

Committee of the Whole (1) Report

DATE: Wednesday, June 4, 2025

WARD(S): ALL

TITLE: AMENDMENTS TO SITE ALTERATION BY-LAW 031-2024 AND FEES AND CHARGES BY-LAW 251-2024 TO ESTABLISH FRAMEWORK FOR ADMINISTERING AND ENFORCING GRADING PERMITS

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To improve service delivery and operational efficiency, staff are recommending that the responsibility for the collection and administration of financial securities associated with lot grading permits be assumed by the Development Engineering Department. To facilitate this new process, the Site Alteration By-law 031-2024 and the Fees and Charges By-law 251-2024 need to be amended.

Report Highlights

- As a result of recent changes to the Building By-law, the responsibility for the collection and administration of lot grading securities was transferred to the Development Engineering Department.
- This new process will improve operational efficiency and improve service delivery.
- Amendments to the Site Alteration By-law 031-2024 and the Fees and Charges By-law 251-2024 are proposed to establish clear authority for Development Engineering to issue, manage and collect necessary security deposits for grading permits. This includes detailed criteria, enforcement tools, and refund structures.

Recommendation

1. THAT the Site Alteration By-law 031-2024 and the Fees and Charges By-law 251-2024 be amended to assign the responsibility for the collection and administration of financial securities associated with lot grading permits to the Development Engineering Department as set out on Attachment 1.

Background

A lot grading permit is an instrument used by the city to ensure that residential lot grading complies with approved engineering designs and city standards. Lot grading permits also help ensure that existing drainage patterns are not disturbed, and municipal infrastructure and adjacent properties are not adversely impacted.

As part of the lot grading permit, applicants are required to provide the city with a letter of credit to guarantee the satisfactory completion of the grading works. Historically, the Building Standards Department collected and managed lot grading letters of credit as part of the building permit process. These securities were retained until the Development Engineering Department conducted a final grading inspection and found the work satisfactory.

In 2024, the Building Standards Department undertook a process review to identify measures to streamline and focus work efforts on building code matters. One recommendation from that process review was to transfer the responsibility for the collection and administration of lot grading securities to the Development Engineering Department to align with the department that issued the permits. In October 2024, Council approved the necessary amendments to Building By-law and Security Deposit By-law to bring this process change into effect.

The Development Engineering Department is now proposing to amend the Site Alteration By-law and the Fees and Charges By-law to finalize the transfer of the collection of lot grading permit securities. The new process for collecting lot grading letters of credit will mirror the process currently used for pool permits. This will ensuring operational consistency throughout the department and improve service delivery.

Previous Reports/Authority

1. [Repeal and Replacement of Building By-law 050-2018 and Security Deposit By-law 94-2008 \(October 22, 2024\)](#)
2. [Site Alteration By-law report 2024 \(February 13, 2024\)](#)

Analysis and Options

Lot grading permits cover many types of construction such as new subdivision home construction, residential infills, residential additions, accessory structures greater than 10 square meters, walk-up basement entrances and side entrances.

Securities related to lot grading in a plan of subdivision are covered through provisions of the subdivision agreement so are not included in this new process. The value of securities for the other types of lot grading construction will be set at:

- \$10,000 for infill homes, which is the same as exiting practices
- \$5,000 for additions greater than 40 square meters
- \$2,500 for additions less than 40 square meters

The Fees and Charges By-law 251-2024 will need to be amended to reflect these updated financial security amounts.

Establishing a New Grading Agreement

The current grading permit framework allows the Development Engineering Department to issue, manage, and enforce grading permits. The proposed new framework will now allow the Development Engineering Department to request security deposits and have the applicant that is completing works on their property enter into an agreement with the city that is similar to the agreement that is currently being used for pool permits. The agreement will:

- Serve as a clear, enforceable contract between the city and the applicant;
- Require a security deposit to protect municipal assets and ensure the work is completed in accordance with city standards;
- Align operational practices and grading permit requirements with those used in other permit types, such as pool permits.

Required By-law Amendments

To implement the new lot grading permit framework requires amendments to the Site Alteration By-law 031-2024 and the Fees and Charges By-law 251-2024. These amendments will establish the authority for Development Engineering to request security deposits and enter into grading permit security deposit agreements with the permit holder. The changes to the by-law also grant the Director of Development Engineering the authority to cancel permits, addressing a concern identified during the Development Engineering Department's internal audit regarding the inability to cancel old and abandoned permits.

The key additions to the Site Alteration By-Law and the Fees and Charges By-law are summarized with rational in Attachment 1.

Financial Impact

The collection and management of securities under the new grading permit framework will not result in any negative financial impact.

Operational Impact

Initially, updates to Development Engineering standard operating procedures for grading permit acceptance and security deposits will need to be created, staff training will be required. These efforts will result in long-term efficiencies and improved compliance. The grading permit security deposit agreement will cause administrative process changes and may impact staff workload; however, it is not anticipated to affect operational costs. No significant operational impacts are expected.

Broader Regional Impacts/Considerations

There are no significant regional impacts anticipated. This proposal enhances local operations without affecting broader regional governance.

Conclusion

In 2024, the Building Standards Department undertook a process review to identify measures to streamline and focus work efforts on building code matters. One recommendation from that process review was to transfer the responsibility for the collection and administration of lot grading securities to the Development Engineering Department to align with the department that issued the permits.

To implement this change, amendments to the Site Alteration By-law and the Fees and Charges By-law to establish the authority for Development Engineering to request security deposits and enter into grading permit security deposit agreements with the permit holder.

This new process will improve operational efficiency and improve service delivery.

For more information, please contact: Andrew Pearce, Interim Director of Development Engineering, Infrastructure Development, Ext. 7675

Attachment

1. Attachment 1 – Rationale of the Amendments made to the Site Alteration By-Law

Prepared by

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