



Pre-requisites for permitting a project as a shell construction:

- The plans specify an enclosed space, complete with doors and windows. Plans which do not result in enclosed spaces should be permitted as phased projects.
- Occupancy for the shell has been specified in the site plan, including multiple occupancies for shells with mixed uses.

If the site plan does NOT include the percentage of total square footage assigned to each occupancy in a mixed-use shell building, then the higher cost occupancy will be used to compute fees and determine code requirements for the entire shell.

If the site plan includes the percentage of total square footage assigned to each occupancy in a mixed-use shell building, then the code requirements and valuations will be determined separately for each occupancy.

The fees for shell buildings and tenant improvements (TI's) to the shell building will be based on the value of the construction as determined by the Planning and Development Department (P&D). P&D determines the value of new construction using the current Building Valuation Table located at <http://phoenix.gov/development/feesandfinance/index.html>, and the "Percent Complete Table for Shell Building & TI's to Shell Buildings" at the end of this document. The valuation does not represent the actual appraised value; however, the fees generated represent the cost to provide plan review and inspection services.

Project valuation is the higher of the minimum project valuation as calculated by P&D or the project valuation as provided by the applicant.

Permit fees for shell buildings are based on the valuation, as calculated by P&D (see page 31 of the P&D Fee Schedule located at <http://phoenix.gov/development/feesandfinance/index.html>) of a complete structure of that square footage and occupancy multiplied by a factor that represents the percentage to which the building is actually being completed in the "shell" stage, based on the following Percent Complete Table for Shell Building & TI's to Shell Buildings. The permit for any shell building shall specify the level of TI's that are required to complete the project and obtain a Certificate of Occupancy (C of O).

Examples:

- A. A 20,000 square foot office/warehouse shell with a site plan specifying 5,000 sq. ft. of office space (Group B in the Building Valuation Table @ \$111/sq. ft.) and 15,000 sq. ft. of warehouse space (Group S-1b in the Building Valuation Table @ \$55/sq. ft.) with VA construction that is to be completed to Level 2 (or a 75% shell) requires the following calculations:

$$\begin{array}{l} \text{Office:} \quad 5,000 \times \$111 \times 75\% = \$416,250 \\ \text{Warehouse:} \quad 15,000 \times \$55 \times 75\% = \$618,750 \\ \text{Total Valuation} \quad \quad \quad = \$1,035,000 \end{array}$$

Permit Fee (per Table A on page 31 of P&D Fee Schedule) = \$7,201 + (\$4 X 35) = \$7,341.

TIs required at 45% of new construction valuation.

- B. A 20,000 square foot office/warehouse shell whose plans do not specify percentages assigned to each use, to be built with VA construction and completed to Level 2 (or a 75% shell) requires the following calculations using **only** the higher (office) costs:

$$\text{Shell} \quad 20,000 \times \$111 \times 75\% = \$2,220,000$$

Permit Fee = \$7,201 + (\$4 X 1220) = \$12,081.

TI's required at 45% of new construction valuation.

Percent Complete Table for Shell Buildings and TI's to Shell Buildings

| Shell Permit | | | TI Permits Required to Complete the Project | | | Project Total* |
|----------------------|---|---------------------------------|---|--|--------|----------------|
| Extent of Completion | Description | Result | Extent of Work | Description | Result | |
| Level 1 60% | Basic Shell – Enclosed space with walls, roof, foundation, doors and windows; no floor, no interior finishes or plumbing/electrical/mechanical: exterior structure only. Permit requires TIs at 70% rate. | No C of O No Occupancy | Full TI 70% (no demo) | Installation of new electrical, plumbing or mechanical systems in conjunction with new room configurations; addition of walls or ceilings, kitchens, bathrooms, HVAC, etc. | C of O | 130% |
| Level 2 75% | Basic shell plus floor, basic plumbing/electrical/mechanical, underfloor. Some interior finishes on exterior walls; some demising walls. Permit requires TIs at 45% rate. | No C of O No Occupancy | Major TI 45% (no demo) | Addition of walls or glazing systems; upgrade of structural systems to receive increased loads; completion of HVAC, mechanical, plumbing or electrical systems; finishing walls, ceilings or floors. | C of O | 120% |
| Level 3 90% | 75% shell plus demising walls; finished spaces but without tenant use specified. Permit requires TIs at 20% rate. | No C of O No Occupancy | Minor TI 20% | Cosmetic work: refinishing walls, ceilings or floors; minor mechanical, electrical or plumbing. No structural work. | C of O | 110% |
| Level 4 100% | Full building permit. | C of O | ----- | (Not required for initial occupancy.) | ----- | 100% |

All tenant spaces require a separate TI permit and a separate C of O before occupancy.

*Plan review and permit fees for shell/TI compared to total project under one permit.