

# Memorandum



CITY OF DALLAS

DATE March 22, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **Development Services Fee Study Discussion Update**

The purpose of this memorandum is to provide an update to the Development Services Fee Study Discussion published on March 15, 2024. The Development Services Department (DSD) shared a “Fee Study Detail Table” outlining the current fees, proposed fees, and the percentage changes. The data within the table is accurate, however, it did not represent the format in which our stakeholders preferred. Please see the attached revised Fee Study Detail Table which includes a “percentage increase/decrease” column aligned with our stakeholders’ understanding of the fee and the process.

In addition, the following inquiries were submitted to DSD on March 22, 2024, and responses are documented below.

**Question: The permit table for new construction and remodel permits are presented as a flat rate, however, those permit fees are a range because they use a multiplier based on the valuation. How is the percentage calculated on these?**

**Answer:** New construction and remodel permit fees are not calculated on a flat rate basis. Historically, DSD has and will continue to calculate fees based on a combination of tiered multipliers, project valuation, and square footage.

**Question: The three-year budget forecast on page 3 indicates the department expects to need \$2.5M/year to maintain its buildings. Why is this line item expenditure listed explicitly given all categories of DSD expenditures? Why is this needed on a newly finished out building?**

**Answer:** Staff listed these line items to continue open and transparent discussions with our stakeholders and properly plan for ongoing maintenance, upkeep, and repairs to our DSD facilities.

**Question: The same table projects staff accreditation expenses at \$500k/year. Prior administrations did not require staff to participate in mandatory professional development. This is an expense that should be considered if funds are available, not required. Why is this line item listed explicitly given all categories of DSD expenditures?**

**Answer:** DSD listed these line items to continue open and transparent discussions with our stakeholders and are committed to investing in professional development of our team members, improve retention, and optimize operational efficiencies.

**Question: On page 10, line item #22, there is a high-profile project surcharge with a question mark. How are projects designated as high profile? There is already a 10% Planned Development (PD) surcharge based on the valuation base permit fee. Does the question mark indicate that this fee may not be included in the ordinance revision?**

**Answer:** DSD was exploring a “Project Manager Fee” but did not pursue this new proposed fee, and therefore, was not included in the ordinance update.

**Question: The new revision fee at \$100/hour per trade seems excessive. How was this rate determined?**

**Answer:** The fee study determined that this fee should be set at \$1,300/hour per trade. However, DSD did not support this proposed increase. In addition, the methodology of the Fee Study is a cost-of-service study comprised of the following elements: 1) hourly rates of staff providing the service, 2) the time spent providing the service, and 3) the project type.

**Question: Why is there a scanning fee if all plans, with the exception of minor Q Team, are now required to be submitted electronically?**

**Answer:** Scanning fees will only apply to hard-copy plan review submittals.

**Question: For the paving and drainage fees on page 7, line items # 76-79:**

**Statement:** It is very rare to complete the process in fewer than two reviews. It may be preferable and more efficient to charge “up front” for the paving/drainage and w/ww and increase the fee to include 3 reviews.

**Question: Why is a second review more expensive than an initial review (\$2,252 and \$1,848, respectively)? It seems that the costs should be inverted.**

**Answer:** The fee study consultant confirmed that inadequate submittals result in increased staff review times for subsequent reviews, thus leading to additional costs with each follow up submittal.

DATE March 22, 2024  
SUBJECT **Development Services Fee Study Discussion Update**  
PAGE **3 of 3**

Should you have any questions please contact Andrew Espinoza, Director/Chief Building Official of Development Services at (214) 542-1227 or [andres.espinoza@dallas.gov](mailto:andres.espinoza@dallas.gov).



**Majed A. Al-Ghafry, P.E.**  
**Assistant City Manager**

c: T.C. Broadnax, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager

Jon Fortune, Deputy City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors