



Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	September 8, 2022
Subject / Report No:	Grey Sauble Conservation Authority Fees / PDR-CW-30-22
Title:	Grey Sauble Conservation Authority Proposed Fee Updates
Prepared by:	Scott Taylor and Randy Scherzer
Reviewed by:	Kim Wingrove
Lower Tier(s) Affected:	All Municipalities within Grey Sauble Conservation Authority Watershed
Status:	Recommendation adopted by Committee as presented per Resolution CW132-22; Endorsed by County Council September 22, 2022, per Resolution CC78-22.

Recommendation

1. That report PDR-CW-30-22 be received for information; and
2. That this report be shared with the Grey Sauble Conservation Authority pertaining to their proposed Environmental Planning and Permit Fee Update; and
3. That this report be shared with municipalities in Grey County that have lands in the Grey Sauble Conservation Authority watershed.

Executive Summary

The Grey Sauble Conservation Authority (GSCA) has recently undertaken work on an Environmental Planning and Permit Fee Update. GSCA requested County feedback on the proposed fee changes by August 15, 2022. County staff submitted comments on the proposal with some suggestions but raised no significant issues with the fee review. This report will provide a summary of the Environmental Planning and Permit Fee Update, as well as give some background on the services and role of GSCA in the planning approval process.

Background and Discussion

There are four conservation authorities with jurisdiction in Grey County: Grey Sauble Conservation Authority (GSCA), Saugeen Valley Conservation Authority (SVCA), Grand River Conservation Authority (GRCA), and Nottawasaga Valley Conservation Authority (NVCA). Each

of those conservation authorities is resourced and staffed differently, with each having its own fee structure. The County has recently been in discussions with all four conservation authorities to enter into a memorandum of understanding (MOU) outlining the planning review services provided to the County by the conservation authorities. Within this draft MOU each of the four conservation authorities would still set its own fee structure. This MOU will likely come before County Council early in the next term of Council.

In 2021, the GSCA commenced a process to update their environmental planning and permit fees. The proposed fee review is summarized by GSCA as follows:

“In 2021, GSCA engaged Watson & Associates Economists Ltd. to undertake a program rates and fee review for planning and permitting services offered by the GSCA. The primary objectives of this review were to assess the full cost of providing plan review and permitting services and the adequacy of current GSCA fees to recover the costs of service.

The proposed fee structure seeks to align the recovery of processing costs to application/permit characteristics to recover the full costs of service while balancing Planning Act compliance, applicant benefits and affordability, and revenue stability. GSCA’s current fee structure has been generally maintained within the proposed fee structures, however, changes have been made to differentiate between the scale of applications under the Planning Act. Also, proposed plan review and permitting fees have been designed below full cost recovery levels where full cost recovery fees would be beyond the range of the fees imposed by comparator conservation authorities.

This report was presented to the GSCA Board of Directors on April 28, 2022. The Board of Directors has approved moving forward with consultation on the proposed fee schedule.”

A link to the GSCA website, including the Watson & Associates Report and proposed fees can be found [here](#).

Conservation authorities across Grey County play an integral role in the plan review and development application process. Conservation authorities have mandated roles in natural hazard and flood protection. Most municipalities in Grey, including Grey County itself, also rely on conservation authorities for comments on natural heritage matters (i.e. comments on the natural environment). Without these comments, municipalities and/or the County would need to hire staff with natural heritage expertise or contract out that review to a third-party consultant. Grey County does not have such expertise on staff and as such relies on conservation authorities to help fill this role. This role has become increasingly important with less provincial ministry staff support on natural heritage matters. Occasionally the County also undertakes third-party peer reviews of environmental impact studies (EIS) for development applications, at the developer’s expense, where they exceed the ability of local conservation authority staff.

In recent years, the Province has made changes to the *Conservation Authorities Act*, and how the conservation authorities deliver services. Grey County has commented on these changes, and these staff reports have been linked to in the Attachments section of this report. MOUs, such as the one in progress between the County and conservation authorities, are crucial to outlining the services being provided by the conservation authorities, particularly as it applies to services that go beyond the core mandates, such as natural heritage commenting. The

Attachments section of this report also includes links to some older reports on the role of conservation authorities in Grey.

It's also worth noting that when a conservation authority reviews a development application, they are assessing different components than the County or municipal staff review of that same application. Although each staff member may be reviewing the same application, they bring differing expertise to their review and are providing different comments on the proposal. Conservation authority staff have both natural hazard and natural heritage backgrounds that typically are not found in County or municipal staff complements in Grey County. Some larger municipalities may have an ecologist on staff, but this is not common for smaller or rural municipalities, often in part due to conservation authorities being able to fill this role.

Proposed Fee Updates and Methodology

In arriving at the proposed fees, Watson & Associates have undertaken a detailed methodology, including assessing current workloads, cost recovery, and have undertaken a comparative survey of other conservation authorities and municipal fees. The Watson study can be found on the GSCA website, which is linked to in the Attachments section of this report. GSCA staff have recently been consulting with stakeholders on the proposed fee changes.

The fees being considered in the GSCA review are for development applications under the *Planning Act*, as well as the associated technical reports (e.g., EIS, stormwater management reports, etc.). The fees also cover the GSCA permitting reviews on projects, as well as fees assessed for reviewing minor exemptions under the Grey County Forest Management By-law. These fees are assessed to developers or landowners coming forward with a development or permit request.

A number of the planning fees are increasing over their current charges, while the permitting fees generally have much more modest increases. Some fees are also broken out into a minor versus a major application type (i.e., a minor zoning amendment versus a major zoning amendment), which is a standard practice also used by Grey County and some member municipalities. There are some proposed fees that have significant increases from GSCA's current fees. While there may be some 'sticker shock' when comparing some of the new fees to the old fees; as noted earlier in this report, GSCA has sought out full cost recovery on these services, such that the costs are not spread across the municipal levy. The cost recovery model is akin to how many municipalities approach building permit fees. Some of the more dramatic increases also relate to applications that may be less common in occurrence and generally covered by larger developments. For example, the current GSCA fee for review of a zoning by-law amendment is \$390, whereas the new fee would be \$830 for a minor zoning amendment or \$5,100 for a major amendment. Based on the increasing complexity of planning applications, as well as increasing input costs (e.g., fuel/equipment needed to visit the sites, staffing, etc.) the increase from \$390 to \$830 appears reasonable for a minor amendment. Although a major amendment is not defined, County staff would assume that the majority of zoning amendments would fall into the minor category versus the major category. County staff would note that 'major' applications can take significantly more time and resources to process versus a more routine 'minor' application. Staff would also note that in some cases the fees are below full cost recovery levels where full cost recovery fees would be beyond the range of the fees imposed by comparator conservation authorities.

GSCA has noted that through this fee review process, they are looking to increase their staffing levels to further include the following additional fulltime staff:

- a planning ecologist,
- a regulations officer, and
- a water resource engineer.

County staff will defer to Watson & Associates and the GSCA with respect to what fees need to be charged to (a) have adequate staffing levels to service the County and member municipalities and (b) recover their costs appropriately. County staff would note that should cost recovery not be achieved, or should the GSCA not provide the full development review services, then it could trigger additional tax levy impacts or development application review fee increases at the County or municipal levels. Much in the way that Development Charges are assessed using the philosophy that new development should pay for itself, staff would note that these proposed fees are structured similarly. With the proposed GSCA fees, the developers or landowners proposing development are the ones paying these fees, rather than having those costs levied against the entire tax base.

In our County staff comments, staff noted that;

1. some further definitions of what constitutes a minor versus a major application should be considered,
2. fee discounts for multiple applications are prudent (the current proposal is a 20% reduction where there are multiple applications for the same development), and
3. if there are possibilities to share resources with the County, member municipalities, or other conservation authorities for the planning ecologist, then that could be beneficial to all.

County staff would note that having the planning ecologist could help limit the need for third-party EIS peer reviews, and it is consistent with the staff arrangements at a number of other conservation authorities across the province. Staff would further note that neither the County, nor any of our nine member municipalities have such expertise on staff, so having this person in the GSCA watershed would be very beneficial.

GSCA staff have recently invited County and municipal staff to a meeting on September 12, 2022 for further discussion on the proposed fee review.

Analysis of Planning Issues

Timely commenting on development applications is becoming more crucial than ever based on changes to the *Planning Act* through Bill 109. Municipalities now face the prospect of having to refund application fees, if a decision is not made within statutory timeframes for some planning applications. As a result, it is imperative for municipalities to receive timely comments from conservation authorities to make recommendations and decisions on the planning applications within the allotted timeframes. Having appropriately staffed conservation authorities will assist in this objective.

As discussed in earlier staff reports, if County and our member municipalities do not get these services from conservation authorities then it would mean having to hire County or municipal staff, or utilize the services of consultants. With GSCA staff already reviewing the applications

from a natural hazard perspective, and already visiting these properties and reviewing the background materials, then from a workflow perspective it makes sense to also look at it from a natural heritage perspective. There are also many instances where the natural hazard and natural heritage elements are linked, and it wouldn't be easy to parse them out into separate review functions (e.g., a wetland or waterbody may have dual roles as it pertains to both natural hazard and heritage and it would not make sense to have two different bodies reviewing each element separately).

Legal and Legislated Requirements

GSCA and Watson and Associates have conducted their fee review in accordance with the provisions of the *Conservation Authorities Act* and the *Planning Act*.

Financial and Resource Implications

There are no further financial or resource implications to the County stemming from this report or the GSCA fee proposal. Should the GSCA approve their fee increases, it will mean additional costs to developers or landowners seeking development. Should the GSCA not approve the fee increases, or reduce their service delivery, then it could mean;

- delays in the development process,
- additional tax levy needed at the municipal or County levels, or
- updates are needed to municipal or County fees and services by-laws to increase their application fees.

Relevant Consultation

Internal: Planning, CAO

External: Consultation to be conducted by GSCA with relevant stakeholders

Appendices and Attachments

[Link to GSCA Fee Update Site](#)

[PDR-CW-17-21 Conservation Authority Act Phase 1 Regulatory Proposals - Comments](#)

[PDR-CW-22-19 Conservation Authority Act Changes](#)

[PDR-CW-39-17 Saugeen Valley Conservation Authority Draft Memorandum of Agreement - Planning Services](#)

[PDR-PCD-36-15 Conservation Authority Act Review](#)

[PDR-PCD-17-09 Conservation Authority Comments Natural Heritage](#)