AGENDA 9a
DATE 9-3-19

4814 Henry Street Norton Shores, Michigan 49441 www.nortonshores.org

August 20, 2019

Council Meeting of September 3, 2019
SUBJECT: Building Permit Fee Schedule

The Honorable Mayor
and
Members of the City Council

Ladies and Gentlemen:

Pursuant to the discussion at the July 2, 2019 City Council meeting, City Council is requested to approve an amendment to the Building Permit Fee Schedule. The proposed fee schedule addresses an adjustment in the fee structure as well as an enhanced layout that helps to explain how the fees are incrementally determined.

Staff has revised the proposal by reducing the originally recommended fee increase. The new proposal addresses staffing needs and sustainability of the Building Fund, yet is reasonable when compared to fees charged by surrounding communities.

Attached is a resolution for City Council's use.

Respectfully submitted,

Mark C. Meyers
City Administrator

Attachments
RG/ss

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Norton Shores approves an amendment to the building permit fee schedule.

VALUE OF PROJECT	FEE	VALUE OF PROJECT	FEE
$ 1 - 1,000	$50.00	46,001 - 47,000	$713.50
1,001 - 1,100	$53.75	47,001 - 48,000	$725.75
1,101 - 1,200	$57.50	48,001 - 49,000	$738.00
1,201 - 1,300	$61.25	49,001 - 50,000	$750.25
1,301 - 1,400	$65.00	50,001 - 51,000	$758.25
1,401 - 1,500	$68.75	51,001 - 52,000	$766.25
1,501 - 1,600	$72.50	52,001 - 53,000	$774.25
1,601 - 1,700	$76.25	53,001 - 54,000	$782.25
1,701 - 1,800	$80.00	54,001 - 55,000	$790.25
1,801 - 1,900	$83.75	55,001 - 56,000	$798.25
1,901 - 2,000	$87.50	56,001 - 57,000	$806.25
2,001 - 3,000	$103.00	57,001 - 58,000	$814.25
3,001 - 4,000	$118.50	58,001 - 59,000	$822.25
4,001 - 5,000	$134.00	59,001 - 60,000	$830.25
5,001 - 6,000	$149.50	60,001 - 61,000	$838.25
6,001 - 7,000	$165.00	61,001 - 62,000	$846.25
7,001 - 8,000	$180.50	62,001 - 63,000	$854.25
8,001 - 9,000	$196.00	63,001 - 64,000	$862.25
9,001 - 10,000	$211.50	64,001 - 65,000	$870.25
10,001 - 11,000	$227.00	65,001 - 66,000	$878.25
11,001 - 12,000	$242.50	66,001 - 67,000	$886.25
12,001 - 13,000	$258.00	67,001 - 68,000	$894.25
13,001 - 14,000	$273.50	68,001 - 69,000	$902.25
14,001 - 15,000	$289.00	69,001 - 70,000	$910.25
15,001 - 16,000	$304.50	70,001 - 71,000	$918.25
16,001 - 17,000	$320.00	71,001 - 72,000	$926.25
17,001 - 18,000	$335.50	72,001 - 73,000	$934.25
18,001 - 19,000	$351.00	73,001 - 74,000	$942.25
19,001 - 20,000	$366.50	74,001 - 75,000	$950.25
20,001 - 21,000	$382.00	75,001 - 76,000	$958.25
21,001 - 22,000	$397.50	76,001 - 77,000	$966.25
22,001 - 23,000	$413.00	77,001 - 78,000	$974.25
23,001 - 24,000	$428.50	78,001 - 79,000	$982.25
24,001 - 25,000	$444.00	79,001 - 80,000	$990.25
25,001 - 26,000	$456.25	80,001 - 81,000	$998.25
26,001 - 27,000	$468.50	81,001 - 82,000	$1006.25
27,001 - 28,000	$480.75	82,001 - 83,000	$1,014.25
28,001 - 29,000	$493.00	83,001 - 84,000	$1,022.25
29,001 - 30,000	$505.25	84,001 - 85,000	$1,030.25
30,001 - 31,000	$517.50	85,001 - 86,000	$1,038.25
31,001 - 32,000	$529.75	86,001 - 87,000	$1,046.25
32,001 - 33,000	$542.00	87,001 - 88,000	$1,054.25
33,001 - 34,000	$554.25	88,001 - 89,000	$1,062.25
34,001 - 35,000	$566.50	89,001 - 90,000	$1,070.25
35,001 - 36,000	$578.75	90,001 - 91,000	$1,078.25
36,001 - 37,000	$591.00	91,001 - 92,000	$1,086.25
37,001 - 38,000	$603.25	92,001 - 93,000	$1,094.25
38,001 - 39,000	$615.50	93,001 - 94,000	$1,102.25
39,001 - 40,000	$627.75	94,001 - 95,000	$1,110.25
40,001 - 41,000	$640.00	95,001 - 96,000	$1,118.25
41,001 - 42,000	$652.25	96,001 - 97,000	$1,126.25
42,001 - 43,000	$664.50	97,001 - 98,000	$1,134.25
43,001 - 44,000	$676.75	98,001 - 99,000	$1,142.25
44,001 - 45,000	$689.00	99,001 - 100,000	$1,150.25
45,001 - 46,000	$701.25		

Residential plan review fees for R-3 single family residence dwelling 3,500 sq. ft. or more are assessed at $54.00 per $50,000 of value: excluding apartments and condos

Commercial projects-add 65% of permit fee for plan review

Expired permits renewal fees over $100.00-42% under $100.00-$42.00 flat fee

Modular homes figure for fee based on one half of value

PROPOSED BUILDING PERMIT FEE SCHEDULE
(Detail)

TOTAL VALUATION	FEE
$1.00 to $1000	$50.00 Minimum
$1001 - $2000	$50.00 for the first $1,000, plus $3.75 for each addl. $100, or fraction thereof, to and including $2,000.
$2001 - $25,000	$87.52 for the first $2,000, plus $15.50 for each addl. $1,000, or fraction thereof, to and including $25,000.
$25,001- $50,000	$444.01 for the first $25,000, plus $12.25 for each addl. $1,000, or fraction thereof, to and including $50,000.
$50,001 - $100,000	$750.26for the first $50,000, plus $8.00 for each addl. $1,000, or fraction thereof, to and including $100,000.
$100,001 - $500,000	$1,138.26 for the first $100,000, plus $6.43 for each addl. $1,000, or fraction thereof, to and including $500,000.
$500,001 - $1,000,000	$3,710.26 for the first $500,000, plus $5.49 for each addl. $1,000, or fraction thereof, to and including $1,000,000.
$1,000,001 and up	$6,455.26 for the first $1,000,0000, plus $4.15 for each addl. $1,000, or fraction thereof
PLAN REVIEW FEE – ADDED TO ALL COMMERICAL & INDUSTRIAL	65% OF PERMIT FEE
* RESIDENTIAL PLAN REVIEW FEES – R-3 SINGLE FAMILY DWELLING OVER 3,500 SQ. FT OR ARCHITECTUALLY SEALED	25% OF PERMIT FEE
DEMO – COMMERCIAL, INDUSTRIAL OR RESIDENTIAL	FIGURE FOR FEE BASED ON VALUE OF DEMOLITION
PRE-MANUFACTURED HOMES – SINGLE WIDE, DOUBLE WIDE, MODULAR & PRE-MANUFACTURED HOMES	FIGURE FOR FEE BASED ON ONE HALF OF VALUE WITH A MINIMUM BASE FEE OF $175
ALL PERMIT FEES ARE SUBJECT TO ADDITIONAL FEES TO COVER INSPECTIONS	ADDITIONAL INSPECTIONS $45
EXPIRED PERMIT RENEWAL FEES	ORIGINAL FEE UNDER $100 – $45.00 FLAT FEE ORIGINAL FEE OVER $100 – 45%

*Subject to complexity of project

At a regular meeting of the City Council of the City of Norton Shores, held at the Norton Shores Branch Library, 705 Seminole Road, on the 3rd day of September 2019 the foregoing resolution was moved for adoption by Council Member _____. The motion was supported by Council Member _____.

Ayes:

Nays:

Resolution declared adopted/denied

_____

Shelly Stibitz, City Clerk

city of Norton Shores

Internal Memo

August 15, 2019

To: Mark Meyers, City Administrator

From: Robert Gagnon, Fire Chief

Subject: Building Fee Structure Review

At the July 2nd City Council meeting, an amendment to the building fee structure was proposed. The proposed amendment included a fee increase that would adjust fees, not changed since 2008, to a more competitive rate that was in line with our surrounding municipalities. The proposed increase was estimated to generate an additional $120,000 in annual revenue and would provide the funding for a full-time building inspector along with adding additional revenue to cover the pending building fund deficit projected to hit in 2021.

After much discussion, the City Council voted to postpone the adoption of the proposed building fee schedule, to allow staff the time to re-evaluate formulas used in the proposed fee schedule. City Councils concerns were that the proposed schedule included too large of a fee increase. It was then City Councils direction to re-evaluate the fees, increasing them to only cover the cost of an additional full-time inspector and provide for a slight increase to cover the pending fund balance deficit.

Staff re-evaluated the building fee schedule and adjusted the formulas which resulted in an estimated revenue increase of $82,650, which is $37,350 below the original proposal. The newly proposed schedule provides funding for a full-time inspector in lieu of a part time inspector with the balance being applied to cover the pending building fund deficit.

Please see below the same example used in the previous City Council Meeting, however, with the newly proposed fee schedule.

Fees based upon a $2,000 building project

Building Fee Survey	
Fruitport Twp.	$97.50
State of Michigan	$95.00
City of Muskegon	$90.00
Norton Shores (Proposed)	$87.50
Spring Lake Twp.	$85.00
Muskegon Twp.	$75.00
Laketon Twp.	$75.00
City of Grand Haven	$67.00
Norton Shores (Current)	$67.00
Grand Haven Twp.	$42.00

As you can see, the proposed fee schedule would place Norton Shores 4th in terms of the fee charged for a $2,000 building project. This represents a $20.50 increase over our current fee charged.

I would like to request City Council's consideration in adopting the attached proposed building fee schedule. I would be available to discuss this recommendation with City Council at an upcoming City Council meeting.