



. . . *Memo*

To: Environment, Infrastructure & Community Services Cttee

From: Steve Robinson, Manager of Urban Forestry
Roads, Parks and Forestry Department

cc: Enrico Scalera, Director, Roads, Parks and Forestry Department
Allan Magi, Executive Director, EICS
Melissa Torchia, Supervisor, Forest Protection

Date: March 22, 2022

Re: Supplemental Information Related to Report RPF-03-22 Private Tree By-law 02-2020 Update

At the March 3rd Environment, Infrastructure, and Community Services Committee meeting, staff provided an update and recommendations to Committee on the Private Tree By-law with a detailed summary provided in RPF-03-22. Recommendations within the report included program improvements, including modifications to the existing fee structure and their associated impacts to overall program costs. At the meeting, staff were given two staff directions to provide additional information in advance of the final decision made by Council on the staff report at their meeting of March 22, 2022 with respect to the following:

1. **Direct the Director of Roads, Parks and Forestry to provide a total budget effect analysis for either option one or option three proposed fee structure by April 1, 2022 (SD-08-22); and**
2. **Direct the Director of Roads, Parks and Forestry to report back by April 1, 2022 on the feasibility of including wording in the Private Tree By-law that requires tree replacement on a one for one ratio, provided by the City, when a dead, dying or diseased tree is removed (SD-09-22).**

Directive 1: Total Budget Effect Analysis Option 1 and Option 3

Option 1: Permit per tree, single stream

The proposed permit format eliminates the two-tier streams (development and non-development) but would remain a per-property application basis with the fee structure as a sliding scale based on the number of trees removed, reflecting the effort to review the application.

Option 3 Permit per application; single stream

For option 3 the proposed fee would be a flat fee per property regardless of the number of trees removed. As a result, the application fee would be a higher flat rate fee, which would be more expensive for applicants applying for single tree removals, and cheaper for applicants applying for multiple tree removals, in comparison to option 1.

Tables 1 and 2 below, provide a descriptive and budget comparisons for both options.

Table 1: Descriptive Comparison of Option 1 and Option 3

Option 1 (Recommended)	Option 3
Simpler permitting cost structure compared to existing process by eliminating tiered streams.	Very simple permitting cost structure.
Sliding scale accounts for staff time to review applications for files that are larger in scope and/or more technical in nature (e.g., greater number of tree related impacts)	Does not account for various application types (e.g., new home build versus an applicant looking solely to cut down a tree).
Provides a cost disincentive for cutting multiple trees for the average homeowner completing a project, as well as a builder planning to clear multiple consecutive lots prior to a planning application or building application where proposed project requires a large number of removals.	Does not account for difference between someone removing one tree versus multiple trees and therefore does not provide an incentive to retain trees.
Sliding scale fee structure, cost increases the more trees are impacted	One singular fee no matter the number of trees impacted.
Separates out injury vs. removal related permits	Same fee for a tree injury permit and a removal permit.

Table 2: Budget Effect Comparison of 2022 Budget, Option 1 and Option 3

	2022 Base Budget	Option 1 (Per tree, single stream)*	Option 3 (Per application, single stream)*
Staffing	\$ 573,919	\$ 573,919	\$ 573,919
Misc.	\$ 2,850	\$ 2,850	\$ 2,850
Vehicles	\$ 36,000	\$ 36,000	\$ 36,000
Total Expenditures	\$ 612,769	\$ 612,769	\$ 612,769
Fee Revenue			
Development Application	\$250,000		
Non-development Application	\$150,000		
Non-refundable Application Fee (1,100 @ \$50)	-	\$55,000	\$55,000
Permit Per Tree - 1st removal (330 @ \$225)	-	\$74,250	-
Permit Per Tree - 2nd and subsequent removal (375 @ \$125)	-	\$46,875	-
Permit Per Tree - (Injury) (135 @ \$75)	-	\$10,125	-
Permit Application (Tree Removal or Injury) (400 @ \$325)			\$130,000
Total Revenues	\$ 400,000	\$ 186,250	\$ 185,000
Net Expenditures	\$ 212,769	\$ 426,519	\$ 427,769
% Tax Supported	34.7%	69.6%	69.8%
2023 Budget Impact		\$ 213,750	\$ 215,000
Tax impact %		0.110%	0.111%

*Refer to RPF-03-22 Table 4 for option 1 and Table 7 for option 3

Note 1: The 2022 budget includes a \$100k one-time covid funded revenue loss. This has been removed in the analysis to reflect a comparison of normalized operations to determine the budget impact.

Note 2: The multi-year simulation for 2023 (reflecting a 5.72% city tax impact) assumed a revenue loss as a result of a change to the private tree-by law fees of \$125,000.

Additional Information:

The fee structure for Options 1 and 3 are based on historical permit data numbers and have been established for a 70% tax supported program. The remaining 30% would be covered through permit fees (fee revenues). Therefore, the total fee revenues for option 1 and 3 are approximately the same.

100% of compensation received as cash in lieu of replacement is earmarked for tree replacement on public and private property through the 'Tree Planting Initiatives' reserve fund.

Cost and Cash-in-lieu Comparison of Existing and Proposed Permit Options

As requested, staff have provided a cost comparison of the two options against the existing fee structure in Table 3, 4 and 5 below. The comparisons are split to demonstrate the differences in permit fees, as well as the differences between tree replacements and cash-in-lieu replacement options. Please note that the existing tree replacement is based on the aggregate caliper method and factors in the size and condition rating of the trees (Tree 1 – healthy 20 cm | Tree 2 – healthy 50 cm | Tree 3 – healthy 85 cm) and the proposed replacement structure is based on ratio approach with a sliding scale (21 - 35 cm tree: 2 to 1 | 36 - 74 cm tree: 3 to 1| > 75 cm tree : 4 to 1).

Table 3: Comparison of Fees, Tree Replacement and Cash-in-lieu Requirements

Examples	Existing Permit Fee	Option 1 Permit Fee	Option 3 Permit Fee	Existing Replacement Tree Requirement	Option 1 & Option 3 Replacement Tree Requirement	Existing Cash-in-lieu	Option 1 & Option 3 Cash-in-lieu
New Single-Family Dwelling: Removal of 3 trees	\$700	\$525	\$375	12 Trees	9 Trees	\$4,800	\$2,250
New Addition: Injury of 3 trees	\$700	\$275	\$375	-	-	-	-
Pool: Removal of 2 trees	\$400	\$400	\$375	5 Trees	5 Trees	\$2,000	\$1,250
General tree removal: Removal of 1 tree	\$400	\$275	\$375	1 Tree	2 Trees	\$400	\$500

Table 4: Comparison of Permit Fees and Total Project Costs if Opting to Replant

Examples	Existing Total Costs - if opting to replant	Option 1 Cost - if opting to replant	Option 3 Cost - if opting to replant
New Single-Family Dwelling: Removal of 3 trees	\$700	Fee \$525 Security (\$2,250)	Fee \$375 Security (\$2,250)
New Addition: Injury of 3 trees	\$700	Fee \$275 Security (N/A)	Fee \$375 Security (N/A)
Pool: Removal of 2 trees	\$400	Fee \$400 Security (\$1,250)	Fee \$375 Security (\$1,250)
General tree removal: Removal of 1 tree	\$400	Fee \$275 Security (\$500)	Fee \$375 Security (\$500)

Table 5: Permit Fees and Total Costs if Opting to Pay Cash-in-lieu

Examples	Existing Total Cost - if opting to pay cash-in-lieu	Option 1 Total Cost - if opting to pay cash-in-lieu	Option 3 Total Cost - if opting to pay cash-in-lieu
New Single-Family Dwelling: Removal of 3 trees	\$5,500	\$2,775	\$2,625
New Addition: Injury of 3 trees	\$700 (fee only)	\$275 (fee only)	\$375 (fee only)
Pool: Removal of 2 trees	\$2,400	\$1,650	\$1,625
General tree removal: Removal of 1 tree	\$800	\$775	\$875

Permit issuance process:

The permit issuance process for option 1 and option 3 are the same. A customer will complete an online application and identify all the trees they are applying to remove or injure. The permit will outline all the trees associated with the application, and it will be one singular permit document that outlines each tree impacted. The main difference between option 1 and option 3 lies with the permit fee structure only:

For option 1: Permit fees will be applied based on the number of trees removed and collected as a single transaction.

For option 3: A single flat rate fee will be applied regardless of the number of trees removed.

Directive 2: Feasibility of incorporating a one to one replacement ratio requirement for dead, dying and diseased trees within the Private Tree By-law with tree to be supplied by the City

Staff are supportive of Council’s directive for providing a free tree to those applicants that are issued a permit under the private tree by-law where a tree is dead (defined within the by-law), dying or diseased (defined as terminal condition within the by-law).

Rather than incorporating a mandatory clause within the by-law, this option can be provided as a voluntary measure through one of the planned spring or fall tree giveaway programs managed through the Forestry division of the Roads, Parks and Forestry Department. The first event of this kind is planned for this spring.

If mandatory replacement requirements for dead and terminal trees are to be included within the private tree by-law (at the City’s cost), it is expected that the by-law will increase in complexity, and an increase in staff time to administer said program with the additional coordination effort required to order and inventory trees. The cost for the purchase of these trees would be recovered from the Tree Planting Initiative reserve which currently has a balance of \$430,000.

Staff have confirmed with both legal and finance that either option can be implemented (i.e., mandatory requirement, or voluntary request for free tree), however staff recommend the voluntary option as it integrates better with our current programs.

Table 6: Descriptive comparison of inclusion or exclusion within the by-law

Mandatory Requirement within By-law	Voluntary Requirement outside of By-law
Increase in complexity as permit issuance will be linked to the planting of a tree	Provided as an option not linked to permit issuance
Additional permit tracking and follow-up requirements	Request for tree can be incorporated as part of a planned City tree giveaway program
Does not provide an option to resident; cash-in-lieu vs. replant	Option provided to resident; requirements of the by-law are not applicable
Resident forced to plant	Resident has a choice
Protection provisions may apply if considered the same as replacement trees	No protection provisions – not tied to by-law

Mandatory Requirement within By-law	Voluntary Requirement outside of By-law
Resident may not agree with one of trees species available	Resident may be more agreeable to one of tree species available due to the voluntary nature of the program.
By-law enforcement measures are applicable (e.g., conditions, maintenance and protection)	No measure of enforcement required
Unintended consequences where residents may remove trees without a permit to avoid a requirement to replant (even with a free tree).	No consequence as replacement is not tied to the by-law.
Requires storage and an inventory of trees on hand.	Trees can be ordered as part of spring/fall giveaway program,
Major impact to Tree Planting Initiatives Reserve.	Minor impact to Tree Planting Initiative reserve.

Submitted by:



Steve Robinson
 Manager, Urban Forestry