



Development Services Department Proposed Commercial Permit Fee Re-Structure FY 2021



Reasons for Changes in Fee Structure

- **City Auditor’s Findings:** Addresses findings from 2010 which found that relevant fees related to work performed on projects were not included
- **Customer Service:** Streamlines the process for development community by eliminating the need for reporting on the number of inspection items needed per project (for example, number of fixtures)
- **BuildSA:** new fees will be effective with go live of new permitting/inspections system in winter 2020; increases transparency of cost through utilization of model based on square footage and occupancy type as well as flat rates (for example, backflow plumbing permit fees); mechanical, electrical and plumbing permits will be tied to the building permit
- **Revenue neutral:** Average cost per permit is net revenue neutral

Fee Structure Proposal Commercial Trade Permit Fees

Development Services proposes to charge a flat fee based on occupancy group and square feet for commercial trade permit fees. To determine the appropriate fee, the department researched industry best practices and analyzed historical commercial permitting data by occupancy group to determine the fees shown below for Occupancy Groups A (Assembly), B (Business), E (Educational), F (Factory and Industrial), H (High Hazard), I (Institutional), M (Mercantile), and U (Utility and Miscellaneous):

Square Footage Ranges	Mechanical	Electrical	Plumbing
≤ 1,000 sq. ft.	\$100.00	\$100.00	\$100.00
per additional 1,000 over 1,000	\$5.00	\$5.00	\$5.00
≤ 5,000 sq. ft.	\$120.00	\$120.00	\$120.00
per additional 1,000 over 5,000	\$15.00	\$15.00	\$15.00
≤ 10,000 sq. ft.	\$195.00	\$195.00	\$195.00
per additional 1,000 over 10,000	\$20.00	\$20.00	\$30.00
≤ 25,000 sq. ft.	\$495.00	\$495.00	\$645.00
per additional 1,000 over 25,000	\$30.00	\$30.00	\$35.00
≥ 50,000 sq. ft.	\$1,245.00	\$1,245.00	\$1,520.00
per additional 5,000 over 50,000	\$35.00	\$35.00	\$40.00

Projects with an S (Storage) occupancy group will be calculated at 50% of fees noted above (with a minimum fee of \$100.00).

**Fee Structure Proposal
Commercial Trade Permit Fees
Occupancy Group R (R1 & R2 only)**

Development Services proposes to charge a flat fee for Occupancy Group R (Residential, R1 & R2) based on square feet for commercial trade permit fees. To determine the appropriate fee, the department researched industry best practices, analyzed historical permitting data, and modeled specific multi-family dwellings permitted in the last 18 months to determine the fees shown below.

Square Footage Ranges	Mechanical	Electrical	Plumbing
≤ 1,000 sq. ft.	\$140.00	\$140.00	\$140.00
per additional 1,000 over 1,000	\$7.00	\$7.00	\$7.00
≤ 5,000 sq. ft.	\$168.00	\$168.00	\$168.00
per additional 1,000 over 5,000	\$21.00	\$21.00	\$21.00
≤ 10,000 sq. ft.	\$273.00	\$273.00	\$273.00
per additional 1,000 over 10,000	\$28.00	\$28.00	\$42.00
≤ 25,000 sq. ft.	\$693.00	\$693.00	\$903.00
per additional 1,000 over 25,000	\$42.00	\$42.00	\$49.00
≥ 50,000 sq. ft.	\$1,743.00	\$1,743.00	\$2,128.00
per additional 5,000 over 50,000	\$49.00	\$49.00	\$56.00

**Commercial Building Partial Permits –
Site Work, Foundation and Shells**

For partial/phased commercial permits, the department proposes to use the above fee structure, but charge the MEP fees as follows within BuildSA/Accela:

- Site work: 10% of Electrical & Plumbing fees only
- Foundation: 10% of Electrical & Plumbing fees only
- Shell: 80% of Electrical & Plumbing and 100% of Mechanical fees
- Interior Finish Out: 100% of MEP fees
- For example, a phased project with Site work equal to 50,000 square feet with electrical work indicated by customer:
 - 50,000 sq. ft. base fee = \$1,245.00
 - Electrical Fee: \$100 * 10% = \$124.50

**Fee Structure Proposal
Gas, Sewer, Medical Gas, Irrigation, TML, TOPS Permit Fees**

Development Services proposes to charge a flat fee for commercial gas, sewer, medical gas, irrigation, TML, and TOPS permits based on square feet. To determine the appropriate fee, the department analyzed historical data for these trade permit types to determine the fees shown below.

Square Footage Ranges	Gas	Sewer	Med Gas	Irrigation	TML	TOPS
≤ 5,000 sq. ft.	\$80.00	\$ 100.00	\$ 80.00	\$ 150.00	\$ 100.00	\$ 100.00
< 50,000 sq. ft.	100.00	100.00	100.00	150.00	100.00	100.00
≥ 50,000 sq. ft.	120.00	100.00	120.00	150.00	100.00	100.00

**Fee Structure Proposal
Backflow Plumbing Permit Fees**

The department proposes to simplify its permit fees for backflow preventer plumbing permits (these are not included in the proposed fee structure for general plumbing trade permits shown in previous sections). Based on the nature of the work involved, the department will continue to charge \$50 for the backflow inspection as currently done and proposes to charge a per device fee based on the following:

Current Fee Structure		Proposed Fee Structure	
Backflow Preventer Device		Backflow Preventer Device	
1/4" to 3/4"	\$15.00	Less than 2"	\$15.00
1"	\$20.00	2" or larger	\$100.00
1 1/4"	\$45.00		
1 1/2"	\$55.00		
2" or larger	\$75.00		

**Fee Structure Proposal
Landscape Plan Review Fees**

The department proposes to simplify its permit fees for landscape plan review fees (these are not included in the proposed fee structure for trade permits shown in the previous section). Based on the nature of the work involved, the department proposes to charge the following:

Current Fee Structure	Proposed Fee Structure	
Landscape Plan Review Fees	Landscape Plan Review Fees	
Base fee of \$27.50 plus 11% of the building plan review fee	0-1.9 acre	\$175
	2-2.9 acres	\$200
	3-5.9 acres	\$300
	6-10.9 acres	\$400
	11-15.9 acres	\$500
	16-20.9 acres	\$600
	21-30.9 acres	\$700
	31-35.9 acres	\$800
	36-40.9 acres	\$900
	41+ acres	\$1,000

Commercial Trade Permit Fees – Methodology

Data (Source): Commercial building permit data including permit type, permit issuance date, occupancy group, square footage, building fees and trade permit fees associated with building permit (Hansen)

Time Frames: FY 2016 through FY 2019 (July 2019)

Model Methodology: Two models were created to determine proposed fee schedules. One model accounts for occupancy groups A, B, E, F, H, I, M, S, and U. Second model is for R1 and R2 occupancies. Square footage ranges were developed with the following criteria:

- Flat fees were established at “base” square foot ranges of 1,000, 5,000, 10,000, 25,000 and 50,000 for mechanical, electrical and plumbing permits. Flat fees were established following a review of the data.
- “Base” square footage range fees were then used to determine fees per additional 1,000 square feet above the range “base.”
 - For example, an Occupancy B project size area equal to 1,901 square feet:
 - 1,000 sq. ft. base fee = \$100.00
 - Each additional 1,000 square feet or increment thereof over 1,000 square feet will assess an additional charge of \$5.00
 - Total Fee= $\$100 + [\$5.00 \times (1,901-1,000)/1,000] = \104.51
- For projects over 50,000 square feet, fees were assessed per additional 5,000 over the 50,000 square foot “base”.
- MEP fees for occupancy group S were discounted by 50% due to fewer fixtures.
- MEP fees for occupancy groups R1 and R2 were increased from base by 40% due to larger number of fixtures.