

## Information supporting the proposed increases in Building Permit fees

(as required by Section 1.9.1.2 of Ontario Regulation 332/12 under the Building Code Act)

The Council of the Corporation of the Town of Deep River is proposing amending the costs of the building permit fees following a review of the current permit fees and the costs associated with providing the service to enforce the Ontario Building Code Act with regards to the issuance of building permits through Section 7 of the OBCA. The effect will be to increase the existing fee structure.

The Council will consider this matter on March 8th, 2023 at 6:00 pm at its regular meeting.

Anyone wishing to provide comments should write to the Clerk at [townmail@deeperiver.ca](mailto:townmail@deeperiver.ca) before March 8th, 2023, at 12:00 pm. An opportunity for verbal comments will be provided during the meeting on March 8th, 2023.

### Current fees (as described in Bylaw 22-2008)

Permit type	Unit	Current	
		Rate	Minimum fee
Residential - New construction (including additions and renovations)	\$/ft <sup>2</sup>	\$0.67	\$30.00
Residential - Accessory Building	\$/ft <sup>2</sup>	\$0.16	\$30.00
Commercial - New Construction and accessory	\$/ft <sup>2</sup>	\$0.70	\$150.00
Industrial - New construction and accessory	\$/ft <sup>2</sup>	\$0.70	\$150.00
Deck, Fence, Roofing	Single fee	\$30.00	
Demolition	Single fee	\$40.00	
Research for Zoning / Orders <sup>1</sup>	Single fee	\$40.00	
Change of Use fee <sup>1</sup>	Single fee	\$40.00	

<sup>1</sup> These fees listed in Bylaw 22-2008 will be removed from the Building Permit Bylaw and incorporated into the User Fee Bylaw (64-2022)

### Proposed fees

Permit type	Unit	Current		Proposed fees	
		Rate	Minimum fee	2023 (+50%) Rate	Minimum fee
Residential - New construction (including additions and renovations)	\$/ft <sup>2</sup>	\$0.67	\$30.00	\$1.01	\$45.00
Residential - Accessory Building	\$/ft <sup>2</sup>	\$0.16	\$30.00	\$0.24	\$45.00
Commercial - New Construction and accessory	\$/ft <sup>2</sup>	\$0.70	\$150.00	\$1.05	\$225.00
Industrial - New construction and accessory	\$/ft <sup>2</sup>	\$0.70	\$150.00	\$1.05	\$225.00
Deck, Fence, Roofing	Single fee	\$30.00		\$45.00	
Demolition	Single fee	\$40.00		\$60.00	
Research for Zoning / Orders <sup>1</sup>	Single fee	\$40.00			
Change of Use fee <sup>1</sup>	Single fee	\$40.00			

<sup>1</sup> These fees listed in Bylaw 22-2008 will be removed from the Building Permit Bylaw and incorporated into the User Fee Bylaw (64-2022)

### Summary of justification for increasing fees

Building Permit fees have not increased since 2008.

The Building Code Act provides that building permit fees can be set on a cost-recovery basis relative to the reasonable costs to provide the service.

The average cost recovery rate over the last five years is 31%. (See table of historical costs below.)

The proposed increases improve the financial sustainability of providing this service, and move towards a 50% cost recovery rate.

The proposed increases move Deep River's building permit fees to be similar to those of neighbouring municipalities.

## Information supporting the proposed increases in Building Permit fees

### Historical Comparison of costs and revenues

	2016	2017	2018	2019	2020 <sup>1</sup>	2021	2022	Total for last five years
Number of building permits issued	93	99	92	106	130	119	82	529
Total value of building permits	\$2,581,027	\$2,080,072	\$2,653,610	\$4,728,555	\$9,836,976	\$3,395,836	\$4,532,418	\$25,147,395
Total revenue generated from building permits	\$7,208	\$10,639	\$13,383	\$20,199	\$49,335	\$27,581	\$18,877	\$129,376
Total cost of building permit and inspection service <i>(includes labour, equipment, facilities, and overheads)</i>	\$70,793	\$77,237	\$75,962	\$84,388	\$83,492	\$87,881	\$82,833	\$414,557
<b>Surplus / (Deficit)</b>	<b>-\$63,585</b>	<b>-\$66,598</b>	<b>-\$62,579</b>	<b>-\$64,190</b>	<b>-\$34,157</b>	<b>-\$60,300</b>	<b>-\$63,956</b>	<b>-\$285,181</b>
Cost recovery rate	10%	14%	18%	24%	59%	31%	23%	31%

<sup>1</sup> Included building permits for new apartment block at Montcalm Str.

### Extracts of applicable sections of the Building Code Act and associated Regulations

#### Building Code Act, 1992, as amended

##### Extracts from Section 7 Bylaws, resolutions, regulations

7 (1) The council of a municipality or of an upper-tier municipality that has entered into an agreement under subsection 3 (5) or a board of health prescribed for the purposes of section 3.1 may pass by-laws....

...

- (c) requiring the payment of fees and prescribing the amounts of the fees,
  - (i) on application for and on issuance of permits,
  - (ii) for maintenance inspections,
  - (iii) for providing documentation, records or other information under section 15.10.4, and
  - (iv) for providing information under subsection 15.10.6 (2);

...

(2) The total amount of the fees authorized under clause (1) (c) must not exceed the anticipated reasonable costs of the principal authority to administer and enforce this Act in its area of jurisdiction.

...

#### Ontario Regulation 332/12:

##### Section 1.9.1.2. Change of Fees

(1) Before passing a bylaw or resolution or making a regulation under clause 7 (1) (c) of the Act to introduce or change a fee imposed for applications for a permit, for the issuance of a permit or for a maintenance inspection, a *principal authority* shall,

- (a) hold the public meeting required under subsection 7 (6) of the Act,
- (b) ensure that a minimum of 21 days notice of the public meeting is given in accordance with Clause (c), including giving 21 days notice to every person and organization that has, within five years before the day of the public meeting, requested that the *principal authority* provide the person or organization with such notice and has provided an address for the notice,
- (c) ensure that the notice under Clause (b),
  - (i) sets out the intention of the *principal authority* to pass the bylaw or resolution or make a regulation under section 7 of the Act and whether the bylaw, resolution or regulation would impose any fee that was not in effect on the day the notice is given or would change any fee that was in force on the day the notice is given,
  - (ii) is sent by regular mail to the last address provided by the person or organization that requested the notice in accordance with Clause (b), and
  - (iii) sets out the information described in Clause (d) or states that the information will be made available at no cost to any member of the public upon request, and
- (d) make the following information available to the public:
  - (i) an estimate of the costs of administering and enforcing the Act by the *principal authority*,
  - (ii) the amount of the fee or of the change to the existing fee, and
  - (iii) the rationale for imposing or changing the fee.