



Lake Simcoe Region Conservation Authority Plan Review and Permitting Fees Review

Board of Directors' Meeting

October 22, 2021



Introduction

Objectives/Deliverables

- Plan Review and Permitting user fee review undertaken for Lake Simcoe Region Conservation Authority (Authority) to:
 - Assess the full cost of service;
 - Make fee recommendations that:
 - Conform with legislation and are defensible;
 - Balance the Authority's need to maximize cost recovery with stakeholder interests, affordability and competitiveness; and
 - Reflect industry best practices
 - Recommend fee administration policies



Legislative Context and Trends

Conservation Authorities Act

- Changes to the *Conservation Authorities Act (Act)* made through the *Building Better Communities and Conserving Watershed Act, 2017* (Bill 139) and the *More Homes, More Choice Act, 2019* (Bill 108) define the programs and services provided by CAs to include:
 - **Mandatory programs and services** (s. 21.1) that can be funded through the municipal levy
 - **Non-Mandatory programs and services** (s. 21.1.1) provided on behalf of a municipality through a memorandum of understanding or agreement and funded through the municipal levy
 - **Other programs and services** (s. 21.1.2) funded through self generated revenues
- Plan review and section 28 permitting services are either a mandatory program or provided through a memorandum of understanding with partner municipalities



Legislative Context and Trends - 2

Fees For Programs and Services

- Section 21 of the *Act* provides the ability to charge fees for services
 - Including for plan review and s. 28 permitting
- Ministry of Natural Resources and Forestry provides additional principles and policies for charging fees:
 - May recover full cost of administering and delivering the service; and
 - For plan review services, fees should be designed and administered in accordance with s. 69 of the *Planning Act*:
 - s. 69 of the *Planning Act* states that fees should be designed to recover the anticipated cost of processing each type of application



Legislative Context and Trends - 3

Conservation Authorities Act

- The Province of Ontario has recently released Ontario Regulation 686/21 (Mandatory Programs and Services) and 687/21 (Transition Plans and Agreements for Programs and Services Under Section 21.1.2 of the *Act*)
- Conservation authorities will be required to:
 - Prepare detailed inventories of programs and services by February 28, 2022;
 - Identify the classification of service as well as the average annual historical and/or anticipated costs of each program and service; and
 - Identify the sources of funding.



Activity-Based Costing

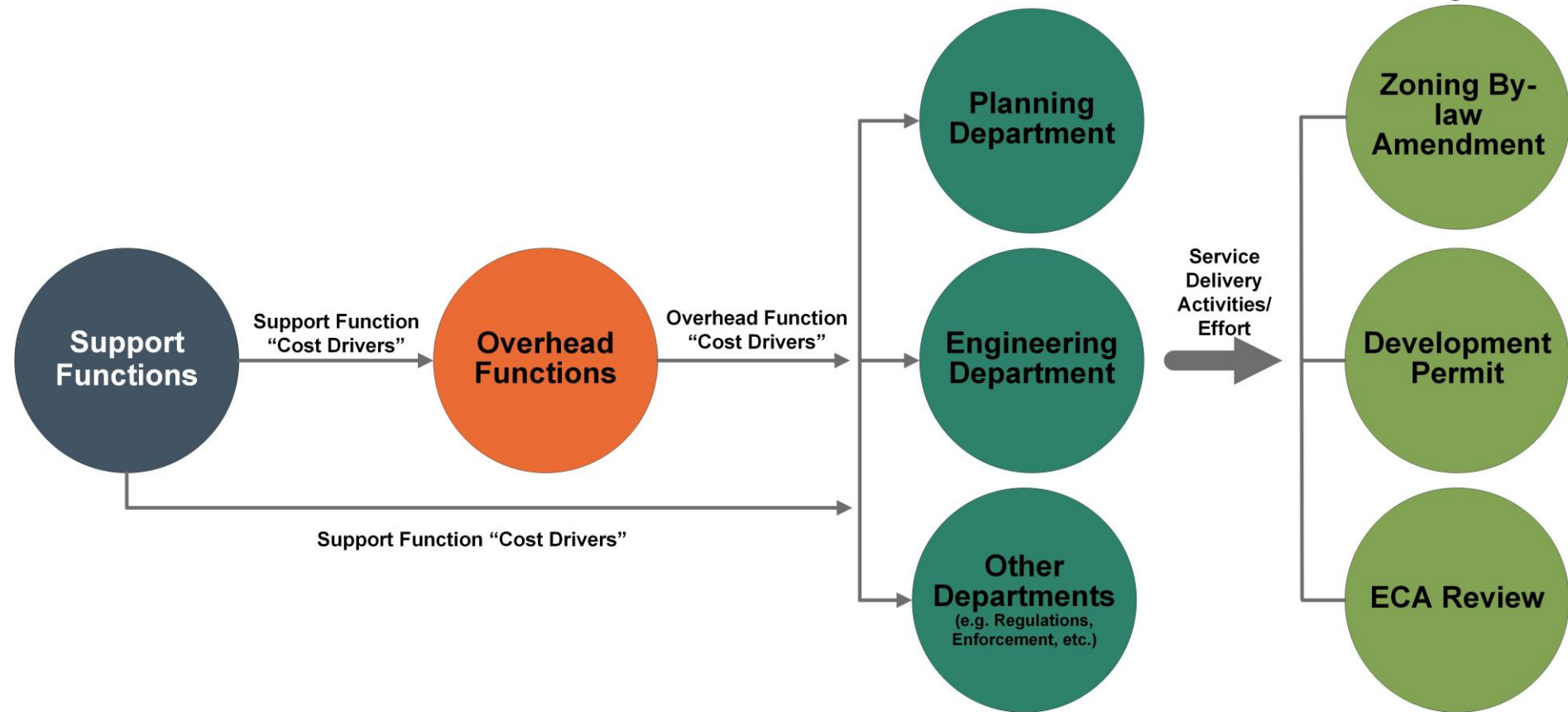
Activity-Based Costing Methodology

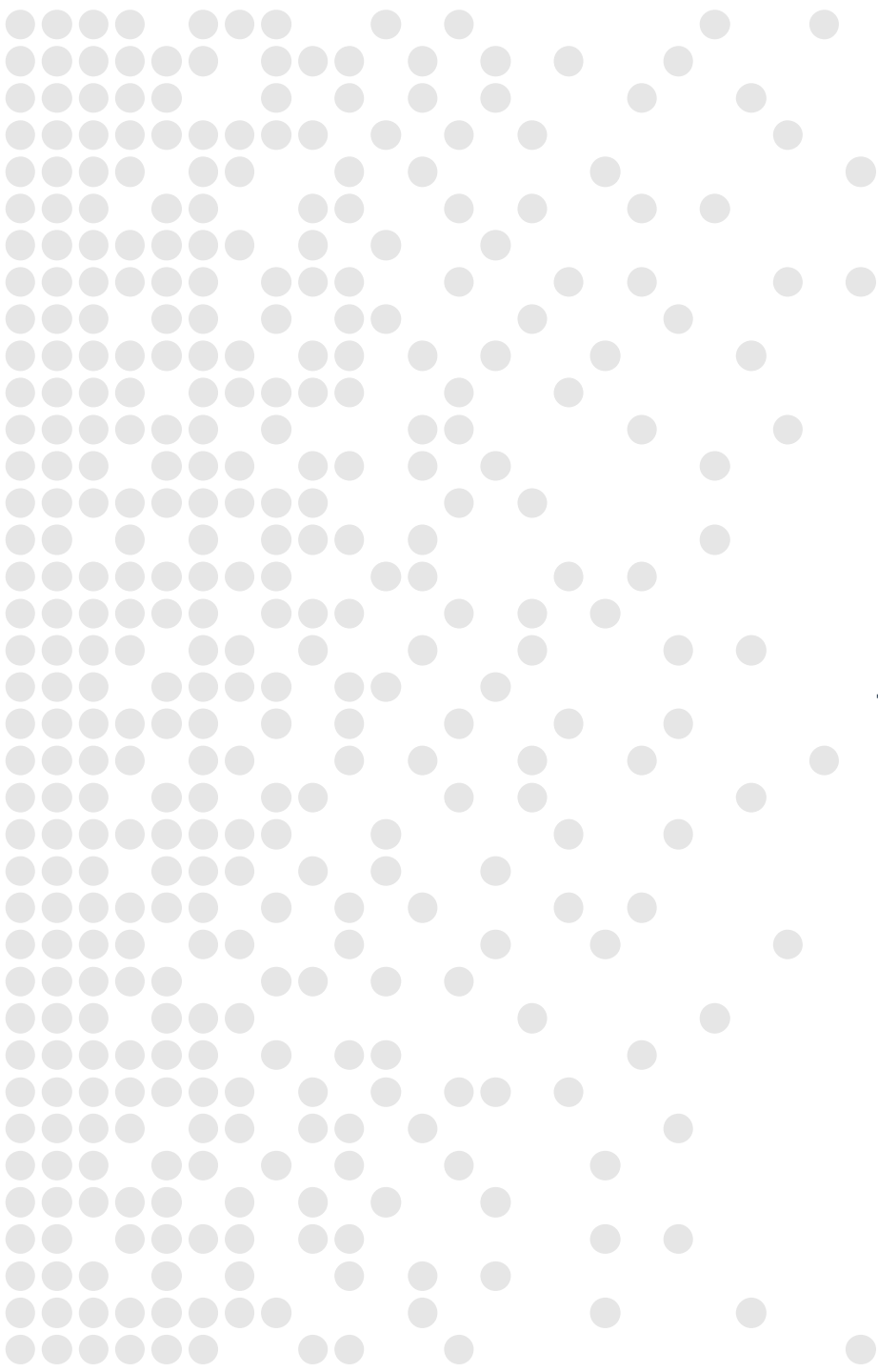


Indirect Costs

Direct Costs

User Fee Costing Categories





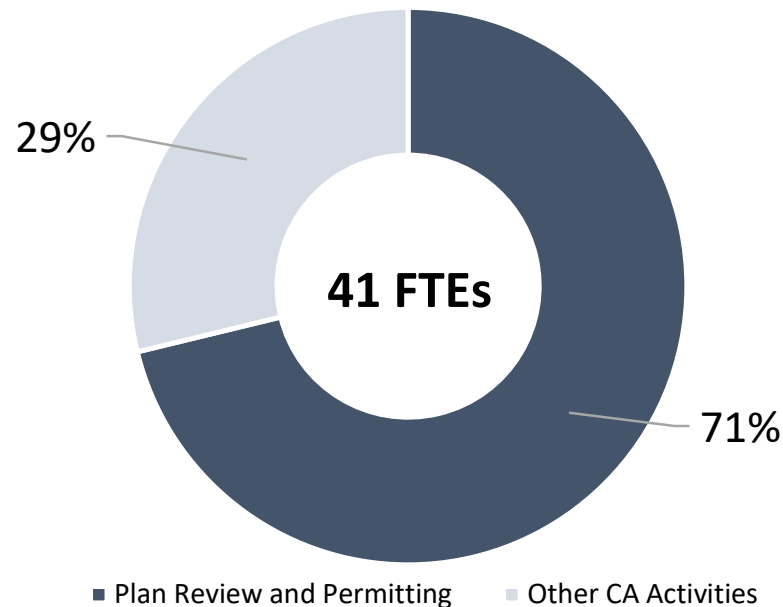
Activity Based Costing Results

Staff Capacity Utilization



- Utilization reflects staff involvement processing planning applications and permits

Staff Resource Utilization



- Staff resource utilization and costs include four additional full-time employees to continue to provide desired service levels with increased development activity

Annual Cost Observations



Annual Costs

- **Plan Review** – 45% of annual costs (\$2.4 million)
 - 30% of annual costs (\$1.5 million) for Subdivision and Site Plan applications
- **Permitting** – 55% of annual costs (\$2.6 million)
 - 34% of annual costs (\$1.7 million) for private residential permits
 - 16% of annual costs (\$0.9 million) for major residential and municipal permits

Annual Revenue Observations



Annual Revenue

- Authority fees currently recovering 61% (\$3.0 million) of plan review and permitting costs (\$2.0 million shortfall)
 - 43% of annual revenue shortfall (\$836,000) for private residential permits
 - 20% of annual revenue shortfall (\$388,000) for major residential and municipal permits
 - 12% of annual revenue shortfall (\$240,000) for site plan applications
- Major application and permit fees recover a greater share of costs, reflective of historical strategic pricing decisions



Full Cost Fee Structure Recommendations

- Fee recommendations made to recover 100% of plan review and permitting costs
- Full cost fees have been calculated while remaining competitive with neighboring conservation authorities
- Recommended changes to fee structure and policy include:
 - Minor and major fees for Official Plan Amendment, Zoning By-Law Amendment, Consent, Minor Variance, and single-unit or agricultural Site Plan applications
 - Official Plan Amendment and Zoning By-Law Amendment applications received concurrently will pay the higher of the two fees
 - Where an application for a Plan of Subdivision or Site Plan Approval is received concurrently with an Official Plan Amendment and/or Zoning By-law Amendment application, only the Subdivision or Site Plan Application fee plus 70% of the higher of the Official Plan Amendment or Zoning By-law Amendment will apply

Full Cost Fee Structure Recommendations continued



- Pre-consultation fees paid will be credited against the subsequent application or permit fees payable
- Resubmission fees to be charged as 25% of application fees
 - For large applications requiring technical review, resubmission fees will be payable after 2 functional submissions and 2 detailed design submissions
 - For all other applications, resubmission fees will be payable after 2 resubmissions
- 50% of Technical Review fees paid in advance of planning applications will be credited against subsequent application fees
- New Fees for Class B and C Environmental Assessments
- The Authority will reserve the right to modify or adjust fees should the review require a substantially greater or lower level of review and/or assessment



Development Impact Comparisons

- Full cost plan review fees are comparable to those in neighboring conservation authorities
- Impacts of full cost fee recommendations have been assessed for a variety of development types to address differences in type of development, size and density
 - Full cost conservation authority fees assessed against total conservation authorities and municipal development fees, including planning application fees, building permit fees, and development charges
 - Comparisons undertaken for greater Toronto area municipalities and those in the Authority's watershed
- Full cost Authority plan review and permit fees result in total conservation authorities and municipal development fees remaining relatively unchanged for residential development samples with greater impacts for smaller developments (0.1% to 1.4% increase in total fees)
 - Impacts on total non-residential development fees are more variable to due non-residential municipal development charges policies (0.4% to 10.2% increase in total fees)

Next Steps



- Receive feedback on fee structure and policy recommendations
- Implementation of fee recommendations – January 2022