



## Pipeline to Permit Committee

### Agenda

**Date:** July 10, 2025  
**Time:** 9:30 a.m.  
**Location:** Council Chambers, City Hall, second floor  
**Contact:** Committee Clerk, jo-anne.rudy@burlington.ca 905-335-7777

Pages

#### 1. Entrance

1.1 Call to Order

1.2 Land Acknowledgement

Burlington as we know it today is rich in history and modern traditions of many First Nations and the Métis. From the Anishinaabeg to the Haudenosaunee, and the Métis – our lands spanning from Lake Ontario to the Niagara Escarpment are steeped in Indigenous history.

The territory is mutually covered by the Dish with One Spoon Wampum Belt Covenant, an agreement between the Iroquois Confederacy, the Ojibway and other allied Nations to peaceably share and care for the resources around the Great Lakes.

We acknowledge that the land on which we gather is part of the Treaty Lands and Territory of the Mississaugas of the Credit.

1.3 Approval of the Agenda

1.4 Declarations of Interest

1.5 Written Delegations

#### 2. Enlightenment

Enlightenment items include presentations and opportunities for education, state of the industry developer updates, and jurisdictional scans.

2.1 Presentations

### 3. **N2: News and Numbers**

News and Numbers includes Provincial and Federal housing initiatives, staff updates on Council directives and the Pipeline to Permit Report.

#### 3.1 Pipeline to Permit Dashboard

The Pipeline to Permit Self-Serve Dashboard shows the City's progress in hitting building permit and planning approval targets.

[Click here for the Desktop Pipeline to Permit dashboard](#)

[Click here for the Mobile Pipeline to Permit dashboard](#)

#### 3.2 Contextual Updates

### 4. **Enactions**

Enaction items make recommendations for next steps and identify actions.

#### 4.1 Next Steps and Action Identification

### 5. **Envisions**

Envision items focus on future housing and planning goals and connections to the City's strategic plans and complete communities vision.

### 6. **Enhancements**

Enhancement items identify opportunities for policy, process and procedure improvements.

6.1 Staff presentation regarding continuous improvement process update (PP-09-25)

6.2 Planning Application Fee Review Update – July 2025 (DGM-58-25)

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6.3 Pay-on-Demand Development Bonds Policy Update (FIN-13-25)

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### 7. **Information Items**

### 8. **Adjournment**

SUBJECT: Planning Application Fee Review Update – July 2025

TO: Pipeline to Permit Committee

FROM: Development and Growth Management  
Community Planning

Report Number: DGM-58-25

Wards Affected: All

Date to Committee: July 10, 2025

Date to Council: July 15, 2025

CIP date: N/A

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**Purpose of report:**

The purpose of this report is to provide an update on the Planning Application Fee Review and to notify Council, the development industry, residents and interested and affected parties of upcoming engagement opportunities this coming summer and fall.

# Information Report

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## Background

The Community Planning Department and Building Department have retained Watson & Associates Economists Ltd. (Watson) to undertake an update of the Planning Development Application Fees and Building Permit Fees. The last fee review was approved by Council in 2022 and 2019 respectively.

The Watson update to the Planning Development Application Fees and Building Permit Fees is needed to ensure that development application fees (planning and building) are reflective of the City's current costs for service delivery and respond to:

- The evolving scale and form of typical development applications in Burlington;
- Changes to planning and building legislation;
- Refinements and streamlining of development review processes (planning and building);
- New planning responsibilities that were formally with Halton Region;
- The City's upcoming implementation of a Community Planning Permit System (CPPS); and
- The City's commitment to affordability, transparency and a customer service focus.

In [DGM-36-25](#), Development application fee review update (April 2025), staff shared the background on both the previous planning and building fee reviews (2022 and 2019) as well as some insights into the Activity Based Costing Model and an overview of the steps in Watson's workplan.

Since the update in April through DGM-36-25, Watson has been working to build the Activity-Based Costing Model with updated FTE and organizational structure data, effort collection values and average application data based on the past decade of application volumes. In consultation with staff, Watson have been working to validate staff utilization values (% of FTE) relative to the effort required for each step within each development application process. Watson is currently in the final stages of preparing draft cost allocations across the different planning application fee categories, developing a draft fee schedule, and benchmarking both current and proposed fees against those of comparable Ontario municipalities.

A critical consideration in finalizing the updated planning application fees is the City's policy and approach regarding cost recovery for eligible costs associated with processing applications under the Planning Act. In accordance with best practices and the legislative

framework in Ontario, municipalities are encouraged to adopt a full cost recovery model wherever feasible. This approach ensures that the direct, indirect and capital costs incurred by the City in reviewing, processing, and making decisions on planning applications are recovered through the fees charged to applicants, rather than being subsidized by the general tax base.

In the previous iteration of the development application fee review, when assessed by application type, the City's fees were at an approximate cost recovery of 63%, acknowledging that there were application types which typically recovered more than the cost of service, some which recovered less than the cost of service and some for which no fee was charged at all.

Through this study, Watson will prepare a fee schedule or fee structure that provides detailed costing for various application types and seeks to align the recovery of processing costs to application characteristics while balancing Planning Act compliance, aligning with City values and Council directions and remaining competitive with other area municipalities. As part of this review, Watson will consider implications of the building fee review, the establishment of new fees for planning services formerly offered by Halton Region and as well as other city directions such as potential options for the introduction of fees to incentivize applications to the City's new Community Planning Permit System tool.

The fee review work will also establish direction for combined applications and refine how fees are applied for multi-site and multi-building developments, along with fees for revisions to previous approvals.

### **Next Steps**

A special Halton Development Liaison Committee (HDLC) meeting will be held in early August to present and seek feedback from the development community around the draft costing, presented by Watson. Watson will present proposed costing, informed by HDLC and other feedback received over the summer at September's Pipeline to Permit Committee for further engagement and discussion.

In October, Community Planning staff will provide a recommendation to the Committee of the Whole related to the adoption of new planning application fees, in advance of the 2026 Budget process and the Rates and Fees by-law update, with fee implementation effective January 1, 2026. An accompanying building fee update report will support a fulsome discussion related to both planning and building fees.

## Status

Staff are about to launch industry engagement around draft fees for the purposes of using feedback to inform a staff recommendation in October in advance of 2026 budget discussions.

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## Key Dates & Milestones

- August 2025: HDLC meeting to present and seek feedback from the development community around draft fees
  - September 11, 2025: Staff presentation to Pipeline to Permit Committee
  - October 6, 2025: Staff Report to Committee of the Whole.
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## Strategic Alignment

- Designing and delivering complete communities
  - Providing the best services and experiences
  - Protecting and improving the natural environment and taking action on climate change
  - Driving organizational performance
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## Author:

Jamie Tellier  
Director, Community Planning  
[Jamie.Tellier@Burlington.ca](mailto:Jamie.Tellier@Burlington.ca)

Jenna Puletto  
Manager, Planning Implementation

## Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

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SUBJECT: Pay-on-Demand Development Bonds Policy Update  
TO: Pipeline to Permit Committee  
FROM: Finance  
N/A

Report Number: FIN-13-25

Wards Affected: N/A

Date to Committee: July 10, 2025

Date to Council: July 15, 2025

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## Recommendation

Approve the revised Pay-On-Demand Development Bond Policy attached as Appendix A to allow transfers of letters of credits currently held by the City to surety bonds.

Authorize the Director, Community Planning, to execute amendments to development agreements entered into to amend contractual language related to acceptable forms of security, in a form satisfactory to the Commissioner, Legal and Legislative Services / City Solicitor.

## Executive Summary

The City's Pay-On-Demand Development Bond Program Policy was approved by Council as part of [Report F-28-24](#), Pay-on-Demand Development Bonds Policy on November 19, 2024 and establishes the requirements of accepting surety bonds as security in accordance with eligible development agreements as defined in the policy. In addition, a Council motion was also approved for staff to connect with the development industry and report back on how to incorporate the option of transferring letters of credit to surety bonds.

After consultation with the development community, staff recommend that the City provides an option to eligible existing development agreement applicants to transfer or convert the letters of credit (LC) currently held by the City to surety bonds.

### Purpose of report:

To address the Council motion to connect with the development industry and report back on how to incorporate the option of transferring letters of credit to surety bonds.

### Key findings:

- The City is currently holding approximately \$19.5M in 150 LCs that would be eligible to transfer to surety bonds
- Development community is supportive of this initiative as it will provide financial flexibility to further encourage creation of housing units
- A high-level scan of local municipalities was conducted, only Hamilton and Milton allows conversions of existing letters of credits to be transferred to surety bonds
  - Oakville, Halton Hills, Halton Region, as well as Guelph and Ottawa do not currently allow conversions and only accept surety bonds on new eligible development applications

### Implications:

- The intended outcome of this policy change is to support development activities to proceed sooner. No clear indication that this will encourage additional development activities in the City
- Staff resources are limited and may be challenged depending upon actual uptake
- City is exposed to more financial risk as letters of credit is exchanged for surety bonds

# Recommendation Report

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## Background

On November 19, 2024, Council approved the revised Pay-On-Demand Surety Bond Pilot Program Policy through [Report F-28-24](#) for the acceptance of pay-on-demand surety bonds of up to five (5) new site plan agreements. The next day, on November 20, 2024, the Surety Bonds regulation (O.Reg. 461/24) came into force under the Planning Act, which provided the option to provide surety bonds as a financial security for all land-use planning approvals.

As authorized by Council, the surety bond policy and template were revised to reflect the legislated requirement to accept surety bonds and references to a pilot program was removed. However, existing development agreements were not yet permitted to substitute existing financial securities with surety bonds.

As defined in the Pay-On-Demand Development Bond Program Policy, the City can accept surety bonds to meet financial conditions for Site Plan, Subdivision and Consent applications. At the time of writing this report, the City has not yet received any surety bonds.

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## Analysis

The City is currently holding a total value of \$21.0M in LCs, in which approximately \$19.5M across 65 development projects would be eligible to be transferred to surety bonds. On average, each project contains 2-3 LCs, which would total an estimated 150 LCs that could potentially be transferred. LC amounts range from \$2,500 to over \$1.0M.

### Benefits:

Allowing transferring of LCs to surety bonds demonstrates the City's support of the development community by providing financial flexibility in light of the current economic conditions, while optimistically encouraging construction of housing units and other development activities in the City.

However, there is no financial benefit to the City in allowing the transfer of existing securities to surety bonds. The City would be taking on more risk, as cash-equivalent instruments are transferred to bonds.

### Considerations:

Consultation with Finance and Legal staff were conducted and capacity is a concern. Staff received a few inquiries regarding transfer of LCs but actual uptake is difficult to predict.

Additional resources are not recommended at this time but staff capacity is limited and service levels may be challenged depending on actual volume.

**Community Engagement and Communications:**

The City met with the West End Home Builders' Association (WEHBA) in March 2025 and Building Industry and Land Development Association (BILD) in May 2025 to discuss the approach to the transferring of existing LCs to surety bonds. Both groups were highly supportive of this initiative and emphasized that the development industry has been hardhit by the state of the economy and the implementation of this program would allow developers to continue development by enabling access much-needed capital during this difficult time.

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**Recommendation Details**

Staff recommends approving the transfer of existing LCs for eligible existing development projects to surety bonds.

Section 4 in the Pay-On-Demand Surety Bond Policy, attached as Appendix A, has been added to allow for the exchange of an existing security for a Surety bond.

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**Key Dates & Milestones**

- March 19, 2024 - Council approved motion to explore implementing a Surety Bond Program
  - June 18, 2024 – Council approval of Report F-13-24 Pay-on-Demand Development Bonds, established a pilot program to implement acceptance of surety bonds for a maximum of 3 site plan development applications, maximum bond value of \$1M and one bond per developer
  - November 19, 2024 – Council approval of Report F-28-24 Pay-on-Demand Surety Bonds, revised the pilot program to accepting a maximum of 5 new site plan development applications and minor revisions to the City's Letter of Credit policy.
  - November 20, 2024 – the Surety Bonds regulation (O.,Reg. 461/24) came into force under the Planning Act
  - March and May 2025 - Engagement with development community (WEHBA and BILD)
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**Implications**

In order to facilitate this portion of the program, additional staff time and resources will be required from the Finance and Legal departments. Surety bonds will need to be collected and processed, and corresponding LCs will have to be released. Amendments would be required to existing development agreements, and these amending agreements will need to be

registered on title. As per the City's Rates and Fees Bylaw, each registration of an amended agreement would be subject to the Legal Administrative fee of \$450 plus search and registration costs. Finance staff will be proposing an administrative fee for all security transfers in the 2026 budget to help offset processing costs.

It is important to note that by implementing this program, the City will be taking on more financial risk, as cash securities will be exchanged for surety bonds. Furthermore, there is no clear indication that this will help encourage development activities, as the freed funds are for development projects that are already underway.

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## References

- [Report F-13-24 Pay-On-Demand Bonds](#)
- [Report F-28-24 Pay-On-Demand Development Bonds Policy](#)

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## Strategic Alignment

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

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## Author:

Craig Millar  
Chief Financial Officer  
905-335-7777 x7652  
Craig.Millar@burlington.ca

## Appendices:

A. Pay-on-Demand Development Bond Program Policy

## Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.

**CITY OF**  
**Burlington**  
**Corporate Policy**

## **Finance-Accounting**

### **Pay-On-Demand Development Bond Program Policy**

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Approved by Council on: November 19, 2024

Report Number: F-28-24

Effective: November 19, 2024

Reviewed on: Not Applicable

Amended: July 15, 2025

Next Review: July 15, 2027

Note: Not Applicable

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### **Objectives:**

To establish requirements for the City's Pay-On-Demand Development Bond program, which determine:

- when Pay-On-Demand Development Bonds may be accepted as Security required in accordance with Development Agreements;
- what conditions apply to Pay-On-Demand Development Bonds that are provided as a form of Security; and
- what conditions apply to Surety Providers issuing Pay-On-Demand Development Bonds.

This Policy seeks to ensure equitable and transparent administration of the use of Pay-On-Demand Development Bonds. This Policy, inclusive of Attachment A, "Development Agreement Pay-On-Demand Development Bonds", is available publicly.

### **Scope:**

# Corporate Policy

This Policy establishes details and requirements of the program approved by Council on June 18, 2024 through finance department report F-13-24, as outlined below.

This Policy applies to development applications where a Development Agreement is required, to determine if a Pay-On-Demand Development Bond may be provided as Security. The bonds accepted in accordance with this policy are to act in accordance with the City's letters of credit as contemplated in the Letters of Credit Policy.

In order to be eligible to participate in the program, a Principal must be able to secure a Pay-On-Demand Development Bond from a Surety Provider that meets the requirements of this Policy.

## Policy Statement:

1. A Pay-On-Demand Development Bond shall only be accepted by the City as a form of Security where the following terms, conditions and requirements are met, and continue to be met during all times at which the Security requirement remains in place:
  - a) A Pay-On-Demand Development Bond may only fulfill security requirements related to one (1) Development Agreement;
  - b) The Pay-On-Demand Development Bond fulfills a new Security requirement, as requests to transition active Securities shall not be accepted;
  - c) The Pay-On-Demand Development Bond shall be issued by a Canadian Surety Provider having a minimum credit rating of:
    - i. "A" or higher as assessed by Dominion Bond Rating Service;
    - ii. "A-" or higher as assessed by Fitch Ratings;
    - iii. "A3" or higher as assessed by Moody's Investors Services Inc.;
    - iv. "A-" or higher as assessed by Standard & Poor's; or,

# Corporate Policy

- v. "A-" or higher as assessed by A.M. Best Company, Inc.;
  - d) The Pay-On-Demand Development Bond shall be issued by a Surety Provider that is duly incorporated or constituted in Canada, validly existing and in good standing for no less than ten (10) years;
  - e) The Pay-On-Demand Development Bond shall be issued by a Surety Provider that is overseen by the Financial Services Regulatory Authority of Ontario;
  - f) The Principal must submit all information required by the City's Chief Financial Officer in order to determine the Principal's eligibility to provide a Pay-On-Demand Development Bond under this policy;
  - g) The Pay-On-Demand Development Bond shall be in Canadian dollars; and
  - h) The Pay-On-Demand Development Bond shall be irrevocable, unconditional, shall constitute a primary obligation and shall be in the form and on the terms of Attachment A, "Development Agreement Pay-On-Demand Development Bonds".
2. The City is guaranteed payment, notwithstanding any objection by the Principal, if the Principal defaults in performing an obligation guaranteed by the Pay-On-Demand Development Bond, in accordance with the terms of Attachment A, "Development Agreement Pay-On-Demand Development Bonds".
3. When, in the opinion of the City, a Pay-On-Demand Development Bond received and held by the City no longer provides adequate protection or a Surety Provider subsequently ceases to meet any or all of the requirements of this Policy, the City may, at its sole and absolute discretion, require Alternative Security. The Alternative Security must be provided to the City without negotiation within fifteen (15) days of demand for same, after which the original Pay-On-Demand Development Bond will be returned and/or exchanged for the Alternative Security.

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## **Pay-On-Demand Development Bond Program Policy**

# Corporate Policy

In the event the Alternative Security is not received as required, the City reserves the right to immediately draw upon the original Pay-On-Demand Development Bond.

4. A Principal may exchange an existing Alternative Security for a Surety Bond if:
  - a) The Development Agreement under which the Security was provided pre-dated this Policy;
  - b) The ownership of the lands subject to the Development Agreement has not changed;
  - c) The Development Agreement is not in default; and
  - d) The Principle is able to secure a Pay-On-Demand Development Bond from a Surety Provider that meets the requirements of this Policy.

This Policy shall apply with necessary modifications to Surety Bonds provided in accordance with this section 4.

5. No deviations from the approved form of Attachment A, "Development Agreement Pay-On-Demand Development Bonds" will be accepted.

## Definitions:

For the purpose of this Policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
Alternative Security	A letter of credit, bank draft, valid certified cheque, money order, electronic fund transfer or wire that satisfies all applicable City policies.

# Corporate Policy

Term	Definition
Development Agreement	Refers to any agreement entered into between the City of Burlington and a Principal pursuant to subsections 41(7)(c), 45, 51(26) and 53(12) of the <i>Planning Act</i> . For clarity, agreements entered into pursuant to other legislation and by-laws shall not be considered Development Agreements, whether or not they relate to a development application.
Pay-On-Demand Development Bond	A bond which guarantees the assumption of responsibility for payment of Security in the event of default of a Development Agreement.
<i>Planning Act</i>	R.S.O. 1990, c. P.13, as amended
Principal	The party whose Security obligation is guaranteed (i.e., developer).
Security	An amount provided to the City by a Developer under a Development Agreement to secure for the completion of the Developer's obligations under such Development Agreement.
Surety Provider	A company licensed under the <i>Insurance Act</i> , R.S.O. 1990, c. I.8 to provide surety in the form of Pay-On-Demand Bond that meets the requirements of this Policy.

## References:

# Corporate Policy

Development Agreements are entered into under the *Planning Act* and the required Security that this Pay-On-Demand Development Bond Program Policy applies to is outlined in each of the respective Development Agreements.

Related Policy – Letters of Credit

## **Roles:**

### **Accountable:**

Manager of Financial Strategies & Business Consulting

### **Responsible:**

The Development Agreement Pay-On-Demand Development Bond Program Policy shall be administered by the Department of Finance.