



COMMUNITY DEVELOPMENT DEPARTMENT

Building Inspection Division

221 West Pine St./PO Box 3006, Lodi, CA 95241-1910

(209) 333-6714

Tenant Improvements – Questions & Answers

Forms & Handouts No.: **B**

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Tenant Improvement Projects

In "Tenant Improvement Process" handout, the procedures for how to process a tenant improvement project are described. This handout is designed to help answer some of the more commonly asked questions that arise with tenant improvements projects. Additionally, it is intended to identify those types of improvements that trigger permit and more involved review or additional requirements on your project.

Types of Tenant Improvement projects

There are three primary types of tenant improvement projects that are typically submitted for review and approval; 1) a new business locating in previously unoccupied (new shell). 2) A new business locating in a (previously occupied tenant space: and 3) an expansion/modification of an existing business. Provided below is an overview of key issues.

New Business locating in a previously unoccupied space.

For this type of Tenant Improvement key issues include: 1) is the proposed business use allowed at that location? 2) What additional improvements may be required with the project? And 3) What fees are required?

Issue #1: when considering starting your new business, it is recommended that you verify with the City that the proposed business is allowed "permitted" at your chosen location. Check with the City's Building & Planning Department at (209) 333-6711 or visit the City's Community Development Department at City Hall. If your type of business is allowed, you can begin the Tenant Improvement permitting process. In some instances, a conditional use permit (CUP) may be required to allow certain types of businesses in the chosen location. If that is the case, the Permit Community Development Department staff will be able to provide additional information about the CUP process.

Issue #2: The level of improvements that are typically required with this type of tenant improvement project are usually building code related such as:

- Constructing accessible restrooms (1 unisex facility will satisfy most retail & office businesses of less than 1500 sq ft):
- A tenant demising wall and ceiling within the tenant space:
- Installing a complete HVAC system within the tenant space, electrical system (power, lighting, signal, etc) within the tenant space, provide Title 24 Energy lighting Compliance calculation for the tenant space, and fire sprinkler & alarm system modifications within the tenant space:

In addition to these improvements, other improvements may include:

- Installing rooftop HVAC equipment (including mechanical, plumbing, and electrical & structural).
- Installing wall and roof (ceiling) insulation (required for title 24 Energy Compliance).
- Provide Title 24 Energy Envelope & Mechanical Compliance for the tenant space.

Issue #3: Tenant Improvement projects are assessed building permit/plan check fees which are based upon the valuation of the project proposed. The project valuation is based upon two factors 1) the cost per square foot: and 2) the proposed use. For more specific information regarding fees please contact the building Division at (209) 333-6714.

New Business locating in a Previously Occupied Space

For this type of Tenant Improvement Key issues include:

- 1) Is the business use allowed at the proposed location?

2) Does the proposed project represent a “change in use”?

3) Is the new use more intensive than the previous use?

4) What additional improvements are required with this type of tenant improvement project?

Issue #1: Again, you must first determine if your project is allowed at the chosen location. A common issue that arises with this type of tenant improvement project is, if you are planning on continuing the operation of a non-permitted use type at the same location. If the use is not a “permitted use” but has been continuously operating at that location then the use is considered a pre-existing, legal nonconforming use. If that is discontinued for a time frame greater than six months, then that use can no longer operate at that location. However, if your new business at that location is the same as the prior use and it has been less than six months since the prior use vacated the property, your business is allowed at that location. Contact the **Planning Department** at (209) 333-6711 for more information on use types or visit the City’s Community Development Department. The pre-existing, legal nonconforming is a planning department exception only.

Issue #2: A change Occupancy and/or “change in use” refers to an existing tenant space changed from one use or business type. There are a variety of different examples of changes in Occupancy and/or use, including office use to retail use to restaurant use: and, office use to salon use. Warehouse may house the same Occupancy and/ or use as the exiting tenant but have different uses in the warehouse then the previous tenant. The most important thing to understand is that when there is a change of use, there may be additional components to the project that must be reviewed and addressed. The level of the review depends on the type of change in use and if the new use is more or less intensive than the prior use.

Issue #3: The term “intensive” is used to measure the occupancy classification of the use, and whether or not the new use has a higher or lower demand for service (water, sewer, electrical, parking occupant load etc.) than the prior use. Both a higher or lower demand for service may result in a change in service needs and requirements. In either case the building Division must issue a “Certificate of Occupancy” for the new tenant space if it is different than the prior use.

Issue #4: Additional improvements may be required based on the specific use.

Upgrades to accessibility improvements will be required based on the scale of the project.

Types of potential upgrades include a primary business entry: a path of travel from the public way to the building entrance: the restrooms, drinking

fountain and public phone serving the space: a parking space, storage and alarms. According to the 2007 California Building Code (CBC), when a business remodels an existing tenant space, the tenant is responsible for including as part of there project, upgraded accessibility improvements. This requirement is referred to as “Disproportionate Cost” and requires a minimum of 20 percent of the construction cost associated with the remodel project be used for accessible upgrades if the construction cost is less than the current valuation threshold currently valued at \$116,837.68 Note: this cost changes each year. If the construction cost proposed project exceed that threshold, then the project must provide full accessibility improvements to the remodeled area.

A Business Expansion and / or modification

For a business expansion and / or modification the most important issues to be aware of are; 1) what exactly constitutes a modification or expansion? 2) Are any kind of permits required? 3) What additional improvements are required within this type of tenant improvement project?

Issue #1: A modification to an existing tenant space is when either significant interior construction improvements are proposed (addition of new walls: new restrooms or kitchen facilities), or when additional square footage is being added.

Issue #2: In general, all forms of modifications and/or expansion projects require some type of permit from the City. All projects of this type will require a building permit. Note; if your project includes a new external addition, then it will be necessary for your project to receive approval from the City’s Planning Department for new construction, prior to applying for a building permit.

Issue #3: The same types of improvements identified with the “new Business in a previously occupied space”

Application Forms

An Application for Tenant Improvement Permit form may be requested at the Community Development Permit Center located at:

Address: **221 West Pine Street**
Phone: **(209) 333-6714**
Hours: **Mon through Fri, 8 am – 5 pm**