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Bruce County Economic Taskforce

Sub-Committee Waiving of County Planning Fees and Municipal Fees

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Through thoughtful discussion, an analysis of Bruce County and lower-tier business survey results and conversations focused around a business, Municipal and County lens, the Sub-Committee has conducted a fees review and looked for short-term opportunities to support the needs of the business community from a broad perspective. Sub-Committee members consulted with peers and colleagues in each of their respective professions for input. The committee has looked at the legislation around various fees and the challenges related to waiving or deferring those Upper or Lower-tier fees.

Below is a list of the common County and Municipal Fees that were considered:

Building Permit Fees

All lower tier municipalities have different fees and fee structure that are enacted by By-Law. This adds a level of complexity that will be difficult to implement as By-laws would need to be amended and each municipality would have a different approach.

The Building Code Act legislation requires a study to be done and a public meeting held before making changes and that ultimately the fees are meant to pay for the services and not to create a 'profit/surplus'. Any annual surplus or deficit is to be tracked and reported separately.

Some municipalities may currently be in an accumulated surplus and have more room to make reductions than others

Planning Fees

Planning Fees apply from the County of Bruce, Conservation Authority and some lower tier municipalities. Any reduction or waiving of fees will require approval from the associated Council and/or Boards. Planning Fees may not be applicable in all lower-tier Municipalities.

These fees apply to project that span several years and may require separate planning applications which would make waiving of fees in the immediate timeframe difficult to apply.

Planning Fees for the most part benefit an individual property owner rather than a broad spectrum of the population which means that reducing fees may not have the desired benefit of supporting the business community in the short term.

Development Charges (DCs)

The County does not charge DCs. Some local municipalities charge and some do not.

Deferring DCs over 5 years was proposed in Bill 138, Plan to Build Ontario Together Act, 2019 and then removed for industrial and commercial. This speaks to the complexity of trying to waive or adjust fees as they relate to development charges. The main stumbling block that

caused its removal was that sometimes these properties are built by one company and then sold to another company and it was too difficult to ensure that the first company would keep paying the deferred fees after they sold the property and then winded down their corporation.

Section 19 of the DC Act requires a background study and a 60 day public consulting process. If the only item was to remove non-residential DCs, a staff report may suffice as the background study, as long as it addresses certain areas. Without a proper study could lead to legal challenges at the tribunals. However, this is not a short term solution and would require considerable effort in order to amend.

The proposed changes could still be challenged by the public asserting that if the developers don't pay the fees then the costs go onto the taxpayers.

The reduced DC costs would not shift to residential builders and would by default end up being paid by municipal taxpayers/utility users.

Municipalities could consider delayed payment agreements with developers however this would require legal agreements and some sort of collateral from the developer sufficient that would ensure the municipality has leverage to ensure they would get paid one day, including the cost of legal fees as a litigious opponent sometimes may see legal fees as a cost of doing business.

With DC's varying between each lower-tier, not charged in some lower-tier municipalities and impacting a significant source of revenue to maintain infrastructure, this recommendation should be considered by each lower-tier Council independently. However, a conclusion can be drawn that this is not a short-term or straightforward solution.

Business Improvement Area (BIA) Fees

The Regulations that govern the establishment of a BIA require that changes to the fees be approved by a certain percentage of the property owners in the BIA boundary and then an update the BIA By-law is required.

Ideally the updated By-law should be passed a month before the final tax bills are mailed out by the municipality so that the changes can be made to the affected property tax bills as the BIA fee is usually added to the property tax bill for those affected properties in the BIA

Reducing BIA fees may not produce the desired outcome of reducing burden to our businesses as the main role and function of the BIA is to support those very businesses through marketing and attraction programs.

BIA's are not consistently in place across all lower-tiers municipalities. As a result of the COVID pandemic and the need to support business recovery, BIA's will play an integral function to help grow business sustainability in certain lower-tier communities. Maintaining their funding would seem appropriate.

Utility fees (Water and Sewer)

These fees are all calculated at the local municipal level and not at the County level. Water and Sewer costs are not part of the property taxes as they are only charged to properties that are supplied with water and/or sewer services. The budget for these fees is separated from the

property tax portion as the revenues from water are to pay for the expenses for water, same goes with sewer fees.

Legislation requires a water rates study to be conducted at least once every 5-6 years and the charges are determined from that study. These studies can take several months and also require public meetings. Therefore, the review of these fees would not be quick and may have a significant impact.

Underfunding the water system could lead to unintended consequences and provincial law requires Council members and certain staff personally liable for these systems. This could lead to municipal fines, personal fines and personal jail time.

Water/Sewer rates are established in advance based on the studies conducted and reducing these fees may be challenging to maintain required infrastructure. Water/Sewer fees are charged differently across each lower-tier adding further complexity.

Sub Committee Recommendation:

After a review of various fees structures and the legislation that enables them, it has been determined by this Sub-Committee that the County and the lower level municipalities have different financial capacities and it is difficult to look at recommending waiving or deferring a particular fee structure as a whole. Many of the options reviewed include a complex legislative structure that may require studies and or public input from each respective municipality prior to enacting a change even if consensus from each of the respective Councils could be established.

Further, the Sub-Committee discussed that an incentive program to support development, business expansions or improvements or similar program could potentially be more effective and could be analyzed by each respective municipality through their unique business needs and current Community Improvement Plan (CIP) programs for implementation. This would be a longer term recommendation that could be advanced as the work of the Task Force progresses.

Finally, following this review the Sub-Committee hereby recommends that a letter be sent to each lower tier municipality to encourage local consideration of deferral, discounts or incentive programs that will achieve the out-come of short term support to local businesses across a broad spectrum.

Respectfully,

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