



The Corporation of the Town of Tecumseh

Development Services

To: Mayor and Members of Council

From: Brian Hillman, Director Development Services

Date to Council: March 14, 2023

Report Number: DS-2023-06

Subject: Proposed New Building By-law and Permit Fees

Recommendations

It is recommended:

That Report DS-2023-06, entitled “Proposed New Building By-law and Permit Fees”, **be received.**

And that the scheduling of a public meeting, to be held on April 25, 2023 at 5:30 pm, in accordance with the requirements of the *Ontario Building Code Act*, to receive comments from the public regarding the proposed building permit fee rates, **be authorized.**

Background

The Building Services Operational Review (“Operational Review”) was presented to Council on November 22, 2022 under Report [DS-2022-45](#) (Attachment 1). The Operational Review identified service delivery challenges and recommended an increase in staff, a digital transformation and an increase in fees. The Operational Review was ultimately approved with Council’s approval of the 2023 Budget on January 25, 2023.

Section 7 of *The Ontario Building Code Act* (“the Act”) gives the municipality the authority to pass a by-law regarding permit applications, permits, inspections, the establishment of permit fee rates and related matters. This by-law is commonly referred

to as the “Building By-law”. The Town’s current Building By-law 2018-19 was approved by Council on March 13, 2018. Administration has undertaken a review of the current By-law having regard to implementing the Operational Review and as a result has prepared a proposed new Building By-law (see Attachment Number 2). Administration has also taken this opportunity to incorporate some housekeeping changes to reflect current operations and best practices (e.g. fencing and hoarding requirements, digital submissions, dormancy provisions to address old permits, clarifying submission requirements for permit applications).

Comments

Proposed New Building By-law

The following is a summary of the provisions of the proposed new Building By-law, which provisions are consistent with legislative requirements provided in the Act:

- a) Identify forms required for all types of permit applications;
- b) Prescribe specific forms, documents required to establish a complete permit application;
- c) Prescribe different classes of permits (Construction, Demolition, Change-of-Use, etc.);
- d) Establish methods allowing permit transfer and permit revisions;
- e) Establish methods allowing permit revocation and permit dormancy;
- f) Establish permit fee rates, deposits, refunds and penalties;
- g) Requiring notice for readiness for inspection at established stages of construction;
- h) Requiring construction fencing and protection of public rights of way;
- i) Prescribing Code of Conduct for Inspectors and the CBO.

Proposed new Permit Fees

The new permit fee rates are based on those provided in the Operational Review. Section 7(2) of the Act allows a municipality to establish fees based on the anticipated reasonable costs to administer and enforce the Act.

As noted in the Operational Review, a comprehensive fee study was performed in 2017 and the Town’s current “Building By-law 2018-19” has been in place since 2018. It is

important to note that the permit fees rates have not increased or changed since implemented five years ago. Accordingly, in the table below, the 'Current' column represents the fees set in 2018 which are still in effect today.

Based on the Operational Review, the proposed 2023 fees are based on inflation using a simplified annual CPI increase from 2018, as shown in the table below. The proposed 2023 fees provide sufficient funds to support the staffing and technological changes required to provide the service to the public, as rationalized in the Operational Review. The table below summarizes the proposed permit fee changes.

PROJECTED FEES INCREASES BASED ON ANNUAL CPI

YEAR		2018	2019	2020	2021	2022	PROPOSED
CPI	CURRENT	2.20%	1.90%	0.60%	4.00%	6.90%	2023 FEES
RESIDENTIAL	\$1.05/s.f.	\$1.07/s.f.	\$1.09/s.f.	1.10/s.f.	\$1.14/s.f.	\$1.22/s.f.	\$1.20/s.f.
INSTITUTIONAL	\$1.05/s.f.	\$1.07/s.f.	\$1.09/s.f.	1.10/s.f.	\$1.14/s.f.	\$1.22/s.f.	\$1.20/s.f.
COMMERCIAL	\$1.05/s.f.	\$1.07/s.f.	\$1.09/s.f.	1.10/s.f.	\$1.14/s.f.	\$1.22/s.f.	\$1.20/s.f.
INDUSTRIAL	\$0.85/s.f.	\$0.87/s.f.	\$0.89/s.f.	\$0.89/s.f.	\$0.92/s.f.	\$0.99/s.f.	\$1.00/s.f.

Public Meeting

Subsection 1.9.1.2 of Division C of the Ontario Building Code requires that before there can be a change to a permit fee, Council must hold a public meeting. A minimum of 21 days notice must be given to the general public and every person or organization that has requested to be notified within the last 5 years. The Town has not received any requests from any person or organization within the last 5 years, so only the general public needs to be notified.

To notify the general public, a notice of public meeting to be held on April 25, 2023 at 5:30 pm, will be posted on the Town's website and Facebook page.

If issues arise at the public meeting that are not immediately resolved, a summary of the issues, along with a final recommendation on the proposed new Building By-law will follow by way of a future Administrative Report. If, however, all issues are resolved or none are identified, the proposed new Building By-law will be brought forward for Council's consideration at a subsequent Council Meeting.

Consultations

Financial Services

Financial Implications

As previously indicated, a comprehensive fee study was performed in 2017 and the Town's current "Building By-law 2018-19" has been in place since 2018. The permit

fees rates have not increased or changed since implemented five years ago. The proposed increases are based on an inflationary review using a simplified annual CPI increase from 2018, as detailed in the Operational Review. The proposed revenue generated from the fees were reflected in the approved 2023 Budget.

This increase will allow the Town to meet the anticipated needs of the development industry through staffing and technology enhancements while remaining comparable to our regional municipalities and avoiding impacts to the tax levy.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input checked="" type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website Social Media News Release Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Peter Valore, CBO
Manager Building Services & Chief Building Official (CBO)

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1.	Building Services Operational Review
2.	Proposed New Building By-law