MIAMIBEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Raul J. Aguila, City Attorney

September 13, 2017 DATE:

First Reading

SUBJECT: BUILDING PERMIT FEES:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 14, "ENTITLED "BUILDING REGULATIONS," DIVISION 2, SEC.14-61 "PERMIT FEES," AND SEC.14-62 "BUILDING PERMITS," AND APPENDIX A, AT SECTIONS 14-61, 14-62, 14-66, 14-67. AND 14-69 IN ORDER TO UPDATE AND CLARIFY CERTAIN BUILDING FEES: PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN

EFFECTIVE DATE.

RECOMMENDATION

Pursuant to the request of Commissioner Ricky Arriola, the attached Memorandum and Ordinance is submitted for consideration on first reading by the Mayor and City Commission at the September 13, 2017 Commission meeting.

This item was first introduced at the April 26, 2017 City Commission meeting. The Commission deferred the item to the May 17, 2017 meeting, and then again to September 13, 2017.

ANALYSIS

The Building Department continues to review the fee schedule on an annual basis and the Building Official has determined that a more efficient, effective and transparent way to assess fees is necessary. As such, the Building Official recommends the following amendments to the City Code:

- Reduce fees for owners hiring private provider as required by the State Legislature, as codified at amended section 553.791, F.S., by reducing the building permit fee by the estimated cost savings to the department. The reduction for owners/contractors hiring private providers for both Review & Inspection services will be 40% off of the calculated building permit fee; and the reduction for owners/contractors hiring private providers for only Inspection services will be 25% off of the calculated building permit fee. The fiscal impact of these reductions to City revenue is estimated at \$1.1 million.
- Modifying the fee structure and percentages charged for Commercial and Residential building permits. Currently, Commercial permits are charged 2% of the job value up to \$30 million and 1% on job values over \$30 million. This modification would increase the first tier range to \$35 million and reduce the fee to 1.9% of the job value; the second tier would have a range of \$35 million to \$100 million and the fee remains at 1%; and the addition of a third tier for job values over \$100 million with a fee of 0.25% of the job value. Residential permits are currently billed 1.8% up to \$ 1 million in job value and 1% over \$1 million in job value. This modification would increase the range to \$1.5 million

and reduce the fee to 1.7% of the job value for the first tier; and the second tier range would increase to \$1.5 million and the fee remains at 1% of the job value. This will continue to be a tiered cumulative fee structure. The code change would reduce the fees the Building Department would receive. As building fees are considered an enterprise fund to be used to finance the actual cost of expenditures of the department, the modification to the code would better reflect the actual reimbursable costs to the department, and be consistent with the state guidelines for enterprise funds. The estimated fiscal impact to the City would be an estimated reduction in revenue of approximately \$415,000.

- Authorizing the Mayor and City Commission to direct the City Manager to be able to waive building fees for City projects. Waiving of fees for City projects will allow more projects to be completed without internal transfer of funds from other accounts into the Building Department. There is no financial impact since the costs associated with the permit would remain in the City budget.
- Waiving building fees for photovoltaic installations in order to encourage residents and industry to use photovoltaic energy. This is in support of the City's efforts to increase resilience and sustainability. Fiscal impact will be less than \$2,000.00 per year.
- Increasing Phased permit fee. A Phased Permit is an authorization from the Building Official to start construction before all plans are approved as defined in the Florida Statutes and Florida Building Code. Ordinarily a phased permit is authorized for larger sized projects (i.e.: to allow the foundation to proceed, while other phases of the large project goes through permitting). Under the existing fee structure, and because of its minimal cost, the phased permit process is being abused by applicants, often resulting in the process being utilized by small-scale projects. The proposed fee increase is intended to limit the abuse of the phased permit process. It is estimated that Fiscal impact will result in an increase in revenues of \$25,000.
- Modifying and clarifying various fees to adjust fee amounts in a more efficient way such as rounding, eliminating redundancy, etc. and to clarify descriptions of the fees. No fiscal impact is anticipated by these minimal adjustments.

CONCLUSION

The Administration recommends that the City Commission adopt the attached Ordinance.

KEY INTENDED OUTCOMES SUPPORTED

Improve Building/Development-Related Processes From Single Family Residences To The Large Development Projects

FINANCIAL INFORMATION

Overall the proposed Ordinance is expected to reduce surplus revenues and use available fund balance.

Legislative Tracking

Building/Office of the City Attorney

Sponsor

Commissioner Ricky Arriola

ATTACHMENTS:

Description

1st Rdg. Ch. 14, Building Permit Fees Memo

1st Rdg. Ch. 14, Building Permit Fees Ordinance

MIAMIBEACH

Building Department, 1700 Convention Center Drive, Miami Beach, Florida 33139

COMMISSION MEMORANDUM

TO:

Mayor Philip Levine and Members of the City Commission

FROM:

Ana M. Salgueiro, Acting Building Official

DATE:

September 13, 2017

SUBJECT:

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 14, "ENTITLED "BUILDING REGULATIONS," DIVISION 2, SEC.14-61 "PERMIT FEES," AND SEC.14-62 "BUILDING PERMITS," AND APPENDIX A, AT SECTIONS 14-61, 14-62, 14-66, 14-67, AND 14-69 IN ORDER TO UPDATE AND CLARIFY CERTAIN BUILDING FEES; PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

Background:

On June 2, 2014, the City of Miami Beach amended its fee code and implemented a new fee schedule, to coincide with the City's new building permit software system, and modified certain fees to better reflect actual costs.

Analysis:

The Building Department continues to review the fee schedule on an annual basis and the Building Official has determined that a more efficient, effective and transparent way to assess fees is necessary. As such, the Building Official recommends the following amendments to the City Code:

- Reduce fees for owners hiring private provider as required by the State Legislature, as codified at amended section 553.791, F.S., by reducing the building permit fee by the estimated cost savings to the department. The reduction for owners/contractors hiring private providers for both Review & Inspection services will be 40% off of the calculated building permit fee; and the reduction for owners/contractors hiring private providers for only Inspection services will be 25% off of the calculated building permit fee. The fiscal impact of these reductions to City revenue is estimated at \$1.1 million.
- Modifying the fee structure and percentages charged for Commercial and Residential building permits. Currently, Commercial permits are charged 2% of the job value up to \$30 million and 1% on job values over \$30 million. This modification would increase the first tier range to \$35 million and reduce the fee to 1.9% of the job value; the second tier

would have a range of \$35 million to \$100 million and the fee remains at 1%; and the addition of a third tier for job values over \$100 million with a fee of 0.25% of the job value. Residential permits are currently billed 1.8% up to \$1 million in job value and 1% over \$1 million in job value. This modification would increase the range to \$1.5 million and reduce the fee to 1.7% of the job value for the first tier; and the second tier range would increase to \$1.5 million and the fee remains at 1% of the job value. This will continue to be a tiered cumulative fee structure. The code change would reduce the fees the Building Department would receive. As building fees are considered an enterprise fund to be used to finance the actual cost of expenditures of the department, the modification to the code would better reflect the actual reimbursable costs to the department, and be consistent with the state guidelines for enterprise funds. The estimated fiscal impact to the City would be an estimated reduction in revenue of approximately \$415,000.

- Authorizing the Mayor and City Commission to direct the City Manager to be able to waive building fees for City projects. Waiving of fees for City projects will allow more projects to be completed without internal transfer of funds from other accounts into the Building Department. There is no financial impact since the costs associated with the permit would remain in the City budget.
- Waiving building fees for photovoltaic installations in order to encourage residents and industry to use photovoltaic energy. This is in support of the City's efforts to increase resilience and sustainability. Fiscal impact will be less than \$2,000.00 per year.
- Increasing Phased permit fee. A Phased Permit is an authorization from the Building Official to start construction before all plans are approved as defined in the Florida Statutes and Florida Building Code. Ordinarily a phased permit is authorized for larger sized projects (i.e.: to allow the foundation to proceed, while other phases of the large project goes through permitting). Under the existing fee structure, and because of its minimal cost, the phased permit process is being abused by applicants, often resulting in the process being utilized by small-scale projects. The proposed fee increase is intended to limit the abuse of the phased permit process. It is estimated that Fiscal impact will result in an increase in revenues of \$25,000.

	Phase permits:	
14-61(n)	Commercial new construction	2,000.00 5,000.00
	Commercial alteration	1,500.00 4,000.00
	Residential new construction	1,000.00 2,000.00
	Single Family Residence	

Modifying and clarifying various fees to adjust fee amounts in a more efficient way such
as rounding, eliminating redundancy, etc. and to clarify descriptions of the fees. No
fiscal impact is anticipated by these minimal adjustments.

This item was first introduced at the April 26, 2017 City Commission meeting. The Commission deferred the item to the May 17, 2017 meeting, and then again to September 13, 2017.

Fiscal Impact:

Overall the proposed Ordinance is expected to reduce surplus revenues and use available fund balance.

Recommendation:

The Administration recommends that the City Commission adopt the attached Ordinance.

AMS/ND

UNDINANCE NO.	ORDINANCE	NO.	
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AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 14, "ENTITLED "BUILDING REGULATIONS," DIVISION 2, SEC.14-61 "PERMIT FEES," AND SEC.14-62 "BUILDING PERMITS," AND APPENDIX A, AT SECTIONS 14-61, 14-62, 14-66, 14-67, AND 14-69 IN ORDER TO UPDATE AND CLARIFY CERTAIN BUILDING FEES; PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, the City of Miami Beach amended its fee code and implemented the new fee schedule on June 2, 2014; and

WHEREAS, in implementation of the City's building permit software system, it was determined, that certain fees could not be entered into the system; and

WHEREAS, certain other fees were reviewed and modified to better reflect actual costs; and

WHEREAS, the amendments set forth below are necessary to accomplish the above objectives.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

SECTION 1. Chapter 14, "Building Regulations," Article II, "Construction Fees," Division, "Permit Fees," is hereby amended as follows:

Sec. 14-61 Permit fees, generally.

- (a) Levied. Permits, inspections and other fees of the building department of the city are hereby levied and imposed and shall apply to building, plumbing, electrical and mechanical permits and other activities undertaken by that department as specified in Appendix A. Permit fee line items include, but are not limited to: building, plumbing, electrical, and mechanical as well as those line items associated with planning, fire, and public works, In addition, all permits will include line items for outside agencies; State of Florida, Department of Business and Professional Regulation (DBPR), Building Code Administrators and Inspectors (BCAI), and Miami Dade County Building Code Compliance Office (BCCO). The Mayor and City Commisson of the City of Miami Beach may direct the City Manager to waive building permit fees that include building, planning, public works, parking,
- (g) Inspection fee hourly rate. The inspection fee-hourly rate, shall be as specified in Appendix A, is determined at the beginning of each fiscal year based on the building department's approved everhead and indirect costs and the resources assigned to the inspection program.

fire, and environmental permits that are directly related to City projects.

(h) Plans re-review fee. When extra plans reviews are due to the failure to correct code violations Florida Building Code discipline requirements specifically and continuously noted in each rejection, including, but not limited to, egress, fire protection, structural stability, energy, accessibility, lighting ventilation, electrical, mechanical, plumbing, and gas systems, or other requirements identified by

the rule of the Florida Building Commission, in compliance with F.S. § 553.80(2)(b), each time after the third such review that plans are rejected for the same code violation requirement, a fee four times the amount of the proportion of the permit fee shall be attributed to plans review.shall be charged, per discipline, as delineated in Appendix A.

(i) Expedited plans review and inspection fee. Upon request from the applicant, the department may schedule an expedited plans review or inspection, on an overtime basis by city staff. When such service is provided, a fee as specified in appendix A shall be charged, in addition to the regular permit fee and other applicable fees. Expedited plan review service may be requested by the applicant with a cost plus fee incurred at a charge, per discipline, as delineated in appendix A, in addition to the regular permit fee and other applicable fees other applicable fees required for the work.

* * *

(m) Electronic concurrent plan processing. In order to create a more efficient permitting process, the building department will-may be implementing procedures to process plans electronically via an automated workflow. Once implemented, the department will-may request that applicants submit plans in an electronic format. If the applicant chooses to submit paper plans, the director, or his designee has the authority to invoice for reimbursement of the conversion of documents submitted to an electronic format

* * *

- (o) Private provider fee. When a property owner uses the services of a licensed private company for plan review and inspections services (Private Provider), the fee will be assessed as a regular building permit with a discount of 25 40 percent of the original building permit fee. If only the plan review or the inspections are done by the Private Provider, then the fee will be assessed as a regular building permit with a discount of 12.5 25 percent of the original building permit fee.
- (p) Photovoltaic waiver. All photovoltaic related building permit fees will be waived to promote the use of photovoltaic energy.

Sec. 14-62. Building permits.

* *

- (b) Refunds, time limitations, cancellations, change of contractor. The fees charged pursuant to the schedule in appendix A, provided the same are for a permit required by Section 105.1 of the Florida Building Code, may be refunded by the building official subject to the following:
 - (1) No refunds shall be made on requests involving:
 - a. Permit fees of the mMinimum permit fee(s) and upfront fee(s) [14-62(a)] as specified in Appendix A-or less; or
 - b. Permits for which plans review has commenced or inspections performed; or

* * *

f. Permits under which work has commenced as evidenced by any recorded inspection having been made by the department-<u>City</u>, unless the refund is due to an overcharge by the city.

* * *

(3) Permits under which no inspections were performed are entitled to a 50 percent refund of the building permit fee line item if requested within 90 days of permit issuance. No refund shall be provided after 90 days expires.

A full refund less the minimum up-front permit fee and any outside agency fees shall be granted to a permit applicant who requests a refund in writing within one year of payment, provided that no plan review has commenced.

A full refund less the minimum permit fee as specified in appendix A or the up-front permit fee, whichever amount is greater, rounded down to the nearest dollar, and any outside agency fees shall be granted to a permit applicant who requests a refund in writing within one year of payment, provided that a permit has not been issued.

A full refund less the minimum permit fee as specified in appendix A or the up-front permit fee, whichever amount is greater, rounded down to the nearest dollar, and any outside agency fees shall be granted to a permit holder (to whom a permit has been issued) who requests a refund in writing within one year of payment, provided:

- a. That the permit holder makes a written request prior to the permit expiration date; and
- b. That no work as evidenced by any recorded inspection has commenced under such permit
- (7) Where the permit is revoked, or becomes null and void, or expires because of lack of work or abandonment, a new permit covering the proposed construction shall be obtained before proceeding with the work, pursuant to Section 105.4.1.1 of the Florida Building Code. If no more than 180 days of the expiration date of the original permit has passed, and no refund has been made according to this section, the applicant may apply to renew the permit. The reapplication must be covering the same project and involving the same plans, and must be submitted with the plans and the applicant's validated copy of the original permit. A fee of 25 percent of the original permit fee, plus an additional processing fee equivalent to the minimum permit fee as specified in appendix A, shall be charged for a renewal under these circumstances. No additional fees for outside agency line items will be imposed.

For permits that have expired where the only missing component is one or more final inspections, the fee for reopening the permit, performing the final inspection(s), and providing a final approval on the permit shall be charged based on the minimum building permit fee.

SECTION 2. Attached to this Ordinance is amended Appendix A, amending certain building permit fees.

SECTION 3. CODIFICATION.

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Code of the City of Miami Beach, Florida. The sections of this ordinance may be renumbered or re-lettered to accomplish such intention, and, the word "ordinance" may be changed to "section", "article", or other appropriate word.

SECTION 4. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 5. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 6. EFFECTIVE DATE.

Strikethrough = deleted language

This Ordinance shall take effect ten days	following adoption.		
PASSED AND ADOPTED this	day of	, 2017.	
	Philip Levi	ne, Mayor	
ATTEST:			
		9 1 45	
Rafael E. Granado, City Clerk		APPROVED AS	TO
First Reading:, 2017 Second Reading:, 2017		FORM & LANGUA & FOR EXECUTI	AGE
Linderline = new language	G	West for	8/31/17
<u>Underline</u> = new language	/•	City Attorney	Date

FEE SCHEDULE

This appendix includes all fees and charges established by the city commission that are referred to in the indicated sections of the Code of Ordinances:

Section this Code	Description	Amount
<u>Code Section</u>		
	Subpart a. General Ordinances	
	Chapter 14. Building Regulations Part I	
	Division 2. Permit Fees	
14-61(b)	Double fees for starting work prior to issuance of permit,	
	plus the following penalty:	
	First offense	100.00 500.00
	Second offense	250.00 1,000.00
	Subsequent offenses	1,000.00 2,000.00
14-61(c)(1)	Reinspection fee:	200.00
	In compliance with F.S § 553.80(2)(c), any subsequent	
	reinspection after the first reinspection shall be charged	
	four times the cost of first inspection or first reinspection,	
	whichever is greater. The cost of inspections is calculated	
	based on the actual time spent by the inspector	
	multiplied by the inspection fee hourly rate, as specified	
	in subsection 14-61(g). The actual time of inspection is	
	rounded up to the hour	
	First Inspection	0.00
	Second and subsequent reinspection(s): Based on four	
	times the cost of first inspection or first reinspection,	<u>200.00</u>
	whichever is greater at a rate pursuant to 14-61 (g)	
	Reinspection of existing building to determine	
	compliance with the applicable Building Code: Based on-	
	four times the cost of first inspection or first reinspection,	
	whichever is greater. The cost of inspections is calculated	
	based on the actual time	
	spent by the inspector multiplied by the inspection fee	
	hourly rate, as specified in subsection 14-61(g). The	
	actual time of inspection is rounded up to the hour.	
14-61(e)	Commercial major revisions 6 to 30 or more pages	500.00
14-61(f)	Commercial total revision 31 + pages	50% of Original
	When determined by the Building Official	Permit Fee
	Residential major revision 6 to 15 or more pages	200.00
	Residential total revision 16 + pages	50% of Original
	When determined by the Building Official	Permit Fee
14-61(h)	Plans re-review fee:	
	First and second re-review	0.00
	Plans re-review fee. Pursuant to the Florida Building	
	Commission, and in compliance with F.S. § 553.80(2) (b),	

14-61(i) 14-61(n)	code violations rejections specifically and continuously noted in each rejection, each time after the third such review that plans are rejected for the same code violations rejections, a fee of four times the amount of the proportion of the permit fee \$250 per discipline shall be attributed to plans review. Expedited plan review and inspection fee: upon request from the applicant, the department may schedule an expedited plans review or inspection on an overtime basis-by department staff. Fee for each review or inspection category requested. Phase permits: Commercial new construction Commercial alteration	250.00 2,000.005,000.0 1,500.004,000.0
	Residential new construction	1,000.00 2,000.00
	Single Family Residence	•
<u>14-61(p)</u>	Photovoltaic fees	<u>\$0</u>
14-62(a)	Up-front processing fee: Percent of estimated permit fee	
	or the minimum processing fee, whichever is greater.	
	Percent of estimated permit fee rounded up to the	20 50%
.,	nearest \$5.00 increment	
	Minimum up-front fee	50.00
14-62(b)(4)	Change of contractor	100.00
14-62(b)(5)	Change of architect or engineer	100.00
14-62(b)(6)	One time request for building permit extension (permit must not be expired)	100.00
14-62(b)(6)	Additional request for building permit extension (permit must not be expired): Percent of building permit fee line item only	100 50%
14-62(c)	Building permit fees:	
	Ė	
	Commercial Permit Fees for Building Permits:	
	New Construction Minimum permit fee	<u>140.00</u>
	Alterations Minimum permit fee	<u>100.00</u>
	Permit fee for a building whose estimated construction cost is equal to or less than \$30 35 million is 2.0 1.9% of the cost of construction as approved by the Building	
	Official or his designee, plus 1.0% of the construction cost	
	for any amount over \$30 35 million but less than or equal	
	to \$100 million; and 0.25% of costs exceeding \$100	
	million as approved by the Building Official or his designee.	
	Residential Permit Fees for Building Permits:	
	New Construction Minimum permit fee	120.00
	Alterations Minimum permit fee	90.00
	Residential: Single-family, Duplex: Permit fee for a building whose estimated construction	20.00

	the cost of construction as approved by the Building	
	Official or his designee, plus 1.0% of the construction cost	
	for any amount over \$4 1.5 million as approved by the	
	Building Official or his designee	
	Temporary and Special Event Fees	
	Temporary platforms for public assembly, first approval	104.00 150.00
	Temporary bleachers for public assembly, first approval	95.00 150.00
	Temporary platforms or bleachers for public assembly, re-approval	20.00 100.00
	Tents excluding electric and plumbing, per tent	
	• Up to 1,000 square feet	104.00 150.00
	Each additional 1,000 square feet over 1,000	28.0050.00
	Temporary structure/trusses/statues (no electrical or plumbing included)	104.00 150.00
	Temporary chiller	462.00 500.00
	Temporary generator	237.00 500.00
	Construction trailer, per trailer	568.00 500.00
	Office trailer, per trailer	686.00 500.00
	Temporary power for construction	225.00 300.00
	Temporary power for test	189.00 200.00
	Temporary multi-seat toilet trailer, per trailer	80.00 100.00
	Temporary individual toilet, per event	17.00 50.00
	Amusement Rides	60.00
	Temporary electric work on circuses, carnivals, per show	312.00
14-66(1)	Certificate of occupancy fees:	
	Residential units R-1, R-2, and R-3, per unit	110.00 150.00
	All commercial occupancies except R-1 and R-2, per square foot	0.05 <u>0.07</u>
14-66(1)	Temporary certificate of occupancy or completion fees:	
	100 percent of final certificate of occupancy or completion and letter of final completion fee plus the cost of any additional required inspections. Additional required inspections will be charge based on actual time spent on inspection multiplied by the hourly rate, as	<u>200.00</u>
4.4.66(4)	specified in section 14-61(h).	
14-66(1)	Certificate of completion fees:	400.00
	Certificate of completion fees for residential	100.00
		250.00
	Certificate of completion fees for commercial	250.00
14 (7/0)	Certificate of completion fees for commercial Forty year recertification program fee:	
14-67(a)	Certificate of completion fees for commercial Forty year recertification program fee: Per building	600.00
14-67(a)	Certificate of completion fees for commercial Forty year recertification program fee: Per building Building official approval of 6 month extension for	
	Certificate of completion fees for commercial Forty year recertification program fee: Per building Building official approval of 6 month extension for building recertifications	600.00 600.00
14-67(a) 14-67(b)	Certificate of completion fees for commercial Forty year recertification program fee: Per building Building official approval of 6 month extension for building recertifications Late compliance fee, regular fee, plus	600.00 600.00 260.00
14-67(b) 14-67(c)	Certificate of completion fees for commercial Forty year recertification program fee: Per building Building official approval of 6 month extension for building recertifications Late compliance fee, regular fee, plus New inspection report fee if recertification not completed within 90 days of building's being declared unsafe	600.00 600.00
14-67(b)	Certificate of completion fees for commercial Forty year recertification program fee: Per building Building official approval of 6 month extension for building recertifications Late compliance fee, regular fee, plus New inspection report fee if recertification not completed	600.00 600.00 260.00

	Building permit fee	
	Chapter 66. Marine Structures, Facilities and Vehicles	
	Article III. Piers, Docks and Boat Ramps	
66-114(a)	Plans review fee shall be consistent with 14-61(h)98-	
	93(a),(b). Up-front processing fee shall be consistent with	
	14-62(a),	