



City of Coral Gables
CITY COMMISSION MEETING
June 16, 2015

ITEM TITLE:

An Ordinance of the City Commission of Coral Gables, Florida establishing and restating fees for various licenses, permits, services, and penalties by the City of Coral Gables; amending Article IX "Impact Fees" to move the Impact Fees to the Fee Schedule; amending Division 4 "Sanitary Sewer Capacity Fees" of Article III "Sanitary Sewer System" to move the Sewer Capacity Fees to the Fee Schedule; providing for a repealer provision, severability clause, and providing for an effective date.

DEPARTMENT HEADS RECOMMENDATION:

Approval.

BRIEF HISTORY:

Fee Schedule update since First Reading:

- (1) The fees for Special Events have been updated to take into account the specific amount of days permitted. Any multiple day event greater than three (3) days will be assessed the maximum charges. (page 31)
- (2) The current operating cost for the Granada Golf course is \$764,933. The management options being considered for the Granada Golf Course, as suggested at the First Reading, would increase cost anywhere from 27% to 40%. If the city increased its fees by 27%, our fees would be among highest priced nine-hole golf courses in the South Florida area (See Attachment). Therefore, staff continues to recommend the previously proposed fee schedule, which would represent a 5% to 7% increase beginning in October 2016 and a subsequent equivalent increase in October 2018 to recoup more of our operating costs without pricing ourselves out of the market. (page 33)
- (3) To address the Commissioner Keon's request to reconsider permit fees for minor residential renovation projects (currently at \$114.19), staff recommends a comprehensive review of all the fees that constitute the eventual payment of the permit. It is important to note that the Building Division's building permit fee is only one (1) part that constitutes the eventual permit cost. There are a total of seven (7) fees involved in a typical residential renovation project: two (2) are required by the State; one (1) by the County; and two (2) others by city ordinance for records management and preservation. To illustrate, a building permit fee for a \$2,100 front door replacement project is \$114.19, which constitutes less than half of the eventual permit cost of \$244.59. Due to the complexity of these fees, staff proposes to bring back a full report on this review including a comparative study how other cities handle minor residential projects, the staff effort in its review and inspection, and possible fee adjustment options with a full accounting how they impact the budget. (page 40)
- (4) On May 21, 2015, Governor Rick Scott signed into law Senate Bill 466, which further lowered what cities can charge for low-voltage alarm from the current \$55 to \$40. This change takes into effect on July 1, 2015. (page 41)
- (5) The newly proposed fees for the Public Works Department for message boards and concrete buttons are deleted as noted at First Reading. (pages 105 and 107)

Since the original City-wide Fee Resolution that established the Fee Schedule was adopted in 2006, the City has made adjustments throughout the years. For example, the Sanitary Sewer Charges and Solid Waste Collection fees are adjusted every year and the "Local Business Tax" every other year. New fees have also been approved as authorized by separate ordinances and existing fees have been adjusted by resolutions.

This proposed ordinance accomplishes the following:

- (1) Restates the existing fees by ordinance so there is no future question on the formal establishment of any fee;
- (2) Authorizes future amendments to the fees in this Fee Schedule and the City Code by Resolution;
- (3) Makes adjustments and additions to various existing licenses, permits, services and penalties effective **October 1, 2015** (with the exception of Private Provider building permit credit, proposed to be effective upon Second Reading of the Ordinance; and low voltage burglar alarm system, proposed to be effective July 1, 2015, pursuant to State Law); and
- (4) Moves the various existing impact fees and sewer capacity fees from the City Code to the Fee Schedule.

Below is a summary of each department's proposed fee adjustments, including the basis for the fee change and estimated impact on the budget for FY 15/16. The changes reflected in Exhibit A and this staff report highlight the key substantive changes to the Fee Schedule. (The Sanitary Sewer Charges, Storm Water and Solid Waste Collection fees are amended as necessary by separate Resolution pending official notice from Miami-Dade County.) For ease of review, staff has included a ~~strike through~~ and underline format of the Fee Schedule as Exhibit A, and a clean version as Exhibit B, which is the proposed Ordinance. The page numbers listed below pertain to Exhibit A.

Passport Fees, page 6 (City Clerk's Office):

The comprehensive update is necessary to reflect the fees authorized by the U.S. Department of State, which have been instituted since 2005 and enforced by the city but not updated in the Fee Schedule. The update does not impact the budget as the fees collected are not changed from what has been collected in the past.

Parks and Recreation Fees, pages 7-33 (Community Recreation Department):

Due to national accreditation requirements, staff proposes an updated five (5) year fee plan for most parks and recreation fee-based activities. In Tennis Centers Division, a 5% increase is proposed for drop-in play, programs and memberships, with a 5% increase every other year. Tennis Lesson fees have been adjusted to reflect current market rates and will increase by 5% every other year. For Venetian Pool, a 5% increase is proposed for all admission fees, memberships, class and camp programs, with a 5% increase every other year. Revisions to pool memberships have been made to reflect seasonal pool closings. At the Granada Golf Course, current greens fees and cart fees are recommended to increase \$1.00 every other year, with the exception of junior greens fees, which will remain as is for five (5) years. Membership rates will remain current with a 5% increase every other year. In the Adult Activity Center and Special Events Divisions, all current fees remain with a 5% increase every other year. In the Youth Center Division, Membership Fees remain current and will increase every five (5) years. Increase will be 5% for the Resident fee and the Non-Resident Fee will be increased to reflect a

25% increase over the resident fee. Fees for current Youth Center programs are set based on program costs and will remain current with a 5% increase every other year. The expected overall budget impact is an increase in revenue of approximately \$80,000.

Cost Recovery, pages 34-35 (Development Services Department):

A provision in the Fee Schedule expands the current language pertaining to the recovery of costs when the City confers with professionals or consultants in its review of development applications. The new language addresses the establishment of a deposit and provides for staying of the application if the City is not timely reimbursed for the costs incurred. These professional services may include but are not limited to traffic engineers, attorneys, appraisers, architects, etc. Since this is not a cost to the City, this addition is cost neutral to the budget.

Alcoholic Beverage License Fees, page 38-39 (Planning and Zoning Division, Development Services Department):

For the past 15 years, the Concurrency staff conducts approximately 70 to 100 annual zoning reviews for alcoholic beverage applications at no charge. These pertain to new restaurants, change of ownership to an existing restaurant, establishments that sell alcoholic beverage off premise, and special events that provide alcohol beverages. Staff's review time varies from 15 minutes to review a special event; 30 minutes to review distance separation for alcoholic beverage license for off premise consumption (such as Publix and Crown Liquor); to one (1) hour along with the Fire Department to review seating arrangement for consumption on premise (such as Roma Eats, Seasons 52 and Hillstone). In consideration to recover the City's cost of providing this service, staff proposes to establish a one-time \$100 fee for those applications requesting off premise alcoholic beverage consumption; a one-time \$250 for those on premise alcoholic beverage consumption; and \$25 for special events that includes alcoholic beverage consumption. In the Miami-Dade area, similar charges have been instituted in cities such as Miami, Miami Beach, Miami Springs, South Miami, and Hialeah. It is estimated that these new fees will adjust annual revenue approximately \$11,350.

Construction Dumpster and Temporary Water Closets (Portable Toilet) Fees, page 38 and 44 (Building Division, Development Services Department):

Staff proposes to delete the construction dumpster and temporary water closet permit fees, as there is no Building Code or Zoning Code provision that requires staff's review. These temporary features are reviewed at the Construction Staging Plan phase, which currently requires an application fee as authorized by the City Code. It is estimated that this fee deletion will negatively affect revenue approximately \$81,310 (\$59,424 for dumpster and \$21,886 for portable toilets).

Building Permit Upfront Fee, page 40 (Calculation Method) (Building Division, Development Services Department):

The City charges a building permit upfront fee to cover the staff time to review the permit, which is then credited toward the permit cost. (In general, the permit review effort constitutes between 40% - 50% of the permit fee, with inspections making up the remaining portion.) A recent review of the upfront fee yielded a range from 7% to 40% of the permit cost, with the greatest discrepancy pertaining to commercial and multi-family projects. For example, the upfront fee for ALoft and The Palace were 8.1% and 9.7%, respectively, of the permit cost. As a result, staff proposes to adjust the rate and method from the current \$4.57 per \$1,000 of estimated project construction cost of new construction and addition to \$1.00 per sq. ft. of the project, as the permit fee is based on project square footage, not construction cost. In the case of

ALoft, the current charge resulted in an upfront fee of \$36,560, and with the new rate the upfront fee would be \$194,442, approximately 43% of the building permit fee. For The Palace, the current rate versus new rate would be \$60,000 vs \$225,113, approximately 36% of the building permit fee. This change is cost-neutral to the budget and the customer since it does not change the building permit fee rate.

Private Provider / Peer Reviewer Building Permit Fee Credit, pages 48-49 (Building Division, Development Services Department):

As part of Resolution 2007-245, a 35% building permit fee credit was established when Private Providers were utilized as alternative plan review and inspection as approved by the Building Official. Three (3) years later, this permit fee credit was deleted as part of Resolution 2010-132 that adopted the comprehensive fee study done by JRD & Associates. (The study focused on all Development Service Department's functions and did not specifically comment on the use of Private Providers.)

In recent years, the use of Private Provider / Peer Reviewer has been increasing due to sustained economic growth in the building industry. (Private Providers are independent contractors hired by the owner to do plan reviews and inspections in lieu of Building Division staff, as authorized by F.S. 553.791. Peer Reviewers are professional experts hired by either the City or owners to do plan reviews and inspections on behalf of the Building Division staff.) For example, in 2014, Private Providers and Structural Peer Reviewers were utilized for about 30 residential and commercial projects such as UHealth, ALoft Hotel, Columbus Center and 2020 Salzedo St. This is reflective of property owners and developers managing projects with more aggressive schedules and thus willing to consider the use of Private Providers to review and inspect projects. As the number of threshold projects increases, the City Building Division is less able to absorb the new workload and thus favors the use of alternative plan reviews and inspections along with responsible and timely oversight by the Division.

Similar to Miami Beach and Miami, which provide for 25% and 33.3% permit fee credit, respectively, for both plan reviews and inspection by Private Providers, staff proposes a 30% credit when both plan reviews and inspections are performed by all five (5) disciplines (building, mechanical, electrical, plumbing and structural engineering). Further, staff proposes a 10% credit if plan reviews (including peer reviews) and inspections are done for structural engineering only. In both cases, fee credits are reduced by half if only plan review or only inspections are performed. Since it is not possible to project which future projects will take advantage of this credit and to what extent, staff estimates that if the credit were in place for calendar year 2014, the applicable credit would be estimated at \$100,000. If adopted, the fee credit will only apply to those building permits issued after the second reading of the Ordinance.

Impact and Sewer Capacity Fees, pages 50-55 (Building Division, Development Services Department):

In an effort to consolidate all fees into one schedule, staff proposes to move the impact fees and sewer capacity fees from the City Code to the Fee Schedule. Since these fees have not changed, there is no impact on the budget. They will be updated at a future date after a thorough study that is proposed to commence late 2015.

Code Enforcement Fines, pages 56, 62 (Code Enforcement Division, Development Services Department):

Violations for failure to obtain a valid Building Permit have been separated into two categories:

For life safety ones involving structural, electrical, plumbing or mechanical work, the penalty will still be \$500, but for all other non-life safety ones the penalty is proposed at \$200. As an option in both cases, staff will also use its discretion of \$152.25 fee plus a double permit fine. Further, staff proposes to adjust failure to maintain an annual Certificate of Use (Sec. 3-209 Zoning Code) from \$500 to \$100; and to establish a \$500 fine for the illegal discharge into the public storm or sewer system (Sec. 78-126(b) City Code) as no fine was imposed in the past for this violation. The amended fines will adjust annual revenue approximately \$2,900.

Local Business Tax, pages 67-95 (Finance Department):

On October 1, 1995, the state legislature authorized municipalities to increase local business tax rates by a maximum of 5% once every two (2) years as provided for under Chapter 205.0535 of the Florida Statutes. Since the adoption of this legislation, the City of Coral Gables has increased local business tax rates every two (2) years as authorized. The last adjustment to this tax was on May 28, 2013. The attached resolution increases each classification by 5% effective October 1, 2015. The adoption of this fee adjustment would allow reasonable time for computer systems update, staff notification and businesses to make payment before the expiration date of September 30, 2015. The amended local business tax rates will adjust annual revenue approximately \$164,000.

Alarm Users Fees, pages 95-96 (Finance Department):

The proposed rate structure of the Alarm Users Fees is being recommended to accommodate the transition of False Alarm Billings from the legacy financial system to our current integrated financial system, EDEN. The rate structure that currently exists had been custom built into the legacy system and does not work with our current system. In order to simplify the process and have a smooth migration from the legacy system to Eden, staff is proposing changes in the rate structure. There will be no significant budget impact since the base rate remains the same.

Fire Permit Fees, pages 97-99 (Fire Department):

Similar to the Building Division, staff proposes to adjust the rate and method of the upfront process fee for Fire Review from the current \$0.50 per \$1,000 of estimated project construction cost to \$1.25 for each 100 sq. ft. of the project up to 2,000 sq. ft. plus \$0.50 for each additional 100 sq. ft., as the permit fee is based on project square footage, not construction cost. This fee change does not affect the budget as the full charge will be accounted for at the permit issuance phase. The fire sprinkler plan review charge is clarified to include both plan review and inspection, with the combined charge of \$500. The partial sprinkler system inspection is proposed to be adjusted from \$50 to \$150 to account for a minimum of two (2) hour inspection. The amended fee will adjust annual revenue approximately \$21,000.

Historic Preservation Fees, pages 100-102 (Historical Resources Department):

Of significance, staff proposes to adjust the Historical Significance Determination fee from \$100 to \$761.25 as the staff time involved is equivalent to that of a Building Site Determination by the Planning and Zoning Division. Similarly, comparable fees such as variance applications and public notices are proposed to mirror those of the Planning and Zoning Division's. Further, the Transfer of Development Rights Sending Site / Maintenance Plan application is increased from \$700 to \$1,000 as there is additional Planning and Zoning staff time not accounted for in the original fee. Lastly, a \$15 fee is added for a photographic copy from the archival photograph collection. Fees related to the Merrick House Museum remain unchanged. The amended Historic Preservation fees will adjust annual revenue approximately \$40,000.

Parking Fees, page 103 (Parking Department):

Staff proposes to adjust the daily meter bag fee, which has been \$10 for the past ten years, to \$13 per space. To cover staff time to process an estimated 250 refunds per year for customers who return their monthly or quarterly parking permits, staff proposes a new \$5 administrative refund per request. Also, the following rates are proposed to be adjusted: the maximum short-term meter rate from \$1.25 to \$1.50 per hour; and valet parking permits in pick-up/delivery zone areas per space per day for lunch from \$6 to \$8, dinner from \$7 to \$9, and both lunch and dinner from \$12 to \$15. The Fee Schedule now includes the cost of \$42,000 to remove an on-street parking space, as approved by Resolution 2013-256. Finally, with the new garage operating systems, staff can track actual utilization by valet in some facilities. Staff proposes a rate of \$1.50 per vehicle parked where actual utilization can be tracked, and \$95 per month for any spaces used for valet storage in all other facilities. In total, the fees will adjust annual revenue approximately \$95,000.

Public Works Fees, pages 105-108 (Public Works Department):

Staff proposes to update most of the existing fees associated with Public Works staff setting up for special events and include some new fees for items such as arrow boards, flasher boards, traffic signs, etc. The purpose of this comprehensive update and inclusion of new fees is to recover staff's costs and labor to set up and break down for special events. Staff estimates the fees will adjust annual revenue approximately \$20,000.

Further, staff proposes to adjust permit fee for barricades (0-50 linear feet) from \$75 to \$100; for covered walkway (0-50 linear feet) from \$125 to \$175; and for right-of-way vacation from \$1,500 to \$6,000 to reflect the level of technical review and staff time involved. With respect to new fees, staff proposes to use the fee schedule for Development Services Department's public notice for right-of-way vacation to be consistent city-wide. The fees will adjust annual revenue approximately \$17,000.

In total, staff estimates the adjusted annual revenue at \$367,750 if all the changes are adopted, with adjustments made to the Recreation Fees and Local Business Tax constituting approximately two-thirds of the increase.

LEGISLATIVE ACTION(S):

| Date | Resolution No. | Comments |
|----------|-------------------------|--|
| 10-10-06 | Resolution No. 2006-187 | Established the first City-wide Fee Resolution |
| 12-12-06 | Resolution No. 2006-211 | Changed "Occupational License" to "Local Business Tax" |
| 06-26-07 | Resolution No. 2007-153 | Local Business Tax adjustment |
| 10-23-07 | Resolution No. 2007-245 | Parks, Planning, Building and Zoning fees adjustment |
| 11-18-08 | Resolution No. 2008-201 | Solid Waste Collection, Public Works, Building and Zoning, Planning, Parks fees adjustment |
| 07-07-09 | Resolution No. 2009-195 | Local Business Tax adjustment |
| 07-29-09 | Resolution No. 2009-218 | Parking, False Alarm, Solid Waste Collection, Stormwater Utility, and Parks and Recreation fees adjustment |
| 08-25-09 | Resolution No. 2009-232 | Emergency Rescue Transportation Services fee |

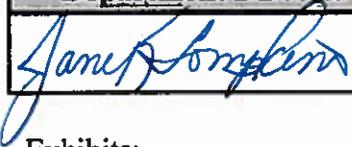
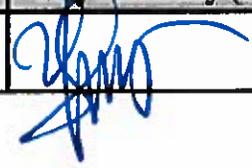
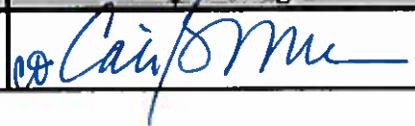
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| | | adjustment |
| 07-13-10 | Resolution No. 2010-132 | Development-related (JRD Study), Emergency Medical Services, Fire Code, Life Safety Inspection fees adjustment |
| 08-24-10 | Resolution No. 2010-184 | Scrivener's errors and minor corrections |
| 06-07-11 | Resolution No. 2011-142 | Local Business Tax adjustment |
| 07-19-11 | Resolution No. 2011-170 | Adjustment of Building Permit and Planning and Zoning fees per Consumer Price Index (5%) |
| 08-23-11 | Resolution No. 2011-203 | Sanitary Sewer Charges and Solid Waste Collection fees adjustment |
| 07-24-12 | Resolution No. 2012-128 | Sanitary Sewer Charges and Solid Waste Collection fees adjustment |
| 05-28-13 | Resolution No. 2013-89 | Local Business Tax adjustment |
| 08-27-13 | Resolution No. 2013-178 | Sanitary Sewer Charges and Solid Waste Collection fees adjustment |
| 07-22-14 | Resolution No. 2014-143 | Sanitary Sewer Charges and Solid Waste Collection fees adjustment |
| 08-26-14 | Resolution No. 2014-172 | New Remote Parking fee (Established by Sec. 5-1408 B.6. f. Zoning Code) |
| 11-18-14 | Resolution No. 2014-251 | Low Voltage Burglar Alarm adjustment (F.S. 553.793) |
| 11-18-14 | Resolution No. 2014-256 | New Medical Marijuana Permit fee (Established by Sec. 14-161 thru 164 City Code) |

FINANCIAL INFORMATION: (If Applicable)

| No. | Amount | Acct. No. | Source of Funds |
|-----|--------|-----------|-----------------|
| | | | |

APPROVED BY: N/A

APPROVED BY:

| Department Director | City Attorney (If Applicable) | City Manager |
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Exhibits:

- A. Changes to the existing Fee Schedule in ~~Strike-through~~ and underline format.
- B. Fee Schedule Ordinance.
- C. Senate Bill 466, Low-voltage Alarm System.
- D. Green Fee Comparison for South Florida Area Golf Courses.