

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: April 23, 2024
TO: Committee of the Whole
FROM: Jon Wilson, CBO
Robert Lamarre, Deputy CBO
SUBJECT: Building Permit Fee Update

RECOMMENDATION

THAT Committee of the Whole recommend to Council that Building Department Fees and Charges in the Fees and Charges By-law be amended and replaced with the Building By-law, similar in effect to Attachment A.

BACKGROUND

Section 7 of the Building Code Act (the Act), provides the authority for municipalities to impose fees through the passage of a by-law. The last internal review of the building permit fee structure was conducted in 2023, which resulted in small modifications as well as an increase using the same % increase as the Planning Application fees and the Development Charge fees which is tied to Statistics Canada Q3 (2023) Non-Residential Building Construction Price Index (5.9%). A further detailed review has been conducted by staff which has determined that some items are not covered by the current fee structure and that the current ICI rates are disproportionately low.

The Building Code Act requires that before passing a by-law or resolution to introduce or change a fee imposed under the Act, the municipality shall hold a public meeting having provided 21 days notice as prescribed. The prescribed Public Notice was provided by way of an advertisement placed in the Village Voice dated March 13, 2024, as well as through the municipal website. No comments have been received at the time of writing this report.

Staff will consider any comments received, prior to and during the public meeting, in the formulation of the final version of the permit fee schedule. The final version of the Building Permit Fee By-law will be presented to Committee of the Whole on April 23 and, if approved, the new fees would be applicable as of May 7, 2024, after Council has formally passed the By-law.

The statutory public meeting was held on April 9, 2024. No comments have been received from the public at the time of writing this report. The staff report from this public meeting is appended to this report. At the request of Council during the public meeting, Arnprior has been added to the comparison tables below. It must be noted that the fees

compared for Arnprior are significantly below the average of the other municipalities compared.

Table 1 – Permit Fee Comparison (Single Detached Dwelling)

| Description of project: Single detached dwelling (SDD) with attached garage – 2200 square feet of conditioned space with an unfinished basement, 600 ft ² of covered porch and 700 ft ² attached garage. Declared project value of \$620,000.00. | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Municipality | Fee Methodology and rate | Fee calculation | Total Fee |
| Mississippi Mills – current fee | Flat rate for SDD's up to 3200 ft ² | 1 – SDD at \$3,524.00 per unit | \$3,524.00 |
| Mississippi Mills – proposed fee | No Change proposed | | |
| Loyalist Township | \$17.88 per \$1,000.00 of project value – Plus Plumbing at \$10.00 per fixture. | \$17.88 x 620 = \$11,085.60 \$10.00 x 14 fixtures = \$140.00 <i>(this figure also represents 1.788% of project value)</i> | \$11,225.60 |
| Carleton Place | Flat rate for dwellings between 2,158 ft ² and 2,363 ft ² | 2,200 ft ² dwelling = \$3,743.00 | \$3,743.00 |
| North Grenville | Flat rate for SDD's up to 1,500 ft ² plus \$0.75/ ft ² thereafter (1300 ft ²) | \$2,600.00 flat rate plus \$0.75 x 1300 ft ² = \$ 975.00 | \$3,575.00 |
| South Frontenac | \$17.00 per \$1,000.00 of project value. | \$17.00 x 620 = \$10,540.00 <i>(this figure also represents 1.7% of project value)</i> | \$10,540.00 |
| Port Hope | \$1.51 per ft ² | \$1.51 per ft ² x 2800 ft ² | \$4,228.00 |
| Arnprior | \$0.95 per ft ² Living space \$0.42 per ft ² Non-living space | \$0.95 x 2200 ft ² = \$2,090.00 \$0.42 x 1300 ft ² = \$ 546.00 | \$2,636.00 |

Table 2 - Permit Fee Comparison (Commercial)

| Description of project: 8,800 ft ² - 5 Unit Commercial Plaza (Group D and Group E Occupancies) Declared project value of \$1,800,000.00. | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Municipality | Fee Methodology and rate | Fee calculation | Total Fee |
| Mississippi Mills – current fee | \$1.06 per ft ² | 8,800 x \$1.06 = \$9,328.00 | \$9,328.00 |
| Mississippi Mills – proposed fee | 2% of project value up to \$1,000,000.00 and 1% thereafter | \$1,000,000.00 x 2% = \$20,000.00 plus \$800,000.00 x 1% = \$8,000.00 | \$28,000.00 |
| Loyalist Township | \$17.88 per \$1,000.00 of project value up to \$1,000,000.00 and \$7.15 per \$1,000.00 thereafter | \$17.88 x 1,000 = \$17,880.00 \$7.15 x 800 = \$5,720.00 <i>(These figures also represent 1.788% and 0.715% of project value)</i> | \$23,600.00 |
| Carleton Place | 2.54% of project value for first \$500,000.00 plus 1.27% thereafter. | \$500,000.00 x 2.54% = \$12,700.00 plus \$1,300,000.00 x 1.27% = \$16,510.00 | \$29,210.00 |
| North Grenville | Flat rate for Group D and E up to 6,459 ft ² plus \$0.75/sf thereafter (2341 ft ²) | \$5,544.00 flat rate plus \$0.75 x 2,341 ft ² = \$1,755.75 | \$7,299.75 |
| South Frontenac | \$17.00 per \$1,000.00 of project value. | \$17.00 x 1,800 = \$30,600.00 <i>(this figure also represents 1.7% of project value)</i> | \$30,600.00 |
| Port Hope | \$1.58 per ft ² for buildings over 2,200 ft ² | \$1.58 per ft ² x 8800 ft ² | \$13,904.00 |
| Arnprior | \$0.75 per ft ² Plumbing minimum fee \$100.00 | \$0.75 x 8800 ft ² = \$6,600.00 Plumbing \$100.00 | \$6,700.00 |

OPTIONS

Option 1 – Approve the recommendation. Staff recommend this option to provide an updated Building Official's Code of Conduct to be in effect prior to the bulk of the 2024 construction season.

Option 2 – Deny the recommendation. If denied, the current Building Department Fees and Charges will remain in place.

Option 3 – Refer back to staff for modifications.

FINANCIAL IMPLICATIONS

An increase in permit fees is necessary to cover the estimated total operational and capital costs of the Building Department and to maintain a reasonable deferred revenue fund required to sustain operations and service capacity for those years when building permit revenue may not align with the Department's annual budget.

The proposed updates to the Building Fees By-Law will help to promote sustainability over the long-term within the Building Department.

STRATEGIC PLAN

The proposed changes to the Building Permit Fee By-law is related to the following strategic plan initiatives:

- Modern Efficient and Effective Municipal Operations

The proposed fee changes will ensure that the costs associated with delivering the services mandated by the Building Code Act are based on a user-fee approach not subsidised by municipal tax dollars. In addition, it will allow the Municipality to retain professional staff when the annual Building Department budget does not align with the annual budget.

Respectfully submitted by:



Respectfully reviewed by:



Robert Lamarre MAATO, CBCO
Deputy Chief Building Official

Jon Wilson
Chief Building Official

Respectfully reviewed by:

A handwritten signature in dark ink, appearing to be 'MK' followed by a horizontal line.

Melanie Knight MCIP, RPP
Director of Development Services and
Engineering

ATTACHMENTS:

1. Attachment A – Draft Building Department Fees and Charges