



City Council

Agenda Item

Subject: Council Approval of a Building Permit Fee Reduction for the Codington County Detention Facility

Meeting: City Council - Apr 21 2025

From: Kristen Bobzien, Interim City Manager/Chief Financial Officer

BACKGROUND INFORMATION:

The City Council shall, by resolution, establish a schedule of fees for building permit in accordance with §21.0208 Schedule of Fees, Charges, and Expenses. This section of ordinance states that the City Council shall establish a schedule of fees, charges, and expenses and a collection procedure for building permits, certificates of zoning compliance, appeals and other matters pertaining to this ordinance. The schedule of fees shall be posted in the office of the Building Official, and may be altered or amended only by the City Council. Resolution No. 24-07 was approved by the City Council on November 18, 2024, to establish fees for 2025.

As Codington County prepares to submit an application for their building permit for the Codington County Detention Facility, Codington County Commissioner Lee Gabel and Sheriff Brad Howell approached city staff about reducing the estimated permit fee required for the public project. The commercial building permit fee is projected to be \$140,670, this includes the plan review fee, calculated at 50% of the permit fee based on valuation. The overall project valuation is projected to be over \$30M. Staff determined an estimated resource allocation for the project will be required for plan review and inspections throughout construction. City staff feel it would be appropriate to reduce the fee significantly but to recover those administrative costs in the amount determined to be \$10,000.

The permit fees for building permits are waived for city projects. The detention center is Codington County's project for the benefit of the greater Watertown community. It will provide benefits to the City's Police Department operations and increase overall public safety and service.

FINANCIAL CONSIDERATIONS:

The permit fee per the fee schedule is estimated to be \$140,670. This proposal would collect 7% of the total permit fee of \$10,000 to cover City administrative costs involved with the project.

OVERSIGHT / PROJECT RESPONSIBILITY:

Brandi Hanten, Community Development Manager
Reid Peterson, Building Official
Justin Petersen, City Engineer

STAFF RECOMMENDATION / SUGGESTED MOTION:

Staff recommends approval of the building permit fee reduction to City Council through the following motion:

I move to approve the Building Permit Fee Reduction for the Codington County Detention Facility to allow staff to collect \$10,000 at the time of building permit issuance.
