

NO: R146

COUNCIL DATE: July 8, 2019

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 4, 2019**

FROM: **General Manager, Planning and Development**

FILE: **1810-01**

SUBJECT: **Electrical Permit Fee Calculation Update for New Single Family Dwellings**

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report for information;
2. Approve amendments to *Surrey Electrical Safety By-law, 2004, No. 15596*, as documented in Appendix "I" of this report; and
3. Authorize the City Clerk to bring forward the necessary amendment bylaw for the required readings.

INTENT

The purpose of this report is to update Mayor and Council on an upcoming Planning and Development Department continuous improvement initiative to streamline the permitting process and seek Council's approval to adjust how the low-voltage electrical fees are calculated for new single-family Electrical Permit fees, switching from a declared value to a fixed 17% percentage of the building permit fees.

BACKGROUND

As per *Surrey Electrical Safety By-law, 2004, No. 15596*, the Planning and Development Department, through the Electrical Section, oversees the administration of the *Safety Standard Act, S.B.C. 2003*. In some municipalities, Technical Safety BC ("TSBC") oversees the administration of electrical installations.

Under these regulations, no person shall commence, work on, or complete any electrical work unless this person has first made an application for an electrical permit and has paid the permit fee. Electrical Permits are issued for many different types of electrical work including new single-family buildings, multi-family buildings, commercial buildings and renovations.

The construction of a new single-family dwelling requires a number of permits, including (but not limited to) a building permit and often two electrical permits:

- Low-voltage permit: installation of an electrical system between 30 to 750 volts.
- Extra-low-voltage permit for installation of an electrical system under 30 volts, including security system, data, cable, TV, vacuum cleaner, sound system, telephone, and lighting controls.

In 2018, the Planning and Development Department processed over 1080 new single-family building permits, with 95% of those permits applied for through the on-line electrical permitting system that was developed for electrical contractors by City staff. Based on the success of the on-line electrical permitting process, staff now plan on simplifying the fee calculation process by moving to a fixed percentage of the building permit, a system that is also in use in other municipalities in the region.

DISCUSSION

The Planning and Development Department is streamlining the low-voltage electrical permit process for new residential single-family by introducing a single fee at 17% percent of the building permit fee. This approach allows for faster processing of permits, provides electrical contractors with a consistent and transparent approach to permitting, and is in line with the approach taken in other jurisdictions. This will also ensure that permits are not issued in error, that they include the appropriate scope and value of work, and that they are associated with the appropriate building permit.

Permit Fee Valuation

Currently, permit fees are based on the following:

- New Single-Family Building permit - Sliding scale based on the building value, as described in Appendix "II".
- Low-voltage electrical permit - sliding scale, based on the declared installation value of electrical equipment, as described in Appendix "III".
- Extra-low voltage electrical permit - sliding scale, based on the declared installation value, as described in Appendix "III".

The Marshall & Swift Valuation Service is to be used to establish the appropriate declared value of the work. As an industry standard, Marshall & Swift Valuation Service is both a comprehensive guide and methodology for appraising construction costs.

Declared values are reviewed by Building staff during building permit review and again by Electrical staff prior to issuance of the associated electrical permits. The introduction of a standardized fee based on the building permit fees would eliminate this duplication of duties.

Works Valuation and Permit Fees Analysis

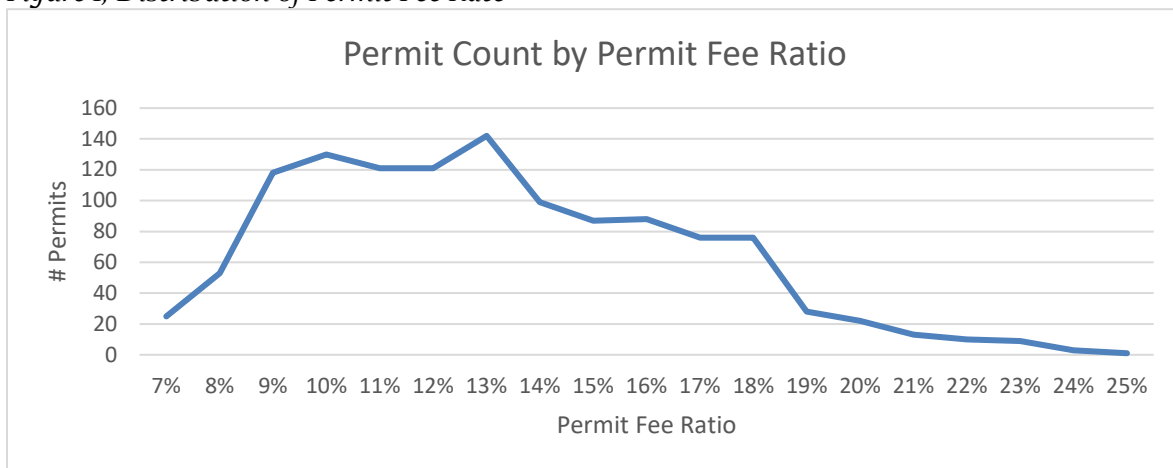
The table below provides a summary of the relevant permit averages for 2018 and 2019.

Year	Average Construction Value	Average Building Permit Fee	Average Low-Voltage Electrical Value	Average Low-Voltage Electrical Permit Fee	Permit Fee Ratio
2018	\$504,318	\$5,010	\$11,664	\$616	12.3%
2019	\$572,568	\$5,584	\$12,288	\$708	12.7%
Average	\$521,464	\$5,154	\$11,821	\$639	12.4%

Inconsistencies in the Valuation of Permits

While the permit fee ratio above averages at 12.4%, staff have determined that there is a great deal of inconsistency, as illustrated in Figure 1 below.

Figure 1, Distribution of Permit Fee Rate



This high variance in declared electrical work, and the associated electrical permit fees, requires additional staff time to perform audits and follow up to ensure consistency. Staff estimate approximately 25% of low-voltage electrical permits need to be adjusted to accuracy in scope or value. This delays the permit processing and increases staff workload, which further compounds timelines on overall permit issuance. With this planned improvement, staff expect a faster turnaround time for electrical permit issuance.

Market Review

A review of electrical permit fees for other municipalities, as shown in Appendix “IV”, reveals that the City of Surrey’s electrical permit fees for low-voltage electrical permits for new single-family dwellings are the lowest in the survey sample. Based on the average electrical work valuation of \$11,800, the City’s current average electrical permit fee is \$686. This is 25% lower than the surveyed fee average of \$911.

Several municipalities, including Richmond, Township of Langley, Delta, Coquitlam and Abbotsford, rely on Technical Safety BC to issue electrical permits. This is significantly higher

than the equivalent permit in Surrey. Based on this market analysis, staff believe it is important to adjust the City's electrical permit fees to be in line with other municipalities.

Staff recommend setting the low-voltage electrical permit at 17% of the Building Permit Fee. This change would bring Surrey's average electrical permit fee at \$876 which is closer to the region average but still \$35 below that regional municipal average.

The review also indicates that other municipalities have adopted an electrical permit fee based on a percentage of the building permit, where Burnaby's rate is 18% of the Building Permit and Maple Ridge's rate is 15% of the Building Permit.

Implementation Strategy

Subject to Council's endorsement, the proposed update to Electrical fees would take effect September 1, 2019. This will allow time for a communication plan to be developed and delivered to clients and for staff to implement the required technical changes in the AMANDA system.

Only new single-family low-voltage installation permits will be affected. Other permit types would not be impacted, including (but not limited to) extra low voltage electrical permits and plumbing permits.

Electrical permit applications received prior to September 1, 2019 would not be impacted and would be valued under the current fee setting by-law.

The next step in continuous improvement for the electrical permitting process will be to bring forward for Council's consideration a formal process for electrical operating permits which are required for specific installations. This information will be brought forward for Council's consideration late 2019.

SUSTAINABILITY CONSIDERATIONS

The work outlined in this report supports the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to Sustainability Charter 2.0 themes of Built Environment and Neighbourhood and Infrastructure. Specifically, this work supports the following Desired Outcomes ("DO") and Strategic Directions ("SD"):

- Built Environment and Neighbourhood DO13: Buildings are healthy and energy and resource efficient.
- Infrastructure DO21: Infrastructure systems provide safe, reliable and affordable services.
- Infrastructure SD2: Develop and manage our assets to adapt to technological change.

CONCLUSION

The Planning and Development Department recommends that Council approve amendments to *Surrey Electrical Safety By-law, 2004, No. 15596*, as discussed in this report and authorize the City Clerk to bring forward the necessary amendment bylaw for the required readings.

Original signed by
Jean Lamontagne
General Manager, Planning and Development

JT/RD/ar

Appendix "I" - Proposed amendments to Schedule "B" to Electrical Safety Bylaw, 2004, No. 15596

Appendix "II" – Schedule "A" - Surrey Building Bylaw, 2012, No. 17850

Appendix "III" – Schedule "B" to Electrical Safety Bylaw, 2004, No. 15596

Appendix "IV" – Low Voltage Electrical Permit Fee Municipal Survey

**Proposed Amendments to
Schedule "B" to Electrical Safety Bylaw, 2004, No. 15596, as amended**

The following amendments are proposed to Schedule "B" to Electrical Safety Bylaw, 2004, No. 15596, as amended:

AMENDMENTS TO INSTALLATION PERMITS

In this section, replace:

Fees for installation permits are based on the value of the electrical installation, including all material and labour and fees for design, testing, consulting, and monetary worth of contributed labour and materials. The Marshall Swift valuation service may be used to establish the value of an electrical installation.

With:

1. For new Single-Family Dwellings and new Duplexes the low voltage electrical permit fee shall equal **17%** of the **building permit fee** as calculated and payable in accordance with Surrey Building Bylaw, 2012, No. 17850, as may be amended or replaced from time to time.

For the purposes of this Schedule, the terms "Single Family Dwelling" and "Duplex" shall have the meanings ascribed to them in Surrey Zoning Bylaw, 1993, No. 12000, as may be amended or replaced from time to time.

2. Installation Permit Fees for electrical permits not included in Item 1 above are based on the value of the electrical installation, including all material and labour and fees for design, testing, consulting, and monetary worth of contributed labour and materials. The Marshall Swift valuation service may be used to establish the value of an electrical installation.

Schedule "A"
"Surrey Building Bylaw, 2012, No.
17850"

(All fees are subject to applicable taxes)

A. Building Fees

1. Building Permits Before receiving a building permit for any building or structure, the owner shall pay to the City the following fee:	
(a) Minimum permit fee for the first \$1,000 of building value for other than tenant improvement permits	\$51.00
(b) Minimum permit fee for commercial and industrial tenant improvement permits for the first \$1,000 of building value	\$187.00
(c) For each subsequent \$1,000 of building value or portion thereof over \$1,000 and up to a value of \$200,000	\$11.44
(d) (For each subsequent \$1,000 of building value or portion thereof over \$200,000 and up to a value of \$500,000	\$9.43
(e) For each subsequent \$1,000 of building value or portion thereof over \$500,000	\$8.61
2. Ancillary Permits and Services	
(a) For site visit, inquiry or feasibility study prior to the moving of a building or structure	\$180.00
(b) For demolishing a building or structure	\$183.00
(c) For the erection of any auxiliary space heating appliances and appurtenances or chimney	\$97.00
(d) For transfer of a building permit owner or builder	\$95.00

(e) Where a permit has been released and the owner desires to make changes to the drawings:	\$269.00 per hour (one hour minimum)
(f) For review of alternative solution reports	\$546.00
(g) Extension of building permits	\$91.00
(h) Replacement of building permit drawings	\$18.34 per sheet
(i) Comfort Letters	
(i) Residential	\$194.00
(ii) Multi-residential/Commercial/Industrial Base	\$278.00
(iii) Per Unit (Additional)	\$155.00
(iv) Others (i.e., Environmental)	\$211.00
(j) Building Records research	
(i) Copy of Building Permit (Includes Issuance Date)	\$21.00
(ii) Square footage of building	\$21.00
(iii) Final occupancy date	\$21.00
(iv) Copy of Survey Certificate	\$21.00
(v) Oil/Gas/Septic tank	\$21.00
(vi) Inspection Notes	\$21.00
(vii) Access to Plans/Drawings (Commercial/Industrial/Multi-family)	\$21.00
	\$38.00 per hour (1 hour minimum)
(k) Strata Conversions	\$888.00
(l) Permit Fee – Tent: For Event tents larger than 20’ x 20’ (400 square feet)	\$154.00
(m) Permit Fee – Solar Panel	\$154.00

<p>(n) Revision prior to issuance of permit: New drawings submitted when Permit is “ready for issuance” (or issued):</p> <ul style="list-style-type: none"> a) Where only 35% of the estimated Building Permit Fees have been paid. b) If new Drawings are submitted, a new Building Permit fee estimate will be calculated. c) Where the full amount of the estimated Building Permit Fee has been paid. d) Where a permit application is cancelled, the 35% fee is non-refundable. 	<p style="text-align: right;">\$154.00</p> <p>15% of the total permit fees owing on the “ready for issuance” permit will be collected.</p> <p>Minimum 35% of this amount will be required as payment, prior to review.</p> <p>A credit of 50% of the amount will be credited towards the estimated amount owing for issuance of a new Building Permit. The required minimum payment will be 35% of the net amount owing after the credit has been applied.</p>
<p>(o) “Minor building field design/construction revisions”</p>	<p style="text-align: right;">\$51.00</p>

B. Fee Reduction Pursuant to Subsection 290(3) of the Local Government Act, R.S.B.C. 1996, c. 323, as amended

Building permit fees will be divided into two portions, plan review for 35% of the estimated building permit fees and attendance charges for 65% of the estimated building permit fees. Where one or more letters of assurance from a registered professional are required, the plan review portion is to be reduced by 10% to a maximum deduction of \$500.00.

C. Site Visit Fees

1. Site Visit Requests Where an owner applicant requests a building review not provided for in the fee schedule, or a site visit is required to assess the status of a property, the fee shall be:	
(a) during normal working hours	\$165.00 per hour (one hour minimum)
(b) after hours during which the offices of the City hall are normally open, the fee, in addition to other required fees, to be based on the time actually spent in making such site visit, including travelling time	\$675.00 plus \$168.00 per hour for each hour or part thereof beyond the first four hours
2. Site Re-Visit Requests (a) A site re-visit fee will be imposed whenever a building review was called for and the work to be reviewed was not ready for building review. Building reviews not ready shall be deemed to include any review called for where the work to be reviewed was not complete or where there was a substantial number of deficiencies which indicated that the work was not checked over prior to calling for review	\$165.00
(b) For second and further site visit subsequent to a site re-visit in paragraph (a)	\$165.00 per site visit
3. Community Care Facilities	\$126.00

D. Refunds

Where a building permit or application is cancelled, a refund on permit fees will be issued on the following basis:

1. Where a permit has been applied for, but not issued and the plans have been reviewed:	65%
2. Where a permit has been issued, but where construction has not started:	50%

Schedule "B"
 "Surrey Building Bylaw, 2012, No. 17850"

A. Energy Step Code Step requirements

Building Type	Building permit application received on or after	
	April 1, 2019 up to and including December 31, 2020	January 1, 2021
Buildings subject to Part 9 of the Building Code		
single family dwelling, duplex, semi-detached residential building, and dwelling units	Step 1	Step 3
row housing building and multiple-unit residential buildings	Step 1	Step 3
Buildings subject to Part 3 of the Building Code		
Group C Residential occupancy	Step 3 OR Step 2 for buildings complying with the Low-Carbon Energy System Pathway	
Group D Business and personal services occupancy	Step 2	
Group E mercantile occupancy	Step 2	

B. LCES Pathway GHGI requirements

Building Type	Building permit application received on or after	
	April 1, 2019 up to and including December 31, 2020	January 1, 2021
Buildings subject to Part 3 of the Building Code		
Group C Residential occupancy	6kgCO ₂ e/m ² a	

C. LCES Pathway eligible low-carbon energy system types

LCES Type 1: Utility-Owned On-Site LCES

This type refers to a new utility-owned LCES located on-site within a development.

LCES Type 2: Utility-Owned District LCES

This type refers to a utility-owned district-scale LCES.

LCES Type 3: User-Owned On-Site LCES

This type refers to an on-site system that supplies low-carbon energy and meets the following requirements:

- (a) the system seasonal average co-efficient of performance > 2;
- (b) the modelled GHGI < (GHGI limit – 33%); and
- (c) any natural gas fired peak demand heating equipment is sized appropriately and is to augment the primary low-carbon system under peak demand conditions.

D. LCES Pathway administration requirements

The General Manager, Planning and Development may from time to time establish forms, processes and similar administrative requirements in relation to an LCES Pathway:

- (a) evidence that a utility will purchase a LCES;
- (b) evidence that the ownership of the LCES has transferred to a utility;
- (c) evidence of long-term energy service;
- (d) evidence that the applicant has experience with other similar successful energy systems;
- (e) evidence of long-term supply of low-carbon energy;
- (f) annual reporting;
- (g) maintenance, warranty, and optimization contract(s);
- (h) long-term, owner-funded maintenance contract(s); and
- (i) funding structure for long-term maintenance of strata-owned energy systems.

E. Energy Step Code transitional provisions

1. The Energy Step Code requirements in this Schedule "B" shall not apply to building permits that are:

- (a) in-stream on the effective date; and
- (b) on lands, other than those zoned single family (or single family with suite) or proposed to be zoned single family (or single family with suite), with a precursor application that was in-stream on the effective date and for which a complete application for a related building permit is submitted, to the satisfaction of the Building Official, within one year of the effective date,

in which case the building will be subject to the energy requirements in the Building Code in force immediately before April 1, 2019.

2. For the purposes of this Schedule "B" the following definitions shall apply:

"complete application" means, in the case of a building permit, an application which meets the requirements of an in-stream application and for which:

- (a) Council has approved any applicable rezoning and/or development permit and/or development variance permit;

- (b) all required off-site legal encumbrances relating to engineering services have been registered at the Land Title Office on title to the subject property;
- (c) any plan, including a plan of subdivision, consolidation, or road dedication, that would affect the legal description of the subject property has been registered at the Land Title Office on title to the subject property; and
- (d) all applicable fees and levies have been paid.

"effective date" means the date on which this Schedule "B" comes into force, which is April 1, 2019.

"in-stream" means, in reference to an application, not determined, rejected or withdrawn and:

- (a) in the case of an application for building permit, one for which the application form has been completed, the application fee has been paid, and all required supporting documentation including all applicable architectural, structural, plumbing, electrical, mechanical and site drainage drawings necessary to make the application complete has been submitted and accepted by the City as a legitimate application;
- (b) in the case of a rezoning application, one for which the application form has been completed, the application fees have been paid and all required supporting documentation necessary to make the application complete has been submitted and accepted by the City as a legitimate application; and
- (c) in the case of an application for development permit, one for which the application form has been completed, the application fees have been paid and all required supporting documentation necessary to make the application complete has been submitted and accepted by the City as a legitimate application.

"issuable" means, in the case of a building permit, an application which meets the requirements of an in-stream application and for which:

- (a) Council has approved any applicable rezoning and/or development permit and/or development variance permit;
- (b) all required off-site legal encumbrances relating to engineering services have been registered at the Land Title Office on title to the subject property;
- (c) any plan, including a plan of subdivision, consolidation, or road dedication, that would affect the legal description of the subject property has been registered at the Land Title Office on title to the subject property;
- (d) all review comments arising from the building permit application review process have been addressed to the satisfaction of the City; and
- (e) all applicable fees and levies have been paid.

"precursor application" means, in relation to a building permit, that there is an:

- (a) in-stream development permit application and that the development authorized by the building permit is entirely within the area of land that is subject to the development permit application; or
- (b) in-stream rezoning application and that the development authorized by the building permit is entirely within the area of land that is subject to the rezoning application."

SCHEDULE "B" TO ELECTRICAL SAFETY BYLAW, 2004, NO. 15596

ELECTRICAL PERMIT FEES**Installation Permits**

Fees for installation permits are based on the value of the electrical installation, including all material and labour and fees for design, testing, consulting, and monetary worth of contributed labour and materials. The Marshall Swift valuation service may be used to establish the value of an electrical installation.

Permit fees for homeowner permits are based on a deemed installation value of three times the cost of materials.

Value of Electrical Installation	Fee
\$0 - \$1,000	\$ 142.00
\$1,001 - \$5,000	\$ 188.00 plus \$55.79 per \$1,000 (or part thereof over \$1,000)
\$5,001 - \$50,000	\$ 470.00 plus \$30.91 per \$1,000 (or part thereof over \$5,000)
\$50,001 - \$100,000	\$1,894.00 plus \$18.45 per \$1,000 (or part thereof over \$50,000)
\$100,001 - \$500,000	\$2,840.00 plus \$14.87 per \$1,000 (or part thereof over \$100,000)
\$500,001 - \$1,000,000	\$8,803.00 plus \$8.60 per \$1,000 (or part thereof over \$500,000)
\$1,000,001 - and over	\$13,122.00 plus \$5.79 per \$1,000 (or part thereof over \$1,000,000)

Electrical Permit fees will be divided into two (2) portions. Ten (10%) percent of the estimated Electrical Permit Fee will be deemed applicable to plan checking and ninety (90%) percent of the estimated Electrical Permit fee will be deemed applicable to inspection charges.

Description of Permit or Service	Fee
1. The fee for the Extension of a regular permit shall be	\$ 69.00
2. The fee for Compliance Re-attendance	Normal Hours: \$ 165.00 (1 hour minimum)
	After hours during which the offices of the City Hall are normally open, the fee, in addition to other required fees, to be based on the time actually spent in making such inspection, including travelling time: \$675.00 plus \$168.00 (after 4 hours)
(a) On any portion of the work the permit holder shall be entitled to one site re-visit.	\$ 165.00
(b) A Site Re-visit fee will be imposed whenever a Site Visit was requested and the work was not completed for review.	\$ 165.00
(c) For second and further site re-visits subsequent to a site re-visit of paragraph (b).	
3. Temporary Entertainment Permits	
(a) The fee for a temporary entertainment permit (carnival, movie set, etc. either initially or as a renewal shall be	\$ 115.00

	Description of Permit or Service	Fee
4.	Annual Permits Fees for annual permits shall be:	
	(a) for a commercial or industrial installation	
	i. per kva of service capacity adjusted to nearest dollar	\$ 0.36
	ii. minimum fee	\$ 135.00
	iii. maximum fee	\$3,633.00
	(b) for educational facility installation	
	i. for each classroom, shop, laboratory, gymnasium, auditorium	\$ 3.52
	ii. minimum fee	\$ 127.00
	iii. maximum fee	\$3,570.00
	(c) for entertainment equipment set-up	
	i. for each set-up location	\$ 115.00
	ii. minimum fee	\$ 392.00
5.	Survey Permits	
	(a) The fee for a survey of single or duplex dwellings.	\$ 97.00 [one hour minimum]
	(b) The fee for a survey of commercial or industrial premises	\$ 147.00 [one hour minimum]
6.	Site Visit	
	Where an applicant wishes a site visit not provided for in the fee schedule, the fee shall be:	
	(a) during normal working hours	\$ 97.00 [one hour minimum]
	(b) After hours during which the offices of the City Hall are normally open, the fee, in addition to other required fees, to be based on the time actually spent in making such inspection, including travelling time.	\$675.00 plus \$168.00 per hour for each hour or part thereof beyond 4 hours

All fees are subject to applicable taxes.

Low-Voltage Electrical Permit Fee Municipal Survey

Municipal survey: Low-Voltage Electrical Permit Fees

Survey Date: May 31 2019

Survey Methodology

Based on Surrey's 2018-19 average construction value, get the equivalent Low-Voltage Electrical Permit Fee for a new single-family dwelling.

Surrey Average Construction Value

Construction Value	\$521,400
Building Permit Value	\$5,154
Electrical Work Value	\$11,800

Municipality	Sample Low-Voltage Permit Fee
Surrey	\$686
Abbotsford	\$957
Burnaby	\$928
Coquitlam	\$957
Delta	\$957
Maple Ridge	\$773
Township of Langley	\$957
Richmond	\$957
Vancouver	\$872
West Vancouver	\$846
non-Surrey Average Fee	\$911
Surrey Vs. non-Surrey Average Fee	-25%