



City of Niagara Falls Building Permit Fee Review

Public Meeting
July 11, 2023

Introduction



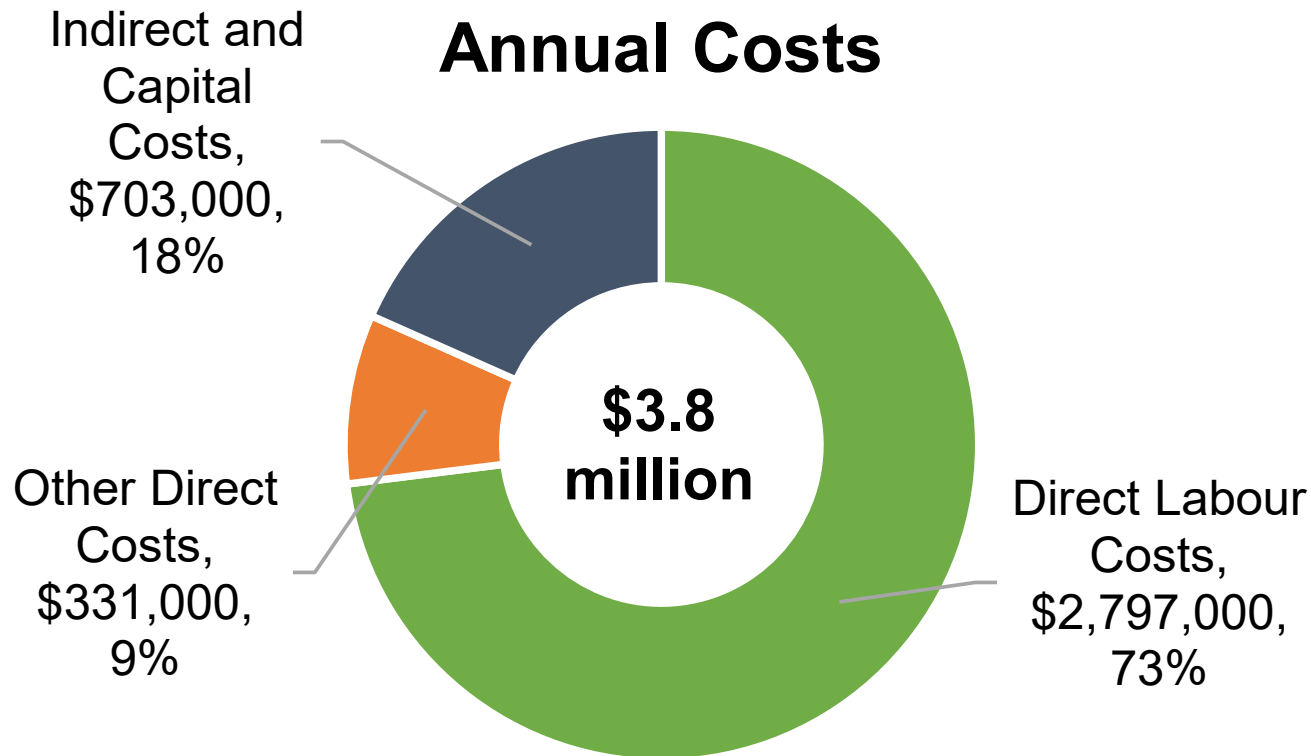
- The City of Niagara Falls (City) has retained Watson & Associates Economists Ltd. (Watson) to undertake a review of their building permit fees that:
 - Conforms with legislation and is defensible;
 - Balances the City's need to maximize cost recovery and ensure building permit reserve fund sustainability with stakeholder interests, affordability, and competitiveness;
- Methodology employed is an activity-based costing approach to fully recover the costs of administration and enforcement of the *Building Code*

Legislative Context and Trends



- *Building Code Statute Law Amendment Act* amended the *Building Code Act* fee provisions:
 - allows municipalities to pass a by-law requiring the payment of fees for application and issuance of building permits
 - the fees must not exceed the anticipated reasonable costs of administration and enforcement (including direct and indirect costs)
 - allows for the creation of Building Code Act reserve funds
- Building permit fee reviews continue to evolve beyond initial legislative changes in 2005 (i.e., building permit types and strategic pricing considerations)

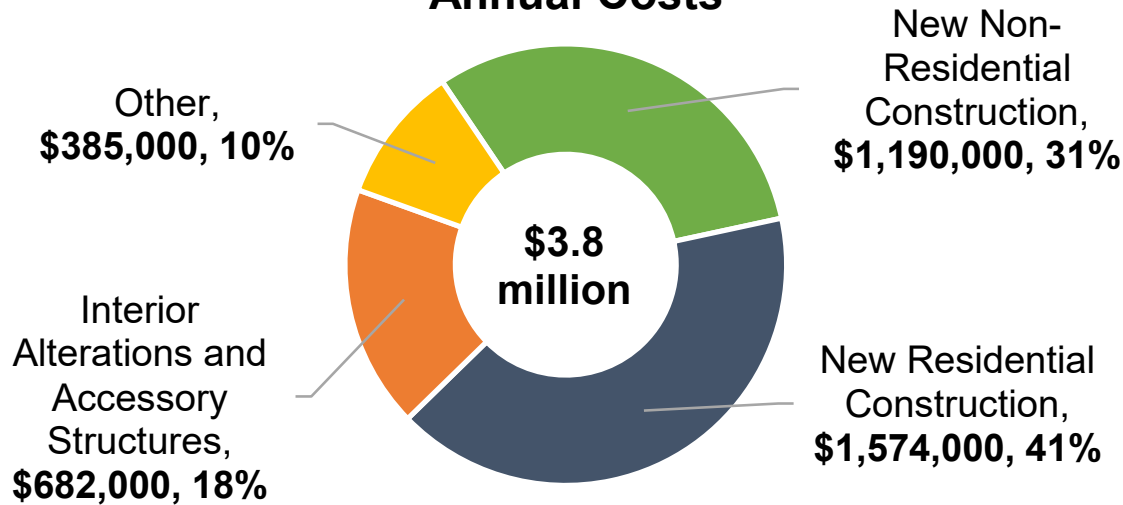
Annual Building Permit Review Costs



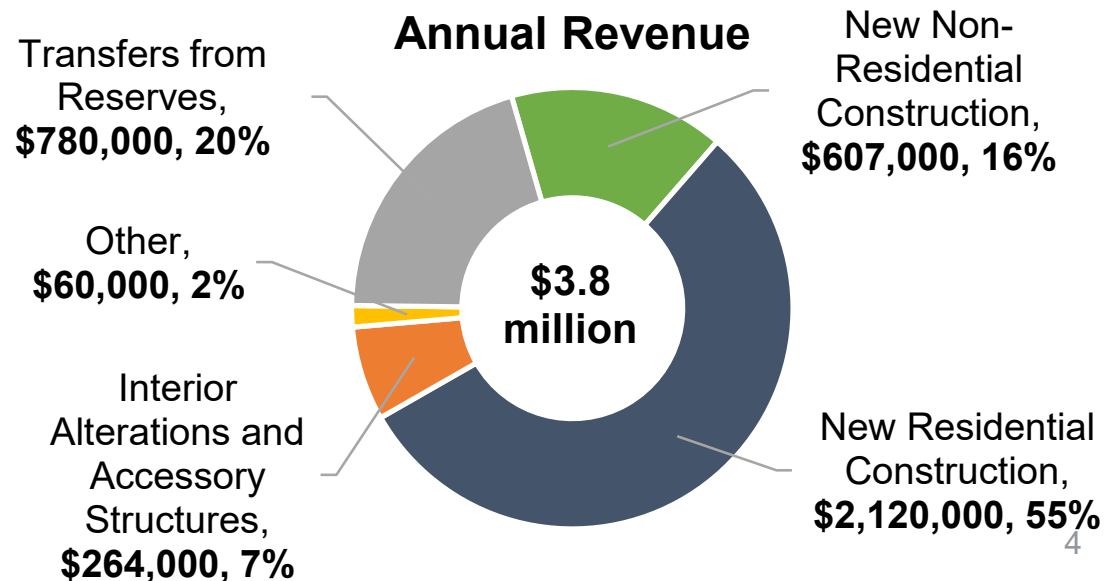
Annual Building Permit Review Costs/Revenues By Major Permit Type



Annual Costs



Annual Revenue

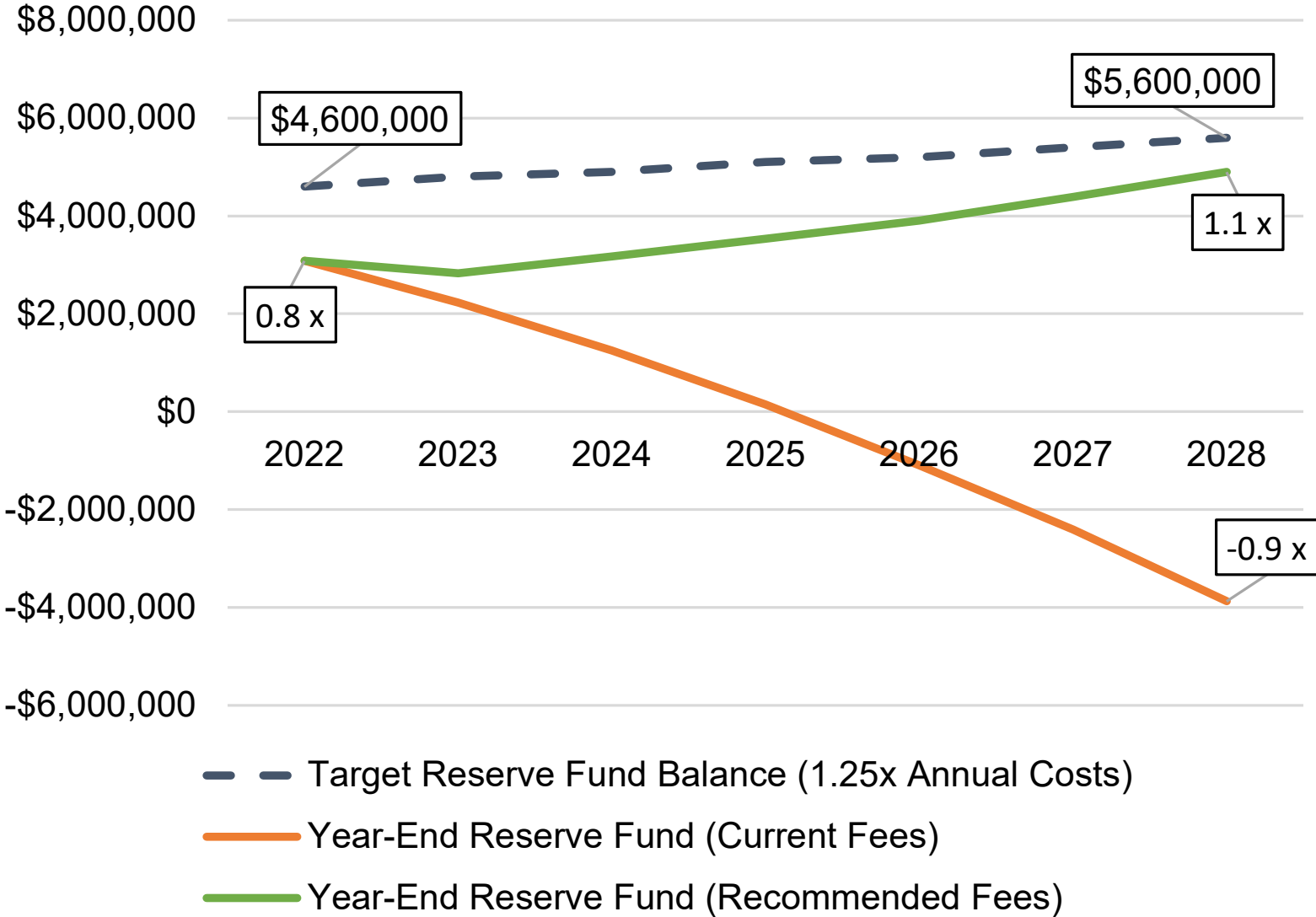


Fee Recommendations & Reserve Fund Strategy



- Fee recommendations made to:
 - Fund the reasonable cost of administering and enforcing the *Building Code*;
 - Maintain market competitiveness with neighboring municipalities and stakeholder affordability; and
 - Provide reserve fund contributions for sustainable service delivery during economic downturns
 - City's policy established in 2008 was to accumulate 1.28 x annual costs of service recognizing a responsibility to manage 25% of costs during downturns
 - Recommendation to move towards 1 to 1.25 times annual costs of service by 2028, considering forecast building permit activity

Reserve Fund Continuity Forecast



Fee Recommendations

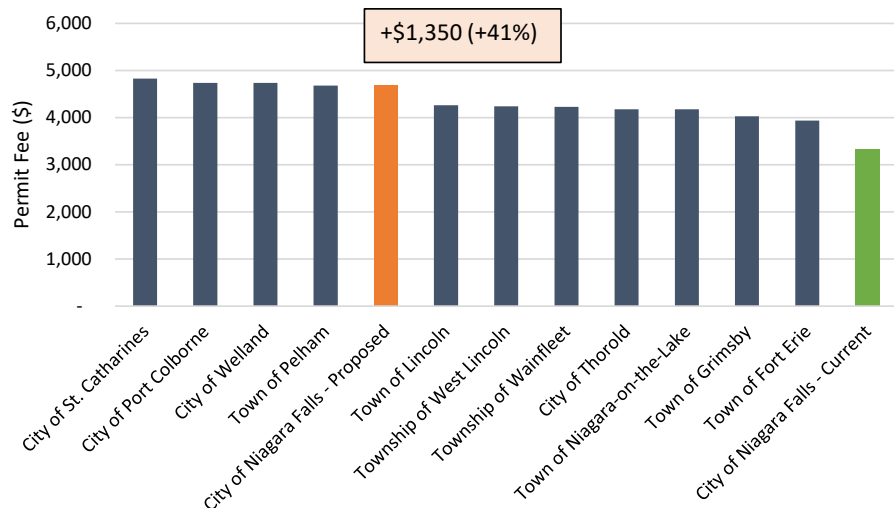


- Fees increases made within City proposed fee categories
- Fees proposed to increase to within range of fees imposed in Niagara Region comparators plus 3% annual inflation
- Introduction of minimum fee of \$225
- Fees to come into force mid 2023
- Proposed fees would increase revenue by 37% on average
- *Detailed Survey and Fees provided in separate excel file*

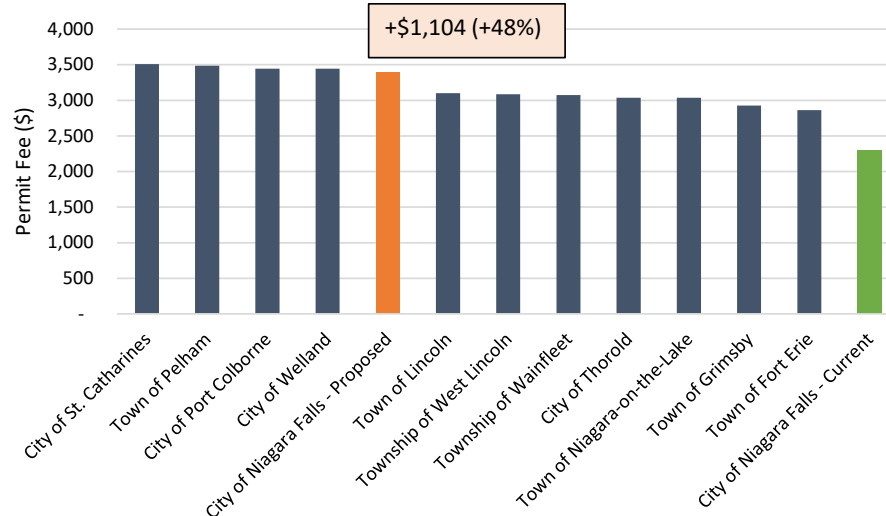
Residential Building Permit Fee Comparisons



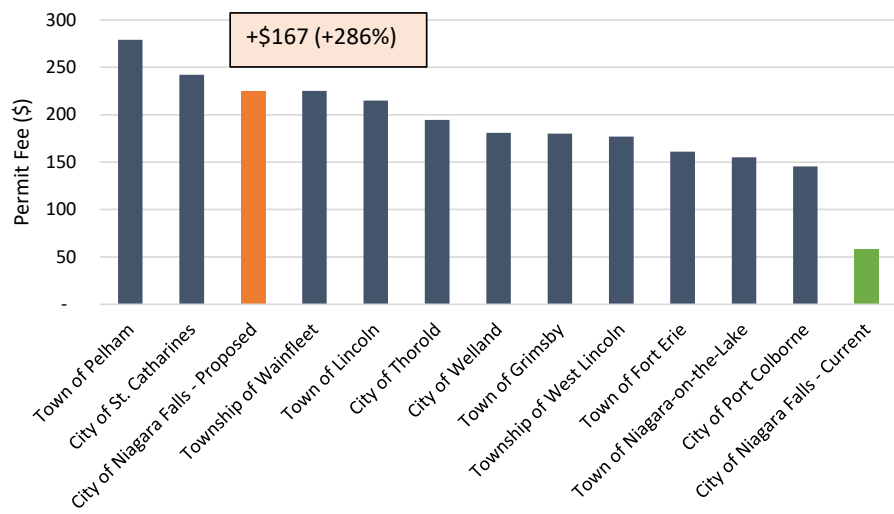
Single Detached Home (275 sq.m.)



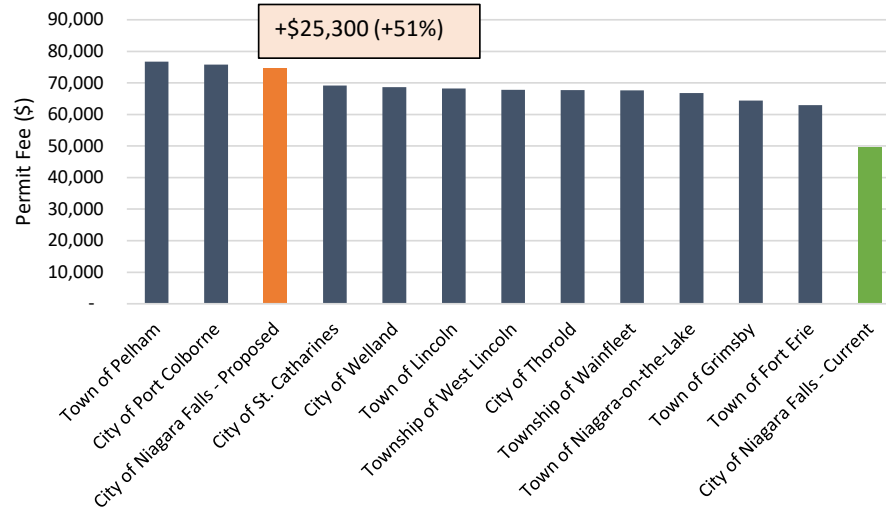
Townhouse (200 sq.m.)



Residential Accessory Building (15 sq.m.) / Minimum Fee



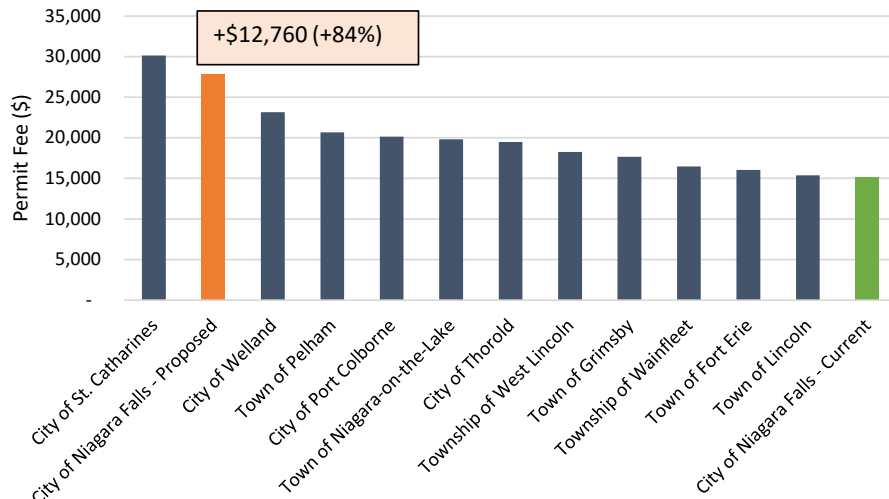
High Density Residential (5,000 sq.m.)



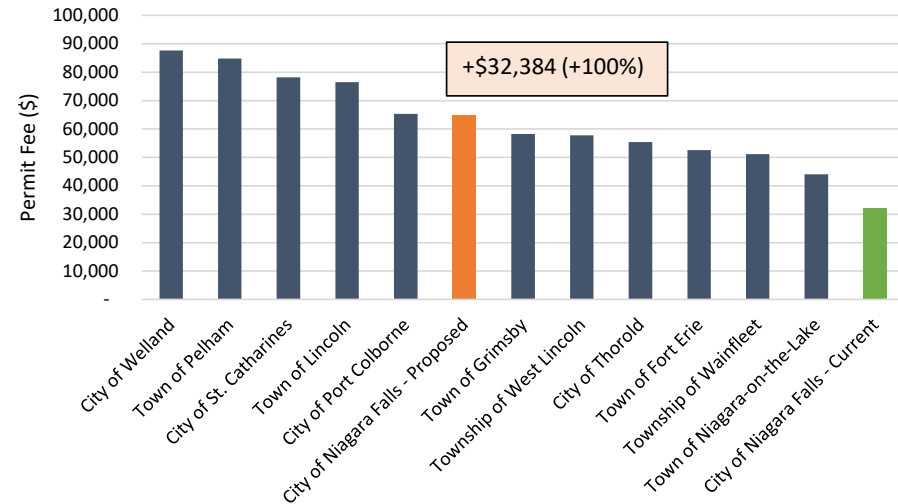
Non-Residential Building Permit Fee Comparisons



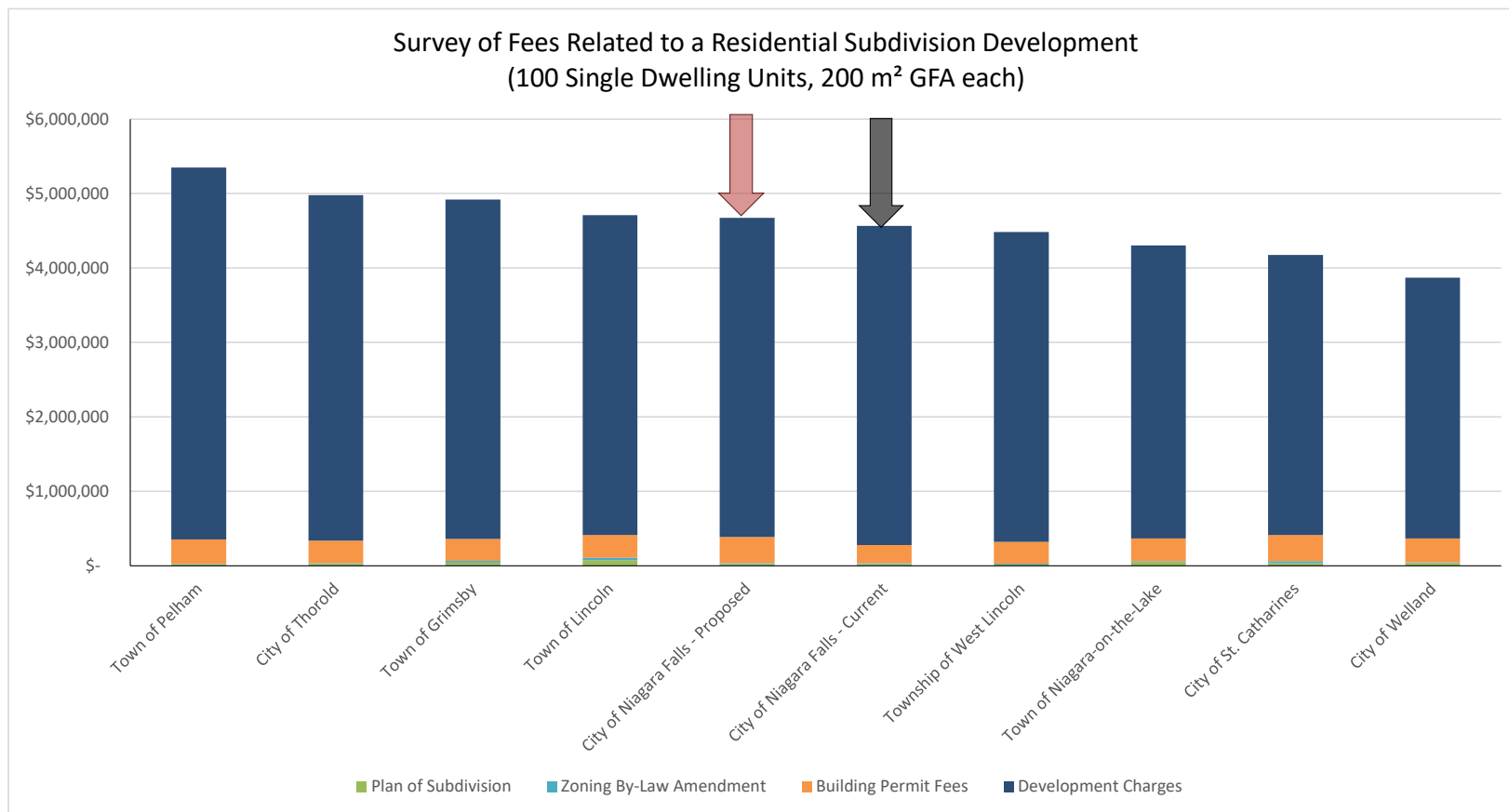
Commerical Retail (1,000 sq.m.)



Industrial (5,000 sq.m)



Low Density Development Impacts



- Current building permit fees represent 5.3% of total fees
- 41% increase in residential permit fee equates to a 2.1% increase in total fees

Next Steps



- Receive input from the public on the proposed building permit fees
- Council to consider by-law for adoption and implementation