



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Office of the Mayor

300 6th Street

605-394-4110

E-mail: mayorsoffice@rcgov.org

July 31, 2018

Rapid City Common Council
300 Sixth Street
Rapid City, SD 57701

Re: Building Valuations & Permit Fees

Dear Council Members:

I am in my final stages of preparing the 2019 City Budget, and I need to bring something to your attention: a proposed change to the building permit process and rates. Our budget analyst, Sean Kurbanov, has worked very hard since beginning his employment with the City of Rapid City to find areas where City revenues are out of line as a result of a lack of inflationary adjustments or other various reasons. Mr. Kurbanov has completed a good amount of research on our building permitting structure, and I have attached his very thorough memo on this subject.

In a nutshell:

The City lacks a methodology for accurate building valuation. In fact, most jurisdictions utilize a standardized valuation method instead of relying on an honor system. In our case, a builder will tell us what the valuation of the structure to be built will be, then pay the appropriate fee. There is no audit or follow up to make sure the valuation was correct. Mr. Kurbanov has detailed a fair and universal, as well as widely-used system, for a valuation to improve upon current practices.

The other issue is the fee rate of the building permit itself. While the actual cost of building permits goes up with the increase in valuation, there have been no adjustments to the building permit rates for at least 25 years. This means, the City has forfeited inflationary adjustments for 2 1/2 decades. At the same time, the cost of doing business has increased significantly during this period, while more and more projects pay a lower marginal permit rate. Again, the attached memo will explain using a flat rate of \$5.50 per \$1000 of the proposed building construction valuation. This is very different from our current tiered rate system.



EQUAL HOUSING
OPPORTUNITY

EQUAL OPPORTUNITY EMPLOYER

If you are like me, you may be wondering how Rapid City's new proposed rates will compare to other cities. We have made an attempt to do such a comparison and found that most cities are very unique in their fee structure, especially when it comes to related fees and charges such as utility hook up, inspections and other impact fees. This makes a strictly apples to apples comparison extremely difficult, maybe virtually impossible.

As a result of the proposed changes to building permit rates, we anticipate additional income in 2019 of approximately \$203,280. This amount has been included in the proposed 2019 budget.

As part of the usual practice, this memo will be released to the media and may gain some attention; therefore, you may be getting phone calls from worried builders or developers.

I'm sure some of you will have questions, and I urge you to ask as many of those questions as possible prior to the budget presentation on August 6th. This may allow me to include those questions/answers in the budget presentation.

Sincerely,

A handwritten signature in blue ink that reads "Steve Allender". The signature is fluid and cursive, with a long horizontal line extending to the right.

Steve Allender, Mayor
Rapid City, South Dakota



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

To: Mayor Allender and Members of the City Council
From: Ken Young, Community Development Director, Brad Solon, Building Official, and Sean Kurbanov, Budget Analyst
Date: July 26, 2018
Subject: Building Valuations and Permit Fees

IDENTIFIED ISSUES

1. The City of Rapid City lacks a methodology for standardized building valuations used as part of the building permit fees.
2. Graduated brackets in the permit fee schedules have not increased in more than two decades, creating a significant inflationary lag in permit fee revenues.

BACKGROUND AND ANALYSIS

The current building permit application requires that applicants state the construction valuation of any new building, structure, addition, remodeling or alteration to an existing building. Construction projects are submitted to the City based on self-valuations. However, in many cases, the Building Services Division staff believe self-valuations are underestimated at submittal, which leads to horizontal inequities in assessing building permit fees and inadequate recovery of costs.

One of the most common practices used by jurisdictions across the country to address this issue is the use of standardized valuations for building projects. Many of the governmental organizations reviewed as part of this analysis rely on the Building Valuation Data (BVD), published and updated semiannually by the International Code Council (see Appendix A). The recommended action to adopt the BVD would allow the City to use current, industry accepted baselines to determine project valuations instead of relying on self-reported and often unverifiable valuation data. For instance, analysis of the nearly 900 records of self-valuation data from the TrackIT system, for which the square footage information is available, shows that the average per square-foot cost of \$117.2 is close to the \$118.5 in the most current BVD table for new residential one- and two-family detached dwelling constructions (Group R-3, Type VB). However, the self-valuations vary from \$64 to \$273 per square foot. For additions, alterations, and remodeling projects, the per square-foot costs vary even more substantially from as low as \$0.23 to \$126 with an average of \$10 per square foot.

Staff reviews the proposed building project plans, diagrams, computations, specifications and other data and assesses the building permit fee based on the currently adopted tiered fee schedule, Schedule 100-A for Residential Permit Fees and Schedule 100-C for Commercial Permit Fees (Appendix B). The tiered brackets have different marginal fees that decrease with the higher valuation brackets.

The Council approved the current residential and commercial fee brackets/schedules in 1991. The effect of the outdated fee schedule is causing a *bracket creep* effect. The graduated residential and

commercial fee schedules provide for smaller marginal fees at the higher construction valuation brackets. The overall effect of this format for collecting permit fees associated with the higher construction costs is that the bigger proportions of building valuations are pushed to the higher brackets due to cost inflation. This has led to a significant increasing and compounding gap between valuation growth and building permit fee revenues. The table below shows actual building permit fees based on valuations according to the current fee table versus those same building permit fees adjusted annually to account for the construction cost inflation (based on RS Means Historical Construction Cost Index).

	Act. Resid Fee	Infl. Adj. Resid Fee	Resid Fee Loss	Act. Comm Fee	Infl. Adj. Comm Fee	Comm Fee Loss	Act. Combined Fee	Infl. Adj. Combined Fee	Combined Fee Loss
2012	\$ 224,163	\$ 297,915	24.8%	\$ 376,570	\$ 441,384	14.7%	\$ 600,733	\$ 739,299	18.7%
2013	\$ 433,857	\$ 578,977	25.1%	\$ 633,278	\$ 746,297	15.1%	\$ 1,067,135	\$ 1,325,274	19.5%
2014	\$ 444,932	\$ 591,226	24.7%	\$ 572,914	\$ 679,794	15.7%	\$ 1,017,846	\$ 1,271,019	19.9%
2015	\$ 290,387	\$ 381,415	23.9%	\$ 672,671	\$ 800,477	16.0%	\$ 963,058	\$ 1,181,892	18.5%
2016	\$ 287,922	\$ 377,784	23.8%	\$ 1,005,324	\$ 1,163,406	13.6%	\$ 1,293,246	\$ 1,541,191	16.1%
2017	\$ 396,393	\$ 527,208	24.8%	\$ 1,000,228	\$ 1,158,550	13.7%	\$ 1,396,621	\$ 1,685,758	17.2%
* 2012 partial year									

The loss in fee revenue due to the bracket creep is sizable. There is a 1.2% average annual gap between valuation growth and corresponding fee revenue growth for residential construction and a 0.7% gap for commercial construction due to cost inflation. The combined annual average fee revenue loss for both commercial and residential construction is 0.9%. To remedy any future bracket creep effect, staff is proposing a flat fee of \$5.5 per \$1,000 of the proposed building construction valuation for all building construction.

Additionally, based on the PBB allocations for FY 2018, cost of Building Services inspection programs approximates \$605,755. This includes inspection, administrative, and inspection support program costs of \$500,692, CSAC building maintenance expenses of \$24,534 (calculated as percentage of inspection and support personnel to all staff housed in CSAC), and Central Services cost allocations of \$80,529 (half of \$161,059 for the 10100204 cost center). Over the last five years, Building Services conducted 70,234 inspections, or 14,046 inspections a year on average, not including inspection performed for projects not assessed building permit fees, such as in the case of construction by the City of Rapid City, Pennington County, or RCAS. The average full recovery costs are \$43.13 per inspection. Because construction projects require on average at least one inspection to complete the project, staff is proposing an increase of the per trade minimum building permit fee from \$37 to \$43.

FISCAL IMPACTS

Restructuring the current valuation table to use the published ICC Building Valuation Data, as updated annually, will lead to a more horizontally equitable assessment of building permit fees and allow for an incremental increase in revenue from new construction projects.

The attached *Comparison of Proposed Rates* table (Appendix C), identifies that the building permit fee for all residential projects under \$145,000 will decrease and the building permit fee for construction above that valuation will increase. The threshold for an increase and/or decrease in building permit fees for commercial projects is \$1,050,000. The numbers of affected projects below and above these thresholds are presented in Appendix D.

The proposed changes, if implemented prior to 2019, are estimated to generate annual revenues that are approximately 9.7 percent higher than the current baseline estimate as can be seen from the comparison of building permit revenues over the last five years. Appendix E – *Historical and Proposed Permit Fee Revenues* - provides a comparison of the revenues collected with the existing fee schedule and the proposed flat rate. Please, note that 2016 and 2017 featured multiple large valuation projects, which 2019 may not necessarily have and the actual increase in revenues may be less than 9.7%.

Although the immediate-term fiscal impacts of the recommended changes are not expected to recoup the lost growth in revenues over the last three decades, the proposed changes will prevent the building permit fee revenues from continuously falling behind the growth in valuations in the long run.

RECOMMENDATIONS

Staff analysis of building permit fees and review of industry practices has shown there is a more effective and equitable method to administer the assessment of building permit fees, that will allow for an incremental increase in revenue from all new construction projects. Staff recommends the following:

1. Submit an Ordinance amending Rapid City Municipal Code #15.04.170(E) changing and adding to the Building Permit Application valuation language as follows:
 - E. State the construction valuation of any new building, structure, or addition as validated with contract and/or other documentation or the Building Official may determine that the new construction valuation of the project shall be that valuation established within the most recent Building Valuation Data (BVD) published by the International Code Council (ICC);
 - F. State the construction valuation for remodeling or renovating an existing building at twenty five percent of the new construction valuation or the actual valuation as validated with contract and/or other documentation.;
 - G. State the construction valuation for an alteration project at fifty percent of the new construction valuation or the actual valuation as validated with contract and/or other documentation;
 - H. State the valuation of reconstruction projects at seventy five percent of the new construction valuation or the actual valuation as validated with contract and/or other documentation.
2. Submit an amended fee resolution to update the Community Development Department building permit fees for Table 100-A Residential Permit Fees and Table 100-C Commercial Permit Fees to identify that building permit fees shall be a flat rate of \$5.5 per \$1,000 of proposed construction valuation, with a minimum building permit fee of \$43.

SELECT DEFINITIONS

Renovation: Alterations that include the removal and replacement of the covering of existing materials, elements, equipment, or fixtures using new materials, elements, equipment, or fixtures that serve the same purpose. Renovations are limited to changes in finishes; minor building service changes, including electrical, plumbing, and HVAC work; and minor construction that does not change the configuration of walls, ceilings and floors.

Alteration: Alterations that include the reconfiguration of space, the addition or elimination of any door or window, the reconfiguration or extension of any system, or the installation of any additional equipment.

Reconstruction: Alterations where the work area exceeds 50% of the aggregate area of the building.

Repair: Reconstruction or renewal of any part of an existing building for the purpose of its maintenance. Repair does not include any reconfiguration of walls, ceilings, doors or windows, and does not include the expansion of existing systems or the installation of new equipment for new purposes.

Addition: Projects that increase, expand, or extend the floor area, number of stories, or height of an existing building or structure and that must comply with the requirements of the standards applicable to new construction.

Work Area: Includes that portion or portions of a building consisting of all reconfigured spaces as indicated on the construction documents. Work area excludes other portions of the building where incidental work entailed by the intended work must be performed and portions of the building where work not initially intended by the owner is specifically required by the code.



Building Valuation Data – FEBRUARY 2018

The International Code Council is pleased to provide the following Building Valuation Data (BVD) for its members. The BVD will be updated at six-month intervals, with the next update in August 2018. ICC strongly recommends that all jurisdictions and other interested parties actively evaluate and assess the impact of this BVD table before utilizing it in their current code enforcement related activities.

The BVD table provides the "average" construction costs per square foot, which can be used in determining permit fees for a jurisdiction. Permit fee schedules are addressed in Section 109.2 of the 2018 *International Building Code* (IBC) whereas Section 109.3 addresses building permit valuations. The permit fees can be established by using the BVD table and a Permit Fee Multiplier, which is based on the total construction value within the jurisdiction for the past year. The Square Foot Construction Cost table presents factors that reflect relative value of one construction classification/occupancy group to another so that more expensive construction is assessed greater permit fees than less expensive construction.

ICC has developed this data to aid jurisdictions in determining permit fees. It is important to note that while this BVD table does determine an estimated value of a building (i.e., Gross Area x Square Foot Construction Cost), this data is only intended to assist jurisdictions in determining their permit fees. This data table is not intended to be used as an estimating guide because the data only reflects average costs and is not representative of specific construction.

This degree of precision is sufficient for the intended purpose, which is to help establish permit fees so as to fund code compliance activities. This BVD table provides jurisdictions with a simplified way to determine the estimated value of a building that does not rely on the permit applicant to determine the cost of construction. Therefore, the bidding process for a particular job and other associated factors do not affect the value of a building for determining the permit fee. Whether a specific project is bid at a cost above or below the computed value of construction does not affect the permit fee because the cost of related code enforcement activities is not directly affected by the bid process and results.

Building Valuation

The following building valuation data represents average valuations for most buildings. In conjunction with IBC Section 109.3, this data is offered as an aid for the building official to determine if the permit valuation is underestimated. Again it should be noted that, when using this data, these are "average" costs based on typical construction methods for each occupancy group and type of construction. The average costs include foundation work, structural and nonstructural

building components, electrical, plumbing, mechanical and interior finish material. The data is a national average and does not take into account any regional cost differences. As such, the use of Regional Cost Modifiers is subject to the authority having jurisdiction.

Permit Fee Multiplier

Determine the Permit Fee Multiplier:

1. Based on historical records, determine the total annual construction value which has occurred within the jurisdiction for the past year.
2. Determine the percentage (%) of the building department budget expected to be provided by building permit revenue.
- 3.

$$\text{Permit Fee Multiplier} = \frac{\text{Bldg. Dept. Budget x (\%)}}{\text{Total Annual Construction Value}}$$

Example

The building department operates on a \$300,000 budget, and it expects to cover 75 percent of that from building permit fees. The total annual construction value which occurred within the jurisdiction in the previous year is \$30,000,000.

$$\text{Permit Fee Multiplier} = \frac{\$300,000 \times 75\%}{\$30,000,000} = 0.0075$$

Permit Fee

The permit fee is determined using the building gross area, the Square Foot Construction Cost and the Permit Fee Multiplier.

$$\text{Permit Fee} = \text{Gross Area} \times \text{Square Foot Construction Cost} \times \text{Permit Fee Multiplier}$$

Example

Type of Construction: IIB

Area: 1st story = 8,000 sq. ft.
2nd story = 8,000 sq. ft.

Height: 2 stories

Permit Fee Multiplier = 0.0075

Use Group: B

1. Gross area:
Business = 2 stories x 8,000 sq. ft. = 16,000 sq. ft.
2. Square Foot Construction Cost:
B/IIB = \$170.56/sq. ft.
3. Permit Fee:
Business = 16,000 sq. ft. x \$170.56/sq. ft x 0.0075
= \$20,467

Important Points

- The BVD is not intended to apply to alterations or repairs to existing buildings. Because the scope of alterations or repairs to an existing building varies so greatly, the Square Foot Construction Costs table does not reflect accurate values for that purpose. However, the Square Foot Construction Costs table can be used to determine the cost of an addition that is basically a stand-alone building which happens to be attached to an existing building. In the case of such additions, the only alterations to the existing building would involve the attachment of the addition to the existing building and the openings between the addition and the existing building.
- For purposes of establishing the Permit Fee Multiplier, the estimated total annual construction value for a given time period (1 year) is the sum of each building's value (Gross Area x Square Foot Construction Cost) for that time period (e.g., 1 year).
- The Square Foot Construction Cost does not include the price of the land on which the building is built. The Square Foot Construction Cost takes into account everything from foundation work to the roof structure and coverings but does not include the price of the land. The cost of the land does not affect the cost of related code enforcement activities and is not included in the Square Foot Construction Cost.

Square Foot Construction Costs ^{a, b, c}

(IA - VB refers to type of construction as identified in IBC, Chapter 6)

Group (2018 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 Assembly, theaters, with stage	239.41	231.54	226.03	216.67	203.74	197.86	209.82	186.11	179.13
A-1 Assembly, theaters, without stage	219.07	211.20	205.68	196.33	183.65	177.76	189.48	166.01	159.03
A-2 Assembly, nightclubs	188.23	182.77	178.14	170.93	161.13	156.68	164.92	145.88	140.94
A-2 Assembly, restaurants, bars, banquet halls	187.23	181.77	176.14	169.93	159.13	155.68	163.92	143.88	139.94
A-3 Assembly, churches	220.05	212.18	206.66	197.31	185.99	180.11	190.46	168.36	161.38
A-3 Assembly, general, community halls, libraries, museums	185.05	177.18	170.67	162.31	148.58	143.75	155.46	131.00	125.02
A-4 Assembly, arenas	218.07	210.20	203.68	195.33	181.65	176.76	188.48	164.01	158.03
B Business	192.02	185.04	179.30	170.56	155.93	150.11	164.01	137.00	131.05
E Educational	197.52	190.73	185.77	177.32	165.32	156.97	171.23	144.39	140.26
F-1 Factory and industrial, moderate hazard	114.08	108.82	102.59	98.59	88.51	84.45	94.44	74.21	69.43
F-2 Factory and industrial, low hazard	113.08	107.82	102.59	97.59	88.51	83.45	93.44	74.21	68.43
H-1 High Hazard, explosives	106.73	101.48	96.25	91.25	82.38	77.32	87.10	68.08	N.P.
H234 High Hazard	106.73	101.48	96.25	91.25	82.38	77.32	87.10	68.08	62.30
H-5 HPM	192.02	185.04	179.30	170.56	155.93	150.11	164.01	137.00	131.05
I-1 Institutional, supervised environment	191.30	184.81	179.46	171.90	158.36	154.06	171.99	141.86	137.45
I-2 Institutional, hospitals	321.25	314.27	308.52	299.78	284.17	N.P.	293.24	265.24	N.P.
I-2 Institutional, nursing homes	222.99	216.01	210.27	201.52	187.89	N.P.	194.98	168.96	N.P.
I-3 Institutional, restrained	218.28	211.30	205.55	196.81	183.43	176.62	190.27	164.50	156.55
I-4 Institutional, day care facilities	191.30	184.81	179.46	171.90	158.36	154.06	171.99	141.86	137.45
M Mercantile	140.27	134.81	129.18	122.96	112.68	109.23	116.95	97.44	93.50
R-1 Residential, hotels	193.08	186.60	181.24	173.68	159.89	155.58	173.77	143.39	138.97
R-2 Residential, multiple family	161.95	155.46	150.10	142.54	129.52	125.22	142.64	113.02	108.61
R-3 Residential, one- and two-family ^d	151.10	146.99	143.20	139.61	134.50	130.95	137.27	125.85	118.45
R-4 Residential, care/assisted living facilities	191.30	184.81	179.46	171.90	158.36	154.06	171.99	141.86	137.45
S-1 Storage, moderate hazard	105.73	100.48	94.25	90.25	80.38	76.32	86.10	66.08	61.30
S-2 Storage, low hazard	104.73	99.48	94.25	89.25	80.38	75.32	85.10	66.08	60.30
U Utility, miscellaneous	83.66	79.00	74.06	70.37	63.47	59.32	67.24	50.19	47.80

- Private Garages use Utility, miscellaneous
- For shell only buildings deduct 20 percent
- N.P. = not permitted
- Unfinished basements (Group R-3) = \$21.00 per sq. ft.

**Appendix B: 2018 Building Permit Fee Schedules
(from Resolution 2017-104, approved 12/8/2017)**

TABLE 100-A RESIDENTIAL PERMIT FEES

TOTAL VALUATION	FEE
\$1.00 to \$1,600.00	\$37.00
\$1,601 to \$2,000.00	\$37.00 for the first \$1,600.00 plus \$2.00 for each additional \$1,000.00, or fraction thereof, to and including \$2,000.00
\$2,001 to \$25,000.00	\$45.00 for the first \$2,000.00 plus \$9.00 for each additional \$1,000.00, or fraction thereof, to and including \$25,000.00
\$25,001.00 to \$50,000	\$252.00 for the first \$25,000.00 plus \$6.50 for each additional \$1,000.00, or fraction thereof, to and including \$ 50,000.00
\$50,001.00 to \$100,000.000	\$414.50 for the first \$50,000.00 plus \$4.50 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00
\$100,001.00 to \$500,000.00	\$639.50 for the first \$100,000.00 plus \$3.50 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00
\$500,00.00 to \$1,000,000.00	\$2,039.50 for the first \$500,000.00 plus \$3.00 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00
\$1,000,001.00 and up	\$3,539.50 for the first \$1,000,000.00 plus \$2.00 for each additional \$1,000.00, or fraction thereof
Other Inspections and Fees:	
1. Inspections outside of normal business hours (minimum charge – two hours)	\$42.00 per hour ¹
2. Re-inspection fees	\$42.00 per hour ¹
3. Inspections for which no fee is specifically indicated (minimum charge – one hour)	\$42.00 per hour ¹
4. Additional plan review required by changes, additions, or revisions to plans (minimum charge – one hour)	\$42.00 per hour ¹
5. For use of outside consultants for plan checking and inspections, or both	Actual costs ²
6. Plan review fees for 1 and 2 family dwellings and accessory structures shall be 10% of the building permit fee.	
7. Plan review fees for all occupancies except 1 and 2 family dwellings shall be 50% of the building permit fee.	

TABLE 100-C COMMERCIAL PERMIT FEES

TOTAL VALUATION	FEE
\$1.00 to \$1,600.00	\$37.00
\$1,601 to \$2,000.00	\$69.25
\$2,001 to \$25,000.00	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00, or fraction thereof, to and including \$25,000.00
\$25,001.00 to \$50,000	\$391.25 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00, or fraction thereof, to and including \$ 50,000
\$50,001.00 to \$100,000.000	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00
\$500,00.00 to \$1,000,000.00	\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00
\$1,000,001.00 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.15 for each additional \$1,000.00, or fraction thereof
Other Inspections and Fees:	
1. Inspections outside of normal business hours (minimum charge – two hours)	\$47.00 per hour ¹
2. Re-inspection fees	\$47.00 per hour ¹
3. Inspections for which no fee is specifically indicated (minimum charge – one hour)	\$47.00 per hour ¹
4. Additional plan review required by changes, additions, or revisions to plans (minimum charge – one hour)	\$47.00 per hour ¹
5. For use of outside consultants for plan checking and inspections, or both	Actual costs ²
6. Plan review fees for 1 and 2 family dwellings and accessory structures shall be 10% of the building permit fee.	
7. Plan review fees for all occupancies except 1 and 2 family dwellings shall be 50% of the building permit fee.	

Appendix C: Comparison of Proposed Rates

VALUATION	BRACKET	100A		100C		FLAT	
		100A FEE	EFFECTIVE RATE	100C FEE	EFFECTIVE RATE	FLAT 0.55%	EFFECTIVE RATE
\$ 1,000	1	\$ 37	3.70%	\$ 37	3.70%	\$ 43	4.30%
\$ 2,000	2	\$ 38	1.89%	\$ 69	3.46%	\$ 43	2.15%
\$ 3,000	3	\$ 54	1.80%	\$ 83	2.78%	\$ 43	1.43%
\$ 4,000	3	\$ 63	1.58%	\$ 97	2.43%	\$ 43	1.08%
\$ 5,000	3	\$ 72	1.44%	\$ 111	2.23%	\$ 43	0.86%
\$ 6,000	3	\$ 81	1.35%	\$ 125	2.09%	\$ 43	0.72%
\$ 7,000	3	\$ 90	1.29%	\$ 139	1.99%	\$ 43	0.61%
\$ 8,000	3	\$ 99	1.24%	\$ 153	1.92%	\$ 44	0.55%
\$ 9,000	3	\$ 108	1.20%	\$ 167	1.86%	\$ 50	0.55%
\$ 10,000	3	\$ 117	1.17%	\$ 181	1.81%	\$ 55	0.55%
\$ 11,000	3	\$ 126	1.15%	\$ 195	1.78%	\$ 61	0.55%
\$ 25,000	3	\$ 252	1.01%	\$ 391	1.57%	\$ 138	0.55%
\$ 35,000	4	\$ 317	0.91%	\$ 492	1.41%	\$ 193	0.55%
\$ 50,000	4	\$ 415	0.83%	\$ 644	1.29%	\$ 275	0.55%
\$ 70,000	5	\$ 505	0.72%	\$ 784	1.12%	\$ 385	0.55%
\$ 99,000	5	\$ 635	0.64%	\$ 987	1.00%	\$ 545	0.55%
\$ 100,000	5	\$ 640	0.64%	\$ 994	0.99%	\$ 550	0.55%
\$ 110,000	6	\$ 675	0.61%	\$ 1,050	0.95%	\$ 605	0.55%
\$ 140,000	6	\$ 780	0.56%	\$ 1,218	0.87%	\$ 770	0.55%
\$ 145,000	6	\$ 797	0.55%	\$ 1,246	0.86%	\$ 798	0.55%
\$ 150,000	6	\$ 815	0.54%	\$ 1,274	0.85%	\$ 825	0.55%
\$ 250,000	6	\$ 1,165	0.47%	\$ 1,834	0.73%	\$ 1,375	0.55%
\$ 500,000	6	\$ 2,040	0.41%	\$ 3,234	0.65%	\$ 2,750	0.55%
\$ 750,000	7	\$ 2,790	0.37%	\$ 4,421	0.59%	\$ 4,125	0.55%
\$ 990,000	7	\$ 3,510	0.35%	\$ 5,561	0.56%	\$ 5,445	0.55%
\$ 1,000,000	7	\$ 3,540	0.35%	\$ 5,609	0.56%	\$ 5,500	0.55%
\$ 1,050,000	8	\$ 3,694	0.35%	\$ 5,766	0.55%	\$ 5,775	0.55%
\$ 1,100,000	8	\$ 3,794	0.34%	\$ 5,924	0.54%	\$ 6,050	0.55%
\$ 1,150,000	8	\$ 3,894	0.34%	\$ 6,081	0.53%	\$ 6,325	0.55%
\$ 1,200,000	8	\$ 3,994	0.33%	\$ 6,239	0.52%	\$ 6,600	0.55%
\$ 1,250,000	8	\$ 4,094	0.33%	\$ 6,396	0.51%	\$ 6,875	0.55%
\$ 1,750,000	8	\$ 5,094	0.29%	\$ 7,971	0.46%	\$ 9,625	0.55%
\$ 2,500,000	8	\$ 6,594	0.26%	\$ 10,334	0.41%	\$ 13,750	0.55%
\$ 4,000,000	8	\$ 9,594	0.24%	\$ 15,059	0.38%	\$ 22,000	0.55%
\$ 8,500,000	8	\$ 18,594	0.22%	\$ 29,234	0.34%	\$ 46,750	0.55%
\$ 10,000,000	8	\$ 21,594	0.22%	\$ 33,959	0.34%	\$ 55,000	0.55%
\$ 25,000,000	8	\$ 51,594	0.21%	\$ 81,209	0.32%	\$ 137,500	0.55%
\$ 100,000,000	8	\$ 201,594	0.20%	\$ 317,459	0.32%	\$ 550,000	0.55%
\$ 500,000,000	8	\$ 1,001,593.50	0.20%	\$ 1,577,458.75	0.32%	\$ 2,750,000	0.55%

Effective rate threshold for residential projects

Effective rate threshold for commercial projects

Appendix D: Construction Project Counts by Impact and Bracket

	Residential (100A), Threshold = \$145,000						Commercial (100C), Threshold = \$1,050,000					
	2013	2014	2015	2016	2017	5-Year Total	2013	2014	2015	2016	2017	5-Year Total
Below threshold	2816	2669	1044	999	1977	9505	362	366	304	328	392	1752
Above threshold	168	180	171	167	161	847	26	19	32	43	37	157

		Residential (100A)						Commercial (100C)					
Lower Bound	Upper Bound	2013	2014	2015	2016	2017	5-Year Total	2013	2014	2015	2016	2017	5-Year Total
\$ -	\$ -	2	1	0	3	4	10	2	0	0	0	0	2
\$ 1	\$ 1,600	549	218	141	126	146	1180	42	32	26	21	28	149
\$ 1,600	\$ 2,000	76	68	39	51	79	313	11	10	5	9	3	38
\$ 2,000	\$ 25,000	2094	2270	785	734	1622	7505	139	167	113	120	170	709
\$ 25,000	\$ 50,000	31	43	39	53	54	220	58	41	48	54	62	263
\$ 50,000	\$ 100,000	17	32	20	8	32	109	36	33	38	48	42	197
\$ 100,000	\$ 500,000	215	212	190	188	200	1005	64	58	54	56	61	293
\$ 500,000	\$1,000,000	0	5	1	3	1	10	10	24	20	20	25	99
\$1,000,000	-	0	0	0	0	0	0	26	20	32	43	38	159

Appendix E: Historical and Proposed Building Permit Fee Revenues

	100A ACTUAL	100A PROPOSED	100C ACTUAL	100C PROPOSED	COMBINED ACTUAL	COMBINED PROPOSED
2013	\$ 433,857	\$ 372,601	\$ 633,278	\$ 729,946	\$ 1,067,135	\$ 1,102,547
2014	\$ 444,932	\$ 381,843	\$ 572,914	\$ 615,357	\$ 1,017,846	\$ 997,201
2015	\$ 290,387	\$ 273,116	\$ 672,671	\$ 775,779	\$ 963,058	\$ 1,048,896
2016	\$ 287,922	\$ 274,812	\$ 1,005,324	\$ 1,277,410	\$ 1,293,246	\$ 1,552,223
2017	\$ 396,393	\$ 337,293	\$ 1,000,228	\$ 1,255,231	\$ 1,396,621	\$ 1,592,524
5-Year Total	\$ 1,853,490	\$ 1,639,667	\$ 3,884,416	\$ 4,653,724	\$ 5,737,906	\$ 6,293,391
5-Year Average Aggregate Percentage Difference						9.68%

Residential Building Permit Fees

Project Value	Rapid City SD (current)	Rapid City SD (proposed)	Sioux Falls SD	Aberdeen SD	Billings MT	Casper WY	Omaha NE
\$ 1,000	\$ 37	\$ 43	\$ 20	\$ 36	\$ 45	\$ 37	\$ 41
\$ 5,000	\$ 72	\$ 43	\$ 57	\$ 90	\$ 82	\$ 105	\$ 70
\$ 25,000	\$ 252	\$ 138	\$ 175	\$ 278	\$ 264	\$ 326	\$ 260
\$ 100,000	\$ 640	\$ 550	\$ 436	\$ 700	\$ 656	\$ 806	\$ 581
\$ 250,000	\$ 1,165	\$ 1,375	\$ 811	\$ 1,367	\$ 1,192	\$ 1,646	\$ 936
\$ 500,000	\$ 2,040	\$ 2,750	\$ 1,433	\$ 2,480	\$ 2,073	\$ 3,046	\$ 1,693

Notes: Plan review fee = Plan review fee = No plan review fee = Plan review fee = Plan review fee = Technology, shoring, 10% of building permit fee 10% of building permit fee review fee fee 65% of building permit fee \$280 shoring abd insulation fees permit fee permit fee extra

Commercial Building Permit and Plan Review Fees

Project Value	Rapid City SD (current)	Rapid City SD (proposed)	Sioux Falls SD	Aberdeen SD	Billings MT	Casper WY	Omaha NE
\$ 1,000	\$ 37	\$ 43	\$ 27	\$ 36	\$ 45	\$ 37	\$ 41
\$ 5,000	\$ 111	\$ 43	\$ 72	\$ 90	\$ 82	\$ 105	\$ 70
\$ 25,000	\$ 391	\$ 138	\$ 252	\$ 278	\$ 264	\$ 326	\$ 260
\$ 100,000	\$ 994	\$ 550	\$ 643	\$ 700	\$ 656	\$ 806	\$ 581
\$ 500,000	\$ 3,234	\$ 2,750	\$ 2,040	\$ 2,480	\$ 2,073	\$ 3,046	\$ 1,693
\$ 1,000,000	\$ 5,609	\$ 5,500	\$ 3,540	\$ 4,580	\$ 3,598	\$ 5,846	\$ 2,878
\$ 10,000,000	\$ 33,959	\$ 55,000	\$ 30,540	\$ 41,480	\$ 22,048	\$ 56,246	\$ 20,518
\$ 50,000,000	\$ 159,959	\$ 275,000	\$ 150,540	\$ 205,480	\$ 104,048	\$ 280,246	\$ 98,918

Notes: Plan review fee = Plan review fee = Plan review fee = Plan review fee = Plan review fee = Technology, shoring, 50% of building permit fee 50% of building permit fee = 25% of building permit fee No plan review fee 65% of building permit fee (in excess of \$25,000 valuation) of building permit fee abd insulation fees permit fee building permit fee

	Cheyenne WY	Fargo ND	Fort Collins CO
\$	42	35	61
\$	125	54	207
\$	402	150	852
\$	994	510	3,015
\$	1,834	908	6,915
\$	3,234	1,570	13,415
Plan review fee =			Incl. City and County
65% of building permit fee			Sales Tax on the fees. Non-OTC permits priced higher. Does not incl. Plan Review Fees and Capital Expansion Fees.

	Cheyenne WY	Fargo ND	Fort Collins CO
\$	42	40	61
\$	125	84	207
\$	402	304	852
\$	994	756	3,015
\$	3,234	2,477	13,415
\$	5,609	4,577	26,164
\$	38,459	40,577	246,665
\$	184,459	200,577	1,166,665
Plan review fee =		Plan review fee =	Incl. City and County
65% of building permit fee		20% of building permit fee. Minimum of \$20.	Sales Tax on the fees. Non-OTC permits priced higher. Does not incl. Plan Review Fees and Capital Expansion Fees.