



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Parking and By-law Services Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	May 17, 2016
SUBJECT/REPORT NO:	Overhanging Sign Inspection Fee (PED16095) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ken Leendertse (905) 546 2424 Ext. 3059
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Sub-sections (a) and (b) of Section 7 of By-law 81-160, being a By-law respecting Signs Over Sidewalks and Highways, be deleted in their entirety and replaced with the words, “according to the current User Fees and Charges By-law”, to read as follows:
 - 7. “The charge per annum commencing on the 1st day of January in each year for the privilege of placing, constructing, installing, maintaining and using a display sign over a sidewalk and highway shall be according to the current User Fees and Charges By-law.”;
- (b) That the draft By-law respecting Signs Over Sidewalks and Highways , attached as Appendix “A” to Report PED16095, which has been prepared in a form satisfactory to the City Solicitor, be enacted;
- (c) That the City’s User Fees and Charges By-law be amended to include a \$100 annual fee for the inspection of existing non-conforming overhanging signs.

EXECUTIVE SUMMARY

The Licensing Section of the Parking and By-Law Services Division performs annual inspections of overhanging signs that are legal non-conforming. Sub-sections 7(a) and (b) and Appendix “A” of By-law 81-160 stipulates the annual fee charged for inspections of these non-conforming signs. A review of fees shows the current rates to be between \$10 and \$118. The average cost to do an inspection is \$100. In an effort to provide a

fair approach and ensure adequate cost recovery for the services performed, staff is recommending that the fee be standardized for this specific inspection.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Inspection Fees were established in 1981 when By-law 81-160 was approved by Council. However, these fees were never placed in the User Fees and Charges By-law. Based on the current inspection process and fee structure, the annual inspections are completed at a cost to the City. The City is currently charging an average fee of \$32. The current fee structure has created an average annual cost recovery deficit of \$39,997. The proposed fee will give full cost recovery for this service.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

In 1981, By-law 81-160, being a By-law respecting Signs Over Sidewalks and Highways was approved by Council. This By-law outlined the authority and conditions to construct, install, maintain and use objects over sidewalks and highways and established annual fees for this privilege and annual inspections of these signs to ensure public safety.

In 2010, Council approved Sign By-law 10-197 (Item 14 of Economic Development and Planning Committee Report 10-016) which outlined new requirements for overhanging signs on City property. Section 3.4 of By-law 10-197, (Existing Signs), exempted existing encroaching ground signs from compliance provided that no further significant alterations were made that resulted in an increase in non-compliance.

In 2013, a list of 769 signs was provided to the Licensing Section from the Building Services Division. This list detailed information relating to sign existence, condition and specifications and was used to perform inspections, adding an additional 700 hours of labour to the Licensing Team. The list included a fee for each sign inspection which was charged to the property owner via the tax roll.

In December 2015, the Director of Licensing approached the Finance, Administration and Revenue Generation Division with the potential opportunity to develop a strategy to recover costs associated with inspections of non-conforming signs under By-law 10-197.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

- Manager of Tax Accounting, Taxation Division, Corporate Services Department;
- Finance, Administration and Revenue Generation Division, Corporate Services Department; and,
- Building Division, Planning and Economic Development Department.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Legal non-conforming signs are those signs that do not meet the City's sign standards as outlined in Sign By-law 10-197, but were in existence prior to the By-law coming into effect. Findings from inspections such as damaged signs, removal and ordered repairs are recorded and fees are applied annually for inclusion on the tax roll.

Each year, signs that have been removed or updated to conform are vetted from the list. Over the past three inspection periods, the list of non-conforming signs has been reduced from 769 signs to 473, which is a decrease of 38%.

Working closely with the Licensing Section, staff from Finance, Administration and Revenue Generation conducted research, analysis and strategy development in order for Licensing to put forward a recommendation to the Planning Committee.

Staff researched other municipalities of similar size and scope to determine best practices. The practices of other similar size municipalities indicate that an average annual fee of \$100 is charged for similar sign and encroachment inspections.

Information was collected from seven other municipalities with respect to encroachment sign annual fees and inspections. The following were the general findings:

- Kingston, London, Ottawa, Peterborough, Sarnia, Toronto and Winnipeg all charge annual encroachment fees. The annual encroachment fees range from \$40.05 to \$150. These fees are standard and not all signs are inspected.
- Inspection fees range from \$82.08 to \$132 per hour.

The annual inspections, documentation and payments are facilitated and processed by the Licensing and Permits Officers, the Supervisor, the Licensing Clerks and the Taxation Department. Implementing the flat-rate better reflects the resources used and is full cost recovery.

As the number of non-conforming signs decrease, staff will be able to utilize the additional time to continue their proactive work, which entails the Council-directed priority of finding businesses that are operating without licences, which will ultimately provide additional revenue.

Should the recommendation be approved, staff will send written notification informing existing non-conforming sign owners of the newly-established flat rate fee for sign inspections.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

**Strategic Priority #1
A Prosperous & Healthy Community**

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.1 Continue to grow the non-residential tax base.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A": Draft By-law to Amend By-law 81-160

Appendix "B": By-Law No. 81-160 Signs Over Sidewalks and Highways

KL:cab