

# Potential Adjustments to Building Permit Fees in Fee Schedule

November 14, 2018  
City Council Work Session Meeting



## Overview:

The Community Development Department has received a few requests for consideration of adjustments to the building permit fees prescribed in the Fee Schedule.

Specifically, we have received comments that Doraville's building permit fees may not be competitive with nearby cities which could negatively impact business development.

Fee setting is complex and requires continual review. As we look to update the entire fee schedule as part of the **FY2020** budget preparation, consideration for permit fee adjustments should be considered.

## Analysis

- Fees for public services are set in order to recover the costs of providing the service.
- Staff has surveyed other cities, and identified some cities use different methodologies to calculate building service fees. There are also differences in the types of fees that are charged.

For example:

- Plan review and inspection fees;
- Impact fees (charged by some cities).
- "Economy of Scale" principle. Recovering the operational costs that remain relatively the same but are calculated to assume more or fewer projects will vary the fee that is adopted.

## **Review of Doraville Fee Structure:**

In addition to the BVD Valuation Data method, should the City allow alternative methods to calculate certain fees, such as:

- Actual construction costs
- Regional multiplier

Additional parameters to consider:

- Set a permit inception date
- Establish a project value threshold (for example projects valued at greater than \$50 million)

## **Doraville Fee Schedule**

The Fee Schedule breakouts the permit fees into various categories:

- **Building Permit fees**
- **Plan Review fees**
- Trade Permits
- Inspection Fees
- Land Disturbance fees (LDP)
- Etc. (Other additional fee categories)

## Doraville Fee Schedule

**Building Permit Fees:** Fees for all new construction are currently based on the latest published International Code Council (ICC) valuation data

<b>Fee Structure</b>	<b>Fee</b> (per year unless otherwise noted)
New construction or addition	\$8 per \$1,000 of the ICC building valuation data table
Shell building	\$8 per \$1,000 of the ICC building valuation data table times 80%
Tenant Improvements	\$8 per \$1,000 of the ICC building valuation data table times the following percentage: <ul style="list-style-type: none"> <li>• Minor 20% (1 story, and 3,000 s.f. or less)</li> <li>• Major 40% (any greater than minor classification).</li> </ul>

## Doraville Fee Schedule

### Plan Review Fees

<b>Fee Structure</b>	<b>Fee (per year unless otherwise noted)</b>
Residential	25% of the permit fee; min. of \$100
Commercial- Minor (Interior, 1 story, and 3,000 s.f. or less)	50% of the permit fee; min. of \$250
Commercial - Major (Any greater than minor classification)	50% of the permit fee; min. of \$650
Re-submittal	50% of the original submittal fee

### ICC Building Valuation Data (BVD) Table

The BVD table provides the “average” construction costs per square foot which can then be used to determine the permit fees for a jurisdiction.

The Permit fees are established by using the BVD table and a **Permit Fee Multiplier**, which is based on the total construction value within a jurisdiction within the past year.

Values are calculated on “average” construction costs based on typical construction methods for each occupancy group and type of construction.

Data is based on national average and does **not** take into account any regional cost differences.



## ICC Building Valuation Data (BVD) Table

Square Foot Construction Costs <sup>a, b, c, d</sup>

Group (2015 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 Assembly, theaters, with stage	226.92	219.10	213.80	205.04	192.95	187.36	198.56	176.18	169.73
A-1 Assembly, theaters, without stage	207.97	200.15	194.85	186.09	174.15	168.55	179.61	157.38	150.92
A-2 Assembly, nightclubs	177.49	172.34	167.98	161.18	151.95	147.76	155.52	137.58	132.93
A-2 Assembly, restaurants, bars, banquet halls	176.49	171.34	165.98	160.18	149.95	146.76	154.52	135.58	131.93
A-3 Assembly, churches	209.94	202.13	196.83	188.07	176.32	170.72	181.59	159.54	153.09
A-3 Assembly, general, community halls, libraries, museums	175.12	167.31	161.01	153.25	140.50	135.90	146.77	123.72	118.27
A-4 Assembly, arenas	206.97	199.15	192.85	185.09	172.15	167.55	178.61	155.38	149.92
B Business	181.12	174.43	168.67	160.26	146.18	140.70	153.97	128.34	122.72
E Educational	192.29	185.47	180.15	172.12	160.72	152.55	166.18	140.46	136.18
F-1 Factory and industrial, moderate hazard	108.53	103.54	97.56	93.81	84.17	80.36	89.86	70.57	66.08
F-2 Factory and industrial, low hazard	107.53	102.54	97.56	92.81	84.17	79.36	88.86	70.57	65.08
H-1 High Hazard, explosives	101.60	96.60	91.63	86.88	78.44	73.62	82.93	64.84	N.P.
H234 High Hazard	101.60	96.60	91.63	86.88	78.44	73.62	82.93	64.84	59.35
H-5 HPM	181.12	174.43	168.67	160.26	146.18	140.70	153.97	128.34	122.72
I-1 Institutional, supervised environment	180.72	174.14	169.28	161.12	149.06	145.04	161.12	133.69	129.43
I-2 Institutional, hospitals	304.80	298.11	292.36	283.95	268.92	N.P.	277.65	251.09	N.P.
I-2 Institutional, nursing homes	211.20	204.51	198.75	190.34	177.26	N.P.	184.05	159.42	N.P.
I-3 Institutional, restrained	206.08	199.38	193.63	185.22	172.62	166.14	178.93	154.78	147.16
I-4 Institutional, day care facilities	180.72	174.14	169.28	161.12	149.06	145.04	161.12	133.69	129.43
M Mercantile	132.23	127.09	121.73	115.92	106.18	102.99	110.26	91.82	88.16
R-1 Residential, hotels	182.28	175.70	170.83	162.68	150.87	146.84	162.68	135.49	131.23
R-2 Residential, multiple family	152.86	146.27	141.41	133.25	122.04	118.01	133.25	106.66	102.41
R-3 Residential, one- and two-family	143.93	139.97	136.51	132.83	127.95	124.61	130.57	119.73	112.65
R-4 Residential, care/assisted living facilities	180.72	174.14	169.28	161.12	149.06	145.04	161.12	133.69	129.43
S-1 Storage, moderate hazard	100.60	95.60	89.63	85.88	76.44	72.62	81.93	62.84	58.35
S-2 Storage, low hazard	99.60	94.60	89.63	84.88	76.44	71.62	80.93	62.84	57.35
U Utility, miscellaneous	77.82	73.48	69.04	65.52	59.23	55.31	62.58	46.83	44.63

- a. Private Garages use Utility, miscellaneous
- b. Unfinished basements (all use group) = \$15.00 per sq. ft.
- c. For shell only buildings deduct 20 percent
- d. N.P. = not permitted

**END**

# Permit Fees in Fee Schedule

## **Example: Office Building (Type IB Construction)**

### **Building Permit Fee:**

100,000 building square footage **X** 176.17 (ICC value) = **17,617,000**  
construction costs

17,617,000 **X** \$8/\$1,000 (multiplier) = **140,936**

140,936 **X** 80% shell building = **\$112,748.80**

### **Plan Review Fee**

\$112,748.80 building permit **X** 80% = **\$90,199.04**

### **Total Permit Fee (for Shell Building)**

\$112,748.80 + \$90,199.04 = **\$202,947.84**