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Permit fee changes required by H.B. 852

City Council
Study Session
June 18th , 2019

House Bill 852

- When determining the amount of a building permit and/or inspection fee connected to the construction or improvement of a residential dwelling a municipality **may not** consider:
 - The value of the dwelling; or
 - The cost of constructing or improving the dwelling
- A municipality **may not** require the disclosure of information related to the value of or cost of construction or improving a residential dwelling as a condition of obtaining a building permit.
- Signed and went into effect immediately on May 21st, 2019

What does this mean for FB?

- Need to amend a portion of our permit fee schedule found in Appendix A of the Code of Ordinances.
- Need to remain budget neutral.
- Need to react quickly to stay in compliance with State Law.

Methodology

- Recently modified permit fee schedule in September 2017.
- Proposed change does not effect commercial fee structure and anything not associated with a residential dwelling. (i.e. Multi-family is considered commercial by the current building code)
- Decided to use square footage, instead of value, as a benchmark for determining fees for residential dwellings.
- Looked at average permit fees during the last 20 months of construction (Sept. 2017 – May 2019) as well as average house size and average permit fee to calculate a cost per square foot of construction for:
 - New residential construction = \$1.20/sf
 - Remodel/renovated construction = \$0.60/sf
 - New MEP associated with residential construction = \$0.15/sf
 - Remodel/renovated MEP associated with residential construction = \$0.10/sf

Example: New residential home

Typical SFH being built on the West side

- 2 stories (6 bedrooms, 4 baths, 2 car garage, covered patio)
- 3992 total sf (3253 sf A/C and 739 sf non A/C)
- \$300,000 stated construction value

■ Existing fee schedule:

Stated value = \$300,000 vs.

Tabular value = \$488,860 use higher value
(\$122.46 CV/sf)

Go to fee schedule for rate: between \$100,001 and
\$500,000 CV use 0.9% CV with minimum \$1100.

$\$488,860 \times 0.9\% \text{ CV} = \text{\$4399.74 permit fee}$

■ Proposed fee schedule:

3992 sf

Rate = \$1.20 per sf

$3992 \times 1.2 = \text{\$4790.40 permit fee}$

Example: Renovated residential home

Typical SFH being renovated in central core of FB

- 1 story (4 bedrooms, 2 baths, 1 car garage, covered patio)
- 593 sf addition (363 sf A/C and 230 sf non A/C)
- \$40,000 stated construction value

■ Existing fee schedule:

Stated value = \$40,000 vs.

Tabular value = \$72,619 use higher value (\$122.46 CV/sf)

Go to fee schedule for rate: between \$50,001 and \$100,000 CV use 1.1% CV with minimum \$650.

$\$72,619 \times 1.1\% \text{ CV} = \text{\$798.81 permit fee}$

■ Proposed fee schedule:

593 sf

Rate = \$0.60 per sf

$593 \times 0.6 = \text{\$355.80 permit fee}$

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Questions, Comments, Discussion