

# Memorandum

<b>To</b>	Jamie Tellier
<b>From</b>	Andrew Grunda
<b>Date</b>	June 20, 2024
<b>Re:</b>	Burlington Planning Application Fees

Fax Courier Mail Email 

Watson & Associates Economists Ltd. (Watson) prepared the City of Burlington Planning Applications Fee Review Report in December 22, 2021. Section 4.2 of the Report contains the Fee Structure Recommendations. In addition to providing recommended full cost recovery fees based on the modeling, the Report included the following:

“Furthermore, updates to the City’s by-law definition of what constitutes an application are also proposed. These changes are due to the increase in applications with multiple building towers on a site as well as those spanning multiple non-contiguous parcels of land (e.g. separated by public roads) that the City has observed. The City’s current by-law does not address the calculation of fees in these instances which can result in inconsistencies in the administration of the applicable fees. In undertaking this fee review, effort estimates and the resulting cost and fee recommendations were based on a single building/parcel development. To provide clarity to applicants, it is recommended that the City update the definition of an “application” in the planning application fees by-law. Specifically, the by-law would reflect the following:

- For every building on a property greater than 4 storeys in height, each building shall be considered a separate application when calculating the maximum applicable fee.
- On a building 12 storeys or greater in height with multiple towers on a shared podium, each tower shall be considered a separate application. The floor area and residential units in a shared podium shall only be calculated in the fee for the first application.
- In cases where a development site is separated by a public road (i.e. non-contiguous land parcels) each land parcel shall constitute a separate application when calculating the maximum applicable fee.”



This recommendation is included in the “City of Burlington Development Application Fees” under the application fee calculation instructions.

As anticipated the City has received planning applications that are significantly larger than average application size characteristics exhibited historically and used in the modeling underlying the 2021 Report. The resultant planning application fees calculated for these proposed developments are significant and the City as requested that these fees be examined to determine if any fee structure adjustments would be required.

The following summarizes our analysis to compare the fees calculated for three large applications and estimated anticipated processing costs incurred by the City, relative to the 2021 Report modeling. The three applications considered in this regard reflect development scenarios in active preliminary consultation with the City:

- Scenario 1 - 1,738 residential units and 32,066 sq.m of non-residential gross floor area (Official Plan Amendment (OPA), Zoning By-Law Amendment (ZBA), and Plan of Subdivision (Subdivision));
- Scenario 2- 677 residential units and 346 sq.m of non-residential gross floor area (OPA and ZBA); and
- Scenario 3 - 10,941 residential units (OPA, ZBA and Subdivision).

Tables A-1 through A-3 attached, included the calculated fees (2024\$), as well as potential processing cost estimates and fee structure adjustment scenarios. The cost estimates were calculated using two approaches:

1. Applying the average cost per application to each building in the application, reflective of the recommendation provided in the Report. This approach assumes that each building would be akin to a distinct application, each requiring a separate OPA, ZBA and Subdivision as if they were applied for independently. In determining the cost of processing, the average per application costs reflect the City fee structure policy of applying 75% of the OPA and subdivision costs for concurrent applications. This policy reflects the estimated economies in processing activities for combined applications within the City’s fee schedule.
2. Applying the average cost per residential unit to the application as a whole, inclusive of all buildings. This approach recognizes the additional processing costs for large applications (as expressed in residential units) and applies the per unit cost to the large applications to estimate the increased processing effort anticipated with larger than historical applications. Similar to the first approach, the OPA and subdivision application costs have been discounted to reflect the policies within the City’s fee schedule.



The following summary table quantifies the total fees calculated and the estimated costs of processing for each approach. Applying the average cost per application approach produces anticipated processing costs that are approximately 60% greater than the calculated fees. The average per unit cost per application approach produces anticipated processing costs that are approximately 1/3 of calculated fees. The appropriate cost determination principally relies on whether the applications would be required discreetly for each building as if they were separate applications. If true, the average cost per application approach would be appropriate, however, if not, then the average per unit cost per application would be preferable.

**Table 1**  
**Comparison of Total Calculated Fees and Estimates Anticipated Costs of Processing**

	Scenario 1	Scenario 2	Scenario 3
TOTAL FEES	\$ 1,822,692	\$ 687,562	\$ 7,128,694
TOTAL COSTS			
-Study (average cost per application)	\$ 3,386,556	\$ 857,976	\$ 12,191,602
-Study (average cost per unit)	\$ 1,016,642	\$ 331,988	\$ 5,907,759

To further inform the appropriate cost approach, consideration was given to the City's fee structure. OPA application fees are imposed on a flat fee basis. ZBA and Subdivision application fees include a flat base fee and a variable fee denominated in residential units and non-residential gross floor area. Contrasting the two fee structures, the flat fee structure would imply that the processing efforts are generally fixed and not significantly influenced by the size of the application. The base charge and variable fee structure would indicate that size of application directly informs the processing efforts, and larger applications generally require more processing effort and therefore incur greater processing costs.

Discussions with City staff suggests that the scope of an OPA for the sampled application herein may be greater than historical references used in the 2021 Report, however, the need for an OPA review for each building may not be accurate. For ZBA and Subdivision applications however, the processing effort would be greater for these larger applications than historical references. Based on these discussions, the average per unit costs per application approach was used to inform potential fee adjustment considerations.

Three fee adjustment options were considered to better align the fee calculations with the anticipated costs of processing, when applying the average per unit cost per application approach.

1. Maintain the same fee structure but apply the maximum fee for ZBA or Subdivision to the entire application (i.e. all buildings combined)



2. Maintain the same fee structure but only apply the OPA once for the entire application. Also, for applications requiring a ZBA and Subdivision impose the variable fees for ZBA instead of Subdivision, as this better reflects the needs of the building typology in more recent applications.
3. Maintain the same fee structure but only apply the OPA once and apply the maximum fee for ZBA or Subdivision to the entire application.

The following summary table summarizes the estimated costs of processing and the calculated fees under each fee structure option. Based on this assessment, Option 2 which maintains the same fee structure but only applies the OPA application fee once for the entire application, and imposes ZBA variable fees in place of Subdivision, would produce fees that best aligned with the anticipated costs of processing. Applying this change to the policies in the City fee structure would result in fees that are approximately 45% lower than those calculated in Table 1.

**Table 2**  
**Comparison of Estimates Anticipated Costs of Processing and Fee Adjustment Scenarios**

	Scenario 1	Scenario 2	Scenario 3
<b>TOTAL COSTS</b>			
-Study (average cost per unit)	\$ 1,016,642	\$ 331,988	\$ 5,907,759
<b>FEE ADJUSTMENT SCENARIOS</b>			
Option 1 - Same Fee Structure with SUB/ZBA Max	\$ 1,452,275	\$ 649,190	\$ 4,506,950
Option 2 - Same Fee Structure with only One OPA and Variable ZBA	\$ 918,885	\$ 408,719	\$ 4,075,811
Option 3 - Same Fee Structure with only One OPA & SUB/ZBA Max	\$ 615,748	\$ 370,348	\$ 1,253,788

The fee structure adjustment could be undertaken relatively quickly by the City in advance of further study on-going with the 2024 Planning Application Fee Review. Reviewing the conclusions of the analysis with City staff the following changes to the City’s Planning Application Fee Schedule are recommended:

**Application Fee Calculation Instructions**

1. For every building on a property greater than 4 storeys in height, each building shall be considered a separate application when calculating the maximum applicable fee for Zoning By-Law Amendment, Site Plan and Condominium applications.
2. On a building 12 storeys or greater in height with multiple towers on a shared podium, each tower shall be considered a separate application for Zoning By-Law Amendment, Site Plan and Condominium applications. The floor area and



residential units in a shared podium shall only be calculated in the fee for the first application.

3. In cases where a development site is separated by a public road (i.e. non-contiguous land parcels) each land parcel shall also constitute a separate application for all application types when calculating the maximum applicable fee.

### Combined Application Fees

Application	City Fees
OPA / Rezoning (ZBA)	100% of the Rezoning application fee plus variable fee and 75% of the OPA application fee.
Rezoning (ZBA) / Subdivision	100% of the Rezoning application fee plus variable fee and 75% of the Subdivision application fee.  Variable fees are only charged for the Rezoning application.
OPA / Rezoning (ZBA) / Subdivision	100% of the Rezoning application fee plus variable fee and 75% of the OPA and Subdivision application fees.  Variable fees are only charged for the Rezoning application.

**TABLE A-1 - Scenario 1**

-OPA, ZBA, SUBDIVISION

-residential and mixed use buildings

<b>FEES</b>	<b>Building 1</b>	<b>Building 2</b>	<b>Building 3</b>	<b>Building 4</b>	<b>Building 5</b>	<b>Building 6</b>	<b>Building 7</b>	<b>Building 8</b>	<b>Building 9</b>	<b>Building 10</b>	<b>TOTAL</b>
OPA (75%)	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 929,475
ZBA											
-Base Fee (100%)	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 245,400
SUBDIVISION											
-Base Fee (75%)	\$ 24,994										\$ 24,994
-Res Variable Fee (100%)											
-0-25	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 151,250
-26-100	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 32,305	\$ 34,125	\$ 339,430
-101-+	\$ 22,500	\$ 12,450	\$ 16,950	\$ 18,600	\$ 31,500	\$ 1,350	\$ 3,150	\$ 450	\$ -	\$ 4,350	\$ 111,300
-Non-Res Variable Fee	\$ 468	\$ 8,156	\$ -	\$ 9,916	\$ 930	\$ -	\$ -	\$ -	\$ -	\$ 1,373	\$ 20,843
<b>TOTAL</b>	<b>\$ 214,699</b>	<b>\$ 187,344</b>	<b>\$ 183,688</b>	<b>\$ 195,254</b>	<b>\$ 199,167</b>	<b>\$ 168,088</b>	<b>\$ 169,888</b>	<b>\$ 167,188</b>	<b>\$ 164,918</b>	<b>\$ 172,460</b>	<b>\$ 1,822,692</b>
<b>Units</b>											
-0-25	25	25	25	25	25	25	25	25	25	25	250
-26-100	75	75	75	75	75	75	75	75	71	75	746
-101-+	150	83	113	124	210	9	21	3	-	29	742
<b>Total Units</b>	<b>250</b>	<b>183</b>	<b>213</b>	<b>224</b>	<b>310</b>	<b>109</b>	<b>121</b>	<b>103</b>	<b>96</b>	<b>129</b>	<b>1,738</b>
<b>Non-Res Sq.m</b>	<b>720</b>	<b>12,548</b>	<b>-</b>	<b>15,256</b>	<b>1,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,112</b>	<b>32,066</b>
<b>COSTS</b>											
-Study (average cost per application)											
OPA (75%)	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 929,475
ZBA	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 1,215,464
SUBDIVISION (75%)	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 1,241,617
<b>TOTAL</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 3,386,556</b>
-Study (average cost per unit)											
OPA (75%)											\$ 92,948
ZBA COST/UNIT	\$ 353.33										
ZBA PER UNIT X 1,738 UNITS											\$ 614,092
SUBDIVISION COST (75%)/UNIT	\$ 178.14										
SUBDIVISION PER UNIT X 1,738 UNITS											\$ 309,603
<b>TOTAL</b>											<b>\$ 1,016,642</b>

**TABLE A-1 - Scenario 1**

-OPA, ZBA, SUBDIVISION

-residential and mixed use buildings

OPTIONS	OPTION 1 Same Fee Structure with SUB Max	OPTION 2 Same Fee Structure with only One OPA and Variable ZBA	OPTION 3 Same Fee Structure with only One OPA & SUB Max
OPA	\$ 929,475	\$ 92,948	\$ 92,948
ZBA	\$ 245,400	\$ 245,400	\$ 245,400
-0-25	\$ -	\$ 118,750	
-26-100	\$ -	\$ 264,830	
-101+	\$ -	\$ 170,660	
-Non-Res Variable Fee	\$ -	\$ 1,304	
SUBDIVISION	\$ 277,400	\$ 24,994	\$ 277,400
-0-25		\$ -	
-26-100		\$ -	
-101+		\$ -	
-Non-Res Variable Fee		\$ -	
<b>TOTAL</b>	<b>\$ 1,452,275</b>	<b>\$ 918,885</b>	<b>\$ 615,748</b>

**TABLE A-2 - Scenario 2**

-OPA, ZBA

-4 buildings (3 residential, 1 mixed use)

<b>FEES</b>	<b>Building A</b>	<b>Building B</b>	<b>Building C</b>	<b>Building D</b>	<b>TOTAL</b>
OPA (75%)	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 371,790
ZBA					
-Base Fee (100%)	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 98,160
-Res Variable Fee (100%)					
-0-25	\$ 11,875	\$ 11,875	\$ 11,875	\$ 11,875	\$ 47,500
-26-100	\$ 26,625	\$ 26,625	\$ 26,625	\$ 25,915	\$ 105,790
-101-+	\$ 32,263	\$ 27,621	\$ 4,178	\$ -	\$ 64,062
-Non-Res Variable Fee				\$ 260	\$ 260
<b>TOTAL</b>	<b>\$ 188,251</b>	<b>\$ 183,609</b>	<b>\$ 160,165</b>	<b>\$ 155,537</b>	<b>\$ 687,562</b>
<b>Units</b>					
-0-25	25	25	25	25	100
-26-100	75	75	75	73	298
-101-+	140	120	18	-	279
<b>Total Units</b>	<b>240</b>	<b>220</b>	<b>118</b>	<b>98</b>	<b>677</b>
<b>Non-Res Sq.m</b>				<b>346</b>	<b>346</b>
<b>COSTS</b>					
-Study (average cost per application)					
OPA (75%)	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 371,790
ZBA	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 486,186
<b>TOTAL</b>	<b>\$ 214,494</b>	<b>\$ 214,494</b>	<b>\$ 214,494</b>	<b>\$ 214,494</b>	<b>\$ 857,976</b>
-Study (average cost per unit)					
OPA (75%)					\$ 92,948
ZBA COST/UNIT	\$ 353.33				
ZBA PER UNIT X 677 UNITS					\$ 239,041
<b>TOTAL</b>					<b>\$ 331,988</b>



**TABLE A-2 - Scenario 2**

-OPA, ZBA

-4 buildings (3 residential, 1 mixed use)

Options	OPTION 1  Same Fee Structure with ZBA Max	OPTION 2  Same Fee Structure with only One OPA	OPTION 3  Same Fee Structure with only One OPA & ZBA Max	
OPA	\$ 371,790	\$ 92,948	\$ 92,948	
ZBA	\$ 277,400	\$ 98,160	\$ 277,400	
-0-25		\$ 47,500		
-26-100		\$ 105,790		
-101+		\$ 64,062		
-Non-Res Variable Fee		\$ 260		
<b>TOTAL</b>	<b>\$ 649,190</b>	<b>\$ 408,719</b>	<b>\$ 370,348</b>	





**TABLE A-3 - Scenario 3**

-OPA, ZBA, SUBDIVISION

-residential and mixed use buildings

FEES	k M	Block N			Block P			Block Q			TOTAL
	Tower 2	Tower 1	Tower 2	Tower 1	Tower 2	Tower 1	Tower 2	Tower 3	Tower 4	Tower 5	
OPA (75%)	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 3,346,110
ZBA											
-Base Fee (100%)	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 24,540	\$ 883,440
SUBDIVISION											
-Base Fee (75%)											\$ 24,994
-Res Variable Fee (100%)											
-0-25	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 15,125	\$ 544,500
-26-100	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 34,125	\$ 1,228,500
-101-+	\$ 42,300	\$ 20,100	\$ 21,900	\$ 15,900	\$ 25,800	\$ 9,300	\$ 9,300	\$ 45,750	\$ 45,750	\$ 45,750	\$ 1,101,150
-Non-Res Variable Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 209,038</b>	<b>\$ 186,838</b>	<b>\$ 188,638</b>	<b>\$ 182,638</b>	<b>\$ 192,538</b>	<b>\$ 176,038</b>	<b>\$ 176,038</b>	<b>\$ 212,488</b>	<b>\$ 212,488</b>	<b>\$ 212,488</b>	<b>\$ 7,128,694</b>
<b>Units</b>											
-0-25	25	25	25	25	25	25	25	25	25	25	900
-26-100	75	75	75	75	75	75	75	75	75	75	2,700
-101-+	282	134	146	106	172	62	62	305	305	305	7,341
<b>Total Units</b>	<b>382</b>	<b>234</b>	<b>246</b>	<b>206</b>	<b>272</b>	<b>162</b>	<b>162</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>10,941</b>
<b>Non-Res Sq.m</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COSTS</b>											
-Study (average cost per application)											
OPA (75%)	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 92,948	\$ 3,346,110
ZBA	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 121,546	\$ 4,375,670
SUBDIVISION (75%)	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 124,162	\$ 4,469,822
<b>TOTAL</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 338,656</b>	<b>\$ 12,191,602</b>
-Study (average cost per unit)											
OPA (75%)											\$ 92,948
ZBA COST/UNIT											
ZBA PER UNIT X 10,941 UNITS											\$ 3,865,811
SUBDIVISION COST (75%)/UNIT											
SUBDIVISION PER UNIT X 10,941 UNITS											\$ 1,949,000
<b>TOTAL</b>											<b>\$ 5,907,759</b>

**TABLE A-3 - Scenario 3**

-OPA, ZBA, SUBDIVISION

-residential and mixed use buildings

<b>OPTIONS</b>	<b>OPTION 1 Same Fee Structure with SUB Max</b>	<b>OPTION 2 Same Fee Structure with only One OPA and Variable ZBA</b>	<b>OPTION 3 Same Fee Structure with only One OPA &amp; SUB Max</b>
OPA	\$ 3,346,110	\$ 92,948	\$ 92,948
ZBA	\$ 883,440	\$ 883,440	\$ 883,440
-0-25	\$ -	\$ 427,500	
-26-100	\$ -	\$ 958,500	
-101-+	\$ -	\$ 1,688,430	
SUBDIVISION	\$ 277,400	\$ 24,994	\$ 277,400
-0-25		\$ -	
-26-100		\$ -	
-101-+		\$ -	
<b>TOTAL</b>	<b>\$ 4,506,950</b>	<b>\$ 4,075,811</b>	<b>\$ 1,253,788</b>