



# Program Rates and Fees Review

## Nottawasaga Valley Conservation Authority

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Final Report

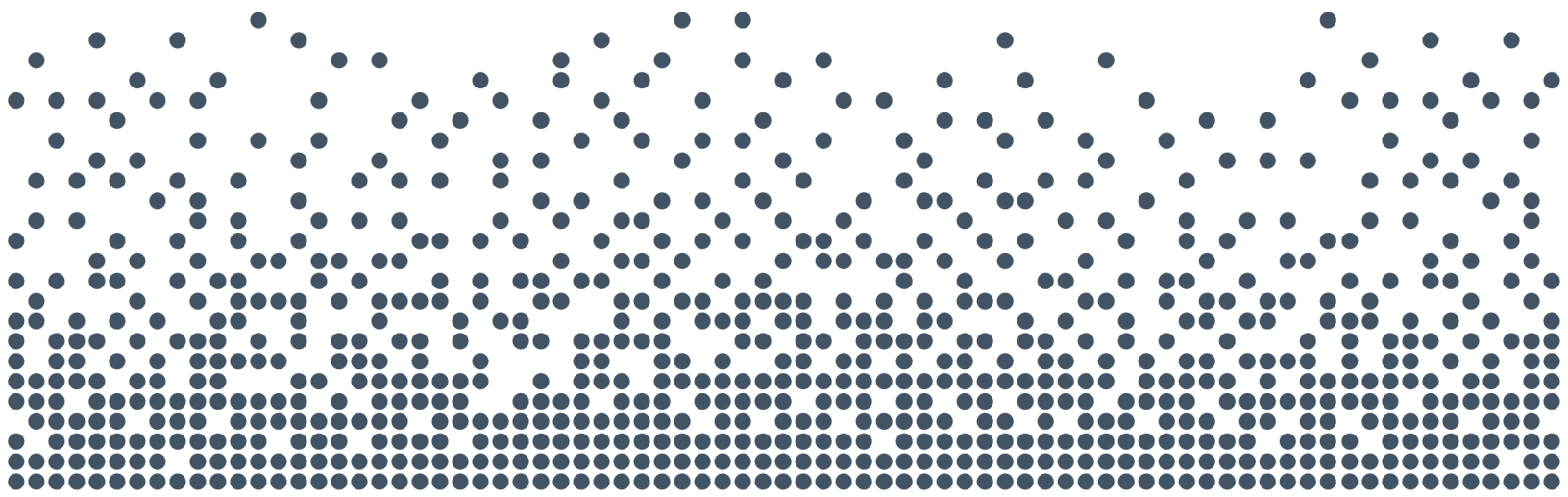
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## List of Acronyms and Abbreviations

<b>Acronym</b>	<b>Full Description of Acronym</b>
A.B.C.	Activity-Based Costing
C.A.	Conservation Authority
C.A.A.	<i>Conservation Authorities Act, 1990</i>
E.A.	Environmental Assessment
F.T.E.	Full Time Equivalent
N.V.C.A.	Nottawasaga Valley Conservation Authority
G.T.H.A.	Greater Toronto Hamilton Area
H.S.T.	Harmonized Sales Tax
L.P.A.T.	Local Planning Appeal Tribunal
M.N.R.F.	Ministry of Natural Resources and Forestry
M.O.U.	Memorandum of Understanding
O.L.T.	Ontario Land Tribunal
O.P.A.	Official Plan Amendment
Z.B.A.	Zoning By-law Amendment



# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Background

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Nottawasaga Valley Conservation Authority (N.V.C.A.) provides plan review services and approvals to provincial agencies, 18 municipalities, and landowners throughout the watersheds within the Counties of Simcoe, Dufferin, and Grey as well as a small area in the Region of Peel. Additionally, N.V.C.A. regulates development, interference with wetlands, and alterations to shorelines and watercourses through *Conservation Authorities Act*, 1990 (C.A.A.) section 28 permits granted under O. Reg. 172/06. Currently, N.V.C.A. charges fees for the plan review and permitting services, however, N.V.C.A. has not undertaken a comprehensive review of user fees since review with regard to these services and programs since 2016.

Changes to the C.A.A. through *the Building Better Communities and Conserving Watershed Act, 2017* and the *More Homes, More Choice Act, 2019* (which are discussed further in section 1.4 herein) and subsequently the *Protect, Support and Recover from COVID-19 Act (Budget Measures), 2020* have implications for the types of services provided by Conservation Authorities (C.A.s) and the available funding sources for the services provided. The impact of these changes on the ability of C.A.s to recover costs through municipal levies, agreements, memorandums of understanding, and fees and charges, suggest there will be a greater need for full cost accounting principles (i.e., direct, indirect, and capital costs) and transparency in the determination of fees and charges for all programs and services provided.

The C.A.A. and Ontario Regulations (O. Reg.) 686/21 and 687/21 set out the mandatory programs and services that C.A.s may provide and the proposed funding structures that C.A.s must comply with over the transition period to January 1, 2024. With regard to the required funding structures to be in place by January 1, 2024, the amended C.A.A. and regulations identify that programs and services can be funded through the municipal levy if they are a mandatory program or service or a program or service provided on behalf of a partnering municipality through a memorandum of understanding (MOU) or agreement.



## 1.2 Objectives

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Watson & Associates Economists Ltd. (Watson) was retained by N.V.C.A. to undertake a review of the plan review and permitting fees that they impose. The primary objectives of the fee review are to assess the full cost of providing plan review and permitting services as well as the adequacy of the current fees to recover the anticipated costs of service. Furthermore, Watson had been tasked with assessing the costs of additional staffing to meet N.V.C.A.'s desired service levels as their current staffing levels have been deemed deficient. During the study process, the Ontario government released Bill 23, the *More Homes Build Faster Act*, which altered Ontario C.A.s' role in the plan review and permitting process (discussed further in Section 1.4.2). The resulting effects of these changes in legislation were also analyzed to assess the impacts they may have on staffing requirements, annual application volumes and annual costs of service.

This analysis was the basis for the for the fee structure recommendations to improve cost recovery levels while:

- being defensible and conforming with the C.A.A. and O. Reg. 686/21, in that the costs of non-mandatory programs and services will need to be funded by self generated revenue sources;
- having regard for the Minister's list of classes of programs and services in response of which C.A.s may charge a fee;
- balancing N.V.C.A.'s need to maximize cost recovery with stakeholder interests, affordability, and competitiveness;
- reflecting industry best practices; and
- considering the administrative process for the implementation of fees.

The analysis provided herein, and ultimate fee recommendations, have been developed to provide for the full recovery of the direct costs of service while also contributing towards the recovery of indirect and overhead support costs and capital costs associated with plan review and permitting activities. The final implementation plan for these fees will be determined through consultation with external stakeholders and N.V.C.A.'s board of directors and with respect to the legislative ability to increase fees (see section 1.4.2).



This technical report summarizes the legislative context for the fees review, provides in detail, the methodology utilized to assess the full costs of service, and presents the recommended fees.

## 1.3 Study Process

Set out in Table 1-1 is the project work plan that has been undertaken in the review of N.V.C.A.'s plan review and permitting fees.

Table 1-1  
Program Rates and User Fee Study Work Plan

Work Plan Component	Description
1. Project Initiation and Orientation	<ul style="list-style-type: none"><li>• Undertook an initial start-up meeting with N.V.C.A. staff to review project scope, work plan, legislative context, fee review trends, and activity-based costing methodology</li></ul>
2. Review Background Information	<ul style="list-style-type: none"><li>• Reviewed cost recovery policies</li><li>• Assessed annual application/permit patterns and characteristics</li></ul>
3. Document Fee Categorization and Processes	<ul style="list-style-type: none"><li>• Met with N.V.C.A. staff members to review and refine fee design parameters and establish costing categories</li><li>• Developed, in collaboration with N.V.C.A. staff, process maps for categories/processes established through these discussions</li><li>• Established participating N.V.C.A. departments/staff positions, including additional staff required to meet desired service levels</li></ul>
4. Design and Execution of Direct Staff Processing Effort Estimation	<ul style="list-style-type: none"><li>• Produced (by N.V.C.A. staff) effort estimates for each plan review and permitting costing category across established processes</li><li>• Examined effort estimates to quantify and test overall staff capacity utilization (i.e., capacity analysis) for reasonableness</li><li>• Reviewed the results of the staff capacity utilization analysis with N.V.C.A. staff and refined effort estimates</li></ul>
5. Develop A.B.C. Model to Determine the Full Cost Processes	<ul style="list-style-type: none"><li>• Developed A.B.C. model to reflect the current cost base (i.e., 2023\$), fee costing categories, direct and indirect cost drivers, and generated full cost of service</li></ul>



Work Plan Component	Description
and Calculation of Fees	<ul style="list-style-type: none"><li>• Used modeled costing results to generate full cost recovery and policy-driven fee structure options</li><li>• Prepared comparison surveys for C.A. and municipal development</li><li>• Provided impact analysis for sample development types and for C.A./municipal comparators</li><li>• Developed a recommended fee structure to achieve full cost recovery while maintaining market competitiveness and considering applicant affordability</li><li>• Presented draft fee structure and findings to N.V.C.A. staff</li></ul>
6. Draft Report	<ul style="list-style-type: none"><li>• Prepared the Draft Report</li></ul>
7. Final Report and Presentation to Board of Directors	<ul style="list-style-type: none"><li>• Final report and presentation to the Board of Directors to occur in June</li></ul>

## 1.4 Legislative Context for Fees Review

The context for the fees review is framed by the statutory authority available to N.V.C.A. to recover the costs of service. The statutory authority for imposing fees for services, including plan review and section 28 permits, is conferred through the C.A.A.

### 1.4.1 Conservation Authorities Act, 1990

Section 21 of the C.A.A. provides C.A.s the legislative authority to charge fees for services. Recent changes to the C.A.A. through *the Building Better Communities and Conserving Watershed Act, 2017* (Bill 139) and the *More Homes, More Choice Act, 2019* (Bill 108), have implications for the types of services C.A.s provide and how costs are recovered. S. 21.1, S. 21.1.1, and Section 21.1.2. of the C.A.A. and O. Reg. 686/2 identify the programs and services that a C.A. is required or permitted to provide within its area of jurisdiction. These programs and services include:

- Mandatory programs and services (section 21.1) related to:
  - Risk of Natural Hazards;
  - Conservation and Management of Lands;





- Other Programs and Services related to the provincial groundwater monitoring program, the provincial stream monitoring program, or a watershed-based resource management strategy;
- Conservation authority duties, functions and responsibilities as a source protection authority under the Clean Water Act, 2006;
- Lake Simcoe Region Conservation Authority duties, functions, and responsibilities under the Lake Simcoe Protection Act, 2008; and
- Prescribed services under the Building Code Act, 1992.
- Municipal programs and services (section 21.1.1)
  - Provided through an M.O.U. or agreement with municipal partners.
- Other programs and services (section 21.1.2).

C.A.s may apportion operating costs of programs and services to participating municipalities. However, the apportionment of the costs of “municipal” programs and services must be identified in an MOU or agreement and the costs of “other” programs and services must be identified in a cost apportionment agreement. The apportionment of costs may also be appealed by the participating municipalities.

C.A.s are required to determine the fees for service unless prescribed through regulation. C.A.s are required to maintain a fee schedule that sets out the programs and services it provides and for which it charges a fee, the amount of the fee, and the manner in which the fee has been determined.

C.A.s are required to adopt a fee policy, including fee schedule, frequency, and process for review (including notice and public availability), and circumstances for the request of reconsideration. The fees and fee policy shall be made available to the public and reviewed at regular intervals. Notice of any changes to the list of fees, amount of any fee, or the manner in which the fees were determined, shall be given to the public.

The Province also released Phase 2 of the *Conservation Authorities Act* regulations, including:

- O.Reg. 402/22: Budget Apportionment;
- O.Reg. 401/22: Determination of Amounts Under subsection 27.2 (2) of the Act;
- O.Reg/ 400/222: Information requirements; and



- O.Reg. 399/22: Amendment to the Minister’s Transition Plans and Agreements for Programs and Services Under Section 21.1.2 of the Act (Ontario Regulation 687/21).

Of relevance to this undertaking is the ability of authorities to apportion general operating expenses and capital costs that are not related to the provision of programs and services to municipalities through the municipal levy. In this regard, the regulation provides clarity that general operating expenses or capital costs (referred to as indirect overhead and support costs herein) do not need to be apportioned in the costing of mandatory, municipal, or other programs and services.

As part of the release of the second phase of the regulations in 2022, the Province also released their Minister’s list of classes of programs and services in response of which C.A.s may charge a fee. The policy identifies that fees charges must be a “user fee” in which there is a direct benefit of service received and the “user pay” principle is appropriate. Further direction is provided that fees for planning and permitting services should be developed to recover but not exceed the costs associated with administering and delivering the services on a program basis.

### **1.4.2 The More Homes Built Faster Act, 2022**

*The More Homes Built Faster Act, 2022* (Bill 23) received Royal Assent on November 28, 2022. The bill was introduced with the following objective: “This plan is part of a long-term strategy to increase housing supply and provide attainable housing options for hardworking Ontarians and their families.” The Province’s plan is to address the housing crisis by targeting the creation of 1.5 million homes over the next 10 years. To implement this plan, Bill 23 introduced a number of changes to the C.A.A., along with nine other Acts including the *Development Charges Act* and the *Planning Act*, which seek to increase the supply of housing. The changes to the C.A.A. that are now in force include:

- Identifying programs and services that are prohibited within municipal and other programs and services. This change means that C.A.s are no longer permitted to review and comment on a proposal, application, or other matter made under a prescribed Act (if not related to their mandatory programs and services under O.Reg. 686/21). One of the main areas impacting C.A. involvement is with



respect to their role reviewing natural heritage matters on behalf of their municipal partners.

- The Minister of Natural Resources and Forestry was granted authority to issue a written direction to C.A.s to not change fees under section 21.3 of the C.A.A. Written direction was provided to all C.A.s on December 28, 2022 to not change fees related to reviewing and commenting on planning and development proposals, applications, or land use planning policies, or for C.A. permitting until December 31, 2023.

Further regulations are anticipated to define exemptions to the requirement for a permit under section 28 such as when a development has been authorized under the *Planning Act*.



# Chapter 2

## Activity-Based Costing Methodology



## 2. Activity-Based Costing Methodology

### 2.1 Activity Based Costing Methodology for Plan Review and Permitting Fees

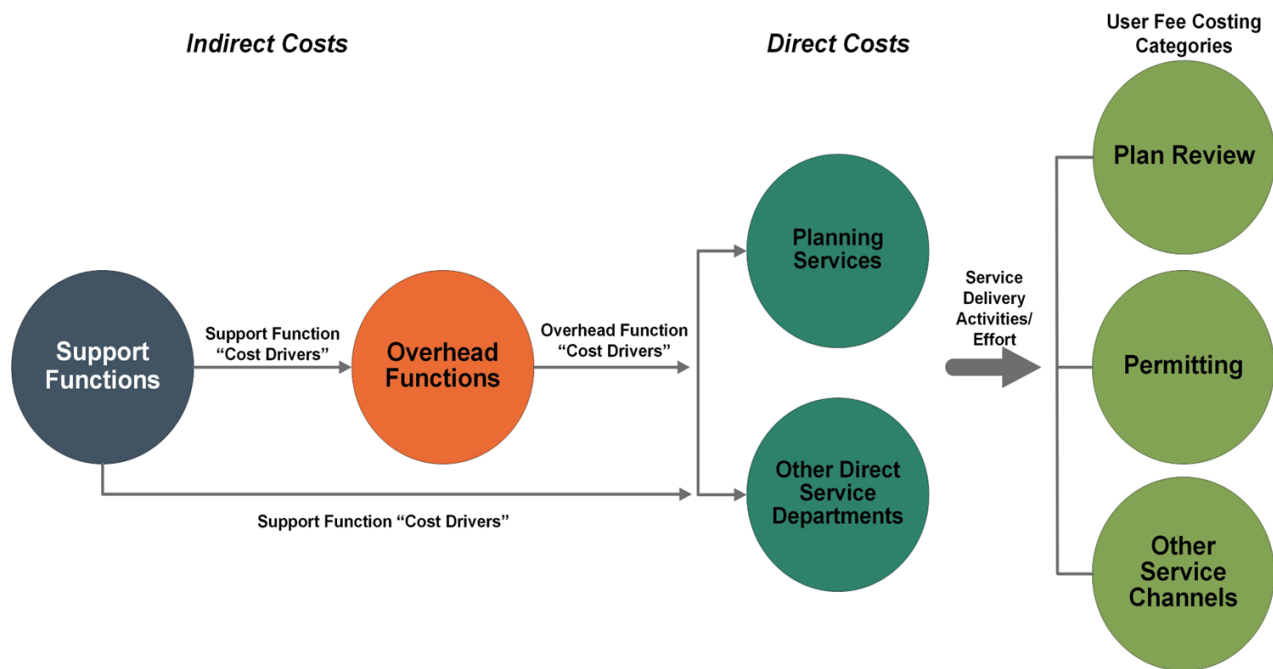
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An activity-based costing (A.B.C.) methodology, as it pertains to C.A.s, assigns an organization's resource costs through activities to the services provided to the public. Conventional public sector accounting structures are typically not well suited to the costing challenges associated with development or other service processing activities, as these accounting structures are department focussed and thereby inadequate for fully costing services with involvement from multiple departments/divisions. An A.B.C. approach better identifies the costs associated with the processing activities for specific user-fee types and thus is an ideal method for determining full cost recovery plan review and permit fees.

As illustrated in Figure 2-1, an A.B.C. methodology attributes processing effort and associated costs from all participating departments and individuals to the appropriate plan review and permit categories. The resource costs attributed to processing activities and application/permit categories include direct operating costs, indirect support costs, and capital costs. Indirect support function and corporate overhead costs are typically allocated to direct service departments according to operational cost drivers (e.g., human resource costs allocated based on the relative share of full time equivalent (F.T.E.) positions by department). Once support costs have been allocated amongst direct service departments, the accumulated costs (i.e., indirect, direct, and capital costs) are then distributed across the various fee categories, based on the department's direct involvement in the processing activities. The assessment of each department's direct involvement in the plan review and permitting process is accomplished by tracking the relative shares of staff processing effort across each fee category's sequence of mapped process steps. The results of employing this costing methodology provides organizations with a better recognition of the costs utilized in delivering plan review and permitting services, 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 Cost Flow Diagram



## 2.2 Plan Review and Permitting Fee Costing Category Definition

A critical component of the full cost recovery fees review is the selection user fee costing categories. This is an important first step as the process design, effort estimation, resource allocation, and the subsequent costing exercise is based on these categorization decisions. Moreover, the cost categorization process will provide insight into any differences in processing or resource costs for each costing category, which is informative to the fee structure design exercise.

For plan review and permitting, fee categorization decisions were made using N.V.C.A.'s existing fee structure and discussions on the potential further disaggregation of application/permit types to understand differences in costs by application complexity (e.g., minor and major applications, inclusion of technical reviews) and size (e.g., differentiation by number of units). These discussions and the fee categorization process were undertaken during working sessions with N.V.C.A. staff at the outset of



this review and allows for a better understanding of the factors influencing processing effort.

Summarized in Table 2-1 and 2-2 are the plan review and permitting costing categories that have been included in the A.B.C. model. These costing categories have been used to rationalize changes to N.V.C.A.'s plan review and permitting user fee schedule and understand the full costs of other processes.

The following explains the rationale for the major plan review and permitting categorization decisions utilized in the fee review:

### **Plan Review**

- Official Plan Amendments (O.P.A.), Zoning By-law Amendments (Z.B.A.) applications have been costed separately to understand the difference in costs by application type. Additionally, these have been separated into minor vs. major (i.e., including technical review) application types to understand the cost differences based on the complexity of the applications.
- Minor, intermediate, and major Subdivision and Condominium application categories have been included to understand the differences in marginal costs by development size (i.e., hectares). Additional categories have also been included for revisions to draft plan approvals (i.e., red line revisions).
- For residential site plans, categories for major, minor, and intermediate (differentiated by size) have been included in the analysis. For all other site plans, the same three categories have been included as well as an additional category for complex applications.
- Committee of Adjustment applications (i.e., consents and minor variances) have been looked at as major vs minor application types to cost the differences between the complexity of the applications when technical reviews are required.
- Categories for applications that are typically received concurrently have also been included to recognize economies of scale in processing joint applications.
- Other application types have been categorized to reflect N.V.C.A.'s current fee schedule and include new golf course applications, aggregate proposals, Niagara Escarpment Commission (N.E.C.) applications, and letters of approval.

### **Permitting**



- The current disaggregation seen in N.V.C.A.'s current fee schedule has been maintained for this exercise as it reflects the differences between permit complexity.
- Additional categories have been included for time spent on unauthorized works where no permit is issued and compliance may or may not be gained.
- Agricultural permits have not been included as a separate category as the agricultural permit process is similar to that for other C.A.A. development permits.





Table 2-1  
Plan Review Costing Categories

Costing Category	
	<b>Planning</b>
	<b>OPA/ZBA</b>
1	OPA - Minor
2	OPA - Major
3	ZBA - Minor
4	ZBA - Major
	<b>Technical Reviews</b>
5	Scoped Technical Review
6	Full Technical Review (including flood plain study)
	<b>Subdivision/Condo</b>
7	1. Subdivision or Condo - Minor (less than 4 hectares)
8	2. Subdivision or Condo - Intermediate
9	3. Subdivision or Condo - Major (30 hectares)
10	1. Redline Revision - Minor (Design Change)
11	2. Redline Revision - Major (Change to Limits of Development)
	<b>Site Plan</b>
12	Letter of Approval - Site Plan
13	1. Site plan - Minor (Below 2 ha)
14	2. Site Plan - Intermediate (2-4 ha)
15	3. Site Plan - Major (4-10 ha)
16	4. Site Plan - Complex (Above 10 ha)
17	5. Site Plan Residential - Minor (less than 4 hectares)
18	6. Site Plan Residential - Intermediate
19	7. Site Plan Residential - Major (30 hectares)
	<b>Major Applications</b>
20	New Golf Courses
21	1. Aggregate Proposals Below Water Table
22	2. Aggregate Proposals Above Water Table
	<b>COA</b>
23	1. Consent - Minor
24	2. Consent - Major
25	1. Minor Variance - Minor
26	2. Minor Variance - Major
	<b>Other</b>
27	1. NEC Applications - Minor
28	2. NEC Applications - Major
29	Letter of Approval - OPA, ZBA, Consent, Minor Variance, NEC Permit, CA Permit
	<b>Combined Applications</b>
30	1. Combined OPA and ZBA
31	2. Combined OPA, ZBA and Subdivision
32	3. Combined OPA, ZBA, Siteplan



Table 2-2  
Permitting Costing Categories

Costing Category	
	<b>Permitting</b>
	<b>Permits</b>
1	1. Permit Application - Minor
2	2. Permit Application - Intermediate
3	3. Permit Application - Major
4	4. Permit Application - Major - Complex
5	Works located within flood and or erosion hazard
	<b>Unauthorized Works</b>
6	1. Unauthorized works - Permit issued
7	2. Unauthorized works - No Permit issued (Compliance)
8	3. Unauthorized works - No Permit issued (No Compliance)
	<b>Other</b>
9	1. Minor Fill Project (1,000 m3)
10	2. Major Fill Project (5,000 m3)
11	Permit – amendment
12	Legal or Real Estate Inquiries
13	Legal or Consultant Peer Review Costs (charged on the basis of cost recovery)
14	Provision of Individual Property Information
15	1. Pre-consultations Fee (without site visit)
16	2. Pre-consultations Fee (one planner and one technical discipline)
17	3. Pre-consultations Fee (one planner and more than one technical discipline)

## 2.3 Processing Effort Cost Allocation

To capture each participating N.V.C.A. staff member’s relative level of effort in processing plan review applications and permits, process templates were prepared for each of the referenced costing categories in Table 2-1 and 2-2. The process templates were generated using sample templates based on established processes from other C.A.s. N.V.C.A. staff then refined and modified the process steps to reflect the current and/or proposed plan review and permitting processes undertaken by N.V.C.A.

The individual process maps were populated by N.V.C.A. staff in internal working sessions with the typical effort spent by staff for each process step and costing



category. The effort estimates generated reflect the time related to the plan review and permitting processing activities by participating N.V.C.A. staff position and by application/permit type.

During the outset of the project, N.V.C.A. staff identified that their current staff compliment is deficient to provide their desired service levels (e.g., faster turnaround times, more in depth application review, etc.). To achieve these service levels, it was identified that the following three additional staff would be required: a Senior Planner, a Water Resource Engineer/Technologist, and a Senior Regulations Technician. When providing the effort estimates for staff, estimates for these additional resources were also provided. These effort estimates were applied to average historical application/permit volumes, by type, to produce annual processing effort estimates by N.V.C.A. staff position.

Annual processing efforts per staff position were compared with available capacity to determine overall service levels. Subsequent to this initial capacity analysis, working sessions were held with the N.V.C.A. staff to further define the scope and nature of staff involvement in plan review and permitting activities to reflect current and/or anticipated staff utilization levels. These refinements provided for the recognition of efforts that are ancillary but related to the direct processing tasks, i.e., departmental support activities, management, and application oversight activities by departmental senior management.

The capacity utilization results are critical to the full cost recovery fee review because the associated resourcing costs follow the activity-generated effort of each participating staff member into the identified costing categories. As such, considerable time and effort was spent ensuring the reasonableness of the capacity utilization results. The overall departmental fee recovery levels underlying the calculations are provided in Chapter 3 of this report.

Separate scenario analysis has also been undertaken to assess the impacts to levels of effort and to annual volumes of applications/permits received as a result of proposed changes within Bill 23. The proposed changes brought about by Bill 23 that have been considered in the scenario analysis are:

- Prohibiting authorities from reviewing applications made under a prescribed Act (if not related mandatory programs and services). i.e., the removal of Natural Heritage review; and



- Streamlining certain low-risk development activities and developments associated with a Planning Act application from requiring a permit.

The effects of the additional staffing requirements to meet desired service levels and the impacts of Bill 23 on application review responsibilities and application volumes have been assessed for:

- Annual staff utilization;
- Annual costs of service;
- Annual revenues; and
- The impact on municipal levy funding requirements.

## 2.4 Direct Costs

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Direct costs refer to the employee costs (salaries, wages, and benefits), supplies, materials, and equipment, and purchased services, that are typically consumed by directly involved departments. Based on the results of the staff capacity analysis summarized in Chapter 3, the proportionate share of each individual's direct costs is allocated to the respective user fee categories. The direct costs included in N.V.C.A.'s costing model are taken from their 2023 operating budget and include cost components such as compensation and benefits (e.g., salary, wages, and benefits) and other operating expenses (e.g., materials, insurance, etc.).

## 2.5 Indirect Cost Functions and Cost Drivers

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An A.B.C. model includes both the direct service costs of providing service activities and the indirect support costs that allow direct service departments to perform these functions. The method of allocation employed in this analysis is referred to as a step-down costing approach. Under this approach, support function and general corporate overhead functions are classified separately from direct service delivery departments. These indirect cost functions are then allocated to direct service delivery departments based on a set of cost drivers, which subsequently flow to plan review application and permit fee categories according to staff effort estimates. Cost drivers are units of service that best represent the consumption patterns of indirect support and corporate overhead services by direct service delivery departments. As such, the relative share of a cost driver (units of service consumed) for a direct department determines the relative



share of support/corporate overhead costs attributed to that direct service department. N.V.C.A. currently allocates support costs from GIS & Technical Support, Transportation, Office and Occupancy Costs, Governance and Corporate Administration to Planning Services amongst other direct service departments. However, the entirety of the budgeted support costs are not allocated to the direct service departments. As such, for the purpose of this analysis, the N.V.C.A. budgeted drivers (i.e. estimates of man hours) were used to allocate the total budgeted support costs.

## **2.6 Capital Costs**

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Annual capital costs have been included in the full cost assessment to reflect the replacement value of assets commonly utilized to provide direct department services.

The inclusion of capital costs relating within the full cost plan review and permitting fees calculations follow a methodology similar to indirect costs.

The replacement value approach determines the annual asset replacement value over the expected useful life of the respective assets. This reflects the annual depreciation of the asset over its useful life based on current asset replacement values using a sinking fund approach. This annuity is then allocated across all fee categories based on the capacity utilization of the direct service departments.



# Chapter 3

## Plan Review and Permitting Fees Review



## 3. Plan Review and Permitting Fees Review

### 3.1 Staff Capacity Utilization Results

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To capture each participating N.V.C.A. staff member's relative level of effort in processing activities related to plan review/permitting, process estimates were obtained for each of the costing categories referenced in Table 2-1 and 2-2. The effort estimates were applied against average annual plan review/permitting volumes for the 2018 - 2021 period to assess the average annual processing time per position spent on each plan review/permitting category in the current state (i.e., pre-Bill 23). These calculations were undertaken for both current service levels (i.e., current staff compliment) and the desired service levels (i.e., with the additional staff discussed in section 2.3). Additionally, the effects of Bill 23 (i.e., reduced review responsibilities and permit volumes) has also been assessed under the desired service level and Bill 23 scenarios. The Bill 23 scenario analysis accounts for a reduction in staff involvement on plan review from planning ecologists (20% reduction) and water resource engineers (15% reduction) with the removal of natural heritage review. These reductions have been estimated by N.V.C.A. staff for the order of magnitude scenario analysis considered herein. Furthermore, the annual volumes of development permits has been reduced by 30 permits per year to estimate the impacts of exemptions to permits associated with *Planning Act* applications.

Table 3-1 summarizes the annual staff resource utilization and number of F.T.E. positions attributable to plan review and permitting processes for each of the three scenarios:

- Scenario 1 – Current Staff Compliment
- Scenario 2 – Desired Service Levels
- Scenario 3 – Desired Service Levels – Bill 23

The level of staff involvement excludes non-plan review and permit processing effort provided by staff for O.L.T. appeals, other provincial reviews, corporate management, policy initiatives, public consultation, and other organizational initiatives, consistent with the approach utilized in other Ontario C.A.s. Table 3-2 outlines each of the departments' aggregated involvement by the high-level category groupings for the Desired Service Levels – Bill 23 Impacts scenario.



**Table 3-1  
Staff Resource Utilization by Division and Review Area**

Staff Position	Current Staff Compliment				Desired Service Levels				Desired Service Levels - Bill 23 Impacts			
	FTE	Planning	Permitting	Total	FTE	Planning	Permitting	Total	FTE	Planning	Permitting	Total
<b>Watershed Management Services</b>												
Director, Watershed Management Services	1.00	38%	36%	74%	1.00	40%	37%	78%	1.00	40%	37%	77%
Development Review Assistant	1.00	24%	67%	90%	1.00	24%	67%	90%	1.00	24%	65%	89%
<b>Engineering</b>												
Water Resource Engineer	2.00	50%	45%	95%	3.00	50%	45%	95%	3.00	43%	44%	86%
Senior Engineer	1.00	48%	27%	75%	1.00	48%	27%	75%	1.00	41%	26%	67%
Engineering Technologist	1.00	61%	34%	95%	1.00	61%	34%	95%	1.00	52%	33%	85%
Flood Operations Field Specialist	1.00				1.00				1.00			
Watershed Monitoring Technician	0.25				0.25				0.25			
<b>Watershed Science</b>												
Manager, Watershed Science	1.00	1%		1%	1.00	1%		1%	1.00	1%		1%
Senior Ecologist	1.00		50%	50%	1.00		50%	50%	1.00		48%	48%
Watershed Monitoring Specialist	1.00				1.00				1.00			
Watershed Monitoring Technician												
<b>Planning</b>												
Manager, Planning Services	1.00	43%	32%	75%	1.00	43%	32%	75%	1.00	43%	32%	75%
Planning Ecologist	1.00	85%	15%	100%	1.00	85%	15%	100%	1.00	68%	15%	83%
Supervisor, Planning Services				100%	1.00	100%		100%	1.00	100%		100%
Planner I	3.00	100%		100%	3.00	100%		100%	3.00	100%		100%
<b>Regulations &amp; Enforcement</b>												
Regulations Technician	2.00		100%	100%	2.00		100%	100%	2.00		97%	97%
Senior Regulations Technician	1.00		100%	100%	2.00		100%	100%	2.00		97%	97%
<b>Total Watershed Management</b>	<b>18.25</b>	<b>38%</b>	<b>36%</b>	<b>74%</b>	<b>21.25</b>	<b>40%</b>	<b>37%</b>	<b>78%</b>	<b>21.25</b>	<b>37%</b>	<b>37%</b>	<b>74%</b>
<b>Total FTEs Utilized</b>		<b>7.00</b>	<b>6.50</b>	<b>13.50</b>		<b>8.52</b>	<b>7.96</b>	<b>16.48</b>		<b>7.96</b>	<b>7.77</b>	<b>15.73</b>

**Table 3-2  
Desired Service Levels – Bill 23 Detailed Capacity**

Costing Category	Watershed Management	Engineering	Watershed Science	Planning Subtotal	Regulations & Enforcement
<b>FTEs</b>	<b>2</b>	<b>6.25</b>	<b>3</b>	<b>6</b>	<b>4</b>
<b>Planning</b>					
OPA & ZBA	4.7%	1.5%		8.2%	
Technical Review	0.0%	0.1%		0.1%	
Miscellaneous	7.8%	9.4%	0.0%	11.8%	
Subdivions & Condominium	0.2%	0.3%		0.5%	
Site Plan	4.1%	3.3%	0.0%	16.9%	
Committee of Adjustments	3.6%	5.4%	0.0%	17.7%	
Combined Applications	11.3%	15.5%	0.1%	29.8%	
<b>Subtotal Planning</b>	<b>31.8%</b>	<b>35.4%</b>	<b>0.2%</b>	<b>85.1%</b>	<b>0.0%</b>
<b>Permitting</b>					
Permits	28.0%	15.2%	12.7%	4.5%	65.0%
Unauthorized Works	11.2%	11.8%	1.9%	2.4%	18.3%
Fill Projects	0.6%	0.3%	0.0%	0.1%	1.0%
Inquiries	8.0%		0.4%	0.3%	11.1%
Preconsultation	3.0%	3.2%	1.0%	0.6%	1.9%
<b>Subtotal Permitting</b>	<b>50.8%</b>	<b>30.5%</b>	<b>16.1%</b>	<b>7.9%</b>	<b>97.2%</b>
<b>Grand Total</b>	<b>82.7%</b>	<b>65.8%</b>	<b>16.3%</b>	<b>93.0%</b>	<b>97.2%</b>

The following observations are provided based on the results of the capacity analysis summarized in Table 3-1 and 3-2:





### **Scenario 1 – Current Staff Compliment**

- In total, 13.5 (or 70%) of the total 18.25 F.T.E. staff positions are involved in the plan review and permitting processes. 52% (7.0 F.T.E.s) of this effort is spent on plan review activities and 48% (6.5 F.T.E.s) is spent on permitting activities.
- 91% of the total time spent on plan review is undertaken by Engineering (30% of the total utilized F.T.E.s) and Planning (61% of the total utilized F.T.E.s).
- Permitting is mainly undertaken by Engineering (23% of the total utilized F.T.E.s), Watershed Management Services Administrative Staff (16% of the total utilized F.T.E.s) and Regulations and Enforcement (46% of the total utilized F.T.E.s).

### **Scenario 2 – Desired Service Levels**

- Including the three additional staff required for N.V.C.A. to meet their desired service levels increase the total utilized F.T.E.s by 2.98 from 13.5 in the Current Staff Compliment scenario to 16.48.
- Utilized F.T.E.s increase by 22% for plan review (+1.52 utilized F.T.E.s) and 23% for permitting review (+1.47 utilized F.T.E.s).
- The distribution of effort across the departments for plan review and permitting remains generally unchanged when compared to the Current Staff Compliment scenario.

### **Scenario 3 – Desired Service Levels – Bill 23**

- Comparing the Bill 23 impacts considered herein to the Desired Service Levels scenario, utilized F.T.E.s will decrease 5% overall (a reduction of 0.56 F.T.E.s on plan review and 0.2 F.T.E.s on permitting).
- After these adjustments, it is still anticipated that the overall involvement in plan review will increase 14% (+0.96 utilized F.T.E.s) and 20% (+1.27 F.T.E.s) on permitting over the Current Staff Compliment scenario.
- Similar to the Desired Service Levels scenario, the distribution of effort across the departments for plan review and permitting remains generally unchanged when compared to the Current Staff Compliment scenario.
- As shown in Table 3-2, the greatest area of staff involvement on an annual basis is on combined applications (e.g. subdivision and Z.B.A. applications received concurrently). 37% of the annual staff time spent on plan review is for these applications received concurrently. The next largest area of involvement is



Committee of Adjustment applications (i.e. minor variance and consent applications) due to the large volume of these applications received annually.

- For plan review the majority of time is spent on development permits with the majority of that time being spent on minor development permits. Staff are also spending just under 25% of their annual time related to permitting on compliance and enforcement matters. This represents approximately 1.9 F.T.E.s annually.

## 3.2 Annual Costs and Revenues

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Consideration was given to the marginal costs of processing applications of varying sizes and complexity. In this regard, plan review and permitting processes have been costed at the application type and sub-type level. This level of analysis goes beyond the statutory requirements of cost justification on a program basis to better understand costing distinctions at the application sub-type level to provide the basis for a more defensible fee structure and fee design decisions.

The following subsections summarize the overall cost recovery levels for plan review and permitting.

Annual cost impacts include the direct, indirect, and capital costs by costing category and are based on N.V.C.A.'s 2023 budget. The overall recovery levels are based on the weighted average annual historical application and permit volumes over the 2018 to 2021 period, the anticipated change in application volumes due to Bill 23 and 2023 application/permit fees.

Table 3-3 presents the annual costs of service for each of the three scenarios discussed in Section 3.1. Under Scenario 1, the total annual cost of service is \$1.8 million (\$928,600 for plan review services and \$846,100 for permitting services). With the anticipated additional staffing for Scenario 2, overall annual costs increase by 18% (+\$315,500) with costs associated with plan review services totaling \$1.1 million and permitting totaling \$1.0 million. Scenario 3 then shows a slight decrease from Scenario 2 to account for the reduction in anticipated application volumes and engineering and ecology involvement. Under Scenario 3, an additional \$216,100 (+12%) has been included over Scenario 1. Under Scenario 3, direct costs of service represent 79% of the annual costs, while indirect and capital costs represent the remaining 21%.



Table 3-3  
Annual Cost of Service

Scenario	Planning	Permitting	Total
<b>Scenario 1 - Current Staff Compliment</b>			
Direct SWB Costs	682,260	617,551	1,299,811
Direct Non-SWB Costs	33,226	30,821	64,047
Indirect Costs	190,234	176,465	366,698
Capital Costs	22,925	21,266	44,191
<b>Total</b>	<b>928,645</b>	<b>846,103</b>	<b>1,774,747</b>
<b>Scenario 2 - Desired Service Levels</b>			
Direct SWB Costs	830,988	756,541	1,587,529
Direct Non-SWB Costs	34,725	32,450	67,175
Indirect Costs	198,813	185,790	384,604
Capital Costs	26,326	24,601	50,927
<b>Total</b>	<b>1,090,852</b>	<b>999,382</b>	<b>2,090,235</b>
<b>Scenario 3 - Desired Service Levels - Bill 23 Impacts</b>			
Direct SWB Costs	773,122	738,105	1,511,226
Direct Non-SWB Costs	32,441	31,653	64,094
Indirect Costs	185,740	181,225	366,965
Capital Costs	24,595	23,997	48,591
<b>Total</b>	<b>1,015,897</b>	<b>974,979</b>	<b>1,990,876</b>

Table 3-4 compares cost and modelled revenues for each scenario. Modelled revenue is the annual revenue that would be produced by applying current fees to the average annual application and permits volumes received.

Under Scenario 1, annual modelled revenue totals \$1.3 million (\$808,200 for plan review totals and \$458,500 for permitting). This annual revenue would recover 71% of the full costs of service identified in Table 3-3. Plan review fees are performing better than permitting fees from a cost recovery standpoint. For example, plan review fees are recovering 87% of costs, while permitting fees are recovering 54% of annual costs.

Under Scenario 2, annual revenue from current fees would remain unchanged in comparison to Scenario 1, however, cost recovery levels decrease due to the additional \$315,500 in costs incurred as a result of adding staff in improve service levels.



Under Scenario 3, annual revenue and costs associated with plan review and permitting would decrease as a result of decreasing the involvement of staff in plan review and reducing the number of permits that would be received annually.

Table 3-4  
Modelled Revenues and Cost Recovery Levels

	Scenario	Planning	Permitting	Total
	<b>Scenario 1 - Current Staff Compliment</b>			
1	Revenue	808,133	458,492	1,266,625
2	Less: Total Costs	928,645	846,103	1,774,747
3	Surplus/(Deficit)	(120,511)	(387,611)	(508,122)
4	Cost Recovery %	87%	54%	71%
	<b>Scenario 2 - Desired Service Levels</b>			
1	Revenue	807,974	458,307	1,266,281
2	Less: Total Costs	1,090,852	999,382	2,090,235
3	Surplus/(Deficit)	(282,878)	(541,075)	(823,953)
4	Cost Recovery %	74%	46%	61%
	<b>Scenario 3 - Desired Service Levels - Bill 23 Impacts</b>			
1	Revenue	808,133	444,891	1,253,024
2	Less: Total Costs	1,015,897	974,979	1,990,876
3	Surplus/(Deficit)	(207,764)	(530,088)	(737,852)
4	Cost Recovery %	80%	46%	63%

Table 3-5 shows the breakdown of revenue and costs by major application and permit type for Scenario 3 (Desired Service Levels – Bill 23 Impacts). Within plan review, combined applications make up 38% of the annual costs, (\$387,600), O.P.A. and Z.B.A. make up 8% of the total costs (\$85,400), Site Plans make up 16% of the total costs (\$162,300) and Committee of Adjustment applications make up 18% (\$185,300) of the total annual costs. The remaining costs of \$195,400 are distributed amongst standalone Subdivisions and Condominiums, Golf Courses and Aggregates, NEC Applications and Letters of Approval.

The majority of the costs for permitting (57% or \$557,000) for Scenario 3 are related to the review of permit applications. The remainder of the costs are related to enforcement activities for unauthorized works (25% or \$242,500) and other cost recoverable activities (18% or \$175,500).

The modelled revenues under Scenario 3 based on N.V.C.A.'s current fee schedule would recover 63% of the cost of service (\$1.3 million), with plan review fees performing



better than permitting fees at 80% cost recovery (\$808,100) versus 46% cost recovery (\$444,900) realized by the permitting fees.

With regard to planning applications, current fees for combined applications, subdivision and condominium, and major applications (golf courses and aggregate applications) are generating a surplus (148% cost recovery). Conversely, all other application types (i.e., O.P.A, Z.B.A, Site Plan, Committee of Adjustment, NEC application and letters of approval) are currently only recovering 35% of the annual cost of service.

Within permitting, development permits are generating the largest share of revenues (65% of all permitting related revenues). However, permit fees are only recovering 52% of their annual cost of service. Unauthorized works are currently recovering 23% of annual enforcement costs and all other application types are recovering approximately 59% of the annual cost of service.

**Table 3-5**  
Annual Costs and Revenues by Major Application/Permit Type for Scenario 3 – Desired Service Levels – Bill 23 Impacts

Category	Total Costs	Annual Impacts		
		Revenue	Cost Recovery (%)	Surplus/ (Deficit)
<b>Planning</b>				
OPA/ZBA	85,413	35,908	42%	(49,505)
Technical Reviews	1,041	159	15%	(882)
Subdivision/Condo	7,166	19,052	266%	11,886
Site Plan	162,276	78,434	48%	(83,842)
Major Applications	7,846	21,579	275%	13,733
COA	185,258	65,080	35%	(120,178)
Other	179,313	34,116	19%	(145,198)
Combined Applications	387,583	553,805	143%	166,222
<b>Planning Total</b>	<b>1,015,897</b>	<b>808,133</b>	<b>80%</b>	<b>(207,764)</b>
<b>Permitting</b>				
Permits	556,985	287,396	52%	(269,589)
Unauthorized Works	242,507	54,785	23%	(187,722)
Other	175,488	102,710	59%	(72,777)
<b>Permitting Total</b>	<b>974,979</b>	<b>444,891</b>	<b>46%</b>	<b>(530,088)</b>
<b>Grand Total</b>	<b>1,990,876</b>	<b>1,253,024</b>	<b>63%</b>	<b>(737,852)</b>



### 3.3 Fee Recommendations

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Proposed fee structure recommendations were developed with regard to the cost and revenue impacts presented in Table 3-5 by program area (i.e., plan review vs. permitting) and by individual costing category (e.g. Subdivision vs. O.P.A, etc.). The proposed fee structures, presented in Table 3-6, seek to align the recovery of processing costs to application/permit characteristics to improve cost recovery levels while balancing C.A.A. compliance, applicant benefits and affordability, and revenue stability. N.V.C.A.'s current fee structure has been generally maintained within the proposed fee structures. Proposed plan review and permitting fees have been designed below full cost recovery levels where full cost recovery fees would be beyond the range of the fees imposed by comparator C.A.s or charging fees would run counter to N.V.C.A.s service objectives.

In developing the proposed fees, a survey of the fees imposed for a comparator group of C.A.s was undertaken to assess the relative competitiveness of the current and proposed fees. This survey is contained in Appendix A.

The proposed fees have been calculated in 2023\$ values and exclude H.S.T. Furthermore, it is recommended that fees be increased annually consistent with cost-of-living increases incorporated into N.V.C.A.'s annual budget. As such, if the C.A.s are permitting to change their fees as of January 1, 2024, the following fee recommendations should be adjusted to account for increases in N.V.C.A. budgeted costs. The following fee recommendations from Table 3-6 are noted:

#### **Plan Review**

- Site specific O.P.A and Z.B.A. fees would be increased and new fees are proposed to differentiate technical reviews between a Scoped Technical Review and a Full Technical Review which includes a flood plain study.
- No changes to Subdivision, Condominium, Golf Course, or Aggregate Proposal fees.
- No changes are proposed for residential Site Plan applications (consistent with Subdivision fees). All other Site Plan fees would be increased to improve cost recovery levels.
- It is recommended that where plan review applications are received concurrently (e.g., Subdivision and Z.B.A.) that only the higher of the individual application



fees would apply to recognize the economies of scale in processing combined applications.

- Committee of Adjustment (i.e., minor variance and consent applications) and NEC application fees have increased to levels consistent with other C.A.s

### **Permitting**

- Development permit fees have been increased to full cost recovery levels while maintaining competitiveness with other C.A.s. The discounted fee for agricultural permit fees that were established in 2016 has been maintained.
- Legal/real estate inquiry fees are proposed to increase from \$214 to \$350 to improve cost recovery while maintaining affordability and competitiveness with other C.A. fees.

It is also proposed that the fee implementation policies will provide N.V.C.A. with the authority to modify fees should the review require a substantially greater or lower level of review and/or assessment. This policy has been used in other C.A.s to adjust fees where additional technical reviews are required or where development permits stemming from a planning application require less review than stand-alone permits.



Table 3-6  
Proposed Fees

Description	Charging Parameter	Current Fees	Proposed Fees
<b>Planning Services</b>			
<b>Site Specific Official Plan and Zoning By-Law Amendments</b>	per application	\$530	\$1,300
Additional fee for scoped technical study review	per application	\$796	\$2,500
Additional fee for full technical study review (including flood plain study)	per application	n/a	\$5,000
Letter of approval (no technical review or site inspection required)	per application	\$107	\$200
<b>Plan of Subdivision/Condominium (Residential, Commercial and Industrial)</b>			
Minimum Fee	Minimum Fee	\$13,260	\$13,260
Lot/Unit fee and Net hectare fee	per hectare	\$3,425	\$3,425
Maximum Fee	Maximum Fee	\$106,080	\$106,080
Design Resubmission surcharge for subdivisions and residential/mixed use site plans			
3rd Submission	per application	25% of original fee (\$13,000 maximum)	25% of original fee (\$13,000 maximum)
4th and subsequent submissions	per application	50% of original fee (\$13,260 maximum)	50% of original fee (\$13,260 maximum)
<b>Redline Revisions</b>			
Minor (Design Change)	per application	25% of original fee (\$13,770 maximum fee)	25% of original fee (\$13,770 maximum fee)
Major (Change to Limits of Development)	per application	75% of original fee (\$106,080 maximum)	75% of original fee (\$106,080 maximum)
<b>Site Plans</b>			
Letter of Approval (no technical review or site inspection required)	per application	\$556	\$1,100
Minor: Site Plan Area less than 2 ha	per application	\$1,591	\$5,000
Intermediate: Site Plan Area more than 2 ha, less than 4 ha	per application	\$5,824	\$10,000
Major: Site Plan Area more than 4 ha (Additional \$1,250/ha fee charge for sites over 10 ha.)	per application	\$14,285	\$14,285
Site Plan: Residential (multi-unit and/or mixed use)	per hectare	\$1,250	\$1,250
<i>Minimum Fee</i>	Minimum Fee	\$13,260	\$13,260
<i>Lot/Unit fee and Net hectare fee</i>	per hectare	\$3,425	\$3,425
<i>Maximum Fee</i>	Maximum Fee	\$106,080	\$106,080
Design Resubmission surcharge for nonresidential site plans			
3rd Submission	per application	25% of original fee	25% of original fee
4th and subsequent submissions	per application	50% of original fee	50% of original fee
<b>Golf Courses</b>			
New Golf Courses	per application	\$15,912	\$15,912
<b>Aggregate Proposals</b>			
Minimum fee for Below Water Table	Minimum Fee	\$13,260	\$13,260
Net hectare fee for Below Water Table	per hectare	\$1,352	\$1,352
Maximum fee for Below Water Table	Maximum Fee	\$106,280	\$106,280
Above water table proposals or expanded extraction within a licensed area	per application	\$13,260	\$13,260





Table 3-6  
Proposed Fees Cont'd

Description	Charging Parameter	Current Fees	Proposed Fees
<b>Planning Services</b>			
<b>Consents</b>			
Base Fee	per application	\$321	\$600
Additional fee for technical study review (e.g., SWM Report or EIS)	per application	\$530	\$1,000
Letter of approval (no technical review or site inspection required)	per application	\$107	\$200
<b>Minor Variances</b>			
Base Fee		\$214	\$250
Additional fee for technical study review (e.g., SWM Report or EIS)		\$530	\$1,000
Letter of approval (no technical review or site inspection required)		\$107	\$200
<b>Niagara Escarpment Commission Applications</b>			
Base Fee	per application	\$321	\$600
Additional fee for technical study review, for example EIS	per application	\$530	\$1,000
Letter of approval (no technical review or site inspection required)	per application	\$107	\$200
<b>Permitting Services</b>			
<b>Conservation Authorities Act</b>			
Letter of Approval (site inspection not required)	per application	\$102	\$200
Permit Application Minor Works	per application	\$255	\$500
Permit Application Intermediate Works	per application	\$561	\$1,000
Permit Application Major Works	per application	\$1,591	\$3,300
Permit Application Major Works – complex	per application	\$3,182	\$5,000
<b>Agricultural Permit Applications (separated in 2016)</b>			
<i>Letter of Approval (site inspection not required)</i>	per application	\$102	\$200
<i>Minor works or works located in regulated adjacent lands</i>	per application	\$255	\$500
<i>Intermediate Works located within flood and/or erosion hazard</i>	per application	\$561	\$1,000
Unauthorized works	per application	2 X permit fee	2 X permit fee
Permit application large fill projects: 250 – 1,000 m3 (Permit application for large fill projects - See procedural guidelines for more detail.)	per application per m3	\$530 plus \$0.82/m3	\$530 plus \$0.82/m3
Permit application large fill projects: more than 1000 m3	per application per m3	\$1,591 plus \$0.82/m3	\$1,591 plus \$0.82/m3
Permit – amendment		50% of original fee	50% of original fee
Additional fee for significant technical review		Varies	Refer to fees for scoped and full technical reviews
<b>Other</b>			
Legal/Real Estate Inquiries	per inquiry	\$214	\$350
Legal/Consultant Peer Review Costs (charged on the basis of cost recovery)		Varies	Varies
Provision of Individual Property Information	per inquiry	\$77	\$90
Pre-consultations Fee (without site visit)		\$561	\$561
Pre-consultations Fee (one planner and one technical discipline)		\$1,591	\$1,591
Pre-consultations Fee (one planner and more than one technical discipline)		\$3,182	\$3,182



Table 3-7 presents the annual revenues and cost recovery levels by major application and permit type (consistent with Table 3-5) based on the proposed fees in Table 3-6 and anticipated application volumes under Bill 23.

Table 3-7  
Annual Costs and Revenues by Major Application/Permit Type (2023\$)  
Proposed Fees

Category	Total Costs	Annual Impacts		
		Revenue	Cost Recovery (%)	Surplus/ (Deficit)
<b>Planning</b>				
OPA/ZBA	85,413	88,185	103%	2,772
Technical Reviews	1,041	750	72%	(291)
Subdivision/Condo	7,166	19,052	266%	11,886
Site Plan	162,276	113,279	70%	(48,997)
Major Applications	7,846	21,579	275%	13,733
COA	185,258	103,863	56%	(81,396)
Other	179,313	63,800	36%	(115,513)
Combined Applications	387,583	607,120	157%	219,537
<b>Planning Total</b>	<b>1,015,897</b>	<b>1,017,628</b>	<b>100%</b>	<b>1,730</b>
<b>Permitting</b>		-	0%	-
Permits	556,985	557,414	100%	429
Unauthorized Works	242,507	106,257	44%	(136,250)
Other	175,488	144,875	83%	(30,613)
<b>Permitting Total</b>	<b>974,979</b>	<b>808,545</b>	<b>83%</b>	<b>(166,434)</b>
<b>Grand Total</b>	<b>1,990,876</b>	<b>1,826,172</b>	<b>92%</b>	<b>(164,704)</b>

Based on the anticipated Bill 23 application volumes and application characteristics the proposed fees would increase annual revenue by 46% from \$1.25 million to \$1.8 million, increasing cost recovery from 63% to 92% of annual costs. Plan review fees would recover 100% of annual costs and permitting fees would recover 83%. Revenue shortfalls compared to annual costs for permitting are related to the costs of unauthorized works and enforcement which are not recovered through fees and preconsultation (fees are not charged for general inquiries to encourage usage of the preconsultation process before applicants come forward with a formal application). Moreover the fee recommendations would provide for revenues to recover the annual direct costs of \$1.6 million (see Table 3-3) and contribute \$250,900 towards the indirect support costs of N.V.C.A.



### 3.4 Annual Budget and Levy Impacts Under Desired Service Levels and Bill 23 Impacts

Table 3-8 outlines the impacts the changes in service levels, Bill 23 changes addressed herein, and fee recommendations have on the N.V.C.A. municipal levy. With the increased staff to address the service level deficiencies and the anticipated change in application volumes due to Bill 23, the municipal levy funding required for plan review and permitting services would increase by \$229,700 (with no changes to current fees to fees). Increasing the planning and permitting fees would result in a net reduction to N.V.C.A. municipal levy funding of \$343,400 based on modelled user fee revenue (see line 11 of Table 3-8).

Table 3-8  
Modeled Municipal Levy Impacts

	Scenario	Planning	Permitting	Total
	<b>Current Fees</b>			
	<b>Scenario 1 - Current Staff Compliment</b>			
1	Revenue	808,133	458,492	1,266,625
2	Less: Total Costs	928,645	846,103	1,774,747
3	Municipal Levy Funding Requirement	(120,511)	(387,611)	(508,122)
	<b>Scenario 3 - Desired Service Levels - Bill 23 Impacts</b>			
4	Revenue	808,133	444,891	1,253,024
5	Less: Total Costs	1,015,897	974,979	1,990,876
6	Municipal Levy Funding Requirement	(207,764)	(530,088)	(737,852)
7	<b>Change in Municipal Levy Funding Requirement Compared to Scenario 1 - Current Fees</b>			<b>229,730</b>
	<b>Proposed Fees</b>			
	<b>Scenario 3 - Desired Service Levels - Bill 23 Impacts</b>			
8	Revenue	1,017,628	808,545	1,826,172
9	Less: Total Costs	1,015,897	974,979	1,990,876
10	Municipal Levy Funding Requirement	1,730	(166,434)	(164,704)
11	<b>Change in Municipal Levy Funding Requirement Compared to Scenario 1 - Current Fees</b>			<b>(343,418)</b>

Based on N.V.C.A.'s 2023 operating budget, budgeted plan review and permitting revenues are \$650,000 and \$465,00, respectively. The proposed fees would increase revenue for plan review by 26% and for permitting by 76%, resulting in an increase to budgeted revenue of approximately \$523,000 (compared to an increase in modelled revenue of \$724,300). In terms of budgeted municipal levy funding requirements, the



proposed fee recommendations would have a net decrease of \$307,800 (as shown on line 11 of Table 3-9).

Table 3-9  
Budgeted Municipal Levy Impacts

Scenario	Planning	Permitting	Total
<b>Current Fees</b>			
<b>Scenario 1 - Current Staff Compliment</b>			
Revenue	650,000	465,500	1,115,500
Less: Total Costs	928,645	846,103	1,774,747
Municipal Levy Funding Requirement	(278,645)	(380,603)	(659,247)
<b>Scenario 3 - Desired Service Levels - Bill 23 Impacts</b>			
Revenue	650,000	451,691	1,101,691
Less: Total Costs	1,015,897	974,979	1,990,876
Municipal Levy Funding Requirement	(365,897)	(523,288)	(889,185)
<b>Change in Municipal Levy Funding Requirement Compared to Scenario 1 - Current Fees</b>			<b>229,938</b>
<b>Proposed Fees</b>			
<b>Scenario 3 - Desired Service Levels - Bill 23 Impacts</b>			
Revenue	818,501	820,903	1,639,404
Less: Total Costs	1,015,897	974,979	1,990,876
Municipal Levy Funding Requirement	(197,396)	(154,076)	(351,472)
<b>Change in Municipal Levy Funding Requirement Compared to Scenario 1 - Current Fees</b>			<b>(307,775)</b>

### 3.5 Impact Analysis of Proposed Plan Review and Permit Fees

In order to understand the impacts of the proposed fee structure (in 2023\$) on the total cost of C.A. development fees, an impact analysis for sample developments has been prepared.

Three development types have been considered, including:

- Z.B.A., and Plan of Subdivision applications for a residential 100-unit low-density subdivision;
- Site Plan, O.P.A., Z.B.A., and condominium applications, for a residential 25-unit medium-density condominium development; and



- Site Plan Application for a 10,000 m<sup>2</sup> industrial development.

Development permit fees have not been included in the analysis as these permits may no longer be required for developments proceeding through planning applications.

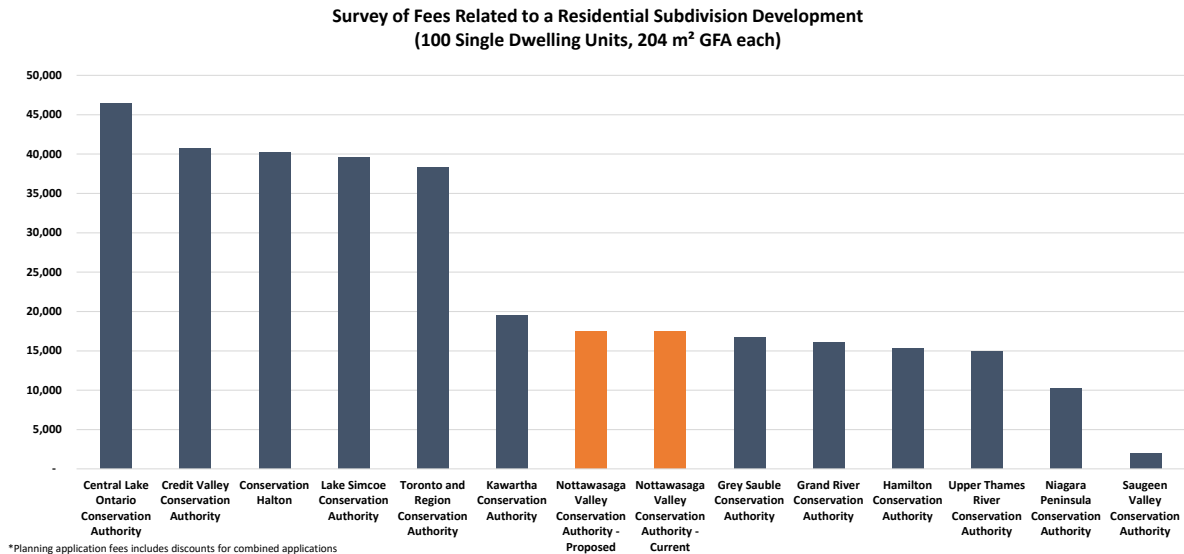
In the following sections, the total N.V.C.A. plan review fees are shown in comparison to comparator CA.s. Furthermore, the impacts of the proposed N.V.C.A. fees in the context of the total C.A. and municipal development fees (i.e. development charges, building permit fees, and planning application fees) payable in the N.V.C.A. municipalities are summarized to provide a broader context for the affordability considerations.

### ***3.5.1 Subdivision and Z.B.A. Applications for a Residential 100-unit Low-Density Development***

Under the current and proposed N.V.C.A. fees only the Subdivision fees would apply for this sample development. As shown in Figure 3-1, the N.V.C.A. ranking would remain unchanged as the total plan review fees would not change under the recommended fee structure. As N.V.C.A. fees represent between 0.16% to 0.47% of the total C.A. and municipal development fees for the N.V.C.A. municipalities, and there are no changes to the C.A. fees payable under the recommended fees, no changes to the competitiveness of N.V.C.A.'s fees are anticipated.



Figure 3-1  
Comparison of C.A. Fees for a Residential 100-Unit Low-Density Development



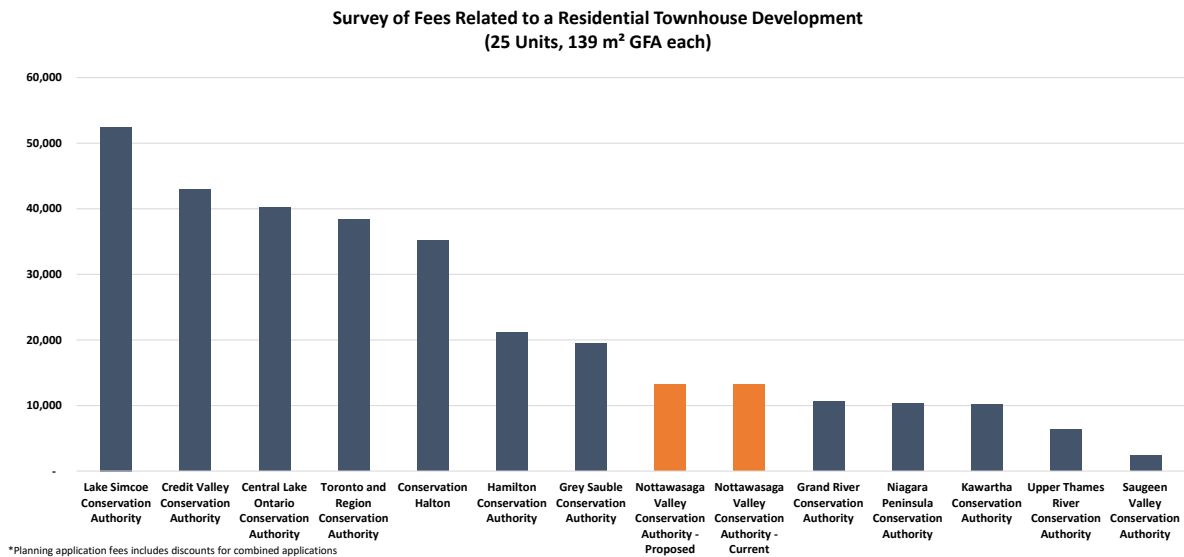
### 3.5.2 Site Plan, O.P.A, Z.B.A. and Condominium Applications for a Residential 25-unit Medium-Density Development

A 25-unit, medium-density residential development within N.V.C.A.'s watershed would pay a \$13,260 condominium application fee, being the highest of the individual application fees for N.V.C.A. Under the proposed fee structure, the total application fees payable for this type of application would remain unchanged (since the condominium fee remains unchanged and continues to be the highest fee). The position of N.V.C.A. within the comparator C.A.s would remain at 8<sup>th</sup> overall in the comparison.

The total applicable conservation authority fees within N.V.C.A.'s watershed would represent between 0.57% and 1.52% of the total fees payable (i.e., development charges, municipal planning fees, conservation authority planning fees and building permits fees) within each municipality.



Figure 3-2  
Comparison of C.A. Fees for a Residential 25-Unit Medium-Density Development

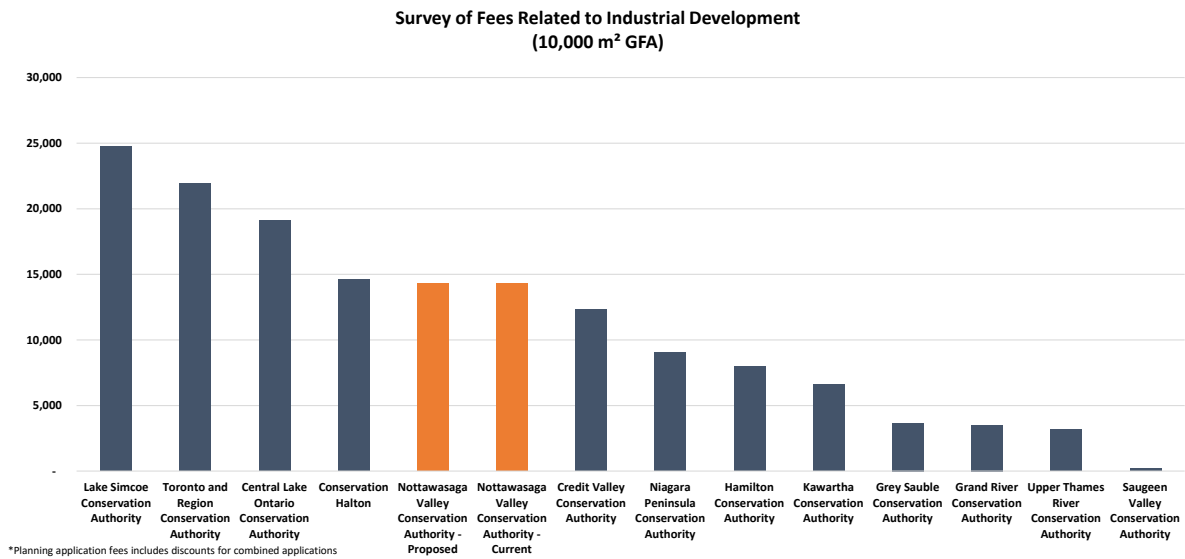


### 3.5.3 Site Plan Application for a 10,000 m<sup>2</sup> Industrial Development

The Site Plan fees for a 10,000 m<sup>2</sup> industrial development would remain unchanged at \$14,285. For this sample development, N.V.C.A.'s position in the fee comparison would also remain unchanged in 8<sup>th</sup> place in the comparison. N.V.C.A. fees would continue to represent between 0.10% to 0.27% of the total development fees payable in each municipality.



Figure 3-4  
Comparison of C.A. Fees for an Industrial 10,000 m<sup>2</sup> Development







# Chapter 4

## Conclusion

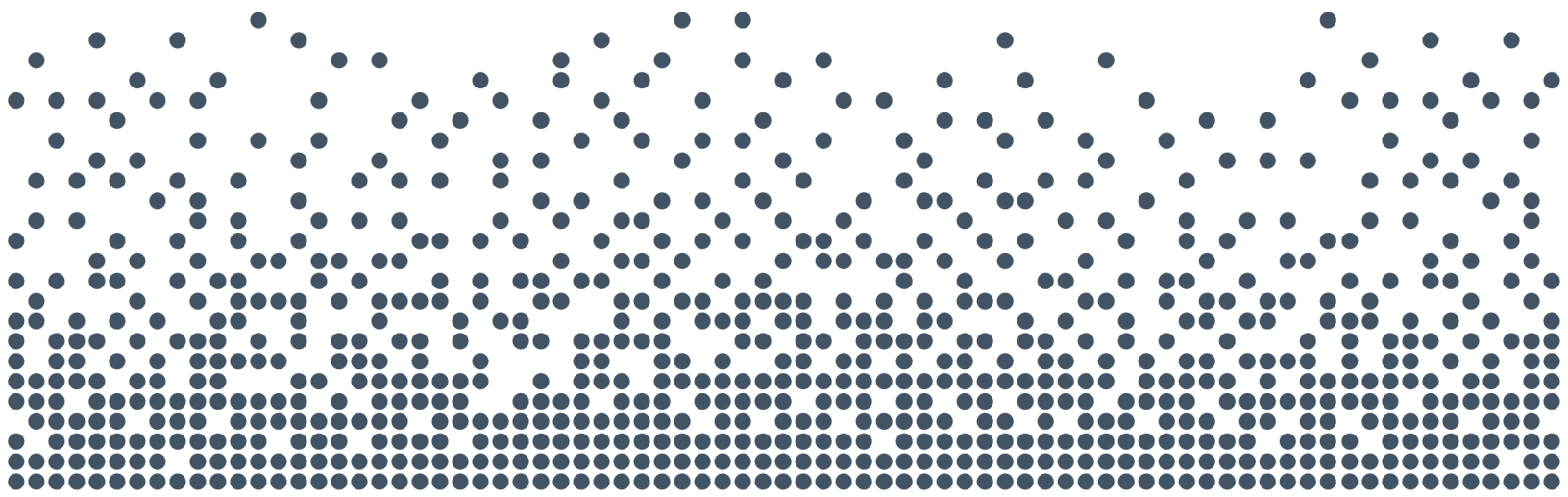


## 4. Conclusion

Summarized in this technical report is the legislative context for the program rates and fees review, the methodology undertaken, A.B.C. results and full cost of service, and proposed fee structures. In developing the proposed fee structure, careful consideration was given to the affordability and market competitiveness of the fee impacts. The proposed plan review and permitting fees are contained in Table 3-6.

The proposed plan review and permit fees have been designed to provide N.V.C.A. with a fee structure for consideration that would align the cost of service with the benefitting parties to improve cost recovery levels. As C.A.s are restricted from changing their plan review and permitting fees until January 1, 2024, it is recommended that the proposed fees are reviewed to ensure they are representative of the levels of effort incurred in light of recent and further changes to the C.A.A., C.A. roles in development review, and N.V.C.A. service levels and changes to budgeted costs prior to implementation.

N.V.C.A. will ultimately determine the level of cost recovery and phasing strategy that is suitable for their objectives. In this regard, staff will consider further input received from stakeholders, the general public, and the N.V.C.A. board of directors on the proposed fees before implementing the recommendations herein (currently anticipated for January 1, 2024).



# Appendices



# Appendix A

## Survey of Comparator Conservation Authority Fees



# Plan Review





Costing Category	Niagara Peninsula Conservation Authority		Grey Sauble Conservation Authority	
<b>Planning</b>				
<b>OPA/ZBA</b>				
OPA - Minor	Minor	1,695	Minor	970
OPA - Major	Major	6,893	Major	4,900
ZBA - Minor	Minor	1,695	Minor	830
ZBA - Major	Major	6,893	Major	4,900
<b>Technical Reviews</b>				
Scoped Technical Review	Environmental Assessment Review Technical Study Review (Not Part of a Permit or Planning Application)	2,825 2,260	Scoped Environmental Impact Study Full Environmental Impact Study	1,000 1,960
Full Technical Review (including flood plain study)				
<b>Subdivision/Condo</b>				
	Plan of Subdivision/Condominium (with no previous site plan circulation)*: <100 lots >100 lots Clearance of Conditions for Subdivision Registration (per phase): <100 lots >100 lots *Charges for review to provision of Conditions of Draft Approval only on a new application; involvement subsequent to draft approval is subject to additional fees.	Base Fee Per Unit: 4,746 <50 7,684 >50  644 2,599		6,400 143 50
1. Subdivision or Condo - Minor (less than 4 hectares)				
2. Subdivision or Condo - Intermediate				
3. Subdivision or Condo - Major (30 hectares)				
1. Redline Revision - Minor (Design Change)	Draft Plan Modifications (alterations to site/plan layout)	1,131	Minor	705
2. Redline Revision - Major (Change to Limits of Development)			Major	2,490
<b>Site Plan</b>				
Letter of Approval - Site Plan				
	Site Plan Control: Single Residential Multiple Residential, Commercial, Industrial	3,380 9,040	Minor - Single lot residential or small scale commercial/industrial. Major - Commercial, industrial and/or multiple residential.	1,700 4,600
1. Site plan - Minor (Below 2 ha)				
2. Site Plan - Intermediate (2-4 ha)				
3. Site Plan - Major (4-10 ha)				
4. Site Plan - Complex (Above 10 ha)				
5. Site Plan Residential - Minor (less than 4 hectares)				
6. Site Plan Residential - Intermediate				
7. Site Plan Residential - Major (30 hectares)				
<b>Major Applications</b>				
New Golf Courses	Aggregate Extraction Applications	10,671	<20 hectares >20 hectares	2,840 3,374
1. Aggregate Proposals Below Water Table				
2. Aggregate Proposals Above Water Table				
<b>COA</b>				
1. Consent - Minor	Minor	1,187	Minor	635
2. Consent - Major	Major	2,246	Major	2,000
1. Minor Variance - Minor	Minor	678	Minor Variance	635
2. Minor Variance - Major	Major	2,034		
<b>Other</b>				
1. NEC Applications - Minor	Niagara Escarpment Plan: Development Permit (no tech review required)	678	Minor	740
2. NEC Applications - Major	Development Permit (tech review required) Niagara Escarpment Plan Amendment	960 4,544	Major	1,460
Letter of Approval - OPA, ZBA, Consent, Minor Variance, NEC Permit, CA Permit				
<b>Combined Applications</b>				
1. Combined OPA and ZBA	Plan review applications that fall into one or more categories will be charged one fee, at the highest rate, when the applications are submitted at the same time.		Multiple applications received concurrently are subject to a 20% discount on the total applicable fees.	
2. Combined OPA/ZBA and Subdivision				
3. Combined OPA, ZBA, Site plan				





# Permitting

Costing Category	Nottawasaga Valley Conservation Authority	Toronto and Region Conservation Authority	Conservation Halton	Central Lake Ontario Conservation Authority	Hamilton Conservation Authority		
<b>Permitting</b>							
<b>Permits</b>							
1. Permit Application - Minor		255 Works on Private Res Property Minor 535 Standard 895 Major 1,450 Complex 2,705 Ancillary Structures 2,435 Minor Projects 7,340	Private Landowner Minor 535 Intermediate 895 Major 1,450 Other 2,705 Minor 2,435 Intermediate 7,340 Major 11,355 Major Scale 22,225 27,040 to 81,115	540 Minor Permit A 1,750 Standard Permit C/Infrastructure Permit A 5,750 Base Fee 2,100 Per Technical Report Review 4,415 Additional Site Visit 22,800 Major Permit D/Infrastructure Permit 30,354 Base Fee Per Technical Report Review Additional Site Visit	170 Minor Development 520 Basic Application Technical Review Required Major Development 1,930 Basic Application Technical Review Required 3,530 320 3,850 3,530 320	730 1,344 2,164 4,702	
2. Permit Application - Intermediate		561					
3. Permit Application - Major		1,591 3,182					
4. Permit Application - Major - Complex Works located within flood and/or erosion hazard		561					
<b>Unauthorized Works</b>							
1. Unauthorized works - Permit issued							
2. Unauthorized works - No Permit issued (Compliance)		2 X permit fee	200% of related fees	100% of current fee + administrative fee	200% of related fees	75% Surcharge (+ permit fee)	
3. Unauthorized works - No Permit issued (No Compliance)							
<b>Other</b>							
1. Minor Fill Project (1,000 m3)	250 - 1,000 m3	530+0.82/m3		Small <30 m3 Medium >30 m3 <200 m3 Large >200 m3	540 Base Fee 3,858+0.61/m3 plus per m3 fee 13,248+1.12/m3 Plus additional site visit	3,850 Minor <500 m3 & No Tech studies req. 2,051 Intermediate <500 m3 & Tech studies req. 320 Major >500 m3	464 2,963+0.50/m3 5,901+0.50/m3
2. Major Fill Project (5,000 m3)	>1,000 m3	1,591+0.82/m3					
Permit - amendment	50% of original fee	Minor 775 Major 1,655	Application in Progress: Minor 775 Major 1,655 Approved Permits: Minor 50% Major 100%	35% 75% 50% 100%	50% of current fee	Minor Revisions to Permits	382
Legal or Real Estate Inquiries		214 Solicitor/Realtor Inquiry Screening Service	365 Solicitor, Real Estate, Appraiser Inquiries	360 Legal Inquiry/Archive File Information Request		Solicitor and Real Estate Agent Requests RE-Property Requiring a site visit No site visit	310 270
Legal or Consultant Peer Review Costs (charged on the basis of cost recovery)		Varies					
Provision of Individual Property Information		77					
1. Pre-consultations Fee (without site visit)		561	Pre-consultation - Meeting (Planner only)	No Charge	Without site visit	645	
2. Pre-consultations Fee (one planner and one technical discipline)		1,591		Pre-Application Requests: Private Landowner Single Res, Single Farm: With Site Visit (visual inspection) With Site Visit (staking; field assessment)(per visit) With One Technical Review Other: With Site Visit (visual inspection) With Site Visit (staking; field assessment)(per visit/per staff person) With One Technical Review	247 448 720 247 448 2,013	1,930 3,850	
3. Pre-consultations Fee (one planner and more than one technical discipline)		3,182					



Costing Category	Niagara Peninsula Conservation Authority		Grey Sauble Conservation Authority	
<b>Permitting</b>				
<b>Permits</b>				
	Routine	678	Routine	300
1. Permit Application - Minor	Minor	1,695	Minor	580
2. Permit Application - Intermediate	Major	6,780	Standard	1,320
3. Permit Application - Major			Major	3,300
4. Permit Application - Major - Complex Works located within flood and/or erosion hazard				
<b>Unauthorized Works</b>				
1. Unauthorized works - Permit issued	Non-Compliance or Violation Surcharge	3X Permit fee + 169.50		
2. Unauthorized works - No Permit issued (Compliance)				
3. Unauthorized works - No Permit issued (No Compliance)				
<b>Other</b>				
1. Minor Fill Project (1,000 m3)				
2. Major Fill Project (5,000 m3)				
	Minor Amendment to Issued Permit	50% of permit fee		
Permit – amendment	Solicitor, Real Estate, Appraiser	396	Property Clearance and Inquiry Letters Property Clearance and Inquiry Letters with Site Inspection	225 890
Legal or Real Estate Inquiries				
Legal or Consultant Peer Review Costs (charged on the basis of cost recovery)				
Provision of Individual Property Information			Pre-consultation Meeting	690
1. Pre-consultations Fee (without site visit)				
2. Pre-consultations Fee (one planner and one technical discipline)				
3. Pre-consultations Fee (one planner and more than one technical discipline)				