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Community & Economic Development Department
Construction and Development Services
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Construction & Development Services Fees Explanation

*How to determine **Commercial, Industrial and Multi-Family** permit fees*

	Alteration / Remodel & Additions	**New Stand-Alone Buildings**
Commercial / Industrial and Multi-Family (3+ units) Definition: anything that does not meet the definition for *Residential*	• Permit fee is 1 Percent (.01) of *Total Reported Value** of project (minimum fee of $10.00), PLUS • $40.00 per permit to be issued (i.e. building, electrical, gas piping, HVAC, plumbing, fire suppression, etc.), PLUS • $50.00 for Planning review, PLUS • Add 10% of total fee calculated above for Technology Fee	• Permit fee is 1 Percent (.01) of the *calculated construction value* which is calculated using the ICC BVD Data Report**, PLUS • $40.00 per permit to be issued (i.e. building, electrical, gas piping, HVAC, plumbing, fire suppression, etc.), PLUS • $100.00 for Planning review, PLUS • Add 10% of total fee calculated above for Technology Fee
Commercial Permit Fee Examples	Total reported value for remodeling project = $12,500.00 • 12,500 x 0.01 = **$125.00** PLUS • 40 (bldg) + 40 (elec) + 40 (plbg) + 40 (mech) = **$160.00** • **$50.00** (Planning review) Subtotal: $125.00 + $160.00 +$50.00 = **$335.00** **TOTAL = $335.00 + 10% ($33.50) = $368.50**	Calculated construction value from BVD Table = $170,000.00 • 170,000 x 0.01 = **$1,700.00** PLUS • 40 (bldg) + 40 (elec) + 40 (plbg) + 40 (mech) + 40 (gas) + 40 (fire) = **$240.00** PLUS • **$100.00** (Planning review) Subtotal: $1,700.00 + $240.00 + $100 = **$2,040.00** **TOTAL = $2,040.00 + 10% ($204.00) = $2,244.00**

Please note there may be Public Works fees due at permit issuance, please call to verify!

Notes:

- Each project shall have a designated responsible party who shall be responsible for payment of the permit fees for all the construction work involved in the project; and the responsible party shall pay all the permit fees at the time the first permit is issued.
- Subsequent trade permits will be issued as required for Mechanical, Electrical, Plumbing, and Fire Protection construction to the required licensed or registered contractors and no additional fee will be charged for these subsequent permits when the work was previously included in the original permit obtained by the responsible party.
- *For the purpose of determining permit fees, "total reported value" shall include structural, electrical, plumbing, mechanical, interior finish and normal site preparation including all labor, materials (including finish work), contractor overhead and profit, grading, retaining walls, paving, and other site work, and any demolition work unless such work was included in other permits issued.
  **See the August 2010 ICC Building Valuation Data Report for square footage costs used to determine permit fees. See back of sheet for determining the *calculated construction value* using the ICC BVD.

Calculated Construction Value example using ICC BVD

<u>Using the ICC Building Valuation Data table to calculate the cost of a new 2 story office building.</u>

Construction Type = VB
Use Group = B
First and Second Level square footage = 5,000 s.f. per floor

Table says use $108.80 per square foot for first and second floor (VB, B)

5,000 x $108.80 = $544,000.00 per floor x two floors = **$1,088,000.00**

Total Calculated Construction Cost = $1,088,000.00

Use this value to determine your permit costs.

********All Fees and Examples Are Based On The 2011 City Of Rockford Fee Schedule********

INTERNATIONAL CODE COUNCIL®

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Building Valuation Data – August 2010

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 February 2011. 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 2009 *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.

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

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.

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

Permit Fee

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

Permit Fee = Gross Area x Square Foot Construction Cost x 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 = $143.16/sq. ft.
3. Permit Fee:
   Business = 16,000 sq. ft. x $143.16/sq. ft x 0.0075 = $17,179

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, d]

Group (2009 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 Assembly, theaters, with stage	209.03	201.94	196.75	188.15	176.47	171.57	181.48	161.35	154.50
A-1 Assembly, theaters, without stage	191.23	184.13	178.94	170.34	158.71	153.81	163.67	143.59	136.74
A-2 Assembly, nightclubs	160.09	155.52	151.22	145.17	136.30	132.65	139.79	123.65	119.04
A-2 Assembly, restaurants, bars, banquet halls	159.09	154.52	149.22	144.17	134.30	131.65	138.79	121.65	118.04
A-3 Assembly, churches	193.14	186.04	180.85	172.26	160.58	155.68	165.58	145.46	138.61
A-3 Assembly, general, community halls, libraries, museums	162.16	155.07	148.87	141.28	128.60	124.70	134.60	113.47	107.62
A-4 Assembly, arenas	190.23	183.13	176.94	169.34	156.71	152.81	162.67	141.59	135.74
B Business	161.58	155.71	150.53	143.16	129.88	125.17	137.22	114.17	108.80
E Educational	175.15	169.10	163.94	156.43	144.88	137.56	151.05	126.61	121.84
F-1 Factory and industrial, moderate hazard	96.91	92.37	86.79	83.63	74.69	71.55	80.00	61.55	57.91
F-2 Factory and industrial, low hazard	95.91	91.37	86.79	82.63	74.69	70.55	79.00	61.55	56.91
H-1 High Hazard, explosives	90.85	86.31	81.73	77.57	69.81	65.67	73.94	56.67	N.P.
H234 High Hazard	90.85	86.31	81.73	77.57	69.81	65.67	73.94	56.67	52.03
H-5 HPM	161.58	155.71	150.53	143.16	129.88	125.17	137.22	114.17	108.80
I-1 Institutional, supervised environment	162.37	156.65	152.01	145.43	133.42	129.91	141.65	119.85	115.15
I-2 Institutional, hospitals	271.73	265.86	260.68	253.31	239.20	N.P.	247.37	223.49	N.P.
I-2 Institutional, nursing homes	189.29	183.43	178.25	170.87	157.89	N.P.	164.93	142.19	N.P.
I-3 Institutional, restrained	184.09	178.22	173.04	165.67	153.62	147.91	159.73	137.92	130.54
I-4 Institutional, day care facilities	162.37	156.65	152.01	145.43	133.42	129.91	141.65	119.85	115.15
M Mercantile	119.23	114.67	109.36	104.31	95.08	92.44	98.94	82.44	78.82
R-1 Residential, hotels	163.76	158.05	153.40	146.82	134.98	131.47	143.21	121.40	116.71
R-2 Residential, multiple family	137.01	131.30	126.66	120.08	108.90	105.39	117.13	95.33	90.63
R-3 Residential, one- and two-family	128.70	125.13	122.06	118.84	114.47	111.50	116.87	107.27	100.95
R-4 Residential, care/assisted living facilities	162.37	156.65	152.01	145.43	133.42	129.91	141.65	119.85	115.15
S-1 Storage, moderate hazard	89.85	85.31	79.73	76.57	67.81	64.67	72.94	54.67	51.03
S-2 Storage, low hazard	88.85	84.31	79.73	75.57	67.81	63.67	71.94	54.67	50.03
U Utility, miscellaneous	70.31	66.34	62.07	58.69	52.32	48.93	55.76	40.58	38.66

a. Private Garages use Utility, miscellaneous
b. Unfinished basements (all use group) = $15.00 per sq. ft.
c. For shell only buildings deduct 20 percent
d. N.P. = not permitted