

STAFF REPORT:



REPORT TO: Finance & Admin. Committee
MEETING DATE: October 23rd, 2007
REPORT NO.: SRB.07.30
SUBJECT: Building Permit Fees
PREPARED BY: D. Finbow, Dir., Bldg & B/L & CBO

A. Recommendations

THAT Council receive Staff Report SRB.07.24 for information purposes and, in accordance with Section 7(6) of the *Building Code Act*, direct the Town Clerk to give notice of the proposed changes to the fees imposed for building permits and that a public meeting be held concerning the proposed changes.

B. Background

1. The Town's current Building Permits By-law was enacted by Council in 2001 and subsequently amended in 2003. The 2003 amendment put into place a "Service Index" whereby the Permit Fee = the SI ("Service Index") multiplied by the area of a proposed building or structure.
2. In accordance with Section 7(4) of the *Building Code Act*, the Town completed the first required Annual Report on Fees for the period of January 1, 2006 to December 31, 2006. The Annual Report reflects "Direct" and "Indirect" Costs for the noted period at \$660,907.00.
3. The average building permit revenue over the past 8 years is \$515,000.00.
4. The revenue realized in 2006, and the related costs experienced in 2006 and 2007, are significant deviations from the average costs experienced over the past 8 years.
5. Taking into consideration the above, the Building Department, in accordance with the provisions of the *Building Code Act* ("The total amount of fees authorized...must not exceed the anticipated reasonable costs..."), conducted a "cost recovery" analysis of all building permit types and concluded that the building permit costs, both direct and indirect, associated with the following types of permits are not being fully recovered:
 - a) Detached, Semi-detached and Town/Row Houses
 - b) Minimum Permit Fees (Decks, Porches, Accessory Buildings, Additions < 80 square feet, Alterations < \$8,000)
 - c) Demolitions
 - d) Tents
 - e) Public Pools/Spas

6. In addition, the Building Department has recently assumed the role of conducting inspections of newly constructed sanitary drainage and water service pipes for single family homes and note that same are not reflected in the current building permit fee charges.
7. Given the above, the Building Department is recommending that Council enact an amending By-law to increase/establish fees substantially in accordance with the following table.

DESCRIPTION	CURRENT	PROPOSED
Detached, Semi-detached, Town/Row Houses	\$9.15/m ² or \$0.85/ft ²	\$10.55/m ² or \$0.98/ft ²
Pre-fabricated Detached Dwelling	\$6.00/m ² or \$0.55/ft ²	\$7.25/m ² or \$0.78/ft ²
Min. Permit Fee	\$65.00	\$75.00
Tents (one time fee)	\$50.00	\$75.00
Demolitions (non-farm buildings)	\$50.00	\$75.00
New Sanitary Drainage/Water Service Pipes	N/A	\$75.00
Public Pools/Spas	\$250.00	\$400.00
Deferred Inspection (dormant >12 months)	\$50.00	\$100.00

8. The proposed fees reflect increases of approximately 15% over those fees that currently exist however it is noted that the permit fees were last adjusted in 2003 and that the additional inspection for housing (sanitary drainage/water service pipes) has increased the number of required inspections for a new average single family house from 8 to 9, or 12% (not including re-inspections).
9. The building permit fee associated with a new detached single family dwelling with an area of 185.8 square metres, 2,000 square feet, would increase from \$1,700.00 to \$1,960.00. As alluded to previously, the costs associated with processing, issuing and inspecting these types of dwellings have increased considerably from 2003 (year of the last adjustment) and the present due to inflationary pressures (wages, supplies, gasoline, etc.) and additional inspections related to permits of this type.
10. As each principal authority has its own business model, in particular the calculation of indirect costs assigned to a Building Code Program, and its own level of service (number of inspections, degree/extent of review, qualifications and expertise of staff), a comparison of fees charged by municipalities is not always a good “apple to apple” comparable however, for Council’s information, attached is a Building Permit Fee Comparison.
11. It is projected that the proposed fees will result in an increase in revenue of approximately \$45,000.00/annum based on 155 detached, semi-detached and town/row houses permits per annum.

12. In addition to the above revisions, it is also proposed that the following be addressed:

- a. Model Home Agreement Preparation - \$500.00
- b. Compliance Letter Fees
 - i. \$60.00 - Fee for a written response to a request for Zoning By-law, Work Order/Active Permits, Official Plan Designation and Survey Review.
 - ii. \$100.00 - Fee for a written response to a request for commentary on Agreement Compliance (includes items noted at i).
- c. Tents – Once Time Fee (per calendar year) - \$500.00 for a maximum of 14 permits
- d. Revisions (revised foundation, framing, truss, mechanical design, etc.) - \$50.00
- e. Partial Permits - \$50.00 (in addition to regular fee)
- f. Schedule “B”, Section 5 A, Group “D” and “E” references to “m2” versus “ft2” (housekeeping revision)

C. Budget Impact

Projected increase in revenue of \$45,000 based on an average of 155 detached, semi-detached and town/row houses per annum.

D. Attached

1. Building Permit Overview
 - a. Building Permit Processing & Inspections Stages
 - b. 8 Year Average – Building Permit Activity
2. 2006 Annual Report – The Blue Mountains Building Department
3. Compare – Building Permit Fees
Note – Fees will vary depending upon service level and methodology utilized to calculate costs.

Respectfully submitted,

Director, Building & By-law/CBO

BUILDING PERMIT OVERVIEW

BUILDING PERMIT PROCESSING AND INSPECTION STAGES

- 1) Inquiries (min. three per application – Zoning, Permit Requirements, Follow-up)
- 2) Permit Application Review and Acceptance
- 3) Data Entry
- 4) Zoning By-law and Applicable Law Review
- 5) Grade Plan Review
- 6) Ontario Building Code Review
- 7) Communication with proponent
- 8) Discussion with proponent (min. three per application)
- 9) Follow-up Review
- 10) Processing for Permit Issuance
- 11) Permit Pick-up and Issuance
- 12) Excavation/Footing Inspection
- 13) Foundation Steel Placement Inspection (if applicable)
- 14) Foundation Inspection
- 15) Water Service Pipe & Sanitary Service Pipe Inspection
- 16) Under floor Plumbing Inspection
- 17) Plumbing Inspection
- 18) Framing Inspection
- 19) Fireplace Inspection (solid-fuel)
- 20) Insulation & Vapour Barrier Inspection
- 21) Occupancy Inspection
- 22) Final Inspection (including grading)
- 23) Scheduling of inspections and data entry for each inspection stage
- 24) Re-inspections and site meetings (minimum three per application)

8 YEAR AVERAGE – BUILDING PERMIT ACTIVITY

- A. 460 Applications
- B. 422 Permits
- C. 253 Dwelling Units/CRU's
- D. 155 Detached/Semi-detached/Town/Row House
- E. \$515,000 Building Permit Revenue
- F. \$9,000 Compliance Letter Revenue