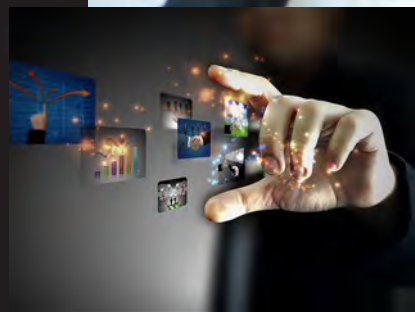


Planning and Development Fee Study



City of Guelph

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1 STUDY INTRODUCTION

- The Government Finance Officers Association (GFOA) recommends that municipalities undertake a comprehensive review of user fees every four to five years. This is to ensure that the fee charged is aligned with the underlying goals and objectives and reflects existing work processes and resource allocation.
- The last comprehensive review of Planning and Development fees in the City of Guelph was undertaken in 2017. As such, this is an optimal time to update the fees.
- Further changes to work processes have been made as a result of provincial legislation that was introduced in the past several years.
- For the above noted reasons, the City of Guelph is undertaking a comprehensive review of its Planning and Development fees for 2024. The City prepared a request for proposal and BMA Management Consulting Inc. was awarded the contract in November 2023.
- The purpose of this report is to recommend updates to the Planning and Development fees that will accurately recover the City's costs in consideration of current activities for development applications.

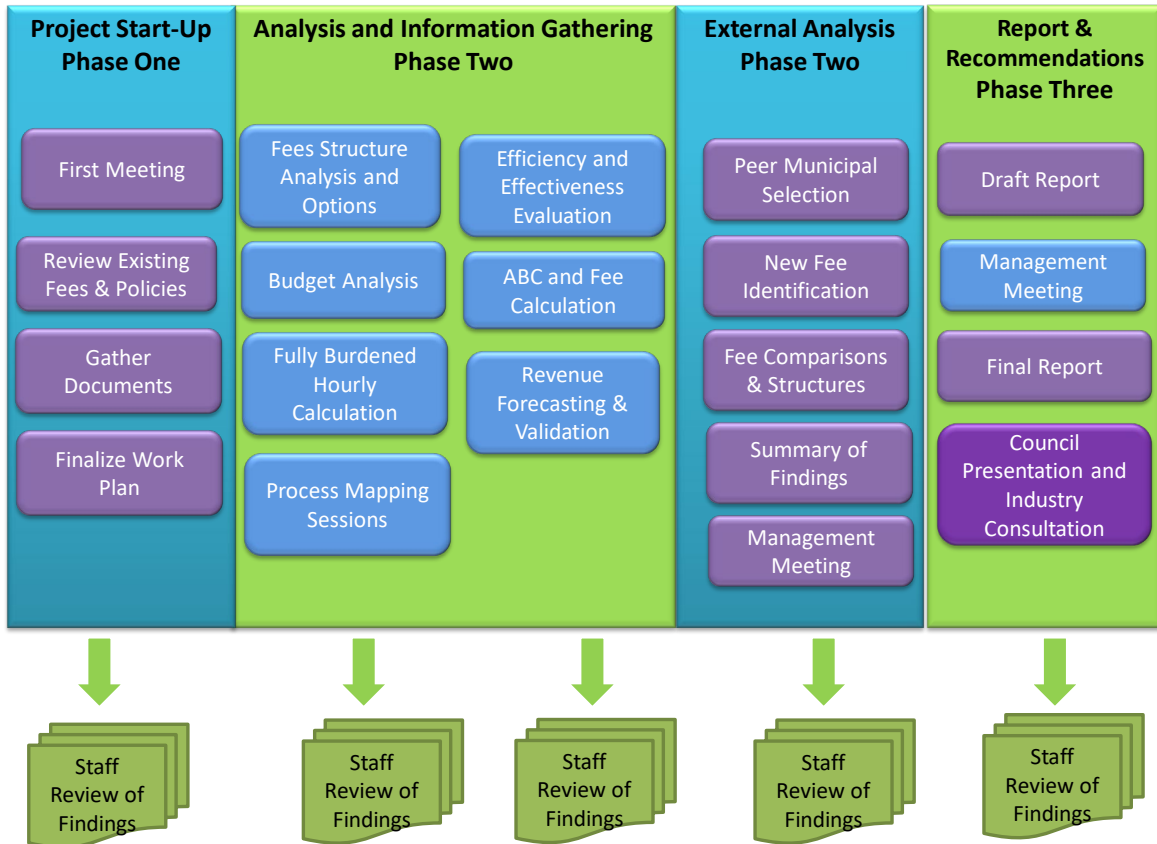
1.1 Guiding Principles for the Establishment of Planning User Fees

The following guiding principles were used to establish the fees recommended in this report.

- Fees for service will be set to reflect the efficient delivery of service;
- Charge a fee to applicants who receive direct benefit;
- Equitably distribute costs between the various applications;
- Set fees based on full cost of service to include all direct and indirect costs to avoid taxpayer subsidization; and
- Ensure that the process, research, and recommendations support accountability and transparency.

1.2 Review Process

The following reflects a schematic of how the project was undertaken for all required tasks and phases:



1.3 Information Used in the Development of Planning and Development Fees

The following summarizes the information used in the development of the financial model and calculation of fees:

- 2024 Operating Budgets;
- 2024 Salaries and Benefits by position involved in the application processes;
- Planning activity levels;
- Corporate cost allocations;
- 2023/2024 fee schedules from peer municipalities; and
- Process maps for each major planning application type, including steps, tasks and who is responsible for the work.

1.4 Peer Municipalities

- Peer municipalities were selected by the City as follows:

Municipality	Stats Canada 2016 Pop	Stats Canada 2021 Pop	Manifold 2023 Est Pop	% 2016-2021 Increase	2021 Land Area (km ²)	2021 Pop/Land
Barrie	141,434	147,829	159,067	4.5%	99	1,493
Brampton	593,638	656,480	733,134	10.6%	266	2,469
Brantford	98,563	104,688	111,444	6.2%	99	1,061
Cambridge	129,920	138,479	149,142	6.6%	113	1,226
Guelph	131,794	143,740	157,178	9.1%	87	1,644
Hamilton	536,917	569,353	613,259	6.0%	1,118	509
Kitchener	233,222	256,885	285,878	10.1%	137	1,878
Milton	110,128	132,979	149,100	20.7%	364	365
Waterloo	104,986	121,436	135,474	15.7%	64	1,896
Average	231,178	252,430	277,075	10.0%	261	1,393

- The peer municipalities are consistent with the previous study of Guelph’s Planning and Development Fees which was undertaken in 2017.
- Most municipalities that provide planning and development permit and application processes have adopted a philosophy of having development pay the full cost of the service demands associated with applications and eliminate contributions from the tax base.
- Two-tier municipalities may have fees at both the upper tier (Regions) and local tier. In these cases, both fees have been shown in the analysis. For example, in some cases such as Kitchener, Cambridge, Waterloo, Brampton and Milton, any related upper tier fee has also been included in the analysis.

1.5 Legislation

1.5.1 Planning Act Fees

- Section 69 of the *Planning Act*, allows municipalities to impose fees through by-laws 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 planning fees be designed “to meet only the anticipated cost of processing each type of application.” In setting the fees, direct costs, support function costs directly related to the service provided and general overhead indirect costs related to the service are eligible to be included in the fee calculation.
- To meet legislative requirements, the fee calculations are based on staff estimates of average time to process various types of planning applications.

1.5.2 Legislative Changes - Bill 109 More Homes for Everyone Act 2022

- Bill 109 included additions to the *Planning Act* which require Municipalities to issue application fee refunds if a decision is not made by Council within the legislated time frames.
- It is staff’s intent to minimize, to the extent possible, application refunds however, there may be a financial impact. As such, a focus on the review was on service delivery efficiencies in the planning operations.

The following table provides a summary of Bill 109 changes and how refund amounts would be required, which commenced January 1, 2023:

	No Refund	50% Refund	75% refund	100% Refund
Zoning By-law Application	Decision made within 90 days	Decision made within 91 and 149 days	Decision made within 150 and 209 days	Decision made 210 days or later
Combined Official Plan Amendment and Zoning By-law Application	Decision made within 120 days	Decision made within 121 and 179 days	Decision made within 180 and 239 days	Decision made 240 days or later
Site Plan Application	Approval within 60 days	Approval within 61 and 89 days	Approval within 90 and 119 days	Approval 120 days or later

- As identified by City staff and from research undertaken across the peer municipalities surveyed, there are many reasons why timeframes are not met, including but not limited to the following:
 - Collaborative Approach - working with applicants and stakeholders to find mutually agreeable solutions is beneficial to the applicant and the City but additional time and resources are expended to achieve the desired outcome;
 - Applications may have inadequate information and quality related issues;
 - The application review process is iterative and the time it takes for applicants to respond to staff comments sometimes extends approval timelines;
 - Shared responsibility of public agencies and applicants and other outside commenting agencies not under the City’s control;
 - Community engagements with notification periods to seek input from all stakeholders;
 - Lack of technology to expedite file review and comments; and

- Other administrative responsibilities that take away time from application reviews.
- A review of the planning application process was undertaken to ensure that the City is processing planning applications in the most efficient and effective manner.
- We note that a number of processes in Guelph have been streamlined and new strategies have been introduced such as the implementation of pre-submission meetings to help ensure applicants submit the necessary information prior to acceptance of an application.
- A comprehensive meeting at the very beginning of the process reduces delays caused by incomplete or low-quality applications and ensures greater co-ordination between the applicant, the municipality and all other third parties involved in the approval process.
- This has also proven to be beneficial by increasing the quality of submissions and ensuring that developers understand, up front, what studies are required as part of the application process.
- The City provides checklists and standards for acceptance of applications to support an efficient receipt of application with stricter acceptance guidelines. This provides further clarity on standards and requirements during the approval process for developers and reduce the number of incomplete applications submitted.

2 PLANNING AND DEVELOPMENT APPLICATION REVIEW

2.1 *Development Applications Findings and Observations*

- Major steps in processing an applicant's planning application involves the following steps:
 - Pre-consultation meeting
 - Pre-submission meeting
 - Receipt of completed application
 - Requests for additional information if required
 - Technical review of applications
 - Acknowledgement letter to applicant when application is deemed complete
 - Formal circulation to the various agencies and internal departments
 - Public notification of draft plan application and holding of a public meeting
 - Planning staff prepares comments to the applicant
 - Applicant prepares response/ revision if necessary and resubmits
 - Preparation of planning report to Council
 - Notice of decision
- Development application processing has become increasingly more complex and is a significant component of staff time.
- BMA worked with staff to determine the estimated number of hours required to process each type of planning development application by undertaking a process mapping exercise. The process mapping exercise also included the identification of each activity involved in the processing of the application, the staff position carrying out the activity and the estimated time.

2.2 Planning and Committee of Adjustment Activity Levels

The following table summarizes the activity levels for new applications for planning and committee of adjustment.

Planning Activity	2020	2021	2022	2023
<u>OPA/ZBA/DPA/VLC/Holding</u>				
Holding Removal	3	-	2	1
Official Plan/Zoning By-law Amendme	7	-	6	2
Zoning By-law Amendment	3	10	2	12
<u>Circulated For Review</u>				
OPA/Zoning/DPA	1	-	-	-
OPA	-	1	4	3
<u>Part Lot Control</u>				
Part Lot Control	3	1	4	-
<u>Plan of Condo</u>				
Standard	4	4	2	6
Registered	4	3	-	5
<u>Site Plan Approval</u>				
Minor Site Plan	4	5	7	10
Minor Site Plan Amendment	2	3	2	1
Site Plan Amendment	1	-	-	-
Site Plan SPRC	12	23	31	10
Total	44	50	60	48
Notes: Excludes cancelled and withdrawn				
Committee of Adjustment				
<u>Minor Variance and Consents</u>				
Minor Variance	62	63	76	90
Consents	17	29	36	18
Total	79	92	112	108

2.3 Process—Analysis of Fees

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

2.3.1 Departmental Staff Interviews

- Interviews were held with staff and management 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 fees should be established.

2.3.2 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 Guelph.
- 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.
 - Comparisons were made to processes in other municipalities to identify any areas where significant differences were identified.

2.3.3 Fully Burdened Hour Calculation

- The total cost of each service included in this analysis was based on the Fully Burdened Hourly Rates (FBHRs). The costs that are included in the calculation of fully burdened rates are:
 - Salaries & benefits of personnel involved;
 - Operating costs applicable to fee operations;
 - Departmental support, supervision, and administration overhead;
 - Corporate cost allocations; and
 - Capital costs.
- BMA worked with staff to calculate “productive or available hours” for staff.
- This takes into account activities such as vacation time, average sick time, training time, lunch, breaks, administrative, travel time. The FBHR is the full cost of staff divided by the number of available hours.
- These hours were used to determine the hourly rate for each employee involved in the application process.

2.3.4 Budget Analysis

- Data was collected based on the 2024 Operating Budget to identify all indirect and direct costs. The City’s Planning Budget includes both the Development Applications and Planning Policy staff and associated costs. An exercise was undertaken by staff and BMA to allocate the costs between the two areas, recognizing that the focus of this review is on isolating the costs related to Development Applications.
- Once isolated, an additional review was undertaken of the staff within the Development Application area of the time where staff are directly involved in applications versus administrative, clerical and oversight. Some staff involved in the review are dedicated exclusively to processing applications while others also undertake work that cannot be recovered from planning fees. Through a detailed analysis, this was also taken into consideration and excluded from the fee cost recovery.

- In addition, the City’s Operating Budget does not include an allocation of corporate overhead. Through the assistance of Planning and Finance staff, the corporate overhead costs attributed to the processing of planning applications were calculated and included into the fee recovery model and the calculation of fees. This is equivalent to approximately 10.7% of the total costs of processing planning applications.
- The following table summarizes the Development Planning expenditures:

Planning Development Expenditures	Budget 2024	% of Total 2024
Direct		
Salary, Wage & Benefits	\$ 2,319,254	66.0%
Indirect		
Salary, Wage & Benefits	\$ 712,273	20.3%
Other Expenses	\$ 107,475	3.1%
Corporate Overhead	\$ 374,546	10.7%
Total	\$ 3,513,548	100.0%

2.3.5 Develop Financial Model

- A financial model was developed to calculate the fees for each type of planning application. The total number of hours for each staff member directly related to the processing of the application.
- The number of hours were then multiplied by the fully burdened hourly rate for each of the staff members to determine the total cost of the application.

2.3.6 Fee Calculation

- The full cost of providing service for each application type was established by applying an activity-based costing methodology. This included:
 - Using the process maps developed, calculate all fees and provide options with respect to different fee structures based leading practice research and input from the City.
 - An identification of other fees that could be charged in terms of the City's goals and objectives, best practice research, legislative authority and the staff and administrative resources available to implement any new fees. There are several areas where new fees have been recommended where the City is not recovering costs related to Planning and Development applications.

2.4 Description of Major Application Fees

2.4.1 Pre-Consultation

- In accordance with the *Planning Act*, and pursuant to the City of Guelph's Official Plan Pre-consultation and Complete Application Requirements (Section 10.18) and By-law 2015-19937, applicants are required to consult with the City prior to submission of the following development applications:
 - **Official Plan Amendment**
 - **Zoning By-law Amendment**
 - **Plans of Subdivision**
 - **Plans of Condominium**
 - **Site Plan Approval**
- During the Development Review Committee (DRC) pre-consultation meeting, staff from various departments and external agencies will discuss the applicant's proposal, provide preliminary feedback and identify the list of information (e.g. plans, reports, studies) required to be included with the development application submission.
- It is effective to have consultation at the outset of the development review process. It supports good outcomes, including:
 - Supporting collaborative and productive working relationships between the applicant and City staff;
 - Improving application quality; and
 - Reducing overall time to decision on an application.
- Following the meeting, staff provide a DRC Summary letter including comments and outlining all application requirements in a consolidated DRC Checklist.
- There is a fee associated with a pre-consultation which is a consistent practice across peer municipalities. This is a non-refundable fee.

2.4.2 Pre-Submission Fee

- In response to Bill 109 which implemented changes to the *Planning Act* regarding application review timelines, the City introduced a new pre-submission review stage. This new process provides the opportunity for applicants to work collaboratively with City staff to resolve issues prior to deeming applications complete and Bill 109 timelines commence.
- The pre-submission stage reduces the likelihood of formal application submissions having insufficient information and delay the process.
- Pre-Submission review while not required is strongly recommended for:
 - **Site Plan**
 - **Zoning By-law Amendment/Official Plan Amendment**
- Planning staff advise applicants on the detailed requirements of the Pre-Submission Review stage through initial DRC pre-consultation.
- During this Pre-Submission Review stage, the applicant must submit all technical studies and reports identified in the DRC checklist for review by staff and external agencies. Following this review, clearances are provided by the applicable City staff to proceed to the formal review stage.

Existing Fees

- There is a Pre-Submission fee for each Site Plan or ZBA/OPA.
- There is also separate fee for Pre-Submission review that is charged for individual reports for each individual report submission made outside of the formal Site Plan or Zoning By-law Amendment/Official Plan Amendment process.

Recommended Fee Structure Changes

- The existing pre-submission fees are the same regardless of the type of application. Detailed process maps supported the implementation of differentiated fees to reflect the underlying cost of service. A change in the Pre-Submission fee is recommended to establish separate fees for minor and major applications by type.
- A significant change to the recommended fees is to ensure that the Pre-Submission Fee has been taken into consideration in the application fee such that there will be a commensurate reduction in the application fee. This encourages work to be undertaken early in the process to expedite work processes. As such, there is no additional cost for an applicant to undertake a Pre-Submission.

2.4.3 Official Plan Amendment (OPA)

- The City's Official Plan (OP) is a statement of goals, objectives and policies that guide Guelph's growth and development in the years leading up to 2051. The OP is developed based on input from the community and is updated every five years. The plan is focused on sustainability and establishes policies that have a positive effect on Guelph's social, economic, cultural and natural environment. The OP strives to maintain a high quality of life for the residents of Guelph, reduce uncertainty concerning future development, and provides a basis for the Zoning By-law and other land use controls.
- The OP was prepared and enacted in accordance with the provisions of the *Planning Act*. The OP was adopted by City Council on November 1, 1994, approved by the Ministry of Municipal Affairs and Housing on December 20, 1995. The OP was comprehensively updated in 2001, in 2009-12 and again through OPA 80 which was approved by the Ministry on April 11, 2023.
- All development that proceeds in the City must conform to the policies of the OP. 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 OP and/or land use designation

applied to those lands, an Official Plan Amendment (OPA) application may be made.

Existing Fees

- There is a different fee for a minor and major OPAs which reflects the work involved in completing the review. This is a consistent practice with peer municipalities. The definitions for a minor and major OPA in the City of Guelph are as follows:
 - **Minor:** Site-specific amendment, involves minor policy change or exemption.
 - **Major:** Land use change or major policy change involves more than one property or large land holdings.
- Most OPA applications include a rezoning application. Discounted Fee: As has been in the practice in the past, OPA/ZBA combined applications are discounted to take into consideration the duplication of effort in processing the applications.

Recommended Fee Structure Changes

- **New Fee:** A new fee is recommended, consistent with leading practices for revisions to applications that are requested by the Applicant which is set 50% of the application fee. The revisions consume a great deal of staff time which currently is not recovered.

2.4.4 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 Zoning By-law regulates the use of land such as residential, commercial, industrial or institutional, as well as the:
 - Location, size and height of buildings or structures;
 - Built form;

- Sets out parking and loading requirements; and
- Other site-specific requirements.
- If a property owner wishes to make changes to a property that deviates from the permitted uses or the regulations of the Zoning By-law, the owner must apply for a Zoning Amendment.
- The City of Guelph has been proactively updating the Zoning By-law and rezoning lands to implement the Official Plan. This establishes a framework that eliminates the need for rezoning applications unless the landowner is pursuing a use not contemplated in the zoning.
- On April 18, 2023, City Council approved the new Zoning By-law (2023)-20790.

Existing Fees

- The zoning amendment process can vary in complexity. As such, the City currently has a minor and a major or complex fee to reflect the level of effort required to complete the review process. This is a consistent practice with peer municipalities.
- The definitions for a minor and major ZBA are as follows:
 - **Minor:** adding uses to an existing zone, temporary use, no change in zoning category. Additional Development Agreement Fee may be imposed under the User Fee By-law where applicable.
 - **Major:** change in zoning category. Additional Development Agreement Fee may be imposed under the User Fee By-law where applicable.
- Updates have been made to the fees based on processing mapping exercises and full cost recovery principles.

Recommended Fee Structure Changes

- **New Fee:** A new fee is recommended, consistent with leading practices for revisions to applications that are requested by the Applicant which is set 50% of the application fee. This is consistent with the recommended approach for OPAs.

2.4.5 Removal of “H” Symbol

- 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.
- The purpose of the application is for removal of an “H” Holding symbol. The lands have recently received final consent approval and the removal of the Holding symbol is required to permit a future residential dwelling on the severed parcel.
- By removing the “H” holding symbol as a prefix to the zone category, the underlying uses may proceed. There is no notice provided for surrounding property owners; only the landowner receives notice of the meeting at which the Planning and Development Committee/Council will consider the application.

Existing Fees

- The City has a routine and a complex fee whereby a complex application covers the submission review (Fee based on report reviews). The use of a routine and a complex fee is a common practice to differentiate the work involved in each process.

2.4.6 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.

Existing Fee

- The Draft Plan of Condominium Fee applies to standard, common elements, vacant land, leasehold, amalgamated and phased condominium conversions.
- The Condominium application fee takes into consideration the size of the development by including a base plus a per unit charge.
- There is currently a Condominium Registration fee.

Recommended Fee Structure Changes

- Two new fees have been added for Draft Plan Red-Line Provisions; one for each of the Condominium and Subdivisions. This is a common practice and has been process mapped to reflect the time involved for each process. The Redline Revision process is a scoped review process, where minor changes are reviewed.
- A Revision to Approved Plan of Subdivision and/or Condominium Conditions has also been added to reflect the cost of service and work involved where a fee was not previously charged.
- A recommendation has also been made to differentiate between an initial Condominium Registration versus each subsequent phase for registrations set at a 50% of the initial registration.

2.4.7 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.
- Within the City of Guelph, after a plan of subdivision is registered, the City uses “Part Lot Control” to regulate further division of lots or blocks within that subdivision. The City must approve the transfer or sale of part of a lot within in a registered plan of subdivision.
- As long as the proposed lot division does not require new roads and services, and/or would not change the nature or character of the subdivision or the current lot pattern, property owners can also apply for a Part Lot Control exemption to:
 - divide land into smaller parcels
 - change lot lines;
 - create part lots from whole lots for semi-detached or on-street townhouse units;
 - correct title;
 - create an easement; or
 - create industrial or commercial lots

Existing Fees

- There is one flat fee for Part lot control, with no change to the approach recommended. The recommended fee reflects updates to the process maps.

2.4.8 Site Plan Control

- Site Plan Control ensures that municipal requirements are met and helps to improve the quality and appearance of the development to everyone's benefit.
- 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.
- There is a mandatory pre-consultation fee as part of the process where the applicant meets with City staff to identify technical issues and discuss the application(s), drawings, studies and any other information that should be included in the site plan application.
- Certain classes of development are exempt from site plan approval:
 - Low density residential, including single-detached dwellings and buildings or structures accessory thereto, but not including zero lot line dwellings, lodging houses, coach houses, garden suites, group homes or other residential care facilities;
 - Farm related development including buildings and structures for agricultural use;
 - Buildings or structures used for flood control or conservation purposes; and
 - The working areas of licensed pits or quarries.

Existing Fees

- The City's fee distinguishes between full applications and minor applications, consistent with the underlying staff review required to process the application. The fees are also based on the type of application; residential, commercial/office/institutional and industrial.
- A maximum fee also exists to acknowledge that there are economies of scale for large projects.

- In addition, there is a site plan agreement fee, consistent with the practice in other municipalities.

Recommended Fee Structure Changes

- 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 and a per m² for non-residential. There is a small modification in the recommended fee structure in that a per unit fee is charged for every unit or m² rather than in excess of 20 units or 500 m².
- The approach takes into consideration a maximum fee as is currently the practice to ensure that economies of scale continue to be considered.
- Consistent with leading practices, a recommendation has been made to introduce a fee for amendments to executed site plan agreements and minor site plans to recognize the time and resources required to complete the reviews.

2.4.9 Block Plans – New Fee

Block Plan Introduction

- Certain areas of a municipality which are expected to undergo significant change may require a more detailed planning framework. Council may pass Secondary Plans, to provide a framework for appropriate development including, the vision and character for an area with land uses, urban design, street and block pattern; adequate municipal servicing and infrastructure and to determine the appropriate mix, location and intensity of certain uses.
- Upon the adoption of Secondary Plans, a Block Plan is required, at the discretion of the City, to be prepared by participating property owners within the Secondary Plan area or a portion thereof.
- The Block Plans essentially serve as a comprehensive blueprint for the creation of individual plans of subdivision where large parcels still remain. While this tool is most commonly used in areas of new development it may also be applied, at the discretion of the City, in Intensification Areas.

Rationale for Establishing a Fee

- The City of Guelph established a guidance tool for Block Plan applications in 2019. The Block Plan guidance document sets out a process and requirements for the applicant to prepare a Block Plan.
- A Block Plan is prepared on behalf of the landowner or landowner group by a team comprised of qualified professionals including but not limited to the following areas of expertise: planning, urban design, engineering, environmental planning and heritage planning. In accordance with the guidelines, the Block Plan is to be prepared in consultation with the City of Guelph and approved by Council.
- A Block Plan is required to be developed for each of the identified Block Plan areas in Schedule D: Guelph Innovation District (GID) Secondary Plan Block Plan Areas in accordance with Official Plan (OP) policies 11.2.7.3.1 through 11.2.7.3.11, to specifically implement the policies of the Guelph Innovation District Secondary Plan (OP Section 11.2).

- The purpose of a Block Plan is to establish an appropriate physical form of proposed development for the Block Plan area that demonstrates how the Official Plan policies for the Guelph Innovation District (GID) Secondary Plan will be addressed. The Block Plan will conform to the Guelph Innovation District Schedules in section 11.2.8 of the City's Official Plan.
- Block Plans specifically address the extent and location of Secondary Plan elements on the lands, including roads, lot patterns, stormwater management facilities, park locations, proposed residential densities and employment uses and densities, etc., in sufficient detail to identify projected residential and employment densities.
- Block Plans are used to implement the policies of the GID Secondary Plan. It will provide a comprehensive plan of development for the Block Plan area that will be used by City staff to guide the consideration of development applications and City actions that will help achieve the vision and principles of the GID Secondary Plan.
- In the Guidance for Preparation of Block Plans, it is noted that the cost of developing a Block Plan will be covered by the proponents however, to date, the City does not have a fee for the work of internal staff involved in the processing and review of Block Plan applications which is significant.
- To support principles of *fairness*, the establishment of fees based on the underlying work during these processes is recommended.

Steps for Block Plan

The following summarizes the steps involved in the preparation of Block Plans:

- Step 1: Pre-submission meeting with City staff to establish the City's expectations and requirements of the Block Plan
- Step 2: Proponent required to notify all Block Plan landowners and invite them participate in preparation of the Block Plan
- Step 3: Submission of Block Plan Terms of Reference

- Step 4: Amend Terms of Reference and Re-submit (if needed)
- Step 5: Approval of Block Plan Terms of Reference
- Step 6: Completion of Block Plan by Proponent and submission to City for Approval
- Step 7: Circulation of Block Plan by City departments and outside agencies for review of supporting studies
- Step 8: Amend Block Plan and Re-submit (if needed)
- Step 9: Public Consultation Meeting
- Step 10: Council Endorsement of Block Plan

Process Maps

- Staff identified each step involved in the processing of Block Plan applications, the staff position responsible for carrying out the activity and the estimated average time to complete each activity.
- This is a reasonable and defensible approach to calculate the anticipated cost of service as they were prepared by experienced staff who understand service levels and processes unique to the City of Guelph.

Recommended Fee Structure

- The Block Plan fee has a base fee plus a per hectare charge to account for the extra workload involved in the processing of various Block Plans.

2.4.10 Consent and Minor Variance Approvals

- 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.
- The Committee of Adjustment is responsible for approving applications for minor variance and consent.
- Applications for Committee of Adjustment are used to:
 - adjust a property boundary;
 - create a new lot;
 - apply for a minor variance to Guelph's Zoning By-law; and
 - extend land uses that existed before the City passed its current Zoning By-law.
- A minor variance application is for permission or relief from the City's Zoning By-law where circumstances make it difficult to comply with the specific zoning standards.
- A consent application is often referred to as a land severance without the requirement of a plan of subdivision. The most common types of consent applications are for land severance to divide a parcel of land into two or more new lots or as a lot addition to an abutting property. Examples of other consent applications may include, but are not limited to:
 - Mortgages over part of a property;
 - Lease agreements in excess of 21 years; and
 - Easements for servicing and right of ways for access over one property in favour of another validation of title to resolve conveyance oversights that contravene the *Planning Act*.

Existing Fees

- There is a fee for minor variance and consent.
- For Consent applications, there is an application fee as well as an administration fee for new lots and a lower administration fee for applications other than new lots.

Recommended Fee Structure Changes

- There are two new fees that are recommended. The first fee is a Committee of Adjustment Pre-Consultation fee which would be credited to the application. The purpose is to provide assistance early in the process and help the applicant prepare the submission. Should the applicant decide not to pursue an application, the City is then able to recover the cost of service.
- The second change is to introduce a concurrent lot creation fee for consent applications at a lower fee than the initial application fee. It is recommended that this be set at approximately 50% of the initial lot to recognize that there are economies of scale. This is the practice in the City of Hamilton.

2.4.11 Development Engineering Fees

- Development Engineering are responsible for design review and approval, and inspections and project management throughout the construction process. Development engineering enables the City to implement its objectives for land development.
- Development Engineering is responsible for the review and approval of new municipal infrastructure (roads, sewers, watermain, sidewalks, streetlighting) related to development, and the review of the engineering aspects related to development applications for Draft Plan of Subdivision and Condominium.
- Development Engineering assist in the preparation and administration of subdivision, development and servicing agreements, which are the legal documents that are used to implement the development of new subdivisions.

Existing Fees

- There is a fee of 6% of cost of works services. This was implemented during the last study and is a common approach used in municipalities.
- No change to the existing fee is required at this time.

2.4.12 Summary of Additional Fees

- There are a number of new fees that are recommended to ensure that the City is recovering the full cost of service and that the fees are equitable and in accordance with the *Planning Act*. In some cases, there have been introduced to reflect economies of scale, with lower fees for additional phases.
- These are mainly related to re-circulations and additional work that may be related to additional work above and beyond the processing of a typical application. The new fees recommended are consistent with practices in other jurisdictions.
- The new fees have been included in the major categories noted above but have been summarized below:

New Fees	Fee: 2024	Calculated
Revision to Application when requested by Applicant requiring Re-Circulation OPA	N/A	50% of the application fee
Revision to Application when requested by Applicant requiring Re-Circulation ZBA	N/A	50% of the application fee
Temporary Use By-law	N/A	\$ 4,800.00
Revision to Application when requested by Applicant requiring Re-Circulation ZBA/OPA	N/A	50% of the application fee
Draft Plan Red-line Revisions Subdivisions	N/A	\$ 4,800.00
Revision to Approved Draft Plan of Subdivision Conditions	N/A	\$ 3,100.00
Condominium Registration - each subsequent phase	N/A	\$ 2,500.00
Draft Plan Red-line Revisions Condos	N/A	\$ 1,500.00
Revision to Approved Draft Plan of Condominium Conditions	N/A	\$ 3,100.00
Amendments to Executed Agreement (Site Plan)	N/A	\$ 800.00
Revision fee for 4th and subsequent submission (site Plan)	N/A	\$ 1,400.00
Community Block Plan base fee plus	N/A	\$ 14,000.00
per gross hectare	N/A	\$ 1,660.00
Revision to a Block Plan application when requested by applicant requiring re-circulation	N/A	50% of the application fee
Minister's Zoning Order (MZO)	N/A	\$ 24,600.00
Community Infrastructure and Housing Accelerator (CIHA)	N/A	\$ 24,600.00

Appendix A provides a full summary of the existing and recommended fees for 2024.

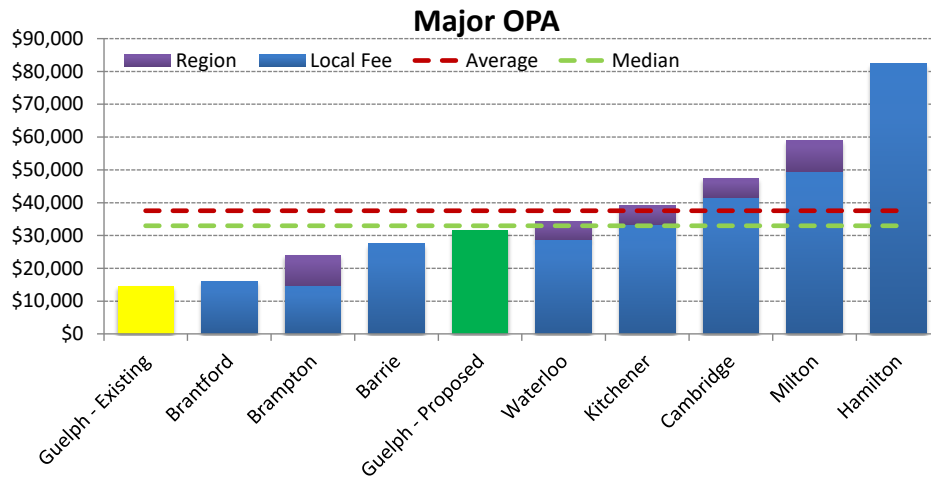
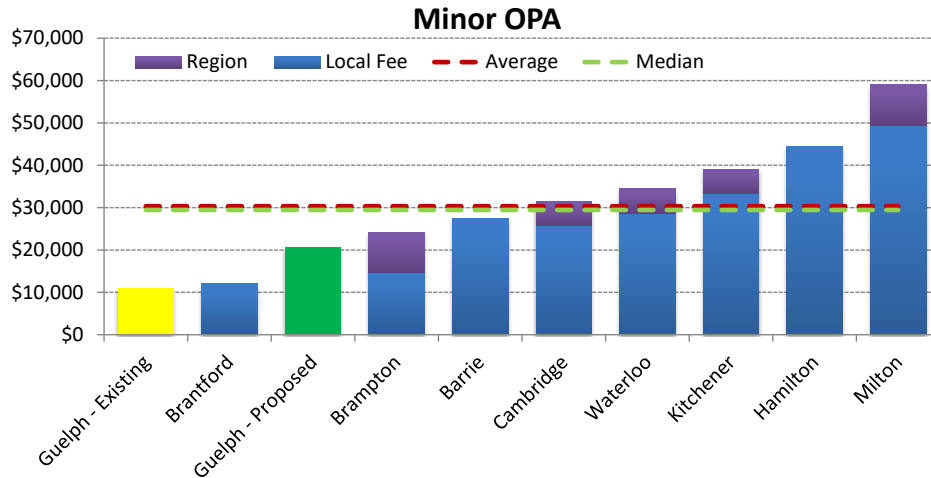
3 Peer Municipal Fee Benchmarking

A benchmarking analysis of the proposed fees in other municipalities was undertaken to test the reasonableness of the outcomes. The following provides a summary of the key influences impacting the provision of planning services in terms of costs, resource requirements, service standards:

- **Size of the Municipality:** Small-midsized municipalities tend to have a limited pool of resources that does not support specialization of staff resources and may rely more heavily on the use of external resources.
- **Resources:** Municipalities may be undertaking special projects/research which can impact work load, cost, and use of contracted services.
- **Level and Extent of Growth and Development:** The resources required, particularly in the area of development planning are heavily influenced by the level of growth and development as well as the type of growth that is being experienced. Scope and magnitude of the applications is also an influencing factor.
- **Level of Municipal Governance:** Single-tier vs. upper-tier local government structures can influence comparisons between municipalities, since upper-tier municipalities do not process all types of applications. It also influences the staffing requirements. Where a municipality has two tiers, fees from both levels of government were included.
- **Organizational Form:** Organizational structure will differ. Challenges associated with capturing measures for the full range of Planning services exist, particularly when some review and commenting functions may occur in several different departments.
- **Use of Technology:** Municipalities can create efficiencies through technological improvements in such areas as online application, status updates, comment tracking and consolidation.
- **Timing:** The average time to process a given type of application, and the cost of doing so, is affected by the decisions of the Municipal Council regarding the opportunities for public participation in the planning process. The scope of participation can vary widely between municipalities, over and above the requirements of the *Planning Act* and regulations under the *Municipal Act*.

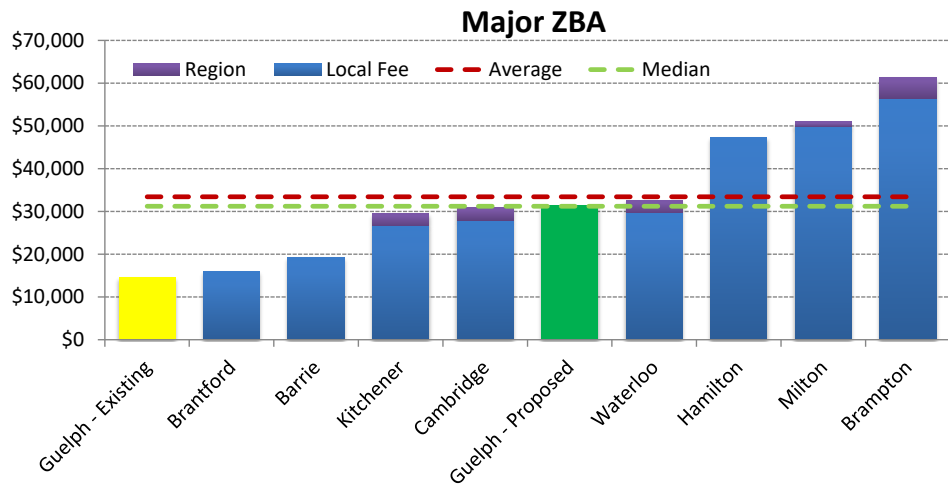
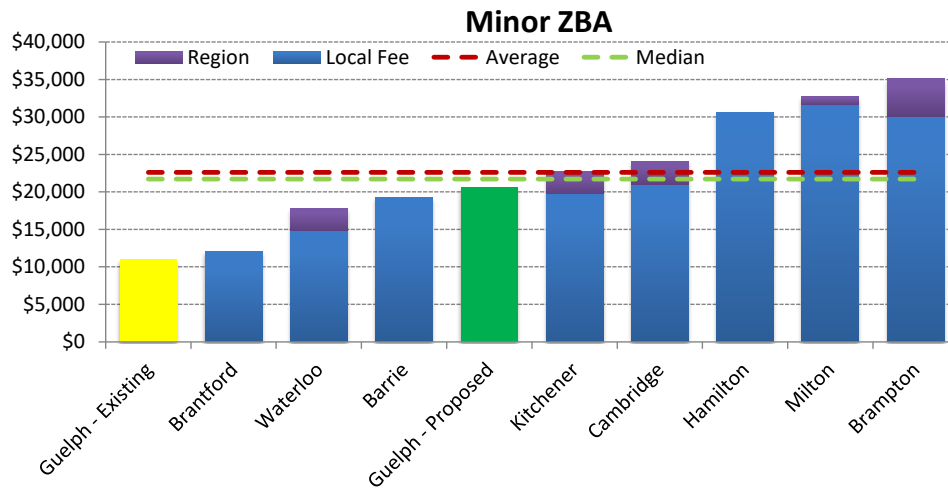
3.1 Official Plan Amendment

- Consistent with the practice in comparator municipalities such as Brantford, Cambridge and Hamilton, the City of Guelph distinguishes between a minor and major OPA. The following summarizes the results.
- Guelph’s proposed fees are below the peer average and median for minor and major OPAs.



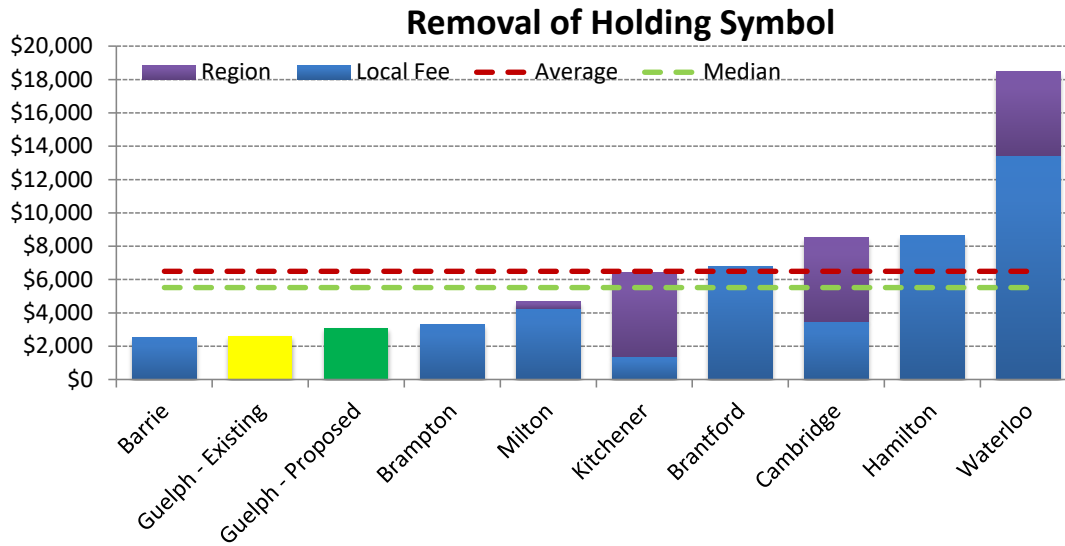
3.2 Zoning By-law Amendment

- Consistent with the practice in comparator municipalities such as Brampton, Brantford, Cambridge, Hamilton, Kitchener, Milton and Waterloo, the City of Guelph has a minor and a major zoning amendment fee.
- The proposed fees in Guelph are below the peer median and average for minor and major Zoning By-law Amendments.



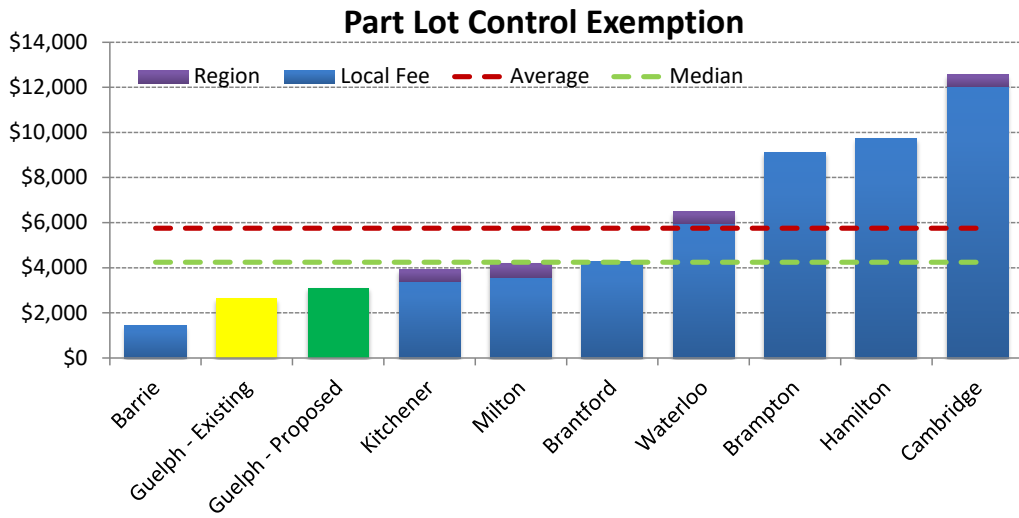
3.3 Removal of "H Symbol

- The proposed fee for removal of Holding Symbol in Guelph is well below the survey average and median. This reflects the routine holding provision.



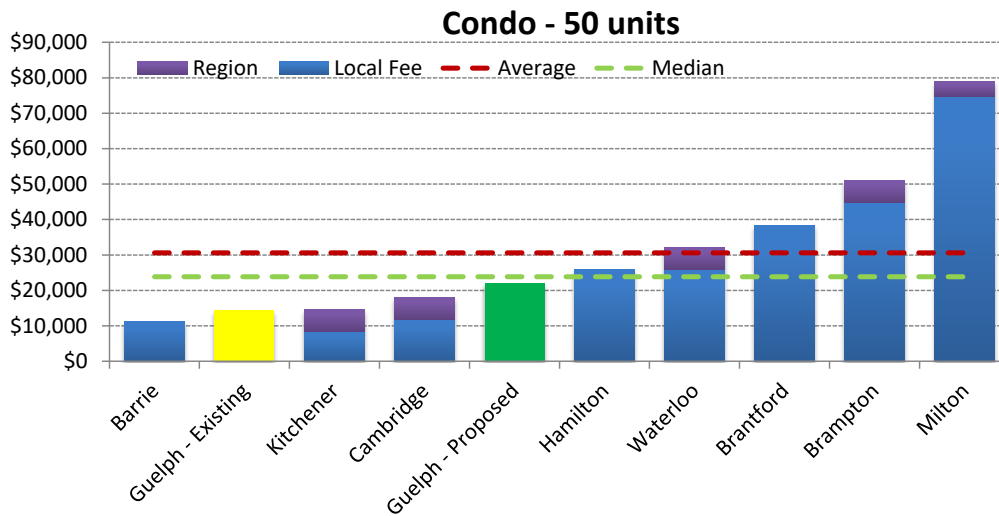
3.4 Part Lot Control

- The City of Guelph’s proposed fee for Part Lot Control Exemption is well below the peer survey average and median.

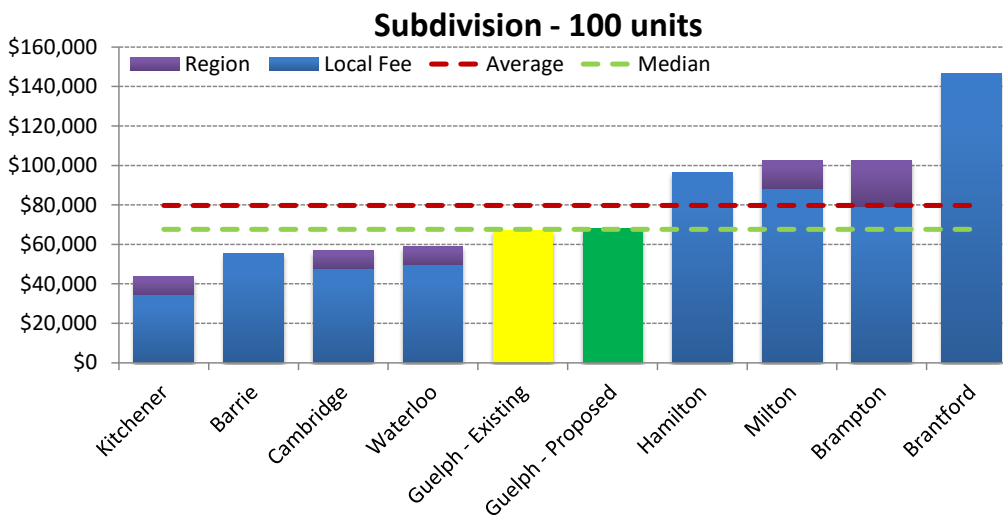
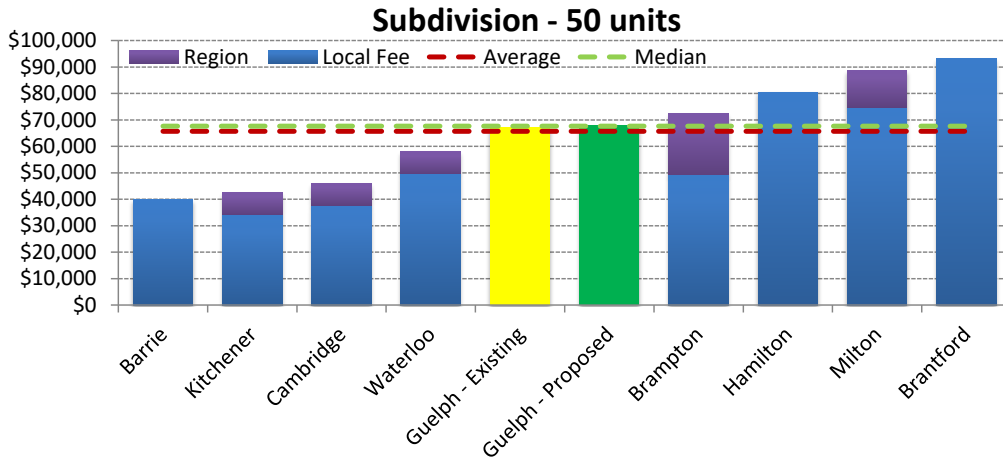


3.5 Subdivision and Condominiums

- Three examples have been provided for subdivisions and condominiums to provide an “apples-to-apples” comparison. This takes into consideration the draft plan as well as the plan of approval.
- In the case of condominiums, the City of Guelph also charges a per unit fee which is a consistent practice in many municipalities such as Brampton, Brantford, Hamilton and Milton.
- The proposed fee for Condominiums in Guelph is lower than the peer survey average and median.

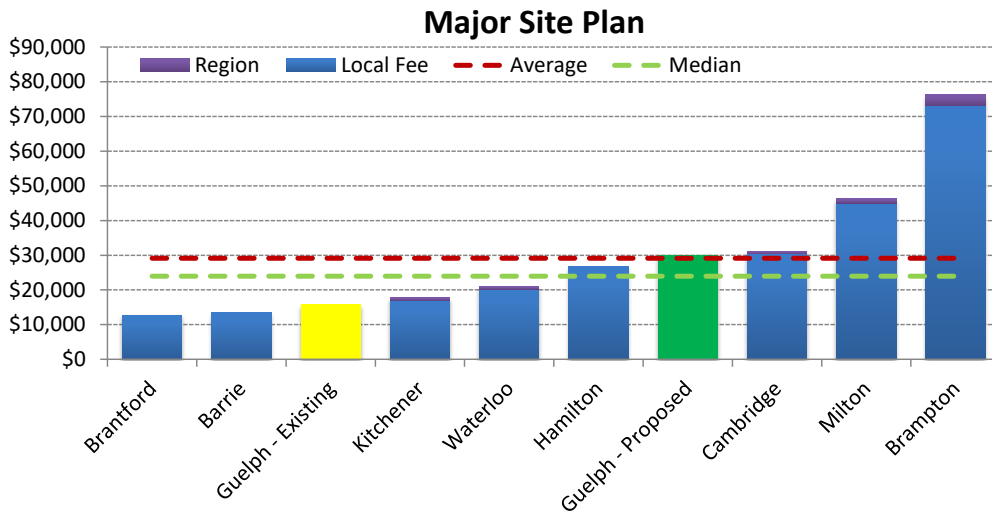
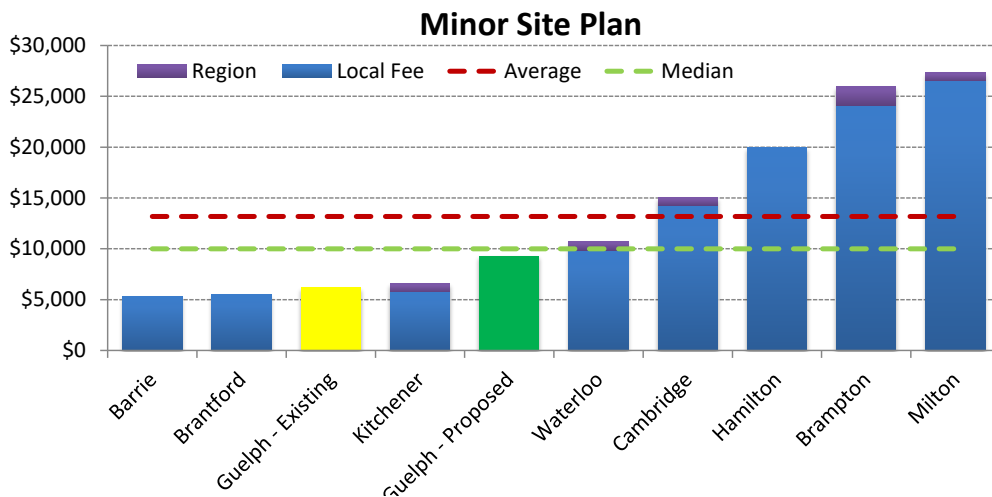


- As shown in the next two graphs, the proposed fee in Guelph for subdivision is at the survey average and median.



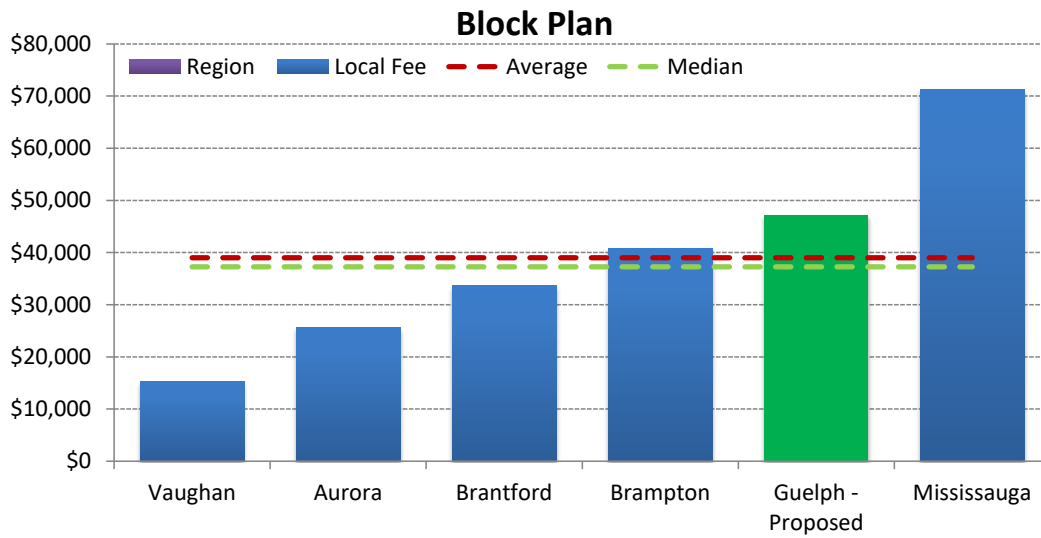
3.6 Site Plan

- The City consistent with most municipalities in the peer group, has a minor and major site plan.
- Two examples have been provided for site plans to provide an “apples-to-apples” comparison. As there are significant differences in the fee structure, for the purposes of comparison, Minor Site Plan Amendment example is based on a residential application with 20 units and 2 hectares. The Major Site Plan Amendment is defined for this comparison as 50 units and 5 hectares.
- The proposed fee for Guelph for Minor and Major Site Plan Amendment is lower than the group or survey median.



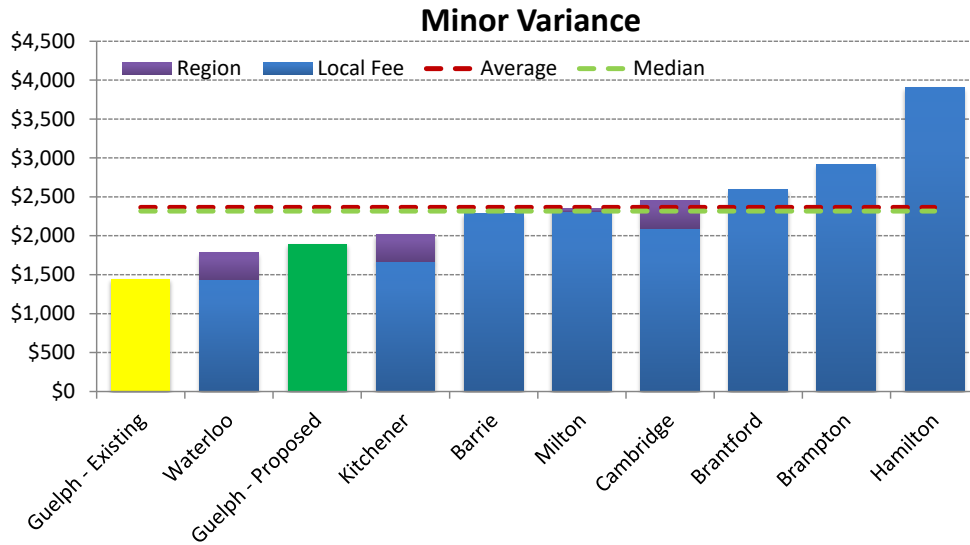
3.7 Block Plans

- The comparison group is slightly different than the other classifications to provide additional examples where Block Plan fees are in place.
- The proposed fee for Guelph for block plan is slightly higher than the group or survey median.



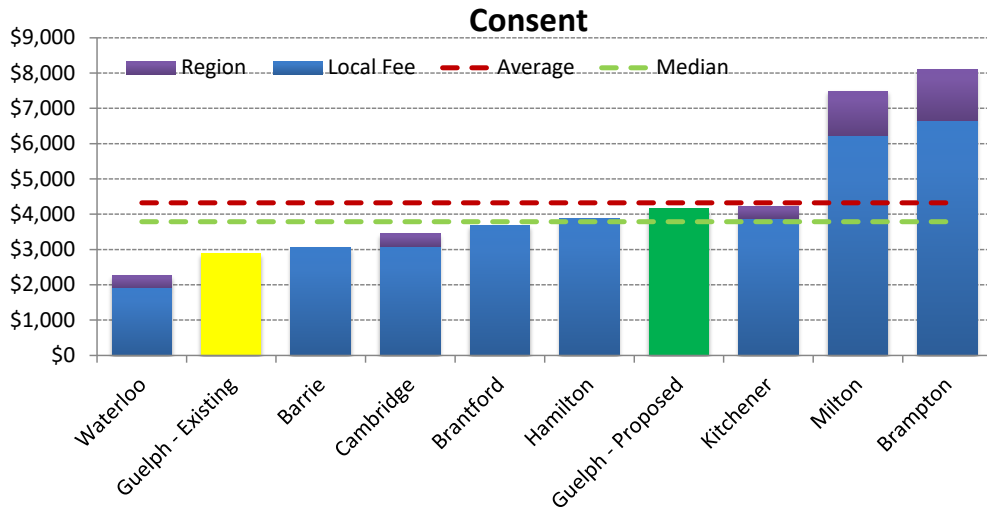
3.8 Minor Variance

- The existing Minor Variance Fee in Guelph is the lowest in the peer group average and median. The revised recommended fee has increased but is still below the group average and median. This was compared assuming a base fee plus a residential unit.



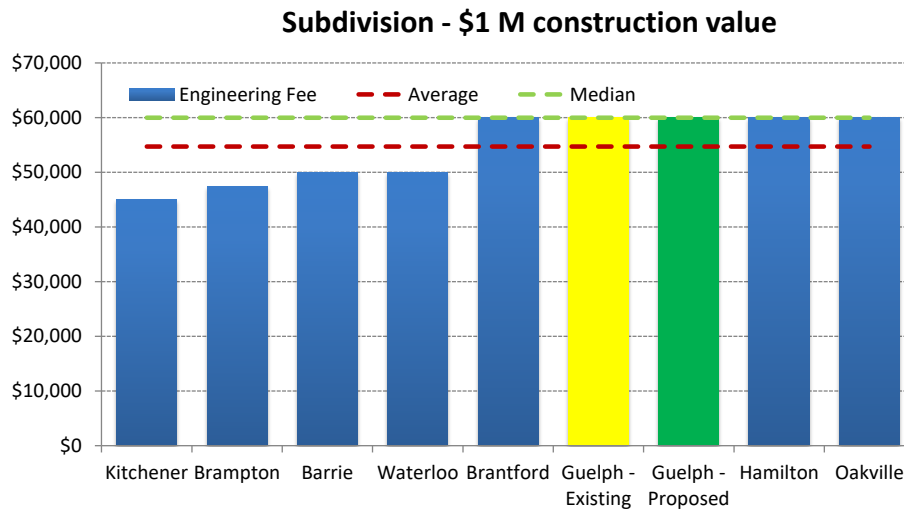
3.9 Consent

- As shown in the peer comparator group, the revised fee is approximately at the survey average and median.



3.10 Development Engineering Fees

- The following table summarizes a comparison of the Engineering Fee comparison for a Subdivision with a construction cost of \$1 million.
- The majority of the peer comparators has a similar fee structure which is based on the cost of construction. Peer municipalities ranged from 4.5%-6% of estimated constructions costs. Brantford, Guelph, Hamilton and Oakville all have a fee of 6% per cost of construction.
- No change to the City’s fee is recommended.



3.11 Summary of Peer Fee Comparisons

- The following table provides a summary of the peer fee comparisons for various types of applications. This table includes the existing, proposed fees for Guelph in relation to the peer average and median.
- As shown, the proposed fees for Guelph consistently are below or at the survey average and median.

Development Applications	Guelph - Existing	Guelph - Proposed	Local + Region Peer Average	Existing % of Average	Proposed % of Average
Minor Site Plan	\$ 6,213	\$ 9,300	\$ 13,181	47%	71%
Major Site Plan	\$ 15,772	\$ 26,200	\$ 29,295	54%	89%
Minor Official Plan Amendment	\$ 11,015	\$ 20,650	\$ 29,773	37%	69%
Major Official Plan Amendment	\$ 14,528	\$ 31,450	\$ 36,988	39%	85%
Draft Plan of Subdivision - 50 units	\$ 67,198	\$ 68,000	\$ 65,680	102%	104%
Draft Plan of Subdivision - 100 units	\$ 67,198	\$ 68,000	\$ 79,772	84%	85%
Condominium Approval - 50 units	\$ 14,271	\$ 21,968	\$ 30,596	47%	72%
Minor Zoning By-Law Amendment	\$ 11,015	\$ 20,650	\$ 22,294	49%	93%
Major Zoning By-Law Amendment	\$ 14,528	\$ 31,450	\$ 33,124	44%	95%
Removal of Holding Symbol	\$ 2,634	\$ 3,100	\$ 6,496	41%	48%
Minor Variance	\$ 1,449	\$ 1,900	\$ 2,364	61%	80%
Consent	\$ 2,889	\$ 4,170	\$ 4,324	67%	96%
Part Lot Control Exemption	\$ 2,634	\$ 3,100	\$ 5,746	46%	54%
Engineering Subdivision Review - \$1M	\$ 60,000	\$ 60,000	\$ 54,722	110%	110%

4 SUMMARY AND RECOMMENDATIONS

4.1 Summary of Findings

- In accordance with leading practices, the City initiated a review of its Planning and Development application fees as the last comprehensive fee review was undertaken in 2017.
- As legislation has changed which has resulted in changes to work processes, timelines as well as resource allocation, fees require periodic reviews to align with the fee guiding principles as set out in the report.
- The completion of the review resulted in recommendations to update existing fees to reflect cost of recovery principles using the 2024 budget; additional fee opportunities and changes in some of the fee structures to support fairness and equity and to encourage early consultation in the processes. Recommendations also support economies of scale for large projects and projects where phases exist.
- Peer comparisons reflects that the recommended fees for Guelph are at or below peer averages.
- Once the fees are updated based on the comprehensive review, to maintain full cost recovery annual updates are recommended to reflect inflationary changes.

4.2 Summary of Recommendations

1. That the proposed fees be endorsed by Council as contained in appendix A of the report.
2. That the City index fees annually.
3. That a comprehensive fee review be undertaken every four to five years.

5 Appendix A – Summary of Existing and Proposed Fees

Table 1: Development Fees			
Service or Process	Fee: 2024	Calculated	
Official Plan Amendment			
Minor OPA - with Pre-Submission Review	\$ 11,015.28	\$ 15,900.00	
Minor OPA - without Pre-Submission Review	\$ 16,365.28	\$ 20,650.00	
Major OPA - with Pre-Submission Review	\$ 14,528.28	\$ 24,600.00	
Major OPA - without Pre-Submission Review	\$ 19,878.28	\$ 31,450.00	
Revision to Application when requested by Applicant requiring Re-Circulation OPA	N/A	50% of the application fee	
Zoning By-law Amendment			
Minor ZBA - with Pre-Submission Review	\$ 11,015.28	\$ 15,900.00	
Minor ZBA - without Pre-Submission Review	\$ 16,365.28	\$ 20,650.00	
Major ZBA - with Pre-Submission Review	\$ 14,528.28	\$ 24,600.00	
Major ZBA - without Pre-Submission Review	\$ 19,878.28	\$ 31,450.00	
Revision to Application when requested by Applicant requiring Re-Circulation ZBA	N/A	50% of the application fee	
Removal of 'H' Symbol – routine	\$ 2,633.70	\$ 3,100.00	
Removal of 'H' Symbol (complex plus submission review)	\$ 10,700.00	\$ 12,400.00	
Temporary Use By-law	N/A	\$ 4,800.00	
Extension of Temporary Use By-law	\$ 3,311.89	\$ 3,800.00	
Part Lot Control Exemption Application fee	\$ 2,633.70	\$ 3,100.00	
Combined Official Plan/Zoning By- law Amendment			
Minor Combined ZBA/OPA - with Pre-Submission Review	\$ 16,991.39	\$ 23,900.00	
Minor Combined ZBA/OPA - without Pre-Submission Review	\$ 22,341.39	\$ 31,000.00	
Major Combined ZBA/OPA - with Pre-Submission Review	\$ 21,684.62	\$ 36,900.00	
Major Combined ZBA/OPA - without Pre-Submission Review	\$ 27,034.62	\$ 47,200.00	
Revision to Application when requested by Applicant requiring Re-Circulation ZBA/OPA	N/A	50% of the application fee	
Plan of Subdivision			
Draft Plan of Subdivision	\$ 47,351.16	\$ 48,000.00	
Plan of Subdivision Approval	\$ 19,846.37	\$ 20,000.00	
Engineering Review Fee	6% Cost of Work for Services	6% Cost of Work for Services	
Extension of Subdivision Draft Plan Approval	\$ 2,633.70	\$ 3,100.00	
Draft Plan Red-line Revisions Subdivisions	N/A	\$ 4,800.00	
Revision to Approved Draft Plan of Subdivision Conditions	N/A	\$ 3,100.00	
Annual Inactive File Holding	\$ 1,070.00	\$ 1,200.00	

Table 1: Development Fees		
Service or Process	Fee: 2024	Calculated
Plan of Condominium		
Draft Plan of Condominium (includes standards, common element, vacant land, leasehold, amalgamated and phased condominium conversion)	\$ 5,709.83	\$ 8,300.00
per unit	\$ 138.68	\$ 173.35
Condominium Registration - initial phase	\$ 1,626.83	\$ 5,000.00
Condominium Registration - each subsequent phase	N/A	\$ 2,500.00
Engineering Review Fee - Vacant Land Condominium	6% Cost of Work for Services	6% Cost of Work for Services
Condo Agreement fee (if Agreement required)	\$ 1,386.89	\$ 1,500.00
Extension of Draft Plan Approval Condo	\$ 2,633.70	\$ 3,100.00
Draft Plan Red-line Revisions Condos	N/A	\$ 1,500.00
Revision to Approved Draft Plan of Condominium Conditions	N/A	\$ 3,100.00
Annual Inactive File Holding	\$ 1,070.00	\$ 1,200.00
Site Plan Control		
Without Pre-Submission Review Base fee plus variable fee:	\$ 13,274.16	\$ 21,500.00
With Pre-Submission Review Base fee plus variable fee:	\$ 7,894.16	\$ 13,700.00
<u>Residential Application</u>		
per unit in excess of 20 units	\$ 183.06	N/A
per unit	N/A	\$ 200.00
<u>Commercial/Office/ Institutional Application</u>		
per m2 of GFA in excess of 500 m2	\$ 3.50	N/A
per m2 of GFA	N/A	\$ 3.80
<u>Industrial Application</u>		
per m2 of GFA in excess of 1,000 m2	\$ 2.17	N/A
per m2 of GFA	N/A	\$ 2.40
Without Pre-Submission Review Completed Maximum fee of	\$ 19,735.42	\$ 24,700.00
With Pre-Submission Review Completed Maximum fee of	\$ 14,385.42	\$ 16,900.00
Minor Site Plan - without Pre-Submission Review	\$ 5,350.00	\$ 7,800.00
Minor Site Plan - with Pre-Submission Review	\$ 4,826.36	\$ 5,700.00
Site Plan Agreement	\$ 1,386.89	\$ 1,500.00
Amendments to Executed Agreement (Site Plan)	N/A	\$ 800.00
Revision fee for 4th and subsequent submission (site Plan)	N/A	\$ 1,400.00
Community Block Plan		
Community Block Plan base fee plus	N/A	\$ 14,000.00
per gross hectare	N/A	\$ 1,660.00
Revision to a Block Plan application when requested by applicant requiring re-circulation	N/A	50% of the application fee

Table 2: Committee of Adjustment Fees		
Service or Process	Fee: 2024	Calculated
Minor Variances		
Application fee	\$ 1,449.00	\$ 1,900.00
Consents		
Application fee	\$ 2,889.00	\$ 4,170.00
Concurrent Lot Creation	\$ 2,889.00	\$ 2,100.00
Administration fee (new lots) To be paid prior to certificate being issued	\$ 809.00	\$ 630.00
Administration fee (other than new lots) To be paid prior to certificate being issued	\$ 346.00	\$ 280.00
Validation certificate/power of sale	\$ 2,215.00	\$ 2,400.00
Request for change of condition	\$ 1,027.00	\$ 1,200.00
Other Fees		
Special hearing	\$1,936 + application fee	\$1,900 + application fee
Deferral fee	\$ 453.00	\$ 990.00
Replacement sign	\$29 + HST	\$31 + HST

Table 3: Other Fees		
Service or Process	Fee: 2024	Calculated
Development Approval Fee	\$ 1,102.57	N/A
By-law Preparation, Notice of Passing		
Site Plan – Additional Site Inspection (beyond 1st)	\$ 693.43	\$ 800.00
Mandatory Pre-consultation	\$ 3,210.00	\$ 3,500.00
Pre-Submission Review - Major Site Plan	\$ 5,350.00	\$ 7,800.00
Pre-Submission Review - Combined Major ZBA/OPA		\$ 10,300.00
Pre-Submission Review - Major OPA		\$ 6,850.00
Pre-Submission Review - Major ZBA		\$ 6,850.00
Pre-Submission Review - Minor Site Plan	\$ 5,350.00	\$ 2,100.00
Pre-Submission Review - Combined Minor ZBA/OPA		\$ 7,100.00
Pre-Submission Review - Minor OPA		\$ 4,750.00
Pre-Submission Review - Minor ZBA		\$ 4,750.00
Pre-Submission Review - individual report	\$ 3,424.00	\$ 4,100.00
MZO or CIHA Applications	Fee: 2024	Calculated
Minister's Zoning Order (MZO)	N/A	\$ 24,600.00
Community Infrastructure and Housing Accelerator (CIHA)	N/A	\$ 24,600.00