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Development Application Fees Review Staff Report to Council

Report Number: 2024-19

Department(s): Planning & Building Services

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Meeting Date: March 18, 2024

Recommendations

1. That the report entitled Development Application Fees Review dated March 18, 2024 be received; and,
2. That the report from Hemson Consulting be received; and,
3. That the recommended changes to various development application related fees be implemented through the accompanying amended Tariff By-law for Planning Fees, and the accompanying amended Building By-law for Building Fees; and,
4. That the updated By-laws be brought to Council for approval after appropriate notice has been provided in accordance with the relevant Acts; and,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to recommend changes to development application and Building Code fees in line with the Town-initiated study and final report from Hemson Consulting Ltd.

Background

The three main divisions who review development applications (Planning Services, Engineering Services and Building Services) retained the services of Hemson Consulting to determine if the fees associated with development applications were still appropriate and were representative of the time that staff typically spend on reviewing

applications. As outlined in their report, attached as Appendix 1, Hemson Consulting undertook a detailed review and analysis of the amount of staff time spent on reviewing each different application type, which resulted in some recommended changes to application fees.

Discussion

As a result of this analysis, Hemson Consulting and Town staff are recommending increases to the Planning Act application fees, Engineering Services fees and Building Division fees. The specific changes are listed in Appendix 2. The rationale for the changes are explained below.

Planning Act Application Fees

The *Planning Act* allows for the recovery of the cost to review an application through the collection of application fees. The last time this level of analysis on cost recovery was completed was in 2005. Since then, the nature and complexity of development in Newmarket has changed and increased. This has resulted in an increased level of effort to review development applications which was the impetus for conducting the study to establish appropriate current fees. As shown in the Hemson Report, Official Plan and Zoning Amendment application fees would need to almost double to achieve full cost recovery. Residential Site Plan Approval and Draft Plan of Subdivision application fees must substantially increase to meet full cost recovery. Staff are recommending the creation of three new fees based on recent approvals to delegate some minor zoning amendments to staff, as well as a reactivation fee for inactive files. The Preliminary Meeting deposit is proposed to increase from \$500 to \$1500. Applying the total cost recovery fee of \$4,420 is felt to be overly burdensome for the beginning stages of an application. Discussed further below, new Minor Variance application fees are also proposed. This analysis has also led to some changes about when certain cost recovery happens, specifically the cost recovery for Legal Services' participation in reviewing development applications.

Legal Fees

Also adding to the increased cost of some application fees is a change in how Legal Services staff time is recovered. Previously, Legal Services costs were billed to the applicant at the end of the process. In an effort to prioritize the 'customer first' Council Strategic Priority and acknowledging that application fees are not the major contributor to the overall expense of land development, the cost of Legal's involvement in reviewing development applications has been folded into the application fee. Developers will not be required to pay for Legal fees at the end of the process unless their development requires the use of external counsel. This increases the amount of predictability of development approval related fees, meeting the need for certainty by the development industry.

Service Pricing Policy

The Town's Service Pricing Policy (Policy CAO 1-03) establishes cost recovery target levels for all municipal services. This ensures that costs associated with the delivery of services that do not benefit the whole community do not place an undue burden on the tax base. When the last in-depth review of development approval fees was completed in 2005, the Joint Legal and Development Services (Planning) and Finance Report 2005-32 (August 31, 2005) set the cost recovery philosophy for planning application fees at 90%. That report stated:

“Planning services typically serve an individual's interest, i.e. individuals or businesses in the land development industry that are in the business to make a profit. However, there is a public participation component in providing the service requiring public notification and hosting public meetings which involves adjacent property owners and the whole community in the planning process. The work effort associated with the public participation component of the planning process is approximately 10%. Consequently, staff recommends that the cost recovery level be set at 90% for all planning services with the exception of minor variance applications and consents that do not create a lot. These exceptions are services typically aimed at the existing community resident rather than the land developer and as such, these services should be priced as a “Common Good” (40-100%) [in the Service Pricing Policy].”

The final application fee numbers provided in the Hemson Report, representing full cost recovery, will be reduced by 10% in the Planning Fees and Tariff By-law amendment to be consistent with the above noted recovery policy.

Minor Variance Fees

Staff have heard that minor variance application fees can be prohibitive to a resident looking for a small change in the zoning rules to accommodate a project on their property. In response, staff have worked with Hemson Consulting to propose a two-tiered fee structure. The lower fee (Tier 1) would be for variance applications required for a small residential project such as a deck or porch. All other minor variance applications would be subject to the Tier 2 amount, examples include any variances for a commercial or a mixed-use building, or a variance for an addition to a dwelling. The Tier 2 variances relate to more complicated development proposals, which generally require more analysis and have more variables to consider. The amounts are set out in the table below. Staff note that the Tier 1 fees do not represent full cost recovery; therefore, the cost of reviewing and processing these applications are supplemented by the tax base. Hemson Consulting has proposed a 50% reduction from full cost recovery amount for the Tier 1 amount.

Type of Application	2023 Fees	Calculated Full Cost Recovery	50% of full cost recovery	90% cost recovery as per Service Pricing Policy
Minor Variance	\$1,608	\$2,480	-	-
Minor Variance Tier 1 (new)			\$1,240	n/a
Minor Variance Tier 2 (new)			n/a	\$2,232

Additional information is found on page 53 of Hemson’s Report, attached as Appendix 1.

Building Code Application Fees

By an Act of the Province, enforcement of the Ontario Building Code Act has been a responsibility of individual municipalities for roughly half a century. About two decades ago, changes to the Ontario Building Code were made that mandates that municipalities cannot charge more fees than it can reasonably anticipate it will require to maintain their Building Enforcement program within its jurisdiction. Municipalities routinely ensure that rate payers are not subsidizing development by generally balancing fees against the cost of running the Building Division. A reserve fund has been established to help off-set lean years from growth years.

Hemson Consulting was hired to review the Building Division fees, with a set goal to achieve that the fees charged will cover total anticipated expenses of both direct and indirect expenditures. Through this analysis, it was determined that after fees are increased in accordance with the Hemson recommendations, they will form a balanced budget.

Engineering Review Related Fees

Separate from the cost recovery of time spent reviewing development applications, the Municipal Act allows for fees to be collected for other work performed by development review engineers. These fees are calculated based on the cost of construction of the project as a percentage, such that they more closely reflect the time spent on the site based on its complexity.

Minimal increases are proposed to the minimum Engineering Review fees.

Impact of Phase 1 of the Development Approval Process

In June 2023, Staff reported on the first phase of this project – the review of the development approvals process. This review resulted in the creation of 21 recommended changes to increase efficiency and promote timely processing of applications. Hemson reports: “Based on the recommendations from the Phase 1 work, some efficiencies are assumed to be achieved over the proceeding 5-year period. As a

result, a 5% reduction of time attributable to development application fees has been captured in the analysis for senior planner, development planners, and junior planners – these savings can be quantified to be upwards of \$45,000 per year. It is important that the Town continue to monitor these new processes and processing times moving forward.”

In addition, as a result of Phase 1 of this project, two new fees were created to reflect approvals that were delegated to staff. These are for: i) an application for a temporary use by-law, and ii) removal of holding provisions. The amendment to the delegation by-law putting in place this authority was approved on January 22, 2024.

Conclusion

The increased Planning Act Application Fees and Engineering Services fees is aligned with Council’s goal to recover fees appropriately. The increase to Building Permit fees is in keeping with the Building Code Act by ensuring our rates are competitive with surrounding municipalities and will maintain a balanced budget for the costs of processing and enforcing building permits.

With Council’s approval of these changes, staff will provide notice in accordance with the Building Code Act, for proposed fee changes. Then the amended By-laws can be brought back to Council for adoption.

After the amended By-law is adopted, the new fees will be in force and effect. The fees will continue to be indexed annually based on inflation. In addition, staff will review and update the cost recovery model on a 5 year cycle.

Business Plan and Strategic Plan Linkages

These changes fit into Council’s Strategic Priority of Customer First Way of Life.

Consultation

Building Services, Legal Services and Engineering Services have contributed to the writing of this report.

As outlined in the Hemson Report, as part of their study they consulted with staff across the corporation who participate in the development review process.

Notice of the changes to the Building Code Application fees will be provided in accordance with the Building Code Act. Notice will be posted on the Town’s website for a minimum 21-day period.

The Hemson Report will be sent to BILD in an effort to be fully transparent with the Development Community.

Human Resource Considerations

None.

Budget Impact

The increase of Planning Act and development review fees allows for a greater degree of cost recovery for development applications. This keeps a greater proportion of the cost of development off of the tax levy.

Attachments

Appendix 1 – Hemson Report

Appendix 2 – Draft Planning Fees and Tariff By-law schedule

Appendix 3 – Draft Building By-law amended fees schedule

Appendix 4 - Joint Legal and Development Services (Planning) and Finance Report 2005-32

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FINAL REPORT

PREPARED BY HEMSON FOR TOWN OF NEWMARKET

DEVELOPMENT APPLICATION FEES REVIEW

March 6, 2024



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LIST OF ACRONYMS

CAO	Chief Administrative Officer
CBO	Chief Building Official
COA	Committee of Adjustment
FCR	Full Cost Recovery
GFA	Gross Floor Area
ICI	Industrial, Commercial and Institutional
MZO	Ministerial Zoning Order
OPA	Official Plan Amendment
SPA	Site Plan Application
ZBA	Zoning By-law Amendment

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EXECUTIVE SUMMARY

Municipalities in Ontario are responsible for ensuring that the delivery of local services is undertaken in accordance with the requirements of Provincial legislation. The Town of Newmarket offers a broad range of building and development application review services with associated fees. Municipalities are permitted to charge and collect fees to offset the cost of providing these services. The Town has levied such fees for many years and are updated annually to account for the effects of inflation. The Town has not, however, updated the methodology used to establish fees for some time.

Hemson Consulting and Sajecki Planning were retained in fall 2022 to conduct a Development Approval Process and Fees Review for the Town of Newmarket. The first phase of work – a review of the Development Approval Process - was completed by Sajecki Planning to identify opportunities to improve efficiency and effectiveness of development review and respond to the changes from the Bill 109 legislation. The second phase of work is to understand the cost of delivering development application review services and ensuring the Town is charging appropriate application fees to recover those costs. The subject of this report relates to the calculation of full cost recovery fees. The review and analysis of existing development review processes was the subject of a separate report prepared by Sajecki Planning in June 2023.

This report establishes the full cost of providing services in the Town of Newmarket and calculates appropriate fee rates for recovering those costs. The review is focused on the fees imposed under the *Building Code Act*, the *Planning Act*, and the *Municipal Act*. A high-level review of municipal leading practices with respect to some of the fees considered under this study is also provided. The analysis considers the average annual cost over a 5-year period from 2023-2027 but represented in \$2023.

A. FEES REVIEWED

This report addresses 150 individual fees contained within By-law 2022-62¹ and By-law 2023-36² which identifies the fees and charges to be collected by the Town for 2023. It should be noted that many of the fees contained within these by-laws are not considered as

¹ By-law 2022-62 specifically lists the development review related fees and tariff permitted under Section 69(1) of the Planning Act.

² By-law 2023-36 specifically lists the building related fees under Section 7 of the Building Code Act.

part of this assignment. The table below summarizes the fee categories that are considered in this report.

Number of Fees Reviewed by Fee Category

Fee Category	Total Number of Fees Reviewed
Building Services (Building)	95
Planning	51
Development Engineering ⁽¹⁾	4
Total Number of Fees Reviewed	150

Note 1: Relates to the “Engineering Checking and Inspection” section of the schedule.

B. COST OF SERVICE ANALYSIS

It is considered best practice to calculate the full cost of providing a service when determining the basis for setting user fees. This report presents an analysis of the direct and indirect costs of delivering development application review services in the Town of Newmarket. Of the total cost of providing services, a significant share of costs can be attributed to payroll activities which would translate directly to the personnel delivering the services. The table below provides a summary of the total costs of each division’s involvement in the various applications and fee categories. In total, about \$4.2 million can be considered application related and a direct cost of this study. In addition to payroll expenditures, the total cost of service is comprised of the indirect costs, reserve fund provisions for development engineering, building code services, and other supporting operating costs.

Direct Payroll Expenditures by Fee Category (Costs in \$000s)

Department	Planning Act Applications	Development Engineering Review	Building Permit Applications	Application-Related Total
Development Engineering	\$401.5	\$263.3	\$140.4	\$805.3
Planning Services	\$971.9	\$24.4	\$28.9	\$1,025.3
Public Works	\$55.6	\$15.0	\$27.1	\$97.6
Fire Prevention	\$7.3	\$0.0	\$467.2	\$474.6
Building Services	\$0.0	\$0.0	\$1,545.9	\$1,545.9
Legal	\$198.4	\$0.0	\$0.0	\$198.4
Other	\$5.9	\$4.5	\$70.9	\$81.3
Total	\$1,640.7	\$307.1	\$2,280.5	\$4,228.4

The table below illustrates the variance between costs and revenues. It shows that the variance is not uniform by service area/department. The table shows that the average annual costs exceed the anticipated revenues over the five year planning period (2023-2027).

Gap Analysis: Cost in \$000s

Permit/Service Type ⁽¹⁾	Costs (Direct & Indirect)	Projected Revenues ⁽¹⁾	Variance (\$)	Variance (%)
Building Permit Applications	\$3,363.3	\$2,600.0	-\$763.3	-29%
Planning Act Applications	\$2,361.2	\$1,297.8	-\$1,063.4	-82%
Development Engineering Review	\$629.7	\$605.7	-\$24.0	-4%

Note 1: Anticipated annual revenue under current rates.

i. Fee Structure Considerations and New Fees

In a number of cases, it is recommended that the Town consider new fee rates where substantial work is being undertaken for which a fee is not being charged or based on fees commonly charged in other municipalities. The table below provides a high level summary of the new fees proposed under this report.

Summary of Key New Fees and Recommendations

Permit/Service Type	Fee Recommendation	Basis of Charge
Building	Undefined permit Fee	Where the proposed work cannot be easily ascribed elsewhere in this schedule, the Chief Building Official may determine the appropriateness of fees, based on charging at a maximum rate of 1% the value of construction (reasonably expected material and labour costs for values of construction \$100k or higher) and charging at a maximum rate of 2% the value of construction (reasonably expected material and labour costs for values of construction less than \$100k). If the Chief Building Official refuses to accept a valuation for the purposes of

Permit/Service Type	Fee Recommendation	Basis of Charge
		establishing any permit fee and substitutes another value, and the Owner or applicant disputes the decision, the owner or applicant shall pay the fee(s) under protest and within six months of the project completion shall submit an audited accounting statement of the actual costs by a recognized Certified Public Accountant. If the audited established costs, which must include labour and materials, are less than the original valuation, the Chief Building Official shall authorize a refund.
	Construction Commenced without a permit	Conditional permit fee plus 10%
	Missed Inspection Fees	The minimum fee shall be \$200 for each missed inspection or part thereof (where is it impractical or damaging to uncover that stage of construction). The maximum fee per missed inspection shall not exceed 10% of the original fees paid to obtain that permit
	Illegal Occupancy & Outstanding Fees	Additional administrative fees up to 50% of the originally calculated total permit fee
	Conditional Building Permit Fees	Various fees (see schedule)
	Partial Building Permit	A Partial Building Permit fee of \$1000 will be added to other fees for each partial stage of construction, except for the final (complete) stage of construction
	Maintenance Fees	10% of originally calculated total fee
	Mandated Sewage System Review	\$1,000 fee for any non-responsive property Owner who fails to provide mandatory reports/certificates/maintenance-receipts as requested.
	Remedy an unsafe building	Administration fees equal to the value of the work (materials and labour plus

Permit/Service Type	Fee Recommendation	Basis of Charge
		HST) shall be collected from the property owner and paid to the Town
Planning	Introduce a differentiated fee for Minor Variance Applications.	The rate be differentiated between Tier 1 and Tier 2: Tier 1 can be discounted at 50% of the cost recovery amount.
	Implementing a reactivation fee for OPA & ZBA files.	The reactivation fee should be payable for files that have been inactive for 1 year. If the file has been inactive for 2 or more years, the file will be closed and new application with current application fees. This process is already in place for Site Plan Applications.
	Introduce a new fee for staff delegated authority to remove a holding provision or implement a temporary use zoning by-law.	The Removal of the H fee would be set at 75% of the base rate to reflect the efficiencies found in a streamlined process which would remove the need for council involvement.

In addition to the fee changes above, the planning fees included for in this report include the cost of legal involvement. Previously, these costs were billed for separately from the planning fees at the end of the process which will be eliminated following passage of the new planning fees. Developers will now be required to pay one upfront planning fee unless the development requires use of external counsel. This change increases the predictability of planning application fees and ultimately increasing the transparency for the industry.

C. FEE IMPLEMENTATION CONSIDERATIONS

Overall, this analysis was carried out with the intention to provide Town staff and Council with the information needed to assist in future fee-setting decisions. In some instances, implementing full cost recovery fees may not be sustainable and would place undue burden on those using municipal services. Given the provisions of the *Planning Act*, *Building Code Act* and *Municipal Act*, Council has the authority to increase the current fees in order to recover more or all of the overall cost of providing services. In particular, when setting fee rates the Town should consider the following:

- The revenue shortfall that would result from imposing less than full cost recovery fees or a phase-in rate to full cost recovery (a shortfall that would almost certainly have to be funded from taxes/utility rates);
- The competitiveness of the Town's fees relative to comparable municipalities;
- The extent to which full cost recovery fees for some services may run counter to the Town's long-term strategic objectives; and
- The ability of applicants/users to pay the fee.
- Implementation of the fees be considered within the context of the Town's existing Service Pricing Policy, as amended from time-to-time.

As part of the Town's process for updating fees:

- It is recommended that the Town undertake a comprehensive fee review every five years to ensure that a nexus between costs and revenues is maintained over time;
- It is recommended the Town annually monitor the reserve fund balances funded by fees and bring forward a fee review if needed;
- It is also recommended that the Town continue to index its fees on an annual basis to cover changing costs caused by inflation; and
- Overall, fees are to be set so as to not discourage applicants and any cost recovery target established should be achieved over the long-term.

1. INTRODUCTION

Municipalities in Ontario are responsible for ensuring that the delivery of land use planning and Building Code services is undertaken in accordance with Provincial legislation.

Municipalities are permitted to charge fees to offset the cost of providing services. The Town of Newmarket has levied such fees for many years. In recent years, there have been several important changes that have impacted the nature of this service delivery in Newmarket:

- Town Council is currently undertaking a new Official Plan to bring it into conformity with the 2022 York Region Official Plan. Both planning documents contemplate the changed the pattern of development occurring in the Town;
- Provincial and Town policies have promoted higher rates of mid and high density developments. Such applications have proven to be more challenging to process than typical greenfield developments;
- Recent legislative changes under Bill 109 require refunds of certain application fees if no decision is made within the prescribed timelines;
- Financial pressures, in particular the pressure to shift the funding of municipal services toward user fees and away from property taxes, means that regular fee reviews are prudent.

This report provides an overview of comprehensive review of its user fees imposed under the *Planning Act*, the *Building Code Act* and fees imposed under the *Municipal Act*. The purpose of the review was to establish the full cost of providing services and determine appropriate fee rates for recovering some or all costs as permitted under legislation.

The analysis is based on a review of municipal documents, including capital and operating budgets, by-laws, staff reports, and website materials, as well as various meetings, telephone calls, e-mails, and interviews with Town staff involved in delivering fee based services. Fee benchmarking has been used to supplement the cost recovery analysis, particularly when limited information on future costs and service levels exist.

The analysis in Parts A and B calculate fee rates that would recover the full cost of providing services over a five year period between 2023 and 2027. Full cost recovery fee rates are based on the average annual level of construction and development activity, as well as cost of providing review services, over the next five years. It is anticipated that the Town will conduct a fee review update at the end of the five-year period to determine

whether a reasonable nexus between fee revenues and service costs still exist. This analysis was undertaken in \$2023.

Please note, the figures presented in this report may be rounded and totals may not add up.

After this introductory chapter, the report is divided into two parts:

Part A presents the analysis of permit fees imposed for building and construction. Most fees being imposed under the *Building Code Act*.

Part B presents the analysis of development applications imposed under the *Planning Act and Municipal Act*. This section covers the Town's planning fees and engineering fees.

PART A
BUILDING CODE ACT FEES

1. BUILDING CODE ACTIVITIES IN NEWMARKET

This section summarizes the way in which the Town carries out its responsibilities under the *Building Code Act (BCA)*. It also describes the current building permit fee structure and changes to the structures that are proposed in this review.

A. BUILDING CODE ACT FEE PROVISIONS

The *BCA* requires that building permit fees “must not exceed the anticipated reasonable costs of the municipality to administer and enforce the Building Code Act.” In addition, municipalities are required to prepare annual reports that record the amount of fees received and the costs incurred in administering this program.

Ontario Regulation 332/12 expands on the requirements, specifying that annual reports must record both the direct and indirect costs of reviewing applications and conducting building inspections. In this regard:

- Direct costs include the costs of reviewing building permit applications and inspecting buildings; and
- Indirect costs include the support and overhead costs of administering and enforcing the process.

Annual reports must also include the balance of any building permit reserve funds municipalities may have.

The *Regulation* also sets out the requirements for a public process that must accompany the setting of fees, including:

- Holding at least one public meeting, which may occur in the same Council meeting immediately prior to Council adopting any new Building Division fees;
- Providing 21 days’ notice of the public meeting; and
- Providing in the notice an estimate of the costs of providing Building Code services, the amount of new fees, and the rationale for new fees.

Unlike the *Planning Act*, there is no provision in the *BCA* for appealing fees to the Ontario Land Tribunal. Section 3 (2) of the *BCA* requires any councils of a municipality to appoint a

chief building official and inspectors to carry out the enforcement of the Ontario Building Code.

In the Town of Newmarket, this responsibility largely falls to Building and By-law Enforcement staff. The Building Division is run by the Town's Chief Building Official, along with a number of Plans Examiners, Building Inspectors, as well as employing technicians, assistants, and administrators. Under this fees analysis, most of the staff's time in the Building Division are directly related to building code work.

B. CURRENT PERMIT APPLICATION PROCESS

The activities of the Building Division are mainly related to administering and enforcing the Building Code. Over the past five years, an average of approximately 600 permit applications have been received annually and each application undergoes a lengthy review process. The process usually involves multiple inspections of each building site, where staff are reimbursed for mileage.

C. PERMIT FEES

Some Building Permit fees are collected when applications are made, but most are collected at issuance. As fees are based on the individual components of an application, there is no set fee for any given application type. Seven different fee categories exist for the various efforts under the *BCA*. The Town currently uses several methods of charging fees. The bulk of the fees are based on building area (i.e. rate per square meter) but there are also flat rate fees and fees based on linear length (see current fees By-law 2015-58, as amended).

2. ANALYSIS OF REVENUES

This section contains an analysis of recent building activity in Newmarket and a summary of the level of activity that is anticipated over the next 5 years for the purposes of setting fees.

Building permit fee revenues in Newmarket are closely linked to the level of building activity in the Town. Overall, building activity has increased steadily over recent years. Building activity is expected to continue to be strong through to 2027 with a continued focus towards intensification and redevelopment. Furthermore, development interest continues to be focused within the Newmarket Urban Centres Secondary Plan Area along the Davis Drive and Yonge Street corridors.

Lastly, the province has assigned housing targets for 50 municipalities in the Province in an effort to build 1.5 million homes over the next 10 years. The Town of Newmarket has been assigned a target of 12,000 units. Recognizing that this target can be ambitious due to servicing capacity constraints, even a target reduced by 50% would still indicate a very strong level of activity moving forward.

A. HISTORICAL BUILDING ACTIVITY

In the last five years, the annual average number of building permits issued in Newmarket was about 600 (Table 1). The total number of permits issued during that period has fluctuated from year-to-year, though there continues to be a general upward trend in residential permits over the past decade.

Table 1: Building Permit Applications (2018 to 2022)

Category of Permits	2018	2019	2020	2021	2022	5 Year Average
Residential ⁽¹⁾	382	640	326	814	552	543
Institutional	8	3	3	13	10	7
Commercial	23	19	14	81	78	43
Industrial	3	6	3	8	6	5
Total Building Permit Activity	416	668	346	916	646	598

Source: Town of Newmarket Building Permit data. Some data limitations exist with the recent transition to Accela (the Town's application management software).

Note 1: Residential permits would include new dwellings and other related residential type permits.

B. HISTORICAL PERMIT FEE REVENUES

Table 2 displays the revenue (in constant 2023\$) generated from building permit applications issued by the Town from 2018 to 2022. The average annual fee revenue generated in the period was about \$1.4 million.

Table 2: Building Permit Revenue in \$2023 (2018 to 2022)

Year	Total Building Permit Activity
2018	\$1,199,671
2019	\$996,113
2020	\$1,127,500
2021	\$2,054,467
2022	\$1,838,023
5 Year Average	\$1,443,155

Source: Town of Newmarket Building Permit financial data.

C. PROJECTED PERMIT REVENUES

A forecast of short-term future building activity in Newmarket has been prepared for fee setting purposes. The forecast is based on the historical permit revenues, 2022 building data, assumptions on year-to date 2023 activity, and discussions with Town staff.

It is anticipated that the Town's annual permit revenues over the next five years will be in the order of \$2.6 million per year. This level of activity is significantly higher than the five-year historical average, as growth in building activity is anticipated to be strong over the coming years with a continued focus towards intensification and redevelopment.

Furthermore, development interest continues to be focused within the Newmarket Urban Centres Secondary Plan Area along the Davis Drive and Yonge Street corridors. Note, the projected revenue does resemble a level of activity which has occurred in the Town pre 2018.

Notwithstanding the current economic climate which has brought on a continued increase to interest rates, above "average" inflation, and supply shortages which may have an effect of on building permit applications in the short-term, the medium to longer term prospects remain positive. Lastly, permit revenue is largely based on major fee categories but also accounts for minor revenue from additional fees as discussed below in Section 4. Revenues from these new fees has been considered as part of the revenue forecast.

3. ANALYSIS OF COSTS

This section summarizes the calculation of the cost of administering and enforcing the provisions of the Building Code in Newmarket.

The *Act* states that the total amount of building permit fees charged by a municipality “must not exceed the anticipated reasonable costs” required to administer and enforce the Building Code. In this respect each municipality is required to prepare an annual report that records both its fee revenues and its Building Code costs.

Ontario Regulation 332/12 expands on the above. Specifically, it states that the annual report must record the total fees collected in the previous twelve months. Both the *direct* and *indirect* costs of delivering Building Code services must be identified. In this respect:

- Direct costs include the costs of reviewing building permit applications and inspecting buildings; and
- Indirect costs include the overhead costs of administering and enforcing the process.

The Regulation states that the two types of costs must be clearly distinguished. Finally, if a reserve fund for Building Code activities has been established it must be accounted for in annual reports.

It is anticipated that the analysis of costs presented here will serve as a reference for future annual reports.

A. DIRECT COSTS

A number of Town staff are responsible for administering and enforcing the Building Code in Newmarket. The entire cost of time spent by these staff on Building Code activities, as well as the cost of the resources they use, is therefore considered to be a direct cost under this study. Shares of time spent have been determined based on Town records and discussions with staff. Costs are categorized as: payroll; office space; and other operating and capital costs.

Although the majority of Building Division staff time is directly involved with Building Code activities, a small share of time is unrelated to the “administration and enforcement of the Building Code” as defined by the *BCA* and is therefore excluded as a cost for fee recovery. Staff time from other divisions accounts for a relatively minor share of total payroll costs.

Payroll costs, amounting to \$2.3 million including all benefits, account for the majority (91 per cent) of the direct costs (see Table 5). Please note, where Water and Wastewater is referred to below, it is part of the Public Works division and is in addition to the separate public works line.

The calculations of space costs for delivering Building Code related activities are displayed in Table 4 and are based on the costs provided by the Town.³ Of the total direct cost of space for the involved staff the direct cost of space that can be attributed to Building Code activities is approximately \$31,200.

Table 3: Building Permit - Direct Costs in \$000s (Payroll)

Division	Total Payroll Budget	Application Review	Payroll Share
Development Engineering	\$2,249	6%	\$140
Planning Services	\$2,143	1%	\$29
Water and Wastewater	\$2,916	0%	\$6
Public Works	\$627	3%	\$21
Fire ⁴	\$23,668	2%	\$467
Building Services	\$1,556	99%	\$1,546
Legal	\$975	0%	\$0
Other	\$147	48%	\$71
Total	\$34,280	7%	\$2,281

Table 4: Building Permit - Direct Costs (Administration Office Costs - in \$000s)

Division	Space Cost	Application Review Related	Shares of Total
Development Engineering	\$18.0	\$2.1	7%
Planning Services	\$23.3	\$0.2	1%
Water and Wastewater	\$0.5	\$0.0	0%
Public Works	\$0.7	\$0.0	0%
Fire ⁴	\$11.9	\$5.3	17%
Building Services	\$22.0	\$21.9	70%
Legal	\$5.1	\$0.0	0%
Other	\$5.4	\$1.7	5%
Total	\$86.8	\$31.2	0%

Lastly, operating cost shares are included and based on multiplying the share of time attributed to Building Services by 2023 operating budget projections. This share of costs

⁴ The payroll share for Fire is related to fee related time for prevention officers. Regular fire suppression staff is not attributable to fee review work.

amounts to approximately \$188,300 and includes for a share of the general costs of the resources used by the divisions to deliver the services.

The total direct cost of administering and enforcing the Building Code amounts to \$2.5 million. A summary of the breakdown of this cost is provided in Table 5 below.

Table 5: Summary of Direct Costs of Building Permit Administration in \$000s

Category	Direct Costs
Payroll	\$2,281
Office Space	\$31
Other Operating Costs	\$188
Total	\$2,500

B. INDIRECT (OVERHEAD) COSTS

The indirect (or overhead) costs of Building Code activities in Newmarket represents the share of the costs of the Town’s corporate departments which can be reasonably attributed as overhead support of the building permit review service. As with the planning fees analysis below, indirect costs are calculated based on what drives the cost of each corporate department’s support of Building Code activities. The indirect cost allocations is generally based on the Town’s internal cost model and the amount attributable to providing Building Code service was estimated based on the time shares identified in Appendix A and summarized in Table 3.

Table 6 summarizes the calculation of corporate overhead support costs. A sample of some of the following indirect cost categories were included: Members of Council, Treasury, Accounting, Purchasing, Communications, Legal, and Information Technology. The total indirect costs amount to \$563,400.

Table 6: Building Permit - Indirect Costs in \$000s

Division	Indirect (Overhead) Costs
Development Engineering	\$53.9
Planning	\$10.6
Water and Wastewater	\$2.2
Public Works	\$7.5
Fire	\$23.7
Building	\$465.6
Legal	\$0.0
Total Overhead Cost	\$563.4

C. RESERVES AND CONTRIBUTIONS

The *BCA* and Regulation allow for the factoring in of anticipated costs when determining the full cost of providing Building Code services. Anticipated costs that arise from additional resources have been accounted for in the direct and indirect cost calculations. However, additional costs are also required to deal with permit revenue variations.

As previously mentioned, the Act does not require municipalities to adjust their fees every year in order to match their costs. As the majority of Building Code costs are payroll costs, it would be impractical to even attempt to match revenues and costs on an exact annual basis. Although the general trend in building activity is anticipated to remain strong over the next five years, there may be fluctuations in both the number of permit applications and the amount of permit revenue from any one year to the next. This could result in an imbalance between costs and revenues. In years of high activity, revenues will likely exceed costs, while in quieter years costs may well exceed revenues.

The Town maintains a reserve fund for Building Code activities to manage permit revenue variation. The balance of the reserve fund was about \$1.9 million at year-end 2022⁵.

Therefore, an annual contribution to the reserve fund of \$300,000 has been incorporated in the permit fees. It is recommended the Town continue monitor its permit reserve fund and increase the annual contributions in future years to ensure sufficient funds continue to be available to offset any cost variances, which may arise. It is prudent that the reserve balance maintain a minimum level equal to one year of the building division budget. Other municipalities set the level at 100% like the Town of Newmarket and upwards of 300% of department expenditures.

⁵ Year end 2022 is reported for the purposes of this study to coincide with the 2023 budget year and analysis, but the updated balance at the end of 2023 is approximately \$300,000.

D. SUMMARY OF THE ANALYSIS OF COSTS

Table 7 below summarizes the direct, indirect and contribution to reserve. The largest contributor to the calculation of the rates are direct costs at 74%.

Table 7: Summary of All Costs of Building Permit Administration (in \$000s)

Cost Type	Average Annual Cost	Share of Costs
Direct	\$2,499.9	74%
Indirect	\$563.4	17%
Reserve Fund Contribution	\$300.0	9%
Total Costs	\$3,363.3	100%

4. CALCULATED FEES

This section presents new full cost recovery building permit fees in light of the cost analysis presented above. Given the legislation, Council has the authority to increase the current fees in order to recover the full cost of the process. Based on the estimated costs compared to the anticipated average fee revenue over the next five years, the costs exceed revenues over the period.

A. FULL COST RECOVERY FEES

The analysis has shown that the anticipated average annual cost of administering and enforcing the Building Code in Newmarket over the next five years will be approximately \$3.4 million. By comparison the average annual permit revenues projected for the period 2023 to 2027, based on the current fee rates and anticipated permit volumes, amounts to \$2.6 million. This calculation is shown below:

Projected Costs	\$3,363,334
Projected Revenues	\$2,600,000
<i>% Difference</i>	<i>-29%</i>

The new rates and the 2023 rates are outlined in Table 8 below. It is recommended that the existing fee schedule remain as is subject to a few modifications with the introduction of new fees based on discussions with Town staff⁶:

- Undefined Permit Fees: Where there is no clearly defined category in the Building Fee Bylaw, the Chief Building Official may determine the appropriateness of fees. If the Chief Building Official refuses to accept a valuation for the purposes of establishing any permit fee and substitutes another value, and the Owner or applicant disputes the decision, the owner or applicant shall pay the fee(s) under protest and within six months of the project completion shall submit an audited accounting statement of the actual costs by a recognized Certified Public Accountant. If the audited established

⁶ Town staff brought forward new fees and adjustments to certain specialty fees in December 2023. Those amendments have been reflected in the full cost recovery rates outlined in Table 8. The current rates in this report reflect those in force in 2023, however, the Town adjusted the rates in 2024 for inflation recognizing that further changes may occur following completion of this study.

costs are less than the original valuation, the Chief Building Official shall authorize a refund.

- **Construction Commenced Without Permit:** At the discretion of the Chief Building Official, whenever construction has commenced without the appropriate Building Permit and/or where security fencing is also missing and/or a mandatory inspection is missed, additional fees shall be payable.
- **Missed Inspection Fees:** Whenever any mandatory (or part thereof) Ontario Building Code inspection is missed, an "Investigation and Administration" fee shall be paid in addition to all other fees payable. The fee shall be the greater of the minimum or maximum fee as calculated by the Chief Building Official, and at the sole discretion of the Chief Building Official.
- **Illegal Occupancy and Outstanding Fees:** Buildings which are occupied prior to being issued a written permit/permission shall be subject to additional administrative fees. Outstanding fees may be collected through an added levy on property taxes or lien placed on the property title. No written occupancy or completion permit/permission shall be issued until all outstanding fees are paid.
- **Conditional Building Permit Fees:** A fully executed Conditional Building Permit Agreement is required in advance of a Conditional Building Permit. Model Home Agreements shall be deemed to be a form of a Conditional Building Permit Agreement with similar force and effect.
- **Partial Building Permit Fees:** A Partial Building Permit fee will be added to other fees for each partial stage of construction, except for the final (complete) stage of construction. The Chief Building Official may reduce this surcharge to an amount that represents the added Staff effort, provided that the value of construction is less than \$100,000.
- **Application Maintenance Fees:** All Building Permit applications that have not progressed to an issued permit status (conditional, partial or full) within one year shall be charged an annual maintenance fee. This fee is immediately due upon being invoiced by the Town via email. Failure to pay this fee shall be grounds to cancel the application after one month has elapsed following notification, at the sole discretion of the Chief Building Official.
- **Permit Maintenance Fees:** All issued Building Permits that have not progressed to an occupancy status within three years shall be charged an annual maintenance fee. This

fee is immediately due upon being invoiced by the Town via email. Payments made within one month of notice shall be deemed "paid" on time. Interest may be charged for overdue fees at a rate of prime plus 1% at the discretion of the Chief Building Official. No occupancy will be granted until all outstanding fees are paid.

- Provincially Mandated Private Sewage System Review Fees: There are no fees charged by the Town to review each property Owner's third party review certificates and recent proof of pump-out or other regular maintenance requirement. A fee charge applies to any non-responsive property Owner who fails to provide mandatory reports/certificates/maintenance-receipts as requested. These fees do not include the actual permit costs to remediate, replace or repair the Private Sewage System.
- Cost and Administration to Remedy an Unsafe Building or Construction Site: Where the Owner fails to remedy an unsafe building and/or maintain a construction safety barrier through a Building Division issued order. The Town may complete the required work at the sole expense of the property Owner. Administration fees equal to the value of the work (materials and labour plus HST) shall be collected from the property owner and paid to the Town. This administration fee will be collected in addition to the actual contractual cost of remediating the building and/or securing the site. The decision to demolish or repair a building shall be at the sole discretion of the Chief Building Official. Due to the urgent nature of these matters, the Town's Procurement Bylaw shall not apply to procuring outside service contracts to complete this work. Any unpaid amounts may be added to the property tax roll, or through the registration of a lien on the property title.
- Refunds: No refunds shall be permitted after 90 Days have elapsed after payment is made, except as authorized in writing at the sole discretion of the Chief Building Official. No Refunds shall be allowed where the Town has revoked a Permit, cancelled an Application, and/or where construction has commenced. Development/Educational Charges can only be refunded directly by the individual Financial Departments having jurisdiction. Building Permit fees that may be refunded shall be a percentage of the fees payable under this Bylaw and calculated by the Chief Building Official as follows:
 - a) 90 percent if administrative functions only have been performed;
 - b) 80 percent if administrative and zoning functions only have been performed;
 - c) 60 percent if administrative, zoning and plan examination functions have been performed;

- d) 50 percent if the permit has been issued and no field inspections have been performed subsequent to permit issuance.
- e) a fee for each field inspection that has been performed after the permit has been issued will be deducted from all refunds.
- f) If the calculated refund is less than the minimum fee applicable to the work, no refund shall be made of the fees paid.

Lastly, it is also recommended that indexing provisions continue be included in the by-law that would allow fees to be adjusted annually to account for the effects of inflation.

Table 8: Current Building Permit Fee Schedule

Service Provided	2023 Fee Rate	Full Cost Recovery Fee
Undefined Permit Fees	n/a	Maximum: 1% the value of construction where cost of construction is \$100,000 or greater and 2% the value of construction where the cost of construction is less than \$100,000
Construction Commenced without Permit	n/a	Cost of an issued Conditional Building Permit administration fee plus 10%
Missed Inspection Fees	n/a	Minimum fee: \$200 for each missed inspection BUT Maximum for each missed inspection of 10% of the original fees paid to obtain that permit
Illegal Occupancy & Outstanding Fees	n/a	Additional administrative fees up to 50% of the originally calculated total permit fee
Conditional Building Permit Fees	n/a	Minimum fee: \$5,000 Conditional Building Permit Agreement is \$1,000 for each 100 sq. m. of GFA; \$1,000 per residential unit
Partial Building Permit Fees	n/a	\$1,000 for each partial stage of construction, except for the final stage. Lower amount may apply where value of construction below \$100,000

Service Provided	2023 Fee Rate	Full Cost Recovery Fee
Application Maintenance Fees	n/a	10% of originally calculated total fee
Permit Maintenance Fee	n/a	10% of originally calculated total fee
Provincially Mandated Private Sewage System Review Fees	n/a	\$1,000 fee for any non-responsive property Owner who fails to provide mandatory reports/certificates/maintenance-receipts as requested.
Cost and Administration to Remedy an Unsafe Building or Construction Site	n/a	Administration fees equal to the value of the work (materials and labour plus HST) shall be collected from the property owner and paid to the Town
Refunds	n/a	<p>Building Permit fees that may be refunded shall be a percentage of the fees payable under this Bylaw and calculated by the Chief Building Official as follows:</p> <ul style="list-style-type: none"> a) 90 percent if administrative functions only have been performed; b) 80 percent if administrative and zoning functions only have been performed; c) 60 percent if administrative, zoning and plan examination functions have been performed; d) 50 percent if the permit has been issued and no field inspections have been performed subsequent to permit issuance. e) \$60.00 fee for each field inspection that has been performed after the permit has been issued will be deducted from all refunds. f) If the calculated refund is less

Service Provided	2023 Fee Rate	Full Cost Recovery Fee
		than the minimum fee applicable to the work, no refund shall be made of the fees paid.
MINIMUM APPLICATION DOWNPAYMENT (Non-Refundable)		
For any application with a Estimated Construction Value less than or equal to \$50k	\$200.90	\$260
For any application with an Estimated Construction Value more than \$50k to \$500k	-	\$500
A. PERMIT FEES BASED ON OCCUPANCY CLASS ((\$fee per m², includes interior plumbing/HVAC, except where flat fee is indicated)		
Group A - Assembly		
New Assembly Buildings, Additions & Accessory Structures (Recreation Facilities, Schools, Libraries, Places of Worship, Restaurants, Theatres, Arenas, OBC Regulated Swimming Pools, Gymnasiums)	\$16.15	\$20.89
Alteration, Renovation, Interior Finish, Unit Finish	\$4.77	\$6.17
Group B - Institutional		
New Institutional Buildings, Additions & Accessory Structures (Hospital, Nursing Homes and Other Buildings)	\$18.01	\$23.30
Alteration, Renovation, Interior Finish, Unit Finish	\$4.77	\$6.17
Group C - Residential		
New Residential Low-Rise (Detached Dwelling, Semi-Detached Dwellings, Townhouses, Row-houses, Duplexes, Live/Work Units)	\$15.86	\$20.52
Additions	\$15.86	\$20.52
New Accessory Dwelling Units (Flat Fee)	\$432.86	\$1,000
New Roof Solar Panels (Per Residential Unit) (Flat Fee)		
* New Residential Mid & High-Rise, Additions & Accessory Structures (Stacked	\$19.82	\$25.64

Service Provided	2023 Fee Rate	Full Cost Recovery Fee
Townhouses, Motels, Hotels and all other Residential Occupancies)		
* Note the above fees for residential new construction include the HVAC and Plumbing Fee		
Alteration, Renovation, Interior Finish, Unit Finish	\$4.77	\$6.17
Group D – Business and Personal Services		
Shell	\$11.58	\$14.98
Finished	\$14.47	\$18.72
Alteration, Renovation, Interior Finish, Unit Finish	\$4.77	\$6.17
Group E – Mercantile		
Shell	\$10.72	\$13.87
Finished	\$13.41	\$17.35
Alteration, Renovation, Interior Finish, Unit Finish	\$4.77	\$6.17
Group F – Industrial		
Shell	\$8.71	\$11.27
Finished	\$10.89	\$14.09
Alteration, Renovation, Interior Finish, Unit Finish	\$4.77	\$6.17
Parking Garage or Farm Building	\$5.23	\$6.77
B. DEMOLITION		
All Buildings up to 600 m2 (Flat Fee per Building)	\$301.35	\$500
All Buildings > 600 m2 (Flat Fee per Building)	\$400.78	\$1,500
C. STANDALONE AND MISCELLANEOUS WORK		
Tents and Temporary Buildings (<225 m2 with removal date)	\$301.35	\$500
Tents and Temporary Buildings (>225 m2 with removal date)	\$391.00	\$1,500
Air Supported Building	\$301.35	\$1,500
Portable Classrooms (includes hallways for portapacks)	\$301.35	\$500
Residential Deck per dwelling unit	\$301.35	\$500
Below Grade Entrance (Residential Only)	\$301.35	\$1,000

Service Provided	2023 Fee Rate	Full Cost Recovery Fee
Residential Wood-burning Fireplace (included in a reno)	\$200.90	\$260
Engineered Underpinning or Benching (included in a reno)	\$301.35	\$2,000
Electromagnetic locking devices		\$1,000
Fire Alarm	\$301.35	\$1,000
Sprinklers	\$301.35	\$1,000
Standpipe and Hose System	\$301.35	\$1,000
Fire Suppression (Other than Sprinkler System)	\$301.35	\$1,000
Emergency Lighting	\$301.35	\$390
Emergency Power	\$301.35	\$390
Fire Code Retrofit (other than residential)	\$301.35	\$390
D. PLUMBING AND DRAINAGE SYSTEM FIXTURES/EQUIPMENT ROOF DRAINS - STANDALONE		
Plumbing		
For each fixture, floor drain, equipment, appliances, thermostatic mixing valve, vented traps or roof hopper	\$26.65	\$34
Storm and grease interceptor	\$49.20	\$64
Testable Backflow Prevention	\$49.20	\$64
Water Services - for each water service (from property line to building meter)		
50 mm (2") or less	\$49.20	\$64
100 mm (4")	\$100.45	\$130
150 mm (6")	\$149.65	\$194
200 mm (8")	\$187.58	\$243
250 mm (10")	\$234.73	\$304
300 mm (12 ")	\$293.15	\$379
Drains - Residential (single family swelling, for apartments see commercial)		
For each residential drain and sewer (includes both storm and sanitary, inside, outside and floor drains)	\$100.45	\$130
For each conversion to sewers	\$49.20	\$64
Miscellaneous		
For each manhole, catchbasin or area drain	\$49.20	\$64
On site sewage system		
Septic Decommission	\$200.90	\$260
New Sewage System Installation	\$700.00 min. or \$5.76 /	\$700.00 min. or \$5.76 / m2 of bldg. to max of \$3,600

Service Provided	2023 Fee Rate	Full Cost Recovery Fee
	m2 of bldg. to max of \$3,600	
Repair/Minor alteration	\$303.40	\$392
Planning Circulation - SPD, Zoning	\$270.60	\$350
Sewage System Maintenance and Inspection Program	\$150 or septic tank report from a qualified contractor	\$150 or septic tank report from a qualified contractor
Drains- Commercial (commercial and industrial buildings and units, institutional buildings and apartment buildings for each storm or sanitary drain inside) or: for each storm or sanitary sewer		
100 mm or less	\$100.45	\$130
150 mm (6")	\$149.65	\$194
200 mm (8")	\$187.58	\$243
250 mm (10")	\$234.73	\$304
300 mm (12 ") or larger	\$293.15	\$379
E. ADMINISTRATION FEES		
Reinspections: due to defective work where previously identified	\$100.45	\$200
Special investigation per hour, per person	\$200.90	\$260
Change of Use Permit (Excludes ADU's)	\$301.35	\$1,000
Transfer of Permit to a new property owner	\$200.90	\$100
Permitted Use Letters / Zoning Reviews	\$100.45	\$100
Compliance Letter - Building	\$171.18	\$221
Alternative Solution	min. \$1000 + \$200.9/hr after 3 hours	Per building or unit \$1000 + \$200/hr
Revision Fee (Minimum \$200) - per hour	\$200.90	\$200
Certified Model Fee	\$200.90	\$200
Certified Model Change Fee (where permit has been issued)	\$200.90	\$200
Search and Reproduction of documents (Staff time plus reproduction costs, min \$50 paid upfront)	Min. \$10 + \$85/hr	\$100/hr plus cost

B. PERMIT FEE COMPARISONS

In order to provide an understanding of the current and proposed fee rates of Newmarket in relation to other similar sized municipalities, a permit fee comparison was prepared and presented in Table 9. The rates for the other municipalities are those that are currently in force and may not recover the full cost of Building Code services. Also note, the fees for other municipalities listed are based on the 2023 rates in force at the time of writing, and many communities may be adjusting their fees in 2024 for the effects of inflation or other ongoing cost recovery studies.

The table shows the current permit fees in Newmarket fall into the mid range of fee rates for the other municipalities in York Region. Once the full cost recovery rates are considered, this would place the Town toward the upper-end of the fees schedule. Note that this comparison does not take into account any service level differences that may exist.

Table 9: Municipal Comparisons - Building Permit Fees (\$ per sq.ft.)

Municipality	Ground Related Residential	Multi Storey Residential	One Storey Plaza Shell	Multi Storey Office Shell	Industrial Warehouse Shell
Markham (2023)	\$1.83	\$2.25	\$1.31	\$1.56	\$1.01
Whitchurch-Stouffville (2023)	\$1.69	\$2.01	\$1.35	\$1.35	\$1.23
King (2023)	\$1.68	\$1.68	\$1.12	\$1.12	\$0.84
Aurora (2023)	\$1.70	\$1.61	\$1.28	\$1.28	\$0.86
Vaughan (2023)	\$1.86	\$2.03	\$1.29	\$1.50	\$0.83
East Gwillimbury (2023)	\$1.45	\$1.45	\$0.85	\$0.85	\$0.70
Richmond Hill (2023)	\$1.64	\$2.15	\$1.38	\$1.48	\$0.95
Newmarket (2023)	\$1.48	\$1.85	\$1.00	\$1.08	\$0.81
Municipal Average (2023)	\$1.69	\$1.88	\$1.23	\$1.31	\$0.92
Newmarket - Full Cost (2024)	\$1.91	\$2.39	\$1.29	\$1.40	\$1.05

PART B

DEVELOPMENT APPLICATION FEES

PLANNING & DEVELOPMENT ENGINEERING

1. PLANNING APPROVALS AND ENGINEERING REVIEW

This section summarizes the legislative authority for imposing fees under the *Planning Act* and *Municipal Act*. In addition, assumptions used to establish the level of activity that is reasonable to anticipate, for the purpose of setting fees, are discussed. An analysis of the direct and indirect costs of delivering services is presented. Finally, full cost recovery fees rates are discussed with a comparison to surrounding jurisdictions.

A. PLANNING ACT REQUIREMENTS

The *Planning Act* stipulates that planning (or development application) fees must “meet only the anticipated cost to the municipality” of each type of application provided in its tariff of fees. Section 69 (1) of the *Planning Act* contains the following provision:

69. (1) 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. R.S.O. 1990, c. P.13, s.69 (1); 1996, c. 4, s. 35 (1).

The *Planning Act* also allows for these fees to be waived for any application (s.69 (2)). Moreover, it provides a mechanism for fees to be appealed to the Ontario Land Tribunal.

B. MUNICIPAL ACT FEE PROVISIONS

The general power of municipalities to impose fees and charges derives from Sections 9, 10 and 11 of the *Municipal Act*. Specific authority to establish most of the fees and charges levied by the Town is contained in Parts XII and IV. Under Part XII of the *Act*, municipalities can establish wide ranging user fees and penalties either for services they provide or for services provided on their behalf. Part IV of the legislation gives municipalities the power to impose licensing fees.

Section 391(1) of the *Municipal Act* stipulates that a municipality or local board may impose a fee or charge on persons: for services or activities provided or done by or on its behalf; for

costs payable by it for services or activities provided or done by or on behalf of municipalities or local boards; and for the use of its property including property under its control.

Fees and charges can be used to pay for service administration and enforcement costs as well as the cost of acquiring or replacing capital assets (Section 391(3)). They can also include capital costs associated with a deferred benefit (Section 391 (2)). Services for which fees are charged can be either mandatory or discretionary (Section 391(4)).

However, Section 394(1) prohibits fees that are based on:

- (a) the income of a person, however it is earned or received, except that a municipality or local board may exempt, in whole or in part, any class of persons from all or part of a fee or charge on the basis of inability to pay;
- (b) the use, consumption or purchase by a person of property other than property belonging to or under the control of the municipality or local board that passes the by-law;
- (c) the use, consumption or purchase by a person of a service other than a service provided or performed by or on behalf of or paid for by the municipality or local board that passes the by-law;
- (d) the benefit received by a person from a service other than a service provided or performed by or on behalf of or paid for by the municipality or local board that passes the by-law; or
- (e) the generation, exploitation, extraction, harvesting, processing, renewal or transportation of natural resources.

2. PLANNING APPROVALS IN NEWMARKET

A. PLANNING APPROVAL PROCESS

Responsibility for planning matters in Newmarket falls to the Town’s Planning Services division. Some applications, such as minor variances, involve relatively small effort. Others, such as plans of subdivision, plans of condominium, and site plans, may take many months and often involve Town staff from across the organization.

The Town also provides pre-application services to potential applicants for development. Pre-application meetings, formally called Preliminary Meetings, involves Planning staff, as well as other departments as necessary. A fee is charged for Preliminary Meetings, which then may be eligible to be deducted from the related development application fee.

The types of planning approval in the Town are summarized below. Table 10 provides data regarding the estimated number of applications received annually over the last five years for the major categories of applications.

Table 10: Planning Applications (2018 - 2022)

Planning Fee	2018	2019	2020	2021	2022	5 Year Average
Official Plan Amendment	1	3	6	2	8	4
Zoning Bylaw Amendment	3	7	7	6	10	7
Removal of Holding	6	2	1	0	1	2
Site Plan Approval and Amendment	8	5	9	17	8	9
Plan of Subdivision & Condominium	0	1	1	1	1	1
Part Lot Control	4	4	1	0	8	3
Telecommunication Tower	0	1	0	1	2	1
Consent - Severance	3	7	1	4	6	4
Consent - Other	2	3	0	4	0	2
Minor Variance	25	31	26	31	13	25
TOTAL	52	64	52	66	57	58

Source: Town of Newmarket Planning Application data. Note, some data limitations existed which Hemson and Town staff were required to calculate an assumed number of applications using other available information. Part of the limitation exists due to the recent transfer to Accela software. Limitations also exist for the proper tracking of pre consultation and preliminary meetings.

i. Official Plan Amendment

The Town's Official Plan is a broad policy document which sets out the Town's long-range planning objectives. All development that proceeds in the Town must conform to the policies in the Official Plan. In some cases, a development proposal requires an amendment to the Official Plan in order to proceed. The amendment process typically takes several months to complete and involves detailed review by Town staff, Council and the public.

All Official Plan Amendment (OPA) applications are treated the same in the Town.

The total number of OPAs processed by Town staff has averaged about four per year over the past five years.

ii. Zoning By-Law Amendment

The zoning by-law regulates the use of land in the Town. When a proposal for development includes a plan for uses which are not permitted under the zoning by-law, or the standards of the by-law cannot be met, an amendment to the by-law is required. The amendment process can be lengthy (several months) and involves a public consultation process. Similar to the OPAs, there is a single Zoning By-law Amendment (ZBA) category. The Town also levies a separate fee for the Removal of a Holding Provision.

Over the past five years, the Town has received an average of seven ZBA applications per year and two are related to lifting of Holding provisions.

iii. Subdivision Applications & Part Lot Control

The process for subdividing land is lengthy and involves considerable Town planning and engineering resources, a range of private sector professionals, and comprehensive public consultation. The actual length of any one review is highly dependent on the scope of the subdivision being processed. In general, larger subdivisions, or those that require extensions or reactivation after a long period of inactivity; require greater time and resources for review.

The annual number of subdivision applications received by the Town has averaged one application each year. Taking a plan of subdivision from initial application through Council approval and through detailed engineering design is a multi-year project.

Part lot control allows municipalities to regulate the transfer and/or division of land within a municipality. Typically part lot control applications are completed when the transfer and/or division of land is within a block of a plan of subdivision or plan of condominium.

Over the past five years, an average of three part lot control applications have been received by the Town per year.

iv. Site Plan Application

Site plan control is the process that regulates various activities on the property including building location, landscaping, parking, drainage, and pedestrian and vehicular access. The Town imposes different site plan application fees for the following application types:

- Residential or Mixed Residential,
- Industrial, Commercial, Institutional,
- Commercial roof top patios, and
- All others.

Over the past five years, an average of nine new site plan applications have been received by the Town per year.

v. Condominium Application

Plans of Condominium can also involve considerable Town resources to process. In general, larger condominiums, or those that require extensions or reactivation after a long period of inactivity, require greater time and resources for review. It may be important to note that Condominium applications don't always get completed in isolation as they work is also tied to Site Plan applications. In an effort to streamline this process, in recent years a Condominium Exemption process has been created.

vi. Committee of Adjustment

The Committee of Adjustment (COA) is responsible for approving applications for minor variances and consents. With respect to consents, there are two types: severance and others. The Town has processed an average of six consent applications per year over the 2018-2022 period. An average of 25 minor variance applications have been received annually over the past five years.

vii. Preliminary Meetings for Applications

The Town and applicants engage in a formal pre-application process that consists of a meeting to review preliminary development concepts. Preliminary Meetings typically provide

the applicant the opportunity to present and discuss their application to Town staff prior to making a formal application. The Town charges a Preliminary Meeting deposit, which is then deducted from the related development application fee if the application is submitted within one year of the meeting.

viii. Other Applications

The Town also charges various other fees such as:

- A Telecommunications Tower application review;
- An Application Reactivation fee (for site plan applications only);
- Fee for Matters Appealed to OLT;
- Zoning Confirmation Letter;
- Zoning Compliance Letter;
- Site Plan Agreement Security Release; and
- Owner Request for Change of Address.

ix. Non-Fee Based Review Work

Town planning staff also undertake work for which a fee is not charged. This non-fee based work includes planning policy studies, general customer service activities, and review work for which fees cannot be charged.

3. ANALYSIS OF REVENUES

This section contains an analysis of past planning application activity in Newmarket and an assessment of the level of activity that is reasonable to anticipate for the purpose of setting planning fees. Note, the revenues under this section only relate to those revenues for planning matters while engineering support to review certain applications is captured through a separate fee and considered under the development engineering component of this report.

A. HISTORICAL PLANNING FEE REVENUE

Table 11 shows the revenue generated from planning applications issued by the Town over the five-year historical period from 2018 to 2022. Adjusted for \$2023 at the bottom of the table, over the five-year period, planning fee revenues have averaged approximately \$937,000 per annum with considerable variation from one year to the next. Fee revenues have increased over the five-year period, from a low of \$617,220 in 2018 to a high of \$1.15 million in 2021.

A significant component of overall revenue relates to Site Plan Approval applications, which have generated roughly 48 per cent of total revenue on average. ZBAs were also substantial source of income in the last five years at 15 per cent of the total. OPAs made up a smaller amount of revenues at 11 per cent in on average.

It is noted that changes in planning application revenue on any given year does not necessarily reflect the level of building or development activity because the timing of fee payments and development activity do not always correspond.

Table 11: Planning Application Revenue (2018 to 2022)

Planning Fee	2018	2019	2020	2021	2022	5 Year Revenue Average
Official Plan Amendment	\$23,974	\$73,936	\$151,570	\$50,523	\$222,302	\$104,461
Zoning Bylaw Amendment	\$62,693	\$150,378	\$154,138	\$132,118	\$223,500	\$144,565
Removal of Holding	\$23,370	\$8,008	\$4,104	\$0	\$4,166	\$7,929
Site Plan Approval	\$376,645	\$227,526	\$611,467	\$717,253	\$327,355	\$452,049
Plan of Subdivision & Condominium	\$7,381	\$132,637	\$122,225	\$85,250	\$112,442	\$91,987
Telecommunication Tower	\$0	\$12,732	\$0	\$13,050	\$26,492	\$10,455
Consent Severance	\$28,428	\$60,696	\$6,912	\$46,085	\$42,097	\$36,844
Minor Variance	\$36,671	\$46,745	\$40,185	\$47,913	\$20,394	\$38,382
TOTAL	\$559,162	\$712,659	\$1,090,602	\$1,092,193	\$978,748	\$886,673
Adjusted (\$2023)	\$617,210	\$767,456	\$1,145,814	\$1,147,485	\$1,003,217	\$936,236

Source: Town of Newmarket financial information. Revenues adjusted to \$2023 using the change in application fees rates over the same period as shown at the bottom of the table. Similar to the application data, limitations on historical activity existed at the application level. Hemson has calculated the revenues and may not match precisely with cumulative Town revenues.

B. ANTICIPATED FUTURE ACTIVITY

Historical planning application and revenue data provided in Table 10 and Table 11 demonstrate a steady increase in the number of applications – particularly the number of major planning applications – received over the past five years. Based on discussions with Town staff, it is assumed for the purpose of setting fees, the Town will continue to experience year over year increasing application activity as the Town continues to grow, intensify, and work towards achieving the growth targets established by the Province. The revenue projections outlined in this study remain at elevated levels relative to the 5-year average trend.

Table 12 sets out the forecast of average annual planning application activity and revenue anticipated through to 2027 by application type.

Table 12: Anticipated Annual Planning Application Revenue under Current Rates

Application Type	Anticipated Annual Revenue
Preliminary Meetings	\$12,500
Official Plan Amendment	\$142,400
Zoning Bylaw Amendment	\$252,000
Removal of Holding	\$25,600
Plans of Subdivision	\$110,000
Site Plan Approval	\$500,000
Plans of Condominium	\$105,000
Committee of Adjustment	\$135,000
Other Fees	\$15,300
Total	\$1,297,800

4. ANALYSIS OF COSTS

This section presents an analysis of the direct and indirect costs of delivering services required to approve development applications in the Town. Please note, where Water and Wastewater is referred to below, it is part of the Public Works division and is in addition to the separate public works line.

A. DIRECT COSTS

A number of Town staff are responsible for processing applications in respect of planning matters. They include staff in the areas of Planning, Engineering, Public Works, and Legal. The entire cost of the time spent by these staff on planning applications, as well as the cost of the resources they use, is considered to be a direct cost under the study. Time shares have been determined based on interviews with staff and are displayed in Appendix A. Please note, the share of time from the development engineering group associated with some of these applications is captured as part of this section and included in the total cost of providing services.

Although a portion of staff time is directly involved with processing planning applications, a significant share of time is unrelated to application review and is excluded as a cost for fee recovery. This “other” staff time includes planning policy work, general customer service activities, and other review work for which fees cannot be charged, and is also identified in Appendix A.

The following tables display the calculations of direct costs. The calculations are divided by: payroll; office space; and other operating costs. Payroll costs, amounting to \$1.6 million and including all benefits, account for the majority of the direct costs (

Table 21 - Comparison of Newmarket Fees for Select Application Types

Application Type	Vaughan	Richmond Hill	Aurora (Current)	Aurora (Proposed 2024)	King	Georgina	Markham (Current)	Markham (Calculated)	Whitchurch-Stouffville	East Gwillimbury	Newmarket (Current)	Newmarket (Calculated)
Pre-Consultation	\$ 1,646	\$ 657	\$ 436	\$ 1,000	n/a	\$ 862	\$ 791	\$ 963	\$ 1,104	\$ 900	\$ 513	\$ 4,440
Official Plan/Secondary Plan Amendment			\$ 46,970		\$ 25,044							
Minor	\$ 28,338	\$ 33,901	\$ 46,970	\$ 28,182	\$ 25,044	\$ 21,130	\$ 31,192	\$ 31,419	\$ 32,663	\$ 21,137	\$ 28,482	\$ 51,750
Major	\$ 65,357	\$ 56,709	\$ 46,970	\$ 48,849	\$ 25,044	\$ 32,810	\$ 82,797	\$ 83,513	\$ 56,250	\$ 32,850	\$ 28,482	\$ 51,750
Zoning By-Law Amendment												
Minor	\$ 53,881	\$ 9,261	\$ 14,762	\$ 15,342	\$ 6,000	\$ 16,424	\$ 28,916	\$ 30,387	\$ 16,184	\$ 13,276	\$ 22,909	\$ 44,440
Major	\$ 53,881	\$ 15,031	\$ 27,263	\$ 28,354	\$ 12,214	\$ 23,888	\$ 58,167	\$ 56,491	\$ 37,545	\$ 23,282	\$ 22,909	\$ 44,440
Removal of "H" Provision	\$ 6,911	\$ 2,326	\$ 10,575	\$ 10,998	\$ 3,106	\$ 4,940	\$ 9,773	\$ 9,773	\$ 5,519	\$ 6,897	\$ 4,270	\$ 10,350
Amendment	\$ 4,356	n/a	n/a	n/a	n/a	\$ 1,723	n/a	n/a	n/a	n/a	n/a	n/a
Recirculation Fee	\$ 5,496	n/a	n/a	\$ 1,418	\$ 511	\$ 265	n/a	n/a	\$ 4,415	n/a	\$ 1,066	n/a
Additional Public Meeting	\$ 8,686	n/a	\$ 1,162	n/a	\$ 2,492	\$ 1,987	n/a	n/a	\$ 1,741	n/a	n/a	n/a
Part Lot Control (Base)	\$ 15,823	\$ 2,591	\$ 4,358	\$ 5,532	\$ 23,900	\$ 10,112	\$ 9,773	\$ 11,332	\$ 7,417	\$ 11,315	\$ 2,286	\$ 3,380
Plan of Subdivision												
Base Fee	\$ 106,948	\$ 2,506	\$ 48,730	\$ 50,679	\$ 33,824	\$ 34,223	\$ 54,686	\$ 44,234	\$ 38,631	\$ 22,023	\$ 94,359	\$ 139,560
100 units	\$ 140,100	\$ 61,200	\$ 85,100	\$ 88,500	\$ 30,000	\$ 65,500	\$ 231,600	\$ 263,200	\$ 44,100	\$ 50,500	\$ 24,429	\$ 36,000
Land Area (1 ha)	n/a	\$ 7,824	\$ 10,315	\$ 10,728	n/a	n/a	\$ 22,959	n/a	n/a	\$ 849	n/a	n/a
	\$ 247,048	\$ 71,530	\$ 144,145	\$ 149,907	\$ 63,824	\$ 99,723	\$ 289,119	\$ 307,434	\$ 82,731	\$ 73,372	\$ 118,788	\$ 175,560
Extension of Draft Plan Approval			\$ 3,493	\$ 3,633	\$ 1,916	\$ 6,776	\$ 9,731	\$ 9,731			\$ 1,821	\$ 2,690
Plan of Condominium												
Base Fee	\$ 30,112	\$ 25,258	\$ 33,255	\$ 33,545	\$ 18,291	\$ 34,223	\$ 48,795	\$ 55,476	n/a	\$ 24,999	\$ 38,458	\$ 49,650
100 units	n/a	n/a	n/a	n/a	n/a	\$ 36,400	n/a	n/a	\$ 32,351	n/a	\$ 21,619	\$ 28,000
Land Area (100 sq.m.)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Totals	\$ 30,112	\$ 25,258	\$ 33,255	\$ 33,545	\$ 18,291	\$ 70,623	\$ 48,795	\$ 55,476	\$ 32,351	\$ 24,999	\$ 60,077	\$ 77,650
Site Plan												
Base Fee	\$ 56,355	\$ 2,807	\$ 16,360	\$ 17,014	\$ 5,974	\$ 32,731	\$ 19,144	\$ 44,234	\$ 15,629	\$ 6,751	\$ 42,908	\$ 71,060
100 units	\$ 59,425	\$ 62,100	\$ 49,575	\$ 44,200	\$ 4,000	n/a	\$ 275,800	\$ 263,200	n/a	\$ 30,060	\$ 21,619	\$ 21,619
Totals	\$ 115,780	\$ 64,907	\$ 65,935	\$ 61,214	\$ 9,974	\$ 32,731	\$ 294,944	\$ 307,434	\$ 15,629	\$ 36,811	\$ 64,527	\$ 92,679
Committee of Adjustment												
Minor Variance	\$ 3,299	\$ 4,418	\$ 4,896	\$ 5,092	\$ 1,474	\$ 2,184	\$ 15,329	\$ 15,351	\$ 3,642	\$ 1,953	\$ 1,608	\$ 3,150
Land Division/Consent	\$ 4,051	\$ 5,951			\$ 5,205				\$ 7,503		\$ 7,192	\$ 14,110
Base Per Unit			\$ 5,555	\$ 5,777		\$ 5,973	\$ 15,329	\$ 14,143		\$ 3,995		
			\$ 2,790	\$ 2,902		\$ 5,077	\$ 2,316	\$ 2,137		\$ 1,800		

Note: Municipal Fee structures vary greatly and the complexity may not be displayed in the comparison table above. This includes additional fees for certain geographies, sliding scales based on number of units and other factors. It may also not illustrate the full fee cost as some departments may charge fees under a separate schedule or by-law.

Table 13: Planning Fee Applications - Direct Costs in \$000s (Payroll)

Division	Total Payroll Budget	Application Review	Payroll Share
Development Engineering	\$2,249	18%	\$402
Planning Services	\$2,143	45%	\$972
Water and Wastewater	\$2,916	1%	\$23
Public Works	\$627	5%	\$32
Fire	\$23,668	0%	\$7
Building Services	\$1,556	0%	\$0
Legal	\$975	20%	\$198
Other	\$147	4%	\$6
Total	\$34,280	5%	\$1,641

Space costs include shares of the operating costs of the municipal headquarters, as well as shares of the capital replacement cost of the buildings. Space allocations were determined based on staff interviews, building floor plans and appropriate costs. Direct costs associated with space total about \$21,800 (Table 14).

Table 14: Planning Fee Applications - Direct Costs in \$000s (Space)

Division	Space Cost	Application Review Related	Shares of Total
Development Engineering	\$18.0	\$5.3	24%
Planning Services	\$23.3	\$14.0	64%
Water and Wastewater	\$0.5	\$0.0	0%
Public Works	\$0.7	\$0.1	0%
Fire	\$11.9	\$0.1	0%
Building Services	\$22.0	\$0.0	0%
Legal	\$5.1	\$2.2	10%
Other	\$5.4	\$0.1	1%
Total	\$86.8	\$21.8	100%

Other direct operating cost were determined by multiplying the time shares attributed to staff involved in development application review (see Appendix A) by 2022 operating and capital budget projections. The total direct operating cost that can be attributed to planning approval activities is about \$104,900.

The total direct cost of planning applications (excluding development engineering review for engineering checking and inspections) and approvals amounts to about \$1.8 million (see summary on Table 15).

Table 15: Summary of Direct Costs for Planning Applications in \$000s

Application Type	Direct Salaries	Direct Non-Personnel	Direct Space	Total Direct
Preliminary Meetings	\$77.2	\$4.0	\$0.9	\$82.1
Official Plan Amendment	\$177.9	\$11.4	\$2.3	\$191.6
Zoning By-law Amendment	\$378.2	\$24.7	\$5.3	\$408.2
Site Plan Approval	\$582.4	\$38.3	\$7.4	\$628.2
Plan of Subdivision	\$128.2	\$8.0	\$1.7	\$137.9
Plan of Condominium	\$94.5	\$5.1	\$1.2	\$100.7
Committee of Adjustment	\$182.9	\$12.1	\$2.8	\$197.8
Other	\$19.5	\$1.3	\$0.2	\$21.0
Total	\$1,640.7	\$104.9	\$21.8	\$1,767.4

B. FULL-TIME EMPLOYEE ANALYSIS

As part of the analysis, more than 50 staff at the Town were interviewed and their role in reviewing development was quantified as a share of their total working hours. The weighted development application related full-time employee (FTEs) is 9 people involved in the process. Of note, the figures below include the development engineering division involved in planning application work. However, any work from the development engineering group associated with the design review and inspection services of land development applications are detailed separately in the following section of this report and recovered from independent fees.

Table 16: Weighted Development Application Related FTEs

Department	Application Review FTEs
Planning	6
Engineering	2
Other*	0.5
Total	9

*Other largely related to Public Works

Importantly, the first phase of this project, completed by Sajecki Planning, was to review the existing development review processes. The evaluation involved an extensive mapping exercise associated with existing procedures using available documentation and engaging in interviews with both internal staff and representatives from relevant external

departments. The second phase of this project is a full cost of service analysis. Based on the recommendations from the Phase 1 work, some efficiencies are assumed to be achieved over the proceeding 5-year period. As a result, a 5% reduction of time attributable to development application fees has been captured in the analysis for senior planner, development planners, and junior planners – these savings can be quantified to be upwards of \$45,000 per year. It is important that the Town continue to monitor these new processes and processing times moving forward.

C. INDIRECT COSTS

The indirect cost of processing planning applications in Newmarket represents the share of costs of the Town’s corporate departments that can reasonably be attributed as overhead support of the development application review service.

The indirect (or overhead) costs of planning review activities in Newmarket represents the share of the costs of the Town’s corporate departments which can be reasonably attributed as overhead support of the planning application review service. As with the building code fees analysis above, indirect costs are calculated based on what drives the cost of each corporate department’s support of planning development review activities. The indirect cost allocations is generally based on the Town’s internal cost model and the amount attributable to providing planning application review service was estimated based on the time shares identified in Appendix A.

Table 17 summarizes the calculation of indirect costs which are calculated to be about \$593,800.

The direct and indirect costs amount to \$2.4 million and a summary is provided in Table 18.

Table 17: Detailed Indirect Costs by Planning Application Type in \$000s

Division	Development Engineering	Planning	Water and Wastewater	Public Works	Fire	Building	Total Overhead Cost
Pre-consultation	\$16.2	\$8.8	\$1.8	\$0.0	\$0.0	\$0.0	\$28.9
Official Plan Amendment	\$22.5	\$43.3	\$0.9	\$0.0	\$0.0	\$0.0	\$67.2
Zoning By-Law Amendment	\$42.6	\$98.0	\$1.3	\$0.0	\$0.0	\$0.0	\$142.8
Site Plan	\$23.0	\$123.2	\$4.5	\$0.2	\$0.0	\$45.8	\$199.9

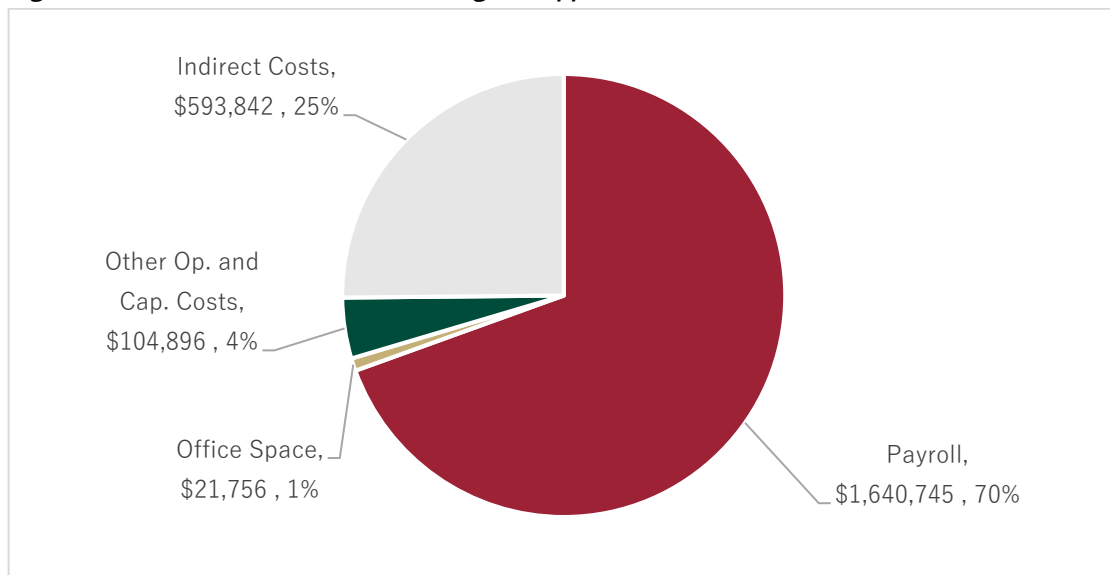
Plan of Subdivision	\$13.4	\$26.0	\$0.9	\$0.1	\$0.0	\$5.0	\$45.9
Plan of Condominium	\$18.6	\$13.1	\$2.2	\$0.1	\$0.0	\$0.0	\$34.9
Committee of Adjustment	\$15.7	\$48.1	\$0.0	\$0.0	\$0.0	\$3.2	\$67.0
Other	\$2.3	\$5.1	\$0.0	\$0.0	\$0.0	\$0.0	\$7.3
Total	\$154.2	\$365.5	\$11.5	\$0.4	\$0.0	\$54.1	\$593.8

Table 18: Summary of Direct and Indirect Planning Act Application Costs in \$000s

Application Type	Direct	Indirect	Total
Preliminary Meeting	\$82.1	\$28.9	\$111.0
Official Plan Amendment	\$191.6	\$67.2	\$258.8
Zoning By-Law Amendment	\$408.2	\$142.8	\$551.0
Site Plan	\$628.2	\$199.9	\$828.1
Plan of Subdivision	\$137.9	\$45.9	\$183.8
Plan of Condominium	\$100.7	\$34.9	\$135.5
Committee of Adjustment	\$197.8	\$67.0	\$264.8
Other	\$21.0	\$7.3	\$28.3
Total	\$1,767.4	\$593.8	\$2,361.2

Below in Figure 1 is a breakdown of all costs related to Planning Act application review with the large majority of costs related to direct payroll at 70 per cent.

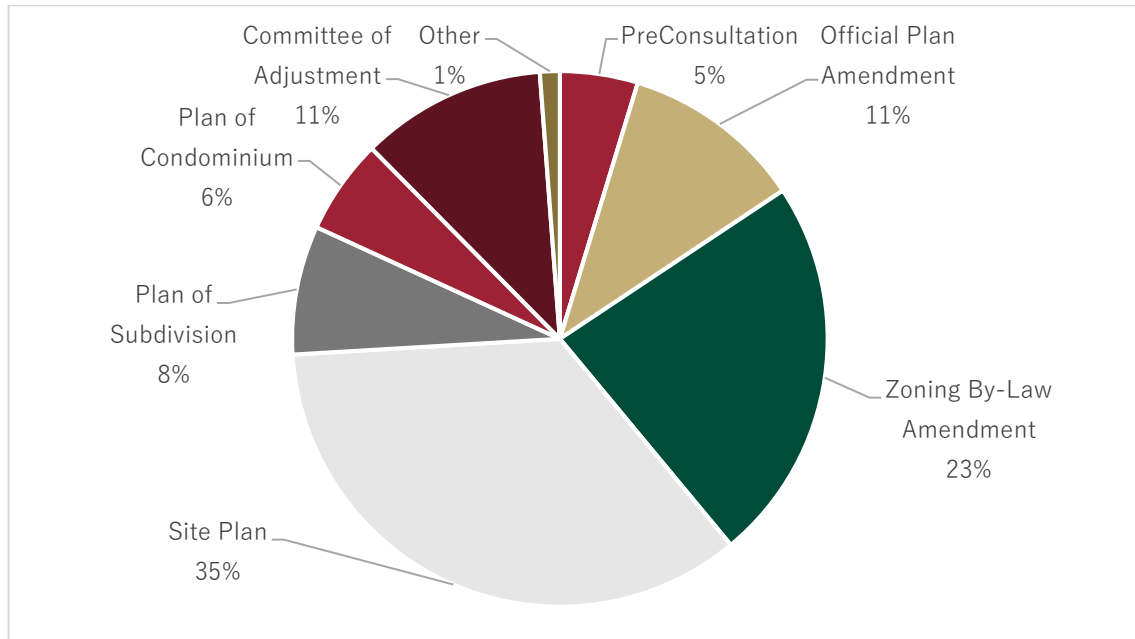
Figure 1: Total Cost of Service - Planning Act Application



D. REVENUE RECOVERY GAPS (VS COST)

Figure 2 below illustrates the shares of total cost to deliver development application review services by application type. In general, staff time from a planning fee perspective is generally distributed amongst the various application types. Site Plan Approval reviews have the greatest share of costs, followed by zoning by-law amendments. Committee of Adjustment applications (minor variance and consents) and Official Plan Amendments are in third place.

Figure 2: Shares of Total Cost by Application Type (Planning Applications)



Certain application types have a wider gap between the costs to the Town to deliver the service in comparison to the revenue received from development application fees as shown in Table 19 below.

Table 19: Cost vs. Revenue Gap by Application Type

Application Type	Anticipated Annual Avg. Costs ⁽¹⁾	Anticipated Annual Avg. Revenues ⁽²⁾	Difference	
Preliminary Meeting	\$110,951	\$12,500	-\$98,451	-89%
Official Plan Amendment	\$258,758	\$142,412	-\$116,346	-45%
Zoning Bylaw Amendment	\$550,950	\$277,615	-\$273,335	-50%
Plans of Subdivision	\$183,846	\$110,000	-\$73,846	-40%
Site Plan Approval	\$828,088	\$500,000	-\$328,088	-40%
Plans of Condominium	\$135,522	\$104,962	-\$30,560	-23%

Application Type	Anticipated Annual Avg. Costs ⁽¹⁾	Anticipated Annual Avg. Revenues ⁽²⁾	<i>Difference</i>	
Committee of Adjustment	\$264,805	\$135,000	-\$129,805	-49%
Other Fees Calculated	\$28,319	\$15,342	-\$12,977	-46%
Total	\$2,361,240	\$1,297,831	-\$1,063,408	-45%

(1) Based on full cost analysis. Figures have been rounded.

(2) Anticipated revenues under current rates.

5. FULL COST RECOVERY PLANNING FEES

This section presents full cost recovery rates in light of the cost analysis presented in the previous section. Note, fee comparisons with similar and surrounding municipalities are also illustrated in this section

A. FULL COST RECOVERY FEES

The fees required to recover the full cost of processing Planning Act applications are set out in Table 20.

Full cost recovery fees have been calculated by dividing the total (direct and indirect) cost of providing development application review services by the estimated revenues anticipated over the same period. Most fees have been rounded to the nearest \$100; fees of less than \$1,000 have been rounded to the nearest \$10.

Table 20: Full Cost Recovery Planning Act Application Fees

Type of Application	Current Fees (2023)	Calculated Full Cost Recovery Fees
Official Plan Amendment	\$28,482	\$51,750
Zoning Bylaw Amendment	\$22,909	\$44,440
Removal of Holding	\$4,270	\$10,350
<i>Staff Removal of Holding and Temporary Use Zoning By-law (new)</i>	-	<i>\$7,763</i>
Plans of Subdivision		
Subdivision - Residential Base	\$83,504	\$139,560
Plus per Unit	\$216	\$360
Subdivision - Commercial	\$89,593	\$149,740
Plus per Hectare	\$1,657	\$2,770
Subdivision - Industrial	\$92,079	\$153,890
Plus per Hectare	\$414	\$690
Subdivision – Institutional	\$91,249	\$152,510
Plus per Hectare	\$829	\$1,380
Revision of Draft Plan Approval Requiring Circulation	\$3,223	\$5,390
Revision to Conditions of Draft Approval	\$3,223	\$5,390
Extension of Draft Approval	\$1,612	\$2,690
Registration of Each Phase of a Plan	\$1,612	\$2,690
Part Lot Control	\$2,023	\$3,380

Type of Application	Current Fees (2023)	Calculated Full Cost Recovery Fees
<i>Draft Approval and Final Registration Coordination Fee</i>		
Industrial Subdivisions	\$23,428	\$39,160
Residential Subdivisions (more than 30 lots)	\$23,440	\$39,180
All other Subdivisions	\$17,572	\$29,370
<i>Coordination Fee for Engineering Drawing Submissions Beyond 4th Submission</i>		
Industrial Subdivisions	\$5,743	\$9,600
Residential Subdivisions (more than 30 lots)	\$5,743	\$9,600
All other subdivisions	\$2,871	\$4,800
Prepare Sales Office Agreement	\$1,270	\$2,120
Site Plan Approval		
Residential or Residential and Other Uses	\$42,908	\$71,060
Per Residential Unit	\$216	\$216
GFA or Other Uses	\$7.61	\$7.61
Industrial, Commercial, Institutional	\$14,041	\$14,041
Per Additional m2 over 1,800	\$7.61	\$7.61
Single-detached or semi-detached lot (leading)*	\$867	-
Single-detached or semi-detached lot (amending)*	\$1,271	-
All other	\$13,773	\$13,773
Technical resubmission after third submission	\$1,040	\$1,040
Minor revisions to approved plans	\$564	\$564
Commercial roof top patio	\$564	\$564
Plans of Condominium		
Condominium - Residential	\$38,458	\$49,650
Plus per Unit	\$216	\$280
Condominium - All Other	\$9,650	\$12,460
Condominium Exemption Request	\$4,204	\$5,430
Committee of Adjustment		
Consent Severance	\$7,192	\$14,110
Consent Other	\$4,795	\$9,410
<i>Minor Variance – Tier 1 (New)</i>	<i>\$1,608</i>	<i>\$1,580</i>
<i>Minor Variance – Tier 2 (New)</i>	<i>-</i>	<i>\$3,150</i>
Committee of Adjustment Re-circulation Fee	\$1,066	\$2,090
Special Committee of Adjustment Meeting	\$1,104	\$2,170
Other Fees Calculated ⁽¹⁾		
Telecommunications Tower	\$15,342	\$28,320
Preliminary Meeting Deposit	\$500	\$4,440
Application Reactivation Fee	\$823	\$823
Fee for Matters Appealed to OLT	\$188	\$188

Type of Application	Current Fees (2023)	Calculated Full Cost Recovery Fees
Zoning Confirmation Letter	\$98	\$98
Zoning Compliance Letter	\$181	\$181
Site Plan Agreement Security Release	\$465	\$465
Owner Request for Change of Address	\$208	\$208
<i>Note 1: no changes have been made to this set of fees but are included for completeness</i>		

Importantly, the calculated full cost recovery planning fees included for in this report include the cost of legal involvement. Previously, these costs were billed for separately from the planning fees at the end of the process which will be eliminated following passage of the new planning fees. Applicants will now be required to pay one upfront planning fee unless the development requires use of external counsel. This change increases the predictability of planning application fees and ultimately increasing the transparency for the industry. As a result, part of the fee increase is being offset by a reduction in fees payable for Legal fees which would have been levied at the end of the process.

B. IMPLEMENTATION OPTIONS

The *Planning Act* allows the Town to establish fees for planning services as long as the fees do not exceed the full cost of the service provided. In particular, when setting fee rates the Town should consider the following:

- The revenue shortfall that would result from imposing less than full cost recovery fees (a shortfall that would almost certainly have to be funded from taxes);
- The possibility that a “general” benefit to the Town might arise as a result of processing certain types of applications (e.g. significant OPAs or ZBAs);
- The competitiveness of the Town’s fees relative to other fast growing municipalities in York Region (see below); and
- The ability of applicants to pay the fee.

C. FEE STRUCTURE CHANGES AND IMPLEMENTATION CONSIDERATIONS

Following the discussions with Town staff and the outcomes of the Phase 1 report, the following recommendations can be considered:

- Inclusion of legal staff time in the planning approvals process as part of the up-front planning fees rather than separate fees at the end of the process.
- The expansion of the existing Development Coordination Committee or the establishment of a new committee to oversee complex Site Plan applications. The Town is currently running a pilot project to test this recommendation.
- Expand delegation of approval authority to include minor zoning by-law amendments, including temporary use by-laws and the removal of holding symbols. This has been implemented in 2024, and as such a new fee is proposed, as noted in Table 20 above;
- Consideration for a differentiated rate for Minor Variance applications. The Minor Variance fee would be delineated into two tiers: a Tier 1 rate for routine residential small scale applications and Tier 2 rate for all other minor variance applications.
 - For example, the Tier 1 rate would be payable for applications regarding driveways, decks, and accessory structures under 16 sq. m. (excluding garages) on residential properties.
 - Based on a review of other municipalities, this rate could be discounted at 50% of the full rate levied. Looking at recent activity for the past 3 years, it could be expected that the Town could see about 10 of these applications each year. Using the current fee rates and average activity, this would result in a revenue loss of about \$15,700 per annum if the fee was discounted by 50%.
- Implementing a reactivation fee for OPA & ZBA files. It should be payable for files that have been inactive for 1 year. If the file has been inactive for 2 or more years, the file will be closed and new application with current application fees. This is already in place for Site Plan Applications.
- No fee discounts should be provided when concurrent applications are submitted as the Town will only be able to manage applications submitted independently of each other under the parameters of the new legislation.

- Implementation of the fees should be in line with the Town's existing Service Pricing Policy, as amended from time-to-time.

D. FEE BENCHMARKING

In order to provide an understanding of the current and full cost recovery fee rates in Newmarket in relation to similar and surrounding municipalities in York Region, a fee comparison was prepared. The results of this comparison is presented in Table 21.

It is noted that comparing planning fees across different communities is a challenge. For example, in two-tier jurisdictions, the division of labour between upper- and lower-tier municipalities is not always uniform and there are separate fees between the two levels of government. Moreover, the basis of many fees is inconsistent, with municipalities imposing a range of flat fees, variable rate fees, and combined flat/variable approaches for the same services. As well, fee comparisons do not account for:

- differences in service standards that may exist between municipalities, for example the time taken to process an application;
- differences in the cost to provide reviews between municipalities. Municipalities with higher standards of urban design may, for example, require additional time to review applications;
- differences in the complexity of applications between municipalities; and
- fees in some municipalities not being set to recover the full cost of service.

The table shows the current Planning Act application fees in Newmarket are generally in line with the fees levied in comparable municipalities. If adopted, the calculated full cost recovery rates would place the Town in the upper range for all application types but would still remain competitive. The fee comparison shows the Town's 2023 rate and the calculated full cost recovery rates (excluding any modifications to the rates to reflect the Town's cost recovery policy).

Table 21 Comparison of Newmarket Fees for Select Application Types

(insert PDF)

6. ENGINEERING REVIEW FEES

A. DEVELOPMENT ENGINEERING FEES

For Plan of Subdivision, Site Plan, Site Alteration Permit, and other applications the Town levies an additional fee for engineering review. Particularly for the subdivision and site plan fees, the “Engineering Review and Administration fee” is intended to cover the cost of ensuring that public services are installed according to the agreement terms, a process that involves considerable development engineering staff time.

Variable fees, based on cost of construction, and flat fees are charged for most application types. For Plans of Subdivision, a five per cent fee on the total cost of construction is charged and collected at the time of registration of the subdivision agreement. As it pertains to Site Plan Control applications reviewed in house, a charge equal to nine per cent of the cost of construction is collected. The Town also relies on an external review consultant to complete application reviews, for which the external consultant bills their time for the review. That cost is recovered from the application and, in addition, an administrative fee of fifteen per cent is collected by the Town for the coordination of the review. The 2023 fees are summarized below.

Table 22: 2023 Town of Newmarket Engineering Fees

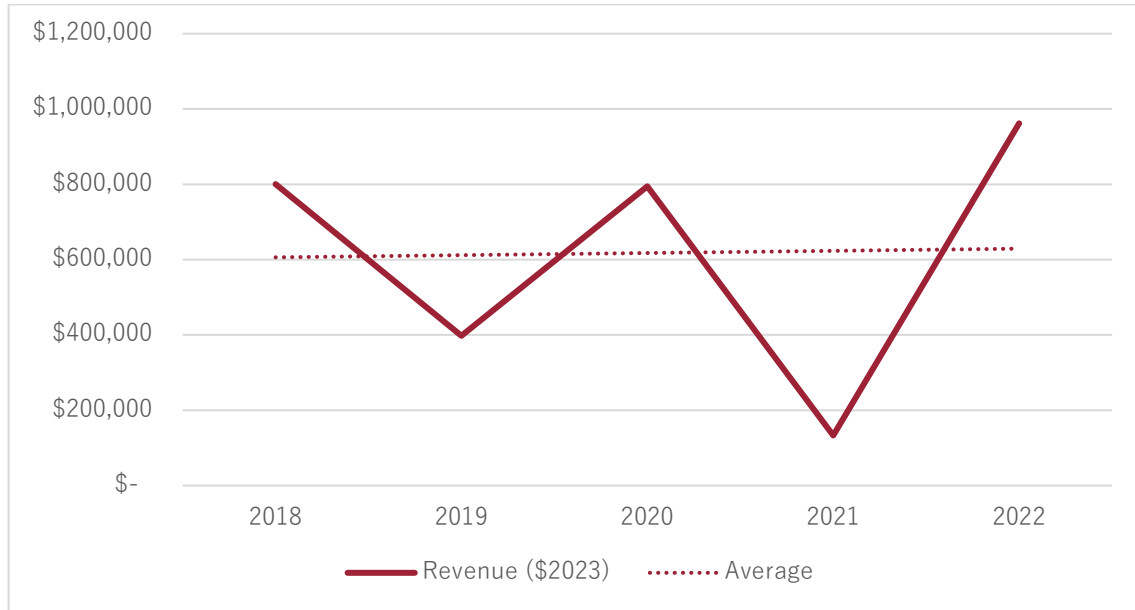
Type of Application	2023 Existing Fee
Site Plan Review – In-House	9% of value of all site works and services outside of the buildings (minimum \$1,662)
Site Plan Review – External	5% admin fee of value of all site works and services outside of the buildings (minimum \$1,471)
Subdivisions	5% Admin Fee plus checking consultant fees
Overhead incurred for checking Consultant Invoicing	15% Admin Fee + HST

B. REVENUE ANALYSIS

Figure 3 below illustrates the revenue (in constant 2023\$) generated from the development engineering and administration review fee administrated by the Town over the last five years from 2018 to 2022. The figure shows the average annual fee revenue generated is highly volatile and can fluctuate significantly from year-to-year, with a high in 2022 of

\$961,900. The total average annual fee revenue generated in the period was \$617,600. The year with the lowest revenue was in 2021 with \$133,000 in fees collected.

Figure 3: Development Engineering Revenue (2018 - 2022)



Source: Town of Newmarket and includes revenues associated with the Subdivision a

For the purposes of calculating a fee, the revenues moving forward are anticipated to be generally in-line with recent trends and assumed to be at about \$606,000 per annum. Based on discussions with Town staff, given the changing nature of development activity which is moving away from greenfield to intensification projects, subdivision applications have gradually been replaced with more site-plan related work (both types of developments were captured in the previous year's revenues). This change moving forward can impact revenues and the timing of when revenues are going to be received.

C. ANALYSIS OF COSTS

Please note, where Water and Wastewater is referred to below, it is part of the Public Works division and is in addition to the separate public works line.

i. Direct Costs

The Town's engineering services, related to user fees, are carried out by individuals in the Engineering Services Department. Shares of time spent have been determined based on Town records and discussions with staff and are displayed in Table 23. The majority of costs are attributed to the development engineering department.

The entire cost of the time spent by engineering staff on these services, as well as the cost of the resources they use, is considered to be a direct cost under the analysis. As with the planning and building permit fee analyses, the calculation of direct costs incorporates the cost of payroll, office space (including common space and provision for capital replacement), as well as other operating costs.

Table 23: Development Engineering - Direct Costs in \$000s (Payroll)

Division	Total Payroll Budget	Application Review	Payroll Share
Development Engineering	\$2,249	12%	\$263.3
Planning Services	\$2,143	1%	\$24.4
Water and Wastewater	\$2,916	0%	\$3.6
Public Works	\$627	0%	\$11.4
Fire	\$23,668	0%	\$0.0
Building Services	\$1,556	0%	\$0.0
Legal	\$975	0%	\$0.0
Other	\$147	3%	\$4.5
Total	\$34,280	1%	\$307.1

Table 24: Development Engineering - Direct Costs (Space)

Division	Engineering Fee Related
Development Engineering	\$3,551
Planning Services	\$58
Water and Wastewater	\$6
Public Works	\$21
Fire	\$0
Building Services	\$0
Legal	\$0
Other	\$108
Total	\$3,743

Table 25: Development Engineering - Direct Costs in \$000s (Operating)

Division	Engineering Fee Related
Development Engineering	\$15,824
Planning Services	\$2,517
Water and Wastewater	\$150
Public Works	\$418
Fire	\$0
Building Services	\$0
Legal	\$0
Total	\$18,909

ii. Indirect Costs

The indirect (or overhead) costs of engineering activities in Newmarket represents the share of the costs of the Town's corporate departments which can be reasonably attributed as overhead support of the engineering review service. As with the building code and planning application fees analysis above, indirect costs are calculated based on what drives the cost of each corporate department's support of engineering review activities. The indirect cost allocations is generally based on the Town's internal cost model and the amount attributable to providing engineering review service was estimated based on the time shares identified in Appendix A.

iii. Reserve Fund Contribution

As the majority of costs are payroll costs it would be impractical to even attempt to match revenues and costs on an exact annual basis. Although the general trend in construction activity is anticipated to remain strong over the next five years despite some short-term concerns in the economy, there may be fluctuations in both the number of applications and the amount of revenue from any one year to the next. This could result in an imbalance between costs and revenues. In years of high activity, revenues will likely exceed costs, while in quieter years costs may well exceed revenues. The Town's current engineering reserve fund balance is in a negative position at about (-\$375,000) which is being recovered for over the five year period. In light of that, the calculation includes a modest annual contribution of \$180,000 per annum to a reserve fund. This includes the recovery of negative reserve fund balance and contributions to maintain a single year of the budget. Typically contributions in other municipalities would range between 1.5 to 2 times the budget and the contributions should be reviewed at the next fee study and adjusted if required. This is particularly important for the engineering group as there could be significant timing differences on when the work is undertaken relative to when payment is received for the engineering review.

iv. Cost Summary

The total direct and indirect expenditures related to engineering reviews are detailed below:

Table 26: Summary of Direct and Indirect Engineering Review Costs in \$000s

Cost Type	Total Costs (\$2023)
Direct – Payroll	\$307.1
Direct – Office Space	\$3.7
Direct – Other Operating and Capital Costs	\$18.9
Indirect Costs	\$119.9
Reserve Fund	\$180.0
Total	\$629.7

D. FULL COST RECOVERY FEE CALCULATIONS AND COMPARISON

The cost analysis reveals that the current annual cost of providing services is \$629,700. The anticipated annual average revenue, under current fee rates, is expected to be approximately \$605,700. The Town is therefore currently marginally subsidizing fee related development engineering review services through the tax rate to the degree of \$24,000 (or 4%) each year.

Table 27 below provides the current development engineering fees and the calculated full cost recovery fee based on the direct and indirect costs above. Minor changes to the minimum fee are illustrated in the table but no changes to the fees set relative to the value of the works.

Table 27: Full Cost Recovery Development Engineering Fees

Type of Application	Current Fees – 2023	Calculated Full Cost Recovery Fees
Engineering Checking & Inspecting		
Site Plans In-House	9% of the value of all site works and services outside of the buildings	9% of the value of all site works and services outside of the buildings
Minimum Fee	\$1,662	\$1,728
Site Plans using Towns Checking Consultant	5% Admin Fee of the value of all site works and services outside of the buildings plus checking consultant fees	5% Admin Fee of the value of all site works and services outside of the buildings plus checking consultant fees
Minimum Fee	\$1,471	\$1,529

Type of Application	Current Fees – 2023	Calculated Full Cost Recovery Fees
Subdivisions	5% Admin Fee plus checking consultant fees	5% Admin Fee plus checking consultant fees
Overhead Incurred for Checking Consulting Invoicing	15% Admin Fee	15% Admin Fee

E. EVALUATING THE ENGINEERING REVIEW PROCESS: INTERNAL VS. EXTERNAL CONSULTANTS

The Town has retained a professional engineering consultant for design review and inspection services of land development applications for at least the last 30 years. The checking consultant aids the Town from application start (application submission) to finish (assumption and security release) on an as-needed basis. This is a long-standing relationship; the current firm has consistently been retained since the late 1990s with another firm offering a similar service previously.

Initially, the checking consultant was retained to review all plans of subdivision with more than 150 lots for the Town. As the nature of development has moved away from greenfield to intensification projects, subdivision applications have gradually been replaced with more site-plan related work. The checking consultant continues to review all plans of subdivision for the Town, and site plan applicants depending on Development Engineering staff workload.

Generally retaining external consultants can provide Town staff with needed support to process applications in the most time efficient manner in periods of high activity. One important consideration would be that the Town, under either approach, would be in a revenue neutral position in which the fees charged would be equal to recovering the costs of providing the service. The table below provides an overview of some of the quantifiable and qualitative benefits and drawbacks to moving the services entirely “in house”.

Table 28: Evaluating the Development Engineering Review Process

Actionable Items	Advantages	Disadvantages
Costs to Move Service in house	<ul style="list-style-type: none"> • More control of expenses to applicant which they can better understand costs of service earlier in the process • Less administrative and technical work for redundant tasks 	<ul style="list-style-type: none"> • Town would be required to hire additional staff - minimum 5⁷ additional FTE to manage work at full roll out of internalizing this work (annual commitment of about \$600k/annum) • Increase in other direct and indirect support costs for those applications (i.e. legal, management time, etc.) • Increases exposure to the Town that they may not recover costs if development does not proceed as anticipated. • Checking consultant provides hourly time tasked billing which is invoiced specific to the application (a process which would not likely be continued under an internalized process)
Expertise and Quality	<ul style="list-style-type: none"> • Town control over the process. • Consistent application of Town policies, and procedures • Ability to develop 'in house' talent for new areas of expertise (i.e. high rise infill developments) 	<ul style="list-style-type: none"> • Fills a potential knowledge gap for certain applications as the Town transitions to different forms of development
Flexibility	<ul style="list-style-type: none"> • Staff during "low-period" of activity could be used for other related purposes (development applications, internal policy work, etc.). 	<ul style="list-style-type: none"> • Internalizing the process may create a backlog in activity. • Longer review times would translate into an extended period which revenues are not collected. • Constrain the Town's ability to manage volumes and deadlines.

In light of the high-level analysis outlined above, there are certainly some benefits of internalizing the development engineering process. However, due to the changing nature of development occurring in the Town, with increased intensification as the more traditional

⁷ This could be as high as 6 or 7 FTEs to manage the increase in in-house services upon full implementation and relative to application volumes.

greenfield developments applications are limited, there is some risk to the Town advancing this process quickly.

- 1) The Town would be required to quickly increase staff to accommodate this process, ultimately, increasing costs to the division which is somewhat already overburden financially.
- 2) The time requirements associated with these newer development forms are still not as certain as the commitments associated with the more “routine” greenfield development application forms which Town staff have been more accustomed with over the last number of years.
- 3) In general, the economic climate today has brought on a continued increase to interest rates, above “average” inflation and supply shortages. All of which has put pressure on the building and construction industry. There is no definitive timeline on these cost pressures but continued instability in the market could translate into a lag in development activity increasing the exposure to staff.

In the interim period, in order continue to evaluate internalizing the inspection process, the following should be completed and understood:

- 1) Starting in 2024, all higher density development forms which are done by the checking consultant should be closely monitored to learn the process and start to develop ‘in house’ expertise. This would include monitoring the time commitments and billings associated with the work.
- 2) Seek to significantly reduce and eliminate the existing development engineering deficit.
- 3) Create a list of other non-fee based work avenues for which the Town could use these “added” resources for if development slows down.
- 4) Once the Town does decide to proceed with internalizing the development engineering review and inspection process, it would be financially prudent to incrementally add staff and transition to a full internal program over several years with consideration to application activity.

APPENDIX A

BUILDING, PLANNING & DEVELOPMENT

ENGINEERING TIME SHARES

Department	Position	Time Shares				Development Applications -- Planning								Development Applications -- Engineering				
		Planning Apps.	Eng. Apps.	Building Code	Non-Fee Work	Precon.	OPA	ZBA	Removal of "H"	SPA	Plan of Subdivision	Plan of Condominium	Telecom. Tower	Committee of Adjustment	Site Alt. Permit	SPA & Plan of Subdivision	Pre-Servicing Agreement	Resubmission
Development Engineering																		
	Greenspace Dev. Coordinator	60%	30%	0%	10%	3%	7%	5%	0%	4%	20%	20%	0%	1%	0%	30%	0%	0%
	Jr Engineer	35%	30%	30%	6%	2%	3%	15%	1%	4%	2.5%	2.5%	0%	5%	0%	30%	0%	0%
	Senior Engineer (ICI)	35%	35%	25%	5%	3%	4%	10%	2%	6%	2%	2%	0%	6%	0%	35%	0%	0%
	Senior Engineer (Res)	50%	30%	20%	0%	3%	7%	13%	2%	12%	1%	5%	0%	7%	0%	30%	0%	0%
	Manager Development Engineering Services	50%	30%	10%	10%	3%	10%	12%	2%	10%	3%	2%	1%	7%	1%	25%	1%	3%
	Director Engineering Services	10%	10%	10%	70%	2%	2%	2%	1%	0%	0%	2%	1%	0%	1%	8%	1%	1%
	Manager - Transportation Services	8%	5%	0.0%	87.5%	3%	1%	1%	0%	2%	0%	0%	0%	0%	0%	5%	0%	0%
	Capital Projects Coordination	7.5%	5%	0.0%	87.5%	3%	1%	1%	0%	2%	0%	0%	0%	0%	0%	5%	0%	0%
	Dev. Eng. Admin	30%	26%	20%	24%	3%	4%	12%	2%	4%	0%	1%	0%	4%	0%	25%	0%	1%
	Senior Climate Change Specialist	20%	15%	0%	65%	3%	3%	5%	1%	2%	0%	2%	1%	3%	1%	13%	1%	0%
	Transportation Specialist	7.5%	5.0%	0%	87.5%	3%	1%	1.5%	1%	0%	0%	1%	0%	0%	0%	5%	0%	0%
Planning Services																		
	Commissioner, Development and Infrastructure	1.5%	5%	1%	93%	0.0%	0.5%	0.5%	0.0%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	4.5%	0.0%	0.5%
	Director, Planning and Building Services	30%	0%	10%	60%	0%	10%	10%	0.5%	5%	3%	1%	1%	1%	0%	0%	0%	0%
	Manager, Planning Services	75%	0%	0%	25%	2%	2.0%	15%	0.5%	35%	10%	7%	0%	4%	0%	0%	0%	0%
	Senior Planner	75%	0%	0%	25%	2%	10%	15%	5%	35%	2%	3%	2%	2%	0%	0%	0%	0%
	Senior Planner	75%	0%	0%	25%	2%	10%	15%	5%	35%	2%	2%	2%	2%	0%	0%	0%	0%
	Planner - Development	75%	0%	0%	25%	2%	10%	10%	0%	40%	5%	3%	3%	2%	0%	0%	0%	0%
	Planner - Development	75%	0%	0%	25%	2%	8%	25%	1%	20%	5%	1%	1%	13%	0%	0%	0%	0%
	Planner - Development	65%	0%	0%	35%	2%	8%	25%	1%	20%	5%	2%	1%	2%	0%	0%	0%	0%
	Junior Planner	80%	0%	0%	20%	2%	8%	25%	1%	20%	8%	1%	1%	15%	0%	0%	0%	0%
	Junior Planner	80%	0%	0%	20%	2%	8%	25%	1%	20%	8%	1%	1%	15%	0%	0%	0%	0%
	Senior Planner - Policy	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Planning Admin	65%	0%	0%	35%	2%	7%	17%	2%	21%	3%	2%	1%	10%	0%	0%	0%	0%
	Planning Admin	65%	0%	0%	35%	2%	7%	17%	2%	21%	3%	2%	1%	10%	0%	0%	0%	0%
	Planner - Committee of Adjustment and Cult. Herit	65%	0%	0%	35%	1%	3%	3%	2%	2%	3%	3%	1%	4%	0%	0%	0%	0%
Water and Wastewater																		
	Manager - Water & Wastewater Services	5%	1%	2%	92.5%	1%	0%	0%	0%	3%	1%	0%	0%	0%	1%	1%	0%	0%
	Supervisor, Water & Wastewater	12%	5%	2%	81.5%	3%	1%	1%	1%	3%	1%	2%	0%	0%	2%	2%	1%	0%
Public Works																		
	(Acting) Supervisor	6%	5%	2%	87.0%	1%	1%	1%	0%	3%	1%	1%	0%	0%	1%	4%	0%	0%
	PW Inspector	15%	5%	10%	70.0%	2%	1%	1%	1%	6%	1%	3%	0%	0%	2%	3%	0%	0%
	Coordinator of Construction Projects	5%	5%	5%	85%	1%	1%	1%	0%	2%	1%	1%	0%	0%	2%	2%	1%	0%

Department	Position	Time Shares				Development Applications -- Planning								Development Applications -- Engineering				
		Planning Apps.	Eng. Apps.	Building Code	Non-Fee Work	Precon.	OPA	ZBA	Removal of "H"	SPA	Plan of Subdivision	Plan of Condominium	Telecom. Tower	Committee of Adjustment	Site Alt. Permit	SPA & Plan of Subdivision	Pre-Servicing Agreement	Resubmission
Fire																		
	Chief Fire Prevention Officer	2%	0%	40%	58%	0%	0%	0%	0%	1.0%	0.5%	0.5%	0%	0%	0%	0%	0%	0%
	Fire Prevention Officer	2%	0%	50%	48%	0%	0%	0%	0%	1.0%	0.5%	0.5%	0%	0%	0%	0%	0%	0%
	Fire Prevention Inspector	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Fire Prevention Inspector	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Fire Prevention Inspector	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Fire Prevention Inspector	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Admin Assistant	0%	0%	25%	75%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building Services																		
	Plans Examiner	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Mechanical Inspector	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Inspector 1-P9 Sm Bldgs	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Inspector	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Inspector	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Inspector	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Inspector	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Zoning Examiner	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	CBO	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Administrator	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Technician (Intake)	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Building Technician (Issuance)	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Business Technology Support	0%	0%	90%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Legal																		
	Director, Legal & Procurement Services	5%	0%	0%	95%	0%	0%	0%	0%	4%	1%	0%	0%	1%	0%	0%	0%	0%
	Law Clerk	75%	0%	0%	25%	0%	0%	0%	0%	65%	5%	0%	0%	5%	0%	0%	0%	0%
	Lawyer	50%	0%	0%	50%	0%	0%	0%	0%	43%	5%	0%	0%	3%	0%	0%	0%	0%
	Lawyer	0%	0%	0%	100%													
Other																		
	Accella Administrator	5%	5%	90%	0%	0%	0%	1%	0%	1%	0%	0%	0%	3%	1%	4%	1%	0%
	Administrative Assistant	3%	3%	3%	92%	1%	0%	0%	0%	1%	0%	1%	0%	0%	1%	2%	0%	0%

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: **2024-04-xx**

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
Department: <u>Planning</u>							
Official Plan and Zoning By-law Amendments							
Official Plan Amendment	Each	Y	\$29,450.87	\$46,575.00	\$6,054.75	\$52,629.75	58.1%
Zoning By-law Amendment	Each	Y	\$23,687.65	\$39,996.00	\$5,199.48	\$45,195.48	68.8%
Removal of Holding (H)	Each	Y	\$4,414.97	n/a			#VALUE!
NEW Staff Removal of Holding and Temporary Use Zoning By-law	Each	Y	n/a	\$6,986.70	\$908.27	\$7,894.97	#VALUE!
Plans of Subdivision							
Subdivision - Residential	Base fee	Y	\$86,342.65	\$125,604.00	\$16,328.52	\$141,932.52	45.5%
	Plus per unit	Y	\$223.54	\$324.00	\$42.12	\$366.12	44.9%
Subdivision - Commercial	Base fee	Y	\$92,639.32	\$134,766.00	\$17,519.58	\$152,285.58	45.5%
	Plus per hectare	Y	\$1,713.71	\$2,493.00	\$324.09	\$2,817.09	45.5%
Subdivision - Industrial	Base fee	Y	\$95,209.95	\$138,501.00	\$18,005.13	\$156,506.13	45.5%
	Plus per hectare	Y	\$428.42	\$621.00	\$80.73	\$701.73	45.0%
Subdivision - Institutional	Base fee	Y	\$94,351.86	\$137,259.00	\$17,843.67	\$155,102.67	45.5%
	Plus per hectare	Y	\$856.86	\$1,242.00	\$161.46	\$1,403.46	44.9%
Revision of Draft Plan Approval Requiring Circulation	Each application	Y	\$3,332.62	\$4,851.00	\$630.63	\$5,481.63	45.6%
Revision to Conditions of Draft Approval	Each application	Y	\$3,332.62	\$4,851.00	\$630.63	\$5,481.63	45.6%
Extension of Draft Approval	Each application	Y	\$1,666.30	\$2,421.00	\$314.73	\$2,735.73	45.3%
Registration of each Phase of a Plan	Each	Y	\$1,666.30	\$2,421.00	\$314.73	\$2,735.73	45.3%
Part Lot Control	Each	Y	\$2,091.75	\$3,042.00	\$395.46	\$3,437.46	45.4%
Draft Approval and Final Registration Coordination Fee (payable at time of draft approval)							
Industrial Subdivisions		Y	\$24,224.56	\$35,244.00	\$4,581.72	\$39,825.72	45.5%
Residential Subdivisions (more than 30 lots)		Y	\$24,237.02	\$35,262.00	\$4,584.06	\$39,846.06	45.5%
All other Subdivisions		Y	\$18,169.32	\$26,433.00	\$3,436.29	\$29,869.29	45.5%

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: **2024-04-xx**

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
Coordination Fee for Engineering Drawing Submissions beyond 4th Submission (payable at time of 5th submission)							
Industrial Subdivisions		Y	\$5,938.27	\$8,640.00	\$1,123.20	\$9,763.20	45.5%
Residential Subdivisions (more than 30 lots)		Y	\$5,938.27	\$8,640.00	\$1,123.20	\$9,763.20	45.5%
All Other Subdivisions		Y	\$2,969.12	\$4,320.00	\$561.60	\$4,881.60	45.5%
Prepare Sales Office Agreement		Y	\$1,312.84	\$1,908.00	\$248.04	\$2,156.04	45.3%
Site Plan Approval							
Residential or residential and other uses	Each	Y	\$44,366.44	\$63,954.00	\$8,314.02	\$72,268.02	44.1%
Per residential unit	Plus per unit	Y	\$223.54	\$223.54	\$29.06	\$252.60	0.0%
GFA of other uses	Per additional m2	Y	\$7.87	\$7.87	\$1.02	\$8.89	0.0%
Industrial, Commercial, Institutional	First 1,800 m ² of gross floor area	Y	\$14,517.90	\$14,517.90	\$1,887.33	\$16,405.23	0.0%
	Per additional m2	Y	\$7.87	\$7.87	\$1.02	\$8.89	0.0%
All Other	Each	Y	\$14,241.78	\$14,241.78	\$1,851.43	\$16,093.21	0.0%
Technical resubmission after the third submission	Each	Y	\$1,075.75	\$1,075.75	\$139.85	\$1,215.60	0.0%
Minor revisions to approved plans	Each	Y	\$582.92	\$582.92	\$75.78	\$658.70	0.0%
Commercial roof top patios	Each	Y	\$582.92	\$582.92	\$75.78	\$658.70	0.0%
Plans of Condominium							
Condominium - Residential	Each	Y	\$39,765.38	\$44,685.00	\$5,809.05	\$50,494.05	12.4%
	Plus per unit	Y	\$223.54	\$252.00	\$32.76	\$284.76	12.7%
Condominium - All Other	Each	Y	\$9,978.16	\$11,214.00	\$1,457.82	\$12,671.82	12.4%
Condominium Exemption Request	Each	Y	\$4,346.55	\$4,887.00	\$635.31	\$5,522.31	12.4%

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: **2024-04-xx**

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
Committee of Adjustment							
Consent - Severance	Each	Y	\$7,436.02	\$12,699.00	\$1,650.87	\$14,349.87	70.8%
Consent - Other	Each	Y	\$4,957.94	\$8,469.00	\$1,100.97	\$9,569.97	70.8%
Minor Variance - Tier 1	Each	Y	\$1,662.66	\$1,422.00	\$184.86	\$1,606.86	-14.5%
Minor Variance - Tier 2				\$2,835.00	\$0.00	\$2,835.00	
Committee of Adjustment Re-circulation Fee Due to Applicant's Revisions or Applicant's Deferrals		Y	\$1,102.64	\$1,881.00	\$244.53	\$2,125.53	70.6%
Special Committee of Adjustment Meeting for Emergent Issues	Each	Y	\$1,141.70	\$1,953.00	\$253.89	\$2,206.89	71.1%
Other Fees Calculated							
Telecommunications Tower	Each	Y	\$14,038.82	\$25,488.00	\$3,313.44	\$28,801.44	81.6%
Application Reactivation Fee	Each	Y	\$753.10	\$753.10	\$97.90	\$851.00	0.0%
Tree Preservation, Protection, Replacement and Enhancement Policy Compensation	Refer to Public Works Services Fees below for amount of compensation per tree.						
Peer Review and/or External Consulting Fees	Actual cost	Y					
Planning Administrative Fee for Checking Consultants' Invoices	15% of consultant's fee	Y					
Town of Newmarket fee for matters appealed to Ontario Land Tribunal	Each	N	\$194.78	\$194.78	\$0.00	\$194.78	0.0%
Zoning Confirmation Letter	Each	Y	\$101.63	\$101.62	\$13.21	\$114.83	0.0%
Zoning Compliance Letters	Each	Y	\$186.92	\$186.92	\$24.30	\$211.22	0.0%
Preconsultation Deposit; Refundable if a complete application is submitted within 12 months of the preconsultation	Each	N	\$529.93	\$1,500.00	\$0.00	\$1,500.00	183.1%
Site Plan Agreement - Security Release Inspection After the First Inspection	Each	Y	\$481.31	\$481.31	\$62.57	\$543.88	0.0%
Owner Request for Change of Address	Each	Y	\$190.63	\$190.63	\$24.78	\$215.41	0.0%

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: **2024-04-xx**

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
Department: <u>Engineering Services</u>							
Development Services							
Subdivision Design Standard Manual	Each	Y	\$107.40	\$107.40	\$13.96	\$121.36	0.0%
Site Alteration Permit	Owner Occupied Residential	N	\$289.33	\$289.33	\$0.00	\$289.33	0.0%
	All Other Types of Property	N	Site Alteration Permit fee (\$2,150) plus Engineering Fees that are based on the percentage of the cost estimate of the works and as indicated in this By-Law with HST	No Change	\$0.00	Site Alteration Permit fee (\$2,150) plus Engineering Fees that are based on the percentage of the cost estimate of the works and as indicated in this By-Law with HST	
Engineering Checking & Inspection (40% collected at submission of application and the balance collected at execution of agreement)							
Site Plans handled fully in house	9% of the value of all site works and services outside of the buildings	Y	Minimum \$1,521.00	Minimum \$1,728.00	Minimum \$224.64	Minimum \$1,952.64	13.6%
Site Plans and Projects in which the Town's Checking Consultant is providing the design review and field monitoring services	5% Admin Fee of the value of all site works and services outside of the buildings plus checking consultant fees	Y	Minimum \$1,521.00	Minimum \$1,529.00	Minimum \$198.77	Minimum \$1,727.77	0.5%
Subdivisions	5% Admin Fee plus checking consultant fees	Y	5% Admin Fee plus checking consultant fees	5% Admin Fee plus checking consultant fees	13%	5% Admin Fee plus checking consultant fees+HST	N/A
Overhead incurred for checking Consultant Invoicing	15% Admin fee	Y	15% Admin Fee	15% Admin Fee	13%	15% Admin Fee +HST	N/A

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: 2024-04-xx

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
Other Services							
Consultant's request for traffic counts (ATR or TMC)	Each	Y	\$137.54	\$137.54	\$17.88	\$155.42	0.0%
Preparation of "Pre-servicing Agreement"	Each	Y	\$2,205 plus Engineering Fees that are based on the percentage of the cost estimate of the works and as indicated in this By-Law, plus HST	No Change	13%	\$2,205 plus Engineering Fees that are based on the percentage of the cost estimate of the works and as indicated in this By-Law, plus HST	
Hire/Retain a Consultant/Vendor and Peer Review Fees	Each	Y	Actual cost plus 15% administrative fee for the Town to retain a consultant/Vendor for the review, implementation or monitoring related to an application, as determined by the director of Engineering, or their designate.	No Change	13%	Actual cost plus 15% administrative fee for the Town to retain a consultant/Vendor for the review, implementation or monitoring related to an application, as determined by the director of Engineering, or their designate.	0.0%
Site Plan Inspection for Security Release After the First Request	Each	Y	\$481.31	\$481.31	\$62.57	\$543.88	0.0%
Technical Resubmission After the Third Submission	Each	Y	\$3,120.20	\$3,120.20	\$405.63	\$3,525.82	0.0%
Preparation of any Amendment to an Existing Site Plan or Subdivision Agreement	Each	Y	\$2,204.49	\$2,204.49	\$286.58	\$2,491.07	0.0%

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: **2024-04-xx**

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
Department: <u>Financial Services</u>							
Administration of Developments	5% of Security Requirement, to a maximum amount +HST	Y	5% of Security Requirement, maximum \$65,000 +HST	5% of Security Requirement, maximum \$65,000 +HST	13%	5% of Security Requirement, maximum \$65,000 +HST	0.0%
Department: <u>Public Works</u>							
Parks							
Tree Policy Compensation amount	Each	Y	\$498.13	\$498.13	\$64.76	\$562.89	0.0%
75 Compound (3") Installed by Developer	(including cost of strainers)	Y	\$4,926.54	\$4,926.54	\$640.45	\$5,567.00	0.0%
100 Compound (4") Installed by Developer	(including cost of strainers)	Y	\$7,753.95	\$7,753.95	\$1,008.01	\$8,761.96	0.0%
100 Fire Rated (4") Installed by Developer	(including cost of strainers)	Y	\$16,291.12	\$16,291.12	\$2,117.85	\$18,408.97	0.0%
150 Compound (6") Installed by Developer	(including cost of strainers)	Y	\$10,728.92	\$10,728.92	\$1,394.76	\$12,123.68	0.0%
150 Fire Rated (6") Installed by Developer	(including cost of strainers)	Y	\$21,686.31	\$21,686.31	\$2,819.22	\$24,505.53	0.0%
200 Compound (8") Installed by Developer	(including cost of strainers)	Y	\$20,477.28	\$20,477.28	\$2,662.05	\$23,139.33	0.0%
200 Fire Rated (8") Installed by Developer	(including cost of strainers)	Y	\$32,467.59	\$32,467.59	\$4,220.79	\$36,688.38	0.0%
250 Compound (10") Installed by Developer	(including cost of strainers)	Y	\$26,427.22	\$26,427.22	\$3,435.54	\$29,862.76	0.0%
250 Fire Rated (10") Installed by Developer	(including cost of strainers)	Y	\$37,560.73	\$37,560.73	\$4,882.90	\$42,443.63	0.0%
Water Meter Testing up to 1"	Per test	Y	\$280.83	\$280.83	\$36.51	\$317.34	0.0%
Missed Water Meter Appointment Fee	Per unit	Y	\$38.84	\$38.84	\$5.05	\$43.89	0.0%
Meter Seal - Return Visit	Per unit	Y	\$195.16	\$195.16	\$25.37	\$220.53	0.0%
Meter - Installation of MXU Smart point only	Per unit	Y	\$133.27	\$133.27	\$17.33	\$150.60	0.0%

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: **2024-04-xx**

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
Department: <u>Legal Services</u>							
NOTE: All fees and charges listed on this schedule are subject to H.S.T. and are minimum amounts and may be increased based on complexity and nature of the matter as determined by Municipal Solicitor and based on the hourly rate of \$288.00 per lawyer and \$113.00 per law clerk. In addition, the Town recovers the full cost of any disbursements (including HST). Disbursements include but are not limited to external counsel fees, registration fees, search fees, courier and postage costs, conveyancer fees, and printing fees.							
SUBDIVISION/CONDOMINIUM DEVELOPMENT (All fees are minimum amounts and may be increased based on complexity at the hourly rates listed above. All disbursements including external counsel fees are recovered at full cost.)							
Residential Subdivision (includes Residential Condominium) Base Fee (includes first 100 lots and/or developable blocks)	Each	Y	\$11,712.64		\$1,522.64	\$13,235.25	
Plus Additional Fee for Each Lot – 101 to 250 Lots	Per lot	Y	\$39.67		\$5.16	\$44.83	
Plus Additional Fee for Each Lot – 251 to 400 Lots	Per lot	Y	\$26.07		\$3.39	\$29.46	
Plus Additional Fee for Each Lot – 401 and over	Per lot	Y	\$17.00		\$2.21	\$19.21	
Additional legal work required beyond four engineering drawing submissions and/or required as a result of unusual complexity	Hourly	Y	Based on hourly rate		13%	Based on hourly rate	
Standard Subdivision Agreement	Each	Y	\$7,511.80		\$976.53	\$8,488.34	
Amendments to Standard Subdivision Agreement	Each	Y	\$2,280.63		\$296.48	\$2,577.11	
Commercial/Industrial Subdivision	Base fee	Y	\$7,580.95		\$985.52	\$8,566.47	
Commercial/Industrial Subdivision	Per acre	Y	\$156.42		\$20.34	\$176.76	
Security Release Requests – Subdivision	Each	Y	\$417.14		\$54.23	\$471.36	
Security Reduction Requests – Subdivision	Each	Y	\$214.23		\$27.85	\$242.08	

**TOWN OF NEWMARKET
2024 USER FEES
Planning Processing**

Effective Date: 2024-04-xx

SERVICE PROVIDED	UNIT OF MEASURE	SUBJECT TO HST YES/NO	2024 FEE BEFORE TAX	April 2024 FEE BEFORE TAX	HST AMOUNT	TOTAL FEE	% INCREASE
SITE PLAN (All fees are minimum amounts and may be increased based on complexity at the hourly rates listed above. All disbursements including external counsel fees are recovered at full cost.)							
Standard Site Plan Agreement	Each	Y	\$1,801.71		\$234.22	\$2,035.94	
Public / Private Schools – Standard Site Plan Agreement	Each	Y	\$732.15		\$95.18	\$827.33	
Amendment to Site Plan Agreement (includes amendment to head agreement)	Each	Y	\$732.15		\$95.18	\$827.33	
Security Release Requests – Site Plan	Each	Y	\$405.77		\$52.75	\$458.52	
Security Reduction Requests – Site Plan	Each	Y	\$208.40		\$27.09	\$235.50	
LEGAL WORK RELATED TO COMMITTEE OF ADJUSTMENT OR ONTARIO MUNICIPAL BOARD DECISIONS (All fees are minimum amounts and may be increased based on complexity at the hourly rates listed above. All disbursements including external counsel fees are recovered at full cost.)							
Leading Site Plan Agreement (As required as a condition of a minor variance or consent application and/or OMB decision)	Each	Y	\$736.79		\$95.78	\$832.57	
Amendment to a Leading Site Plan Agreement (As required as a condition of a minor variance or consent application and/or OMB decision)	Each	Y	\$1,813.63		\$235.77	\$2,049.40	
Conveyance of land (As required as a condition of a minor variance or consent application and/or OMB decision)	Each	Y	\$702.78		\$91.36	\$794.14	
OTHER							
Agreements / Legal Issues / Documents not listed above.	Hourly	Y	To be billed hourly based on time spent at the rate listed above		13%	To be billed hourly based on time spent at the rate listed above	

Moffatt, Anne

To: Ruggle, Dave; Dixon, Bob
Cc: Bennett, Wanda
Subject: Council Extract - September 26, 2005 Item 25 COMMITTEE OF THE WHOLE - SEPTEMBER 19, 2005 - ITEM 15
Joint legal and development services (Planning) and finance report 2005-32
DEVELOPMENT APPLICATION APPROVALS PROCESS - PLANNING APPLICATION FEES

File:

7.2.4 *Binder*

Town Council Electronic Extract - Date: September 26, 2005

**25. COMMITTEE OF THE WHOLE - SEPTEMBER 19, 2005 - ITEM 15
JOINT LEGAL AND DEVELOPMENT SERVICES (PLANNING) AND FINANCE REPORT 2005-32
DEVELOPMENT APPLICATION APPROVALS PROCESS - PLANNING APPLICATION FEES**

THAT Joint Legal and Development Services (Planning) and Finance Report 2005-32 dated August 31, 2005 regarding the Development Application Approvals Process - Planning Application Fees be received and the following recommendations be adopted:

- 1. THAT Council adopt the new Planning Application Fees described in Schedule "B" attached, to be effective October 1, 2005;**
- 2. AND THAT a notice of the new fees be posted on the Town's Web site and on the Town Page of the local paper for a two week period.**



TOWN OF NEWMARKET

Legal and Development Services Division
Planning Department
905-953-5321
planning@newmarket.ca

12.1

August 31, 2005

JOINT LEGAL AND DEVELOPMENT SERVICES (PLANNING) AND FINANCE REPORT 2005-32

TO: Committee of the Whole
SUBJECT: Development Application Approvals Process – Planning Application Fees
ORIGIN: Director of Planning

RECOMMENDATIONS

THAT Joint Legal and Development Services (Planning) and Finance Report 2005-32 dated August 31, 2005 regarding the Development Application Approvals Process – Planning Application Fees be received and the following recommendations, be adopted:

- 1. THAT Council adopt the new Planning Application Fees described in Schedule “B” attached, to be effective October 1, 2005;**
- 2. AND THAT a notice of the new fees be posted on the Town’s Web-site and on the Town Page of the local paper for a two week period.**

COMMENTS

Background

As a result of the requirements and implementation of Bill 124, a provincial law respecting the Ontario Building Code, it was necessary for the departments involved in the development approvals process to map out their department specific work efforts for all development related applications in order to assist the Building Department to determine the actual costs associated with building permit administration. Planning Department staff mapped out their application processes to separate those associated with building permit applications and planning specific applications. This information was provided to the Town’s consultant Todd MacDonald of Performance Concepts and Mary Bailey of C.N. Watson to calculate actual processing, support and overhead costs. This information was presented to Committee of the Whole on June 13, 2005.

Staff received the final report titled “Activity Based Costing Review of Development Application Approvals Process (DAAP) User Fees” in July 2005. The presentation and report outline

Newmarket's vision

A community well beyond the ordinary

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opportunities for adjustments to both the building permit and planning application fees. Building permit fee adjustments were reported on within Legal and Development Services (Building & Bylaws) Report 2005-09. As a result of further staff inquiries, the consultant reviewed their report and continued to revise same. The final amended report recommends planning application fee increases as contained in the attached Schedule "A", averaging a 184% increase across Planning Act related fees, including a 20% subsidy related to general community benefit. The final amended report relating to Building fees required no amendment. Staff reviewed the final amended report submitted and are proposing adjustments to the Planning fees put forward by C.N. Watson and Associates Ltd. in consideration of the Town's draft User Pay Philosophy/Service Pricing Policy, a strategic framework for establishing target cost recovery levels based on the user and type of service.

Establishing Cost Recovery Level

The application of the User Pay Philosophy/Service Pricing Policy to Planning Department services has resulted in categorizing planning services as "Community Supported Good" (50-100% Cost Recovery Level). Planning services typically serve an individual's interest, i.e. individuals or businesses in the land development industry that are in the business to make a profit. However there is a public participation component in providing the service requiring public notification and hosting public meetings which involves adjacent property owners and the whole community in the planning process. The work effort associated with the public participation component of the planning process is approximately 10%. Consequently, staff recommends that the cost recovery level be set at 90% for all planning services with the exception of minor variance applications and consent applications that do not create a lot. These exceptions are services typically aimed at the existing community resident rather than the land developer and as such, these services should be priced as a "Common Good" (40-100%). In determining the target cost recovery within this wide range, the following considerations have been applied even though the technical report recommends a general community benefit of 20% or a cost recovery target of 80%:

- 1) The service is of greater benefit to the individual resident of the community than the whole community,
- 2) There are constraints to achieving a high level of cost recovery including risk of residents avoiding the process, market tolerance for service prices, resistance to costly fees, i.e. the fee costs to obtain relief from the bylaw to permit a reduction in the bylaw requirement is more than the materials and work to construct the structure.
- 3) The benefit is slightly more in favour of the individual than the whole community and hence is not a perfect 50/50 split.
- 4) The cost of enforcing contraventions to the bylaw is more costly to the taxpayer.
- 5) There is a public participation component.
- 6) The fee should be set to minimize evasion of application submissions.

In consideration of the foregoing, staff recommends that the target cost recovery level for minor variance and other consent applications be set at 60%. A cost recovery level of less than 50%

for general Planning services should not be considered since the applications typically serve private interests. However, staff feels the need to apply the special considerations component of the User Pay Philosophy to permit further reductions to the Planning application fees charged for minor variances to limit potential avoidance or evasion of the application process, even after consideration of a lesser cost recovery level of 60%. The level of tolerance to fee increases needs to be compared to the cost of the works to the applicant. As such, staff recommends that the application fee for minor variances be set at \$990, being a cost recovery of approximately 32.7% or a subsidy level of 67.3%.

Sustainability

Furthermore, in order to ensure there is stability in revenues over the processing time of longer term applications, the Planning Department should consider reserve budgeting, also referred to as deferred revenue or unearned revenue as part of the annual review of planning application fees. This suggests that until the work is performed, the revenue is not recognized in the budget. Using the example of a subdivision application the fees are received in year one while the bulk of the work is spread out over a 5 year period during which time no additional revenue is received to pay for the work performed. This will also assist in stabilizing revenues over the longer term for budgeting purposes. This type of a reserve is different from that suggested for the Building Department proposed to endure economic downturns. Both efforts however will achieve the goals of the Sustainable Financing Strategy.

Fee Structure

The current planning application fee structure for Newmarket contains application fees consisting of either a single base fee or a base fee plus a per unit fee. It is recommended that a similar structure continue for subdivision applications only until the threshold changes for application submissions, i.e. there is no longer any Greenfield development in Newmarket. All other application fees that comprise the two part structure shall convert to a single base fee as recommended in the CN Watson report. Decreasing volumes of Greenfield applications is the main reason influencing the revised fee structure recommended. It is also anticipated that staff work efforts will increase for infill and redevelopment type applications and that the volume of said applications processed by staff will continue to increase as well. As such, it is recommended that the planning application fee increases proposed in Schedule "B" be considered for approval by Council.

Next Steps

It is important to note that the rest of the organization will be going through a costing exercise and that the only increase anticipated beyond this exercise for Planning fees for the 2006 budget will be an inflationary figure driven by general service cost increases (including wage and benefit increases).

Staff recommends that Planning fees be reviewed again in 2006, for implementation in 2007, against changing trends in application submissions and the Planning realm, i.e. a new zoning bylaw should be in place, other external Provincial and Regional factors affecting development growth patterns in Newmarket, etc.

12.4

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

The proposed adjustments to Planning application fees is an initiative that is recognized in the Sustainable Financing Strategy and is in alignment with the key focus area "Well Equipped & Managed" of the Community Strategic Plan respecting fiscal responsibility.

COMMUNITY CONSULTATION POLICY

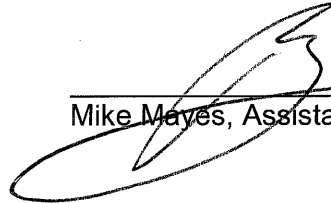
There is no statutory requirement to give public notice in advance of adopting fees established under the Planning Act however notice of this report has been given through advertisement on the Town Page of the local newspaper for a two week period in advance of Council's consideration of the fee adjustments.

BUDGET IMPACT (CURRENT AND FUTURE)

As a result of the application fee adjustments it is anticipated that the Planning Department will realize increased revenues as the fees approach full cost recovery and reflect actual work efforts or time spent on application processing, approaching department sustainability.



Cindy Wackett, Senior Planner



Mike Mayes, Assistant Director of Finance



Richard C. Nethery, Director of Planning



Robert Dixon, Director of Finance-Treasurer

: CW

CW

12.5

Schedule "A"
Planning Application Fee Adjustments

A	B	C	D	E	F	G
Planning Act Fee	Existing Fee (\$)	Full Service Cost (\$)	Consultants Proposed Application Fees (Full Cost with 20% Adjustment)(\$)	Percentage Difference (%)	Proposed Planning Application Fees Applying User Pay Philosophy (\$)	Level of Cost Recovery (%)
Removal of H	965	2,755	2,204	128	2,480	90%
Part Lot Control	644	1,305	1,044	62	1,175	90%
Site Plan	1,247	8,889	7,111	470	8,000	90%
Subdivision	25,634	59,959	47,967	87	53,963	90%
Consent - Severance	1,653	4,641	3,713	125	4,177	90%
Consent - Other	1,653	4,641	3,713	125	2,785	60%
Minor Variance	882	3,027	2,422	175	990	32.7%
Official Plan Amendment	2,758	16,961	13,569	392	15,265	90%
Zoning By-law Amendment	1,760	14,784	11,827	572	13,306	90%
Condominium	3,526	6,228	4,982	41	5,605	90%
Telecommunications Tower	1,002	8,762	7,010	600	7,886	90%
Average Increase				184		

****Note: Special considerations have been applied to Minor Variance application fees to limit potential avoidance or evasion of the application process, even after consideration of a lesser cost recovery level of 60% (\$2,724).**

Columns A to E - Source: "Activity Based Costing Review of Development Application Approvals Process (DAAP) User Fees, C.N. Watson and Associates Ltd., July 2005, as amended August 2005.

12.6

Schedule "B"
Planning Application Fees

Application Type	Land Use	Base Fee (\$)	Variable Per Residential Unit Fee (\$)	Variable Per Hectare Fee (\$)
Official Plan Amendment				
	All	15,265.00		
Zoning Bylaw Amendment				
	All	13,306.00		
Subdivision				
	Residential	48,501.00	109.25	
	Commercial	52,038.00		962.62
	Industrial	53,482.00		240.65
	Institutional	53,000.00		481.31
Condominium				
	All	5,605.00		
Site Plan				
	All	8,000.00		
Removal of Holding (H)				
	All	2,480.00		
Part Lot Control				
	All	1,175.00		
Consent				
-Severance	All	4,177.00		
- Other	All	2,785.00		
Minor Variance				
	All	990.00		
Telecommunications Tower				
	All	7,886.00		



TOWN OF NEWMARKET
2024 COST RECOVERY USER FEES
[AMENDED SCHEDULE "A" OF BUILDING BYLAW 2015-58]

DEPARTMENT: BUILDING SERVICES DIVISION

Effective Date: July 1, 2024

SERVICE PROVIDED	2024 JULY Cost Recovery Fees	2024 JANUARY Fees	% INCREASE	SUBJECT TO HST YES/NO
MINIMUM APPLICATION DOWNPAYMENT (Minimum Fees are Non-refundable)				
For any application with a Estimated Construction Value less than or equal to \$50k	\$200.00	\$200.00	0.0%	No
For any application with a Estimated Construction Value more than \$50k to \$500k	\$500.00	\$500.00	0.0%	No
All other applications	\$1,000.00	\$1,000.00	0.0%	No

PERMIT FEES BASED ON OCCUPANCY CLASS (\$Fee per m2, except where flat fee is indicated [includes standard interior plumbing/HVAC])				
GROUP "A" ASSEMBLY				
NEW ASSEMBLY BUILDINGS, ADDITIONS & ACCESSORY STRUCTURES: [Recreation Facilities, Schools, Libraries, Places of Worship, Restaurants, Theatres, Arenas, Regulated Swimming Pools, Gymnasiums, etc.]	\$20.35	\$16.70	21.9%	No
ASSEMBLY ALTERATIONS OR RENOVATIONS	\$6.01	\$4.93	21.9%	No
GROUP "B" INSTITUTIONAL				
NEW INSTITUTIONAL BUILDINGS, ADDITIONS & ACCESSORY STRUCTURES: Hospitals, Nursing Homes, Jails and	\$23.70	\$18.62	27.3%	No
INSTITUTIONAL ALTERATIONS OR RENOVATIONS	\$6.01	\$4.93	21.9%	No
GROUP "C" RESIDENTIAL				
RESIDENTIAL LOW-RISE, ADDITIONS & ACCESSORY STRUCTURES (3 Stories or less PART 9): [Detached Dwellings, Semi-Detached Dwellings, Townhouses, Duplexes, Live/Work Units, etc.]	\$19.99	\$16.40	21.9%	No
Residential Accessory Dwelling Units (within an existing space):	Flat Fee per Unit \$1,000.00	\$1,000.00	0.0%	No
Residential Roof Solar Panels:	Flat Fee per Unit \$200.00	\$200.00	0.0%	No
RESIDENTIAL MID & HIGH-RISE, ADDITIONS & ACCESSORY STRUCTURES (4 Stories or more PART 3): [Including, but regardless of height; Stacked Townhouses, Motels, Hotels, Retirement Homes, etc.]	\$24.98	\$20.49	21.9%	No
RESIDENTIAL ALTERATIONS OR RENOVATIONS:	\$ 6.01	\$4.93	21.9%	No
GROUP "D" BUSINESS & SERVICES				
BUSINESS Shell	\$14.59	\$11.97	21.9%	No
Business Finished	\$18.24	\$14.96	21.9%	No
Business Alteration, Renovation, Interior Finish, Unit Finish	\$6.01	\$4.93	21.9%	No
GROUP "E" MERCANTILE				
MERCANTILE Shell	\$13.51	\$11.08	21.9%	No
Mercantile Finished	\$16.90	\$13.87	21.8%	No
Merchantile Alteration, Renovation, Interior Finish, Unit Finish	\$6.01	\$4.93	21.9%	No
GROUP "F" INDUSTRIAL				
INDUSTRIAL Shell	\$10.98	\$9.01	21.9%	No
Industrial Finished	\$13.72	\$11.26	21.8%	No
Industrial Alteration, Renovation, Interior Finish, Unit Finish	\$6.01	\$4.93	21.9%	No
Parking Garage or Farm Building	\$6.59	\$5.41	21.8%	No

DEMOLITION					
All Buildings up to 600 m2	Flat Fee per building	\$500.00	\$500.00	0.0%	No
All Buildings > 600 m2	Flat Fee per building	\$1,500.00	\$1,500.00	0.0%	No
MISCELLANEOUS WORK					
Tents and Temporary Buildings (<225 m2 with removal date)	Flat Fee	\$500.00	\$500.00	0.0%	No
Tents and Temporary Buildings (>225 m2 with removal date)	Flat Fee	\$1,500.00	\$1,500.00	0.0%	No
Air Supported Building	Flat Fee	\$2,500.00	\$2,500.00	0.0%	No
Portable Classrooms (includes hallways for portapacks)	per each portable	\$500.00	\$500.00	0.0%	No
Residential Deck per dwelling unit	Flat Fee	\$300.00	\$300.00	0.0%	No
Each Below Grade Entrance (Low Rise Residential Only)	Flat Fee	\$500.00	\$500.00	0.0%	No
On site sewage system					
Septic Decommission	Flat Fee	\$200.00	\$200.00	0.0%	No
New Sewage System Installation or Augmented System		\$1 per litre of unbalanced design Effluent Flow	\$1 per litre of unbalanced design Effluent Flow	0.0%	No
Repair/Minor alteration	Flat Fee	\$500.00	\$ 500.00	0.0%	No
ADMINISTRATION FEES					
Reinspections: due to defective work where previously identified as defective		\$200.00	\$200.00	0.0%	No
Special investigation per hour, per person		\$250.00	\$200.00	25.0%	No
Change of Use Permit (Excludes ADU's and where no construction is proposed)		\$1,000.00	\$1,000.00	0.0%	No
Transfer of Permit to a new property owner		\$100.00	\$100.00	0.0%	No
Zoning Review (All projects, except for interior work where no legal use change is proposed)		\$100.00	\$100.00	0.0%	No
Compliance Letter - Building		\$200.00	\$200.00	0.0%	No
Alternative Solution		Per building or unit \$1000 + \$200/hr	Per building or unit \$1000 + \$200/hr	0.0%	No
Revision Fee (Minimum \$200)		\$200/hr	\$ 200.00	0.0%	No
Certified Model Fee		\$200.00	\$ 200.00	0.0%	No
Certified Model Change Fee (where permit has been issued)		\$200.00	\$ 200.00	0.0%	No
Search and Reproduction of documents (Staff time plus reproduction costs, min \$50 paid upfront)		\$100/hr plus cost	\$100/hr plus cost	0.0%	Yes
No fees shall be charged for Town owned projects		N/A	N/A	N/A	N/A