



Development Services User Fee Review

Region of Peel

Final Report

November 14, 2025

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca

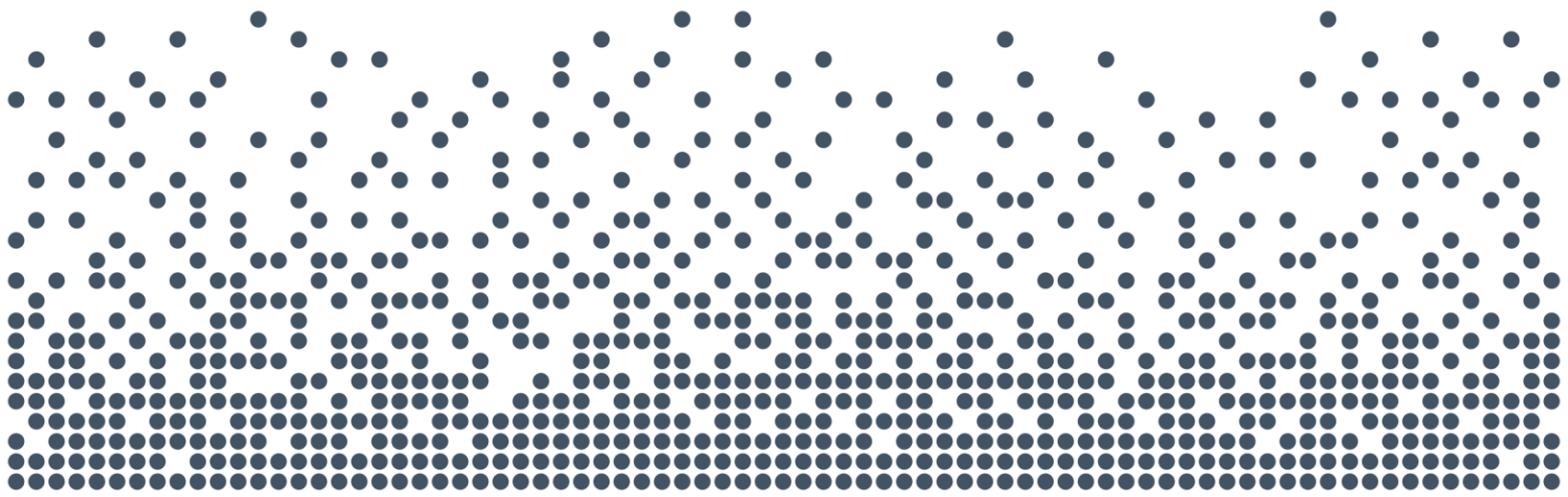
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Executive Summary



Executive Summary

E.1 Introduction

The Region of Peel engaged Watson & Associates Economists Ltd. to conduct a comprehensive review of its user fees related to reviewing and commenting on local municipal development and site servicing applications. This initiative updates the 2020 Development Services Fee Review and utilizes an Activity-Based Costing (ABC) model to determine the full cost of service delivery. The review is also being undertaken to reflect organizational department structure and legislative changes that impact the Region's role in development approval processes. There have been changes to the Region's organizational hierarchy and development review processes resulting from internal reviews and legislative changes that made the Region an upper tier municipality without planning responsibilities. The removal of planning authority means the Region's main areas of review are related to technical documents, coordination of requirements with the applicant and area municipalities and identification of and utilization of implementation tools (e.g., holding provisions, conditions, etc.). While this review reflects the Region's current roles and responsibilities within the development review processes, careful attention was also paid to the level of involvement and review associated with regional roads and waste collection as these services are proposed to be downloaded to the lower tier municipalities.

The overarching goal is to ensure that development review fees are aligned with actual costs of reviewing and providing comments to local municipalities, thereby reducing the financial burden on the property tax base while maintaining compliance with legislative requirements.

E.2 Legislative Authority

The legislative framework providing municipalities with the authority to impose fees related to development review includes the *Planning Act*, 1990 and the *Municipal Act*, 2001. The *Planning Act* mandates that fees for planning applications must reflect the anticipated cost of processing each application type, disallowing cross-subsidization between types. The *Municipal Act* provides broader authority for municipalities to impose fees for services, including indirect and capital costs. The fees within the scope of this review are imposed under the authority of the *Municipal Act*.



E.3 Activity-Based Costing Methodology

The ABC methodology used in this study allocates direct, indirect, and capital costs across departments and application types. Staff effort estimates were collected and validated to ensure accurate cost attribution. This approach enables a more precise understanding of the resources required to review and provide comments on each type of application.

Departments involved in the review of development applications include:

- Servicing Connections
- Transportation Planning
- Transportation Development
- Public Health
- Housing Development
- Development Services
- Water & Wastewater Engineering
- Waste Management
- ETS
- Water & Wastewater Planning & Compliance

E.4 Full Cost Assessment and Fee Recommendations Impacts

The study found that the total annual cost of Development Related Fee reviews is approximately \$5.5 million. Current fee revenues (and allocations of water rate revenue to Development Related Fee review services) amount to \$4.0 million, resulting in a cost recovery rate of 72% and a shortfall of \$1.5 million, which is currently subsidized by the tax base. Development applications fees recover 74% of their costs overall, and 85% when excluding application types for which no fees are currently charged. Development application fees on a local roads recover a greater share of total costs (i.e. 84%) vs. those applications on a regional road (i.e., 64%) as the costs for review of local road applications are lower as transportation reviews only occur on the regional road applications, however the Region imposes a uniform fee by application type.



Site servicing applications recover 69% of their costs, with initial first connection application fees recovering only 15%, while subsequent site servicing fees exceed full cost recovery at 118% as the fees are specifically designed to recover a greater share of the costs at the back end of the servicing review process. Table E-1 illustrates the full costs and cost recovery levels by

Table E-1
Cost Recovery Assessment of Current Development Related Fee Reviews
(2025\$)

Description of Application Type Reviewed	SWB Costs	Other Direct Costs i.e. Non-SWB Costs	Budgeted Indirect and Capital Costs	Total Annual Costs	Annual Fee Revenue	Water Rate Allocation	Total Revenue	Cost Recovery
Development Application on a Regional Road	1,044,373	42,509	251,237	1,338,120	615,002	238,760	853,762	64%
Development Application on a Local Road	1,761,696	98,126	544,667	2,404,489	1,335,499	678,468	2,013,967	84%
Major Amendments*	97,554	4,310	41,619	143,483	-	-	-	0%
Subtotal - Development Applications (excl. Major Amendments)	2,806,069	140,635	795,904	3,742,608	1,950,500	917,228	2,867,728	77%
Subtotal - Development Applications	2,903,623	144,945	837,523	3,886,091	1,950,500	917,228	2,867,728	74%
Site Servicing Applications	1,257,516	82,302	291,611	1,631,429	1,119,783	-	1,119,783	69%
Total	4,161,139	227,247	1,129,133	5,517,520	3,070,283	917,228	3,987,511	72%

*Major Amendments include Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA

To address these gaps, the report recommends targeting an 80% cost recovery rate for both development and site servicing application reviews to align cost recovery levels with recommendations stemming from the 2020 Study. Key recommendations include:

- Introducing base fees with surcharges for transportation and waste collection reviews designed to be phased out as responsibilities shift to lower-tier municipalities; and
- Consolidating similar application types under unified fee structures (i.e., Official Plan Amendments, Secondary Plan Amendments, and Zoning By-law Amendments under a “Plan Amendment” and “Major Amendment” category).

Notable fee increases are proposed for reviewing Functional Servicing Reports (from \$1,025 to \$1,488), Residential Connection applications (from \$262.66 to \$400), and Non-Residential Connection applications (from \$430.76 to \$750).

If implemented, these changes are projected to generate an additional \$296,100 in annual revenue, improving the overall cost recovery rate from 72% to 78%. Table E-2 presents the cost recovery levels associated with the recommended fees. These impact are presented for the current state and would be reduced based on transfer of roads and waste collection to the local municipalities.



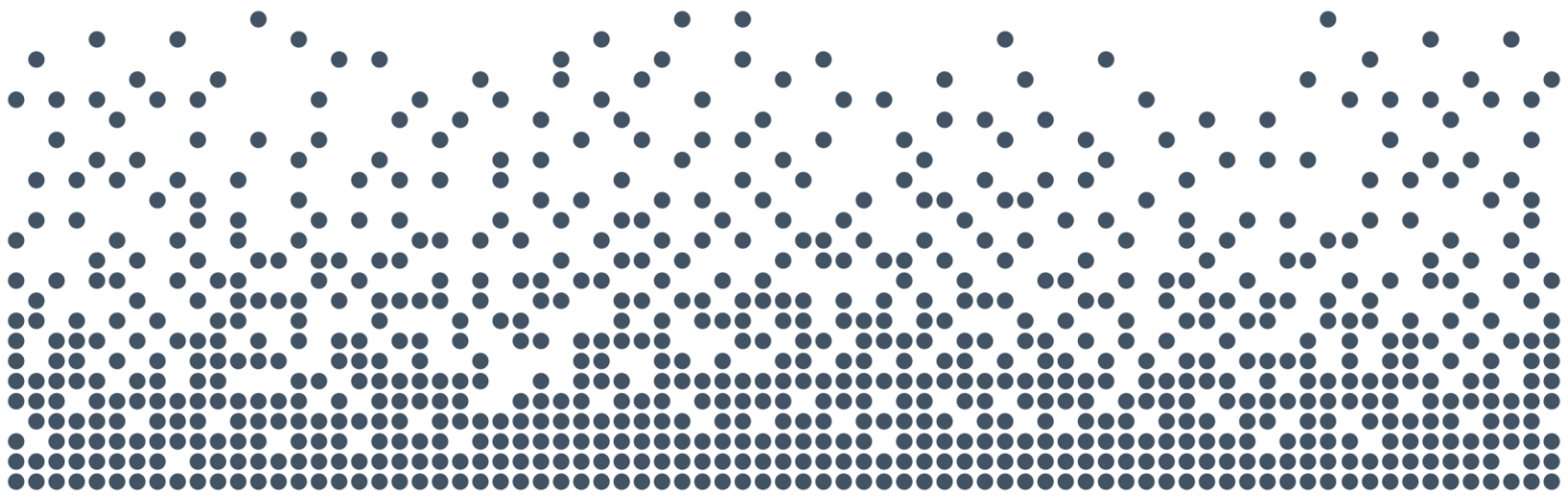
Table E-2
Cost Recovery Assessment of Current Development Related Fee Reviews
(2025\$)

Description of Application Type Reviewed	SWB Costs	Other Direct Costs i.e. Non-SWB Costs	Budgeted Indirect and Capital Costs	Total Annual Costs	Annual Fee Revenue*	Water Rate Allocation	Total Revenue	Cost Recovery
Development Application on a Regional Road	1,044,373	42,509	251,237	1,338,120	649,179	238,760	887,939	66%
Development Application on a Local Road	1,761,696	98,126	544,667	2,404,489	1,356,698	678,468	2,035,166	85%
Major Amendments*	97,554	4,310	41,619	143,483	143,483	-	143,483	100%
Subtotal - Development Applications (excl. new secondary plans)	2,806,069	140,635	795,904	3,742,608	2,005,877	917,228	2,923,105	78%
Subtotal - Development Applications	2,903,623	144,945	837,523	3,886,091	2,149,360	917,228	3,066,588	79%
Site Servicing Applications	1,255,977	82,229	291,079	1,629,286	1,217,059	-	1,217,059	75%
Total	4,159,600	227,174	1,128,602	5,515,376	3,366,419	917,228	4,283,647	78%

*Major Amendments include Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA

All fee recommendations are presented in 2025 dollars and should be indexed annually using the Region's budgeted cost increases or an appropriate index such as the Consumer Price Index (CPI).

These recommendations aim to ensure that the Region's user fee structure is financially sustainable, legally compliant, and equitable for all stakeholders.



Report



Chapter 1

Introduction



1. Introduction

1.1 Background Information

The Region of Peel (Region) retained Watson & Associates Economists Ltd. (Watson) to conduct a review and update of its user fees relating to Regional Review and input into local municipal development application and site servicing reviews (referred to herein as Development Related Fees). This study is being undertaken as an update to the Region's 2020 Development Services Fee Review that looked at the fees for reviewing and commenting on development, site servicing and engineering applications. The review is also being undertaken to reflect changes that have occurred organizationally at the Region and with respect to Provincial legislation impacting the Region's role in development approval processes. There have been changes to the Region's organizational hierarchy and development review processes resulting from internal reviews and legislative changes that made the Region an upper tier municipality without planning responsibilities. The removal of planning authority means the Region's main areas of review are related to servicing, transportation, solid waste, and public health. This review reflects the Region's current roles and responsibilities within the development review processes.

The ultimate goal of the user fee review is to develop an activity-based costing (A.B.C.) model to substantiate the full costs of each service area undertaking their review and providing comments within the scope of the review. The full cost assessment (i.e., direct, indirect, and capital costs) will be used to inform potential rates and fees to increase user fee revenue and decrease the burden on property taxes.

The review consisted of the development of an A.B.C. user fee model to first substantiate the full cost of service before fee and policy recommendations were discussed with regard for the statutory requirements, the Region's market competitiveness, fiscal position, and internal/historical fee setting practices.

The following chapters of this report summarize the legislative context for user fees, the user fee methodology developed, and the findings and recommendations of the user fee review related to Development Related Fees.

This analysis and resulting recommendations are denominated in 2025\$ values unless otherwise stated. Unless explicitly stated in this report, the recommended 2025 fees



should be reviewed annually for cost increases and indexed based on the Region's annual budgeted cost increases or other appropriate index (i.e., the Consumer Price Index) where appropriate.

1.2 Legislative Context for the Imposition of Development Application Fees

Development application fees are governed by multiple statutes, each with specific requirements. The statutory authority for municipalities to impose planning application fees is provided under Section 69 of the *Planning Act*. For municipal services where specific statutory authority is not provided, municipalities can impose fees and charges under Section 391 of the *Municipal Act*.

In accordance with the *Cutting Red Tape to Build More Homes Act, 2024*, the Region has become an upper tier municipality without planning responsibilities and has adhered to that change in delegation of approvals. However, under the *Planning Act*, the Region is still considered to be “public bodies” that are required to be circulated, and the Region is ultimately responsible for ensuring that matters of interest are satisfactorily addressed. As such, beyond July 1, 2024, the Region's mandate continues to include the provision of hard and soft services to the community, including but not limited to servicing, transportation, waste management, affordable housing, health services, emergency services, etc. As the Region is undertaking these reviews to support applications they continue to collect fees for their services.

Through this review, it is the opinion of the Region's legal department that these fees imposed for these services are imposed under Section 11 and Section 391 of the *Municipal Act, 2001* which has been embraced by their current fee by-law. The following section provides a summary of the applicable legislative authority for the imposition of fees within the scope of this review.

1.2.1 Municipal Act, 2001

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

- “for services or activities provided or done by or on behalf of it;



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

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

Any challenges to the Region’s fees would be made under section 273 of the *Municipal Act* to the Superior Court Justice.



Chapter 2

Activity Based Costing User Fee Methodology



2. Activity-Based Costing User Fee Methodology

2.1 Activity-Based Costing Methodology

An A.B.C. methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. Conventional municipal accounting structures are typically not well-suited to the costing challenges associated with commenting on development applications, as these accounting structures are business unit-focused and thereby inadequate for fully costing services with involvement from multiple business units. An A.B.C. approach better identifies the costs associated with the activities required to review and comment on specific application types.

As illustrated in Figure 2-1, an A.B.C. methodology attributes effort to review and associated costs from all participating municipal business units to the appropriate service categories (user fee costing categories). Departments involved in the review of development applications include:

- Servicing Connections
- Transportation Planning
- Transportation Development
- Public Health
- Housing Development
- Development Services
- Water & Wastewater Engineering
- Waste Management
- ETS
- Water & Wastewater Planning & Compliance

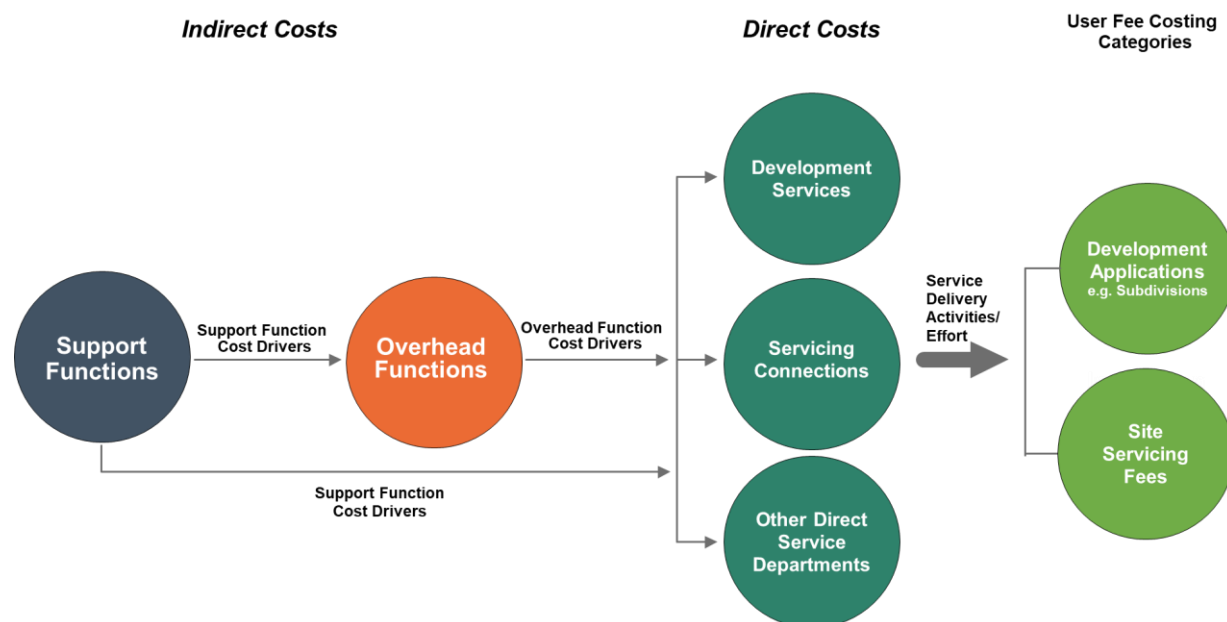
The definition of these user fee costing categories is further explained in Section 2.2. The resource costs attributed to undertaking the review and user fee costing categories include direct operating costs, indirect support costs, and capital costs. Indirect support function and corporate overhead costs can be allocated to direct business units according to operational cost drivers (e.g., human resource costs allocated based on the relative share of full-time equivalent (FTE) positions supported). The Region already has an established practice of allocating their indirect support and capital costs



to direct service departments as part of their normal budgeting practice. As such, the allocations included within the Region's operating budget have been utilized in this study.

Once support costs have been allocated amongst direct business units, the accumulated costs (i.e., indirect, direct, and capital costs) are then distributed across the various user fee costing categories, based on the business unit's direct involvement in the review. The assessment of each business unit's direct involvement is accomplished by tracking the relative shares of staff efforts across the sequence of mapped process steps for each user fee category. The results of employing this costing methodology provides municipalities with a better recognition of the costs utilized in delivering user fee processes, as it acknowledges not only the direct costs of resources deployed but also the operating and capital support costs required by those resources to provide services.

Figure 2-1
Activity-Based Costing Conceptual Flow Diagram



2.2 User Fee Costing Category Definition

The Region's business units deliver a variety of Development Related Fee review services; these services are captured in various cost objects or user fee categories. A critical component of the full cost user fees review is the selection of the costing



categories. This is an important first step as the process design, effort estimation, and subsequent costing is based on these categorization decisions.

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

The costing categories largely reflect the Region's current fee structure and the Region's previous 2020 study. However, as part of this study the Region wanted to investigate the cost differences between reviews of development applications on regional roads versus on local roads for each application type. The intent of looking at each costing category within these two scenarios is to be able to respond to legislative changes related to downloading of roads and waste collection to the local municipalities. Furthermore, the Region wanted to investigate the costs associated with reviewing major amendments (Settlement Boundary Expansion, Urban Area Expansion, and Major Intensification Policy Change-MTSA) and therefore an additional costing category was included to capture the efforts involved in commenting on these reviews. The costing categories and the corresponding current fee structure are presented in Table 2-1.



Table 2-1
User Fee Costing Categories

Description of Application Type Reviewed	Costing Category Number	Costing Category Name
Planning Applications		
Plans of Subdivision	1	Plan of Subdivision - On a Regional Road
	2	Plan of Subdivision - On a Local Road
Plans of Condominium	3	Plans of Condominium - On a Regional Road
	4	Plans of Condominium - On a Local Road
Official Plan Amendment (OPA)	5	Plan Amendment - On a Regional Road
	6	Plan Amendment - On a Local Road
Zoning By-Law Amendment	7	Zoning By-Law Amendment - On a Regional Road
	8	Zoning By-Law Amendment - On a Local Road
Secondary Plan Amendment	9	Secondary Plan Amendment - On a Regional Road
	10	Secondary Plan Amendment - On a Local Road
	11	Major Amendment (Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA)
Pre-Consultation Review	12	Pre-Consultation Review - On a Regional Road
	13	Pre-Consultation Review - On a Local Road
Full Site Plan	14	Full Site Plan - On a Regional Road
	15	Full Site Plan - On a Local Road
Scoped Site Plan	16	Scoped Site Plan - On a Regional Road
	17	Scoped Site Plan - On a Local Road
Limited Site Plan		
Agreement Review and Execution	18	Agreement Review and Execution - On a Regional Road
	19	Agreement Review and Execution - On a Local Road
Consent to Sever	20	Consent to Sever - On a Regional Road
	21	Consent to Sever - On a Local Road
Minor Variance	22	Minor Variance - On a Regional Road
	23	Minor Variance - On a Local Road
Part Lot Control	24	Part Lot Control - On a Regional Road
	25	Part Lot Control - On a Local Road
Permit to Take Water	26	Permit to Take Water - On a Regional Road
	27	Permit to Take Water - On a Local Road



**Table 2-1 Cont'd
User Fee Costing Categories**

Description of Application Type Reviewed	Costing Category Number	Costing Category Name
Site Servicing Applications		
Functional Servicing Report/Demand Table Review Fee	28	Functional Servicing Report
Residential Connection first submission application fee (Per program - Roads, Water and Wastewater)	29	Residential Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration
ICI Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration	30	ICI Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration
Water/Sewer Service Residential installed under Capital Project (Per program - Water and Wastewater)	31	Water or Sewer Service Residential installed under Capital Project (Per program - Water and Wastewater)
Water/Sewer Service - ICI installed under Capital Project (Per program - Water and Wastewater)	32	Water or Sewer Service - ICI installed under Capital Project (Per program - Water and Wastewater)
Residential cross boundary servicing requests administration and processing fee (Per program - Water	33	Residential cross boundary servicing requests administration and processing fee (Per program - Water
Non-Residential cross boundary servicing requests administration and processing fee (Per program - Water and Wastewater)	34	Non-Residential cross boundary servicing requests administration and processing fee (Per program - Water and Wastewater)
Water Service- Hydrant & Valve	35	Water Service - hydrant & valve
Site Servicing on Regional Roads - Residential (Per program - Roads, Water and Wastewater)	36	Site Servicing on Regional Roads - Residential (Per program - Roads, Water and Wastewater)
Site Servicing on Regional Roads - ICI (Per program - Roads, Water and Wastewater)	37	Site Servicing on Regional Roads - ICI (Per program - Roads, Water and Wastewater)
Processing requests/revisions to approved residential services (Per program - Roads, Water and Wastewater)	38	Processing requests or revisions to existing residential services (Per program - Roads, Water and Wastewater)
Processing requests/revisions to approved nonresidential and multi-residential services (Per program - Water and Wastewater)	39	Processing requests or revisions to existing non-residential and multi-residential services (Per program - Water and Wastewater)
Water system interruption RESIDENTIAL (up to 300mm diameter watermain)	40	Water system interruption RESIDENTIAL (up to 300mm diameter watermain)
Water system interruption ICI (up to 300mm diameter watermain)	41	Water system interruption ICI (up to 300mm diameter watermain)
Water system interruption RESIDENTIAL AND ICI (on 400mm or larger diameter watermain)	42	Water system interruption RESIDENTIAL AND ICI (on 400mm or larger diameter watermain)
Water/Sewer Service - ICI (Per program - Water and Wastewater)	43	Water/Sewer Service - ICI (Per program - Water and Wastewater)
Water Service Residential (up to 50mm)	44	Sewer Service Residential
Sewer Service Residential	45	Water Service Residential (up to 50mm)

2.3 Process Map Documentation

Once the user fee costing categories have been established, the next step in the process is to create a link between the direct service departments and the costing categories. This is done through the process of documenting the Region's review activities and generating process maps/steps. The process maps were developed based on recently compiled process swim-lane diagrams that identified departmental involvement within the various steps of the development review process. These process maps were then reviewed with Region staff for final updates and confirmations.



Where swim-lane diagrams were not available, Watson worked with Regional staff to review and update processes that had been established through the 2020 study to reflect current practices.

2.4 Effort Estimate Collection, Reasonability Check, and Cost Allocations

To capture each participating Region staff member's relative level of effort in reviewing applications related to user fees, staff were first asked to identify which departments and individuals would be involved in each of the processes being analyzed. This was done in conjunction with the information provided in the swim-lane diagrams to ensure completeness. Region staff then went through the process of estimating the amount of time each individual involved spends on any of the given steps for each costing category. This information gathering was facilitated, in part, in working sessions with Watson to ensure an accurate representation of staff involvement.

The effort estimates received were then applied against average annual user fee volumes for the 2022-2024 period to assess the average annual time per position spent on reviewing each user fee category.

Annual efforts per staff position were then measured against available capacity to determine overall service levels. The results of the initial capacity analysis were reviewed with staff to ensure that the effort on an annual and per application basis was appropriate, considering time spent on other responsibilities outside of those within the scope of this review, and to give an opportunity for any further refinements to be made. Table 2-2 summarizes the utilization by department or division and by major review category. The utilization is presented as a percentage of available time and also expressed in utilized FTEs.



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

Division	FTE	Development Applications - On a Regional Road	Development Applications - On a Local Road	Site Servicing Applications	Total Capacity	Total Utilized FTEs
Development Services - Planning	22	15.8%	36.7%	0.0%	53%	11.6
Servicing Connections	16	3.5%	13.5%	18.0%	35%	5.6
Transportation Planning	26	4.2%	0.0%	0.0%	4%	1.1
Health - Built Environment	10	1.5%	4.1%	0.0%	6%	0.6
Housing Development	18	0.6%	1.4%	0.0%	2%	0.4
Strategy and Analytics	14	0.3%	0.0%	0.0%	0%	0.0
Water/Wastewater - Engineering	14	0.6%	1.0%	2.4%	4%	0.6
Waste Management	10	1.3%	3.8%	0.0%	5%	0.5
ETS	4	0.0%	0.0%	89.7%	90%	3.6
Water & Wastewater Program Planning & Compliance	33	0.7%	1.2%	6.4%	8%	2.7
Transportation Development	6	12.9%	0.0%	0.0%	13%	0.8
Legislative Services (Real Estate)*						
Legislative Services (Legal)*						
Total	173	3.9%	6.8%	5.2%	15.8%	27.4

*Note: Legal and Real Estate Involvement has been included based on actual docketing costs related to planning application review.

**These FTE counts reflect the current number of FTEs in each department at the time of the review

Staff involved in Development Related Fee reviews are from the following departments:

- Development Services
- Servicing Connections
- Transportation Planning
- Transportation Development
- Health – Built Environment
- Housing Development
- Planning Policy
- Water/Wastewater – Engineering
- Waste Management
- Engineering and Technical Services (ETS)
- Water & Wastewater Program Planning & Compliance
- Legislative Services (Real Estate and Legal) departments.

Of the 173 individuals from across the organization in these divisions, 15.8% or 27.4 FTEs are utilized on Development Related Fee reviews (6.7 FTEs on development applications on regional roads, 11.8 FTEs on development applications on local roads and 8.9 FTEs on site servicing applications). With respect to the Development Services, 11.6 of the total 22.0 FTEs (53%) are utilized on activities related to providing Regional comments on Development Related Fee reviews (primarily development applications). Considering only the Planners in Development Services, the review concluded that they spend 71% of their annual time on development application review.



Development Services and Servicing Connection staff represent 77% of the total involvement in development application reviews.

The main staff involved in site servicing reviews are Servicing Connections (5.6 FTEs), ETS (3.6 FTEs) and Water & Wastewater Program Planning & Compliance (2.7 FTEs) staff representing 96% of the involvement in site servicing reviews.

2.5 Full Cost of Providing Development Related Fee Review Services

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

2.5.1 Direct Costs

Direct costs refer to the employee costs (salaries, wages, and benefits), materials and supplies, services, and rents that are typically consumed by directly involved departments or business units. To identify the amount of direct costs that should be allocated to the user fee categories, cost drivers have been identified. Cost drivers are the non-financial operational data used to allocate shares of the defined costs across multiple user fee categories. Ideally, cost driver data documents the relative intensity of effort multiple employees deploy against a single cost object/fee category or the relative intensity of effort a single employee deploys against multiple cost objects/fee categories. For the purposes of a full cost user fee analysis, the cost drivers in an A.B.C. user fee model presents the need to distribute multiple employee positions (direct costs) across multiple cost objects. The cost drivers for direct costs are the allocations of staff time to the individual user fee costing categories, which have been summarized in aggregate in Table 2-2 above.

2.5.2 Indirect Costs

An A.B.C. review includes not only the direct cost of providing service activities but also the indirect support costs that allow direct service business units to perform these functions. The Region has an internal practice of budgeting for indirect costs and as such these indirect costs have been utilized in this study.



2.5.3 Capital Costs

The inclusion of capital costs within the full cost user fees calculations follows a methodology similar to indirect costs. Similar to indirect costs, the Region currently has an internal practice of budgeting for capital costs within their operating budget, which have been utilized in this study.



Chapter 3

Development Related Fee Review Full Cost Assessment and Fee Recommendations



3. Development Related Fee Reviews Full Cost Assessment and Fee Recommendations

3.1 Introduction

This chapter presents the full costs, cost recovery levels of current fees, and recommended fee structure and rates for the development related review fees. This chapter presents the full costs assessment and cost recovery levels in 2025\$ values. To maintain the cost recovery levels presented in this report for the recommended fees, adjustments will need to be applied to the fee recommendations to index them annually based upon the Region's annual budgeted cost increases or other appropriate index (i.e., the Consumer Price Index).

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

3.2 Full Cost of Providing Development Application Review Services

Table 3-1 presents the Region's annual costs of providing Development Related Fee review services. The estimated annual costs and revenues are presented in aggregate and are based on existing fees. The annual costs reflect the organizational direct, indirect and capital costs associated with reviewing and commenting on applications at average historical volume levels. These historical averages span the periods of 2022-2024. Costs are based on the 2025 budget and are compared with revenues modelled from current (2025) fee schedules applied to average application and charging parameters.



Table 3-1
Cost Recovery Assessment of Current Development Related Fee Reviews
(2025\$)

Description of Application Type Reviewed	SWB Costs	Other Direct Costs i.e. Non-SWB Costs	Budgeted Indirect and Capital Costs	Total Annual Costs	Annual Fee Revenue	Water Rate Allocation	Total Revenue	Cost Recovery
Development Application on a Regional Road	1,044,373	42,509	251,237	1,338,120	615,002	238,760	853,762	64%
Development Application on a Local Road	1,761,696	98,126	544,667	2,404,489	1,335,499	678,468	2,013,967	84%
Major Amendments*	97,554	4,310	41,619	143,483	-	-	-	0%
Subtotal - Development Applications (excl. Major Amendments)	2,806,069	140,635	795,904	3,742,608	1,950,500	917,228	2,867,728	77%
Subtotal - Development Applications	2,903,623	144,945	837,523	3,886,091	1,950,500	917,228	2,867,728	74%
Site Servicing Applications	1,257,516	82,302	291,611	1,631,429	1,119,783	-	1,119,783	69%
Total	4,161,139	227,247	1,129,133	5,517,520	3,070,283	917,228	3,987,511	72%

*Major Amendments include Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA

Overall, the total annual costs incurred from Development Related Fee review activities amount to \$5.5 million. Direct costs represent 79.5% of annual costs (\$4.4 million) and indirect and capital costs make up 20.5% (\$1.1 million) of total costs. In aggregate, revenues associated with current fees and average annual applications total \$4.0 million, or 72% of total annual costs, resulting in \$1.36 million of the costs of Development Related Fee review being funded by the municipal tax base. Annual revenue of \$4.0 million includes \$3.1 million development application and site servicing user fee revenue and \$0.9 million in water rate revenue allocations that are allocated to these services (Site Plan, Consent, and Minor Variance) in recognition of the benefits accruing to water and wastewater services by helping to protect municipal infrastructure from development impacts through the development review process.

3.2.1 Development Applications

When looking at development application reviews independently, those applications on a regional road (i.e., where there are currently additional reviews preformed by Transportation staff) represent 34.4% (\$1.34 million) of the total costs related to development application review. The remainder of the total costs relate to applications on a local road (i.e., where there is currently no transportation review conducted) and the review of major amendments (Settlement Boundary Expansion, Urban Area Expansion, and Major Intensification Policy Change-MTSA) with total costs of \$2.4 million and \$143,000, respectively. Table 3-2 breaks down these annual costs into major application types.



Table 3-2
Cost Recovery Assessment of Current Planning Application Review Fees
(2025\$)

Description of Application Type Reviewed	Direct Costs		Budgeted Indirect and Capital Costs	Total Costs	Current Fees				
	SWB Costs	Other Direct Costs i.e. Non-SWB			Annual Revenue	Water Rate Revenue Allocation	Total Annual Revenue	Cost Recovery	Surplus/ (Deficit)
Pre-Application	804,269	39,799	234,546	1,078,614	673,500	-	673,500	62%	(405,114)
Scoped Site Plan	288,609	17,323	86,775	392,707	116,392	237,219	353,610	90%	(39,097)
Full Site Plan	461,170	23,610	139,717	624,498	212,244	377,234	589,478	94%	(35,020)
Zoning By-Law Amendment	203,427	8,513	59,407	271,347	158,014	-	158,014	58%	(113,333)
Plan Amendment	261,430	10,316	74,260	346,006	312,824	-	312,824	90%	(33,183)
Secondary Plan Amendment	13,704	710	4,761	19,175	15,549	-	15,549	81%	(3,625)
Clearance of Conditions (Consents, etc.)	123,509	5,845	56,115	185,468	26,704	112,034	138,737	75%	(46,731)
Plan of Condominium	65,413	3,369	19,311	88,092	95,887	-	95,887	109%	7,795
Plan of Subdivision	309,472	18,150	42,916	370,539	308,183	-	308,183	83%	(62,356)
Part Lot Control	11,879	550	5,238	17,667	-	-	-	0%	(17,667)
Minor Variance	236,148	11,432	68,187	315,767	-	190,742	190,742	60%	(125,025)
Agreement Review and Execution	26,789	1,010	4,649	32,448	31,204	-	31,204	96%	(1,244)
Permit To Take Water	249	8	22	279	-	-	-	0%	(279)
Settlement Boundary Expansion, Urban Area Expansion, and Major Intensification Policy Change	97,554	4,310	41,619	143,483	-	-	-	0%	(143,483)
Total	2,903,623	144,945	837,523	3,886,091	1,950,500	917,228	2,867,728	74%	(1,018,363)

Current development application review fees (and water rate revenue allocations) are recovering 74% of annual costs of service or 85% of the total costs when the application types with no current fee (i.e., part lot control, minor variance, permit to take water and major amendment review) are excluded. These cost recovery levels are consistent with the previous study where the recommended fees would have achieved 78% cost recovery. However, when considering the cost recovery levels for each major application type, cost recovery levels have shifted between application types. The following provides an overview of cost recovery levels by application type. The fee recommendations outlined in Section 3.1.1 attempt to better align fees to application costs.

- Pre-application – The Region recently introduced a pre-consultation fee of \$1,500. This fee is meant to recover the efforts related to meetings prior to an applicant submitting a formal application. These fees are currently recovering 62% of annual costs.
- Site Plan – The Region currently imposes two fees for reviewing and commenting on site plans – one fee for a scoped site plan and one fee for a full site plan. Current fees and water rate revenue allocations are currently recovering 93% of annual costs.
- Committee of Adjustments – Committee of Adjustments applications include consent and minor variance application fees. The Region currently only applies their consent fee when there is a significant amount of work required due to



conditions being applied to the application. The Region does not currently impose fees for minor variance applications. Development Services receives water and wastewater rate allocations to assist in the recovery of related costs similar to site plan applications. The combined revenues and allocations are recovering 66% of annual costs.

- Plan Amendments – Plan amendment fees include reviews of Zoning-By-law Amendments, Official Plan Amendments and Secondary Plan amendments. Plan amendment fees are currently recovering 76% of total annual costs.
- Plan of Condominium – Condominium applications fees are imposed under one fee which is currently recovering the full review costs.
- Plan of Subdivision – Efforts and costs related to the Plan of Subdivision application review fees only include the efforts up to and including draft plan approval. Any efforts related to the post draft plan approval process (e.g., detailed engineering review, construction inspections, assumption process, etc.) are recovered by the Region's engineering review fee and is outside of the scope of this review. The Region's current fee is recovering 83% of the total annual costs.
- Agreement Review and Execution – current fees imposed for agreement reviews and executions are currently recovering close to the full cost of service (i.e., 96% of the total costs).
- Applications without fees imposed – Applications within this group include part lot control applications, permit to take water applications, and major amendments (as well as Minor Variance applications discussed earlier).

3.2.2 Site Servicing Applications

Site servicing application fees are currently recovering 69% of the total annual costs of \$1.6 million. Comparing this cost recovery level to those in the prior user fee study (i.e., 78%), cost recovery levels have decreased. This is largely due to the fact that the Region has not been consistently applying indexing during their annual fee updates which has resulted in the fees lagging behind the growth in annual costs as well as a greater recognition of ETS involvement in the site servicing activities. Table 3-3 outlines the cost recovery levels by major application type.



Table 3-3
Cost Recovery Assessment of Current Site Servicing Review Fees
(2025\$)

Description of Application Type Reviewed	Direct Costs		Budgeted Indirect and Capital Costs	Total Costs	Current Fees		
	SWB Costs	Other Direct Costs i.e. Non-SWB Costs			Annual Fee Revenue	Cost Recovery	Surplus/ (Deficit)
Functional Servicing Report	59,674	1,703	6,090	67,467	46,467	69%	(21,000)
Residential Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration	199,305	6,128	9,545	214,978	57,347	27%	(157,630)
ICI Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration	484,315	47,962	37,363	569,640	62,460	11%	(507,179)
Water or Sewer Service installed under Capital Project	6,364	194	301	6,859	15,015	219%	8,156
Cross boundary servicing requests	207	8	12	226	772	342%	546
Water Service - hydrant & valve	48	3	26	77	158	207%	82
Site Servicing on Regional Roads	51,989	2,306	11,145	65,440	69,995	107%	4,555
Processing requests or revisions to existing services	19,014	696	1,084	20,794	38,224	184%	17,430
Water system interruption	118,671	6,129	55,245	180,045	117,442	65%	(62,603)
Water/Sewer Service - ICI (Per program - Water and Wastewater)	127,704	6,903	68,731	203,338	363,042	179%	159,704
Sewer Service Residential	63,740	3,445	34,305	101,490	117,866	116%	16,376
Water Service Residential (up to 50mm)	124,918	6,752	67,231	198,901	230,994	116%	32,093
Total	1,255,977	82,229	291,079	1,629,286	1,119,783	69%	(509,502)

The following provides an overview of cost recovery levels by application type. The fee recommendations are outlined in Section 3.3.2 to improve cost recovery levels.

- **Initial Application Fees** – the initial application fees (i.e., the residential connection application and the industrial, commercial and institutional (ICI) connection application types) are currently recovering 15% of the total annual costs. This is consistent with the previous study where some of the shortfalls of the nominal initial application fee is recovered through the subsequent application fees as applicants move through the review process.
- **Subsequent Application Fees** – the remainder of the site servicing fees are imposed as an applicant moves through the review process. These fees are imposed as an à la carte suite of services where the additional fees are only imposed if the review is required. This group of fees in aggregate are recovering 118% of their total annual costs.

3.3 Development Related Fee Recommendations

Fee recommendations and cost recovery levels for the Development Related Fees within the scope of this review are presented in Tables 3-4 through Table 3-7. Fee recommendations for Regional review and comment on development applications have been made to rebalance cost recovery levels while at the same time targeting the cost recovery levels achieved in the previous user fee study (79% cost recovery target). For



site servicing fees, fee increases were focused on achieving full cost recovery on functional servicing reports and improving cost recovery levels on the initial application fees to move towards the cost recovery levels achieved in the previous study (i.e. 79% cost recovery).

These fee recommendations are made to improve cost recovery within the legislative constraints of the *Municipal Act*, while recognizing the affordability and competitiveness of the fees. All fee recommendations should be increased annually based on the Region's annual budgeted cost increases or other appropriate index (i.e., the Consumer Price Index) to maintain the proposed level of cost recovery.

3.3.1 Development Applications

Table 3-4 presents the updated annual revenues and cost recovery levels based on the recommended fees. Under the recommended fee structure, development application review fees would recover 55% of annual costs not accounting for the additional water rate revenue allocations. When these revenue allocations are accounted for, development applications reviews would recover 79% or \$3.1 million. The remaining \$0.8 million deficit would need to be funded from other sources, i.e., from the tax base (a reduction of \$198,900 when compared to the subsidization included in the Region's current fees).

Development application fee recommendations are provided in Table 3-5. The following provides further details on major changes to current fees and structures:

- Due to legislative changes in the Region's authority over certain services, the costs associated with reviewing Transportation and Waste Management aspects of reviewing development applications were investigated independently. This was done in anticipation of when these services will be downloaded to the lower tier municipalities within the Region. To ensure the ease of implementation, fee recommendations herein have been made such that fees have been structured as a base fee, a transportation surcharge and a waste management surcharge that would only be imposed when these reviews are undertaken by the Region. This applies to Plan of Subdivision applications, Plan Amendment applications, and Site Plan applications. Once these services are downloaded to the lower tier municipalities, the surcharge fees would no longer be imposed and only the base fee would be charged.



- Site Plan Applications – with the removal of transportation and waste management reviews, staff identified that the efforts to review a site plan application would not vary significantly from application to application. As such it is recommended that one fee for site plans is imposed contrary to the Region's current practice of imposing a fee for a scoped versus full site plan.
- Plan Amendment – Similar to site plan applications, if there is no transportation or waste reviews required, staff had identified the efforts for providing Regional input on an Official Plan Amendment, Zoning By-law Amendment and Secondary Plan Amendment would be similar. Based on this feedback from staff the recommendation is to move towards a single fee that will encompass all of these application types (i.e., one consolidated Plan Amendment application fee).
- Major Amendment (Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA) – as part of this process staff had identified the need to investigate the costs of reviewing major amendments in addition the Plan Amendment categories (i.e., Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA). These processes would have previously been captured under the Region's current fee structure, however, similar to the recategorization of Plan Amendments a consolidated category was deemed appropriate.

Table 3-4
Cost Recovery Assessment of Recommended Development Application Review Fees
(2025\$)

Description of Application Type Reviewed	Direct Costs		Budgeted Indirect and Capital Costs	Total Costs	Recommended Fees				
	SWB Costs	Other Direct Costs i.e. Non-SWB			Annual Revenue	Water Rate Revenue Allocation	Total Annual Revenue	Cost Recovery	Surplus/ (Deficit)
Pre-Application	804,269	39,799	234,546	1,078,614	673,500	-	673,500	62%	(405,114)
Scoped Site Plan	288,609	17,323	86,775	392,707	171,170	237,219	408,388	104%	15,681
Full Site Plan	461,170	23,610	139,717	624,498	171,170	377,234	548,404	88%	(76,094)
Zoning By-Law Amendment	203,427	8,513	59,407	271,347	258,090	-	258,090	95%	(13,257)
Plan Amendment	261,430	10,316	74,260	346,006	266,828	-	266,828	77%	(79,179)
Secondary Plan Amendment	13,704	710	4,761	19,175	16,131	-	16,131	84%	(3,044)
Clearance of Conditions (Consents, etc.)	123,509	5,845	56,115	185,468	26,704	112,034	138,737	75%	(46,731)
Plan of Condominium	65,413	3,369	19,311	88,092	74,879	-	74,879	85%	(13,214)
Plan of Subdivision	309,472	18,150	42,916	370,539	314,958	-	314,958	85%	(55,581)
Part Lot Control	11,879	550	5,238	17,667	-	-	-	0%	(17,667)
Minor Variance	236,148	11,432	68,187	315,767	-	190,742	190,742	60%	(125,025)
Agreement Review and Execution	26,789	1,010	4,649	32,448	32,448	-	32,448	100%	-
Permit To Take Water	249	8	22	279	-	-	-	0%	(279)
Settlement Boundary Expansion, Urban Area Expansion, and Major Intensification Policy Change	97,554	4,310	41,619	143,483	143,483	-	143,483	100%	-
Total	2,903,623	144,945	837,523	3,886,091	2,149,360	917,228	3,066,588	79%	(819,503)



Table 3-5
Recommended Planning Application Review Fees
(2025\$)

Current Review and Comment Description	Current Review and Comment Fee	Cost Recovery	Recommended Review and Comment Description	Recommended Review and Comment Fee	Cost Recovery
Plans of Subdivision	\$21,012.50	83%	Plans of Subdivision	\$18,400.00 (Base Fee)	85%
				\$6,400.00 (Transportation Surcharge)	
				\$500 (Waste Surcharge)	
Plans of Condominium	\$3,887.31	109%	Plans of Condominium	\$3,000.00	85%
Official Plan Amendment (OPA)	\$9,455.63	90%	Amendment	\$6,400.00 (Base Fee)	85%
Zoning By-Law Amendment	\$4,937.94	58%		\$4,700.00 (Transportation Surcharge)	
Secondary Plan Amendment	\$7,774.63	81%		\$60 (Waste Surcharge)	
			Major Amendment (Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA)	\$34,000.00	100%
Pre-Consultation Review	\$1,500.00	62%	Pre-Consultation Review	\$1,500.00	62%
					76% (Exclusive of Transportation & Waste Management efforts)
Full Site Plan	\$3,256.94	94%	Site Plan	\$2,200.00	85%
Scoped Site Plan	\$1,786.06	90%		\$1,200.00 (Transportation Surcharge)	
Limited Site Plan	N/A	N/A		\$180.00 (Waste Surcharge)	
Agreement Review and Execution	\$2,311.38	96%	Limited Site Plan	N/A	N/A
Consent to Sever	\$1,570.88	75%	Agreement Review & Execution	\$2,300.00	96%
Minor Variance	\$0.00	60%	Clearance of Conditions (Consents, etc.)	\$1,600.00	75%
Part Lot Control	\$0.00	0%	Minor Variance	\$0.00	60%
Permit to Take Water	\$0.00	0%	Part Lot Control	\$0.00	0%
			Permit to Take Water	\$0.00	0%

3.3.2 Site Servicing Applications

Table 3-6 presents the updated annual revenues and cost recovery levels based on the recommended fees for site servicing applications. Under the recommended fee structure, site servicing fees would recover 75% of annual costs. The remaining \$412,250 deficit would need to be funded by other sources, i.e., from the tax base (a reduction of \$97,300 when compared to the subsidization included in the Region's current fees).

Site servicing fee recommendations are provided in Table 3-7. The following provides further details on major changes to current fees and structures:

- **Functional Servicing Reports** – Functional servicing report fees are currently recovering 69% of their annual costs. Recommended fees would bring the cost recovery level to 100% by increasing the current fee from \$1,025 to \$1,488.



- Residential Connection and Non-Residential Connection – these fees are the Region’s initial application fee for site servicing review. As such, historically they have been kept comparatively low with the intent of recovering additional costs as an applicant moves through the review process and is required to pay for any additional reviews required. Due to this, these fees have a relatively low level of cost recovery (27% for residential and 11% for non-residential). To move towards a more balanced cost recovery across all of the review fees, fee increases have been concentrated on these two application types to move towards the identified desired total level of cost recovery (i.e., 75%). This results in the recommended fee for residential application increasing from \$262.66 to \$400.00 and the non-residential application increasing from \$430.76 to \$750.00.

Table 3-6
Cost Recovery Assessment of Recommended Site Servicing Review Fees
(2025\$)

Description of Application Type Reviewed	Direct Costs		Budgeted Indirect and Capital Costs	Total Costs	Recommended Fees		
	SWB Costs	Other Direct Costs i.e. Non-SWB Costs			Annual Fee Revenue	Cost Recovery	Surplus/ (Deficit)
Functional Servicing Report	59,674	1,703	6,090	67,467	67,467	100%	-
Residential Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration	199,305	6,128	9,545	214,978	87,333	41%	(127,644)
ICI Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration	484,315	47,962	37,363	569,640	108,750	19%	(460,890)
Water or Sewer Service installed under Capital Project	6,364	194	301	6,859	15,015	219%	8,156
Cross boundary servicing requests	207	8	12	226	772	342%	546
Water Service - hydrant & valve	48	3	26	77	158	207%	82
Site Servicing on Regional Roads	51,989	2,306	11,145	65,440	69,995	107%	4,555
Processing requests or revisions to existing services	19,014	696	1,084	20,794	38,224	184%	17,430
Water system interruption	118,671	6,129	55,245	180,045	117,442	65%	(62,603)
Water/Sewer Service - ICI (Per program - Water and Wastewater)	127,704	6,903	68,731	203,338	363,042	179%	159,704
Sewer Service Residential	63,740	3,445	34,305	101,490	117,866	116%	16,376
Water Service Residential (up to 50mm)	124,918	6,752	67,231	198,901	230,994	116%	32,093
Total	1,255,977	82,229	291,079	1,629,286	1,217,059	75%	(412,226)



Table 3-5
Recommended Site Servicing Review Fees
(2025\$)

Current Review and Comment Description	Current Review and Comment Fee	Cost Recovery	Recommended Review and Comment Description	Cost Recovery
Functional Servicing Report/Demand Table Review Fee	\$1,025.00 (non-refundable)	69%	\$1,488.00 (non-refundable)	100%
Residential Connection first submission application fee (Per program - Roads, Water and Wastewater)	262.66	27%	\$400.. (non-refundable)	41%
ICI Connection application (Per program - Roads, Water and Wastewater) - To Include First Submission and Connection Administration	\$430.76 (non-refundable)	11%	\$750.00 (non-refundable)	19%
Water/Sewer Service Residential installed under Capital Project (Per program - Water and Wastewater)	\$333.83 (non-refundable)	211%	\$333.83 (non-refundable)	211%
Water/Sewer Service - ICI installed under Capital Project (Per program - Water and Wastewater)	\$662.29 (non-refundable)	558%	\$662.29 (non-refundable)	558%
Residential cross boundary servicing requests administration and processing fee (Per program - Water and Wastewater)	\$2,207.62 (non-refundable)	227%	\$2,207.62 (non-refundable)	227%
Non-Residential cross boundary servicing requests administration and processing fee (Per program - Water and Wastewater)	\$5,508.3 (non-refundable)	429%	\$5,508.30 (non-refundable)	429%
Water Service- Hydrant & Valve	\$2,638.38 (this amount includes non-refundable sum of \$1,583.03)	207%	\$2,638.38 (this amount includes non-refundable sum of \$1,583.03)	207%
Site Servicing on Regional Roads - Residential (Per program - Roads, Water and Wastewater)	\$2,127.52 (this amount includes non-refundable sum of \$1,489.26)	85%	\$2,127.52 (this amount includes non-refundable sum of \$1,489.26)	85%
Site Servicing on Regional Roads - ICI (Per program - Roads, Water and Wastewater)	\$3,440.80 (this amount includes non-refundable sum of \$2,408.56)	109%	\$3,440.80 (this amount includes non-refundable sum of \$2,408.56)	109%
Processing requests/revisions to approved residential services (Per program - Roads, Water and Wastewater)	\$662.29 (non-refundable)	125%	\$662.29 (non-refundable)	125%
Processing requests/revisions to approved nonresidential and multi-residential services (Per program - Water and Wastewater)	\$1,211.51 (non-refundable)	230%	\$1,211.51 (non-refundable)	230%
Water system interruption RESIDENTIAL (up to 300mm diameter watermain)	484.60	63%	484.60	63%
Water system interruption ICI (up to 300mm diameter watermain)	969.20	109%	969.20	109%
Water system interruption RESIDENTIAL AND ICI (on 400mm or larger diameter watermain)	220.76	10%	220.76	10%
Water/Sewer Service - ICI (Per program - Water and Wastewater)	\$2,638.38 (this amount includes non-refundable sum of \$1,583.03)	179%	\$2,638.38 (this amount includes non-refundable sum of \$1,583.03)	179%
Water Service Residential (up to 50mm)	\$1,480.73 (this amount includes non-refundable sum of \$888.44)	116%	\$1,480.73 (this amount includes non-refundable sum of \$888.44)	116%
Sewer Service Residential	\$1,480.73 (this amount includes non-refundable sum of \$888.44)	116%	\$1,480.73 (this amount includes non-refundable sum of \$888.44)	116%



Chapter 4

Conclusion



4. Conclusion

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

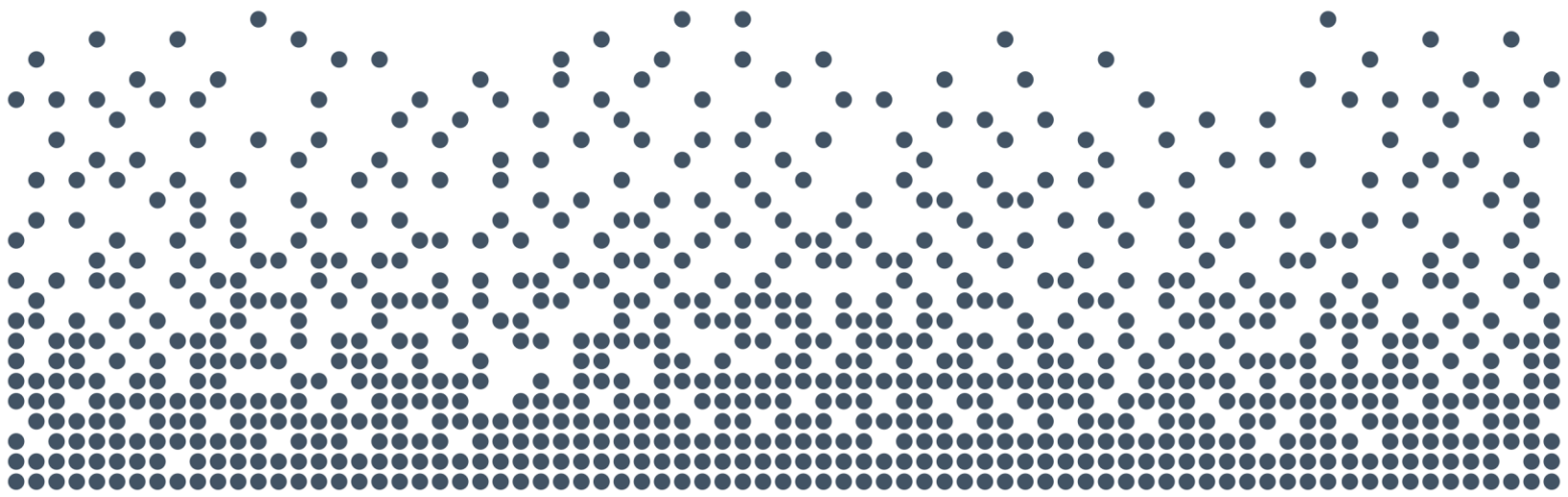
The intent of this review is to provide the Region with a recommended fee structure, for Council's consideration, to appropriately recover the service costs from benefiting parties. The recommended Development Related Fees would generate an additional \$296,100 in annual revenue, improving cost recovery from 73% to 78%. The total annual costs and revenues associated with the recommended fees are illustrated in Table 4-1.

Table 4-1
Cost Recovery Assessment of Recommended Development Related Fee Reviews
(2025\$)

Description	SWB Costs	Other Direct Costs i.e. Non-SWB Costs	Budgeted Indirect and Capital Costs	Total Annual Costs	Annual Fee Revenue*	Water Rate Allocation	Total Revenue	Cost Recovery
Development Application on a Regional Road	1,044,373	42,509	251,237	1,338,120	649,179	238,760	887,939	66%
Development Application on a Local Road	1,761,696	98,126	544,667	2,404,489	1,356,698	678,468	2,035,166	85%
Major Amendments*	97,554	4,310	41,619	143,483	143,483	-	143,483	100%
Subtotal - Development Applications (excl. new secondary plans)	2,806,069	140,635	795,904	3,742,608	2,005,877	917,228	2,923,105	78%
Subtotal - Development Applications	2,903,623	144,945	837,523	3,886,091	2,149,360	917,228	3,066,588	79%
Site Servicing Applications	1,255,977	82,229	291,079	1,629,286	1,217,059	-	1,217,059	75%
Total	4,159,600	227,174	1,128,602	5,515,376	3,366,419	917,228	4,283,647	78%

*Major Amendments include Settlement Boundary Expansion, Urban Area Expansion, Major Intensification Policy Change-MTSA

As noted in Chapter 3, the proposed fees have been designed with separate surcharges for transportation and waste collection review services in anticipation of these services being downloaded to the area-municipalities. The aggregate annual costs and revenues reported herein are under the current scenario (i.e., prior to services being downloaded) and would be impacted by changes in service provision. As noted previously, the cost recovery levels of the recommended fees are presented in 2025\$ values and fees should be increased at inflationary levels (beginning in 2026) to maintain the cost recovery levels of the recommended fees.



Appendices



Appendix A

Municipal Survey of Fees



Appendix A: Municipal Survey of Fees

Site Servicing Fees

The Region of Peel (Region) retained Watson & Associates Economists Ltd. (Watson) to conduct a review and update to the Development Services Fee Review undertaken in 2020. As part of this review, it was requested that a survey of the fees and practices utilized by other similar regional municipalities be undertaken. Provided herein is a description of the Region's current practices relating to the recovery of costs related to Site Servicing reviews as well as the approaches and fees imposed in the Region of Halton, Region of York, and Region of Durham.

Fee Structure

The Region currently imposes separate fees for Site Servicing activities performed by their Servicing Connections department as they relate to site plan applications. These fees are currently structured as an à la carte suite of services as each application may require different reviews that would have varying degrees of complexity. This work performed by Servicing Connections staff relates to the review and inspection of water and wastewater servicing of specific sites. Further to the Region's Site Servicing fees, additional fees are imposed under the Traffic & Transportation section of the schedule of fees and charges for engineering review and inspection as it relates to roads related infrastructure. These fees imposed by Traffic & Transportation are imposed on the basis of a percentage of the cost of works of municipal infrastructure.

In the municipal context, the overwhelming majority of fees imposed to recover cost related to the engineering review and inspection of site plan applications are imposed on the basis of a percentage of the cost of municipal works or on a per unit or per gross floor area basis. These fees typically are not disaggregated between different departments and only one fee is imposed (dissimilar to the fees currently imposed by the Region).

Region of Halton

The Region of Halton currently imposes fees to recover the costs of engineering review and inspection based on the costs of water and wastewater municipal infrastructure and does not have separate site servicing related fees. The Region of Halton's fee has been structured as a declining block rate where the percentage decreases as the cost



of works increases. The Region of Halton currently only imposes one fee for the review and inspection of municipal works, which is presented below.

Cost of Water and Wastewater Works	Fee Imposed
\$0 to \$100,000	Greater of 10% or \$5,000
\$100,001 to \$250,000	7%
\$250,001 to \$500,000	6%
\$500,000 +	5% to a maximum of \$100,000

York Region

The Region of York similarly imposes their engineering review fees on the basis of cost of municipal works and does not have separate site servicing fees. The fees that are currently imposed are a minimum fee of \$11,400 or 7% of the estimated cost of works within the Regional right-of-way. In addition to this initial fee, the Region of York also imposes additional review fees after the 3rd submission and additional inspection fees. These additional fees are provided in the following table.

Description	Fee Imposed
Engineering Resubmission related to a development application (After the 3rd submission due to revisions by the owner or the owner's failure to revise drawings / plans / reports / studies as requested by the Region)	\$4,700
Security Reduction works inspection fee (for third and subsequent security reduction work site inspection request)	\$2,500
Security release works inspection fee (for third and subsequent security release works site inspection request)	\$2,500
Construction Safety Inspection and Administrative Fee for damage caused to Regional property and for public safety concerns	\$2,500
Rectify any deficiencies, make any remedies or carry out the cleanup of roads within 24 hours or immediately if deemed a public safety concern by the Region (each occurrence)	\$2,500 or twice the actual cost to the Region to perform the work, whichever is greater

Region of Durham

The Region of Durham is similar to the Region of Halton, where they only impose one fee for the engineering review and inspection of site plan applications and do not have



separate site servicing fees. These fees are imposed using a declining block rate and are presented in the table below.

Cost of Water and Wastewater Works	Fee Imposed
\$0 to \$100,000	3%
\$100,001 to \$200,000	\$3,000 on first \$100,000 & 2.50% on next \$100,000
\$200,001 to \$500,000	\$5,500 on first \$200,000 & 2.25% on next \$300,000
\$500,000 to \$1,000,000	\$12,250 on first \$500,000 & 2.00% on next \$500,000
\$1,000,000 to \$2,000,000	\$22,250 on first \$1,000,000 & 1.50% on next \$1,000,000
\$2,000,000 to \$4,000,000	\$37,250 on first \$2,000,000 & 1.20% on next \$2,000,000
Minimum Charge	\$1,0000



Comparison of Upper Tier Development Related Fees

Region of Peel			Region of Durham		Region of Halton		Region of York	
Description	Current Fee	Recommended Fee	Description	Current Fee	Description	Current Fee	Description	Current Fee
Pre-Application	1,500	1,500						
Scoped Site Plan	1,786		Minor Site Plan Review Fee - Aggregate Resources Act Applications	1,000			Greater of: Minimum Charge OR of Cost of Works	\$4,000 7%
Full Site Plan	3,257		Major Site Plan Review Fee - Aggregate Resources Act Applications	5,000	Application Minor Development/Modification Revision	\$1,307.82 \$818.97 \$818.97	Greater of: Minimum Charge OR of Cost of Works	\$11,200 7%
Site Plan - Base Fee		2,200						
Site Plan - Transportation Surcharge		1,200						
Site Plan - Waste Surcharge		180						
Zoning By-Law Amendment	4,938		Rezoning Standard Review	1,500	ZBA Application Revisions to Application Holding By-law Removal Temporary Use By-law (and renewal)	\$1,557.36 \$578.71 \$408.73 \$653.94	ZBA/Minister's Zoning Order/Parkway Belt West	\$3,800
Official Plan Amendment	9,456		Rezoning Minor Review	500	Local OPA - Application	\$9,811.82	OPA Comment	\$6,300
Secondary Plan Amendment	7,775		Official Plan Review	3,500	Local OPA - Revision	\$4,905.93	Revision Requiring Recirculation	\$3,800
Plan Amendment - Base Fee		6,400	Official Plan Approval (non-exempt applications only)	5,000			Block Plan/Tertiary Plan	\$6,300
Plan Amendment - Transportation Surcharge		4,700						
Plan Amendment - Waste Surcharge		60						
Plan of Condominium	3,887	3,000	Non-Delegated Municipalities: Application Per unit for units >50 Recirculation Extension of Draft Approval Final Approval (per phase) Major revision Review fee additional phase draft approval Delegated Municipalities: Standard/Leasehold Condo Review Common Element Condo Review Phased Condo Review Vacant Land Condo Review Condominium Conversion Clearance Letter	\$6,000 \$100 \$500 \$1,500 \$1,500 \$1,500 \$3,000 \$2,000 \$1,000 \$2,000 \$2,000 \$2,000 \$2,000 \$1,000	Application Plan Revision Vacant Land or Common Element Approval Extension Exemption Fee Condo Conversion Condo Final Approval/Registration	\$3,450.40 \$515.60 \$507.75 \$342.72 \$572.19 \$1,634.79 \$834.64	Condo Draft Plan Vacant Land Condo Draft Plan Revision Minor Revision Condo Clearance (any phase)	\$2,900 \$8,200 \$3,100 \$1,700 \$2,500



Region of Peel			Region of Durham		Region of Halton		Region of York	
Description	Current Fee	Recommended Fee	Description	Current Fee	Description	Current Fee	Description	Current Fee
			<u>Non-Delegated Municipalities:</u>					
			Application	\$6,000				
			Per unit for units >50	\$100				
			Recirculation	\$500				
			Extension of Draft Approval	\$1,500				
			Final Approval (per phase)	\$1,500				
			Major revision	\$1,500	Application	\$11,938.68		
			Review fee additional phase draft	\$3,000	Revision (pre-approval)	\$858.24		
			approval		Revision (post approval)	\$2,453.73		
			<u>Delegated Municipalities:</u>		Phased Draft Approval	\$11,762.61		
			Review	\$5,000	Phase Revision Requiring Circulation	\$5,882.03		
Plan of Subdivision	21,013		Review - additional phased draft	\$3,000	Sub-Phasing Requiring Circulation	\$3,528.96		
Plan of Subdivision - Base Fee		18,400	approvals		Phase & Sub-phase Revision (No	\$858.24		
Plan of Subdivision - Transportation			Recirculation/Review of	\$500	Circulation)		Subdivision Draft Plan	\$8,200
Surcharge		6,400	Plans/Studies		3 Month Draft Extension	\$342.72	Revision	\$3,100
Plan of Subdivision - Waste			Revision/Redline/Amendment	\$1,500	1 Year Draft Extension	\$980.90	Minor Revision	\$1,700
Surcharge		500	Clearance Letter	\$1,000	Final Approval/Registration	\$2,453.73	Subdivision Clearance	\$6,300
Agreement Review and Execution	2,311	2,300						
			Review (Ajax, Clarington, Oshawa,	\$500				
			Pickering, and Whitby)					
			Approval (Brock, Uxbridge and	\$150				
			Scugog)					
Part Lot Control	-	-	Per unit for units >5	\$100	Part Lot Control By-Law	653.94		
Minor Variance	-	-			Minor Variance	40.89		
			Land Division - Review	\$500	Application	\$1,307.82		
			Land Division - Stamping	\$1,000	Revision	\$342.72	First Lot	\$1,300
Consent to Server	1,571	1,600	Land Division - Re-stamping	\$250	Validation of Title	\$303.29	Each Additional Lot	\$200