



## Planning and Development Services

<b>Prepared for</b> January 18, 2021	Regular Council January 18, 201	<b>Report No.</b> <b>File No.</b>	PDS-09-2021 230101
---	------------------------------------	--------------------------------------	-----------------------

### Subject

**PROPOSED CHANGES TO BUILDING PERMIT FEES**

### Recommendations

**THAT** Council approves the recommended user fees and charges in **Appendix “1”** to Report No. PDS-09-2021 regarding proposed changes to the Building Permit fees.

### Relation to Council’s 2018-2022 Corporate Strategic Plan

Priority: not applicable  
Goal: not applicable  
Initiative: not applicable

### List of Stakeholders

Town of Fort Erie Ratepayers  
Builders and Contractors  
Users of the Town of Fort Erie’s Building Department’s services

Prepared by:	Submitted by:	Approved by:
<b><i>Original Signed</i></b>	<b><i>Original Signed</i></b>	<b><i>Original Signed</i></b>
Keegan Gennings, CBCO Chief Building Official	Kira Dolch, MCIP, RPP, CNU-A Director, Planning & Development Services	Tom Kuchyt, CET Chief Administrative Officer

**Purpose of Report**

The purpose of Report No. PDS-09-2021 is to advise Council of the proposed changes to the Building Department’s fees and charges. The fees are reviewed yearly to ensure the fees reflect the costs incurred to provide the service.

The proposed fees and charges will require Council to pass a by-law before they are applicable. The by-law will be presented to Council on February 22, 2021 for approval.

**Analysis**

The Ontario Building Code Act allows Municipalities to collect fees that represent the anticipated reasonable cost for the administration of the Building Code Act and Regulations. The fees are not to exceed the anticipated reasonable cost of administration and enforcement. The Act also allows the Municipality to create a Building Code Act reserve fund to accommodate economic fluctuations.

Over the past number of years the building permit fees have seen a variety of fee increases as the departments work load and work force has increased. These increases were steps to bring the fees charged closer to the cost to perform the service and to align the fees closer to the regional average. At this time, due to the increased volume of building activity, most of the fees are proposed to receive the CPI increase of 0.6% where a few fees are proposed to see larger increases which range from 1.1 to 16.7%. A summary of these fees are noted in the table below.

Building Permit	Proposed Fee	Existing Fee	Proposed Increase
Group A Assembly Occupancy - per sq.ft.*			
School, church, restaurant, daycare, hall, transit, recreation facility	\$1.77	\$1.75	1.1%
Group D Business/Personal Services Occupancy - per sq.ft.			
Office, bank, medical office, etc.	\$1.62	\$1.60	1.3%
Group E Mercantile Occupancy - per sq.ft.			
Store, shopping mall, plaza, shop, market, retail, etc.	\$1.49	\$1.45	2.8%
Group F Industrial Occupancy - per sq.ft.			
Industrial mall, shop, etc.	\$1.11	\$1.04	6.7%
Farm building, greenhouse - per sq.ft.	\$0.33	\$0.30	10.0%
Demolition			
Other demolition - per sq.ft.	\$0.07	\$0.06	16.7%

Although some of the fees are seeing a larger percentage increase this results in a few cents per square foot. These increases are also not rounded up but the actual full percentage increase. A number of the fees are proposed to remain the same.

Over the last 2 years the department has seen an increase in permit revenues due to an increase in permit activity. With this increase in revenues surplus revenues were

transferred to the Building Department Reserve fund. In the same time frame the department was budgeted to run a deficit which would have been funded from the reserve fund or from the general tax levy. It is noted that the surplus revenues were used to cover the budgeted deficit with the remainder going to reserves. In addition unused expenses such as salaries, benefits and training costs added to the surplus revenue. For example the Department has seen a change in staff which has resulted in Senior Inspector position being replaced with a Building Inspector 1 employee which has a lower annual salary and there were additional salary savings while going through the hiring process. In 2020 the Deputy Chief Building Official was to be hired in the spring but the position was not filled until August, this alone resulted in a savings of over \$60,000.00 which attributes to the surplus revenues. This information is illustrated in the following chart.

	2020			2019			2018		
	Actual	Budget	Diff	Actual	Budget	Diff	Actual	Budget	Diff
User Fees	1,044,048	690,000	354,048	789,753	590,000	199,753	603,107	530,000	73,107
<b>Total Revenue</b>	<b>1,044,048</b>	<b>690,000</b>	<b>354,048</b>	<b>789,753</b>	<b>590,000</b>	<b>199,753</b>	<b>603,107</b>	<b>530,000</b>	<b>73,107</b>
Total Wages & Benefits	706,763	797,681	(90,918)	625,563	704,282	(78,719)	631,232	691,958	(60,726)
Materials & Services	9,075	23,364	(14,289)	14,116	22,755	(8,639)	12,797	23,741	(10,944)
<b>Total Expenses</b>	<b>715,838</b>	<b>821,045</b>	<b>(105,207)</b>	<b>639,679</b>	<b>727,037</b>	<b>(87,358)</b>	<b>644,029</b>	<b>715,699</b>	<b>(71,670)</b>
Fleet Related Charges	13,175	13,175	-	11,311	12,855	(1,544)	11,563	11,751	(188)
Program Support Charges	82,692	82,692	-	76,411	76,411	-	81,924	81,924	-
<b>Total Interdepartmental transfers</b>	<b>95,867</b>	<b>95,867</b>	<b>-</b>	<b>87,722</b>	<b>89,266</b>	<b>(1,544)</b>	<b>93,487</b>	<b>93,675</b>	<b>(188)</b>
<b>Annual Surplus (Deficit)</b>	<b>232,343</b>	<b>(226,912)</b>	<b>459,255</b>	<b>62,352</b>	<b>(226,303)</b>	<b>288,655</b>	<b>(134,409)</b>	<b>(279,374)</b>	<b>144,965</b>

The Town's reserve policy has a target reserve fund balance for the building department equal to one year's budget which for 2021 is \$821,000.00. The current reserve balance which includes the 2020 surplus (not yet reconciled) to be approximately \$538,000.00

The 2021 budget includes a request for a consultant to review the building permit process and fees to ensure the fees charged accurately reflect the cost of the service provided. If this request is approved by Council a report will be brought to Council to outline the results of the consultant's findings and recommendations.

### **Financial/Staffing and Accessibility (ODOA) Implications**

The purpose of the proposed fee increase is to ensure that the building department continues towards being cost neutral.

### **Policies Affecting Proposal**

By-law No. 93-12 includes Schedule "A" which is the Reserve Policy that sets out amounts to be paid into and out of reserve accounts. This includes recommended target balances. The building department targeted balance is 1 year's Building Permit Budget. The proposed fee increase would assist in reaching the recommended target balance.

Building Code Act, 1992, S.O. 1992, C.23

### **Comments from Relevant Departments/Community and Corporate Partners**

The proposed fees were circulated to the Town's finance department. Their comments were reviewed and changes were made to the proposed fees.

### **Communicating Results**

The public meeting has been advertised in the local paper as required by the Ontario Building Code. Notice of the public meeting was also posted on the Town's website, Facebook page and was emailed to the Town's local builders.

To date no comments on the proposed changes have been received. The public has the opportunity to provide comments to Council at the public meeting.

### **Alternatives**

Council may choose to alter or reject the proposed fee changes. If this option is chosen the current fees would remain in effect.

### **Conclusion**

The proposed fee changes take another step towards a cost neutral department while building the recommended reserve fund while staying in line with the Regional average fees for construction.

### **Attachments**

**Appendix "1"** – Proposed 2021 Building Permit fees.

# APPENDIX "1" TO ADMINISTRATIVE REPORT PDS-09-2021, DATED JANUARY 18, 2021

## PLANNING AND DEVELOPMENT SERVICES

### Building Permit

Group A Assembly Occupancy - per sq.ft.* School, church, restaurant, daycare, hall, transit, recreation facility Owner/Leasehold renovation			
	\$1.77	\$1.75	1.1%
	\$0.89	\$0.89	0.0%
Group B Institutional Occupancy - per sq.ft. Hospital, retention facility, nursing home, etc. Owner/Leasehold renovation			
	\$1.94	\$1.93	0.6%
	\$1.02	\$1.02	0.0%
Group C Residential Occupancy - per sq.ft. One family, semi-detached, multiple unit dwelling, hotel, motel, etc.			
	\$1.33	\$1.32	0.6%
Group D Business/Personal Services Occupancy - per sq.ft. Office, bank, medical office, etc. Owner/Leasehold renovation			
	\$1.62	\$1.60	1.3%
	\$0.84	\$0.84	0.0%
Group E Mercantile Occupancy - per sq.ft. Store, shopping mall, plaza, shop, market, retail, etc. Owner/Leasehold renovation			
	\$1.49	\$1.45	2.8%
	\$0.68	\$0.68	0.0%
Group F Industrial Occupancy - per sq.ft. Industrial mall, shop, etc. Industrial building with no partitions Owner/Leasehold renovation			
	\$1.11	\$1.04	6.7%
	\$0.68	\$0.68	0.0%
	\$0.68	\$0.68	0.0%
Special Category/Occupancy Farm building, greenhouse - per sq.ft. Air supported structure - per sq.ft. Tent, temporary fabric structure Multiple tents, same property			
	\$0.33	\$0.30	10.0%
	\$0.18	\$0.18	0.0%
	\$164.00	\$163.00	0.6%
	\$327.00	\$325.00	0.6%
Miscellaneous Residential Garage, carport, covered deck/porch - per sq. ft. Uncovered deck/porch, shed/accessory building - per sq. ft Sunroom/solarium - per sq.ft.			
	\$0.44	\$0.44	0.0%
	\$0.44	\$0.44	0.0%
	\$0.85	\$0.84	0.6%
Alteration - Group C Residential Unfinished basement (new foundation and crawl space) - per sq.ft. Roof structure (replace or new) - per sq.ft. Gut renovation - per sq.ft. Interior alteration - per sq.ft. Finished basement - per sq.ft. Fireplace, woodstove			
	\$0.44	\$0.44	0.0%
	\$0.18	\$0.18	0.0%
	\$0.90	\$0.90	0.0%
	\$0.54	\$0.54	0.0%
	\$0.70	\$0.70	0.0%
	\$161.00	\$160.00	0.6%
Demolition Building less than 3,000 sq.ft. Other demolition - per sq.ft.			
	\$161.00	\$160.00	0.6%
	\$0.07	\$0.06	16.7%
Pool Public pool In-ground pool Above-ground pool			
	\$503.00	\$500.00	0.6%
	\$189.00	\$188.00	0.6%
	\$161.00	\$160.00	0.6%
Change of use of a building or part thereof - no construction required	\$161.00	\$160.00	0.6%
Authorize occupancy of an unfinished building or part thereof	\$196.00	\$195.00	0.6%
Transfer - Transfer of permit to new owner	\$161.00	\$160.00	0.6%
Designated Structure Retaining wall, pedestrian bridge, crane, runway Greater of : Per \$1,000 construction value OR Minimum permit fee			
	\$14.85	\$14.85	0.0%
	\$161.00	\$160.00	0.6%

Proposed Fee	Existing Fee	Percentage Increase
\$1.77	\$1.75	1.1%
\$0.89	\$0.89	0.0%
\$1.94	\$1.93	0.6%
\$1.02	\$1.02	0.0%
\$1.33	\$1.32	0.6%
\$1.62	\$1.60	1.3%
\$0.84	\$0.84	0.0%
\$1.49	\$1.45	2.8%
\$0.68	\$0.68	0.0%
\$1.11	\$1.04	6.7%
\$0.68	\$0.68	0.0%
\$0.68	\$0.68	0.0%
\$0.33	\$0.30	10.0%
\$0.18	\$0.18	0.0%
\$164.00	\$163.00	0.6%
\$327.00	\$325.00	0.6%
\$0.44	\$0.44	0.0%
\$0.44	\$0.44	0.0%
\$0.85	\$0.84	0.6%
\$0.44	\$0.44	0.0%
\$0.18	\$0.18	0.0%
\$0.90	\$0.90	0.0%
\$0.54	\$0.54	0.0%
\$0.70	\$0.70	0.0%
\$161.00	\$160.00	0.6%
\$161.00	\$160.00	0.6%
\$0.07	\$0.06	16.7%
\$503.00	\$500.00	0.6%
\$189.00	\$188.00	0.6%
\$161.00	\$160.00	0.6%
\$161.00	\$160.00	0.6%
\$196.00	\$195.00	0.6%
\$161.00	\$160.00	0.6%
\$14.85	\$14.85	0.0%
\$161.00	\$160.00	0.6%

**APPENDIX "1" TO ADMINISTRATIVE REPORT PDS-09-2021, DATED JANUARY 18, 2021**

Other designated structure	\$161.00	\$160.00	0.6%
Special Request			
Preliminary site inspection prior to application	\$219.00	\$218.00	0.6%
Non-routine inspections after hours	\$219.00	\$218.00	0.6%
Miscellaneous Permit			
Moving (i.e., relocation of building)	\$161.00	\$160.00	0.6%
Gasoline, oil storage tank, fuel pump	\$161.00	\$160.00	0.6%
Other (per \$1000 construction value)	\$14.85	\$14.85	0.0%
Minimum Permit Fee	\$161.00	\$160.00	0.6%
After Hours Service			
Single Family Dwelling (New, renovations or additions)	\$531.00	\$528.00	0.6%
Minor Projects (where minimum building permit fee applies)	\$266.00	\$264.00	0.6%
All other Projects	\$798.00	\$793.00	0.6%
3rd Party Plans Review and Inspections	Actual cost	Actual cost	
<i>Note: Actual costs, including applicable HST, incurred by the Town will be invoiced.</i>			
Alternative Solutions - per Building Code			
Town reviewed - per hr (4 hours minimum)	\$103.00	\$102.00	0.6%
3rd party review cost (subject to CBO's discretion)	Actual cost	Actual cost	
<i>Note: Actual costs, including applicable HST, incurred by the Town will be invoiced.</i>			
Reinspection, when previous inspection not remedied	\$81.50	\$81.00	0.6%
Compliance Letter - not associated with a permit (per property)	\$81.50	\$81.00	0.6%
Revision or Amendment to a Permit - per hour	\$81.50	\$81.00	0.6%
Demolition and Build Agreement (includes registration fee)	\$811.00	\$806.00	0.6%
Conditional Building Permit Agreement (includes registration fee)	\$811.00	\$806.00	0.6%
Spatial Separation Agreement (includes registration fee)	\$581.00	\$578.00	0.6%
Release of Building related Agreements (includes registration costs)	\$319.00	\$317.00	0.6%
Refund of Fees			
<u>Status of Permit Application</u>	<u>Eligible for Refund</u>	<u>Eligible for Refund</u>	
Application filed. No processing or review of plans or documents submitted.	80%	80%	
2 Application filed. Plans reviewed.	60%	60%	
3 Permit issued.	40%	40%	
4 Additional deduction for each field inspection performed.	10%	10%	
5 Permits valued at the minimum permit fee.	0%	0%	
<i>Note 1: Where construction has commenced prior to the issuance of a building permit, application will be subject to an additional administration fee equal to the permit fee for construction completed.</i>			
<i>Note 2: If the work regulated by the permit cannot be described otherwise, the permit application fee shall be \$14.85 for each \$1,000.00 of estimated valued of construction. The estimated value of construction shall be determined by the Chief Building Official .</i>			
<i>Note 3: The dwelling unit sq. ft. (*) rate does not include any covered porches, decks or attached garages, they shall be charged seperately at their current rate.</i>			
* - sq.ft. is the gross area of all floors above grade measured from			

# APPENDIX "1" TO ADMINISTRATIVE REPORT PDS-09-2021, DATED JANUARY 18, 2021

the outer face of exterior walls, unless noted otherwise. Mezzanines, lofts and habitable attics are included. Where there is no floor or exterior walls for the project, sq.ft. is the greatest horizontal area of the structure. There are no deductions from the gross floor area for openings such as stairs, elevators, shafts, etc.

## Deposit

Sidewalk Repair Deposit - upon filing building permit application, to cover costs of damages which may occur due to construction

\$500.00	\$500.00	
----------	----------	--

Tracking of Construction Debris Deposit - to cover Town cleanup costs in the event building materials, waste or soil is spilled or tracked onto public streets by vehicles going to/from the subject land during the course of erection, alteration, repair or demolition

\$500.00	\$500.00	
----------	----------	--

Demolition Deposit

\$1,000.00	\$1,000.00	
------------	------------	--

Subdivider Grading Deposit

Per lot

\$200.00	\$200.00	
----------	----------	--

Per acre of blocks

\$1,000.00	\$1,000.00	
------------	------------	--

Maximum of \$20,000 for the entire Subdivision or Phase

Lot Grading Deposit for Tarion registered builders - per lot

\$2,500.00	\$2,500.00	
------------	------------	--

Lot Grading Deposit for builders of new homes who are not registered with TARION - per lot

\$5,000.00	\$5,000.00	
------------	------------	--

Lot Grading Deposit Fee Transfer

\$50.00	\$50.00	
---------	---------	--

Revisions to Lot Grading Plan Deposit

\$300.00	\$300.00	
----------	----------	--

Refundable Security Deposit

various	various	
---------	---------	--

## Lot Grading

Lot Grading Review

*Note: For proposed development applications in plans of subdivision that do not have Master Grade Control Plans. Applied to building and pool applications requiring permits as required.*

\$80.00	\$80.00	
---------	---------	--

Fill and Site Alteration

Minimum

\$100.00	\$100.00	
----------	----------	--

Maximum

\$500.00	\$500.00	
----------	----------	--

## Plumbing

Plumbing, Drain & Sewer Permit (plus any applicable fees for storm building sewer, sanitary building sewer, waterline, internal storm leader and internal rainwater leader)

Single Family Dwelling

\$89.00	\$88.00	0.6%
---------	---------	------

Semi-Detached, Row House or other multiple residential where each individual unit has its own separate service

\$89.00	\$88.00	0.6%
---------	---------	------

Multiple Dwelling and Apartment, Motel and any other residential unit which is served by a single service

\$58.00	\$58.00	0.0%
---------	---------	------

Commercial, Industrial, Government, Institutional and any other building or structure not specifically provided for above  
Additional fee per fixture

\$119.00	\$118.00	0.6%
----------	----------	------

\$6.00	\$6.00	0.0%
--------	--------	------

Permit Fee for New

Storm Building Sewer for the first 10m

\$49.00	\$49.00	0.0%
---------	---------	------

Sanitary Building Sewer for the first 10m

\$49.00	\$49.00	0.0%
---------	---------	------

Waterline/Service for the first 10m

\$49.00	\$49.00	0.0%
---------	---------	------

Sewer and water main installations over 10m  
each additional metre

\$3.05	\$3.05	0.0%
--------	--------	------

**APPENDIX "1" TO ADMINISTRATIVE REPORT PDS-09-2021, DATED JANUARY 18, 2021**

Internal Rain Water Leader  
 Manhole or Catch basin

Private Surface Water Collection System for parking area or  
 surrounding grounds (plus applicable manhole & catch basin fee)

Permit Fee for alteration, relocation or extension of existing  
 plumbing (plus applicable fee for storm building sewer, sanitary  
 building sewer and waterline)

Re-inspection Fee due to faulty or defective work or due to work not  
 being ready for inspection - each call back

\$22.00	\$22.00	0.0%
\$22.00	\$22.00	0.0%
\$49.00	\$49.00	0.0%
\$49.00	\$49.00	0.0%
\$81.00	\$81.00	0.0%