



City of  
**Peterborough**

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**To:** **Members of the General Committee**

**From:** **Jasbir Raina, Commissioner of Infrastructure and Planning Services**

**Meeting Date:** **March 13, 2023**

**Subject:** **Planning Application Fees Update, Report IPSPL23-005**

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## **Purpose**

A report to recommend an amendment to the fees for planning applications in the City's 2023 User Fees and Charges By-law to reflect the Council-approved changes in the Development Approvals Process (DAP) that results in front-ending the processing effort associated with the review of certain development applications.

## **Recommendation**

That Council approve the recommendation outlined in Report IPSPL23-005, dated March 13, 2023 of the Commissioner of Infrastructure and Planning Services as follows:

That the By-law to amend the City's 2023 User Fees By-law Number 23-028 attached as Appendix A to Report IPSPL23-005 be approved.

## Budget and Financial Implications

The overall rate increase for planning application fees was incorporated in the recently approved 2023 Budget and User Fees By-law. A redistribution of the newly adopted fees via an amendment to the City's User Fees By-law is proposed in this report. The amendment proposes to phase the requirement for fees into the distinct stages contemplated in the new process. The projected revenues from fees will not change as a result of this redistribution.

## Background

In recent years, the Provincial government has made substantial changes to the land use planning regime in Ontario. These legislative changes are aimed at increasing the supply and affordability of housing, in part by expediting the development approvals process.

**Bill 108, the More Homes, More Choice Act, 2019** significantly shortened timeframes for decisions on planning applications for official plan amendments, zoning by-law amendments and plans of subdivision. These changes enabled applicants to appeal to the Ontario Land Tribunal where no decision is rendered within legislated timeframes.

**Bill 109, the More Homes for Everyone Act, 2022** imposed refund provisions for planning applications initiated as of January 1, 2023 for combined Official Plan Amendments and Zoning By-law Amendments, Zoning By-law Amendments, and Site Plan applications. The Minister of Municipal Affairs and Housing has since committed to delaying the implementation date for planning application refund requirements by six months to July 1, 2023 to give municipalities more time to implement necessary measures.

The changes to planning legislation in Ontario have significant financial implications to municipalities, namely the introduction of mandatory refunds of planning application fees where a decision or approval is not rendered within legislated timeframes. Regardless of the reason for a prolonged application approval beyond legislated timeframes, additional support from the general tax levy or Reserve funds would be required.

In 2021, the City completed a Modernization Review of the development approvals process under the Province's Audit and Accountability Fund. A key recommendation from the Modernization Review was to update Planning/Engineering DAP fee structures and reflect a growth pays for growth cost recovery model.

In 2022, the City retained Performance Concepts Consulting Inc. to complete a full-cost planning fees review and design DAP fees in accordance with the DAP process and the **Planning Act**. The **Planning Act** requires that planning application fees be designed to meet only the anticipated cost to the municipality in respect of the processing of each

type of application. Revenue from the recommended DAP application fees will support the necessary staffing resources to properly execute development review processes and eliminate the tax subsidy benefitting new development. The study also identifies a phasing option where the fee adjustments are instituted over a three-year 50%/25%/25% transition. This transition was reflected in the 2023 Budget and User Fees By-law.

On January 30, 2023, City Council passed By-law Number 23-028 to establish user fees and charges as part of the 2023 Budget process. By-law Number 23-032 was also passed by Council on January 30, 2023 to require applicants to consult with the City and undertake a technical adequacy review prior to the submission of certain planning applications. These changes to the DAP process were introduced to refine applications early on in the process and mitigate the financial risks associated with the refund of any application fees. An update to the City's User Fees By-law is now required to reflect the newly-approved DAP service delivery model, which front-ends the processing effort for development review. A proposed amendment to the City's 2023 User Fees By-law is attached hereto as Appendix A.

In anticipation of the City's new Pre-Application Consultation and Technical Review process and adaptation to address Bill 109 (Report IPSPL23-003), Performance Concepts Consulting prepared an addendum to the Development Approval Process Fees Review Study attached as Appendix B of Report IPSPL23-005. The Addendum recommends a new fee structure for Zoning By-law Amendments, Official Plan Amendments and Site Plan Approval Applications that is reflective of the new Pre-Application Consultation and Technical Review process. All in all, the new Pre-Application Consultation and Technical Review process shifts a substantial portion of the total processing effort for Site Plan Approval Applications, Zoning By-law Amendments, Official Plan Amendments, and Draft Plans of Subdivision, to the front-end of the process. The fees should now be revised to reflect the proportionate effort required at each stage of the process. This Report recommends that the fees shift to the front-end to reflect the new Pre-Application Consultation and Technical Review process, while keeping the total fees for each application type consistent with the 2023 Budget.

### **Development Application Categories**

The Development Approval Process Fees Review Study indicated the City will need to develop prescriptive business rules to differentiate Minor, Standard and Complex application categories for zoning by-law amendments and site plan applications. These application categories are further described and defined in the amendment to the User Fees By-law as follows:

**a) Minor Zoning By-law Amendment**

Means an application under section 34 of the **Planning Act** which meets one or more of the following:

- Conforms to objectives and intent of the Official Plan;
- Maintains intent and purpose of zoning by-law (e.g., no change in zoning category, only small-scale exception/change to zoning regulations);
- Applies to a single parcel for low density residential use;
- No impact or very limited impact beyond the subject lands is anticipated;
- Requires up to one technical study/report in addition to a Planning Justification Report and concept plans; and/or,
- Applies to a temporary use.

**b) Standard Zoning By-law Amendment**

Means an application under section 34 of the **Planning Act** which meets one or more of the following:

- Conforms with and/or retains the general intent of the Official Plan;
- Requires change in zoning category and/or multiple regulations of existing zoning;
- Moderate impact beyond the subject lands is anticipated; and/or,
- Requires two to four technical studies/report in addition to a Planning Justification Report and concept plans.

**c) Complex Zoning By-law Amendment**

Means an application under section 34 of the **Planning Act** which meets one or more of the following:

- Requires an amendment to the Official Plan;
- Represents shift from intent and purpose of the zoning by-law (e.g., change in zoning category and/or development standards);
- Involves substantial increase in density and/or floor space (e.g., large scale redevelopment);

- Requires five or more technical studies/reports in addition to a Planning Justification Report and concept plans - likely to generate exceptional levels of City staff processing effort;
- Greater impact beyond the subject lands may be anticipated; and/or,
- Associated with a Draft Plan of Subdivision or Condominium application.

#### **d) Standard Site Plan Application**

Means an application under section 41 of the **Planning Act** which meets one or more of the following:

- Requires the review of up to three updated or new technical studies/reports;
- Requires standard circulation to commenting agencies and departments;
- Straight-forward development proposal, where the size and site development issues are considered to be less complex;
- Involves amendments to approved site plans with site alterations;
- Involves a building addition, parking lot expansion or creation of a commercial parking lot; and/or,
- Applies to a temporary use.

#### **e) Complex Site Plan Application**

Means an application under section 41 of the **Planning Act** which meets one or more of the following:

- Requires the review of four or more updated or new technical studies/reports;
- Requires greater technical review cycles (i.e., three or more cycles);
- Large-scale and/or multi-phase developments with complex site development issues;
- Involves a new build or significant building addition with impacts to existing site development;
- Involves major amendments to approved site plans with significant site alterations;
- Associated with another Planning Act application;
- Requires coordination of external agency approvals; and/or,

- Involves complex legal issues (e.g., right-of-way dedications, easements).

City staff will have discretion to determine the appropriate classification for each development application. Where an application meets multiple categories as described above, the highest fee category will apply. The classification for each development application and its associated fee will be determined and communicated with the applicant through the pre-consultation process.

## **Summary**

The City's newly adopted Pre-Application Consultation and Technical Review process represents the front-ending of the DAP service delivery model. Amendments to the City's User Fees By-law is needed to reflect the new Pre-Application Consultation and Technical Review process.

Recent changes to provincial planning legislation have warranted substantial changes to the planning application intake and development review process and their associated fees. These changes will support adequate staffing levels to offer timely service delivery and mitigate the financial risks associated with any refund of planning application fees.

Submitted by,

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Commissioner, Infrastructure and Planning Services

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**Attachments:**

Appendix A – Amendment to User Fee By-law Number 23-028  
Appendix B – Development Approval Process (DAP) Fees Review – Bill 109 Fee  
Structure Addendum Report