, filing "minor" or "routine" applications will be hurt from these increases as well. Therefore, the HHHBA recommends the opening a dialog on further categorization for all application types to better support all sizes of projects.
4. In addition to the previous recommendation, definitions of what constitutes 'routine' and 'complex' applications should be determined for equality across the board.
5. It is important to note that agricultural applications will be severally impacted moving forward with the proposed 100% cost recovery increases. Many of these applications are minor in scope and should be revisited. The HHHBA recommends revisiting the agricultural application fee increases.
6. As efficiency is key to maintaining project timelines, and the City of Hamilton should allow for reductions to fees if applications are not reviewed within a specified time period
7. There is a major need for transitional policies to allow for development community to adjust. In that, those already through formal consultation to be under old fees.
8. The industry has expressed a need for rate caps be introduced to all fees that have a per unit charge.

Due to the magnitude and implications of this document it is imperative that the comments from the industry and professionals affected by it be given appropriate consideration. We further request that staff attend a further meeting with the industry to discuss the comments provided herein and the outcomes that may or may not have been incorporated. We have always stated that we are happy to work with the City on documents such as this.

Thank you again for the opportunity to comment on the *2019 Proposed Tariff of Fees for Planning and Engineering Development Applications*. Please feel free to contact us with any questions. We look forward to continuing the consultation process with the City.

Sincerely,



Suzanne Mammel, MBA CET

CEO, Hamilton-Halton Home Builders' Association



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management and Planning Divisions

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	March 22, 2019
SUBJECT/REPORT NO:	2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015(a)) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Tony Sergi Senior Director, Growth Management Planning and Economic Development Department
SUBMITTED BY:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department

RECOMMENDATIONS

- (a) The 2019 Tariff of Fees for Planning and Engineering Development Applications, attached as Appendix "B" to Report PED19015(a) be approved and incorporated into the User Fees and Charges By-law, effective May 1, 2019 and January 1, 2020 respectively; and,
- (b) That the matter respecting 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications be identified as complete and removed from the Planning Committee Outstanding Business List.

EXECUTIVE SUMMARY

In 2018, the City has undertaken a comprehensive Planning and Development Engineering Fee Review to determine if the current development application fees are

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015(a)) - Page 2 of 9

reflective of Council's direction to achieve full activity-based cost recovery inclusive of overhead costs for all development application related processing. The projected number of applications by type is based on the median average intake of development applications over the last five years. Although the intention is to fully recover all costs on an annualized basis, based on the fluctuation of various types, sizes, volumes, and complexity of development applications, the actual revenue generated may not necessarily recover all costs required for the Planning, Growth Management and other development application-related Divisions. In addition, this Review is based solely on the current level of service without any enhancements. As a result of the Fee Review, staff are recommending a revised 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications with 60% of the new fee increase for 2019 as a phase-in on May 1, 2019. In addition, staff are recommending another partial effective implementation date of January 1, 2020 with a 90% of the new fee increase for 2020 increase as a phase-in. Subsequent Tariff of Fees increases will be on an annual basis the first of every January based on the Consumer Price Index (CPI).

Alternatives for Consideration – See Page 10 and 11

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The financial impact of the proposed phased in approach to the fee increase would be as follows:

- Planning Division – result in estimated total annual revenue of approximately \$1.076 Million over the current budget revenue submission, based on revised activity levels. A portion of this revenue relating to development applications which have shared processing will be allocated to Growth Management Division (i.e. Site Plans). It should be noted that if the revised activity levels are not achieved than the revenues would be lower than this amount. In addition, the phased in approach and the development applications with special rates and discounts would require levy contributions and / or short-term transfer from the Development Fee Stabilization Reserve.
- Growth Management Division – resulting share of estimated total annual revenue generated from the \$1.076 Million is approximately \$338,000 over the current budget revenue submission, based on revised activity levels. It should be noted that if the revised activity levels are not achieved and the special rates and discounts are imposed, than this would require levy contribution and / or short-term transfer from the Development Fee Stabilization Reserve.

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SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015(a)) - Page 3 of 9

- Additional estimated total annual revenue of approximately \$190,000, \$176,000 and \$336,000 is forecast to accrue to Public Works / Hamilton Water, Transportation Planning and Parking, and Building Divisions respectively. Legal Services receives approximately \$40,000 as part of overhead costs.

Staffing: This Fee Review is based solely on the current level of service without any enhancements. However, the Planning and Economic Development Department is recommending to undertake a workforce attraction and retention strategy focussed on the Department's development approvals function, that includes a salary competitiveness survey, a review of staff workloads, and a review of the applicability of the Building Enterprise model to the Department's development approvals function and report back.

Legal: Statutory authority to impose a tariff of fees for Planning Applications is granted to the City of Hamilton through Section 69 of the *Planning Act*. Municipalities are required to pass by-laws for the purpose of collecting fees related to the processing of Planning Applications. No notice is required to be given under the *Planning Act*, however, an applicant may pay the fee under protest and appeal to the Local Planning Area Tribunal (LPAT) formerly the Ontario Municipal Board (OMB).

HISTORICAL BACKGROUND

Effective January 1, 2013, a revised Tariff of Fees By-law was passed by Council which generated revenues over the last five years which moved closer to full activity-based cost recovery but still fell far short due to many factors including reduced rates for certain types of development applications, higher than expected development application activity, non-cost recovery for certain development related services, and numerous legislative, regulatory and process changes.

In late 2017, City Council directed staff to conduct another comprehensive review of the Planning and Development Engineering fees structure and BMA Management Consulting Incorporated (BMA) was retained to assist in conducting the comprehensive review with the key objective again to have full activity-based cost recovery.

The Planning and Economic Development Department (PED) presented report PED19015 on January 18, 2019 to the General Issues Committee outlining the results of the Department's review of planning and development fees and recommending a phased increase to planning and development fees, with an initial increase to begin effective February 1, 2019. The General Issues Committee directed that:

- (a) That report PED19015, respecting the 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications, be deferred to a Special General

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Issues Committee meeting, to take place after the 30-day consultation period with the public and interested stakeholders; and,

- (b) That staff be directed to report back to the General Issues Committee respecting an alternate rate for Secondary Suites, as an interim measure until such time as the new residential zoning has been adopted, which will implement the Official Plan policies that permit Secondary Suites in all residential areas of the City. Staff have been undertaking the requested consultations, and will be reporting back to General Issues Committee with recommendations on March 22, 2019.

During the presentation of the Planning and Economic Development Department proposed 2019 Operating Budget on January 30, 2019, the General Issues Committee requested that PED staff work with Finance staff to review the PED operating budget, and the pending increases to the planning and development fees, and report back as part of the 2019 Budget process with recommendations for how the fee increases could be used to offset the PED levy impact. On February 28, 2019, the General Issues Committee considered and deferred report PED19066 regarding operating budget offsets to the levy from proposed Planning and Development Fees.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Planning Division; Growth Management Division; Building Division; Transportation Planning and Parking Division; Public Works Department-Hamilton Water and Corridor Management; Development Industry Liaison Group (DILG); and, Hamilton-Halton Home Builders' Association (HHHBA).

On November 19, 2018, staff notified the members of the DILG that the Planning and Engineering Development Fees Review, 2018 was completed by BMA that they would be given an opportunity for feedback at and / or after the January 18, 2019 General Issues Committee. In this regard, staff believes it is important to maintain an on-going dialogue with representatives of the DILG, especially the HHHBA, to review the fees and respond to their concerns.

As such, General Issues Committee deferred report PED19015 to a Special General Issues Committee meeting, to take place after the 30-day consultation period with the public and interested stakeholders. On February 11 and 22, 2019, staff met with members of the DILG and there were a number of suggestions regarding the proposed Tariff of Fees including:

- Discussion was had regarding the application process on both the City side and the Applicant side needing refinement for increased efficiency;

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- Concerns were raised over the value of fees compared to the level of service received;
- The principle of 100% activity based cost recovery neglects to take into account the public benefit which staff provide that is not always directly related to development applications including general inquiries, provision of land use planning process and policy advice and information;
- Consideration should be given to a cap for high cost anomalies in development applications;
- Additional Fee for expedited service;
- Phasing in of proposed fees possibly tied to grandfathering based on date of Formal Consultations which have occurred;
- Concerns over the calculation of staff time and overhead costs included in the fee calculation;
- Clearer definitions and / or more liberal discretion of staff to use less expensive and less time consuming “routine” or “minor” type applications for zoning, site plan and variance submissions; and,
- Concern over marketability of higher fees and the impact on affordability of housing in particular.

There is also an Agriculture and Rural Affairs Advisory Committee scheduled for March 18, 2019, to which staff is attending to obtain input regarding the impact of these Tariff of Fees on the Agricultural community. Currently, there is a policy to discount rural development applications by 50%. Since this Report will be already published, staff intends to report any findings to the GIC on March 22, 2019.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Section 69 of the *Planning Act* allows municipalities to impose fees through by-law for the purpose of processing Planning applications. In determining the associated fees, the *Planning 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 costs 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.”

BMA was retained to assist with the Review of Planning and Growth Management processing fees to ensure compliance with Section 69 of the *Planning Act*. The Review included an analysis of the costs of services, and a process mapping of the various stages associated with providing Planning and Growth Management related services. ***Planning and Engineering Development Fee Review - 2018, BMA Management***

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Consulting Incorporated (BMA): (See Appendix “A” to report PED19015 on March 22, 2019 GIC Agenda)

The Review recommended the following:

1. Establishment of several new fees for a number of processes, services and inspections that were not captured previously. The same methodology was used to calculate the fee required. See Appendix “B” to Report PED19015(a) for a full list.
2. Maintaining current fees for large scale developments (i.e. Plans of Subdivision) – currently the City is charging a sliding scale fee on construction cost for engineering construction supervision and agreement preparation. This approach recognizes the economies of scale for the larger developments and as such staff have not proposed refining or revising the sliding fee scale:

<i>Current Fee</i>
<i>Percentage of construction value of service installed under the subdivision agreement at:</i>
<i>6% - for the first \$1,000,000</i>
<i>5% - for the next \$1,000,001 to \$2,000,000</i>
<i>4% - for construction value over \$2,000,000</i>

3. Joint applications – the current fee structure provides a “discount” for simultaneous applications where more than one application is made at the same time to recognize there is overlap in the process and efficiencies with processing related applications. However, the discount provision is not extended to multiple applications which include plans of condominium. Accordingly, it is proposed to implement the following fee reduction structure:

<i>Current Fee Reduction</i>	<i>Proposed Fee Reduction</i>
Where applications are made for an Official Plan Amendment, Zoning Amendment, Plan of Subdivision or any combination thereof, the total fees will be reduced by 25%	Maintain the current fee reduction and to include Plans of Condominium.

Phasing-in

Staff is recommending the proposed fees would apply to new applications and to revisions and resubmissions of applications received after the passing of the User Fees and Charges By-law. Due to the significant increase for some of the fees (i.e. Zoning

By-law Amendments, Site Plan Control), Staff is recommending a 60% phase-in as of May 1, 2019 to help smooth the transition to the new fee changes over time. This option would allow for the development industry to adjust current operations to reflect

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financial impacts together with still providing the City increased revenues. In addition, staff are recommending another partial effective implementation date of January 1, 2020 with a 90% of the new 2019 increase as a phase-in. Subsequent Tariff of Fees increases will be on an annual basis the first of every January based on the Consumer Price Index (CPI).

This would result in lower revenues proportionately across all PED Divisions. As an example, an Official Plan Amendment Application (OPA) would have the following new fees and cost recoveries:

2019 Activity Based Costing Fee	2019 Activity Based Costing Increase over 2019 Fee	Phased in Fee 60% Increase	Phased in Fee 90% Increase	Percentage Cost Recovery 60% Increase	Percentage Cost Recovery 90% Increase
\$34,680	\$15,710	\$28,504	\$33,271	82.19%	95.94%

Each type of development application would have varying impacts on cost recoveries for all PED Divisions.

Appendix "A" to Report PED19015(a) outlines past and new Tariff of Fees for comparison purposes. It also outlines calculations for 60% and 90% of the new fee increase for 2019 and 2020.

Special Rates and Discounts

Through the consultations with GIC, the development industry and the public, there were a number of very specific concerns related to different types of development applications or forms of development including:

- an alternative fee for secondary suites in basements or laneways;
- continuing the policy of discounting agricultural / rural development applications by 50%;
- create a reduced sign variance fee for more minor variances;
- create definitions for more "Minor" Minor Variance application fee to address more routine adjustments; and,
- Clearer definitions and / or more liberal discretion of staff to use less expensive and less time consuming "routine" or "minor" type applications for zoning, site plan and variance submissions.

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As such, staff are recommending the following special rates and discounts:

Development applications related to secondary suites be discounted by 75% of the proposed fee until such time as the Revised Residential Zones of the Comprehensive Zoning By-law are adopted by Council. In the city's efforts to improve housing affordability, secondary suites should be encouraged where possible. If the new fee was imposed in full on secondary suites than the charge would \$19,996 (as of May 1, 2019). However, staff sees this fee as a barrier to increasing affordable housing and as such are recommending a 75% discount to \$4,999 (as of May 1, 2019).

Also staff recommends continuing the policy of discounting agricultural / rural development applications by 50%, with the exception of those proposed developments related to the cannabis industry.

Minor Variances which are considered "Minor" such as sign variances, residential variances for decks, sheds and pools will be discounted by 50% of the proposed development application fee.

The current tariff of fee by-law has a definition of "Routine" for zoning application purposes. Based on the criteria for "Routine", the current definitions are appropriate and no changes are warranted or proposed.

ALTERNATIVES FOR CONSIDERATION

1. Maintain the current practice of adjusting the fees on an annual basis in accordance with the CPI. This would result in revenues being lower than the anticipated cost to process applications.
2. Phasing in proposed fee increases based on some other percentage of the proposed fee increase by some other date in 2019. Although this would provide for the development industry to adjust current operations to reflect financial impacts, it would have a negative impact on the City in decreased revenues.
3. Full implementation of proposed fee increases by May 1, 2019. This option would maximize revenue generation for the city but could have a negative impact on developments that are already planned.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

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Development Applications (City Wide) (PED19015(a)) - Page 9 of 9**

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" - Past and Proposed Tariff of Fees Comparison

Appendix "B" - Proposed 2019 Tariff of Fees for Planning and Engineering Development Applications Effective May 1, 2019 and January 1, 2020.

GP:as:sd

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Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Official Plan Amendment and/or Zoning Bylaw Amendment to establish a New Pit or Quarry	100,000	135,615	139,685	138,330	138,330	138,330
Pit or Quarry Expansion	40,000	54,250	55,880	55,340	55,340	55,340
Official Plan Amendment (Rural or Urban)		18,420	18,970	34,860	28,504	33,271
Phase 1 - Services up to City Council Report	5,680	10,880	11,205	20,590	16,836	19,652
Phase 2 - Services subsequent to Council Resolution approval	3,940	7,540	7,765	14,280	11,674	13,629
Recirculation with no advertising required	385	480	495	1,210	924	1,139
Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	385	480	495	1,210	924	1,139
Advertising (minimum charge, if applicable)	1,000	1,115	1,150	1,500	1,360	1,465
Amended application with public consultation		2,890	2,975	4,170	3,692	4,051
Rezoning Application						
Routine	5,585	11,425	11,770	25,480	19,996	24,109
<i>Secondary Suites (New)</i>				6,370	4,999	6,027
Complex (comprised of Phase 1 and 2 fee)	11,170	22,840	23,525	36,335	31,211	35,054
Complex Phase 1 - Services up to City Council Report	7,530	15,395	15,855	24,491	21,037	23,627

Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Complex Phase 2 - Services subsequent to Council Resolution approval	3,640	7,445	7,670	11,844	10,174	11,427
Residential Per Unit Fee (NEW)		-		600	360	540
Non-Residential per m2 fee (NEW)				9	5	8
Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	385	48	495	1,210	924	1,139
Advertising (minimum charge, if applicable)	1,000	1,115	1,150	1,500	1,360	1,465
Severance of Surplus Farm	2,795	5,710	5,880	9,200	7,872	8,868
Amended application with circulation	725	1,445	1,490	2,085	1,847	2,026
Recirculation	725	1,445	1,490	2,085	1,847	2,026
Removal of a 'H' Holding Provision	1,545	1,900	1,955	4,080	3,230	3,868
Removal of a 'H' Holding Provision (Downtown NEW)		-		6,260	3,756	5,634
Supplementary Report Fee (NEW)		-		5,000	3,000	4,500
Site Plan Control						
Full Application	5,880	9,515	9,800	25,730	19,358	24,137
Agricultural Uses - 1/2 of Application Fee	2,940	4,760	4,905	12,865	9,679	12,069
Amendment to an Approved Site Plan	1,425	2,300	2,370	15,400	10,188	14,097
Agricultural Uses - 1/2 of Application Fee	712	1,155	1,190	7,710	5,094	7,049
Minor Application	730	1,180	1,215	14,760	9,342	13,406

Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Agricultural Uses - 1/2 of Application Fee	345	590	610	7,385	4,671	6,703
Site Plan Inspections (NEW)				3,700	2,220	3,330
Preliminary Site Plan Review	1,425	2,300	2,370	12,230	8,286	11,244
Resubmission fee per plan type of 4th submission and thereafter		3,045		750	750	750
3 month extension				390	234	351
6 month extension				780	468	702
9 month extension				1,165	699	1,049
12 month extension	960	1,555	1,605	1,605	1,605	1,605
1 & 2 Family Residential of the Hamilton Beach Strip	1,375	2,225	2,290	10,200	7,036	9,409
1 & 2 Family Residential within or contiguous to Major Open Space Areas		1/2 applicable fee	1/2 applicable fee	1/2 application fee	1/2 application fee	1/2 application fee
Plus per unit Residential charge for first 10 units	250	555	570	1,000	828	957
Plus per unit Residential charge for additional units (11-50 units to a max of 50 units)	250 (max 30 units)	335	345	600	498	575
Plus per m2 new gross floor area for non-residential developments	1 m2	5 m2	5 m2	8.50 m2	7.10 m2	8.15 m2
Ancaster Minor Development Application			5,150	2,320	2,320	2,320
Plans of Subdivision						
Subdivision Application	15,808	36,755	37,860	50,370	45,366	49,119

Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Plus Addition per unit charge (0-25 units NEW)	100	225	230	525	407	496
26-100 units	100	-		300	180	270
101+ units	100	-		240	144	216
Plus Addition per block charge	500	645	665	860	782	841
Recirculation of revisions	800	1,025	1,055	1,900	1,562	1,816
Revision - Draft Plan Approved						
Minor Revisions	1,830	4,800	4,945	1,180	1,180	1,180
Major Revisions	11,910	27,565	28,390	37,770	34,018	36,832
Extension - Draft Plan approved	620	815	840	510	510	510
Maintenance	330	430	445	500	478	495
Advertising (minimum charge, if applicable)	1,000	1,115	1,150	1,500	1,360	1,465
Amended application with public consultation		2,890	2,975	8,300	6,170	7,768
Street Lighting Review and Evaluation				7,135	4,281	6,422
Plan of Condominium						
New Construction - with Public Process	10,365	24,020	24,740	18,000	18,000	18,000
Plus Addition per unit charge	55	75	75	75	75	75
New Construction - without Public Process	7,610	17,625	18,155	14,993	14,993	14,993
Plus Addition per unit charge	55	75	75	75	75	75
Condominium Conversions	10,945	25,380	26,140	26,140	26,140	26,140
Plus Addition per unit charge	70	95	100	100	100	100
Recirculation	800	1,080	1,110	1,110	1,110	1,110

Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Revision	850	1,160	1,195	1,195	1,195	1,195
Maintenance Fee	330	445	460	460	460	460
Exemption	900	1,230	1,265	1,265	1,265	1,265
Extension	620	845	870	870	870	870
Part Lot Control Application	1,670	2,450	2,525	2,525	2,525	2,525
Plus per Lot/Unit/Part	80	225	230	230	230	230
Plus per Unit Finance Fee		15	18	18	18	18
Extension	720	1,045	1,075	1,075	1,075	1,075
Consent Application						
Fully Serviced Lot	1,800	2,635	2,712	2,860	2,801	2,845
Property serviced by well/cistern	1,900	2,775	2,860	2,860	2,860	2,860
Additional fee + base fee where no sanitary sewer exists	245	355	365	375	371	374
Recirculation	145	215	220	190	190	190
Deed Certification	145	215	220	220	220	220
Referral or Extension	40	60	60	65	63	65
Validation of Title	540	805	830	450	450	450
Plus per Unit Finance Fee		15	18	15	15	15
Minor Variance	1,000	1,565	1,610	3,490	2,738	3,302
Routine Minor Variance		1,190	1,225	1,190	1,190	1,190
<i>50% Discounted Routine Minor Variance</i>				595	595	595
Variences req'd after the fact	1,210	1,890	1,945	4,360	3,394	4,119
Recirculation	145	225	230	280	260	275
Sign Variance	725	885	910	6,220	4,096	5,689
<i>50% Discounted Sign variance</i>				595	595	595

Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Signs erected, located and/or displayed without a permit	1,003		1,265	1,265	1,265	1,265
Neighbourhood Plan or Modified Neighbourhood Plan Preparation	1,830	2,245	2,310	2,290	2,290	2,290
Municipal Street Number Request	240	335	345	360	354	359
Street Name Change	4,880	6,400	6,590	2,310	2,310	2,310
Property Reports	135	170	175	180	178	179
MECP Environmental Compliance Approval Administration Fee	1,640	2,225	2,290	2,290	2,290	2,290
Cash in Lieu of Parking Administration Fee	405	505	520	520	520	520
Environmental Sensitive Areas Impact Evaluation Group (ESAIEG)	310	375	385	390	388	390
Record of Site Condition Administration Fee	260	385	395	400	398	400
Peer Review of Special Studies Administration Fee	280	2,475	2,550	Consultant fee + HST	Consultant fee + HST	Consultant fee + HST
Subdivision Agreement Preparation						
Subdivision Agreement Preparation - New Process		2,085	2,150	4,200	3,380	3,995
Subdivision Agreement Preparation - Old Process	1,690	3,560	3,665			
Minor Revision to Subdivision Agreement	170	225	230	500	392	473
Major Alteration to Subdivision Agreement	390	480	495	1,000	798	950
Subdivision Agreement Amendment		1,040	1,070	1,050	1,050	1,050

Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Special Agreements						
External Work Agreement Preparation	1,690	4,830	4,975	4,930	4,930	4,930
Special Sewer Service Agreement	2,410	4,110	4,235	4,200	4,200	4,200
Special Water Service Agreement	2,410	4,110	4,235	4,200	4,200	4,200
Joint Sewer/Water Service Agreement	2,410	4,110	4,235	4,200	4,200	4,200
Consent Agreements	3,355	4,110	4,235	4,200	4,200	4,200
Consent Agreement with warning clauses only	3,355	2,055	2,115	2,100	2,100	2,100
Site Alteration Process - review and circulate plans Residential		235	240	1,000	696	924
Site Alteration Process - review and circulate plans Non-residential		\$580 + \$25 ha	595 + 30 / ha	2,770	2,770	2,770
Site Alteration Process per plan type on 4th submission and thereafter (NEW)				750	450	675
LPAT Appeal (NEW) initiate process				1,760	1,056	1,584
Shoring Agreement & Draining Review (NEW)				8,950	5,370	8,055
Construction Management Plan (NEW)				6,570	3,942	5,913
Lot Grading						
Lot Grading Acceptance inspection per unit	290	395	405	510	468	500
Lot Grading Acceptance inspection per multi-unit block (3-8 units)	290	805	830	1,040	956	1,019

Application Type	2009 Fee	2018 Fee	Current Fee (January 1, 2019)	New Fee at Full Cost Recovery	60% of the New Fee Increase (May 1, 2019)	90% of the New Fee Increase (Jan 1, 2020)
Lot Grading and Service Connection Applications (NEW)				4,140	2,484	3,726
Lot grading re-inspection fees (3rd and subsequent) (NEW)				250	150	225
Pre-Service Agreements	3,435	4,110	4,235	4,200	4,200	4,200
Additional Cost per Unit	30	35	35	35	35	35
Pre-Grading Agreement	3,480	4,110	4,235	4,200	4,200	4,200
Phased / Staged Construction		2,145	2,210	2,200	2,200	2,200
Tree Protection						
General Vegetation Inventory Review				365	365	365
Tree Protection Plan Review				605	605	605
Other Fees						
Records Search				25	25	25
Photocopying Fee				0.50	0.50	0.50

Tariff of Fees for Planning and Engineering Development Applications (Effective May 1, 2019 and January 1, 2020 respectively)		
	May 1, 2019	January 1, 2020
1. Official Plan Amendment and/or Zoning Bylaw Amendment to establish a New Pit or Quarry	\$138,330	\$138,330
2. Pit or Quarry - Expansion	\$55,340	\$55,340
3. Official Plan Amendment (Rural or Urban)¹	\$28,504	\$33,271
a) Phase 1 - Services up to City Council Report	\$16,836	\$19,652
b) Phase 2 - Services subsequent to Council Resolution approval	\$11,674	\$13,629
c) Recirculation with no advertising required	\$924	\$1,139
d) Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	\$924	\$1,139
e) Advertising (minimum charge, if applicable)	\$1,360	\$1,465
f) Amended application with public consultation	\$3,692	\$4,051
g) New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived	Fees Waived
4. Rezoning Application^{1 2}		
a) Routine	\$19,996	\$24,109
b) Secondary Suites	\$4,999	\$6,027
c) Complex (comprised of Phase 1 and 2 fee)	\$31,211	\$35,054
i. Complex Phase 1 - Services up to City Council Report	\$21,037	\$23,627
ii. Complex Phase 2 - Services subsequent to Council Resolution approval	\$10,174	\$11,427
iii. Residential Per Unit Fee (NEW),	\$360	\$540
iv. Non-Residential per m2 fee (NEW)	\$5.00	\$8.00
d) Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	\$924	\$1,139
e) Advertising (minimum charge, if applicable)	\$1,360	\$1,465
f) Severance of Surplus Farm Dwelling	\$7,872	\$8,868

Appendix "B" to Report PED19015(a)

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g)	Amended application with Circulation	\$1,847	\$2,026
h)	Recirculation	\$1,847	\$2,026
i)	Removal of a 'H' Holding Provision	\$3,230	\$3,868
j)	Removal of a 'H' Holding Provision (Downtown NEW)	\$3,756	\$5,634
k)	Supplementary Report Fee (NEW)	\$3,000	\$4,500
l)	New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived	Fees Waived
5. Site Plan Control			
a)	Full Application	\$19,358	\$24,137
	<i>i. Agricultural Uses - 1/2 of Applicable Fee⁶</i>	\$9,679	\$12,069
b)	Amendment to an Approved Site Plan	\$10,188	\$14,097
	<i>i. Agricultural Uses - 1/2 of Applicable Fee⁶</i>	\$5,094	\$7,049
c)	Minor Application	\$9,342	\$13,406
	<i>i. Agricultural Uses - 1/2 of Applicable Fee⁶</i>	\$4,671	\$6,703
d)	Site Plan Inspections	\$2,220	\$3,330
e)	Preliminary Site Plan Review	\$8,286	\$11,244
f)	Resubmission fee per plan type on 4th submission and thereafter	\$750	\$750
g)	Site Plan Approval Extension		
	<i>i. 3 month extension</i>	\$234	\$651
	<i>ii. 6 month extension</i>	\$468	\$702
	<i>iii. 9 month extension</i>	\$699	\$1,049
	<i>iv. 12 month extension</i>	\$1,605	\$1,605
h)	1 & 2 Family Residential on the Hamilton Beach Strip	\$7,036	\$9,409
i)	1 & 2 Family Residential within or contiguous to Major Open Space areas	1/2 applicable fee	1/2 applicable fee

j)	Plus per unit Residential charge for first 10 units	\$828	\$957
k)	Plus per unit Residential charge for additional units (11-50 units to a max of 50 units)	\$498	\$575
l)	Plus per m2 new gross floor area for non-residential developments	\$7.10 m ²	\$8.15 m ²
m)	Ancaster Minor Development Application	\$2,320	\$2,320
n)	New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived	Fees Waived
Note: Fee amount shall be based on fees that are in effect on date of final approval.			
Note: Vertical development capped at \$35,000			
6. Plans of Subdivisions¹			
a)	Subdivision application	\$45,366	\$49,119
i.	Plus Addition per unit charge (0-25 units NEW)	\$407	\$496
ii.	26-100 units N/A	\$180	\$270
iii.	101+ units N/A	\$144	\$216
iv.	Plus Addition per block charge	\$782	\$841
b)	Recirculation of revisions	\$1,562	\$1,816
c)	Revision - Draft Plan approved		
i.	Minor Revisions	\$1,180	\$1,180
ii.	Major Revisions	\$34,018	\$36,832
d)	Extension - Draft Plan approved	\$510	\$510
e)	Maintenance	\$478	\$495
f)	Advertising (minimum charge, if applicable)	\$1,360	\$1,465
g)	Amended application with public consultation	\$6,170	\$7,768
h)	New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived	Fees Waived
i)	Street Lighting Review and Evaluation	\$4,281	\$6,422

7. Plan of Condominium¹		
a) New Construction - with Public Process	\$18,000	\$18,000
i. Plus Addition per unit charge	\$75	\$75
b) New Construction - without Public Process	\$14,993	\$14,993
i. Plus Addition per unit charge	\$75	\$75
c) Condominium Conversions	\$26,140	\$26,140
i. Plus Addition per unit charge	\$100	\$100
d) Recirculation	\$1,110	\$1,110
e) Revision	\$1,195	\$1,195
f) Maintenance Fee	\$460	\$460
g) Exemption	\$1,265	\$1,265
h) Extension	\$870	\$870
i) New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived	Fees Waived
8. Part Lot Control Application	\$2,525	\$2,525
i. Plus per Lot/Unit/Part	\$230	\$230
ii. Plus per Unit Finance Fee	\$18	\$18
iii. Extension	\$1,075	\$1,075
9. Consent Application		
a) Land Division Consent fee		
i. Fully Serviced Lot	\$2,801	\$2,845
ii. Property serviced by well/cistern	\$2,860	\$2,860
iii. Additional fee plus base fee where no sanitary sewer exists	\$371	\$374
b) Recirculation	\$190	\$190
c) Deed Certification	\$220	\$220

d) Deferral or Extension	\$63	\$65
e) Validation of Title	\$450	\$450
f) Plus per Unit Finance Fee	\$15	\$15
10. Formal Consultation (fee will be credited to any required future application) ³	\$1,200	\$1,200
11. Minor Variance	\$2,738	\$3,302
a) Routine Minor Variance (Note: applies to pools, decks, sheds, accessory buildings, porches, eave projections and recognizing legal non-complying situations)	\$595	\$595
b) Variances required after the fact	\$3,394	\$4,119
c) Recirculation	\$260	\$275
12. Sign Variance	\$595	\$595
13. Sign Erected, Located and/or Displayed without a Permit	\$1,265	\$1,265
14. Neighbourhood Plan or Modified Neighbourhood Plan Preparation	\$2,290	\$2,290
15. Municipal Street Number Request	\$354	\$359
16. Street Name Change	\$2,310	\$2,310
17. Property Reports	\$178	\$179
18. MECP Environmental Compliance Approval Administration Fee	\$2,290 + HST	\$2,290 + HST
19. Cash in Lieu of Parking Administration Fee	\$520 + HST	\$520 + HST
20. Environmental Sensitive Areas Impact Evaluation Group (ESAIEG)	\$388	\$390
21. Record of Site Condition Administration Fee	\$398	\$400
22. Peer Review of Special Studies Administration Fee	Consultant fee + HST	Consultant fee + HST
23. Subdivision Agreement Preparation		
a) Subdivision Agreement Preparation - New Process	\$3,380	\$3,995

b)	Subdivision Agreement Preparation - Old Process	\$3,665	\$3,665
c)	Minor Revision to Subdivision Agreement	\$392	\$473
d)	Major Alteration to Subdivision Agreement	\$798	\$950
e)	Subdivision Agreement Amendment	\$1,050	\$1,050
23. Special Agreements			
a)	External Work Agreement Preparation	\$4,930	\$4,930
b)	Special Sewer Service Agreement	\$4,200	\$4,200
c)	Special Water Service Agreement	\$4,200	\$4,200
d)	Joint Sewer/Water Service Agreement	\$4,200	\$4,200
e)	Consent Agreements	\$4,200	\$4,200
f)	Consent Agreement with warning clauses only	\$2,100	\$2,100
g)	Site Alteration Process - review and circulate plans Residential	\$696	\$924
h)	Site Alteration Process - review and circulate plans Non-residential	\$2,770	\$2,770
i)	Site Alteration Process per plan type on 4th submission and thereafter (NEW)	\$450	\$675
j)	LPAT Appeal (NEW) initiate process <i>In addition to the fees set out above, the total fees payable shall include all fees associated with supporting an applicant at a hearing where the application was approved by City Council including City legal fees, City staff fees, outside legal counsel and consultant/witness fees where required, but excluding the cost of the Planning and Economic Development Department staff. These additional fees shall be collected through the process set out in a cost acknowledgement agreement which must be signed and submitted as part of the applications identified.</i>	\$1,056	\$1,584
k)	Shoring Agreement & Draining Review (NEW)	\$5,370	\$8,055
l)	Construction Management Plan (NEW)	\$3,942	\$5,913
24. Lot Grading			

a)	Lot Grading Acceptance inspection per unit	\$468	\$500
i.	Lot Grading Acceptance inspection per multi-unit block (3-8 units)	\$956	\$1,019
b)	Lot Grading and Service Connection Applications (NEW)	\$2,484	\$3,726
c)	Lot grading re-inspection fees (3rd and subsequent) NEW	\$150	\$225
d)	Pre-Service Agreements	\$4,200	\$4,200
e)	Additional Cost per Unit	\$35	\$35
f)	Pre-Grading Agreement	\$4,200	\$4,200
g)	Phased / Staged Construction	\$2,200	\$2,200
25. Tree Protection			
a)	General Vegetation Inventory Review	\$365	\$365
b)	Tree Protection Plan Review	\$605	\$605
26. Other Fees			
a)	Records Search ⁴	\$25 plus HST	\$25 plus HST
b)	Photocopying Fee	\$ 0.50 /page, plus HST	\$ 0.50 /page, plus HST
<p>1 Joint Application – Where applications are made for an Official Plan Amendment, Zoning By-law Amendment, Approval of a Draft Plan of Subdivision or Condominium Description, or any combination thereof, the total fees will be reduced by 25%.</p> <p>2 Rezoning - For the purposes of fees, there are two (2) types of rezoning applications: Routine and Complex. When an application is submitted, the following guidelines are used to determine the type of application.</p> <p>Routine</p> <ul style="list-style-type: none"> • Applications to add one specific use (i.e. that does not change the zoning district); or • Applications to reduce yard requirements or modify other district or zone requirement (i.e. only one requirement); or • Applications to rezone three (3) single detached dwelling lots or less; or 			

<ul style="list-style-type: none"> • <i>Applications to extend a "temporary use".</i> <p>Complex</p> <ul style="list-style-type: none"> • <i>All other Applications.</i> <p>3 <i>Formal Consultation fee is not credited towards Minor Variance or Consent application fees.</i></p> <p>4 <i>Records Search fee is charged at a rate of \$25 plus HST per 15 minutes with a minimum charge of 25 plus HST.</i></p> <p>5 <i>Fees or payments required by any Conditions of Approval remain in effect.</i></p> <p>6 <i>Excluding proposed developments related to the Cannabis Industry</i></p> <p>Note: <i>This list is a summary of development fees. Additional fees may be required, such as for the cancellation and/or recirculation of a Public Meeting, Ontario Municipal Board appeals, Conservation Authority Plan Reviews, etc. Please call the Planning and Economic Development Department at 905-546-2424 Ext. 1355 or 2799 for additional information.</i></p>	

10.1

PED19015(a)

2019 Proposed Tariff of Fees for Planning and Engineering Development Applications

March 22, 2019

- Last review was undertaken in 2012
- Since last review:
 - Increased public expectations requiring more information
 - Multi-divisional costing – including Building, Planning, Growth Management, Transportation Planning and Parking;
 - Multi-departmental costing – including Finance, Public Works, Hamilton Water, Legal Services;
 - Development proposals more complex requiring specialized studies and specific reviews and consuming more time and resources;
 - Number of submissions and re-submissions has increased
 - Quality of the submissions, in some cases, has declined resulting in additional work
 - Additional staff attendance at open house meetings and subsequent follow up with public and applicants

Outcomes of Review Process

- Identified full activity based cost of service using existing staff compliment – no staff enhancements as per Council direction
- Comprehensive Process mapping of associated tasks including staff and overhead costs
- Staff estimated times based on average application types.
- Average “productive time” per staff person was determined (i.e. deducted vacation time, training time, etc.)
- Validate Findings – revenue recovery projections, hours
- Underwent iteration reviews and revisions until City staff and BMA were confident of the results
- Municipal comparators are posting similar user fees

Public Consultation

- Agricultural and Rural Affairs Advisory Committee
- Development Industry Liaison Group
 - Hamilton Chamber of Commerce
 - Hamilton-Halton Home Builders Association
 - Hamilton / Burlington Society of Architects

Official Plan Amendment (OPA)

2019 Activity Based Costing Fee	2019 Activity Based Costing Increase over 2019 Fee	Phased in Fee 60% Increase	Phased in Fee 90% Increase	Percentage Cost Recovery 60% Increase	Percentage Cost Recovery 90% Increase
\$34,680	\$15,710	\$28,504	\$33,271	82.19%	95.94%

Fee Categories Reflect Scope of Work

Official Plan Amendment

- Urban/Rural
- Quarry (New)
- Quarry (Expand)
- Zoning Amendment
- Complex
- Routine
- Agricultural Related
- Secondary Suites (“New”)
- Holding Removal

Fee Categories Reflect Scope of Work Page 70 of 81 *(Cont'd)*

Committee of Adjustment

- Routine
- Standard
- After the Fact
- Site Plan
- Standard
- Amendment
- Agricultural Related
- Hamilton Beach /
Ancaster “ER”
- Minor

Fee Categories Reflect Scope of Work *(Cont'd)*

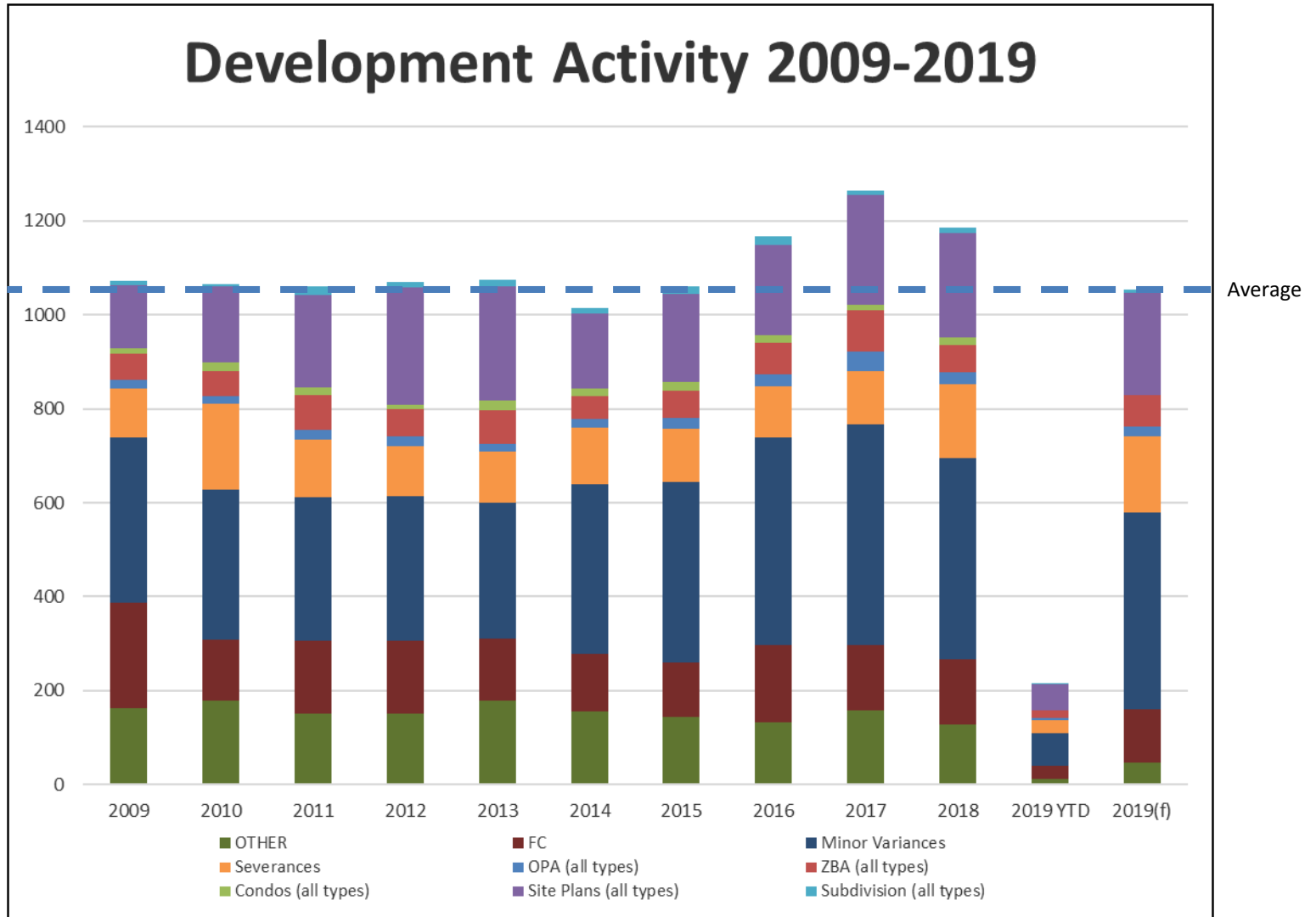
Routine Rezoning:

- Add 1 Specific Use; or
- Modify 1 Specific Performance Standard; or
- Rezone 3 Lots or Less; or
- Temporary Use By-law

Routine Minor Variance:

- Only for Single or Semi-Detached Dwellings; and
- Excludes Conversion Applications

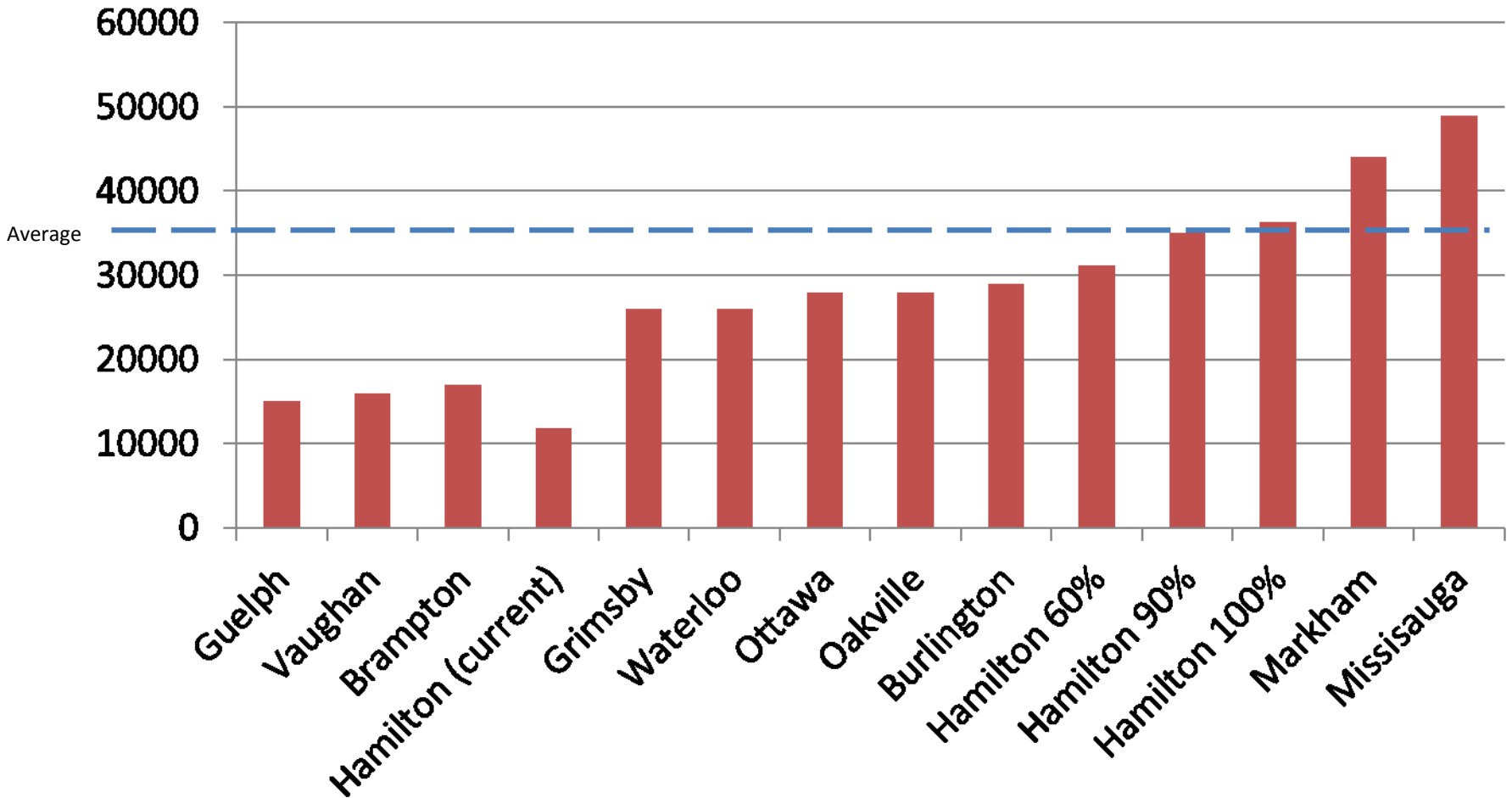
Activity Levels



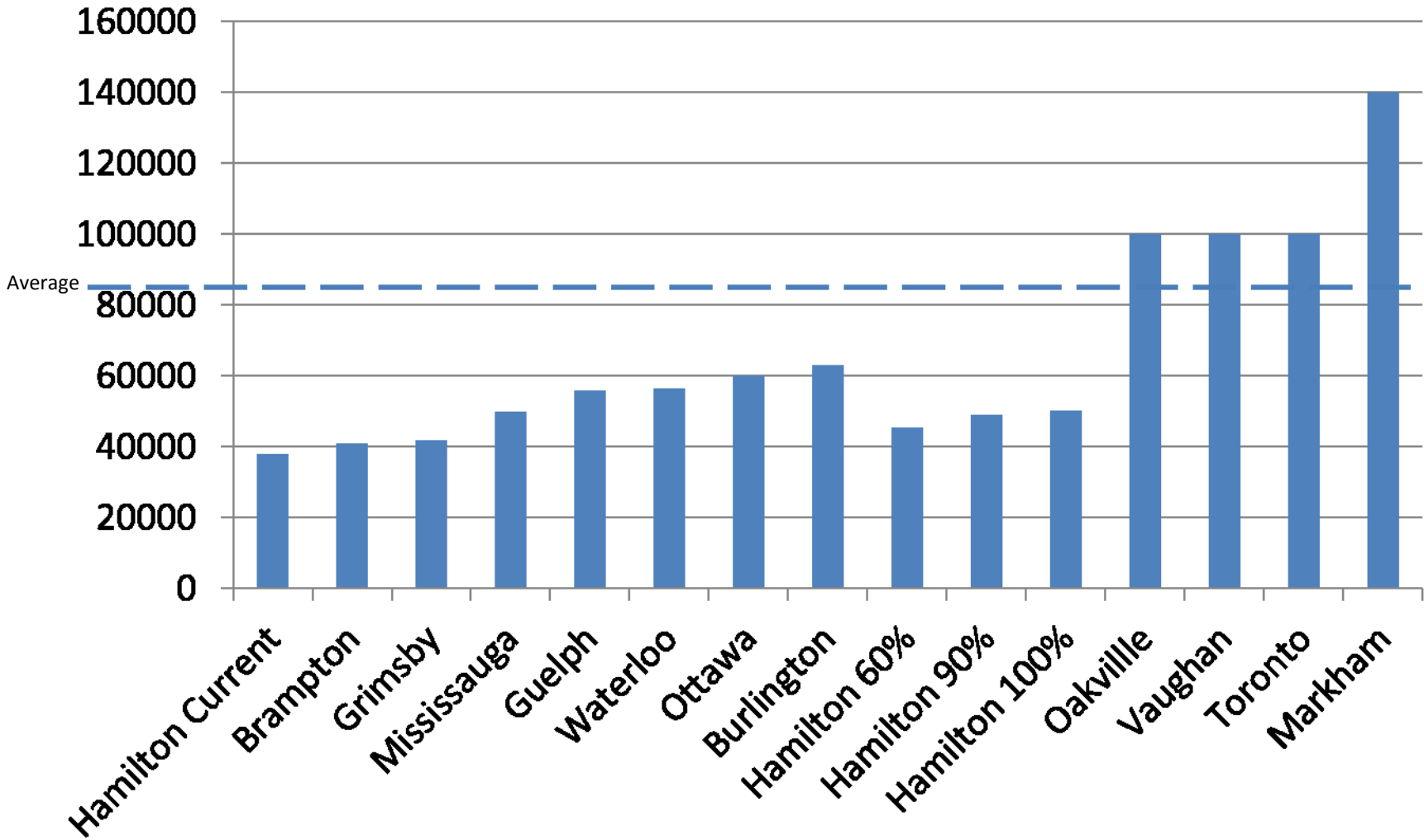
Municipal Peer Comparison

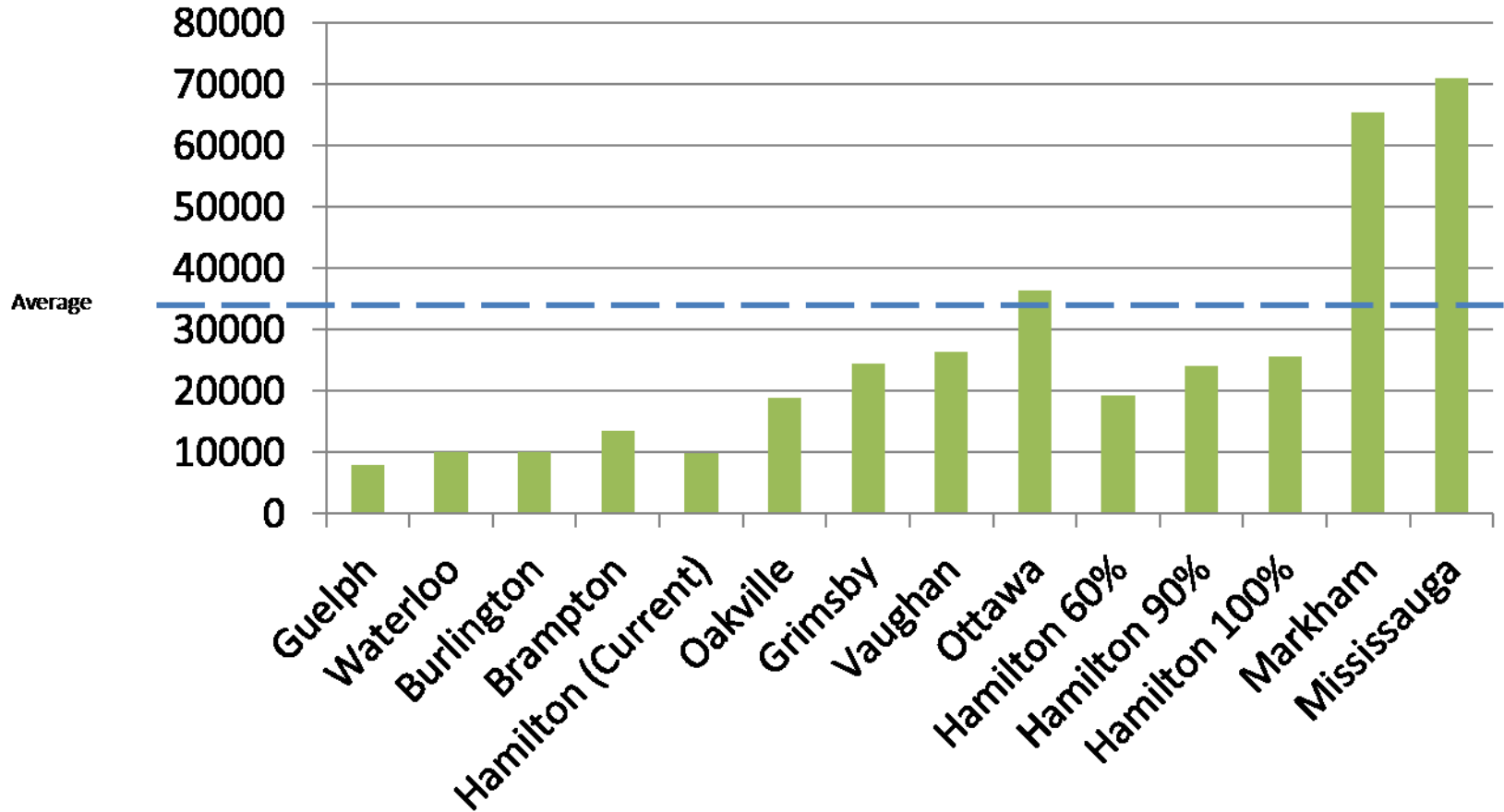
- There are many factors that impact the fees in each jurisdiction including but not limited to:
 - Governance structure (single versus two tier municipalities)
 - Processes – review processes, commenting agencies etc.
 - Cost recovery goals/objectives
 - Performance standards – turnaround times
 - Resources utilized
 - Complexity and definitions/classifications of fees
 - Population, size and geographic features
- No information available about the cost recovery policies or procedures inherent in each municipality
- Overall, Hamilton’s fees tend to be in the middle or below range compared to most municipalities surveyed

Major Zoning Amendment

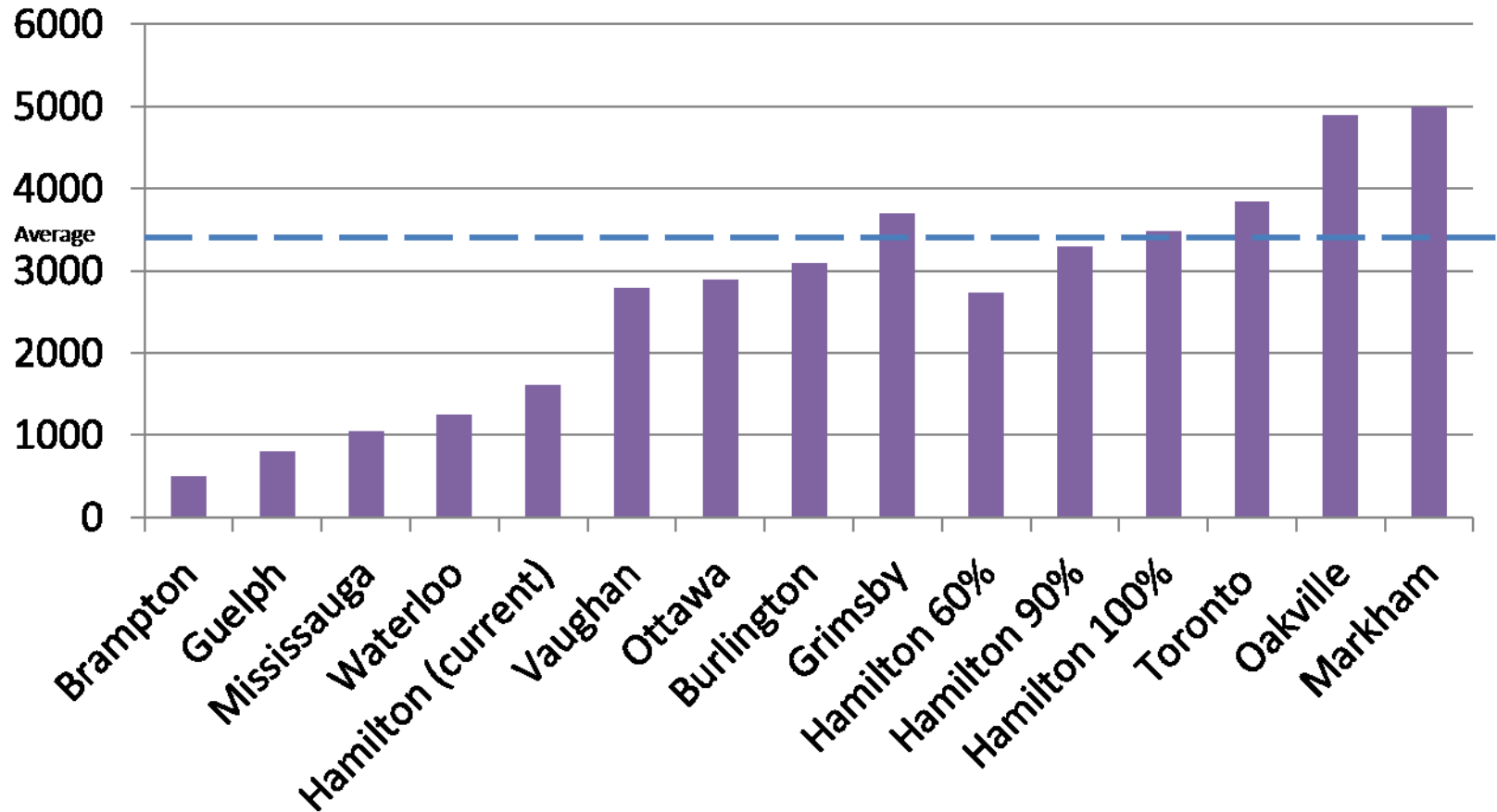


Subdivision

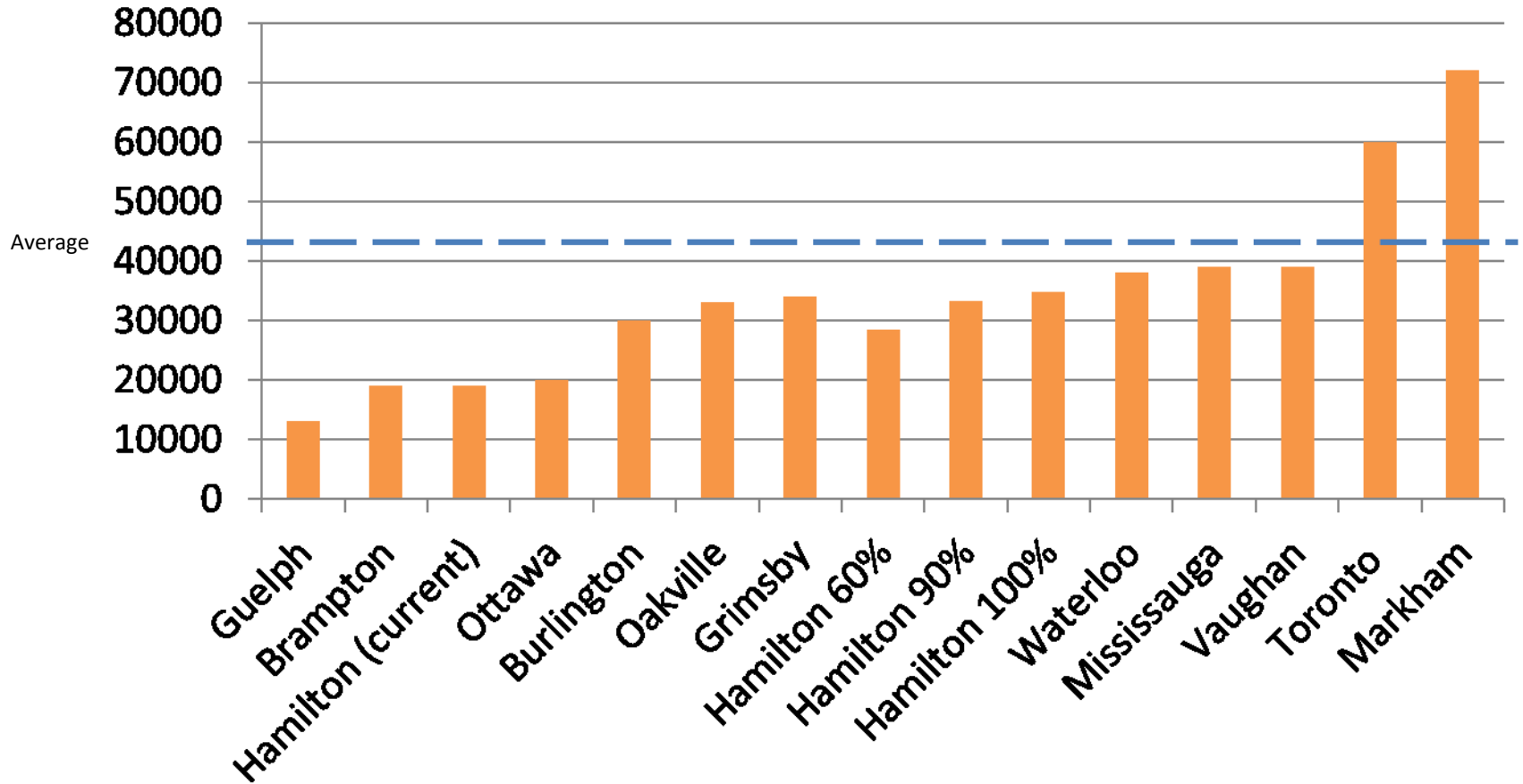




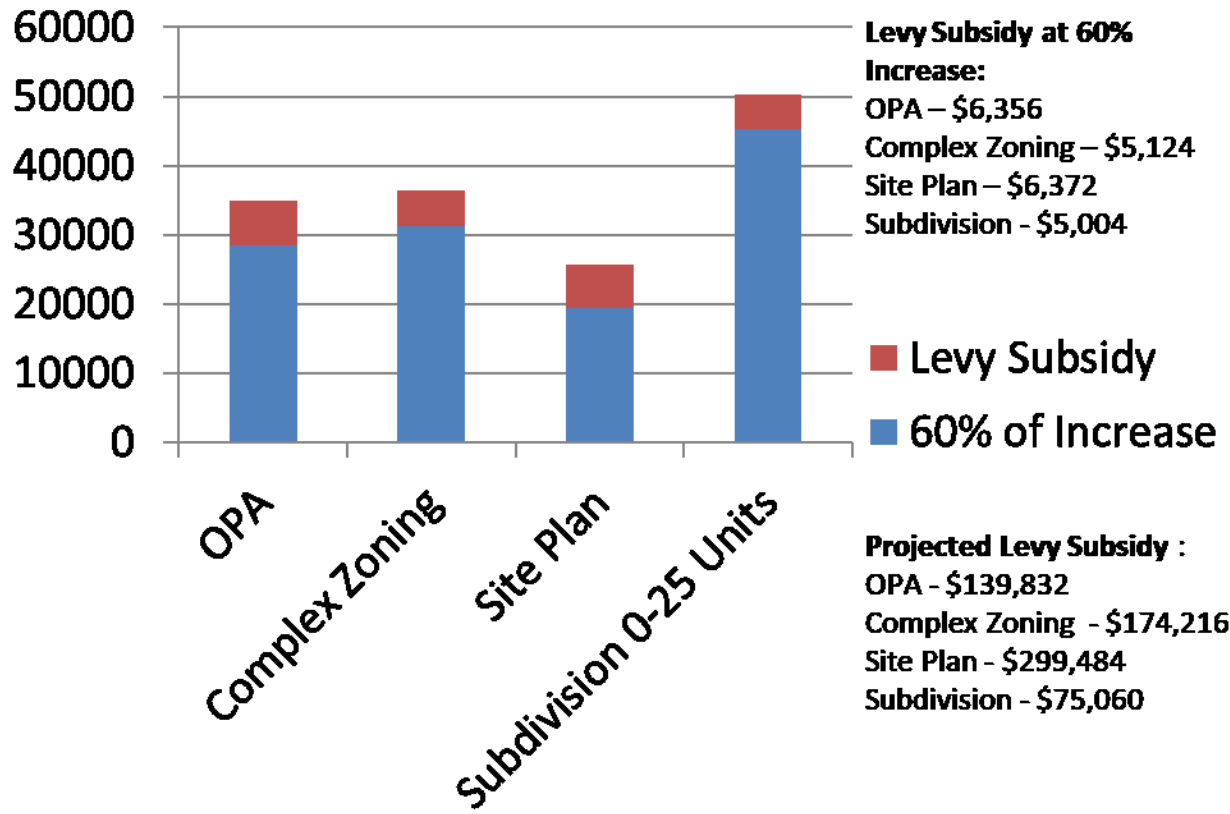
Minor Variance



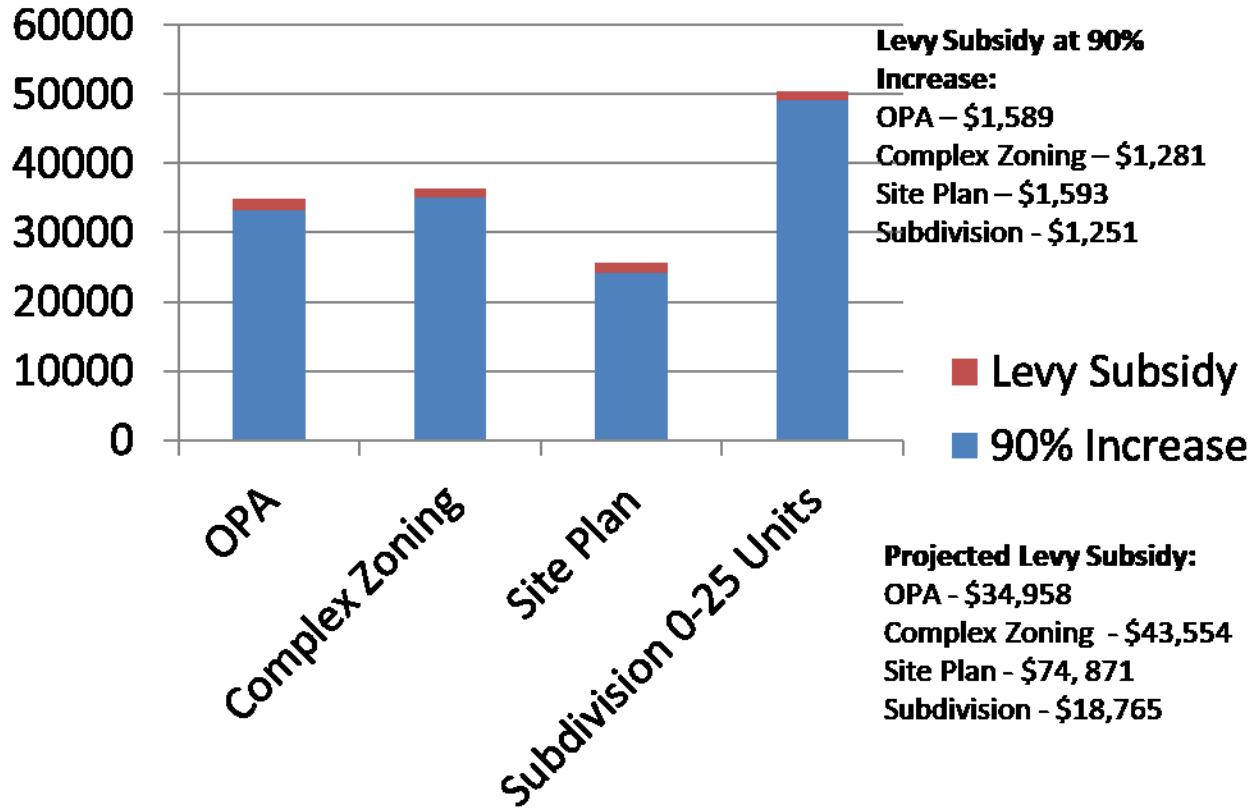
Official Plan Amendment (OPA)



Levy Subsidy



Levy Subsidy



Conclusions

- Compliance with Legislation – Fair and Equitable
- User fees help ensure optimal and efficient use of scarce resources and reduce pressure on property taxes
- Existing fees generally low in comparison to peer municipalities
- Existing fees not recovering the full cost of service – proportional to the actual cost of service
- Difficult to assess whether revenue projections will be achieved relative to economy

Recommendations

- (a) The 2019 Tariff of Fees for Planning and Engineering Development Applications, attached as Appendix “B” to Report PED19015(a) be approved and incorporated into the User Fees and Charges By-law, effective May 1, 2019 and January 1, 2020 respectively; and,
- (b) That the matter respecting 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications be identified as complete and removed from the Planning Committee Outstanding Business List.



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management and Planning Divisions

TO:	Chair and Members General Issues Committee
COMMITTEE DATE:	January 18, 2019
SUBJECT/REPORT NO:	2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Tony Sergi Senior Director, Growth Management Planning and Economic Development Department
SUBMITTED BY:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department

RECOMMENDATIONS

- (a) That 50% of the increase proposed for the 2019 Tariff of Fees for Planning and Engineering Development Applications, attached as Appendix "B" to Report PED19015 be approved and incorporated into the User Fees and Charges By-law, effective February 1, 2019;
- (b) That Planning and Economic Development staff be directed to work with Finance Division to address how the additional revenues can be used to offset levy pressures associated with the processing of development applications in the 2019 Operating Budget while sustaining an appropriate Development Fee Stabilization Reserve;
- (c) That Planning and Economic Development staff be directed to consult with the Hamilton-Halton Home Builders Association and other interested stakeholders

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SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015) - Page 2 of 11

until March 1, 2019, regarding the 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications;

- (d) That staff report back to the Planning Committee on April 2, 2019 with recommendations for implementation of the remainder of the 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications including:
- (i) partial or full effective implementation dates;
 - (ii) possible transitional provisions and/or phasing alternatives;
 - (iii) options for use of additional revenues including levy offsets and/or service level enhancements; and,
 - (iv) sustaining an appropriate Development Fee Stabilization Reserve.
- (e) That the matter respecting 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications be identified as complete and removed from the Planning Committee Outstanding Business List.

EXECUTIVE SUMMARY

In 2018, the City has undertaken a comprehensive Planning and Development Engineering Fee Review to determine if the current development application fees are reflective of Council's direction to achieve full activity-based cost recovery inclusive of overhead costs for all development application related processing. The projected number of applications by type is based on the median average intake of development applications over the last five years. Although the intention is to fully recover all costs on an annualized basis, based on the fluctuation of various types, sizes, volumes, and complexity of development applications, the actual revenue generated may not necessarily recover all costs required for the Planning, Growth Management and other development application-related Divisions. In addition, this Review is based solely on the current level of service without any enhancements. As a result of the Fee Review, staff are recommending a revised 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications with a 50% phase-in on February 1, 2019. In addition, staff are recommending a consultation period with the development industry following by another report to Planning Committee which will include partial or full effective implementation dates, and possible transitional and / or phasing alternatives. Finally, staff is also recommending that the additional revenues be used to further offset levy pressures associated with the processing of development applications in the 2019 Operating Budget while sustaining the Development Fee Stabilization Reserve.

Alternatives for Consideration – See Page 9 and 10

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SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015) - Page 3 of 11

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The financial impact of **full** annualized implementation of the new fees on the 2019 budget, as recommended, would be as follows:

- Planning Division – result in estimated total annual revenue of approximately \$4.41 Million (annualized) over the current budget revenue submission, based on revised activity levels. A portion of this revenue relating to development applications which have shared processing will be allocated to Growth Management Division (i.e. Site Plans) and Building Division (i.e. zoning verification); and,
- Growth Management Division – result in estimated total annual revenue of approximately \$3.05 Million (annualized) over the current budget revenue submission, based on revised activity levels;

The total revenue of \$9.1 Million (annualized) would have the effect of decreasing the amount needed to be transferred from the Development Fee Stabilization Reserve to sustain resource levels as well as having a direct net levy reduction in the Planning and Economic Development Department's overall Operating Budget.

Additional estimated total annual revenue of approximately \$359,000, \$441,000 and \$840,000 (annualized) is forecast to accrue to Public Works / Hamilton Water, Transportation Planning and Parking, and Building Divisions respectively. Legal Services receives approximately \$100,000 as part of overhead costs.

Based on the fluctuation of various types, sizes, volumes and complexity of development applications, the revenue generated may not necessarily recover all costs required by the Planning, Growth Management and other development application-related Divisions. In addition, partial, transitional or phase-in implementation of the recommended Tariff of Fees in 2019 will reduce the forecast \$9.1 Million (annualized) revenue in 2019.

(Note: the staff recommendation in this Report is for a **partial** increase with the full annualized increase to be brought to Council for consideration in April 2019.)

Staffing: This Fee Review is based solely on the current level of service without any enhancements.

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SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015) - Page 4 of 11

Legal: Statutory authority to impose a tariff of fees for Planning Applications is granted to the City of Hamilton through Section 69 of the *Planning Act*. Municipalities are required to pass by-laws for the purpose of collecting fees related to the processing of Planning Applications. No notice is required to be given under the *Planning Act*, however, an applicant may pay the fee under protest and appeal to the Local Planning Area Tribunal (LPAT) formerly the Ontario Municipal Board (OMB).

HISTORICAL BACKGROUND

After amalgamation in 2000, the Development Application fees were harmonized and approved by Council on April 3, 2001. Between 2001 and 2007, there were no substantive changes to the base development application fees with the exception of minor fee increases adjusted annually to reflect the inflationary rate measured with the Consumer Price Index (CPI).

City Council, at its' meeting held on November 28, 2007, approved Report PED07282, adopting an interim fee increase for Local Official Plan Amendment Applications, Zoning By-law Amendment Applications, and Draft Plan of Subdivision Applications. In addition to the interim fee increase, Council approved a new Development Application fee to establish a pit or quarry, and amendments to the Rural Official Plan. As part of the 2008 Work Program, staff undertook a comprehensive review of the Planning and Development Engineering fees structure which resulted in some increases in user fees but still not close to full activity-based cost recovery.

In 2012, City Council directed staff to once again conduct a more comprehensive review of the Planning and Development Engineering fees structure and BMA Management Consulting Incorporated (BMA) was retained to assist in conducting the comprehensive review with the key objective to have full activity-based cost recovery. Effective January 1, 2013, a revised Tariff of Fees By-law was passed by Council which generated revenues over the last five years which moved closer to full activity-based cost recovery but still fell far short due to many factors including higher than expected development application activity, staffing issues, and numerous legislative, regulatory and process changes, which included structural changes and transfer of duties to and from other City Departments and Divisions.

As such, in late 2017 another comprehensive review of the Planning and Development Engineering fees structure was initiated, and BMA was retained again to assist in conducting the comprehensive review with the key objective again to have full activity-based cost recovery. Based on the fluctuation of various types, sizes, volumes and complexity of development applications, the revenue generated may not necessarily recover all costs required by both the Planning and Growth Management Divisions but the goal of full activity-based cost recovery inclusive of overhead costs has been strongly adhered to.

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**SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering
Development Applications (City Wide) (PED19015) - Page 5 of 11**

Planning and Engineering Development Fee Review-2018, BMA Management Consulting Incorporated (BMA): (See Appendix "A" to Report PED19015 attached)

BMA was retained by the City of Hamilton to assist in the process by providing a comprehensive Review of all costs incurred either in the direct processing of development applications including administrative overhead costs, or costs incurred to support the development application process from all Planning and Economic Development Divisions (i.e. Planning, Growth Management, Building, Transportation Planning and Parking) as well as other Departments (i.e. Public Works - Hamilton Water). In addition, this Review was based solely on the current level of service without any enhancements. The following Chart outlines forecast revenue on an annualized basis for various Divisions within the City:

	Forecast Breakdown				
	2019 Planning	2019 Building	2019 Water/WW	2019 Transportation	2019 Growth Mgmt
OPA	\$ 306,000	\$ -	\$ 24,550	\$ 51,650	\$ 212,250
Zoning	\$ 929,590	\$ 127,850	\$ 110,850	\$ 85,880	\$ 486,800
Site Plan	\$ 1,434,600	\$ 356,320	\$ 196,120	\$ 220,320	\$ 1,056,730
Plans of Subdivision	\$ 249,760	\$ 26,070	\$ 27,460	\$ 67,480	\$ 455,510
Plans of Condominium	\$ 178,020	\$ 40,910	\$ -	\$ 15,290	\$ 50,650
Part Lot Control	\$ 124,490	\$ 4,860	\$ -	\$ -	\$ 28,650
Consent	\$ 310,330	\$ 24,350	\$ -	\$ -	\$ 193,150
Minor Variance	\$ 810,960	\$ 252,870	\$ -	\$ -	\$ 256,190
Other	\$ 67,890	\$ 6,400	\$ -	\$ -	\$ 3,600
Growth Management Additional Revenue					\$ 307,140
Total	\$ 4,411,640	\$ 839,630	\$ 358,980	\$ 440,620	\$ 3,050,670

The BMA Review includes a comprehensive analysis of the costs of services. Each type of development application reviewed was specifically mapped as to process steps, staff and resources involved, and staff time expended. The scope of the undertaking consisted of ensuring that the City's fees are in compliance with current legislation and that they are fair, reasonable and reflective of the actual full cost of providing these services.

BMA's Review was based on full activity-based cost analysis for the time and resources directly related to the review of development applications. Staff time involved with general public inquiries, other administrative duties (i.e. Corporate Committees, training), office space, supplies and equipment are also reflected in the proposed fees as overhead costs.

In addition, a comparison of fees with other municipalities was included for the purpose of benchmarking to ensure that recommended fees are consistent with those of comparable size or neighbouring municipalities, and to provide financial context related

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SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015) - Page 6 of 11

to fee adjustments. The survey results showed that some jurisdictions have recently adjusted the Planning fees upward while others have not adjusted their fees for many years. For those municipalities that have adjusted their Planning fees, significant increases have been implemented in a number of fees as municipalities move toward full activity-based cost recovery.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Planning Division; Growth Management Division; Building Division; Transportation Planning and Parking Division; Public Works Department-Hamilton Water and Corridor Management; Development Industry Liaison Group (DILG); and, Hamilton-Halton Home Builders' Association (HHHBA).

On November 19, 2018, staff notified the members of the DILG that the Planning and Engineering Development Fees Review, 2018 was completed by BMA that they would be given an opportunity for feedback at and / or after the January 18, 2019 General Issues Committee. In this regard, staff believes it is important to maintain an on-going dialogue with representatives of the DILG, especially the HHHBA, to review the fees and respond to their concerns.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Section 69 of the *Planning Act* allows municipalities to impose fees through by-law for the purpose of processing Planning applications. In determining the associated fees, the *Planning 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 costs 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.”

BMA was retained to assist with the Review of Planning and Growth Management processing fees to ensure compliance with Section 69 of the *Planning Act*. The Review included an analysis of the costs of services, and a process mapping of the various stages associated with providing Planning and Growth Management related services.

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SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015) - Page 7 of 11

Costs of processing Planning applications and Growth Management submissions were determined using the following methodology:

1. Planning and Economic Development Department – Process Mapping of staff time and salary costs to process various Planning applications and engineering submissions. This also included Departmental staff interviews for verification; and,
2. Overhead – Corporate financial expenses were allocated based on approximately 38% for the Planning and Growth Management Divisions. Legal Services receives approximately \$100,000 as part of overhead costs.

Appendix “A” to Report PED19015 (Pages 13-15) – A Summary of Recommended Fees Table outlines the new development application fees to help ensure the City’s full cost for providing these review services are recovered. Several development application fees have decreased as a result of improved efficiency and amendments to work processes including Plans of Condominium and Part Lot Control Fees. Many development application fees have increased to more properly reflect the new drivers in the processes including:

- Hamilton is an increasingly large urban municipality, resulting in more complex issues such as transportation, noise, heritage preservation etc. requiring more time and specialized expertise to review applications and resolve issues;
- The number of resubmissions and the quality of submissions have increased review times for Zoning, Growth Management, Transportation Planning and Public Works staff;
- Increased public expectations on the development of lands which require more information from the applicants and more in-depth analysis of the applications;
- More interest groups and more stakeholder consultation relating to applications;
- Additional staff attendance at open house meetings and subsequent follow up with the public;
- Shift to more complex applications and rezonings that are tailored to specific proposals whereas before the proposal was tailored to the existing zoning regulations; and,
- There is a greater proportion of infill and intensification projects which introduces new and often more intense land uses within existing neighbourhoods and, as such, are more complex to process.

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SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide) (PED19015) - Page 8 of 11

Appendix “A” to Report PED19015 (Pages 13 - 24) – Tables provide a comparison of the recommended fee structure for other municipalities. While the increases being proposed for certain fee classifications are significant, they are modest compared to some other comparable size municipalities as illustrated in the Fees / Benchmarking survey. The proposed fees are considered appropriate in recouping the actual cost of processing and administrating development applications but not necessarily full cost recovery from user fees only.

The Review recommended the following:

1. Establishment of several new fees for a number of processes, services and inspections that were not captured previously in Growth Management. The same methodology was used to calculate the fee required. See Page 13 of Appendix “A” to Report PED19015 for a full list.
2. Maintaining current fees for large scale developments (i.e. Plans of Subdivision) – currently the City is charging a sliding fee scale fee on construction cost for engineering construction supervision and agreement preparation. This approach recognizes the economies of scale for the larger developments and as such staff have not proposed refining or revised the sliding fee scale:

<i>Current Fee</i>
<i>Percentage of construction value of service installed under the subdivision agreement at:</i>
<i>6% - for the first \$1,000,000</i>
<i>5% - for the next \$1,000,001 to \$2,000,000</i>
<i>4% - for construction value over \$2,000,000</i>

3. Joint applications – the current fee structure provides a “discount” for simultaneous applications where more than one application is made at the same time to recognize there is overlap in the process and efficiencies with processing related applications. However, the discount provision is not extended to multiple applications which include plans of condominium. Accordingly, it is proposed to implement the following fee reduction structure:

<i>Current Fee Reduction</i>	<i>Proposed Fee Reduction</i>
Where applications are made for an Official Plan Amendment, Zoning Amendment, Plan of Subdivision or any combination thereof, the total fees will be reduced by 25%	Maintain the current fee reduction and to include Plans of Condominium.

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Staff is recommending the proposed fees would apply to new applications and to revisions and resubmissions of applications received after the passing of the User Fees and Charges By-law. Due to the significant increase for some of the fees (i.e. Zoning By-law Amendments, Site Plan Control), Staff is recommending a 50% phase-in as of February 1, 2019 to help smooth the transition to the proposed fee changes over time (See Appendix “C” to Report PED19015 for 50% Forecast Revenue calculations).

Phasing-in proposed fee increases based on 50% of the proposed fee increase by February 1, 2019 (See Appendix “C” to Report PED19015 for 50% Forecast Revenue calculations). This option would allow for the development industry to adjust current operations to reflect financial impacts together with still providing the City increased revenues. This would result in lower revenues. The impact on our 2019 budget submission for a 50% phase in would be as follows:

- Planning – revised revenue would result in a decrease in revenue of approximately \$250,000 between February 1 and May 1 over the current budgeted revenue submission;
- Growth Management – revised revenue would result in a decrease in revenue of approximately \$120,000 between February 1 and May 1 over the current budget revenue submission; and,
- Other Departments / Divisions - revised revenue would result in a proportional decrease in revenue over the current budget revenue submission.

In future years, it is proposed to maintain the current practice of applying the Consumer Price Index annually to account for regular increases.

ALTERNATIVES FOR CONSIDERATION

1. Maintain the current practice of adjusting the fees on an annual basis in accordance with the CPI. This would result in revenues being lower than the anticipated cost to process applications given the annualized increase in salaries. As such, the annual percentage increase in union and non-union labour costs could be added to the User Fees and Charges By-law on January 1 annually if it was indeed higher than the CPI.
2. Phasing in proposed fee increases based on 75% of the proposed fee increase by April 1, 2019 (See Appendix “C” to Report PED19015 for 75% Forecast Revenue calculations). This option would allow for the development industry to adjust current operations to reflect financial impacts together with still providing the City increased revenues. This would result in lower revenues. The impact on our 2019 budget submission for a 75% phase in would be as follows:
 - Planning – revised revenue would result in a decrease in revenue of approximately \$600,000 over the current budgeted revenue submission;

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- Growth Management – revised revenue would result in a decrease in revenue of approximately \$380,000 over the current budget revenue submission; and,
 - Other Departments / Divisions - revised revenue would result in a proportional decrease in revenue over the current budget revenue submission.
3. Full implementation of proposed fee increases by July 1, 2019. This option would allow for the development industry to adjust current operations to reflect financial impacts together with still providing the City increased revenues. This would result in lower revenues. The impact on our 2019 current budget submission would be as follows:
- Planning – revised revenue would result in a decrease in revenue of approximately \$1.2 Million over the current budgeted revenue;
 - Growth Management – revenue would result in a decrease in revenue of approximately \$750,000 over the current budget revenue submission; and,
 - Other Departments / Divisions - revised revenue would result in a proportional decrease in revenue over the current budget revenue submission.
4. Full implementation of proposed fee increases by February 1, 2019 (See Appendix “C” to Report PED19015 for 100% Forecast Revenue calculations). This option would not allow for the development industry to adjust current operations to reflect financial impacts.

However, this would provide the City with increased revenues and proportionate reductions in the levy immediately. The impact on our 2019 budget submission would be as follows:

- Planning – revised revenue would result in an increase in revenue of approximately \$1.85 Million over the current budgeted revenue;
- Growth Management – revenue would result in an increase in revenue of approximately \$850,000 over the current budget revenue submission; and,
- Other Departments / Divisions - revised revenue would result in a proportional increase in revenue over the current budget revenue submission.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

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**SUBJECT: 2019 Proposed Tariff of Fees for Planning and Engineering
Development Applications (City Wide) (PED19015) - Page 11 of 11**

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

- Appendix "A" - Planning and Engineering Development Fee Review - 2018, BMA Management Consulting Incorporated
- Appendix "B" - Proposed 2019 Tariff of Fees for Planning and Engineering Development Applications Effective February 1, 2019
- Appendix "C" - Forecast Revenue for 2019 by Application Type

GP:as:sd



Hamilton

Planning & Engineering Development Fee Review



2018



**2018—Planning and Growth Management Fee Review
City of Hamilton**

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Introduction

In 2018 BMA was engaged by the City of Hamilton to undertake a review of its planning and development fees to establish the full cost of providing services and determining fees for recovering costs as permitted under the legislation. The last comprehensive review was undertaken in 2012. As processes and complexity of applications have changed since 2012, it is an appropriate time to undertake a comprehensive analysis of the planning and development fees.

The updated review includes an analysis of the costs of services and the development of process maps for each of the planning and growth development service applications being reviewed. The scope of the undertaking consists of ensuring that the fees ultimately established are in compliance with the legislation and that they are fair, reasonable and proportionate to the actual cost of the service. In addition, a comparison of fees to other municipalities was included for the purposes of ensuring that the recommended fees are competitive and to provide financial context related to fee adjustments.

This report outlines the process undertaken in the fee review and provides a summary of the existing fees and recommendations on new planning application fees to ensure the City's cost to provide development reviews are fully recovered from fees. Several fees have decreased as a result of efficiencies and changes in work processes (e.g. Condominium and Part Lot Control), while other fees have increased. The drivers behind the cost increases include:

- Hamilton is an increasingly large urban municipality, resulting in more complex issues such as transportation, noise, heritage preservation etc. requiring more time and specialized expertise to review applications and resolve issues.
- The number of resubmissions and the quality of submissions have increased review times for Zoning, Growth Management, Transportation Planning and Public Works staff.
- Increased public expectations on the development of lands which require more information from the applicants and more in-depth analysis of the applications.
- More interest groups and more stakeholder consultation relating to applications.
- Additional staff attendance at open house meetings and subsequent follow up with the public.
- Shift to more complex applications and rezonings that are tailored to specific proposals whereas before the proposal was tailored to the existing zoning regulations.

- There is a greater proportion of infill and intensification projects which introduces new and often more intense land uses within existing neighbourhoods and, as such, are more complex to process.

While the full cost of service has been calculated, phase-in strategies may be employed to smooth impacts of fee changes over time. This would provide the development industry with additional time to plan for proposed fee increases.

Legislative and Regulatory Requirements

Section 69 of the *Planning Act*, allows municipalities to impose fees through 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.”

As stated above, the Planning Act stipulates that fees be designed “to meet only the anticipated cost.” In setting the fees, direct costs, support function costs directly related to the service provided and general overhead indirect costs related to the service provided have been included in the fee calculation.

Process—Analysis of Fees

The work accomplished in the analysis of the proposed fees for service involved the following key steps:

- ***Departmental Staff Interviews:*** Interviews were held with staff to review the work processes involved in each fee recoverable service and the development of work process templates for staff to complete. Discussion was also held with respect to the existing fee structure, issues and challenges identified with the fees from a customer service and administrative perspective and the identification of areas where services are provided and new fees should be established.
- ***Process Mapping:*** Data was collected for each application type, including, time estimates and volume of activity. Process maps were developed for each fee based on information provided by staff directly involved in the delivery of services and updated to reflect new processes or groups involved in the review process. Utilization of time estimates is a reasonable and defensible approach, especially since these estimates were developed by experienced staff members who understand service levels and processes unique to the City of Hamilton. The following process was used to develop the process maps:
 - Estimates were prepared based on representative of average times for providing service. Extremely difficult or abnormally simple projects are excluded from the analysis.
 - Estimates provided by staff were reviewed and approved by the department.
 - Estimates were also reviewed by the participating divisions.
- ***Estimate Average Productive Hours:*** The average productive hours available were calculated for staff involved in the review process (deducting vacation time, holidays, average sick time, training from total hours). The productive hours were used to determine the productive hourly rate for each employee involved in the application process.
- ***Operating Costs:*** Data was collected based on the 2018 Operating Budget to identify the indirect and direct costs. All direct and indirect costs were entered into a model to calculate fees.
- ***Fee Calculation:*** The full cost of providing service for each application type was established by applying an activity based costing methodology.

- **Fee Comparison:** A benchmarking analysis of the proposed fees in other municipalities was undertaken to ensure that the cost of service in Hamilton continues to be competitive and to further test for reasonableness. However, the following issues should be noted regarding the use of comparative analysis in setting fees:
 - A comparative analysis does not provide adequate or objective information of the relationship of a municipality's costs to its fees. Therefore, comparative surveys do not help make cost-based decisions.
 - Each municipality and its fees are different, with different objectives in terms of full cost recovery of the services provided as it relates to the general or public benefit that might result from the processing of applications in terms of assessment and employment growth.
 - The same "fee" with the same name may include more or less steps sub-activities. Further, some municipalities charge one fee regardless of whether it is a minor or major application, others charge different fees but the definition of major and minor may vary. To the extent that is possible, "apples to apples" comparisons have been provided by assuming a prototype application (e.g. subdivision application with 25, 50 units).
 - Municipalities provide varying levels of service and have varying levels of costs associated with providing services such as staffing levels, salary levels, the inclusion of indirect overhead costs, etc.
 - Because each municipality is different, it is recommended that the information contained in the comparative analysis of fees be used as a secondary decision-making tool, rather than a tool for establishing an acceptable price point for services.

Description of Major Application Fees

The following provides a brief overview of the main areas where application fees are charged

Official Plan Amendment (OPA)

The Official Plan is a broad policy document which sets out the City's long range planning objectives. All development that proceeds in the City must conform to the policies of the Official Plan. In some cases, a development application requires an amendment to the Plan prior to it being approved. If a proposal to develop land does not comply with the Official Plan and/or land use designation applied to those lands, an OPA application may be made. The process takes a minimum of four to six months for receipt of application.

Most Official Plan Amendment applications include a rezoning application. The calculated fee takes into consideration the duplication of effort in processing a zoning application, However, if an OPA application does not require a rezoning a 25% surcharge is applied to the OPA fee.

Over the past 5 years, there have been, on average 25 OPA applications annually, with future forecast levels close to historical activity.

Zoning By-law Amendment

The land uses provided for in the Official Plan are generalized. The accompanying Zoning By-law prescribes the precise numerical figures and land use permissions, and is the key regulatory instrument used to implement the Official Plan. The City of Hamilton has been proactively updating, and in many cases, rezoning lands to implement the Official Plan and the Secondary Plans. This establishes a framework that eliminates the need for rezoning applications unless the landowner is pursuing a use not contemplated in the zoning. There are situations where the intended use and zoning is known for lands but development should not take place until certain conditions are met (e.g. transportation, servicing, or special studies to assess development impacts). Under the Planning Act, Council may pass a 'holding' zoning by-law that places an "H" symbol over the zoning and sets out the conditions that must be met before the "H" symbol is removed and the land can be developed. As part of the 2018 review process, analysis was undertaken of applications within the downtown compared with other applications reflecting a higher level of effort for downtown applications in that the City has rezoned the downtown but applied a holding zone for the submissions and reviews of special studies. A new fee is recommended to reflect this in the application fees.

The zoning amendment process can be lengthy and can vary in complexity. As such, the City has a minor or routine application fee and a major or complex fee to reflect the level of effort required to complete the review process. Over the past 5 years, the average annual number of routine zoning applications was 15 and complex applications was 37. The future level of activity for routine and complex zoning applications is expected to continue over the forecast period of 2018-2020.

Site Plan Control

Site Plan Control is an important means of providing for development which is well designed, functional and compatible. Site Plan Control is the process that regulates various activities on the site of an actual development including building location, design and massing of buildings, building site and access, landscaping, parking, drainage, lighting, pedestrian and vehicular access and other features or engineering of the development. The City's fee distinguishes between full applications and minor applications, consistent with the underlying staff review required to process the application. In accordance with Council direction, Site Plans for agricultural uses is 50% of the calculated fees.

As intensification efforts increase, it is anticipated that there will be an increase in the complexity of the review. The size of the application requires more review time, therefore, the application fee takes into consideration the size of the development by including a base fee plus a per unit charge for residential development and a m² charge for non-residential development, consistent with existing fees structure.

Over the past 5 years, there were on average 50 full applications and 49 minor applications. This level of activity is expected to continue over the next several years.

The recommended fee structure includes a cap on site plan vertical development at \$35,000 which takes into consideration of the level of effort for vertical versus horizontal development. The new fee structure also introduces a quarterly site plan extension fee rather than the existing one-time fee. It also includes a change in the approach to resubmissions after the 4th submission of \$750 per plan type.

Subdivision/Condominium

The process for subdividing land is lengthy and involves considerable City resources and comprehensive public consultation. The actual length of any one review is highly dependent on the nature of the subdivision or condominium being processed.

The application fee takes into consideration the size of the development by including a base plus a per unit charge. The recommended fee structure also introduces a tiered step down per unit fee structure to recognize economies of scale for large projects. This is consistent with the practice in a number of peer municipalities.

Most subdivision applications include a rezoning application. The calculated fee takes into consideration the duplication of effort in processing a zoning application. If a subdivision application does not require a rezoning a 25% surcharge is applied to the application fee.

Over the past 5 years, the average annual number of new subdivisions was 10, with forecast increases over the next several years (15 annual).

As will be shown in the fee analysis, efficiencies have been achieved in the condominium processes, resulting in a reduction in the proposed fee. The base fee assumes a typical application to include 25 units. The average annual number of condominium applications over the past 5 years was 16, consistent with future forecast activity levels.

Part Lot Control

The *Planning Act* permits municipalities to pass by-laws to exempt lots within a plan of subdivision from part-lot control so that further subdivision can take place. Part-lot control may be used for existing plans of subdivision where it is necessary to re-align lot boundaries to clarify or grant title, require specific servicing requirements as a condition of approval such as a road widening or to further control internal development on a lot.

Part lot control fee consists of a base fee and a per unit fee for each new lot created. Based on analysis undertaken, the majority of the time spent on an application is fixed in nature and does not rise significantly as the number of units increases. A reduction in the per unit fee is recommended.

Over the past 5 years, there were 38 average annual number of part lot control applications. The forecast assumes approximately the same level of annual applications.

Land Consent and Minor Variance Approvals

A Committee of Adjustment is responsible for approving applications for minor variance and consent. Often a proposed development will require that one or more development standards established in the Zoning By-law be waived to allow the development to proceed. In such cases an approval for variance must be received. An application can vary in complexity and as such the fee schedule reflects a fully serviced lot and a minor variance fee and a lower routine minor variance fee.

Over the past 5 years, there were 112 average annual number of severance applications. The forecast assumes a reduction of approximately 7% of annual applications. The City received on average 390 annual minor variances over the past 5 years, with a forecast reduction of approximately 8%.



**2018—Planning and Growth Management Fee Review
City of Hamilton**

Planning Application Activity

The following table reflects the number of applications within each major type of planning application:

	2013	2014	2015	2016	2017	5 Year Avg	2018 Budget Projection
Rural Official Plan Amendment	-	1	1	-	4	1	-
Urban Official Plan Amendment	17	18	22	27	37	24	22
OPA (all types)	17	19	23	27	41	25	22
Zoning Complex	40	18	35	37	55	37	34
Removal of "H" Holding Provision	13	11	11	14	18	13	10
Zoning Routine	18	21	12	15	11	15	17
Zoning Amended Application	1	-	1	1	3	1	-
ZBA (all types)	72	50	59	67	87	67	61
Condo Conversion	5	2	1	1	-	2	2
Conventional Condo	16	12	18	15	12	15	14
Condos (all types)	21	14	19	16	12	16	16
Site Plan Minor Development Application	60	35	60	44	47	49	55
Minor Application Agricultural Uses - 1/2 of Applicable Fee	45	6	4	3	15	15	17
Full Application Agricultural Uses - 1/2 of Applicable Fee	8	7	4	14	8	8	9
Site Plan Full Application	40	39	43	53	76	50	47
Amendment to an Approved Site Plan - Agricultural Uses	9	5	4	10	9	7	7
Amendment to an Approved Site Plan	65	50	41	53	57	53	52
1 & 2 Family Residential on the Beach Strip	8	13	20	9	11	12	8
Preliminary Site Plan Review	7	6	10	6	11	8	7
Site Plans (all types)	242	161	186	192	234	203	202
Subdivision New	10	8	10	15	9	10	15
Subdivision Minor Revisions	2	1	3	2	-	2	3
Subdivision Major Revisions	2	2	4	1	1	2	2
Subdivision (all types)	14	11	17	18	10	14	20
Formal Consultation	131	122	114	163	139	134	130
Part Lot Control	49	42	33	36	29	38	36
Severances	109	120	112	107	114	112	105
Minor Variances	289	361	386	444	470	390	358
Sign Variances	7	24	22	18	15	17	10
NEC Permits	29	21	30	23	43	29	35
Heritage Permits	68	56	45	47	71	57	45
Tree Review	15	5	11	7	-	8	5
Vegetation Review	11	8	4	2	-	5	5
TOTAL	1,074	1,014	1,061	1,167	1,265	1,116	1,050

General Comments on Fee Structure and Proposed Fees

The following general comments relate to the recommended fees, consistent with existing fee setting practices in the City of Hamilton:

- The *Planning Act* allows the City to establish fees for planning services as long as the fees do not exceed the full cost of service provided. The recommended planning and growth management fees are based on the principles of full cost recovery. The revenue shortfall that would result from imposing less than full cost recovery would be funded from reserves, if available, or general taxes.
- For applications of special complexity (e.g. major), a higher fee rate is often charged. There are also reduced fee rates for minor applications where the processing cost is less than the typical application.
- Additional per lot or per unit fees are levied for a number of fees including subdivisions, condominiums and site plans to reflect the additional work required based on the size of the development.



**2018—Planning and Growth Management Fee Review
 City of Hamilton**

Summary of Recommended Fees - Planning and Growth Management

Planning and Growth Fee Schedule	2018 Fee	Total New Calculated Fees
Official Plan Amendment and/or Zoning Bylaw Amendment to establish a New Pit or Quarry	\$ 135,615	\$ 138,330
Pit or Quarry - Expansion	\$ 54,250	\$ 55,340
Official Plan Amendment (Rural or Urban)	\$ 18,420	\$ 34,860
Phase 1 - Services up to City Council Report	\$ 10,880	\$ 20,590
Phase 2 - Services subsequent to Council Resolution approval	\$ 7,540	\$ 14,280
Recirculation with no advertising required	\$ 480	\$ 1,210
Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	\$ 480	\$ 1,210
Advertising (minimum charge, if applicable)	\$ 1,115	\$ 1,500
Amended application with public consultation	\$ 2,890	\$ 4,170
Rezoning Application		
Routine	\$ 11,425	\$ 25,480
Complex (comprised of Phase 1 and 2 fee)	\$ 22,840	\$ 36,335
Complex Phase 1 - Services up to City Council Report	\$ 15,395	\$ 24,491
Complex Phase 2 - Services subsequent to Council Resolution approval	\$ 7,445	\$ 11,844
Residential Per Unit Fee (NEW)	N/A	\$ 600
Non-Residential per m2 fee (NEW)	N/A	\$ 8.50
Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	\$ 480	\$ 1,210
Advertising (minimum charge, if applicable)	\$ 1,115	\$ 1,500
Severance of Surplus Farm Dwelling	\$ 5,710	\$ 9,200
Amended application with Circulation	\$ 1,445	\$ 2,085
Recirculation	\$ 1,445	\$ 2,085
Removal of a 'H' Holding Provision	\$ 1,900	\$ 4,080
Removal of a 'H' Holding Provision (Downtown NEW)	N/A	\$ 6,260
Supplementary Report Fee (NEW)	N/A	\$ 5,000



**2018—Planning and Growth Management Fee Review
City of Hamilton**

Summary of Recommended Fees - Planning and Growth Management Cont'd

Planning and Growth Fee Schedule	2018 Fee	Total New Calculated Fees
Site Plan Control		
Full Application	\$ 9,515	\$ 25,730
Agricultural Uses - 1/2 of Applicable Fee	\$ 4,760	\$ 12,865
Amendment to an Approved Site Plan	\$ 2,300	\$ 15,400
Agricultural Uses - 1/2 of Applicable Fee	\$ 1,155	\$ 7,710
Minor Application	\$ 1,180	\$ 14,760
Agricultural Uses - 1/2 of Applicable Fee	\$ 590	\$ 7,385
Preliminary Site Plan Review	\$ 2,300	\$ 12,230
Resubmission (on the 4th occasion and thereafter)	\$ 3,045	
Resubmission fee per plan type on 4th submission and thereafter		\$ 750
Site Plan Approval Extension	\$ 1,555	
3 month extension		\$ 390
6 month extension		\$ 780
9 month extension		\$ 1,165
12 month extension	\$ 1,555	\$ 1,555
1 & 2 Family Residential on the Hamilton Beach Strip	\$ 2,225	\$ 10,200
1 & 2 Family Residential within or contiguous to Major Open Space Areas	1/2 applicable fee	1/2 applicable fee
Plus per unit Residential charge for first 10 units	\$ 555	\$ 1,000
Plus per unit Residential charge for additional units (11-50 units to a max of 50 units)	\$ 335	\$ 600
Plus per m2 new gross floor area for non-residential developments	\$5 m2	\$8.50 m2
Ancaster Minor Development Application		\$ 2,320
Note: Vertical development capped at \$35,000		



**2018—Planning and Growth Management Fee Review
 City of Hamilton**

Summary of Recommended Fees - Planning and Growth Management Cont'd

Planning and Growth Fee Schedule	2018 Fee	Total New Calculated Fees
Plans of Subdivisions		
Subdivision application	\$ 36,755	\$ 50,370
Plus Addition per unit charge (0-25 units NEW)	\$ 225	\$ 525
26-100 units	N/A	\$ 300
101+ units	N/A	\$ 240
Plus Addition per block charge	\$ 645	\$ 860
Recirculation of revisions	\$ 1,025	\$ 1,900
Revision - Draft Plan approved		
Minor Revisions	\$ 4,800	\$ 1,180
Major Revisions	\$ 27,565	\$ 37,770
Extension - Draft Plan approved	\$ 815	\$ 510
Maintenance	\$ 430	\$ 500
Advertising (minimum charge, if applicable)	\$ 1,115	\$ 1,500
Amended application with public consultation	\$ 2,890	\$ 8,330
Plan of Condominium		
New Construction - with Public Process	\$ 24,020	\$ 18,000
Plus Addition per unit charge	\$ 75	\$ 75
New Construction - without Public Process	\$ 17,625	\$ 14,993
Plus Addition per unit charge	\$ 75	\$ 75
Condominium Conversions	\$ 25,380	\$ 20,990
Plus Addition per unit charge	\$ 95	\$ 95
Recirculation	\$ 1,080	\$ 1,160
Revision	\$ 1,160	\$ 1,180
Maintenance Fee	\$ 445	\$ 525
Exemption	\$ 1,230	\$ 1,250
Extension	\$ 845	\$ 510
Part Lot Control Application		
Plus per Lot/Unit/Part	\$ 225	\$ 160
Plus per Unit Finance Fee	\$ 15.0	\$ 15.0
Extension	\$ 1,045	\$ 1,200



**2018—Planning and Growth Management Fee Review
City of Hamilton**

Summary of Recommended Fees - Planning and Growth Management Cont'd

Planning and Growth Fee Schedule	2018 Fee	Total New Calculated Fees
Consent Application		
Land Division Consent fee		
Fully Serviced Lot	\$ 2,635	\$ 4,820
Property serviced by well/cistern	\$ 2,775	\$ 5,070
Additional fee plus base fee where no sanitary sewer exists	\$ 355	\$ 375
Recirculation	\$ 215	\$ 190
Deed Certification	\$ 215	\$ 220
Referral or Extension	\$ 60	\$ 65
Validation of Title	\$ 805	\$ 450
Plus per Unit Finance Fee	\$ 15.0	\$ 15
Minor Variance	\$ 1,565	\$ 3,490
Routine Minor Variance	\$ 1,190	\$ 2,620
Variances required after the fact	\$ 1,890	\$ 4,360
Recirculation	\$ 225	\$ 280
Sign Variance	\$ 885	\$ 6,220
Neighbourhood Plan or Modified Neighbourhood Plan Preparation	\$ 2,245	\$ 2,290
Municipal Street Number Request	\$ 335	\$ 360
Street Name Change	\$ 6,400	\$ 2,310
Property Reports	\$ 170	\$ 180
MOECC Environmental Compliance Approval Administration Fee	\$ 2,225	\$ 2,270
Cash in Lieu of Parking Administration Fee	\$ 505	\$ 520
Environmental Sensitive Areas Impact Evaluation Group (ESAIEG)	\$ 375	\$ 390
Record of Site Condition Administration Fee	\$ 385	\$ 400
Peer Review of Special Studies Administration Fee	\$ 2,475	fee + 25%



**2018—Planning and Growth Management Fee Review
City of Hamilton**

Summary of Recommended Fees—Growth Management

Growth Management Fees	2018 Fee	Recommended Fees
Subdivision Agreement Preparation		
Subdivision Agreement Preparation - New Process	\$ 2,085	\$ 4,200
Subdivision Agreement Preparation - Old Process	\$ 3,560	N/A
Minor Revision to Subdivision Agreement	\$ 225	\$ 500
Major Alteration to Subdivision Agreement	\$ 480	\$ 1,000
Subdivision Agreement Amendment	\$ 1,040	\$ 1,050
Special Agreements		
External Work Agreement Preparation	\$ 4,830	\$ 4,930
Special Sewer Service Agreement	\$ 4,110	\$ 4,200
Special Water Service Agreement	\$ 4,110	\$ 4,200
Joint Sewer/Water Service Agreement	\$ 4,110	\$ 4,200
Consent Agreements	\$ 4,110	\$ 4,200
Consent Agreement with warning clauses only	\$ 2,055	\$ 2,100
Site Alteration Process - review and circulate plans Residential	\$ 235	\$ 1,000
Site Alteration Process - review and circulate plans Residential	\$580 + \$25/ha	\$ 2,770
Site Alteration Process per plan type on 4th submission and thereafter (NEW)		\$ 750
LPAT Appeal (NEW) initiate process		\$ 1,760
Shoring Agreement & Draining Review (NEW)		\$ 8,950
Construction Management Plan (NEW)		\$ 6,570
Lot Grading		
Lot Grading Acceptance inspection per unit	\$ 395	\$ 510
Lot Grading Acceptance inspection per multi-unit block (3-8 units)	\$ 805	\$ 1,040
Lot Grading and Service Connection Applications (NEW)		\$ 4,140
Site Inspections (NEW)		\$ 3,700
Lot grading re-inspection fees (3rd and subsequent) NEW		\$ 250
Pre-Service Agreements	\$ 4,110	\$ 4,200
Additional Cost per Unit	\$ 35	\$ 35
Pre-Grading Agreement	\$ 4,110	\$ 4,200
Phased / Staged Construction	\$ 2,145	\$ 2,200

Fee Comparisons

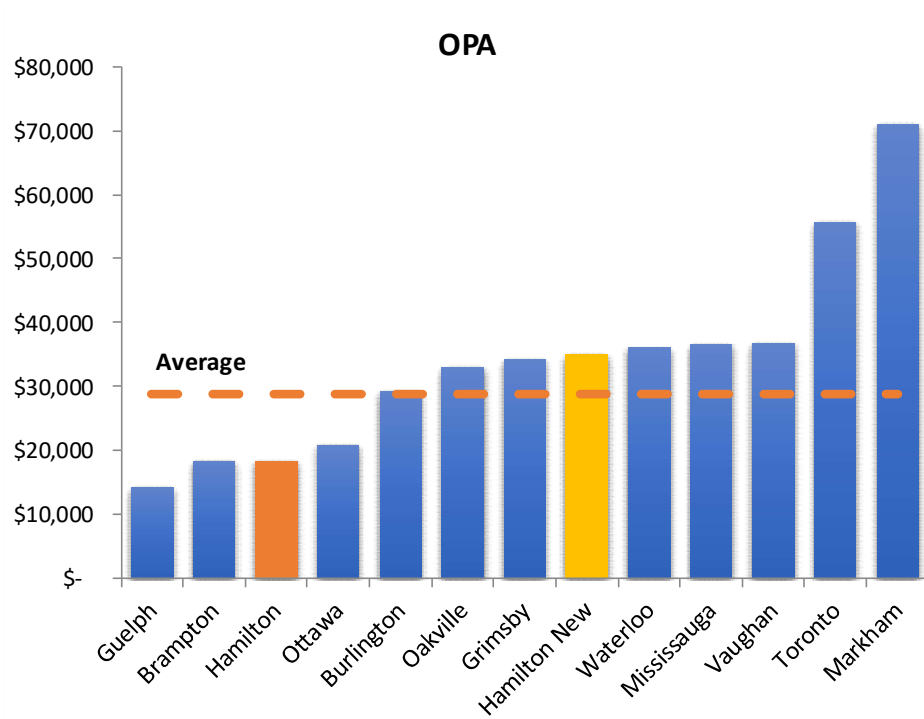
A fee comparison was made of several neighbouring and mid-large size municipalities. The fees for two-tier municipalities includes both the local and the regional fees. As mentioned earlier in the report, every municipality has unique processes and therefore fees are not always directly comparable. Further, the comparison of fees does not take into account any service level differences that may exist in terms of, for example, the time taken to process an application or the level of customer service provided to the applicant. Municipalities may also have different levels of cost recovery which will impact the fee for service.

For some fees, municipalities may have a flat fee or a base fee plus a per unit fee (e.g. Plan of Subdivision and Site Plan). In these cases, scenarios were developed to provide a more accurate reflection of the actual cost to the applicant using a typical type of planning application.

It should be noted that a number of municipalities are currently reviewing fees to reflect:

- A movement toward full cost recovery principles and a desire to reduce the level of tax subsidy required related to planning and growth projects.
- Changes in the complexity of the applications being processed. Similar to the City of Hamilton, a number of municipalities are now seeing more complex applications involving infill, renovation and redevelopment which take more staff time to review and process application as well as enhanced public consultation requirements.

Official Plan Amendment



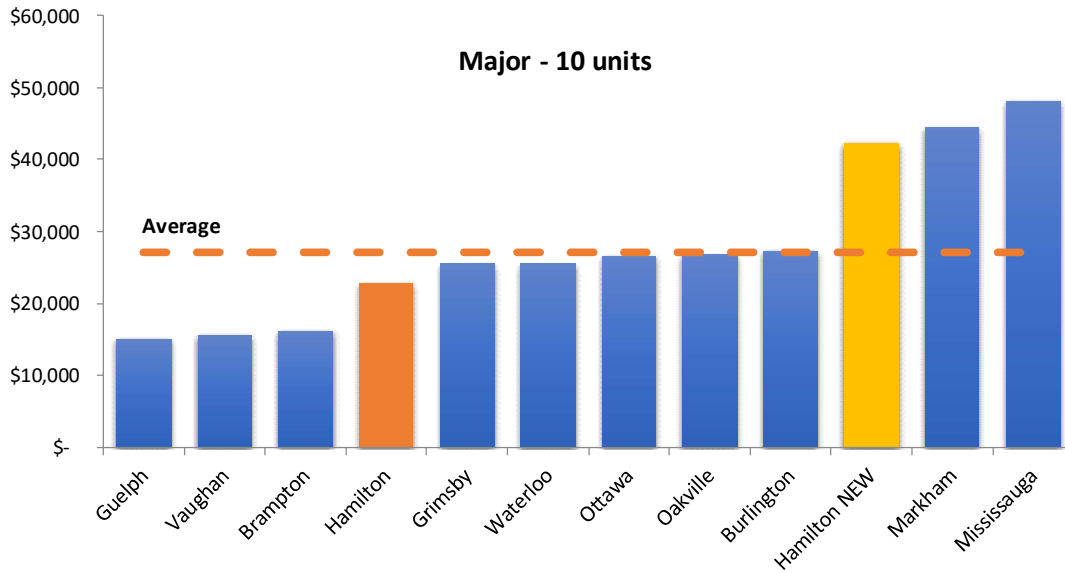
As shown above, the City’s existing Official Plan Amendment fee is amongst the lowest in the survey and the recommended fee places the City slightly above the peer average. Recommended fees at full cost recovery levels would remain below Toronto, Waterloo, Vaughan, Mississauga and Markham and close to the fees in Grimsby and Oakville.

Note: The fees for two-tier municipalities includes both the local and the regional fees.



**2018—Planning and Growth Management Fee Review
 City of Hamilton**

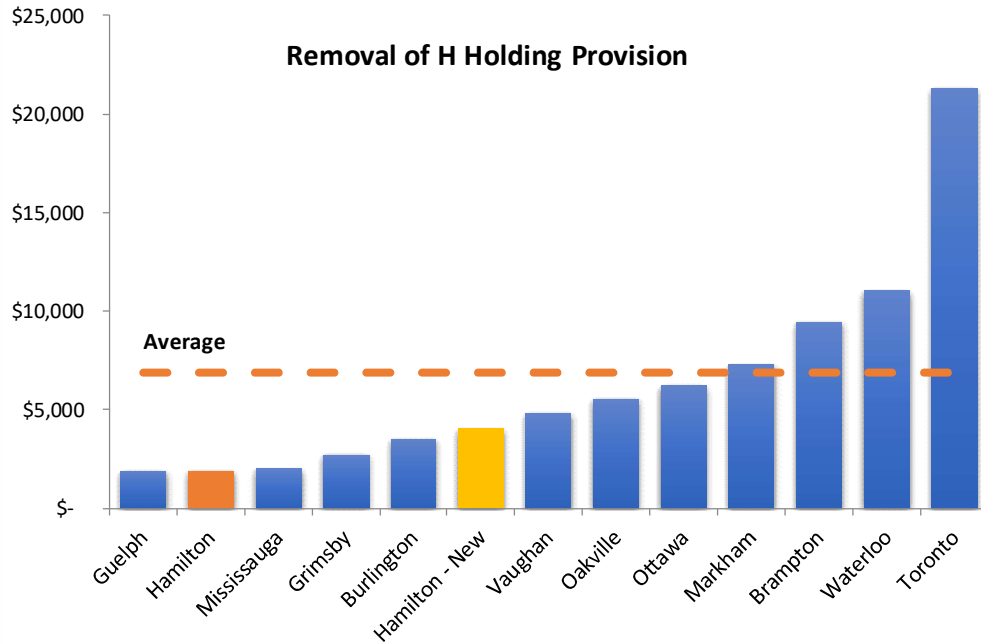
Zoning Amendment



The graph above reflects a comparison of a major zoning amendment with 10 units. As shown above, the City’s existing fees are amongst the lowest the survey and the recommended fees place the City’s major application fee above the survey average.

Note: The fees for two-tier municipalities includes both the local and the regional fees.

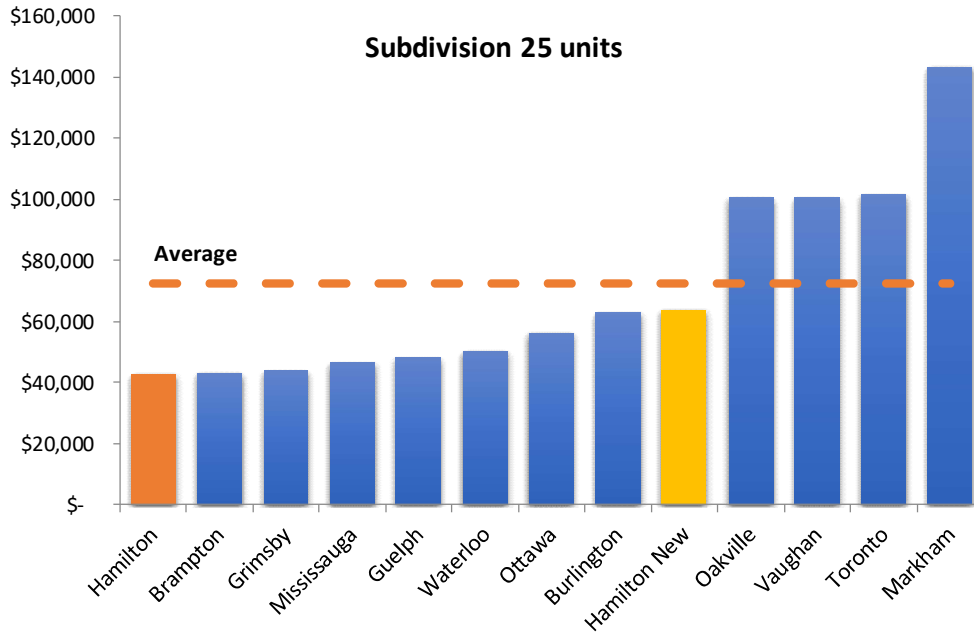
Removal of H Holding Provision



As shown above, the City’s existing removal of H Holding Provision fee is amongst the lowest in the survey and the recommended fee continues to be well below the survey average.

Note: The fees for two-tier municipalities includes both the local and the regional fees.

Plan of Subdivision Application Fee Comparison (25 lots)

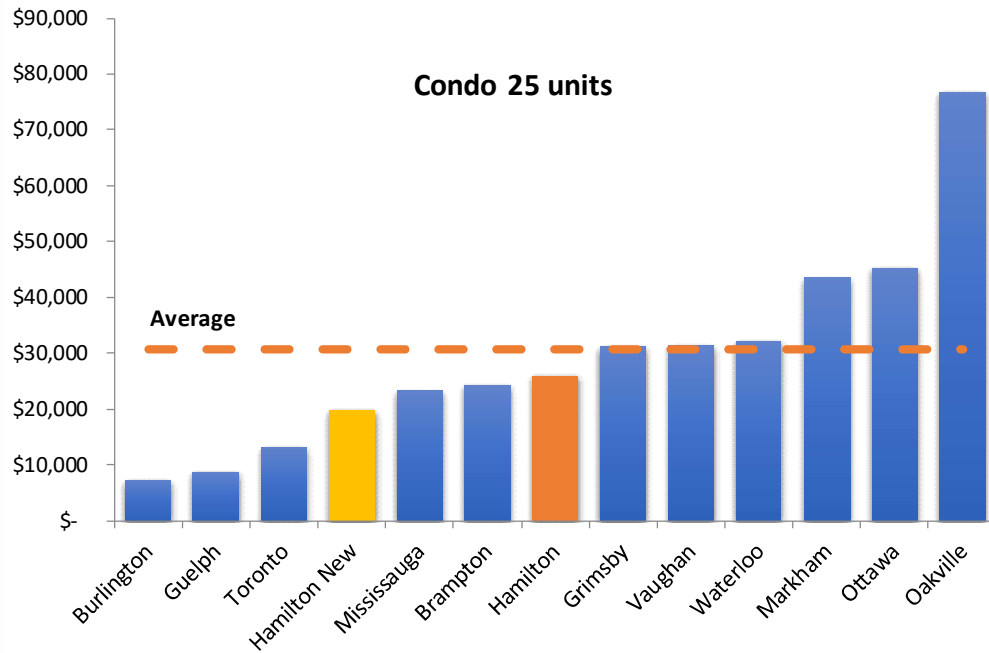


The application fee for a subdivision includes two components; a base fee as well as a per unit fee to reflect the increased level of effort for larger subdivisions. The existing fee is the lowest in the survey of peer municipalities. The recommended fee continues to be lower than the survey average.



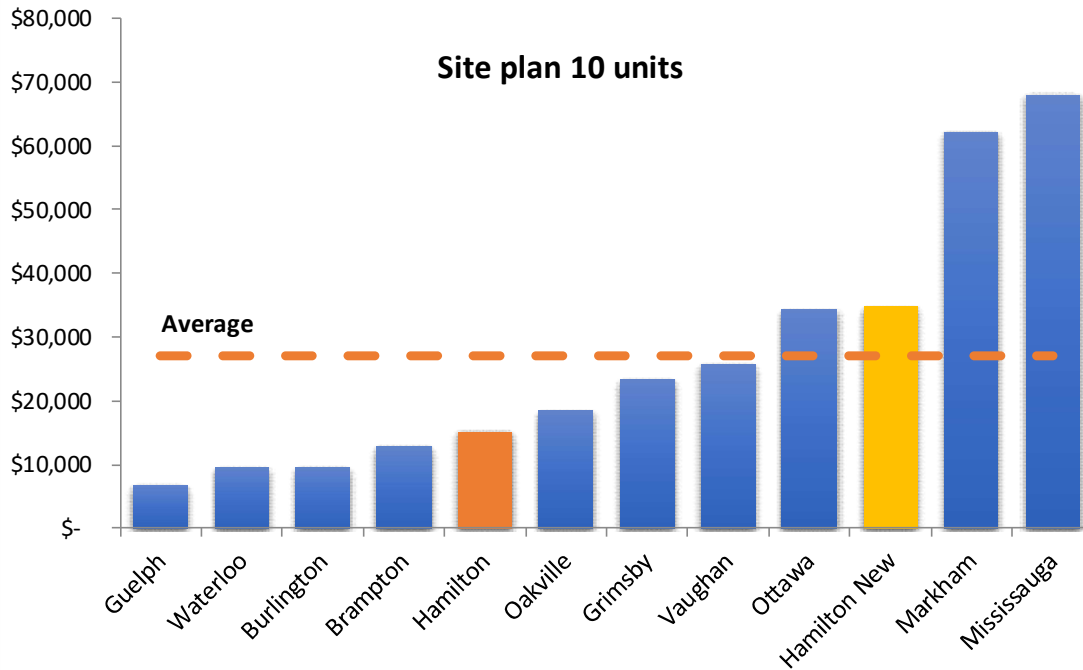
**2018—Planning and Growth Management Fee Review
 City of Hamilton**

Plans of Condominium Fee Comparison (25 units)



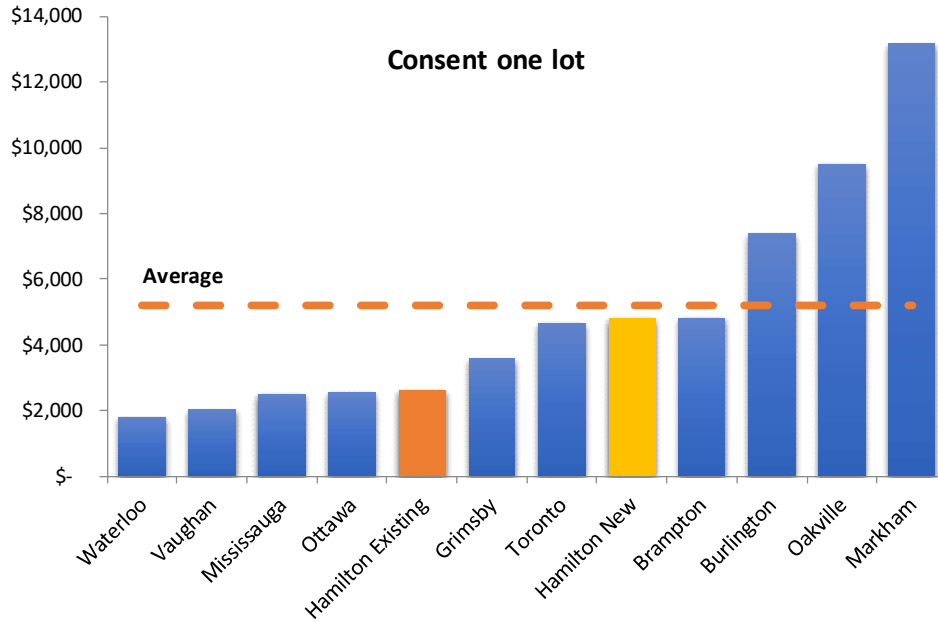
As shown above, the recommended condominium fee is currently lower than the average and the recommended fee is lower than the existing fee.

Site Plan Application Fee Comparison (10 units)



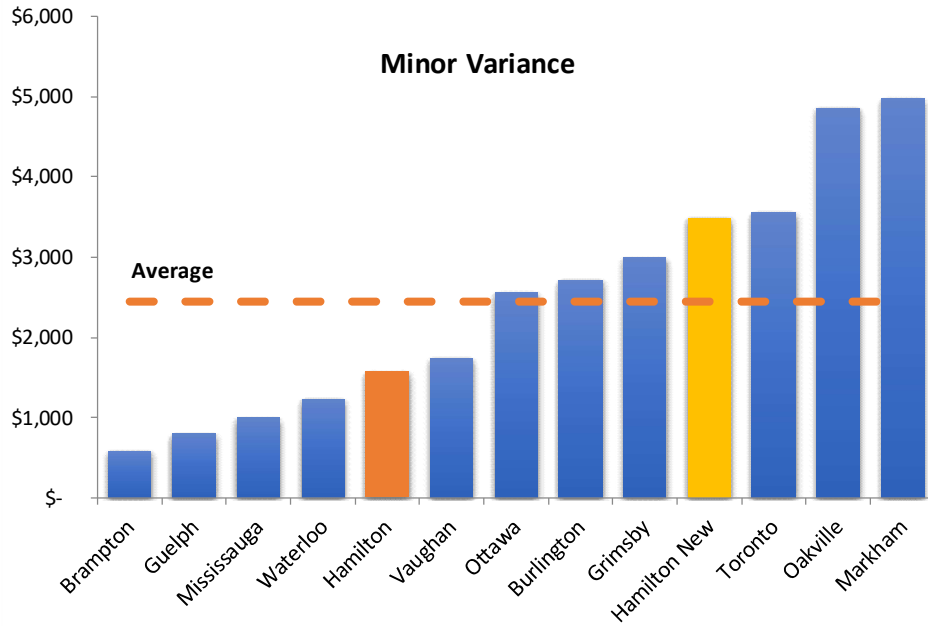
The Site Plan application fee includes a base fee as well as a per unit fee, consistent with the practice in a number of other municipalities, to reflect the work required to undertake a site plan of varying size. The City’s existing fee is below the survey average and the recommended fee is above the survey average. As shown above, there is a wide range of Site Plan fees across the survey.

Consent Application Fee Comparison



As shown above, there is a wide range in the application fees across the survey. The recommended fee for Hamilton is below the survey average.

Minor Variance Fee Comparison



The Minor Variance application fee is currently below the survey average. Based on process mapping, the recommended fee will be above the survey average.

Tariff of Fees for Planning and Engineering Development Applications (Effective February 1, 2019)	
1. Official Plan Amendment and/or Zoning Bylaw Amendment to establish a New Pit or Quarry	\$138,330
2. Pit or Quarry - Expansion	\$55,340
3. Official Plan Amendment (Rural or Urban)¹	\$26,915
a) Phase 1 - Services up to City Council Report	\$15,898
b) Phase 2 - Services subsequent to Council Resolution approval	\$11,023
c) Recirculation with no advertising required	\$853
d) Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	\$853
e) Advertising (minimum charge, if applicable)	\$1,325
f) Amended application with public consultation	\$3,573
g) New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived
4. Rezoning Application^{1 2}	
a) Routine	\$18,625
b) Complex (comprised of Phase 1 and 2 fee)	\$29,930
i. Complex Phase 1 - Services up to City Council Report	\$20,173
ii. Complex Phase 2 - Services subsequent to Council Resolution approval	\$9,757
iii. Residential Per Unit Fee (NEW),	\$300
iv. Non-Residential per m2 fee (NEW)	\$4.00
c) Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	\$853
d) Advertising (minimum charge, if applicable)	\$1,325
e) Severance of Surplus Farm Dwelling	\$7,540
f) Amended application with Circulation	\$1,788
g) Recirculation	\$1,788
h) Removal of a 'H' Holding Provision	\$3,018

i)	Removal of a 'H' Holding Provision (Downtown NEW)	\$3,130
j)	Supplementary Report Fee (NEW)	\$2,500
k)	New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived
5. Site Plan Control		
a)	Full Application	\$17,765
i.	Agricultural Uses - 1/2 of Applicable Fee	\$8,885
b)	Amendment to an Approved Site Plan	\$8,885
i.	Agricultural Uses - 1/2 of Applicable Fee	\$4,450
c)	Minor Application	\$7,988
i.	Agricultural Uses - 1/2 of Applicable Fee	\$3,998
d)	Preliminary Site Plan Review	\$7,300
e)	Resubmission fee per plan type on 4th submission and thereafter	\$375
f)	Site Plan Approval Extension	
i.	3 month extension	\$195
ii.	6 month extension	\$390
iii.	9 month extension	\$583
iv.	12 month extension	\$1,555
g)	1 & 2 Family Residential on the Hamilton Beach Strip	\$6,245
h)	1 & 2 Family Residential within or contiguous to Major Open Space areas	1/2 applicable fee
i)	Plus per unit Residential charge for first 10 units	\$785
j)	Plus per unit Residential charge for additional units (11-50 units to a max of 50 units)	\$473
k)	Plus per m2 new gross floor area for non-residential developments	\$6.75 m ²
l)	Ancaster Minor Development Application	\$2,320
m)	New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived
n)	Plus per unit residential charge for the first 10 units	\$570 / Unit

o)	Plus per unit residential charge for additional units (11 - 50 units to the max of 50 units)	\$345 / Unit
p)	Per m2 new gross floor area for non-residential developments prior to the issuance of final site plan approval to a maximum of 5,000 m2 for industrial and 50,000 m2 for commercial approval	\$5.00/m2
Note: Fee amount shall be based on fees that are in effect on date of final approval.		
Note: Vertical development capped at \$35,000		
6. Plans of Subdivisions¹		
a)	Subdivision application	\$44,115
i.	Plus Addition per unit charge (0-25 units NEW)	\$378
ii.	26-100 units N/A	\$150
iii.	101+ units N/A	\$120
iv.	Plus Addition per block charge	\$763
b)	Recirculation of revisions	\$1,478
c)	Revision - Draft Plan approved	
i.	Minor Revisions	\$1,180
ii.	Major Revisions	\$33,080
d)	Extension - Draft Plan approved	\$510
e)	Maintenance	\$473
f)	Advertising (minimum charge, if applicable)	\$1,325
g)	Amended application with public consultation	\$5,638
h)	New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived
i)	Street Lighting Review and Evaluation	\$3,567
7. Plan of Condominium¹		
a)	New Construction - with Public Process	\$18,000
i.	Plus Addition per unit charge	\$75
b)	New Construction - without Public Process	\$14,993

i. Plus Addition per unit charge	\$75
c) Condominium Conversions	\$26,140
i. Plus Addition per unit charge	\$100
d) Recirculation	\$1,110
e) Revision	\$1,195
f) Maintenance Fee	\$460
g) Exemption	\$1,265
h) Extension	\$870
i) New Non-Profit Affordable Housing ⁵ (subject to eligibility as outlined on application form)	Fees Waived
8. Part Lot Control Application	\$2,525
i. Plus per Lot/Unit/Part	\$230
ii. Plus per Unit Finance Fee	\$18
iii. Extension	\$1,075
9. Consent Application	
a) Land Division Consent fee	
i. Fully Serviced Lot	\$2,786
ii. Property serviced by well/cistern	\$2,860
iii. Additional fee plus base fee where no sanitary sewer exists	\$370
b) Recirculation	\$190
c) Deed Certification	\$220
d) Deferral or Extension	\$63
e) Validation of Title	\$450
f) Plus per Unit Finance Fee	\$15
10. Formal Consultation (fee will be credited to any required future application) ³	\$1,200

11. Minor Variance	\$2,550
a) Routine Minor Variance (Note: applies to pools, decks, sheds, accessory buildings, porches, eave projections and recognizing legal non-complying situations)	\$1,190
b) Variances required after the fact	\$3,153
c) Recirculation	\$255
12. Sign Variance	\$3,565
13. Neighbourhood Plan or Modified Neighbourhood Plan Preparation	\$2,290
14. Municipal Street Number Request	\$353
15. Street Name Change	\$2,310
16. Property Reports	\$178
17. MECP Environmental Compliance Approval Administration Fee	\$2,270 + HST
18. Cash in Lieu of Parking Administration Fee	\$520 + HST
19. Environmental Sensitive Areas Impact Evaluation Group (ESAIEG)	\$388
20. Record of Site Condition Administration Fee	\$398
21. Peer Review of Special Studies Administration Fee	Consultant fee + HST
22. Subdivision Agreement Preparation	
a) Subdivision Agreement Preparation - New Process	\$3,175
b) Subdivision Agreement Preparation - Old Process	\$3,665
c) Minor Revision to Subdivision Agreement	\$365
d) Major Alteration to Subdivision Agreement	\$748
e) Subdivision Agreement Amendment	\$1,050
23. Special Agreements	
a) External Work Agreement Preparation	\$4,930
b) Special Sewer Service Agreement	\$4,200
c) Special Water Service Agreement	\$4,200

d)	Joint Sewer/Water Service Agreement	\$4,200
e)	Consent Agreements	\$4,200
f)	Consent Agreement with warning clauses only	\$2,100
g)	Site Alteration Process - review and circulate plans Residential	\$620
h)	Site Alteration Process - review and circulate plans Non-residential	\$2,770
i)	Site Alteration Process per plan type on 4th submission and thereafter (NEW)	\$375
j)	LPAT Appeal (NEW) initiate process <i>In addition to the fees set out above, the total fees payable shall include all fees associated with supporting an applicant at a hearing where the application was approved by City Council including City legal fees, City staff fees, outside legal counsel and consultant/witness fees where required, but excluding the cost of the Planning and Economic Development Department staff. These additional fees shall be collected through the process set out in a cost acknowledgement agreement which must be signed and submitted as part of the applications identified.</i>	\$880
k)	Shoring Agreement & Draining Review (NEW)	\$4,475
l)	Construction Management Plan (NEW)	\$3,285
24. Lot Grading		
a)	Lot Grading Acceptance inspection per unit	\$458
i.	Lot Grading Acceptance inspection per multi-unit block (3-8 units)	\$935
b)	Lot Grading and Service Connection Applications (NEW)	\$2,070
c)	Site Inspections (NEW)	\$1,850
d)	Lot grading re-inspection fees (3rd and subsequent) NEW	\$125
e)	Pre-Service Agreements	\$4,200
f)	Additional Cost per Unit	\$35
g)	Pre-Grading Agreement	\$4,200
h)	Phased / Staged Construction	\$2,200
25. Tree Protection		
a)	General Vegetation Inventory Review	\$365

b) Tree Protection Plan Review	\$605
26. Other Fees	
a) Records Search ⁴	\$25 plus HST
b) Photocopying Fee	\$ 0.50 /page, plus HST

1 **Joint Application** – Where applications are made for an Official Plan Amendment, Zoning By-law Amendment, Approval of a Draft Plan of Subdivision or Condominium Description, or any combination thereof, the total fees will be reduced by 25%.

2 **Rezoning** - For the purposes of fees, there are two (2) types of rezoning applications: Routine and Complex. When an application is submitted, the following guidelines are used to determine the type of application.

Routine

- Applications to add one specific use (i.e. that does not change the zoning district); or
- Applications to reduce yard requirements or modify other district or zone requirement (i.e. only one requirement); or
- Applications to rezone three (3) single detached dwelling lots or less; or
- Applications to extend a "temporary use".

Complex

- All other Applications.

3 Formal Consultation fee is not credited towards Minor Variance or Consent application fees.

4 Records Search fee is charged at a rate of \$25 plus HST per 15 minutes with a minimum charge of 25 plus HST.

5 Fees or payments required by any Conditions of Approval remain in effect.

Note:

This list is a summary of development fees. Additional fees may be required, such as for the cancellation and/or recirculation of a Public Meeting, Ontario Municipal Board appeals, Conservation Authority Plan Reviews, etc. Please call the Planning and Economic Development Department at 905-546-2424 Ext. 1355 or 2799 for additional information.

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Official Plan Amendment and/or Zoning Bylaw Amendment to establish a New Pit or Quarry	139,685	138,330	-1,355	N/A	N/A				
Pit or Quarry Expansion	55,880	55,340	-540	N/A	N/A				
Official Plan Amendment (Rural or Urban)	18,970	34,860	15,890	26,915	30,888	22	766,920	679,525	592,130
Phase 1 - Services up to City Council Report	11,205	20,590	9,385	15,898	18,244	15	308,850	273,656	238,463
Phase 2 - Services subsequent to Council Resolution approval	7,765	14,280	6,515	11,023	12,651				

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Recirculation with no advertising required	495	1,210	715	853	1,031				
Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	495	1,210	715	853	1,031				
Advertising (minimum charge, if applicable)	1,150	1,500	350	1,325	1,413				
Amended application with public consultation	2,975	4,170	1,195	3,573	3,871				
Rezoning Application									
Routine	11,770	25,480	13,710	18,625	22,053	13	331,240	286,683	242,125
Complex (comprised of Phase 1 and 2 fee)	23,525	36,335	12,810	29,930	33,133				

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Complex Phase 1 - Services up to City Council Report	15,855	24,491	8,636	20,173	22,332	25	612,275	558,300	504,325
Complex Phase 2 - Services subsequent to Council Resolution approval	7,670	11,844	4,174	9,757	10,801	25	296,100	270,013	243,925
Residential Per Unit Fee (NEW)		600	600	300	450	750	450,000	337,500	225,000
Non-Residential per m2 fee (NEW)		9	9	4	6				
Public Notice recirculation due to cancellation of a Public Meeting by the applicant or agent	495	1,210	715	853	1,031				

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Advertising (minimum charge, if applicable)	1,150	1,500	350	1,325	1,413				
Severance of Surplus Farm	5,880	9,200	3,320	7,540	8,370				
Amended application with circulation	1,490	2,085	595	1,788	1,936	5	10,425	9,681	8,938
Recirculation	1,490	2,085	595	1,788	1,936				
Removal of a 'H' Holding Provision	1,955	4,080	2,125	3,018	3,549	10	40,800	35,488	30,175
Removal of a 'H' Holding Provision (Downtown NEW)		6,260	6,260	3,130	4,695				
Supplementary Report Fee (NEW)		5,000	5,000	2,500	3,750				

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Site Plan Control									
Full Application	9,800	25,730	15,930	17,765	21,748	47	1,209,310	1,022,133	834,955
Agricultural Uses - 1/2 of Application Fee	4,905	12,865	7,960	8,885	10,875	9	115,785	97,875	79,965
Amendment to and Approved Site Plan	2,370	15,400	13,030	8,885	12,143	43	662,200	522,128	382,055
Agricultural Uses - 1/2 of Application Fee	1,190	7,710	6,520	4,450	6,080	7	53,970	42,560	31,150
Minor Application	1,215	14,760	13,545	7,988	11,374	53	782,280	602,809	423,338
Agricultural Uses - 1/2 of Application Fee	610	7,385	6,775	3,998	5,691	17	125,545	96,751	67,958
Preliminary Site Plan Review	2,370	12,230	9,860	7,300	9,765	6	73,380	58,590	43,800
Resubmission fee per plan type of 4th submission and thereafter		750	750	375	563				

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
3 month extension		390	390	195	293	N/A	N/A	N/A	N/A
6 month extension		780	780	390	585	N/A	N/A	N/A	N/A
9 month extension		1,165	1,165	583	874	N/A	N/A	N/A	N/A
12 month extension		1,555	N/A	1,555	N/A				
1 & 2 Family Residential of the Hamilton Beach Strip	2,290	10,200	7,910	6,245	8,223	8	81,600	65,780	49,960
1 & 2 Family Residential within or contiguous to Major Open Space Areas	1/2 applicable fee	1/2 application fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plus per unit Residential charge for first 10 units	570	1,000	430	785	893	160	160,000	142,800	125,600

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Plus per unit Residential charge for additional units (11-50 units to a max of 50 units)	345	600	255	473	536				
Plus per m2 new gross floor area for non-residential developments	5 m2	8.50 m2	1.75 m2	6.75 m2					
Ancaster Minor Development Application	5,150	2,320	-2,830	2,320					
Plans of Subdivision									
Subdivision Application	37,860	50,370	12,510	44,115	47,243	12	604,440	566,910	529,380
Plus Addition per unit charge (0-25 units NEW)	230	525	295	378	451	240	126,000	108,300	90,600

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
26-100 units		300	300	150	225				
101+ units		240	240	120	180				
Plus Addition per block charge	665	860	195	763	811	16	13,760	12,980	12,200
Recirculation of revisions	1,055	1,900	845	1,478	1,689				
Revision - Draft Plan Approved									
Minor Revisions	4,945	1,180	-3,765	N/A	N/A				
Major Revisions	28,390	37,770	9,380	33,080	35,425	2	75,540	70,850	66,160
Extension - Draft Plan approved	840	510	-330	N/A	N/A				
Maintenance	445	500	55	473	486				
Advertising (minimum charge, if applicable)	1,150	1,500	350	1,325	1,413				

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Amended application with public consultation	2,975	8,300	5,325	5,638	6,969				
Street Lighting Review and Evaluation		7,135		3,567	5,351				
Plan of Condominium									
New Construction - with Public Process	24,740	18,000	-6,740	N/A	N/A				
Plus Addition per unit charge	75	75	0	75	75	10	750	750	750
New Construction - without Public Process	18,155	14,993	-3,162	N/A	N/A				
Plus Addition per unit charge	75	75	0	N/A	N/A	300	22,500	N/A	N/A
Condominium Conversions	26,140	26,140	0	N/A	N/A	2	52,280	52,280	52,280

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Fully Serviced Lot	2,712	2,860	148	2,786	2,823	95	271,700	268,185	264,670
Property serviced by well/cistern	2,860	2,860	0	N/A	N/A	10	28,600	N/A	N/A
Additional fee + base fee where no sanitary sewer exists	365	375	10	370	373	N/A	N/A	N/A	N/A
Recirculation	220	190	-30			5	950	N/A	N/A
Deed Certification	220	220	0	N/A	N/A	79	17,380	N/A	N/A
Referral or Extension	60	65	5	63	64	N/A	N/A	N/A	N/A
Validation of Title	830	450	-380	N/A	N/A	2	900	N/A	N/A
Plus per Unit Finance Fee	18	15	-3	N/A	N/A	N/A	N/A	N/A	N/A
Minor Variance	1,610	3,490	1,880	2,550	3,020	283	987,670	854,660	721,650
Routine Minor Variance	1,225	1,190	-35	N/A	N/A	N/A	N/A	N/A	N/A

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Variances req'd after the fact	1,945	4,360	2,415	3,153	3,756	75	327,000	281,719	236,438
Recirculation	230	280	50	255	268	5	1,400	1,338	1,275
Sign Variance	910	6,220	5,310	3,565	4,893	10	62,200	48,925	35,650
Signs erected, located and/or displayed without a permit	1,265								
Neighbourhood Plan or Modified Neighbourhood Plan Preparation	2,310	2,290	-20	N/A	N/A	N/A	N/A	N/A	N/A
Municipal Street Number Request	345	360	15	353	356	N/A	N/A	N/A	N/A
Street Name Change	6,590	2,310	-4,280	N/A	N/A	N/A	N/A	N/A	N/A
Property Reports	175	180	5	178	179	N/A	N/A	N/A	N/A

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Subdivision Agreement Preparation - New Process	2,150	4,200	2,050	3,175	3,688	11	46,200	40,563	34,925
Subdivision Agreement Preparation - Old Process	3,665	3665	N/A	N/A	N/A	4	14,660	N/A	N/A
Minor Revision to Subdivision Agreement	230	500	270	365	433	1	500	365	365
Major Alteration to Subdivision Agreement	495	1,000	505	748	874	1	1,000	874	748
Subdivision Agreement Amendment	1,070	1,050	-20	N/A	N/A	3	3,150	N/A	N/A
Special Agreements									
External Work Agreement Preparation	4,975	4,930	-45	N/A	N/A	11	54,230	N/A	N/A
Special Sewer Service	4,235	4,200	-35	N/A	N/A	5	21,000	N/A	N/A

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Non-residential									
Site Alteration Process per plan type on 4th submission and thereafter (NEW)		750	750	375	563	N/A	N/A	N/A	N/A
LPAT Appeal (NEW) initiate process		1,760	1,760	880	1,320	N/A	N/A	N/A	N/A
Shoring Agreement & Draining Review (NEW)		8,950	8,950	4,475	6,713	N/A	N/A	N/A	N/A
Construction Management Plan (NEW)		6,570	6,570	3,285	4,928	N/A	N/A	N/A	N/A
Lot Grading									
Lot Grading Acceptance inspection per unit	405	510	105	458	484	44	22,440	21,285	20,130

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Lot Grading Acceptance inspection per multi-unit block (3-8 units)	830	1,040	210	935	988	2	2,080	1,975	1,870
Lot Grading and Service Connection Applications (NEW)		4,140	4,140	2,070	3,105	N/A	N/A	N/A	N/A
Site Inspections (NEW)		3,700	3,700	1,850	2,775	N/A	N/A	N/A	N/A
Lot grading re-inspection fees (3rd and subsequent) (NEW)		250	250	125	188	N/A	N/A	N/A	N/A
Pre-Service Agreements	4,235	4,200	-35	N/A	N/A	N/A	N/A	N/A	N/A
Additional Cost per Unit	35	35	0	N/A	N/A	68	2,380	N/A	N/A
Pre-Grading Agreement	4,235	4,200	-35	N/A	N/A	N/A	N/A	N/A	N/A

Application Type	Current Fee (January 1, 2019 Indexing)	Proposed New Fee	Dollar Increase of New over Current	50% of the Proposed Fee	75% of the of the Proposed Fee	Projected Number of Applications By Type	Projected Revenue (New Fee) 100%	Projected Revenue (New Fee) 75%	Projected Revenue (New Fee) 50%
Phased / Staged Construction	2,210	2,200	-10	N/A	N/A	4	8,800	N/A	N/A



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 28, 2019
SUBJECT/REPORT NO:	2019 Operating Budget Offsets from Planning and Development Fees (PED19066) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the levy contribution to the 2019 Operating Budget for the Planning and Economic Development Department, that is directly related to the processing of development applications, be reduced by \$500K (\$750K annualized), with these levy funds to be offset by any additional revenues resulting from the General Issues Committee's consideration of potential planning and development fee increases at its March 22, 2019 meeting;
- (b) That if planning and development fees in 2019 are not increased at an amount sufficient to cover the \$500K (\$750K annualized) levy reduction in (a), that the difference be offset by a contribution from the Tax Stabilization Reserve (Reserve No. 110046);
- (c) That if planning and development fees in 2019 are increased at an amount that generates revenues that are greater than the \$500K (\$750K annualized) levy reduction in (a), that the difference be contributed to the Development Fee Stabilization Reserve (Reserve No. 110086);
- (d) That the Planning and Economic Development Department report back to the Planning Committee at the beginning of Q3 2019 with recommendations for the

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utilization of any revenues contributed to the Development Fee Stabilization Reserve from (c) above; and,

- (e) That the Planning and Economic Development Department undertake a workforce attraction and retention strategy focussed on the Department's development approvals function, that includes a salary competitiveness survey, a review of staff workloads, and a review of the applicability of the Building Enterprise model to the Department's development approvals function, and that the results and any recommendations be incorporated into the report back in (d) above.

EXECUTIVE SUMMARY

The Planning and Economic Development Department (PED) presented report PED19015 on January 18, 2019 to the General Issues Committee outlining the results of the Department's review of planning and development fees and recommending a phased increase to planning and development fees, with an initial increase to begin effective February 1, 2019. The General Issues Committee directed that:

- (a) That report PED19015, respecting the 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications, be deferred to a Special General Issues Committee meeting, to take place after the 30-day consultation period with the public and interested stakeholders; and,
- (b) That staff be directed to report back to the General Issues Committee respecting an alternate rate for Secondary Suites, as an interim measure until such time as the new residential zoning has been adopted, which will implement the Official Plan policies that permit Secondary Suites in all residential areas of the City. Staff have been undertaking the requested consultations, and will be reporting back to General Issues Committee with recommendations on March 22, 2019.

During the presentation of the Planning and Economic Development Department proposed 2019 Operating Budget on January 30, 2019, the General Issues Committee requested that PED staff work with Finance staff to review the PED operating budget, and the pending increases to the planning and development fees, and report back as part of the 2019 Budget process with recommendations for how the fee increases could be used to offset the PED levy impact.

This Report is in response to that General Issues Committee direction of January 30, 2019.

Alternatives for Consideration – See page six

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FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: On January 30, 2019 the Planning and Economic Development Department presented its proposed 2019 Operating Budget with a net levy impact of 2.7%. A reduction of \$500K (\$750K annualized) in levy contribution would reduce the PED 2019 Operating Budget to a net levy impact of approximately 1%. It would also reduce the overall City-wide 2019 Operating Budget by approximately 0.1%.

Staffing: There are no staffing implications associated with the staff recommendation.

Legal: *Planning Act* Section 69 stipulates that planning and development fees can cover “only the anticipated cost ... in respect of the processing of each type of application”. Therefore planning and development fees cannot be used to offset other levy pressures or to fund other City services or programs.

HISTORICAL BACKGROUND

The Planning and Economic Development Department presented report PED19015 on January 18, 2019 to the General Issues Committee outlining the results of the Department’s review of planning and development fees and recommending a phased increase to planning and development fees, with an initial increase to begin February 1, 2019. General Issues Committee did not approve any fee increase at that time, and instead directed that:

- (a) That report PED19015, respecting the 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications, be deferred to a Special General Issues Committee meeting, to take place after the 30-day consultation period with the public and interested stakeholders; and,
- (b) That staff be directed to report back to the General Issues Committee respecting an alternate rate for Secondary Suites, as an interim measure until such time as the new residential zoning has been adopted, which will implement the Official Plan policies that permit Secondary Suites in all residential areas of the City. Staff have been undertaking the requested consultations, and will be reporting back to General Issues Committee with recommendations on March 22, 2019.

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part of the 2019 Budget process with recommendations for how the fee increases could be used to offset the PED levy impact.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Planning Act Section 69 stipulates that planning and development fees can cover “only the anticipated cost ... in respect of the processing of each type of application”. Therefore planning and development fees cannot be used to offset other levy pressures or to fund other City services or programs.

RELEVANT CONSULTATION

- Building Division, Planning Division, Growth Management Division, Transportation Planning & Parking Division of the Planning and Economic Development Department; General Manager’s Office, Finance and Administration
- City Manager’s Office

ANALYSIS AND RATIONALE FOR RECOMMENDATION

While Council has not yet made a decision on the extent and timing of any planning and development fee increases, Table 1 provides a summary of the estimated increase in revenues in 2019 (beyond what has already been budgeted in the 2019 PED Operating Budget) under the following two scenarios:

Scenario 1 – 50% of the full-cost recovery fee is implemented as of April 1, 2019; and,

Scenario 2 – 100% of the full-cost recovery fee is implemented as of April 1, 2019.

It should be noted that these are revenue estimates based on 2019 forecast activity levels. There is risk in achieving these revenues, should development activity in the city slow.

These revenue estimates also assume that all fees are increased to either 50% or 100% of the full cost recovery level. Following its consultation with stakeholders, PED staff is considering bringing forward a recommendation to General Issues Committee on March 22 that would provide different levels of levy “subsidy” to different types of applications.

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Table 1 – Additional 2019 Revenues Associated with Varying Planning and Development Fee Increases

Scenario	Additional 2019 Revenues
Scenario 1 – 50% of the full-cost recovery fee is implemented as of April 1, 2019	\$1.849M*
Scenario 2 – 100% of the full-cost recovery fee is implemented as of April 1, 2019	\$3.654M*
Each increment of 10% of the full-cost recovery fee is implemented as of April 1, 2019	\$360K*

*Note: This revenue would include transfer to rates for Public Works component and liabilities for staff cost carried forward into future years which is held in Reserve.

The proposed 2019 PED Operating Budget that was presented to General Issues Committee indicated the following net levy impact by Division:

	2018	2019	2019	2019 vs. 2018	
	Restated Net	Preliminary Gross	Preliminary Net	Change	
				\$	%
General Manager	1,074,800	1,281,840	1,109,890	35,090	3.3%
Transportation, Planning and Parking	1,992,060	16,051,520	1,956,440	-35,620	(1.8%)
Building	1,334,080	14,065,550	1,394,540	60,460	4.5%
Economic Development	5,478,590	8,211,330	5,533,280	54,690	1.0%
Growth Management	176,940	6,524,080	542,860	365,920	206.8%
Licensing & By-Law Services	6,696,140	12,589,970	6,774,260	78,120	1.2%
LRT Office	-	8,606,550	-	-	-
Planning	3,747,150	8,819,400	3,742,010	-5,140	(0.1%)
Tourism & Culture	8,886,320	10,461,670	9,131,720	245,400	2.8%
Total Planning & Economic Development	29,386,080	86,611,910	30,185,000	798,920	2.7%

It is important to note that only a portion of PED's activities relate to the review of development applications, and any fees collected for development review can only be used for that purpose. Therefore, only the levy dollars that are currently allocated for PED's development review activities can be offset by an increase in fee revenues. These activities are primarily in the Planning Division and Growth Management Division,

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and to a lesser extent in the Building Division and Transportation Planning & Parking Division. Overall, the current levy contribution to the PED Operating Budget for activities related to the review of development applications is approximately \$1.557M. Therefore that is the maximum amount of levy reduction that can be applied to the PED budget.

Depending on the fee increase that is endorsed by General Issues Committee when it considers the matter on March 22, 2019, the actual 2019 revenue increase may exceed the amount being recommended in (a) of this report. If that is the case, there would be five broad options available to Council which are itemized in the Alternatives for Consideration section of this Report.

Staff are recommending that, on an interim basis, any excess revenues be allocated to the Development Fee Stabilization Reserve. Staff would then report back at the beginning of Q3 2019 with recommendations for how any additional revenues should be utilized.

ALTERNATIVES FOR CONSIDERATION

Council could immediately allocate the full projected revenue increase to one of the following five options:

Option (i) – Do nothing and maintain existing operating budget;

Option (ii) – Use additional revenues to further reduce the overall levy impact of the Planning and Economic Development Department;

Option (iii) – Use additional revenues to increase staffing levels, or fund other departmental enhancements, to increase service levels provided to the development industry;

Option (iv) – Use additional revenues to further build the Development Fee Stabilization Reserve; or,

Option (v) – Use additional revenues for some combination of (ii), (iii) and (iv) above.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

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Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

N/A

GP:as