

REPORT TO COUNCIL



Date: October 24, 2011
File: 0245-10
To: City Manager
From: Doug Patan, Manager, Building & Permitting Branch
Subject: Building Permit Fee Increase

Recommendation:

THAT Council receives, for information, the report from the Manager, Building & Permitting Branch, dated October 24, 2011, pertaining to a fee increase for Building Permits within the City of Kelowna as per Schedule "A" attached to the Report of the Manger, Building & Permitting Branch;

AND THAT Bylaw No. 10632 being Amendment No. 11 to City of Kelowna Building Bylaw No 7245 be forwarded for reading consideration.

Purpose:

The purpose of this report is to obtain Council approval to apply Council Policy No. 224 - User Fees - Building and Permitting Branch to the building section in order to recover the operational costs of administration and inspections incurred while delivering the service in the building discipline.

Background:

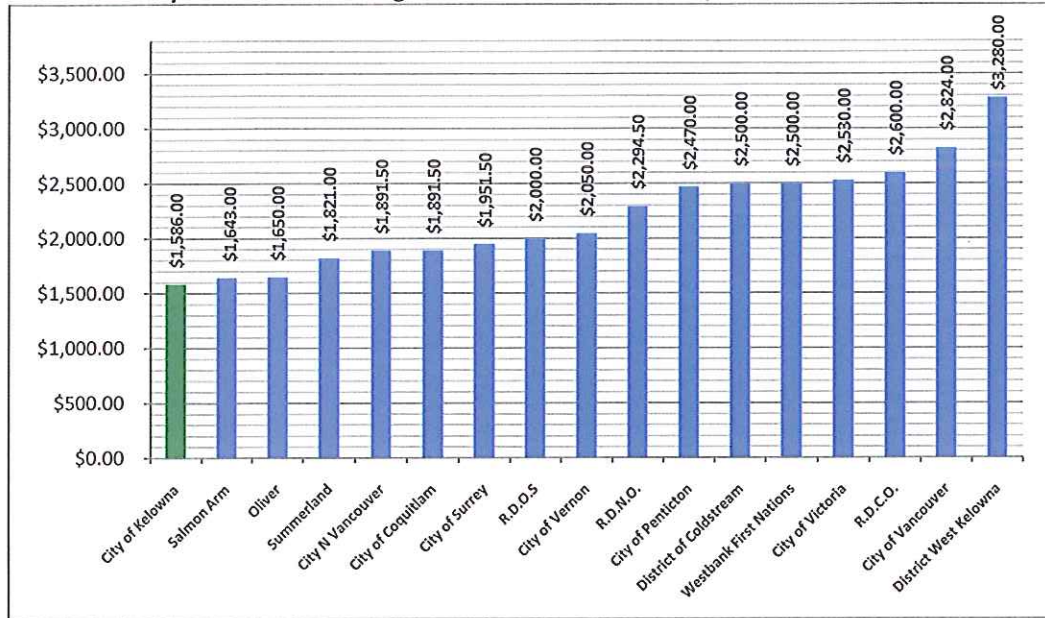
Council Policy 224 directs the Building and Permitting Branch to review all user fees annually to ensure full recovery of administrative and inspection costs. Though Council Policy 224 indicates an annual review of fees, the building and permitting branch has not undertaken a review since October 1993 as fees generated covered or exceeded the operational expenditures.

Building and Permitting is a Branch of the Development Services Department. This Branch generates the applicable proportion of the annual operational budget from building permit fees to process, examine and issue approximately 1800 building permits annually and to conduct approximately 13,500 building inspections annually.

Staff conducted the following survey regarding current building permit fees based on a \$200,000.00 construction value to build an average single family home or small commercial renovation or addition, among the municipalities in the Okanagan Valley. Similar midsized municipalities in the province were also surveyed as well as major centers including the City of

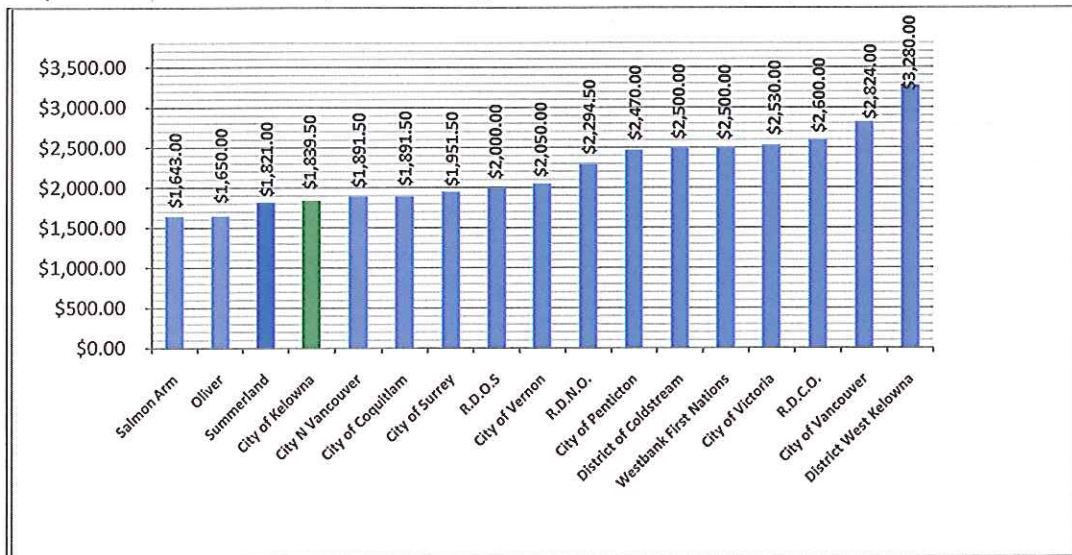
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Current City of Kelowna Building Permit Fees Based on \$200,000.00 Construction Value.



As the above building permit fee comparison chart indicates, revenues generated by Kelowna's building permit fee is the lowest among the 16 comparable municipalities based on a \$200,000.00 construction value for an average single family home or small commercial renovation or addition not including land, landscaping and profit.

Proposed City of Kelowna Adjusted Building Permit Fees Based on \$200,000.00 Construction Value.



As the building permit fee comparison chart above indicates, after the proposed fee increase Kelowna will still be one of the lowest costing Municipalities for building permit fees in comparison to the 16 comparable municipalities.

Internal Circulation:

Financial Services
Corporate Services

Legal/Statutory Authority:

City of Kelowna Building Bylaw 7245

Legal/Statutory Procedural Requirements:

As per Section 9 of the Community Charter any proposed changes to Kelowna's Building Bylaw requires Con-Current Authority Approval from the Province of British Columbia.

The proposed amendments have been put forward to the Province and staff has received interim approval for the changes from the Provincial Building and Safety Standards Branch.

Existing Policy:

Council Policy 224 User Fees - Building and Permitting

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

The Building and Permitting Branch has consulted and discussed the details of the proposed building permit fee Increase with the Canadian Home Builders Association of the Central Okanagan

Communications Comments:

Alternate Recommendation:

Considerations not applicable to this report:

Submitted by:



D. Patan, Building & Permitting Branch Manager

Approved for inclusion:



Mo Bayat, Director of Development Services

SCHEDULE "A"

CITY OF KELOWNA BUILDING BYLAW NO. 7245 SCHEDULE OF PERMIT FEES

<u>1.</u>	<u>VALUE OF BUILDING CONSTRUCTION</u>	<u>FEES</u>
	\$1.00 - \$10,000.00	\$175.00 non-refundable
	\$10,001.00 - \$100,000.00	\$175.00 + \$9.55 per or portion thereof
	\$100,001.00 - \$500,000.00	\$1034.50 + \$8.05 per \$1000.00 or portion thereof
	\$500,001.00 + and up	\$4254.50 + \$7.20 per \$1000.00 or portion thereof
	<u>VALUATION SCHEDULE</u>	
	Multiple dwellings, Commercial, Industrial, Institutional and all other categories:	
	Contract price or the current edition of the Marshall Valuation Service may be used by the Building Inspector to determine the value of construction for the purpose of assessing permit fees.	
	Where the submitted value of building construction is lower than the value determined by using the Marshall Valuation Service Publication, the value of building construction determined by the Marshall Valuation Service shall be used in calculating the building permit fees.	
<u>2.</u>	<u>MOBILE HOMES</u>	\$175.00 + \$11.00 per \$1000.00 of construction value of the foundations, mountings, skirting and blockings.
<u>3.</u>	<u>AWNINGS AND CANOPIES</u>	Based on value stated in (1) above.
<u>4.</u>	<u>RETAINING WALLS</u>	Based on value stated in (1) above.
<u>5.</u>	<u>DEMOLITION</u>	\$175.00 each building
<u>6.</u>	<u>HEATING AND VENTILATING SYSTEMS</u>	
	(a) Masonry/Metal Chimneys	Based on value stated in (1) above.
	(b) Solid Fuel burning appliances including chimneys	\$175.00 each
	(c) Canopies for commercial cooking appliances	\$175.00 each

15. ALTERNATIVE SOLUTION FEE

For examination of requests for alternatives to Building Code requirements, a fee of \$200.00 per alternative solution will be charged.



City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4
250 469-8500
kelowna.ca

Council Policy

User Fees – Building and Permitting Branch

APPROVED November 23, 1992

RESOLUTION: R375/10/04/26
REPLACING: S1307/92/11/23
DATE OF LAST REVIEW: April 2010

The Building and Permitting Branch will review all user fees annually to ensure full recovery of administrative and inspection costs.

REASON FOR POLICY

The policy was established in 1992 after a staff review of City building permit fees revealed that the City's fees were significantly below that charged in other municipalities.

LEGISLATIVE AUTHORITY

Council Resolution.

PROCEDURE FOR IMPLEMENTATION

Building and Permitting Branch reports to Council annually with requests for changes to user fees, as required.

Building Bylaw No.7245

No.	Section	Existing Text	Proposed Text	Rationale
1	Part 1 Definitions	1.3 "Building Inspector" means the Inspection services Manager or those positions designated by Council under section 2 of the Local Government Act.	1.3 "Building Inspector" means the Building & Permitting Branch Manager or those positions designated by Council under section 2 of the Local Government Act.	Text change for better clarification corresponding with the title change implemented due to the COK reorganization of departments
2	Part 4 Building Permits	4.1.1.(K) Placement or removal of fuel storage tanks;	To be removed	No expertise or jurisdiction in gasoline storage tanks
3	Part 4 Building Permits	4.1.1.(m) Placement of hoardings;	To be removed	Permit is issued by the Civic Operations Department
4	Part 4 Building Permits	No Text	4.7.6 In every case where, due to non-compliance with the provisions of the Building Code, unsatisfactory workmanship or work not ready when inspection called for, more than two inspections are necessary, then each inspection after the second inspection, a fee as set out in schedule A must be paid.	Relocating text from Schedule A to the body of the bylaw
5	Part 4 Building Permits	No Text	4.7.7 For inspections not specifically described in section 5.1.1 the owner shall first pay to the City the appropriate fee set out in Schedule A	Relocating text from Schedule A to the body of the bylaw
6	Part 8 Climatic data	8.1 Climatic data for the design of buildings in the City shall be: January 2½% Design Temperature -17° C January 1% Design Temperature -20° C July 2½% Design Temperature, dry 33° C July 2½% Design Temperature, wet 20° C Degree days below 18° C 3,730 15-minute rainfall 10 mm One-day rainfall 64 mm Annual total precipitation 317 mm Ground snow load SS 1.8 kPa SR 0.1 kPa Hourly wind pressures 1/10 0.34 kPa 1/30 0.43 kPa 1/100 0.53 kPa Seismic data Za 1 Zv 1 Zonal velocity ratio v 0.05 Depth of frost penetration 600 mm	8.1 Climatic data for the design of building in the City shall be: Ground Snow load SS 1.8 kPa SR 0.1 kPa Depth of frost penetration 600 mm All other climatic data should be obtained from the current edition or the British Code.	The climatic data referenced in Part 8 of the Building Bylaw is outdated and now is referenced in the British Columbia Building Code. The snow load calculation of 1.8 kpa exceeds the minimum CBC code requirement and therefore is unchanged.

Building Bylaw No.7245

No.	Section	Existing Text	Proposed Text	Rationale
7	Part 9 Building Move	<p>9.1 Building Placement Certificate</p> <p>9.1.1 No building, with the exception of new factory assembled buildings, or accessory buildings under 50 m² shall be moved to or placed upon any land within the City unless a Building Placement Certificate has first been issued by the Building Inspector.</p> <p>9.1.2 Where a Building Placement Certificate is required by the provisions of Section 9.1 of this bylaw, the owner of the land onto which the building is intended to be moved shall:</p> <p>(a) prepare a signed, written statement marked with the heading "Application for a Building Placement Certificate" containing the following information: (i) the civic address of the lot on which the building is to be placed; (ii) the complete legal description of the lot on which the building is to be placed; (iii) the full name and mailing address of the applicant or his agent. <i>Consolidated</i> Bylaw No. 7245 - Page 17.</p> <p>(b) prepare plans and specifications of the building proposed to be placed as follows: (i) drawn to a minimum scale of 1:50; (ii) showing the following information: dimensions of the lot, plot plan showing the location of all buildings, structures, driveways and services, foundation plan, and landscaping plans. (c) deliver to the Building Inspector one (1) copy of the application, together with two (2) copies of the plans and specifications. (d) notify, in writing, the owners of property located within a 100 metre radius of the site that he has applied for a permit to move a building to the subject property. (e) post a bond as required in Section 9.2. 9.1.3 The Building Inspector, within ten (10) days after receipt of the application for a Building Placement Certificate, shall advise the applicant whether his application has been accepted or rejected.</p> <p>9.1.4 The Building Inspector may consider the following prior to the issuance of any Building Placement Certificate: (a) compatibility with other buildings within a 100 m radius of the site, as to: (i) age; (ii) design; (iii) workmanship and condition of construction and materials; (iv) proposed landscaping and exterior finish; (b) whether any improvements have to be made</p>	Remove the entire Part 9 section	The main function of Building move component is reviewed by Land Use Management to assess whether the move and placement meet the form and character of the proposed neighborhood

Building Bylaw No.7245

No.	Section	Existing Text	Proposed Text	Rationale
		<p>to City works or services and whether costs of such improvements would be excessive. (C) if the renovations and upgrading of the site conforms with the provisions of the bylaws of the City. 9.2 Security Bond 9.2.1 Before the Building Placement Certificate is issued, the Building Inspector shall require the owner of the lot on which the building is to be placed to deposit or post cash, certified cheque or bond in an amount determined by the Building Inspector and in a form satisfactory to the Treasurer of the City. The deposit shall be held by the City until the site grading and exterior finish is completed to the satisfaction of the Building Inspector. The site grading and exterior finish shall be completed within the time frame specified in the Building Placement Certificate. If the owner fails to complete the site grading and exterior finish to the satisfaction of the Building Inspector within the time frame specified, the City, by its workmen or others, may enter and complete the site grading and exterior finish at the expense of the owner of the land and the costs for so doing shall be deducted from the deposit. If the deposit is insufficient to cover the costs of completing the site grading and exterior finish to the satisfaction of the Building Inspector, the owner shall, within thirty (30) days of invoice from the City pay the balance of the costs over the amount of the deposit. If the said costs are unpaid on the thirty-first day of December in the year in which the site grading and exterior finish were to be completed the same shall be added to and form a part of the taxes payable in respect to the said site concerned as taxes in arrears.</p>		

Building Bylaw No.7245

No.	Section	Existing Text	Proposed Text	Rationale
8	10.2 Security Deposit Delayed Demolition	10.2.1 Where an owner wishes to continue to use an existing dwelling as a residence while constructing another dwelling on the same parcel, he shall, prior to issuance of the building permit, enter into an agreement with the City undertaking on completion of the new dwelling to: (a) remove the existing dwelling; or (b) convert the existing dwelling into a non-residential use to the satisfaction of the Building Inspector.	10.2.1 Where an owner wishes to continue to use an existing dwelling as a residence while constructing another dwelling on the same parcel, the owner shall deposit with the City the sum of \$20,000.00 for each building or structure to be demolished. The deposit shall be provided in a form satisfactory to the Treasurer of the City. Prior to issuance of the building permit, the owner shall enter into an agreement with the City undertaking upon completion of the new dwelling to: (a) remove the existing dwelling; or (b) convert the existing dwelling into a non-residential use to the satisfaction of the Building Inspector.	The security deposit change from \$1,000.00 to \$20,000.00. The security deposit fee of \$1000.00 is not a deterrent for owners to demolish structures on their properties once the new structure is completed requiring the assistance of Bylaw Enforcement to have the properties brought into compliance. A \$20,000.00 deposit will not hinder or halt construction on the property and compliance will be achieved through the building section. This security deposit may be used by the City to have the existing buildings removed as agreed. This will prevent the applicant from ending up with more than one dwelling unit on the same parcel.
9	Schedule A Value of Building Construction	Value of Building Construction \$1,000.00 \$1,001.00 - \$100,000.00 \$100,001.00 - \$500,000.00 \$500,001.00 + and up	Value of Building Construction \$1.00 - \$10,000.00 \$10,001.00 - \$100,000.00 \$100,001.00 - \$500,000.00 \$500,001.00 + and up	The non refundable \$175.00 fee would be paid on application, should the plan examination be completed and the project halted the fee is retained to cover staff time. \$45 does not cover the inspection and administration costs for recovery required for the permit.

Building Bylaw No.7245

No.	Section	Existing Text	Proposed Text	Rationale
			\$1000.00 or portion thereof	
10	Schedule A Mobile Homes	\$45.00 per unit plus \$8.50 per \$1,000.00 of construction value of the foundations, mountings, skirting and blockings.	\$175.00 + \$11.00 per \$1000.00 of construction value of the foundations, mountings, skirting and blockings.	\$45 does not cover the inspection and administration costs for recovery required for the permit.
11	Schedule A Hoardings	\$25.00 minimum plus \$10.00 per week after the first week.	Remove text	Permit is issued by the Civic Operations Department
12	Schedule A Demolition Section 6	\$25.00 each building	\$175.00 each building	\$25 does not cover the inspection and administration for cost recovery.
13	Schedule A HEATING AND VENTILATING SYSTEMS	b) Solid fuel burning appliances including chimney \$100.00	b) Solid fuel burning appliances including chimney \$175.00	The non refundable \$175.00 fee would be paid on application
14	Schedule A HEATING AND VENTILATING SYSTEMS	c) Canopies for commercial cooking appliances \$45.00 ea.	c) Canopies for commercial cooking appliances \$175.00 ea.	\$45 does not cover the inspection and administration costs for recovery required for the permit. The non refundable \$175.00 fee would be paid on application
15	Schedule A HEATING AND VENTILATING SYSTEMS	e) Fire extinguishing systems, over commercial cooking appliances and spray booths \$45.00	e) Fire extinguishing systems, over commercial cooking appliances and spray booths \$175.00 ea.	\$45 does not cover the inspection and administration costs for recovery required for the permit. The non refundable \$175.00 fee would be paid on application
16	Schedule A GASOLINE STORAGE TANKS	Gasoline Storage Tanks	Remove	No expertise or jurisdiction in gasoline storage tanks
17	Schedule A GASOLINE PUMPS INCLUDING PIPING	Gasoline pumps including piping	Remove	No expertise or jurisdiction in this discipline
18	Schedule A Placement Certificates	Placement certificate	Remove	LUM reviews form and character and approves the relocation of the structure.
19	Schedule A Re-inspection	In every case where, due to non-compliance with the provisions of the Building Code, unsatisfactory workmanship or work not ready when inspection called for, more than two inspections are necessary, then each inspection after the	\$150.00	Text moved to body of the bylaw and fee amendment to the fee based on 3 rd And subsequent inspections requested on the same

Building Bylaw No.7245

No.	Section	Existing Text	Proposed Text	Rationale
		second inspection, a fee of \$40.00 will be charged.		process to encourage contractors to complete outstanding infractions prior to recalling inspections
20	Schedule A Additional Plan Checking Fees	A plan checking fee of \$30.00 per hour or part thereof, will be charged to cover the costs of the additional plan checks for each permit;	If the initial plans submitted are not satisfactory or a change of design is proposed to the Building Official and revised plans are required, there may be an additional fee of \$60.00 per hour charged for all subsequent re-examination of such plans.	\$30 per hr. does not cover the review and administration costs for recovery.
21	Schedule A INSPECTIONS NOT SPECIFICALLY DESCRIBED IN THIS APPENDIX	For inspections not specifically described herein, a fee per inspection of \$50.00 per hour will be charged.	\$60.00 per hour	Text moved to the body of the bylaw. \$50 per hr. does not cover the inspection and administration for cost recovery.
22	Schedule A PERMIT TRANSFER OR ASSIGNMENT FEE	For the transfer or assignment of a building permit or an application for a building permit, when requested in writing by the Owner under Section 4.9.3 an additional non-refundable fee shall be paid in the amount of \$40.00.	\$150.00.	Text is already contained in section 4.9.3. \$40 does not cover the administration costs for recovery required for the permit transfer.
23	Schedule A PERMIT EXTENSION FEE	For the extension of a building permit or an application for a building permit when requested in writing by the Owner, pursuant to Section 4.11 an additional non-refundable fee shall be paid in the amount of \$40.00.	\$100.00.	Text is already contained in section 4.11. \$40 does not cover the administration costs for recovery required for the permit extension.
24	Schedule A EQUIVALENT FEE	For examination of requests for equivalencies to the Building Code requirements, a fee of \$200.00 per equivalency will be charged.	For examination of requests for alternatives to Building Code requirements, a fee of \$200.00 per alternative solution will be charged.	Change in wording of the building code requires reference to alternative solutions not equivalencies.
25		SCHEDULE "B" OWNERS UNDERTAKINGS NOTE 1: To be submitted prior to issuance of a building permit. NOTE 2: Only an original Schedule printed by the City of Kelowna or an unaltered photocopy of this Schedule is to be completed and submitted.	SCHEDULE "E" OWNERS UNDERTAKINGS NOTE 1: To be submitted prior to issuance of a building permit. NOTE 2: Only an original Schedule printed by the City of Kelowna or an unaltered photocopy of this Schedule is to be completed and submitted.	To reduce confusion between the Schedule B required by the British Columbia Building Code