



Interoffice Memorandum

AGENDA ITEM

August 26, 2022

TO: Mayor Jerry L. Demings
-AND-
County Commissioners

FROM: Jon V. Weiss, P.E., Director
Planning, Environmental, and Development
Services Department

CONTACT PERSON: Alan Plante, Manager
Division of Building Safety
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SUBJECT: September 13, 2022 – Consent Item
Division of Building Safety Fee Reduction

The Division of Building Safety operates from a Special Revenue Fund which is fully funded by user fees. In reviewing ongoing operations, the Division contracted with Benesch (fka Tindale Oliver) to conduct a Fee Revenue Study ("Study") to review all fees and identify those contributing to an ongoing annual surplus fund balance. Recent changes to Florida Statutes limit the fund balance that may be carried forward and identifies allowable uses for any excess. Requirements remain on collected fees that they must be reasonable and are used solely to carry out the enforcement of the Florida Building Code.

The Study identified three fees that were the primary contributors to the annual surplus. The proposed fee reductions below are effective October 1, 2022 and ensure that on an annual basis, fees will continue to cover the cost of providing services.

Fee Description – minimum fee + a fee based on value above \$1,000 (1K)	Current Multiplier	Proposed Valuation Multiplier (for values over \$1K)
Commercial - COM Building Plan Review Fee \$26.00 for the first \$1,000.00 (minimum fee) (page 26 of current Fee Directory)	\$5.00/per \$1K	\$4.00/per thousand of value up to \$2,000,000. For each additional \$1,000 or fraction thereof above \$2,000,000 \$1.00/per \$1K
Residential - Building Permit Fee \$26.00 for the first \$1,000.00 (minimum fee) (page 25 of current Fee Directory)	\$4.00/per \$1K	\$3.00/per thousand of value up to \$2,000,000. For each additional \$1,000 or fraction thereof above \$2,000,000 \$1.00/per \$1K
Electrical Permit Fee - (c) not requiring a change in service) - \$38.00 minimum (page 34 of current Fee Directory)	\$11.00/per \$1K	\$5.00/ for each additional \$1K or fraction thereof above \$1K

Furthermore, to manage the unexpended cumulative fund balance, the Division is proposing to further temporarily reduce eight permit and inspection fees by 25%. The eight permit and inspection fees are summarized below:

1. Residential – Building Permit Fee
2. Commercial (COM) Building Plan Review Fee
3. COM Submittal Fee
4. COM 3rd Submittal Fee
5. Electrical Permit Fee
6. Mechanical Permit Fee
7. Plumbing Permit Fee
8. Roofing Permit Fee

This proposed additional permit fee reduction is expected to reduce the Special Revenue Fund's reserves to the statutory required level over the next three years. In general, the proposed building fee reductions are expected to result in an overall reduction in Building Safety's permit fees for many construction projects in the 25% to 40% range.

Finally, the division is also requesting to set aside \$3.0 Million to establish an "Incentive Program" for Orange County "certified" affordable housing projects to offset Building permit and inspection fees with a goal of reducing the excess fund balance in accordance with Florida Statutes. The funds are available in the Division's existing budget. A budget transfer will be placed on the consent agenda in the new fiscal year establishing full funding which will be available until all funds have been awarded and applied.

The Resolution has been reviewed by the County Attorney's Office as to form.

ACTION REQUESTED: Approval and execution of Resolution of the Orange County Board of County Commissioners Regarding Certain Service Fees Charged by the Orange County Planning, Environmental, & Development Services Department, Division of Building Safety to reduce specific building permit fees, including an additional reduction for up to a three-year period, creation of an Incentive Fund in the amount of \$3,000,000 for certified affordable housing, and authorization to revise the schedule of fees to take effect on October 1, 2022. All Districts.

JW/AP:ca

Attachment