

Proposed MEP Fee Revisions



CITY OF
SIOUX FALLS

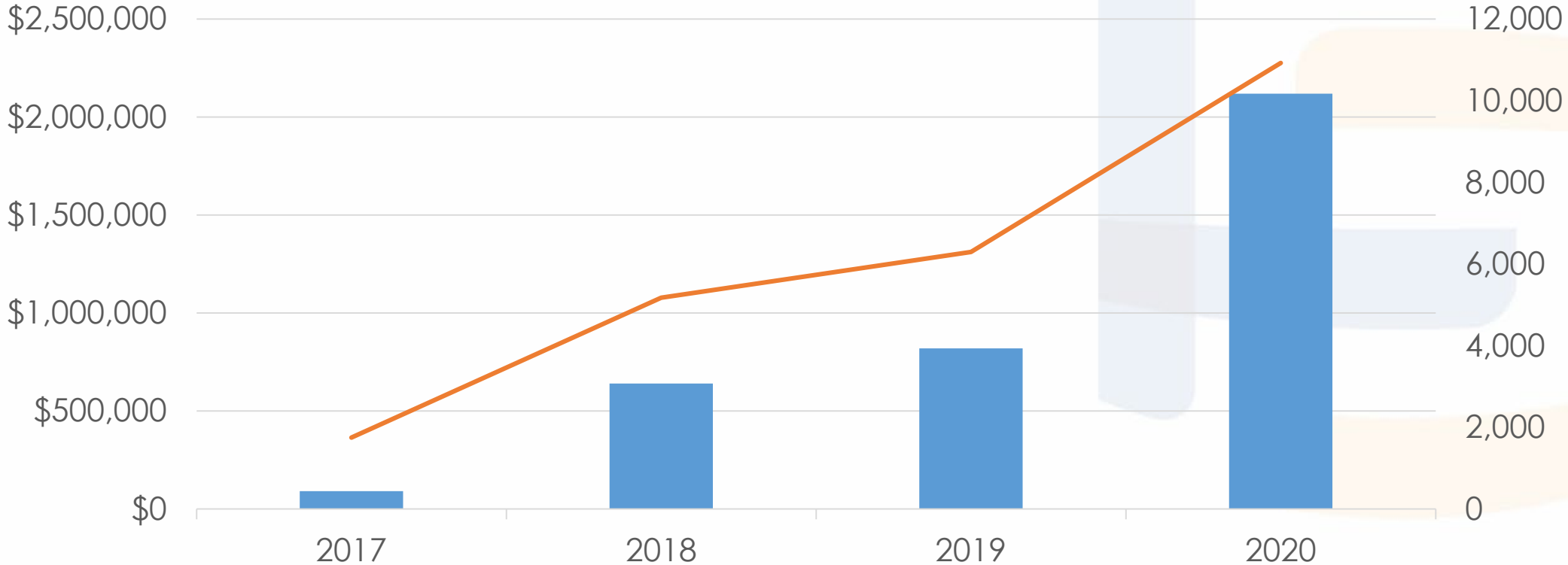
Fee Revision Benefits & Efficiencies

- Increased utilization of technology (Energov - CSS)
- City Benefits & Efficiencies
 - Will allow fees to be paid up front vs. invoicing
 - Invoicing, payment processing, and collections savings: 1.5 FTE
 - More efficient inspections
- Contractor Benefits & Efficiencies
 - Contractors will know fee upfront
 - Contractors will no longer need to reconcile invoices against fixture counts
 - More efficient inspections

Energov - CSS

- Customer Self Service (CSS) is an online platform that allows homeowners and contractors to apply for and search permits and inspections
- Launched in March 2017
- Over \$2.1M in transactions processed in 2020
- CSS allows for no physical handling of money

CSS Utilization



	2017	2018	2019	2020
Amount	\$91,329	\$640,410	\$818,978	\$2,118,821
# Transactions	1,745	5,174	6,291	10,919

Revised MEP Fee Structure

Affordable Fees for Service Provided

- Last significant fee increases were:
 - Plumbing 1998
 - Mechanical 2001
 - Electrical 2011

Consistent with Building Permits

- Contractors will know full fee upfront
- Fees will be consistent across all permits
- Fees will adjust with valuations
- Inspectors will no longer need to count fixtures



MEP Fee Workflow

Current



Revised



USD Beacom Business Consulting Project

- Project: New MEP Fee Schedule for Contractors
- Duration: June 1st, 2020 – July 31st, 2020
- Goals:
 - Convert from fixture-based to valuation based fee structure
 - New graduated fee schedule based on:
 - Inflation
 - Except for minimum trip charges, the last significant fee increases were: Plumbing 1998, Mechanical 2001, and Electrical 2011
 - Comparison communities: Bismark, Cedar Rapids, Minnetonka

USD Model

MEP Valuation	Fee
\$1.00 - \$1,000.00	\$10.00
\$1,001.00 - \$100,000.00	\$10.00 plus 1% of the amount over \$1,000
\$100,001.00 - \$200,000.00	\$1,000.00 plus .9% of the amount over \$100,000.00
\$200,001.00 - \$300,000.00	\$1,900.00 plus .8% of the amount over \$200,000.00
\$300,001.00 - \$400,000.00	\$2,600.00 plus .7% of the amount over \$300,000.00
\$400,001.00 - \$500,000.00	\$3,200.00 plus .6% of the amount over \$400,000.00
\$500,001.00 - \$600,000.00	\$3,700.00 plus .5% of the amount over \$500,000.00
\$600,001.00 - \$700,000.00	\$4,100.00 plus .4% of the amount over \$600,000.00
\$700,001.00 - \$800,000.00	\$4,400.00 plus .3% of the amount over \$700,000.00
\$800,001.00 - \$900,000.00	\$4,600.00 plus .2% of the amount over \$800,000.00
\$900,001.00 and up	\$4,700.00 plus .1% of the amount over \$900,000.00

MEP Fee Model Comparisons

Min Valuation	Max Valuation	Valuation	Current Model ~	USD Model ~	Revised Model
\$0	\$5,000.00	\$5,000.00	\$19	\$50	\$40
\$5,000.01	\$25,000.00	\$25,000.00	\$130	\$250	\$160
\$25,000.01	\$50,000.00	\$50,000.00	\$250	\$500	\$292
\$50,000.01	\$100,000.00	\$100,000.00	\$400	\$1,000	\$517
\$100,000.01	\$250,000.00	\$250,000.00	\$775	\$2,300	\$1,155
\$250,000.01	\$500,000.00	\$500,000.00	\$650	\$3,800	\$2,155
\$500,000.01	\$1,000,000.00	\$1,000,000.00	\$1,900	\$4,800	\$3,905
\$1,000,000.01	and up				

MEP Fee Revision Recommendation

Min Valuation	Max Valuation	Valuation	Min Fee	For the first...	Fee	For each additional ...	Max Total Fee
\$0	\$5,000.00	\$5,000.00	\$40				\$40
\$5,000.01	\$25,000.00	\$25,000.00	\$40	\$5,000	\$6.00	\$1,000	\$160
\$25,000.01	\$50,000.00	\$50,000.00	\$160	\$25,000	\$5.25	\$1,000	\$292
\$50,000.01	\$100,000.00	\$100,000.00	\$292	\$50,000	\$4.50	\$1,000	\$517
\$100,000.01	\$250,000.00	\$250,000.00	\$517	\$100,000	\$4.25	\$1,000	\$1,155
\$250,000.01	\$500,000.00	\$500,000.00	\$1,155	\$250,000	\$4.00	\$1,000	\$2,155
\$500,000.01	\$1,000,000.00	\$1,000,000.00	\$2,155	\$500,000	\$3.50	\$1,000	\$3,905
\$1,000,000.01	and up		\$3,905	\$1,000,000	\$3.00	\$1,000	

Commercial Project Example

Project Valuation	Min Valuation	Max Valuation	MEP Valuation	Min Fee	For the first...	Fee	For each additional...	Total Fee
	\$0	\$5,000.00		\$40				
	\$5,000.01	\$25,000.00		\$40	\$5,000	\$6.00	\$1,000	
	\$25,000.01	\$50,000.00		\$160	\$25,000	\$5.25	\$1,000	
	\$50,000.01	\$100,000.00		\$292	\$50,000	\$4.50	\$1,000	
	\$100,000.01	\$250,000.00		\$517	\$100,000	\$4.25	\$1,000	
	\$250,000.01	\$500,000.00		\$1,155	\$250,000	\$4.00	\$1,000	
\$7,000,000	\$500,000.01	\$1,000,000.00	\$700,000	\$2,155	\$500,000	\$3.50	\$1,000	\$2,855
	\$1,000,000.01	and up		\$3,905	\$1,000,000	\$3.00	\$1,000	

Residential Project Example

Project Valuation	Min Valuation	Max Valuation	MEP Valuation	Min Fee	For the first...	Fee	For each additional...	Total Fee
	\$0	\$5,000.00		\$40				
\$235,000	\$5,000.01	\$25,000.00	\$23,500	\$40	\$5,000	\$6.00	\$1,000	\$151
	\$25,000.01	\$50,000.00		\$160	\$25,000	\$5.25	\$1,000	
	\$50,000.01	\$100,000.00		\$292	\$50,000	\$4.50	\$1,000	
	\$100,000.01	\$250,000.00		\$517	\$100,000	\$4.25	\$1,000	
	\$250,000.01	\$500,000.00		\$1,155	\$250,000	\$4.00	\$1,000	
	\$500,000.01	\$1,000,000.00		\$2,155	\$500,000	\$3.50	\$1,000	
	\$1,000,000.01	and up		\$3,905	\$1,000,000	\$3.00	\$1,000	

Residential Project Example

Project Valuation	Min Valuation	Max Valuation	MEP Valuation	Min Fee	For the first...	Fee	For each additional...	Total Fee
	\$0	\$5,000.00		\$40				
\$179,000	\$5,000.01	\$25,000.00	\$17,900	\$40	\$5,000	\$6.00	\$1,000	\$118
	\$25,000.01	\$50,000.00		\$160	\$25,000	\$5.25	\$1,000	
	\$50,000.01	\$100,000.00		\$292	\$50,000	\$4.50	\$1,000	
	\$100,000.01	\$250,000.00		\$517	\$100,000	\$4.25	\$1,000	
	\$250,000.01	\$500,000.00		\$1,155	\$250,000	\$4.00	\$1,000	
	\$500,000.01	\$1,000,000.00		\$2,155	\$500,000	\$3.50	\$1,000	
	\$1,000,000.01	and up		\$3,905	\$1,000,000	\$3.00	\$1,000	

Residential Project Example

- 2018 home average between \$0 and \$200,000:
 - \$162,582 building permit valuation
 - 1,160 square feet on main level

Average Fees	Current Fee Structure	Proposed Fee Structure
Mechanical	\$72.00	\$108.00
Electrical	\$117.50	\$108.00
Plumbing	\$117.00	\$108.00
Total	\$306.50	\$324.00

What Is In The Ordinance?

- Upfront MEP Fee based on valuation
- Other fees include:

Other Fees	Current Fee	Proposed Fee
Homeowner's Permit	\$20-\$25	\$25
After Hours	\$70	\$200
Reinspection	\$70	\$200
Additional Plan Review	\$70	\$100
Bond Claims	\$150	\$250

Timeline

- What have we done?
 - Home Builder's Association
 - Mechanical Board of Appeals
 - Electrical Board of Appeals
 - Plumbing Board of Appeals
 - Commercial Contractors and Developers
- Action: Recommendation of approval to City Council

Timeline

- What's next?
 - City Council Meetings
 - 1st Reading: June
 - 2nd Reading: July
 - Effective Date: January 1, 2022



Any Questions?



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