



MEMORANDUM

DATE: November 21, 2022

TO: Honorable Mayor and City Councilmembers
Dave Perrault, City Administrator

FROM: Julie Hanson, Assistant to the City Administrator/City Clerk
Jessica Jagoe, Community Development Director

SUBJECT: Draft 2023 Fee Schedule (Electrical Permits)

Budgeted Amount:	Actual Amount:	Funding Source:
\$	\$	\$

Council Should Consider

Council should consider providing feedback on the proposed 2023 draft fee schedule relating to electrical permit fees.

Background/Discussion

Under Building Construction (Sec. II), Pete Tokle of Tokle Inspections, Inc. is proposing a change in how the electrical permit fees are calculated for commercial fees. He proposed for 2023 to change electrical permit to be based on valuation. This table for permit fees based on project valuation is similar to how building permits are calculated. Mr. Tokle had proposed these same changes to various other cities and has been using valuation based commercial permits in New Brighton and Brooklyn Center for three years.

City staff had followed up with Mr. Tokle to gain a better understanding of the potential increase the proposed electrical permit fee structure would have on commercial projects. Currently, the City does not ask for the project valuation on electrical permits so we did not have the information readily available to us to compare 2022 to proposed 2023 rates.

On Friday, November 18th, Mr. Tokle provided the City with more information on the proposed rate increase using the valuation based permit fee table as well as a second option to change electrical permits to a 0.75% fee based on the project valuation (this is currently how the City calculates mechanical and plumbing permits). The following table provides a breakdown of four commercial project examples for electrical permit fees based on 2022 current rates and the two proposed options for 2023:

	2022 Current Rate	Proposed 2023 Rate – Based on Project Valuation Fee Table	Proposed 2023 Rate – Based on 0.75% of Project Valuation
New Construction Fast Food Restaurant - \$300,000 Project Valuation	\$2,126.00	\$2263.55/6.47% increase	\$2,250.00/5.83% increase
Office/Warehouse Shell Only - \$97,066 Project Valuation	\$639.00	\$1,041.20/62% increase	\$728.00/14% increase
Office/Warehouse - \$104,000 Project Valuation	\$582.00	\$1,087.55/86% increase	\$780.00/34% increase
Shop Wiring - \$29,450 Project Valuation	\$279.00	\$477.00/70% increase	\$221.00/20% decrease

Mr. Tokle has stated using the rate of 0.75% of project valuation is expected to be an average increase of 8.45% to commercial permit fees. The electrical fees were last adopted in 2020 and prior to that, 2015. Mr. Tokle has indicated that the Cities of Shoreview and Little Canada have chosen to adopt the 0.75% rate rather than the valuation table as originally proposed. The explanation is that this will eliminate the need for future commercial fee increases and will be simpler to calculate.

Attachments

N/A