

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

Applicable Area:

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Commissioner Kristen Rosen Gonzalez

DATE: July 26, 2024

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

RECOMMENDATION

Please place on the June 26, 2024 agenda a referral to the Finance and Economic Resiliency Committee (LUSC) to discuss/consider a program to incentivize the timely submission of the existing building re-certification applications by providing discounts on the filing fees.

It has come to my attention that certain 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 owners with insufficient reserves/cash on hand may have no choice but to file these reports past their due dates. Given the importance of the re-certification process to the safety and welfare of our residents and visitors, I 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.

The Building Department provided two 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. Accordingly, and by way of example, if the program is launched on October 1, 2024, then property owners whose reports are due at any time between October 1, 2024 and September 30, 2028 could benefit from the 50% discount.

The Building Department should collaborate with the Finance Department to present at the committee meeting the fiscal impact for each of these options if all property owners whose re-certification reports are due within the relevant periods take advantage of the discount program for timely filing.

BACKGROUND/HISTORY

ANALYSIS

FISCAL IMPACT STATEMENT

N/A

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

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)