



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78602

Submitted By: Shane Pevehouse, Building Official

Council Meeting Date: 8 September, 2025

Agenda Item Wording:

Agenda Item Sponsor:

Summary/Background: Proposing updated Residential and Commercial Fees (Updated)

Background:

On 2 September, new Building Department Fees were presented at City Council, but were rescheduled to a future date based on suggested revisions.

To recap, new Permit Fees are being requested based on current fees not covering department operating costs.

Using data from May of 2024 to May of 2025, the total Department Operating Costs were \$2,099,737.00 and total revenue (not including reinspection or impact fees) was \$1,237,476.40, leaving a deficit of \$862,260.00.

The recommended change to New Residential Construction permits was reduced from \$1.20/sqft to \$1.00/sqft. Additions, Remodels, and Accessory Structures are \$0.50/sqft plus inspections required for the Scope of Work. As proposed, these changes will increase fees, but do not fully fund the department. Based on the information above and fee revisions, there would be a funding shortfall of \$305,184.00.

Using \$1.00/sqft of conditioned space, most homes below 3,000sqft would pay near the same amount or less under the new fees. For example, a home that reported 2,017 square feet under the existing method paid \$0.84/sq ft for a total of \$1,700. However, the conditioned spaced was 1,595. Using the new method, the fee would be \$1,595 - \$105 less.

Proposal:

I recommend adopting all proposed fees with the Residential Permit Fee set at \$1.00/sqft of conditioned space only.

I recommend phasing out the doubling reinspection fee and replacing it with the proposed flat fee of \$150 for Residential and \$250 for Commercial.

Conclusion:

We recommend the City Council's approval of this update.

**Commission
Recommendations:**

**Recommended
Council Actions:** Approval

Attachments: Proposed Fee Schedule changes
Power Point presentation
Fee Study backup data

Next Steps/Schedule: Send to City Secretary for execution