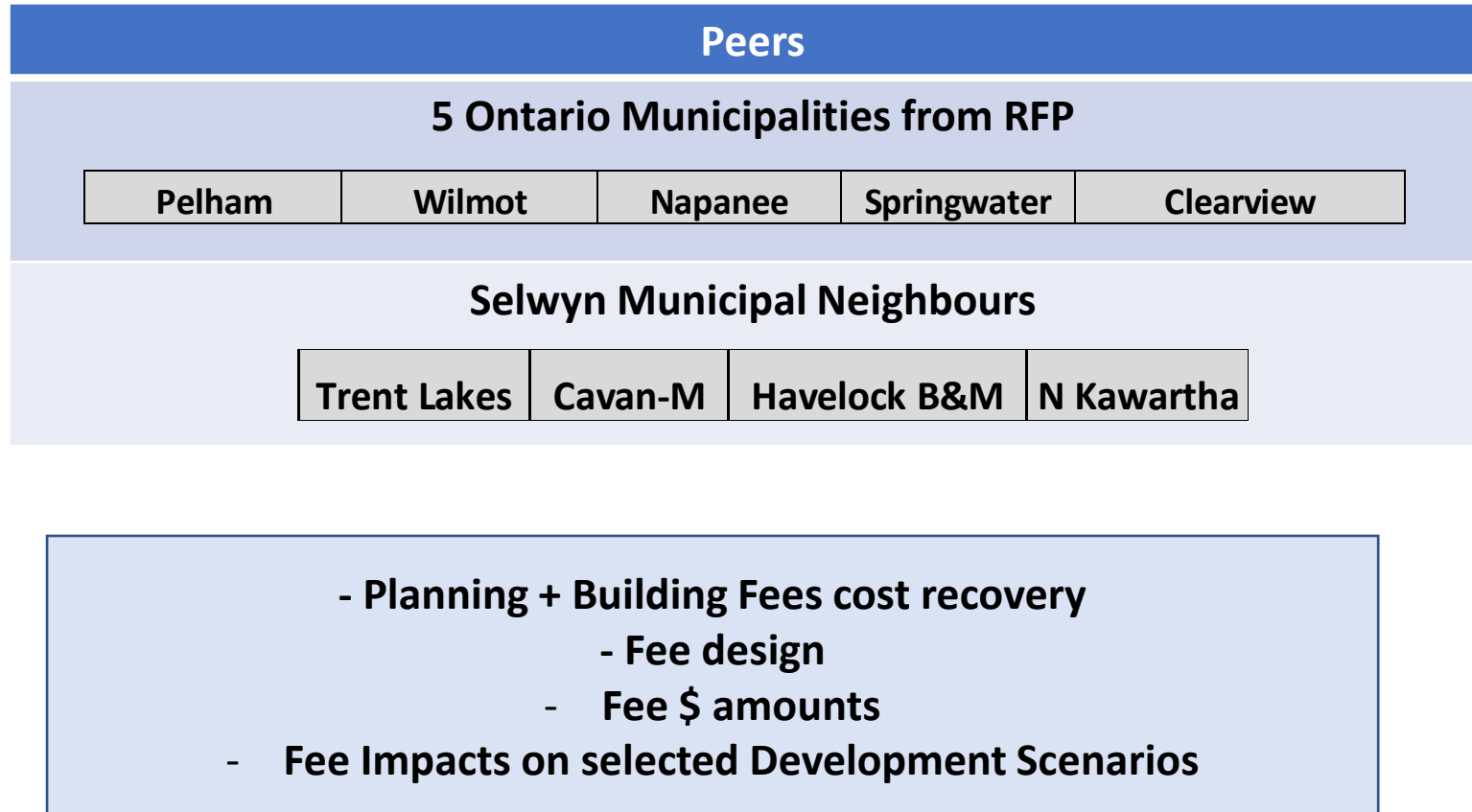


# DAAP Fee Design & Cost Recovery

Selwyn Peer Comparisons

March 2020

# Scope of Peer Comparator Analysis



How is Selwyn positioned?

Should Selwyn re-position?

Growth Pays for Growth  
Versus Economic Development  
Perspective of low fees

# Overall DAP Cost Recovery Performance

Peer Municipal \$ Profile						
Peer Comparator	Planning DAP Expenditures	Planning DAP Revenues	Cost Recovery	Building Expenditures	Building Revenues	Cost Recovery
Pelham	\$585,763	\$229,420	39%	\$426,059	\$550,000	129%
Wilmot	\$349,769	\$118,468	34%	\$325,609	\$480,757	148%
Napanee	\$285,600	\$25,000	9%	\$429,145	\$283,000	66%
Springwater	\$582,922	\$117,600	20%	\$568,984	\$500,000	88%
Clearview	\$727,140	\$425,719	59%	\$369,636	\$824,000	223%
Average	\$506,239	\$183,241	36%	\$423,887	\$527,551	124%
Selwyn	\$192,283	\$85,787	45%	\$436,444	\$561,880	129%
Source: 2018 Budgets						

# Overall DAP Cost Recovery Performance

Peer Municipal \$ Profile						
Peer Comparator	Planning DAP Expenditures	Planning DAP Revenues	Cost Recovery	Building Expenditures	Building Revenues	Cost Recovery
Trent Lakes	\$211,015	\$102,625	49%	\$361,880	\$351,473	97%
Cavan-Monaghan	\$409,018	\$84,063	21%	\$215,974	\$643,330	298%
Havelock B&M	\$200,335	\$24,200	12%	\$288,246	\$141,500	49%
N Kawartha	\$158,089	\$117,600	74%	\$315,918	\$193,538	61%
Average	\$244,614	\$82,122	34%	\$295,505	\$332,460	113%
Selwyn	\$192,283	\$85,787	45%	\$436,444	\$561,880	129%
Source: 2018 FIR						
Source: 2018 Budgets						

# Planning Fee Design

	Site Plan	Sub-division	Minor Variance	Re-Zoning	Consent (new lot)
<b>Pelham</b>	Application \$3,852 + Agreement \$2,574 + \$992 to release agreement	Flat fee/application \$8,805 + Final \$1,652 Engineering fee % Constructed Value	Flat fee/application \$990	Flat fee/application \$4,404	Flat fee/application \$1,210
<b>Wilmot</b>	Flat fee per application \$5,000	\$2,000/unit to \$20,000 Max Registration fee 4% Constructed Works	Flat fee application \$750 \$1,000 for multiple variances	Flat fee/application \$5,000	Flat fee/application \$2,000
<b>Napanee</b>	Major . 5,000 sq. ft. v Minor \$1,500 or \$1,000	Request \$2,000 Approve \$2,000	Flat fee/application \$500	Flat fee/application \$500 + \$1,500 deposit	Flat fee/application \$500
<b>Springwater</b>	Major (10,000 sq. M or more) v Minor \$5,000 or \$2,500	Base fee + per unit escalator \$5,000 + \$150 per lot to max \$30,000	Flat fee per application \$1,000	Major v Minor \$3,000 or \$1,500	Flat fee/application \$1,100
<b>Clearview</b>	Flat fee per application \$5,000 new building + \$2,500 peer review deposit	Flat fee per application \$7,500 + \$5,000 peer review deposit	Flat fee/ application \$600	Major v Minor \$2,500 or \$5,000	Flat fee/application \$2,000
<b>Selwyn</b>	Major v Minor + Deposit \$2,118 or \$1,059 + \$3,706 + Agreement Fee \$2,118	Application fee \$3,707 + Deposit \$7,943	Flat fee/application \$847	Major v Minor \$2,118 (Res) or \$1,058 + Deposit \$3,707 for Major	NA

# Planning Fee Design Trends

Flat Fees

Mostly flat per-application fee structures



Re-zoning

Major/Minor categorization common for re-zonings



Site Plan

Major/Minor categorization of Site Plans in evidence



Deposits

Draw-down deposits common for contracted-out Eng. Review & Peer Review of studies etc. work

# Cost of Planning Fees: Various Development Scenarios

	Selwyn	Pelham	Wilmot	Napanee	Springwater	Clearview	Peers Average
Subdivision 25 Units/2 Hectare	\$10,061	\$10,457	\$20,000	\$17,139	\$8,750	\$25,139	\$16,297
Sub-div Eng. Review \$.5M Construct Value	NA	\$20,000	\$20,000	NA	NA	NA	\$20,000
Res Site Plan 20 Units/2 Hectare	\$4,236	\$7,598	\$5,000	\$1,500	\$2,500	\$7,500	\$4,820
Non-Res Site Plan 5,000 Sq Metre	\$4,236	\$7,598	\$5,000	\$1,500	\$2,500	\$7,500	\$4,820
Major Re-zoning 50 Units	\$2,118	\$4,404	\$5,000	\$2,000	\$3,000	\$5,000	\$4,401

# Application Processing Hours Generated by Fees

Estimated Processing Hours (Supported by Fees)								
		Selwyn	Pelham	Wilmot	Napanee	Springwater	Clearview	Peers Average
Subdivision 25 Units/2 Hectare	Processing Hours Supported by Fees	126	131	250	214	109	314	163
Res Site Plan 20 Units/2 Hectare	Processing Hours Supported by Fees	53	95	63	19	31	94	51
Non-Res Site Plan 5,000 Sq Metre	Processing Hours Supported by Fees	53	95	63	19	31	94	51
Major Re-zoning 50 Units	Processing Hours Supported by Fees	26	55	63	25	38	63	51
* Processing hours = \$80/hour								



# Cost of Planning Fees: Various Development Scenarios

	Selwyn	Trent Lake	Cavan-M	Havelock B&M	N Kawartha	Peers Average
Subdivision 25 Units/2 Hectare	\$10,061	\$1,400	\$10,000	NA	\$8,250	\$6,550
Res Site Plan 20 Units/2 Hectare	\$4,236	\$1,400	\$5,000	NA	\$4,500	\$3,633
Non-Res Site Plan 5,000 Sq Metre	\$4,236	\$1,400	\$5,000	NA	\$4,500	\$3,633
Major Re-zoning 50 Units	\$2,118	\$1,000	\$1,700	\$3,000	\$1,500	\$1,800

# Application Processing Hours Generated by Fees

Estimated Processing Hours (Supported by Fees)							
		Selwyn	Trent Lakes	Cavan-M	Havelock B&M	N Kawartha	Peers Average
Subdivision 25 Units/2 Hectare	Processing Hours Supported by Fees	126	18	125	NA	103	93
Res Site Plan 20 Units/2 Hectare	Processing Hours Supported by Fees	53	18	63	NA	56	47
Non-Res Site Plan 5,000 Sq Metre	Processing Hours Supported by Fees	53	18	63	NA	56	38
Major Re-zoning 50 Units	Processing Hours Supported by Fees	26	13	21	38	19	34
* Processing hours = \$80/hour							

# Selwyn Planning Fee Positioning

- Selwyn 2018 Planning fee cost recovery slightly above Peer/Neighbour averages - but below growth municipality recovery levels across Ontario
- Selwyn fees cover slightly more billable hours of work than averages of Peers or Neighbours
- Key question: is there a corporate willingness to re-position the Township's DAP cost recovery; thereby lowering the existing property taxpayer's subsidy for new development?

# Building Fees: Design + New House Development Scenario

	Selwyn	Pelham	Wilmot	Napanee	Springwater	Clearview	Peers Average
New House 2,500 square feet + \$500k Construction Value	\$7,270	\$3,575	\$3,500	\$4,500	\$2,725	\$2,923	\$3,445
	\$14.54/\$1,000	\$1.43/sq. ft.	\$1.40/sq. ft.	\$9/\$1,000	\$1.09/sq. ft.	\$2,572 Base + \$1.17/sq. ft. > 2,200	

# Building Fee Design Trends

## Sq. Foot Derived Fees

Mostly peers feature “per square foot” or “per square metre” area-derived Building permit fee structures



## Construction Value Fees

Per \$1,000 of constructed value fee design is operationally ambiguous. What is the process for objectively verifying construction values? Trend across Ontario is moving away from this fee structure



## Fees Cluster

New House per square foot fees are tightly clustered across Peers/Neighbours



## Fee Variances

Per \$1,000 rates are outliers producing high permit fees

# Selwyn Building Fee Positioning

- Key question: is there a corporate willingness to modernize the Township's Building fee structure to a per sq. foot basis;
  - i) Thereby falling in line with province-wide best practices
  - &
  - ii) Eliminating the operational risk of applicants "gaming" the existing construction value fee with low-ball values

# Selwyn Building Fee Positioning

- Building fees are relatively high and the Reserve Fund Balance is high & growing
- Unless Reserve Fund drawn down with appropriate spending/investments, time fast approaching when Building fees should be reduced

