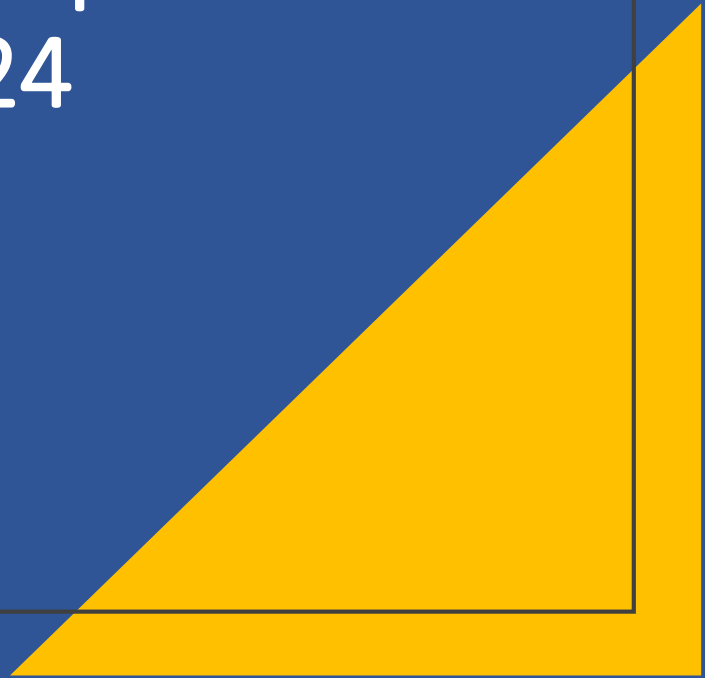




Building Permitting and Inspections Update – May 28, 2024



Building Permitting and Inspection

- For calendar year 2023, Inspections and Code permitted and inspected over \$330 million in construction work including 216 new, single-family homes.
- Issued over 6,200 permits for construction activity
- Issued over 1,400 Certificates of Occupancy for businesses
- Completed over 12,000 inspections

Building Permitting and Inspection Staff

- Inspections and Code has the following staff to conduct all building permitting and inspection:
 - 3 Electrical Inspectors
 - 3 Mechanical/Plumbing Inspectors
 - 3 Building Inspectors
 - 3 Permit Technicians
 - 2 Plans Examiners
 - 1 Chief Inspector
 - 1 Assistant Director
 - Additional support provided by Officer Manager and GIS Technician

Georgia HB 461

- Signed into law by the Governor on May 6, 2024
- Becomes effective July 1, 2024
- State Law has and will continue to prohibit local governments from using building permitting and inspections as a revenue generating source. Total revenue generated is required to equal expenses incurred.

Georgia HB 461

- Removed the ability for local government to use the construction valuation to base permit fees on which is how our fees are currently calculated.
- Under new law permit fees can be based on a flat fee, hourly rate, or square feet of construction for certain projects.

Revenue vs Expenses

- The building permitting and inspections function of Inspections and Code costs \$2 million per year.
 - This includes salaries, benefits, equipment, supplies, training, and other overhead expenses.
- Below is the total review for Inspections and Code for FY2019 through FY2023

| Total Revenue | |
|-------------------------|-----------------------|
| Year | Revenue |
| FY19 | \$1,357,825.32 |
| FY20 | \$1,642,572.80 |
| FY21 | \$1,842,134.40 |
| FY22 | \$2,305,713.22 |
| FY23 | \$1,975,239.44 |
| TOTAL | \$9,123,485.18 |
| Average per year | \$1,824,697.04 |

Revenue by Activity

- Below is the revenue generated by each type of activity for FY2019 through FY2023:

| Revenue Source | TOTAL | AVERAGE/YEAR |
|------------------------------|----------------|----------------|
| Residential Building Permits | \$1,626,692.00 | \$325,338.40 |
| Commercial Plan Review | \$1,216,834.00 | \$243,366.80 |
| Commercial Building Permits | \$4,035,566.00 | \$807,113.20 |
| Electrical Permits | \$766,530.00 | \$153,306.00 |
| Plumbing Permits | \$225,200.00 | \$45,040.00 |
| Mechanical Permits | \$453,650.00 | \$90,730.00 |
| Certificate of Occupancy | \$278,980.00 | \$55,796.00 |
| Miscellaneous | \$520,033.18 | \$104,006.64 |
| TOTAL | \$9,123,485.18 | \$1,824,697.04 |

Current Permit Fee Structure

- Permit fees are in accordance with Section 8-14.4 paragraph (g) of the City's ordinance. Current structure was established in 2006.
- Current fee structure is based on the valuation of the project.
- All valuation data is based on data provided by the International Code Council (ICC) and takes into consideration type of construction and occupancy of the structure.
- Valuation for commercial projects is based on 100% of the ICC valuation. One- and two-family residential projects are based on 57% of the ICC valuation.
- Once valuation is calculated, building permit fees can be calculated per the ordinance

Current Permit Fee Structure

- For projects less than \$26,000 the permit fee is \$75.00.
- For projects from \$26,000 to \$30,000 the permit fee is \$75.00 plus \$2.50 for each additional thousand dollars or fraction thereof.
- For projects over \$30,000 the permit fee is \$85.00 for the first \$30,000 and then \$4.00 for each additional thousand dollars or fraction thereof.
- Commercial projects also must pay a review fee of $\frac{1}{4}$ of the permit fee. Minimum review fee is \$75.00.
- All trade permits are \$50.00 per meter.

Current Permit Fee Structure

- Example Commercial Permit Fee
 - 56-unit Multi-Family Development
 - 60,816 square feet
 - Valuation = \$9,700,000
 - Review Fee = \$9,691.25
 - Building Permit Fee = \$38,765.00
 - Trade Permits:
 - Temporary Power Pole = \$50.00
 - Lights and Power = \$2,800.00
 - HVAC = \$50.00
 - Construction Power = \$50.00
 - Plumbing = \$50.00
- Total Inspections and Code Permit fees = \$51,411.25

Current Permit Fee Structure

- Example Single Family Home Permit Fee
 - 3,479 square feet
 - Current ICC Valuation is \$165.67/square foot. 57% of that is \$94.43/square foot.
 - Total Valuation for permit fees = \$328,521.97
 - Total Building Permit fees = \$1,281.00
 - Trade Permits:
 - Temporary Power Pole = \$50.00
 - Lights and Power = \$50.00
 - HVAC = \$50.00
 - Construction Power = \$50.00
 - Plumbing = \$50.00
 - Gas = \$50.00
- Total Inspections and Code Permit fees = \$1,581.00

Proposed Permit Fee Structure

- Per HB 461, square footage of construction can be used for new construction projects and for renovation projects over \$75,000 in value.
- Proposed fees are based on the approximate cost to the City for a typical scope of work.
- For renovation projects under \$75,000 building permit fee would be as follows:
 - For projects less than \$25,000 the permit fee is \$100.00.
 - For projects from \$25,001 to \$50,000 the permit fee is \$150.00
 - For projects over \$50,001 to \$75,000 the permit fee is \$250.00

Proposed Permit Fee Structure

- For new construction projects, permit fees would be based on the square footage of construction with a minimum fee of \$100.00
- For new one- and two-family dwellings, the permit fee would be \$0.35/square foot.
- For commercial projects, the fee per square foot would be based on the type of occupancy being constructed.
 - Assembly and Educational Occupancies = \$0.65/square foot
 - Business and Mercantile Occupancies = \$0.50/square foot
 - Residential Occupancy = \$0.55/square foot
 - All other occupancies = \$0.30/square foot

Proposed Permit Fee Structure

- Commercial review fees would be 25% of the permit fee; Residential projects would not have review fees
- Trade permits would be increased to \$75.00. Currently, \$50.00 fee does not cover City's expenses.
- Certificate of Occupancy fee would be changed from \$40.00 to \$60.00.
- Sign permits would be increased from \$75.00 to \$150.00.
- Portable building moving permits would be increased from \$50.00 to \$75.00.
- On all permits, the first reinspection shall be no charge. The second reinspection fee would increase from \$50.00 to \$75.00.

Proposed Permit Fee Structure Example

- Example Commercial Permit Fee
 - 56-unit Multi-Family Development
 - 60,816 square feet; Residential Occupancy
 - Permit fee = \$0.60/square foot
 - Review Fee = \$9,122.40
 - Building Permit Fee = \$36,489.60
 - Trade Permits:
 - Temporary Power Pole = \$75.00
 - Lights and Power = \$4200.00
 - HVAC = \$75.00
 - Construction Power = \$75.00
 - Plumbing = \$75.00
- Total Inspections and Code Permit fees = \$50,112.00
(decrease of \$1,299.25)

Proposed Permit Fee Structure Example

- Example Single Family Home Permit Fee
 - 3,479 square feet
 - Permit fee = \$0.35/square foot
 - Total Building Permit fees = \$1,217.65
 - Trade Permits:
 - Temporary Power Pole = \$75.00
 - Lights and Power = \$75.00
 - HVAC = \$75.00
 - Construction Power = \$75.00
 - Plumbing = \$75.00
 - Gas = \$75.00
- Total Inspections and Code Permit fees = \$1,667.65
(increase of \$86.65)

Next Steps

- Get feedback from local developers, contractors, and other stakeholders.
- Inspections and Code and IT need two weeks to make necessary system changes to successfully implement new fees.
- 1st reading of revised permit fee ordinance on June 4, 2024.
- 2nd reading of revised permit fee ordinance on June 11, 2024.
- Ordinance goes into effect July 1, 2024.

Questions?