

SARASOTA COUNTY GOVERNMENT

Planning and Development Services

TO: Sarasota County Commission
THROUGH: Thomas A. Harmer, County Administrator
FROM: Thomas C. Polk, Director, Planning and Development Services
Greg Yantorno, Building Official
DATE: July 7, 2015
SUBJECT: **Building Permit Fee Reduction**

RECOMMENDED MOTION(S) OR ACTION(S):

To adopt a Resolution temporarily reducing building permit fees by twenty-five (25) percent, removing partial inspection fees, and reducing permit extension and reinstatement fees.

BACKGROUND:

Planning and Development Services (PDS) is in the process of conducting a permit fee study, which includes fees relating to building, planning, environmental, zoning, land development, historical resources, and fire. This fee study includes a comprehensive analysis of historical and current financial data, including existing permit fees that factors in direct, indirect, and overhead costs. JRD and Associates, Inc. is the consultant conducting the fee study and they will be making recommendations for adjusting the existing fee schedule providing for an equitable and verifiable level of cost recovery. Staff anticipates their findings and recommendations in November 2015. Upon receiving this information, PDS will be moving forward with preparing a holistic update to the fee resolution for the County Commission's (Board) consideration.

Revenue collected from building permit fees is deposited into Fund 102. The fund balance at the end of FY14 was \$15,359,255 and it is \$12,421,590 as of June 6, 2015. As one part of an overall strategy to address the fund balance, and after evaluating recent revenues and expenditures associated with building permit fees, staff recommends temporarily reducing building permit fees by twenty-five (25) percent. This is consistent with past actions when the Board reduced building permit fees as shown in the section below on relevant prior board action. During this intermediate update to the fee resolution, staff also recommends a few minor changes to partial inspection, permit extension, and reinstatement fees.

RELEVANT PRIOR BOARD ACTION:

1. March 23, 2010 – The Board adopted Resolution No. 2010-042, approving a temporary ten percent (10%) reduction of the building permit fees (5-0 vote).
2. March 30, 2011 – The Board adopted Resolution No. 2011-056, approving the continuation of temporary ten percent (10%) reduction of building permit fees (5-0 vote).
3. September 11, 2012 – The Board adopted Resolution No. 2012-168, approving the continuation of the temporary ten percent (10%) reduction of the building permit fees (5-0 vote).

4. September 24, 2013 – The Board adopted Resolution No. 2013-150, approving the continuation of the temporary ten percent (10%) reduction of the building permit fees (5-0 vote).
5. May 6, 2014 – The Board adopted Resolution No. 2014-058, approving a scrivener's error related to citations under Chapter 2, Article VIII of the Sarasota County Code (5-0 vote).
6. March 17, 2015 – The Board approved a contract with JRD and Associates to conduct a comprehensive fee study (5-0 vote).

ANALYSIS/NEXT STEPS:

Below is a brief summary of the proposed fee changes:

- 1) Reduce building permit fees by twenty-five (25) percent. While the fee study will greatly assist with better aligning fees with reasonable and verifiable levels of cost recovery, staff recommends this reduction as a temporary means to address the discrepancy between expenditures (cost of doing business) and the increasing revenues resulting from the existing fees. Staff determined that twenty-five (25) percent is reasonable, as that is the approximate average revenue increase per year for the last two years since the last fee reduction.
- 2) Remove partial inspection fees. Staff recommends removing the partial inspection fee as the cost of partial inspections is part of the inspection fee total already. Removing this inspection fee will ensure customers are only being charged one time for the required inspection.
- 3) Reduce permit extension and reinstatement fees. Staff recommends reducing permit extension fee from \$90.00 to \$25.00, and reducing the permit re-instatement fee from \$180.00 to \$35.00. The purpose of this change is to promote contractors and property owners to address/close their open or expired building permits and obtain compliance with the Florida Building Code.

STAFF RECOMMENDATION(S):

Staff recommends temporarily reducing building permit fees by twenty-five (25) percent until the fee study is complete and the Board holistically updates the fee resolution. Additionally, staff recommends removing partial inspection fees and reducing permit extension and re-instatement fees.

FUNDING:

N/A

ATTACHMENTS:

1. Resolution