

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Rickelle Williams, Interim City Manager

DATE: July 26, 2024

TITLE: DISCUSS DISCOUNTING FEES FOR THE EXISTING BUILDING RE-CERTIFICATION APPLICATION PROCESSING FEES TO INCENTIVIZE PROPERTY OWNERS TO SUBMIT APPLICATIONS IN A TIMELY MANNER.

RECOMMENDATION

The Administration recommends the Finance and Economic Resiliency Committee (FERC) discuss the item and recommend to the Mayor and City Commission a program to incentivize the timely submission of the existing building re-certification applications by providing discounts on the filing fees.

BACKGROUND/HISTORY

Property owners with buildings that are subject to the existing building re-certification requirements struggle with paying the costs associated with engaging the structural and electrical engineers. This is compounded by the costs associated with making the necessary repairs. Buildings are also required to pay the City a fee of \$1,045 to file their reports. Although the City's fees are not exorbitant, when combined with other fees that property owners must pay to their engineers to prepare their re-certification reports and to contractors for necessary repairs, some building owners with insufficient reserves/cash on hand may have no choice but to file these reports past their due dates.

Recertification reports are due on the building's 30th anniversary of the building's original certificate of occupancy and then every ten (10) years thereafter, and become past due if not received by the anniversary date. The Building Department sends out notification of reports becoming due two (2) years before the anniversary/due date, then again one (1) year before the anniversary/due date, and lastly 90-days prior to the anniversary/due date. Given the importance of the re-certification process to the safety and welfare of our residents and visitors, Commissioner Rosen Gonzalez asked the Building Department to consider whether the City's filing fees could be reduced to encourage property owners to submit their applications in a timely fashion.

ANALYSIS

The Building Department provided two (2) options for consideration:

Option 1: Reduce filing fees by 75% in 2024, 50% in 2025 and 25% in 2026. Property owners may submit their re-certification reports as early as 24 months before they are due, so an owner with a report due in 2026 could benefit from the 75% discount if the application is submitted in 2024.

Option 2: Reduce filing fees by 50% during a 24-month program period. As noted above, property owners may submit re-certification reports as early as 24 months prior to becoming due. Accordingly, and by way of example, if the program is launched on October 1, 2024 and

runs through September 30, 2026, then property owners whose reports are due at any time between October 1, 2024 and September 30, 2028 could benefit from the 50% discount.

If reports are submitted beyond the required deadline, the property owner would be subject to the discounted filing fee available at the time of submittal.

FISCAL IMPACT STATEMENT

Option 1:

| Calendar Year Due | Number of buildings due | Number of buildings x \$1,045 recertification filing fee | Percent Discount | Fiscal Impact to Building Department Fund |
|-------------------|-------------------------|--|------------------|---|
| 2024 | 187 | \$195,415.00 | 75% Discount | \$(146,561.25) |
| 2025 | 356 | \$372,020.00 | 50% Discount | \$(186,010.00) |
| 2026 | 360 | \$376,200.00 | 25% Discount | \$ (94,050.00) |
| | | | TOTAL | \$ (426,621.25) |

Option 2:

| Calendar Year Due | Number of buildings due | Number of buildings x \$1,045 recertification filing fee | Percent Discount | Fiscal Impact to Building Department Fund |
|-------------------|-------------------------|--|------------------|---|
| 2024 | 187 | \$195,415.00 | 50% Discount | \$(97,707.50) |
| 2025 | 356 | \$372,020.00 | 50% Discount | \$(186,010.00) |
| 2026 | 360 | \$376,200.00 | 50% Discount | \$(188,100.00) |
| 2027 | 353 | \$368,885.00 | 50% Discount | \$(184,442.50) |
| 2028 | 341 | \$356,345.00 | 50% Discount | \$(178,172.50) |
| | | | TOTAL | \$(834,432.50) |

Does this Ordinance require a Business Impact Estimate? (FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on . See BIE at:
<https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

CONCLUSION

The Administration recommends that the FERC discuss and provide a recommendation regarding which option is preferred to discount the existing building re-certification fees. This reduction is meant to incentivize timely submissions for the re-certification process to reduce the financial burden on these buildings and increase the chances of identifying any safety concerns early, resulting in safer buildings.

Applicable Area

Citywide

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

Yes

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

Ref: FERC - Discounting Fees for Existing Building Re-Certification Application. (Rosen Gonzalez)