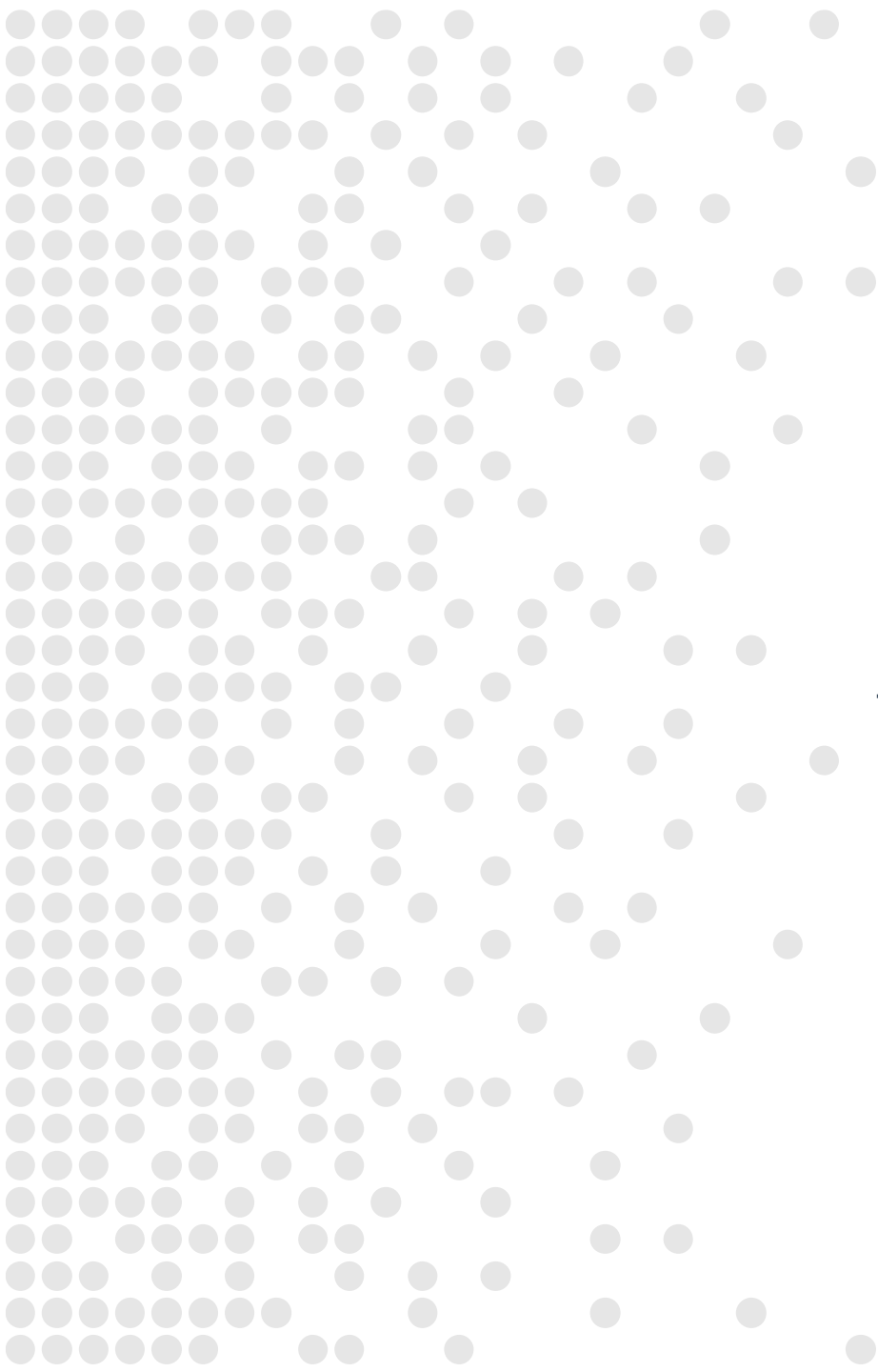




Town of Grand Valley Planning Application Fee Study

Startup Meeting
August 28, 2023



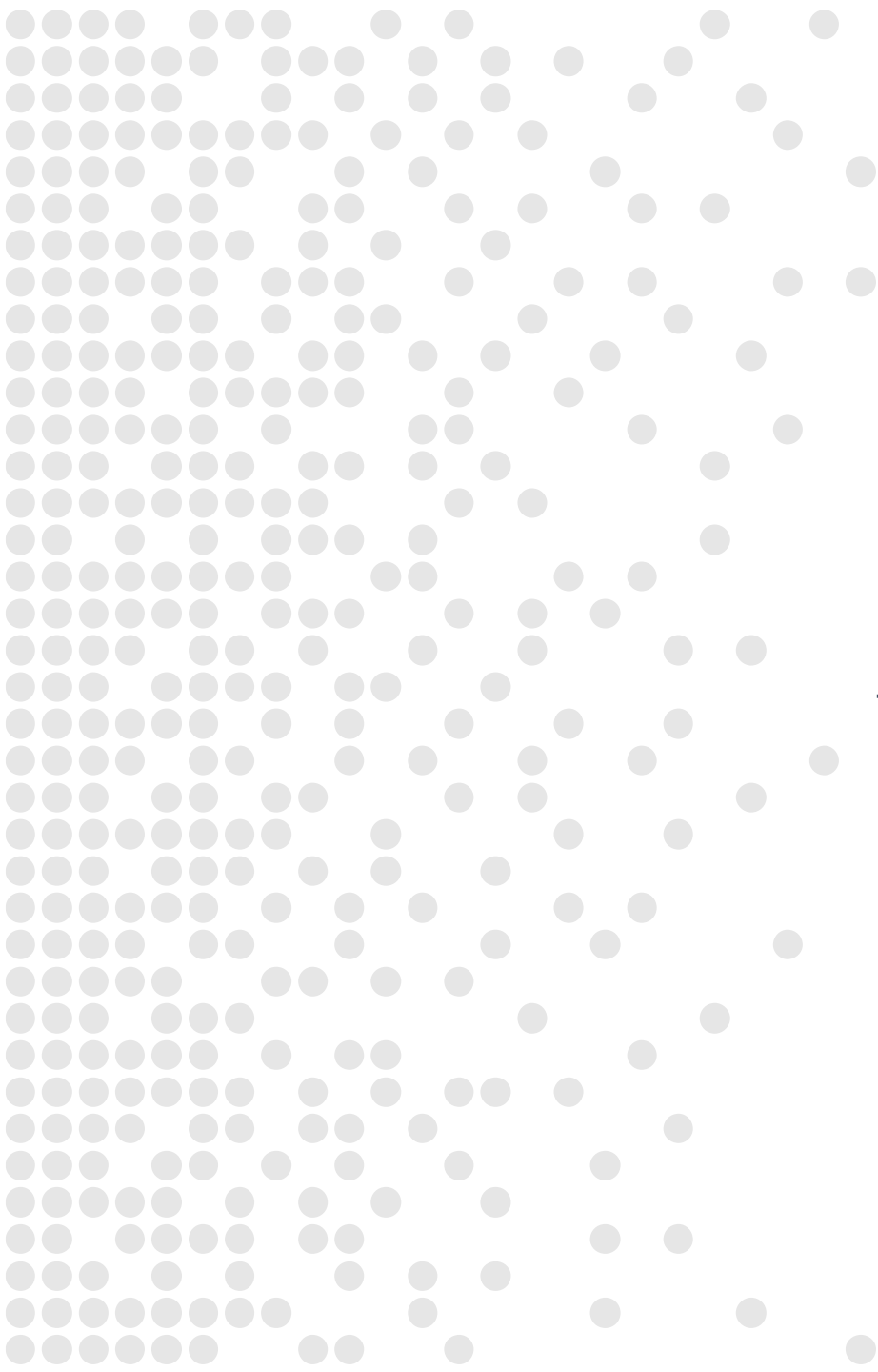
Introduction



Introduction

Scope

- The Town of Grand Valley (Town) has retained Watson & Associates Economists Ltd. (Watson) to undertake a review of its Planning Application Fees, to assess the full cost of service and recommend fee structure improvements, that:
 - Conform with legislation and is defensible;
 - Balance the Town's need to maximize cost recovery and decrease the tax burden with stakeholder interests, and the affordability and competitiveness of fees; and
 - Reflect industry best practices



Legislative Context

Legislative Context and Trends

Planning Act



- Planning application fees are governed by s.69 of the *Planning Act*
 - Recovery of anticipated costs of processing by type of application
 - No public process required in setting fees
 - Fees may be paid under protest and appealed to the OLT
 - OLT decision suggests fee structures should recognize marginal costs attributes of planning application processes
- Municipalities continue to develop fee structures in response and to improve cost recovery levels
 - Fees disaggregated by development type (e.g., residential / non-residential) and complexity (major vs. minor)
 - Per unit / GFA fees (including decreasing block fee structures)

Legislative Context and Trends

Bill 109 and Bill 23



- Site Plan and Zoning By-Law Amendment Application refund requirements

Fee Refund	Zoning By-law Amendment Applications	Site Plan Applications
50% of the fee	No decision within 90 days from the date of complete application*	No approval within 60 days from the date of complete application*
75% of the fee	No decision within 150 days from the date of complete application*	No approval within 90 days from the date of complete application*
100% of the fee	No decision within 210 days from the date of complete application*	No approval within 120 days from the date of complete application*

- Municipalities are “front-ending” review to varying degrees to meet approval/decision time frames and/or increasing the use of conditional site plan approvals and holding provisions



Activity-Based Costing Methodology

Activity-Based Costing (A.B.C.) Methodology

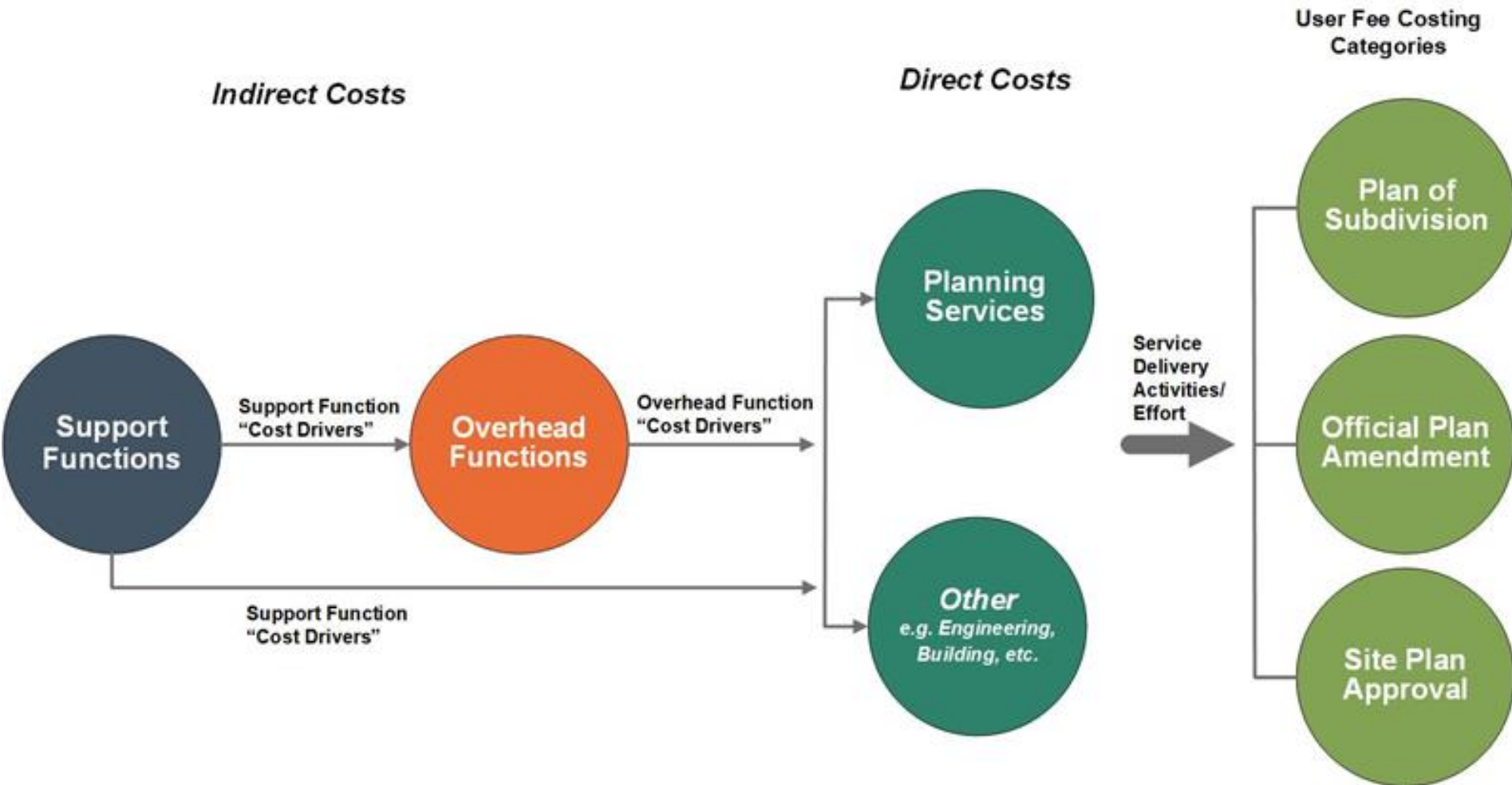
Full Cost Definition



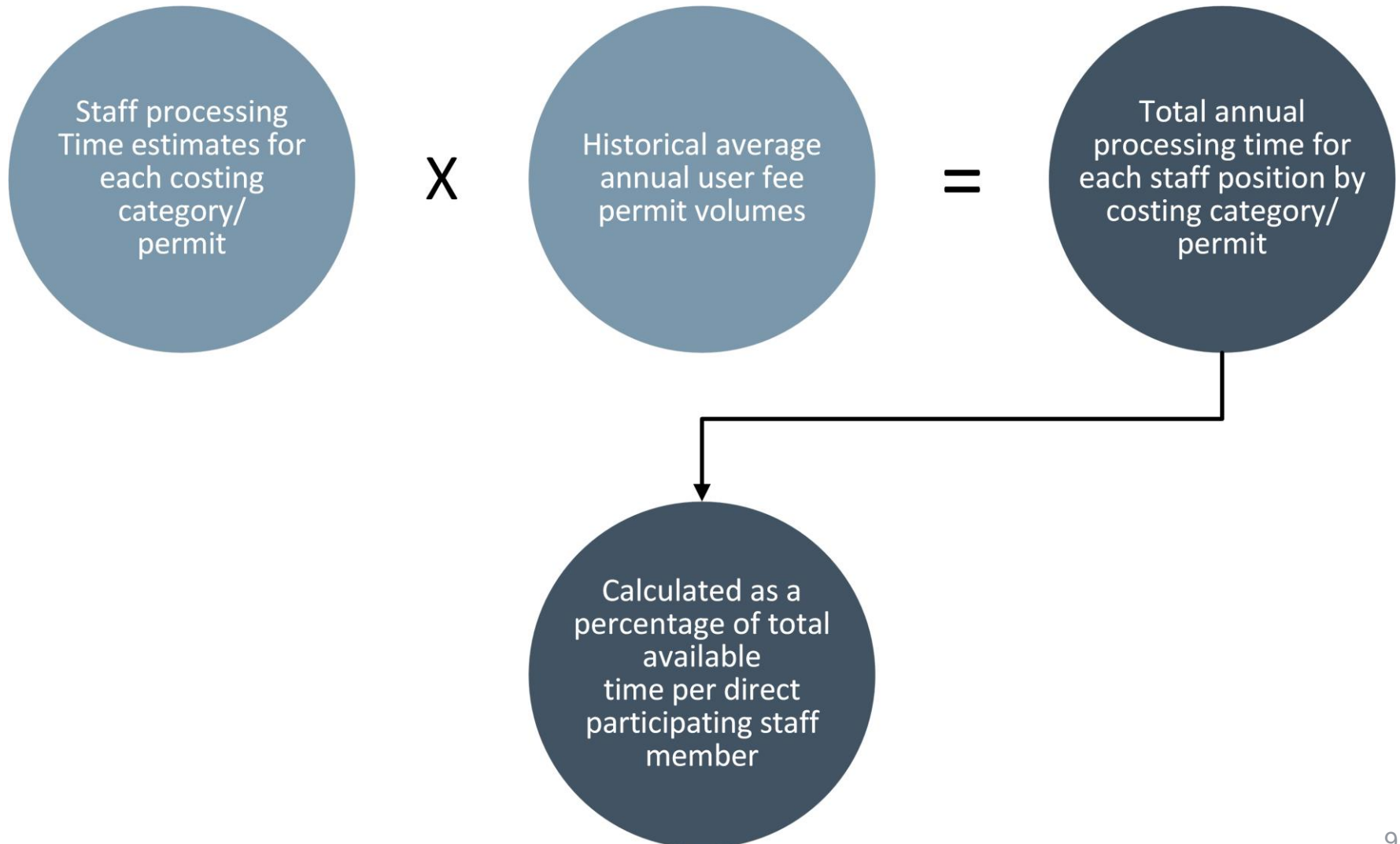
- Full cost recovery activity-based costing definitions:
 - Direct costs – operating and capital asset replacement costs associated with individuals directly participating in the service delivery activities
 - Indirect costs – operating costs associated with individuals supporting direct service departments. Typically involves support functions (e.g., HR, IT, Governance) and overhead functions (e.g., Finance)

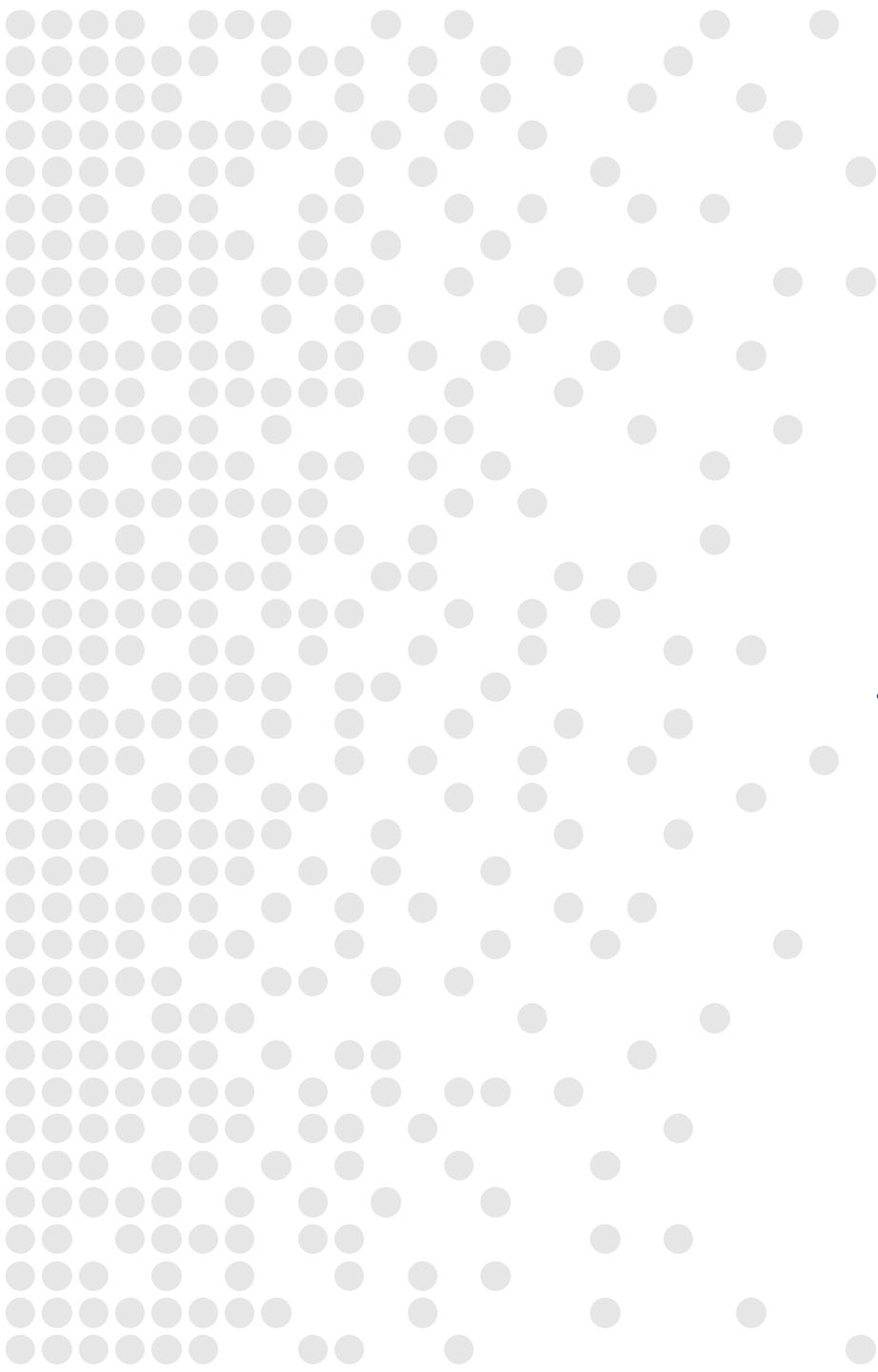
Activity-Based (A.B.C.) Costing Methodology

Process-Related User Fees



Staff Capacity Utilization Analysis





Work Plan

Work Plan



Task #1 – Project Initiation

- Review project methodology and timing, fee review trends, current legislation
- Discuss work plan, information request and next steps

Task #2 - Receipt and Review of Background Documents from Town Staff

- Establish list of municipal comparators
 - Dufferin County municipalities, Caledon, Centre Wellington, Adjala-Tosorontio, Wellington North, Minto
- Review background documents received



Task #3 – Fee Categorization and Process Review

- Document fee categories and sub-categories, differentiating user fee characteristics, participating Town staff positions
- Discuss the fee categories and characteristics to be tested through the costing component of the assignment
- Discuss services being provided for which no planning fees are currently imposed for potential inclusion in the full cost assessment

Task #4 – Staff Capacity Utilization Analysis

- Prepare communication materials for staff to provide their effort estimates in each type of application
- Prepare staff capacity utilization quality control analysis to verify the accuracy/defensibility of processing effort estimates

Work Plan



Task #5 – Construction of an A.B.C. Model and Fee Structure Options

- Develop a Microsoft Excel A.B.C. model to ensure appropriate cost objects , drivers, data flows and fee schedule generation
- Prepare a survey for planning fees of municipal comparators.
- Present draft fee recommendations for review prior to preparation of the draft report.

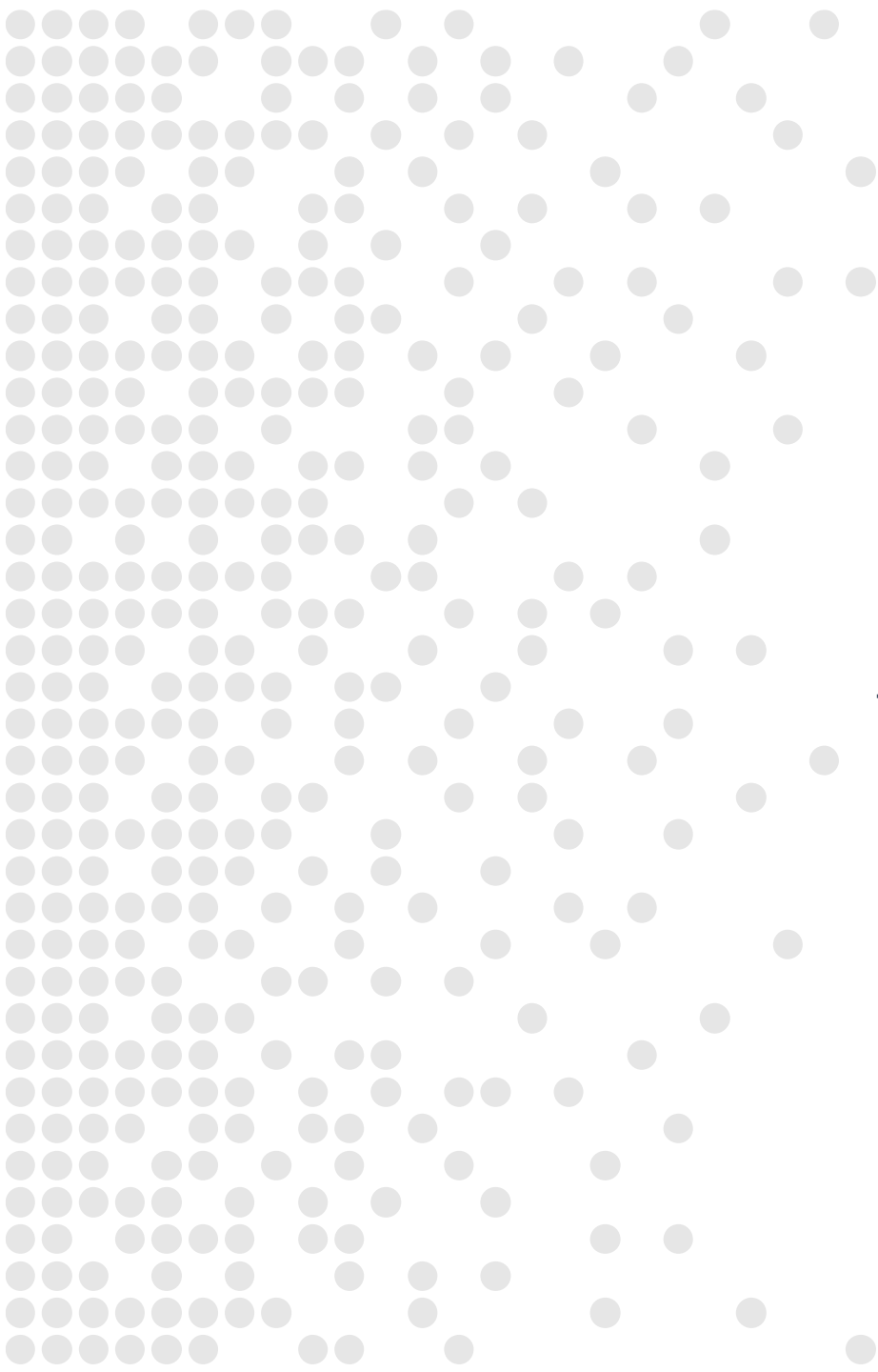
Task #6 – Preparation of the Draft Report

- Prepare a draft report for staffs' review



Task #7 – Preparation of the Final Report and Presentation to Council

- Prepare materials for findings presentation which will summarize the project methodology, findings, and full cost recovery and proposed fee structures
- Provide the final report and recommended fee structure for Council's consideration to assist with the by-law adoption process



Scope of Review

Scope of Review



- Where does the responsibility lie for engineering and inspection activity in the Town (i.e., Town staff, Town consultant, developer consultant)?
 - Subdivision detailed design review, clearance of conditions, preparation of agreement
 - Site Plan review
 - Inspection of municipal works

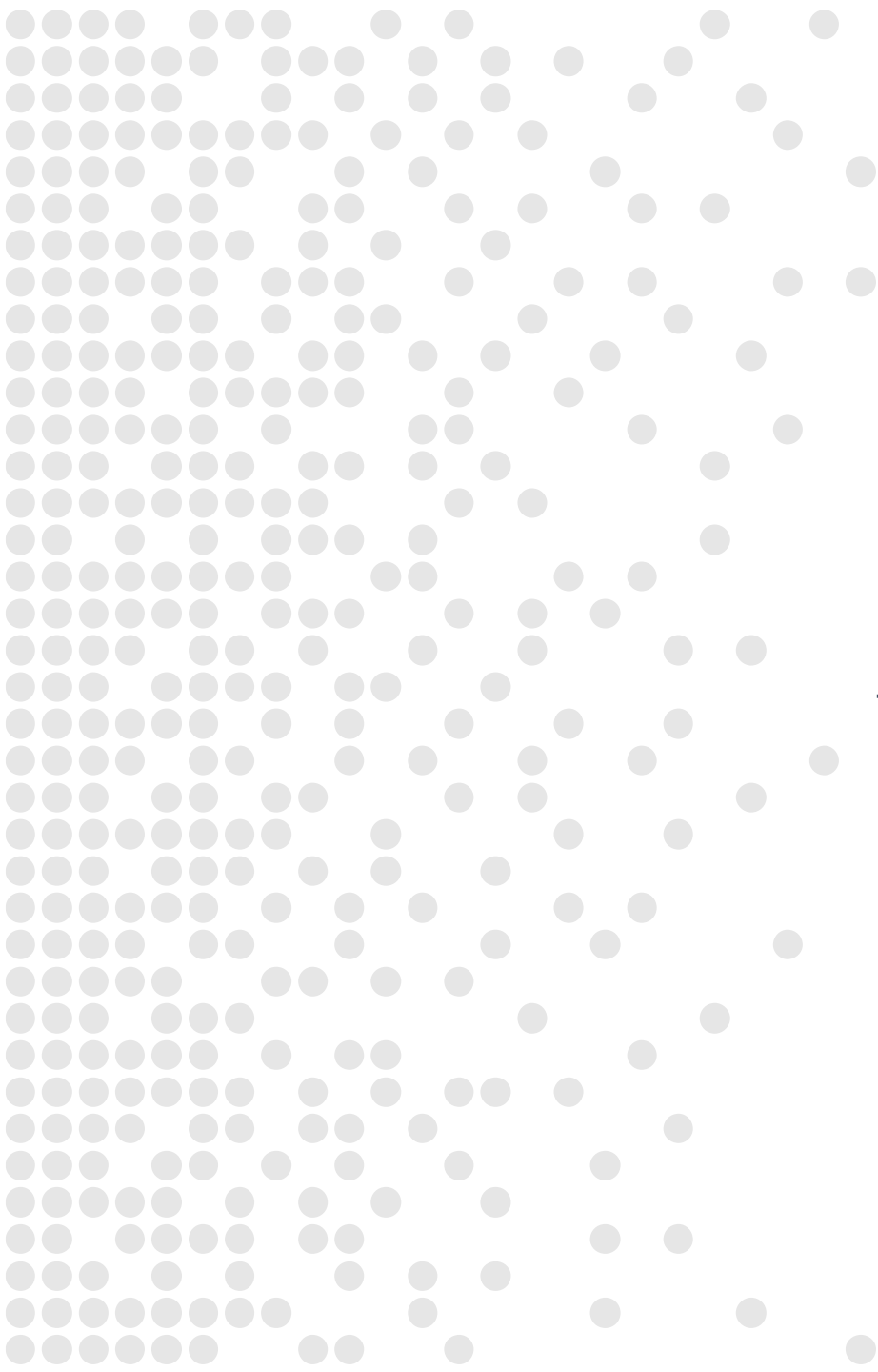


Costing Category Definition

Costing Category Definition



- Can be defined by type or sub-type of application based on characteristics
- Typically determined based on quantifiable drivers of complexity, which may impact the process undertaken or the processing intensity of effort:
 - Scope of review (e.g., major & minor)
 - Development type (e.g., residential & non-residential)
 - Size (residential units, gross floor area)
 - Location (proximity to residential development)
- Greater detail provides supportable basis for fee structure design decisions
- Costing categories may reflect changes to the application review process as a result of Bill 109 and Bill 23



Information Request

Information Request



- 2023 Operating Budget (excel format)
- Historical planning application volumes and revenues, by application category, for the past five (5) years
 - Information to include application characteristics where available (e.g. number of units, floor area, cost of works, etc.)
- Organizational charts (staff list) for all Town departments with direct involvement in building permit review;
 - Information to include salary, wage and benefit costs per position
- Asset inventories identifying replacement costs (facilities and fleet utilized in planning application review)



Timeline

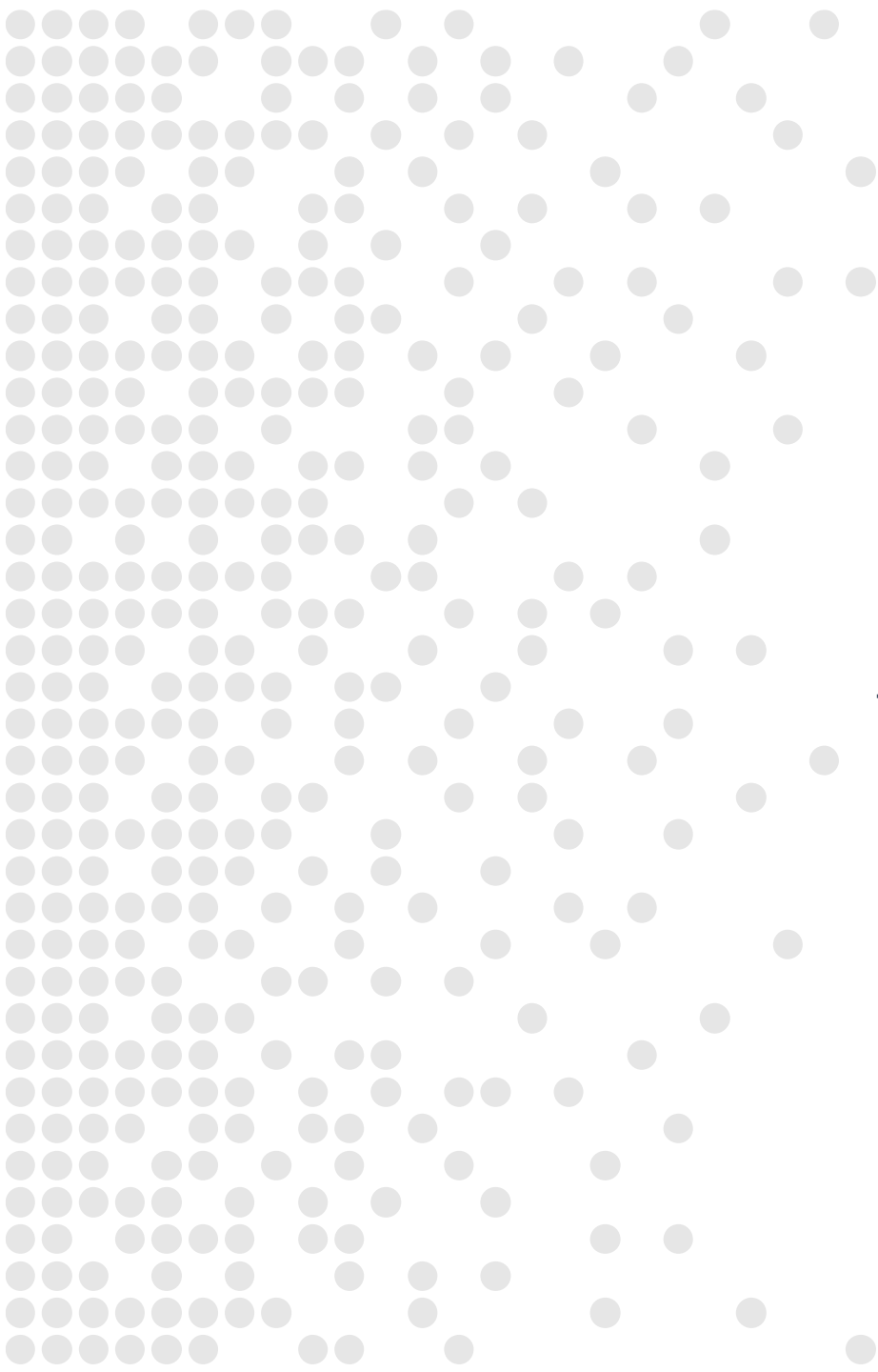
Timeline



Work Plan Task	Jun-23		Jul-23		Aug-23		Sep-23		Oct-23		Nov-23		Dec-23	
Task #1 – Project Initiation	SM													
Task #2 – Receipt and Review of Background Documents from Town Staff														
Task #3 – Fee Categorization and Process Review		SM												
Task #4 – Staff Capacity Utilization Analysis					SM		SM							
Task #5 – Construction of an A.B.C. Model and Fee Structure Options						SM			SM					
Task #6 – Preparation of the Draft Report										DR				
Task #7 – Preparation of the Final Report and Presentation at a Public Meeting of Council												FR	CP	
Provisional Task – Development Industry Stakeholder Consultation											DI			

Meetings
 SM= Staff Meeting DI=Development Industry Stakeholder Meeting CP=Council Presentation

Milestones
 DR=Draft Report FR=Final Report



Next Steps

Immediate Next Steps



- Receive initial information request
- Hold meeting to review draft costing categories and the process of providing effort estimates