

Tenant Improvements– Questions & Answers

Tenant Improvement Projects

In our “Tenant Improvement Process” brochure, the procedures for how to process a tenant improvement project are described. This brochure is designed to help answer some of the more commonly asked questions that arise with tenant improvement projects. Additionally, it is intended to identify those types of improvements that trigger a 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 a previously unoccupied (new shell or spec) tenant space. 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 the 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 Planning Department at (916) 774-5276. or visit the City’s Permit Center in the Civic Center. 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 Center 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 2000 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, providing Title 24 Energy Lighting Compliance calculation for the tenant space, and fire sprinklers & 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.).
- ♦ Providing Title 24 Energy Envelope & Mechanical Compliance for the tenant space.

Issue #3 Tenant Improvement projects are assessed building permit, plan check and seismic fees 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.

All fees are determined by the Building Division. For more specific information regarding fees please contact the Building Division at (916) 774-5332.

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? And 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 a use is not a “permitted” use but has been continuously operating at that location, then the use is considered a pre-existing , legal non-conforming use. If that use 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 (916) 774-5276 for more information on use types or visit the City’s Permit Center.

Issue #2 A “change in use” refers to an existing tenant space changed from one use or business type. There are a variety off different examples of changes in use, including office use to retail use: retail use to restaurant use: and, office use to salon use. The most important thing to understand is that when there is a change is 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 services (e.g. water ,sewer, electrical, parking occupant load etc.) than the prior use. Both a higher or lower demand for serices 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 use at that tenant space if it is different than the prior use.

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

- ♦ **Upgraded water & sewer improvements** (e.g. meters & backflow preventions)- These could be required if there is no meter servicing the business, or if the existing equipment is undersized, outdated, or damaged. Please contact Environmental Utilities at (916) 774-5770.

Note: Most required utility upgrades can also trigger additional water and sewer connection fees.

- ♦ **Installation of a grease capturing device**, floor drains and /or a larger refuse collection bin may be required if the primary function of the new business is food preparation. Please contact Environmental Utilities at (916) 774-5770.
- ♦ **Upgrade in panel amp rating and additional electrical meter** may be required if the new use has a higher electrical demand. Please contact Roseville Electric (9916) 774-5600.
- ♦ **Additional Parking** may be required if the new use has a higher parking ratio than the previous use. Note: if the tenant space is located within a shopping center complex, there may be sufficient parking. Please contact the Planning Department at (916) 774-5276.

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 California Building Code (CBC), when a business remodels on existing tenant space, the tenant is responsible for including as part of their project, upgraded accessibility improvements. This requirement is referred to as "Disproportionate Cost" and requires a minimum of 20 percent of the construction costs associated with the remodel project be used for accessibility upgrades if the construction cost is less than the current valuation threshold currently valued at \$97,585. 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? Are any kind of permits required? 3) What additional improvements are required with this type of tenant improvement project?

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

Issue #2: In general, all forms of modification and/or expansion projects require some type of permit from the City. All projects of this type will require a Building Permit. Note: that is 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 the 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"- Issue #4 apply here.

Downtown & Historic District

While the different types of tenant improvement project (previously identified) also apply to the Downtown. Historic District and older more developed areas of Roseville, there are other key issues to be aware of when locating a new business in these older areas of Roseville. Items to be aware of in the downtown and historic district include the following:

Parking– The City adopted an ordinance that eliminates the need to provide additional parking if your new business is more intensive than the prior use in terms of parking requirements. As long as your new business is a "Principally Permitted Use" as defined by the Zoning Ordinance, your project is not required to provide additional parking even if it is more intensive (e.g. change from office to restaurant.) Note: This requirement does not apply to business expansion projects.

Building Modifications– Building modifications which convert a business to a food service business or restaurant may be permitted to install a "Big Dipper" grease capturing, device versus a larger grease trap in the Street. The Big Dipper is located internally and requires less construction improvements.

Water– In some older/more developed locations of Roseville, the water pressure is insufficient to provide the required fire flow. Depending upon the scale of your project, upgrades to the main infrastructure system may be required. Such requirements will be reviewed on a case by case basis with the City's Environmental Utilities and Fire Department.

Back Flow Preventors– In most cases the buildings in these areas do not have updated water meters and back-flow preventors, so a major change in use or modification will likely trigger the upgrade requirements for these services.

The above items represent the typical items found with most tenant improvement projects in these areas. In some cases, there may be other items that are required for your type of project.

Need More Information

If you have additional questions or need further assistance with your planned tenant improvement project, the City is available to assist you with your project before you start and as you go forward please contact Chris Robles , Project Processing Manager at (916) 774-5334.

**City of Roseville
Community Development Department**

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Planning a Tenant Improvement?

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