

MA-D2-1



July 6, 2009

Jeff Payne
Acting Director & Deputy Regional Clerk
Regional Municipality of Peel
10 Peel Centre Dr.
Brampton, ON L6T 4B9

LEGISLATIVE SERVICES	
COPY TO:	FOR:
Chair	<input checked="" type="checkbox"/>
CAO	<input checked="" type="checkbox"/>
Corporate Services	<input checked="" type="checkbox"/> Council
Environment, Transport and Planning	Sept 10
Employment Services	
Finance	File

Dear Jeff Payne,

Re: Plan Review Fee Collection Update

At its meeting of June 12, 2009, the CVC Board of Directors approved the following resolution #66/09 (following an amendment from the original recommended resolution contained in the staff report):

66/09

RESOLVED THAT the report entitled "Plan Review Fee Collection Update" be received and appended as Schedule 'E' to the minutes of this meeting; and

THAT the schedule of CVC plan review fees be modified according to a schedule of 50%-25%-25% charged at the EIR submission, draft plan of subdivision submission and final draft plan approval; and

THAT this schedule shall be considered an interim measure until a further report is provided to the Board in September 2009 indicating a method which will achieve 100% cost recovery of the plan review program; and

THAT CVC will notify the watershed municipalities of its intention to achieve 100% cost recovery; and

THAT discussions will take place between CVC and the municipalities to co-ordinate efforts to ensure that cost recovery is achieved at all stages of the plan review process; and further

THAT BILD be informed of the Board's decision.

Schedule 'E', June 12, 2009 is attached. Should you have any questions, please contact the undersigned at mpogue@creditvalleyca.ca or through the contact information below.

RECEIVED

...over

JUL 09 2009

REGION OF PEEL
CLERKS DEPT.

REFERRAL # _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED

MA-D2-2

Sincerely,



Maureen Pogue
Executive Assistant
:mp

encl.

Distribution list:

BILD

Municipal Clerks for:

Cities of Mississauga, Brampton

Towns of Caledon, Erin, Halton Hills, Mono, Oakville, Orangeville

Townships of Amaranth, East Garafraxa

Regional Municipalities of Peel, Halton

Counties of Wellington, Dufferin

TO: The Chair and Members
of the Board of Directors,
Credit Valley Conservation

SUBJECT: PLAN REVIEW FEE COLLECTION UPDATE

PURPOSE: To provide the Board of Directors of CVC with an update of fee collection and cost recovery schedules for the plan review component of CVC's planning program.

BACKGROUND:

The Board of Directors of CVC has directed that plan review fee schedules should be reviewed annually in September. Given the shortfall that has been projected in plan review fees this year, it has been determined that an update and new collection method be proposed at this time.

The guidelines established for collection of fees under Section 21 of the Conservation Authorities Act allow for Authorities to charge fees including those for permits, plan review services and response to legal, real estate and public inquiries. The fee structures are not to exceed the costs associated with administering and delivering services on a program basis.

Since 2003, CVC has collected fees for various plan review applications, the largest fees established for plan of subdivision review. In September, 2008 CVC set a fee of \$2650 per net hectare for subdivision review, 50% collected at submission of the draft plan and 50% collected at draft plan approval.

Since 2006 cost recovery has decreased from 67% in 2006, 41% in 2007, to 39% in 2008 (see Appendix 1). Projections for 2009 indicated that the cost recovery percentage would be even lower. Discussions held in May 2009 with representatives of the Building Industry and Land Development Association (BILD) took the approach where CVC would like to receive more fees "up-front" in the process and project a better outlook for 2009 and beyond.

ANALYSIS:

The plan review revenue for 2009 was estimated at \$730,000. As of June 1st, it was \$183,000 or 25% cost recovery. Of that, \$100,000 included two aggregate applications at \$50,000 each. It is projected the total for 2009 would be \$300,000 or 41%. This is assuming that no additional fees are collected on subdivision applications. The present format relies on subdivisions reaching the stages of first submission and/or draft approval and has been difficult to predict.

A method which would require fees to be collected sooner in the process but not requiring anymore than has been approved by the Board was discussed with BILD. The proposal that was discussed was a percentage of the total would be collected at the submission of an Environmental Implementation Report (EIR) which is provided in advance of the draft plan process. The justification to ask for the fee at this stage is that it is at this stage that CVC staff becomes involved in a significant review of the block plan process (generally in Brampton) leading to the submission of the plan of subdivision.

There are currently several EIRs under review some of which the developer has provided 100% of the fees required up front. There are two others which could provide sufficient cost recovery to meet the \$730,000 set as a target for 2009. One is the EIR related to a block plan in the Mount Pleasant Secondary Plan in North West Brampton which the developer is anticipating will be submitted in the fall of 2009. The other is an EIR for a block plan within the Bram West Secondary Plan which was submitted several years ago and is under current review.

Both block plans are approximately 1,000 acres (400 ha) in size and would each generate \$900,000. Under the current system, \$450,000 (50%) would be submitted at first submission of the draft plan and \$450,000 (final 50%) at draft plan approval. The proposal tabled at the BILD meeting was \$450,000 (50%) at submission of EIR, \$225,000 (25%) at submission of draft plan and \$225,000 (25%) at draft plan approval. The block plans would provide cost recovery that in combination with the \$300,000 estimated for other plan review fees would exceed the \$730,000 estimated for 2009.

The response from BILD is attached as Appendix 2. BILD is not in agreement with the proposal provided to them and also requests more time for discussion. They are also suggesting that the draft plan approval stage be triggered by the release of CVC's draft plan conditions, a suggestion that has some merit and is easily modified on the plan review schedule. Given that position, CVC staff has contacted BILD (Peel Chapter Chairman) to determine if another split would be more acceptable. Instead of 50%-25%-25% would 33%-33%-33% be appropriate? The response was that BILD generally did not agree with the approach proposed but would appreciate an opportunity for more discussion where it could poll its members on the idea of a more balanced split.

Assuming the 33%-33%-33% was implemented at this point, each block plan would provide \$300,000 at EIR submission, again exceeding the \$730,000 targeted for plan review fees for 2009 in combination with the other \$300,000 estimated for other plan review fees. This would also seem to be more acceptable to BILD although it would not commit to the approach unless further discussions took place.

CONCLUSION:

Given the difficulty experienced in recent years to predict the progress of plan of subdivisions in process, the need to meet budget estimates and to obtain fees "up front" when staff time is required, the proposal for a third at three stages including a new stage at submission of the EIR seems to be the most appropriate.

The cost to the developer is no more than previous requirements but is spread out within the process framework. Other Conservation Authorities have stretched the cost recovery to include the EIR submission as a first stage. They have also been experiencing similar cost recovery situations and are having difficulty reaching targets. As well, for CVC budgeting purposes September is too late for CVC to manage and address budget shortfalls regarding planning fees. Planning fees need to be reviewed by the spring of each year rather than September.

COMMUNICATIONS PLAN:

- Copies of this report will be forwarded to BILD.

FINANCIAL IMPLICATIONS

- This proposal will accelerate funding for the plan review program so that more "up front" revenue will be generated. The proposal will allow plan review fees to meet targets set as part of the budgetary process.

RECOMMENDED RESOLUTION:

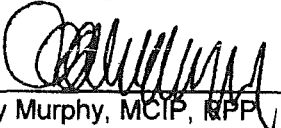
***RESOLVED THAT** the report entitled "Plan Review Fee Collection Update" be received and appended as Schedule 'E' to the minutes of this meeting; and*

***THAT** the schedule of CVC plan review fees be modified as indicated in the report according to a schedule of 33%-33%-33% charged at EIR submission, draft plan of subdivision submission and a final draft plan approval; and*

***THAT** BILD be informed of the Board's decision; and further*

***THAT** Planning fees be reviewed by the CVC Board of Directors in the spring of every year.*

Submitted by:

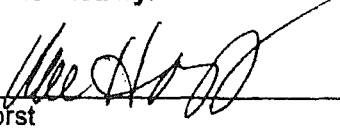


 Gary Murphy, MCIP, RPP
 Director, Planning



 Gerry Robin
 Director, Corporate Services

Recommended by:



 Rae Horst
 Chief Administrative Officer

SUMMARY OF PLAN REVIEW FEES RECIEVED
AS PERCENTAGE RECOVERY OF
PLAN REVIEW EXPENSES

CVC PLAN INPUT AND REVIEW PROGRAM	2006	2007	2008	BUDGETED FOR 2009
PLAN REVIEW EXPENSES	\$997,877	\$1,313,281	\$1,601,332	\$1,800,000
PLAN REVIEW FEES	\$671,939	\$544,183	\$619,774	\$730,000
PERCENTAGE RECOVERY	67%	41%	39%	40.5%
PLAN INPUT EXPENSES NOT INCLUDING EAs	\$189,108	\$260,382	\$292,233	
EAs	\$131,032	\$150,152	\$169,344	
TOTAL PLAN INPUT AND REVIEW EXPENSES INCLUDING EAs	\$1,318,017	\$1,723,815	\$2,062,909	



BUILDING A GREATER GTA
Building Industry and Land
Development Association

June 5, 2009

Mr. Gary Murphy, MCIP, RPP
Director of Planning
Credit Valley Conservation
1255 Old Derry Road
Mississauga, Ontario
L5N 6R4

Dear Mr. Murphy,

Thank you for taking the time to consult with representatives of the Building Industry and Land Development Association on Wednesday, May 27th regarding the proposed fee restructuring.

As a follow-up to our meeting, we would like to reiterate that we are not in agreement to restructure the current development fees - from 50% taken at the time of development plan submission and remaining 50% taken at draft plan approval; to the suggested 50% taken before EIR, 25% taken at the draft plan submission and the remaining 25% taken at draft plan approval. We would suggest alternative measures be explored to achieve the CVC's cost recovery shortfall, such as reviewing the timing of the 2nd 50% of the fees at the release of draft plan conditions.

We would also recommend that prior to the release of a staff report recommending a fee restructuring; that further discussion between active builders/developers occur to determine if this shortfall can be resolved. Given the state of our economic times, it is imperative that we work in conjunction with one another for innovative solutions to mutually significant matters of interest.

If you have any questions or comments please do not hesitate to contact Danielle Chin, Planning & Policy Analyst at BILD 416.391.1997 or the undersigned.

Sincerely,

Darren Steedman
Peel Chapter Chair, BILD