

**Amendments to Municipal Code, Chapter 363,
Construction and Demolition, and Chapter 441, Fees and
Charges**

Date:	September 27, 2013
To:	Planning and Growth Management Committee
From:	Chief Building Official and Executive Director, Toronto Building
Wards:	All Wards
Reference Number:	P:\2013\Cluster B\BLD\PG13017

SUMMARY

The purpose of this report is to recommend that City Council adopt proposed amendments to the City of Toronto Municipal Code, Chapter 363, Construction and Demolition, and Chapter 441, Fees and Charges.

The proposed amendments are in response to the Auditor General's recommendation to have City Council request the Chief Building Official to ensure that Toronto Building fees in the Toronto Municipal Code are current, complete and accurate. Municipal Code, Chapter 363, Construction and Demolition, currently contains requirements for building permit applications including a listing of fees required to obtain a permit.

The amendments, if adopted, will eliminate a listing of fees currently contained in Municipal Code, Chapter 363 resulting in a single listing in Chapter 441. This will remove any confusion caused by this duplication and simplify the annual indexing provision for Toronto Building fees.

Appendix 1 of this report contains the proposed amendments to Chapter 363 of the Toronto Municipal Code and Appendix 2 contains the proposed amendments to Chapter 441 of the Toronto Municipal Code. It is proposed that the amendments become effective January 1, 2014. The new fee schedule to amend Chapter 441 contained in Appendix 2 of this report, has all fees adjusted to the 2014 annual indexing rate, which is scheduled to take effect on January 1, 2014.

The proposed amendments also contain revised descriptions of the fees listed in Chapter 441, which will clarify the purpose of the fees and make referencing these fees easier. It is further proposed that all Toronto Building fees contained in Chapter 441 be subjected to annual indexing. Currently, most Toronto Building fees are subject to annual indexing, but some services, such as Toronto Building's Preliminary Project Review fee, have not been subjected to an annual increase. Subjecting annual indexing where work is provided on a fee-for-service basis will more accurately align with costs associated in providing the service. It will also simplify and provide a more efficient means to ensure the accuracy of building permit rates whenever they are revised and/or adjusted annually.

A Preliminary Project Review is a detailed review of a proposal to determine its compliance with the City's zoning by-laws, Municipal Code and other regulations, and to indicate other approvals that are required prior to the issuance of a building permit or sign permit. The provisions for this review were inadvertently removed from Chapter 441 of the Toronto Municipal Code. It is proposed the provisions be restored and be included as part of the amendments to Chapter 363 of the Toronto Municipal Code.

This report also contains a recommendation to add two new fees for the preparation of inspection status reports requested by the public. This service has been piloted for a few years using an hourly rate to recover costs, and it has been determined that there is an ongoing demand for these reports.

RECOMMENDATIONS

The Chief Building Official and Executive Director, Toronto Building recommends that City Council:

1. Remove the fee schedules and indexing provisions contained in Chapter 363, Construction and Demolition, of the Toronto Municipal Code, and amend the chapter to make reference to Chapter 441, Fees and Charges, for all Toronto Building rates, substantially in accordance with Appendix 1 of this report.
2. Replace the fees and fee descriptions contained in Chapter 441, Fees and Charges, of the Toronto Municipal Code, with the revised fees and fee descriptions substantially in accordance with in Appendix 2 of this report.
3. Add two new fees to Chapter 441, Fees and Charges, of the Toronto Municipal Code, to recover the costs associated with providing inspections status reports to anyone requesting this service.
4. Subject all Toronto Building fees to annual indexing provisions contained in Chapter 441, Fees and Charges.
5. Add the provisions for Preliminary Project Review applications to Chapter 363 of the Toronto Municipal Code.

6. Direct the City Solicitor to prepare the necessary bill(s) to make the by-law amendments required to give effect to the recommendations in this report and make the amendments come into effect on January 1, 2014.

Financial Impact

The recommendations in this report will have no financial impact beyond what has already been approved in the current year's budget.

DECISION HISTORY

At its meeting on April 10 and 11, 2012, City Council adopted Audit Committee Report AU6.6 setting out the recommendations to improve controls and reporting of building permit fees.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.AU6.6>

At its meeting on June 14, 15 and 16, 2005, City Council adopted the report: Implementation of the Building Code Statute Law Amendment Act (Bill 124).

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050614/plt5rpt/cl014.pdf>

At its meeting on April 16, 1998, City Council adopted By-law 163-1998, "*Building Permit By-law*".

<http://www.toronto.ca/legdocs/1998/minutes/council/cc980416.pdf>

At its meeting on July 24, 25, 26, 2001, City Council adopted the report Expansion of Preliminary Project Review Service.

<http://www.toronto.ca/legdocs/2001/minutes/council/cc010724.pdf>

ISSUE BACKGROUND

Under Section 7 of the *Building Code Act, 1992*, the council of a municipality is authorized to establish a by-law prescribing classes of permits under the Act, including permits in respect of any stage of construction or demolition. Such a by-law may also include requiring payment of fees on applications for and on the issuance of permits and prescribing the amounts of the fees. The total amount of the fees authorized by Council under the authority of the Act must not exceed the anticipated reasonable costs of the City to administer and enforce the Act in the City of Toronto.

Upon amalgamation, the City of Toronto and the former municipalities harmonized building permit fees under By-law 163-1998. This By-law was replaced with By-law 598-2005. The Toronto Municipal Code currently includes a schedule of Toronto Building Division fees in Chapter 363, Construction and Demolition.

After Chapter 363 was established, City Council directed the consolidation of the various fees and charges for services or activities provided by the City of Toronto as a whole into one by-law by amending Toronto Municipal Code, Chapter 441, Fees and Charges.

Since Chapters 363 and 441 of the Toronto Municipal Code list Toronto Building fees, with Chapter 441 containing the indexed version, confusion can occur when referencing the required fees for permit applications and incorrect charges could be applied.

At its meeting of April 10 and 11, 2012, City Council adopted Audit Committee Report AU6.6 setting out the recommendations to improve controls and reporting of building permit fees. The report noted that the update of fees programmed in IBMS (Integrated Business Management System, part of Toronto Building's electronic permitting system) should be automated utilizing a singular database maintained by the business user (Toronto Building) to ensure accuracy of building permit rates in the system.

Toronto Building established the *TelePermit* interactive inspection service in 2009. The service provides building permit holders seven days a week access to request, cancel or reschedule an inspection. Inspections are held Monday to Friday during normal business hours.

TelePermit also grants permit holders the ability to listen to inspection results and the option of having a printed inspection status report sent to their fax or email. To recover the cost to process the printed report, a fee of \$25.02 is proposed.

There is also demand from the public for more extensive inspection status reports that the *TelePermit* system is not equipped to provide. This involves projects with multiple permits and/or more complex projects where extensive detailed information regarding inspection status is required. Toronto Building has been able to successfully produce these reports during the *Telepermit* pilot based on the 2013 hourly rate of \$78.98. This report therefore recommends a new fee of \$80.00 be added to the Toronto Building fee schedule in Chapter 441 of the Toronto Municipal Code effective January 1, 2014 to recover the cost requests received for the more detailed inspection status report.

The provisions for Preliminary Project Review applications were inadvertently removed from the Toronto Municipal Code. Restoring the provisions to the Toronto Municipal Code will make referencing these provisions more convenient than having to locate them in By-law 783-2001.

COMMENTS

Removing the listing of fees from Chapter 363 of the Toronto Municipal Code will eliminate duplication and simplify indexing provisions. Amending Chapter 363 to refer to Chapter 441 for all Toronto Building fees will enhance customer service, reduce the amount of work required to maintain fee schedules and will lessen the possibility of errors occurring when updating fees in IBMS. The proposed amendments to Chapter 441

include improved and expanded fee descriptions which will simplify cross-referencing permit application requirements contained in Chapter 363.

Eliminating Toronto Building fee schedules from Chapter 363 and solely listing the fees in Chapter 441 aligns with the citywide "User Fee Policy" adopted by City Council at its meeting on September 26, 27, and 2011.

<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-40701.pdf>

The *TelePermit* Interactive Inspection service has enabled Toronto Building to capture a record in IBMS of each inspection request and corresponding inspection result. With this information available in the system, requests for inspection status reports have been successfully satisfied during the *TelePermit* pilot service program. The introduction of two new fees in Chapter 441 of the Toronto Municipal Code to recover the costs associated with providing the inspection status reports will simplify processing these requests.

CONTACT

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SIGNATURE

V. Ann Borooah
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ATTACHMENT

Appendix 1: Proposed amendments to Chapter 363 of the Toronto Municipal Code
Appendix 2: Proposed amendments to Chapter 441 of the Toronto Municipal Code