

SUBJECT: Planning Application Fee Review Update – July 2025

TO: Pipeline to Permit Committee

FROM: Development and Growth Management
Community Planning

Report Number: DGM-58-25

Wards Affected: All

Date to Committee: July 10, 2025

Date to Council: July 15, 2025

CIP date: N/A

Purpose of report:

The purpose of this report is to provide an update on the Planning Application Fee Review and to notify Council, the development industry, residents and interested and affected parties of upcoming engagement opportunities this coming summer and fall.

Information Report

Background

The Community Planning Department and Building Department have retained Watson & Associates Economists Ltd. (Watson) to undertake an update of the Planning Development Application Fees and Building Permit Fees. The last fee review was approved by Council in 2022 and 2019 respectively.

The Watson update to the Planning Development Application Fees and Building Permit Fees is needed to ensure that development application fees (planning and building) are reflective of the City's current costs for service delivery and respond to:

- The evolving scale and form of typical development applications in Burlington;
- Changes to planning and building legislation;
- Refinements and streamlining of development review processes (planning and building);
- New planning responsibilities that were formally with Halton Region;
- The City's upcoming implementation of a Community Planning Permit System (CPPS); and
- The City's commitment to affordability, transparency and a customer service focus.

In [DGM-36-25](#), Development application fee review update (April 2025), staff shared the background on both the previous planning and building fee reviews (2022 and 2019) as well as some insights into the Activity Based Costing Model and an overview of the steps in Watson's workplan.

Since the update in April through DGM-36-25, Watson has been working to build the Activity-Based Costing Model with updated FTE and organizational structure data, effort collection values and average application data based on the past decade of application volumes. In consultation with staff, Watson have been working to validate staff utilization values (% of FTE) relative to the effort required for each step within each development application process. Watson is currently in the final stages of preparing draft cost allocations across the different planning application fee categories, developing a draft fee schedule, and benchmarking both current and proposed fees against those of comparable Ontario municipalities.

A critical consideration in finalizing the updated planning application fees is the City's policy and approach regarding cost recovery for eligible costs associated with processing applications under the Planning Act. In accordance with best practices and the legislative

framework in Ontario, municipalities are encouraged to adopt a full cost recovery model wherever feasible. This approach ensures that the direct, indirect and capital costs incurred by the City in reviewing, processing, and making decisions on planning applications are recovered through the fees charged to applicants, rather than being subsidized by the general tax base.

In the previous iteration of the development application fee review, when assessed by application type, the City's fees were at an approximate cost recovery of 63%, acknowledging that there were application types which typically recovered more than the cost of service, some which recovered less than the cost of service and some for which no fee was charged at all.

Through this study, Watson will prepare a fee schedule or fee structure that provides detailed costing for various application types and seeks to align the recovery of processing costs to application characteristics while balancing Planning Act compliance, aligning with City values and Council directions and remaining competitive with other area municipalities. As part of this review, Watson will consider implications of the building fee review, the establishment of new fees for planning services formerly offered by Halton Region and as well as other city directions such as potential options for the introduction of fees to incentivize applications to the City's new Community Planning Permit System tool.

The fee review work will also establish direction for combined applications and refine how fees are applied for multi-site and multi-building developments, along with fees for revisions to previous approvals.

Next Steps

A special Halton Development Liaison Committee (HDLC) meeting will be held in early August to present and seek feedback from the development community around the draft costing, presented by Watson. Watson will present proposed costing, informed by HDLC and other feedback received over the summer at September's Pipeline to Permit Committee for further engagement and discussion.

In October, Community Planning staff will provide a recommendation to the Committee of the Whole related to the adoption of new planning application fees, in advance of the 2026 Budget process and the Rates and Fees by-law update, with fee implementation effective January 1, 2026. An accompanying building fee update report will support a fulsome discussion related to both planning and building fees.

Status

Staff are about to launch industry engagement around draft fees for the purposes of using feedback to inform a staff recommendation in October in advance of 2026 budget discussions.

Key Dates & Milestones

- August 2025: HDLC meeting to present and seek feedback from the development community around draft fees
 - September 11, 2025: Staff presentation to Pipeline to Permit Committee
 - October 6, 2025: Staff Report to Committee of the Whole.
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Strategic Alignment

- ☐ Designing and delivering complete communities
 - ☒ Providing the best services and experiences
 - ☐ Protecting and improving the natural environment and taking action on climate change
 - ☒ Driving organizational performance
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Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.