

Building and Plumbing Permit Program – 2019 to 2022 Fees

The purpose of this attachment is to provide additional information regarding the increases to Building and Plumbing Permit Program fees for the period of January 1, 2019, to December 31, 2022, as recommended in the report.

Background

The Building Standards Division engaged the services of a third-party consultant to complete an evaluation of residential and commercial building permit program fees.

Findings of the review demonstrate Saskatoon's building permit fees are among the lowest of peer municipalities surveyed, reflecting a lower cost of service. The net impact of the recommended fee increases is forecasted to return programs to a state of full cost recovery of service.

Report

Table 1 below summarizes the recommended fee increases from January 1, 2019, to December 31, 2022, with a 2% increase every year thereafter to index fees with inflation.

Table 1 – Summary of Recommended Fee Increases

	2018	2019	2020	2021	2022
<u>Residential Building Permit</u>					
Residential [one- and two-unit dwellings, townhomes, row houses, apartments (that fall under Part 9 of the National Building Code)]	\$0.70/ft ²	\$0.80/ft ²	\$0.90/ft ²	\$0.99/ft ²	\$1.01/ft ²
Basement development or alterations of any floor area	\$0.24/ft ²	\$0.27/ft ²	\$0.31/ft ²	\$0.34/ft ²	\$0.35/ft ²
Garage - attached or detached	\$0.21/ft ²	\$0.24/ft ²	\$0.27/ft ²	\$0.30/ft ²	\$0.30/ft ²
Deck	\$0.10/ft ²	\$0.11/ft ²	\$0.12/ft ²	\$0.13/ft ²	\$0.13/ft ²
Roof over deck or carports	\$0.10/ft ²	\$0.11/ft ²	\$0.12/ft ²	\$0.13/ft ²	\$0.13/ft ²
<u>Apartments (New Construction Only) That Fall Under Part 9 of the National Building Code</u>					
All floor levels, including basement	\$0.70/ft ²	\$0.80/ft ²	\$0.90/ft ²	\$0.99/ft ²	\$1.01/ft ²
Addition of decks and balconies to existing construction	\$0.10/ft ²	\$0.11/ft ²	\$0.12/ft ²	\$0.13/ft ²	\$0.13/ft ²
Garage/accessory building (attached or detached)	\$0.21/ft ²	\$0.24/ft ²	\$0.27/ft ²	\$0.30/ft ²	\$0.30/ft ²
<u>All Other Construction Not Noted Above</u>					
Cost per \$1,000 of construction	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50
Construction and design plan review fee (new)	-	\$420.00	\$428.00	\$437.00	\$446.00
Water and sewer plan review fee (new)	-	\$620.00	\$632.00	\$645.00	\$658.00
Minimum permit fee	\$100.00	\$150.00	\$153.00	\$156.00	\$159.00
Reinspection fee	\$100.00	\$150.00	\$153.00	\$156.00	\$159.00
Permit reinstatement fee	\$150.00	\$150.00	\$153.00	\$156.00	\$159.00
Permit extension fee	\$150.00	\$150.00	\$153.00	\$156.00	\$159.00
Interim occupancy permit	\$ 40.00	\$800.00	\$816.00	\$832.00	\$849.00
Final occupancy permit	\$ 40.00	\$380.00	\$388.00	\$395.00	\$403.00
<u>Plumbing Permit</u>					
Cost per fixture	\$ 17.00	\$ 17.80	\$ 18.60	\$ 19.50	\$ 19.89
Minimum permit fee	\$ 75.00	\$ 83.00	\$ 91.00	\$100.00	\$102.00

Public and/or Stakeholder Involvement

The Saskatoon & Region Home Builders' Association, Saskatoon Construction Association, Association of Professional Engineers and Geoscientists of Saskatchewan, Association of Consulting Engineering Companies, and Saskatchewan Association of Architects were engaged to provide feedback on the report findings. Respondents indicated they support the recommended fee changes.

At the time of writing of this report, feedback on the preliminary plumbing permit fee changes was not available.

Communication Plan

A communication plan will be developed to support the fee changes.

Policy Implications

Updates to Bylaw No. 9455, The Building Bylaw, 2017, are required to support the implementation of fee changes.

Financial Implications

The Building Standards Division Building and Plumbing Permit Program revenue is projected to increase by \$231,300 for 2019, based on the proposed rate increases. Even with the rate increase, the anticipated draw on the stabilization reserve is \$901,400 in 2019. The net impact of the recommended fee increases is forecasted to return programs to a state of full cost recovery of service.

The revenue of both the Construction and Design Division and Saskatoon Water Division is projected to increase by approximately \$166,400 for 2019, based on the implementation of the new fees and projected volume. Revenue from these fees will be reported and flow through both of these Divisions.

Options to the Recommendation

The impact of not changing fees will result in the program being subsidized by the Plan Review and Inspection Service Stabilization Reserve. With the current fee structure, projected permit volumes, and planned 2019/2020 capital projects to support online programs, it is anticipated the reserve balance will decrease to \$875,000 by December 31, 2022.