

## **CORPORATION OF THE COUNTY OF HURON**

### **Planning and Development Department**

**To:** Mayor/Reeve and Members of Council, All Municipalities in Huron County  
**From:** Planning Fees Working Group (Report prepared by Sandra Weber, Director and Denise Van Amersfoort, Planning Manager)  
**Date:** April 18, 2024  
**Subject:** **Planning Application Fees Review**

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The following report outlines the process used to review the current Planning Application Fees and provides recommendations from the Planning Fees Review Working Group for consideration by local municipalities. Once all municipalities have had the opportunity to review and provide comments and a final report is taken to County Council, the finalized Fee Schedule will be provided to municipalities to be adopted by by-law to come into effect on July 1<sup>st</sup>, 2024.

### **BACKGROUND**

Planning application fees have historically been reviewed every 5 years. The fees were last reviewed in 2021 and a coordinated fee schedule was passed which set the standardized fees across the County for 2022 to 2026. At that time, all Councils across the County approved the fees with a 2% increase each year over this 5-year period with the increase occurring on January 1<sup>st</sup> each year. Since planning is a shared service, there is a cost sharing that is built into the fee schedule and the fees are reconciled twice a year with the local municipalities. There is an average of 250 planning applications processed per year (average over past 5 years).

Section 69 of the Planning Act allows municipalities to establish a tariff of fees to cover the anticipated costs of processing planning applications. The review is based on the guiding principles that planning fees should continue to be user-pay and cover costs incurred by the local municipality and the County for staff time and disbursements, while keeping within a reasonable range in comparison to neighbouring Counties. The review looked at current staff time and is not a review of future staffing needs. Costs are not charged for overhead (office space, computer hardware, training, etc.). Additional costs are reimbursed by the applicant for the municipality's peer review of consultants' reports (e.g., engineering studies, environmental impact studies, traffic impact studies, etc.).

Although the fees were approved by the County and local municipalities until the end of 2026, several changes occurred since that time that warranted a need for a further review to determine if the costs of the County and the local municipalities are being covered. These changes include legislative amendments to the Planning Act that have added work to the process, increased costs of staff time and disbursements being greater than the estimated 2% increase to fees, complexity of applications, and the implementation costs of Cloudpermit to modernize and streamline the application process.

In December 2023, County Council approved a Terms of Reference which set out the process for reviewing the fees that included forming a Planning Fees Working Group in consultation with the Huron County Clerks and Treasurers Association. The Working Group includes Jessica Rudy (Huron East), Trevor Hallam (Morris-Turnberry), Olivia Kempel (North Huron), Florence Witherspoon (ACW), Mike Rolph (South Huron), Rachel Anstett (Central Huron), Lindsay Whalen (Bluewater), and Planning and Development staff including Sandra Weber, Denise Van Amersfoort, and Lisa Finch, Land Division Administrator.

## COMMENTS

The Working Group reviewed fees from comparator municipalities across the Province, reviewed the current fee for each type of planning application to determine recommended changes to cover staff time and disbursements, and discussed the need for additional fees for services that are not currently included in the Fee Schedule.

The justification for the proposed fee increases and new fees is as follows:

- To help cover the cost of the County-wide planning application processing and tracking system that is being implemented in collaboration with the County and all 9 local municipalities to modernize and streamline the application process.

- A review of comparator municipalities indicated that the current fees are low. The fee schedules were reviewed for Perth, Lambton, Bruce, Grey, Wellington, Norfolk (recently reviewed), and the Cities of Stratford, Sarnia, and London. Depending on the application type, the current fees are approximately \$1,000 to \$2,000 lower than the average fee, and in municipalities where full cost recovery is being charged, the fees are in the range of \$10,000 lower (Wellington, Norfolk). For example, in Norfolk County where the fees were recently reviewed, the fee for a Zoning By-law Amendment -Regular is \$12,178 and Major is \$18,904 and an Official Plan Amendment Regular is \$12,605 and Major is \$18,994. The recommended changes will bring the fees more in line with the average range being charged in neighbouring municipalities.

- Over the past 2.5 years, the County and local municipalities undertook substantial work to permit more as-of-right housing development through the implementation of changes to planning documents; as a result, the less complex applications are no longer needed. Staff are finding that where applications are required, they are more complex in nature and the amount of time being spent by staff (Planners, Planning Co-ordinators, Land Division Administrator, Building Officials, Drainage Superintendents, Public Works staff, etc.) and Councils has increased. This additional time is reflected in the recommended fees.

- The 2% annual increase has not kept up with the Consumer Price Index for staff time and disbursements and has resulted in true costs not being recovered.

- Legislative amendments to the Planning Act have resulted in additional work for processing applications such as finalizing deeds for both the severed and retained parcels and the issuance of cancellation certificates. New fees have been added to cover the cost of this additional staff time.

- With the substantial increase in value of properties as a result of planning applications such as amendments or the creation of new lots, it is the opinion of the Working Group that the proposed fee increases will not deter applicants from proceeding with developments.

- This is a balance between cost recovery and having the cost of planning approvals being subsidized by the levy.

Based on the above review and justification, the following is a summary of the key changes recommended by the Working Group to the 2024 Planning Fees Schedule (full Draft Fee Schedule with proposed changes highlighted in red is attached for review):

- Rather than the current 2% annual increase, it is recommended that on January 1<sup>st</sup> each year (starting January 1<sup>st</sup>, 2025), the fees will be increased on a percentage basis rounded up or down to the nearest ten-dollar increment consistent with the Statistics Canada Consumer Price Index for Ontario for the previous calendar year (October to October), if the Index shows an increase.

- Plans of Subdivision/Condominium – proposed increase in base fee from \$9364 to \$10,000 for 1-10 lots/blocks/units and an increase from \$176 to \$200 for each additional lot/block/unit over 10. Draft Plan approval extensions are proposed to increase from \$2081 to \$2500 for the first extension and to \$5000 for any subsequent extension. The higher fee is due to the fact that 6 years would have passed and there is a substantial amount of work for County and local staff to go back through the file to review conditions and follow up with applicant and agencies. An increase is also proposed for phasing and final approval, and changes to draft plan conditions.
- Official Plan Amendments – Proposed increase in fee from \$4100 to \$6000 for reasons outlined in justification above. A new fee has been added for Official Plan Amendments for new or expanding aggregate operations of \$12,000. This reflects the complexity of these files and the additional coordination required with multiple technical studies. Both Bruce and Wellington Counties use a similar approach where there is a separate fee specific to planning applications for aggregate operations.
- Consents (Severances) are split into 2 categories:
  1. Technical Consents- such as Easements, Right of Ways, Correction of Title, Well Block, Validation Certificate, minor lot enlargement, re-creation of original farm lots are proposed to increase from \$2341 to \$3000.
  2. Consents for New Lot Creation – such as Surplus and the creation of a new lots would be increased from \$3381 to \$4500. This reflects the increase in the amount of time spent by staff responding to concerns of neighbours, reviewing studies, drafting conditions, etc. The Fee Schedule is also proposed to be clarified that an application includes once severed and one retained parcel. There is proposed to be an additional fee of \$2500 for each additional lot created over and above one severed and retained. Previously, one fee has been charged which allowed a severed and multiple retained lots to be created. This is not the practice in many other Counties across the Province who charge an additional fee for each new lot created.
- A new fee of \$500 is proposed for the issuance of Retained Land Certificates and Cancellation Certificates which the County is required to issue as a result of amendments to the Planning Act.
- Similar to a Technical Consent, Part Lot Control applications are proposed to increase from \$2341 to \$3000 with an additional fee of \$200 per additional conveyable Part over 2.
- Zoning By-law Amendments are proposed to increase from \$2108 to \$4000. As discussed above, the less complex amendments have been eliminated through the updates to planning documents and the applications being submitted are more complex and take additional staff time. For Zoning By-law Amendments for expanding or new aggregate operations that do not have a corresponding Official Plan Amendment, a fee of \$10,000 is proposed. This reflects the complexity of these files and the additional coordination required with multiple technical studies.
- Minor Variances are proposed on a sliding scale with one variance at \$2500, two variances at \$3250 and three or more variances proposed at \$4000. The higher fee is set at the same rate as a Zoning By-law Amendment.
- A reduced rate for combined fees for Official Plan Amendments and Zoning By-law Amendments has been removed. As 2 different documents are being amended, there is not a significant reduction in staff time required to process both applications to warrant a reduced fee.
- Part Lot Control By-law - remove discount if following a related planning application. New fee proposed to be \$2250 plus \$170/additional conveyable Part over 2;

- Natural Environment review by County Biologist is proposed to increase from \$228 to \$500 to cover staff time. An hourly rate is charged to review Terms of Reference and Environmental Impact Studies.
- Site Plan Applications – currently the local municipalities are charging a fee or billing for time and the County is tracking and billing for Planner review time (over 2 hours). It is proposed that a base fee of \$750 be set for County staff time which would include up to 4 hours of review. Any review time above that would be billed by the hour.

## **NEXT STEPS**

Once all municipalities have had the opportunity to review and provide comments and a final report is taken to County Council, the finalized Fee Schedule will be provided to municipalities to be adopted by by-law to come into effect on July 1<sup>st</sup>, 2024.

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Sandra Weber, Director

'original signed by'

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Denise Van Amersfoort, Planning Manager