



## EXECUTIVE SUMMARY

**To:** Gregory Veliz, City Manager  
**Through:** Katie P. Halloran, Planning Director  
**From:** Daniel Sobczak, Planner I  
**Meeting Date:** October 6<sup>th</sup>, 2020  
**RE:** Amendment to Planning Department Fees Schedule

### ACTION STATEMENT:

Request: That the City Commission approve the Resolution setting the proposed fees for building permit applications processed by the Planning Department and providing for annual fee adjustments.

### BACKGROUND:

Pursuant to Section 90-487 (b), establishment of fees, charges and expenses imposed by the Land Development Regulations (LDRs) will be established by Resolution. On January 7, 2014, the City Commission approved Resolution 14-014, amending Planning Department fees without implementing fees for building permit applications reviewed by the Planning Department for consistency with the LDRs. On November 6, 2019 the City Commission approved Resolution 19-339, amending Planning Department fees further without adding provisions for building permit application review.

In the past two years, the city has re-engineered the Building Department review process, by requesting specific departments to review mechanical, structural, and construction plans to assure compliance with the Land Development Regulations before obtaining a final building permit. This change puts the review of all LDR for mechanical permits, exterior building permits, and construction permits under Planning Department review rather than the Building Department, who oversees Florida Building Code regulations.

The implementation of building permit application review fees for compliance with the Land Development Regulations will generate necessary funds to cover the time that staff takes to review each permit to assure completeness, quality and compliance in proposed and executed projects. Planning staff reviewed building permit review fees from both nearby municipalities in the Florida Keys and Monroe County as well as other departments in the City of Key West. It was determined the time and labor spent processing building permit applications is substantial and has increased in successive years. Staff analyzed the costs for reviewing and processing applications. This analysis led to the recommendation to propose a building permit application review fee.

### Previous City Actions:

November 6, 2020 City Commission Resolution 2020-  
(Amendment of Planning Department fees)

January 7, 2014

City Commission Resolution 14-014  
(Amendment of Planning Department fees)

**Planning Staff Analysis:**

In the last fiscal year, FY18/19, Planning Department staff reviewed 1,158 building permit applications in conformance with the LDRs. These 1,158 building permits are reviewed by a single planner and equates to about five (5) permit applications reviewed per workday. Thus far in FY19/20, the Planning Department staff has reviewed 918 building permit applications, or about one hundred a month. Building permit application reviews comprise of several steps; examining the address, the structures on the parcel, the structures' distance from other structures and property lines, the amount of impervious surface, building coverage, and open space on the property as well as their compliance with the LDRs. The plan reviewer must spend time researching the property, past Resolutions if applicable, comparing data submitted with sources from Monroe County Property Appraiser and historical information, going out to the site to perform measurements or take photographs if the applicant cannot supply these, and fielding calls from homeowners and contractors regarding the building permit application.

It is staff's observation that the City needs to recover a portion of the costs of providing Planning Department services to citizens, recognizing that the Planning Department is not a self-funding enterprise district or cost center. Staff also recommends fees are annually increased by 5 %, to become effective on October 1, 2021, and each year thereafter, until or unless amended by Resolution of the City Commission. It is important to clarify that fees for applications for variances, conditional uses, major/minor development plans, zoning verification letters, and lawful unit determinations, etc. **will not be changed** under the requested amendments.

**Options/Advantages/Disadvantages:**

**Option 1:** Approve the proposed amendment to Planning Department fees schedule.

1. **Consistency with the City's Strategic Plan, Vision, and Mission:** This action would provide enhanced services consistent with mission and vision of the City.
2. **Financial Impact:** There will be a direct positive impact to the City by providing better recovery of the costs of providing personnel for Planning function to serve citizens.

**Option 2:** Do not approve the addition of fees and fee clarification.

1. **Consistency with the City's Strategic Plan, Vision, and Mission:** This action would not be consistent with providing cost effective services for the citizens wherein the applicant for a discretionary service pays for that privilege.

2. **Financial Impact:** There would continue to be a negative impact on the fiscal health of the City in that fees are not collected for professional services provided.

### **Recommendation**

The Planning Department recommends **Option 1** of the proposed Resolution.

### Breakdown of FY 18/19 Permits and proposed fees

| Costs           | Permits per category | Total review fee |  | Total Projected Fee Revenue FY18/19 |
|-----------------|----------------------|------------------|--|-------------------------------------|
| 0-2500          | 277                  | \$ 6,925         |  | \$ 226,835                          |
| 2501 - 15000    | 452                  | \$ 22,600        |  |                                     |
| 15001 - 25000   | 108                  | \$ 27,000        |  |                                     |
| 25001 - 50000   | 123                  | \$ 43,050        |  |                                     |
| 50001 and above | 197                  | \$ 127,260       |  |                                     |