



City of Dallas

**MGT Consulting of America, LLC
Fee Study for Building Permit
Fees for the Development
Services Department**

**Economic Development
Committee
December 4, 2023**

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Building Official
Development Services
City of Dallas

Presentation Overview



- Background
- City Comparison
- Divisions
- Technology
- Study Findings
- Recommendations
- Next Steps



Fee Study Background



- Goal 1: Improve departmental customer satisfaction and engagement by 75% by FY 2022/2023.
- Goal 2: Respond to all customer correspondence within one business in FY 2022/2023.
- Goal 3: Reduce new construction/remodel residential permitting turnaround times by 50% in FY 2022/2023.
- Goal 4: Implement and deploy additional specialized services and teams to reduce commercial permitting times by 25% by FY2022/2023.
- Goal 5: Finalize Statement of Work (SOW) and launch Dallas Now Project in FY 2025/2026.



Fee Study Background



- DSD has not adjusted permitting fees since 2015
- Currently fees are in various Chapters of Building and Development Codes
- Contracted with MGT Consultants to perform DSD Fee Study
 - Completed in October of 2023
 - Building Inspections, Engineering, GIS, and Subdivision





• CITY FEE COMPARISON

MGT project team worked with City staff to identify peer cities for comparison purposes. The cities used in the final comparison of the study were:

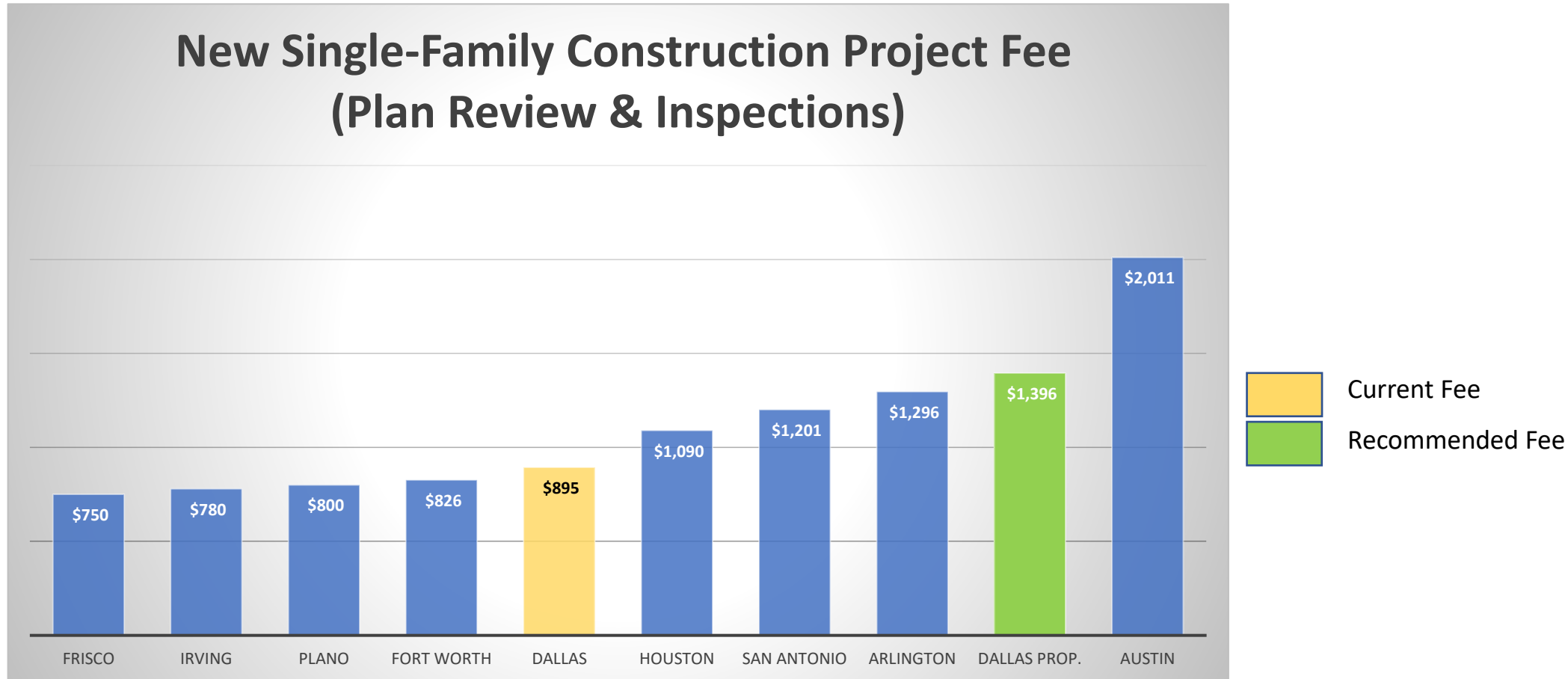
- City of Arlington, Texas
- City of Fort Worth, Texas
- City of Austin, Texas
- City of Frisco, Texas
- City of Houston, Texas
- City of Irving, Texas
- City of Plano, Texas
- City of San Antonio, Texas



NEW SINGLE-FAMILY CONSTRUCTION



Graph 1: Fee Comparison:
SINGLE-FAMILY CONSTRUCTION PROJECT
Example Project Size: \$175,000 Valuation; 1,500 Square Feet



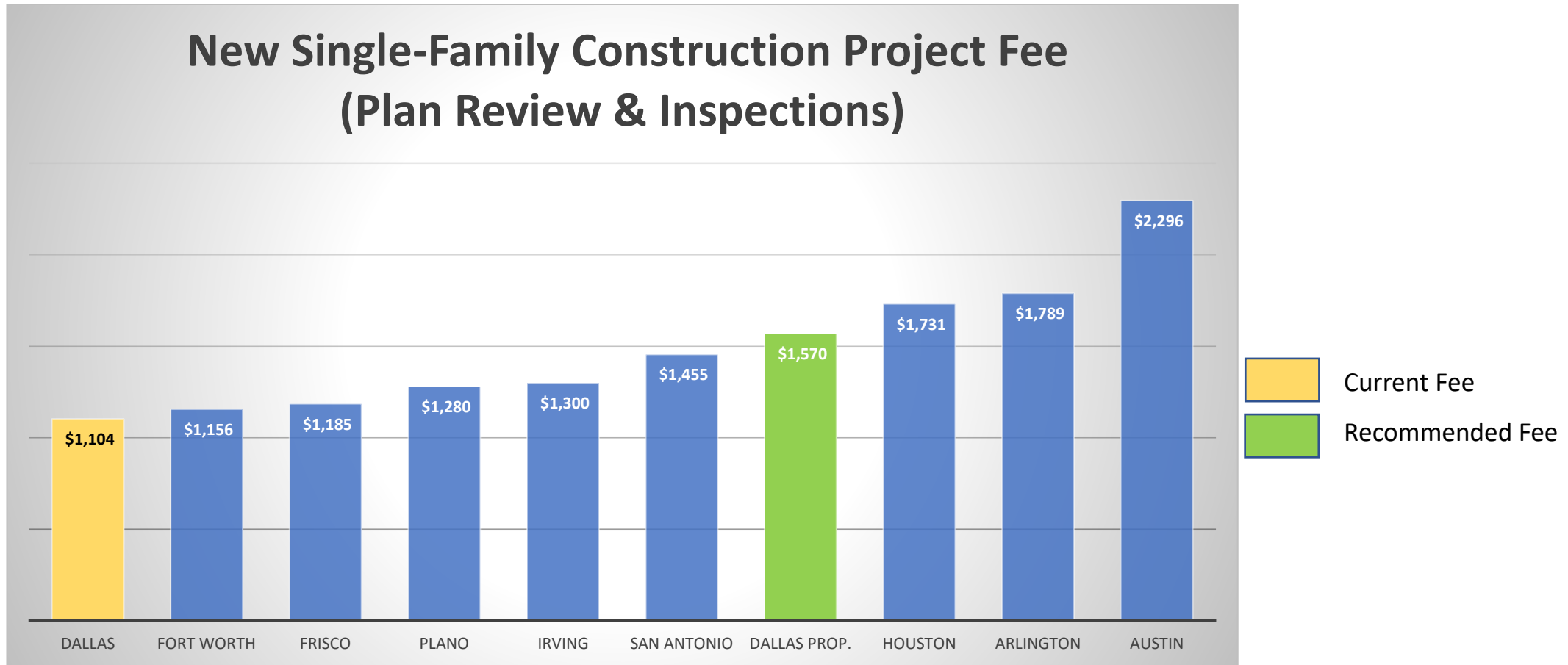
Note: Fees in graph are strictly for permitting, plan review, and inspection services. They City of Dallas does not charge utility impact fees as other Cities do.



NEW SINGLE-FAMILY CONSTRUCTION



Graph 2: Fee Comparison:
SINGLE-FAMILY CONSTRUCTION PROJECT
Example Project Size: \$225,000 Valuation; 2,500 Square Feet



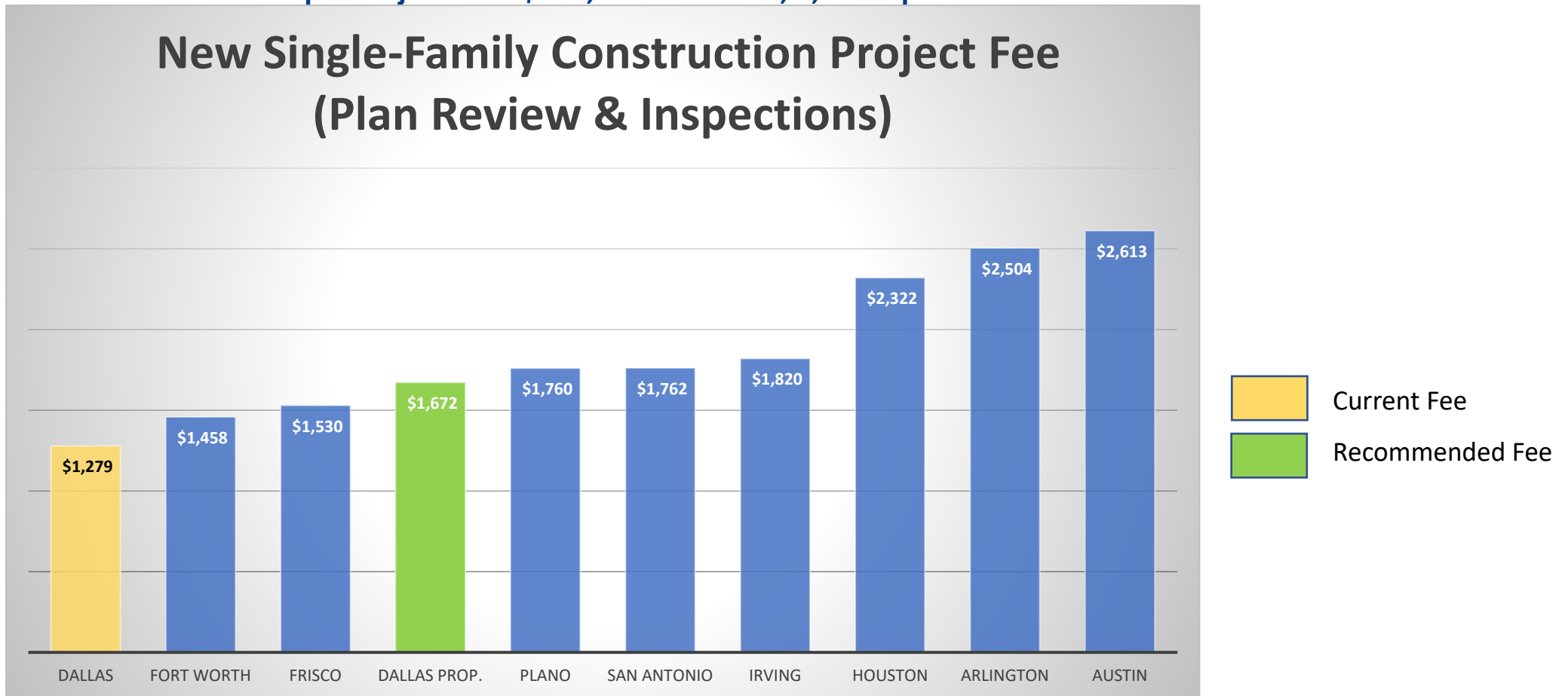
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



NEW SINGLE-FAMILY CONSTRUCTION



Graph 3: Fee Comparison:
SINGLE-FAMILY CONSTRUCTION PROJECT
Example Project Size: \$375,000 Valuation; 3,500 Square Feet



Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



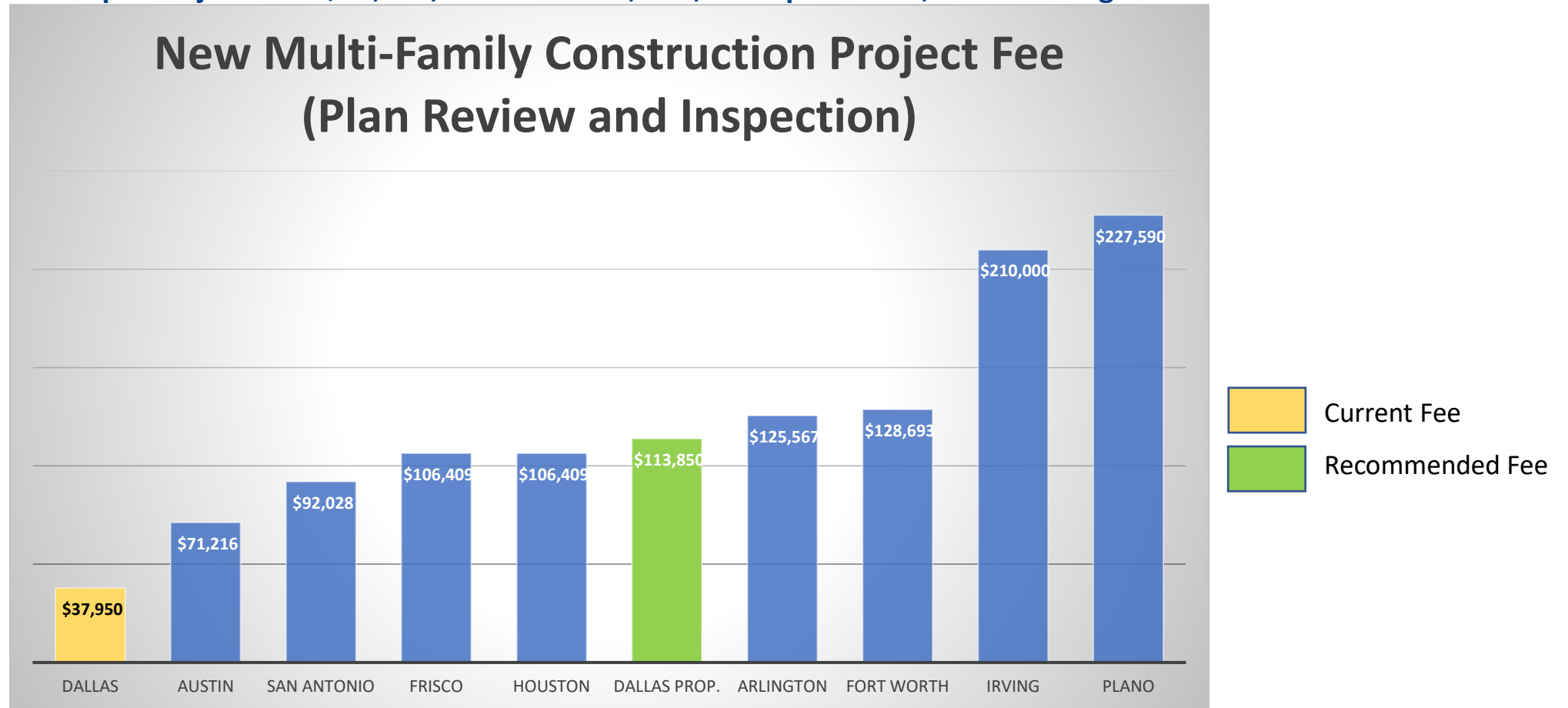
MULTI-FAMILY CONSTRUCTION PROJECT



Graph 4: Fee Comparison:

MULTI-FAMILY CONSTRUCTION PROJECT

Example Project Size: \$33,000,000 Valuation; 350,000 Square Feet; 150 Dwellings



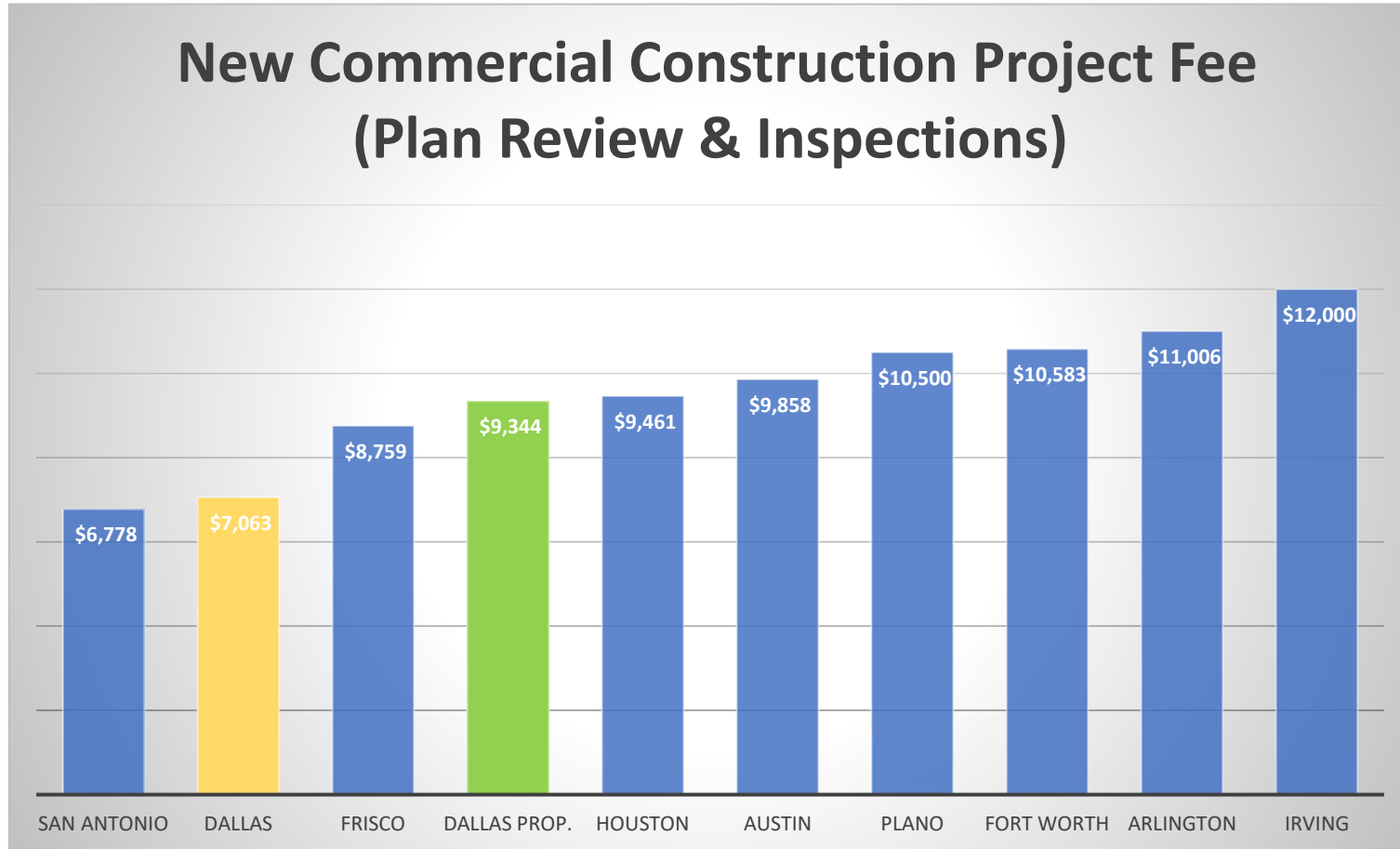
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



New Commercial Construction - Retail



Graph 5: Fee Comparison:
COMMERCIAL CONSTRUCTION PROJECT - RETAIL
Example Project Size: \$2,000,000 Valuation; 20,000 Square Feet



Current Fee
Recommended Fee

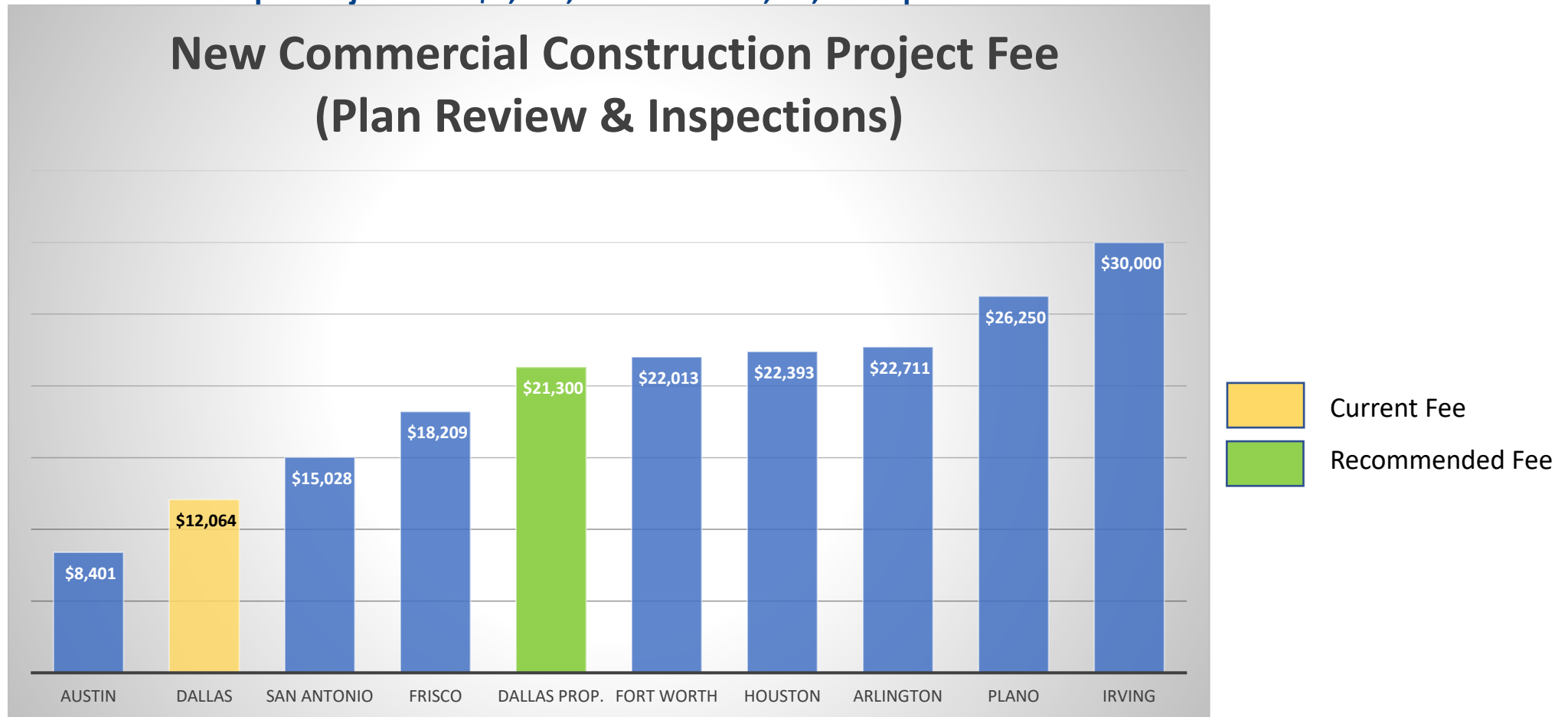
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



New Commercial Construction - Office



Graph 6: Fee Comparison:
COMMERCIAL CONSTRUCTION PROJECT - OFFICE
Example Project Size: \$5,000,000 Valuation; 50,000 Square Feet



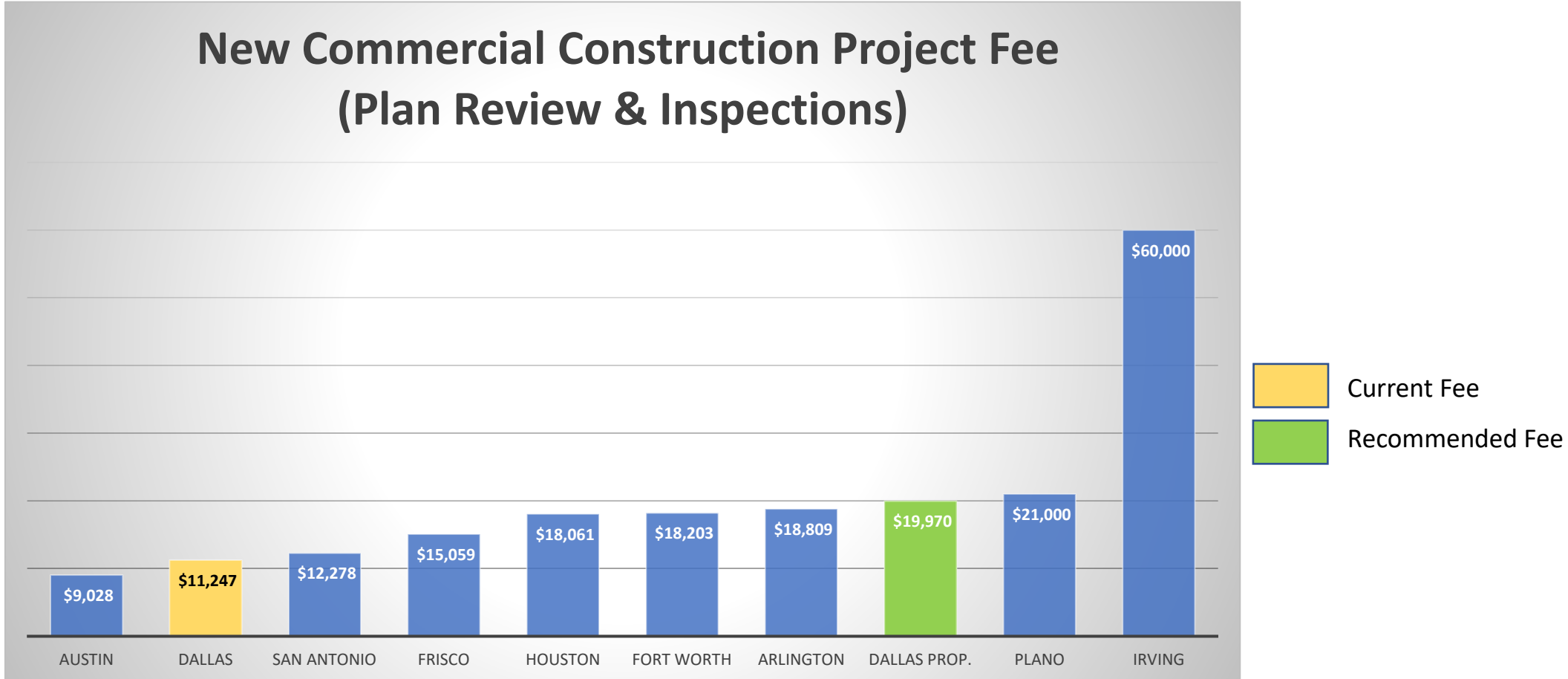
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



New Commercial Construction - Warehouse



Graph 7: Fee Comparison:
COMMERCIAL CONSTRUCTION PROJECT - WAREHOUSE
Example Project Size: \$4,000,000 Valuation; 100,000 Square Feet



Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



DIVISIONS



Division	Cost	Current Revenue	Current Subsidy
Inspections & Plan Review	\$41,623,673	\$24,227,138 (58%)	\$17,396,535 (42%)
Engineering	\$5,823,111	\$2,268,294 (61%)	\$3,554,818 (61%)
GIS	\$784,100	\$22,150 (3%)	\$763,950 (97%)
Subdivision	\$1,873,983	1,271,517 (68%)	\$602,466 (32%)
Total	\$50,106,867	\$27,789,098 (55%)	\$22,317,769 (45%)*

**Note: Subsidies have been compensated through the Development Enterprise Fund Reserves.*



DIVISION – GIS



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$786,100	\$22,150	\$763,950	\$786,100	\$763,950	\$0
% of Full Costs	-	3%	97%	100%	3449%	0%
Total Other Services	\$921,811	\$0	\$921,811	\$0	\$0	\$921,811
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$1,707,911	\$22,150	\$1,685,761	\$786,100	\$763,950	\$921,811
% of Full Costs	-	1%	99%	46%	3449%	54%



DIVISION – BUILDING INSPECTIONS



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$41,623,673	\$24,227,138	\$17,396,535	\$41,623,673	\$17,396,535	\$0
% of Full Costs	-	58%	42%	100%	72%	0%
Total Other Services	\$3,391,163	\$0	\$3,391,163	\$0	\$0	\$3,391,163
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$45,014,836	\$24,227,138	\$20,787,698	\$41,623,673	\$17,396,535	\$3,391,163
% of Full Costs	-	54%	46%	92%	72%	8%



DIVISION – SUBDIVISION



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$1,873,983	\$1,271,517	\$602,466	\$1,873,983	\$602,466	\$0
% of Full Costs	-	68%	32%	100%	47%	0%
Total Other Services	-\$43,237	\$0	-\$43,237	\$0	\$0	-\$43,237
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$1,830,746	\$1,271,517	\$559,229	\$1,873,983	\$602,466	-\$43,237
% of Full Costs	-	69%	31%	102%	47%	-2%



DIVISION – ENGINEERING



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$5,823,111	\$2,268,294	\$3,554,818	\$5,677,326	\$3,409,033	\$145,785
% of Full Costs	-	39%	61%	97%	150%	3%
Total Other Services	\$1,056,085	\$0	\$1,056,085	\$0	\$0	\$1,056,085
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$6,879,196	\$2,268,294	\$4,610,902	\$5,677,326	\$3,409,033	\$1,201,870
% of Full Costs	-	33%	67%	83%	150%	17%





- Currently DSD does not recoup costs associated with technology services and maintenance.
 - Current annual cost is \$7,166,370
 - Recommendation of \$15.00 technology fee added to each permit.
 - Other cities that charge technology fee include San Antonio, Austin and Fort Worth



Findings



- DSD generates approximately \$28 million in revenue and has an approximate \$50 million operational user costs (based on FY2023/2024 Budget)
 - Current cost recovery 55% and subsidizing 45% of costs
 - MGT recommendations would result in approximately \$22 million of additional revenues
 - Result in 99.7% cost recovery rate
 - Approximately 40 service processes not being collected



Findings/New Fees



Building Inspection	Current Fee	Proposed Fee
Conditional Approval Fee for Partial Permits (Processing Fee)	No Fee	\$250.00
Permit Extension (After Permit Issued)	No Fee	\$200.00
Inspection Scheduling Fee (Free Online)	No Fee	\$5.00
Temporary Residential Certificate of Occupancy	No Fee	\$250.00
Temporary Residential Certificate of Occupancy Extension	No Fee	\$125.00
Residential Certificate of Occupancy Move in Pending Full Certificate of Occupancy	No Fee	\$500.00
Technology Fee for all Permits	No Fee	\$15.00
Notary Fee	No Fee	\$5.00
Code Modification Requests (Alternate Means Methods)	No Fee	\$300.00
Resubmittals (After Permit has been issued all trades, excluding fire alarms/sprinklers)	No Fee	\$100/hr/trade
Revisions (To correct review denial comments) 1st revision is included in permit fee all others and trades (excluding fire alarm/sprinklers)	No Fee	\$100/hr/trade



Findings/New Fees



Building Inspection	Current Fee	Proposed Fee
Any additional miscellaneous plan review	No Fee	\$100/hr/trade
Certificate of Occupancy for Dance Halls	No Fee	\$1,000.00
Certificate of Occupancy for Sexually Oriented Business	No Fee	\$1,000.00
Residential One-and-Two Family Dwellings (Scanning)	No Fee	\$15.00
All Minor Commercial Plan Review (Less than 10,000 square feet) (Scanning)	No Fee	\$25.00
Complex Commercial Plan Review (Over 10,000 square feet) (Scanning)	No Fee	\$50.00
Complex Commercial School Plan Review (Over 10,000 square feet) (Scanning)	No Fee	\$100.00
All Stand Alone Trade Plan Reviews (Scanning)	No Fee	\$25.00
All Site Plan Reviews (Scanning)	No Fee	\$25.00
Inspection Flat Rate for all CofO and Building Permits including Fire Inspections (Remodel, Finish Outs, Expansions, New Construction)	No Fee	\$125/Inspection
Work Without Permit Investigation Fee (In Addition to 2X Penalty)	No Fee	\$100/hr/trade (1hr min/trade)



Findings/New Fees



GIS	Current Fee	Proposed Fee
Address Assignment/Reassignment for all Suites	No Fee	\$50 flat rate
Address Assignment/Reassignment for all Buildings on one site	No Fee	\$100 flat rate
Address Assignment/Reassignment for one-and-two family dwellings	No Fee	\$50 flat rate
Total Building Assignment/Reassignment 0-5	No Fee	\$100/building Flat Rate
Total Building Assignment/Reassignment 6-10	No Fee	\$75/building Flat Rate
Total Building Assignment/Reassignment 11 or More	No Fee	\$50/building Flat Rate

Arborist	Current Fee	Proposed Fee
Tree Survey Review	No Fee	\$100/hr
Tree Survey Inspection	No Fee	\$75/hr
Tree Removal Investigation	3,647.00	\$550 flat rate
Conservation Easement Review	No Fee	\$150/hr



Findings/New Fees



Engineering	Current Fee	Proposed Fee
Floodplain Miscellaneous Review	No Fee	\$100 flat rate
Review Plats and Field Notes	No Fee	\$100/hr (1 hr min)
Traffic Impact Analysis (TIA) Initial Review	No Fee	\$1,000 Flat Rate
Traffic Impact Analysis (TIA) All Subsequent Reviews	No Fee	\$100/hr

Zoning	Current Fee	Proposed Fee
Parking Agreement Terminations	No Fee	\$100/hr (1hr min)
Parking Agreement Amendments	No Fee	\$100/hr (1hr min)
Access Easement Agreements	No Fee	\$100/hr (1hr min)
Legal Build Site Determinations	No Fee	\$100/hr (1hr min)
Licensing Verification Request from DPD	No Fee	\$50/hr (1hr min)
DSD Customer Consultations longer than 20 minutes all others	No Fee	\$100/hr (1hr min)
Research (For Other City Departments)/Service Request	No Fee	\$50/hr (1hr min)
Research Fee	No Fee	\$100/hr (1hr min)
Request for Zoning Interpretation	No Fee	\$500 Flat Rate



Recommendations



- Continue our outreach and customer notification
- Add the full cost recovery Fee Schedule Updates to Chapter 52
- Consolidate Permitting Fee Schedules all into Chapter 52
- Codify the requirements for ongoing Fee Study Schedule



Next Steps



- Continue stakeholder outreach (December 2023)
- Partner with City Attorney and Draft Ordinance Update
- Provide City Council with Ordinance Update on December 13, 2023.
- Implement new Fee Schedule February 1, 2024



Stakeholder Outreach



- Dallas Home Builders Association – Aug 3rd & Oct 17th
- Development Advisory Committee – Aug 25th & Oct 20th
- Texas Real Estate Council – Oct 5th
- Third Party Plan Review Vendors- Oct 23rd
- Construction Contractors Association - Oct 25th
- Dallas Independent School District – Nov 1st
- Rescom Fire Contractors – Nov 3rd
- Building Owners and Managers Association – Nov 9th
- Fire Contractors Association - Nov 13th
- Professional Engineering Community – Nov 16th
- Professional Surveying Community – Nov 16th
- National Fire Sprinkler Association – Nov 28th





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