SDCI

Director's Rule 18-2018

Applicant:	Page	Supersedes:
City of Seattle Department of Construction & Inspections	1 of 9	DR 2-2013
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Subject:	**Code and Section Reference:** Seattle Municipal Code 22.900 Fee Subtitle	
Implementation of the Fee Subtitle	**Type of Rule:** Code Interpretation	
	Ordinance Authority: SMC 3.06.040	
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Fee Ordinance – Procedural Requirements	(signature on file) Nathan Torgelson, Director, SDCI	6/29/2018

Background

The Seattle Department of Construction & Inspections' (SDCI) Fee Subtitle, Chapter 22.900 of the Seattle Municipal Code, prescribes fees for various permits, reviews, and inspections. This rule provides clarification for various sections of the SDCI Fee Subtitle, as noted below.

This rule supersedes SDCI's Director's Rule 2-2013.

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1. Refunds

Background: Applicants may request a refund of fees at any time before their application is canceled or their permit expires. Payment of a refund will result in cancellation of the application or permit. The amount to be refunded, if any, will be determined by the Director according to the Fee Subtitle.

Rule: Fee Subtitle references to refund opportunities are clarified in associated Director's Rule 3-2011.

Reason: The refund process is different for each type of permit, so a separate rule lays out the details for each potential refund request.

2. Construction Permit Fees

A. Revisions of Applications

Background:

Section 22.900B.060 of the Fee Subtitle reads as follows:

> Revisions and Additions to Applications
>
> A. According to standards promulgated by the Director, the Director may assess an additional fee for the plan examination of previous designs if a subsequent redesign of a project is submitted prior to permit issuance. The revision fee shall be assessed at the SDCI hourly rate not to exceed the fee that would have been charged for the original design, provided that if the application is a Land Use application that requires additional Land Use review, the Land Use hourly rate in effect at the time the revision is filed shall be charged for that portion of the work**.** The total fee is the fee for the final design plus the revision fee.
>
> B. The Director may assess a fee in addition to fees already charged for the original permit if the applicant makes an amendment to an existing unexpired or reestablished permit. The applicable fees will be assessed for all work necessary to process the amendment, including review by the Seattle Department of Transportation, the Seattle Fire Department, Public Health – Seattle & King County, the Department of Neighborhoods, the Department of Parks and Recreation, the Office of Arts & Culture, the Office of Housing, or Seattle Public Utilities associated with the submitted amendment.

Section 900D.010 paragraph G of the Fee Subtitle reads as follows:

> Revisions to Issued Permits
>
> G. Revisions to Issued Permits. Fees for revisions to issued permits shall be charged according to standards promulgated by the Director that approximate the additional cost of reviewing the revisions. A nonrefundable fee of one times the base fee shall be paid at the time the revisions are submitted.

Rule: The following guidelines shall apply to the assessment of plan revision fees.

Definitions:

1) Major Revisions - Major revisions which may be subject to a revision fee include:
   - Substantial changes in the scale of the structure;
   - Substantial changes in the structural design, such as changing from wood frame to reinforced concrete;
   - Change in the type of construction;
   - Changes in occupancy that require extensive changes to the construction and life safety design of the structure;
   - Moving the structure on the site, resulting in a totally new layout; and
   - A totally new design.
2) Minor Revisions – Revisions that do not meet the above definition of Major Revisions.
3) Standards
   - Revision fees will be assessed differently depending on whether the plans have been completely approved (ready to issue or issued permits) or are still within the correction cycle.
   - The nonrefundable fee paid when revisions are submitted will be subtracted from the total amount owed calculated according to this Rule.
   - Revision fees will be determined according to the following table:

Revisions Submitted		
	Minor	**Major**
Before permit is approved for issuance	The permit fee based on the value of the final design.	Hourly for time spent on previous designs, but no more than the estimated plan review fee for the highest value of the previous designs. *Plus* The development fee based on the value of the final design.
After approval, but before issuance	The greater of (1) the fee of the final design or (2) the fee for the original design plus the hourly fee for the time spent on the revision.	Hourly for the plans examination time spent on the original design review *Plus* The development fee based on the value of the final design.
After issuance	The greater of (1) the fee of the final design or (2) the fee for the original design plus the hourly fee for the time spent on the revision. No fee will be charged for minor revisions approved in the field that do not need formal plan revisions.	New permit is required.

4) Revision fees will not be assessed for changes in direct response to correction requirements. However, if the scope of the changes far exceeds the requirement of the correction, a revision fee will be assessed.

5) For Land Use review of a Master Use Permit application at an hourly rate, modification to building size, location or design during the review process will be charged at the same (Land Use) hourly rate. An additional revision fee for zoning review may be assessed at the (Land use) hourly rate if the revision far exceeds the requirements of the correction.

6) Major revisions, as defined above, may require a new permit or may require extensive rerouting. The Permit Services or Applicant Services Center Manager(s) should be consulted to help in this determination.

7) There will be no refund of the plans examination fee paid when major revisions occur after issuance of the permit.

Reason: It is the policy of SDCI to:

- Encourage design modification during the environmental review process to mitigate adverse impacts;
- Recover costs of time spent on the re-examination of plans that the applicant decides to substantially revise, independent of SDCI's requirements, and
- Charge revision fees in a consistent manner where they are applicable.

B. Alterations and Repairs to Existing Buildings

Background: Section 22.900D.010 provides that alterations and repairs to existing buildings be charged on a valuation basis. This rule establishes a general basis for determining the value of the project where the value as specified by the applicant for the cost of alteration or repair work does not appear reasonably accurate.

Rule*:* The fees for alteration and repairs to existing buildings shall be based on the value of construction as set forth in Section 22.900D.010. In general, the value specified by the applicant will be used to calculate the fee. However, if the value appears understated, the value shall be determined by using the following table:

Extent of Alteration	**% of Building Valuation Data Figure (1)**	**Definition (2)**
Minor	20%	Cosmetic work – refinishing walls, ceilings, floors; minor mechanical, electrical, plumbing; only incidental structural work.
Medium	40%	Addition or removal of some walls or extensive construction of partitions; projects with more involved mechanical, electrical, plumbing work, such as residential additions or renovations of bathrooms and kitchens, commercial replacement of major HVAC components or of ceiling grids; refinishing of many existing walls, ceilings, floors; replacement of substantial portions of the glazing systems if a major portion of the project; medium projects may include minor changes to the exterior envelope or structural systems
Major	60%	Addition or demolition of many walls; installation of new glazing systems in conjunction with major remodeling; upgrading of structural systems in some portions to receive increased loads in limited areas. Significant upgrades to mechanical, electrical or plumbing systems in conjunction with significant refinishing of surfaces.
Full	80%	Demolition of all non-structural portions leaving a structural shell; installation of new or substantial replacement of electrical, mechanical systems in conjunction with significant changes in room configuration; significant structural upgrading to meet seismic requirements, or other substantial structural renovation, extensive structural repair.

Notes:
1. Calculated valuation for new construction of the area per SMC 22.900D.010.
2. The extent of alteration includes one or more of the elements in the definition. The floor area affected shall be calculated on the entire areas of the rooms where alterations are proposed. If a project has areas for which it is reasonable to distinguish as being of different categories, it is appropriate to calculate the area separately to develop the SDCI value.

SDCI shall determine the value of new construction which cannot be computed by the gross floor area, such as towers, retaining walls, foundations, repair of a beam or addition of a stair. This value shall be the full estimated cost of all labor and materials whether or not actually paid for and may be based on the information submitted by the applicant.

Prior to the issuance of a permit, the applicant may submit evidence of the actual value of labor and materials, such as contracts, or bid documents, to SDCI. SDCI may rely on this evidence to determine the value of construction.

Reason: Estimation of development value for alterations of existing buildings is not as straightforward as for new construction. To ensure reasonable and accurate consistency between development proposal valuations, SDCI may compare the scope of the proposed development and associated fees to similar proposals.

C. Building Valuation Data

Background: The Fee Subtitle, Chapter 22.900 of the Seattle Municipal Code, prescribes fees for various permits, reviews and inspections. Section 22.900D.010C specifies that the Director shall determine the value of construction for which a permit is issued. It further specifies that building valuation data (BVD) from the International Code Council (ICC) and other valuation criteria approved by the Director will be used to determine the value of construction.

On January 1 of each year, SDCI adopts the most current and updated BVD Table. This assists SDCI in keeping its fees in line with market changes; through the use of the regionally modified/current BVD, SDCI seeks to avoid the need to make large incremental changes in the fee structure that can occur when inflationary adjustments are not taken. Since 1998, it has been SDCI's policy to adopt the most recent BVD data on an annual basis to calculate the value of construction used in determining a project's fee. The Development Fee Index of Table D-1 of the Fee Subtitle was developed using an assumed + 9% increase in the national average BVD. SDCI therefore applies the +9% modifier to the national average when calculating each year's BVD.

The BVD is adopted by a separate Director's Rule.

Rule: The following will be used to provide additional guidance in determining the value of construction.

1) General

   The permit fee for new construction and additions, (i.e., new floor area) shall be based on the value as determined by the plans examiner using BVD.

2) Occupancies and Types of Construction

   The BVD is based on occupancy categories and types of construction used in the Seattle Building Code. Valuation for a building will be based on the BVD category the building most resembles. Chapters 3 and 6 of the International Building Code may be used for additional guidance in determining the appropriate occupancy and construction type.

3) Structures not Classified in an Occupancy

   For structures which are not normally classified in occupancy, the valuation for the occupancy which most closely resembles the proposed construction shall be used.

4) Alterations (see previous section of this rule)

5) Gross Area

"Gross Area" of a building project means the total area of all floors, measured from the exterior face, outside dimensions of exterior column line of a building, including basements, cellars and balconies, but not including unexcavated areas. Where walls and columns are omitted in the construction of a building, such as an open shed or marquee, or covered decks in multifamily residential or commercial construction, the exterior wall of the open side or sides shall be assumed to be the edge of the roof.

6) Structures Accessory to Group R-3

Structures accessory to Group R-3 buildings, such as carports, decks, piers and floats will be valued as Group U. Fees for uncovered structures and enclosed areas shall be computed using one-half the gross area of the structure times the cost per square foot

7) Uncovered Structures and Unenclosed Areas (other than accessory to R-3)

The fee for uncovered and unenclosed structures such as carports, service station canopies, plazas, piers, docks and platforms, multifamily residential and commercial decks, commercial floats, roof parking areas, and similar uncovered usable structures shall be computed using one-half the gross area of the structure times the cost per square foot of the appropriate occupancy and construction category.

8) Building of More than three Stories of Types IA and IB construction

The building valuation will be modified for buildings of Types IA and IB construction exceeding three stories of the following occupancies:

a. Groups R-1 and R-2
b. Banks
c. Hospitals
d. Institutional Nursing Homes
e. Medical Offices
f. Offices
g. Public Buildings
h. Public garages, both enclosed and open
i. Group M

For those occupancies, the total building valuation determined by the BVD per-square-foot values shall be modified by a factor CM, where:

CM = CB [1 + .005 (S-3)]
CB = Total value of the building based upon floor area and costs per square foot as specified in the BVD Table.
S = Number of levels in the building from the top of the foundation.
CM = Modified value based on 0.5% increase above.

9) Sprinklers and Mechanical Systems

Mechanical permits will be charged the permit fees and plan review fees of 100% of the DFI according to Table D-2 of the Fee Subtitle. Where the review of mechanical or sprinkler systems are included in the review of the building permit application, no additional fees will be charged.

Reason: The guidance provided above clarifies the valuation of certain development not clearly addressed in the BVD Table.

D. Establishing Use for the Record

Background: When a use is to be established for the record, application materials are sometimes routed to be checked for compliance with the appropriate edition of the Seattle Building Code (SBC)

In Section 22.900D.010, Table D-2 establishes the development fee for establishing use for the record. This rule clarifies how the amount of the fee will be determined.

Note that a Land Use fee will be charged according to Section 22.900C.010, Table C-1.B #18 and D-2 #9 in addition to the development fee whether or not construction work is included in the application.

Rule: When an application for establishment of use that does not include construction work is routed for Building Code Review, the plan review fee is one and one-half times the base fee, and no permit fee will be charged.

When the routed application does include construction work, the applicant will be charged a permit fee of 100% of the DFI plus a plan review fee of 100% of the DFI. Even if the construction is of the type and extent that is typically approved Subject To Field Inspection (STFI), the applicant will be charged a fee based on *the value of the construction.*

Reason: This plan review fee is charged to cover the additional coordination and review associated with processing a permit to establish a use for the record. Land Use fees are not included in the construction valuation tables and land use hourly fees are set to recover cost of review for these permits.

3. Other Permit Fees

A. Noise Variances

Background: The Fee for technical or economic noise variance as set forth in 22.900F.020 and Table F-2 includes an hourly project review fee and the associated inspection charges based upon the number of days the variance is granted. This rule clarifies what costs are covered by the hourly fee.

Rule*:* The hourly project review fee includes, but is not limited to, time spent by SDCI staff reviewing application materials, attending public meetings, and monitoring compliance with the terms and conditions of the variance if one is granted. Rates will be determined by type of review with Land Use Review charged at the Land Use hourly rate and other plan review at the SDCI hourly rate.

Reason: Fees for Noise Variance review are set at a level to recover costs for review, inspection and monitoring noise variances.

B. Peer Review

Background: Section 22.900B.020 gives the Director authority to recover costs of miscellaneous services. This rule establishes amounts that will be charged for Peer Review.

Rule: When the Director determines SDCI needs additional plan review expertise to ensure public safety in development project with unusual design features, the applicant shall reimburse SDCI for direct costs incurred in hiring and paying the necessary consultants.

For peer review contracts whose costs are estimated to exceed $5,000, SDCI may require a deposit of up to twenty-five percent (25%) of the estimated contract amount, up to a maximum of $15,000. The deposit must be received by SDCI before SDCI will authorize the peer reviewer to commence work. For the balance of the contract, SDCI will bill the applicant as invoices are received from the peer reviewer(s). The deposit will be applied to the costs of the contracts at the end of the peer review process.

Reason: Additional costs to hire peer review experts are not included in the base fees for plan review since not all projects are subject to this review. When a peer review expert is hired, SDCI recovers the additional direct costs by charging the applicant for the expert review.

C. Standard Plans and Factory-Built Structures

Background: Items 7 and 8 of Table D-2 specify the fees for standard plans and for factory-built structures. This rule clarifies how those fees are to be applied. The rule applies to (A) applications for approval of a factory-built structure and (B) applications for approval of a standard plan that includes a factory-built structure.

Rule:

1) Factory-built Structures

   The permit fee for factory-built structures is 1 X SDCI base fee. For each module, a plan review fee of 1X SDCI base shall be charged. In addition, a valuation base permit and plan review fee calculated according to item 1 of Table D-2 shall be charged for the foundation and accessory structures.

   For HUD-approved factory-built housing (housing bearing a "Red Seal"), the fee for the foundation shall not be charged if installed per the HUD standards.

2) Standard Plans that Include a Factory-built Structure

   a) The fee for establishment of a standard plan that includes a factory-built structure shall be calculated according to the following:

      i. A permit fee of 100% of the DFI for the standard plan (Table D-2, item 7a), plus 1 x SDCI Base fee for the factory-built structure (Table D-2, item 8). The DFI shall be based on the value of the foundation and accessory structures only.

      Plus

      ii. A plan review fee of 200% of the DFI for the standard plan (Table D-2 item 7a). The DFI shall be based on the value of the foundation and accessory structures only. No plan review fee for the factory-built structure will be charged for the application to establish the standard plan.

   b) The fee for a permit to build according to the standard plan shall be calculated according to the following:

      i. A permit fee of 100% of the DFI for the standard plan (Table D-2 item 7c) plus 1 x SDCI Base fee for the factory-built structure (Table D-2 item 8a). The DFI shall be based on the value of the foundation and accessory structures only.

      Plus

      ii. A plan review fee of 60% of the DFI for the standard plan (Table D-2 item 7c) plus 1 x SDCI Base fee for the factory-built structure (Table D-2 item 8). The DFI shall be based on the value of the foundation and accessory structures only. For standard plans that include HUD-approved factory-built housing (housing bearing a "Red Seal"), the fee for the foundation shall not be charged.

Reason: Fees for factory built structures and standard plans are set by rule to recover costs of permit review.

4. Washington State Building Code Council Fees

Background: Washington state law authorizes the Washington State Building Code Council (SBCC) to impose a fee on residential and commercial building permits issued by local government agencies, plus an additional surcharge for

each residential unit after the first unit (RCW 19.27.085). Each Washington county and city is required to remit moneys collected for this purpose to the state treasurer on a quarterly basis. SDCI has always added this fee and any related surcharges to building permits issued by the City of Seattle. The RCW further specifies that the state legislature may adjust these charges every four years. SDCI has always attached a copy of the current SBCC fees to the SDCI Fee Subtitle as a courtesy notice to applicants. However, the state's schedule for adopting new fees does not correspond to the calendar year adoption of the SDCI Fee Subtitle. For example, new SBCC fees are going into effect on July 1, 2018.

Rule: The current Washington State Building Code Council (SBCC) fees in effect at the time a residential or commercial building permit is issued shall be assessed on the permit and collected by the SDCI to pass on to the state treasurer, per RCW 19.27.085.

Reason: This rule formalizes SDCI's ability to assess and collect the current SBCC fees in effect at the time a residential or commercial building permit is issued.