



CITY OF RAPID CITY

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MEMORANDUM

TO: Legal and Finance Committee

FROM: Brad Solon, Building Official

DATE: January 3, 2007

SUBJECT: Building Permit and Related Fees

The fee tables used in calculating building permit fees were established with the adoption of the 2003 International Building Code and the 2003 International Residential Code. The tables used for building permit applications are somewhat different. This differential in the two fee tables resulted from input from the Black Hills Homebuilders. The fee table used in the Building Code produces a thirty to forty percent higher fee than the Residential Code. Also, the plan review fee associated with the Building Code is five times higher than in the Residential Code. With the adoption of the higher fee tables in 2004, building permit fees increased somewhat. It should be noted that the fees are calculated based on the valuation of construction. As a result the building permit fees collected automatically escalates as the cost of construction increases.

Staff reviewed the following options relative to the current fee schedules:

Option A: Increase the difference in the Residential Code fee table to equal that of the Building Code table. The cost of performing an inspection is very similar, regardless of whether it is on a house, or on a commercial project. Also, an increase to the Residential Code table to equal the Building Code table would have generated \$357,500 more in building permit fees in 2006. It should be noted that the permit fees including building permit, electrical permit, plumbing permit, mechanical permit, plan check, state affidavit, and right-of-way permit, an estimated permit cost would increase from \$1481 to \$2783 for a \$200,000 home. Staff reviewed the fees charged by the City of Sioux Falls for a single-family residence valued at \$201,000 and they currently charge \$1751.

Option B: Establish and charge a fee for every application. Some applications currently have no fee. Staff noted the following examples of services where no fee is charged, or only a nominal fee is charged:

- 1) Address change request;
- 2) Create a new address;
- 3) Development and Review Board applications (no fee currently);
- 4) Plan check fee for each application/submittal (no fee currently);
- 5) Moving permit (currently \$25);
- 6) Handicap accessibility plan check (no fee currently);
- 7) Historic Sign Review (no fee currently);
- 8) Historic Preservation Review (no fee currently);
- 9) Right-of-Way Sidewalk (currently \$15, includes review plus 2 inspections, minimum);
- 10) Right-of-Way Driveway (currently \$25, includes review plus 2 inspections, minimum);

Option C: Revise the fee tables in the Building Code and the Residential Code.

Staff recommendation: Establish a fee for services where there is no fee currently to reflect the cost of the service provided. Also, where there is a nominal fee raise the fee to reflect the cost of the service provided.

- 1) Development and Review Board: \$250 (same as other similar applications);
- 2) Charge a plan check fee for each application: Charge the plan check fee for each re-submittal; each time a plan is submitted for review (based on adopted schedule);
- 3) Moving permit: \$125 minimum, per building section moved;
- 4) Historic Sign Review: \$125 per application;
- 5) Historic Preservation review: \$125 per application;
- 6) Right-of-Way Sidewalk: \$125 per application;
- 7) Right-of-Way Driveway: \$125 per application;