

ORDINANCE NUMBER 2015-60

TO BE ENTITLED: “AN ORDINANCE TO AMEND THE CITY OF FRANKLIN MUNICIPAL CODE, APPENDIX A – COMPREHENSIVE FEES AND PENALTIES, CHAPTER 12 USE OF NATIONAL AVERAGED CONSTRUCTION COSTS TO CALCULATE PROJECT VALUATION”

WHEREAS, for the purpose of promoting the public health, safety, comfort, convenience, and general welfare of the people of Franklin, Tennessee, the Board of Mayor and Aldermen is authorized to prescribe regulations and standards that encourage and advance the quality of life within the City; and

WHEREAS, in its legislative judgment, the Board of Mayor and Aldermen has found that ordinances and policies that regulate land use, guide the maintenance of the city’s infrastructure, and delivery of essential services must be dynamic and modified from time to time to reflect changes in best practices, model codes, land and labor costs, and safety standards necessary to preserve and promote the private and public interest; and

WHEREAS, the Board of Mayor and Aldermen has determined that fees should be calculated using a standardized, national average for construction costs.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE AS FOLLOWS:

SECTION I: That Appendix A, Chapter 12 of the City of Franklin Municipal Code is hereby amended, and is approved to read as follows. Changed text is highlighted in **bold and is highlighted for clarity**:

CHAPTER 12: BUILDING, UTILITY, ETC. CODES

...	
<i>Total Valuation (Stated Valuation by applicant shall be compared to the most current International Code Council Standard Building Valuation Data and the greater of the two shall be used for purposes of calculating the fee using the table below)</i>	
\$1.00—\$999.00	\$30.00
...	

SECTION II. BE IT FINALLY ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, that this Ordinance shall take effect upon approval.

ATTEST: CITY OF FRANKLIN, TENNESSEE

BY: _____
ERIC S. STUCKEY
City Administrator

BY: _____
Dr. Ken Moore
Mayor

Approved as to form by:

Shauna R. Billingsley
City Attorney

PASSED FIRST READING:

December 8, 2015

PASSED SECOND READING:

January 12, 2016

Building Validation Data – AUGUST 2015

The International Code Council is pleased to provide the following Building Valuation Data (BVD) for its members. The BVD will be updated at six-month intervals, with the next update in February 2016. ICC strongly recommends that all jurisdictions and other interested parties actively evaluate and assess the impact of this BVD table before utilizing it in their current code enforcement related activities.

The BVD table provides the “average” construction costs per square foot, which can be used in determining permit fees for a jurisdiction. Permit fee schedules are addressed in Section 109.2 of the 2015 *International Building Code* (IBC) whereas Section 109.3 addresses building permit valuations. The permit fees can be established by using the BVD table and a Permit Fee Multiplier, which is based on the total construction value within the jurisdiction for the past year. The Square Foot Construction Cost table presents factors that reflect relative value of one construction classification/occupancy group to another so that more expensive construction is assessed greater permit fees than less expensive construction.

ICC has developed this data to aid jurisdictions in determining permit fees. It is important to note that while this BVD table does determine an estimated value of a building (i.e., Gross Area x Square Foot Construction Cost), this data is only intended to assist jurisdictions in determining their permit fees. This data table is not intended to be used as an estimating guide because the data only reflects average costs and is not representative of specific construction.

This degree of precision is sufficient for the intended purpose, which is to help establish permit fees so as to fund code compliance activities. This BVD table provides jurisdictions with a simplified way to determine the estimated value of a building that does not rely on the permit applicant to determine the cost of construction. Therefore, the bidding process for a particular job and other associated factors do not affect the value of a building for determining the permit fee. Whether a specific project is bid at a cost above or below the computed value of construction does not affect the permit fee because the cost of related code enforcement activities is not directly affected by the bid process and results.

Building Valuation

The following building valuation data represents average valuations for most buildings. In conjunction with IBC Section 109.3, this data is offered as an aid for the building official to determine if the permit valuation is underestimated. Again it should be noted that, when using this data, these are “average” costs based on typical construction methods for each occupancy group and type of construction. The average costs include foundation work, structural and nonstructural

building components, electrical, plumbing, mechanical and interior finish material. The data is a national average and does not take into account any regional cost differences. As such, the use of Regional Cost Modifiers is subject to the authority having jurisdiction.

Permit Fee Multiplier

Determine the Permit Fee Multiplier:

1. Based on historical records, determine the total annual construction value which has occurred within the jurisdiction for the past year.
2. Determine the percentage (%) of the building department budget expected to be provided by building permit revenue.
- 3.

$$\text{Permit Fee Multiplier} = \frac{\text{Bldg. Dept. Budget} \times (\%)}{\text{Total Annual Construction Value}}$$

Example

The building department operates on a \$300,000 budget, and it expects to cover 75 percent of that from building permit fees. The total annual construction value which occurred within the jurisdiction in the previous year is \$30,000,000.

$$\text{Permit Fee Multiplier} = \frac{\$300,000 \times 75\%}{\$30,000,000} = 0.0075$$

Permit Fee

The permit fee is determined using the building gross area, the Square Foot Construction Cost and the Permit Fee Multiplier.

$$\text{Permit Fee} = \text{Gross Area} \times \text{Square Foot Construction Cost} \times \text{Permit Fee Multiplier}$$

Example

Type of Construction: IIB

Area: 1st story = 8,000 sq. ft.
2nd story = 8,000 sq. ft.

Height: 2 stories

Permit Fee Multiplier = 0.0075

Use Group: B

1. Gross area:
Business = 2 stories x 8,000 sq. ft. = 16,000 sq. ft.
2. Square Foot Construction Cost:
B/IIB = \$161.88/sq. ft. Permit Fee:
Business = 16,000 sq. ft. x \$161.88/sq. ft x 0.0075
= \$19,426

Important Points

- The BVD is not intended to apply to alterations or repairs to existing buildings. Because the scope of alterations or repairs to an existing building varies so greatly, the Square Foot Construction Costs table does not reflect accurate values for that purpose. However, the Square Foot Construction Costs table can be used to determine the cost of an addition that is basically a stand-alone building which happens to be attached to an existing building. In the case of such additions, the only alterations to the existing building would involve the attachment of the addition to the existing building and the openings between the addition and the existing building.
- For purposes of establishing the Permit Fee Multiplier, the estimated total annual construction value for a given time period (1 year) is the sum of each building's value (Gross Area x Square Foot Construction Cost) for that time period (e.g., 1 year).
- The Square Foot Construction Cost does not include the price of the land on which the building is built. The Square Foot Construction Cost takes into account everything from foundation work to the roof structure and coverings but does not include the price of the land. The cost of the land does not affect the cost of related code enforcement activities and is not included in the Square Foot Construction Cost.

Square Foot Construction Costs^{a, b, c, d}

Group (2012 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 Assembly, theaters, with stage	229.03	221.51	216.10	207.06	194.68	189.07	200.10	177.95	171.21
A-1 Assembly, theaters, without stage	209.87	202.35	196.94	187.90	175.62	170.01	180.94	158.89	152.15
A-2 Assembly, nightclubs	177.89	172.85	168.07	161.49	151.98	147.78	155.80	137.68	132.99
A-2 Assembly, restaurants, bars, banquet halls	176.89	171.85	166.07	160.49	149.98	146.78	154.80	135.68	131.99
A-3 Assembly, churches	211.95	204.43	199.02	189.98	177.95	172.34	183.02	161.22	154.48
A-3 Assembly, general, community halls, libraries, museums	176.88	169.36	162.95	154.91	141.73	137.12	147.95	125.00	119.26
A-4 Assembly, arenas	208.87	201.35	194.94	186.90	173.62	169.01	179.94	156.89	151.15
B Business	182.89	176.17	170.32	161.88	147.55	142.00	155.49	129.49	123.76
E Educational	192.29	185.47	180.15	172.12	160.72	152.55	166.18	140.46	136.18
F-1 Factory and industrial, moderate hazard	108.98	103.99	97.83	94.17	84.37	80.56	90.16	69.50	65.44
F-2 Factory and industrial, low hazard	107.98	102.99	97.83	93.17	84.37	79.56	89.16	69.50	64.44
H-1 High Hazard, explosives	102.01	97.02	91.86	87.20	78.60	73.79	83.19	63.73	N.P.
H234 High Hazard	102.01	97.02	91.86	87.20	78.60	73.79	83.19	63.73	58.67
H-5 HPM	182.89	176.17	170.32	161.88	147.55	142.00	155.49	129.49	123.76
I-1 Institutional, supervised environment	182.53	175.88	170.97	162.73	150.55	146.48	162.73	135.02	130.72
I-2 Institutional, hospitals	308.50	301.79	295.93	287.50	272.14	N.P.	281.10	254.09	N.P.
I-2 Institutional, nursing homes	213.56	206.85	200.99	192.56	179.22	N.P.	186.16	161.17	N.P.
I-3 Institutional, restrained	208.37	201.66	195.80	187.37	174.54	167.98	180.97	156.48	148.74
I-4 Institutional, day care facilities	182.53	175.88	170.97	162.73	150.55	146.48	162.73	135.02	130.72
M Mercantile	132.61	127.57	121.79	116.21	106.35	103.15	110.52	92.05	88.36
R-1 Residential, hotels	184.11	177.46	172.55	164.31	152.38	148.31	164.31	136.85	132.55
R-2 Residential, multiple family	154.38	147.73	142.82	134.58	123.25	119.18	134.58	107.72	103.42
R-3 Residential, one- and two-family	143.93	139.97	136.51	132.83	127.95	124.61	130.57	119.73	112.65
R-4 Residential, care/assisted living facilities	182.53	175.88	170.97	162.73	150.55	146.48	162.73	135.02	130.72
S-1 Storage, moderate hazard	101.01	96.02	89.86	86.20	76.60	72.79	82.19	61.73	57.67
S-2 Storage, low hazard	100.01	95.02	89.86	85.20	76.60	71.79	81.19	61.73	56.67
U Utility, miscellaneous	77.82	73.48	69.04	65.52	59.23	55.31	62.58	46.83	44.63

- Private Garages use Utility, miscellaneous
- Unfinished basements (all use group) = \$15.00 per sq. ft.
- For shell only buildings deduct 20 percent
- N.P. = not permitted