

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 2, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 11, 2018.

2 CITY OF VAUGHAN DEVELOPMENT SERVICES FEE STRUCTURE REVIEW PHASE 3 – BUILDING PERMIT FEES

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management, dated April 3, 2018, be approved; and
- 2) That the presentation and Communication C5, presentation material entitled, “*City of Vaughan Building Permit Fees Review*”, be received.

Purpose

The Building Standards Department (BSD) seeks approval for an updated Building by-law including a new fee schedule for building permits based on a comprehensive review of current building permit fees carried out by an external consultant, Watson and Associates.

Recommendations

The Deputy City Manager of Planning and Growth Management recommends:

1. That Council enact a new Building by-law, including Schedules A to D, to replace the existing Building by-law, 044-2015 as amended.

Report Highlights

- This report provides information and recommendations on a proposed new fee structure developed in Phase 3 of the ongoing comprehensive review of fees charged throughout the development process. Phase 3 deals with fees charged for building permits and related services.
- In conjunction with the fee review, the existing Building by-law was also reviewed and updated to provide clarity and to enhance some provisions, including the requirements for safety fencing around construction sites.

Background

In 2004, Council adopted the recommendations of the Budget Committee which were in response to changes in Building Code Act relating to the fees charged for building

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permits. Council also approved the establishment of a 'Building Standards Service Continuity Reserve' for service stabilization. At the time, it was understood that the fee structure would be reviewed at some point in the future to confirm that the fees being charged are fully recovering the costs of providing permit and inspection services.

In 2015, Council adopted the recommendations of the Finance, Administration and Audit Committee, set out in a report dated February 2, 2015. The report described a general budget shortfall in the BSD that resulted in their having to fund their operations by drawing from the Building Standards Continuity Reserve fund. An increase in fees for permits and other services of an average 10 percent was approved. However, the Building Standards Department also committed to a comprehensive fee review before the end of 2018.

As part of the ongoing Development Services Fee Structure Review, BSD retained the services of Watson & Associates Economists Ltd. (Watson) to conduct a comprehensive review of its current fee structure. Additionally, BSD took this opportunity to undertake a review of the Building by-law to update and modernize it.

Previous Reports/Authority

http://meetingarchives.vaughan.ca/committee_2004/pdf/Budget1214_1.pdf

https://www.vaughan.ca/council/minutes_agendas/AgendaItems/Finance0202_15_3.pdf

Analysis and Options

Permit Fees and Continuity Reserve

In 2005, legislative changes to the Building Code Act through Bill 124 came into effect. The changes mandated that fees charged for building permits must not exceed the cost of providing the service. The legislative changes resulted in changes to the fees charged for building permits and to fees charged for the development application approval process (DAAP). As a result, fees charged for permits and services offered by BSD are only used to fund the direct and indirect costs of operating the department.

When Council adopted the new fee structure in response to Bill 124, it also adopted recommendations for the creation of a Building Standards Continuity Reserve (Reserve). The Reserve is intended to be used during an economic downturn to fund the costs of operating the BSD to protect intellectual capital and maintain service levels. Annual permit revenues were intended to cover the cost of operating the BSD, with a small surplus each year which would be added to the Reserve. At the time, it was felt

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that the appropriate reserve level was equivalent to 1.5 times the annual operating costs of the BSD, generally an industry accepted standard. The current Reserve balance is \$16.1 million which is generally equivalent to 1.2 times the annual operating costs of the Department. However, as explained under the Section, 'Consultant Findings and Recommendations', the current fees are under recovering the cost of service being provided and negatively impacting the Reserve. Therefore, changes to the fees are necessary for the long term financial sustainability of the BSD.

Operating Cost Factors

Provincial regulations and customer demands have necessitated service improvements which, while having a positive impact on the services provided by BSD, also increased operating costs. In addition, changing development characteristics resulted in decreased revenues from some permit streams. Vaughan permit fees are among the lowest when compared with surrounding municipalities, as explained in the next section of this report. These factors combined to result in BSD achieving significantly less than the full cost recovery model that was intended. As referenced above, BSD revenues currently fall short of full cost recovery by about 26 percent.

Building Permit Fees Review

The City retained Watson to conduct a comprehensive review of development related fees and charges, and to make fee structure recommendations to provide for reasonable full cost recovery. Phase 1 of the review covered development engineering fees and was completed in 2016. Phase 2 of the review related to Development Planning and Committee of Adjustment fees and was completed in 2017. Phase 3, which is the subject of this report, deals with permit fees charged by BSD.

Fee Study Methodology

An activity based costing approach was applied by the consultant for the study that was designed to fully recover costs of administration and enforcement of the Building Code. This includes estimating the time spent by staff to process building permits and carry out inspection activities for each identified permit category, such as residential, office etc. The indirect costs and capital cost allocation was based on the City's 2016-2019 DAAP model.

Consultant Findings and Recommendations

Key findings presented by the Consultant are:

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- Current fees charged for building permits are generally recovering 74 percent of full costs of service.
- New residential permits and all alteration permits are under recovering costs of service.
- New non-residential permits are recovering costs and contributing to reserve fund sustainability.
- Current reserve fund balance is \$16.1 million. Without an increase in fees to reflect full cost recovery, the reserve fund balance would decrease to approximately 20 percent of the total annual building permit review and inspection costs, by 2022.

The Phase 3 analysis and report prepared by Watson (copy attached) recommends an increase in most of the fees charged for permits. The recommendations of the consultant are broadly summarized as:

- Increase fees for underperforming permit categories to either recover full costs or to move to the upper end of the market levels. For other categories, strategically increase the fees to provide service sustainability, contribute to the reserve fund and maintain market competitiveness.
- Fee increases be phased-in annually over a three-year period starting January 1, 2019 to minimize impact on the development industry. In addition, continue with the current practice of 3% indexation increase.
- Implementation of the recommended approach will result in full cost recovery, maintain service levels and market competitiveness, while achieving a healthy reserve fund estimated to be 1.2 times the total cost of building permit review and inspection costs by 2022.

Phased over three years, the adoption of the recommendations will increase most of the fees charged by the BSD. While the increase in some of the fees is relatively high, the impact is marginal when viewed from the standpoint of the overall planning and development charges. The total increase for planning and development charges based on the proposed increase in building permit fees ranges from 0.5 percent for an industrial building or a multi-unit residential building, to 1.0 percent for single detached homes and 1.2 percent for an office building.

Watson identified that the fees currently charged for permits in Vaughan are at the lower end of the scale when compared to referenced municipalities (Markham, Richmond Hill,

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Aurora, Newmarket, Mississauga, Brampton, Toronto, Hamilton, Burlington and Ottawa) surveyed by Watson, primarily in the Greater Toronto Area. When comparing the proposed changes in permit fees with fees in the ten municipalities, Watson determined that adoption of the increased fees would rank Vaughan as the sixth highest in terms of permit costs for most permits (Industrial, Office, Multi-Unit Residential) and third highest for single detached homes.

In terms of the overall cost of processing development applications, the City of Vaughan will continue to remain competitive. The City is currently ranked third highest of the ten municipalities surveyed by Watson. If the recommendations contained in this report are approved, that ranking will remain unchanged.

Building by-Law Review

In addition to the review of permit fees, a full review of the Building by-law was also conducted. The goal was to modernize terminology, correct references to provincial statutes and regulations and to introduce improvements where required including editorial changes.

The most significant enhancement is to the requirements for construction site fencing. The new by-law will mandate safety fencing on every construction and demolition site, only providing for an exemption where the Chief Building Official can be satisfied that a site fence is not required. It will also mandate the type of fencing which is required. These changes are comparable to standards for safety fencing requirements in other large area municipalities.

Improvements to the by-law include a section to further describe the requirements for conditional permits and related agreements that must be entered between the applicant and the City. At the time the previous Building by-law was drafted, conditional permits were less common at the City. As Vaughan has grown, conditional permits have become more common, as they are in other large municipalities. The proposed changes will further clarify the authority to issue conditional permits and to enter into agreements which set out the terms under which the conditional permit is issued.

Industry Consultation and Communications

The BSD met with members of the Building Industry and Land Development Association (BILD) on January 18, 2018. At the meeting, Watson provided a list of the proposed new fee structure, which highlighted the current and proposed new fee structure for building permits. There was general understanding of the need to maintain a full cost recovery position. The BSD has a history of positive working relationships with the development industry and has committed to continuing to consult with them as services

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are enhanced.

Following the January 18 meeting, BILD submitted comments in a letter dated February 2, 2018, attached to this report. They stressed the importance of developers receiving their permits within the provincially mandated timelines. BSD reinforced their commitment to continuous improvement in the services provided to customers and to meeting or exceeding the mandated processing timelines. In their letter, BILD also expressed their support for the three-year, phased-in approach to the fee increases recommended by Watson, in order to provide a transition period for the development community.

The BSD has complied with the regulatory requirements under the Building Code respecting communication related to changes to building permit fees.

If the recommendations contained in this report are approved, the BSD will communicate the new fee structure to BILD and will provide copies of the new fee structure at the permit counter and on the website.

Financial Impact

In their report, Watson identified that with the current fee structure, starting in 2018, the Reserve may be depleted by approximately \$2.5 million/year in order to fund the annual operating cost of the BSD and maintain service levels.

The fee increases proposed in Watson's report would be phased in over 3 years, starting in 2019, to minimize the impact on the development industry, allowing them to reliably forecast their project costs. As a result, in 2019 there would still be a net draw of approximately \$1.28 million on the Reserve to fund the operating costs not fully recovered by permit fees. By 2020, Watson forecasts that the BSD would operate at full cost recovery, with a \$0.29 million contribution to the Reserve. By 2021, the reserve contribution is forecast to increase to \$2 million.

Approval of the recommendations would achieve full cost recovery for the BSD annual operating expenses by 2020. It would also enable regular contributions to the Reserve, starting in 2021, enabling a financially sustainable model for the BSD.

If approved, the revised fees would be incorporated as part of the 2019 budget process.

Broader Regional Impacts/Considerations

There are no broader regional impacts that would result from the adoption of recommendations contained in this report.

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Conclusion

The BSD is operating below the intended full cost recovery model. The current level of revenues generated is not financially sustainable and if continued will impact service levels and service delivery. The current rates are also generally at the lower end of the market, as assessed through review of peer municipalities. Adopting the proposed phased-in fee structure will, by 2020, restore the Department to a position of full cost recovery, contribute funds to the Reserve fund and maintaining market competitiveness.

In addition, an updated and modern building by-law will provide enhanced clarity to the users on the administrative requirements respecting building permit applications and building inspections.

This report has been prepared in consultation with Financial Planning and Development Finance.

For more information, please contact: Nadim Khan, Manager, Policy and Regulatory Services, Building Standards Department

Attachments

1. City of Vaughan Development Services Fee Structure Review, Phase 3 – Building Permit Fees prepared by Watson and Associates Economists Ltd.
2. Draft Building By-law including Schedule A to D
3. Building Industry and Land Development Association (BILD) letter dated February 2, 2018.

Prepared by

Nadim Khan,

Manager, Policy and Regulatory Services, Building Standards Department x 8232

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

City of Vaughan

Building Permit Fees Review Finance, Administration, and Audit Committee

April 3, 2018

Introduction

- City retained Watson & Associates Economists Ltd. (Watson) to undertake a comprehensive review of development services fees
- Review comprises three phases
 - Phase 1 – Development Engineering and Infrastructure Planning Fees
 - Phase 2 – Planning Application Fees
 - **Phase 3 – Building Permit Fees**

Study Process

- ❑ Building permit costing category identification and staff capacity utilization assessment
- ❑ Activity-based costing model development
- ❑ Draft report findings - full cost recovery fees and financial impacts
- ❑ Consultation with the Development Industry Stakeholders – January 18, 2018
- ❑ Feedback from BILD (letter) received – February 2, 2018

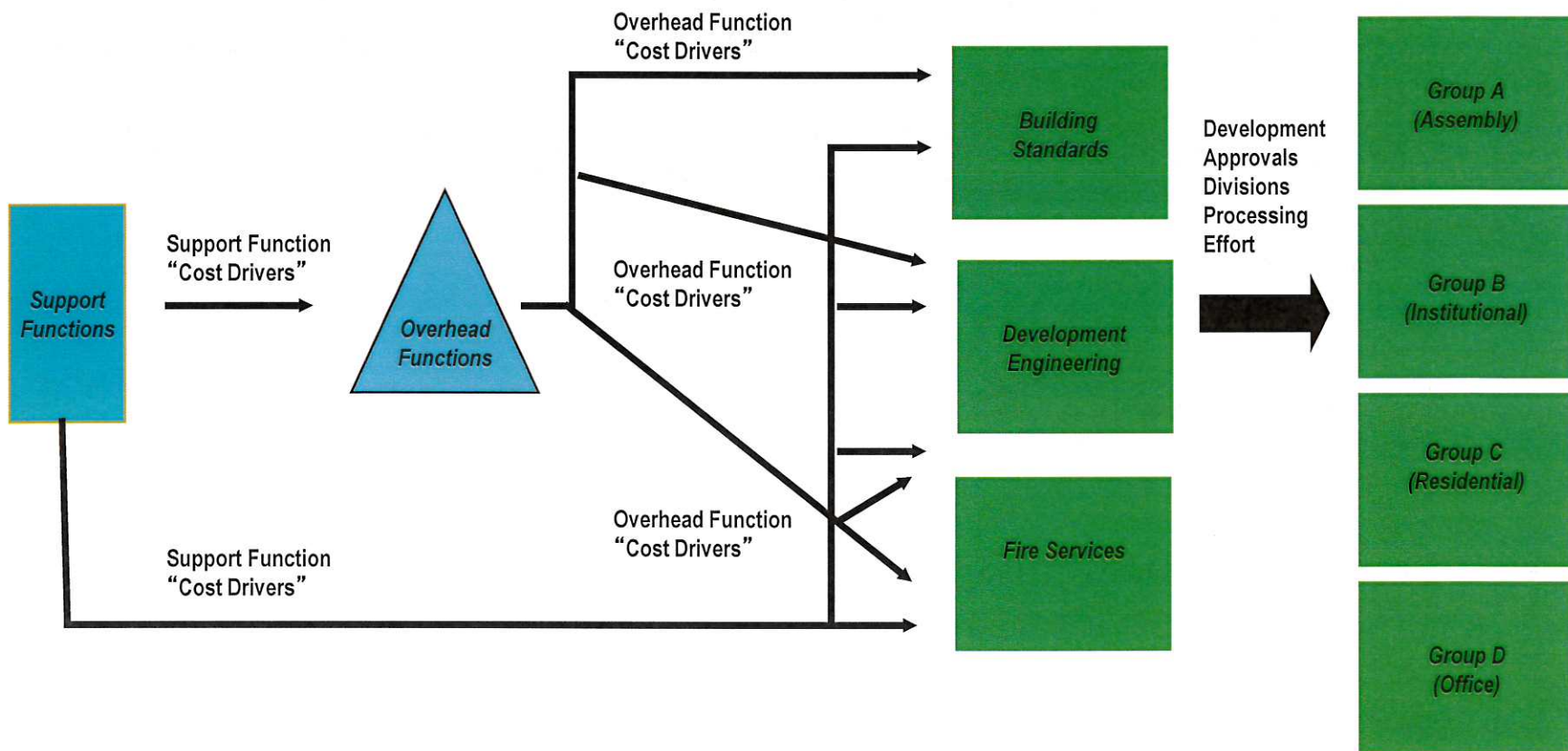
Fee Review Methodology

- Building Permit Fees are governed by the *Building Code Act, s. 7*
 - Require payment of fees on applications for and issuance of permits
 - Total amount of the fees must not exceed the anticipated reasonable cost to administer and enforce the *Building Code Act*
 - Reporting and public process requirements
- Methodology employed is an activity-based costing approach designed to fully recover the costs of administration and enforcement of the Building Code

Activity Based Costing Methodology

INDIRECT COSTS

DIRECT COSTS



Full Cost Definition

- Full cost recovery activity-based costing definitions:
 - Direct costs – labour costs (e.g. salaries, wages and benefits), operating costs (e.g. materials and supplies, etc.) and capital asset replacement costs associated with individuals directly participating in the permit review process
 - Indirect costs – operating costs associated with individuals supporting direct service departments (e.g. HR, facility maintenance, IT, etc.)

Staff Resource Capacity Utilization

- ❑ Analysis reflects updated effort estimates for building permit review, incorporating findings from Phase 1 (Development Engineering) and Phase 2 (Planning)
- ❑ Distribution of Building Permit staff effort by department:
 - Building Standards (89%)
 - Fire and Rescue (8%)
 - Small amounts for other departments (e.g. Development Engineering and Office of the Deputy City Manager)

Building Permit Fee Costing Results

- Full cost of annual building permit review totals \$11.3 million

| | Costs (2017\$) |
|--------------------------|---------------------|
| Direct Costs | 9 million |
| Indirect & Capital Costs | 2.3 million |
| Total Costs | 11.3 million |

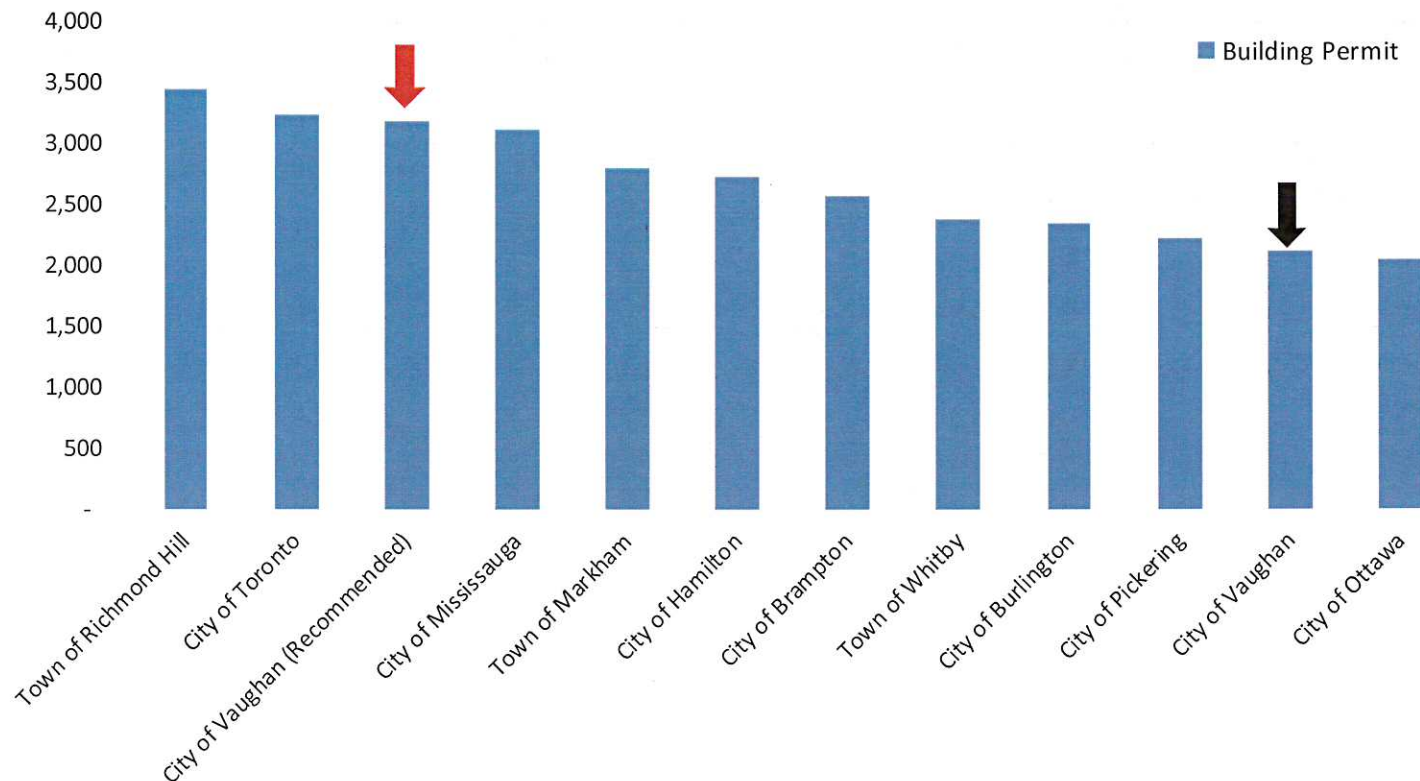
- Current building permit fees are recovering approximately 75% of full costs of service
 - New non-residential applications recovering costs and contributing to reserve fund sustainability
 - New residential permits and all alteration permits are under recovering costs of service

Building Permit Fee Recommendations

- Building permit fees assessed relative to policy for Building Code Stabilization Reserve Fund:
 - In 2004, a reserve fund was established with a target of 1.5x annual costs
 - Maintaining current fees, the reserve fund balance would decrease to 0.2x annual costs by 2022
 - Fee recommendations include a three-year (2019-2021) phased-in increase that:
 - recovers annual full costs of service
 - achieves reserve fund of 1.2x annual costs by 2022
 - maintains market competitiveness

Building Permit Fee Comparison (Single Detached Dwelling Unit)

Survey of Building Permit Fees Related to a Single Family Home Site Plan

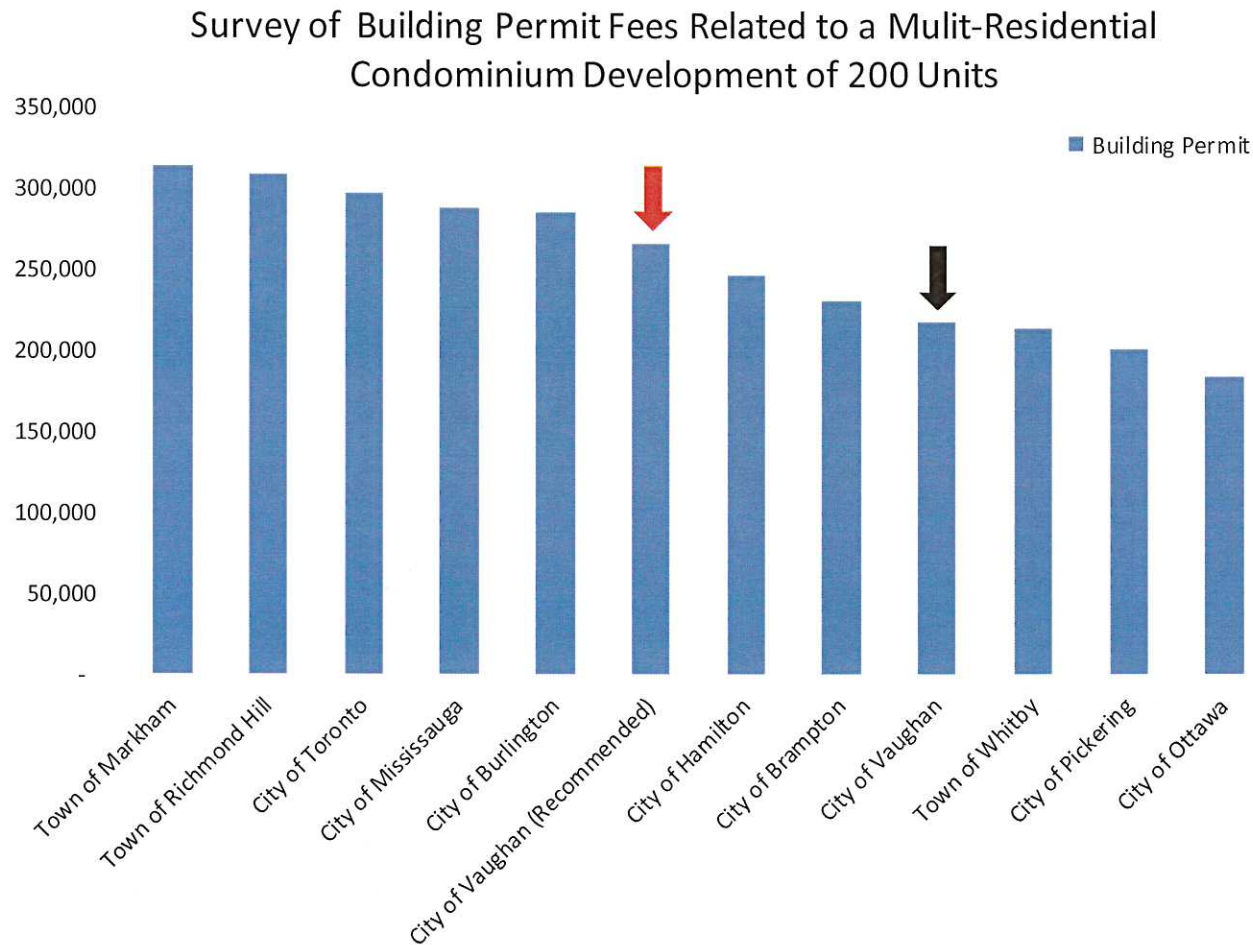


Development Fees Comparison

(Single Detached Dwelling Unit)

| Rank | Municipality | Planning Fees (Site Plan) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|------------------------------|-------------------------|------------------------|-----------|------------------------------|
| 1 | City of Mississauga | \$ 10,455 | \$ 3,112 | \$ 81,546 | \$ 95,114 | 3.3% |
| 2 | Town of Markham | \$ 22,373 | \$ 2,804 | \$ 69,262 | \$ 94,439 | 3.0% |
| 3 | City of Vaughan (Recommended) | \$ 19,860 | \$ 3,188 | \$ 71,279 | \$ 94,327 | 3.4% |
| 4 | City of Vaughan | \$ 19,860 | \$ 2,118 | \$ 71,279 | \$ 93,257 | 2.3% |
| 5 | City of Brampton | \$ 4,063 | \$ 2,564 | \$ 81,830 | \$ 88,457 | 2.9% |
| 6 | Town of Richmond Hill | \$ 11,305 | \$ 3,437 | \$ 64,351 | \$ 79,093 | 4.3% |
| 7 | City of Toronto | \$ 20,887 | \$ 3,241 | \$ 40,301 | \$ 64,429 | 5.0% |
| 8 | City of Burlington | \$ 7,418 | \$ 2,349 | \$ 51,776 | \$ 61,542 | 3.8% |
| 9 | Town of Whitby | \$ 11,926 | \$ 2,375 | \$ 42,187 | \$ 56,487 | 4.2% |
| 10 | City of Ottawa | \$ 20,684 | \$ 2,040 | \$ 33,600 | \$ 56,324 | 3.6% |
| 11 | City of Hamilton | \$ 9,650 | \$ 2,735 | \$ 38,274 | \$ 50,659 | 5.4% |
| 12 | City of Pickering | \$ 3,400 | \$ 2,230 | \$ 42,654 | \$ 48,284 | 4.6% |

Building Permit Fee Comparison (200 Unit Multi-Res. Condo)

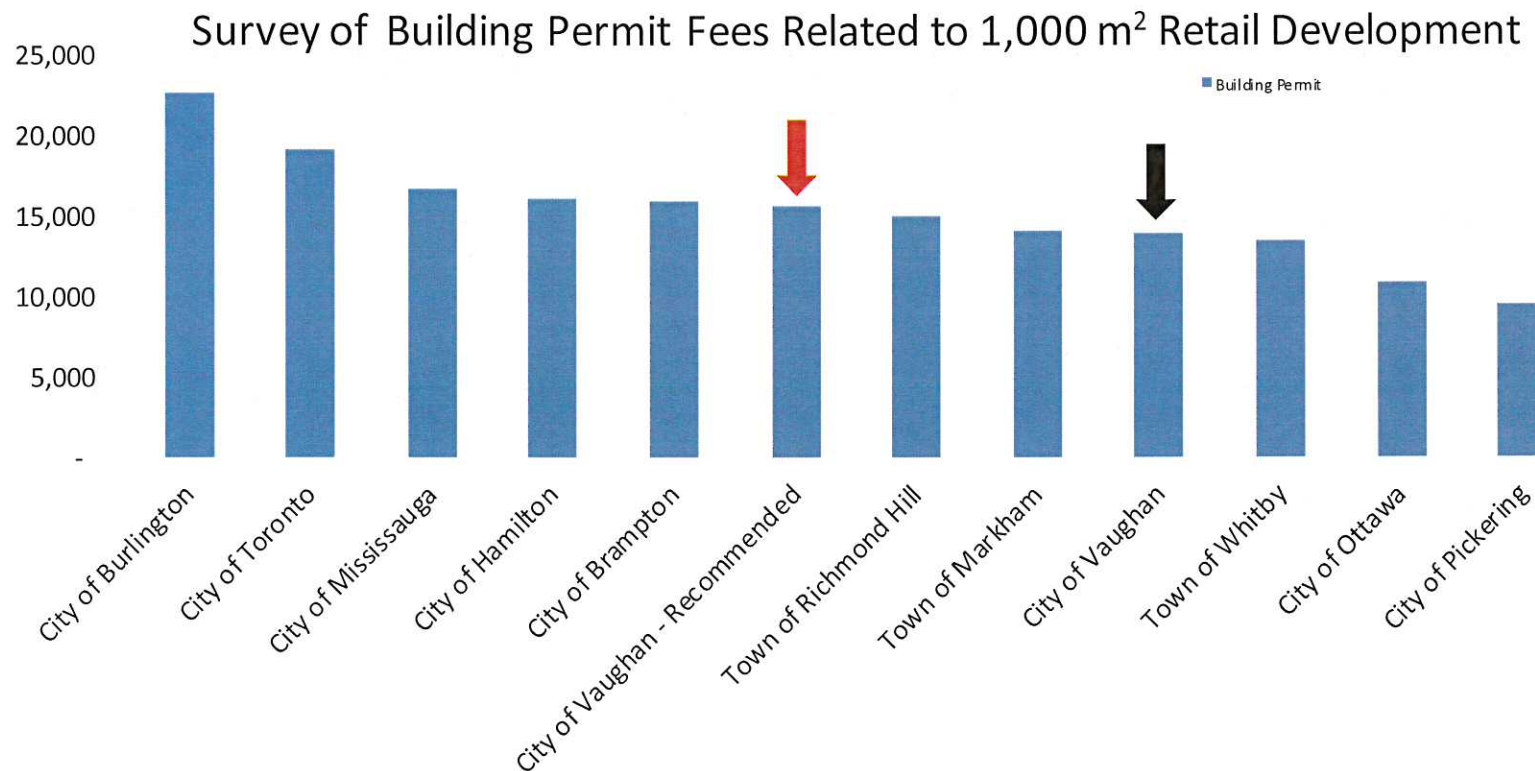


Development Fees Comparison

(200 Unit Multi-Residential Condominium)

| Rank | Municipality | Planning Fees (OPA, ZBA, Site Plan, Condo) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|--|-------------------------|------------------------|---------------|------------------------------|
| 1 | City of Mississauga | \$ 246,122 | \$ 288,464 | \$ 10,638,850 | \$ 11,173,436 | 2.6% |
| 2 | City of Brampton | \$ 127,309 | \$ 230,771 | \$ 10,109,330 | \$ 10,467,410 | 2.2% |
| 3 | Town of Markham | \$ 496,085 | \$ 313,548 | \$ 9,066,400 | \$ 9,876,033 | 3.2% |
| 4 | City of Vaughan (Recommended) | \$ 209,240 | \$ 266,056 | \$ 9,031,200 | \$ 9,506,495 | 2.8% |
| 5 | City of Vaughan | \$ 209,240 | \$ 217,393 | \$ 9,031,200 | \$ 9,457,833 | 2.3% |
| 6 | Town of Richmond Hill | \$ 111,165 | \$ 309,367 | \$ 8,422,400 | \$ 8,842,932 | 3.5% |
| 7 | City of Burlington | \$ 169,934 | \$ 285,119 | \$ 5,764,004 | \$ 6,219,057 | 4.6% |
| 8 | Town of Whitby | \$ 108,228 | \$ 213,714 | \$ 5,334,200 | \$ 5,656,142 | 3.8% |
| 9 | City of Toronto | \$ 273,355 | \$ 297,375 | \$ 5,071,400 | \$ 5,642,130 | 5.3% |
| 10 | City of Pickering | \$ 91,200 | \$ 200,671 | \$ 5,052,800 | \$ 5,344,671 | 3.8% |
| 11 | City of Hamilton | \$ 104,785 | \$ 246,156 | \$ 4,824,600 | \$ 5,175,541 | 4.8% |
| 12 | City of Ottawa | \$ 70,758 | \$ 183,600 | \$ 3,785,200 | \$ 4,039,558 | 4.5% |

Building Permit Fee Comparison (1,000 m² Retail Development)



Development Fees Comparison

(1,000 m² Retail Development)

| Rank | Municipality | Planning Fees (Site Plan and ZBA) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|---|-------------------------|------------------------|------------|------------------------------|
| 1 | Tow n of Markham | \$ 64,220 | \$ 14,170 | \$ 882,140 | \$ 960,530 | 1.5% |
| 2 | Tow n of Richmond Hill | \$ 31,266 | \$ 15,100 | \$ 516,370 | \$ 562,736 | 2.7% |
| 3 | City of Vaughan - Recommended | \$ 38,862 | \$ 15,630 | \$ 489,930 | \$ 544,422 | 2.9% |
| 4 | City of Vaughan | \$ 38,862 | \$ 14,000 | \$ 489,930 | \$ 542,792 | 2.6% |
| 5 | City of Burlington | \$ 29,899 | \$ 22,650 | \$ 417,620 | \$ 470,169 | 4.8% |
| 6 | City of Mississauga | \$ 72,533 | \$ 16,740 | \$ 312,990 | \$ 402,263 | 4.2% |
| 7 | City of Brampton | \$ 14,987 | \$ 16,000 | \$ 313,670 | \$ 344,657 | 4.6% |
| 8 | City of Toronto | \$ 71,680 | \$ 19,200 | \$ 212,510 | \$ 303,390 | 6.3% |
| 9 | City of Ottaw a | \$ 36,598 | \$ 10,979 | \$ 234,438 | \$ 282,015 | 3.9% |
| 10 | Tow n of Whitby | \$ 28,734 | \$ 13,580 | \$ 177,281 | \$ 219,595 | 6.2% |
| 11 | City of Pickering | \$ 17,950 | \$ 9,500 | \$ 187,507 | \$ 214,957 | 4.4% |
| 12 | City of Hamilton | \$ 36,010 | \$ 16,130 | \$ 111,624 | \$ 163,764 | 9.8% |

Item:



Finance, Administration and Audit Committee Report

DATE: Tuesday, April 03, 2018

WARD(S): All

**TITLE: CITY OF VAUGHAN DEVELOPMENT SERVICES FEE
STRUCTURE REVIEW
PHASE 3 – BUILDING PERMIT FEES**

FROM:

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

Purpose

The Building Standards Department (BSD) seeks approval for an updated Building by-law including a new fee schedule for building permits based on a comprehensive review of current building permit fees carried out by an external consultant, Watson and Associates.

Recommendations

The Deputy City Manager of Planning and Growth Management recommends:

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Background

In 2004, Council adopted the recommendations of the Budget Committee which were in response to changes in Building Code Act relating to the fees charged for building permits. Council also approved the establishment of a 'Building Standards Service Continuity Reserve' for service stabilization. At the time, it was understood that the fee structure would be reviewed at some point in the future to confirm that the fees being charged are fully recovering the costs of providing permit and inspection services.

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The Phase 3 analysis and report prepared by Watson (copy attached) recommends an increase in most of the fees charged for permits. The recommendations of the consultant are broadly summarized as:

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- Implementation of the recommended approach will result in full cost recovery, maintain service levels and market competitiveness, while achieving a healthy reserve fund estimated to be 1.2 times the total cost of building permit review and inspection costs by 2022.

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Watson identified that the fees currently charged for permits in Vaughan are at the lower end of the scale when compared to referenced municipalities (Markham, Richmond Hill, Aurora, Newmarket, Mississauga, Brampton, Toronto, Hamilton, Burlington and Ottawa) surveyed by Watson, primarily in the Greater Toronto Area. When comparing the proposed changes in permit fees with fees in the ten municipalities, Watson determined that adoption of the increased fees would rank Vaughan as the sixth highest in terms of permit costs for most permits (Industrial, Office, Multi-Unit Residential) and third highest for single detached homes.

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Industry Consultation and Communications

The BSD met with members of the Building Industry and Land Development Association (BILD) on January 18, 2018. At the meeting, Watson provided a list of the proposed new fee structure, which highlighted the current and proposed new fee structure for building permits. There was general understanding of the need to maintain a full cost recovery position. The BSD has a history of positive working relationships with the development industry and has committed to continuing to consult with them as services are enhanced.

Following the January 18 meeting, BILD submitted comments in a letter dated February 2, 2018, attached to this report. They stressed the importance of developers receiving their permits within the provincially mandated timelines. BSD reinforced their commitment to continuous improvement in the services provided to customers and to meeting or exceeding the mandated processing timelines. In their letter, BILD also expressed their support for the three-year, phased-in approach to the

fee increases recommended by Watson, in order to provide a transition period for the development community.

The BSD has complied with the regulatory requirements under the Building Code respecting communication related to changes to building permit fees.

If the recommendations contained in this report are approved, the BSD will communicate the new fee structure to BILD and will provide copies of the new fee structure at the permit counter and on the website.

Financial Impact

In their report, Watson identified that with the current fee structure, starting in 2018, the Reserve may be depleted by approximately \$2.5 million/year in order to fund the annual operating cost of the BSD and maintain service levels.

The fee increases proposed in Watson's report would be phased in over 3 years, starting in 2019, to minimize the impact on the development industry, allowing them to reliably forecast their project costs. As a result, in 2019 there would still be a net draw of approximately \$1.28 million on the Reserve to fund the operating costs not fully recovered by permit fees. By 2020, Watson forecasts that the BSD would operate at full cost recovery, with a \$0.29 million contribution to the Reserve. By 2021, the reserve contribution is forecast to increase to \$2 million.

Approval of the recommendations would achieve full cost recovery for the BSD annual operating expenses by 2020. It would also enable regular contributions to the Reserve, starting in 2021, enabling a financially sustainable model for the BSD.

If approved, the revised fees would be incorporated as part of the 2019 budget process.

Broader Regional Impacts/Considerations

There are no broader regional impacts that would result from the adoption of recommendations contained in this report.

Conclusion

The BSD is operating below the intended full cost recovery model. The current level of revenues generated is not financially sustainable and if continued will impact service levels and service delivery. The current rates are also generally at the lower end of the market, as assessed through review of peer municipalities. Adopting the proposed phased-in fee structure will, by 2020, restore the Department to a position of full cost recovery, contribute funds to the Reserve fund and maintaining market competitiveness.

In addition, an updated and modern building by-law will provide enhanced clarity to the users on the administrative requirements respecting building permit applications and building inspections.

This report has been prepared in consultation with Financial Planning and Development Finance.

For more information, please contact: Nadim Khan, Manager, Policy and Regulatory Services, Building Standards Department

Attachments

1. City of Vaughan Development Services Fee Structure Review, Phase 3 – Building Permit Fees prepared by Watson and Associates Economists Ltd.
2. Draft Building By-law including Schedule A to D
3. Building Industry and Land Development Association (BILD) letter dated February 2, 2018.

Prepared by

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City of Vaughan Development Services Fee Structure Review

Phase 3 – Building Permit Fees

Final Report

January 30, 2018



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 **Planning for growth**

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1. Introduction

1.1 Background

Municipalities have periodically undertaken to update their development fees in order to address changes in development cycles, application characteristics and cost-recovery levels with the intent of continuing to improve fee structures so that they more accurately reflect processing efforts. The City of Vaughan (City) is experiencing changing development characteristics, including falling construction values of new infrastructure, a shift away from low density greenfield development to more medium and high density developments in intensification areas, and recently increased service levels and regulatory requirements under the Provincial Policy Statement (2014) and Growth Plan. These changing characteristics have contributed to an increase in the level of complexity of development applications.

The City retained Watson & Associates Economists Ltd. (Watson) to undertake a review of the full costs of processing development applications and to make fee structure recommendations to provide for reasonable full cost recovery. The scope of the fees review encompasses the full development application review process service channel, including development engineering, planning applications, and building permits and inspection services.

Our proposed methodology for this assignment is to develop an activity based costing (ABC) model to quantify the full costs of service. An ABC methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. An ABC approach better identifies the costs associated with the processing activities for specific application types and is an ideal method for assessing the full cost of a development application process to determine user fees. As such the fee structure recommendations are based on a full cost recovery assessment.

The work plan streams the development fees review into three separate phases, with the first phase consisting of a review of the development engineering fees (Phase 1), followed subsequently by the review of planning application fees (Phase 2) and building permits and inspection fees (Phase 3). Each phase of the fee review work plan engages the development industry representatives and Vaughan City Council. The final report for each phase includes a description of the legislative context, fee calculation methodology, full cost recovery assessment and fee structure, and a comparative assessment of its relative competitiveness with peer municipalities. The building permit

fees review (Phase 3) builds upon the City's work undertaken as part of Phases 1 and 2 of this project.

This report addresses the findings and recommendations of the Phase 3 review of the City's building permit fees.

1.2 Study Process

Set out in Table 1-1 is the project work plan that has been undertaken in the review of the City's building permit fees.

**Table 1-1
Building Permit Fees Review**

| | |
|--|------------------------------------|
| 1. Project Initiation <ul style="list-style-type: none"> Review project scope, methodology, work plan, legislation and development fee trends. | November, 2016 |
| 2. Building Permit Costing Category Identification <ul style="list-style-type: none"> Identification of permit categories to be assessed. Discussion included types of permits and drivers of processing complexity. Process maps refined by City staff for individual costing categories. | January, 2017 - April, 2017 |
| 3. ABC Model Development <ul style="list-style-type: none"> The ABC model developed for the review of Development Engineering and Infrastructure Planning services and Planning Applications was expanded upon to include the building permit costing categories and updated staff compliment. | April, 2017 - May, 2017 |
| 4. Development of Processing Efforts Estimates and Staff Capacity Utilization <ul style="list-style-type: none"> One-time processing efforts estimates were provided by City staff for established costing categories. Processing effort estimates were examined to quantify and test overall staff capacity utilization for reasonableness; and Final review of staff capacity utilization results. | April, 2017 - November, 2017 |

| | |
|---|--|
| <p>5. Calculation of Full Cost Recovery Fees and Financial Impact Analysis</p> <ul style="list-style-type: none"> • The City's ABC model was updated to reflect the current cost base (i.e. 2017\$), direct and indirect costs, and full cost fee schedule generation; • Modeled costing results were used to generate full cost recovery fee structure options; • Fee structure options compared to 2018 permit fees; and • Municipal development fee comparison prepared to assess full cost recovery fees for sample development types. | <p>November, 2017 – December, 2017</p> |
| <p>6. Preliminary Findings Review with City Staff</p> <ul style="list-style-type: none"> • Preliminary review of full cost recovery fee structure options with City staff; • Overall financial impact, development fee structure impact analysis, and municipal comparison discussed. | <p>December, 2017</p> |
| <p>7. Draft Report</p> <ul style="list-style-type: none"> • Draft report prepared incorporating recommended full cost recovery fee structure option with input on fee design from City staff; and • Review of draft report findings, including full cost fee structure, budget impacts, reserve fund sustainability, and development fee impact analysis. | <p>January, 2018</p> |
| <p>8. Presentation of Draft Report Findings to Development Industry</p> <ul style="list-style-type: none"> • Findings of draft report presented to development industry representatives to seek feedback for consideration in final report | <p>January 18, 2018</p> |
| <p>9. Final Report</p> <ul style="list-style-type: none"> • Final report presented to the City Finance and Administration Committee | <p>April 3, 2018</p> |

1.3 Legislative Context for Fees Review

The context for the building permit fees review is framed by the statutory authority available to City to recover the costs of service. The statutory authority that must be considered is Section 7 of the *Ontario Building Code Act*, governing building permit fees. The following summarizes the provisions of this statute as it pertains to fees.

1.3.1 *Building Code Act, 1992*

Section 7 of the *Building Code Act* provides municipalities with general powers to impose fees through passage of a by-law. The Act provides that:

“The council of a municipality...may pass by-laws

- (c) Requiring the payment of fees and prescribing the amounts of the fees,
 - (i) on application for and on issuance of permits,
 - (ii) for maintenance inspections,
 - (iii) for providing documentation, records or other information under section 15.10.4, and
 - (iv) for providing information under subsection 15.10.6 (2);
- (c.1) requiring the payment of interest and other penalties, including payment of collection costs, when fees are unpaid or are paid after the due date;
- (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 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 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 Act, and the amount of any reserve fund established for the purposes of administration and enforcement of the 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 Act, the amount of the fee or change in existing fee and the rationale for imposing or changing the fee.

The 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 the 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 modeled 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.

2. Activity Based Costing Development Fees

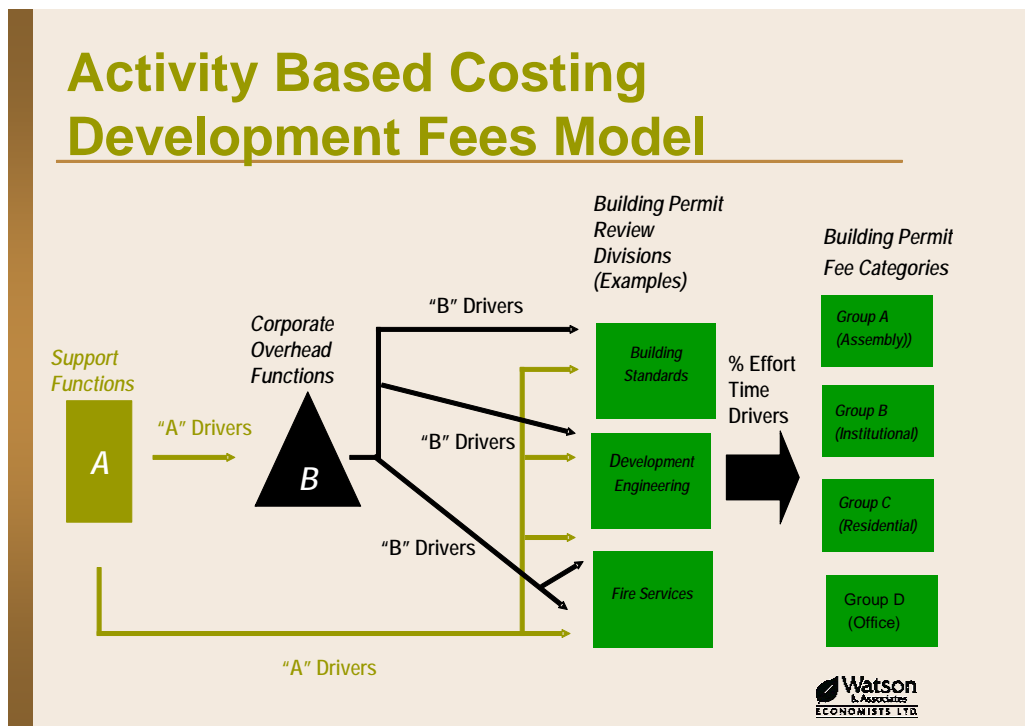
2.1 Methodology

An ABC methodology, as it pertains to municipal governments, assigns an organization's resource costs through activities to the services provided to the public. Conventional municipal accounting structures are typically not well suited to the costing challenges associated with development or other service processing activities, as these accounting structures are business unit focussed and thereby inadequate for fully costing services with involvement from multiple City business units. An ABC approach better identifies the costs associated with the processing activities for specific user fee types and thus is an ideal method for determining full cost recovery planning application fees.

As illustrated in Figure 2-1, an ABC methodology attributes processing effort and associated costs from all participating municipal business units to the appropriate building permit fee service categories. The resource costs attributed to processing activities and permit categories include direct operating costs, indirect support 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 fee service categories, based on the business unit's direct involvement in the processing activities. The assessment of each business unit's direct involvement in the building permit review processes is accomplished by tracking the relative shares of staff processing efforts across each building permit fee category's sequence of mapped process steps. The results of employing this costing methodology provides municipalities with a better recognition of the costs utilized in delivering building permit review processes, as it acknowledges not only the direct costs of resources deployed but also the operating and capital support costs required by those resources to provide services.

The following sections of this chapter review each component of the ABC methodology as it pertains to the City's building permit fees review.

Figure 2-1
Activity Based Costing Conceptual Cost Flow Diagram



2.2 Application Category Definition

Departmental business units deliver a variety of building permit fee related services, including those administered under the *Building Code Act*. These services are captured in various cost objects or building permit fee categories. A critical component of the full cost building permit fees review is the selection of the costing categories. This is an important first step as the process design, effort estimation and subsequent costing is based on these categorization decisions. Although cost justification is not required by permit type, calculating this information by permit type allows for a better understanding of how processing effort and costs will change with development activity.

The permit fee categorization process occurred at the outset of the assignment by City staff and largely reflects the fees contained in the City's current building permit fee schedule. The categorizations reflect:

- Differences in processing activities, effort, mandatory review, and inspections by group as specified under the Building Code;
- Within a specific group, disaggregation by development type (e.g. shell vs. finished for non-residential and single dwelling unit vs. semis and towns for residential); and

- Differences related to new development permits and building permits for additions and alterations by group (i.e. group A, B, C, etc.);

Summarized in Table 2-1 are the building permit fee costing categories that are included in the review and used to rationalize changes to the City's fee schedule.

Table 2-1
Building Permits Fee Costing Categories

| Permit Costing Category |
|---|
| Group A (Assembly) - Shell Building |
| Group A (Assembly) - Finished (shell and interiors) |
| Group A (Assembly) - Interior Alteration |
| Group A (Assembly) - Additions & Mezzanines |
| Group B (Institutional) - Shell Building |
| Group B (Institutional) - Finished (shell and interiors) |
| Group B (Institutional) - Interior Alteration |
| Group B (Institutional) - Additions & Mezzanines |
| Group C (Part 3 Buildings) - Finished (shell and interiors) |
| Group C (Part 3 Buildings) - Interior Alteration |
| Group C (Part 3 Buildings) – Additions |
| Group C (Midrise Wood) - Finished (shell and interiors) |
| Group C (Midrise Wood) - Interior Alteration |
| Group C (Midrise Wood) - Additions & Mezzanines |
| Group C (Part 9 Buildings) - Single Dwelling Unit (including secondary unit) |
| Group C (Part 9 Buildings) - Multi Unit/Stacked Townhouses |
| Group C (Part 9 Buildings) - Semis and Towns |
| Group C (Part 9 Buildings) - Interior Alteration |
| Group C (Part 9 Buildings) - Additions & Mezzanines |
| Group C (Part 9 Buildings) - Accessory Buildings/Structures (sheds, decks, garages) |
| Group D (Office) - Shell Building |
| Group D (Office) - Finished (shell and interiors) |
| Group D (Office) - Interior Alteration |
| Group D (Office) - Additions & Mezzanines |
| Group E (Mercantile) - Shell Building |
| Group E (Mercantile) - Finished (shell and interiors) |
| Group E (Mercantile) - Interior Alteration |
| Group E (Mercantile) - Additions & Mezzanines |
| Group F1&F2 (Industrial) - Shell Building & Mezzanines |
| Group F1 & F2 (Industrial) - Finished (shell and interiors) |
| Group F1&F2 (Industrial) - Interior Alteration |
| Group F1&F2 (industrial) – Additions |

Table 2-1 (Cont'd)
Building Permits Fee Costing Categories

| |
|--|
| Group F3 (Storage) - Parking Garage |
| On-Site Sewage Systems |
| Tents/Air Supported Structures |
| Demolition |
| Signs |
| Active Fire Protection Systems - Fire Alarm, Sprinkler or Standpipe Systems, Mag-Locks |
| Site Services - Residential Projects |
| Site Services - Other Than Residential Projects |
| Farm Buildings |
| Hazardous Processes - Kitchen Exhaust Hood, Spray Booth, Storage of Hazardous Material, Dust |
| Mechanical – HVAC |
| Miscellaneous - Designated Structure/Public Pool/Public Spa |
| Fast Track Permit Process |
| Limiting Distance Agreement |
| Conditional Permit |
| Change of Use - For all Types of Classifications |

2.3 Processing Effort Cost Allocation

To capture each participating City staff member's relative level of effort in processing building permits, process templates were prepared for each of the above referenced permit costing categories. The building permit process templates were initially developed based on processes studied in GTA and municipalities and then refined by City staff to reflect the up-to-date processes practiced within the City.

The individual process maps were populated by Building Standards and Fire Prevention staff to reflect the current processing activities and sample application characteristics. In addition, involvement from Development Engineering or Planning staff in the building permit review process that was identified during the first two phases of the development services review has been included.

Annual processing effort per staff position was compared with available processing capacity to determine overall service levels. Subsequent to this initial capacity analysis, working sessions were held with the City staff to further define the scope and nature of various divisions involvement in building permit review processes to reflect current and anticipated staff utilization levels. These refinements provided for the recognition of efforts related to the administration and enforcement of the code, ancillary to direct processing tasks, i.e. management and permit oversight activities by departmental senior management, and enforcement activities under the authority of the Building Code.

The capacity utilization results are critical to the full cost recovery fee review because the associated resourcing costs follow the activity generated effort of each participating staff member into the identified building permit fee categories. As such, considerable time and effort was spent ensuring the reasonableness of the capacity utilization results. The overall departmental fee recovery levels underlying the calculations are provided in Chapter 3 of this report.

2.4 Direct Costs

City Departments with direct involvement in building permit review include:

- Office of The Deputy City Manager – Planning and Growth Management Portfolio
- Building Standards Department
- Fire and Rescue Service
- Development Engineering Department
- Infrastructure Planning and Corporate Asset Management Department

Based on the results of the resource capacity analysis summarized in Chapter 3, the proportionate share of each individual's direct cost is allocated to the respective building permit fee categories. The direct costs included in the ABC model have been extracted from the City's "2016-2019 Budget DAP Model". These direct costs include service costs included in annual operating budgets, such as salaries, wages and benefits, materials and supplies, etc.

2.5 Indirect Cost Functions and Cost Drivers

An ABC review includes indirect support costs and capital costs that allow direct service departments to perform development review functions. The methodology employed within the costing model follows the indirect and capital cost allocation methodology that is currently employed by the City.

The method of allocation employed in this analysis is referred to as a step costing approach. This approach separates support functions, general corporate overhead functions, and capital costs, from direct service delivery departments. These indirect support functions and capital costs are subsequently allocated to direct service delivery departments based on a set of cost drivers germane to the support services provided. Once nested within direct service delivery department budgets, these costs, are subsequently allocated to development review costing categories according to staff resource utilization levels.

Cost drivers are a unit of service that best represent the consumption patterns of indirect and corporate 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 department. An example of a cost driver commonly used to allocate information technology support costs would be a business unit's share of supported desktops/laptops. Cost drivers are used for allocation purposes acknowledging that these business units do not typically participate directly in the service delivery activities to constituents, but that their efforts facilitate these services being provided.

This review has employed the indirect and capital cost allocations from the City's "2016-2019 Budget DAP Model". The step costing approach and indirect support cost drivers used in the City's model reflects accepted practices within the municipal sector and are comparable with the Ontario Municipal Benchmarking Initiative (OMBI) for reporting requirements.

3. Building Permits Fees Review

3.1 Staff Capacity Utilization Results

The building permit review process considered within this assessment involves to varying degrees, staff from multiple business units across the organization. The building permit review processing effort estimates in this report reflect the City's current business processes, 2013-2016 average permit volumes and characteristics. The effort estimates also reflect staffing allocations currently in place across City business units, however, the staff compliment within the Building Standards department has been augmented to reflect anticipated staff in 2018.

Table 3-1 summarizes the staff resource capacity utilization results for staff divisions within Building Standards, as well as the for all other City departments with direct involvement in building permit review. The department/division level results presented in Table 3-1 represent the staff resource utilization as a percentage of the total available capacity of the staff positions included in the model for each department/division. Furthermore, the capacity utilization results are also presented as full-time equivalent (FTE) staff positions. These figures are used to allocate individual staff position salary wages and benefits to the various planning application fee costing categories, as well as the other departmental direct costs (e.g. materials and supplies) and indirect support and general overhead costs (including capital costs). In addition to identifying the staff utilization in aggregate across all building permit activities Table 3-1 also presents the staff capacity utilization by major permit type.

Table 3-1
Planning Application Resource Utilization by Business Unit

| Department | No. of Staff | Group A (Assembly) | Group B (Institutional) | Group C (Part 3 Buildings) | Group C (Part 9 Buildings) | Group D (Office) | Group E (Mercantile) | Group F (Industrial) | Other Permit Types | Total (%) Utilization) | Total (# of FTEs) |
|--|--------------------|-----------------------|----------------------------|----------------------------------|----------------------------------|---------------------|-------------------------|-------------------------|--------------------------|---------------------------|----------------------|
| Office of the Deputy City Manager - Planning and Growth Management | 2 | 7% | 2% | 6% | 5% | 9% | 4% | 8% | 18% | 58% | 1.2 |
| Building Standards Department | 80 | 5% | 3% | 4% | 51% | 3% | 3% | 5% | 10% | 84% | 67.3 |
| Development Engineering Department & Infrastructure Planning and Corporate Asset Management Department | 47 | 1% | 0% | 0% | 0% | 1% | 1% | 1% | 0% | 4% | 2.0 |
| Fire and Rescue Service | 17 | 4% | 1% | 3% | 0% | 5% | 2% | 4% | 10% | 29% | 5.0 |

The following observations are provided based on the results of the capacity analysis presented in Table 3-1:

- The majority of processing effort (67 out of 75 FTEs) is contributed by the Building Standards department, with smaller amounts of processing effort being contributed by Fire and Rescue Services (5 FTEs), Development Engineering and Infrastructure Planning and Corporate Asset Management Departments (2 FTEs), and Office of the Deputy City Manager – Planning and Growth Management (1.2 FTEs);
- The Building Standards department spends the majority of its time (55%) on residential building permits (Group C);
- The Development Engineering and Infrastructure Planning and Corporate Asset Management departments are involved in non-residential building permit processes only; and
- The Fire and Rescue Services is involved in reviewing high density residential and non-residential permit processes only.

Effort expended by City staff within the Building Standards department was examined for each position to consider effort related to building permit activities, as well as other activities within the organization (e.g. development engineering and planning applications). In aggregate, the Building Standards department spends 16% of their available staff processing capacity on activities outside the building permit fees analyzed in this review. These activities include:

- 7% of processing capacity spent on planning and development engineering applications as determined through the first two phases of the development services review;
- 3% of processing capacity spent on revision permits not included in this review; and
- 6% of processing capacity spent on zoning and compliance activities outside of the Building Code.

3.2 Full Cost Building Permit Fees

Table 3-2 summarizes the City's costs of providing building permit services on a per permit basis. The costs per permit type, presented in 2017\$ values, reflect the organizational direct, indirect and capital costs as described in Chapter 2. Costs are compared with revenues derived from the application of 2017 permit fees to average

permit charging parameters (e.g. average permit size). Historical applications were reviewed from the City's AMANDA database to determine average permit size characteristics for revenue purposes.

The findings in Table 3-2 indicate that building permits for new non-residential and high density residential types are generally recovering costs of processing and providing sustainability for building code services. Conversely, new residential permits (excluding high density residential), additions, alterations, and other miscellaneous permits typically under recover the costs of service. Alteration permits of all types, designated structure permits, and change of use permits provide the lowest levels of cost recovery. Based on average historical permit volumes, building permits are generally recovering 75% of the total annual costs of service. The sustainability of this performance level is examined further in the next section.

Table 3-2
Building Permit Fee Costing Categories
Modelled Impact by Permit Type (2017\$)

| Building Permit Review Costing Categories | Cost per Permit (\$) | Revenue per Permit (Current Fees) | Net Surplus / (Deficit) | % |
|--|----------------------------|---|-------------------------------|------|
| Group A (Assembly) - Shell Building | 9,950 | 18,159 | 8,208 | 182% |
| Group A (Assembly) - Finished (Shell and Interiors) | 16,879 | 26,047 | 9,169 | 154% |
| Group A (Assembly) - Interior Alteration | 5,592 | 1,133 | (4,458) | 20% |
| Group A (Assembly) - Additions & Mezzanines | 7,866 | 8,549 | 683 | 109% |
| Group B (Institutional) - Shell Building | 26,941 | 23,791 | (3,150) | 88% |
| Group B (Institutional) - Finished (Shell and Interiors) | 69,648 | 23,791 | (45,857) | 34% |
| Group B (Institutional) - Interior Alteration | 49,500 | 651 | (48,849) | 1% |
| Group B (Institutional) - Additions & Mezzanines | 42,547 | 7,844 | (34,703) | 18% |
| Group C (Part 3 Buildings) - Finished (Shell and Interiors) | 76,933 | 110,297 | 33,365 | 143% |
| Group C (Part 3 Buildings) - Interior Alteration | 11,166 | 150 | (11,016) | 1% |
| Group C (Part 3 Buildings) - Additions | 22,065 | 36,400 | 14,335 | 165% |
| Group C (Midrise Wood) - Finished (Shell and Interiors) | 34,170 | 55,149 | 20,978 | 161% |
| Group C (Midrise Wood) - Interior Alteration | 6,472 | 150 | (6,322) | 2% |
| Group C (Midrise Wood) - Additions & Mezzanines | 23,246 | 18,200 | (5,046) | 78% |
| Group C (Part 9 Buildings) - Single Dwelling Unit (including secondary unit) | 4,127 | 3,646 | (481) | 88% |
| Group C (Part 9 Buildings) - Multi Unit/Stacked Townhouses | 4,032 | 2,226 | (1,807) | 55% |
| Group C (Part 9 Buildings) - Semis and Towns | 3,504 | 2,226 | (1,278) | 64% |
| Group C (Part 9 Buildings) - Interior Alteration | 1,881 | 783 | (1,098) | 42% |
| Group C (Part 9 Buildings) - Additions & Mezzanines | 2,601 | 679 | (1,922) | 26% |
| Group C (Part 9 Buildings) - Accessory Buildings/Structures (Sheds, decks, garages) | 3,418 | 60 | (3,358) | 2% |
| Group D (Office) - Shell Building | 18,141 | 32,282 | 14,142 | 178% |
| Group D (Office) - Finished (Shell and Interiors) | 27,394 | 40,716 | 13,322 | 149% |
| Group D (Office) - Interior Alteration | 6,678 | 1,152 | (5,526) | 17% |
| Group D (Office) - Additions & Mezzanines | 10,150 | 2,995 | (7,155) | 30% |
| Group E (Mercantile) - Shell Building | 8,392 | 27,878 | 19,487 | 332% |
| Group E (Mercantile) - Finished (Shell and Interiors) | 14,227 | 39,204 | 24,977 | 276% |
| Group E (Mercantile) - Interior Alteration | 4,063 | 1,713 | (2,350) | 42% |
| Group E (Mercantile) - Additions & Mezzanines | 11,071 | 21,732 | 10,661 | 196% |
| Group F1&F2 (Industrial) - Shell Building & Mezzanines | 13,197 | 1,696 | (11,500) | 13% |
| Group F1 & F2 (Industrial) - Finished (Shell and Interiors) | 16,349 | 40,932 | 24,583 | 250% |
| Group F1&F2 (Industrial) - Interior Alteration | 5,598 | 4,569 | (1,029) | 82% |
| Group F1&F2 (industrial) - Additions | 10,746 | 38,196 | 27,449 | 355% |
| Group F3 (Storage) - (Parking) Garage | 9,942 | 3,449 | (6,493) | 35% |
| On-Site Sewage Systems | 5,780 | 750 | (5,030) | 13% |
| Tents/Air Supported Structures | 2,672 | 1,273 | (1,399) | 48% |
| Demolition | 540 | 340 | (200) | 63% |
| Signs | 302 | 196 | (105) | 65% |
| Active Fire Protection Systems - Fire Alarm, Sprinkler or Standpipe Systems, Mag-Locks | 1,870 | 183 | (1,687) | 10% |
| Site Services - Residential Projects | 1,630 | 1,230 | (401) | 75% |
| Site Services - Other Than Residential Projects | 1,151 | 868 | (283) | 75% |
| Farm Buildings | 2,872 | 2,552 | (320) | 89% |
| Hazardous Processes - Kitchen Exhaust Hood, Spray Booth, Storage of Hazardous Material, Dust Collector | 3,120 | 150 | (2,970) | 5% |
| Mechanical - HVAC | 965 | 181 | (784) | 19% |
| Miscellaneous - Designated Structure/Public Pool/Public Spa | 3,058 | 150 | (2,908) | 5% |
| Fast Track Permit Process | 1,349 | 2,458 | 1,109 | 182% |
| Limiting Distance Agreement | 1,698 | 318 | (1,380) | 19% |
| Conditional Permit | 4,748 | 1,061 | (3,687) | 22% |
| Change of Use - For all Typels of Classifications | 4,251 | 212 | (4,039) | 5% |

3.3 Fee Structure Recommendations and Building Code Act Reserve Fund Design

3.3.1 Building Code Act Reserve Fund Design

Building Code Act municipal financial reporting regulations recognize the legitimacy of creating a municipal reserve fund(s) to manage Building Code responsibilities. While the Act does not prescribe a specific methodology for determining an appropriate reserve fund, municipalities have developed building permit reserve funds providing service stabilization. The City of Vaughan currently has a Building Standards Continuity Reserve established for this purpose. The anticipated 2017 year-end balance within the reserve fund is approximately \$16.1 million.

Reserve funds should be developed to reduce the staffing and budgetary challenges associated with a cyclical economic downturn and the requirement for ongoing legislative turnaround time compliance. Without such a reserve fund, reduced permit volumes during a downturn could result in severe budgetary pressures and the loss of certified City building staff, which would be difficult to replace during the subsequent recovery when mandatory permit processing turnaround times apply. A reserve fund stabilization policy provides the City with the ability to retain a sustainable portion of the qualified staff across a future economic downturn, while recognizing the City's need to manage resources either through resource management or until permit volumes improve during an economic recovery.

As part of the *Building Code Act* fees review undertaken for the City in 2004, it was recommended that the City adopt a reserve fund strategy and pricing structure to accumulate 1.5 years' total building permit processing costs in a reserve fund. The study further recommended that this target be achieved in five years, recognizing the general timing of economic cycles.

Through examination of the City's 2012 development charges growth forecast and discussions with City building staff, a forecast of building permit activity has been prepared. The forecast projects new permit activity consistent with the development charge forecast, while maintaining alterations, additions, and other miscellaneous permit activity at historical average levels. Implicit within the building permit activity forecast is a decrease in annual new non-residential permits and an increase in residential permits when compared to 2013-2016 average volumes. Because of the decrease in new non-residential permits activity (which produced revenues sufficient to

recover costs of service and contribute to reserve fund sustainability) there will be greater pressure on reserve fund and required rate increases.

Table 3-3 summarizes the forecast annual building permit activity costs, revenues and reserve fund position for the period 2018-2022. Forecast annual building permit costs of \$13.5 million in 2022 would suggest a target reserve fund balance of \$20.3 million by the end of 2022, or an annual contribution of \$840,000 over five years (i.e. \$20.3 million - \$16.1 million / 5 years).

Based on this forecast and maintaining building permit fees at current rates (with 3% annual indexing), the Building Code services would be unsustainable as there would be a required draw of approximately \$2.7 million annually from the reserve fund until 2022. As shown in Table 3-3, the projected 2022-year end reserve fund balance would be approximately \$3.0 million or 0.2 times total processing costs. Compared with a target reserve fund balance of 1.5 times total processing costs, building permit fee increases, as summarized in Section 3.3.2, are being recommended to move towards reserve fund sustainability.

Table 3-3
Reserve Fund Forecast
2017 Fees (Inflated at 3% annually)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance | 16,120,000 | 13,884,993 | 11,569,179 | 9,170,735 | 6,688,192 |
| Revenue | 10,993,758 | 11,535,136 | 12,100,424 | 12,696,310 | 9,897,212 |
| Expense | 13,393,299 | 13,990,529 | 14,612,596 | 15,265,816 | 13,537,634 |
| Contribution/(Draw) | (2,399,541) | (2,455,393) | (2,512,173) | (2,569,506) | (3,640,422) |
| Interest | 164,534 | 139,579 | 113,728 | 86,963 | 53,682 |
| Closing Balance | 13,884,993 | 11,569,179 | 9,170,735 | 6,688,192 | 3,101,452 |
| Reserve Fund/Expense Ratio | 1.04 | 0.83 | 0.63 | 0.44 | 0.23 |

Incorporating the fee recommendations discussed in the following section improves the City's cost recovery in the near term, as the City could anticipate average draws from the reserve fund of \$1.8 million between 2018 and 2019, followed by average contributions to the reserve fund of approximately \$0.9 million between 2020 and 2022. With the recommended fee structure, the reserve fund balance is forecast to grow to approximately \$15.8 million by 2022, slightly less than 1.2 times total annual costs. This approaches the City's target reserve fund multiple of 1.5x total costs by the end of the forecast period, consequent with subsequent timing of future building permit fee reviews. Table 3-4 summarizes the 2018-2022 reserve fund continuity forecast presented in this section (based on recommended fee structure adjustments).

Table 3-4
Reserve Fund Forecast
Recommended Fees

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance | 16,120,000 | 13,886,213 | 12,749,807 | 13,187,965 | 15,373,093 |
| Revenue | 10,994,971 | 12,708,063 | 14,908,523 | 17,294,328 | 13,807,915 |
| Expense | 13,393,299 | 13,990,529 | 14,612,596 | 15,265,816 | 13,537,634 |
| Contribution/(Draw) | (2,398,328) | (1,282,466) | 295,927 | 2,028,512 | 270,281 |
| Interest | 164,541 | 146,060 | 142,231 | 156,616 | 171,018 |
| Closing Balance | 13,886,213 | 12,749,807 | 13,187,965 | 15,373,093 | 15,814,392 |
| <i>Reserve Fund/Expense Ratio</i> | <i>1.04</i> | <i>0.91</i> | <i>0.90</i> | <i>1.01</i> | <i>1.17</i> |

It should also be noted, that the reserve fund continuity forecast would be further improved if the mix of permits received is altered from D.C. growth forecast assumptions to include an greater share of new non-residential permits to further offset losses in residential and non-residential alteration permits.

3.3.2 Building Permit Fee Recommendations

Building permit fee increases have been recommended to achieve full cost recovery and move towards reserve fund sustainability as discussed in the previous section. In discussions with City staff it has been recommended that the fee increases be phased-in annually over a three-year period to minimize the impact on the development community, and that fees be inflated by 3% annually, consistent with current City practices.

As summarized in Table 3-1, the various building permit fees imposed by the City vary significantly in terms of the modelled recovery of the per permit costs of service. Fee recommendations have been made in the first instance to increase underperforming fees, such as alterations, to either recover full costs, or to move to the upper end of witnessed market levels where full cost fees would be beyond market levels. For example, interior alterations permits have been recommended to increase to the upper end of witnessed market levels (\$5.75/ square metre (m²)) far below the full cost of service. Further fee increases, within witnessed market levels, were then recommended for fees already recovering the full costs of service (e.g. Group A - Assembly to provide service sustainability through modelled reserve fund positioning, while maintaining market competitiveness. The following table summarizes the phased-in fee recommendations for the period 2019–2021, as compared to the 2018 fees currently imposed by the City. The recommended fees for 2019-2021 are presented with 3% annual inflationary increases.

Appendix A contains a comparison of the City's current building permit fees with selected peer municipalities. This comparison was used in determining the market competitiveness of building permit fee recommendations.

Table3-5
Comparison of 2018 and Recommended Building Permit Fees

| Building Permit Review Costing Categories | 2018 Permit Fees | | | Recommended Fees | | |
|--|------------------|--------|-----------|------------------|--------|--------|
| | | | | 2019 | 2020 | 2021 |
| Group A (Assembly) - Shell Building | 12.50 | per m2 | - | 14.72 | 17.06 | 19.53 |
| Group A (Assembly) - Finished (Shell and Interiors) | 18.00 | per m2 | - | 19.19 | 20.43 | 21.72 |
| Group A (Assembly) - Interior Alteration | 5.60 | per m2 | \$150 min | 5.82 | 6.05 | 6.28 |
| Group A (Assembly) - Additions & Mezzanines | 18.00 | per m2 | - | 19.19 | 20.43 | 21.72 |
| Group B (Institutional) - Shell Building | 19.00 | per m2 | - | 20.74 | 22.58 | 24.50 |
| Group B (Institutional) - Finished (Shell and Interiors) | 19.00 | per m2 | - | 23.50 | 28.25 | 33.26 |
| Group B (Institutional) - Interior Alteration | 4.10 | per m2 | \$150 min | 4.79 | 5.52 | 6.28 |
| Group B (Institutional) - Additions & Mezzanines | 18.50 | per m2 | - | 23.15 | 28.07 | 33.26 |
| Group C (Part 3 Buildings) - Finished (Shell and Interiors) | 13.00 | per m2 | - | 14.39 | 15.85 | 17.39 |
| Group C (Part 3 Buildings) - Interior Alteration | 4.10 | per m2 | \$150 min | 4.79 | 5.52 | 6.28 |
| Group C (Part 3 Buildings) - Additions | 13.00 | per m2 | - | 14.39 | 15.85 | 17.39 |
| Group C (Midrise Wood) - Finished (Shell and Interiors) | 18.00 | per m2 | - | 18.54 | 19.10 | 19.67 |
| Group C (Midrise Wood) - Interior Alteration | 4.10 | per m2 | \$150 min | 4.79 | 5.52 | 6.28 |
| Group C (Midrise Wood) - Additions & Mezzanines | 18.00 | per m2 | - | 18.54 | 19.10 | 19.67 |
| Group C (Part 9 Buildings) - Single Dwelling Unit (including secondary unit) | 11.40 | per m2 | - | 13.72 | 16.17 | 18.75 |
| Group C (Part 9 Buildings) - Multi Unit/Stacked Townhouses | 13.00 | per m2 | - | 15.36 | 17.85 | 20.48 |
| Group C (Part 9 Buildings) - Semis and Towns | 13.00 | per m2 | - | 15.36 | 17.85 | 20.48 |
| Group C (Part 9 Buildings) - Interior Alteration | 4.10 | per m2 | \$150 min | 4.79 | 5.52 | 6.28 |
| Group C (Part 9 Buildings) - Additions & Mezzanines | 11.40 | per m2 | - | 13.72 | 16.17 | 18.75 |
| Group C (Part 9 Buildings) - Accessory Buildings/Structures (Sheds, decks, garages) ** | 2.15 | per m2 | - | 181.97 | 210.41 | 240.40 |
| Group D (Office) - Shell Building | 11.40 | per m2 | - | 12.58 | 13.83 | 15.13 |
| Group D (Office) - Finished (Shell and Interiors) | 14.50 | per m2 | - | 16.15 | 17.89 | 19.71 |
| Group D (Office) - Interior Alteration | 4.10 | per m2 | \$150 min | 4.79 | 5.52 | 6.28 |
| Group D (Office) - Additions & Mezzanines | 14.50 | per m2 | - | 16.15 | 17.89 | 19.71 |
| Group E (Mercantile) - Shell Building | 9.90 | per m2 | - | 10.88 | 11.92 | 13.00 |
| Group E (Mercantile) - Finished (Shell and Interiors) | 14.00 | per m2 | - | 14.98 | 16.01 | 17.08 |
| Group E (Mercantile) - Interior Alteration | 4.10 | per m2 | \$150 min | 4.79 | 5.52 | 6.28 |
| Group E (Mercantile) - Additions & Mezzanines | 14.00 | per m2 | - | 14.98 | 16.01 | 17.08 |
| Group F1&F2 (Industrial) - Shell Building & Mezzanines | 7.00 | per m2 | - | 7.43 | 7.89 | 8.36 |
| Group F1 & F2 (Industrial) - Finished (Shell and Interiors) | 9.50 | per m2 | - | 10.32 | 11.17 | 12.07 |
| Group F1&F2 (Industrial) - Interior Alteration | 4.10 | per m2 | \$150 min | 4.79 | 5.52 | 6.28 |
| Group F1&F2 (industrial) - Additions | 9.50 | per m2 | - | 10.32 | 11.17 | 12.07 |
| Group F3 (Storage) - (Parking) Garage | 4.60 | per m2 | - | 5.73 | 6.92 | 8.18 |

Table3-5 (Cont'd)
Comparison of 2018 and Recommended Building Permit Fees

| Building Permit Review Costing Categories | 2018 Permit Fees | | | Recommended Fees | | |
|--|------------------|----------|-----------|------------------|----------|----------|
| | | | | 2019 | 2020 | 2021 |
| On-Site Sewage Systems | 772.50 | flat fee | - | 1,045.00 | 1,335.00 | 1,640.00 |
| Tents/Air Supported Structures | 2.80 | per m2 | \$150 min | 3.93 | 5.12 | 6.38 |
| Demolition - Residential | 155.00 | flat fee | - | 200.00 | 250.00 | 305.00 |
| Non-Residential | 546.00 | flat fee | - | 685.00 | 830.00 | 985.00 |
| Signs | 155.00 | flat fee | - | 210.00 | 265.00 | 330.00 |
| Active Fire Protection Systems - Fire Alarm, Sprinkler or Standpipe Systems, Mag-Locks | 155.00 | flat fee | - | 175.00 | 195.00 | 220.00 |
| Site Services - Residential Projects | 155.00 | | \$150 min | 160.00 | 165.00 | 170.00 |
| Site Services - Other Than Residential Projects | 155.00 | | \$150 min | 160.00 | 165.00 | 170.00 |
| Farm Buildings | 4.80 | per m2 | \$150 min | 5.17 | 5.55 | 5.95 |
| Hazardous Processes - Kitchen Exhaust Hood, Spray Booth, Storage of Hazardous Material, Dust Collector | 155.00 | flat fee | - | 290.00 | 430.00 | 575.00 |
| Mechanical - HVAC - Residential | 155.00 | flat fee | - | 200.00 | 250.00 | 300.00 |
| Non-Residential | 218.00 | flat fee | - | 340.00 | 465.00 | 600.00 |
| Miscellaneous - Designated Structure/Public Pool/Public Spa | 155.00 | minimum | - | 295.00 | 445.00 | 605.00 |
| Fast Track Permit Process | 50% | | - | 50% | 50% | 50% |
| Limiting Distance Agreement | 328.00 | flat fee | | 410.00 | 495.00 | 585.00 |
| Conditional Permit | 1,093.00 | minimum | - | 1,125.00 | 1,160.00 | 1,195.00 |
| Change of Use - For all Typels of Classifications | 218.00 | flat fee | - | 255.00 | 290.00 | 330.00 |

** Recommended fee is changed to a flat fee

4. Impact Analysis of Recommended Fee Structure

In order to understand the impacts of the full recommended building permit fees structure, an impact analysis for sample developments has been prepared.

4.1 Impact Analysis

Five development types have been considered, including:

- A retail building of 1,000 m²;
- A multi-residential building of 200 residential dwelling units;
- A single family home;
- An office building of 20,000 m²; and
- An industrial building of 10,000 m².

Tables Figures 4-1 through 4-5 summarize the building permit fees that would be payable in comparator municipalities for the development scenarios summarized above. In addition to providing the impacts for building permit fees, Tables, 4-1 through 4-5 provide development fee comparisons for selected municipalities. The development fee comparison includes planning application fees, building permit fees and development charges for each of the five development types. The comparison illustrates the impacts of the building permit fee structure options in the context of the total development fees payable to provide a broader context for the fee considerations. The recommended building permit fees shown in 2018\$ values represent the fully phased-in charge as to not understate the impact of the recommended fee increases.

4.1.1 Retail Building (1,000 m²) – (Figure 4-1 & Table 4-1)

The 2018 building permit fees for this development would be \$14,000 placing the City in eighth out of the eleven municipalities surveyed (Figure 4-1). Imposing the recommended fee structure would result in a fee of \$15,630 or an increase of \$1,630. The building permit fee for Group E finished structures would increase from its current fee of \$14.00/m² to \$15.63/m² (2018\$) by 2021, comparable to the City of Brampton (\$16.00/m²) and the Town of Richmond Hill (\$15.10/m²).

The impact of the recommended fee structure on total development fees payable, including planning fees and development charges, would be minimal. Building permit fees currently comprise 2.6% of total development fees and would increase to 2.9%

based on the recommended fee structure. In total, development fees would increase by 0.3%. Compared to other GTA municipalities, the City's position (3rd) in the ranking would remain unchanged.

4.1.2 Multi-Residential Building (200 dwelling units) – (Figure 4-1 & Table 4-2)

On a per unit basis, building permit fees are currently \$1,087 (Finished Group C (Part 3 Buildings)). Based on the fully phased-in recommended fees of \$15.91/m² (2018\$) the per unit building permit fees would increase to \$1,330 per unit (+22%). The proposed fee for 2021 would be greater than the City of Brampton (\$13.80/m²) but less than the City of Mississauga (\$17.25/m²) and Town of Richmond Hill (\$18.50/m²).

Including planning fees and development charges, on a per unit basis, the impact on the total development fee would result in a 0.5% increase over current fees. The increase in building permit fees would not change the City's ranking in the municipal comparison when measuring the total development fees payable (i.e. the City would remain 3rd out of 11 municipalities).

4.1.3 Residential Single Detached Dwelling Unit – (Figure 4-3 & Table 4-3)

A single detached residential dwelling unit in the City of Vaughan would currently pay \$2,118 in building permit fees. Under the fully phased-in recommended fee structure, building permit fees would increase from \$11.40/m² to \$17.16/m² (2018\$) by 2021 or an increase of \$1,070 for a single family home (+51%). When examining building permit fees in isolation, this fee increase would move the City from 10th place in the municipal comparison to the upper end of the comparison, lower than only the Town of Richmond Hill and The City of Toronto. However, the building permit fee share of total development fees (including planning fees and development charges) would only increase from 2.3% to 3.4%. Total development fees for this type of applicant would increase by 1% from \$93,257 to \$94,327. With the proposed increase, the overall development charges would be unchanged at 3rd place relative to the 11 comparator municipalities.

4.1.4 Industrial Building (20,000 m²) – (Figure 4-4 & Table 4-4)

The current building permit fees for a 20,000 m² building would be \$190,000. Imposing the fully phased-in recommended fee structure would result in a fee of \$221,000 (increase of \$31,000 or +16%). The building permit fee for finished industrial structures is proposed to increase by \$1.55/m² over the phase in period from \$9.50/m² to \$11.05/m², comparable to the City of Mississauga and City of Brampton.

Measuring the impact including planning fees and development charges, the total input cost would increase by 0.5%. Under this recommendation the City's position relative to the comparator municipalities would remain unchanged at 3rd out of 11 municipalities.

4.1.5 Office Building (40,000 m²) – (Figure 4-5 and Table 4-5)

Figure 4-5 illustrates the building permit fee comparison for a 40,000 m² office building. For this development type, building permit fees would increase by 24% (\$580,000 under the current fee structure to \$721,600). The underlying fee for finished office structures would increase from 14.50/m² to \$18.04/m² (2018\$). Examining building permit fees only, this would move the City from the lower end of the municipal comparison to the mid range (6th out of 11 municipalities)

Including planning fees and development charges, the proposed increase of \$161,600 would produce an increase in total development fees of 1.2% keeping the City's rank among comparator municipalities unchanged (4th out of 11).

4.2 Impact Analysis Summary

Based on the survey results, the recommended fees produce building permit fees greater than those currently imposed generally moving the City from the lower end of the comparison to the mid range of the municipal comparators. In contrast, when assessing the impacts on the City's market positions relative to the comparator municipalities for total development fees payable, the City's position remains largely unchanged. This is predominantly as a result of weighting for building permit fees on the total municipal costs of development. As such, while the total building permit fee impacts in isolation are significant in some cases, when measured on a total development cost basis, including planning fees and development charges, the overall cost impacts are relatively nominal.

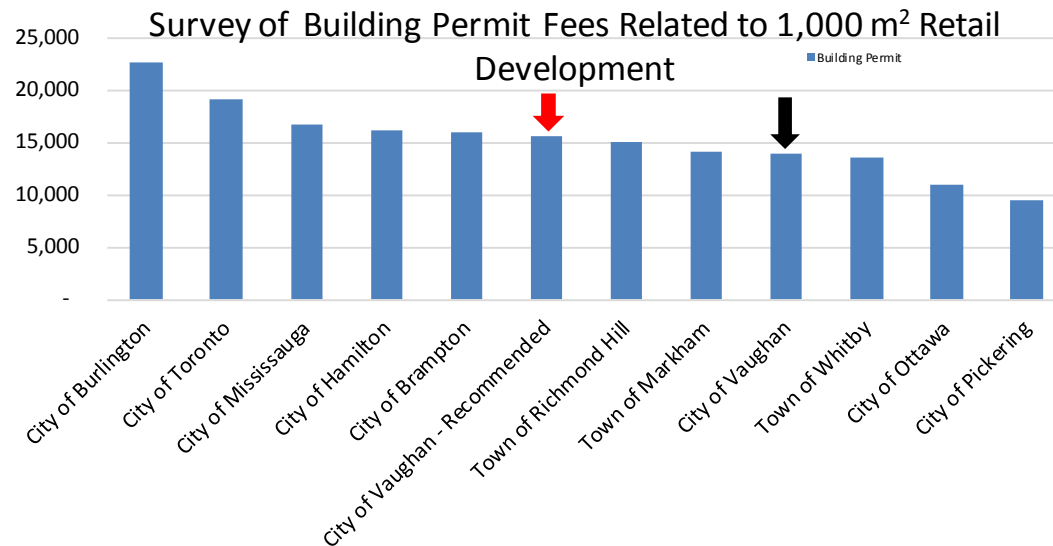
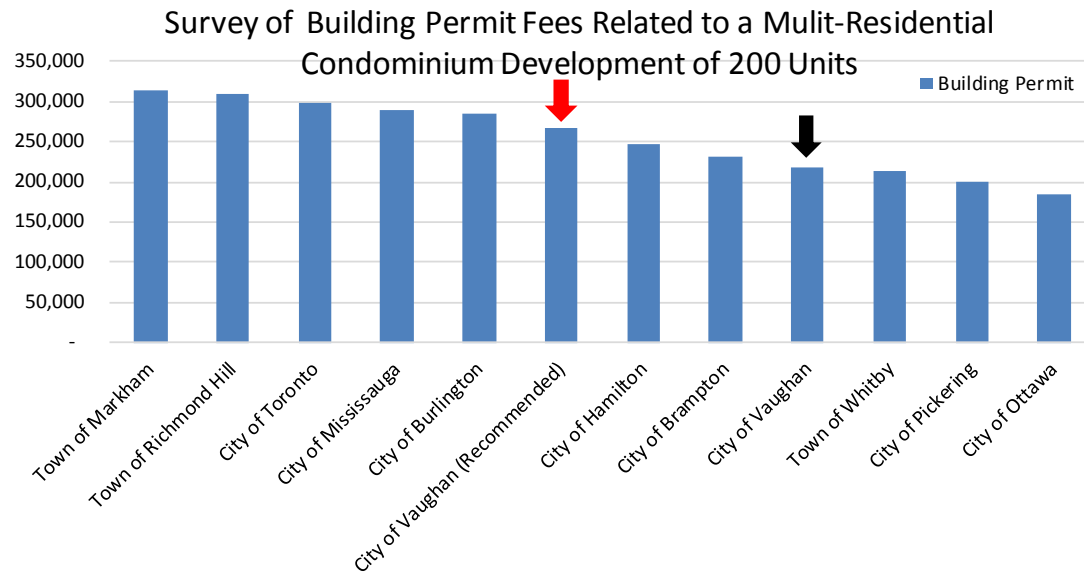
Figure 4-1

Table 4-1
Development Fee Impacts Survey of 1,000 m² Retail Development

| Rank | Municipality | Planning Fees (Site Plan and ZBA) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|---|-------------------------|------------------------|------------|------------------------------|
| 1 | Town of Markham | \$ 64,220 | \$ 14,170 | \$ 882,140 | \$ 960,530 | 1.5% |
| 2 | Town of Richmond Hill | \$ 31,266 | \$ 15,100 | \$ 516,370 | \$ 562,736 | 2.7% |
| 3 | City of Vaughan - Recommended | \$ 38,862 | \$ 15,630 | \$ 489,930 | \$ 544,422 | 2.9% |
| 4 | City of Vaughan | \$ 38,862 | \$ 14,000 | \$ 489,930 | \$ 542,792 | 2.6% |
| 5 | City of Burlington | \$ 29,899 | \$ 22,650 | \$ 417,620 | \$ 470,169 | 4.8% |
| 6 | City of Mississauga | \$ 72,533 | \$ 16,740 | \$ 312,990 | \$ 402,263 | 4.2% |
| 7 | City of Brampton | \$ 14,987 | \$ 16,000 | \$ 313,670 | \$ 344,657 | 4.6% |
| 8 | City of Toronto | \$ 71,680 | \$ 19,200 | \$ 212,510 | \$ 303,390 | 6.3% |
| 9 | City of Ottawa | \$ 36,598 | \$ 10,979 | \$ 234,438 | \$ 282,015 | 3.9% |
| 10 | Town of Whitby | \$ 28,734 | \$ 13,580 | \$ 177,281 | \$ 219,595 | 6.2% |
| 11 | City of Pickering | \$ 17,950 | \$ 9,500 | \$ 187,507 | \$ 214,957 | 4.4% |
| 12 | City of Hamilton | \$ 36,010 | \$ 16,130 | \$ 111,624 | \$ 163,764 | 9.8% |

Figure 4-2**Table 4-2****Development Fee Impacts Survey of a 200 unit Multi Residential Condominium Development**

| Rank | Municipality | Planning Fees (OPA, ZBA, Site Plan, Condo) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|--|-------------------------|------------------------|---------------|------------------------------|
| 1 | City of Mississauga | \$ 246,122 | \$ 288,464 | \$ 10,638,850 | \$ 11,173,436 | 2.6% |
| 2 | City of Brampton | \$ 127,309 | \$ 230,771 | \$ 10,109,330 | \$ 10,467,410 | 2.2% |
| 3 | Town of Markham | \$ 496,085 | \$ 313,548 | \$ 9,066,400 | \$ 9,876,033 | 3.2% |
| 4 | City of Vaughan (Recommended) | \$ 209,240 | \$ 266,056 | \$ 9,031,200 | \$ 9,506,495 | 2.8% |
| 5 | City of Vaughan | \$ 209,240 | \$ 217,393 | \$ 9,031,200 | \$ 9,457,833 | 2.3% |
| 6 | Town of Richmond Hill | \$ 111,165 | \$ 309,367 | \$ 8,422,400 | \$ 8,842,932 | 3.5% |
| 7 | City of Burlington | \$ 169,934 | \$ 285,119 | \$ 5,764,004 | \$ 6,219,057 | 4.6% |
| 8 | Town of Whitby | \$ 108,228 | \$ 213,714 | \$ 5,334,200 | \$ 5,656,142 | 3.8% |
| 9 | City of Toronto | \$ 273,355 | \$ 297,375 | \$ 5,071,400 | \$ 5,642,130 | 5.3% |
| 10 | City of Pickering | \$ 91,200 | \$ 200,671 | \$ 5,052,800 | \$ 5,344,671 | 3.8% |
| 11 | City of Hamilton | \$ 104,785 | \$ 246,156 | \$ 4,824,600 | \$ 5,175,541 | 4.8% |
| 12 | City of Ottawa | \$ 70,758 | \$ 183,600 | \$ 3,785,200 | \$ 4,039,558 | 4.5% |

Figure 4-3

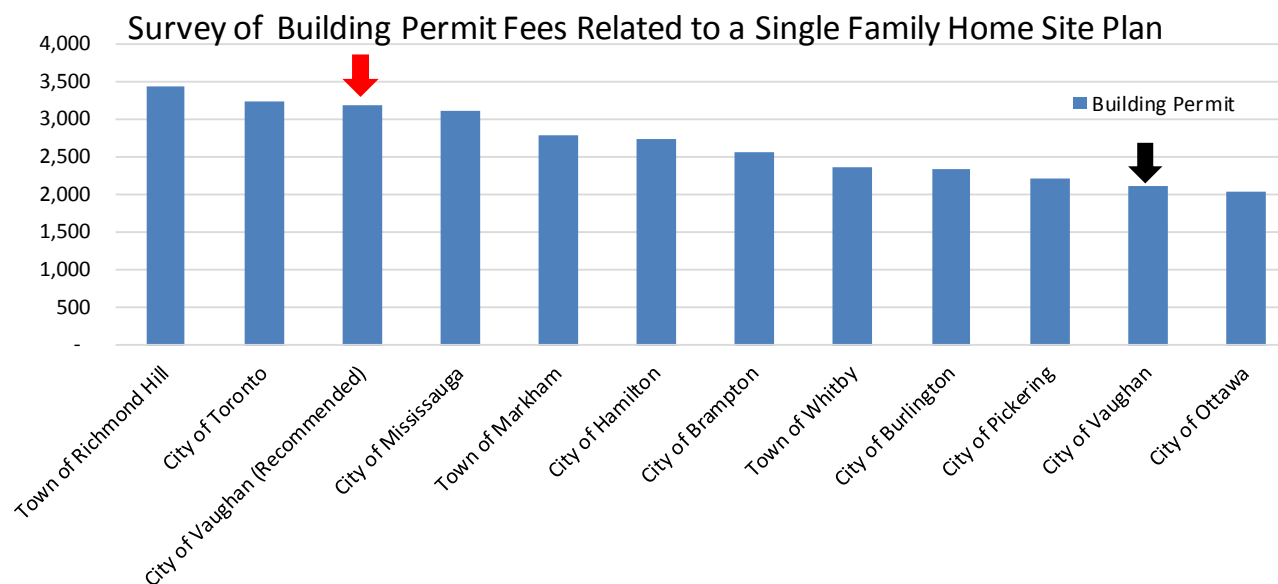


Table 4-3
Development Fee Impacts for a Residential Single Detached Dwelling Unit

| Rank | Municipality | Planning Fees (Site Plan) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|------------------------------|-------------------------|------------------------|-----------|------------------------------|
| 1 | City of Mississauga | \$ 10,455 | \$ 3,112 | \$ 81,546 | \$ 95,114 | 3.3% |
| 2 | Town of Markham | \$ 22,373 | \$ 2,804 | \$ 69,262 | \$ 94,439 | 3.0% |
| 3 | City of Vaughan (Recommended) | \$ 19,860 | \$ 3,188 | \$ 71,279 | \$ 94,327 | 3.4% |
| 4 | City of Vaughan | \$ 19,860 | \$ 2,118 | \$ 71,279 | \$ 93,257 | 2.3% |
| 5 | City of Brampton | \$ 4,063 | \$ 2,564 | \$ 81,830 | \$ 88,457 | 2.9% |
| 6 | Town of Richmond Hill | \$ 11,305 | \$ 3,437 | \$ 64,351 | \$ 79,093 | 4.3% |
| 7 | City of Toronto | \$ 20,887 | \$ 3,241 | \$ 40,301 | \$ 64,429 | 5.0% |
| 8 | City of Burlington | \$ 7,418 | \$ 2,349 | \$ 51,776 | \$ 61,542 | 3.8% |
| 9 | Town of Whitby | \$ 11,926 | \$ 2,375 | \$ 42,187 | \$ 56,487 | 4.2% |
| 10 | City of Ottawa | \$ 20,684 | \$ 2,040 | \$ 33,600 | \$ 56,324 | 3.6% |
| 11 | City of Hamilton | \$ 9,650 | \$ 2,735 | \$ 38,274 | \$ 50,659 | 5.4% |
| 12 | City of Pickering | \$ 3,400 | \$ 2,230 | \$ 42,654 | \$ 48,284 | 4.6% |

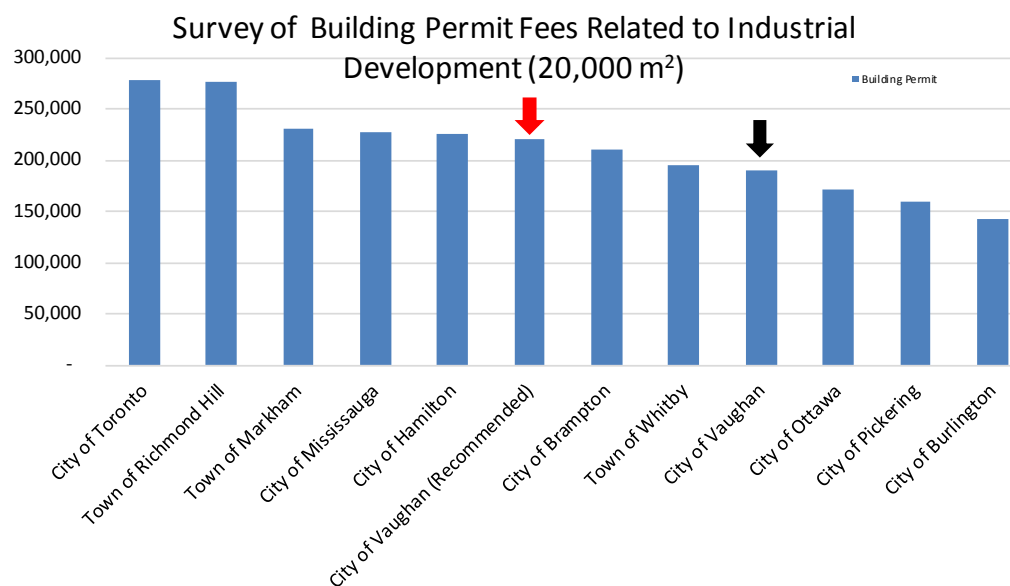
Figure 4-4

Table 4-4
Development Fee Impacts for an Industrial Building (20,000 m²)

| Rank | Municipality | Planning Fees (Site Plan) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|------------------------------|-------------------------|------------------------|--------------|------------------------------|
| 1 | Town of Markham | \$ 167,130 | \$ 231,600 | \$ 9,023,000 | \$ 9,421,730 | 2.5% |
| 2 | Town of Richmond Hill | \$ 17,595 | \$ 276,000 | \$ 5,787,000 | \$ 6,080,595 | 4.5% |
| 3 | City of Vaughan (Recommended) | \$ 47,903 | \$ 221,000 | \$ 5,615,800 | \$ 5,884,703 | 3.8% |
| 4 | City of Vaughan | \$ 47,903 | \$ 190,000 | \$ 5,615,800 | \$ 5,853,703 | 3.2% |
| 5 | City of Mississauga | \$ 60,384 | \$ 226,600 | \$ 4,563,400 | \$ 4,850,384 | 4.7% |
| 6 | City of Burlington | \$ 20,203 | \$ 142,057 | \$ 4,647,000 | \$ 4,809,260 | 3.0% |
| 7 | City of Brampton | \$ 33,951 | \$ 210,000 | \$ 3,883,600 | \$ 4,127,551 | 5.1% |
| 8 | City of Pickering | \$ 5,950 | \$ 160,000 | \$ 3,196,878 | \$ 3,362,828 | 4.8% |
| 9 | Town of Whitby | \$ 101,856 | \$ 195,000 | \$ 2,992,352 | \$ 3,289,208 | 5.9% |
| 10 | City of Ottawa | \$ 20,684 | \$ 172,223 | \$ 2,219,519 | \$ 2,412,425 | 7.1% |
| 11 | City of Hamilton | \$ 34,120 | \$ 226,400 | \$ 2,066,716 | \$ 2,327,236 | 9.7% |
| 12 | City of Toronto | \$ 155,827 | \$ 277,800 | \$ 230,400 | \$ 664,027 | 41.8% |

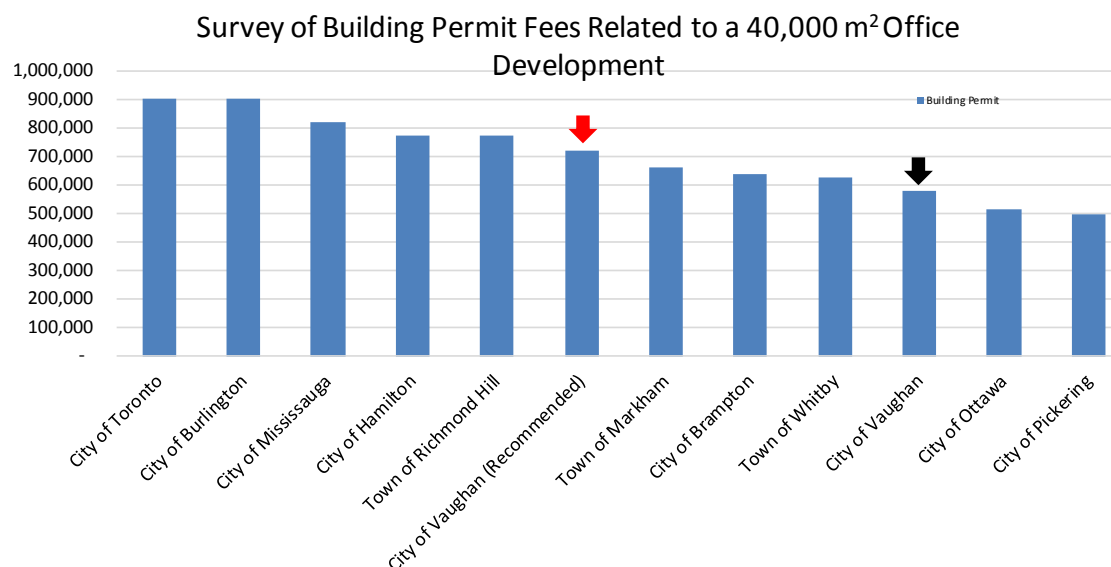
Figure 4-5

Table 4-5
Development Fee Impacts an Office Building (40,000 m²)

| Rank | Municipality | Planning Fees (ZBA and Site Plan) | Building Permit Fees | Development Charges | Total | Building Permit Fees % |
|------|-------------------------------|---|-------------------------|------------------------|---------------|------------------------------|
| 1 | Town of Markham | \$ 351,440 | \$ 664,400 | \$ 18,410,800 | \$ 19,426,640 | 3.4% |
| 2 | City of Mississauga | \$ 241,672 | \$ 820,000 | \$ 12,519,600 | \$ 13,581,272 | 6.0% |
| 3 | Town of Richmond Hill | \$ 31,266 | \$ 772,000 | \$ 11,574,000 | \$ 12,377,266 | 6.2% |
| 4 | City of Vaughan (Recommended) | \$ 104,737 | \$ 721,600 | \$ 10,945,200 | \$ 11,771,537 | 6.1% |
| 5 | City of Vaughan | \$ 104,737 | \$ 580,000 | \$ 10,945,200 | \$ 11,629,937 | 5.0% |
| 6 | City of Brampton | \$ 73,236 | \$ 640,000 | \$ 10,413,600 | \$ 11,126,836 | 5.8% |
| 7 | City of Burlington | \$ 121,869 | \$ 904,000 | \$ 9,294,000 | \$ 10,319,869 | 8.8% |
| 8 | City of Toronto | \$ 613,227 | \$ 904,800 | \$ 8,500,400 | \$ 10,018,427 | 9.0% |
| 9 | City of Ottawa | \$ 36,598 | \$ 516,800 | \$ 9,377,515 | \$ 9,930,913 | 5.2% |
| 10 | City of Pickering | \$ 36,000 | \$ 500,000 | \$ 7,500,286 | \$ 8,036,286 | 6.2% |
| 11 | Town of Whitby | \$ 87,151 | \$ 629,600 | \$ 7,091,234 | \$ 7,807,985 | 8.1% |
| 12 | City of Hamilton | \$ 231,010 | \$ 775,200 | \$ 314,400 | \$ 1,320,610 | 58.7% |

5. Development Fees Review Study Conclusions

5.1 Conclusions

Summarized in this technical report is the third phase of the City's development services fees review, the Building Permit Fees Review. The report contains the legislative context, the methodology undertaken, activity based costing model results, the associated full cost recovery, fee structure recommendations to achieve building permit reserve fund sustainability, and market impacts. In developing the recommended cost recovery fee structure, consideration was given to anticipated development in the City over the next five-year period based on the City's D.C. Background Study, including the mix of building permit application activity, affordability concerns, and service demands in addressing current under recovery of service costs and provisions for sustainable reserves.

The intent of the building permit fee review is to provide the City with a recommended fee structure, for Council's consideration, to appropriately recover the service costs from benefiting parties. The municipality will ultimately determine the level of cost recovery and phasing strategy that is suitable for their objectives in this context.

Appendix A – Building Permit Fee Municipal Survey

| Building Classification | Vaughan (2017) | Markham | Aurora | New Market | Richmond Hill | Mississauga | Brampton | Toronto | Hamilton | Burlington |
|--|---|--|---|---|---|--|---|---|---|--|
| (A) Construction | | | | | | | | | | |
| Group A: Assembly Occupancies | | | | | | | | | | |
| Schools, libraries, churches, theatres, arenas, pools, restaurants, recreation centres, transit stations, bus terminals, etc | Shell - \$12.20 | Transit stations - \$16.61 | \$16.25 | \$14.92 | Transit stations - \$17.00 | \$22.50 | \$16.55 | \$28.61 | \$21.87 | \$23.06 |
| | Custom - \$17.50 | All others - \$19.96 | | | All others - \$17.60 | | | | | |
| Restaurant (shell) | \$12.20 | | \$14.25 | | | \$20.00 | | \$23.94 | \$18.98 | |
| Group B: Institutional Occupancies | | | | | | | | | | |
| Hospital, nursing homes, care homes, etc. | \$18.50 | \$21.61 | \$15.75 | \$16.64 | Shell only - \$19.80 | \$25.00 | \$20.98 | \$30.44 | \$26.13 | \$26.19 |
| | | | | | Finished - \$23.00 | | | | | |
| Group C: Residential Occupancies | | | | | | | | | | |
| Single and Semi Detached | \$11.10 | \$15.09 | \$15.50 | \$14.65 | \$14.10 | \$16.75 | Custom - \$13.80 Certified Model - \$13.80 Min. fee - \$1,656 | \$52.08 plus \$17.16/sq.m. | \$14.72 | < 300 sq. m. - \$12.64 > 300 sq. m. - \$16.29 |
| Multiple Unit Building, Including Townhouses | \$12.50 | \$18.74 | \$13.50 | \$14.65 | \$18.50 | \$17.25 | \$13.80 | | \$14.72 | Less than or equal to 4 storeys - \$12.03 |
| Apartments (greater than 4 storeys) | \$12.50 | 4-6 Storeys - \$18.75 Greater than 6 Storeys - \$13.92 | \$13.50 | \$18.32 | | \$17.25 | | \$52.08 plus \$17.16/sq.m. | \$14.72 | More than 4 storeys - \$17.05 |
| Hotels, motels | | \$19.96 | \$13.50 | \$18.32 | \$22.00 | \$18.00 | \$16.55 | \$52.08 plus \$27.16/sq.m. | \$19.46 | |
| Accessory Building | \$3.10 | \$112 - \$510 | \$275.00 | \$400.00 | \$240 - \$360 | \$5.40 | 220.84 flat fee | \$198.95 | \$5.28 | \$233 flat fee |
| Residential Addition | \$11.10 | | \$13.50 | \$14.65 | \$14.10 | \$11.74 | \$9.94 | \$52.08 plus \$17.16/sq.m. | \$14.72 | \$12.64 |
| Group D: Business and Personal Services Occupancies | | | | | | | | | | |
| Office buildings (shell) | \$11.10 | \$12.87 | \$10.50 | \$10.70 | \$12.70 | \$16.50 | \$12.15 | \$17.99 | Up to 10 storeys - \$14.69 More than 10 storeys - \$17.77 | Up to 10 storeys - \$17.00 More than 10 storeys - \$18.63 |
| Office buildings (finished) | \$14.00 | \$16.61 | \$13.50 | \$13.38 | \$19.30 | \$20.50 | \$16.00 | \$22.62 | Up to 10 storeys - \$19.38 More than 10 storeys - \$22.75 | Up to 10 storeys - \$22.60 More than 10 storeys - \$24.23 |
| Funeral homes, banks, medical clinic, fire halls, etc. | | | | | | \$20.50 | | | | \$22.86 |
| Group E: Mercantile Occupancies | | | | | | | | | | |
| Retail stores (shell/ strip plazas) | \$9.60 | \$10.82 | \$10.25 | \$9.21 | \$11.90 | \$12.57 | \$12.15 | \$14.57 | \$12.06 | \$15.88 |
| Retail stores (finished) supermarkets, department stores, car dealerships, etc. | \$13.50 | \$14.17 | \$12.75 | \$10.06 | \$15.10 | \$16.74 | \$16.00 | \$19.20 | \$16.13 | \$22.65 |
| Group F: Industrial Occupancies | | | | | | | | | | |
| Speculative Shell | \$6.80 | \$8.37 | \$7.15 | \$8.05 | | | | | | |
| Custom Built | \$9.20 | \$11.58 | \$9.50 | \$10.06 | | | | | | |
| Warehouses, factories (shell)(≤10,000m2) | | | | | shell - \$8.20 | \$10.75 | | Industrial Buildings, Warehouses, Self-Storage Buildings (< 7 500 sq.m.) - \$11.43 | \$7.32 | 1st 4,650 sq. m. - \$9.39 Over 4,650 sq. m. - \$6.41 |
| Warehouses, factories: (Single tenancy) (finished) (≤10,000m2) | | | | | finished - \$13.80 | \$12.00 | | Industrial Buildings (finished, < 7 500 sq.m.) - \$15.73 | \$11.32 | |
| Warehouses, factories (shell) (>10,000m2) | | | | | | \$8.50 | Finished: Major occupancy warehouse / distribution - \$10.50 | Industrial Buildings, Warehouses, Self-Storage Buildings (shell > 7 500 sq.m.) - 9.26 | \$7.32 | |
| Warehouses, factories: (Single tenancy) (finished) (>10,000m2) | | | | | | \$11.33 | Major Occupancy Manufacturing/Processing/Repair or High Hazard - \$11.04 | Industrial Buildings (finished, > 7 500 sq.m.) - 13.89 | \$11.32 | |
| Parking Garages | \$4.60 | \$5.29 | | \$4.83 | \$5.00 | | | \$4.97 | \$7.49 | \$6.67 |
| | | | | | | | | | | \$5.58 |
| (B) Alterations | | | | | | | | | | |
| Interior alterations and partitioning to new construction and change of occupancy classification | \$5.00 min \$100 | | | | | | | | | |
| Group A: Assembly occupancies (restaurants, churches, etc.) | \$5.40 | Restaurants - \$8.33 All others - \$5.76 | \$3.75 | \$4.40 | Restaurants - \$7.10 All others - \$4.60 | \$5.75 | \$4.41 | \$5.32 | \$3.26 | \$5.60 |
| Group B: Institutional occupancies | \$4.00 | \$5.76 | \$3.75 | \$4.40 | \$4.60 | \$5.75 | \$4.41 | \$5.32 | \$3.26 | \$5.60 |
| Group C: Residential occupancies (Part 9) | \$4.00 | Accessory Apartment - \$10.91 All others - \$5.76 | \$3.75 | \$4.40 | \$5.20 | \$5.75 | \$4.41 | \$4.93 | \$3.26 | \$2.58 |
| Group D: Business and personal services occupancies | \$4.00 | \$5.76 | \$3.75 | \$4.40 | \$4.60 | \$5.75 | \$3.87 | \$5.32 | \$3.26 | \$5.60 |
| Group E: Mercantile occupancies | \$4.00 | Restaurants - \$8.33 All others - \$5.76 | \$3.75 | \$4.40 | \$3.50 | \$5.75 | \$3.87 | \$4.93 | \$3.26 | \$5.60 |
| Group F: Industrial occupancies (≤10,000m2) | \$4.00 | \$5.25 | \$3.75 | \$4.40 | \$3.50 | \$5.75 | | \$4.93 | \$3.26 | \$5.60 |
| Industrial occupancies (>10,000m2) | \$4.00 | \$5.25 | \$3.75 | \$4.40 | | \$2.99 | Warehouse / distribution - \$3.26 Manufacturing/Processing/Repair or High Hazard - \$3.80 | | | \$2.90 |
| Other Fees | | | | | | | | | | |
| Conditional Permit | \$1,061 per agreement | 10% of full permit fee min: \$2,000 max: \$5,000 | \$1,025 plus regular permit fee | 20% of full permit fee | \$5,380 | \$875.00 minimum fee | 10% of full permit fee min: \$326.05 max: \$3,260.49 | additional 10% of full fees Min. \$285.97/permit Max \$2,796.98/permit | Res under Part 9 of Div. B Building Code - \$363 | 20% of full permit fee |
| On Site Sewage System | \$478 | New system - \$1,530 Replacement of Leaching Bed - \$820 Replacement of septic bed - \$510 | New system (<200sq.m.) - \$550 New system (>200sq.m.) - \$3.75 per sq.m. | \$675 minimum or \$5.38 per sq.m. (max of \$3,500) | \$560 | | \$552.11 | \$714.92 | \$812 | \$753.00 |
| Tents/Air Supported Structures | \$2.70 per sq.m. | \$5.98 | \$160 | \$277.50 | 5.20 per sq.m. | | \$331.00 | \$8.17 per sq.m. | \$1.75/sq.m. (\$373 max) | \$233-\$384 |
| Active Fire Protection Systems - Fire Alarm, Sprinkler or Standpipe Systems, Mag-Locks | \$150 | Mag Locks - \$510 plus \$105 per device Sprinkler System and Stand Pipe - \$1.00 per sq.m. | Mag Locks - \$31.50 per device | Mag Locks - \$92.50 per device Sprinkler System, Alarm and Stand Pipe - \$277.50 | \$35 - \$350 | | \$44.17 | \$42.90 - \$714 | \$199 - \$695 | \$233.00 |
| Designated Structure | \$150 minimum | \$310 - \$460 | \$315 | \$555 | \$310 | | \$331.27 | \$393 | \$420 flat fee | \$458 flat fee |
| Farm Building | \$4.70 | \$4.58 | \$4.25 | \$277.50 | \$3.90 | | \$220.84 | \$9.99 | \$2.69 | \$3.60 |
| Limiting Distance Agreement | \$318 | | | | \$490 | | \$331.27 | | \$530 | \$458.00 |
| Change of Use | \$212 | \$5.25 - \$10.90 | \$3.75 | \$185.00 | \$3.50 - \$7.10 per sq.m. | \$299.00 minimum | \$397 minimum | \$85.79 per hour (\$285.79 minimum) | \$234 | \$458 flat fee |
| Signs | Average cost of \$150 plus \$30.00/sq.m. | \$310 | \$100 - \$600 | \$109 - \$436 | \$109 - \$225 | \$31.00/sq.m. | | Variable \$20.51 per sq.m. to \$40.95 per sq.m. | \$209 - \$737 | \$178-\$560 |
| Mechanical | \$150 flat fee | \$1.00 | Residential - \$275 All other - \$550 | \$277.50 | \$0.87 | \$1.18 | \$0.83 | \$250.22 | | \$0.88 |
| Hazardous Processes | \$150.00 | \$510.00 | \$525.00 | \$277.50 | \$350.00 | \$360.00 | \$331.27 | 428.95 | \$349 | \$528.00 |
| Demolition | \$150.00 (Residential) \$530.00 (Non Residential) | Residential: SFD - \$360 (flat fee) All other - \$0.15 per sq.m. (\$900 minimum) | < 55sq.m. - \$275 >55 sq.m. - \$325 All others - \$525 | < 600 sq.m. - \$277.50 >600 sq.m. - \$370 | Residential: SFD - \$220 (flat fee) All other residential - \$350 (flat fee) | \$19.00/100 sq. m. Min. \$252. Accessory residential Structure - \$150 each | Detached Residential - \$1656.32 each Accessory - \$220.84 flat fee Non-residential or multi-unit residential - \$552.11 flat fee | \$0.16/sq.m. Environmental Review - \$953.21 (flat fee) Implosion - \$2,144.75 | \$0.44/m2 Accessory structures to a residential use - \$150 minimum Non-res and multi-res - \$373 minimum | Up to 600 sq. m. - \$233 flat fee Over 600 sq.m. - \$753 flat fee |

THE CITY OF VAUGHAN

BY-LAW

BY-LAW NUMBER XXX-2018

A By-Law to regulate permits and inspections for construction, demolition and change of use under the *Building Code Act, 1992 S.O. 1992, Chapter 23*, and to set out fees that will be charged for permits.

WHEREAS Section 7 of the *Building Code Act, 1992 S.O. 1992, Chapter 23*, empowers Council to pass certain by-laws respecting construction, demolition, change of use, transfer of permits, inspections and the setting and refunding of fees;

AND WHEREAS Section 446 of the *Municipal Act, 2001, S.O. 2001, Chapter 25* as amended, provides that if a municipality has the authority under the *Municipal Act* or any other Act or under a by-law under the *Municipal Act* or any other Act to direct or require a person to do a matter or thing, the municipality may also provide that, in default of it being done by the person directed or required to do it, the matter or thing shall be done at the person's expense;

THEREFORE the Municipal Council of The Corporation of the City of Vaughan ENACTS AS FOLLOWS:

Short Title

This By-Law may be referred to as the "Building By-Law"

SECTION 1 DEFINITIONS

1.1 Definitions

Each of the listed words or terms has the following meaning when used in this by-law:

| | |
|-------------------------|---|
| Act | The Ontario Building Code Act, 1992 S.O. 1992 Chapter 23, as amended. |
| Applicable Law | The list of applicable law found in Division A, Part 1, Article 1.4.1.3. of the Building Code. |
| Applicant | The owner of a building or property who applies for a permit, or any person authorized by the owner to apply for a permit on their behalf, or any person or corporation empowered by statute to cause the construction or demolition of a building and anyone acting under the authority of such person or corporation. |
| Building Code | Regulations made under section 34 of the Ontario Building Code Act, 1992 S.O. 1992 Chapter 23, as amended. |
| Chief Building Official | The person appointed by Vaughan Council to enforce the Act in the City of Vaughan |

| | |
|-----------|--|
| City | The Corporation of the City of Vaughan |
| Inspector | The persons appointed by Vaughan Council to enforce the Act in the City of Vaughan |
| Owner | The registered owner of the land and includes a lessee, mortgagee in possession and the person in charge of the property. |
| Permit | Permission or authorization given in writing by the Chief Building Official to perform work, to change the use of a building or part of it or to occupy a building or part of it, as regulated by the Act and Building Code. |
| Work | Construction or demolition of a building or part thereof. |

1.2 Words not defined

Any word or term not defined in this By-Law that is defined in the Act or Building Code shall have the meaning as ascribed to it in the Act or Building Code.

SECTION 2 CLASSES OF PERMITS

2.1 Classes of Permits – Schedule A

The classes of permits and corresponding permit fees for construction, demolition and change of use of buildings are set out in Schedule A of this By-Law.

SECTION 3 PERMIT APPLICATIONS

3.1 Permit Application – Provincial Form

Every application for permit to construct or demolish a building under Section 8 of the Act, shall be made by the owner of the property or the authorized agent of the owner of the property and shall be on a form prescribed by the Minister, available from the Chief Building Official or Ministry of Municipal Affairs and Housing, Ontario Building Code website.

3.2 Permit Application – City Form

Every application for permit, other than a permit under Section 8 of the Act, shall be made by the owner of the property or the authorized agent of the owner of the property and shall be on a City application form available from the Chief Building Official.

The authority to prescribe the City application form is delegated to the Chief Building Official.

3.3 Required Information

Every permit application shall be submitted to the Chief Building Official using the prescribed form and shall include the following information:

- (1) Where an application is made for a construction permit under Subsection 8(1) of the Act, the application shall:
 - (a) be submitted using the provincial application form described in Section 3.1 of this By-Law;
 - (b) be accompanied by the required fee;

- (c) include complete plans and specifications and other information as set out in Division C 1.3.1.3. of the Building Code and as set out in this By-Law;
 - (d) include completed forms in accordance with Schedule B of this By-Law; and
 - (e) for new construction, be accompanied by two copies of a lot grading plan that has been filed and accepted by the City of Vaughan Engineering Department.
- (2) Where an application is made for a demolition permit under Subsection 8(1) of the Act, the application shall:
- (a) be submitted using the provincial application form described in Section 3.1 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications and other information as set out in Division C 1.3.1.1.(3) of the Building Code and as set out in this By-Law;
 - (d) include completed forms in accordance with Schedule B of this By-Law; and
 - (e) include evidence satisfactory to the Chief Building Official that the building that is the subject of the application is not governed by Sections 27, 30, 33, 34, 34.5, 34.7 or 42 of the *Ontario Heritage Act, RSO 1990, Chapter O.18*.
- (3) Where an application is made for a conditional permit under Subsection 8(3) of the Act, the application shall:
- (a) be submitted using the provincial application form described in Section 3.1 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications and other information as required by the Building Code and as set out in this By-Law;
 - (d) include completed forms in accordance with Schedule B of this By-Law;
 - (e) be accompanied by:
 - (i) In the case of residential model homes:
 - (a) a copy of the model home agreement; or
 - (b) where model homes are authorized by a subdivision agreement, the required certifications as set out in the subdivision agreement securing the issuance of the model home building permits;
 - (ii) In the case of new construction and additions to existing buildings for industrial, commercial, institutional and residential high-rise properties:
 - (a) a copy of the draft site plan agreement or undertaking, and a copy of the executed conditional permit agreement signed by the owner and the Chief Building Official;
 - (e) state the reasons why the applicant believes that unreasonable delays in construction would occur if a conditional permit is not granted;
 - (f) state any outstanding approvals which must be obtained in respect of a building permit under Subsection 8(1) of the Act for the proposed building, and the time in which such approvals will be obtained;
 - (g) state the time in which plans and specifications of the building will be filed for a building permit under Subsection 8(1) of the Act; and
 - (h) be subject to the owner entering into an agreement with the City, as provided in Subsection 8(3) of the Act.

- (4) Where an application is made for a change of use permit under Subsection 10(1) of the Act, the application shall:
- (a) be submitted using the application form described in Section 3.2 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications showing the current and proposed occupancy of all parts of the building and containing sufficient information for the determination of compliance with the Building Code, including floor plans, details of wall, ceiling and roof assemblies, identifying fire resistance ratings and load bearing capacities and details of the existing sewage system; and
 - (d) include completed forms in accordance with Schedule B of this By-Law.
- (5) The Chief Building Official may approve the issuance of a partial permit for a portion of a building or project prior to the issuance of a permit for the entire building or project, subject to the following requirements:
- (a) an application has been made and fees paid for the entire project;
 - (b) an application is submitted using the application form described in Section 3.1 of this By-Law for the portion of the building or project that is the subject of the partial permit;
 - (c) the application is accompanied by the required fee for a partial permit; and
 - (d) include complete plans and specifications and Division C 1.3.1.3. of the Building Code and as set out in this By-Law, for the portion of the building which is the subject of the partial permit application.
- (6) Where an application is made for a sewage system permit under Subsection 8(1) of the Act, the application shall:
- (a) be submitted using the application form described in Section 3.1 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications and other information as set out in Division C 1.3.1.3. of the Building Code and as set out in this By-Law;
 - (d) include a site evaluation which includes the following:
 - (i) the date the evaluation was performed;
 - (ii) the name, address, telephone number, email address and signature of the person who conducted the evaluation;
 - (iii) a fully scaled and dimensioned site plan that depicts the following:
 - (a) the legal description, lot size, property boundaries, rights of way, easements, municipal utility corridors, water service location, water wells;
 - (b) the location of items listed in column 1 of Tables A, B and C of Division C 8.2.1.6 of the Building Code;
 - (c) the location of the proposed sewage system;
 - (d) the location of any unsuitable soil, disturbed or compacted areas, or slopes greater than 4:1;
 - (e) proposed access routes for system maintenance;
 - (f) depth to bedrock;
 - (g) depth to zones of soil saturation; and
 - (h) soil properties including soil permeability and grade conditions including the potential for flooding.

- (7) Subject to Section 7 of this By-Law, where an application is made for a transfer of permit because of a change in ownership of the land, the application shall:
- (a) be submitted using the application form described in Section 3.2 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) provide the date that the ownership of the land changed;
 - (d) identify the permit being transferred;
 - (e) be accompanied by a written authorization for the transfer of the permit, signed by the previous owner which acknowledges that, upon completion of the transfer of ownership, the new owner is the permit holder; and,
 - (f) where applicable, be accompanied by proof of engagement of design professionals to conduct field review.
- (8) Where an application is made for an occupancy permit as set out in Division C 1.3.3.1 of the Building Code, the application shall:
- (a) be submitted using the application form described in Section 3.2 of this By-Law;
 - (b) be accompanied by the required fee; and
 - (c) describe the building, or part thereof, for which an occupancy permit is requested.
- (9) Where the application for an occupancy permit referenced in Section 8 above relates to the partial occupancy of a building prior to its completion, a separate application is required for each stage of occupancy.

3.4 Incomplete Applications

Where an application does not contain sufficient information to enable the Chief Building Official to determine whether the proposal will contravene the Act, the Building Code or any other applicable law, the application is deemed to be incomplete and may not be accepted. Incomplete applications, where accepted, are not subject to the time-frames set out in the Building Code.

3.5 Permit – Limitations

A permit, including a conditional permit, that is issued for part of a building or project should not be construed as authorizing construction beyond the permit for which approval was given, nor that approval will necessarily be granted for the entire building or project.

3.6 Abandoned Permit Application

Where an application for a permit remains inactive or incomplete for six months after it is made, the application may be deemed by the Chief Building Official to have been abandoned without any further notice to the applicant.

SECTION 4 PLANS AND SPECIFICATIONS

4.1 Sufficient Information

Every applicant for permit shall furnish sufficient plans, specifications and documents as set out in the Building Code and this By-Law to enable the Chief Building Official to determine if the proposed construction, demolition or change of use will contravene the Act, Building Code and any other applicable law.

4.2 Plans Drawn to Scale and Legible

Plans shall be drawn to scale and legible, on paper or other durable material conforming to guidelines prescribed by the Chief Building Official.

4.3 Number of Copies

Each application for a permit shall include two complete sets of plans, specifications and documents, and other information as required by the Chief Building Official.

4.4 Site Plan Referenced to Survey

Site plans shall reference a current plan of survey, certified by an Ontario Land Surveyor, and, when required to determine compliance with the Act, Building Code or any other applicable law, a copy of the survey shall be submitted to the Chief Building Official. Site plans shall include:

- (1) Lot Size and dimensions of the property and setbacks to any existing or proposed buildings,
- (2) Existing and finished ground elevations or grades of the property, and
- (3) Existing rights of way, easements and municipal services.

4.5 As-Constructed Plans

On completion of construction of a building, the Chief Building Official may require a set of as-constructed plans, including a plan of survey showing the location of the building.

4.6 Plans - Property of the City

Plans, specifications and documents furnished in accordance with the Act, Building Code or this By-Law become the property of the City and will be disposed of or retained in accordance with relevant legislation.

4.7 Additional Requirements

In addition to the requirements listed elsewhere in this By-law, every application for permit prescribed under the Building Code shall also:

- (1) Include a detailed description of the work proposed, as well as the current and proposed use and occupancy of the building,
- (2) Describe any encroachments onto other properties, including municipal, regional and provincial lands, including encroachments for temporary work (including hoarding, excavation, shoring and site servicing),
- (3) Describe all access points to the development site, including temporary access, and include existing, expanded and new access points (driveways and walkways),
- (4) Include a breakdown of the area of the building corresponding to the occupancy classification or type of construction in Schedule A of this By-Law,
- (5) Where serviced by a municipal potable water supply, and where the proposed water supply is not already fully metered, be accompanied by a completed "Application for Water Meter" (available from the City of Vaughan Environmental Services Department),
- (6) Where applicable, be accompanied by an "Energy Efficiency Design Summary" form (available from the City of Vaughan Building Standards Department),

- (7) Where applicable, be accompanied by a "Commitment to General Review by Architects and Engineers" form (available from the City of Vaughan Building Standards Department or the PEO and OAA) for all buildings requiring professional review,
- (8) Where applicable, be accompanied by an "Ontario Building Code Data Matrix" form (available from the City of Vaughan Building Standards Department) for all buildings within the scope of Division B Part 3 of the Building Code,
- (9) Where applicable, the application for a permit for temporary buildings shall indicate the total time the building will remain in place. Temporary permits expire after one year and may be renewed upon re-application and issuance of an updated permit, and,
- (10) Where applicable, be accompanied by any other fee or security for which an agreement is made between the City and the property owner.

SECTION 5 – FEES, CHARGES AND REFUNDS

5.1 Fees Payable under Schedule A

- (1) The Chief Building Official shall determine the required fee for work being proposed, calculated in accordance with Schedule A of this By-Law and the applicant shall pay such fees upon application. Where the review of the permit application determines that additional fees are required, such additional fees shall be paid prior to permit issuance.

5.2 Cash in Lieu of Parkland

- (1) Cash in Lieu of Parkland charges set out in any development agreements shall be paid prior to permit issuance.

5.3 Securities

- (1) All securities required by the City are payable at the time of application in accordance with By-Law 94-2008 as may be amended or replaced.

5.4 Refunds

- (1) In the case of withdrawal or refusal of an application for permit, or where a permit application has been deemed to have been abandoned as set out in Subsection 3.6 of this By-Law, upon written request, the Chief Building Official will determine the amount of fees, if any, which are refundable.
- (2) Where a permit is revoked, no fees will be refunded, except where it was issued in error or where the applicant requests revocation no more than six months after the date the permit was issued.
- (3) Subject to clause (1) and (2) above, the amount of fees refundable shall be calculated as a percentage of the total permit fee as follows:
 - (a) 80% if the application is cancelled prior to review.
 - (b) 50% if the application is cancelled after commencement of the review and prior to permit issuance.
 - (c) 40% if the permit has been issued and no more than one inspection has been conducted.
 - (d) An additional 5% shall be deducted for each additional inspection/site visit that has been conducted.
 - (e) No refund shall be made where the amount is equal to or less than the minimum fee, as indexed.

5.5 Special Inspection Fee

Subject to availability of resources, inspections outside normal working hours may be requested. If approved, the hourly rate set out in Schedule A applies, with a minimum charge of 3 hours.

5.6 Fast Track Service Fee

Where the applicant for permit requests a Fast Track Service, additional fees as set out in Schedule A shall apply.

5.7 Administrative Fee for Work Without Permit

Any person or corporation that commences construction, demolition or change of use of a building before obtaining a permit shall, in addition to any other penalty under the Act, Building Code or this By-Law, pay an additional fee in accordance with Schedule A of this By-Law, so that the City can recover the additional administrative and enforcement costs.

5.8 Sewage System Maintenance Program Inspections

Existing on-site sewage systems, described in the City of Vaughan On-Site Sewage System Maintenance Inspection Program, must be inspected in the timeframes set out in Division C 1.10.2.4. of the Building Code. In accordance with Section 7 of the Act and as required by Division C 1.10.2.2. of the Building Code, the Chief Building Official is delegated the authority to develop and administer the City of Vaughan On-Site Sewage System Maintenance Program.

SECTION 6 – ALTERNATIVE SOLUTIONS

6.1 Alternative Solutions

Where the applicant seeks approval for an alternative solution that is proposed to be substituted for an acceptable solution as set out in Division “B” of the Building Code, the applicant shall submit:

- (1) a description of the proposed alternative solution;
- (2) contact information for the designer(s) of the alternative solution;
- (3) the qualifications of the designer responsible for the proposed alternative solution;
- (4) identification of the prescribed acceptable solutions under Division B of the Building Code for all of the alternative solutions being proposed;
- (5) identification of all assumptions, limiting or restricting factors, special maintenance and operational requirements of the alternative solution being proposed, as required by Division C 2.1.1.1 of the Building Code;
- (6) identification of applicable objectives and functional statements in Division A of the Building Code;
- (7) an evaluation of the acceptable solution in Division B of the Building Code as compared with the proposed alternative solution;
- (8) supporting documentation to establish that the proposed material, system or building design will provide the same level of performance as the acceptable solution in Division B of the Building Code; and,
- (9) payment of the required fee set out in Schedule A of this By-Law.

6.2 Alternative Solution – Decision

The Chief Building Official may accept or reject any proposed alternative solution and may impose conditions or restrictions on its use.

6.3 Alternative Solution Not Transferrable

Alternative solutions that are accepted under this section shall be applicable only to the location described in the application and are not transferrable to any other building permit.

SECTION 7 – TRANSFER OF PERMITS

7.1 Application for Transfer of Permit

Where construction or demolition has commenced, a permit may be transferred to a new owner, provided that the new owner submits an application, plus any required documentation and fees as set out in clause 3.3 (7) of this By-Law.

7.2 New Owner – Responsibilities

The new owner shall, upon transfer of permit, be the person to whom the permit was issued for the purpose of the Act and Building Code.

7.3 Securities

The new owner shall be responsible for posting any required securities.

SECTION 8 – REVOCATION OF PERMITS

8.1 Notice of Revocation

Prior to revoking a permit under Subsection 8(10) of the Act, the Chief Building Official may serve a notice by first class mail to the last known address of the person to whom the permit was issued. After 35 days from the date shown on the notice, the Chief Building Official may, provided the grounds for revocation still exist, revoke the permit without further notice.

8.2 Deferral of Revocation

The person to whom a permit was issued, may, within 30 days of the date shown on the Notice of Revocation, submit a written request for deferral of revocation to the Chief Building Official stating the reasons why the permit should not be revoked.

8.3 Limitation

Where construction has not commenced and a written request to defer revocation is received by the Chief Building Official, an deferral request may be granted to extend the permit for a period of six (6) months. No more than two (2) deferral requests may be granted to extend the permit for a maximum of 18 months from the date of issuance.

8.4 Fee

A request for deferral of revocation shall be accompanied by a non-refundable fee as set out in Schedule A of this By-Law.

8.5 Decision

The Chief Building Official, having regard for any changes to the Act, the Building Code or any other applicable law, may grant the deferral request and provide notice of the decision.

SECTION 9 – NOTICES FOR INSPECTION

9.1 Notice at Completion of Each Stage

The person to whom the permit was issued shall notify the Chief Building Official at the completion of each stage of construction set out in Division C, 1.3.5.1 and 1.3.5.2 of the Building Code and listed in Schedule C of this By-Law.

9.2 Notice of Completion before Occupancy

The person to whom the permit was issued shall notify the Chief Building Official of the date of completion of the building or part thereof, prior to occupancy.

9.3 Notice Effective When Received

The notice under this section is not effective until it is actually received by the Chief Building Official.

9.4 Prescribed Inspections

Upon receipt of notice, the inspector shall undertake an inspection of the building to which the notice relates, in time frame set out in Division C, 1.3.5.3 of the Building Code or Subsection 11(4) of the Act.

SECTION 10 – CONSTRUCTION AND DEMOLITION SITE FENCING

10.1 Fencing Required

Unless granted an exemption under Subsection 10.2, every person issued a permit for construction or demolition under the Act, shall erect and maintain a fence to enclose the construction or demolition site, including areas where equipment is operated or equipment or material is stored.

10.2 Conditions for Exemption

The Chief Building Official may grant an exemption from the requirements in Subsection 10.1 where the he or she is satisfied that site conditions would not present a particular hazard, having regard for:

- (1) the proximity of the site to occupied dwellings;
- (2) the proximity of the site to lands accessible to the public, including but not limited to streets, parks and commercial and institutional activities;
- (3) the hazards presented by the construction activities and materials;
- (4) the feasibility and effectiveness of site fencing; and,
- (5) the duration of the hazard.

10.3 Fencing Requirements

Every fence required by this section shall:

- (1) be erected to fully enclose the site;
- (2) be a minimum of 1.2 metres high, measured from grade outside the fence, and have no gaps larger than 100 millimetres below the fence;
- (3) be constructed to deter entry by unauthorized persons or vehicles;
- (4) have no rails or other horizontal or diagonal bracing, attachments or pattern of openings on the outside that would facilitate climbing;

- (5) contain no opening more than 150 millimetres wide or less than 900 millimetres above the bottom of the fence except where required to facilitate access to and from the site;
- (6) at any access opening, be equipped with gates that shall:
 - (a) contain wire mesh or similar material to provide visibility for traffic entering and exiting the site;
 - (b) be constructed to specifications that provide performance and safety equivalent to the fence; and
 - (c) deter entry by unauthorized persons;
- (7) be maintained:
 - (a) in good repair with no gaps larger than 100 millimetres below the fencing;
 - (b) free from health, fire and accident hazards; and
 - (c) so that access openings are closed and locked or securely reinstalled when the site is unattended; and
- (8) be removed no later than 30 days after completion of the construction or demolition work.

10.4 Fence Construction Standards

A fence required by Subsection 10.1 shall be constructed to the following standards:

- (1) if constructed of wood, the outside face shall be smooth exterior grade plywood or wafer board which is a minimum of 12.5 millimetres thick, securely fastened to 89 millimetre by 89 millimetre vertical posts spaced at 2.4 metre centres and embedded sufficiently deep to provide rigid support and securely nailed to 39 millimetre by 89 millimetre horizontal rails secured to the vertical posts at the top and bottom.
- (2) if constructed using plastic mesh, the fencing shall be fastened securely at 200 millimetre centres to steel "T" posts or similar, spaced at not more than 1.2 metre centres and embedded at least 600 millimetres into the ground with the top and bottom of the plastic mesh secured horizontally by 11 gauge cable threaded through or otherwise attached to the mesh and each post.
- (3) if constructed with chain link, the mesh shall have openings no larger than 50 millimetres and shall be fastened securely to vertical steel posts spaced not more than 2.4 metre centres and to top and bottom horizontal steel rails or 9 gauge steel wire.
- (4) the fence may be a combination of fence types specified in this section or may be constructed of other materials that provide performance and safety equivalent to the fence types specified and the Chief Building Official authorizes its use.

10.5 Municipal Authority to Construct Site Fence

Where the person to whom a permit is issued fails to erect a site fence required under this section, and where the Chief Building Official has not granted an exemption, the Chief Building Official may cause a fence to be erected and recover the costs by adding them to the tax rolls and collecting them in the same manner as property taxes.

SECTION 11 – CONDITIONAL PERMITS

11.1 Conditional Permit

The Chief Building Official may, where conditions in Subsections 8(3) to 8(5) of the Act and Clause 3.3 (3) of this By-Law have been fulfilled, issue a conditional permit for a

building subject to compliance with the Act, the Building Code and any other applicable law.

11.2 Conditional Permit Agreement – Delegation

The Chief Building Official and Deputy Chief Building Officials are authorized to approve the entering into of a conditional permit agreement, to execute the agreement on behalf of the City and to approve the release of a conditional permit agreement when the agreement is no longer necessary.

SECTION 12 – CODE OF CONDUCT

12.1 Code of Conduct – Schedule D

In accordance with Section 7.1 of the Act, the Code of Conduct for the Chief Building Official and inspectors is appended to this By-Law as Schedule D.

SECTION 13 – VALIDITY

13.1 Severability

In the event that any provision of this By-Law is declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the remaining provisions of this By-Law.

SECTION 14 – CONTRAVENTION - OFFENCE

14.1 Offences

Every person or corporation that contravenes any provision of this By-Law is guilty of an offence and, on conviction, is liable to a penalty as set out in Section 36 of the Act.

SECTION 15 – REPEAL – ENACTMENT

15.1 Previous By-Law

On the date this By-law comes into force, the previous By-Law 044-2015 and its amending by-laws are repealed.

Enacted by City of Vaughan Council this xxxx day of xxxx, 2018.

Hon. Maurizio Bevilacqua, Mayor

Barbara A. McEwan, City Clerk

Authorized by Item No. ____ of Report No. ____

of the Committee _____

Adopted by Vaughan City Council on

Schedule A – By-Law XXX-2018

Classes of Permits and Fees

1. Except where a flat fee is indicated for an Occupancy Classification or Type of Construction, the fee per m² of floor area set out in Schedule A, shall be used by the Chief Building Official in determining the permit fee, by multiplying the floor area by the fee per m², subject to maximum and minimum fees where indicated.
2. For new buildings and additions, fees for sprinkler and fire alarm systems, unfinished basements (except within dwelling units), finished basement areas in single family, semi-detached and townhouse dwellings and any balconies, decks, patio and porch structures are in addition to the Occupancy Group Fee per m².
3. Where a change of occupancy from one classification to another classification of a higher hazard is proposed, the fee for the proposed occupancy applies. Where a change of use permit is denied, fees paid may be credited to an alteration permit which incorporates the construction required to accommodate the change of use.
4. For the purpose of this schedule the occupancy classification and floor area shall be determined on the following basis:
 - a) The occupancy classification shall be established in accordance with the occupancy definitions of the Ontario Building Code.
 - b) Except as provided in 4.d), the floor area is the sum of the areas of all floors including basement, balconies and mezzanines and shall be measured to the outer face of the exterior walls or structure. For interior alterations, measurements are taken to the inner face of walls.
 - c) No deductions shall be made for openings within the floor area, i.e. stairs, elevators, ducts.
 - d) A garage serving only the dwelling unit to which it is attached or built-in and an unfinished basement located within a dwelling unit shall not be included in the area calculations.
 - e) The horizontal projection of sloping and stepped floors shall be used in lieu of actual surface area.
 - f) The fee for common facilities such as corridors, lobbies, washrooms etc., in “shell” buildings shall be calculated at the “finished” rate according to the occupancy classification of the floor area on which the facilities are located.
5. The fees shown in the following table will be used to calculate the total permit fee. However, the minimum fee for any permit shall be \$155.00 (2018 Rate) unless otherwise indicated.
6. Fees for years after 2018 have been indexed at 3 percent per year. The minimum fee will be indexed at 3 percent per year after 2018.
7. The fee for any permit or service not listed in this schedule will be charged at the hourly rate for review and inspections and the minimum fee will apply.

Schedule A – By-Law XXX-2018
Classes of Permits and Fees

| Occupancy Classification / Type of Construction | 2018 Permit Fees | | | 2019 | 2020 | 2021 |
|--|------------------|--------------------|------------|--------|--------|--------|
| Construction Permits | | | | | | |
| Group A (Assembly) - Shell Building | 12.50 | per m ² | - | 14.72 | 17.06 | 19.53 |
| Group A (Assembly) - Finished (Shell and Interiors) | 18.00 | per m ² | - | 19.19 | 20.43 | 21.72 |
| Group A (Assembly) - Interior Alteration | 5.60 | per m ² | 155.00 min | 5.82 | 6.05 | 6.28 |
| Group A (Assembly) - Additions & Mezzanines | 18.00 | per m ² | - | 19.19 | 20.43 | 21.72 |
| Group B (Institutional) - Shell Building | 19.00 | per m ² | - | 20.74 | 22.58 | 24.50 |
| Group B (Institutional) - Finished (Shell and Interiors) | 19.00 | per m ² | - | 23.50 | 28.25 | 33.26 |
| Group B (Institutional) - Interior Alteration | 4.10 | per m ² | 155.00 min | 4.79 | 5.52 | 6.28 |
| Group B (Institutional) - Additions & Mezzanines | 18.50 | per m ² | - | 23.15 | 28.07 | 33.26 |
| Group C (Part 3 Buildings) - Finished (Shell and Interiors) | 13.00 | per m ² | - | 14.39 | 15.85 | 17.39 |
| Group C (Part 3 Buildings) - Interior Alteration | 4.10 | per m ² | 155.00 min | 4.79 | 5.52 | 6.28 |
| Group C (Part 3 Buildings) - Additions | 13.00 | per m ² | - | 14.39 | 15.85 | 17.39 |
| Group C (Midrise Wood) - Finished (Shell and Interiors) | 18.00 | per m ² | - | 18.54 | 19.10 | 19.67 |
| Group C (Midrise Wood) - Interior Alteration | 4.10 | per m ² | 155.00 min | 4.79 | 5.52 | 6.28 |
| Group C (Midrise Wood) - Additions & Mezzanines | 18.00 | per m ² | - | 18.54 | 19.10 | 19.67 |
| Group C (Part 9 Buildings) - Single Dwelling Unit (including secondary unit) | 11.40 | per m ² | - | 13.72 | 16.17 | 18.75 |
| Group C (Part 9 Buildings) - Multi Unit/Stacked Townhouses | 13.00 | per m ² | - | 15.36 | 17.85 | 20.48 |
| Group C (Part 9 Buildings) - Semis and Towns | 13.00 | per m ² | - | 15.36 | 17.85 | 20.48 |
| Group C (Part 9 Buildings) - Interior Alteration | 4.10 | per m ² | 155.00 min | 4.79 | 5.52 | 6.28 |
| Group C (Part 9 Buildings) - Additions & Mezzanines | 11.40 | per m ² | 155.00 min | 13.72 | 16.17 | 18.75 |
| Group C (Part 9 Buildings) - Accessory Buildings/Structures (Sheds, decks, garages) ** | 2.15 | per m ² | 155.00 min | 181.97 | 210.41 | 240.40 |
| Group D (Office) - Shell Building | 11.40 | per m ² | - | 12.58 | 13.83 | 15.13 |
| Group D (Office) - Finished (Shell and Interiors) | 14.50 | per m ² | - | 16.15 | 17.89 | 19.71 |

Schedule A – By-Law XXX-2018
Classes of Permits and Fees

| Occupancy Classification / Type of Construction | 2018 Permit Fees | | | 2019 | 2020 | 2021 |
|---|--------------------------|--------------------|------------|-------------|-------------|-------------|
| Group D (Office) - Interior Alteration | 4.10 | per m ² | 155.00 min | 4.79 | 5.52 | 6.28 |
| Group D (Office) - Additions & Mezzanines | 14.50 | per m ² | - | 16.15 | 17.89 | 19.71 |
| Group E (Mercantile) - Shell Building | 9.90 | per m ² | - | 10.88 | 11.92 | 13.00 |
| Group E (Mercantile) - Finished (Shell and Interiors) | 14.00 | per m ² | - | 14.98 | 16.01 | 17.08 |
| Group E (Mercantile) - Interior Alteration | 4.10 | per m ² | 155.00 min | 4.79 | 5.52 | 6.28 |
| Group E (Mercantile) - Additions & Mezzanines | 14.00 | per m ² | - | 14.98 | 16.01 | 17.08 |
| Group F1&F2 (Industrial) - Shell Building & Mezzanines | 7.00 | per m ² | - | 7.43 | 7.89 | 8.36 |
| Group F1 & F2 (Industrial) - Finished (Shell and Interiors) | 9.50 | per m ² | - | 10.32 | 11.17 | 12.07 |
| Group F1&F2 (Industrial) - Interior Alteration | 4.10 | per m ² | 155.00 min | 4.79 | 5.52 | 6.28 |
| Group F1&F2 (industrial) - Additions | 9.50 | per m ² | 155.00 min | 10.32 | 11.17 | 12.07 |
| Group F3 (Storage) - (Parking) Garage | 4.60 | per m ² | 155.00 min | 5.73 | 6.92 | 8.18 |
| Plumbing / Sewage Systems | | | | | | |
| Site Services - Residential Projects (plus fee for water service/drains) | 155.00 | flat fee | - | 160.00 | 165.00 | 170.00 |
| Site Services - Other Than Residential Projects(plus fee for water service/drains) | 155.00 | flat fee | - | 160.00 | 165.00 | 170.00 |
| Water Service 50mm to 100mm | 21.50 43.00 | flat fee | - | 35.00 | 36.00 | 37.00 |
| Water Service 150mm 200mm 250mm | 66.00 87.00 109.00 | flat fee | - | 90.00 | 92.00 | 95.00 |
| Water Service over 250mm | 132.00 | flat fee | - | 136.00 | 140.00 | 144.00 |
| Residential Water Service (50mm or less) | 21.5 0 | flat fee | - | 27.00 | 34.00 | 41.00 |
| Drains – Residential | 155.00 | flat fee | - | 160.00 | 164.00 | 169.00 |
| Drains – Non-Residential/Multi Res. 100mm 150mm | 43.00 66.00 | flat fee | - | 55.00 | 57.00 | 59.00 |
| Drains – Non-Residential/Multi Res. 200mm 250mm | 87.00 109.00 | flat fee | - | 98.00 | 101.00 | 104.00 |
| Drains – Non-Residential/Multi Res larger than 250mm | 132.00 | flat fee | - | 136.00 | 140,00 | 144.00 |
| Plumbing Fixtures (Toilets, Urinals, lavatories, sinks, floor drains, vented traps, roof drains, backflow preventers) | 16.50 | flat fee per fixt. | - | 17,00 | 17.50 | 18.00 |

Schedule A – By-Law XXX-2018
Classes of Permits and Fees

| Occupancy Classification / Type of Construction | 2018 Permit Fees | | | 2019 | 2020 | 2021 |
|---|------------------|--------------------|------------|----------|----------|----------|
| Grease Interceptors | 66.00 | flat fee | 155.00 min | 68.00 | 70.00 | 72.11 |
| Plumbing – Miscellaneous (manholes, catch basins, area drains) | 43.00 | flat fee | 155.00 min | 44.25 | 45.62 | 46.94 |
| Septic System – Residential, commercial, industrial (GFA less than 186 m ²) | 546.00 | flat fee plus | 155.00 min | 563.00 | 579.25 | 596.63 |
| Additional fee 186m ² and over | 3.50 | per m ² | | 3.60 | 3.70 | 3.80 |
| Septic System – Farm related project (without internal plumbing) | 155.00 | flat fee | - | 160.00 | 164.00 | 169.00 |
| Septic System – non-habitable addition/structure (no effect on system) | 155.00 | flat fee | - | 160.00 | 164.00 | 169.00 |
| Septic System – non-habitable addition/structure (change to system) | 218.00 | flat fee | - | 224.50 | 231.30 | 238.20 |
| Septic System – habitable addition/structure (no effect on system) | 155.00 | flat fee | - | 160.00 | 164.00 | 169.00 |
| Septic System – habitable addition/structure (change to system) less than 186m ² | 546.00 | flat fee plus | - | 563.00 | 579.25 | 596.63 |
| Additional fee 186m ² and over | 3.50 | per m ² | | 3.60 | 3.70 | 3.80 |
| On Site Sewage System – Maintenance Program Inspection Fee | 772.50 | flat fee | - | 1,045.00 | 1,335.00 | 1,640.00 |
| Mechanical - HVAC | | | | | | |
| Mechanical - HVAC - Residential | 155.00 | flat fee | - | 200.00 | 250.00 | 300.00 |
| Mechanical – HVAC - Non-Residential | 218.00 | flat fee | - | 340.00 | 465.00 | 600.00 |
| Hazardous Processes - Kitchen Exhaust Hood, Spray Booth, Storage of Hazardous Material, Dust Collector | 155.00 | flat fee | - | 290.00 | 430.00 | 575.00 |
| Subdivisions – Certified Models | | | | | | |
| Certified Models – Single Family (add'l cost) | 1639.00 | flat fee | - | 1885.00 | 2280.00 | 2530.00 |
| Change House Type Model (residential plan of subdivision where permit has been issued for a different house type) | 437.00 | flat fee | - | 450.00 | 464.00 | 478.00 |
| Change House Type – additional cost per m ² or portion thereof | 11.40 | per m ² | - | 11.70 | 12.00 | 12.45 |
| Permit Revisions | | | | | | |
| Permit Revisions – Residential (includes 3 hours review time) | 398.00 | flat rate | - | 410.00 | 422.00 | 435.00 |
| Permit Revisions – Non-Residential (includes 3 hours review time) | 461.00 | flat rate | - | 475.00 | 490.00 | 504.00 |
| Demolition | | | | | | |
| Demolition – Part 9 Residential (plus hourly rate for review over 3 hours) | 155.00 | flat fee | - | 200.00 | 250.00 | 305.00 |

Schedule A – By-Law XXX-2018
Classes of Permits and Fees

| Occupancy Classification / Type of Construction | 2018 Permit Fees | | | 2019 | 2020 | 2021 |
|---|-------------------------|---------------------|---------------|---------------------|---------------------|---------------------|
| Demolition – Part 3 Residential and Non-Residential (plus hourly rate for review over 3 hours) | 546.00 | flat fee | - | 685.00 | 830.00 | 985.00 |
| Fire/Life Safety | | | | | | |
| Active Fire Protection Systems - Fire Alarm, Sprinkler or Standpipe Systems, Mag-Locks (plus additional fee in this section, below) | 155.00 | flat fee | - | 175.00 | 195.00 | 220.00 |
| Part 9 Fire Alarm System (additional fee) | 0.20 | per m ² | - | 0.28 | 0.33 | 0.38 |
| Part 3 Per Floor (additional fee) | 137.00 | per floor | - | 147.00 | 153.00 | 158.00 |
| Sprinkler/Standpipe System (additional fee) | 0.35 | per m ² | - | 0.40 | 0.45 | 0.50 |
| Fast Track Permit Process | | | | | | |
| Additional fee – (percentage of full permit fee subject to maximum/minimum amounts below) | 50% | | - | 50% | 50% | 50% |
| Commercial | 773.00 7,725.00 | minimum maximum | - | 796.00 7,956.00 | 820.00 8,195.00 | 845.00 8441.00 |
| Residential - Detached / Semi Detached | 515.00 | Flat fee | - | 530.00 | 546.00 | 563.00 |
| Residential - other than detached / semi detached | 258.00 7,725.00 | per unit maximum | - | 266.00 7,956.00 | 273.00 8,195.00 | 282.00 8441.00 |
| Designated Structures | | | | | | |
| Miscellaneous - Designated Structure/Public Pool/Public Spa | 155.00 | minimum | - | 295.00 | 445.00 | 605.00 |
| Retaining Wall – over 1m in exposed height | 7.10 | per lin. metre | 155.00 min | | | |
| Solar Collectors (residential Part 9) | 155.00 | | - | 160.00 | 164.00 | 169.00 |
| Solar Collectors (Part 3 residential, industrial, commercial, institutional) | 546.00 | | - | 546.00 | 546.00 | 546.00 |
| Miscellaneous Permits / Services | | | | | | |
| Alternative Solutions (plus cost of additional review/meetings and any 3 rd party review) | 1000.00 | | - | 1050.00 | 1100.00 | 1150.00 |
| Balcony, including guards | .50 | per m ² | 155.00 min | .52 | .53 | .55 |
| Change of Use where no construction is proposed - For all Types of Classifications (plus hourly rate for each hour or part thereof) | 218.00 | flat fee | - | 255.00 | 290.00 | 330.00 |
| Conditional Permit (10% of building permit fee in addition to building permit fee) | 1,093.00 2,500.00 | Minimum Maximum | - | 1125.00 2,575.00 | 1160.00 2,652.00 | 1195.00 2,732.00 |
| Conditional Permit Agreement (amend) | 218.00 | flat fee | - | 225.00 | 231.00 | 238.00 |

Schedule A – By-Law XXX-2018
Classes of Permits and Fees

| Occupancy Classification / Type of Construction | 2018 Permit Fees | | | 2019 | 2020 | 2021 |
|--|-------------------------|--------------------|------------|-------------------|-------------------|-------------------|
| Construction/Demolition/Change of Use without permit – additional 50% of permit fee | 5,000.00 | maximum | 155.00 min | 5150.00 | 5305.00 | 5464.00 |
| Demising Walls (no other construction)* *after 2018 changes to fee per linear metre | 155.00 | flat fee (2018) | 155.00 min | 4.50 per linear m | 4.63 per linear m | 4.77 per linear m |
| Farm Buildings | 4.80 | per m ² | 155.00 min | 5.17 | 5.55 | 5.95 |
| Fireplace / Stove | 155.00 | flat fee | - | 160.00 | 164.00 | 169.00 |
| Hourly Rate for Review or Inspection (minimum 3 hours may apply) | 81.00 | | - | 83.00 | 86.00 | 89.00 |
| Limiting Distance Agreement | 328.00 | flat fee | - | 410.00 | 495.00 | 585.00 |
| Occupancy Permit – Div C. 1.3.3.1 & 1.3.3.5 (per stage of occupancy) | 155.00 | flat fee | - | 205.00 | 255.00 | 305.00 |
| Partial Permit (additional fee) | 250.00 | flat fee | - | 257.00 | 265.00 | 273.00 |
| Portable Classroom | 218.00 | flat fee | - | 225.00 | 231.00 | 238.00 |
| Recladding | .35 | per m ² | 155.00 min | .40 | .45 | .50 |
| Request to Defer Revocation (permit extension) | 155.00 | flat fee | - | 160.00 | 164.00 | 169.00 |
| Sales Pavilion | 8.10 | per m ² | 155.00 min | 8.30 | 8.60 | 8.90 |
| Shelf and Racking System | 1.15 | per m ² | 155.00 min | 3.00 | 4.00 | 5.00 |
| Shoring | 8.10 | per lin. metre | 155.00 min | 10.00 | 10.30 | 10.60 |
| Tents/Air Supported Structures | 2.80 | per m ² | 155.00 min | 3.93 | 5.12 | 6.38 |
| Transfer Permit (to new owner) | 155.00 | flat fee | - | 160.00 | 164.00 | 169.00 |
| Window Enlargement | 2.15 | per m ² | 155.00 min | 2.21 | 2.28 | 2.34 |

Schedule B - By-Law XXX-2018 - Forms

| Form | Required For |
|--|--|
| Statement of Design | New buildings and additions to Industrial/Commercial/Institutional/High-Rise buildings |
| Land & Building Use Declaration | All Industrial/Commercial/Institutional/High-Rise and other Non-Residential buildings |
| Owners Undertaking General Review | Buildings requiring general review under the Building Code |
| General Review Commitment Certificate | Buildings requiring general review under the Building Code |
| Housing Plumbing Data Sheet | New buildings and additions/alterations to plumbing for detached housing & townhouses. |
| Non-Housing Plumbing Data Sheet | New buildings and additions/alterations to plumbing for Industrial/Commercial/Institutional/High-Rise buildings. |
| ASHRAE 90.1 Compliance Form | New buildings and additions/alterations to mechanical systems as set out in the Building Code. |
| SB 10 Energy Efficiency Design Summary | Part 3, Non Residential and some Part 3 Residential buildings. |
| SB 12 Energy Efficiency Design Summary | Part 9, Residential buildings |

Forms are available from:

City of Vaughan
Building Standards Department
2141 Major Mackenzie Drive, Vaughan, Ontario
L6A 1T1

<https://www.vaughan.ca/cityhall/departments/bs>

(905) 832-8510

Schedule C - By-Law XXX-2018

Required Notices for Inspection (Mandatory Stages)

In accordance with Section 10.2 of the Act, the person to whom a permit is issued shall notify Chief Building Official at each stage of construction as specified in the Building Code, and this By-Law, that the construction is ready for inspection.

After the notice is received by the Chief Building Official, an Inspector shall, not later than two (2) days after receipt of a notice, undertake a site inspection of the building to which the notice relates.

Where a notice relates to matters described in Division C 1.3.5.1.(2) (l) or (m) of the Building Code, an Inspector shall, not later than five (5) days after receipt of the notice, undertake a site inspection of the sewage system to which the notice relates.

In accordance with Subsection 11(2) of the Act, the Chief Building Official shall be notified of the date of completion of a building or part of a building. An inspection for occupancy will be conducted within 10 days after notice of completion is served on the Chief Building Official.

The time periods referred to above shall begin on the day following the day on which the notice is given and shall not include Saturdays, holidays and all other days when the offices of the City are closed. When undertaking an inspection required above, the Inspector may consider reports concerning whether the building or a part of the building complies with the Act, the building code or any other applicable law.

The person to whom a permit is issued shall notify the Chief Building Official when ready for inspection of the following stages set out in the Building Code:

- (a) Commencement of construction of the building,
- (b) Readiness to construct footings
- (c) Substantial completion of footings and foundations prior to commencement of backfilling,
- (d) Substantial completion of structural framing and ductwork and piping for heating and air-conditioning systems, if the building is within the scope of Part 9 of Division B,
- (e) Substantial completion of structural framing and roughing in of heating, ventilation, air-conditioning and air-contaminant extraction equipment, if the building is not a building to which (d) applies,
- (f) Substantial completion of insulation, vapour barriers and air barriers,
- (g) Substantial completion of all required fire separations and closures and all fire protection systems including standpipe, sprinkler, fire alarm and emergency lighting systems,
- (h) Substantial completion of fire access routes,
- (i) Readiness for inspection and testing of,
 - (i) Building sewers and building drains,
 - (ii) Water service pipes,
 - (iii) Fire service mains,
 - (iv) Drainage systems and venting systems,
 - (v) The water distribution system, and
 - (vi) Plumbing fixtures and plumbing appliances,

Schedule C - By-Law XXX-2018
Required Notices for Inspection (Mandatory Stages)

- (j) Readiness for inspection of suction and gravity outlets, covers and suction piping serving outlets of an outdoor pool described in Clause 1.3.1.1.(1)(j) of Division A, a public pool or a public spa,
- (k) Substantial completion of the circulation / recirculation system of an outdoor pool described in Clause 1.3.1.1.(1)(j) of Division A, a public pool or public spa and substantial completion of the pool before it is first filled with water,
- (l) Substantial completion of the pool deck and dressing rooms for a public pool or public spa and readiness for inspection of the emergency stop system for a public pool or public spa,
- (m) Readiness to construct the sewage system,
- (n) Substantial completion of the installation of the sewage system before the commencement of backfilling,
- (o) Substantial completion of installation of plumbing not located in a structure, before the commencement of backfilling,
- (p) Substantial completion of heating, ventilation, air-conditioning and air-contaminant extraction equipment,
- (q) Completion of construction and installation of components required to permit the issue of an occupancy permit under Sentence 1.3.3.1.(3) of Division C or to permit occupancy under Sentence 1.3.3.2.(1) of Division C.
- (r) Completion of construction and installation of components required to permit the issue of an occupancy permit under Sentence 1.3.3.4.(3) or 1.3.3.5.(3) of Division C.
- (s) Completion of a building for which an occupancy permit is required under 1.3.3.4. or 1.3.3.5. of Division C.

Schedule D - By-Law XXX-2018

Code of Conduct for Building Officials

This Code of Conduct is applicable to all Building Officials at the City of Vaughan

Purpose

The purpose of this Code of Conduct is to promote appropriate standards of behaviour, enforcement actions, honesty, and integrity among building officials and to prevent practices which may constitute an abuse of power including unethical or illegal practices by building officials in the exercise of their power or performance of their duties under the Building Code Act or the Building Code.

Accordingly, all building officials shall:

1. Always act in the public interest, particularly with regard to the safety of building works and structures.
2. Apply all relevant building laws, codes and standards in an impartial, consistent, fair and professional manner, independent of any external influence and without regard to any personal interests.
3. Abide with the provisions of the Building Code Act, the Ontario Building Code and other Acts or Laws which regulate or govern Building Officials or their functions.
4. Maintain required legislated qualifications, discharging all duties in accordance with recognized areas of competency.
5. Extend professional courtesy to all.

Breaches of the Code of Conduct

The Chief Building Official will review any allegations of breaches of this Code of Conduct made against municipal building officials. Where the allegations are against the Chief Building Official the City Manager of the municipality will review the allegations.

A City Manager, Deputy City Manager, Department Head, manager, or supervisor having knowledge of a breach of this Code of Conduct by a municipal building official shall bring such information immediately to the Chief Building Official and the City Manager.

Any person who has reason to believe that a municipal building official is committing a breach of this Code may approach the Chief Building Official in confidence.

Disciplinary action arising from violations of this Code of Conduct is the responsibility of the municipal employer and may result in disciplinary action up to and including termination of employment.



February 2, 2018

Nadim Khan, P.Eng.
 Manager of Policy and Regulatory Services
 City of Vaughan
 2141 Major Mackenzie Drive
 Vaughan, ON
 L6A 1P7
 Sent via email to: nadim.khan@vaughan.ca

Dear Mr. Khan,

RE: City of Vaughan's Building Permit Fee Review

With more than 1,450 member-companies, the Building Industry and Land Development Association (BILD) is the voice of the land development, home building and professional renovation industry in the Greater Toronto Area. Our industry is essential to York Region's long-term economic strength and prosperity. In 2016 alone, the residential construction industry in York Region generated over 42,366 on-site and off-site jobs in new home building, renovation and repair – one of the Region's largest employers. These jobs paid \$2.5 billion in wages and contributed \$7.5 billion in investment value to the local economy.

On behalf of the York Chapter members of BILD, we would like to take this opportunity to thank you for organizing a consultation meeting with the development industry on January 18th regarding the City of Vaughan's Building Permit Fee Review. At our consultation meeting we were advised that building permit fees are currently recovering approximately 75% of the full costs of service and that the City is proposing fee increases to recover the full cost of service and improve the City's reserve fund balance in accordance with its Stabilization Reserve Fund policy.

As the third and final phase of the City of Vaughan's comprehensive review of fees, we acknowledge that significant increases were incurred through the two previous phases and additional fee increases are proposed for this phase of the review as well. The cumulative effect of these increases hinders the affordability of new homes and business plans.

As expressed in previous fee reviews, we believe that the final report to Council should clearly state the processing timelines associated to each building permit application and provide some assurance that the turn-around time for processing these applications will be met. Fees are going up again, and service level standards should as well. With fee increases being adopted through each phase, it is also essential that we keep business moving. We believe that phasing in of the fees is imperative and as such we are supportive of the proposed 3-year phase-in of the increases, as a necessary transition period.

We acknowledge that City staff are planning to present the study findings and proposed fee schedule for Council consideration and approval in April, with the intent on having the new fee structure in place on January 1, 2019. We kindly request notification, should this timeline change in any way. We thank you for the opportunity to submit these comments. If you have any questions or concerns, please feel free to contact the undersigned.

Sincerely,

Danielle Chin MCIP RPP
 Senior Manager, Policy & Government Relations

Cc: Michael Pozzebon, BILD York Chapter Chair
 BILD York Chapter members

THE CITY OF VAUGHAN

BY-LAW

BY-LAW NUMBER 050-2018

A By-Law to regulate permits and inspections for construction, demolition and change of use under the *Building Code Act, 1992 S.O. 1992, Chapter 23*, and to set out fees that will be charged for permits.

WHEREAS Section 7 of the *Building Code Act, 1992 S.O. 1992, Chapter 23*, authorizes Council to pass certain by-laws respecting construction, demolition, change of use, transfer of permits, inspections and the setting and refunding of fees;

AND WHEREAS Section 446 of the *Municipal Act, 2001, S.O. 2001, Chapter 25*, as amended, provides that if a municipality has the authority under the *Municipal Act* or any other Act or under a by-law under the *Municipal Act* or any other Act to direct or require a person to do a matter or thing, the municipality may also provide that, in default of it being done by the person directed or required to do it, the matter or thing shall be done at the person's expense;

THEREFORE the Municipal Council of The Corporation of the City of Vaughan ENACTS AS FOLLOWS:

Short Title

This By-Law may be referred to as the "Building By-Law"

SECTION 1 – DEFINITIONS

1.1 Definitions

Each of the listed words or terms has the following meaning when used in this by-law:

| | |
|----------------|--|
| Act | The Ontario Building Code Act, 1992 S.O. 1992 Chapter 23, as amended. |
| Applicable Law | The list of applicable law found in Division A, Part 1, Article 1.4.1.3. of the Building Code. |

| | |
|-------------------------|---|
| Applicant | The owner of a building or property who applies for a permit, or any person authorized by the owner to apply for a permit on their behalf, or any person or corporation empowered by statute to cause the construction or demolition of a building and anyone acting under the authority of such person or corporation. |
| Building Code | Regulations made under section 34 of the Ontario Building Code Act, 1992 S.O. 1992 Chapter 23, as amended. |
| Chief Building Official | The person appointed by Vaughan Council to enforce the Act in the City of Vaughan |
| City | The Corporation of the City of Vaughan |
| Inspector | The persons appointed by Vaughan Council to enforce the Act in the City of Vaughan |
| Owner | The registered owner of the land and includes a lessee, mortgagee in possession and the person in charge of the property. |
| Permit | Permission or authorization given in writing by the Chief Building Official to perform work, to change the use of a building or part of it or to occupy a building or part of it, as regulated by the Act and Building Code. |
| Work | Construction or demolition of a building or part thereof. |

1.2 Words not defined

Any word or term not defined in this By-Law that is defined in the Act or Building Code shall have the meaning as ascribed to it in the Act or Building Code.

SECTION 2 – CLASSES OF PERMITS

2.1 Classes of Permits – Schedule A

The classes of permits and corresponding permit fees for construction, demolition and change of use of buildings are set out in Schedule A of this By-Law.

SECTION 3 – PERMIT APPLICATIONS

3.1 Permit Application – Provincial Form

Every application for permit to construct or demolish a building under Section 8 of the Act, shall be made by the owner of the property or the authorized agent of the owner of the property and shall be on a form prescribed by the Minister, available from the Chief Building Official or Ministry of Municipal Affairs and Housing, Ontario Building Code website.

3.2 Permit Application – City Form

Every application for permit, other than a permit under Section 8 of the Act, shall be made by the owner of the property or the authorized agent of the owner of the property and shall be on a City application form available from the Chief Building Official.

The authority to prescribe the City application form is delegated to the Chief Building Official.

3.3 Required Information

Every permit application shall be submitted to the Chief Building Official using the prescribed form and shall include the following information:

- (1) Where an application is made for a construction permit under Subsection 8(1) of the Act, the application shall:
 - (a) be submitted using the provincial application form described in Section 3.1 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications and other information as set out in Division C 1.3.1.3. of the Building Code and as set out in this By-Law;
 - (d) include completed forms in accordance with Schedule B of this By-Law; and
 - (e) for new construction, be accompanied by two copies of a lot grading plan that has been filed and accepted by the City of Vaughan Engineering Department.
- (2) Where an application is made for a demolition permit under Subsection 8(1) of the Act, the application shall:
 - (a) be submitted using the provincial application form described in Section 3.1 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications and other information as set out in Division C 1.3.1.1.(3) of the Building Code and as set out in this By-Law;
 - (d) include completed forms in accordance with Schedule B of this By-Law; and
 - (e) include evidence satisfactory to the Chief Building Official that the building that is the subject of the application is not governed by Sections 27, 30, 33, 34, 34.5, 34.7 or 42 of the *Ontario Heritage Act, RSO 1990, Chapter O.18*.

(3) Where an application is made for a conditional permit under Subsection 8(3) of the Act, the application shall:

- (a) be submitted using the provincial application form described in Section 3.1 of this By-Law;
- (b) be accompanied by the required fee;
- (c) include complete plans and specifications and other information as required by the Building Code and as set out in this By-Law;
- (d) include completed forms in accordance with Schedule B of this By-Law;
- (e) be accompanied by:
 - (i) In the case of residential model homes:
 - (a) a copy of the model home agreement; or
 - (b) where model homes are authorized by a subdivision agreement, the required certifications as set out in the subdivision agreement securing the issuance of the model home building permits;
 - (ii) In the case of new construction and additions to existing buildings for industrial, commercial, institutional and residential high-rise properties:
 - (a) a copy of the draft site plan agreement or undertaking, and a copy of the executed conditional permit agreement signed by the owner and the Chief Building Official;
- (f) state the reasons why the applicant believes that unreasonable delays in construction would occur if a conditional permit is not granted;
- (g) state any outstanding approvals which must be obtained in respect of a building permit under Subsection 8(1) of the Act for the proposed building, and the time in which such approvals will be obtained;
- (h) state the time in which plans and specifications of the building will be filed for a building permit under Subsection 8(1) of the Act; and
- (i) be subject to the owner entering into an agreement with the City, as provided in Subsection 8(3) of the Act.

(4) Where an application is made for a change of use permit under Subsection 10(1) of the Act, the application shall:

- (a) be submitted using the application form described in Section 3.2 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications showing the current and proposed occupancy of all parts of the building and containing sufficient information for the determination of compliance with the Building Code, including floor plans, details of wall, ceiling and roof assemblies, identifying fire resistance ratings and load bearing capacities and details of the existing sewage system; and
 - (d) include completed forms in accordance with Schedule B of this By-Law.
- (5) The Chief Building Official may approve the issuance of a partial permit for a portion of a building or project prior to the issuance of a permit for the entire building or project, subject to the following requirements:
- (a) an application has been made and fees paid for the entire project;
 - (b) an application is submitted using the application form described in Section 3.1 of this By-Law for the portion of the building or project that is the subject of the partial permit;
 - (c) the application is accompanied by the required fee for a partial permit; and
 - (d) include complete plans and specifications and Division C 1.3.1.3. of the Building Code and as set out in this By-Law, for the portion of the building which is the subject of the partial permit application.
- (6) Where an application is made for a sewage system permit under Subsection 8(1) of the Act, the application shall:
- (a) be submitted using the application form described in Section 3.1 of this By-Law;
 - (b) be accompanied by the required fee;
 - (c) include complete plans and specifications and other information as set out in Division C 1.3.1.3. of the Building Code and as set out in this By-Law;
 - (d) include a site evaluation which includes the following:
 - (i) the date the evaluation was performed;
 - (ii) the name, address, telephone number, email address and signature of the person who conducted the evaluation;

(iii) a fully scaled and dimensioned site plan that depicts the following:

- (a) the legal description, lot size, property boundaries, rights of way, easements, municipal utility corridors, water service location, water wells;
- (b) the location of items listed in column 1 of Tables A, B and C of Division C 8.2.1.6 of the Building Code;
- (c) the location of the proposed sewage system;
- (d) the location of any unsuitable soil, disturbed or compacted areas, or slopes greater than 4:1;
- (e) proposed access routes for system maintenance;
- (f) depth to bedrock;
- (g) depth to zones of soil saturation; and
- (h) soil properties including soil permeability and grade conditions including the potential for flooding.

(7) Subject to Section 7 of this By-Law, where an application is made for a transfer of permit because of a change in ownership of the land, the application shall:

- (a) be submitted using the application form described in Section 3.2 of this By-Law;
- (b) be accompanied by the required fee;
- (c) provide the date that the ownership of the land changed;
- (d) identify the permit being transferred;
- (e) be accompanied by a written authorization for the transfer of the permit, signed by the previous owner which acknowledges that, upon completion of the transfer of ownership, the new owner is the permit holder; and,
- (f) where applicable, be accompanied by proof of engagement of design professionals to conduct field review.

(8) Where an application is made for an occupancy permit as set out in Division C 1.3.3.1 of the Building Code, the application shall:

- (a) be submitted using the application form described in Section 3.2 of this By-Law;
- (b) be accompanied by the required fee; and

(c) describe the building, or part thereof, for which an occupancy permit is requested.

(9) Where the application for an occupancy permit referenced in Section 8 above relates to the partial occupancy of a building prior to its completion, a separate application is required for each stage of occupancy.

3.4 Incomplete Applications

Where an application does not contain sufficient information to enable the Chief Building Official to determine whether the proposal will contravene the Act, the Building Code or any other applicable law, the application is deemed to be incomplete and may not be accepted. Incomplete applications, where accepted, are not subject to the time-frames set out in the Building Code.

3.5 Permit – Limitations

A permit, including a conditional permit, that is issued for part of a building or project should not be construed as authorizing construction beyond the permit for which approval was given, nor that approval will necessarily be granted for the entire building or project.

3.6 Abandoned Permit Application

Where an application for a permit remains inactive or incomplete for six months after it is made, the application may be deemed by the Chief Building Official to have been abandoned without any further notice to the applicant.

SECTION 4 – PLANS AND SPECIFICATIONS

4.1 Sufficient Information

Every applicant for permit shall furnish sufficient plans, specifications and documents as set out in the Building Code and this By-Law to enable the Chief Building Official to determine if the proposed construction, demolition or change of use will contravene the Act, Building Code and any other applicable law.

4.2 Plans Drawn to Scale and Legible

Plans shall be drawn to scale and legible, on paper or other durable material conforming to guidelines prescribed by the Chief Building Official.

4.3 Number of Copies

Each application for a permit shall include two complete sets of plans, specifications and documents, and other information as required by the Chief Building Official.

4.4 Site Plan Referenced to Survey

Site plans shall reference a current plan of survey, certified by an Ontario Land Surveyor, and, when required to determine compliance with the Act, Building Code or any other applicable law, a copy of the survey shall be submitted to the Chief Building Official. Site plans shall include:

- (1) Lot size and dimensions of the property and setbacks to any existing or proposed buildings,
- (2) Existing and finished ground elevations or grades of the property, and
- (3) Existing rights of way, easements and municipal services.

4.5 As-Constructed Plans

On completion of construction of a building, the Chief Building Official may require a set of as-constructed plans, including a plan of survey showing the location of the building.

4.6 Plans - Property of the City

Plans, specifications and documents furnished in accordance with the Act, Building Code or this By-Law become the property of the City and will be disposed of or retained in accordance with relevant legislation.

4.7 Additional Requirements

In addition to the requirements listed elsewhere in this By-law, every application for permit prescribed under the Building Code shall also:

- (1) Include a detailed description of the work proposed, as well as the current and proposed use and occupancy of the building,
- (2) Describe any encroachments onto other properties, including municipal, regional and provincial lands, including encroachments for temporary work (including hoarding, excavation, shoring and site servicing),
- (3) Describe all access points to the development site, including temporary access, and include existing, expanded and new access points (driveways and walkways),

- (4) Include a breakdown of the area of the building corresponding to the occupancy classification or type of construction in Schedule A of this By-Law,
- (5) Where serviced by a municipal potable water supply, and where the proposed water supply is not already fully metered, be accompanied by a completed “Application for Water Meter” (available from the City of Vaughan Environmental Services Department),
- (6) Where applicable, be accompanied by an “Energy Efficiency Design Summary” form (available from the City of Vaughan Building Standards Department),
- (7) Where applicable, be accompanied by a “Commitment to General Review by Architects and Engineers” form (available from the City of Vaughan Building Standards Department or the PEO and OAA) for all buildings requiring professional review,
- (8) Where applicable, be accompanied by an “Ontario Building Code Data Matrix” form (available from the City of Vaughan Building Standards Department) for all buildings within the scope of Division B Part 3 of the Building Code,
- (9) Where applicable, the application for a permit for temporary buildings shall indicate the total time the building will remain in place. Temporary permits expire after one year and may be renewed upon re-application and issuance of an updated permit, and,
- (10) Where applicable, be accompanied by any other fee or security for which an agreement is made between the City and the property owner.

SECTION 5 – FEES, CHARGES AND REFUNDS

5.1 Fees Payable under Schedule A

- (1) The Chief Building Official shall determine the required fee for work being proposed, calculated in accordance with Schedule A of this By-Law and the applicant shall pay such fees upon application. Where the review of the permit application determines that additional fees are required, such additional fees shall be paid prior to permit issuance.

5.2 Cash in Lieu of Parkland

- (1) Cash in Lieu of Parkland charges set out in any development agreements shall be paid prior to permit issuance.

5.3 Securities

- (1) All securities required by the City are payable at the time of application in accordance with By-Law 94-2008, as may be amended or replaced.

5.4 Refunds

- (1) In the case of withdrawal or refusal of an application for permit, or where a permit application has been deemed to have been abandoned as set out in Subsection 3.6 of this By-Law, upon written request, the Chief Building Official will determine the amount of fees, if any, which are refundable.
- (2) Where a permit is revoked, no fees will be refunded, except where it was issued in error or where the applicant requests revocation no more than six months after the date the permit was issued.
- (3) Subject to clause (1) and (2) above, the amount of fees refundable shall be calculated as a percentage of the total permit fee as follows:
 - (a) 80% if the application is cancelled prior to review.
 - (b) 50% if the application is cancelled after commencement of the review and prior to permit issuance.
 - (c) 40% if the permit has been issued and no more than one inspection has been conducted.
 - (d) An additional 5% shall be deducted for each additional inspection/site visit that has been conducted.
 - (e) No refund shall be made where the amount is equal to or less than the minimum fee, as indexed.

5.5 Special Inspection Fee

Subject to availability of resources, inspections outside normal working hours may be requested. If approved, the hourly rate set out in Schedule A applies, with a minimum charge of 3 hours.

5.6 Fast Track Service Fee

Where the applicant for permit requests a Fast Track Service, additional fees as set out in Schedule A shall apply.

5.7 Administrative Fee for Work Without Permit

Any person or corporation that commences construction, demolition or change of use of a building before obtaining a permit shall, in addition to any other penalty under the Act, Building Code or this By-Law, pay an additional fee in accordance with Schedule A of this By-Law, so that the City can recover the additional administrative and enforcement costs.

5.8 Sewage System Maintenance Program Inspections

Existing on-site sewage systems, described in the City of Vaughan On-Site Sewage System Maintenance Inspection Program, must be inspected in the timeframes set out in Division C 1.10.2.4. of the Building Code. Program fees are set out in Schedule A. In accordance with Section 7 of the Act and as required by Division C 1.10.2.2. of the Building Code, the Chief Building Official is delegated the authority to develop and administer the City of Vaughan On-Site Sewage System Maintenance Program.

SECTION 6 – ALTERNATIVE SOLUTIONS

6.1 Alternative Solutions

Where the applicant seeks approval for an alternative solution that is proposed to be substituted for an acceptable solution as set out in Division “B” of the Building Code, the applicant shall submit:

- (1) a description of the proposed alternative solution;
- (2) contact information for the designer(s) of the alternative solution;
- (3) the qualifications of the designer responsible for the proposed alternative solution;
- (4) identification of the prescribed acceptable solutions under Division B of the Building Code for all of the alternative solutions being proposed;
- (5) identification of all assumptions, limiting or restricting factors, special maintenance and operational requirements of the alternative solution being proposed, as required by Division C 2.1.1.1 of the Building Code;
- (6) identification of applicable objectives and functional statements in Division A of the Building Code;
- (7) an evaluation of the acceptable solution in Division B of the Building Code as compared with the proposed alternative solution;

- (8) supporting documentation to establish that the proposed material, system or building design will provide the same level of performance as the acceptable solution in Division B of the Building Code; and,
- (9) payment of the required fee set out in Schedule A of this By-Law.

6.2 Alternative Solution – Decision

The Chief Building Official may accept or reject any proposed alternative solution and may impose conditions or restrictions on its use.

6.3 Alternative Solution Not Transferrable

Alternative solutions that are accepted under this section shall be applicable only to the location described in the application and are not transferrable to any other building permit.

SECTION 7 – TRANSFER OF PERMITS

7.1 Application for Transfer of Permit

Where construction or demolition has commenced, a permit may be transferred to a new owner, provided that the new owner submits an application, plus any required documentation and fees as set out in clause 3.3 (7) of this By-Law.

7.2 New Owner – Responsibilities

The new owner shall, upon transfer of permit, be the person to whom the permit was issued for the purpose of the Act and Building Code.

7.3 Securities

The new owner shall be responsible for posting any required securities.

SECTION 8 – REVOCATION OF PERMITS

8.1 Notice of Revocation

Prior to revoking a permit under Subsection 8(10) of the Act, the Chief Building Official may serve a notice by first class mail to the last known address of the person to whom the permit was issued. After 35 days from the date shown on the notice, the Chief Building Official may, provided the grounds for revocation still exist, revoke the permit without further notice.

8.2 Deferral of Revocation

The person to whom a permit was issued, may, within 30 days of the date shown on the Notice of Revocation, submit a written request for deferral of revocation to the Chief Building Official stating the reasons why the permit should not be revoked.

8.3 Limitation

Where construction has not commenced and a written request to defer revocation is received by the Chief Building Official, a deferral request may be granted to extend the permit for a period of six (6) months. No more than two (2) deferral requests may be granted to extend the permit for a maximum of 18 months from the date of issuance.

8.4 Fee

A request for deferral of revocation shall be accompanied by a non-refundable fee as set out in Schedule A of this By-Law.

8.5 Decision

The Chief Building Official, having regard for any changes to the Act, the Building Code or any other applicable law, may grant the deferral request and provide notice of the decision.

SECTION 9 – NOTICES FOR INSPECTION

9.1 Notice at Completion of Each Stage

The person to whom the permit was issued shall notify the Chief Building Official at the completion of each stage of construction set out in Division C, 1.3.5.1 and 1.3.5.2 of the Building Code and listed in Schedule C of this By-Law.

9.2 Notice of Completion before Occupancy

The person to whom the permit was issued shall notify the Chief Building Official of the date of completion of the building or part thereof, prior to occupancy.

9.3 Notice Effective When Received

The notice under this section is not effective until it is actually received by the Chief Building Official.

9.4 Prescribed Inspections

Upon receipt of notice, the inspector shall undertake an inspection of the building to which the notice relates, in time frame set out in Division C, 1.3.5.3 of the Building Code or Subsection 11(4) of the Act.

SECTION 10 – CONSTRUCTION AND DEMOLITION SITE FENCING

10.1 Fencing Required

Unless granted an exemption under Subsection 10.2, every person issued a permit for construction or demolition under the Act, shall erect and maintain a fence to enclose the construction or demolition site, including areas where equipment is operated or equipment or material is stored.

10.2 Conditions for Exemption

The Chief Building Official may grant an exemption from the requirements in Subsection 10.1 where the he or she is satisfied that site conditions would not present a particular hazard, having regard for:

- (1) the proximity of the site to occupied dwellings;
- (2) the proximity of the site to lands accessible to the public, including but not limited to streets, parks and commercial and institutional activities;
- (3) the hazards presented by the construction activities and materials;
- (4) the feasibility and effectiveness of site fencing; and,
- (5) the duration of the hazard.

10.3 Fencing Requirements

Every fence required by this section shall:

- (1) be erected to fully enclose the site;
- (2) be a minimum of 1.2 metres high, measured from grade outside the fence, and have no gaps larger than 100 millimetres below the fence;
- (3) be constructed to deter entry by unauthorized persons or vehicles;
- (4) have no rails or other horizontal or diagonal bracing, attachments or pattern of openings on the outside that would facilitate climbing;
- (5) contain no opening more than 150 millimetres wide or less than 900 millimetres above the bottom of the fence except where required to facilitate access to and from the site;

- (6) at any access opening, be equipped with gates that shall:
 - (a) contain wire mesh or similar material to provide visibility for traffic entering and exiting the site;
 - (b) be constructed to specifications that provide performance and safety equivalent to the fence; and
 - (c) deter entry by unauthorized persons;
- (7) be maintained:
 - (a) in good repair with no gaps larger than 100 millimetres below the fencing;
 - (b) free from health, fire and accident hazards; and
 - (c) so that access openings are closed and locked or securely reinstalled when the site is unattended; and
- (8) be removed no later than 30 days after completion of the construction or demolition work.

10.4 Fence Construction Standards

A fence required by Subsection 10.1 shall be constructed to the following standards:

- (1) if constructed of wood, the outside face shall be smooth exterior grade plywood or wafer board which is a minimum of 12.5 millimetres thick, securely fastened to 89 millimetre by 89 millimetre vertical posts spaced at 2.4 metre centres and embedded sufficiently deep to provide rigid support and securely nailed to 39 millimetre by 89 millimetre horizontal rails secured to the vertical posts at the top and bottom.
- (2) if constructed using plastic mesh, the fencing shall be fastened securely at 200 millimetre centres to steel "T" posts or similar, spaced at not more than 1.2 metre centres and embedded at least 600 millimetres into the ground with the top and bottom of the plastic mesh secured horizontally by 11 gauge cable threaded through or otherwise attached to the mesh and each post.
- (3) if constructed with chain link, the mesh shall have openings no larger than 50 millimetres and shall be fastened securely to vertical steel posts spaced not more than 2.4 metre centres and to top and bottom horizontal steel rails or 9 gauge steel wire.

- (4) the fence may be a combination of fence types specified in this section or may be constructed of other materials that provide performance and safety equivalent to the fence types specified and the Chief Building Official authorizes its use.

10.5 Municipal Authority to Construct Site Fence

Where the person to whom a permit is issued fails to erect a site fence required under this section, and where the Chief Building Official has not granted an exemption, the Chief Building Official may cause a fence to be erected and recover the costs by adding them to the tax rolls and collecting them in the same manner as property taxes.

SECTION 11 – CONDITIONAL PERMITS

11.1 Conditional Permit

The Chief Building Official may, where conditions in Subsections 8(3) to 8(5) of the Act and Clause 3.3 (3) of this By-Law have been fulfilled, issue a conditional permit for a building subject to compliance with the Act, the Building Code and any other applicable law.

11.2 Conditional Permit Agreement – Delegation

The Chief Building Official and Deputy Chief Building Officials are authorized to approve the entering into of a conditional permit agreement, to execute the agreement on behalf of the City and to approve the release of a conditional permit agreement when the agreement is no longer necessary.

SECTION 12 – CODE OF CONDUCT

12.1 Code of Conduct – Schedule D

In accordance with Section 7.1 of the Act, the Code of Conduct for the Chief Building Official and inspectors is appended to this By-Law as Schedule D.

SECTION 13 – VALIDITY

13.1 Severability

In the event that any provision of this By-Law is declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the remaining provisions of this By-Law.

SECTION 14 – CONTRAVENTION - OFFENCE

14.1 Offences

Every person or corporation that contravenes any provision of this By-Law is guilty of an offence and, on conviction, is liable to a penalty as set out in Section 36 of the Act.

SECTION 15 – REPEAL – ENACTMENT

15.1 Previous By-Law

On the date this By-Law comes into force, the previous By-Law 044-2015 and its amending by-laws are repealed.

15.2 Effective Date

This By-Law comes into force and takes effect on January 1, 2019.

Enacted by City of Vaughan Council this 11th day of April, 2018.

Hon. Maurizio Bevilacqua, Mayor

Todd Coles, Deputy City Clerk