

CITY OF GREENACRES
Council Agenda Memo
2016.08MG7.02

TO: Mayor and City Council

THROUGH: Andrea McCue, City Manager

FROM: Michael Grimm, Director/CBO, Building Department

SUBJECT: Resolution No. 2016-28 Establishing a New Schedule of Building Permit Fees, City Council Agenda Item for 08-01-2016

DATE: July 25, 2016

COPIES: James D. Stokes, City Attorney
Denise McGrew, City Clerk

BACKGROUND:

Florida Statutes 166.222 and 553.80(7) authorizes the governing bodies of local municipalities to provide a schedule of reasonable permit fees in order to defray the cost of inspections and enforcement of the Florida Building Code (FBC). The Building Department's revenue from these fees should, on average over several years, not exceed the costs associated with enforcement activities such as plan review, permit processing, training, and inspections. Some of the activities that are not funded by these fees include zoning, inspection of public buildings, information requests, and enforcement of local ordinances other than the building codes.

The Building Department regularly reviews permit revenues, enforcement costs, department workload and fees charged by other jurisdictions. Occasionally the review results in proposed adjustments to the permit fee schedule to be brought before City Council for approval. There are many types of fees on the permit fee schedule including: a building permit fee based on the value of construction, plan review fees, re-inspection fees, other penalties, and fees for Building Department services.

The most recent amendment to the Building Department Schedule of Fees was adopted through Resolution 2009-22 on May 4, 2009.

ANALYSIS:

Staff has determined that although the costs of providing services has increased since the last fee adjustment in 2009, permit revenue has also increased due to much higher construction activity and higher construction values. The high level of construction activity has increased the workload on the department resulting in the proposed addition of a new Plans Examiner position for the Fiscal Year 2017 budget. Also proposed for

the 2017 budget are new code enforcement positions that will allow current building inspectors and support staff to spend a higher percentage of their time enforcing the FBC. In order to cover the costs of the new position and the increased percentage of time spent by current staff enforcing the FBC, minor increases to the permit fee schedule are warranted.

Staff has reviewed the permit fees charged by other local municipalities to help determine the appropriateness of the increase and found our minimum permit fee will still be among the lowest in Palm Beach County. The proposed permit fee schedule changes are outlined below.

The current building permit fee is a stepped rate system as follows:

- A minimum permit fee of \$50 for up to \$2,000 in construction value
- 2.5% for the first \$100,000 of construction value +
- 2% for the next \$200,000 of construction value +
- 1% for all remaining construction values over \$300,00

The proposed building permit fee remains a stepped rate system with the only changes being an increased minimum fee and an increase from 1% to 1.25% for values over \$300,000 as follows:

- A minimum permit fee of \$60 for up to \$2,400 in construction value
- 2.5% for the first \$100,000 of construction value +
- 2% for the next \$200,000 of construction value +
- 1.25% for all remaining construction values over \$300,00

Some of the other highlights of the changes are as follows:

- Increased plan review fees
 - From \$200 to \$300 for Single family master plans
 - From \$450 to \$550 for new commercial up to 20,000 sq. ft.
 - From \$600 to \$800 for new commercial up to 100,000 sq. ft.
 - From \$800 to \$1,000 for new commercial over 100,000 sq. ft.
- Increased re-inspection fee from \$40 to \$45
- Eliminated the \$80 fee for new businesses for a temporary tenant identification sign
- Added a \$25 fee for issuing a certificate of completion for permits with a construction value of less than \$5,000
- Adjusted language to clarify the triple permit fee penalty for failure to obtain a permit when required

FINANCIAL:

During a year of average construction activities and over several years of construction activity cycles, the fee schedule proposed in Resolution 2016-28 is estimated to generate revenue in an amount equal to the expenses the City would incur enforcing the Florida Building Code.

LEGAL:

The resolution has been prepared in accordance with applicable City Code requirements.

STAFF RECOMMENDATION:

Staff recommends *approval* of Resolution 2016-28 implementing a new permit fee schedule.

Michael Grimm CBO
Director Building Department

Attachments:

1. Resolution 2016-28