



COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, AICP
Agency Director

BUILDING
SERVICES DIVISION

Tim Wegner, Chief Building Official

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, AICP
Agency Director

By: Tim Wegner, Chief Building Official
Building Services Division

DATE: July 22, 2014

SUBJECT: THIRD-PARTY PLAN CHECK SERVICES PROCESS AND FEE ADJUSTMENT

ACTION REQUESTED

1. Receive information on the third-party Building Plan Check Services Process, and
2. Approve a Resolution to reduce Building Services plan check fees by 40 percent for third-party plan check.

There is no net County cost associated with this action.

BACKGROUND/PROPOSAL

The Placer County Board of Supervisors adopted Resolution 2014-132 on July 8, 2014, establishing a fee schedule for the Community Development/Resource Agency, Building Services Division. Within the adopted schedule, plan check and permit fees are determined based upon project valuation and type.

Prior to issuance of any permit, County staff calculates service fees based upon the valuation of the project. Fifty-percent of such calculated fees are related to plan check and administrative costs, while the remaining 50 percent covers field inspection and related administrative costs.

Today, construction drawings are subject to plan check by either County staff, private consultants contracted by the County to provide these services at the County's discretion, or qualified County-approved third-party firms available at the applicant's discretion. Because of the volume of plans currently being submitted to the County, staff is seeing the turn-around timelines on plan checks extending beyond the County's anticipated timelines. Instead of the County's standard 4- to 6-week turn-around for plan checks, the recent volume of plans being submitted for review has caused the turn-around to expand beyond 6 weeks.

In an effort to reduce the turn-around timelines for plan check review, staff has concluded that the use of approved private third-party firms could afford equivalent plan check functions as the County's Building Service operation. The use of third-party firms may prove to relieve peak

season demands and extended plan checking turn-around times, for the same County services, by affording plan checking alternatives to the consumer. Relieving such peak season demands through alternative plan checking functions will potentially expedite plan check approval which will ultimately expedite the issuance of construction permits. Expediting permit approval processes translates into earlier construction commencement putting people to work, opening doors to new businesses sooner, and moving families into homes or using improvements more rapidly, all of which are good for Placer County and its economy.

As the use of third-party consultants reduces the demand on County resources, staff proposes to decrease third-party permit fees by 40 percent the cost of County plan checking services, excluding administrative costs associated with third-party plan checking and processing. By reducing the cost of third-party fees, applicants may be more inclined to select approved third-party firms for their plan checking needs, thereby potentially reducing plan check turn-around times.

FISCAL IMPACT

Approval of this Resolution will have no fiscal impact to the County, as third-party firms charge applicants independently for services rendered. There is no net County cost associated with this action.

CONCLUSION

In an effort to balance staffing needs with workload demands, staff has concluded that the utilization of outside third-party consultants is an alternative solution to facilitating projects through the plan check process. Reducing plan check turn-around times allows quicker permit issuance and project commencement--all of which are beneficial for the community: getting people back to work, families enjoying their new homes or improvements, and businesses employing and serving the community by opening their doors as soon as possible.

ATTACHMENTS

Attachment 1: Resolution
Exhibit A: Revised Building Services Fee Schedule

cc: Michael Johnson, CD/RA Agency Director
Paul Thompson, Assistant CD/RA Agency Director-Tahoe
Karin Schwab, County Counsel
Dave Snyder, Economic Development Director

**Before the Placer County
Board of Supervisors
County of Placer, State of California**

In the matter of:

An amendment of the current fee schedule for the Community Development/Resource Agency, Building Services Division pertaining to third-party plan check services

Resol. No: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:
Clerk of said Board

Whereas, the Placer County Board of Supervisors adopted Resolution 2014-132 on July 8, 2014, establishing the current fee schedule for the Community Development/Resource Agency, Building Services Division.

Whereas, within the adopted schedule, plan check and permit fees are determined based upon project valuation and type.

Whereas, prior to issuance of any permit, County staff calculates service fees based upon the valuation of the project.

Whereas, to provide incentives to boost current construction activity in the County, staff has identified a means to reduce the permit fee for those applicants who utilize private third-party consultants to perform plan check functions.

Whereas, encouraging near term additional construction activity will result in putting people to work, opening doors to new businesses sooner, and moving families into homes or using improvements more rapidly, all of which are positive trends for continued economic recovery in the County.

Whereas, the use of third-party consultants reduces the demand on County resources, which can be reflected in a cost savings to the applicants who elect to utilize third-party firms for plan check functions.

Whereas, during peak season demands, the use of third-party firms for plan check can also expedite permit approval processes which in turn results in earlier construction commencement.

Whereas, to incentivize applicants to utilize third-party firms, staff proposes to decrease by 40 percent the cost of County plan checking services, excluding administrative costs, associated with third-party plan checking and processing.

Whereas, to implement said reduction, a minor revision to the current fee schedule, as indicated in Exhibit A, is required.

Whereas, the Board of Supervisors finds that said revision would provide costs savings to the public and will not result in a net increase of costs to the County.

Whereas, the Board of Supervisors finds that said revision is of benefit to the economic welfare of the County.

NOW, THEREFORE, BE IT RESOLVED by the Placer County Board of Supervisors to amend the Community Development/Resource Agency, Building Services Division fee schedule as set forth in Exhibit A, which is attached hereto and incorporated herein.

BE IF FURTHER RESOLVED, that this resolution shall be effective immediately.

EXHIBIT A

2014 BUILDING DEPARTMENT FEE SCHEDULE

PLANCHECK & PROCESSING FEES

- A. Full Plan Review Fee - 50% of the Fee as set forth in the Fee Schedule (Table 3-A). Applicable when plans are submitted. Includes plumbing, electrical, and mechanical review.
- B. Limited Review & Processing Fee - 10% of the Fee as set forth in the Fee Schedule (Table 3-A) or \$109.22. Applicable when review for compliance can be determined through a plot or site plan or referenced to a master plan previously reviewed and approved by the department **or when applicant contracts with one of County-approved 3rd Party Plan Review Companies.**
- C. Additional Planchek & Processing Fee - Applicable when additional plan review is required due to: **1)** Incomplete or unacceptable response by applicant on deficiencies found during the plan review process which results in 3 or more rechecks/correction letters; **2)** significant revisions submitted after plan review is well underway; or **3)** revisions submitted during construction to reflect field changes. Fees for such reviews shall be at the following hourly rate: \$109.22/hour of actual time spent with a minimum fee of \$109.22.
- D. Energy Compliance Review - Energy Compliance review will be \$109.22 per application for valuations up to \$400,000.00, and \$109.22 plus .0001 x building valuation for projects exceeding \$400,000.00. Additions and remodel projects with a valuation less than \$50,000.00 will be charged \$54.62.
- E. Accessibility Compliance Review - Accessibility Compliance review will be \$109.22 per application for valuations up to \$400,000.00, and \$109.22 plus .0001 x building valuation for projects exceeding \$400,000.00. Additions and remodel projects with a valuation less than \$50,000.00 will be charged \$54.35. Apartments less than 3 units, Townhomes less than 4 units, and any other buildings exempt from accessibility are not subject to this fee.

PERMIT & INSPECTION FEES

- A. Building Permit Fee - 50% of the Fee as set forth in the Fee Schedule (Table 3-A) in addition to any Electrical, Plumbing, and Mechanical Fees.
- B. Limited Building Permit Fee - 50% of the Fee as set forth in the Fee Schedule (Table 3-A) or \$109.22, whichever is greater. Applicable when inspection is associated with or referenced to a master plan previously reviewed and approved by the department.
- C. Strong Motion Fee (Seismic) - Residential Occupancies 1 to 3 stories in height except hotels and motels: \$10.00 per each \$100,000 of building valuation. With a minimum fee of \$.50

All Other Occupancies: \$21.00 per each \$100,000 of building valuation. With a minimum fee of \$.50

Established to fund the acquisition of **strong-motion** instruments and installing and maintaining such instruments as needed in representative geologic environments and structures throughout the state.

Placer County will retain 5% of the total amount it collects for data utilization and administration.

D. Building Standards Commission SB1473 - All Building Permits: \$4.00 per \$100,000 of building valuation or appropriate fractions thereof interpreted as \$1.00 per each \$25,000 of building valuation, with a minimum fee of \$1.00.

Established to fund development, adoption, publication, updating, and educational efforts associated with green building standards.

Placer County will retain 10% of the total amount it collects for code enforcement education and administration.

ELECTRICAL INSPECTION FEES *

* An electrical permit is required for all electrical work regulated by the California Electrical Code. Fees for work not included in Items 1 – 9 below shall be calculated based on the contract amount of the work being performed using Table 3-B of the Placer County Fee Schedule. Where such electrical work is performed in conjunction with a building permit, the fee is added to that permit, and a separate electrical permit is not required.

1. New Residential	Table 3-B
2. Addition or remodel to existing dwelling	Table 3-B
3. New Commercial	Table 3-B
4. Shell Building	Table 3-B
5. Commercial alterations/ tenant improvements	Table 3-B
6. Electric service change (per service)	\$109.22
7. Solar photovoltaic systems	
- Ground Mounted	\$258.80
- Roof Mounted	\$149.49
- Commercial Systems	1% of Valuation