

TOWN OF PALM BEACH

Information for Town Council Meeting on: March 11, 2020

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Wayne Bergman, Acting Director of Planning, Zoning & Building



Re: Resolution 11-2020 – Master Fee Schedule

Date: February 24, 2020

STAFF REQUEST & RECOMMENDATION

Staff requests that the Town Council review the proposed changes to the Master Fee Schedule involving the building permit fees. Staff further recommends that the Town Council approve Resolution No. 11-2020 to implement the revised fees.

GENERAL INFORMATION

As you know, this time last year the Town Council approved Resolution No. 11-2019, which consolidated a number of PZB permits and began the One Permit program for new projects. The multiple building permits that once were required for every project was consolidated to just one permit. At that time you also approved the staff-recommended multiplier of 3% of construction value for permit fees. It was recommended at that time to revisit the 3% number yearly to make sure it was the appropriate multiplier going forward.

The Town late last year engaged Raftelis to update the Building Division Cost Allocation and Revenue Sufficiency Evaluation, last done in 2016. This was done to confirm the appropriate permit fee multiplier to stay consistent with Florida Statutes, and to provide the basis for implementing reduced permit fees for owners and contractors that choose to use Private Providers on their construction projects. Private Providers are third-party plan reviewers and inspectors that provide private verification of compliance under the Florida Building Codes and site engineering. Recent changes in State law mandate that municipalities provide reduced permit fees when construction projects are handled privately, without the full use of municipal plan reviewers and inspectors.

Raftelis took the Test Year financial information and determined the true value of revenues and expenses for the Building Division's portion of the PZB budget. With a slight surplus during the Test Year, they recommended reducing the normal permit fee multiplier from 3.0% to 2.8%. They analyzed the current minimum permit fee of \$75.00 and recommended raising it to \$100.00.

Finally, they determined the expense incurred by the Town for staff plan reviewers and inspectors, and what savings could be realized by having those services performed directly by the property owners and contractors. This step produced four distinct options for permit fees:

Options:	Option 1 – Town plan reviews and inspectors	Option 2 – Private Provider plan reviews and Town inspectors	Option 3 – Town plan reviews and Private Provider inspectors	Option 4 – Private Provider plan reviews and Private Provider inspectors
Proposed Permit Fee Rate:	2.8%	2.59%	2.1%	1.89%

FUNDING/FISCAL IMPACT

There will be a reduction of revenue for the department. It is difficult to determine the exact amount of revenue reduction, since this will be a new program and we cannot gauge what usage and proportion between options would be, but based upon the current ratio of construction projects under the Town Building Division compared to Private Provider projects, we could possibly see a reduction of \$760,000 (best case) and \$3 million (worst case) per year¹.

STRATEGIC PLAN

The revised Master Fee Schedule is consistent with the Town's Strategic Plan, as the changes will help the Department continue to be 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

The proposed resolution is consistent with Florida Statute 553, including the recent law changes (Chapter 2019-165) regarding Private Providers.

Resolution No. 11-2020 is ready for your consideration and approval.

¹ Based upon 2019 FY revenues.

Attachments: Draft Resolution No. 11-2020 w/ Revised Master Fee Schedule pages
Raftelis Building Division Cost Allocation and Revenue Sufficiency Evaluation,
February, 2020

WRB