



COMMUNITY DEVELOPMENT

200 North Main, Mt. Pleasant, MI 48858

Phone: (989) 772-0911 ext. 283

Fax: (989) 775-6681

Staff Report

TO: Human Resource Committee
Board of Commissioners

FROM: Timothy A Nieporte, Community Development Director

DATE: Thursday, June 08, 2017

RE: For the Work Session Agenda June 20, 2017

BACKGROUND

While inspections fees are reviewed on an annual basis during the budget process, it has been more than seven years since they were last adjusted. Due to increased operating expenses over the past seven (7) years I am proposing fee adjustments, seeking the authorization to update the cost per square foot construction table and proposing to establish fees for Wind Turbines as allowed under the provisions of the Stille-DeRossett-Hale Single State Construction Code Act, PA 230 of 1972.

As well, authorization is needed according to the Isabella County State Construction Code Act Ordinance #06-01. Section (3) FEES. Section (3) of the Ordinance reads as follows:

“Pursuant to Section 22 (1), of 1972 PA 230, the Isabella County Board of Commissioners shall establish reasonable fees to be charged for acts and services performed by the enforcing agency. The fees shall be intended to bear a reasonable relation to costs of the acts and services. The fees collected by the enforcing agency shall only be used for the operation of the enforcing agency and shall not be used for any other purpose.”

The proposed fee adjustments are as follows:

1. Adjust the administration fee by increasing it \$5.00 per application; and
2. Adjust the per inspection fee by increasing \$5.00 per inspection; and
3. Utilize the updated State Department of Licensing and Regulatory Affairs Cost per Square Foot Construction Table, as amended (attached) for calculating construction values; and
4. Establish a fee for Utility Grid Wind Energy Conservation Systems (Wind Turbines) of \$10.00 per lineal foot from grade to the Hub of the Turbine plus necessary costs in the form of an escrow fee for third party technical review to be established at time of

application; and

5. Establish a soil erosion and sedimentation control fee for Utility Grid Wind Energy Conservation Systems (Wind Turbines) of \$500.00 per turbine and \$50.00 per ½ mile of collection lines.

The administrative fee (\$12.00 per application) which was established in 2007 would generate an additional estimated \$8,250 annually if increased by \$5.00 per application. Approximately \$2,750.00 in FY17.

The per inspection fee (\$50.00) which was increased from \$46.00 in FY07 to \$50.00 in FY10 would generate an estimated \$12,500 annually if increased by \$5.00 per application. Approximately \$4,150.00 in FY17.

The utilization of the updated Cost per Square Foot Construction Table will bring construction values in line with current cost values when calculating fees for new construction. This update would generate an estimated \$7,500 in additional revenue annually. Approximately \$2,500 in FY17.

The fees for Utility Grid Wind Turbines would establish fees in the event that we receive application for Turbines. The fee schedule is in line with the fees established for the Wind Farm Project in Gratiot County and appears to cover costs for services including soil erosion and sedimentation control under Part 91 of the Natural Resources and Environmental Protection Act.

The total estimated increase in revenue annually would be of \$28,250. The Utility Grid Wind Energy Conservation Systems (Wind Turbines) will not create an estimated annual increase in revenue. It will be more of a one-time event or fee.

ALTERNATIVES

1. Approve the following proposed fee adjustments pursuant to PA 230 of 1972 and the Isabella County State Construction Code Ordinance, Ordinance #06-01:
 - Adjust the administration fee by increasing it \$5.00 per application from \$12.00 to \$17.00.
 - Adjust the per inspection fee by increasing it \$5.00 per inspection from \$50.00 to \$55.00.
 - Implement the use of the updated State Cost per Square foot of Construction Table as amended.
 - Establish a fee for Utility Grid Wind Energy Conservation Systems (Wind Turbines) of

\$10.00 per lineal foot from grade to the Hub of the Turbine plus necessary costs in the form of an escrow fee for third party technical review to be established at time of application.

- Establish a soil erosion and sedimentation control fee for Utility Grid Wind Energy Conservation Systems (Wind Turbines) of \$500.00 per turbine and \$50.00 per ½ mile of collection lines.

2. Disapprove the proposed fee adjustments as presented.

FINANCIAL IMPACT

There is no direct effect on the County's General Fund. However, the approval of the fee adjustments will bring the enforcing agency more in line with the reasonable fee for the services provided by the Inspections Division of the Community Development Department and directly affect the Building Inspections Fund. Net result in FY17 would be approximately \$9,400.00.

OTHER CONSIDERATIONS

None.

RECOMMENDATIONS

1. Move to approve the proposed fee adjustment, authorize the update of the construction value table and establish a fee for Wind Turbines pursuant to PA 230 of 1972 and the Isabella County State Construction Code Ordinance, Ordinance #06-01, as follows:
 - Adjust the administration fee by increasing it \$5.00 per application from \$12.00 to \$17.00.
 - Adjust the per inspection fee by increasing it \$5.00 per inspection from \$50.00 to \$55.00.
 - Implement the use of the updated State Cost per Square foot of Construction Table as amended.
 - Establish a fee for Utility Grid Wind Energy Conservation Systems (Wind Turbines) of \$10.00 per lineal foot from grade to the Hub of the Turbine plus necessary costs in the form of an escrow fee for third party technical review to be established at time of application.
 - Establish a soil erosion and sedimentation control fee for Utility Grid Wind Energy Conservation Systems (Wind Turbines) of \$500.00 per turbine and \$50.00 per ½ mile of

collection lines.

Effective July 1, 2017

ATTACHMENTS

Isabella County State Construction Code Act Ordinance # 06-01

Current and New Proposed Cost per Square foot Construction Table

BUREAU OF CONSTRUCTION CODES SQUARE FOOT CONSTRUCTION COST TABLE

To be used with the Bureau of Construction Codes Building permit and Plan Review Fee Schedules for computation of the "Total Cost of Improvement". The table below outlines the base cost per square foot of any given Use Group/Type of Construction combination. Unfinished basements must be computed separately at 20% of table cost. These figures are not intended to reflect actual cost of construction, but are only used as a basis for determination of fees related to services rendered for projects.

USE GROUP (2006 Michigan Building Code)		TYPE OF CONSTRUCTION								
		1A	1B	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 (a)	Assembly, theaters, with stage	155.99	150.96	147.45	141.26	132.98	129.06	136.74	121.33	116.86
A-1 (b)	Assembly, theaters, without stage	141.28	136.24	132.73	126.54	118.30	114.37	122.03	106.64	102.17
A-2	Assembly, nightclubs, restaurants, bars, banquet halls	119.51	116.13	112.40	108.82	101.55	99.42	104.99	91.94	89.66
A-3	Assembly, religious worship buildings, general, community halls, libraries, museums	143.79	138.76	135.25	129.06	120.79	116.87	124.54	109.14	104.67
A-4	Assembly, arenas	140.53	135.49	131.23	125.79	116.80	113.62	121.28	105.14	101.42
A-5	Assembly, bleachers, grandstands, stadiums	121.58	116.54	112.28	106.85	97.37	94.65	102.33	86.17	82.45
B	Business	120.83	116.48	112.75	107.43	97.75	94.04	103.22	85.66	82.10
E	Educational	132.19	127.73	124.10	118.69	111.24	105.56	114.77	97.90	94.21
F-1	Factory and industrial, moderate hazard	73.26	69.90	65.91	63.72	57.07	54.53	61.15	47.00	44.43
F-2	Factory and industrial, low hazard	72.51	69.15	65.91	62.97	57.07	53.78	60.40	47.00	43.68
H-1	High Hazard, explosives	68.62	65.26	62.03	59.08	53.33	50.04	56.52	43.25	N.P.
H2,3,4	High Hazard	68.62	65.26	62.03	59.08	53.33	50.04	56.52	43.25	39.93
H-5	HPM	120.83	116.48	112.75	107.43	97.75	94.04	103.22	85.66	82.10
I-1	Institutional, supervised environment	120.99	116.84	113.71	109.10	101.86	99.07	110.10	92.20	88.58
I-2	Institutional, hospitals, nursing homes	203.35	199.00	195.27	189.95	179.72	N.P.	185.74	167.63	N.P.
I-3	Institutional, restrained	138.67	134.52	130.79	125.48	116.75	112.29	121.27	104.66	N.P.
I-4	Institutional, day care facilities	120.99	116.84	113.71	109.10	101.86	99.07	110.10	92.20	88.58
M	Mercantile	89.43	86.05	82.32	78.74	71.96	69.83	74.91	62.35	59.96
R-1	Residential, hotels and motels	122.58	118.43	115.29	110.68	103.27	100.47	111.51	93.61	89.99
R-2	Residential, multiple family including dormitories, convents, monasteries	102.73	98.58	95.45	90.83	83.51	80.72	91.76	73.85	70.24
R-3	Residential, one- and two-family	97.48	94.78	92.45	90.01	86.71	84.46	88.52	81.25	78.46
R-4	Residential, care/assisted living facilities	120.99	116.84	113.71	109.10	101.86	99.07	110.10	92.20	88.58
S-1	Storage, moderate hazard	67.87	64.51	60.53	58.33	51.83	49.29	55.77	41.75	39.18
S-2	Storage, low hazard	67.12	63.76	60.53	57.58	51.83	48.54	55.02	41.75	38.43
U	Utility, miscellaneous	51.83	49.00	46.08	43.78	39.53	36.86	41.31	31.21	29.70

Approved by Construction Code Commission - January 6, 2010
Established by Director, Department of Energy, Labor & Economic Growth - January 15, 2010
Effective Date - April 1, 2010

BUREAU OF CONSTRUCTION CODES

SQUARE FOOT CONSTRUCTION COST TABLE

To be used with the Bureau of Construction Codes Building Permit and Plan Review Fee Schedules for computation of the "Total Cost of Improvement". The table below outlines the base cost per square foot for any given Use Group/Type of Construction combination. Unfinished basements must be computed separately at 20% of table cost. These figures are not intended to reflect actual cost of construction, but are only used as a basis for determination of fees related to services rendered for projects.

USE GROUP	(2009 Michigan Building Code)	TYPE OF CONSTRUCTION								
		IA	IB	IIA	IB	IIIA	IIIB	IV	VA	VB
A-1	Assembly, theaters, with or without stage	176.44	169.93	165.20	157.56	146.98	142.20	151.76	132.98	127.07
A-2	Assembly, nightclubs, restaurants, bars, banquet halls	151.03	146.72	141.70	136.83	127.57	124.97	131.74	115.44	113.02
A-3	Assembly, religious worship buildings, general, community halls, libraries, museums	178.16	171.65	166.92	159.28	148.82	144.24	153.47	134.83	128.91
A-4	Assembly, arenas	175.54	169.03	163.40	156.66	145.18	141.50	150.86	131.18	126.17
A-5	Assembly, bleachers, grandstands, stadiums	156.59	150.08	144.45	137.72	125.75	122.53	131.91	112.21	107.20
B	Business	155.28	149.60	144.52	137.45	124.67	120.03	131.78	109.55	104.34
E	Educational	163.53	157.90	153.20	146.21	136.19	128.91	141.11	118.49	114.47
F-1	Factory and industrial, moderate hazard	92.97	88.61	83.30	80.08	71.35	68.29	76.52	58.88	55.23
F-2	Factory and industrial, low hazard	92.07	87.71	83.30	79.18	71.35	67.39	75.62	58.88	54.33
H-1	High Hazard, explosives	87.11	82.75	78.34	74.22	66.57	62.61	70.66	54.10	N.P.
H234	High Hazard	87.11	82.75	78.34	74.22	66.57	62.61	70.66	54.10	49.55
H-5	HPM	155.28	149.60	144.52	137.45	124.67	120.03	131.78	109.55	104.34
I-1	Institutional, supervised environment	154.20	148.79	144.63	138.36	127.07	123.71	134.85	114.01	109.95
I-2	Institutional, hospitals, nursing homes	263.67	257.99	252.91	245.84	232.14	N.P.	240.17	217.03	N.P.
I-3	Institutional, restrained	176.87	171.19	166.11	159.04	147.61	142.08	153.37	132.50	125.48
I-4	Institutional, day care facilities	154.20	148.79	144.63	138.36	127.07	123.71	134.85	114.01	109.95
M	Mercantile	113.22	108.91	103.89	99.02	90.41	87.80	93.93	78.28	75.86
R-1	Residential, hotels and motels	155.54	150.13	145.97	139.70	128.56	125.20	136.34	115.49	111.44
R-2	Residential, multiple family including dormitories, convents, monasteries	130.40	124.99	120.83	114.56	104.04	100.68	111.82	90.97	86.92
R-3	Residential, one- and two-family	122.74	119.39	116.36	113.47	108.94	106.23	109.87	101.79	95.34
R-4	Residential, care/assisted living facilities	154.20	148.79	144.63	138.36	127.07	123.71	134.85	114.01	109.95
S-1	Storage, moderate hazard	86.21	81.85	76.54	73.32	64.77	61.71	69.76	52.30	48.65
S-2	Storage, low hazard	85.31	80.95	76.54	72.42	64.77	60.81	68.86	52.30	47.75
U	Utility, miscellaneous	64.61	61.02	57.11	53.93	48.40	45.26	51.34	37.85	35.85

Approved by Construction Code Commission – February 13, 2013
 Established by Director, Department of Licensing & Regulatory Affairs – February 26, 2013
 Effective Date – April 1, 2013

ISABELLA COUNTY
STATE CONSTRUCTION CODE ACT ORDINANCE

Ordinance Number (06-01)

An ordinance to designate an enforcing agency to discharge the responsibility of the County of Isabella located in the State of Michigan, under the provisions of the Stille-DeRossett-Hale Single State Construction Code Act, 1972 PA 230, MCL 125.1501 et seq. The County of Isabella ordains:

Section 1. AGENCY DESIGNATED. Pursuant to the provisions of the Michigan Building Code, in accordance with Section 8b(6) of 1972 PA 230, the Building Code Official of the County of Isabella is hereby designated as the enforcing agency to discharge the responsibility of the County of Isabella under 1972 PA 230, as amended, State of Michigan. The County of Isabella assumes responsibility for the administration and enforcement of said Act throughout its corporate limits except in cities, villages and townships which have by ordinance assumed the responsibility for the administration and enforcement of 1972 PA 230, as amended.

Section 2. REPEALS. All ordinances inconsistent with the provisions of this ordinance are hereby repealed.

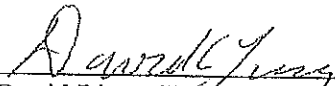
Section 3. FEE. Pursuant to Section 22 (1), of 1972 PA 230, the Isabella County Board of Commissioners shall establish reasonable fees to be charged for acts and services performed by the enforcing agency. The fees shall be intended to bear a reasonable relation to costs of the acts and services. The fees collected by the enforcing agency shall only be used for the operation of the enforcing agency and shall not be used for any other purpose.

Section 4. PUBLICATION. This ordinance shall be effective after legal publication and in accordance with provisions of the Act governing same.

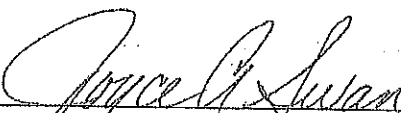
Adopted this 21st day of November, 2006.

This ordinance duly adopted on November 21, 2006 at a regular meeting of the Isabella County Board of Commissioners and shall become effective December 1, 2006.

Attested:



David Ling, Chairman
Isabella County Board of Commissioners



Joyce Swan, Clerk
Isabella County