

	STANDARD OPERATING POLICY AND PROCEDURE Community and Economic Development	Number: 1-14
Subject: Valuation Determination		Approval Date: May 9, 2007
Approval: Chuck King, Building Official		Effective Date: May 9, 2007

1.0 PURPOSE

Describes factors in determining a building's valuation and the applicant's requirements when the stated valuation is at dispute.

2.0 DISTRIBUTION

Public, Community and Economic Development (CED) Personnel

3.0 REVISION HISTORY

August, 2015
 March, 2019 –Code Update

4.0 CODE REFERENCE

2018 International Building Code (IBC), Section 109.3

5.0 POLICY

The valuation of construction is an important element when determining the cost of a permit. Valuation is affected by inflation, changes in the economy, and changes in the cost of materials and labor. An average assessment of cost to construct various structures is identified by the "Town of Oro Valley Valuation Data Schedule and Construction Permit Fee Schedule". This adopted fee schedule shall be used to check the stated valuation provided by the applicant at the time of permit application. The higher of the valuation stated in this schedule or in the estimate noted below shall be used.

IBC, Section 109.3, states:

"The applicant for a *permit* shall provide an estimated *permit* value at time of application. *Permit* valuations shall include total value of work, including materials and labor, for which the *permit* is being issued, such as electrical, gas, mechanical, plumbing equipment and permanent systems. If, in the opinion of the *building official*, the valuation is underestimated on the application, the *permit* shall be denied, unless the applicant can show detailed estimates to meet the approval of the *building official*. Final building *permit* valuation shall be set by the *building official*."

Applicants shall provide a detailed cost estimate to substantiate stated valuations for new construction projects. This shall be completed by a qualified estimator or shown as part of a construction contract that clearly identifies the full scope of work to be performed. Estimates shall include all material and labor costs, regardless of who purchases the material or completes the installation. If the contractor's scope of work is not inclusive of the full project cost, the estimate will need to be supplemented with the owner or otherwise supplied materials and labor cost. This includes all material or equipment that is affixed to the wall, floor or ceiling, as well as any material or equipment that is hard wired, ducted, or plumbed. Moveable items such as furnishings, architectural costs, permit fees, and grading costs associated with a separate grading permit are not considered to be part of the overall cost of the construction, and are not required to be included. The *building official* will review this submittal and provide the determination of final building permit valuation and associated fees. If the estimate is less than the permit fees based on the adopted fee schedule for such work, the higher of the two valuations will be used.