



Planning Advisory Committee Report

Report Number:	ENG2024-031
Meeting Date:	November 27, 2024
Title:	Update to the DAAP Fee for Subdivisions
Description:	Engineering Fees
Type of Report:	Regular Meeting
Author and Title:	Christina Sisson, Manager, Development Engineering

Recommendation(s):

That Report ENG2024-031, **Update to Development Application Approvals Process (DAAP) Fee for Subdivisions**, be received;

That the City's Development Application Approvals Process (DAAP) Fee be increased to 6.0% for subdivisions;

That the City's cost estimate schedule template for subdivisions be updated and amended for 2025, as outlined in Appendix 'A', to Report ENG2024-031; and

That the City continue to review the DAAP fee every two years to ensure the fee is fair and in line with the costs of engineering review and project management by the City.

Department Head: _____

Legal/Other: _____

Chief Administrative Officer: _____

Background:

Further to the initial by-law in 2007 (By-Law 2007-132 attached as Appendix 'B') and the update to Development Approval Application Processing (DAAP) fees completed for 2023 (Report ENG2022-021), this report is the prescribed update as a review of the DAAP fees.

Through this report, we recommend that the City implement only one change to the existing fee structure, an increase to the fee for subdivisions. Similar to the 2022 update, the fee increase will support specifically, the:

- number of new subdivision developments
- scale of the subdivisions proposed (previous 20 to 100 units, now 800 to 2000)
- complexity of the new subdivisions (boundary conditions, adjacent development, utilities, etc.)
- current demand for subdivisions (new applications and Ministerial Zoning Orders)
- implementation of subdivision development (5 to 10 years for assumption)

An increase in the DAAP fee proposed for subdivisions to 6% from the current 4.5%. The proposed 6% would represent an increase of the developer contribution to approximately half of the Development Engineering Division budget. Additionally, it is recommended that the subdivision DAAP fee continue to be reviewed every two years to assess the contribution and the budget as related to development demand.

Further to the last update, there are no changes to the payment structure proposed for this update. Currently, the fee is implemented in two installments:

- first at the time of initial submission of the detailed engineering design and based on the draft engineering cost estimate
- last just prior to the execution of the subdivision agreement and based on the final, approved engineering cost estimate

The current fee is based on a percentage of the engineering design cost estimate for the proposed municipal infrastructure or Public Services. Establishing the fee based on a percentage of the engineering cost estimate provides for a fee that slides with the complexity (engineering design of infrastructure) and/or scale of the proposed work for the amount of infrastructure, the complexity or type of infrastructure, and the number of types of infrastructure proposed.

Further to the update in 2022, the City continues to provide the infrastructure approval directly through the Ministry of the Environment, Conservation and Parks and the Consolidated Linear Infrastructure Environmental Compliance Approval (CLI ECA). The

DAAP fees will continue to cover the cost of this review through one single fee structure.

Rationale:

As part of the development process for the City, Development Engineering staff provide for the implementation of the subdivision development (post draft plan approval). Therefore, we recommend the proposed changes to the DAAP fees for subdivisions to cover the ever growing support required to provide engineering review and input for the development community and the municipality. The reviews include the following required activities:

- detailed engineering design review (times multiple submissions)
- pre-servicing review, including earthworks only proposals
- pre-servicing agreement preparation, for both earthworks only and for underground servicing
- security review, at all stages
- inspection (multiple points in the process)
- commissioning
- camera work (CCTV) review
- deficiency review
- subdivision agreement drafting
- security reduction review
- lot grading review
- review of construction management plans (introduced, regular updates, consistency, and communication)
- review of sediment and erosion controls
- Ministry approvals - Form 1, CLI ECA, water, sanitary, and stormwater
- subdivision agreement finalizing
- record keeping (MECP and City)
- acceptance
- certification review
- maintenance review
- further security reduction review
- compliance review
- asset updates
- routine and annual updates
- ultimate assumption of the municipal infrastructure and assets

There continues to be no change proposed to the DAAP fees for site plans and condominiums to encourage the private sector and different forms of development and to reflect the level of effort and resources provided for private development. Private

development relies on existing municipal infrastructure and typically does not include the creation of municipal infrastructure for eventual assumption.

The DAAP fees are collected only at the implementation stage of the subdivision development. Implementation of subdivision development requires support, input, and inspection to ensure the municipal infrastructure is constructed and installed to meet municipal and provincial standards. This infrastructure must be able to be assumed and so must meet the requirements. In addition, time is of the essence, and project management of the implementation is required to maintain timelines and milestones. Therefore, project management is required. The DAAP fees assist with this project management.

Other Alternatives Considered:

Council could choose to continue with the status quo and the current DAAP fee structure. This would not represent the current and continuous support for the growth and development being experienced by the City and forecasted for the City. DAAP fees only partially compensate for the City's support for growth and development.

Alignment to Strategic Priorities:

All development is intended to support the community and to align with the City's Strategic Priorities for 2024 to 2027 which is facilitated through the City project management supported by the DAAP fees:

1. A Healthy Environment – facilitated with sediment and erosion controls, water quality controls, green infrastructure incorporating Low Impact Development, and legislated servicing
2. An Exceptional Quality of Life – facilitated through assumed infrastructure in a timely manner, including accessibility and trail connectivity and community services
3. A Vibrant and Growing Economy – facilitated through construction and new housing opportunities in a timely manner for the economic sector
4. Good Government – facilitated through fairness and equity in fees for service to provide consistent support from the City

Financial/Operation Impacts:

Growth and development require clarity and transparency to confirm the demand for services. Updated and appropriate fee for service is recommended to provide for the

project management required to facilitate the implementation of subdivision development for assumption of the municipal services.

Servicing Comments:

The review of the development process provides for accurate, current information of the servicing demands, and project management supported by the DAAP fees provides for the correct and appropriate infrastructure for assumption.

Consultations:

Director of Corporate Services

CAO

Attachments:

Appendix 'A' – Draft Schedule "D" Cost Estimate Template



DRAFT-20241030-Sub
division-Schedule-D-C

Appendix 'B' – City of Kawartha Lakes By-Law 2007-132



2007-132 DAAP
Engineering Fees.doc

Appendix 'C' – City of Kawartha Lakes By-Law 2018-234



2018-234
Consolidated Repeal .

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Department Head: **Juan Rojas**

Department File: