

R5 Q 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.

Applicable Area:

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: December 11, 2024 10:35 a.m. Second Reading Public Hearing

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 proposed Ordinance was approved unanimously on first reading. No changes have been made between first and second reading.

The City Commission aims to assist property owners with buildings subject to existing recertification requirements, especially those facing financial challenges in covering the costs associated with engaging state-licensed structural and electrical engineers necessary for the mandated recertification 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. Recertification 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 to file their recertification reports, with a late fee applicable for overdue submissions. While these fees are not excessively high, when combined with the cost's 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 recertification process for the safety and welfare of our residents and visitors, Commissioner Rosen Gonzalez requested that the Building Department consider reducing recertification-related fees to incentivize 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? Yes
(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on: 11/27/2024
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?

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

10:35 a.m. 2nd Rdg, Amend Appendix A-Fee Schedule, Mandatory Structural/Electrical Inspections. (Rosen Gonzalez) BD

ORDINANCE NO. _____

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.

WHEREAS, section 553.80, Florida Statutes, requires that building permit fees be consistently applied; and

WHEREAS, building permit fees for residential single-family residences are currently calculated at 1.7 percent of the construction costs and for commercial properties which include condominiums and cooperatives, are calculated at 1.9 percent of construction costs; and

WHEREAS, the recently enacted "milestone" inspection of a building's structural integrity as set forth in section 553.899, Florida Statutes, includes inspection of the load-bearing walls and other structural elements designed to provide support and stability for the overall structure; and

WHEREAS, existing buildings are required to be recertified as structurally and electrically safe for its continued use and occupancy as required by section 8-11 of the Miami-Dade County Code; and

WHEREAS, many condominium and cooperative associations were not prepared for milestone inspections and for recertification expenditures, including permit fees, which were previously required for buildings or structures that have been in existence for forty-years and subsequent reinspection at ten-year intervals; and

WHEREAS, in order to assist those condominiums and cooperative associations that were caught off guard by the changes in state and local laws, a third category for building permit fees associated with milestone inspections and the recertification process is needed.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA:

SECTION 1.

Appendix A to the City Code, entitled "Fee Schedule," is hereby amended as provided in "Exhibit A" to this Ordinance.

SECTION 2. REPEALER.

All ordinances or parts of ordinances and all section and parts of sections in conflict herewith be and the same are hereby repealed.

SECTION 3. CODIFICATION.

It is the intention of the City Commission, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Code of the City of Miami Beach as amended; that the sections of this ordinance may be renumbered or re-lettered to accomplish such intention; and that the word "ordinance" may be changed to "section" or other appropriate word.

SECTION 4. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 5. EFFECTIVE DATE.

The provisions of this Ordinance shall take effect ten days following adoption and shall automatically sunset and shall be repealed on December 31, 2025 unless extended by Commission action.

PASSED and ADOPTED this _____ day of _____, 2024.

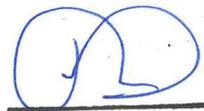
ATTEST:

Steven Meiner, Mayor

Rafael E. Granado, City Clerk

(Sponsored by Commissioner Rosen-Gonzalez)

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**



City Attorney

11/14/2024

Date

“EXHIBIT A”

APPENDIX A FEE SCHEDULE

FEE SCHEDULE

Pursuant to section 1-15 of this Code, this appendix includes all fees and charges established by the city commission that are referred to in the indicated sections of the Code of Ordinances. Certain specified fees and charges, as identified herein, shall be subject to annual adjustment by the city manager, pursuant to the provisions of section 1-15 and this Appendix “A”. A schedule of all current city fees and charges as set forth in Appendix “A” shall be maintained on the city’s website.

	Chapter 14. Building Regulations Part I		
	Article II. Construction Standards		
	<i>Division 1. Generally</i>		
14-62(c)	Building permit fees:		
	Commercial Permit Fees for Building Permits:		
	New construction minimum fee	172.00	[A]
	Alterations minimum permit fee	124.00	[A]
	Permit fee for a building whose estimated construction cost is equal to or less than \$35 million is 1.9% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$35 million but less than or equal to \$100 million; and 0.25% of costs exceeding \$100 million as approved by the building official or his or her designee.		N/A
	Due to hurricane events, fees for minor repairs under a total value of \$20,000, the above fee (14-62(c)) shall be reduced by 40% for the following period: Three months from the hurricane event to pull permit. This does not apply to any permits needed for railing repairs and all repairs must be of a substantially similar design, quality and appearance.		N/A
	Residential Permit Fees for Building Permits:		
	New construction minimum permit fee	148.00	[A]
	Alterations minimum permit fee	111.00	[A]
	Residential: Single-family, Duplex: Permit fee for a building whose estimated construction cost is equal to or less than \$1.5 million is 1.7% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$1.5 million as approved by the building official or his or her designee		N/A

	Due to hurricane events, fees for minor repairs under a total value of \$20,000, the above fee (14-62(c)) shall be reduced by 40% for the following period: Three months from the hurricane event to pull permit. This does not apply to any permits needed for railing repairs and all repairs must be of a substantially similar design, quality and appearance.		N/A
	<u>Permit Fees for Building Permits related to a building re-certification as required by F.S. 553.899 and Section 8-11 of the Miami-Dade County code:</u>		
	Minimum permit fee	111.00	[A]
	<u>Permit fee for a building whose estimated construction cost is equal to or less than \$1.5 million is 1.7% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$1.5 million as approved by the building official or his or her designee</u>		N/A
14-63	Plumbing permit fees:		
	Minimum plumbing permit fee	124.00	[A]
	This minimum does not apply to permits issued as supplementary to current outstanding permits for the same job		
	Commercial Permit Fees for Plumbing Permits:		
	Permit fee for a building whose estimated construction cost is equal to or less than \$35 million is 1.9% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$35 million but less than or equal to \$100 million; and 0.25% of costs exceeding \$100 million as approved by the building official or his or her designee		N/A
	Residential Permit Fees for Plumbing Permits:		
	Residential: Single-family, Duplex: <u>Permit fee for a building whose estimated construction cost is equal to or less than \$35 million is 1.9% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$35 million but less than or equal to \$100 million; and 0.25% of costs exceeding \$100 million as approved by the building official or his or her designee</u> <u>Permit fee for a building whose estimated construction cost is equal to or less than \$1.5 million is 1.7% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$1.5 million as approved by the building official or his or her designee</u>		N/A
14-64	Electrical permit fees:		
	Minimum electrical permit fee: This minimum does not apply to permits issued as supplementary to current outstanding permits for the same job	124.00	[A]
	Commercial Permit Fees for Electrical Permits:		
	Permit fee for a building whose estimated construction cost is equal to or less than \$35 million is 1.9% of the cost of		N/A

	construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$35 million but less than or equal to \$100 million; and 0.25% of costs exceeding \$100 million as approved by the building official or his or her designee.		
	Residential Permit Fees for Electrical Permits:		
	Residential: Single-family, Duplex: Permit fee for a building whose estimated construction cost is equal to or less than \$35 million is 1.9% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$35 million but less than or equal to \$100 million; and 0.25% of costs exceeding \$100 million as approved by the building official or his or her designee Permit fee for a building whose estimated construction cost is equal to or less than \$1.5 million is 1.7% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$1.5 million as approved by the building official or his or her designee.		N/A
	Permit Fees for Building Permits related to a building re-certification as required by F.S. 553.899 and Section 8-11 of the Miami-Dade County code:		
	Permit fee for a building whose estimated construction cost is equal to or less than \$1.5 million is 1.7% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$1.5 million as approved by the building official or his or her designee.		N/A
14-65	Mechanical permit fees:		
	Minimum mechanical permit fee. This minimum does not apply to permits issued as supplementary to current outstanding permits for the same job	124.00	[A]
	Commercial Permit Fees for Mechanical Permits:		
	Permit fee for a building whose estimated construction cost is equal to or less than \$35 million is 1.9% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$35 million but less than or equal to \$100 million; and 0.25% of costs exceeding \$100 million as approved by the building official or his or her designee		N/A
	Residential Permit Fees for Mechanical Permits:		
	Residential: Single-family, Duplex: Permit fee for a building whose estimated construction cost is equal to or less than \$35 million is 1.9% of the cost of construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$35 million but less than or equal to \$100 million; and 0.25% of costs exceeding \$100 million as approved by the building official or his or her designee Permit fee for a building whose estimated construction cost is equal to or less than \$1.5 million is 1.7% of the cost of		N/A

	<u>construction as approved by the building official or his or her designee, plus 1.0% of the construction cost for any amount over \$1.5 million as approved by the building official or his or her designee.</u>		
	Forty-year recertification Existing Building Recertification program fee:		
14-67(a)	Per building	1,045.00	[A]
	<u>A 50% discount will apply to timely submissions of recertification reports until December 31, 2025 per F.S. 553.899</u>		
	Building official approval of 6-month extension for building recertifications	1,045.00	[A]
14-67(c)	Late report fee if recertification not completed within 90 days of building's being declared unsafe	1,099.00	[A]
14-67(e)	Lat submission fee for buildings greater than five floors for annual structural maintenance lot after a 30-day notice	1,099.00	[A]