Appendix A to
PB-21-19

2019 Building Permit Fees Review Study

City of Burlington

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Chapter 1
Introduction

1. Introduction

1.1 Introduction

The City of Burlington (City) retained Watson & Associates Economists Ltd. (Watson) to undertake a Building Permit Fees Update Study. The scope of this assignment includes an update to the activity-based costing model prepared in 2016 (2016 Building Permit Fees Review) to reflect current costs and revenues, processing activities, and forecast building permit activities. The financial forecast results of the update study will form the basis for recommended changes to the City's building permit fee schedule to ensure that the full costs of services are recovered and projected reserve fund balances are sufficient to stabilize future operations.

This technical report summarizes the legislative context for the fees review, provides in detail the methodology utilized to assess the full costs of processing applications, recommends full cost recovery fee structures, and presents the financial and market implications of the recommended building permit fees.

1.2 Study Process Undertaken

The following table summarizes the process undertaken with the City in preparing the building permit fees review:

Process Steps	Date
Project Initiation	Dec. 2018
Building Code Act Processing Estimates and Capacity Utilization	Jan. – June 2019
Activity-Based Costing Model Development and Update	July – Sept. 2019
Draft Report	Sept. 26, 2019
Presentation to Planning and Development Committee	Dec. 3, 2019
Council Meeting and By-law Adoption	Dec. 16, 2019

1.3 Legislative Context for Building Permit Fees Review

With respect to establishing fees under the *Building Code Act*, section 7 of this Act provides municipalities with general powers to impose fees through the passage of a by-law. The *Building Code Act* provides that:

> "The council of a municipality…may pass by-laws
>
> (c) Requiring the payment of fees on applications for and issuance of permits and prescribing the amounts thereof;
>
> (d) Providing for refunds of fees under such circumstances as are prescribed;"

The *Building Code Statute Law Amendment Act* imposed additional requirements on municipalities in establishing fees under the *Building Code Act*, in that:

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

In addition, the amendments also require municipalities to:

- Reduce fees to reflect the portion of service performed by a Registered Code Agency;
- Prepare and make available to the public annual reports with respect to the fees imposed under the *Building Code Act* and associated costs; and
- Undertake a public process, including notice and public meeting requirements, when a change in the fee is proposed.

O. Reg. 305/03 (which has since been replaced by O. Reg. 332/12) was the associated regulation arising from the *Building Code Statute Law Amendment Act, 2002*. O. Reg. 332/12 provides further details on the contents of the annual report and the public process requirements for the imposition or change in fees. With respect to the annual report, it must contain the total amount of fees collected, the direct and indirect costs of delivering the services related to administration and enforcement of the *Building Code Act*, and the amount of any reserve fund established for the purposes of administration and enforcement of the *Building Code Act*. The regulation also requires that notice of

the preparation of the annual report be given to any person or organization that has requested such notice.

Relating to the public process requirements for the imposition or change in fees, the regulations require municipalities to hold at least one public meeting and that at least 21-days notice be provided via regular mail to all interested parties. Moreover, the regulations require that such notice include, or be made available upon request to the public, an estimate of the costs of administering and enforcing the *Building Code Act*, the amount of the fee or change in the existing fee and the rationale for imposing or changing the fee.

The *Building Code Act* specifically requires that fees "must not exceed the anticipated reasonable costs" of providing the service and establishes the cost justification test at the global *Building Code Act* level. With this Act requiring municipalities to report annual direct and indirect costs related to fees, this would suggest that *Building Code Act* fees can include general corporate overhead indirect costs related to the provision of service. Moreover, the recognition of anticipated costs also suggests that municipalities could include costs related to future compliance requirements or fee stabilization reserve fund contributions. As a result, *Building Code Act* fees modelled in this exercise include direct costs, capital-related costs, indirect support function costs directly consumed by the service provided, and corporate management costs related to the service provided, as well as provisions for future anticipated costs.

It is further noted, that while the legislative focus is established at the "code-level," municipalities are undertaking more extensive costing to understand the cost/revenue relationships at the "permit-level." By comparing costs of administration and enforcement by building permit type and with current fee structure revenues, municipalities can make better pricing decisions relative to their anticipated development, producing more sustainable financial results.

1.4 Building Permit Activity Projections

Building permit volumes and the staff effort required to process and administer those permit volumes are the main driving forces behind processing costs and consequently permit fees. As such, a detailed analysis of the anticipated volume of building permit activity is required to identify how resources will be consumed across different permit

categories and, therefore, where costs are generated. This analysis is especially important in the City's case because of an anticipated growth in renovations/additions/ alterations permits and the decline in new construction permits (e.g. low-density greenfield subdivisions).

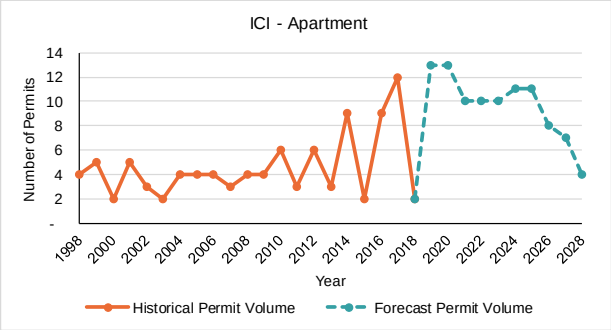
Activity volume projections for a 10-year forecast period (i.e. 2019 to 2028) were developed for each costing category. The projections utilize historical building permit trends observed during the 2008 to 2018 period applied to the 2018 base. Furthermore, permit volume projections for new residential, commercial, industrial, and institutional categories were refined to align with the overall development forecast identified in the City's 2019 Development Charges Background Study.

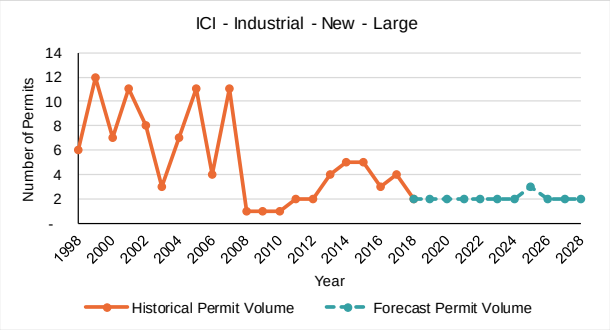
Due to a limited amount of historical data resulting in potentially unreliable trend analysis or expectations of City staff, the following costing categories were forecast on a modified basis:

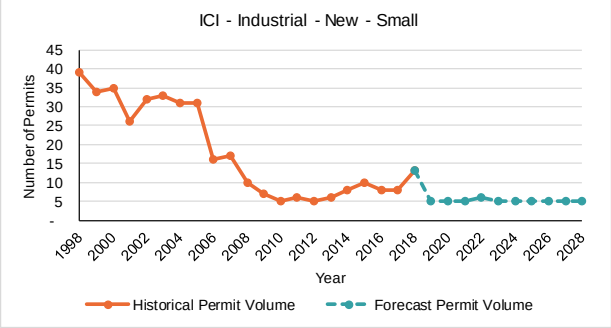
- Residential Accessory Structures – assumed constant volume of 146 annually, based on the volume of activity observed during 2018;
- Backflow/Backwater Prevention – assumed constant volume of 102 annually, based on the volume of activity observed during 2018;
- Signs – assumed constant volume of 294 annually, based on average volume observed during the 2014 to 2018 period; and
- Tents and Stages – assumed constant volume of 25 annually, based on average volume observed during the 2014 to 2018 period.

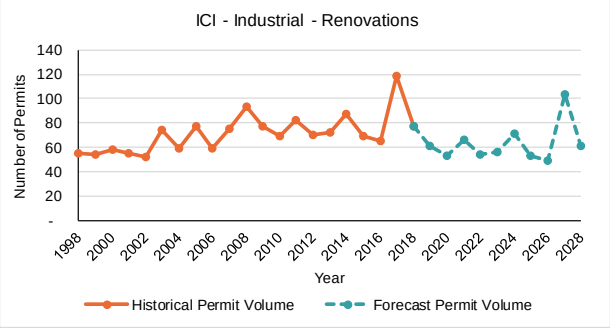
Overall building permit volumes are anticipated to decline at the beginning of the forecast period from 2,030 permits in 2019 to 1,918 by 2021. Thereafter, the forecast volume of permits increases, reaching 2,269 permits by the end of the forecast period. Over the forecast period, new residential single-family subdivision, semi/townhouse, and apartment building permits are expected to decline, while the volumes of residential additions/renovations permits are projected to steadily increase. Residential accessory structure permits are projected to remain stable over the forecast period. New industrial construction is projected to remain steady, while the volume of industrial renovations is projected to fluctuate over the forecast period. New commercial construction and commercial renovations are anticipated to remain relatively stable over the forecast period. New institutional construction permits are projected to decline significantly over

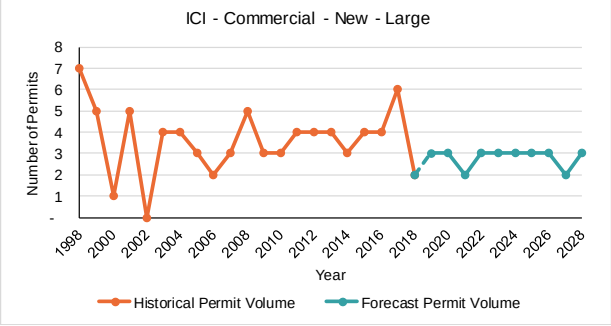
the next year and remain at a low but stable level for the remainder of the forecast period. The volume of institutional renovations is projected to fluctuate over the forecast period, and ultimately increase relative to the start. These trends are illustrated in the graphs below.

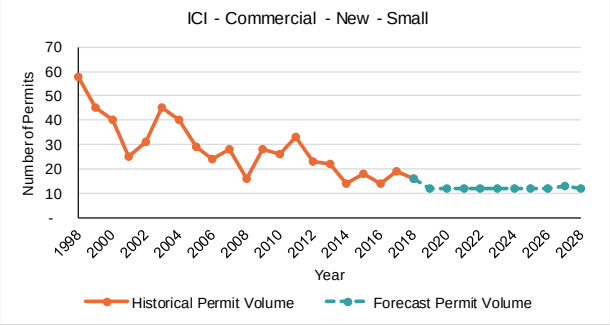


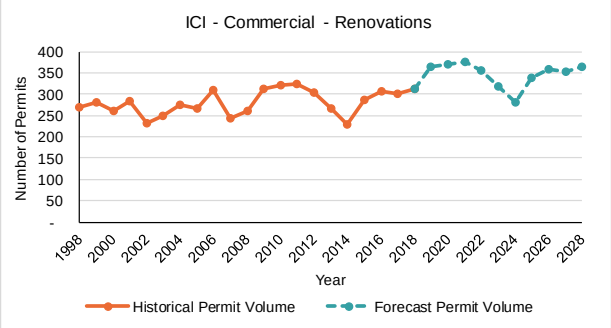


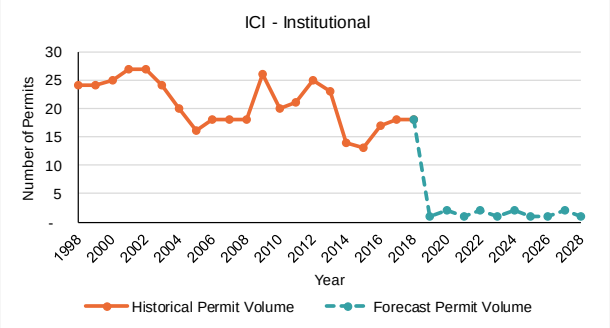


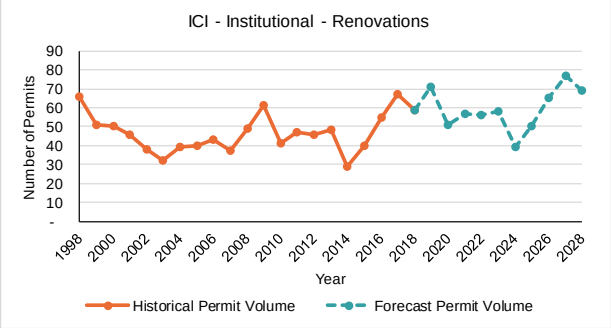


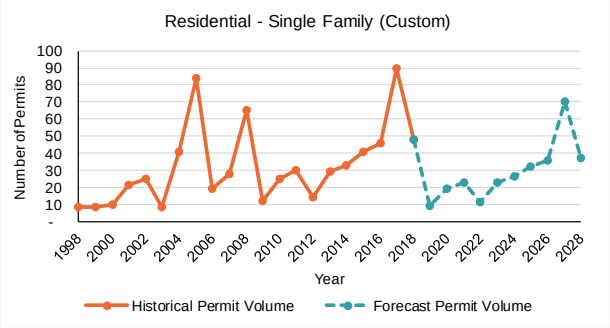


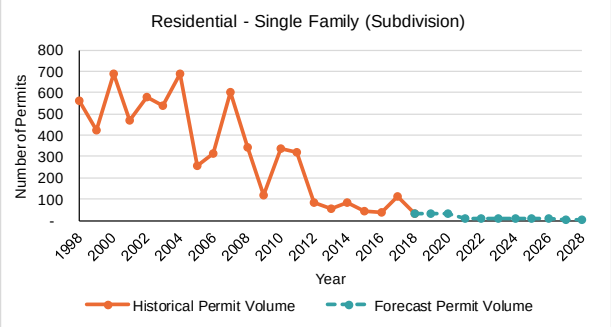


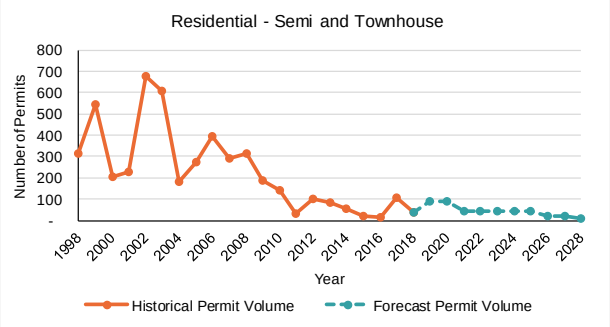

ICI - Commercial - Renovations
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume

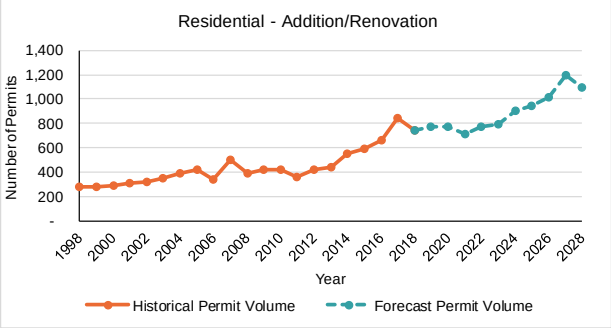

ICI - Institutional
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume

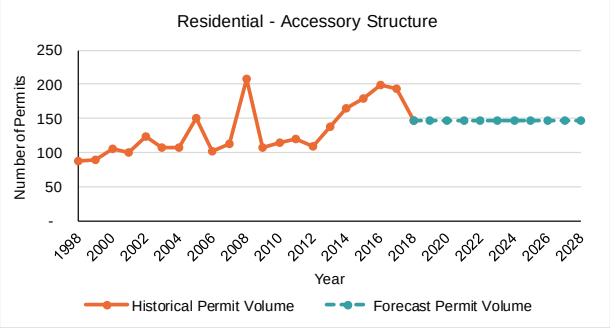

ICI - Institutional - Renovations
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume

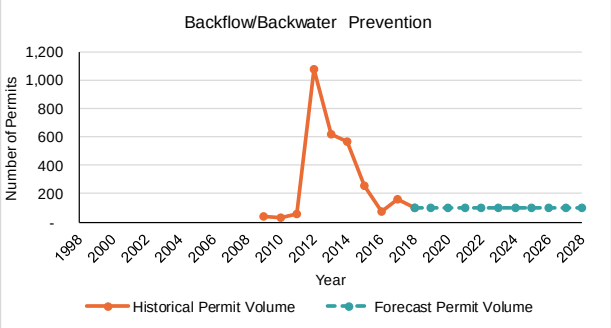

Residential - Single Family (Custom)
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume

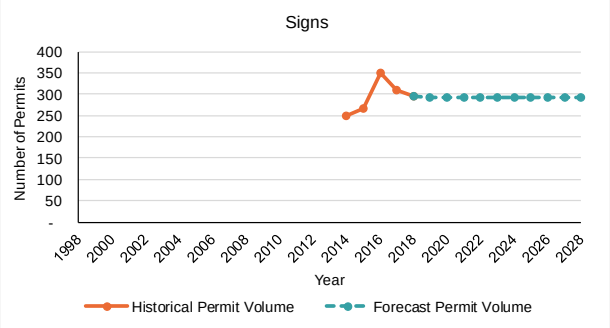

Residential - Single Family (Subdivision)
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume

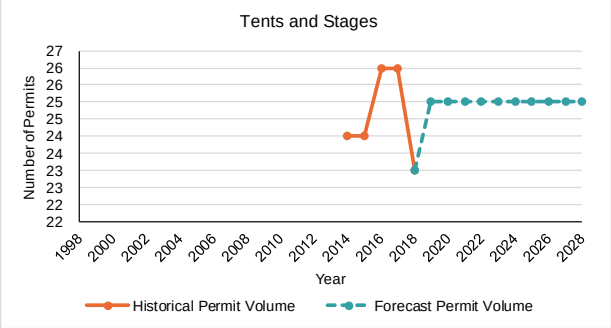

Residential - Semi and Townhouse
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume


Residential - Addition/Renovation
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume


Residential - Accessory Structure
Number of Permits
Year
Historical Permit Volume
Forecast Permit Volume







The financial implications of these permit activity projections are discussed in greater detail in section 3.3 of this report.

Chapter 2
Activity-Based Costing User Fee Methodology

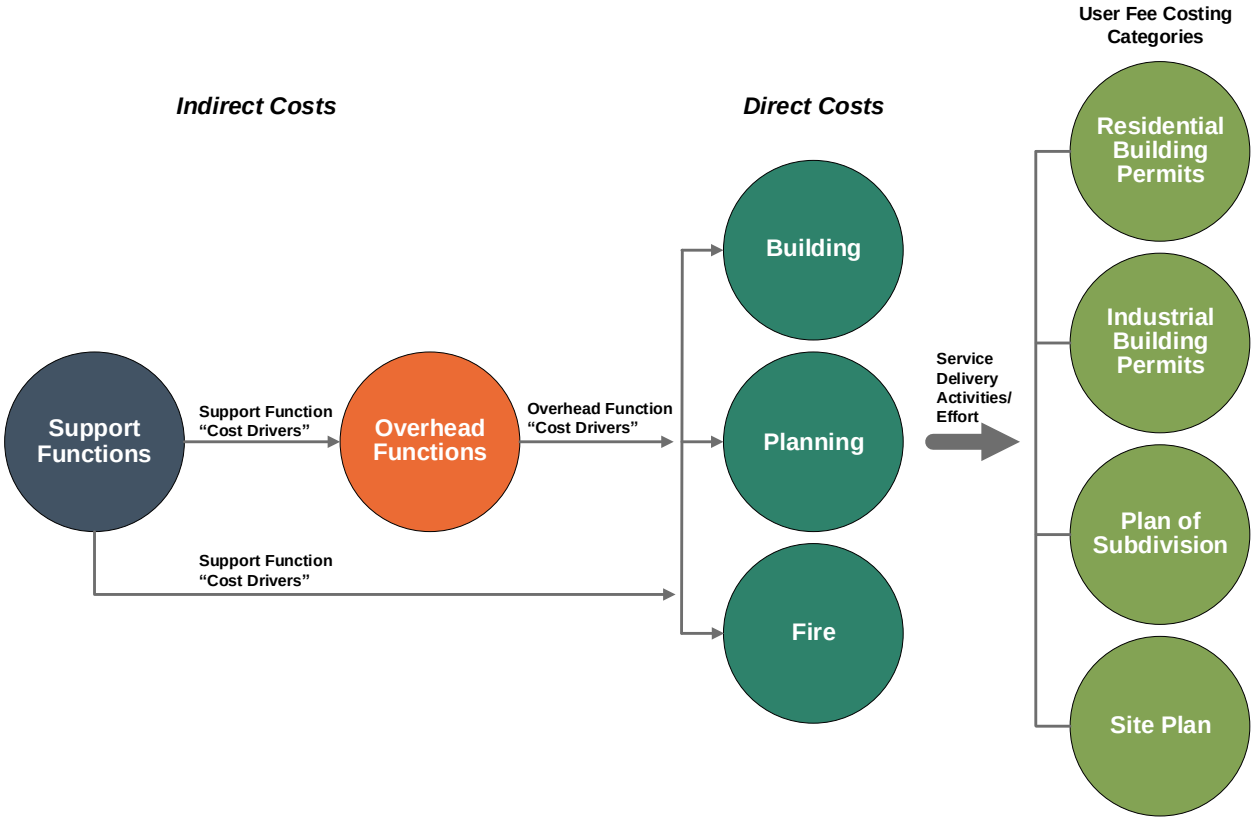
2. Activity-Based Costing User Fee Methodology

2.1 Activity-Based Costing Methodology

An activity-based costing methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. One of the service channels provided by municipalities is the building permit administration, inspection, and enforcement process (i.e. building permit process). Conventional municipal accounting structures are typically not well suited to the costing challenges associated with building permit processing activities; these accounting structures are business-unit focused and thereby inadequate for fully costing services with involvement from multiple City business units. An activity-based costing approach better identifies the costs associated with the processing activities for specific application types and thus is an ideal method for determining the full cost of building permit fees.

As illustrated in Figure 2-1, an activity-based costing methodology attributes processing effort and associated costs from all participating City business units to the appropriate user fee service categories. The resource costs attributed to processing activities and application categories include direct operating costs, indirect support and corporate overhead costs, and capital costs. Indirect support function and corporate overhead costs are allocated to direct business units according to operational cost drivers (e.g. information technology costs allocated based on the relative share of departmental personal computers supported). Once support costs have been allocated amongst direct business units, the accumulated costs (i.e. indirect, direct and capital costs) are then distributed across the various building permit costing categories based on the business units' direct involvement in building permit processing activities. The assessment of each business unit's direct involvement in building permit processing activities is accomplished by tracking the relative shares of staff processing effort across each permit costing category's sequence of process steps. Utilization of this costing methodology provides municipalities with a better recognition of the costs utilized in delivering building permit processes, as it acknowledges not only the direct costs of resources deployed but also the operating and capital support required by those resources to provide services.

Figure 2-1
Activity-Based Costing Conceptual Cost Flow Diagram



2.2 Permit Costing Category Definition

A critical component of the full cost user fees review is the selection of appropriate costing categories. This is an important first step as the process design, effort estimation, and subsequent costing is based on these categorization decisions.

The fee categorization process for building permit fees occurred at the project initiation stage of the study process, building on the costing categories developed through the City's 2016 Building Permit Fees Review. Table 2-1 below provides a comparison of the costing categories utilized in the 2016 Building Permit Fees Review to the costing categories utilized in this update.

Table 2-1
Costing Categories

2016 Costing Categories	2019 Costing Categories
ICI - Apartment	ICI – Apartment up to 3 Storeys (incl. Stacked Townhouses)
	ICI – Apartment 4-7 Storeys
	ICI – Apartment Greater than 7 Storeys
ICI – Industrial - New - Large	ICI – Industrial - New - Large
ICI – Industrial - New - Small	ICI – Industrial - New - Small
ICI – Industrial - Renovations	ICI – Industrial - Renovations
ICI – Commercial - New - Large	ICI – Commercial - New - Large
ICI – Commercial - New - Small	ICI – Commercial - New - Small
ICI – Commercial - Renovations	ICI – Commercial - Renovations
ICI – Institutional	ICI – Institutional
ICI – Institutional - Renovations	ICI – Institutional - Renovations
Residential – Single Family (Custom)	Residential – Single Family (Custom)
Residential – Single Family (Subdivision)	Residential – Single Family (Subdivision)
Residential – Semi and Townhouse	Residential – Semi and Townhouse
Residential – Addition - Renovation	Residential – Addition
	Residential – Renovation/Alteration
Residential – Accessory Structure	Residential – Accessory Structure
Approval of Equivalents	Alternative Solutions
Backflow/Backwater Prevention	Backflow Prevention
	Backwater Valve
Signs	Signs
Tents and Stages	Tents and Stages
n/a	Septic System

As can be seen from the table above, a number of the costing categories have been further disaggregated to facilitate a more accurate estimation of the processing effort required. Furthermore, the “Septic System” category was added as part of this update.

2.3 Permit Category Processing Effort Cost Allocation

Detailed estimates of City staff processing effort associated with building permit costing categories were developed during the City's 2016 Building Permit Fees Review. These processing effort estimates were re-examined in detail through discussions with City staff to reflect regulatory requirements, current processes, and the City's current organizational structure. Additionally, processing effort estimates were developed for the newly created and expanded costing categories, as identified in section 2.2.

The following City business units are directly involved in processing the building permits included in the review:

- Building Permits and Inspection;
- Planning and Building Administration; and
- By-law and Licensing.

Table 2-2 summarizes the number of full-time equivalent (FTE) positions attributable to building permit processing activities based on the underlying processing effort estimates and average annual volumes of building permit activity recorded during the five-year period from 2014 to 2018.

Table 2-2
Building Permit Processing Resource Utilization
by Business Unit (in Full-Time Equivalents)

Business Unit	Total FTEs	FTEs Consumed by Building Permit Activities
Planning and Building Admin	2.0	0.2
Building Permits and Inspection	26.0	26.0
By-law & Licensing	13.0	1.5
Total	**41.0**	**27.6**

The following observations are provided based on the results of the capacity analysis presented in Table 2-2:

- 100% of Building Permits and Inspections staff resources are consumed by processing building permits; and

- All other business units participating in the building permit process represent minor levels of involvement, equating to a combined total of approximately 1.7 full-time equivalents annually.

Based on the results of the resource capacity analysis summarized above, the proportionate share of each individual's direct costs is allocated to the respective building permit costing categories. The City's 2019 Operating Budget was used to generate the direct cost allocations within the model and included the following cost components:

- Human resource costs (e.g. salary, wages and benefits, mileage, conferences, etc.);
- Operating/minor equipment costs (e.g. supplies, printing, minor equipment, etc.); and
- Purchased services (e.g. services/contracted work, etc.).

2.4 Indirect Cost Functions and Cost Drivers

An activity-based costing review includes not only the direct service cost of providing service activities but also the indirect support costs that allow direct service business units to perform these functions. The support functions and general corporate overhead functions are classified separately from direct service delivery departments. These indirect cost functions are then allocated to direct service delivery departments based on a set of cost drivers, which subsequently flow to building permit costing categories according to staff effort estimates. Cost drivers are units of service that best represent the consumption patterns of indirect support and corporate overhead services by direct service delivery business units. As such, the relative share of a cost driver (units of service consumed) for a direct department determines the relative share of support/ corporate overhead costs attributed to that direct service department. An example of a cost driver commonly used to allocate information technology support costs would be a business unit's share of supported personal computers. Cost drivers are used for allocation purposes acknowledging that these business units do not typically participate directly in building permit processing activities, but that their efforts facilitate services being provided by the City's direct business units.

Table 2-3 summarizes the support and corporate overhead functions included in the building permit fees calculations and the cost drivers assigned to each function for cost

allocation purposes. The indirect support and corporate overhead cost drivers used in the fees model reflect accepted practices within the municipal sector by municipalities of similar characteristics.

Table 2-3
Indirect Support and Corporate Overhead Functions and Cost Drivers

Indirect Cost Function	Cost Driver	Share of Indirect Function Costs Attributed to Building Permits and Inspection
Human Resources	Full-Time Equivalents	2.2%
Information Technology	Devices	1.9%
Shared Services – Corporate Facilities	Facility Gross Floor Area	4.0%
Shared Services – Insurance	Full-Time Equivalents	2.2%
Communications	Full-Time Equivalents	2.2%
Corporate Legal	Case Load	5.0%
Corporate Management	Full-Time Equivalents	2.2%
Customer Relations – Service Burlington	Full-Time Equivalents	2.2%
Financial Management	Operating Expenditures	1.9%
Internal Audit	Full-Time Equivalents	2.2%
Mayor and Council	Nominal Allocation	1.0%

2.5 Capital Costs

The inclusion of capital costs within the full cost building permit fees calculations follow a methodology similar to indirect costs. Market-equivalent rents and/or replacement value of assets commonly utilized to provide direct business unit services have been included to reflect the capital costs of service. The replacement value approach determines the annual asset replacement value over the expected useful life of the respective assets. This reflects the annual depreciation of the asset over its useful life based on current asset replacement values using a sinking fund approach. This annuity is then allocated across all building permit costing categories based on the capacity utilization of direct business units.

The City's activity-based costing model includes capital costs for facilities, vehicles, and IT infrastructure utilized in the delivery of building permit services. For facility space, the City's model utilizes the replacement cost approach, with a per square foot cost rate of $326 based on the City's 2019 Development Charges Background Study and assumed 50-year useful life. Vehicle replacement costs were allocated based on the asset replacement cost approach, with an annual estimate of $35,000 based on 12 vehicles with a replacement value of $22,000 per vehicle and assumed eight-year useful life. A share of the annual software licensing and maintenance/support costs of the City's future Land Management System and ePlans solution have also been included in this category.[1] These annual capital costs estimates were then allocated to the fee categories based on resource capacity utilization.

[1] It is noted that the Land Management System and ePlans solution has not yet been implemented. Therefore, the annual software licensing and maintenance/support costs that have been included in this review should be set aside by the City to help offset part of the initial implementation costs of these software tools. Once the implementation is complete, the budgeted amount can be used to offset the annual software licensing and maintenance/support costs.

Chapter 3
Building Permit Fees Review

3. Building Permit Fees Review

3.1 Activity-Based Costing Model Update

The City's activity-based costing model for building permit services was updated to reflect additional costing categories (see section 2.2), the City's current organizational structure, and updated staff processing effort estimates (see section 2.3). Updated operating budget (2019) and cost driver data were also obtained from the City's Finance department and incorporated into the model, as were detailed salary, wage, and benefit data for staff positions with direct involvement in building permit activities.

3.2 Consolidated Full-Cost Building Permit Fees

Table 3-1 documents the City's annual costs of providing permit services by costing category and cost component. The annual costs reflect the organizational direct, indirect and capital costs associated with processing activities at average historical volume levels for the period 2014 to 2018. These costs are based on 2019 budget estimates and are compared with the City's historical revenue data by costing category.

As summarized in the table below, the building permit processing activities account for $3.97 million in costs annually. The City's building permit fee structure currently recovers $3.66 million in costs annually or 92% of full cost.

The following observations regarding cost recovery levels for different costing categories are provided based on the results presented in Table 3-1:

- New Construction ICI permits in aggregate provide more than sufficient cost recovery, with revenue being approximately 1.6 times total costs. Small New Construction and Institutional ICI permits, however, are generally not at full cost recovery levels, operating at 62% cost recovery;
- ICI Renovation permits recover approximately 65% of total annual costs;
- New Construction Residential permits provide sufficient cost recovery in aggregate, operating at approximately 2.5 times total annual costs;
- Residential Addition/Renovation/Accessory Structure permit revenues generate approximately 38% cost recovery of total annual costs;

- Sign permit revenues generate approximately 52% cost recovery of total annual costs; and
- In aggregate, all other permit revenues generate approximately 76% cost recovery of total annual costs.

Table 3-1
Consolidated Building Permit Fee Impacts

Costing Category	Average Annual Cost	Average Annual Revenue	Cost Recovery
ICI - Apartment - up to 3 storeys (incl. Stacked Townhouses)	$ 84,888	$ 133,487	157%
ICI - Apartment - Mid-rise (4-7 storeys)	$ 83,452	$ 396,823	476%
ICI - Apartment - High-rise (greater than 7 storeys)	$ 20,888	$ 53,394	256%
ICI - Industrial - New - Large	$ 26,968	$ 181,311	672%
ICI - Industrial - New - Small	$ 57,242	$ 44,562	78%
ICI - Industrial - Renovations	$ 253,290	$ 107,311	42%
ICI - Commercial - New - Large	$ 28,953	$ 279,375	965%
ICI - Commercial - New - Small	$ 104,170	$ 62,489	60%
ICI - Commercial - Renovations	$ 973,757	$ 749,099	77%
ICI - Institutional	$ 200,114	$ 117,211	59%
ICI - Institutional - Renovations	$ 256,600	$ 107,114	42%
Residential - Single Family (Custom)	$ 137,665	$ 342,810	249%
Residential - Single Family (Subdivision)	$ 124,099	$ 148,818	120%
Residential - Semi and Townhouse	$ 105,899	$ 288,070	272%
Residential Addition	$ 282,666	$ 86,007	30%
Residential Renovation/ Alteration	$ 785,897	$ 292,513	37%
Decks/ Patios/ Garage/ Shed	$ 112,323	$ 65,949	59%
Alternative Solutions	$ 13,997	$ 3,534	25%
Backflow Prevention	$ 17,614	$ 22,342	127%
Backwater Valve	$ 36,315	$ 52,580	145%
Signs	$ 210,107	$ 109,074	52%
Tents and Stages	$ 26,453	$ 7,921	30%
Septic System	$ 34,661	$ 11,867	34%
Total	**$ 3,978,019**	**$ 3,663,661**	**92%**

3.3 Analysis of Changing Permit Composition

As introduced in section 1.4 above, the City is projected to see a decrease in permits for new construction, and an increase in the volume of renovation, addition, and minor residential permits. This shift in permit types is important because historically renovation, addition, and accessory structure permits have recovered approximately 53% of processing costs, relying on margins from new permits to sustain operations.

Thus, a shift away from new construction permits can have significant financial impacts on the City's building operations if cost recovery for other permit types cannot be improved, or the costs related to the processing of these permit types cannot be reduced.

Permit volume projections for the 10-year forecast period (as illustrated by the graphs in section 1.4) are summarized in detail in Table 3-2. A broader categorization of these permit categories and a summary of their respective shares as a proportion of total annual permit volumes is provided in Table 3-3.

As summarized in these tables, annual building permit volumes are expected to decline until 2021, then increase annually for the rest of the forecast period to 2028. It is important to note, however, that the relative share of new construction permits is projected to decline from 8.1% in 2019 to 3.4% by 2028. Correspondingly the relative share of renovation, residential addition, and residential accessory structure permits is expected to increase from 69.6% of total annual permit volumes to 76.6%. All other permit types (e.g. backflow prevention, signs, etc.) are expected to decrease slightly as a percentage of total permits from 22.4% in 2019 to 20% in 2028.

As provided in Table 3-1, new construction permits have historically recovered more than their processing costs to sustain operations and cross subsidize renovations, additions, and residential accessory structure permits. This trend is common practice in Ontario municipalities. The decline in new construction permits over the 2019 to 2028 period will result in an annual loss in revenue of approximately $0.35 million. This loss is further worsened by the increase in permit volumes priced at less than cost recovery levels. Therefore, improved cost recovery across the building permit operation can only be achieved by reducing costs of processing or by increasing prices. As there is a relatively rigid cost structure over the short run, however, there will be upward pressure on permit fees–particularly for renovations, residential additions, and residential accessory structures–in order to achieve full cost recovery.

Table 3-2
Annual Permit Volume Projections by Permit Category

Costing Category	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
ICI - Apartment - up to 3 storeys (incl. Stacked Townhouses)	8	9	6	7	7	7	7	5	5	2
ICI - Apartment - Mid-rise (4-7 storeys)	4	4	3	3	3	3	4	2	2	2
ICI - Apartment - High-rise (greater than 7 storeys)	1	-	1	-	-	1	-	1	-	-
ICI - Industrial - New - Large	2	2	2	2	2	2	3	2	2	2
ICI - Industrial - New - Small	5	5	5	6	5	5	5	5	5	5
ICI - Industrial - Renovations	61	53	66	54	56	71	53	49	103	61
ICI - Commercial - New - Large	3	3	2	3	3	3	3	3	2	3
ICI - Commercial - New - Small	12	12	12	12	12	12	12	12	13	12
ICI - Commercial - Renovations	365	371	376	355	319	280	339	358	353	364
ICI - Institutional	1	2	1	2	1	2	1	1	2	1
ICI - Institutional - Renovations	71	51	57	56	58	39	50	65	77	69
Residential - Single Family (Custom)	9	19	23	11	23	26	32	36	70	37
Residential - Single Family (Subdivision)	29	30	11	11	11	11	10	6	5	3
Residential - Semi and Townhouse	90	89	42	42	42	42	42	20	21	10
Residential Addition	175	175	162	176	181	205	214	229	271	249
Residential Renovation/ Alteration	594	594	549	600	616	698	729	780	921	849
Decks/ Patios/ Garage/ Shed	146	146	146	146	146	146	146	146	146	146
Alternative Solutions	3	3	3	3	3	3	3	3	3	3
Backflow Prevention	30	30	30	30	30	30	30	30	30	30
Backwater Valve	72	72	72	72	72	72	72	72	72	72
Signs	294	294	294	294	294	294	294	294	294	294
Tents and Stages	25	25	25	25	25	25	25	25	25	25
Septic System	30	30	30	30	30	30	30	30	30	30
Total	**2,030**	**2,019**	**1,918**	**1,940**	**1,939**	**2,007**	**2,104**	**2,174**	**2,452**	**2,269**

Table 3-3
Annual Share of Total Permit Volume by Broad Permit Type

Costing Category	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
New Construction	164	175	108	99	109	114	119	93	127	77
Renovations, Residential Additions, Residential Accessory Structures	1,412	1,390	1,356	1,387	1,376	1,439	1,531	1,627	1,871	1,738
Other	454	454	454	454	454	454	454	454	454	454
Total	**2,030**	**2,019**	**1,918**	**1,940**	**1,939**	**2,007**	**2,104**	**2,174**	**2,452**	**2,269**
New Construction	8.1%	8.7%	5.6%	5.1%	5.6%	5.7%	5.7%	4.3%	5.2%	3.4%
Renovations, Residential Additions, Residential Accessory Structures	69.6%	68.8%	70.7%	71.5%	71.0%	71.7%	72.8%	74.8%	76.3%	76.6%
Other	22.4%	22.5%	23.7%	23.4%	23.4%	22.6%	21.6%	20.9%	18.5%	20.0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

3.4 Current Level of Cost Recovery

The volume projections described in section 3.3 were applied to current processing costs by permit type to generate annual costs of building permit operations. These costs have been adjusted annually to reflect the change in building permit volumes by type of permit and for inflation of 2%.[1] It should be noted that based on the underlying processing efforts by permit type as forecast volumes transition from new construction to renovation/addition permits, the overall utilization of staff resources increases over the period. Current revenue per permit by type was applied to the forecast volumes to produce the fiscal impact on operational sustainability under the City's current building permit fee structure. The annual reserve fund impacts of the projected permit activity are summarized in Table 3-4.

The revenue generated by the City's current building permit fees would not be sufficient to recover the projected annual costs of building permit operations. Building permit fees would generate deficits throughout the forecast period, reaching approximately $1.4 million by 2028 (i.e. 73% cost recovery). Moreover, the City's building permit reserve fund balance would decline from approximately $2.7 million in 2019 to a negative position of $4.2 million by 2028.

This implies that the current building permit fees are not sustainable in providing full cost recovery of building permit operations, and building permit fees would need to be increased to make up the shortfall. This observation is consistent with the projected activity volumes, since new construction permits which generally subsidize renovation and alteration permits are projected to decline and historically under-recovered categories (i.e. alterations, renovations, and accessory structures) are projected to see an increase in permit volumes. If building permit fees are not increased, or costs of service are reduced, then building permit operations would require support from the tax base for funding.

[1] Estimated rate of inflation of 2% is based on the 20-year historical average annual change in Statistics Canada's Consumer Price Index.

Table 3-4
Projected Financial Performance at Current Fee Levels

Cost and Revenue Projections	Baseline	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Annual Costs	3,978,019	4,275,140	4,198,195	4,138,731	4,221,505	4,305,935	4,392,054	4,637,414	4,930,766	5,638,924	5,165,962
Projected Revenue (2% inflation)	3,663,661	4,157,456	4,032,231	3,703,687	3,494,828	3,556,683	3,882,489	4,148,859	3,988,795	4,168,302	3,752,369
Net Position		**(117,684)**	**(165,964)**	**(435,044)**	**(726,678)**	**(749,252)**	**(509,565)**	**(488,556)**	**(941,970)**	**(1,470,621)**	**(1,413,593)**

Reserve Fund Continuity	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Starting Balance	2,773,637	2,655,953	2,489,989	2,054,945	1,328,267	579,015	69,451	(419,105)	(1,361,075)	(2,831,697)
Contribution (Draw)	(117,684)	(165,964)	(435,044)	(726,678)	(749,252)	(509,565)	(488,556)	(941,970)	(1,470,621)	(1,413,593)
Closing Balance	**2,655,953**	**2,489,989**	**2,054,945**	**1,328,267**	**579,015**	**69,451**	**(419,105)**	**(1,361,075)**	**(2,831,697)**	**(4,245,290)**
Multiple of Annual Direct Costs	**0.76**	**0.73**	**0.61**	**0.40**	**0.17**	**0.02**	**(0.11)**	**(0.34)**	**(0.62)**	**(1.01)**

Chapter 4
Recommendations

4. Recommendations

4.1 Recommended Building Permit Fee Adjustments

For each costing category, average revenue per permit from 2017 to 2018 was compared to the average cost per permit based on historical building permit data from the 2014 to 2018 period. This analysis was undertaken to inform the magnitude of fee increases that would be necessary in each costing category in order to achieve full cost recovery. A summary of the average historical revenues and processing costs, per permit, is provided in Table 4-1.

Table 4-1
Costs and Revenues by Permit Category per Permit Application

Costing Category	Avgerage Cost per Permit	Avgerage Revenue per Permit	Profit/(Loss) per Permit
ICI - Apartment - up to 3 storeys (incl. Stacked Townhouses)	$ 19,293	$ 30,338	$ 11,045
ICI - Apartment - Mid-rise (4-7 storeys)	$ 37,933	$ 180,374	$ 142,441
ICI - Apartment - High-rise (greater than 7 storeys)	$ 104,442	$ 266,968	$ 162,527
ICI - Industrial - New - Large	$ 7,097	$ 47,714	$ 40,617
ICI - Industrial - New - Small	$ 6,090	$ 4,741	$ (1,349)
ICI - Industrial - Renovations	$ 3,037	$ 1,287	$ (1,750)
ICI - Commercial - New - Large	$ 7,619	$ 73,520	$ 65,901
ICI - Commercial - New - Small	$ 6,430	$ 3,857	$ (2,573)
ICI - Commercial - Renovations	$ 3,383	$ 2,603	$ (781)
ICI - Institutional	$ 12,507	$ 7,326	$ (5,181)
ICI - Institutional - Renovations	$ 5,132	$ 2,142	$ (2,990)
Residential - Single Family (Custom)	$ 2,668	$ 6,644	$ 3,976
Residential - Single Family (Subdivision)	$ 2,041	$ 2,448	$ 407
Residential - Semi and Townhouse	$ 2,333	$ 6,345	$ 4,013
Residential Addition	$ 1,840	$ 560	$ (1,280)
Residential Renovation/ Alteration	$ 1,504	$ 560	$ (944)
Decks/ Patios/ Garage/ Shed	$ 636	$ 373	$ (263)
Alternative Solutions	$ 4,666	$ 1,178	$ (3,488)
Backflow Prevention	$ 253	$ 321	$ 68
Backwater Valve	$ 222	$ 321	$ 99
Signs	$ 715	$ 371	$ (344)
Tents and Stages	$ 1,075	$ 322	$ (753)
Septic System	$ 1,168	$ 400	$ (768)

Permit categories exhibiting under-recovery of costs are highlighted for ease of reference. For these underperforming permit fee categories, to achieve full cost

recovery levels, Small Industrial and Commercial, Commercial Renovation, and Institutional permits would need to increase from 1.3 to 1.7 times current permit fee levels. Additionally, Industrial and Institutional Renovation, as well as Residential Renovation/Alteration permits would need to increase by more than double current permit fee levels to achieve full cost recovery levels. Furthermore, Residential Addition permits would need to increase by a factor of 3.3 to reach full cost recovery. Lastly, the other underperforming fee categories would need to see increases ranging from 1.7 to almost 4 times current fee levels to reach a break-even point.

As noted in the foregoing, the current fee structure, particularly as it pertains to the recovery of costs for renovation, residential addition and minor residential permits, is not financially self-sustaining. The analysis contained herein initially considered increases limited to the currently underperforming permit categories (i.e. those that currently do not recover their costs) to improve financial sustainability (Option 1). Recognizing that in most cases these fees could not be increased to full cost recovery levels without influencing the behaviour of applicants to circumvent the regulatory process, fees were adjusted relative to maximum market values in the surrounding area municipalities. Moreover, permit fees for new construction ICI permits were also increased relative to market values to provide full cost recovery levels.

The City's current permit fees were compared to those in peer municipalities (i.e. Hamilton, Oakville, Mississauga, and Milton) to assess market fee levels for similar permits. Appendix A provides the details of the City's current permit fee structure, proposed building permit fee adjustments and market comparators.

Table 4-2 summarizes the impacts on the financial sustainability with increases in the under-recovering permit fees to maximum market values. With the targeted building permit fee adjustments (i.e. leaving all new construction permit fees at current levels, with the exception of new construction small ICI and institutional permits), the building reserve fund would improve relative to the expected financial performance under current building permit fees. Implementing these adjustments to the City's building permit fees would still result in deficits throughout the forecast period, reaching approximately $1.3 million in 2028. Moreover, the City's building permit reserve fund balance would decline from approximately $2.8 million in 2019 to a negative balance of $2.9 million by the end of 2028.

The building reserve fund was created to provide sustainability for building code operations to ensure that the regulated approvals and turnaround times could be met by certified building staff in the event of an economic downturn negatively influencing building permit activities. To this end, targeting a reserve fund balance to preserve a multiple of annual direct costs is prudent. Municipalities generally target a direct cost multiple of 1 to 2 times annual direct costs. Through the City's previous building permit fee reviews, a target reserve fund multiple of 1.63 times annual direct costs was established. The City's current reserve fund balance represents approximately 0.85 times annual direct costs. With the targeted building permit fee adjustments, by 2028 the reserve fund balance would decline to a deficit position, representing approximately 0.70 times annual direct costs. To improve this financial performance, a second fee structure option was considered.

The second option (Option 2) provides further fee increases to several other permits, relative to market levels, to improve overall financial performance. The financial impacts of these fee structure adjustments (as provided in detail in Appendix A) are summarized in Table 4-3. Based on these fee structure adjustments, financial performance of the City's building operations would be further improved. Deficits would be minimized, being limited to later in the forecast period (i.e. 2027 and 2028), and the building reserve fund would remain relatively stable over the forecast period, increasing to 1.59 times annual direct costs by 2028.

It is recommended that the City consider the fee structure adjustments proposed under this second option to produce sufficient revenue to sustain annual building permit operations in the near term and to improve overall sustainability of the building reserve fund over the forecast period.

Table 4-2
Cost and Revenue Projections
Option 1 – Targeted Fee Increases in Under-recovered Categories

Cost and Revenue Projections	Baseline	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Annual Costs	3,978,019	4,275,140	4,198,195	4,138,731	4,221,505	4,305,935	4,392,054	4,637,414	4,930,766	5,638,924	5,165,962
Projected Revenue	3,663,661	4,157,456	4,165,137	3,841,159	3,633,497	3,692,043	4,014,583	4,306,578	4,137,938	4,324,836	3,909,645
Net Position		**(117,684)**	**(33,058)**	**(297,572)**	**(588,008)**	**(613,892)**	**(377,471)**	**(330,837)**	**(792,828)**	**(1,314,088)**	**(1,256,317)**

Reserve Fund Continuity	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Starting Balance	2,773,637	2,655,953	2,622,894	2,325,323	1,737,315	1,123,422	745,951	415,114	(377,713)	(1,691,801)
Contribution (Draw)	(117,684)	(33,058)	(297,572)	(588,008)	(613,892)	(377,471)	(330,837)	(792,828)	(1,314,088)	(1,256,317)
Closing Balance	**2,655,953**	**2,622,894**	**2,325,323**	**1,737,315**	**1,123,422**	**745,951**	**415,114**	**(377,713)**	**(1,691,801)**	**(2,948,118)**
Multiple of Annual Direct Costs	**0.76**	**0.77**	**0.69**	**0.52**	**0.34**	**0.21**	**0.11**	**(0.09)**	**(0.37)**	**(0.70)**

Table 4-3
Cost and Revenue Projections
Option 2 – Targeted Fee Increases in Under-recovered Categories and 15% Increase on Most Other Permits

Cost and Revenue Projections	Baseline	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Annual Costs	3,978,019	4,275,140	4,198,195	4,138,731	4,221,505	4,305,935	4,392,054	4,637,414	4,930,766	5,638,924	5,165,962
Projected Revenue	3,663,661	4,157,456	5,219,059	4,839,647	4,565,492	4,648,088	5,056,862	5,455,368	5,297,928	5,587,000	5,026,642
Net Position		**(117,684)**	**1,020,863**	**700,916**	**343,987**	**342,153**	**664,808**	**817,954**	**367,163**	**(51,924)**	**(139,320)**

Reserve Fund Continuity	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Starting Balance	2,773,637	2,655,953	3,676,816	4,377,732	4,721,719	5,063,872	5,728,679	6,546,633	6,913,795	6,861,871
Contribution (Draw)	(117,684)	1,020,863	700,916	343,987	342,153	664,808	817,954	367,163	(51,924)	(139,320)
Closing Balance	**2,655,953**	**3,676,816**	**4,377,732**	**4,721,719**	**5,063,872**	**5,728,679**	**6,546,633**	**6,913,795**	**6,861,871**	**6,722,552**
Multiple of Annual Direct Costs	**0.76**	**1.07**	**1.30**	**1.42**	**1.51**	**1.63**	**1.73**	**1.72**	**1.49**	**1.59**

4.2 Other Recommendations

Resulting from a review of best practices in other municipalities, several textual refinements and new fees for service have been identified for inclusion in the City's Building By-law and building permit fee schedule. These include the following:

- **Additional Plan Review (Resubmission)** – Where a non-compliant resubmission is submitted above and beyond the first resubmission
    - $155 (per hour of review time)
- **Additional Permit Fee (Revision)** – Where an applicant makes a material change to a plan, specification, document, or other information, following the issuance of a building permit (includes first hour of review time)
    - $155 (per hour of review time)
- **Alternative Solution/Equivalency Application**
    - Minimum fee of $1,519.00 (includes 10 hours of review time)
    - Each additional hour of review time $155.00/hour
- **Fire Watch/Fire Plan Review** and **Approval of Fire Watch/Fire Plans** during construction
    - $500
- **Order to Comply** – Issued pursuant to section 12 or section 13 of the *Building Code Act*; new fee would offset additional investigative and administrative costs
    - $300 (Payment of these fees does not relieve any person or corporation from complying with the Act, the Building Code or any applicable law)
- **Stop Work Order** – Issued pursuant to section 14 of the *Building Code Act*; new fee would offset additional investigative and administrative costs
    - $600 (Payment of these fees does not relieve any person or corporation from complying with the Act, the Building Code or any applicable law)
- **Unsafe Order** – issued pursuant to section 15.9 of the *Building Code Act*; new fee would offset additional costs associated with the investigation, inspection, administration and rectification of unsafe buildings
    - $300 (Payment of these fees does not relieve any person or corporation from complying with the Act, the Building Code or any applicable law)
- **Registration of Order on Title**
    - Actual legal cost

- **Discharge of Order on Title**
    - Actual legal cost
- **Change of Use Permit**
    - Minimum fee of $687.00 (includes 4 hours review time)
    - Each additional hour of review time $155.00
- **New/Alterations to Fire Alarm System** (if applicable, added to the base permit fee)
    - $679 flat fee

In addition to the textual refinements and new fees for service identified above, it is recommended that future indexing of building permit fees be based on the HR Cost Index as prepared by the City. The City's current Building Permit By-law provides for annual indexation of fees based on the Consumer Price Index. Salaries, wages and benefits of staff directly involved in building permit processing activities represent approximately 78% of total costs of service. The HR Cost Index would be a more accurate measure of the inflationary pressures affecting this significant cost component.

Appendix A
Proposed Fee Adjustments and Market Comparison

Description	Burlington			Notes	Hamilton		Milton		Mississauga		Oakville	
	Current	Proposed	Charging Parameter		Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter
Minimum Permit Fee	$ 243	$ 280	Flat		$ 246	Flat	$ 230	Flat	$ 160	Flat		
A. CONSTRUCTION - NEW BUILDINGS, ADDITIONS, MEZZANINES												
Group A (Assembly Occupancies)												
Recreational Facilities – arenas,/gymnasiums/pools,theatres											$ 37.50	per SM
Schools/libraries	$ 24.01	$ 24.27	per SM		$ 23.02	per SM	$ 23.82	per SM	$ 23.87	per SM	$ 29.60	per SM
Places of Worship											$ 22.40	per SM
Restaurants											$ 32.20	per SM
Interior finishes to unfinished areas	$ 10.53	$ 9.49	per SM		$ 5.22	per SM						
Alterations/renovations to existing finished areas	$ 5.84	$ 9.49	per SM		$ 3.43	per SM	$ 5.70	per SM	$ 6.10	per SM		
Group B (Detention Occupancies)												
Institutional	$ 27.28	$ 27.51	per SM		$ 27.51	per SM	$ 26.31	per SM	$ 26.52	per SM		
Hospital/Nursing Home												
Interior finishes to unfinished areas	$ 11.89	$ 11.89	per SM		$ 6.08	per SM						
Alterations/renovations to existing finished areas	$ 5.84	$ 11.89	per SM		$ 3.43	per SM	$ 5.70	per SM	$ 6.10	per SM		
Group C (Residential Occupancies)												
Detached, semi, townhouse, additions (up to 300 SM – total area)	$ 13.16	$ 17.15	per SM		$ 15.50	per SM	$ 15.71	per SM	$ 16.94	per SM	$ 17.15	per SM
Detached, semi, townhouse, additions (over 300 SM – total area)	$ 16.97	$ 22.12	per SM		$ 15.50	per SM	$ 15.71	per SM	$ 16.94	per SM	$ 17.15	per SM
Detached, semi, townhouse												
Interior finishes to unfinished areas	$ 5.84	$ 6.10	per SM				$ 5.70	per SM	$ 6.10	per SM	$ 4.70	per SM
Alterations/renovations to existing finished areas	$ 2.68	$ 6.10	per SM		$ 3.43	per SM	$ 5.70	per SM	$ 6.10	per SM		per SM
Attached/detached garage, carport, covered deck/patio	$ 5.84	$ 280	per SM		$ 5.56	per SM	$ 8.22	per SM	$ 5.73	per SM	$ 5.70	per SM
Excavating basement or crawl space	$ 5.84	$ 280	per SM		$ 5.56	per SM						
Basement walkout/exterior stairs/accessory building (shed)	$ 243	$ 280	Flat		$ 5.56	per SM	$ 230	Flat	$ 158	Flat		
Attached or detached deck	$ 2.81	$ 280	per SM		$ 4.53	per SM			$ 158	Flat	$ 210	Flat
Apartments/Hotels												
Apartment buildings or hotels (more than 7 storeys)	$ 17.76	$ 22.40	per SM		$ 15.50	per SM	$ 15.71	per SM	$ 18.31	per SM	$ 22.40	per SM
Apartment buildings or hotels (4-7 storeys)	$ 17.76	$ 19.10	per SM		$ 15.50	per SM	$ 15.71	per SM	$ 18.31	per SM	$ 22.40	per SM
Apartment buildings, hotels, or stacked townhouses (1-3 storeys)	$ 12.52	$ 15.79	per SM		$ 15.50	per SM	$ 15.71	per SM	$ 18.31	per SM	$ 22.40	per SM
Interior finishes to unfinished areas	$ 5.84	$ 6.10	per SM						$ 6.10	per SM		
Alterations/renovations to existing finished areas	$ 2.83	$ 6.10	per SM		$ 3.43	per SM	$ 5.70	per SM	$ 6.10	per SM	$ 11.20	per SM

Description	Burlington			Notes	Hamilton		Milton		Mississauga		Oakville	
	Current	Proposed	Charging Parameter		Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter
Group D (Business and Personal Services Occupancies)												
Office buildings												
(up to 2 storeys) – shell only	$ 17.70	$ 17.95	per SM		$ 15.47	per SM	$ 13.54	per SM	$ 17.51	per SM	$ 17.95	per SM
(up to 2 storeys) finished	$ 23.53	$ 23.85	per SM		$ 20.42	per SM	$ 16.42	per SM	$ 21.27	per SM	$ 23.85	per SM
(up to 10 storeys) – shell only	$ 17.70	$ 17.95	per SM		$ 15.47	per SM	$ 13.54	per SM	$ 17.51	per SM	$ 17.95	per SM
(up to 10 storeys) finished	$ 23.53	$ 23.85	per SM		$ 20.42	per SM	$ 16.42	per SM	$ 21.27	per SM	$ 23.85	per SM
(more than 10 storeys) – shell only	$ 19.40	$ 19.60	per SM		$ 18.70	per SM	$ 13.54	per SM	$ 17.51	per SM	$ 19.60	per SM
(more than 10 storeys) finished	$ 25.23	$ 25.50	per SM		$ 23.95	per SM	$ 16.42	per SM	$ 21.27	per SM	$ 25.50	per SM
Other business and personal services	$ 23.81	$ 24.13	per SM									
Interior finishes to unfinished areas	$ 8.94	$ 9.49	per SM								$ 5.90	per SM
Alterations/renovations to existing finished areas	$ 5.84	$ 9.49	per SM		$ 3.43	per SM	$ 5.70	per SM	$ 6.10	per SM		
Group E (Mercantile Occupancies)												
Retail stores												
Shell	$ 16.54	$ 16.70	per SM		$ 12.69	per SM	$ 10.85	per SM	$ 13.33	per SM	$ 16.70	per SM
Finished	$ 23.59	$ 23.85	per SM		$ 16.98	per SM	$ 13.39	per SM	$ 17.75	per SM	$ 23.85	per SM
Interior finishes to unfinished areas	$ 8.94	$ 9.49	per SM		$ 4.29	per SM					$ 11.35	per SM
Alterations/renovations to existing finished areas	$ 5.84	$ 9.49	per SM		$ 3.43	per SM	$ 5.70	per SM	$ 6.10	per SM		
Group F (Industrial Occupancies)												
Warehouse/factory												
First 4,650 SM	$ 9.78	$ 13.27	per SM		$ 11.91	per SM	$ 9.35	per SM	$ 13.27	per SM		
Additional area over 4,650 SM	$ 6.68	$ 9.06	per SM		$ 11.91	per SM	$ 9.35	per SM	$ 13.27	per SM		
Parking Garages												
New	$ 5.81	$ 7.02	per SM		$ 7.02	per SM	$ 5.45	per SM	$ 6.33	per SM	$ 6.85	per SM
Repairs	$ 2.91	$ 2.91	per SM				$ 2.44	per SM	$ 2.51	per SM		
Interior finishes to unfinished areas	$ 6.48	$ 6.48	per SM		$ 4.21	per SM						
Alterations/renovations to existing finished areas	$ 5.84	$ 6.48	per SM		$ 3.43	per SM	$ 5.70	per SM	$ 6.10	per SM	$ 5.90	per SM
Miscellaneous (other)												
Farm building/accessory building/greenhouse	$ 3.79	$ 4.37	per SM		$ 2.84	per SM	$ 3.43	per SM				
Mezzanines												
Open storage	$ 6.68	$ 7.70	per SM									
Enclosed office mezzanine				See Group D								
Shelf and rack storage systems	$ 3.79	$ 4.37	per SM	$530 Minimum			$ 3.05	per SM				
Rack storage systems	$ 1.81	$ 2.09	per SM	$530 Minimum			$ 3.05	per SM				
Repairs or re-cladding of walls (wall area)	$ 0.80	$ 0.92	per SM						$ 0.43	per SM		
Shoring and/or building excavation	$ 3.79	$ 4.37	per SM						$ 12.22	per Linear M		

Description	Burlington			Notes	Hamilton		Milton		Mississauga		Oakville	
	Current	Proposed	Charging Parameter		Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter
B. STAND ALONE & MISCELLANEOUS WORK												
Balcony/chimney repairs	$ 93	$ 107	per Item									
Moving/relocation of a building	$ 477	$ 477	Flat		$ 3.43	per SM	$ 230	Flat	$ 279	Flat		
Temporary tents and stages (>60 SM)	$ 243	$ 280	Flat		$ 1.85	per SM	$ 230	Flat	$ 202	Flat		
Temporary tents and stages (>225 SM)	$ 400	$ 400	Flat		$ 1.85	per SM	$ 230	Flat	$ 202	Flat		
Demolition (up to 600 SM)	$ 243	$ 280	Flat		$ 0.46	per SM	$ 230	Flat	$ 0.20	per SM		
Demolition (>600 SM)	$ 784	$ 784	Flat		$ 0.46	per SM	$ 230	Flat	$ 0.20	per SM		
All designated structures listed per Div. A. 1.3.1.1.	$ 477	$ 477	Flat		$ 442	Flat	$ 425	Flat				
C. MECHANICAL												
New/alterations to HVAC (standalone)	$ 0.91	$ 1.05	per SM				$ 0.87	per SM	$ 1.26	per SM		
New/alterations to sprinkler system or standpipe & hose system (if applicable, added to the base permit fee)	$ 0.91	$ 0.91	per SM	$530 Minimum	$ 0.61	per SM	$ 0.87	per SM	$ 0.58	per SM	$ 0.45	per SM
New/alterations to fire alarm	$ 617	$ 711	Flat		$ 367	Flat	$ 595	Flat	$ 711	Flat		
Electromagnetic locking device	$ 243	$ 280	Flat	$131 for each additional item	$ 209	per Item	$ 124	per Item	$ 284.00	per Item		
Furnace replacement	$ 243	$ 280	Flat						$ 218	Flat		
Fireplace/wood stove	$ 243	$ 280	Flat				$ 230	Flat	$ 158	Flat		
New air-conditioning unit/roof top unit	$ 243	$ 280	Flat						$ 218	Flat		
New ductwork	$ 243	$ 280	Flat						$ 218	Flat		
Dust collectors	$ 550	$ 550	Flat				$ 450.00	Flat	$ 382	per Item		
Commercial kitchen exhaust hood and/or fire suppression systems	$ 550	$ 550	Flat		$ 367	Flat	$ 450.00	Flat	$ 382	Flat		
Spray booth	$ 550	$ 550	Flat				$ 450	Flat	$ 382	per Item		
D. MINOR CONSTRUCTION												
Group A (Assembly Occupancies)												
Outdoor Patio	$ 243	$ 280	Flat		$ 185	Flat						
Portable classroom	$ 243	$ 280	Flat		$ 367	Flat	$ 235	Flat	$ 546	Flat	$ 432.00	Flat
Group C (Residential Occupancies)												
Detached garage shed/carport (< 60SM, accessory building)	$ 243	$ 267	Flat				$ 142	Flat				
E. PLUMBING												
Site Servicing/private water lines	$ 1.16	$ 4.48	per Linear M				$ 3.46	per Linear M	$ 4.48	per Linear M		
Plumbing – new/replacement fixtures	$ 243	$ 280	Flat									
Backflow prevention devices and/or backwater valves	$ 321	$ 321	Flat	$130 for each additional device	$ 246	Flat			$ 229.00	Flat	$ 295.00	Flat
Storm sewage and/or grey water systems	$ 243	$ 280	Flat									
F. ON-SITE SEWAGE SYSTEM												
New septic system	$ 784	$ 1,143	Flat		$ 855	Flat	$ 720	Flat	$ 656	Flat	$ 1,143.00	Flat
Septic system assessment	$ 243	$ 280	Flat		$ 240	Flat	$ 95	Flat			$ 209.00	Flat
Septic system repair	$ 400	$ 523	Flat		$ 523	Flat	$ 360	Flat	$ 328	Flat		
Sewer conversions	$ 243	$ 280	Flat								$ 97.00	Flat

Description	Burlington			Notes	Hamilton		Milton		Mississauga		Oakville	
	Current	Proposed	Charging Parameter		Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter	Current	Charging Parameter
G. OTHER FEES												
H.O.M.E.S Program (Halton Original Model Express Service)	$ 1,160	$ 1,160	per Model								$ 1,154	per Model
Fast Track Service In addition to the regular permit fee payable for the entire project. A required premium fee equal to the greater of 50% of the regular permit fee or the min/max of:												
Commercial Projects				Minimum $750, Maximum $10,000								
Detached & Semi Detached Residential Dwellings				Minimum $541 per unit								
Residential – Other than detached and semi detached residential dwellings				Min $250 per unit, Max $10,000								
Alternative solution application	$ 1,178	$ 1,519	Flat	Plus any incurred costs			$ 1,235	Flat	$ 1,092	Flat	$ 1,519	Flat
Work prior to permit issuance at any stage of construction												
Permit Value of 5,000 or less	100%	100%	% of Full Permit Fee									
Permit Value of greater than 5,000				$5,000 plus 10% of fees in excess of $5,000								
Change of use permit	$ 477	$ 687	Flat		$ 246	Flat	$ 230	Flat			$ 687	Flat
Transfer of permit	$ 243	$ 280	Flat				$ 150	Flat	$ 185	Flat		
Deferral of revocation of permit	$ 243	$ 280	Flat									
Model Changes												
Before permit is issued	$ 243	$ 280	Flat									
After permit is issued	$ 477	$ 550	Flat									
Revisions to permits												
Before permit is issued	$ 243	$ 280	Flat				$ 380	Flat	$ 142	per Hour		
After permit is issued	$ 477	$ 477	Flat				$ 380	Flat	$ 142	per Hour		
Limiting distance agreement	$ 477	$ 687	Flat		$ 558	Flat	$ 560	Flat			$ 687	Flat
Re-inspection fee	$ 243	$ 280	per Inspection				$ 91	Flat				
Residential Occupancy Permit for dwelling units [Div. C, 1.3.3.4.(4)] detached, semi detached & most townhomes,etc.]	$ 122	$ 141	per Dwelling Unit		$ 158	per Dwelling Unit			$ 126	per Dwelling Unit		
Occupancy Permit for residential buildings [other than Div. C,1.3.3.4.(4) detached, semi-detached or most townhomes,] & Care Facilities (B3)	$ 221	$ 255	Flat	Plus $28 per suite for multi-unit buildings								
Occupancy Permit for new buildings, additions and renovations [other than residential buildings & Care Facilities (B3) listed above]	$ 243	$ 280	Flat									
Conditional Permit	20%	20%	% of Full Permit Fee								$ 687	Flat
H. SIGNS												
Fascia & Pylon/Ground Signs												
up to 2.5 SM	$ 185	$ 280	Flat		$ 220.00	Flat						
2.5 to 8.0 SM	$ 371	$ 388	Flat		$ 388.00	Flat						
over 8 SM	$ 557	$ 775	Flat		$ 775.00	Flat						
Billboard	$ 584	$ 775	Flat		$ 775.00	Flat						