

June 30, 2025



GEORGIAN TRIANGLE DEVELOPMENT INSTITUTE

Committee of the Whole

The Town of the Blue Mountains

Dear Members of the Committee,

Subject: Staff Report ADM.25.040: Proposed Fee Increases in the Town of the Blue Mountains

The Town of the Blue Mountains is considering significant increases in development fees, with an average 265% rise in planning fees and up to a 400% increase in engineering review fees, as detailed in Staff Report ADM.25.040. This proposal coincides with a notable decline in new home permits, from 429 in 2020 to a projected 24 in 2025, reflecting a housing affordability challenge affecting residents at all economic levels.

The Georgian Triangle Development Institute (GTDI) respectfully requests that the Town pause any increases to Planning Application Fees and Development Engineering Application Fees. We propose that the Town undertake a comprehensive review of its regulatory and approval processes to identify opportunities for red tape reduction and operational efficiencies. Such a review could help streamline procedures, lower costs, and support the construction of more homes to address the affordability crisis. *At a minimum, every effort should be made to avoid increasing the cost of new homes.*

Discussion

Declining Housing Construction

Data from the Town's Building Statistics & Reports (BSR) shows a consistent decline in new home construction over the past five years, with 2025 projected to reach an historic low across all price levels (Table 1). Through April 30, 2025, only 8 single detached units (SDU) and 5 accessory units have been recorded, projecting a total of 24 units for the year.

Table 1-TOBM New Homes

TOBM New Dwellings		
Year	SDU/ Towns	Accessory
2019	320	n/a
2020	429	n/a
2021	376	n/a
2022	250	11
2023	161	13
2024	99	12
2025	8*	5

*Through April 30 = Projected Total 24
Units 2025

Proposed Fee Increases

The proposed fee increases are based on the Development Applications Approval Process Fees Review by Watson & Associates Economists Ltd. Fees are divided into two categories:

- Planning Application Fees: Subject to the Planning Act and appealable to the Ontario Land Tribunal (OLT).
- Development Engineering Application Fees: Not subject to the Planning Act and non-appealable.

In any budgetary exercise, it's critical to begin with the actual revenue collected under the Fee program. The GTDI has requested a statement of the fees collected from 2019 to 2024 to verify the "Average Annual Revenue" reported in Tables 3-2 and 4-2. As this information has not been provided, we cannot confirm the reported revenue shortfall.

Planning Application Fees

Table 2 outlines the proposed increases for Planning Application Fees, averaging a 265% hike. Notably, the Draft Plan Amendment fee appears to decrease, which requires clarification from the Town.

Table 2 – Planning Fees

Application Type	Charging Parameter	Current Fee	Recommended Fee (2025\$)	Percent Increase
Site Plan Individual	Flat	\$2,506.00	\$7,272.00	190.18%
Site Plan Small	Flat	\$6,718.00	\$18,201.00	170.93%
Site Plan Medium	Flat	\$13,636.00	\$36,944.00	170.93%
Site Plan Large	Flat	\$15,555.00	\$42,143.00	170.93%
OP Amendment Individual	Flat	\$16,993.00	\$31,565.00	85.75%
OP Amendment Small	Flat	\$21,148.00	\$34,171.00	61.58%
OP Amendment Medium	Flat	\$24,780.00	\$36,449.00	47.09%
OP Amendment Large	Flat	\$30,406.00	\$39,978.00	31.48%
Zoning By-law Amendment Individual	Flat	\$4,690.00	\$17,277.00	268.38%
Zoning By-law Amendment Small	Flat	\$16,522.00	\$23,878.00	44.52%
Zoning By-law Amendment Medium	Flat	\$18,432.00	\$24,944.00	35.33%
Zoning By-law Amendment Large	Flat	\$23,303.00	\$27,662.00	18.71%
Zoning By-law Amendment Temporary Use	Flat	\$6,571.00	\$19,449.00	195.98%
Draft Plan of Subdivision/Condominium Small	Flat	\$14,223.00	\$35,867.00	152.18%

Draft Plan of Subdivision/Condominium Medium	Flat	\$17,081.00	\$44,883.00	162.77%
Draft Plan of Subdivision/Condominium Large	Flat	\$21,532.00	\$58,924.00	173.66%
Draft Plan Amendment	Flat	\$7,111.50	\$6,076.00	-14.56%
Minor Draft Plan Amendement	Flat	\$413.00	\$6,076.00	1371.19%
Minor Variance	Flat	\$1,970.00	\$2,954.00	49.95%
Consent (Lot Creation)	Flat	\$3,358.00	\$6,620.00	97.14%
Part Lot Control Individual/Small	Flat	\$836.00	\$2,848.00	240.67%
Part Lot Control Large/Medium	Flat	\$940.00	\$3,655.00	288.83%
Removal of Holding	Flat	\$2,657.00	\$3,435.00	29.28%
Condo Exemption	Flat	\$1,992.00	\$5,279.00	165.01%
Telecommunication Tower	Flat	\$2,506.00	\$7,756.00	209.50%
Redline Revision to Site Plan	Flat	\$595.00	\$5,282.00	787.73%
Red Line Revision Comments to County	Flat	\$413.00	\$4,927.00	1092.98%
Draft Plan Ext. Comments to County	Flat	\$206.00	\$2,130.00	933.98%
Draft Plan Approval Clearance Letter to County	Flat	\$603.00	\$2,846.00	371.97%
Change to Condition of Consent	Flat	\$367.00	\$1,632.00	344.69%
Development Control Permits (Niagara Esc.)	Flat	\$223.00	\$608.00	172.65%
Official Plan Amendment Comments (Niagara Esc. or County)	Flat	\$464.00	\$1,167.00	151.51%
Inquiry of Acquisition of Town Land	Flat	\$1,193.00	\$6,960.00	483.40%

Average Increase **265.34%**

Engineering Review Fees

Engineering Review Fees, charged as a percentage of construction value (CV), are a significant concern for GTDI members. These fees resemble realtor commissions, where small percentage increases result in substantial costs. The Association of Consulting Engineering Companies Ontario (ACECO) provides fee guidelines for engineering design services, noting that percentage-based fees are unsuitable for projects under \$1,000,000 due to disproportionate costs (Table 3).

Table 3 – ACECO Percentage of Construction

ACECO Typical Fee Ranges as a Percentage of Construction Cost for Transportation & Infrastructure	
Cost of Construction	Percentage
<\$1,000,000	n/a
\$1M-\$2M	8.0-9.0%
\$2M-\$5M	7.5-8.5%
\$5M-\$10M	7.0-8.0%
\$10M +	6.75-7.25%

The Town's proposed Engineering Review Fees (Table 4) are for reviewing work by developers' consulting engineers, not for providing design or inspection services. Yet, the proposed fees align with or exceed ACEC-Ontario's rates for full consulting services. For subdivisions requiring both Pre-Servicing and Subdivision Agreements, the combined fee would reach 9.72%.

Table 4 – TOBM Engineer Review Fees

Application Type	Charging Parameter	Current Fee	Recommended Fee	Percent Increase
Pre-Servicing	% of CV	0.70%	3.56%	408.57%
Subdivision	% of CV	5.64%	6.16%	9.22%
Site Plan	% of CV	5.64%	6.16%	9.22%

Conclusion

The Town faces a housing affordability crisis, evidenced by a sharp decline in housing starts over the past five years. Rising input costs, including government fees and inefficiencies, directly increase new home prices, burdening future residents. The GTDI urges the Town to pause Planning Application Fees and Development Engineering Application Fees at current levels. We propose that the Town undertake a comprehensive review of its regulatory and approval processes to identify opportunities for red tape reduction and operational efficiencies. Such a review could help streamline procedures, lower costs, and support the construction of more homes to address the affordability crisis.

On behalf of the GTDI Board of Directors,


Kenneth Hale, President