



ARAPAHOE COUNTY  
COLORADO'S FIRST

## BOARD SUMMARY REPORT

### Public Works and Development

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**BRYAN D. WEIMER, PWLF**  
Director

**Date:** November 12, 2020

**To:** Board of County Commissioners

**Through:** Bryan D. Weimer, PWLF, Director  
Public Works and Development

**From:** Joe Richards, Building Division Manager &  
Rebecca Doane, Support Services Division Manager

**Subject:** **Board Approval to Increase Building Permit and Re-Inspection Fees**

### Request and Recommendation

The Arapahoe County Public Works and Development Department (PWD) is recommending that the Board of County Commissioners (BOCC) adopt a Resolution to (1) implement a 50% increase in Building permit fees and (2) increase Building re-inspection fees from \$75 per hour to \$125 per inspection. If approved, PWD proposes that the fee increases be implemented effective January 1, 2021.

### Background

On October 27, 2020, PWD gave a Study Session presentation to the Board of County Commissioners regarding a proposal to increase Building permit and re-inspection fees. PWD is recommending these proposed fee increases for several reasons, including:

1. Building permit fees are still following the 1997 UBC Fee Schedule, but the cost of maintaining PWD operations has significantly increased in the 23 years since the 1997 UBC Fee Schedule was published; therefore, Arapahoe County Building permit fees have not kept pace with inflation and increased costs of operations.
2. Building permit fees are significantly lower in Arapahoe County than in neighboring jurisdictions and will continue to be lower than most jurisdictions even with a 50% fee increase.
3. The proposed fee increase would result in revenue more closely matching PWD's costs of providing development-related services for unincorporated Arapahoe County.
4. The proposed re-inspection fee of \$125 per inspection will cover the average cost of completing re-inspections; whereas, the current rate of \$75 per hour does not cover the average cost of completing re-inspections.

BOCC agreed with the recommendations presented by PWD at the October 27, 2020 Study Session and directed PWD to proceed with the next steps in the process. PWD has conducted outreach to customers and representatives in the building industry and, as of the date of this Board Summary Report, has received no

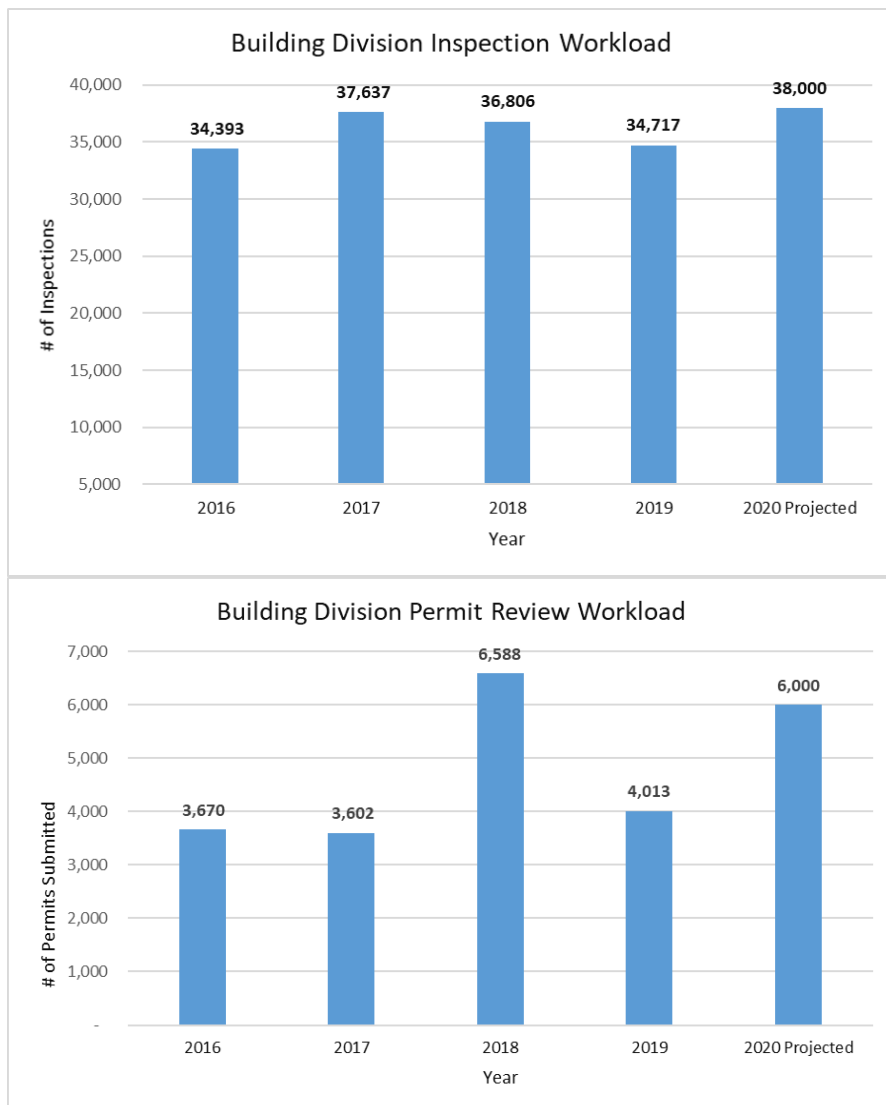


objections to the proposed fee increases. Public notice was published in *The Villager* to notify the public of this proposal and the public hearing date of November 24, 2020.

**Discussion**

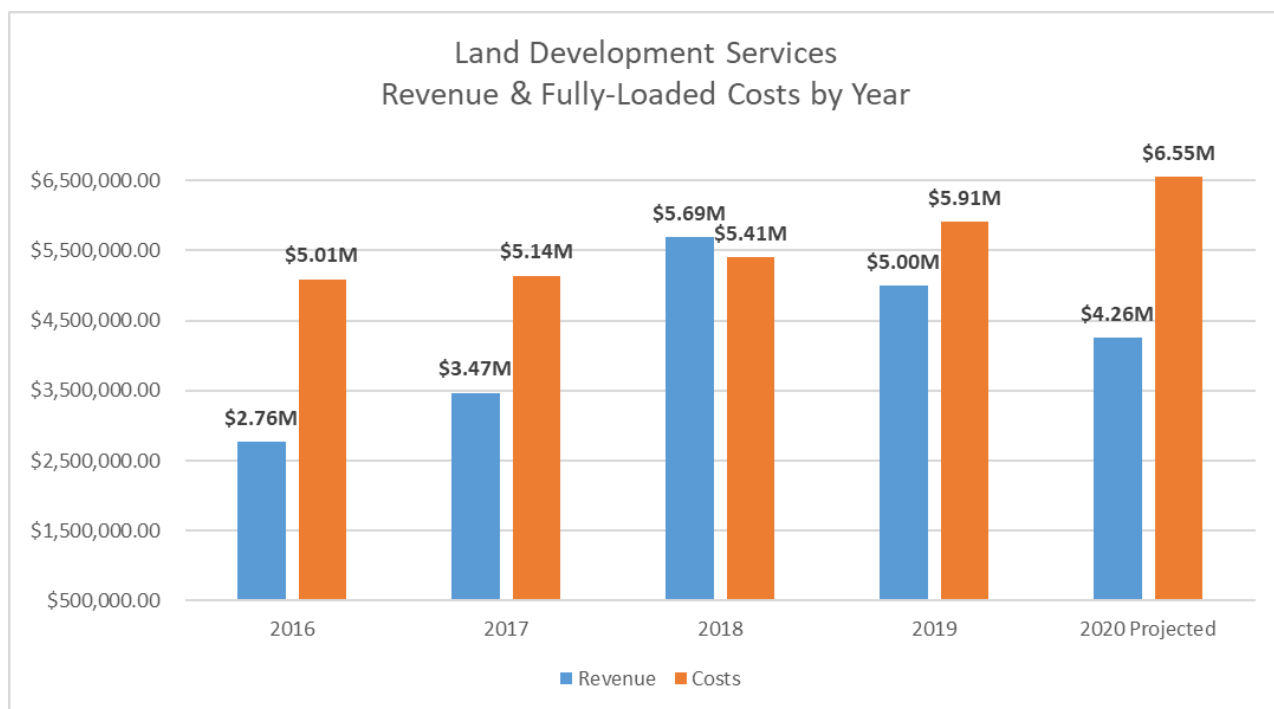
Workload in the Land Development Services divisions (Building, Engineering Services, and Planning/Zoning) has remained high over the past several years, and development in Arapahoe County remained strong throughout the pandemic this year. All signs indicate that a high level of building development will continue in Arapahoe County through 2021 and beyond.

Building inspections for the year are significantly higher in 2020 over the same time period in 2019 and are projected to exceed even 2018 levels; this reflects the high workload in 2020 and is particularly noteworthy in light of the pandemic. The total number of permits submitted in 2020 is above 2019 levels and is projected to be close to 2018 levels, with a high number of commercial permits submitted in 2020. Commercial permits contribute to a higher workload because they are generally more complex and take longer to review than other permits. The workload over the past five years is shown on the following charts.



In preparing this recommendation for Building permit fees, PWD first reviewed the revenue and expenditures for the three Land Development Services (LDS) groups within PWD: Building, Engineering Services, and Planning/Zoning. Revenue and fully-loaded cost data for the last four fiscal years were reviewed in addition to projections for the current fiscal year. Fully-loaded costs for this purpose include all of the actual expenditures of the divisions’ operations and County and Department administrative/support costs that are applied to all positions. County administrative costs include services provided by IT, HR, Finance, as well as workers’ compensation and risk insurance and the cost of maintaining and operating County buildings. Department administrative costs include the costs of the PWD Director and the Support Services Division which provide services to all positions in the Department. Such costs are allocated on a per position basis for this purpose.

The below chart provides the revenue and fully-loaded costs totaled for all three LDS groups from 2016-2019 along with projections for 2020.



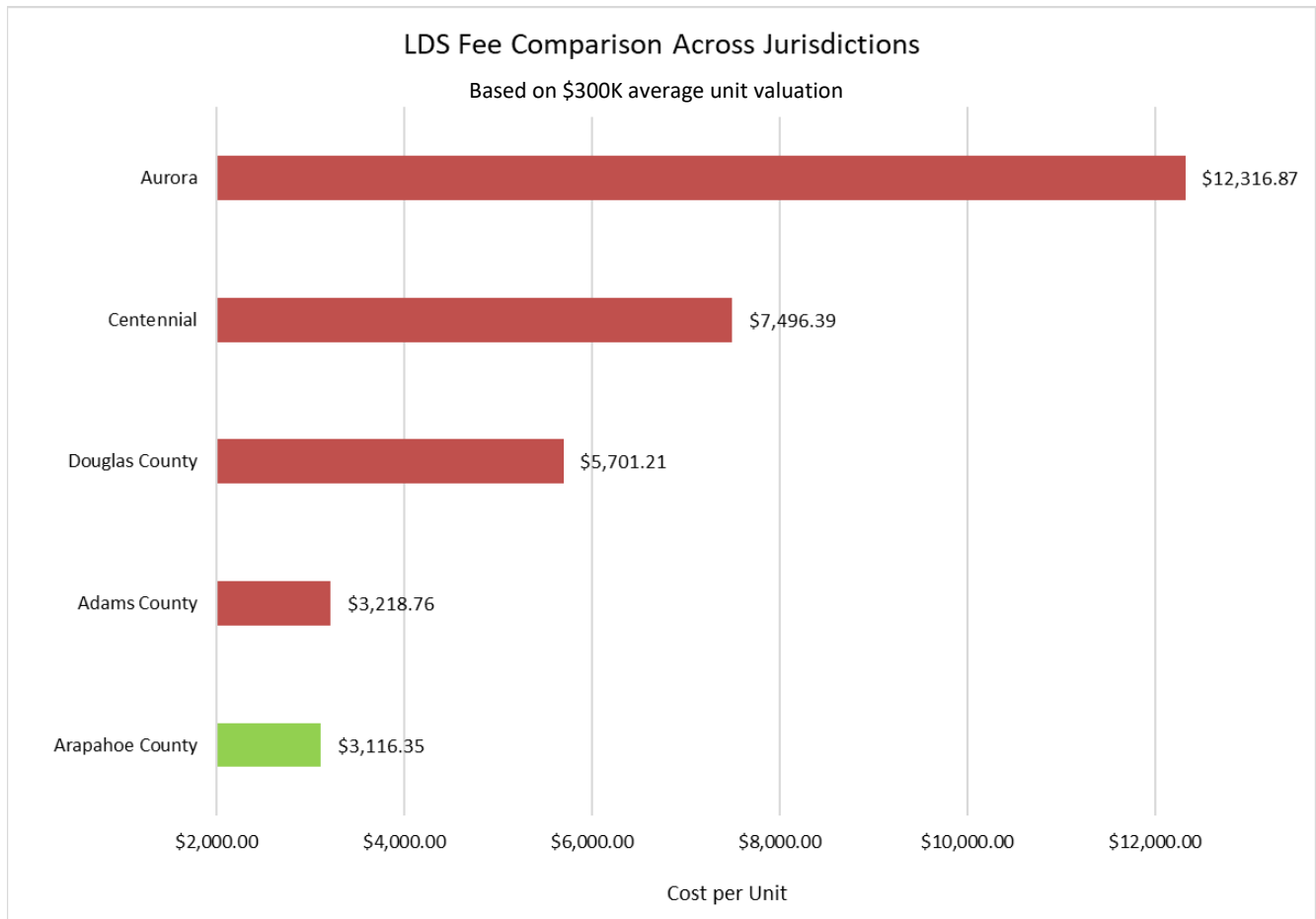
The percentage that revenue covered fully-loaded costs for each year over the five-year period is:

<b>% Revenue Covered Costs Over 5-Year Period:</b>	<b>75.37%</b>
In 2016:	54.25%
In 2017:	67.48%
In 2018:	105.29%
In 2019:	84.51%
Projected for 2020:	65.01%

Note that only in 2018 did the revenue collected exceed total costs; in all other years, costs exceeded revenue.



Most LDS fees have not been changed in many years, and Arapahoe County remains low in its LDS fees as compared to neighboring jurisdictions. A comprehensive fee comparison was completed within the past five years that showed Arapahoe County fees being lower than Douglas County, Adams County, Aurora, and Centennial. The comparison looked at the fees associated with building 333 single family homes on 67 acres with an average unit valuation of \$300,000, including the planning, engineering, and building services from barren land to fully developed and accepted. This comparison normalized the way various jurisdictions charge for services as they are located differently between various phases of the development process. Using that example, the fees per unit charged by the jurisdiction were as follows:

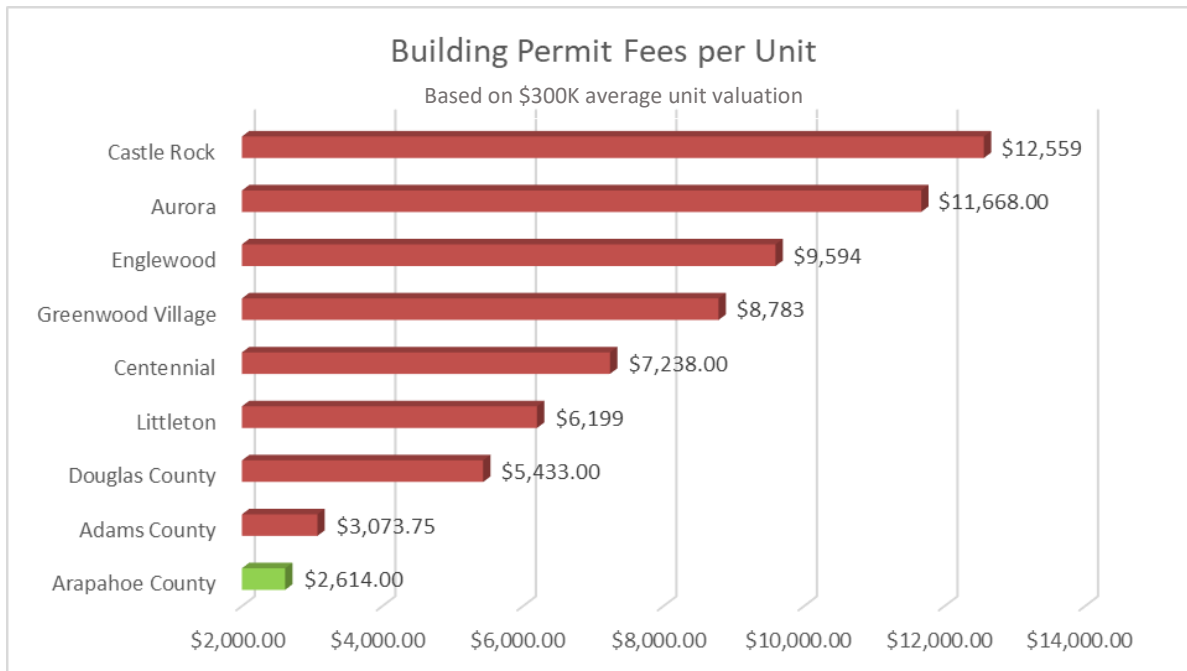


While some fees in the jurisdictions noted above may have changed since the fee comparison was completed a few years ago, any such changes would likely have been fee increases, and therefore, would not change Arapahoe County’s standing when compared to these neighboring jurisdictions.

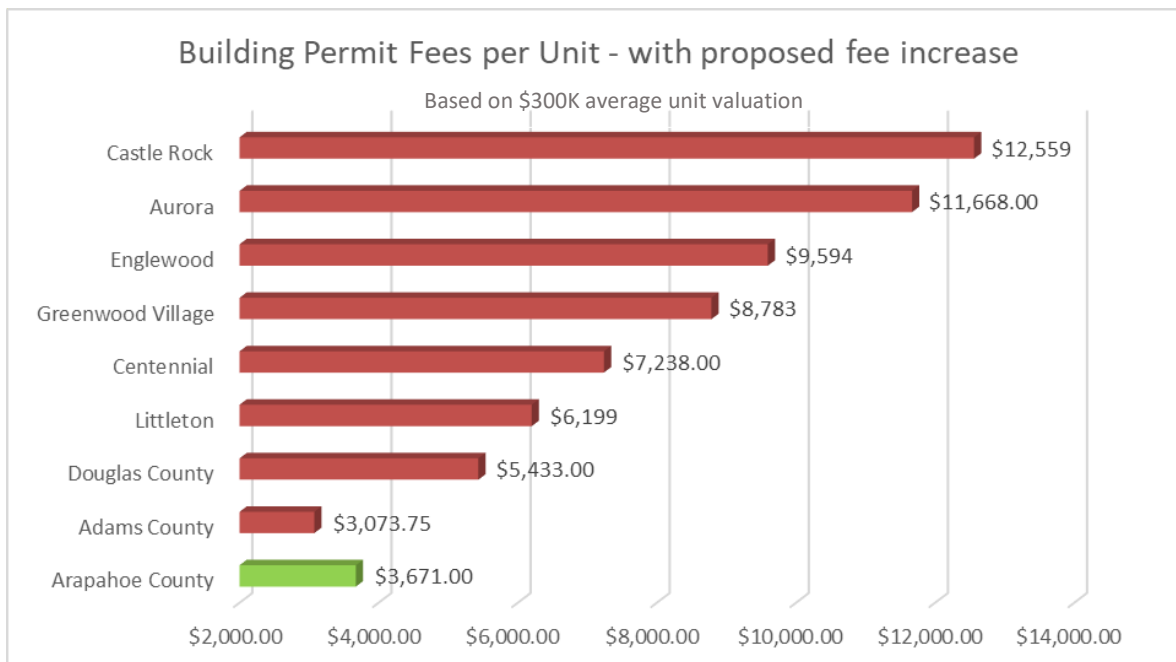
Regarding Building permit fees specifically, PWD is assessing fees using the 1997 Uniform Building Code (UBC) fee schedule. The cost of maintaining PWD operations has significantly increased in the 23 years since those fee recommendations were published, and as such, Building permit fees have not kept pace with inflation and increased costs of operations. The 1997 recommendations were the last ones published by the UBC.



Using the same example from the fee comparison study of 333 single family homes on 67 acres with an average unit valuation of \$300,000, but this time considering just Building permit fees per unit, here’s how Arapahoe County compares with other jurisdictions based on 2019 fee data:



Given the significant amount of time that has transpired since Building permit fees were last updated and how low Arapahoe County’s fees are compared to other jurisdictions, PWD is recommending a 50% increase in Building permit fees at this time. Attached is the current fee schedule and the proposed fee schedule showing the 50% increase. If this fee increase were to be approved, here is the way it would impact Arapahoe County’s standing among other jurisdictions using the same example as above:



As shown in the above chart, the proposed 50% increase in Building permit fees would put Arapahoe County’s fees slightly above Adams County in terms of per unit cost, but still significantly less than the other jurisdictions. Outreach to the building industry indicates that there is not concern among industry representatives about this proposed 50% increase in permit fees, as Arapahoe County will continue to remain on the low end of fees as compared to neighboring jurisdictions. Furthermore, data shows that increasing permit fees does not generally have a negative impact on the volume of building development in a particular area, as the primary reasons for building in an area are based on factors other than permitting costs.

PWD is also recommending increasing Building re-inspection fees from \$75 per hour to \$125 per inspection. This proposed rate of \$125 per inspection would cover the actual average costs of sending inspectors to sites for re-inspections. In addition, it is hoped that this increased cost will result in less re-inspections over time, as customers would ensure that work is proper and complete before requesting an inspection or re-inspection.

**Fiscal Impact**

If the recommended increase to Building permit fees is approved by the BOCC, PWD estimates that an additional \$1.26 million in revenue will be received in 2021 above the current requested budget amount for 2021. Details are provided below.

<u>Revenue Account</u>	<u>2021 Requested Budget</u>	<u>2021 Projected Revenue</u>	<u>2021 Projected Revenue w/Proposed Fee Changes Applied</u>	<u>Difference with Proposed Fees Applied</u>
Building Permits (104575100-42250)	\$2,000,000.00	\$2,000,000.00	\$3,000,000.00	\$1,000,000.00
Plan Check Fees* (104575100-44382)	\$700,000.00	\$700,000.00	\$962,500.00	\$262,500.00
<b>TOTAL</b>	<b>\$2,700,000.00</b>	<b>\$2,700,000.00</b>	<b>\$3,962,500.00</b>	<b>\$1,262,500.00</b>
*Note that Building Master Plan Check Fees, which are included in the Plan Check Fees revenue account, will not increase as a result of this fee proposal but instead will remain at the current rate of \$500. This is accounted for in the above projections.				

If the proposed fee changes are adopted, it would put the LDS groups at 75% of covering costs with revenue in 2021, based on projected revenue and expenditures for 2021.

No fiscal impact is being calculated for the proposed re-inspection fee increase because it may not result in additional revenue if the number of re-inspections decrease, as it is hoped they will. PWD views a decrease in overall re-inspections to be a benefit in that it will reduce the workload for inspections and would also save time and money for customers.

**Reviewed By**

- Bryan D. Weimer, PWD Director
- Todd Weaver, Finance Director
- Robert Hill, Assistant County Attorney

**Attachment:** Current and Proposed Building Permit Fee Schedule



***BOCC General Business Item, Building Permit Fee Increases – November 24, 2020 – Page 7***

cc: Todd Weaver, Finance Department  
Leanna Quint, Finance Department  
Robert Hill, Assistant County Attorney  
Joe Richards, PWD  
Chuck Haskins, PWD  
Jason Reynolds, PWD  
Jan Yeckes, PWD  
Rebecca Doane, PWD  
File (2021 Budget)  
Reader



**Building Permit Fees - CURRENT FEES**

VALUE	PERMIT	PLAN CK	TOTAL FEES	VALUE	PERMIT	PLAN CK	TOTAL FEES
1.00-1800	\$63.15	\$41.05	\$104.20	50001-51000	\$650.75	\$422.99	\$1,073.74
1801-1900	\$66.20	\$43.03	\$109.23	51001-52000	\$657.75	\$427.54	\$1,085.29
1901-2000	\$69.25	\$45.01	\$114.26	52001-53000	\$664.75	\$432.09	\$1,096.84
2001-3000	\$83.25	\$54.11	\$137.36	53001-54000	\$671.75	\$436.64	\$1,108.39
3001-4000	\$97.25	\$63.21	\$160.46	54001-55000	\$678.75	\$441.19	\$1,119.94
4001-5000	\$111.25	\$72.31	\$183.56	55001-56000	\$685.75	\$445.74	\$1,131.49
5000-6000	\$125.25	\$81.41	\$206.66	56001-57000	\$692.75	\$450.29	\$1,143.04
6001-7000	\$139.25	\$90.51	\$229.76	57001-58000	\$699.75	\$454.84	\$1,154.59
7001-8000	\$153.25	\$99.61	\$252.86	58001-59000	\$706.75	\$459.39	\$1,166.14
8001-9000	\$167.25	\$108.71	\$275.96	59001-60000	\$713.75	\$463.94	\$1,177.69
9001-10000	\$181.25	\$117.81	\$299.06	60001-61000	\$720.75	\$468.49	\$1,189.24
10001-11000	\$195.25	\$126.91	\$322.16	61001-62000	\$727.75	\$473.04	\$1,200.79
11001-12000	\$209.25	\$136.01	\$345.26	62001-63000	\$734.75	\$477.59	\$1,212.34
12001-13000	\$223.25	\$145.11	\$368.36	63001-64000	\$741.75	\$482.14	\$1,223.89
13001-14000	\$237.25	\$154.21	\$391.46	64001-65000	\$748.75	\$486.69	\$1,235.44
14001-15000	\$251.25	\$163.31	\$414.56	65001-66000	\$755.75	\$491.24	\$1,246.99
15001-16000	\$265.25	\$172.41	\$437.66	66001-67000	\$762.75	\$495.79	\$1,258.54
16001-17000	\$279.25	\$181.51	\$460.76	67001-68000	\$769.75	\$500.34	\$1,270.09
17001-18000	\$293.25	\$190.61	\$483.86	68001-69000	\$776.75	\$504.89	\$1,281.64
18001-19000	\$307.25	\$199.71	\$506.96	69001-70000	\$783.75	\$509.44	\$1,293.19
19001-20000	\$321.25	\$208.81	\$530.06	70001-71000	\$790.75	\$513.99	\$1,304.74
20001-21000	\$335.25	\$217.91	\$553.16	71001-72000	\$797.75	\$518.54	\$1,316.29
21001-22000	\$349.25	\$227.01	\$576.26	72001-73000	\$804.75	\$523.09	\$1,327.84
22001-23000	\$363.25	\$236.11	\$599.36	73001-74000	\$811.75	\$527.64	\$1,339.39
23001-24000	\$377.25	\$245.21	\$622.46	74001-75000	\$818.75	\$532.19	\$1,350.94
24001-25000	\$391.25	\$254.31	\$645.56	75001-76000	\$825.75	\$536.74	\$1,362.49
25001-26000	\$401.35	\$260.88	\$662.23	76001-77000	\$832.75	\$541.29	\$1,374.04
26001-27000	\$411.45	\$267.44	\$678.89	77001-78000	\$839.75	\$545.84	\$1,385.59
27001-28000	\$421.55	\$274.01	\$695.56	78001-79000	\$846.75	\$550.39	\$1,397.14
28001-29000	\$431.65	\$280.57	\$712.22	79001-80000	\$853.75	\$554.94	\$1,408.69
29001-30000	\$441.75	\$287.14	\$728.89	80001-81000	\$860.75	\$559.49	\$1,420.24
30001-31000	\$451.85	\$293.70	\$745.55	81001-82000	\$867.75	\$564.04	\$1,431.79
31001-32000	\$461.95	\$300.27	\$762.22	82001-83000	\$874.75	\$568.59	\$1,443.34
32001-33000	\$472.05	\$306.83	\$778.88	83001-84000	\$881.75	\$573.14	\$1,454.89
33001-34000	\$482.15	\$313.40	\$795.55	84001-85000	\$888.75	\$577.69	\$1,466.44
34001-35000	\$492.25	\$319.96	\$812.21	85001-86000	\$895.75	\$582.24	\$1,477.99
35001-36000	\$502.35	\$326.53	\$828.88	86001-87000	\$902.75	\$586.79	\$1,489.54
36001-37000	\$512.45	\$333.09	\$845.54	87001-88000	\$909.75	\$591.34	\$1,501.09
37001-38000	\$522.55	\$339.66	\$862.21	88001-89000	\$916.75	\$595.89	\$1,512.64
38001-39000	\$532.65	\$346.22	\$878.87	89001-90000	\$923.75	\$600.44	\$1,524.19
39001-40000	\$542.75	\$352.79	\$895.54	90001-91000	\$930.75	\$604.99	\$1,535.74
40001-41000	\$552.85	\$359.35	\$912.20	91001-92000	\$937.75	\$609.54	\$1,547.29
41001-42000	\$562.95	\$365.92	\$928.87	92001-93000	\$944.75	\$614.09	\$1,558.84
42001-43000	\$573.05	\$372.48	\$945.53	93001-94000	\$951.75	\$618.64	\$1,570.39
43001-44000	\$583.15	\$379.05	\$962.20	94001-95000	\$958.75	\$623.19	\$1,581.94
44001-45000	\$593.25	\$385.61	\$978.86	95001-96000	\$965.75	\$627.74	\$1,593.49
45001-46000	\$603.35	\$392.18	\$995.53	96001-97000	\$972.75	\$632.29	\$1,605.04
46001-47000	\$613.45	\$398.74	\$1,012.19	97001-98000	\$979.75	\$636.84	\$1,616.59
47001-48000	\$623.55	\$405.31	\$1,028.86	98001-99000	\$986.75	\$641.39	\$1,628.14
48001-49000	\$633.65	\$411.87	\$1,045.52	99001-100000	\$993.75	\$645.94	\$1,639.69
49001-50000	\$643.75	\$418.44	\$1,062.19				
100,001-500,000	\$993.75 for the first \$100,000 + \$5.60 for each \$1,000 unit or fraction thereof to \$500,000 + 65%						
500,001-1,000,000	\$3,233.75 for the first \$500,000 + \$4.75 for each \$1,000 unit or fraction thereof to \$1,000,000 + 65%						
1,000,000 and over	\$5,608.75 for the first \$1,000,000 + \$3.15 for each additional \$1000 unit or fraction thereof, + 65 %						



**Building Permit Fees - PROPOSED FEES**

VALUE	PERMIT	PLAN CK	TOTAL FEES	VALUE	PERMIT	PLAN CK	TOTAL FEES
1.00-1800	\$94.73	\$61.57	\$156.30	50001-51000	\$976.13	\$634.48	\$1,610.61
1801-1900	\$99.30	\$64.55	\$163.85	51001-52000	\$986.63	\$641.31	\$1,627.93
1901-2000	\$103.88	\$67.52	\$171.39	52001-53000	\$997.13	\$648.13	\$1,645.26
2001-3000	\$124.88	\$81.17	\$206.04	53001-54000	\$1007.63	\$654.96	\$1,662.58
3001-4000	\$145.88	\$94.82	\$240.69	54001-55000	\$1018.13	\$661.78	\$1,679.91
4001-5000	\$166.88	\$108.47	\$275.34	55001-56000	\$1028.63	\$668.61	\$1,697.23
5000-6000	\$187.88	\$122.12	\$309.99	56001-57000	\$1039.13	\$675.43	\$1,714.56
6001-7000	\$208.88	\$135.77	\$344.64	57001-58000	\$1049.63	\$682.26	\$1,731.88
7001-8000	\$229.88	\$149.42	\$379.29	58001-59000	\$1060.13	\$689.08	\$1,749.21
8001-9000	\$250.88	\$163.07	\$413.94	59001-60000	\$1070.63	\$695.91	\$1,766.53
9001-10000	\$271.88	\$176.72	\$448.59	60001-61000	\$1081.13	\$702.73	\$1,783.86
10001-11000	\$292.88	\$190.37	\$483.24	61001-62000	\$1091.63	\$709.56	\$1,801.18
11001-12000	\$313.88	\$204.02	\$517.89	62001-63000	\$1102.13	\$716.38	\$1,818.51
12001-13000	\$334.88	\$217.67	\$552.54	63001-64000	\$1112.63	\$723.21	\$1,835.83
13001-14000	\$355.88	\$231.32	\$587.19	64001-65000	\$1123.13	\$730.03	\$1,853.16
14001-15000	\$376.88	\$244.97	\$621.84	65001-66000	\$1133.63	\$736.86	\$1,870.48
15001-16000	\$397.88	\$258.62	\$656.49	66001-67000	\$1144.13	\$743.68	\$1,887.81
16001-17000	\$418.88	\$272.27	\$691.14	67001-68000	\$1154.63	\$750.51	\$1,905.13
17001-18000	\$439.88	\$285.92	\$725.79	68001-69000	\$1165.13	\$757.33	\$1,922.46
18001-19000	\$460.88	\$299.57	\$760.44	69001-70000	\$1175.63	\$764.16	\$1,939.78
19001-20000	\$481.88	\$313.22	\$795.09	70001-71000	\$1186.13	\$770.98	\$1,957.11
20001-21000	\$502.88	\$326.87	\$829.74	71001-72000	\$1196.63	\$777.81	\$1,974.43
21001-22000	\$523.88	\$340.52	\$864.39	72001-73000	\$1207.13	\$784.63	\$1,991.76
22001-23000	\$544.88	\$354.17	\$899.04	73001-74000	\$1217.63	\$791.46	\$2,009.08
23001-24000	\$565.88	\$367.82	\$933.69	74001-75000	\$1228.13	\$798.28	\$2,026.41
24001-25000	\$586.88	\$381.47	\$968.34	75001-76000	\$1238.63	\$805.11	\$2,043.73
25001-26000	\$602.03	\$391.32	\$993.34	76001-77000	\$1249.13	\$811.93	\$2,061.06
26001-27000	\$617.18	\$401.16	\$1018.34	77001-78000	\$1259.63	\$818.76	\$2,078.38
27001-28000	\$632.33	\$411.01	\$1043.34	78001-79000	\$1270.13	\$825.58	\$2,095.71
28001-29000	\$647.48	\$420.86	\$1068.33	79001-80000	\$1280.63	\$832.41	\$2,113.03
29001-30000	\$662.63	\$430.71	\$1093.33	80001-81000	\$1291.13	\$839.23	\$2,130.36
30001-31000	\$677.78	\$440.55	\$1118.33	81001-82000	\$1301.63	\$846.06	\$2,147.68
31001-32000	\$692.93	\$450.40	\$1143.33	82001-83000	\$1312.13	\$852.88	\$2,165.01
32001-33000	\$708.08	\$460.25	\$1168.32	83001-84000	\$1322.63	\$859.71	\$2,182.33
33001-34000	\$723.23	\$470.10	\$1193.32	84001-85000	\$1333.13	\$866.53	\$2,199.66
34001-35000	\$738.38	\$479.94	\$1218.32	85001-86000	\$1343.63	\$873.36	\$2,216.98
35001-36000	\$753.53	\$489.79	\$1243.32	86001-87000	\$1354.13	\$880.18	\$2,234.31
36001-37000	\$768.68	\$499.64	\$1268.31	87001-88000	\$1364.63	\$887.01	\$2,251.63
37001-38000	\$783.83	\$509.49	\$1293.31	88001-89000	\$1375.13	\$893.83	\$2,268.96
38001-39000	\$798.98	\$519.33	\$1318.31	89001-90000	\$1385.63	\$900.66	\$2,286.28
39001-40000	\$814.13	\$529.18	\$1343.31	90001-91000	\$1396.13	\$907.48	\$2,303.61
40001-41000	\$829.28	\$539.03	\$1368.30	91001-92000	\$1406.63	\$914.31	\$2,320.93
41001-42000	\$844.43	\$548.88	\$1393.30	92001-93000	\$1417.13	\$921.13	\$2,338.26
42001-43000	\$859.58	\$558.72	\$1418.30	93001-94000	\$1427.63	\$927.96	\$2,355.58
43001-44000	\$874.73	\$568.57	\$1443.30	94001-95000	\$1438.13	\$934.78	\$2,372.91
44001-45000	\$889.88	\$578.42	\$1468.29	95001-96000	\$1448.63	\$941.61	\$2,390.23
45001-46000	\$905.03	\$588.27	\$1493.29	96001-97000	\$1459.13	\$948.43	\$2,407.56
46001-47000	\$920.18	\$598.11	\$1518.29	97001-98000	\$1469.63	\$955.26	\$2,424.88
47001-48000	\$935.33	\$607.96	\$1543.29	98001-99000	\$1480.13	\$962.08	\$2,442.21
48001-49000	\$950.48	\$617.81	\$1568.28	99001-100000	\$1490.63	\$968.91	\$2,459.53
49001-50000	\$965.63	\$627.66	\$1593.28				
100,001-500,000	\$1,490.63 for the first \$100,000 + \$11.20 for each \$1,000 unit or fraction thereof to \$500,000 + 65%						
500,001-1,000,000	\$4,850.63 for the first \$500,000 + \$9.50 for each \$1,000 unit or fraction thereof to \$1,000,000 + 65%						
1,000,000 and over	\$8,413.13 for the first \$1,000,000 + \$6.30 for each additional \$1000 unit or fraction thereof, + 65 %						