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**Subject:** Development Applications Monitoring Report – 2022 Year End

**Report to:** Planning and Economic Development Committee

**Report date:** Wednesday, April 5, 2023

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## Recommendations

1. That Report PDS 9-2023 **BE RECEIVED** for information; and,
2. That a copy of Report PDS 9-2023 **BE CIRCULATED** to Local Area Municipalities, Niagara Peninsula Conservation Authority, Niagara Home Builders Association, Niagara Industrial Association, local Chambers of Commerce and School Boards.

## Key Facts

- The purpose of this report is to inform Regional Council of the 2022 volume of development application activity in Niagara Region.
- Regional Planning and Development Services staff reviewed 829 development applications in 2022 (similar to the 2021 application volumes of 826).
- Regional Planning and Development Services staff provided comments for 863 pre-consultation meetings in 2022 (a 1.75% increase from 2021)

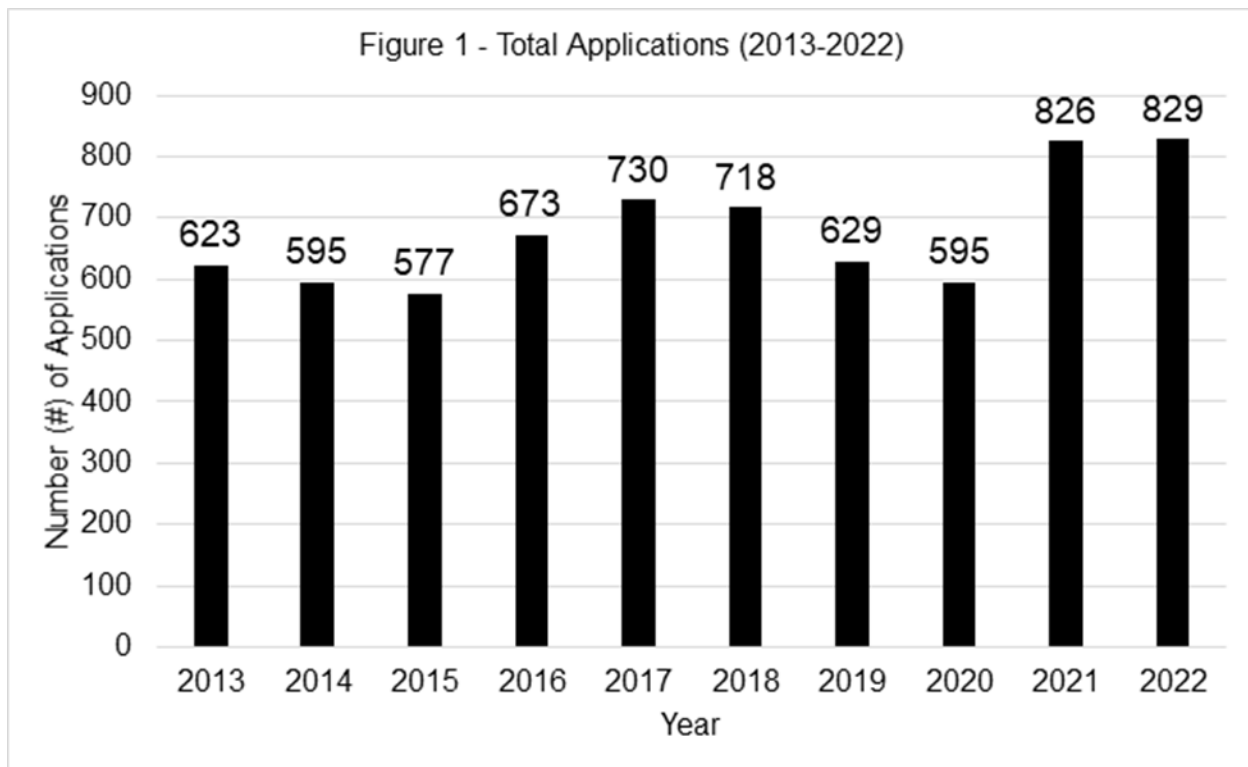
## Financial Considerations

There are no direct financial implications associated with this report.

## Analysis

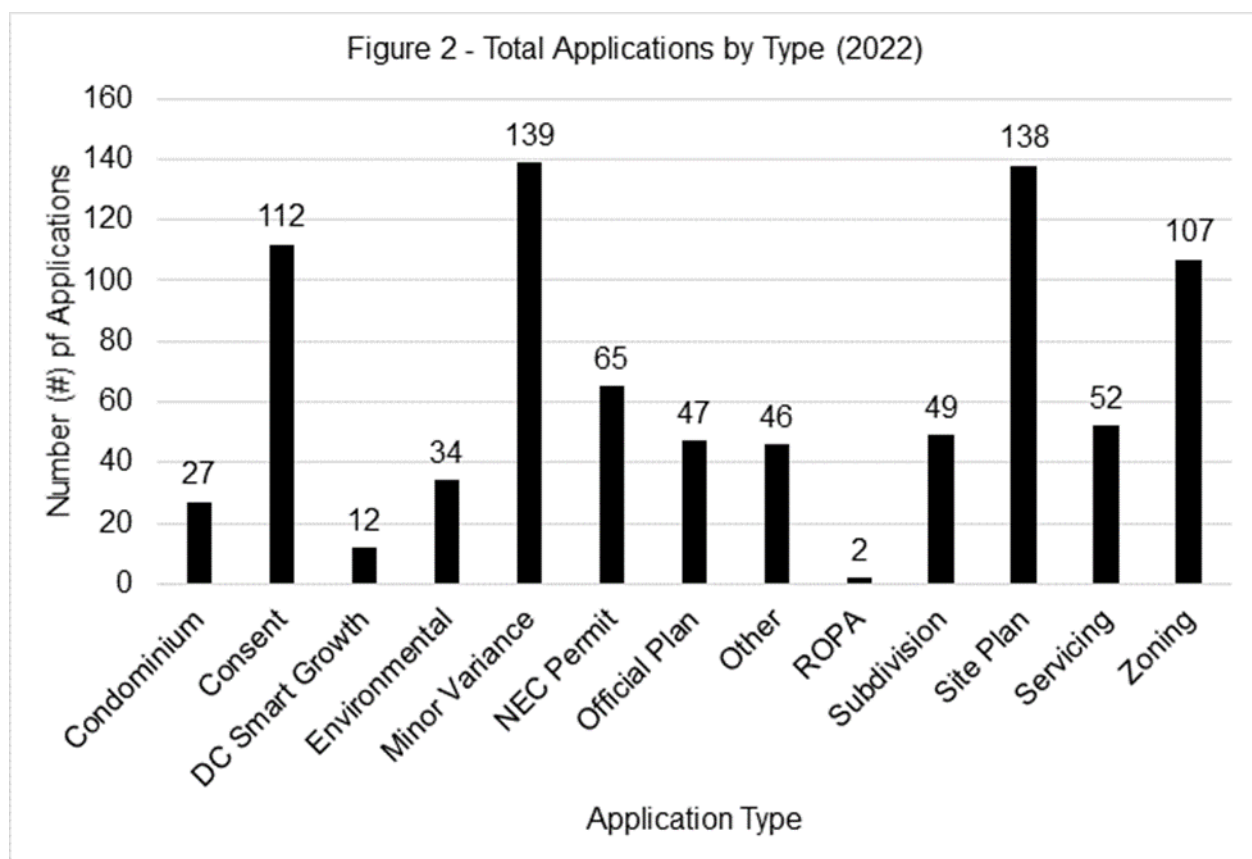
### Development Applications

Regional Planning and Development Services (“PDS”) staff reviewed 829 development applications in 2022, remaining relatively consistent with the volume of applications received in 2021. Figure 1 illustrates the number of applications considered by PDS staff from 2013 to 2022. The two highest application volumes were experienced in 2021 and 2022.



Development applications are circulated to the Region based on Provincial legislation requirements, including the Niagara Escarpment Commission legislation, and the existing 2019 Memorandum of Understanding (“MOU”) between the Region and Local Area Municipalities for planning in Niagara. PDS staff has the ability to waive its review of certain types of minor development applications such as when it has been determined that the application has no Provincial or Regional interest. This represents an effort to increase efficiency in the planning review function in Niagara under the MOU.

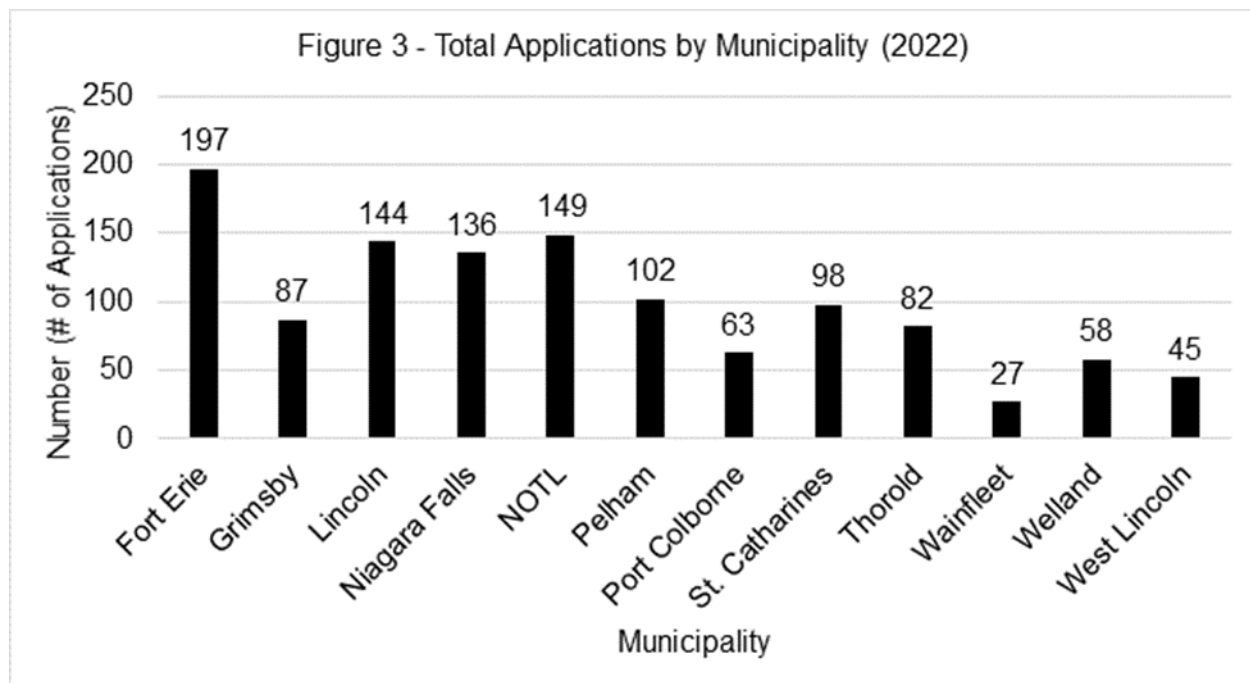
Figure 2 below provides the breakdown of development applications, by type, reviewed by PDS staff in 2022. Some complex development proposals often require multiple planning approvals. As an example, subdivision and condominium applications may also need amendments to the local Official Plan and/or Zoning By-law to facilitate the development. The categories with the most applications considered by PDS staff in 2022 were Minor Variances (139), followed closely by Site Plans (138), Consents (i.e., severances) (112), and Zoning By-law Amendments (107).



The distribution of applications circulated to the Region, by municipality, during 2022 is shown on Figure 3. Municipalities with the most applications received by the Region were Fort Erie (197), Niagara-on-the-Lake (149), Lincoln (144), and Niagara Falls (136). Most municipalities (with the exception of Wainfleet and West Lincoln) experienced an increase in applications considered from 2021 to 2022.

Regional staff were also involved in reviewing several complex development applications in 2022, as highlighted in Appendix 1 of this report. This often requires a

more extensive review process and can be influenced by a broad range of issues (i.e. environmental impacts, traffic impacts, urban design considerations, etc.). For several of these applications, Regional staff also assisted with urban design peer review, at the request of local municipal staff, as well as preparing design alternatives and contributing to discussions with developers.



### Pre-Consultation Meetings

Development Planning and Engineering staff attend regular pre-consultation meeting sessions two days each month in each local municipality. These meetings are to determine complete application submission requirements and assist in the processing of applications. The virtual meeting format began in April 2020 as a result of the COVID-19 pandemic and continued for most municipalities throughout 2022. Some municipalities implemented a hybrid model where attendees could choose to attend the meeting in-person or virtually. The use of hybrid and virtual pre-consultation meetings has been well received by development proponents and their consultants as it provides efficiency and time savings, such as the ability to attend “back to back” pre-consultation meetings in different municipalities without the need to travel.

Figure 4 illustrates the number of pre-consultation meetings attended by PDS staff from 2013 to 2022. In 2022, Regional staff attended 863 pre-consultation meetings, which is a 1.75% increase from the 2021 total (848), and a 38% increase from the previous yearly high from 2017 (622). The number of pre-consultation meetings is generally an indicator of anticipated future development application volumes.

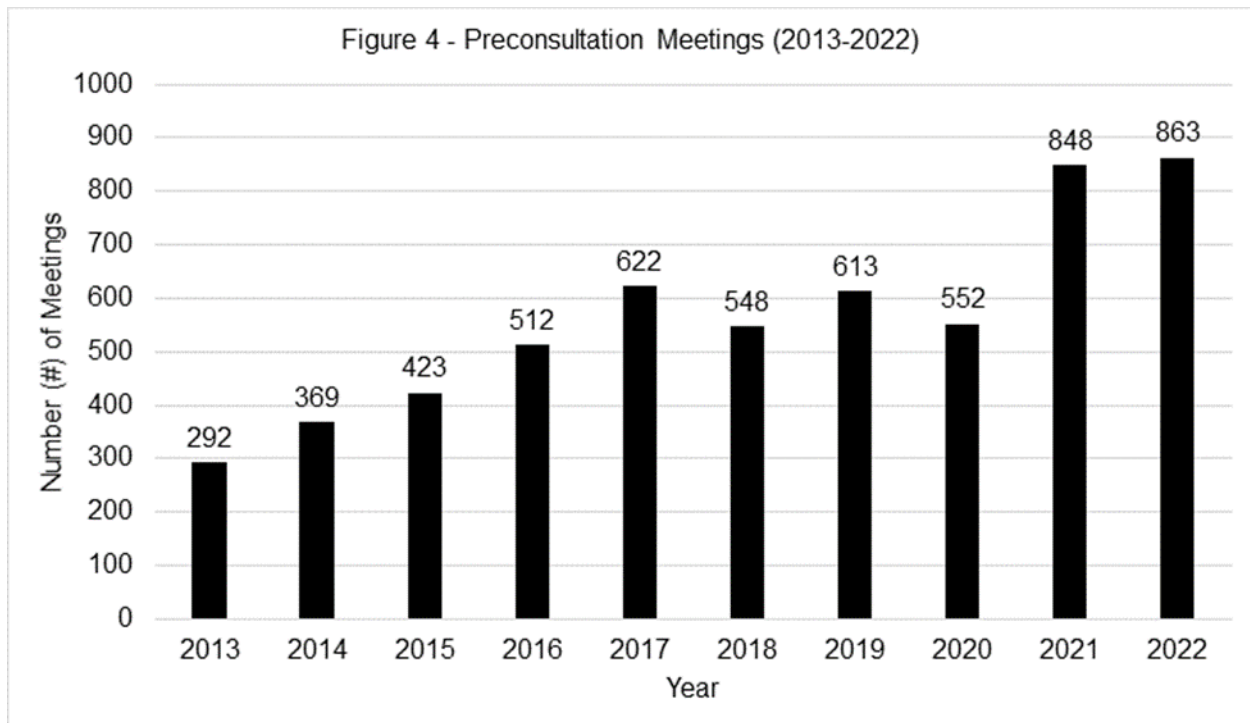
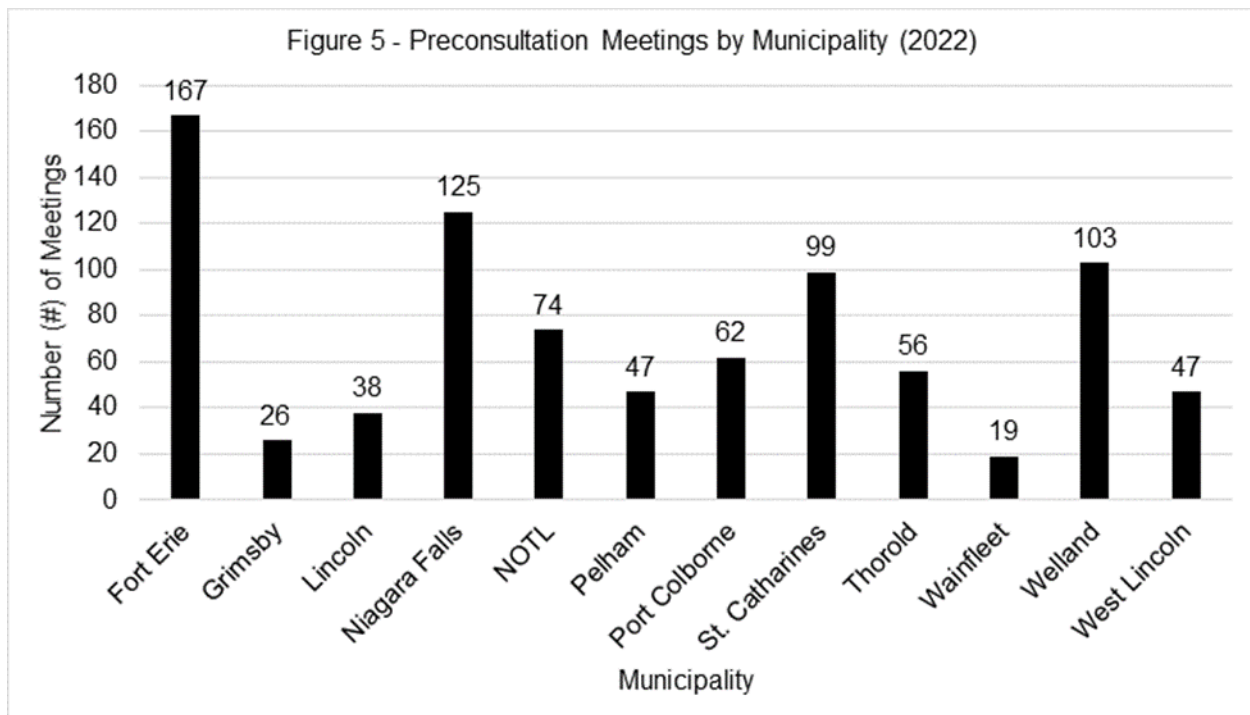
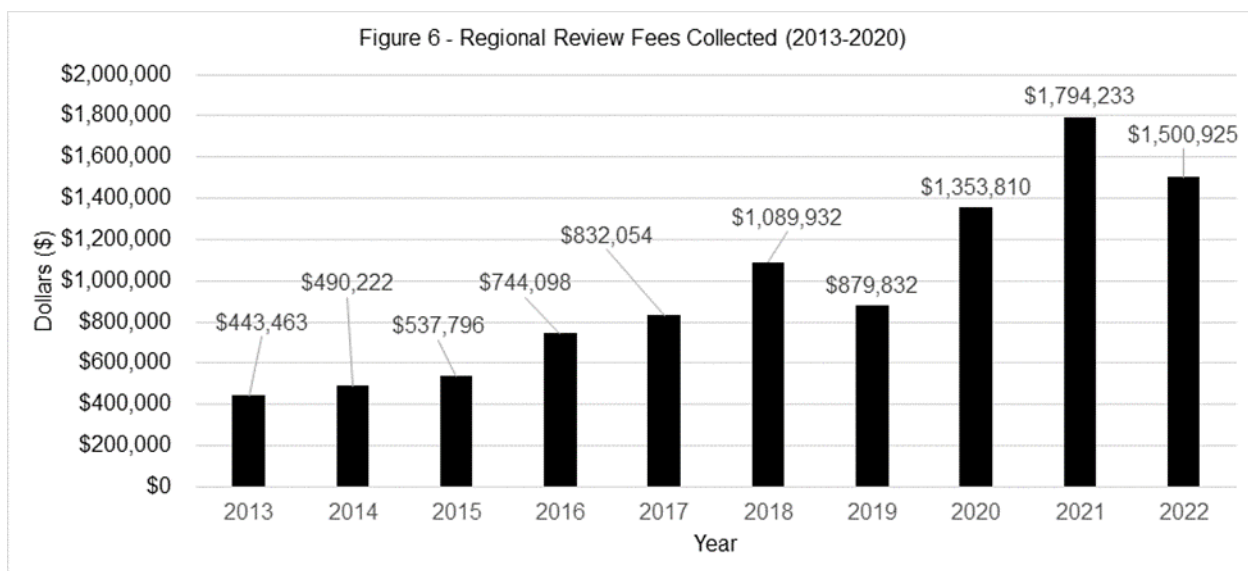


Figure 5 illustrates the number of pre-consultation meetings by municipality in 2022 that included Regional staff. The municipalities with the highest levels of pre-consultation activity were Fort Erie (167) and Niagara Falls (125), followed by Welland (103), St. Catharines (99), and Niagara-on-the Lake (74).



## Regional Review Fees

Regional review fees are intended to offset Regional costs for the development review service on a cost recovery basis. Figure 6 summarizes the fees collected between 2013 and 2021 for the Regional review of development applications. The 2022 total of \$1,500,925 represents a 17.8% decrease from 2021. In 2023, staff will begin implementing a new pre-consultation review fee approved by Council in the 2023 fees and charges by-law.



The decrease in fees can be largely attributed to the increase in Regional Official Plan Amendment (ROPA), Official Plan Amendment, and Zoning By-law Amendment applications received in 2021. These types of applications require a more extensive review process and, as such, have higher application fees. Additionally, due to the 2022 municipal election, local municipal councils were unable to meet for a period of time and, as a result, more complex and “higher-value” applications were not submitted until 2023. There were also Provincial changes to the Planning Act (Bill 109 and 23) that may have contributed to developers delaying submission of applications.

A considerable portion of the fees from 2022 are in part due to the receipt of two ROPA applications for quarry developments: a new quarry in Niagara Falls (Walker Upper’s Quarry) and the expansion of an existing quarry in Wainfleet (Law Crushed Stone Quarry). Quarry applications are the most complex, and are very time intensive to process, with many technical studies that often require peer reviews to assist staff in areas in which the department does not have in-house expertise. The application fees

approved by Regional Council reflect the complexity and staff resources involved in reviewing quarry applications. As a best practice, the Region, with the participation of the affected local area municipality and the Niagara Peninsula Conservation Authority, has implemented a Joint Agency Review Team (“JART”) to share resources, including a single peer reviewer for each technical study, in order to maximize efficiencies and minimize costs to the applicant.

## **2023 Outlook**

Over the last few years Regional staff has become accustomed to managing the increase in development applications as the Niagara Region continues to experience rapid growth. PDS staff has adjusted its approach and practices to be more dynamic and collaborative in response to these increased development volumes.

Over the last 10 years Niagara Region experienced the highest volumes of development applications in 2021 and 2022. The early development volumes for 2023 are lower in comparison to the last two years and are more in line with 2019 and 2020.

Development interest in 2022 was strong in Niagara as indicated by the level of Pre-consultation volumes. Typically, the number of pre-consultation meetings is a good indicator of the development volumes expected the following year. There are many factors at play that affect a developer’s decision to proceed with a formal planning application including the current economic climate and individual business decisions. For 2023, external influences that may impact levels of development volumes are rising interest rates and inflation costs.

Recent Provincial legislated amendments to the *Planning Act*, which were previously reported on to Committee and Council, also factor into the uncertainty of development activity in 2023. Bill 109 amendments mandating the refund of application fees for certain planning applications if decisions are not made within prescribed timelines come into effect on July 1, 2023. Local area municipalities and the Region, with input from the development industry, have been preparing and making adjustments to the planning processes to ensure the tighter timelines are met.

Bill 23 changes to the planning responsibilities of upper-tier municipalities, which received Royal Assent, have not yet been proclaimed into effect. Drafting of Service Level Agreements with a number of local area municipalities for continued Regional planning services are in progress. Uncertainty due to the pending change may also impact the decision to proceed with a planning application submission.



Moving into 2023, staff will be working extensively with our local municipalities as they update their official plans to be consistent with Provincial policy and conform to Provincial plans and the new Niagara Official Plan. By continuing to work collaboratively with our local municipalities, the Region is able to better facilitate the creation of well-rounded, complete communities to ensure that Niagara continues to be a desirable place to live and visit.

This includes the urban design function within Development Planning, which serves to elevate the quality of development within Niagara through both the review of development applications, as well as providing support to local municipal planning teams in approaches and programs aimed at achieving well-designed built environments.

### **Alternatives Reviewed**

No alternatives have been reviewed as this report summarizes development and pre-consultation level activity for 2022 for information purposes.

### **Relationship to Council Strategic Priorities**

This report provides information on development application activity that contributes to strong economic prosperity throughout the communities within the Niagara Region. This relates to Council's Strategic Priority of Supporting Business and Economic Growth, as well as Sustainable and Engaging Government through ensuring high quality, efficient and coordinated core services.

### **Other Pertinent Reports**

- PDS-24-2021: Development Applications Monitoring Report – 2020 Year End
- PDS 4-2022: Development Applications Monitoring Report – 2021 Year End

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Commissioner  
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**Appendices**

Appendix 1            Current Major Development Applications