

RESOLUTION NO. 23, SERIES OF 2020

TITLE: A RESOLUTION OF THE CITY OF CAÑON CITY, COLORADO ESTABLISHING FEES RELATED TO BUILDING AND MECHANICAL PERMITS.

WHEREAS, the City has revised its building and mechanical code requirements; and

WHEREAS, the City desires to establish how to calculate the valuations on building permits, fees for building and mechanical permits and any other fees related to building and mechanical codes.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COUNCIL OF CAÑON CITY, as follows:

1. **Statement of Intent.** It is the intent and goal of the City to establish and collect building permit fees and charges that will generate sufficient revenue to cover the City's direct and indirect costs of maintaining and operating its Building Department.
2. **Basic Formula.** Except as otherwise provided in this Resolution, building permit fees for construction of buildings within the City shall be calculated on a case-by-case basis using the following formula:

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

3. **Alternative method for calculating permit fees**
 - A. As an alternative to using the basic formula set forth in Section 2 of this Resolution, an applicant for a building permit may elect to have the building permit fee calculated using the "permit value" for the building, structure or other improvement to be constructed, altered or repaired, as reasonably estimated in good faith by the applicant at the time of application.
 - B. If this alternative method of calculating the permit fee is elected by the applicant, such estimated permit value shall be multiplied times the Permit Fee Multiplier to determine the amount of the permit fee.
 - C. In order to document the estimate of permit value, the applicant, at the time of application, shall deliver to the Building Official a true and correct copy of a fully-executed construction contract or contracts, as the case may be, covering all work to be covered by the permit.
 - D. Should any such contract be amended or otherwise modified following the issuance of the building permit with a resulting change in the contract price, the applicant shall notify the Building Official in writing of such

amendment or modification within ten (10) days following such amendment or modification and the permit fee shall be recalculated by multiplying the permit value indicated by the changed contract price times the Permit Fee Multiplier used in the original calculation of the permit fee.

- E. Unless otherwise agreed in writing, any increase or decrease in the permit fee shall be paid or refunded, as the case may be, within thirty (30) days following the recalculation of the permit fee. Should subsequent amendments or modifications be made that increase or decrease the contract price, the same process will be followed with respect to each such amendment or modification until the project has been completed. The Building Official shall require: a final copy of each contract, as modified and/or amended; copies of all change orders; and other evidences of actual cost prior to issuing a certificate of occupancy. Final building permit value shall be set by the Building Official using the materials provided by the applicant as a guide. No certificate of occupancy shall be issued in the absence of full payment of the applicable permit fee, including any increases due to recalculation of the permit fee.
- F. Permit valuations for purposes of the election that may be made pursuant to subsection A of this section shall include the total value of all work, including labor and materials, for which the permit is to be issued, and shall include profit, design and construction activity, as well as all equipment and systems to be covered by the permit. All estimated permit valuations shall be verified by copies of one or more fully-executed construction contracts and/or other similar documentation deemed appropriate by the Building Official. All copies of such materials shall be retained by the Building Official in accordance with the City's written records retention policy.
- G. If the applicant fails to cooperate with the Building Official by failing to provide true and correct copies of contracts and/or copies of amendments and/or change orders affecting the cost of a project, the building permit fee shall be calculated or recalculated, as the case may be, using the basic formula set forth in Section 2.

4. **Definitions.** Unless the context clearly indicates otherwise, for purposes of this, the following terms shall have the following meanings:

- A. "Net Cost Recovery Factor" means the annual proposed budget for the Building Department (representing the direct costs of operating and maintaining the Building Department) plus estimated indirect costs of the Building Department as certified by the Building Official on or before December 1st for use in calculating the Permit Fee Multiplier that will be used to calculate building permit fees during the following calendar year. All estimated indirect costs shall be based upon historical data and

reasonable projections of indirect costs of operating and maintaining the Building Department during the calendar year with respect to which the annual proposed budget will apply.

- B. "Gross Area" means the gross area of the building with respect to which the building permit fee is to be assessed, expressed in square feet.
- C. "Permit Fee Multiplier" means the multiplier used in calculating building permit fees. For the period beginning January 1, 2021 and ending December 31, 2021, the permit fee multiplier shall be 1%. Thereafter, the permit fee multiplier will be recalculated annually as provided in Section 8. according to the following formula:

$$\text{Permit Fee Multiplier} = \text{Net Cost Recovery Factor} / \text{Total Projected Construction Value}$$

- D. "Square Foot Construction Cost" means the average construction cost per square foot, taking into account the classification/occupancy group of any proposed building and the type of construction to be used, as determined with respect to the most recent Building Valuation Data table ("BVD table") published by the International Code Council ("ICC"). (Note: BVD tables are currently published in the ICC's Building Safety Journal during February and August of each year and may be accessed on the ICC's website at www.iccsafe.com.)
- E. "Total Projected Construction Value" means a reasonable projection of the value of all anticipated new construction in the City for the following calendar year. Total Projected Construction Value shall be determined by the Building Official (or his/her designee) and approved by the City Administrator on or before December 1st of each year.

5. **Other Projects Requiring Permits.** When a building permit is required under the International Building Code adopted by the City for which no average construction costs are shown on the BVD table published by the ICC, the building permit fee shall be calculated based upon good faith estimates of actual construction costs made by the permit applicant and approved by the Building Official. In such cases, the building permit fee will be determined by multiplying the approved estimated construction cost of the project times the then applicable permit fee multiplier. Examples of projects to which this provision may apply include: the construction of window replacement; installation of siding; and re-roofing of existing structures.

6. **Discontinuation of BVD Table.** If the ICC should discontinue publishing the BVD table, the last published BVD table shall be used to calculate and determine building permit fees until City Council has selected a suitable alternative by amending this chapter.

7. **Other Fees, small permit fees, mechanical permit fees and inspection's fees.** In addition to building permit fees, the Building Department is authorized to bill and collect additional charges for certain services, as follows:

<u>Service</u>	<u>Charge</u>
A. Inspections outside of normal business hours (minimum charge-two hours)	\$100.00 per hour
B. Reinspection fees (4 th inspection and more)	\$50.00 per hour
C. Inspections for which no fee is specifically indicated (minimum charge-one hour)	\$50.00 per hour
D. Plan Review Fees (new residential)	\$50.00 per hour, minimum 2 hour charge
E. Additional plan review required by changes, additions or revisions to plans	\$50.00 per hour
F. For use of outside consultants for plan checking and inspections, or both	Actual Costs
G. Fence Permit Fee	\$75.00
H. Demo Permit Fee	\$75.00
I. Mechanical permit fee schedule (use table below)	

Mechanical Fee Schedule	
Valuation of Work:	Permit Fee:
Not more than \$2,000.00	\$30.00
More than \$2,000.00	\$30.00 plus, \$10.00 per each \$1,000.00 valuation or fraction thereof.

- J. Fee Refunds. The code official is authorized to refund fees as follows:
- a. The full amount of any fee paid hereunder which was erroneously paid or collected.
 - b. Not more than 50% of the fee paid when no work has been done under a permit issued in accordance with this Code.

c. Not more than 50% of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan review effort has been expended.

The code official shall not refund any fee paid, except upon written application filed by the original permittee not later than 180 days after the date of fee payment.

8. **Annual Revisions to Permit Fee Multiplier.** The permit fee multiplier shall be revised once annually, on or about December 1st of each year, commencing in 2021, for use in calculating building permit fees in the following calendar year.
9. **Effective Date.** Upon adoption by Council, this Resolution shall become effective January 1, 2021.

Dated this 2nd day of October, 2020.

Cindy Foster Owens
Cindy Foster Owens, City Clerk

Ashley Smith
Ashley Smith, Mayor

