



# Town of Midland Building Permit Fees Review

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Public Meeting  
June 14, 2023

# Introduction



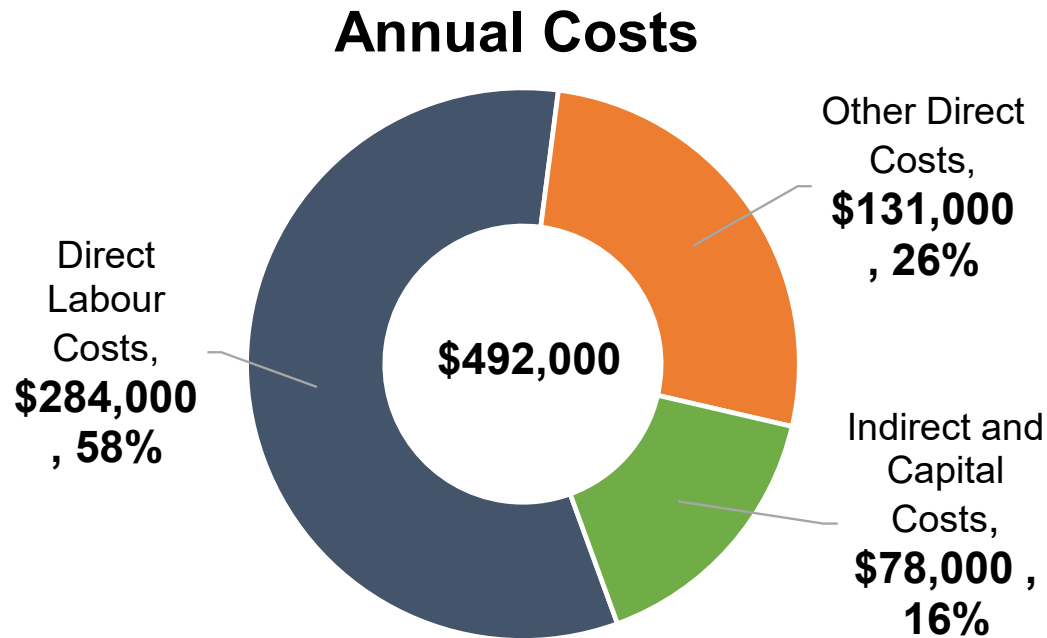
- The Town has retained Watson & Associates Economists Ltd. (Watson) to undertake a review of their building permit fees that:
  - Conforms with legislation and is defensible;
  - Balances the Town's need to maximize cost recovery and ensure building permit reserve fund sustainability with stakeholder interests, affordability, and competitiveness;
- Methodology employed is an activity-based costing approach to fully recover the costs of administration and enforcement of the Building Code

# Legislative Context and Trends



- *Building Code Statute Law Amendment Act* amended the *Building Code Act* fee provisions:
  - allows municipalities to pass a by-law requiring the payment of fees for application and issuance of building permits
  - the fees must not exceed the anticipated reasonable costs of administration and enforcement (including direct and indirect costs)
  - allows for the creation of Building Code Act reserve funds
- Building permit fee reviews continue to evolve beyond initial legislative changes in 2005 (i.e. building permit types and strategic pricing considerations)

# Annual Building Permit Review Costs



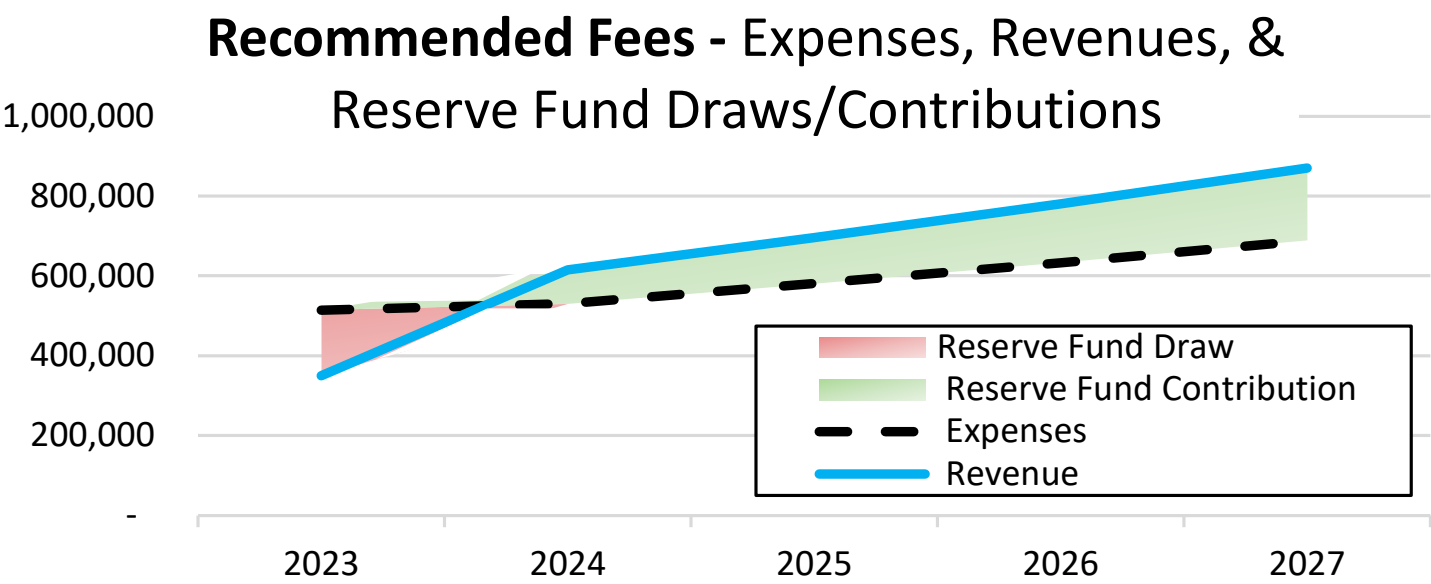
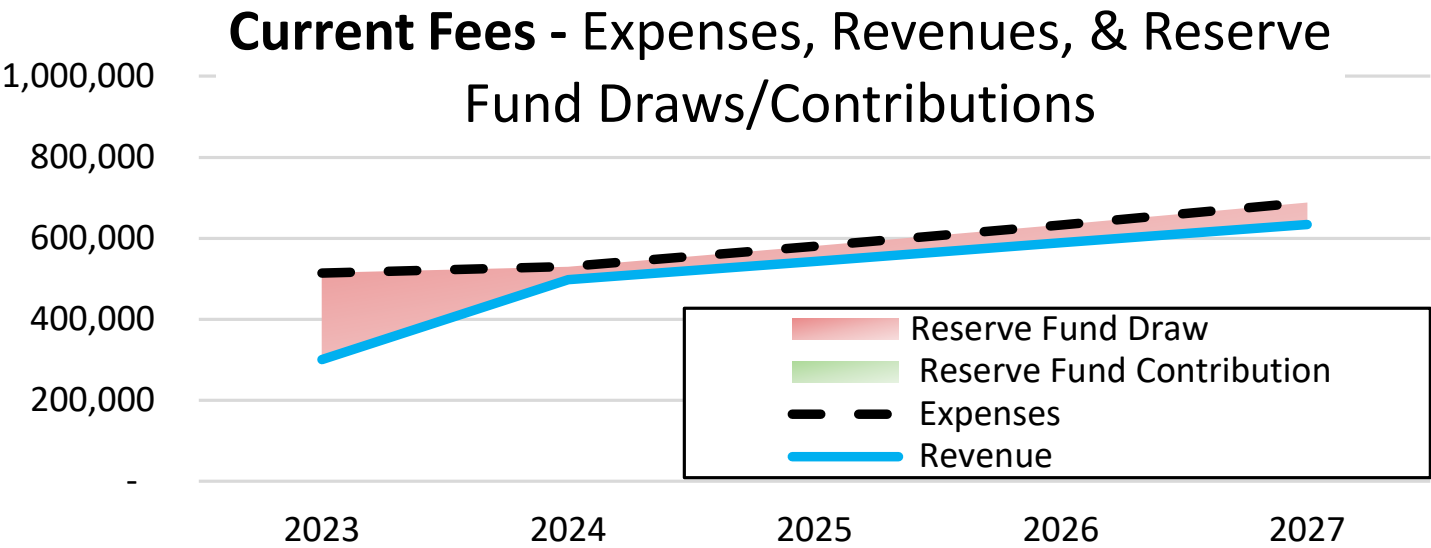
- Excludes costs associated with involvement from engineering, planning, and fire prevention staff funded through other fees
- Costs are net of costs to provide service to the Town of Penetanguishene

# Fee Recommendations & Reserve Fund Strategy

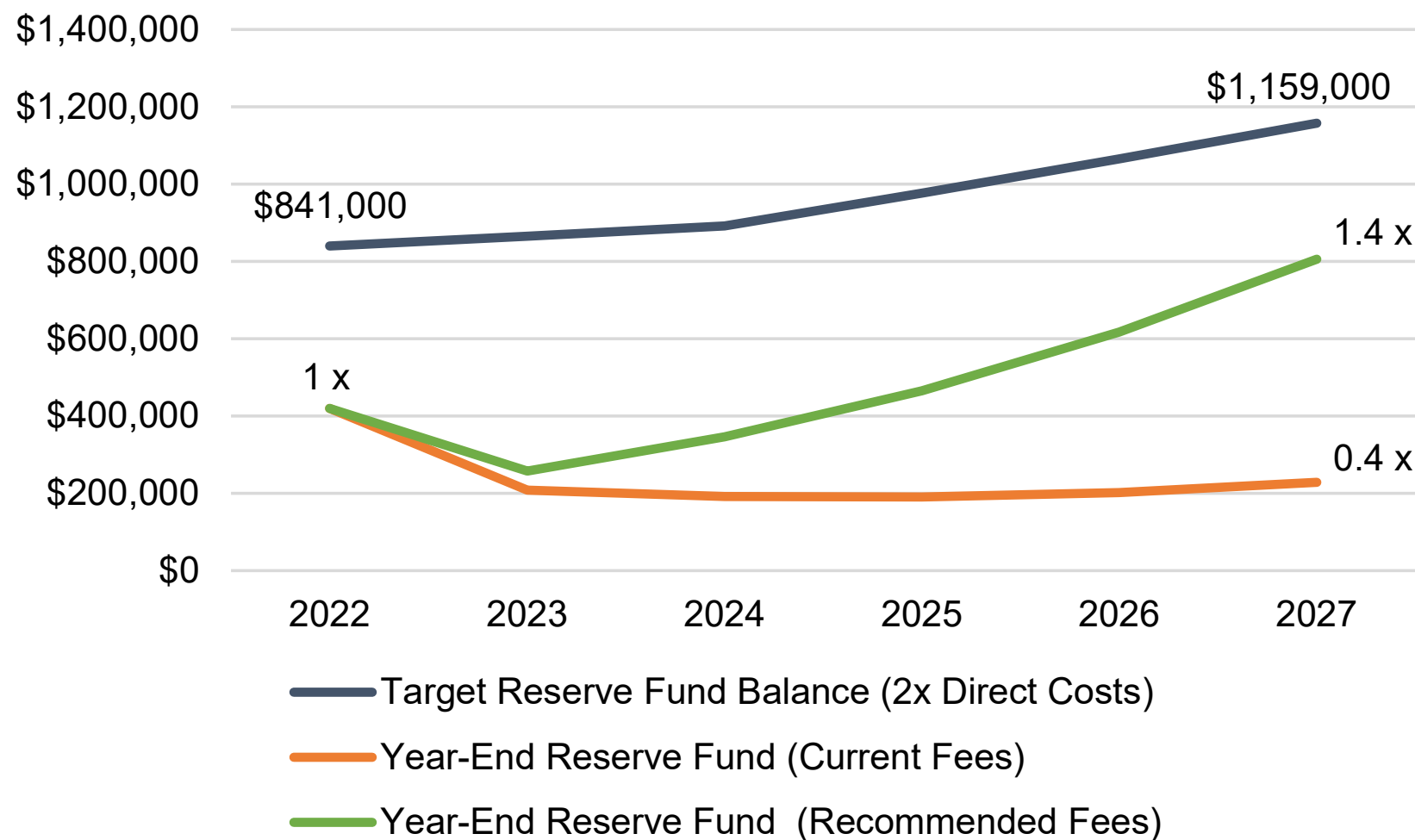


- Fee recommendations made to:
  - Fund the reasonable cost of administering and enforcing the Building Code;
  - Maintain market competitiveness with neighboring municipalities and stakeholder affordability; and
  - Provide reserve fund contributions for sustainable service delivery during economic downturns
    - Town does not currently have a reserve fund policy
    - Target reserve fund balance typically expressed as a multiple of direct costs
    - Recommendation to move towards 2 times annual direct costs by the end of the 5-year forecast period, considering forecast building permit activity

# Forecast Costs/Revenues



# Reserve Fund Continuity Forecast





# Fee Recommendations

## Highlights

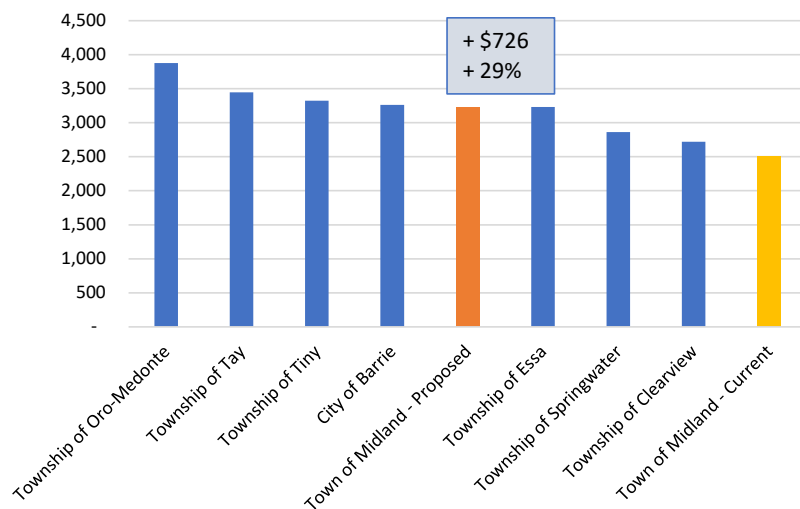
- Recommended fees remain below market competitors
  - 29% increase in fees for new residential dwellings (including ARUs)
  - 15-30% increase in non-residential fees
  - Zoning certificate
    - \$100 for new dwellings/addition permits, and accessory buildings (>200 sq.m.)
    - \$50 for other minor permits
  - No change to other minor residential permit fees
  - Increase minimum fee from \$115 to \$125
  - Annual file maintenance fee to be charged at top of market comparison (\$200)



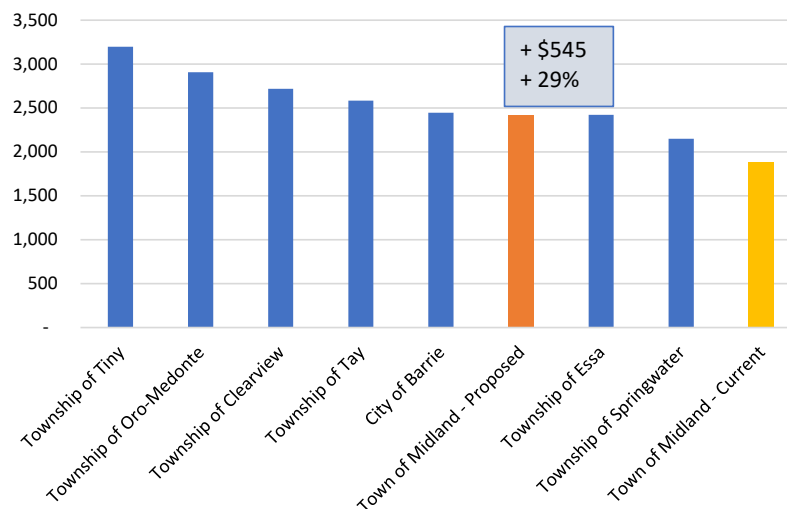
# Building Permit Fee Comparisons



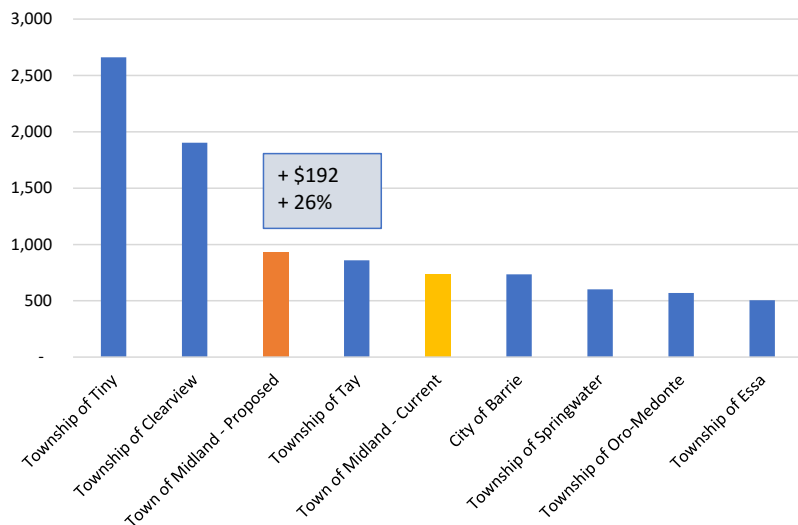
## Single Detached Dwelling (200 sq.m.)



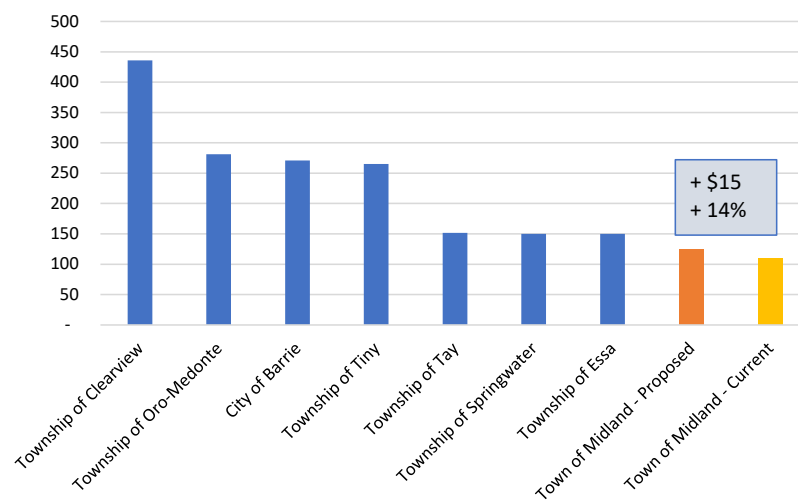
## Townhouse Dwelling (150 sq.m.)



## Secondary Dwelling Unit (100 sq.m.)



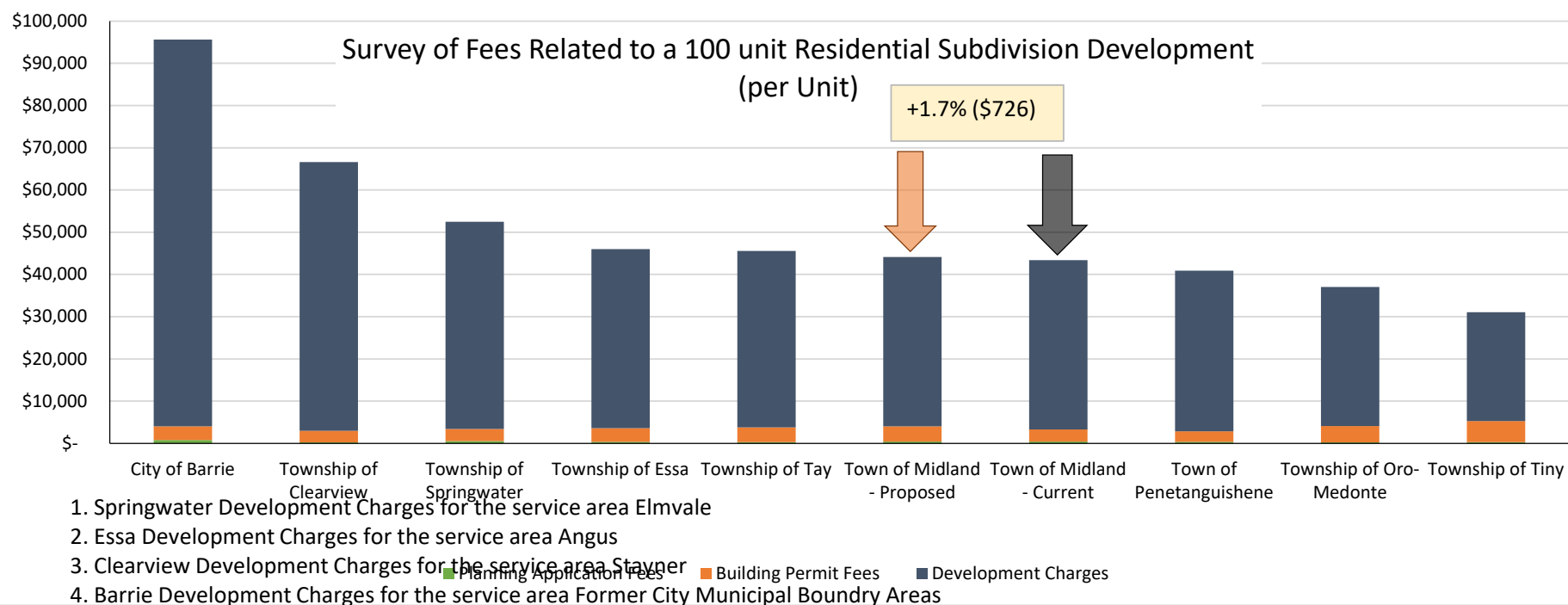
## Residential Accessory Structure (15 sq.m.)



# Development Impact Comparison



- Impacts of building permit fee recommendations on total municipal development fees (i.e. planning application, development charges, and building permit fees) are provided for a residential subdivision



# Next Steps



- Receive input from the public on the proposed building permit fees
- Council to consider by-law for adoption and implementation