

Sustainable Development Fee Study Final Report and Findings



**City Commission
June 17, 2021
TBD p.m.**



Agenda

- ① Project Background
- ② Summary of Findings
- ③ Current Fee Levels & Policy Considerations
- ④ Questions and Discussion



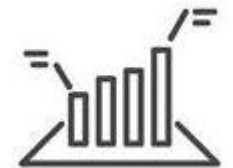
We encourage you to ask questions as they arise.

1: Project Background



Project Background

- January 2021 the City contracted with BerryDunn to assist with a review of Sustainable Development fees and charges.
- February 2021 through April 2021 BerryDunn met with City staff and stakeholders to understand the current fee and service delivery structure.
- April 2021 BerryDunn provided the City a draft fee study report.
- April 2021 through May 2021 BerryDunn incorporated City staff and stakeholder input into the draft fee study report updating it to final, and developed recommendations.
- The final report contains all methodologies, findings and proposed recommendations for consideration.



2: Summary of Findings



Summary of Findings

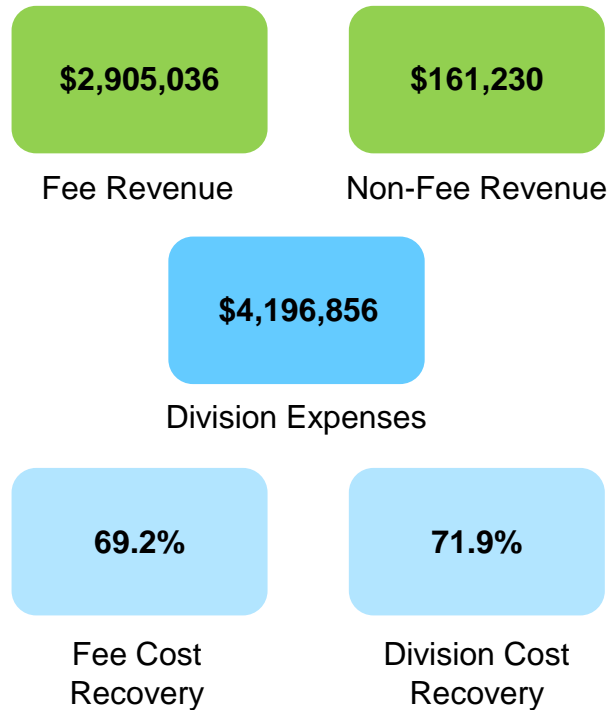
- **Revenue and Expense Analysis:** BerryDunn identified and assigned \$3,227,507 of revenue and \$5,833,570 of estimated costs to the fee-related services analyzed for this study.
- **Personnel Analysis:** BerryDunn identified and assigned \$3,734,625 of estimated personnel related costs, representing 64% of the total costs identified.
- **Non-Personnel Expense:** BerryDunn identified and assigned \$950,908 of estimated non-personnel related costs, representing 16% of the total costs identified.
- **Indirect Costs Analysis:** BerryDunn developed an indirect cost rate proposal and calculated the indirect cost rates for the building and planning divisions at 13.04% and 17.14%, respectively.
- **Permits and Services Analysis:** BerryDunn identified and analyzed 82 fee-related services across the building and planning divisions.



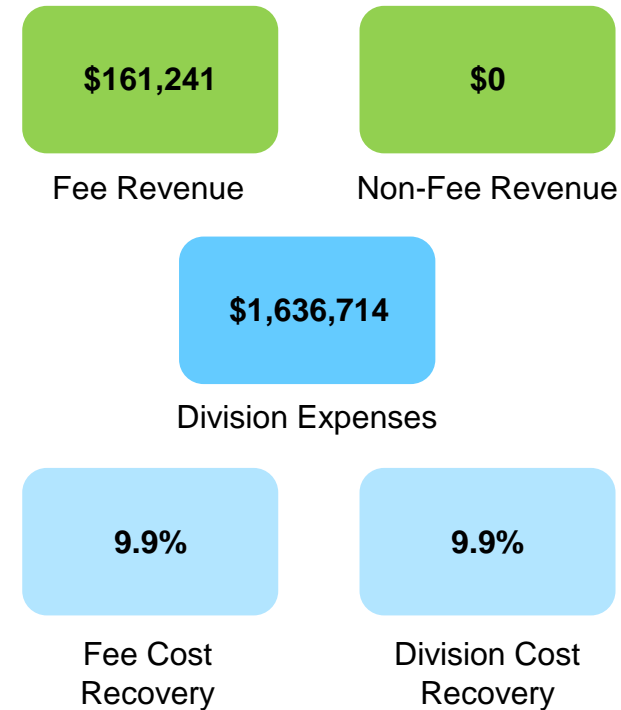
Summary of Findings

- **Current Cost Recovery:** The department's current user fees and charges cost recovery rate is **55.3%**.

Building Division



Planning Division





Summary of Findings

- **Peer City Comparisons:** Basic fee comparison example based on general building permit types / categories.

	\$200,000 Valuation	R-2 Assembly Occupancy; III-B Construction. Type, \$20M Valuation	A-2 Assembly Occupancy; V-B Construction. Type, \$1,290,000 Valuation
	2,000 - 2,500 s.f. - Residential	200,000 - 225,000 s.f. - Multi-Family	3,000 - 5,000 s.f. - Commercial
City of Gainesville	\$1,563	\$112,801	\$8,624
Alachua County	\$1,225	\$144,550	\$9,323
City of Tallahassee	\$2,037	\$61,859	\$2,901
City of Miami Beach	\$3,400	\$340,000	\$24,510
City of Ft. Lauderdale	\$2,700	\$270,000	\$17,415
City of Sarasota	\$2,000	\$200,000	\$12,900

*** Comparisons are estimations only and include only basic building and construction inputs. Actual fees may vary given the unique building scenario and environment for every project.**

3: Current Fee Levels & Policy Considerations



Proposed Recommendations

- **Cost Recovery Policy Development:** The City should consider a policy which would identify which fees should be set at levels less than full cost recovery and which fees should be set at levels to recover closer to the full-cost of providing the service.
- **Cost Recovery Rates:** Cost recovery rates for fee related services are based on local policy decisions.
 - Building Division baseline: 73.1%. Goal: 85% to 95% in three to five fiscal years.
 - Planning Division baseline: 9.9%. Goal: 40% to 50% in three to five fiscal years.
- **New Fee Additions:** It is recommended that the City adopt the proposed, new fees to reflect services currently being provided, but for which there is currently no standard fee adopted.



Proposed Recommendations

- **Technology Fee:** It is recommended that the City adopt a Technology Fee that would be equal to 2% of the cost of the permit or service provided.
 - i. Provide funding for annual license and maintenance fees associated with permitting software and systems.
 - ii. Provide funding for additional systems and technology to improve service delivery.
 - iii. Provide funding for upgrades and replacements of current hardware and software utilized for permit issuance and service delivery.
 - iv. Provide funding for any other technology infrastructure related to the electronic dissemination of information or service delivery functionality.
- **Annual Fee Updates:** The City should reinstate Appendix A scheduled increases or adopt a similar methodology for assessing fee levels annually.

Thank You!

4: Questions and Discussion