

# Report compares city development costs - Columbia Daily Tribune: Local News

## Report compares city development costs

Hikes in local fees may alter picture.

By **ANDREW DENNEY**

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Columbia is a relatively cheap city in which to develop real estate, at least compared with 16 municipalities in the Kansas City area, a new report says, but local development and real estate representatives said they are waiting to see how recent fee increases will affect that status.

The Western Missouri/Kansas chapter of the Society of Industrial and Office Realtors completed the report, which was submitted to the city of Columbia last month, using data collected in March. Columbia was included in the study at the request of local commercial real estate agent Paul Land, who is a member of the chapter, and staffers from the city of Columbia's Building and Site Development division assisted researchers for the project.

### 20121206 BUILDING FEES

#### BUILDING FEES

Here are the total fees estimated fees in the report for a 60,000-square-foot office building with construction valued at \$9.6 million, as of March:

Blue Springs:	\$92,092.76
Columbia:	\$46 801.47
Gardner, Kan.:	\$145,428.50
Grandview:	\$92,479
Independence:	\$79,179
Kansas City:	\$130,751.50
Lawrence, Kan.:	\$48,057.65
Leawood, Kan.:	\$98,181.80
Lees Summit:	\$130,991.54
Lenexa, Kan.:	\$261,318.15
Liberty :	\$117,091.42
North Kansas City:	\$122,411.86
Olathe, Kan.:	\$188,972.56
Overland Park, Kan.:	\$248,773.71

Riverside:	\$37,760
Shawnee, Kan.:	\$198,737.16
Unified Government of Kansas City, Kan.:	\$78,015.50

Considering a recent building fee increase by the city, Land said, he would like to see further results before he comments on the results of the study.

"I'd like to see what it looks like next year before I draw a final conclusion on it," Land said.

The report featured building fees for a hypothetical, 60,000-square-foot office building with a construction valuation of \$9.6 million that does not require rezoning and would not be allowed any special uses. Phil Teeple, a building regulations supervisor for the city of Columbia, said Building and Site Development staffers who provided information for the report ignored the \$9.6 million valuation provided by the researchers and instead used its system at that time for determining construction valuation, which he said was about \$5.7 million.

According to the report, total fees for the hypothetical project would come out to \$46,801. By comparison, fees in other cities included estimates as high as \$261,000 in Lenexa, Kan., and \$130,000 in Lee's Summit.

Since research for the report has been completed, the Columbia City Council has voted to alter the city's fee structure for building permits, which generally equated to a fee increase. Before the change, building permit fees for commercial properties were based on construction valuations that were determined in 1991 and were levied on a tiered schedule.

Now building fees are calculated by using the latest construction valuations from the International Codes Council, and a uniform rate of \$2.25 per \$1,000 of value, with a \$21.60 minimum fee, is assigned.

The change went into effect at the beginning of the city's current fiscal year, which began Oct. 1. Building permit fees collected by the city are directed to its general fund.

Tim Teddy, director of the city of Columbia's Community Development Department, said there are no plans to adjust fees, but he said the report shows the city can argue that it is "relatively inexpensive" to develop real estate here.

"We can show that we are actually moderately priced," Teddy said.

Land said he is also a member of the Society of Industrial and Office Realtors' St. Louis chapter and that he plans to ask that group to draft a report comparing Columbia to municipalities in the St. Louis metropolitan area.

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