

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager



DATE: November 20, 2024

First Reading

TITLE: AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING APPENDIX A TO THE CITY CODE, ENTITLED "FEE SCHEDULE" BY AMENDING (1) THE FEE CHARGED TO FILE A RECERTIFICATION REPORT TO ALLOW FOR A DISCOUNT AS SET FORTH IN APPENDIX "A" OF THE CITY CODE FOR TIMELY FILED REPORTS AND (2) THE BUILDING DEPARTMENT PERMIT FEES APPLICABLE TO SCOPE OF WORK REQUIRED TO BE PERFORMED BY A RECERTIFICATION REPORT IN CONNECTION WITH THE RECERTIFICATION OF EXISTING BUILDINGS AS REQUIRED BY SECTION 8-11 OF THE MIAMI-DADE COUNTY CODE; AND PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

RECOMMENDATION

The City administration recommends adoption of the Ordinance.

BACKGROUND/HISTORY

The City Commission aims to assist property owners with buildings subject to existing re-certification requirements, especially those facing financial challenges in covering the costs associated with engaging state-licensed structural and electrical engineers necessary for the mandated re-certification report. These challenges may be exacerbated by the expenses tied to any required repairs, which vary based on severity and extent. Regular maintenance is essential to prevent costly and potentially hazardous conditions. To promote accountability in building maintenance, the City enacted an Annual Building Maintenance Log submission requirement by ordinance, which began in January 2024.

Re-certification reports are required for all buildings except for single-family homes, duplexes, and buildings with 10 occupant load or less and 2,000 square feet or less and are due on the 30th anniversary of a building's original certificate of occupancy and every ten (10) years thereafter. Reports become overdue if not received by the due date. The Building Department initiates notification for upcoming due reports two (2) years prior to the due date, again one (1) year before, and lastly, 90 days before the anniversary. Buildings are required to pay a fee of \$1,045.00 to file their recertification reports, with a late fee applicable for overdue submissions. While these fees are not excessively high, when combined with costs property owners incur for engineers and contractors, some owners with limited reserves may feel compelled to submit reports late. Recognizing the critical nature of the re-certification process for the safety and welfare of our residents and visitors, Commissioner Rosen Gonzalez requested that the Building Department consider reducing re-certification-related fees to incentivize and assist with timely submissions from property owners.

ANALYSIS

The primary purpose of the Building Department is to ensure compliance with Building Codes and legislation, thereby safeguarding the public health, safety, and general welfare of Miami Beach's residents and visitors. The operations of the Building Department are governed largely by Florida State Statutes, including directives on the use of revenues generated from collected fees to enforce building codes. Being self-funded, the department must set fees that adequately cover operational costs and cannot use these revenues for purposes outside of the department's mandate. Thus, it is essential that the department prudently manages its funding to maintain adequate service levels for the City's customers while carefully considering the financial and legal ramifications of providing discounts for certain services.

The preparation and processing of recertification documents demand significant administrative and field resources from the Building Department. Consequently, the Building Department has assessed its operational costs and identified potential discounts for property owners who submit reports on time, which helps mitigate the additional administrative workload associated with late submissions.

1. A 50% discount on the recertification filing fee for reports submitted by the due date, as per Appendix A Fee Schedule attached to the ordinance.
2. For repairs required as part of the recertification report, a reduced percentage fee from 1.9% to 1.7% of the construction cost for building permits related solely to recertification requirements (not including fees from other departments). A list of work types eligible for this discount are:
 - Concrete Restoration
 - Structural Repairs
 - Waterproofing
 - Guard Rails
 - Emergency Lighting
 - Electrical Service Repairs/Replacement
3. The incentive program would sunset on 12/31/25 per F.S. 553.899 (Milestone Program Legislation).

FISCAL IMPACT STATEMENT

1. The estimated fiscal impact of the discount on the recertification filing fee is approximately \$410,000 over the next two years.
2. Estimating the fiscal impact of the permit fee discounts is challenging, as the specifics of necessary repairs and their associated costs remain uncertain.

Does this Ordinance require a Business Impact Estimate? No
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notices/>

FINANCIAL INFORMATION

This item provides financial relief to property owners.

CONCLUSION

The administration recommends adopting this Ordinance on First Reading.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Building

Sponsor(s)

Commissioner Kristen Rosen Gonzalez

Co-sponsor(s)

Condensed Title

1st Rdg, Amend Appendix A-Fee Schedule, Mandatory Structural/Electrical Inspections. (Rosen Gonzalez) BD