

SUBJECT: Building Permit and Community Planning application fee reviews update

TO: Committee of the Whole

FROM: Development and Growth Management
Community Planning

Report Number: DGM-73-2025

Wards Affected: All

Date to Committee: October 6, 2025

Date to Council: October 14, 2025

Recommendation

Direct the Commissioner of Development and Growth Management to deliver a Council Workshop in Q1 2026 to discuss the fee review methodologies, alternative cost recovery models and the appropriate level of indirect costs for building permit and planning application fees; and

Approve the amendment to By-Law 070-2024, a by-law to establish and impose certain 2025 rates and fees for services, activities or the use of property, attached as Appendix “A” to Development and Growth Management report DGM-73-25, effective October 14, 2025.

Executive Summary

On September 11, 2025, Watson and Associates presented to the [Pipeline to Permit Committee](#), explaining the Activity-Based Costing model and sharing initial findings on the costs to process building permits and planning applications as a part of the Building Permit and Planning Application Fee Reviews. Committee discussions highlighted the need for transparency, benchmarking, and to revisit indirect cost allocations to ensure alignment with cost recovery objectives under the Planning Act and Building Code Act. With forthcoming regulations through Bill 17 that may reduce processing effort, there is a need for Council to provide direction on desired levels of cost recovery, treatment of indirect/non-recoverable costs, and budget integration. Staff recommend convening a dedicated Council workshop in 2026 to examine these issues holistically before embedding a revised cost recovery model into the City’s budget. Further, Staff recommend an adjustment to the 2025 Rates and Fees By-law

affecting the methodology for calculating fees for a planning application as outlined in Appendix A.

Purpose of report:

- The purpose of this report is to provide a summary of the presentation made by Watson at the September 11, 2025 Pipeline to Permit Committee. This report signals the need for further data refinements and discussion with Council at a future workshop. It also recommends a minor modification to the Rates and Fees By-law changing the methodology for calculating fees.

Key findings:

- Staff recognize the need for greater transparency, supporting information and further discussion related to the methodology, cost recovery models and direct and indirect costs.
- Staff recommend a Council workshop in Q1 2026 to engage with Council and receive direction regarding the building permit and planning application fee reviews.
- Staff anticipate completion of the fee review processes by Summer 2026 in advance of the 2027 Budget process.

Recommendation Report

Background

On September 11, 2025 at the [Pipeline to Permit Committee](#), Watson and Associates presented a high-level overview of the Community Planning and Building Permit fee reviews, including an overview of the methodologies guiding their analysis. Watson outlined the data collection process which established allocated time and associated costing for each building permit or planning application type and shared some of the initial findings related to costing, relative to previous iterations of the fee review.

Following the presentation, members of the Pipeline to Permit Committee, Staff and Watson engaged in a discussion related to the costs of processing building permits and planning applications and the associated cost recovery objectives and obligations under the Planning Act, R.S.O. 1990, and the Building Code Act, 1992, S.O. 1992.

Members of Committee expressed an interest in benchmarking Burlington's fees against other municipalities as well as improving transparency through clear accounting of direct and indirect costs. Members of the Committee also expressed a desire for more transparency and detail related to the amount of effort applied to each application type. There was also discussion about the inclusion of effort estimates that reflected continuous process improvements which have been adopted since 2021. This was further emphasized through discussions about the implementation of Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*. Bill 17 introduced new authorities for the Minister of Municipal Affairs and Housing to define what constitutes a "complete planning application"—including the power to prohibit specific studies or reports being listed as complete application requirements (i.e., sun/shadow, wind, urban design and lighting reports), and to override Official Plan requirements. Bill 17 received Royal Assent on June 5, 2025 and implementing regulations are expected to be released shortly. The implementation of Bill 17 has the potential to eliminate some of the planning studies accounted for in effort estimates to date and would reduce the overall processing effort of various applications, thus driving reduced overall costs.

A topic of significant discussion was the premise of cost recovery for various types of applications and the appropriate level of indirect costs which should be applied to development applications and building permits. Through this discussion, staff acknowledged the desire to revisit assumptions around indirect costs, balance financial sustainability with service delivery, and adjust methodologies to reflect best practices and economic realities.

Analysis

Staff's objective with a fee review is to right-size the application fees for building permits and planning approvals to support growth and investment in the City. The fees should reflect solutions from continuous improvement initiatives that have yielded opportunities for process efficiency.

Watson's presentation was intended to share the high-level initial findings related to the overall costs of processing various planning applications and building permits including direct and indirect costs. Another important factor in the determination of costs are the effort estimates to process or assess each application.

Based on staff's input into the model, in the majority of planning application types, the overall level of effort has been reduced since the 2021 Development Application Fee Review. This is directly attributed to changes in planning legislation as well as continuous improvement initiatives such as the Streamlining Development Applications Fund (SDAF) and the Streamlining Development Applications Project (SDAP). This combined with the nurturing of a culture of continuous improvement within the Development and Growth Management Division and within other contributing departments have led to a reduction in the overall processing effort for most application types. This is especially true of larger planning applications (Official Plan Amendments, Zoning By-law Amendments, Subdivision and Site Plan Applications). There are a smaller number of categories where the level of effort has increased, reflective of the transfer of responsibilities from Halton Region to the City, leading to overall increased processing costs. This particularly applies to Official Plan Amendments for Quarries and Niagara Escarpment Development Permit application types, where the Region had significant planning responsibilities. There are other application types, typically smaller scale, low rise residential applications where the level of effort has been relatively stable or slightly reduced. This reflects a greater level of customer service being applied in order to help residents find successful outcomes in their application processes.

It is important to note that the City has historically had different levels of cost recovery for different types of applications, however, given the City's housing goals and the current state of the housing market, staff understands and acknowledges the need to revisit the discussion on the desired amount of cost recovery per application. Staff also heard clearly from the Pipeline to Permit Committee members that there is a strong desire to revisit assumptions around indirect costs, balance financial sustainability with service delivery, and adjust methodologies to reflect best practices, the role of public service as well as our current economic realities.

These are important conversations and changes to cost recovery has implications for other City departments and for the budget. Staff understand the need to have a holistic conversation

around the methodology, the cost recovery model and the appropriate level of indirect costs. Staff are committed to ensuring that Council has the opportunity to have this important conversation.

Staff will take the feedback received at the Pipeline to Permit Committee and continue to work with Watson to refine the data and provide more visibility on the work done to date. This will be used to inform a fulsome discussion at a future Council workshop to explore the various approaches to cost recovery with the goal of ensuring that the cost recovery models are aligned with and integrated into the budget in advance of the 2027 budget.

Staff propose that a future Council Workshop focuses on:

- Indirect and non-recoverable costs associated with the processing of planning applications and building permits;
- The percentage of cost recovery from application fees;
- Integration with future budget approval processes; and
- Providing clarity around the methodology and effort estimates which will be further refined into the fall.

Recommendation

While staff work on refining both fee reviews into the fall, an immediate modification to the 2025 Rates and Fees By-law is proposed. The current Rates and Fees By-law provides instructions on the calculation of fees for an application. This has the effect of defining the scope of an application. For example, an application consisting of a podium and two towers would be treated as two applications and each application would be subject to the payment of the base and variable fees for the related components. Staff propose the elimination of the instructions so that multiple towers in a comprehensive development on a single lot are treated as a single application as outlined in Appendix A to this report and only one base fee would be charged, and the variable fee calculation would be commensurate with the scale of the development (number of units and non-residential gross floor area).

Additionally in the interim, the standard inflationary increase will be applied to the proposed 2026 rates and fees for both building administration and planning application fees as a part of the 2026 Rates and Fees By-law report for Committee of the Whole in November. This will be applied as an interim step until the broader fee review has been resolved.

Further to building administration fees being indexed via the 2026 Rates and Fees By-law, building permit fees are indexed as per the Building Permit By-law (66-2019) section 6.11.2. Building permit fees are indexed to the overall percentage increase to the total Human

Resource expenditures as approved in the annual budget in relation to the Building Department and are adjusted in the following year once the budget is finalized.

Following the Council workshop proposed for Q1 2026, staff will make comprehensive recommendations on changes to the Rates and Fees By-law and bring this back to Council for approval.

Recommendation Details

Staff acknowledges the need to continue to work on refinements to the inputs into the costing models and engage with Council, the public and the development community to ensure the cost recovery model recommended by staff is one that reflects Council’s vision and strategic direction and is fiscally sustainable.

Key Dates & Milestones

- Fall 2025: refinements to methodology, effort estimates and costing inputs
 - Winter 2026: Council Workshop
 - Summer 2026: Recommendation Report and Amendment to Rates and Fees By-law.
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Implications

The additional time to make refinements to the work completed to date will allow for better alignment with the base budget process and ensure that the final recommended costs reflect on-going continuous improvement initiatives and legislative changes, leading to right-sized costing for building permits and planning applications.

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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Appendices:

A. By-Law XX-2025

Draft By-laws for Approval at Council:

- BY-LAW NUMBER XX-2025, A by-law to amend By-law 70-2024, being a by-law to establish and impose certain 2025 rates and fees for services, activities or the use of property. October 14, 2025.

Notifications:

West End Home Builders Association (WEHBA)
Building Industry and Land Development Association (BILD)

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.