

## **City of North Bay Report to Council**

Report No: CSBU-2022-026

Date: May 5, 2022

Originator: Beverley Hillier

Business Unit:

Department:

Community Services

Planning & Building Department

Subject: Short-Term Rentals – Proposed User Fees

Closed Session: yes ☐ no ☒

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### **Recommendation**

1. That Council amend Schedule "A" to User Fee By-law 2019-07 to include new fees for the User Fees By-law as detailed in Report to Council No. CSBU 2022-026 from Beverley Hillier dated May 5, 2022; and
2. That Report to Council No. CSBU 2022-26 be referred to the General Government Committee for a Public Meeting to be held on June 1, 2022.

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### **Background**

Council received Report to Council CSBU 2022-19 at the May 3, 2022 Council meeting. That report provides an overview of Short-Term Rentals, the proposed changes to the City's Zoning By-law and the proposed Short-Term Rental By-law.

This report provides details on the proposed User Fees and should be read in conjunction with Report to Council CSBU 2022-19.

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### **Financial/Legal Implications**

To offset the cost of providing services, municipalities have the authority under Section 391(1) of the Municipal Act to impose a fee or charge on individuals. In most cases an individual receives a direct benefit from a service however in the case of the aforementioned by-laws the imposed fee or charge is to gain compliance. Increasingly municipalities are looking at user fees to help offset the impact of municipal services on property taxes.

The Municipal Act and case law requires that there be a nexus or connection

between the fee charged and the costs incurred so that the fee is revenue neutral (over the long term). In situations in which there is also a community benefit associated with providing the service, the fee charged may be less than the full cost recovery rate and a portion of the cost is funded by the general tax levy.

With the introduction of the Short-Term Rental By-law staff have a detailed costing analysis to determine the full cost of providing and upholding the by-law. The full cost recovery rates were then used as a benchmark against which new fees were established.

Schedule A of the City of North Bay User Fee By-Law 2019-07, sets out the fees that the Building Department charge. For clarity, Schedule A charges are in relation to non-building code fees and charges and will be amended to add the following.

#### Short-Term Rental By-law

Application Fee*	\$600
Application Renewal Fee*	\$275
Appeal Fee	\$1,600
Stand by fee**	\$78 x # of Hours on Standby

\*Application Fee & Application Renewal Fee includes tasks that are defined for the average application which includes such tasks as: receipt of application, review, processing, inspections, notices, orders, monitoring, communications and inspections

\*\*Stand by fee is intended to be charged for the actual time spent in organizing, documenting and supervising work outside of the standard fees.

Benchmarking of this by-law was conducted with the framework of local communities and municipalities of similar sizes to North Bay, when applicable. See [Appendix A](#), attached hereto for a table of the applicable fees.

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### Corporate Strategic Plan

- |                                                                           |                                                  |
|---------------------------------------------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> Natural North and Near                           | <input type="checkbox"/> Economic Prosperity     |
| <input checked="" type="checkbox"/> Affordable Balanced Growth            | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government |                                                  |

### Specific Objectives

- Provide smart, cost effective services and programs to residents and businesses.
- Ensure the efficient and effective operations of the City, with particular consideration to the impact of decisions on the property tax rate.

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### Options Analysis

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Option 1:

1. That Council amend Schedule "A" to User Fee By-law 2019-07 to include new fees for the User Fees By-law as detailed in Report to Council No. CSBU 2022-026 from Beverley Hillier dated May 5, 2022; and
2. That Report to Council No. CSBU 2022-26 be referred to the General Government Committee for a Public Meeting to be held on June 1, 2022.

Option 2:

That Council not amend the User Fee By-law to include new fees for the Short-Term Rental By-law.

This option is not recommended as the User Fees will help to offset the costs associated with the implementation of the Short-Term Rental By-law.

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**Recommended Option**

Option 1 is the recommended option.

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Respectfully submitted,

Name: Beverley Hillier, MCIP, RPP

Title: Manager, Planning & Building Services

**I concur with this report and recommendation**

Name Ian Kilgour, MCIP, RPP

Title: Director, Community Development and Growth

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name David Euler, P.Eng., PMP

Title: Chief Administrative Officer

Personnel designated for continuance:

Joel Therrien, M.pl

Special Project Development Planner

## Appendix A

	<b>Municipality of East Ferris</b>	<b>Township of Lake of Bays</b>	<b>Town of Huntsville</b>	<b>Sarnia</b>	<b>Town of Blue Mountains</b>
<b>Application/ Licence Fee</b>	\$750	\$250 to \$750 <sup>1</sup>	\$500 to \$750 <sup>2</sup>	\$155	\$2355 (2 year term)
<b>Application Renewal Fee</b>	\$750 <sup>3</sup> (every year)	\$125 to \$500 <sup>4</sup> (every year)	\$250 to \$500 <sup>5</sup> (every year)	\$110 (every year)	\$2355 (every 2 years)
<b>Inspection Fee</b>	Inspection fee included in the application/licence fee	Inspection fee included in the application/licence fee	\$100	Inspection fee included in the application/licence fee	Variable <sup>6</sup>
<b>Appeal of Decision</b>	N/A	\$300	\$250	N/A	\$525
<b>Late Renewal</b>	N/A	N/A	N/A	N/A	\$100

<sup>1</sup> Application fee is dependent on the licence class (Class A, B or C)

<sup>2</sup> Application fee is dependent on type of Short-Term Rental (Primary or Secondary dwelling)

<sup>3</sup> Applicant must apply for a new licence (not a renewal process)

<sup>4</sup> Renewal fee is dependent on the licence class (Class A, B or C)

<sup>5</sup> Renewal fee is dependent on type of Short-Term Rental (primary or secondary dwelling)

<sup>6</sup> Initial inspection included in initial application fee except Fire Inspection fee (\$150).