

TO: CITY MANAGER 1999 January 13

FROM: DIRECTOR PLANNING AND BUILDING Our File: 02.295

SUBJECT: FEES FOR BUILDING PERMITS AND OTHER PLANNING APPLICATIONS AND SERVICES

PURPOSE: To provide Council with recommendations to update the City's fee schedules for various applications for the purpose of cost recovery.

RECOMMENDATIONS:

1. THAT Council authorize staff to implement the fee adjustments outlined in this report.
2. THAT the City Solicitor be requested to prepare the necessary bylaw amendments to effect the fee adjustments outlined in this report.
3. THAT the amendments to the fee schedule for rezoning applications be advanced to First Reading on 1999 February 01 and a Public Hearing scheduled for 1999 February 16.

REPORT

The Municipal Act provides for the imposition of fees and charges for applications for various types of permits and services under Part 21 (Community Planning) and Part 29 (Management of Development) for the purpose of recovering the costs of administration, inspection, advertising, and processing. Over the years, fees and charges have been established for a number of processes, works, and services from which an individual or a business may expect to benefit, and Council has sought to ensure that the fees charged reflect the costs of providing the services.

The services under consideration include permits for construction of buildings, electrical, plumbing and gas inspections, fees for rezoning, strata titling, subdivision of land, and a wide array of other services contemplated under the Act. In some instances the requirement for permits and approvals is driven primarily by considerations of safety and adherence to public codes, and the City has in the past sought to recover a percentage of the costs of providing the service through the fee structure.

In other instances, such as applications for subdivision, rezoning, strata titling, or other types of planning services, the applicant obtains a potential direct financial benefit, and in many instances this financial benefit is considerable, often in the range of many thousands of dollars. It is therefore appropriate that, in such instances, the applicant, as opposed to the City, should bear the full estimated cost of such services.

In 1997 May, Council approved a revised schedule of fees and charges for permits and applications, and at that time it was indicated that staff would review the fee schedule on an annual basis beginning in late summer 1998 and provide a further report.

Staff have completed this review, and the **attached** Appendix outlines the adjustments being recommended at this time. The amount of increase proposed in most cases is minor, reflecting primarily the increased cost of doing business since 1997. In some instances no change is proposed, and the net effect is expected to be in the order of 1% to 1.5% overall increase, in line with the projection used in preparing the 1999 Provisional Operating Budget.

Upon approval, staff will take the necessary steps to implement the proposed adjustments.



D. G. Stenson
Director Planning and Building

DGS:lf
Attachment: Appendix
cc: Director Finance
Director Engineering
City Clerk
City Solicitor
Information Services Director

(a:\incfee.rpt)

APPENDIX

To report on **FEEES FOR BUILDING PERMITS AND OTHER PLANNING APPLICATIONS AND SERVICES**

GENERAL

In pursuing its review of the fee structure and schedules for planning and building-related fees, staff have sought to consider the full range of costs (administrative, processing, record keeping, responding to enquiries, inspections, etc.) that are entailed in each case, recognizing that these costs are commonly incurred, to varying degrees, by a variety of different departments. For example, while the bulk of the administrative costs for processing a rezoning application may be incurred in the Planning Division, considerable staff effort is commonly also entailed in the Clerk's office, Legal Department, Engineering Department, Fire Prevention Office, Environmental Health division, Building Division, and occasionally or to some extent also in the RCMP, Parks, Recreation and Cultural Services Department, Business Licence and Taxation offices, etc. The degree to which other departments may be involved varies considerably with type of application and from case to case, and it is important in estimating the costs of providing these services, to recognize the contribution to the process from these other departments. The overriding consideration in the Municipal Act, which governs fees imposed for planning-type services, is that the fee must not exceed the estimated average costs of processing, inspection, advertising and administration that are usually related to the type of application or other matter to which the fee relates.

BUILDING DIVISION

The Chief Building Inspector has reviewed the existing cost recovery structure related to the services provided by the Building, Electrical, Gas, Plumbing and Fire Protection, and Administration and Tree Bylaw sections of the department. The following is a summary of his recommendations.

It should be pointed out that the major fee review undertaken in the spring of 1997 included an extensive comparison of fees charge by all of the cities and municipalities throughout the Lower Mainland. The adjustments made in 1997 as a result of that review were designed to recover the basic costs of operating the building inspection program maintained by the City while at the same time keeping those fees comparable to other neighbouring jurisdictions. Using the established current fees as a general benchmark, we propose to adjust fees at this time to recover inflationary cost increases to ensure that real revenues are similar to those generated in previous years. While an increase on the order of 1% to 1.5% is considered to be appropriate for a majority of the Building Division fees, some "fine tuning" is proposed to simplify the application of certain fees.

The result is that some individual fees will increase by more than 1.5% while other fees will not be increased at all. The net general effect however will be in line with the 1% to 1.5% general range, and will continue to keep our fees in line with those charged in surrounding jurisdictions.

BUILDING PERMIT FEES

In keeping with the proposed 1% to 1.5% increase, the building permit fees should be adjusted as follows:

- 1) The fee for application for a building permit for a single or two family dwelling, where the construction value exceeds \$89,000, including renovations, additions and accessory buildings, should be increased from \$150.00 to \$155.00. For all other application fees, the fee should remain at 20% of the estimated building permit fee subject to a minimum of \$45 and a maximum of \$5,050. This represents an increase from the existing minimum of \$40 and maximum of \$5,000.
- 2) The fee for a building permit value of construction from \$0 to \$1,000 should remain at \$50; value of construction from \$1,001 to \$20,000 should remain at \$50 plus \$12 per \$1,000 or part thereof over \$1,000; \$20,001 to \$200,000 should be increased from \$278 plus \$8 per \$1,000 or part thereof over \$20,000 to \$278 plus \$8.15 per \$1,000 or part thereof over \$20,000; and the fee for a building permit value of construction over \$200,001 should be increased from \$1,718 plus \$7 per \$1,000 or part thereof over \$200,000 to \$1,745 plus \$7.10 per \$1,000 or part thereof over \$200,000.
- 3) The fee for permit extension, which is currently \$40, will remain as it is.
- 4) The fee for modification of drawings and specifications, which is currently \$60 per hour with a minimum of \$30, will remain the same.
- 5) The building permit fees for demolition of buildings are not proposed to be increased.
- 6) The building permit fee for a temporary building or structure, which is currently \$350 per year, will also not be increased.
- 7) The fees for re-inspection, special inspections, and inspections for provisional occupancy likewise are not proposed to be increased.

ELECTRICAL PERMIT FEES

Residential electrical permit fees are based on 20% of the building permit fee. As a result, the proposed increases to the building permit fees will automatically cause the electrical permit fees to rise correspondingly. For this reason, we are proposing no increase to the permit fees for an electrical system for a one or two-family dwelling.

We are proposing a minor change to the text of the fee schedule which currently reads "One or Two-Family Dwellings". This should be corrected to read "*New One and Two-Family Detached Dwellings.*"

In keeping with this correction to the text the fee schedule which now reads "Electrical Installations other than One and Two-Family Detached Dwellings" will read: "*Electrical Installations other than New One and Two-Family Detached Dwellings.*" We recommend that there be a general increase of between 1% and 1.5% to the fees charged for these type of permits except for small jobs where the cost of labour and material is below \$250. Specifically, the following will be unchanged at:

\$100	or	less	-	\$30
\$101	to	\$250	-	\$40

The rest of the fees are proposed to be increased as follows:

\$251	to	\$350	-	\$50
\$351	to	\$500	-	\$60
\$501	to	\$700	-	\$75
\$701	to	\$1,000	-	\$90
\$1,001	to	\$10,000	-	\$90
\$10,001	to	\$50,000	-	\$423
\$50,001	to	\$100,000	-	\$1,223
\$100,001	to	\$500,000	-	\$1,823
\$500,001	to	\$1,500,000	-	\$5,023
\$1,500,001		and over	-	\$12,023

We are recommending that the permit transfer or assignment fee be increased from \$40 to \$50. We are also recommending that the permit extension fee be increased from \$40 to \$50.

The fees for the "Main" annual permit will be unchanged but we are proposing to create a new fee for "Additional" annual permit of \$75 per permit.

Changing technology has made it necessary for us to review the fees we charge for electrical permits for signs. In order for us to more fairly reflect the cost of issuing permits for and inspecting the installation of larger, more complex signs, we recommend that the fees for neon signs be changed to:

- ▶ \$75 for first transformer
- ▶ \$50 each for next two transformers
- ▶ \$35 each for next two transformers
- ▶ \$25 for remaining transformers

For fluorescent signs, the fees will be:

- ▶ \$75 for first 15 AMP branch circuit or equivalent
- ▶ \$50 each for next two 15 AMP branch circuit or equivalent
- ▶ \$35 each for next two 15 AMP branch circuit or equivalent
- ▶ \$25 each for remaining 15 AMP branch circuit or equivalent

These fees cover illuminated signs and connection to existing branch circuits. Additional permit is required for providing power from source to the sign and the fee is based on job value.

For all other signs, the permit fee will be based on the cost of the electrical installation, including labour and material required for the sign. (*Minimum of \$75*).

We are recommending that the fees charged for special event or film project be changed to:

(a) One Location

- ▶ to 30 days - \$100
- ▶ to 60 days - \$175
- ▶ to 90 days - \$200

(b) Multi Locations - One Project

- ▶ to 30 days - \$75 per location - (*Maximum \$300*)
- ▶ to 60 days - \$100 per location - (*Maximum \$400*)
- ▶ to 90 days - \$125 per location - (*Maximum \$500*)

(c) Filming in a Studio

- ▶ to 30 days - \$100
- ▶ to 60 days - \$175
- ▶ to 90 days - \$200

(d) Annual Permit for Film Studios

- ▶ \$0.30/KVA, (*Minimum \$200*)

These changes will bring our fees more in line with those currently being charged by our neighbouring communities.

We are also recommending that a clause be included in our fee schedule which will state that:

(Re: Permit fee to record work done without permit and inspection):

"Where applicable and accepted by the Building Department, fee shall be based on the value of labour and material at the time of application. (Min. \$75)."

We are recommending no change to the fees currently charged for a temporary current permit, a temporary saw service, re-inspection fees and special inspections. We are also recommending no change to the formula used for determining permit fee refunds.

PLUMBING PERMIT FEES

The permit fees for plumbing fixtures are currently \$25 for the first fixture and \$17 for each additional fixture to be installed under the permit. These fees were not increased in 1997 when we did our last fee review. What we are now proposing is a flat fee of \$20 per fixture. This will serve to decrease the permit fees for homeowners doing small renovation projects and modestly increase the fees for new residential construction.

Burnaby's Plumbing Bylaw currently defines a fixture as including backflow prevention devices. As such, the installation permit for a backflow prevention device, be it residential or commercial, is currently \$25 for the first device and \$17 for each additional device. This fee does not accurately reflect the cost to the City for the inspections connected with a permit for the installation of a larger commercial or industrial backflow prevention device. The installation of a single large commercial backflow prevention device can often require three or more inspections by the Plumbing Inspector involved and can often represent several hours of the Inspector's time. As a result, we are proposing to change the language in the definition of fixture as it found in Item 1 of Schedule A of the Plumbing Permit and Inspection Fees so as to define a plumbing fixture as backflow prevention devices under 4 inches in size as a plumbing fixture.

We also propose to introduce a new category to the Schedule of Plumbing and Inspection Fees. This category would be backflow prevention devices 4 inches or over and the proposed fee for these devices would be a flat fee of \$100 per device. This new classification and fee structure should help recover some of the cost incurred by the City to inspect the installation of these larger devices.

The permit fees for interceptors, alteration work, site piping and site fire protection is currently \$35 for the first unit or first 30 m and \$20 for each additional unit or each additional 30 m. We are proposing to change these to a flat rate of \$25 per 30 m or per unit regardless of the length or the number of units. This will reduce the cost of permits for small projects and will only moderately increase them for larger developments.

The fees for the permits for the installation of fire hydrants is currently \$25 for the first hydrant and \$17 for each additional. We propose to amend this fee to a flat fee of \$20 per hydrant irrespective of the number of hydrants on the site.

The permitting and inspection process relating to the replacement of water piping in multi-family residential buildings, hotels and motels is becoming a more complex and time consuming process, often requiring numerous site visits, and the current fee of \$15.00 per unit does not adequately recover the costs to the City of performing these services. In order to compensate for this additional expense to the City, we are proposing that the fee be increased from \$15.00 per unit to \$20.00 per unit for this type of permit.

We are proposing no increase to the permit fees for building fire protection, re-inspections, special inspections, partial permits, transfer or assignment of permits or for permit extensions. Permit fee refunds will also remain the same.

GAS PERMIT FEES

In keeping with our general increase of 1% to 1.5%, we would propose the following increases for gas permit fees. The increases for residential installations would be as follows:

- ▶ for each appliance, the fee would be increased from \$25.00 to \$25.25;
- ▶ for each vent installation, the fee would be increased from \$25.00 to \$25.25;
- ▶ for hot water tank replacements, the fee would be increased from \$18.00 to \$18.25;
- ▶ for house piping, the fee would be increased from \$25.00 to \$25.25.

The fees for commercial, industrial or institutional installations would be as follows:

- ▶ for each appliance with an input of 30 kW or less, the fee would be increased from \$30.00 to \$30.25;
- ▶ for appliances with an input of 31 to 120 kW, the fee would be increased from \$60.00 to \$60.75;
- ▶ for piping only, the fee for the first 30 meters or less would be increased from \$35.00 to \$35.50 and each additional 30 meters or part thereof, the fee would be increased from \$25.00 to \$25.25;
- ▶ for each vent installation, the fee would be increased from \$35.00 to \$35.50;
- ▶ for laboratory equipment for each 200,000 BTU's or part thereof in a room, the fee would be increased from \$50.00 to \$50.50.

The re-inspection fees, special inspection fees, permit transfer or assignment fees and permit refunds, as set out in the current Schedule of Fees, would remain the same.

TREE BYLAW

As part of the ongoing review process, staff submitted a report to Council in 1998 March which recommended increases to the fees charged for tree cutting permits. As a result of that report, the fees were increased in 1998 June. As a result of that recent increase, we are recommending no increase to these permit fees at this time.

CROSS CONNECTION CONTROL

The fees currently charged for the processing of the reports pertaining to cross connection control devices are set out in Burnaby's Water Works Regulation Bylaw. This cost of providing inspection and administration services will be reviewed by staff and the results will be submitted to the Finance Department with a recommendation for any necessary changes. Therefore, we are proposing no changes to those fees at this time.

PLANNING DIVISION

Staff have reviewed the existing cost recovery structure of the present fee schedule for rezoning, subdivision, development approvals (PPA), strata titling and sundry other planning approval services provided by the Department. In line with the requirement of the Municipal Act, care has been taken to ensure that the proposed fees do not exceed the estimated average cost of processing, inspection, advertising and administration as noted above, and that the fees are not out of line with similar charges in other municipalities in the region. Based on this review, the following adjustments are proposed at this time.

REZONING APPLICATIONS

It is recommended that there be no increase in the basic rezoning application fee of \$1,200, but that there be an increase of 5% in the incremental portion of the fee for larger projects, from \$20 to \$21 per 100 m² of additional land area for sites that are greater than 1,700 m² in area. This increase affects only larger rezoning applications and reflects the greater complexity and array of services involved in processing applications typically involved with larger projects. Furthermore, the increase is sufficiently modest to ensure that Burnaby's rezoning fee remains ranked in the middle when compared with the fees of other Lower Mainland municipalities that have been surveyed.

As the fee for rezoning applications is referenced in the Zoning Bylaw, an amendment to revise the fee will need to be presented to a Public Hearing.

SUBDIVISION

The fees for processing applications and extending Tentative Approval for subdivision of land and for Personal Preference Address Changes, Servicing Agreements and legal documentation related to rezoning applications were increased substantially in 1997, commensurate with the cost of the services provided by the various City departments involved. Additionally, fees for Road Closure and Highway Exchange processing and Airspace Parcel subdivisions were instituted at that time. Our current review indicates that the level of those fees continues to be appropriate and no increase is being recommended. The charge for plan examination is set by provincial regulation and will also remain unchanged.

STRATA TITLING

The recent review suggests that owing to the work associated with strata title conversions of existing buildings, an adjustment to increase the current fee of \$300 plus \$20 per additional unit to \$350 plus \$25 per additional unit would be appropriate. Further, a minor cost-of-living increase in the fee charged for processing the first phase of Phased Strata Plans (from \$750 to \$760) would be warranted at this time. All other fees related to strata applications are considered to still be appropriate in relation to cost recovery objectives, and no other charges are recommended.

LIQUOR LICENCES

It is recommended that there be a 2% increase in liquor licence-related processing fees, from \$500 to \$510 for new applications, and from \$250 to \$255 for amendments. Despite these minor increases, the new fees will remain significantly lower than the average of the Lower Mainland municipalities that were surveyed.

PRELIMINARY PLAN APPROVAL

The fee for this service, which is preliminary to the issuance of a building permit, is tied to the estimated construction value of a development, and is levied pursuant to the Building Bylaw. The fee was introduced in 1991 and adjusted in 1997, although the fee for sign approvals under P.P.A. was held at that time to 1991 levels.

Following our review, it is recommended that the following adjustments be made at this time:

- ▶ Base fee of \$100 for projects up too construction value of \$50,000 to remain unchanged.
- ▶ For projects in excess of \$50,000, the additional incremental fee to increase from \$1.50 per \$1,000 of estimated construction value to \$1.55 per \$1,000.
- ▶ Re-approval fee to remain unchanged.

For signs, it is recommended that the existing flat rate of \$50 be increased to \$55 for both Comprehensive Sign Plans and P.P.A. This amounts to a 10% increase, but as noted above, the present rate has been unchanged since 1991.

The foregoing fee adjustments are required to maintain the objective of reasonable cost recovery for the processing and approval services provided, and are in line with the range of charges for similar applications in other nearby jurisdictions. It is intended that the fees be reviewed regularly so as to provide recommendations for any needed changes annually, to maintain a suitable cost recovery and hopefully to avoid the necessity for major adjustments in the future.