



**COUNTY OF ALBEMARLE**  
 Department of Community Development  
 Inspections Division  
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## MEMORANDUM

To: Mark Graham – Director of Community Development

From: Jay Schlothauer – Director of Inspections

Date: March 24, 2008

Re: Recommended Revision of Permit Fees for Single-Family Houses

Type of Permit	Current	Suggested by PFM
Building	.14 / sq. ft.	160.00
Electrical	50.00	65.00
Temporary service	25.00	60.00
Early service	25.00	95.00
Plumbing	50.00	65.00
Water line	25.00	20.00
Sewer line	25.00	25.00
Mechanical	50.00	60.00
Underground storage tank	50.00	170.00
Aboveground storage tank	25.00	100.00
Gas/oil lines	25.00	35.00
Zoning	20.00	30.00

The table above enumerates the current and suggested fees for all of the various permits typically associated with the construction of a new single-family house (including townhouses). The current fees appear in Chapter 5 of the Albemarle County Code, and are described as “residential structures in use groups R-3 and R-4”. (The R-3 and R-4 designations are building code descriptors that were pertinent when the fee schedule was last modified. Although the R-3 label is still accurate, the R-4 label will be changed to reflect the newer building code designation of R-5.) The suggested fees are from Table ES-1 of the 2007 Report for Albemarle County

Community Development Fee Study, which was developed by Public Financial Management (PFM).

It is recommended that one, unified fee be established to cover all of the costs incurred in processing the paperwork and performing the field inspections related to building a new single-family dwelling. Now, separate permits are required for each of the items listed in the table above.

Currently, the electrical, plumbing and mechanical permits cover all of the aspects of those trades that are common, and necessary, in a new house. The other permits, described in the following four paragraphs, can be considered as ancillary permits.

The temporary service permit is for the temporary electrical service pole and plug-in that are needed to provide electricity to a site with no building, which is very typical for a new house. The early service permit is for energizing certain circuits of the house's electrical panel before the electrical system is complete. This allows for painting, floor finishing, etc. to proceed in a well-lit, climate-controlled environment. This is also very typical in new house construction.

Water line and sewer line permits are only required for connection to the public (ACSA) water and sewer system. They are not required for houses utilizing wells and septic systems (these elements are regulated by the Health Department).

Underground storage tanks (UST) and aboveground storage tanks (AST) are for propane storage for houses where gas service from Charlottesville Gas is not available. A new house will not have both types of tanks; just one or the other. Regardless of the source, gas is being provided in the vast majority of new houses. Currently the gas/oil line permit is not a part of the overall mechanical permit.

Two zoning inspections, a preliminary zoning inspection and a final zoning inspection are performed on all new houses.

In the table above, it is noted that the current fee for the building permit is based on a per-square-foot formula. PFM has recommended a flat rate of \$160. All of the comparable jurisdictions surveyed by PFM charged for building permits using a per-square-foot formula. It is recommended that Albemarle continue with a per-square-foot formula for computing a unified fee.

Currently, the sum of all the ancillary fees is \$320. (Since houses are not built with both an AST and a UST, the \$320 sum is based on the lower of the two tank fees.) Using the same AST/UST assumption, the sum of the recommended ancillary fees is \$555. The difference between the two sums indicates that Albemarle's fee collection is only offsetting 58% of the total costs. Increasing the current \$320 sum by 73% will achieve the \$555 figure for recommended ancillary fees.

County real estate assessors have informally indicated that the average new house size in Albemarle County is 2,200 sq. ft. (This does not include residential condominiums, which are

not single-family houses for the purposes of this report.) Based on the current fee schedule, the total permit fee for a 2,200 sq. ft. house, including the ancillary fees described in the paragraph above, would be \$628 ( $0.14 \times 2200 + 320 = 628$ ). Increasing that fee by 73%, for full recovery of costs, results in a total fee of \$1086. Converting that total to a per-square-foot unit cost equals \$0.49 ( $1086 \div 2200 = 0.494$ ).

It is understood, that in this conversion of set fees to per-square-foot unit fees, the 73% increased recovery factor will only pertain perfectly to the 2,200 square foot example used in the exercise. The percentage figure will be less for square footages below 2,200 and greater for square footages above 2,200. However, by using the average square footage for the starting point, it is anticipated that overall fee recovery, for single-family houses, will accurately offset the expenses incurred in delivering permit processing and field inspection activities. A review of building permit records over a recent four-month period indicates that 138 permits for single-family houses, totaling \$97,405 in fees (including ancillary fees) were processed. Assuming the 73% fee increase, this total figure would have been \$168,511.

The preceding assessment has been based on “new” single-family dwellings. However, it is felt that the findings can be equivalently applied to additions to single-family dwellings. Although all of the ancillary permits are not typically utilized in the construction of an addition to a house (i.e. temporary service, early service, water line, sewer line, underground / aboveground storage tanks and gas / oil lines), the major ancillary permits (i.e. electrical, plumbing, mechanical and zoning) are. Despite not utilizing all of the ancillary permits, as was the assumption in the new house calculations, the fee recovery percentage figure will be less than 73% because the typical square footage of an addition is less than that for the average new house (2,200 sq. ft.). Equivalency between new house costs and addition costs is expected because both the County’s cost to service the addition permits and the lower recovery percentage will balance each other.

Changing from the current system of one main building permit and numerous ancillary permits to a single permit for new house and residential addition construction will expedite the paperwork processing aspect of permit issuance. It will make no difference to the field inspection process. Recently, the county initiated a program where field inspections can be scheduled by individual citizens and contractors by way of the internet. Currently, effort is expended in determining whether or not the required ancillary permits have been issued prior to setting up field inspections for new houses and residential additions. The proposed unified permit system will alleviate this effort; it will only be necessary to verify that the unified permit has been issued.

It is recommended that the current building permit fee schedule be amended to include the unified permit for new single-family dwellings and additions to single-family dwellings. The recommended fee is \$0.49 per square foot.

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