

M E M O R A N D U M

To: Tom Harmer, Town Manager

From: Allen Parsons, AICP
Director, Planning, Zoning and Building Department

Report date: September 24, 2020

Meeting date: October 5, 2020

Subject: Resolution 2021-21, Amending Building Permit and Fire Fees

Recommended Action

Pass Resolution 2020-21.

Background

The Town of Longboat Key's (Town's) Planning, Zoning & Building Department and Fire Marshal are responsible for overseeing the effective, efficient, fair, and safe enforcement of the Town's Building, Housing, Plumbing, Electrical, Mechanical, and Life/Safety Codes. The permitting and inspection processes provide assurance that buildings and structures in the Town have been reviewed and inspected for compliance with the applicable building and life/safety Codes, the Town's ordinances, along with environmental and flood protection requirements. The Town's building permitting program helps to ensure that all structures and buildings within the Town are safe for residents and visitors to inhabit. The application of construction standards, gives building occupants the best chance to avoid fire, structural failure, or something as simple as a child getting their head caught between stair posts. A building permit is required for new construction, renovations, the installation of heating and cooling systems, plumbing and/or electrical work.

The permitting and inspection work is primarily performed by the Building Division, which operates as an "Enterprise Fund"¹ The Town conducts periodic examinations of various user and regulatory fees it collects. Routinely examining the costs of providing fee related services and making deliberate decisions about the recovery of costs and fee modifications helps the Town maintain its fiscal sustainability and respond to the changing needs of citizens, changes in regulations, as well as changes in the local, regional and National economies.

Most recently, the Town engaged the services of BerryDunn (via RFP# 17-036) to assist with analyzing the Town's costs of providing building and fire permit fee related services. The outcomes and recommendations of their study were found to have

¹ An Enterprise Fund is one that is established by a governmental entity to account for operations of an enterprise activity. Enterprise funds generally are segregated as to purpose and use from other funds and accounts of the governmental entity with the intent that revenues generated by the enterprise activity and deposited to the enterprise fund will be devoted principally to funding all operations of the enterprise activity.

complied with applicable State and Town laws including providing confirmation that any fees provide equitable and legally defensible level of cost recovery to allow the Building Division to operate with limited subsidy from the General Fund.

All of the findings, including the Fee Study Work performed by BerryDunn, supporting the updated Building/Fire Fees (via Resolution 2019-03) were incorporated and adopted by reference in Resolution 2019-03 (adopted June 3, 2019). A scrivener's error was subsequently discovered and was addressed via adoption of Building and Fire Fees Resolution 2019-16 (adopted September 19, 2019). The updated fee schedule became effective October 1, 2019.

One of the elements of the Building/Fire Fees resolution is an option, at the Town Commission's discretion, to annually adjust, each October 1st, the Town's permit and inspection fees. The fee increase is allowed to be indexed to the Consumer Price Index (CPI), or based on the annual percentage change in the operating expenses in the Building Enterprise Fund to avoid periodic jumps in fees. Such increases are brought to the Commission annually for consideration. While the overall CPI index reflected a 2.1 percent increase over the prior year's 12-month span, staff provided a recommendation as part of the FY21 Budget Adoption not to increase existing fees, primarily due to the economic impacts associated with the global COVID-19 pandemic.

After a year of working with the updated fee schedule, however, staff has a number of recommendations to add clarifications for existing fee types, correct additional typos that were discovered, adjust certain fees via several reductions and a single limited increase, as well as add explicit references in the resolution to services that are provided, but the staff time associated with processing is not currently being charged for. The proposed changes are described in the order found in Resolution 2020-21, below:

1. A fee reduction is proposed for the Minimum Threshold Permit types, which is a fee that captures smaller projects that do not fit into an existing permit category. The minimum size threshold would be reduced from 400 sq. ft. to 170 sq. ft. and the fee is proposed to be reduced from \$1,000 to \$500. Minimum sizes are proposed to be reduced to reflect smaller improvements such as a bathroom remodel (*Building Permitting Fees #1*).
2. A new fee is proposed to reflect staff time associated with review and inspection associated with the installation of mobile or manufactured homes within a mobile home park. The existing fee schedule likely did not include mobile homes as they are regulated by the Department of Motor Vehicles and not the Florida Building Code. However, as mobile home units are replaced, there are required inspections associated with their installation, for exterior aspects such as attachment to utility services, electrical and plumbing work (*Building Permitting Fees #7*).
3. A fee reduction is proposed to address construction of a dock that also includes a davit, lift or hoist, rather than treating each of those items as a separate fee requirement. (*Building Permitting Fees #18*).

4. A fee reduction is proposed to seawall permit type to increase the threshold at which additional costs per thousand dollars of construction value begin. The threshold is being raised from from \$30,000 to \$50,000 to reflect typical seawall replacement costs. (*Building Permitting Fees #19*).
5. A new fee is proposed to address the review and inspection time associated with a sign face change to address staff review and inspection time (*Building Permitting Fees #27*).
6. A small fee increase for the category of 5 or more windows/doors is proposed. The fee would be changed from \$60 to \$100, and the threshold where additional fees of \$12 per each \$1,000 in construction is applied, would be increased from \$2,500 to \$3,500. An example for this change occurs in window replacements for projects such as large condominiums that may replace tens, and up to hundreds, of windows resulting in a significant number of inspections (*Building Permitting Fees #31*).
7. A fee reduction is proposed to be added via an additional category for “work that cannot be evaluated on a square footage basis” to distinguish between work based on construction value (currently in the fee resolution) and work that may otherwise be expensive but may entail relatively few inspections (the proposed addition to the fee resolution). The additional category would allow for fees to be lower when there is an anticipated fewer number of inspections, even though the construction value may be expensive (*Building Permitting Fees #36 A&B*).
8. A separation of the category of “Temporary Certificates of Occupancy” (TCOs), from “Certificates of Occupancy” (COs) is proposed, with graduated amounts for TCOs that are longer in duration. Part of the intent for distinguishing between TCOs and COs is to encourage the completion of structures for habitability by having continuing costs associated with the continuation of TCOs (*Building Permitting Fees #39-43*).
9. An indicator of the costs associated with construction projects that may choose to use a private provider to perform plan review or plan inspection services is proposed to be included, as provided for in F.S. Sec. 553.791(2)(b). The proposed rate would provide for a 50% discount in permit costs when private provider services are utilized. This discounting reflects that the building staff may not be performing all services associated with either plan review or building inspection (or both), but that there are still obligations for administration of permits, required plan review checks, and required auditing inspections. Similar provisions in Sarasota County’s building fees resolution indicates an overall discounting of 25% for contractors’ use of private providers (*Building Official Administrative Services Fees #13*).
10. A new Change of Use of fee is proposed that addresses the staff time associated with reviewing change of use requests that accompany certain Business Tax Receipts (BTRs) applications for new uses. The proposed fee would reflect the actual time spent by staff, as many reviews are straightforward, whereas other

reviews may involve on-site building inspections of mechanical and structural elements (*Building Official Administrative Services Fees #14*).

11. A reduction in the cost per square foot (from 10 cents/sq. ft. to 5 cents/sq.ft.) is proposed to the permit cost for *Heating, Air Conditioning, Refrigeration, Ventilation and Electrical (HARVE)* fees on new residential or commercial construction projects (*HARVE Fees #1*).
12. A new explicitly identified fee is proposed to reflect the staff time associated with building permits for Lightning Protection Systems (*HARVE Fees #11*).
13. A new explicitly identified fee is proposed to reflect the staff time associated with building permits for Standalone Generators (*HARVE Fees #12*).
14. A new explicitly identified fee is proposed to reflect the staff time associated with building permits for the installation of new Low Voltage Wiring Systems (*HARVE Fees #13*).
15. The plumbing permit fees for new construction are proposed to be revised, and reduced, to provide consistency with the method utilized for mechanical/electrical fees (*Plumbing Permit Fees #1*).
16. A new fee is proposed to partially address Code Enforcement administrative overhead costs associated with the retrieval of signs or personal property that have been impounded for violations, as provided for in Chapters 100 and Chapter 156 of the Town Code (*New category of "Code Enforcement Fees"*).
17. An asterisk, denoting that a deposit for costs associated with notification and advertising of Zoning Determination Letters, is proposed to be added. With the adoption of Ordinance 2019-08, Zoning Determination Letters now carry a requirement to provide notice to property owners within 500 feet of a Zoning Determination along with providing published notice in the newspaper. These costs are variable and without receiving a deposit ahead of time, the Town has limited leverage to compel an applicant to pay if a party were to choose not to do so. Requiring a deposit prior to incurring costs will limit the Town's exposure (*Zoning Code Fee #1*).
18. A new fee is proposed to reflect the staff time associated with research and preparation of a Zoning Verification letter. Zoning Verification letters are distinct from Zoning Determination Letters, which address more complex interpretations and less-clear applicability of the provisions of the Zoning Code. Zoning Verification Letters are requested from lenders, real estate agents, developers and others and typically contain more straightforward factual information. While such information is provided routinely without charge via phone, meetings or email, the request for more detailed official letters of factual information tends to involve more staff time (*Zoning Code Fee #2*).
19. A clarification is proposed to be added indicating that Daylight Plane Waivers are included in Variance fees (*Zoning Code Fee #4*).

20. A new separate, and reduced, fee for holding garage sales in a private home is proposed. The Temporary Use provisions (Sec. 158.097), explicitly allow for garage sales (no more than 2 per calendar year) but make no distinction between larger-scale (community) garage sales and garage sales at private residences. The general Temporary Use Permit fee is \$100, which can be a significant expense in individual private garage sales. The proposed fee would introduce a new category into the Temporary Use Permits for private home garage sales (*Zoning Code Fee #11d*).

Staff provided notice of the proposed changes to approximately 2,200 contractors that are currently, or have been previously, registered with the Town. The Town has received no expressions of concern or other feedback on the proposed changes.

Staff Recommendation

Pass Resolution 2020-21.

Attachments

- A. Resolution 2020-21, Updating Building Permit and Fire Fees (Available in Town Clerk's Office)
- B. PowerPoint Presentation (Available in Town Clerk's Office)

End of Agenda Item