



HISTORIC
FRANKLIN
TENNESSEE


08/26/14

ITEM #15
WRKS

MEMORANDUM

August 18, 2014

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator 
Vernon Gerth, Assistant City Administrator
Chris Bridgewater, Director Building & Neighborhood Services
Lynn Osland, Development Services Operations Analyst

SUBJECT: **Adoption of Ordinance 2014-25** "AN ORDINANCE TO AMEND THE CITY OF FRANKLIN MUNICIPAL CODE, APPENDIX A – COMPREHENSIVE FEES AND PENALTIES, CHAPTER 12 RELATING TO CONSTRUCTION PERMIT FEES"

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the proposed ordinance that is intended to simplify the fee structure for construction permitting administered by Building and Neighborhood Services.

Background

In the past, BNS had fee structures for permits that were based on standard practices of other communities and the State of Tennessee for the various Building, Plumbing, Mechanical, and Electrical permits. As our community has grown, statistical analysis of our fee structure has identified that changes can be made to the fee table that are revenue-neutral to within a few percentage points. By adopting a method of calculation for permitting detached, single family dwellings that is based on square footage, both the public and city personnel can more easily understand and administer calculating and accepting fee payment. These fees can be reduced to a single fee for all inspections for a new home or addition. Permit applicants would no longer have to pay additional fees when changing the scope of their project or if additional inspections are required.

For example, Plumbing permit fees were calculated with a base fee plus a fee for each fixture. The applicant would have to estimate the number of fixtures when applying for a permit and the inspector would have to count fixtures in the field as a check. Many times this would require updating of the permit and confusion over exactly how to apply the fixture count, and the forward progress of the job could be halted while a new fee was administered. This type of system proved cumbersome for both City personnel and permit applicants. The Electrical permitting system was based on the number of inspections, and also proved unwieldy.

Additionally, a system for calculating fees for simple permits was needed to replace the complicated calculations that were removed. These calculated fees closely correspond to the new \$50 fee for all simple permit types. For example, a Plumbing permit with up to five fixtures would have previously been calculated at \$47. An Electrical permit with a minimum of 2 inspections would have been calculated at \$54. An air conditioning change-out (Mechanical permit) with a valuation of \$5000 would have cost \$53.25. Any changes to the project would have previously resulted in stoppage of work until the additional fees could be collected. The new system would include all inspections required to complete the project. Additional electrical inspection services were simplified with only two categories and the fee calculation for large scale mechanical refrigeration projects was retained (i.e. grocery stores and hockey rinks).



Additional adjustments to the Fee Schedule include:

- A fee to account for After Hours Inspection services commonly requested by contractors has been added.
- A Technology Fee is proposed for each permit in order to make improvements that will benefit all permit applicants. Examples of the way the revenue from this type of fee would be used include making permit processes available online, deploying technologies that give inspection results as they are performed, and making purchases for needed computer equipment upgrades.
- A clarification on how to handle additional plan review fees is also proposed. Currently, the municipal code states that plan review fees cover one initial review and one re-review. This would imply that additional reviews would be charged the full plan review fee. Charging 50% of the initial fee for each additional review would allow applicants to pay for only the plan review services they are receiving for additional reviews.

Financial Impact

The updates to the fee schedule are intended to remain as revenue neutral as possible while simplifying administration and improving understandability. A future fee update will address whether these fees cover the costs of development adequately.

Recommendation

Approval of the proposed ordinance is recommended.

ORDINANCE 2014-25

TO BE ENTITLED: "AN ORDINANCE TO AMEND THE CITY OF FRANKLIN MUNICIPAL CODE, APPENDIX A – COMPREHENSIVE FEES AND PENALTIES, CHAPTER 12 RELATING TO CONSTRUCTION PERMIT FEES"

WHEREAS, for the purpose of promoting the public health, safety, comfort, convenience, and general welfare of the people of Franklin, Tennessee the Board of Mayor and Aldermen is authorized to prescribe regulations and standards that encourage and advance the quality of life within the City; and

WHEREAS, in its legislative judgment, the Board of Mayor and Aldermen has found that ordinances and policies that regulate land use, guide the maintenance of the city's infrastructure, and delivery of essential services must be dynamic and modified from time to time to reflect changes in best practices, model codes, land and labor costs, and safety standards necessary to preserve and promote the private and public interest; and

WHEREAS, the Board of Mayor and Aldermen has determined to simplify the administration and processing to collect permit fees by assessing all permit fees for detached single-family dwellings and additions based on square footage.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE AS FOLLOWS:

SECTION I: BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF FRANKLIN, Tennessee, that Appendix A, Chapter 12 of the City of Franklin Municipal Code is hereby deleted in its entirety and the following table is inserted in its place, and is approved to read as follows. Additional or revised text is highlighted in bold:

CHAPTER 12: BUILDING, UTILITY, ETC. CODES

<i>Appeal Fee to the Building and Streets Standard Board of Appeals</i>	\$250.00
<i>Building Permit Fees for all buildings and structures except for new detached, single-family dwellings and additions to detached, single-family dwellings. Includes Swimming Pools, renovations, and tenant build-outs that are larger in scope than the Simple Permit criteria below. Fees include Electrical, Plumbing, and Mechanical Inspections.</i>	
<i>Total Valuation</i>	
\$1.00–\$999.00	\$30.00
\$1,000.00–\$4,999.00	\$30.00 for the first \$1,000.00 plus \$8.50 for each additional \$1,000.00 or fraction thereof
\$5,000.00–\$14,999.00	\$64.00 for the first \$5,000.00 plus \$6.75 for each additional \$1,000.00 or fraction thereof
\$15,000.00–\$39,999.00	\$132.00 for the first \$15,000.00 plus \$4.75 for each additional \$1,000.00 or fraction thereof

\$40,000.00—\$99,999.00	\$251.00 for the first \$40,000.00 plus \$4.00 for each additional \$1,000.00 or fraction thereof
\$100,000.00—\$499,999.00	\$491.00 for the first \$100,000.00 plus \$2.50 for each additional \$1,000.00 or fraction thereof
\$500,000.00—\$999,999.00	\$1,491.00 for the first \$500,000.00 plus \$1.75 for each additional \$1,000.00 or fraction thereof
\$1,000,000.00 and above	\$2,366.00 for the first \$1,000,000.00 plus \$1.25 for each additional \$1,000.00 or fraction thereof
<i>Building Permit Fees for new construction and additions to detached, single-family dwellings - includes fees for Electrical, Plumbing, and Mechanical permits.</i>	\$.48 per square foot under roof including storage areas accessible by permanent stairways/doorways
Simple Permit (does not include new construction or additions) - projects of limited scope in existing buildings not requiring plan review, including: Building - Accessory buildings and demolitions. Electrical - installation of 5 devices or less, 3 circuits or less, temporary services, low voltage, and single family detached residential service releases of <200 amps. Plumbing - installation of 5 devices or less, gas piping pressure testing, water and sewer service repair/installation, water heater change-outs. Mechanical - installation of 5 devices or less, gas piping pressure testing, and equipment change-out. Other permits required by the municipal code and administered by Building and Neighborhood Services for which fees are not enumerated.	\$50.00 for each category that applies
<i>Additional Electrical Inspection Services (multiple fees may apply to each permit)</i>	
Electrical Occupancy Finals	\$75
Service Release >200 Amps	\$.50 per Amp per service, minimum \$100 per service
Service Release up to and including 200 amps	\$50
Additional Mechanical Refrigeration Inspection Services	Minimum of \$27.00 + \$5.25 for each \$1,000 of valuation (equipment and labor)
Technology Fee	\$10 per permit
Licenses - Gas Plumbers (Annual)	\$25.00
Lot Bonds	\$10,000.00
Processing Fee for Permit Refunds	\$50.00
Reinspection Fee	\$50.00
Special Events/After Hours Inspections	\$75.00 per hour per employee (min. 2 hours)

Violations	\$50.00 per offense per day
Plan Review Fees	
Total valuation, \$0-\$100,000.00	\$50.00
\$100,001.00 -\$5,000,000.00	Value x .0005 rounded up to the nearest dollar
\$5,000,001.00 and up	\$2,500 plus the value over the first \$5,000,000.00 x .0001 rounded up to the nearest dollar
Plan review fee when consultant reviews the entire plan	\$200.00 plus 100% consultant
Consultant Fees	100% passed on to applicant
Additional plan review cycles after initial and 1 st re-review	50% of calculated plan review fee

SECTION II. BE IT FINALLY ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, that this Ordinance shall take effect from and after its passage on second and final reading, the health, safety and welfare of the citizens of Franklin requiring it.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

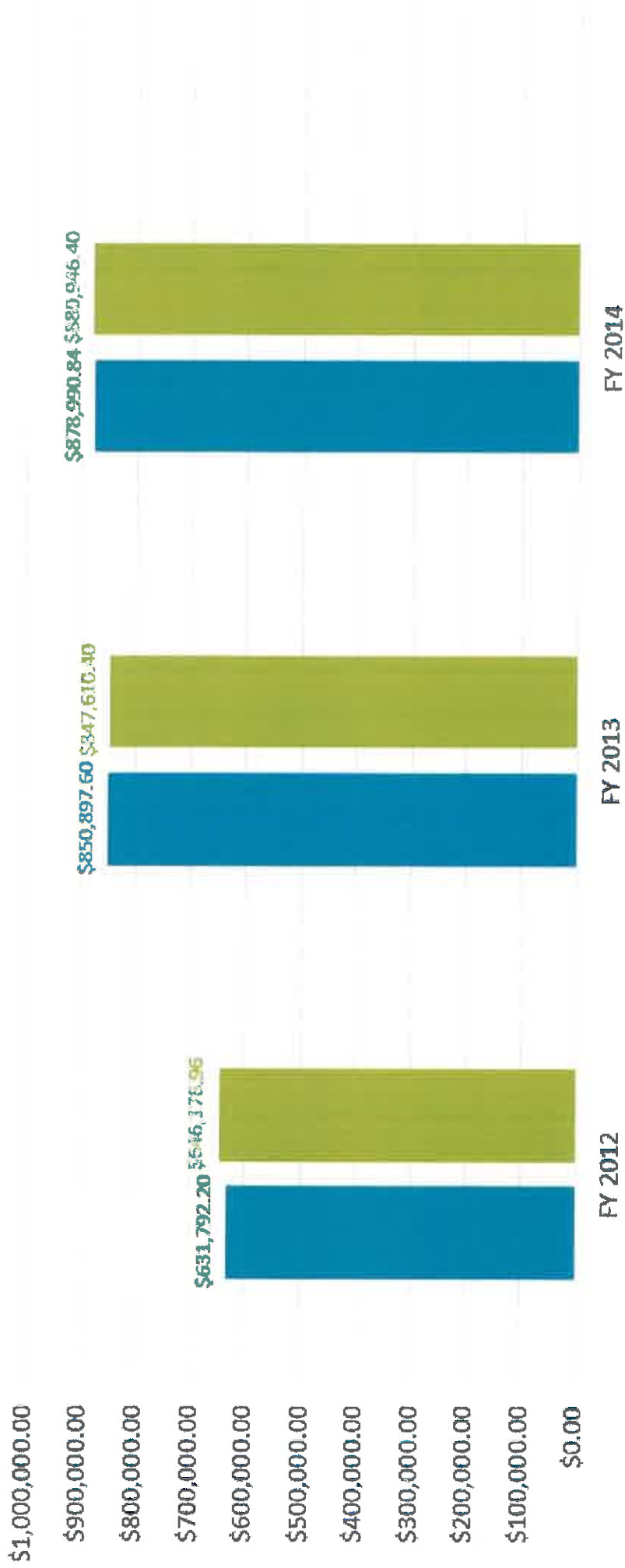
BY: _____
ERIC S. STUCKEY
City Administrator

BY: _____
Dr. Ken Moore
Mayor

PASSED FIRST READING: _____

PASSED SECOND AND FINAL READING: _____

Current* Permit Fees vs. Proposed** Fee Calculation for New Single-Family Detached Dwellings



■ Avg Permit Fees Collected X # of Permits w/ Existing Fee Structure ■ Proposed \$.48/ Sq Ft Fee X Total Sq Ft of Permits Issued

*Current Building, Electrical, Mechanical, & Plumbing Permit Fees are calculated and issued separately.

**Proposed \$.48/ sf Fee combines Building, Electrical, Mechanical, & Plumbing Permits into one.