

FAQ for New Development Services Fee Schedule

Updated 05/05/2017

What is the effective date of the new fees?

July 1, 2017.

What are the new fees?

For a list of the Development Services Department's (DSD) fees, see the document entitled "Development Services Department Fee Schedule for FY 17-18".

Will the new fees be applied to project plans already under review?

No, IF a project application with complete plans/documents is submitted for review and a transaction number is issued before July 1, 2017, the project will be subject to the current fees for that project's specific permit(s)/process(es) – outlined in the project's submitted application.

However, the new fees WILL apply to this project's specific permit(s)/process(es) IF there are any outstanding unpaid/uncollected fees after December 31, 2017. The outstanding fees will be charged at the new rate.

Note: New fees will apply to any new permit(s)/process(es), even if they are for the same project that may have originally been submitted before July 1, 2017.

Example: Site Review application

If a Site Review application and complete project plans/documents are submitted and a transaction number is issued prior to July 1, 2017, the current fees would apply. These fees would apply until as late as end of business on December 29, 2017.

In addition to the Site Review application, if a Building Permit application is then submitted on July 19, 2017, any and all new fees would apply to the Building Permit because this is a separate permit/process.

When will the old fees no longer apply?

Old fees will no longer apply to project applications for permits/process submitted on and after July 1, 2017.

For projects currently under review with a transaction number issued before July 1, 2017, any outstanding unpaid/uncollected fees after December 31, 2017 will be subject to the new fees.

- This provides for an approximate six (6) month time period where applications submitted before July 1, 2017 can complete their review cycles and incur the current fees.

Will the newly adopted fees be reviewed or indexed?

Both. The fees shall be reviewed on an annual rotational basis to ensure each fee aligns with 100% direct cost recovery. The annual review will exam one-third (1/3) of the DSD fees, and if needed, they will be adjusted. The remaining two-thirds (2/3) of the DSD fees will be adjusted based on the Department of Labor (DOL) index annually.”

If I have a question about a fee, who do I contact?

Technicians in the Development Services Customer Service Center will be happy to assist in answering your fee-related questions.

Development Services Customer Services Center (DSCSC)	
Phone: 919-996-2495 Email: DS.Help@raleighnc.gov	The DSCSC is closed from 8:00 – 9:00am on the 1 st and 3 rd Wednesdays of each month for training purposes. Staff will greet visitors and monitor the phones; however, all other services will be unavailable during this time.
<u>Hours of Operation</u> Monday – Friday (excluding holidays) 8:00am – 4:45pm	
<u>Locations</u> <u>Downtown Raleigh</u> 1 Exchange Plaza, Suite 400 Raleigh, NC 27601 <u>Litchford Satellite Office</u> 8320-130 Litchford Road Raleigh, NC 27615	

How can I estimate the fees on my own without calling the City for help?

You can use our web-based calculators. The *Building and Trade* and *Right-of-Way Obstructions* calculators will be available on the DSD web page.

The Building and Trade calculator allows users to enter specific information about the construction project (e.g. size; occupancy; construction type), and in return it will provide a preliminary fee for building and trade projects. Note: Other fees may be applicable.

The Right-of-Way Obstructions calculator allows users to enter specific information about the obstruction (e.g. start/end date; street name; type of obstruction(s)), and in return it will provide a preliminary fee for projects with right-of-way obstructions. Note: Other fees may be applicable.

What are the Preliminary Subdivision Plan Review & Administrative Site Review Levels, and how do they work?

For an explanation of Levels 1, 2, and 3, see the document entitled “*Thresholds for Levels & Fee Methodology – Preliminary Subdivision Plan review & Administrative Site Review.*”

How do the Levels apply to Alterations?

For an explanation of Levels 1, 2, and 3, see Appendix B in the Development Fee Schedule.

Is Reroofing considered an Alteration Level 1?

Yes. Reroofing is considered an Alteration Level 1 due to the minor repair and replacement with no alternations to the structure.

How are Commercial Building Permit fees calculated?

Building Permit fees are calculated based on the Construction Valuation of the project. The Construction Valuation is determined using the most recent International Building Code Valuation Data (BVD) Table (see Appendix A in the Development Fee Schedule), and based on the project's square footage, occupancy, and type of construction. The BVD given Construction Valuation is adjusted by multiplying by Raleigh's Means Location Factor (0.8381), resulting in the Raleigh-Specific Construction Valuation (RSCV).

Commercial Building Permit Fee (D) for Construction Valuations in Tier 1 (A) are calculated at \$0.78 per \$1,000 of valuation. For Valuations in Tiers 2 – 9, calculations are made by taking the Maximum Cumulative Permit Cost (C) for the next lower Valuation Tier (of the valuation you are calculating), and adding that figure to the sum of the incremental amount that exceeds that lower Valuation Tier, which is divided by 1000, and multiplied by the Rate (B) of the next higher Valuation Tier.

Trade Permit fees are calculated based on a fixed percentage of the Building Permit Fee – see Table 2 below.

Table 1: Commercial Building Permit Tiered Pricing Structure					
Commercial Building Permit Tiered Pricing Structure			Building Permit Fee (D)		
Valuation Tiers (A) Based on ICC Building Valuation Data			Rate (B) Per \$1,000	Maximum Cumulative (C) Permit Cost	
					Formula Calculation = Tier range / 1000 x B + lower Tier C
Tier 1	\$0	\$150,000	\$0.78	\$117	= \$150,000 / 1000 x 0.78
Tier 2	\$150,001	\$250,000	\$0.74	\$191	= \$100,000 / 1000 x 0.74 + \$117
Tier 3	\$250,001	\$500,000	\$0.72	\$371	= \$250,000 / 1000 x 0.72 + \$191
Tier 4	\$500,001	\$750,000	\$0.70	\$546	= \$250,000 / 1000 x 0.70 + \$371
Tier 5	\$750,001	\$1,000,000	\$0.68	\$716	= \$250,000 / 1000 x 0.68 + \$546
Tier 6	\$1,000,001	\$5,000,000	\$0.62	\$3,196	= \$4,000,000 / 1000 x 0.62 + \$716
Tier 7	\$5,000,001	\$15,000,000	\$0.54	\$8,596	= \$10,000,000 / 1000 x 0.54 + \$3,196
Tier 8	\$15,000,001	\$25,000,000	\$0.47	\$13,296	= \$10,000,000 / 1000 x 0.47 + \$8,596
Tier 9	\$25,000,001	AND Up	\$0.39	No Ceiling	= Tier range / 1000 x 0.39 + \$13,296

Table 2: Trade Permit Fees for New Commercial Construction	
Building Permit Fee (D)	Calculated Building Permit Fee (D) (see Table 1)
Electrical Permit Fee	101% of Calculated Building Permit Fee (D) = (D x 1.01)
Plumbing Permit Fee	55% of Calculated Building Permit Fee (D) = (D x 0.55)
Mechanical Permit Fee	78% of Calculated Building Permit Fee (D) = (D x 0.78)

How are Residential Building Permits fees calculated?

Building Permit fees are calculated based on the Construction Valuation of the project. The Construction Valuation is determined using the most recent International Building Code Valuation Data (BVD) Table (see *Appendix A in the Development Fee Schedule*), and based on the project's square footage, occupancy, and type of construction. The BVD given Construction Valuation is adjusted by multiplying by Raleigh's Means Location Factor (0.8381), resulting in the Raleigh-Specific Construction Valuation (RSCV).

The Residential Building Permit Fee (E) is calculated by multiplying RSCV by a fix rate (0.26%). All Trade permits are then calculated by multiplying a fixed percentage of the Building Permit Fee (E) – see *Table 3 below*.

Table 3: Permit Fees for New Residential Construction	
Building Permit Fee (E)	0.26% of Calculated Construction Valuation (RSCV) = (RSCV x 0.0026)
Electrical Permit Fee	67% of Calculated Building Permit Fee (E) = (E x 0.67)
Plumbing Permit Fee	22% of Calculated Building Permit Fee (E) = (E x 0.22)
Mechanical Permit Fee	31% of Calculated Building Permit Fee (E) = (E x 0.31)

How are Commercial and Residential Plan Review fees calculated?

The Commercial Plan Review fee is calculated by multiplying the Commercial Building Permit fee (D) by a fixed percentage. Similarly, the Residential Plan Review fee is calculated by multiplying the Residential Building Permit fee (E) by a fixed percentage – see *Table 4 below*.

Table 4: Plan Review Fees Table	
Commercial Plan Review Fee	55% of Calculated Building Permit Fee (D) = (D x 0.55)
Residential Plan Review Fee	72% of Calculated Building Permit Fee (E) = (E x 0.72)

What are some cost examples for a few sample projects?

COMMERCIAL AND RESIDENTIAL CONSTRUCTION FEES

Example: Building Permit Fee – Commercial project with a valuation of \$550, 000.

See Table 1

• Maximum Cumulative Permit Cost (C) from the next lower tier			= \$371 (Tier 3)
• Calculated Rate (B) Per Additional \$1000	= \$50,000 ÷ 1000	= 50 x 0.70 (Tier 4)	= \$35
• Total Building Permit Fee	= \$371 + 35		= \$406

Example: Plans Review Fee – Commercial project with a valuation of \$550, 000.

See Table 4

• 55% of the calculated Building Permit Fee (D)	= \$406 x 0.55	= \$223
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Example: Permit Fees for New Commercial Construction – Commercial project with a valuation of \$25,000,000.

See Table 1 & 2

• Building Permit Fee (D)			= \$13,296
• Plans Review Fee	= \$13,296 x 0.55		= \$7,313
• Electrical Permit Fee	= \$13,296 x 1.01		= \$13,429
• Plumbing Permit Fee	= \$13,296 x 0.55		= \$7,313
• Mechanical Permit Fee	= \$13,296 x 0.78		= \$10,371
• Total permit and plans review fees		= total	= \$51,722
• 4% Technology Surcharge	= \$51,722 x 0.04		= \$2,069
		= sum total	= \$53,791

Example: Permit Fees for New Residential Construction – Residential project with a valuation of \$300,000.

See Table 3

• Building Permit Fee (E)	= \$300,000 x 0.0026		= \$780
• Plans Review Fee	= \$780 x 0.72		= \$562
• Electrical Permit Fee	= \$780 x 0.67		= \$523
• Plumbing Permit Fee	= \$780 x 0.22		= \$172
• Mechanical Permit Fee	= \$780 x 0.31		= \$242
• Total permit and plans review fees		= total	= \$2,279
• 4% Technology Surcharge	= \$2,279 x 0.04		= \$91
		= sum total	= \$2,370

RIGHT-OF-WAY FEES

A Right-of-Way Obstruction Permit is required when any street, lane, or sidewalk closure, detour, or parking space is used to facilitate proposed work that is within the City of Raleigh's jurisdiction. The goal is to make sure plans are reviewed for necessary interdepartmental coordination and to ensure the health, safety, and welfare for the citizens of Raleigh. Many of these projects will require notification to departments such as the Office of Emergency Management & Special Events, NCDOT, Raleigh Transit, ParkLink, etc.

Example: Right-of-Way Obstructions – “Street Lane” and “Sidewalk-Full Closure” obstructions.

For a project with two obstructed major striped right-of-way frontages and each frontage with “Street Lane” and “Sidewalk-Full Closure” obstructions, the following review fees shall apply:

• Street Lane Major Striped Review		= \$407
• Street Lane Major Striped Inspections (Per Day)		= \$32
• Sidewalk - Major - Full Closure Review		= \$814
• <u>Sidewalk - Major - Full Closure Inspections (Per Day)</u>	= $\$48 \times 2$ (per frontage)	= <u>\$96</u>
• Total permit and plans review fees	= total	= \$910
• 4% Technology Surcharge	= $\$910 \times 0.04$	= \$36
	= sum total	= \$946

The Street Lane Review and Inspection fees do not apply because in situations where multiple obstructions are requested and approved, the following fee methodology is implemented:

- The review fee amount shall be the highest applicable individual review fee amount per request.
- The inspection fee amount shall be the highest applicable individual inspection fee amount per obstructed right-of-way frontage. For instances of multiple obstructed right-of-way frontages, the highest inspection fee amount per frontage shall be applicable.