
**METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
TENNESSEE
CODES ADMINISTRATION DEPARTMENT
ANALYSIS OF FEES FOR SERVICES
FINAL REPORT**

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MAXIMUS
1100 Logger Court, Suite D-100
Raleigh, North Carolina 27609
Tel: (850) 386-1101
Fax: (404) 874-5590

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EXECUTIVE SUMMARY

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE DEPARTMENT OF CODES ADMINISTRATION ANALYSIS OF FEES FOR SERVICES

This analysis is a follow-up study to the recently completed performance audit of the Metro Codes Administration Department with the scope of services expanded to conduct an analysis of Codes Administration and Fire Marshal fee related services to determine the extent to which fees must be increased to cover the full cost of services provided. It also addresses:

- The administrative costs in support of the Metro demolition program.
- Modification of the fee structures and recoveries in Codes Administration to implement the recommendations in the performance audit of the Codes Administration Department.
- Conducting a comprehensive analysis of related fees in neighboring cities and counties; comparing recommended fees against industry fees structures as provided in national model codes; and comparing the current fees with fees that would have to be charged to keep pace with cost of living adjustments since the last time fees were increased.
- Evaluating the impact of fee recommendations on residential and commercial construction within Davidson County.

The costing information provided in the performance audit was based on 2002-2003 budgeted expenditures. All cost information in this report has been revised in accordance with 2003-2004 budgeted expenditures.

The total fiscal year 2003-2004 budgeted expenditure for Codes Administration is \$6,854,600. The total departmental indirect cost determined in the most recent indirect cost allocation plan is \$958,500. The total departmental cost, including direct and indirect costs, for the department is \$7,813,100. The total revenue estimate for the year by the department is \$6,000,200. The difference between budgeted expenditures and estimated revenues leaves Metro subsidizing departmental operations by \$1,812,900. The department provides both fee related and non-fee related services. The non-fee related services will provide estimated revenues totaling \$87,000 with full costs totaling \$1,645,266. Subtracting these revenues and costs from the total departmental revenues and costs leaves fee related revenues totaling \$5,913,200 and costs totaling \$6,167,834 resulting in a projected subsidy of \$254, 634 as shown by the following table.

Departmental Fee Related Services Cost-Revenue Summary			
(In Dollars)			
			Projected
	Projected	Projected	Fiscal Year
	Fiscal Year	Fiscal Year	2003-2004
	2003-2004	2003-2004	Surplus
Major Fee Areas	Costs	Revenues	(Subsidy)
Building	2,804,991	3,960,200	1,155,209
Plans Examination	566,408	375,000	(191,408)
Electrical	1,073,404	705,000	(368,404)
Plumbing	899,742	456,000	(443,742)
Mechanical/Gas	823,289	417,000	(406,289)
	6,167,834	5,913,200	(254,634)

The above table indicates that, without consideration of non-fee related service areas, the general fund is projected to subsidize Codes Administration Departmental fee related services by \$254,634 in this fiscal year. What this table does not take into consideration, however, is the cost associated with plan reviews and fire safety inspections made by the Fire Marshal's Office. Since no fees are being charged for those services the associated costs represent an additional Metro governmental subsidy.

The Fire Marshal's Office provides fire safety plan reviews in conjunction with the issuance of commercial and multi-family building permits and fire safety inspections before the certificates of use are provided. The full costs associated with these services are developed in Section V and Attachment E of the study report. The following table shows those costs.

Allocation of Line Item Costs to New Construction			
		Percent of	
	Allocation	Fire Marshal	Total
	to	FTE Allocated	Allocation
	Fire Marshal	to New Const	to New Const
Fire Marshal Office Salary & FB			\$ 1,108,314
Fire Chief Admin Salary & FB	\$ 18,983	39.15%	\$ 7,432
Deputy Fire Chief Admin Sal & FB	\$ 5,013	39.15%	\$ 1,963
Metro Indirect Cost	\$ 317,426	39.15%	\$ 124,272
Vehicle Maintenance	\$ 72,000	39.15%	\$ 28,188
Vehicle Fuel	\$ 26,581	39.15%	\$ 10,406
Uniforms	\$ 12,000	39.15%	\$ 4,698
Cleaning Supplies	\$ 12,000	39.15%	\$ 4,698
Utilities	\$ 8,910	39.15%	\$ 3,488
Water	\$ 2,064	39.15%	\$ 808
Phone Service	\$ 11,031	39.15%	\$ 4,319
ITS Workstations & Software License	\$ 42,809	39.15%	\$ 16,760
Radio Shop	\$ 26,944	39.15%	\$ 10,549
			\$ 1,325,894

When the \$1,325,894 in Fire Marshal related costs for construction service for plan reviews and fire safety inspection services are taken into consideration, the total general fund subsidy increases from \$254,634 to \$1,580,528. The services provided by the Fire Marshal's Office and the departmental plan review services are only for commercial building permits. Consequently, our recommendation is to increase trade permit fees as required to cover the full cost of services for each respective service area and to increase the commercial building permit fees and plans examination fees sufficiently to cover the costs associated with building permits, departmental plan reviews and the services provided by the Fire Marshal's Office.

The current building permit fee schedule would remain unchanged for residential permits with the exception of including the \$25 zoning fee (which is already being paid) in that fee schedule. The following table provides the fiscal year 2003-2004 projected costs, revenues, and subsidies as well as the required percent increase in fees with the resulting revenues for each major service area in accordance with our recommendation.

The resulting fee increases would be 7.167% for building permits, 20.87% for plan reviews, 52.26% for electrical permits, 97.31% for plumbing permits and 97.43% for mechanical/gas permits. No fee increase recommendation is being made for residential building permits because the Fire Marshal does not provide services for residential permits. We are recommending a 20.87% increase in commercial building permits involving Fire Marshal services to achieve the needed 7.167% overall building permit fee increase. The resulting \$1,580,528 in estimated additional revenue is the additional revenue for one year after the fee increases are placed into effect assuming the numbers of permits issued in each category remain that same as the past year. Obviously, the entire amount of estimated additional revenue could not be collected for 2003-2004 since we are already in the fiscal year. If the recommended fees are placed into effect by January 1, 2004, the amount of estimated additional revenue would be approximately 50% of the projected annual amount, which equates to \$790,264.

Metro Fee Related Codes Administration Service Cost-Revenue Summary					
Including Fire Marshal New Construction Plan Review and Inspection Services					
(In Dollars)					
	Projected	Projected	Projected		Additional
	Fiscal Year	Fiscal Year	Fiscal Year	Recommended	Revenue
	2003-2004	2003-2004	2003-2004	Percent	Recommended
Major Fee Areas	Costs	Revenues	Surplus	Fee Increase	Fee Increase
			(Subsidy)		
Building	2,804,991	3,960,200	1,155,209	7.167%	283,830
Plans Examination	566,408	375,000	(191,408)	20.87%	78,263
Electrical	1,073,404	705,000	(368,404)	52.26%	368,404
Plumbing	899,742	456,000	(443,742)	97.31%	443,742
Mechanical/Gas	823,289	417,000	(406,289)	97.43%	406,289
Fire Marshal's Office	<u>1,325,894</u>	<u>-</u>	<u>(1,325,894)</u>	0.00%	<u>-</u>
Total	7,493,728	5,913,200	(1,580,528)		1,580,528

Study Recommendations

The following recommendations are made:

- Add the \$25 zoning fee into the residential and commercial building permit fee schedules and increase the fees in the in the commercial building permit fee schedule by 20.87% for those permits involving Fire Marshal inspections and increase plans examination fees by 20.87% for those permits requiring Fire Marshal plan reviews.
- Remove the \$500 maximum on plan review fees and follow the schedule provided in Section XV of the study report for those fees. Establish a variable plans review fee for commercial projects exceeding \$280,000 in dollar value as prescribed in Section XV of the study report.
- Increase the fee for moving structures from \$200 to \$250 to cover the additional administrative costs associated with house moving.
- Increase to building U&O and blasting permit fees from \$25 to \$50.
- Increase all fees for plumbing permits shown in the current fee schedule by 97.31% with a minimum fee of \$50 per permit.
- Increase all fees for gas/mechanical permits shown in the current fee schedule by 97.43% with a minimum fee of \$50 per permit.
- Increase all fees shown in the current electrical permit fee schedule by 52.26% with a minimum fee of \$50 permit.
- Establish a fee of \$28 per re-inspection for all re-inspections.
- Establish an administrative fee of \$280 per government supervised demolition project.
- Establish a fee of \$695 for residential variances and special exceptions and a fee of \$870 for commercial variances and special exceptions.

Comparison with Other Governmental Entities

Letters were sent to five neighboring municipalities, five neighboring counties, and three large Tennessee metropolitan areas requesting that they provide fees currently being charged for a single-family residence valued at \$135,000, a single family residence valued at \$250,000, a 12,000 square office building, and a 40,000 square foot structure with 15% office space and 85% warehouse space. Responses were received

from nine governmental entities. The averages of those responses compared with the current and proposed Metro fees are shown in the following table.

Fee Comparison with Other Governmental Entities					
	Current	Proposed	Range of		Average
	Metro	Metro	City/County		City/County
	Fee	Fee	Comparison Fee		Comparison
			Low	High	Fee
\$135,000 Single-Family Residence					
Building Permit	\$ 595	\$ 595	\$ 320	\$ 1,125	\$ 603
(Including \$25 for Zoning)					
Electrical Permit	\$ 102	\$ 155	\$ 52	\$ 180	\$ 122
Plumbing Permit	\$ 86	\$ 170	\$ 60	\$ 136	\$ 96
Mechanical/Gas Permit	\$ 57	\$ 113	\$ 25	\$ 89	\$ 61
Total Amount	\$ 840	\$ 1,032	\$ 531	\$ 1,254	\$ 830
			Range of		Average
	Current	Recommended	City/County		City/County
	Fee	Fee	Comparison Fee		Comparison
			Low	High	Fee
\$250,000 Single-Family Residence					
Building Permit	\$ 940	\$ 940	\$ 575	\$ 2,083	\$ 1,076
(Including \$25 for Zoning)					
Electrical Permit	\$ 161	\$ 244	\$ 68	\$ 180	\$ 128
Plumbing Permit	\$ 110	\$ 217	\$ 68	\$ 196	\$ 128
Mechanical/Gas Permit	\$ 89	\$ 176	\$ 60	\$ 103	\$ 80
Total Amount	\$ 1,300	\$ 1,577	\$ 714	\$ 2,212	\$ 1,349
			Range of		Average
	Current	Recommended	City/County		City/County
	Fee	Fee	Comparison Fee		Comparison
			Low	High	Fee
12,000 Square Foot Office Building					
Building Permit	\$ 3,176	\$ 3,839	\$ 830	\$ 4,470	\$ 2,861
(Including Plan Review & Zoning Fees)					
Electrical Permit	\$ 224	\$ 340	\$ 74	\$ 455	\$ 187
Plumbing Permit	\$ 51	\$ 101	\$ 58	\$ 246	\$ 131
Mechanical/Gas Permit	\$ 182	\$ 359	\$ 72	\$ 736	\$ 289
Total Amount	\$ 3,633	\$ 4,639	\$ 2,825	\$ 6,871	\$ 3,824
			Range of		Average
	Current	Recommended	City/County		City/County
	Fee	Fee	Comparison Fee		Comparison
			Low	High	Fee
40,000 Square Foot Office/Warehouse					
Building Permit	\$ 4,782	\$ 5,780	\$ 1,204	\$ 12,000	\$ 4,929
(Including Plan Review & Zoning Fees)					
Electrical Permit	\$ 278	\$ 423	\$ 128	\$ 665	\$ 277
Plumbing Permit	\$ 92	\$ 182	\$ 50	\$ 224	\$ 118
Mechanical/Gas Permit	\$ 237	\$ 468	\$ 38	\$ 1,058	\$ 265
Total Amount	\$ 5,389	\$ 6,853	\$ 1,376	\$ 12,172	\$ 6,119

Note that the fee comparison does not include the enormous facilities tax and road impact fees charged by the City of Franklin or the facilities tax and development tax charged by Cheatham County.

The total amount average is the average of the total fees provided in the study report and not the sum of the averages shown on the previous page. This is because some of the departments responding did not provide services in all fee areas and the average of the averages would not be an accurate portrayal of the total fee costs. (See the average fee computation at the bottom of page 12 of the study report.)

It is very difficult and often inaccurate to attempt to make fee comparisons between like fees charged in other jurisdictions due to varying levels of service, different bases for charging fees, and the varying rates of recovery. These issues have been pointed out in the study report.

The table of the following page provides the impact of the proposed fees on contractors and property owners. It should be noted that the increased monthly cost of a 30-year 6% fixed rate mortgage is only \$1.16 for a \$135,000 residence and \$1.66 for a \$250,000 residence with the proposed fee increases. It should also be noted that while the total proposed fee increases would be 27.71% for the 12,000 square foot commercial office building and 27.16% for a 40,000 square foot office/warehouse building, these increases are less than the 33% cost of living increase that has occurred since 1991 when the fee schedules were last changed.

Impact of Recommended Fee Increases on Contractors and Homeowners				
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
\$135,000 Single-Family Residence				
Building Permit	\$ 595.00		\$ 595.00	\$ -
(Including \$25 for Zoning)				
Electrical Permit	\$ 101.75	52.26%	\$ 154.92	\$ 53.17
Plumbing Permit	\$ 86.00	97.31%	\$ 169.69	\$ 83.69
Mechanical/Gas Permit	\$ 57.00	97.43%	\$ 112.54	\$ 55.54
Total Amount	\$ 839.75		\$ 1,032.15	\$ 192.40
Overall Percent Fee Increase				22.91%
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
\$250,000 Single-Family Residence				
Building Permit	\$ 940.00		\$ 940.00	-
(Including \$25 for Zoning)				
Electrical Permit	\$ 160.50	52.26%	\$ 244.38	\$ 83.88
Plumbing Permit	\$ 110.00	97.31%	\$ 217.04	\$ 107.04
Mechanical/Gas Permit	\$ 89.00	97.43%	\$ 175.71	\$ 86.71
Total Amount	\$1,299.50		\$ 1,577.13	\$ 277.63
Overall Percent Fee Increase				21.36%
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
12,000 Square Foot Office Building				
Building Permit	\$3,176.00	20.87%	\$ 3,838.83	\$ 662.83
(Including Plan Review Zoning Fees)				
Electrical Permit	\$ 223.50	52.26%	\$ 340.30	\$ 116.80
Plumbing Permit	\$ 51.00	97.31%	\$ 100.63	\$ 49.63
Mechanical/Gas Permit	\$ 182.00	97.43%	\$ 359.32	\$ 177.32
Total Amount	\$3,632.50		\$ 4,639.08	\$ 1,006.58
Overall Percent Fee Increase				27.71%
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
40,000 Square Foot Office/Warehouse				
Building Permit	\$4,782.00	20.87%	\$ 5,780.00	\$ 998.00
(Including Plan Review Zoning Fees)				
Electrical Permit	\$ 278.00	52.26%	\$ 423.28	\$ 145.28
Plumbing Permit	\$ 92.00	97.31%	\$ 181.53	\$ 89.53
Mechanical/Gas Permit	\$ 237.00	97.43%	\$ 467.91	\$ 230.91
Total Amount	\$5,389.00		\$ 6,852.72	\$ 1,463.72
Overall Percent Fee Increase				27.16%

**METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY, TENNESSEE
DEPARTMENT OF CODES ADMINISTRATION
ANALYSIS OF FEES FOR SERVICES
FINAL REPORT**

I. INTRODUCTION

This analysis is a follow-up study to the recently completed performance audit of the Metro Codes Administration Department with the scope of services expanded to conduct an analysis of Codes Administration and Fire Marshal fee related services to determine the extent to which fees must be increased to cover the full cost of services provided and to determine the administrative costs in support of the Metro demolition program. The scope of work includes conducting a detailed analysis sufficient to complete the following tasks:

- Determining the costs of all Fire Marshal Office services required for new construction plan reviews and inspections.
- Modifying the fee structures and recoveries in Codes Administration to implement the recommendations in our performance audit of the Codes Administration Department.
- Conducting a comprehensive analysis of related fees in neighboring cities and counties; comparing recommended fees against industry fees structures as provided in national model codes; and comparing the current fees with fees that would have to be charged to keep pace with cost of living adjustments since the last time fees were increased.
- Evaluating the impact of fee recommendations on residential and commercial construction within Davidson County.
- Determining the administrative costs associated with structure demolition projects and adjusting fees for demolition projects to recover the direct and indirect administrative costs and the direct cost of demolition services.

The costing information provided in the performance audit was based on 2002-2003 budgeted expenditures. All cost information in this report has been revised in accordance with 2003-2004 budgeted expenditures.

II. PROJECTED REVENUES

The study team reviewed the revenues projected by the department for fiscal year 2003-2004 and compared those revenues with the revenues received in fiscal year 2002-2003. That comparison is provided in the following table:

Table I—Fiscal Year 2003-2004 Revenue Projection		
(In Dollars)		
	Fiscal Year	Fiscal Year
	2002-2003	2003-2004
Service Areas	Actual Revenues	Projected Revenues
Permits:		
Building Permits	3,906,659	3,850,000
Electrical Permits	643,230	650,000
Plumbing Permits	408,615	408,000
Gas/Mechanical Permits	342,154	370,000
Subtotal Permits	5,300,658	5,278,000
Appeals and Contractor Licenses:		
Building Appeals	5,200	7,500
Electrical Appeals & Licenses	83,920	55,000
Plumbing Appeals & Licenses	51,087	48,000
Gas/Mechanical Appeals & Licenses	54,435	47,000
Zoning Appeals	136,843	100,000
Subtotal Appeals	331,485	257,500
Other Revenue:		
Plans Examination	354,119	375,000
Arborist Licenses	250	200
Code Enforcement	77,804	80,000
Building Permit Data	1,551	2,500
FHA-VA Inspections	3,220	2,500
Abandoned Vehicles	6,465	4,500
Subtotal Other Revenues	443,409	464,700
Total Annual Revenue	6,075,552	6,000,200

The total revenue projected by the department for fiscal year 2003-2004 is \$75,352 less than the total revenue received in fiscal year 2002-2003. The departmental projection does not include a provision for fee increases during the year. Consequently, the above table does not include the additional \$600,000 that Metro is budgeting for increased revenues based on the fee increases for fiscal year 2003-2004.

In order to make a detailed cost comparison, the revenues in the previous table were regrouped by major permit categories. Most of the Property Standards fees cannot be cost based because the department has little control over the revenues received. In this area of codes enforcement, it is not possible to achieve full cost recovery. Consequently, both the revenues and resulting costs of these services are being subtracting from the total revenues and costs for the comparison made in this study. The following table provides the revenues regrouped by the major fee categories for which the full costs will be derived.

Table II	
Fiscal Year 2003-2004 Revenue Projection Grouped by Major Category	
(In Dollars)	
	Projected Revenue
Building Code	
Building Permits	3,850,000
Building Appeals	7,500
Zoning Appeals	100,000
Arborist Licenses	200
Building Permit Data	2,500
Building Code Subtotal	3,960,200
Electrical Code	
Electrical Permits	650,000
Electrical Contractor Licenses and Appeals	55,000
Electrical Code Subtotal	705,000
Plumbing Code	
Plumbing Permits	408,000
Plumbing Contractor Licenses and Appeals	48,000
Plumbing Code Subtotal	456,000
Mechanical/Gas Code	
Mechanical/Gas Permits	370,000
Mechanical/Gas Contractor Licenses and Appeals	47,000
Mechanical/Gas Code Subtotal	417,000
Plans Examination	375,000
Property Standards	
Code Enforcement	80,000
FHA -VA Inspections	2,500
Abandoned Vehicles	4,500
Property Standards Subtotal	87,000
Total Annual Projected Revenue	6,000,200

III. PROJECTED COST

The fiscal year 2003-2004 budgeted cost for Codes Administration is \$6,854,600 compared with a fiscal year 2002-2003 total cost of \$6,412,180 for the department. Neither the budgeted nor actual cost includes the Metro indirect cost attributable to departmental support activities. The total departmental indirect cost determined in the most recent full cost indirect cost allocation plan is \$958,500. Adding the indirect cost to the budgeted departmental cost of \$6,854,600 results in a departmental full cost of \$7,813,100. Consequently, the projected departmental full cost exceeds the budgeted revenue of \$6,000,200 by \$1,812,900. There are departmental costs for which fees are not appropriated. These costs are determined in this report and subtracted from the total cost. On the other hand, the Fire Marshal's Office provides plan reviews and fire safety inspections conducted in conjunction with the issuance of permits for multifamily and commercial construction for which fees are appropriate to cover the cost of services. The full costs of these services therefore merit consideration in the development of fees for services.

The Building, Electrical, Plumbing, Mechanical/Gas and Plans Examination divisions provide services that match the major permit revenue areas previously provided. Therefore, their costs do not require redistribution. The Codes Administration Director's Office, the Zoning Administration and the Property Standards Division costs, however, require redistribution into the major permit categories. The redistribution of the Codes Administration Director's Office costs is provided at Attachment A. The redistribution of Zoning Administration costs is provided at Attachment B. The redistribution of Property Standards costs is provided at Attachment C. The distribution of Metro indirect costs within the Codes administration department is provided at Attachment D. Table III summarizes the allocations of costs determined in the tables at the respective attachments. The non-fee related revenues from shown in the table for Codes Administration are associated with Neighborhood Planning. Those for Property Standards are associated with eliminating substandard property and other conditions related to public safety and enhancing the appearance of the City of Nashville and Davidson County.

	Building	Electrical	Plumbing	Mech/Gas	Plans Exam	Non Fee Related	Total
Division Salary & Wages	642,500	439,900	395,300	354,500	309,500	-	2,141,700
Division Fringe Benefits	161,500	120,700	103,700	87,800	71,000	-	544,700
Codes Administration Costs	300,006	218,948	192,340	192,340	123,087	14,393	1,041,114
Division City/County Indirect Costs	143,897	100,220	88,552	88,552	62,821	-	484,042
Zoning Costs	1,276,857	193,636	119,850	100,097		-	1,690,440
Property Standards Costs	280,231					1,630,873	1,911,104
Total Cost	2,804,991	1,073,404	899,742	823,289	566,408	1,645,266	7,813,100

IV. DEPARTMENTAL COST/REVENUE SUMMARY

The following table provides an estimated cost/revenue summary of the Codes Administration Department's major fee areas as well as non-fee related activities for fiscal year 2003-2004.

Table IV—Departmental Cost-Revenue Summary			
(In Dollars)			
	Projected	Projected	Projected
	Fiscal Year	Fiscal Year	Fiscal Year
	2003-2004	2003-2004	2003-2004
Major Fee Areas	Costs	Revenues	Surplus
			(Subsidy)
Building	2,804,991	3,960,200	1,155,209
Plans Examination	566,408	375,000	(191,408)
Electrical	1,073,404	705,000	(368,404)
Plumbing	899,742	456,000	(443,742)
Mechanical/Gas	823,289	417,000	(406,289)
Non-Fee Related Activities	1,645,266	87,000	(1,558,266)
Total	7,813,100	6,000,200	(1,812,900)

The following table provides an estimated fiscal year 2003-2004 cost/revenue summary of the department's major fee areas without inclusion of non-fee related activities.

Table V			
Departmental Fee Related Services Cost-Revenue Summary			
(In Dollars)			
	Projected	Projected	Projected
	Fiscal Year	Fiscal Year	Fiscal Year
	2003-2004	2003-2004	2003-2004
Major Fee Areas	Costs	Revenues	Surplus
			(Subsidy)
Building	2,804,991	3,960,200	1,155,209
Plans Examination	566,408	375,000	(191,408)
Electrical	1,073,404	705,000	(368,404)
Plumbing	899,742	456,000	(443,742)
Mechanical/Gas	823,289	417,000	(406,289)
	6,167,834	5,913,200	(254,634)

The above table indicates that, without consideration of non-fee related service areas, the general fund is projected to subsidize Codes Administration Departmental fee related services by \$254,634 in this fiscal year. What this table does not take into consideration, however, is the cost associated with plan reviews and fire safety inspections made by the Fire Marshal's Office. Since no fees are being charged for those

services the associated costs represent an additional Metro governmental subsidy. The Fire Marshal's Office fee related cost will be discussed in the following section.

V. FIRE MARSHAL'S OFFICE FEE RELATED COSTS

The Fire Marshal's Office provides fire safety plan reviews in conjunction with the issuance of commercial and multi-family building permits and fire safety inspections before the certificates of use are provided. No fees are charged by the Fire Marshal's Office for this service although Nashville/Davidson County does incur substantial costs. An assessment was made of the percentage of time spent per year by each individual in the Fire Marshal's office for plan review or inspection services for new construction or providing supervision or administrative support of those providing these services. The table at Attachment E provides the positions involved with these services, the annual salary and fringe benefits of the position incumbents, the percentage of time involved with these services, the type of involvement, the position equivalents involved, and the allocation of annual salaries and fringe benefits to the services provided. The total annual salaries and fringe benefits of Fire Marshal staff involved with new construction services was calculated to be \$1,108,314.

The total annual costs of the Fire Chief and Deputy Fire Chief supervisory and administrative elements are \$558,336 and \$147,442, respectively. Currently, there are 41 employees working in the Fire Marshal's Office out of 1,201 employees in the Fire Department or 3.4% of the Fire Department staff in the Fire Marshal's Office. Multiplying 3.4% times the total annual costs of the Fire Chief and Deputy Fire Chief supervisory and administrative elements results in costs of \$18,983 and \$5,013, respectively, for those elements.

A total of \$9,336,071 in indirect costs were allocated to the Fire Department in the most recent Metro full cost indirect cost allocation plan. Applying the 3.4% of Fire Marshal employees in the Fire Department to the \$9,336,071 results in an allocation of \$317,426 of Metro indirect costs to the Fire Marshal's Office.

Within the Fire Marshal's Office, 39.15% of the employees are involved with providing new construction services. That percentage was applied to the allocation of Fire Chief and Deputy Fire Chief administrative and supervisory costs, Metro indirect costs, and other line item costs allocated to the Fire Marshal's Office and added to the salary and fringe benefit costs determined at Attachment E to determine the full cost of Fire Marshal Office new construction services. The following table provides those calculations.

Table VI—Allocation of Line Item Costs to New Construction			
		Percent of	
	Allocation	Fire Marshal	Total
	to	FTE Allocated	Allocation
	Fire Marshal	to New Const	to New Const
Fire Marshal Office Salary & FB			\$ 1,108,314
Fire Chief Admin Salary & FB	\$ 18,983	39.15%	\$ 7,432
Deputy Fire Chief Admin Sal & FB	\$ 5,013	39.15%	\$ 1,963
Metro Indirect Cost	\$ 317,426	39.15%	\$ 124,272
Vehicle Maintenance	\$ 72,000	39.15%	\$ 28,188
Vehicle Fuel	\$ 26,581	39.15%	\$ 10,406
Uniforms	\$ 12,000	39.15%	\$ 4,698
Cleaning Supplies	\$ 12,000	39.15%	\$ 4,698
Utilities	\$ 8,910	39.15%	\$ 3,488
Water	\$ 2,064	39.15%	\$ 808
Phone Service	\$ 11,031	39.15%	\$ 4,319
ITS Workstations & Software License	\$ 42,809	39.15%	\$ 16,760
Radio Shop	\$ 26,944	39.15%	\$ 10,549
			\$ 1,325,894

VI. METRO COST/REVENUE SUMMARY

Table IV on page 5 indicates that the general fund is subsidizing the Codes Administration Departmental fee related services by \$254,634. It further indicates that the department has a revenue surplus for building permit services while subsidizing plans examination and trade permit services. This, however, does not include the Metro costs incurred for construction related services provided by the Fire Marshal's Office. No fees are being charged for those services. When the \$1,325,894 in Fire Marshal related costs for construction service for plan reviews and fire safety inspection services are taken into consideration, the total general fund subsidy increases to \$1,580,528. The services provided by the Fire Marshal's Office and the departmental plan review services are only for commercial building permits. Consequently, our recommendation is to increase trade permit fees as required to cover the full cost of services for each respective service area and to increase the commercial building permit fees sufficiently to cover the costs associated with building permits, departmental plan reviews and the services provided by the Fire Marshal's Office. The current fee schedule would remain unchanged for residential permits with the exception of including the \$25 zoning fee (which is already being paid) in that fee schedule. The following table provides the fiscal year 2003-2004 projected costs, revenues, and subsidies as well as the required percent increase in fees with the resulting revenues for each major service area in accordance with our recommendation.

Table VII—Metro Fee Related Codes Administration Service Cost-Revenue Summary					
Including Fire Marshal New Construction Plan Review and Inspection Services					
(In Dollars)					
	Projected	Projected	Projected		Additional
	Fiscal Year	Fiscal Year	Fiscal Year		Revenue
	2003-2004	2003-2004	2003-2004	Recommended	At
	Costs	Revenues	Surplus	Percent	Recommended
Major Fee Areas			(Subsidy)	Fee Increase	Fee Increase
Building	2,804,991	3,960,200	1,155,209	7.167%	283,830
Plans Examination	566,408	375,000	(191,408)	20.87%	78,263
Electrical	1,073,404	705,000	(368,404)	52.26%	368,404
Plumbing	899,742	456,000	(443,742)	97.31%	443,742
Mechanical/Gas	823,289	417,000	(406,289)	97.43%	406,289
Fire Marshal's Office	1,325,894	-	(1,325,894)	0.00%	-
Total	7,493,728	5,913,200	(1,580,528)		1,580,528

The resulting fee increases would be 7.167% for building permits, 20.87% for plan reviews, 52.26% for electrical permits, 97.31% for plumbing permits and 97.43% for mechanical/gas permits. Since no fee increase recommendation is being made for residential building permits, it will take a 20.87% increase in commercial building permits requiring Fire Marshal inspections to achieve the needed 7.167% overall building permit fee increase. The 20.87% increase is needed since no increase is recommended for residential permits (which do not receive Fire Marshal services) and only 34.34% of total building permit revenues comes from those commercial permits receiving Fire Marshal services. Consequently, those permits must carry the full burden of the recommended \$283,830 building permit fee increase. The resulting \$1,580,528 in estimated additional revenue is the additional revenue for one year after the fee increases are placed into effect assuming the numbers of permits issued in each category remain that same as the past year. Obviously, the entire amount of amount of estimated additional revenue could not be collected for 2003-2004 since we are already in the fiscal. If the recommended fees are placed into effect by January 1, 2004, the amount of estimated additional revenue would be approximately 50% of the projected annual amount, which equates to \$790,264.

VII. FEE INCREASE RECOMMENDATIONS

The following recommendations are made:

- Add the \$25 zoning fee into the residential and commercial building permit fee schedules and increase the fees in the commercial building and plan review fees by 20.87% for permits regarding Fire Marshal plan reviews and inspections. See the fee schedule shown at Attachment F for commercial building permits and the fee schedule shown at Attachment L for residential building permits.

- Remove the \$500 cap on plan review fees.
- Increase the fee for moving structures from \$200 to \$250 to cover the additional administrative costs associated with house moving.
- Increase the building use and occupancy permit and blasting permit fees from \$25 to \$50.
- Increase all fees for plumbing permits shown in the current fee schedule by 97.31%. That is, the minimum fee would be increased to \$50, the fee for plumbing fixtures would be increased to \$5.92 per fixture, the fees for water and sewer connections would be increased to \$50, etc.
- Increase all fees for gas/mechanical permits shown in the current fee schedule by 97.43%. That is the minimum fee would be increased to \$50, the fee for appliances would be increased to \$5.92 per appliance, the fee for hot water heaters would be increased to \$11.85, etc.
- Increase all fees shown in the current electrical permit fee schedule by 52.26% with the exception of the minimum fee. Increase the minimum fee to \$50 to be consistent with the minimum fees for the other trade permits. Otherwise, the fee for installation of the first 10 or less outlets would be increased to \$4.56; the fee for additional outlets (over 10) would be increased to \$.38 per outlet, etc.
- As an exception to the fee increase recommendation for building and trade permits discussed in the section, the recommended re-inspection fee for all disciplines is \$28 as discussed in Section XVI of this report. That is because a full cost analysis was conducted specifically for re-inspections and the \$28 fee is based on that cost.

VIII. IMPACT OF FEE INCREASE RECOMMENDATIONS

This section of the study report examines the impact of the recommended fee increases on contractors and most likely on property owners since the contractor costs are normally passed on to property owners. The impact is provided the following types of construction.

- A \$135,000 single-family residence with stick frame construction.
- A \$250,000 single-family residence with stick frame construction.
- A two story 12,000 square foot office building with IBC Type IIB (SBC Type IV) construction.

- A 40,000 square foot structure with 15% office space and 85% warehouse space.

The spreadsheets at Attachment G provide the detailed Nashville Codes Administration staff listing of the items based upon which the permit costs were determined.

The following table summarizes current fees, the recommended percent fee increases, the increased fees if the recommendations are adopted, and the additional costs to the contractors with the recommended fee increases.

Table VIII—Impact of Recommended Fee Increases on Contractors and Homeowners				
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
\$135,000 Single-Family Residence				
Building Permit	\$ 595.00		\$ 595.00	\$ -
(Including \$25 for Zoning)				
Electrical Permit	\$ 101.75	52.26%	\$ 154.92	\$ 53.17
Plumbing Permit	\$ 86.00	97.31%	\$ 169.69	\$ 83.69
Mechanical/Gas Permit	\$ 57.00	97.43%	\$ 112.54	\$ 55.54
Total Amount	\$ 839.75		\$ 1,032.15	\$ 192.40
Overall Percent Fee Increase				22.91%
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
\$250,000 Single-Family Residence				
Building Permit	\$ 940.00		\$ 940.00	-
(Including \$25 for Zoning)				
Electrical Permit	\$ 160.50	52.26%	\$ 244.38	\$ 83.88
Plumbing Permit	\$ 110.00	97.31%	\$ 217.04	\$ 107.04
Mechanical/Gas Permit	\$ 89.00	97.43%	\$ 175.71	\$ 86.71
Total Amount	\$1,299.50		\$ 1,577.13	\$ 277.63
Overall Percent Fee Increase				21.36%
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
12,000 Square Foot Office Building				
Building Permit	\$3,176.00	20.87%	\$ 3,838.83	\$ 662.83
(Including Plan Review Zoning Fees)				
Electrical Permit	\$ 223.50	52.26%	\$ 340.30	\$ 116.80
Plumbing Permit	\$ 51.00	97.31%	\$ 100.63	\$ 49.63
Mechanical/Gas Permit	\$ 182.00	97.43%	\$ 359.32	\$ 177.32
Total Amount	\$3,632.50		\$ 4,639.08	\$ 1,006.58
Overall Percent Fee Increase				27.71%
		Recommended		Additional
	Current	Percent Fee	Recommended	Cost to
	Fee	Increase	Fee	Contractor
40,000 Square Foot Office/Warehouse				
Building Permit	\$4,782.00	20.87%	\$ 5,780.00	\$ 998.00
(Including Plan Review Zoning Fees)				
Electrical Permit	\$ 278.00	52.26%	\$ 423.28	\$ 145.28
Plumbing Permit	\$ 92.00	97.31%	\$ 181.53	\$ 89.53
Mechanical/Gas Permit	\$ 237.00	97.43%	\$ 467.91	\$ 230.91
Total Amount	\$5,389.00		\$ 6,852.72	\$ 1,463.72
Overall Percent Fee Increase				27.16%

It should be noted that the fee increase for the \$135,000 residence would only equate to an additional monthly cost of \$1.16 for a 30 year 6% fixed rate mortgage if all the additional cost were passed on by the contractor to the homeowner. It would only increase the monthly amount by \$1.66 in the case of the \$250,000 residence. Furthermore, the total impact of the proposed fee increases on the contractors for the two commercial buildings is less than the 33% increase in the cost of living since the fee structure was last changed.

IX. FEE COMPARISONS WITH OTHER MUNICIPALITIES AND COUNTIES

Letters were sent to five neighboring municipalities, five neighboring counties, and three large Tennessee metropolitan areas requesting that they provide fees currently being charged for building, electrical, plumbing, and mechanical permits as well as fees for zoning and plan reviews for a single-family residence valued at \$135,000, a single family residence valued at \$250,000, a 12,000 square office building, and a 40,000 square foot structure with 15% office space and 85% warehouse space. A copy of the letter and accompanying forms is provided at Attachment H. There were nine responses to the information request. Table IX on page 14 provides a summary of the total permit fees being charged by those governmental entities responding compared with the fees being charged in Nashville. Tables X through XV on the following pages provide comparison summaries of fees charged for building permits, electrical permits, plumbing permits, plan reviews and zoning.

While the recommended total fees for Nashville/Davidson County is within the range for total fees for the other governmental entities and higher than their average fees, Nashville/Davidson County is quite likely charging less for services provided than most other entities when consideration is given to the type fees charged and the type services provided. For example:

- None of the four responding counties is performing electrical inspections or providing electrical permits. These permits are being issued by the State of Tennessee. The cost of electrical permits to contractors for these counties was taken from the cost of State of Tennessee electrical permit provided by the City of Hendersonville.
- One of the counties is not performing plumbing inspections or issuing plumbing permits. Hence, no plumbing permit fee is included in its total fee.
- None of the counties are charging zoning fees and it is questionable as to how much zoning work, if any, they are doing. Only one of the counties and none of the surrounding cities are charging for commercial plan review services.

Furthermore, some local governments are charging impact fees, franchise fees or other types of fees for new construction, which while not really a permit fee or even a user fee, would definitely impact the contractors and property owners. For example:

- Cheatham County is charging \$1.00 per square foot of residential living space as a facilities tax, which would equate to \$1,875 for the \$135,000 residence and \$3,472 for the \$250,000 residence. It is also charging a \$1,875 per lot development tax for lots in a recorded subdivision plat. If the lot is not in a recorded subdivision plat, the tax is \$3,750 per lot since the developer has not already paid the \$1,875 part of the fee. At a minimum, the total additional cost per house for the facilities tax and the development tax is \$3,750 for the \$135,000 residence and \$5,625 for the \$250,000 residence.

- The City of Franklin is charging a facilities tax and a road impact fee. The residential facilities tax is \$.46 per gross square foot (less 500 square fee per unit). This equates to \$632.5 for the \$135,000 residence and \$1,367.12 for the \$250,000 residence. The non-residential franchise tax is \$.77 per gross square foot, which equates to \$9,240 for the 12,000 square foot building and \$30,800 for the 40,000 square foot building. The road impact fee is \$1,286 per single-family residence regardless of the size or cost of the residence. The impact fee for office buildings is \$2,173 per 1,000 square feet and the impact fee for a warehouse is \$643 per 1,000 square feet. This equates to a road impact fee of \$26,076 for the 12,000 square foot office and \$34,900 for the 40,000 square foot office/warehouse building. The total facilities tax and road impact fee is therefore \$1,918.50 for the \$135,000 residence; \$2,653.12 for the \$250,000 residence; \$35,316 for the 12,000 square foot office building; and \$65,700 for the 40,000 square foot office/warehouse building.

Table IX—Total Fee Comparison with Recommended Metro Fees				
	Single-Family	Single-Family		40,000
	Residence	Residence	12,000	Square Foot
	Valued at	Valued at	Square Foot	15% Office/
	\$135,000	\$250,000	Office	85% Warehouse
Nashville/Davidson County	\$ 1,032	\$ 1,577	\$ 4,639	\$ 6,853
Surrounding Municipalities				
Hendersonville	\$ 1,035	\$ 1,804	\$ 6,871	\$ 8,806
Franklin	\$ 779	\$ 1,103	\$ 2,825	\$ 2,617
Murfreesboro	\$ 757	\$ 1,391	\$ 4,814	\$ 7,162
Mount Juliet				
Ashland				
Surrounding Counties				
Williamson				
Rutherford	\$ 854	\$ 1,214	\$ 3,559	\$ 6,024
Wilson	\$ 1,254	\$ 2,212	\$ 3,751	\$ 12,172
Cheatham	\$ 691	\$ 1,171	\$ 2,847	\$ 4,476
Sumner	\$ 531	\$ 714	\$ 981	\$ 1,376
Large Municipalities				
Chattanooga	\$ 773	\$ 1,179	\$ 4,428	\$ 6,643
Knoxville				
Memphis	\$ 796	\$ 1,351	\$ 4,337	\$ 5,795
Average Fee	\$ 830	\$ 1,349	\$ 3,824	\$ 6,119

As stated on the preceding page, the total fees shown in the above table do not include the Cheatham County facilities tax or the City of Franklin facilities tax and road impact fees since these are not permit fees.

Table X—Building Permit Fee Comparison with Recommended Metro Fees				
	Single-Family	Single-Family		40,000
	Residence	Residence	12,000	Square Foot
	Valued at	Valued at	Square Foot	15% Office/
	\$135,000	\$250,000	Office	85% Warehouse
Nashville/Davidson County	\$ 595	\$ 940	\$ 3,839	\$ 5,780
Surrounding Municipalities				
Hendersonville	\$ 886	\$ 1,633	\$ 4,376	\$ 5,728
Franklin	\$ 504	\$ 734	\$ 1,734	\$ 2,034
Murfreesboro	\$ 495	\$ 1,079	\$ 4,470	\$ 5,558
Mount Juliet				
Ashland				
Surrounding Counties				
Williamson				
Rutherford	\$ 565	\$ 910	\$ 2,638	\$ 5,102
Wilson	\$ 1,125	\$ 2,083	\$ 3,600	\$ 12,000
Cheatham	\$ 563	\$ 1,042	\$ 2,696	\$ 4,304
Sumner	\$ 403	\$ 575	\$ 830	\$ 1,204
Large Municipalities				
Chattanooga	\$ 565	\$ 910	\$ 2,646	\$ 4,254
Knoxville				
Memphis	\$ 320	\$ 719	\$ 2,762	\$ 4,176
Average Fee	\$ 603	\$ 1,076	\$ 2,861	\$ 4,929

The Metro recommended residential building permit fees are less than the average fees charged by the other governmental agencies. The recommended commercial building permit fees are within the range of fees charged by the other governments. While they are higher than the average charged by other governments, they would be much closer if all the local governments were providing plan review services. They would even be well below average if the City of Franklin franchise tax and road impact fees (with totals ranging from \$1,918 for the \$135,000 residence to \$65,700 for the office/warehouse) were added to the building permit fees.

Furthermore, there is no evidence that the other governmental entities are attempting to recover the cost of fire safety plan reviews and inspections in conjunction with their building permit fees as is being proposed with the recommended Nashville/Davidson County fees. In some governmental entities, although not necessarily those surveyed, fire safety plan review and inspection fees are paid directly to fire departments.

Table XI—Electrical Permit Fee Comparison with Recommended Metro Fees				
	Single-Family	Single-Family		40,000
	Residence	Residence	12,000	Square Foot
	Valued at	Valued at	Square Foot	15% Office/ 85% Warehouse
	\$135,000	\$250,000	Office	
Nashville/Davidson County	\$ 155	\$ 244	\$ 340	\$ 423
Surrounding Municipalities				
Hendersonville	\$ 129	\$ 129	\$ 151	\$ 172
Franklin	\$ 130	\$ 174	\$ 240	\$ 393
Murfreesboro	\$ 89	\$ 89	\$ 157	\$ 446
Mount Juliet				
Ashland				
Surrounding Counties				
Williamson				
Rutherford	\$ 129	\$ 129	\$ 151	\$ 172
Wilson	\$ 129	\$ 129	\$ 151	\$ 172
Cheatham	\$ 129	\$ 129	\$ 151	\$ 172
Sumner	\$ 129	\$ 129	\$ 151	\$ 172
Large Municipalities				
Chattanooga	\$ 52	\$ 68	\$ 74	\$ 128
Knoxville				
Memphis	\$ 180	\$ 180	\$ 455	\$ 665
Average Fee	\$ 122	\$ 128	\$ 187	\$ 277

The recommended electrical permit fees are within the range of fees charged by the other entities with the exception of the fees recommended for the \$250,000 residence. The recommended fees are quite a bit higher than average for the other entities, but it is certainly questionable as to the extent of the services provided by those entities.

Also, there is a tendency for most building departments to charge less than full cost for trade permits while charging closer to full cost for building permits. Nashville/Davidson County, for example, has 9 electrical inspectors and 13 building inspectors. If one applied a 9 to 13 ratio to the current building permit applicable to a \$135,000 residence of \$595 it would justify a \$412 electrical permit fee for that residence, which is well above the \$155 fee being recommended. The point is that local governments are rarely charging what should be charged to cover the full cost of trade permits and that trade permit fee should be adjusted to be more in line with the actual cost of services provided.

Table XII—Plumbing Permit Fee Comparison with Recommended Metro Fees				
	Single-Family	Single-Family		40,000
	Residence	Residence	12,000	Square Foot
	Valued at	Valued at	Square Foot	15% Office/
	\$135,000	\$250,000	Office	85% Warehouse
Nashville/Davidson County	\$ 170	\$ 217	\$ 101	\$ 182
Surrounding Municipalities				
Hendersonville	\$ 60	\$ 68	\$ 58	\$ 50
Franklin	\$ 95	\$ 135	\$ 115	\$ 100
Murfreesboro	\$ 95	\$ 135	\$ 115	\$ 100
Mount Juliet				
Ashland				
Surrounding Counties				
Williamson				
Rutherford	\$ 100	\$ 100	\$ 140	\$ 140
Wilson	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee
Cheatham	In Bldg Fee	In Bldg Fee	In Bldg Fee	In Bldg Fee
Sumner	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee
Large Municipalities				
Chattanooga	\$ 91	\$ 131	\$ 111	\$ 96
Knoxville				
Memphis	\$ 136	\$ 196	\$ 246	\$ 224
Average Fee	\$ 96	\$ 128	\$ 131	\$ 118

The recommended plumbing permit fees are higher than those charged by most entities surveyed although they are fairly well in line with the fees charged by the City of Memphis. They are a bit higher than the Memphis fees for residential and lower for commercial projects. Again, consideration should be given to the limited plumbing services provided by surrounding cities and counties and the need to adjust trade permits to be more in line with the cost of services.

Table XIII—Mechanical Permit Fee Comparison with Recommended Metro Fees				
	Single-Family	Single-Family		40,000
	Residence	Residence	12,000	Square Foot
	Valued at	Valued at	Square Foot	15% Office/ 85% Warehouse
	\$135,000	\$250,000	Office	
Nashville/Davidson County	\$ 113	\$ 176	\$ 359	\$ 468
Surrounding Municipalities				
Hendersonville	\$ 89	\$ 103	\$ 249	\$ 164
Franklin	\$ 50	\$ 60	\$ 736	\$ 90
Murfreesboro	\$ 78	\$ 88	\$ 72	\$ 1,058
Mount Juliet				
Ashland				
Surrounding Counties				
Williamson				
Rutherford	\$ 60	\$ 75	\$ 130	\$ 110
Wilson	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee
Cheatham	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee
Sumner	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee	No Insp/No Fee
Large Municipalities				
Chattanooga	\$ 25	\$ 70	\$ 274	\$ 38
Knoxville				
Memphis	\$ 66	\$ 82	\$ 274	\$ 130
Average Fee	\$ 61	\$ 80	\$ 289	\$ 265

The recommended mechanical fees are higher than average and higher than most fees charged with the exception of the extremely high commercial fees charged by the City of Franklin for the 12,000 square foot office and the City of Murfreesboro for the 40,000 square foot office/warehouse. The same comments that were made for electrical and plumbing permits regarding levels of service provided and charging full cost fees apply to mechanical permits.

The City of Franklin mechanical permit fee requirement is \$25.00 for the first \$1,000 of mechanical construction cost, plus \$5.00 for each additional \$1,000 of mechanical construction cost. Apparently, the 12,000 square foot office project selected for consideration included \$143,200 in mechanical construction cost.

The mechanical fee schedule for the City of Murfreesboro is also based on the mechanical construction cost. The fee requirement is \$20 for the first \$1,000 of mechanical construction cost, plus \$6.00 for each additional \$1,000 in mechanical construction cost. Apparently, the 40,000 square foot office/warehouse selected for consideration included \$174,000 in mechanical construction cost.

Table XIV—Plan Review Fee Comparison with Recommended Metro Fees				
	Single-Family	Single-Family		40,000
	Residence	Residence	12,000	Square Foot
	Valued at	Valued at	Square Foot	15% Office/ 85% Warehouse
	\$135,000	\$250,000	Office	
Nashville/Davidson County	No Review	No Review	\$ 600	\$ 600
Surrounding Municipalities				
Hendersonville	No Review	No Review	\$ 2,188	\$ 2,864
Franklin	No Review	No Review	No Fee	No Fee
Murfreesboro	No Review	No Review	No Fee	No Fee
Mount Juliet				
Ashland				
Surrounding Counties				
Williamson				
Rutherford	No Fee	No Review	\$ 500	\$ 500
Wilson	No Review	No Review	No Fee	No Fee
Cheatham	No Review	No Review	No Fee	No Fee
Sumner	No Review	No Review	No Fee	No Fee
Large Municipalities				
Chattanooga	No Review	No Review	\$ 1,323	\$ 2,127
Knoxville				
Memphis	\$ 94	\$ 174	\$ 600	\$ 600
Average Fee	N/A	N/A	\$ 1,153	\$ 1,523

Only the City of Memphis is providing plan review services and charging a plan review fee for residential buildings. Otherwise, there is no average fee for this service. The fees charged by Memphis were included in the total residential fees and not listed as an average fee.

Table XV—Zoning Fee Comparison with Recommended Metro Fees				
	Single-Family	Single-Family		40,000
	Residence	Residence	12,000	Square Foot
	Valued at	Valued at	Square Foot	15% Office/
	\$135,000	\$250,000	Office	85% Warehouse
Nashville/Davidson County	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Surrounding Municipalities				
Hendersonville	No Fee	No Fee	No Fee	No Fee
Franklin	No Fee	No Fee	No Fee	No Fee
Murfreesboro	No Fee	No Fee	No Fee	No Fee
Mount Juliet				
Ashland				
Surrounding Counties				
Williamson				
Rutherford	No Fee	No Fee	No Fee	No Fee
Wilson	In Bldg Pmt Fee	In Bldg Pmt Fee	In Bldg Pmt Fee	In Bldg Pmt Fee
Cheatham	No Fee	No Fee	No Fee	No Fee
Sumner	No Fee	No Fee	No Fee	No Fee
Large Municipalities				
Chattanooga	No Fee	No Fee	No Fee	No Fee
Knoxville				
Memphis	No Fee	No Fee	No Fee	No Fee

None of the other governmental entities surveyed is charging a zoning fee. This is in line with our recommendation in Section XIII to incorporate the zoning fee with the building permit fee.

X. FEE COMPARISONS WITH NATIONAL MODEL

Although it is more relevant to compare with fees for Tennessee cities and counties, a comparison was made of the building permit fees resulting from the SBCCI Standard Building Code dollar valuation schedule (at Attachment I) with the Nashville dollar valuation schedule (also at Attachment I). There is only \$5.00 difference in the base rates used for the two tables and therefore only a \$5.00 difference in the resulting fees as shown by the following table.

Table XVI—Building Permit Fee Comparison			
	Current	Standard	Recommended
	Nashville	Building Code	Nashville
Type of Construction	Fee	Fee	Fee
Single Family Residence Valued at \$135,000	\$570	\$565	\$595
Single Family Residence Valued as \$250,000	\$915	\$910	\$940
12,000 Square Foot Office Building	\$2,651	\$2,646	\$3,839
40,000 Square Foot 15% Office/85% Warehouse	\$4,259	\$4,254	\$5,780

A comparison was also made with the building permit fees recommended in this study report. The only difference in the recommended fees and the fees currently charged for residential building permits is the inclusion of the \$25 fee currently being charged for zoning permits into the residential permit fee schedule. The difference in the recommended commercial fees also includes the incorporation of the zoning fee in the fee schedule. More significantly, however, is the inclusion of the costs related to fire safety plan reviews and inspections into the commercial permit fee schedule. The recovery of these costs was not built into the current fee schedule and is not included in the Standard Building Code fee schedule.

The is no national model for electrical permits and the suggested SBCCI fee schedules for plumbing and mechanical permits do not contain sufficient categories of items to allow a valid comparison with the Nashville fee schedules for those permits.

XI. COST OF LIVING ADJUSTMENT CONSIDERATIONS

Codes Administration fees for construction have not been increased since 1991. The study team analyzed the impact of inflation on costs since that time in order to determine the percent of fee increase that would have been required to keep pace with the cost of services provided. The United States Department of Labor Bureau of Labor Statistics Consumer Price Index (CPI) for All Urban Consumers in the Southern Urban Area of the United States was used for this analysis. An extract of this CPI data for the years of 1991 through 1993 is provided at Attachment J. The index conversion factor for May 1991 is 132.5. The index conversion factor for May 2003 is 176.8. Subtracting 132.5 from 176.8 results in an increase of 44.3 in the conversion factor. Dividing 44.3 by 132.5 results in a 33.4% increase in the cost of living for this region since 1991.

Building permit fees charged for commercial properties are based on square footage with the square footage converted to dollar values in accordance with square footage to dollar conversion tables provided semi-annually by SBCCI based on the type construction performed. The fees are then charged based on the departmental fee structure table. Consequently, while the commercial building fee structure table has not been changed in 12 years, the costs of permits do increase as the dollar costs of construction per square foot increases in the SBCCI tables.

The fees for residential permits are based on the construction costs given by contractors. Consequently, the fees charged for residential construction do increase to the extent that contractors indicated the cost of construction increases. This is probably a little less accurate than the square footage conversion for commercial construction.

The costs for trade permits are based on the fee schedule that was established 12 years ago using as criteria the numbers of outlets, dishwashers, ranges, water closets, lavatories, water heaters, heaters, furnaces, condensers, etc. These fees were not accurately based at that since the department increased the building permit fees to cover the revenue shortfall at that time without increasing the trade permit fees. Furthermore, these fees have not been increased in any way to cover the increased cost of living in the last 12 years. Thus, it would be expected that commercial building permit fees, and to a lesser extent, residential building permit fees would be much more in line with the costs of providing services than the trade permit fees.

XII. DEMOLITION PROJECT ADMINISTRATIVE COSTS

The Codes Administration Department is not charging fees for the administrative time spent by staff for demolition projects conducted by the Nashville Metro government. The administrative process starts by an inspector responding to a request for inspection of alleged substandard property by inspecting that property. A determination is then made as to whether the property should be destroyed with the recommendation provided in a study report. If a determination is made that the property should be destroyed, a request is submitted for a title search. Approximately 50% of the time the title company cannot verify ownership. If the owner is identified and located, a notice is sent to the owner notifying the owner that the property has been deemed unfit for use along with a date for an office hearing. If the title company cannot identify or locate the owner, the notice is placed in the newspaper allowing 30 days for a response. The owner is allowed to present evidence at the hearing as to why the property should not be demolished and has the right to appeal the case to the Board of Appeals. After the hearing, a second notice is provided constituting an official order for demolition. The property owner is given 60 days to remove or demolish the property after which time Metro contracts for and oversees the demolition of the property. While the actual cost of demolition is charged to the owner or attached as a lien if the demolition is undertaken by Metro, the administrative cost of Metro staff work is not charged. The following table provides the average staff time in hours for a property demolition conducted by Metro.

Table XVII—Administrative Time for Property Demolition			
(In Hours)			
	Property	Office	Administrative
	Standards	Support	Service
Tasks	Inspector	Representative	Officer
Property Inspection	1	0	0
Inspection Report	1	0	0
Request for Title Search	0	0.083	0
First Notice to Property Owner	0	0.083	0
Hearing	0.375	0	0
Second Notice to Property Owner	0	0.25	0
Release for Demolition Notification	0	0.75	0
Database Management	<u>0</u>	<u>0</u>	<u>1</u>
Total	2.375	1.167	1

The unit cost for this service based on the hours reflected in the above table was determined to be \$279.25 as shown in Attachment K. Based on an estimate of 47 Metro demolition cases per year, the total annual cost of this service is estimated to be \$13,125 per year. An administrative fee of \$280 per case would either recover a portion of that amount at the time of the demolition or could eventually recover the remainder by attaching the fee to the lien on the property. Consequently, it is recommended that a \$280 administrative fee be charged for Metro demolition projects.

XIII. BUILDING FEE ADJUSTMENTS FOR ZONING

Codes Administration is currently charging a \$25 zoning fee for issuance of building permits. It would simplify administrative procedures to fold this fee in with the fee for the building permit. See Attachment L for the proposed revised fee schedule for residential building permit fees. If current fees are increased in commercial building permits in accordance with our recommendations, all numbers in the commercial fee schedule should be further increased in accordance with the proposed percentage adjustment as shown in Attachment F. Adding the \$25 zoning fee into the fee structure will have no impact on costs to contractors or the total revenues received by the department. It is merely an administrative adjustment.

XIV. ZONING APPEALS ADJUSTMENT

During the performance audit, the Zoning staff indicated that the fees for special exceptions and variances were inadequately structured at \$100 for residential special exceptions and variances and \$200 for commercial special exceptions and variances unless the construction cost exceeds \$200,000. If the construction cost exceeds \$200,000, the fee reverts to 1% of the construction cost. Departmental staff indicated that the amount of work that they are required to do does not vary with the construction cost of the project. Furthermore, it was highly questionable as to whether either fee was

adequate to cover the cost of services involved with the submissions. Consequently, a detailed cost analysis of these services has been conducted.

Three staff members are directly involved with providing services for special exceptions and variance. The division customer service supervisor receives appeals, makes deposits, drafts legal advertisements, prepares notices, prepares the BZA agenda, collects letters of opposition, prepares case records, attends meetings as the BZA recording secretary, and sends notices to applicants regarding case dispositions. Overall, approximately 66% of her total time is devoted to BZA actions. The chief zoning examiner serves as the secretary to the BZA, presents cases to the board, meets with applicants, and meets with other interested parties. He spends approximately 25% of his total time working on special exception and variance cases. A zoning examiner prepares public notice signs, posts the signs, takes photographs of the property while posting the signs, prepares power-point presentations for the BZA, and makes BZA presentations in the absence of the chief zoning examiner. These tasks require approximately 65% of his total time.

The requests for special exceptions and variances are sent to other departments for review and input prior to sending the case to the BZA. Staff in the Planning Commission and in Traffic Engineering provides a significant amount of work.

The calculation of the full cost of services for special exceptions and variances is provided at Attachment M. The total annual cost associated with Codes Administration Department work was determined to be \$181,084. The total annual cost for Planning Commission services was determined to be \$8,482 and total annual cost for Traffic Engineering was determined to be \$8,550. The total annual cost for Metro Nashville was determined to be \$198,116. The fiscal year 2002-2003 revenue for zoning appeals was \$136,843 or an average of \$550 per project.

Requests for 108 residential and 141 non-residential specials exceptions were submitted in the past year. Staff estimates indicate that there is little difference between the time spent on special exceptions and variances, but it takes approximately 25% more time for the review of a commercial special exception or variance than a residential special exception or variance.

Our recommendation is to account for the time requirements to provide the services while at the same time increasing the fees to cover full costs. The fee calculations to achieve this are as follows:

Let “X” represent residential variances and special exceptions and “1.25X” represent commercial and special exceptions variances.

$$108X + 141(1.25X) = \$198,116$$

$X = \$697$ = the fee for residential variances and special exceptions (Recommend a flat fee of \$695 regardless of construction cost)

$1.25X = \$871$ = the fee for commercial variances and special exceptions (Recommend a flat fee of \$870 regardless of construction cost)

XV. PLANS EXAMINATION FEE ADJUSTMENT

Codes Administration is currently charging a plans examination fee equal to one-half of the building permits fee for structures excluding one and two family dwellings, townhouses, demolition, blasting, sign, and use and occupancy permits. This fee is however capped out at \$500 per permit regardless of the square footage or cost of the structure. This equates to a \$280,000 structure. Plans examiners interviewed noted that on the average it took more time to examine plans for larger and more expensive structures. During interviews it was determined that it takes an average of four hours to examine plans for a \$280,000 structure, seven hours for a \$5,000,000 structure and ten hours for a \$17,000,000 structure. That is, examinations for a \$5,000,000 structure take approximately 1.75 times the effort as for a \$280,000 structure and examinations for a \$17,000,000 structure take approximately 2.5 times the effort as for a \$280,000 structure. Therefore, the plans examination fee should be increased to \$875 for a \$5,000,000 structure and \$1,250 for a \$17,000,000 structure to cover the cost of increased work. This can be done by retaining the current fee schedule for properties with values up to \$280,000 and the charging the following fees for properties valued in excess of \$280,000:

- A \$600 fee for the first \$280,000 of property value and \$.08 per \$1,000 of property values in excess of \$280,000 up to and including \$5,000,000.
- A fee of \$928 for the first \$5,000,000 and \$.03 per \$1,000 of property values in excess of \$5,000,000.

These fees would equate to \$928 for a \$5,000,000 property and \$1,278 for a \$17,000,000. It is hard to evaluate the level of effort required for properties with values greater than \$17,000,000, but it is our belief that continuing the \$.03 per \$1,000 for those properties would be appropriate.

XVI. RE-INSPECTION FEE

Codes Administration is currently charging re-inspection fees for electrical, plumbing and mechanical/gas re-inspections but is not charging a fee for building re-inspection. This issue was discussed during the performance audit and a recommendation was made to charge a fee for building re-inspections. The question arose as to what that fee should be to cover costs and whether the fees for the trade permits are sufficient to cover the related costs. Consequently, the cost analysis at

Attachment N was conducted to determine the costs of all discipline re-inspections. The full cost of re-inspections was determined to be \$35.61 for building inspectors, \$24.60 for electrical inspectors, \$23.56 for plumbing inspectors and \$21.56 for mechanical/gas inspectors. The weighted average cost of all re-inspections was determined to be \$27.87. Based on cost alone, and not on what it would take to discourage the need for re-inspections, we recommend charging a fee of \$28 for re-inspections for all disciplines for the sake of simplicity rather than charging a different fee for each discipline.

Attachment A—Codes Administration Director’s Office

The Codes Administration Director’s Office budget includes the Director, the Assistant Director, the Director’s Administrative Assistant, the Assistant Director’s Administrative Assistant, the Administrative Services Manager, an Administrative Specialist and an Office Support Rep. The salary for the Assistant Director was allocated to the six divisions he supervises in accordance with the number of positions in each division. The salary for his Administrative Assistant was allocated to all divisions supervised by the Assistant Director except the Property Standards Division in accordance with the number of position in those divisions. The salary of the Office Support Rep was allocated 30% for neighborhood audits (a non-fee related activity) with the remainder divided between the Electrical, Plumbing, and Mechanical/Gas divisions based on the number of staff positions in each division for support of contractor licensing and appeals for those areas. The salaries for the remaining four positions were allocated to Zoning Administration and the respective divisions of Codes Administration based on the number of positions in each organizational element. The following table provides the distribution of salaries for this office.

Codes Administration Director's Office Salary Distribution									
	Annual					Plans	Property		Non Fee
	Salary	Building	Electrical	Plumbing	Mech/Gas	Exam	Standards	Zoning	Related
Positions		13	9	8	8	6	23	21	
Codes Administration	256,885	37,949	26,272	23,353	23,353	17,515	67,140	61,302	-
Assistant Director	92,311	17,911	12,400	11,022	11,022	8,267	31,689		-
Administrative Spec	45,850	13,547	9,378	8,336	8,336	6,252			-
Office Support Rep	26,254	-	6,617	5,880	5,880	-	-	-	7,876
Total Salaries	421,300	69,407	54,668	48,592	48,592	32,034	98,829	61,302	7,876

The fringe benefits for this office were allocated to organizational elements in accordance with the allocation of salaries.

All departmental costs other than salary and fringe benefit costs are centrally budgeted in the Codes Administration Director’s Office. Costs associated with temporary services and recording were allocated only to the Property Standards Division. Costs associated with advertising and promotion were allocated only to the Property Standards and Zoning Administration based on a weighted average of the expenditures for these services by the respective organizations over the past 18 months. Costs associated with motor pool and fleet management operations were allocated to departmental organizational elements based on the number of vehicles assigned to the respective organizations. All remaining costs were allocated to departmental organizational elements based on the number of staff positions budgeted for each organizational element. The following table provides the allocation of all costs from the Code Administration Director’s Office to the respective departmental organizational elements.

Total Codes Administration Director's Office Cost Distribution

	Annual					Plans	Property		Non Fee
	Cost	Building	Electrical	Plumbing	Mech/Gas	Exam	Standards	Zoning	Related
Salaries	421,300	69,407	54,668	48,592	48,592	32,034	98,829	61,302	7,876
Fringe Benefits	131,900	21,730	17,115	15,213	15,213	10,029	30,941	19,192	2,466
Departmental Costs									
Temporary Services	20,400						20,400		
Recording	6,000						6,000		
Advertising	26,100						16,495	9,605	
Motor Pool/Fleet Mgt	158,900	33,318	25,629	20,503	20,503		51,258	7,689	
Perfect Attendance	1,000	147	102	91	91	68	260	238	3
Pay Plan Improvements	188,400	27,737	19,203	17,069	17,069	12,802	49,074	44,806	640
All Other Dept Costs	<u>1,003,000</u>	<u>147,667</u>	<u>102,231</u>	<u>90,872</u>	<u>90,872</u>	<u>68,154</u>	<u>261,257</u>	<u>238,539</u>	<u>3,408</u>
Total Distribution	1,957,000	300,006	218,948	192,340	192,340	123,087	534,515	381,371	14,393

Attachment B—Zoning Administration Salary Distribution

All costs associated with Zoning Administration were allocated to building, electrical, plumbing, and mechanical/gas permits in accordance with work done by Zoning Administration staff in the permit issuance, records management, zoning review and zoning appeals processes. In the initial salary allocation, the Supervisor’s salary and 34% of the Customer Services Supervisor’s salary were allocated to general and administrative expenses for further allocation throughout Zoning Administration. The salaries for the Switchboard Operator, 33% of the Customer Services Supervisor’s salary, and the salaries for the two office support positions providing imaging services were allocated to the respective permit categories based on the number of permits issued per year for each category. The remaining 33% of the Customer Services Supervisor’s salary was allocated directly to building permits. The salaries for Administrative Services were allocated 10% to building permits with the remaining 90% allocated to electrical, plumbing and mechanical/gas permits in accordance with the number of permits issued in each permit category. The salaries for the Zoning Examination and Urban Forrester divisions were allocated to building permits. The following table provides the initial allocation of Zoning Administration salaries.

Zoning Administration Salary Distribution						
Initial Distribution of Zoning Administration Salaries						
Positions	Annual Salary	Building	Electrical	Plumbing	Mech/Gas	G&A
Supervisor	89,708					89,708
Customer Service Supervisor	49,699	28,263	2,124	1,315	1,099	16,898
Customer Service Office Support	84,070	60,808	10,887	6,742	5,633	
Administrative Services	166,477	16,648	70,153	43,417	36,259	
Zoning Examination	352,002	352,002				
Urban Forrester	90,674	90,674				
Other	29,570	-	-	-	-	29,570
Total Salaries	862,200	548,395	83,164	51,475	42,990	136,176

The salary for the Zoning Administration Supervisor and 30% the salary for the Customer Services Supervisor were then reallocated from general and administrative salaries to permit categories based on the salaries already allocated to those categories by the rest of the Zoning Administration staff as shown by the following table.

Redistribution of Zoning Administration G&A					
Positions	Annual Salary	Building	Electrical	Plumbing	Mech/Gas
G&A	136,176	102,859	15,599	9,655	8,063
Customer Service Supervisor	32,801	28,263	2,124	1,315	1,099
Customer Service Office Support	84,070	60,808	10,887	6,742	5,633
Administrative Services	166,477	16,648	70,153	43,417	36,259
Zoning Examination	352,002	352,002			-
Urban Forrester	90,674	90,674	-	-	-
Total Salaries Redistributed	862,200	651,254	98,763	61,129	51,054

Distribution of All Zoning Administration Costs

Zoning Administration fringe benefits, the costs allocated to Zoning Administration from the Director's Office and Zoning Administration indirect costs (from the previous table) were allocated to respective permit categories based on the salary allocations from Zoning Administration to those categories as shown by the following table.

Final Distribution of Zoning Costs to Major Service Areas					
	Total	Building	Electrical	Plumbing	Mech/Gas
Redistributed Zoning Salaries	862,200	651,254	98,763	61,129	51,054
Zoning Fringe Benefits	225,200	170,103	25,796	15,966	13,335
Costs Allocated to Zoning from Codes Admin	381,371	288,065	43,685	27,039	22,582
City/County Indirect Costs Allocated to Zoning	221,670	167,436	25,392	15,716	13,126
Total Zoning Costs	1,690,441	1,276,857	193,636	119,850	100,097

Attachment C—Property Standards Division

The majority of work done by the Property Standards Division is related to substandard existing buildings, abandoned vehicles, and other appearance related problems. The revenues derived from these areas are constrained for the most part by liens and charges that cannot be based on fees for services. The costs and revenues for these type services were considered as non-fee related costs and revenues in this study. Estimates from staff do however substantiate that approximately 15% of the work done by the Property Standards Division is for fee related activities such as inspections directly related to building rehabilitation permits, structure demolition permits, sign permits, and use of occupancy permits to include new buildings, alterations and additions and the change in use for buildings. Consequently, 15% of the salary and fringe benefit costs and 15% of most of the remaining costs attributable to the Property Standards Division was allocated to building permits. The only exceptions to this allocation were costs associated with temporary services, recording and advertising. These costs are not related to the issuance and inspections for building permits and were therefore considered to be 100% non-user fee costs. The following table provides the distribution of Property Standards Division costs to building permits and non-fee related activities.

Distribution of Property Standards Costs			
	Total	Costs	Costs
		Allocated to	Allocated to
	Property Standards	Building Permits	Non-Fee Related
	Costs	Activities	
Property Standards			
Cost Categories			
Property Standards Salaries & Wages	885,000	132,750	752,250
Property Standards Fringe Benefits	238,800	35,820	202,980
Codes Administration Salaries & Wages	98,829	14,824	84,005
Codes Administration Fringe Benefits	30,941	4,641	26,300
Departmental Costs			
Temporary Services	20,400	-	20,400
Recording	6,000	-	6,000
Advertising	16,495	-	16,495
Motor Pool/Fleet Management	51,258	7,689	43,569
Perfect Attendance	260	39	221
Pay Plan Improvements	49,074	7,361	41,713
Other Departmental Costs	261,257	39,189	222,068
City/County Indirect Cost Allocation	<u>252,790</u>	<u>37,919</u>	<u>214,872</u>
Total Property Standards Costs	1,911,104	280,231	1,630,873

Attachment D—Indirect Cost Allocation

Indirect costs from the most recent Metropolitan Government of Nashville and Davidson County full cost indirect cost allocation plan were allocated to departmental organizational elements with the exception of the Director’s Office. An allocation was not made to the Director’s Office since all the Director’s Office costs are being allocated to other organizational elements. All indirect costs were allocated based on the number of budgeted staff positions for each organization with the exception of motor pool costs. The motor pool costs were allocated based on the number of vehicles assigned each organizational element. The following table provides the indirect cost allocation within the department.

Distribution of Metropolitan Government of Nashville and Davidson County Indirect Costs								
(In Dollars)								
		Building	Electrical	Plumbing	Mech/Gas	Plans Exam	Property Standards	Zoning
Positions		13	9	8	8	6	23	21
Assigned Vehicles		13	10	8	8	0	20	3
Central Service								
Departments								
Workers Comp	5,891	870	602	536	536	402	1,540	1,406
Employee Benefit	243,843	36,022	24,938	22,168	22,168	16,626	63,732	58,190
Post Audits	7,872	1,163	805	716	716	537	2,057	1,879
Insur/Judgements	12,998	1,920	1,329	1,182	1,182	886	3,397	3,102
Legislative	20,026	2,958	2,048	1,821	1,821	1,365	5,234	4,779
Mayor	19,013	2,809	1,945	1,728	1,728	1,296	4,969	4,537
Empl Benefit Bd	18,008	2,660	1,842	1,637	1,637	1,228	4,707	4,297
Civ Svc Med Exam	270	40	28	25	25	18	71	64
Human Resources	26,184	3,868	2,678	2,380	2,380	1,785	6,844	6,248
Central Printing	2,730	403	279	248	248	186	714	651
Motor Pool	37,127	7,785	5,988	4,791	4,791	-	11,976	1,796
Postal Service	7,431	1,098	760	676	676	507	1,942	1,773
Radio Shop	25,305	3,738	2,588	2,300	2,300	1,725	6,614	6,039
Accounts	13,076	1,932	1,337	1,189	1,189	892	3,418	3,120
Finance OMB	2,399	354	245	218	218	164	627	572
Public Property	101	15	10	9	9	7	26	24
Purchasing	13,592	2,008	1,390	1,236	1,236	927	3,552	3,244
Internal Audit	4,770	705	488	434	434	325	1,247	1,138
Finance Payroll	3,330	492	341	303	303	227	870	795
Finance FASTNET	17,381	2,568	1,778	1,580	1,580	1,185	4,543	4,148
Grants Coordination	913	135	93	83	83	62	239	218
Finance Treasury	373	55	38	34	34	25	97	89
Office Supply	317	47	32	29	29	22	83	76
Info Systems	332,454	49,113	34,001	30,223	30,223	22,667	86,891	79,336
Department of Law	<u>143,096</u>	21,139	14,635	13,009	13,009	9,757	37,400	34,148
	958,500	143,897	100,220	88,552	88,552	62,821	252,790	221,670

Attachment E—Allocation of Fire Marshal’ Office Salary and Fringe Benefit Cost to New Construction

The following table provides the Fire Marshal positions involved with new construction services, their annual salary and fringe benefits of the position incumbents, the percentage of time involved with these services, the type of involvement, the position equivalents involved, and the allocation of annual salaries and fringe benefits to the services provided.

Allocation of Fire Marshal Office Salary and Fringe Benefit Costs to New Construction					
		% of Time			Sal & FB
	Salary &	Devoted to			Devoted to
Job Title	Fringe Ben	New Const.	Type of Involvement	FTE	New Const.
Fire Inspector II	\$71,530	10%	Blasting	0.10	\$ 7,153.00
Fire Marshal, Deputy	\$86,280	50%	Supervising Inspections	0.50	\$ 43,140.00
Fire Inspector II	\$51,074	70%	Inspections	0.70	\$ 35,751.80
Fire Inspector II	\$67,584	70%	Inspections	0.70	\$ 47,308.80
Fire Inspector II	\$66,500	70%	Inspections	0.70	\$ 46,550.00
Fire Inspector II	\$56,415	25%	Inspections	0.25	\$ 14,103.75
Office Support Rep III	\$40,737	30%	Clerical	0.30	\$ 12,221.10
Fire Marshal, Assistant	\$78,527	80%	Blasting	0.80	\$ 62,821.60
Fire Inspector II	\$61,773	70%	Inspections	0.70	\$ 43,241.10
Office Support Rep II	\$29,523	30%	Clerical	0.30	\$ 8,856.90
Fire Inspector II	\$71,308	70%	Inspections	0.70	\$ 49,915.60
Fire Inspector II	\$60,025	70%	Inspections	0.70	\$ 42,017.50
Fire Inspector II	\$71,639	85%	Sprinkler Inspections	0.85	\$ 60,893.15
Fire Marshal, Assistant	\$78,527	80%	Inspections - Sprinkler Plans Review	0.80	\$ 62,821.60
Fire Inspector II	\$65,723	70%	Inspections	0.70	\$ 46,006.10
Fire Marshal, Deputy	\$86,280	65%	Supervising Inspections - Plans Review	0.65	\$ 56,082.00
Fire Inspector II	\$71,308	10%	Blasting	0.10	\$ 7,130.80
Fire Inspector II	\$71,308	70%	Inspections	0.70	\$ 49,915.60
Fire Marshal, Assistant	\$76,720	10%	Blasting	0.10	\$ 7,672.00
Emergency Medical Tech	\$66,500	20%	Clerical	0.20	\$ 13,300.00
Fire Inspector II	\$62,000	70%	Inspections	0.70	\$ 43,400.00
Fire Inspector II	\$75,586	70%	Inspections	0.70	\$ 52,910.20
Fire Marshal, Deputy	\$86,680	10%	Blasting	0.10	\$ 8,668.00
Fire Inspector II	\$71,308	10%	Blasting	0.10	\$ 7,130.80
Fire Inspector II	\$71,308	95%	Plans Review	0.95	\$ 67,742.60
Fire Marshal, Assistant	\$74,547	90%	Plans Review - Inspections	0.90	\$ 67,092.30
Fire Inspector II	\$75,586	10%	Blasting	0.10	\$ 7,558.60
Fire Inspector II	\$73,447	95%	Sprinkler Plans Review - PUD Review	0.95	\$ 69,774.65
Fire Inspector II	\$71,308	70%	Inspections	0.70	\$ 49,915.60
Administrative Asst. II	\$57,396	30%	Clerical	0.30	\$ 17,218.80
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Fire Inspector I		0%		-	\$ -
Planning/Mapping Captain		0%		-	\$ -
Planning/Mapping Captain		0%		-	\$ -
Total				16.05	\$ 1,108,314

Attachment F—Recommended Commercial Building Permit Fee Schedule

The following fee schedule is recommended for commercial building permits requiring Fire Marshal inspections.

Recommended Commercial Building Permit Fee Schedule	
Valuation	Fee
Up to \$2,000	\$60
\$2,001 to \$50,000	\$60 for the first \$2,000 plus \$6.00 for each additional thousand or fraction thereof, To and including \$50,000.
\$50,001 to \$100,000	\$350 for the first \$50,000 plus \$4.83 for each additional thousand or fraction thereof, To and including \$100,000.
\$100,001 to \$500,000	\$592 for the first \$100,000 plus \$3.63 for each additional thousand or fraction thereof, To and including \$500,000.
\$500,001 and up	\$2,043 for the first \$500,000 plus \$2.42 for each additional thousand or fraction thereof.

Attachment G—Current Costs for Nashville Permits

RESPONDING CITY: Nashville, TN

**PROJECT:
A \$135,000 Single-Family Residence. Stick frame construction.**

BUILDING PERMIT COST:----- \$570.00

PLAN REVIEW COST----- \$ N/A

ZONING PERMIT COST:----- \$ 25.00

MECHANICAL PERMIT COST:----- \$ 57.00

- 1-Gas meter connection.
- 1-Water Heater
- 1-Range
- 1-Dryer
- 1 Dedicated appliance
- 1-Package Unit
- 1-Duct System
- 1-Gas piping
- 250,000 Total BTU's
- 3.5 Cooling tons

ELECTRICAL PERMIT COST:----- \$101.75

- 1-Temporary service 60 AMP
- 80-outlets
- 1-Range
- 1-Dryer
- 1-Disposal
- 1-Dishwasher
- 1-Panel 200 AMP
- 1-Low voltage
- 4-Motors 0-1 HP
- 2-HVAC connection
- 1-Service release

PLUMBING PERMIT COST:----- \$ 86.00

- 2-Water closets
- 2-Lavatories
- 2-Bath tubs
- 1-Kitchen sink
- 1-Washing machine
- 1-Dishwasher
- 1-Shower drain
- 1-Water heater
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:----- \$ N/A

If any required

TOTAL PERMIT COSTS FOR PROJECT:----- \$ 839.75

RESPONDING CITY: Nashville, TN

PROJECT:

A \$250,000 Single-Family Residence. Stick frame construction.

BUILDING PERMIT COST:-----\$915.00

PLAN REVIEW COST-----\$ N/A

ZONING PERMIT COST:-----\$ 25.00

MECHANICAL PERMIT COST:-----\$ 89.00

- 1-Gas meter connection.
- 1-Water Heater
- 1-Range
- 1-Furnace
- 1-Dryer
- 2 Dedicated appliance
- 1-Package Unit
- 1-Condenser
- 2-Duct Systems
- 1-Gas piping
- 350,000 Total BTU's
- 5.5 Cooling tons

ELECTRICAL PERMIT COST:-----\$160.50

- 1-Temporary service 60 AMP
- 130-Outlets
- 1-Range
- 1-Dryer
- 1-Disposal
- 1-Dishwasher
- 1-Panel 225 AMP
- 50-Low voltage
- 6-Motors 0-1 HP
- 3-HVAC connection
- 1-Service release

PLUMBING PERMIT COST:-----\$110.00

- 4-Water closets
- 5-Lavatories
- 3-Bath tubs
- 1-Kitchen sink
- 1-Washing machine
- 1-Dishwasher
- 1-Shower drain
- 1-Water heater
- 1-Bar sink
- 1-Laundry sink
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:-----\$ N/A

- If any required

TOTAL PERMIT COSTS FOR PROJECT:-----\$ 1299.50

RESPONDING CITY: Nashville, TN

PROJECT:

A 12,000 SF / 2 Story Office Building / IBC Type IIB Construction (SBC Type IV)

BUILDING PERMIT COST:-----\$2651.00

PLAN REVIEW COST-----\$ 500.00

ZONING PERMIT COST:-----\$ 25.00

MECHANICAL PERMIT COST:-----\$ 182.00

- 1-Gas meter connection.
- 2-Water Heater
- 6-Furnace
- 6-Condensers
- 6-Duct Systems
- 1-Gas piping
- 720,000 Total BTU's
- 30.0 Cooling tons

ELECTRICAL PERMIT COST:-----\$ 223.50

- 1-Temporary service 60 AMP
- 200-Outlets
- 1-Range
- 1-Disposal
- 1-Dishwasher
- 1-Panel 400 AMP
- 100-Low voltage
- 10-Motors 0-1 HP
- 6 Motors over 10 HP
- 6-HVAC connection
- 4-Electric heaters 6-10 KW
- 2-Electric heaters over 10 KW
- 1-40 HP Fire pump
- 1-20 HP Elevator motor
- 1-Service release

PLUMBING PERMIT COST:-----\$ 51.00

- 6-Water closets
- 4-Lavatories
- 2-Urinals
- 2-Drinking fountains
- 1-Water heater
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:-----\$ N/A

- If any required

TOTAL PERMIT COSTS FOR PROJECT:-----\$ 3632.50

RESPONDING CITY: Nashville, TN

PROJECT:
A 40,000 SF / 15% Office 85% Warehouse Building / IBC Type IIB
Construction (SBC Type IV)

BUILDING PERMIT COST:-----\$4259.00

PLAN REVIEW COST-----\$ 500.00

ZONING PERMIT COST:-----\$ 25.00

MECHANICAL PERMIT COST:-----\$ 237.00

- 1-Gas meter connection.
- 1-Water Heater
- 3-Furnaces
- 6-Heaters
- 3-Condensers
- 3-Duct Systems
- 1-Gas piping
- 1,600,000 Total BTU's
- 15.0 Cooling tons

ELECTRICAL PERMIT COST:-----\$ 278.00

- 1-Temporary service 200 AMP
- 300-Outlets
- 1-Range
- 1-Disposal
- 1-Dishwasher
- 1-Panel 600 AMP
- 50-Low voltage
- 5-Motors 0-10 HP
- 5 Motors over 10 HP
- 12-HVAC connection
- 4-Electric heaters 6-10 KW
- 1-50 HP Fire pump
- 1-Service release

PLUMBING PERMIT COST:-----\$ 92.00

- 4-Water closets
- 4-Lavatories
- 1-Urinals
- 2-Drinking fountains
- 1-Water heater
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:-----\$ N/A

- If any required

TOTAL PERMIT COSTS FOR PROJECT:-----\$ 5391.00

Attachment H—Survey Request Letter

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEPARTMENT OF CODES ADMINISTRATION

METRO HOWARD BUILDING
700 SECOND AVENUE, SOUTH
NASHVILLE, TENNESSEE 37210
TELEPHONE (615) 862-6500
FACSIMILE (615) 862-6514
www.nashville.gov/codes

July 17, 2003

Ms. Betts Nixon
City of Murfreesboro
P.O. Box 1139
Murfreesboro, TN 37133-1139

Re: Survey of Permit Fees

Dear Betts:

Recently, the Metropolitan Government of Nashville and Davidson County retained the consulting services of Raleigh, NC based firm, Maximus, to review all of our permit fees schedules for building, plumbing, electrical, and mechanical permits, inspections and plans review. The scope of the Maximus assignment includes comparing department revenues to the cost of service delivery and to compare our fee schedules to those of our neighbors'. The reason I'm writing is to request your assistance with the project.

I need your help in two ways. First, please have someone in your office forward your department's fee schedules for building, plumbing, electrical and mechanical permits, inspections and plan reviews to Mr. John House, Maximus, 1313 Glen Eden Drive, Raleigh, NC 27612. If you have any questions, you can reach me at (615) 862-6600, or Mr. House at (919) 782-5782 – home, or (919) 876-8042 – office.

Second, please review the enclosed descriptions of four building types and ask your staff to complete the permit and plans review fee information based upon your fee schedules, as examples of your fee calculations. Upon completion, please forward the calculations directly to Mr. House.

Maximus has chosen to survey and compare the permit fees charged by Memphis, Knoxville, Nashville, Chattanooga, Murfreesboro, Rutherford County, Mt. Juliet, Wilson County, Franklin, Williamson County, Ashland City, Cheatham County, Hendersonville, and Sumner County. For your information, I have included copies of fee calculations for Nashville/Davidson County for the four (4) building examples. Upon completion of the fee survey, I have asked Maximus to forward you a complete copy of the results.

Thank you very much for your time and attention to my request.

Sincerely,

Terrence L. Cobb, CBO
Director

Enclosures

cc John House, Maximus, Consulting Group

BUILDING • ELECTRICAL • GAS/MECHANICAL • PLUMBING • PROPERTY STANDARDS • ZONING

RESPONDING CITY:

**PROJECT:
A \$135,000 Single-Family Residence. Stick frame construction.**

BUILDING PERMIT COST:----- \$

PLAN REVIEW COST----- \$

ZONING PERMIT COST:----- \$

MECHANICAL PERMIT COST:----- \$

- 1-Gas meter connection.
- 1-Water Heater
- 1-Range
- 1-Dryer
- 1 Dedicated appliance
- 1-Package Unit
- 1-Duct System
- 1-Gas piping
- 250,000 Total BTU's
- 3.5 Cooling tons

ELECTRICAL PERMIT COST:----- \$

- 1-Temporary service 60 AMP
- 80-outlets
- 1-Range
- 1-Dryer
- 1-Disposal
- 1-Dishwasher
- 1-Panel 200 AMP
- 1-Low voltage
- 4-Motors 0-1 HP
- 2-HVAC connection
- 1-Service release

PLUMBING PERMIT COST:----- \$

- 2-Water closets
- 2-Lavatories
- 2-Bath tubs
- 1-Kitchen sink
- 1-Washing machine
- 1-Dishwasher
- 1-Shower drain
- 1-Water heater
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:----- \$

If any required

TOTAL PERMIT COSTS FOR PROJECT:----- \$

RESPONDING CITY:

PROJECT:

A \$250,000 Single-Family Residence. Stick frame construction.

BUILDING PERMIT COST:-----\$

PLAN REVIEW COST-----\$

ZONING PERMIT COST:-----\$

MECHANICAL PERMIT COST:-----\$

- 1-Gas meter connection.
- 1-Water Heater
- 1-Range
- 1-Furnace
- 1-Dryer
- 2 Dedicated appliance
- 1-Package Unit
- 1-Condenser
- 2-Duct Systems
- 1-Gas piping
- 350,000 Total BTU's
- 5.5 Cooling tons

ELECTRICAL PERMIT COST:-----\$

- 1-Temporary service 60 AMP
- 130-Outlets
- 1-Range
- 1-Dryer
- 1-Disposal
- 1-Dishwasher
- 1-Panel 225 AMP
- 50-Low voltage
- 6-Motors 0-1 HP
- 3-HVAC connection
- 1-Service release

PLUMBING PERMIT COST:-----\$

- 4-Water closets
- 5-Lavatories
- 3-Bath tubs
- 1-Kitchen sink
- 1-Washing machine
- 1-Dishwasher
- 1-Shower drain
- 1-Water heater
- 1-Bar sink
- 1-Laundry sink
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:-----\$

- If any required

TOTAL PERMIT COSTS FOR PROJECT:-----\$

RESPONDING CITY:

PROJECT:

A 12,000 SF / 2 Story Office Building / IBC Type IIB Construction (SBC Type IV)

BUILDING PERMIT COST:-----\$

PLAN REVIEW COST-----\$

ZONING PERMIT COST:-----\$

MECHANICAL PERMIT COST:-----\$

- 1-Gas meter connection.
- 2-Water Heater
- 6-Furnace
- 6-Condensers
- 6-Duct Systems
- 1-Gas piping
- 720,000 Total BTU's
- 30.0 Cooling tons

ELECTRICAL PERMIT COST:-----\$

- 1-Temporary service 60 AMP
- 200-Outlets
- 1-Range
- 1-Disposal
- 1-Dishwasher
- 1-Panel 400 AMP
- 100-Low voltage
- 10-Motors 0-1 HP
- 6 Motors over 10 HP
- 6-HVAC connection
- 4-Electric heaters 6-10 KW
- 2-Electric heaters over 10 KW
- 1-40 HP Fire pump
- 1-20 HP Elevator motor
- 1-Service release

PLUMBING PERMIT COST:-----\$

- 6-Water closets
- 4-Lavatories
- 2-Urinals
- 2-Drinking fountains
- 1-Water heater
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:-----\$

- If any required

TOTAL PERMIT COSTS FOR PROJECT:-----\$

RESPONDING CITY:

PROJECT:

**A 40,000 SF / 15% Office 85% Warehouse Building / IBC Type IIB
Construction (SBC Type IV)**

BUILDING PERMIT COST:-----\$

PLAN REVIEW COST-----\$

ZONING PERMIT COST:-----\$

MECHANICAL PERMIT COST:-----\$

- 1-Gas meter connection.
- 1-Water Heater
- 3-Furnaces
- 6-Heaters
- 3-Condensers
- 3-Duct Systems
- 1-Gas piping
- 1,600,000 Total BTU's
- 15.0 Cooling tons

ELECTRICAL PERMIT COST:-----\$

- 1-Temporary service 200 AMP
- 300-Outlets
- 1-Range
- 1-Disposal
- 1-Dishwasher
- 1-Panel 600 AMP
- 50-Low voltage
- 5-Motors 0-10 HP
- 5 Motors over 10 HP
- 12-HVAC connection
- 4-Electric heaters 6-10 KW
- 1-50 HP Fire pump
- 1-Service release

PLUMBING PERMIT COST:-----\$

- 4-Water closets
- 4-Lavatories
- 1-Urinals
- 2-Drinking fountains
- 1-Water heater
- 1-Sewer connection
- 1-Water connection

INSPECTION COST:-----\$

- If any required

TOTAL PERMIT COSTS FOR PROJECT:-----\$

Attachment I—Nashville and Standard Building Code Fee Schedules

NASHVILLE
PERMIT FEE SCHEDULE
EFFECTIVE JUNE 1, 2003

(A) GENERAL CONSTRUCTION

FOR NEW BUILDING AND ADDITIONS, USE BUILDING PERMIT CONSTRUCTION VALUES COST/SQ. FT. TO DETERMINE VALUATION.

FOR REMODELING USE CONTRACT PRICE FOR DETERMINING VALUATION. THIS MEANS THE TOTAL COST OF THE PROJECT(S) INCLUDING THE COST OF MATERIALS (INCLUDING THOSE SUPPLIED BY OWNERS), LABOR, OVERHEAD, PROFIT, INCLUDING ALL PLUMBING, ELECTRICAL, MECHANICAL AND OTHER SYSTEMS.

VALUATION

FEE

- * ADD \$25.00 ZONING EXAMINATION FEE TO BUILDING PERMIT TOTAL.
- # ADD PLANS EXAMINATION FEE TO BUILDING PERMIT TOTAL.

VALUATION	FEE
1. UP TO \$2,000.00	* * \$25.00
2. \$2,001.00 TO \$50,000.00	* * \$25.00 FOR THE FIRST \$2,000.00 PLUS \$5.00 FOR EACH ADDITIONAL THOUSAND OR FRACTION THEREOF, TO AND INCLUDING \$50,000.00.
3. \$50,001.00 TO \$100,000.00	* * \$265.00 FOR THE FIRST \$50,000.00 PLUS \$4.00 FOR EACH ADDITIONAL THOUSAND OR FRACTION THEREOF, TO AND INCLUDING \$100,000.00.
4. \$100,001.00 TO \$500,000.00	* * \$465.00 FOR THE FIRST \$100,000.00 PLUS \$3.00 FOR EACH ADDITIONAL THOUSAND OR FRACTION THEREOF, TO AND INCLUDING \$500,000.00.
5. \$500,001.00 AND UP	* * \$1,665.00 FOR THE FIRST \$500,000.00 PLUS \$2.00 FOR EACH ADDITIONAL THOUSAND OR FRACTION THEREOF.

(B) MOVING OF BUILDINGS OR STRUCTURES

FOR THE MOVING OF ANY BUILDING OR STRUCTURE WHERE SUCH NECESSITATES THE TRANSPORTATION OF SUCH BUILDING OR STRUCTURE IN PUBLIC RIGHT-OF-WAYS OR ON PUBLIC STREETS, THE FEE SHALL BE \$200.00 (EFFECTIVE JANUARY 1, 1995) EXCEPT THAT SUCH FEE SHALL NOT BE CHARGED FOR THE MOVING OF TEMPORARY CONSTRUCTION OFFICE SHEDS, MOBILE HOMES, OR HOUSE TRAILERS.

(C) DEMOLITION OF BUILDING OR STRUCTURES

THE FEE SHALL BE DETERMINED AS PER THE ABOVE SCHEDULE A.

(D) BUILDING USE & OCCUPANCY

\$25.00

(E) BLASTING PERMIT

\$ 25.00

(F) PLANS EXAMINATION FEE

THE PLANS EXAMINATION FEE SHALL BE EQUAL TO ONE-HALF OF THE BUILDING PERMIT FEE AS SET FORTH IN SCHEDULE A. SUCH PLANS EXAMINATION FEE IS IN ADDITION TO THE BUILDING PERMIT FEE. PLANS EXAMINATION FEE IS NOT TO EXCEED \$500.00.

EXCEPTIONS FROM PLANS EXAMINATION FEE:

1. 1 & 2 FAMILY DWELLING BUILDING PERMITS
2. TOWNHOUSE BUILDING PERMITS
3. DEMOLITION PERMITS
4. BLASTING PERMITS
5. SIGN PERMITS
6. U & O PERMITS

*****NOTICE*****

STARTING CONSTRUCTION, INSTALLATION OR DEMOLITION WITHOUT A BUILDING PERMIT MAY RESULT IN A TRIPLE FEE. THE TRIPLE FEE CONSISTS OF THREE (3) TIMES THE BUILDING, PLANS EXAMINATION AND ZONING FEES.

FILE NAME: ValueFeeSchedule2003

STANDARD BUILDING CODE

RECOMMENDED SCHEDULE OF PERMIT FEES

SECTION B101 PERMIT FEES

Total Valuation	Fee
\$1,000 and less	No fee, unless inspection required, in which case a \$15.00 fee for each inspection shall be charged.
\$1,000 to \$50,000	\$15.00 for the first \$1,000.00 plus \$5.00 for each additional thousand or fraction thereof, to and including \$50,000.00.
\$50,000 to \$100,000	\$260.00 for the first \$50,000.00 plus \$4.00 for each additional thousand or fraction thereof, to and including \$100,000.00.
\$100,000 to \$500,000	\$460.00 for the first \$100,000.00 plus \$3.00 for each additional thousand or fraction thereof, to and including \$500,000.00.
\$500,000 and up	\$1,660.00 for the first \$500,000.00 plus \$2.00 for each additional thousand or fraction thereof.

SECTION B105 PLAN-CHECKING FEES

When the valuation of the proposed construction exceeds \$1,000.00 and a plan is required to be submitted by 104.2, a plan-checking fee shall be paid to the building official at the time of submitting plans and specifications for checking. Said plan-checking fee shall be equal to one-half of the building permit fee as set forth in 104.7. Such plan-checking fee is in addition to the building permit fee.

SECTION B102 MOVING FEE

For the moving of any building or structure, the fee shall be \$100.

SECTION B103 DEMOLITION FEE

For the demolition of any building or structures, the fee shall be:

0 up to 100,000 cu ft	\$50.00
100,000 cu ft and over	\$0.50/1,000 cu ft

SECTION B104 PENALTIES

Where work for which a permit is required by this code is started or proceeded prior to obtaining said permit, the fees herein specified shall be doubled, but the payment of such double fee shall not relieve any persons from fully complying with the requirements of this code in the execution of the work nor from any other penalties prescribed herein.

Attachment J—Bureau of Labor Statistics CPI Extract

Attachment K—Determination of Unit Cost for Demolition Projects

The direct labor hours per demolition project were estimated during interviews as shown in Section XII of this report. Those hours were then added to determine the total average staff hours per project. Employees were estimated to have approximately 1,800 available work hours per year after subtracting the estimated annual leave, sick leave, and holiday hours per year from the total available work hours per employee. That number was then divided into the annual salaries of those staff members providing direct services for demolition projects. This resulted in the average salary cost per hour as shown by the following table. The salary cost per hour was then multiplied by the average hours per project for each staff member to determine the salary cost per project as shown in the following table. The salary cost per project for the individuals were then summed to determine the total salary cost per project of \$120.67.

Salary Cost for Demolition Projects					
(In Dollars)					
		Expected	Salary	Expected	Salary
	Annual	Work Hours	Cost	Work Hours	Cost
	Salary	Per Year	Per Hour	Per Project	Per Project
Inspector	50,932	1,800	28.30	2.375	67.20
Office Support Rep	32,271	1,800	17.93	1.670	29.94
Admin Service Officer	42,349	1,800	23.53	1.000	23.53
Total Unit Salary Cost					120.67

The next step was to subtract the Property Standards Chief's salary and allocation of fringe benefits from the total Property Standards Division salaries and fringe benefits as shown in Attachment C. (This was done to allow the Property Standards Chief's annual salary and fringe benefits to be distributed as an overhead cost within the division.) The unit salary cost for demolition projects of \$120.67 was then divided by the remaining annual cost of \$704,735 (excluding the Chief's salary) to determine the fractional component for distribution of division costs for demolition projects. That fraction was determined to be .00017123. That fraction was then applied to the remaining division fringe benefits (excluding the Chief's); the Chief's annual salary and fringe benefits; Codes Administration salaries and fringe benefits previously allocated to Property Standards; other departmental costs; and Property Standard's allocation of departmental indirect costs as shown by the following table. The resulting unit costs were then added to the direct salary cost of \$120.67 to obtain the total unit cost of \$279.25 for demolition projects.

Demolition Project Administrative Unit Cost			
	Fractional		
	Unit Cost	Total	Unit Cost
	Attributed to	Property	Attributed to
	Demolition	Standards	Demolition
	Projects	Costs	Projects
Direct Services Salary			120.67
Direct Services Fringe Benefits	0.00017123	190,159	32.56
Prop Stand Chief Salary	0.00017123	47,515	8.14
Prop Stand Fringe Benefits	0.00017123	12,821	2.20
Codes Admin Salaries	0.00017123	84,005	14.38
Codes Admin Fringe Benefits	0.00017123	26,300	4.50
Other Departmental Costs	0.00017123	350,466	60.01
Property Standards Indirect Cost	0.00017123	214,872	36.79
Total			279.25

Attachment L—Proposed Residential Building Permit Fee Schedule Change

The following proposed fee schedule change incorporates the \$25 zoning permit fee into the current residential building permit fee schedule. For commercial building permits the \$25 zoning permit fee is incorporated in the recommended fee schedule in Attachment F.

Proposed Residential Building Permit Fee Schedule	
Valuation	Fee
Up to \$2,000	\$50
\$2,001 to \$50,000	\$50 for the first \$2,000 plus \$5 for each additional thousand or fraction thereof, to and including \$50,000.
\$50,001 to \$100,000	\$290 for the first \$50,000 plus \$4 for each additional thousand or fraction thereof, to and including \$100,000.
\$100,001 to \$500,000	\$490 for the first \$100,000 plus \$3 for each additional thousand or fraction thereof, to and including \$500,000.
\$500,001 and up	\$1,690 for the first \$500,000 plus \$2 for each additional thousand or fraction thereof.

Attachment M—Determination of Zoning Appeals Cost

The first step in determining the cost of zoning appeals work was to apply the estimated percent of time per year each staff member involved spends to the their respective salaries to determine the direct annual salary cost. That resulted in a cost of \$77,975 as shown by the following table.

Direct Salary Cost for Special Exceptions and Variances			
	Annual	% of Special Exception	Annual
Position	Salary	and Variance Time	Salary Cost
Customer Service Supervisor	49,699	66%	32,801
Chief Zoning Examiner	61,465	25%	15,366
Zoning Examiner	45,580	65%	29,627
Total	156,744		77,795

The Zoning G&A salary cost of \$136,176 (shown in Table V at Attachment B) was then pulled out of the total Zoning salary cost of \$862,200 leaving a total of salary cost of \$726,024. The \$77,975 was then divided by \$726,024 to determine the zoning appeals percentage of direct annual salaries, which is 10.71%. That percentage was then applied to annual fringe benefits, Zoning G&A, Codes Administration allocation to Zoning and the Metro indirect cost allocation to Zoning as shown in the following table. The resulting cost of zoning appeals for Codes Administration is \$181,084 as shown by the following table.

Department Cost of Special Exception & Variance Services			
(in Dollars)			
	Total	Percent	Total
	Available	Allocated	Allocated
Direct Labor	77,795	100.00%	77,795
Direct Fringe Benefits	225,200	10.71%	24,119
Zoning G&A	136,176	10.71%	14,584
Codes Administration Allocation	381,371	10.71%	40,845
Metro Indirect Costs for Zoning	221,670	10.71%	23,741
Total Cost			181,084

The next step in the process was to determine the zoning appeals costs for the Planning Commission and Public Works.

Planning Commission Costs for Zoning Appeals Work

The following table provides the Planning Commission salary and fringe benefit costs for the provision of zoning appeals review and support services.

Zoning Appeals Salary & Fringe Benefit Costs from Planning Commission								
	Average	Average	Average				Annual	Annual
	Review	Numbr of	Numbr of	Percent of		Annual	Salary Plus	Cost for
	Hours	Units	Hours	Total Time	Annual	Fringe	Fringe	Special Excp
	per Unit	per Year	per Year	per Year	Salary	Benefits	Benefits	& Variances
Planning Com Psn #1	0.5	60	30.00	1.667%	95,555	18,915	114,470	1,908
Planning Com Psn #2	1.5	3	4.50	0.250%	68,862	15,317	84,179	210
Planning Com Psn #3	0.25	60	15.00	0.833%	60,382	14,986	75,368	628
Planning Com Psn #4	5	15	75.00	4.167%	58,060	13,840	71,900	2,996
Planning Com Psn #5	0.5	60	30.00	1.667%	69,042	15,249	84,291	1,405
Plan Com Total			154.50		351,901	78,307	430,208	7,147

In this table, the average work hours per unit were multiplied by the estimated numbers of units per year worked on by the respective individuals. The annual work hours per individual were then divided by 1,800 hours to determine the percent of time per year that each staff member worked on appeals. (1,800 hours excludes hours for sick leave, vacations, and holidays.) This percentage was then applied to annual salaries and fringe benefits. The zoning appeals individual salaries and fringe benefits were then summed resulting in an annual salary and fringe benefit cost of \$7,147 for the Planning Commission. The \$7,147 only represents 1.66% of the total Planning Commission salary and fringe benefit cost.

An analysis was then conducted of the line item budgets of those functional areas from which the zoning appeals review and support services are provided. The following table provides a summary of those costs and the total line item costs (excluding salaries and fringe benefits) for the five functional areas considered.

Zoning Appeals Related Program Budgeted Expenditures						
	Council		Development	Compliance	MPC	
Line Item	Support	Consultation	Guidance	Reviews	Support	Total
Flight Services					7,500	7,500
Postage & Delivery				4,000	1,000	5,000
Public Hearing Signs					12,000	12,000
Printing	2,000		5,000	2,500		9,500
Advertising & Promotion			7,500		2,000	9,500
Registration					1,200	1,200
Membership/Dues				400	500	900
Repair & Maint			1,800		3,400	5,200
Central Print Charge	1,500		2,100		800	4,400
Metro Postal Charges	2,000		4,000		16,400	22,400
Fleet Management			1,600		1,600	3,200
Host & Hostess	3,000		1,500		4,000	8,500
Office & Admin Supply	1,500	1,000	1,200	2,200	9,700	15,600
Equipment Rental	-	-	-	-	1,000	1,000
Total	10,000	1,000	24,700	9,100	61,100	105,900

The Planning Commission staff was then contacted to determine those line items for which costs are related to zoning appeals work. This resulted in the elimination of all line items from consideration except for membership and dues, repair and maintenance, office and administrative supplies, and equipment rental. The 154.5 zoning appeals work-hours per year was then divided by 1,800 work-hours per year to determine the FTE positions involved with zoning review and support services. The resultant was .0858 FTE positions. That number was then divided by the 22.15 FTE positions that were budgeted for the functional areas considered resulting in a factor of .0038751. That number was then multiplied by the functional areas' total line item cost with results as shown in the following table.

The .0858 FTE positions involved with zoning appeals work was divided by the 55 Planning Commission staff positions excluding the Executive Director and Executive Office Administrative Assistant II positions resulting in a factor of .0015606. That factor was then multiplied by the Executive Director and Executive Office Administrative Assistant II salaries and fringe benefits to determine the zoning appeals departmental overhead cost. It was also multiplied by the Metro Planning Commission indirect cost to determine the Metro indirect cost for Planning Commission zoning appeals work. The resulting costs are also shown in the following table.

Planning Commission Zoning Appeals Cost			
	Costs	Allocation	Zoning Appeals
	Considered	Factor	Total Cost
Zoning Appeals Salaries & Fringe Benefits			7,147
Zoning Appeals Program Budgeted Expenditures			
Membership/Dues	900	0.0038751	3
Repair and Maintenance	5,200	0.0038751	20
Office and Admin Supply	15,600	0.0038751	60
Equipment Rental	1,000	0.0038751	4
Department Admin & Support	207,210	0.0015606	323
Metro Indirect	591,731	0.0015606	923
Total Cost			8,482

Public Works Costs for Zoning Appeals Work

A similar review was conducted to obtain Public Works costs associated with zoning appeals related work. The following table provides a summary of zoning appeals salary and fringe benefit costs based on zoning appeals work hours per year.

Zoning Appeals Salary & Fringe Benefit Costs from Public Works								
	Average	Average	Average				Annual	Annual
	Review	Number of	Number of	Percent of		Annual	Salary Plus	Cost for
	Hours	Units	Hours	Total Time	Annual	Fringe	Fringe	Special Excp
	per Unit	per Year	per Year	per Year	Salary	Benefits	Benefits	& Variances
Public Works Psn # 1	0.167	108	18.04	1.00%	85,838	18,754	104,592	1,048
Public Works Psn # 2	1	36	36.00	2.00%	49,848	9,060	58,908	1,178
Public Works Psn # 3	1.5	12	18.00	1.00%	75,383	15,996	91,379	914
Public Works Psn # 4	1.5	12	18.00	1.00%	44,752	14,484	59,236	592
Public Works Psn # 5	1.5	12	18.00	1.00%	55,949	18,822	74,771	748
Public Works Psn # 6	1.5	24	36.00	2.00%	41,066	3,774	44,840	897
Public Works Total	0.167		144.04		352,836	80,890	433,726	5,377

Positions # 1, 2 and 6 in the above table are Traffic Engineering Program positions and positions # 3, 4 and 5 are Consultant Services Program positions. Consequently, 90.04 hours and \$3,123 are related to Traffic Engineering work and 54 hours and \$2,254 are related to Consultant Services work. Dividing the hours by an average of 1,800 work hours per year per person results in .05 FTE positions for Traffic Engineering and .03 FTE positions for Consultant Services.

An analysis was then conducted of the line item budgets of those functional areas from which the zoning appeals review and support services are provided. The following table provides a summary of those costs and the total line item costs (excluding salaries and fringe benefits) for the two functional areas considered.

Zoning Appeals Related Program Budgeted Expenditures			
	Traffic	Consultant	
Line Item	Engineering	Services	Total
Bottled Water Service	200	200	400
Temporary Service	600	800	1,400
Out-of-town Travel	1,000	1,400	2,400
Air Travel	300	500	800
Printing/Binding	600		600
Subscriptions	100		100
Registration	1,500	1,500	3,000
Membership Dues	800	800	1,600
Other Rpr & Maint Service	2,700	1,000	3,700
Office Equip Maint Service	2,200	1,300	3,500
Central Print Charge	200	200	400
Radio Shop Charge	800	1,100	1,900
Office & Admin Supply	1,800	2,500	4,300
Office Equip <\$5,000	200	200	400
Photo Film & Supplies	300		300
Household & Janitor Supplies	100	100	200
Uniforms/Work Related Items	700	600	1,300
Safety Shoes	300	300	600
Books/Magazines/Periodicals	600	400	1,000
Repair & Maint Supplies	100		100
Construction Supplies	200		200
Small Equipment Supplies	200		200
Work Equipment <\$5,000	1,200	800	2,000
Safety Equipment <\$5,000	100	100	200
Other License & Fees	300	300	600
Professional Privilege Tax	1,200	1,100	2,300
Total	18,300	15,200	33,500

The Public Works staff was then contacted to determine those line items for which costs are related to zoning appeals work. A number of line items were eliminated during this discussion with the remaining line items provided in the following table.

Zoning Appeals Related Program Budgeted Expenditures			
	Traffic	Consultant	
Line Item	Engineering	Services	Total
Bottled Water Service	200	200	400
Temporary Service	600	800	1,400
Subscriptions	100		100
Membership Dues	800	800	1,600
Other Rpr & Maint Service	2,700	1,000	3,700
Office Equip Maint Service	2,200	1,300	3,500
Office & Admin Supply	1,800	2,500	4,300
Office Equip <\$5,000	200	200	400
Household & Janitor Supplies	100	100	200
Books/Magazines/Periodicals	600	400	1,000
Repair & Maint Supplies	100		100
Small Equipment Supplies	200		200
Other License & Fees	300	300	600
Professional Privilege Tax	1,200	1,100	2,300
Total	11,100	8,700	19,800

Planning Commission position incumbents worked in all five functional areas considered while Public Works position incumbents either worked in Traffic Engineering or Consultant Service areas. Therefore, Public Works costs were developed for the two respective functional areas. The .05 Traffic Engineering FTE positions providing zoning appeals work constitute .49% of the total 10.2 Traffic Engineering FTE positions. The .03 Consultant Services positions providing zoning appeals work constitute .283% of the total 10.6 Consultant Services FTE position. The factors were applied to the respective line item costs in the following table. A factor of 74.68% from the most recent indirect cost (full cost) allocation plan was applied to the \$2,677 Traffic Engineering zoning appeals salaries to determine the Traffic Engineering indirect cost allocation for zoning appeals. The most recent indirect cost (full cost) allocation plan does not break out the departmental Engineering Division (which provides Consultant Services) as a receiving division. Consequently, the departmental average indirect cost rate of 62.14% was applied to the \$1,999 Consultant Services zoning appeals salaries to obtain the Consultant Services indirect cost allocation for zoning appeals. These calculations are also provided in the following table, which provides a summary of Public Works zoning appeals related costs.

Public Works Zoning Appeals Cost							
	Traffic	Traffic		Consultant	Consultant		
	Engineering	Engineering	Traffic	Services	Services	Consultant	
	Costs	Allocation	Engineering	Costs	Allocation	Services	
	Considered	Factor	Costs	Considered	Factor	Costs	Total Cost
Salaries & FB	3,123		3,123	2,254		2,254	5,377
Other Budgeted Expenditures							
Bottled Water Service	200	0.00490	1	200	0.00283	1	2
Temporary Service	600	0.00490	3	800	0.00283	2	5
Subscriptions	100	0.00490	0	-	-	-	0
Membership Dues	800	0.00490	4	800	0.00283	2	6
Other Rpr & Maint Service	2,700	0.00490	13	1,000	0.00283	3	16
Office Equip Maint Service	2,200	0.00490	11	1,300	0.00283	4	14
Office & Admin Supply	1,800	0.00490	9	2,500	0.00283	7	16
Office Equip <\$5,000	200	0.00490	1	200	0.00283	1	2
Household & Janitor Supplies	100	0.00490	0	100	0.00283	0	1
Books/Magazines/Periodicals	600	0.00490	3	400	0.00283	1	4
Repair & Maint Supplies	100	0.00490	0	-	-	-	0
Small Equipment Supplies	200	0.00490	1	-	-	-	1
Other License & Fees	300	0.00490	1	300	0.00283	1	2
Professional Privilege Tax	1,200	0.00490	6	1,100	0.00283	3	9
Metro Indirect	2,677	0.7468	1,999	1,761	0.6214	1,094	3,093
Total Cost			5,177			3,373	8,550

Total Cost for Zoning Appeals

The total annual Metro cost for zoning appeals work is \$198,116, including \$181,084 from the Codes Administration, \$8,482 from the Planning Commission and \$8,550 from Public Works.

Attachment N—Re-Inspection Fee Costs

The analysis shown in the following table was conducted to determine the full costs of the various categories of re-inspections performed by Codes Administration.

Average Cost Per Re-inspection							
			Expected	Expected	Average	Average	Average
			Annual	Annual	Cost	Time Per	Cost
		Number of	Work Hours	Work Hours	Per Inspector	Re-inspection	Per
Division	Annual Cost	Inspectors	Per Inspector	Per Division	Work Hour	(in hours)	Re-inspection
Building Inspection	2,524,760	13	1,800	23,400	107.90	0.33	35.61
Electrical Inspection	1,073,404	8	1,800	14,400	74.54	0.33	24.60
Plumbing Inspection	899,742	7	1,800	12,600	71.41	0.33	23.56
Mech/Gas Inspection	823,289	7	1,800	12,600	65.34	0.33	21.56
Total	5,321,195			63,000	84.46	0.33	27.87

The total cost for each division was taken from the fully allocated cost in Table III on page 4 of the study report with the exception of the cost for Building Inspections. For Building Inspections, the cost associated with the building inspections performed by the Performance Standards inspectors was removed from the total cost since the average cost per inspection was calculated for the for major inspection divisions excluding Performance Standards. The number of inspectors budgeted for each division was multiplied by 1,800 expected work hour per year per inspector (excluding vacation, holiday and sick leave hours) to determine the expected total work hours available per division. The total cost for each division was then divided by the expected work hours per division to determine the average cost per inspector work hour. Based on interviews and past experience, it takes approximated twenty minutes per re-inspection to include associated travel time. The amount of time (in hours) was then multiplied times the average cost per hour for each category of inspector. The average cost for trade inspectors range between \$21.56 and \$24.60 while the cost for building inspections is \$35.61. The average cost for building inspections is much higher because zoning review costs and the time for potentially dealing with zoning issues was factored more heavily into the building inspector cost. The weighted average cost of all re-inspections was determined to be \$27.87. Based on cost alone, and not on what it would take to discourage the need for re-inspections, we recommend charging a fee of \$28 for re-inspections for all disciplines for the sake of simplicity rather that charging a different fee for each discipline.