



MEMORANDUM

City of Venice

Building Division

TO: Honorable Mayor and Council Members

THROUGH: Ed Lavallee, ICMA-CM, MPA, City Manager

FROM: Stephen Beckman, Building Official

DATE: April 27, 2022

COUNCIL APPROVAL: Yes

MEETING DATE: May 10, 2022

STRATEGIC PLAN GOAL: Ensure a Financially Sound City

SUBJECT: Ordinance 2022-11 Building Fee .

Background: Ordinance 2022- 11 to remove the option of using contracts to determine construction costs and adopts use of the ICC (International Code Council) BVD (Building Valuation Data) Table for use in building valuation.

Background: In 2021, State law, Florida Statute 553.79 (1)(f) was amended to prohibit a municipality from requiring a copy of a contract in the submission of a building permit application. This Ordinance would replace the City's requirement for a contract with usage of the ICC BVD for building valuation in the calculation of building permit fees. At the recommendation of the City Attorney, the Ordinance also includes a provision limiting the time period to challenge the revision.

Section 553.80(7)(a), Florida Statutes also prohibits a local government from carrying forward an amount exceeding the average of its operating budget for enforcing the Florida Building code for the previous four fiscal years. In order to comply with Section 553.80(7)(a), Florida Statutes, Resolution 2021-05, approved on 3/9/2021, imposed a temporary reduction of twenty percent (20%) on valuation-based building permit fees. Resolution No. 2022-07, approved on 3/22/2022, increased the temporary reduction to thirty percent (30%). Due to the high volume of permitting and rising building valuations, a further reduction of fees is necessary to bring the fund balance into compliance with Florida Statutes. In conjunction with second reading of this Ordinance, staff will be recommending the adoption by resolution of a new fee schedule that includes a regional cost modifier of 0.5 for new construction to adjust the ICC BVD Table values. The temporary thirty percent (30%) reduction on valuation-based building permit fees will remain.

Background data and information:

- A. The fund balance at 3/30/22 was \$6.5M.
- B. At 9/30/21, the rolling average of the previous four years' budgets was \$2.7M. The projected four-year rolling average of budgets FY2019-FY2022 is \$3.0M.
- C. With current fees, permit volume, and substantially higher valuations on buildings, projections may result in the fund having an excess of \$3.0M by 9/30/22, thus the need to adjust the formula in which permit fees are calculated.

The Building Department will continue to monitor building permits and revenues to reduce any excess and it is anticipated that the current adjustments will need to be modified in the future after the fund balance is reduced.

Requested Action: Approval of Ordinance 2022-11

If for an agenda item, this document and any associated backup created by City of Venice staff has been reviewed for ADA compliance: Yes

City Attorney Review/Approved: Yes

Risk Management Review: N/A

Finance Department Review/Approved: Yes

Funds Availability (account number): N/A

ORIGINAL(S) ATTACHED: Ordinance 2022-11

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