

COMMENTS TO VENICE CITY COUNCIL
APRIL 27, 2021

Hi, Mayor Feinsod and City Council:

Before my brief testimony on this Ordinance, I would like to say two things in general about our working with the City of Venice.

Importantly, in this and every jurisdiction in which we work and every organization with whom we work, we want to have good relations, earn trust, maintain a reputation and "do the right thing" (our *Guiding Principles*).

Above all, we want to work with the City of Venice without conflict or litigation. You may remember that I held off on the impact fee ordinance (which we knew did not meet current state law) for years until the city took action against us.

We have delayed filing of any lawsuit against the city on the Building Permit Fee Ordinance for a year, perhaps to our detriment because of the Statute of Limitations.

We want to work with the City of Venice.

We respectfully ask that you defer the adoption of this ordinance until we can start with the process of pre-lawsuit mediation now scheduled for May 27, 2021, just one month from today.

My comments as to the three provisions in Paragraph 6(a) (b) and (c) are as follows:

1. **Copy of the executed construction contract:** This works for a custom home, of course, with an owner who owns the lot or land.

It does not work for Neal or any production builder. We sell home **and land and land improvements, financing, and all the rest (and the total contract is usually about two times the cost of direct construction of the home).**

This problem is the basis of about 50% of our pending dispute.

2. **Subparagraph B:** In Subparagraph B, the use of the International Code Council Building Evaluation date is flawed – highly flawed:

- Your staff has rejected the regional adjustment factor (applied to account for the cost of building in Florida as opposed to Massachusetts, etc.)
- And it will remain flawed because it is an average of residential building construction (the affordable home and the beachfront house)

We find that the Code computes a price about 60% higher than our cost if unadjusted, about 25% if adjusted.

And will be an impediment to workforce or attainable housing.

3. **Subparagraph C: The detailed construction takeoff report:** We are fine with the detailed construction takeoff report, but we would never use "a nationally recognized construction estimator reference", without regional adjustment as the costs.

We want to use our real costs.

4. **Conclusion:** In summary, I ask that you postpone the adoption of this ordinance for a month (we have been in this contest since about February 1, 2020).

We think that Options B and C are horribly flawed because of the lack of regional adjustment or adequate data, will complicate your dealings with other builders and will likely make more difficult any agreement on an honest and safe procedure for the estimation of construction costs.

The procedure being discussed today does nothing to address the calculation or misuse of building permit revenues under the provisions of Florida law and constitution (our permit costs in Venice roughly 6 times our costs in Manatee County).

I respectfully request your deferral of the adoption on this ordinance.