

# Fee Discussion

Building Permits, Building Inspections  
Business & Liquor License Inspections

# Building Permit Fee

- Since 1999, goal is to recoup 40% of the annual cost to operate the Building Inspection Division through Building Permit Fees
- Individual Permit Fees are based on the following calculation  
*Gross Area x Cost per sq. ft. x Permit Fee Modifier = Bldg. Permit Fee*
- Annually, we set the Permit Fee Modifier based on anticipated annual expenses, construction valuation and the targeted recoupment rate.

$$\frac{\text{Expenses x Recovery Rate}}{\text{Estimated Construction Valuation}} = \text{Permit Fee Modifier}$$

# Recovery Rate & Revenue History

| Year | Construction Valuation | Building Permit Fee Modifier | Recovery Rate | Revenues  |
|------|------------------------|------------------------------|---------------|-----------|
| 2013 | \$21,018,060           | .00217                       | 27%           | \$49,843  |
| 2014 | \$16,724,323           | .00217                       | 21%           | \$48,475  |
| 2015 | \$37,697,344           | .00217                       | 37%           | \$59,688  |
| 2016 | \$20,871,630           | .00302                       | 29%           | \$101,715 |
| 2017 | \$23,100,973           | .0355                        | 28%           | \$84,829  |

# 2018 Revenue Forecast

- Anticipate higher than normal expenses because a portion of the new Building Permit Software fell in calendar year 2018.
- Project new construction activation to stay at same level as 2018.
- If no change to current Building Permit Modifier of .00355, staff estimates a 25% recovery rate of approximately \$70,000
- If increase Permit Fee Modifier to .00420, staff estimates a 30% recovery rate of approximately \$84,000.

# Impact to Fees for Single Family House

## Current (estimated 25% Recovery Rate)

|                  | House          | Garage | Unfinished Basement |
|------------------|----------------|--------|---------------------|
| Gross Area (sf)  | 1500           | 440    | 1500                |
| x cost/sf        | \$118          | \$47   | \$15                |
| x modifier       | .00355         | .00355 | .00355              |
| Fee              | \$628          | \$73   | \$80                |
|                  |                |        |                     |
| Bldg. Fees       | \$782          |        |                     |
| PW Fees          | \$325          |        |                     |
| <b>TOTAL FEE</b> | <b>\$1,107</b> |        |                     |

## Proposed (estimated 30% Recovery Rate)

|                  | House          | Garage | Unfinished Basement |
|------------------|----------------|--------|---------------------|
| Gross Area (sf)  | 1500           | 440    | 1500                |
| x cost/sf        | \$118          | \$47   | \$15                |
| x modifier       | .00420         | .00420 | .00420              |
| Fee              | \$743          | \$87   | \$95                |
|                  |                |        |                     |
| Bldg. Fees       | \$925          |        |                     |
| PW Fees          | \$325          |        |                     |
| <b>TOTAL FEE</b> | <b>\$1,250</b> |        |                     |

# Failed Building Permit Inspection Fee

- Warrensburg does not currently charge re-inspection fees for a failed building inspection.
- Many recent projects involved multiple failed Final Inspections.
- Staff feels we are called out to make a Final Punch List vs. the project actually being ready for a Final Inspection
- Other commonly failed inspections are Open Wall, Framing, Electrical

# Survey of Other Cities

|                   | 1 <sup>st</sup> Insp   | 2 <sup>nd</sup> Insp<br><i>(1<sup>st</sup> Re-Inspection)</i> | 3 <sup>rd</sup> Insp<br><i>(2<sup>nd</sup> Re-Inspection)</i> | 4 <sup>th</sup> Insp<br><i>(3<sup>rd</sup> Re-Inspection)</i> | 5 <sup>th</sup> Insp<br><i>(4<sup>th</sup> Re-Inspection)</i> | 6 Insp<br><i>(5<sup>th</sup> Re-Inspection)</i> |
|-------------------|------------------------|---|---|---|---|---|
| Independence, MO  | Included in Permit Fee | \$20  | \$40  | \$40  | \$40  | \$40  |
| Boone County, MO  | Included in Permit Fee | \$25  | \$25  | \$25  | \$25  | \$25  |
| Joplin, MO (Res)  | Included in Permit Fee | \$25  | \$25  | \$25  | \$25  | \$25  |
| Columbia, MO      | Included in Permit Fee | \$35  | \$75  | \$75  | \$75  | \$75  |
| Joplin, MO (Comm) | Included in Permit Fee | \$50  | \$50  | \$50  | \$50  | \$50  |
| Blue Springs, MO  | Included in Permit Fee | Min \$58.75   | Min \$58.75   | Min \$58.75   | Min \$58.75   | Min \$58.75                                     |
| Cass County, MO   | Included in Permit Fee | \$0   | \$100   | \$100   | \$100   | \$100   |
| Springfield, MO   | Included in Permit Fee | \$0   | \$100   | \$200   | \$200   | \$500   |

# Staff Recommendation for Warrensburg

|  |                                 |
|--|---------------------------------|
| 1 <sup>st</sup> Inspection                                 | Included in building permit fee |
| 2 <sup>nd</sup> Inspection ( <i>first re-inspection</i> )  | \$0                             |
| 3 <sup>rd</sup> Inspection ( <i>second re-inspection</i> ) | \$100                           |
| 4 <sup>th</sup> Inspection ( <i>third re-inspection</i> )  | \$200                           |
| 5 <sup>th</sup> Inspection ( <i>fourth re-inspection</i> ) | \$200                           |
| 6 <sup>th</sup> Inspection ( <i>fifth re-inspection</i> )  | \$500                           |



# Business and Liquor Licensing

## Current Ordinances

- Licenses expire on June 30<sup>th</sup>
- License renewal reminder letters are mailed out May 1<sup>st</sup>
- Licenses may be renewed between June 1<sup>st</sup> and July 1<sup>st</sup> with no penalty
- To renew a liquor license, the business must pass a yearly inspection

## General Business License Tax

| Gross Volume        | Tax Due  |
|---------------------|----------|
| Under \$50k         | \$25.50  |
| \$50k-\$99,999.99   | \$40.50  |
| \$100k-\$149,999.99 | \$60.50  |
| \$150k-\$200,000    | \$80.50  |
| In excess of \$200k | \$100.50 |

# Business and Liquor License Penalties

- A business must pay double if it has not purchased a business license within 30 days of the expiration of its prior business license or within 30 days of the commencement of business
- A business must pay quadruple if it has not purchased a business license within 90 days of the expiration of its prior business license or within 90 days of the commencement of business
- There is currently no penalty for multiple liquor license reinspection's for due to the failure of a previous inspection
- If a business can not pass the liquor license inspection by July 1<sup>st</sup>, they may remain open but may not sell alcohol

# Staff Recommendation for Warrensburg

- First inspections for liquor license renewals must be approved by February 28<sup>th</sup>
- Liquor license inspections approved between the months of March and June will be charged \$225 per inspection

# Quality Roofing Program

- Currently, require a permit and do Decking, Felt/Ice Protection, Final Inspections for all Re-Roofs.
- 2017
  - 187 Re-Roof Permits
  - # of Inspection -software did not track inspection activity
- Jan-Aug 2018
  - 263 Re-Roof Permits
  - 180 Roof Decking Inspections (April-Aug stats)
  - 133 Roof Felt/Ice Protection Inspections (April-Aug stats)
- Approx. 10 Roofing Contractors with City Business License

# Staff Recommendation

- Create Quality Roofing Program
- To Qualify A Roofer Must Have:
  - Current City Business License
  - Complete 5 Roof Permits in Warrensburg with no failed inspections
- Benefit of Being in the Program:
  - \$10 off each Re-Roof Permit
  - Only required inspection is a Final Inspection
  - Staff will conduct 5 random Decking or Felt/Ice Protection Inspections on the Roofer during each calendar year