

TOWN OF PALM BEACH

Information for Town Council Meeting on: March 19, 2019

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

Via: Josh Martin, Director of Planning, Zoning & Building

From: Wayne Bergman, Asst. Director of Planning, Zoning & Building

Re: Resolution 11-2019 – Master Fee Schedule

Date: February 20, 2019

STAFF REQUEST & RECOMMENDATION

Staff requests that the Town Council review the proposed changes to the Master Fee Schedule involving several PZB fees. Staff further recommends that the Town Council approve Resolution No. 11-2019 to implement the revised fees.

GENERAL INFORMATION

The next phase of changes to improve efficiency and customer service in the PZB Department comes in the form of simplifying and consolidating the numerous permits required on any construction project to just one permit per project. This has been a very time consuming proposition for the department and required significant software setup in the current EDEN system to accommodate the single permit process. New routing of applications through the review steps and new inspection steps has been completed in the permitting software. We are already working with several owners and contractors on the single permit process to monitor these new types of permits through the review, issuance, and inspection stages.

Since the goal is to transition to just one permit per project, thought was given to recapture the revenue that is currently generated via all of the extra permits and sub-permits. The current multipliers for building permits are 2.45% of project value for the first \$2.5 million, then 1.8% of project value beyond \$2.5 million. But these multipliers are not completely accurate, as there is a fee for each current sub-permit (minimum \$79), plus drainage permit fees, floodplain permit fees, right-of-way permit fees, public works permit fees, fire permit fees, landscape permit fees, etc. Our practice in permitting up to now is much akin to booking a flight on almost any commercial airlines company or ordering a new European automobile. The base price seems reasonable, but everything else is an extra charge! In the past, every step of the permitting process resulted in a new permit. Issuing individual permits was the way to not only raise revenue, but to track every permit revision, reactivation, cost update, etc.

When we review the past five year's permit revenue and actual construction value tracked in EDEN (the permitting software program), the following real multipliers can be determined, based upon construction value reported to the department:

Fiscal Year	# of Permits	Permit Fees	Reported Construction Value	Multiplier
2014	8,311	\$6,852,045	\$221,501,354	3.09%
2015	9,070	\$9,696,387	\$326,440,671	2.97%
2016	8,974	\$8,621,288	\$291,023,375	2.96%
2017	8,457	\$6,627,270	\$239,090,949	2.77%
2018	11,060	\$9,312,942	\$345,185,808	2.70%

The average multiplier over the past 5 years is 2.9%.

Staff respectfully suggests shifting to a slightly larger multiplier as we start the one permit per project program, so that with this paradigm shift in permitting the anticipated revenues are not lost. Staff can monitor the new program over time and propose adjustments to the multiplier, as needed, in future years. The proposed starting multiplier is 3.0% of project value, and based upon possible annual construction values, this multiplier would generate the following permit fees:

Multiplier	Annual Expected Construction Value	Estimated Permit Fees
3.0%	\$250 Million	\$7.5 Million; or
	\$300 Million	\$9.0 Million; or
	\$350 Million	\$10.5 Million

Please note that for Fiscal 2019 the Town budgeted \$8.92 Million in total permit fees to be collected. This does not include planning, zoning, ARCOM, Landmarks, etc. application and review fees.

It is difficult to determine the exact level of total construction activity for the current fiscal year. Over the first four months of this fiscal year (October, 2018 through January, 2019), the construction value is approximately \$72 million. Over the first four months of the previous fiscal year (October, 2017 through January, 2018), the construction value was approximately \$101 million. The prior fiscal year yielded approximately \$52 million in construction value for the first four months of the fiscal year.

In addition to the proposed new multiplier for permit fees, a few other PZB fees have been modified or consolidated. Public Works has also proposed new fees to cover staff time and filing costs associated with the many agreements they prepare for drainage and stormwater management, driveway sand walkways, easements, wall maintenance, and right of way work.

FUNDING/FISCAL IMPACT

No anticipated Impact to the General Fund, as the goal is to remain revenue-neutral with this change, or a possible moderate increase in revenue.

STRATEGIC PLAN

The revised Master Fee Schedule is consistent with the Town's Strategic Plan, as the changes will help the Department become part of a more Responsive Town Government and will improve the Resident's Quality of Life by streamlining the Department, reducing bureaucracy and simplifying the building process.

COMPREHENSIVE PLAN

The proposed resolution is Consistent with the Town's Comprehensive Plan and with Florida Statute 163 (Florida's Community Planning Act).

SPECIAL CONSIDERATIONS

As the proposed changes to the Master Fee Schedule are non-substantive and are intended to eliminate self-imposed bureaucracies, staff believes it is in the community's best interest to expedite the proposed changes.

Resolution No. 11-2019 is ready for your consideration and approval.

Attachments

WRB