



December 12, 2022

George Garrett  
City Manager  
City of Marathon  
9805 Overseas Highway  
Marathon, FL 33050

**Subject: Temporary Building Fee Reduction**

Raftelis Financial Consultants, Inc. (Raftelis) has been engaged by the City of Marathon (City) to perform a building fee study as an update to the previous study completed by Raftelis in 2020. We recently began reviewing available data, and plan to finish the new building fee study in early 2023. Meanwhile the City Council has an agenda item on December 13, 2022 to discuss a potential building fee reduction. With this in mind, the City has requested any preliminary recommendations on the building fee levels based on our prior study and recent revenue and expense trends of the building funds.

For the study update we will be reviewing the current budget, recent expenditures, cost allocations, and revenue trends and documenting recent history and developing projections. Therefore the recommendations in this letter are expected to be refined with the conclusion of the study in early 2023. Our 2020 study included a recommendation to lower the building permit fees, which have not yet been implemented. Based on a preliminary review of recent data, we will continue to recommend a lowering of fees for a certain period as detailed below.

The City reports a building permit revenue fund balance as of September 30, 2022 of \$4,082,602. This balance has grown during the past several years primarily from elevated permit requests, even though annual inspection costs have increased correspondingly. Florida Statutes (F.S. 553.80) provides that should a municipality enforcing the Florida Building Code collect revenues in excess of the prior four years average budgeted expenditure levels, that those surplus revenues be reduced in future years. Therefore, we are recommending a reduction in fees effective as soon as practical and continuing through the end of Fiscal Year 2024.

While we are still evaluating the full revenue and budget allocations during the past four years, the FY 2023 budget for the building department is \$3,199,820, which is higher than reported FY 2022 building permit fee revenue of \$2,070,762. Therefore, it is expected the fund balance will decline in FY 2023 if the full budget is expended. During the previous study it was examined as to whether any cost allocations should be made, either to or from the building fund, from supporting other City departments or other City departments providing support to the building fund. These allocations will be reviewed and updated with the study in 2023, so the budget expenditures for future years may be somewhat different once the updated report is completed.

The following summarizes the recommended temporary reductions to the City's building permit fees:

- \$10 per \$1,000 construction value other than new construction (currently \$30 per \$1,000)
- \$0.42 per square foot – modular new construction (currently \$1.25 per square foot)
- \$0.67 per square foot – non-modular new construction (currently \$2.00 per square foot)
- No change to other permit related fees or minimum fees

We will provide more detailed recommendations in early 2023, including possible adjustments to the temporary reduction in fees to end at an earlier or later date than September 2024.

Very truly yours,  
***RAFTELIS FINANCIAL CONSULTANTS, INC.***



Tony Hairston  
Vice President

CITY COUNCIL AGENDA STATEMENT



Meeting Date: December 13, 2022
To: Honorable Mayor and Members of City Council
From: George Garrett, City Manager

Item: Resolution 2022-138, Amending The Building Department Fee Schedule; Providing For The City’s Reduction In Building Permit Fees In The Coming Year and Potentially The Following Year Based On The Large Fees Being Levied From Two Large Projects, Including The Valhalla Project, Providing For Additional Modification Of Those Fees As The City’s Rate Consultants Are Able To Analyze Our Current Rates More Thoroughly, And Providing For An Effective Date

RECOMMENDATION:
Approval of Resolution 2022-138

BACKGROUND:
In 2018 City Council amended the last building permit fee schedule under resolution 2018-33. The draft Resolution 2022-138 reflects modifications as recommended by Raftelis, the City’s building fees and rate consultants, in light of the pending issuance of permits to two very large projects to include the Valhalla project.

Under state statute, the City may not generally collect more fees, on a retroactive four-year average, than is required to run the City’s Building Department. Receipt of fees from projects such as Valhalla have created a project scale much higher than is typical in the City which will mean that we will have obtained funds at a much higher level than typically required to operate the Department. The Department and Raftelis will be factoring the additional costs of overseeing these large projects so that the resultant fees will be a reflection of net revenues and expenditures.

The benefits associated with this fee reduction may not be permanent but will accrue to all permittees.

Table with 2 columns: CONSISTENCY CHECKLIST, Yes, No. Row 1: 1. Comprehensive Plan, Yes: blank, No: X. Row 2: 2. Other –Sewer Mandate, Yes: blank, No: X.

FISCAL NOTE:

N/A

APPROVED BY FINANCE DIRECTOR:

RECOMMENDATION:
Approval of Resolution

**CITY OF MARATHON, FLORIDA  
RESOLUTION 2022-138**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, AMENDING THE BUILDING DEPARTMENT FEE SCHEDULE; PROVIDING FOR THE CITY'S REDUCTION IN BUILDING PERMIT FEES IN THE COMING YEAR AND POTENTIALLY THE FOLLOWING YEAR BASED ON THE LARGE FEES BEING LEVIED FROM TWO LARGE PROJECTS, INCLUDING THE VALHALLA PROJECT; PROVIDING FOR ADDITIONAL MODIFICATION OF THOSE FEES AS THE CITY'S RATE CONSULTANTS ARE ABLE TO ANALYZE OUR CURRENT RATES MORE THOROUGHLY, AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, the City of Marathon (the "City") is authorized by State law to recover the associated costs of performing building plans review, permitting and inspection services for building and development activity in the City, and as authorized by State law has adopted a Permit Fee Schedule; and

**WHEREAS**, the City desires to amend the Fee Schedule to revise the manner in which costs are calculated in order to accurately reflect the current costs of processing, reviewing, issuing, and overseeing permit application for the Building Department and associated reviewers; and

**WHEREAS**, the City desires to amend the Fee Schedule in order to efficiently price and process permits in order to assist contractors and homeowners with permitting turnaround times, similar to other municipalities processes; and

**WHEREAS**, the City Council requested that staff modify Resolution 2018-33 to more precisely represent the intent of the Council.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA**, that:

**Section 1.** The above recitals are true and correct and are incorporated herein by this reference.

**Section 2.** The Building Fee Schedule attached hereto as Exhibit "A" is hereby approved. All Fee Schedules or parts of Fee Schedules in conflict with the provisions of this Resolution are hereby repealed.

**Section 3.** This resolution shall take effect immediately upon adoption.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 13TH DAY OF DECEMBER, 2022.**

**THE CITY OF MARATHON, FLORIDA**

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**Luis Gonzalez, Mayor**

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

**ATTEST:**

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Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

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Steven Williams, City Attorney



## Permit Fee Schedule

Minimum Permit Fee applies to all permits not projects		\$93.50
Education Fee		\$4.00
Florida surcharges: DEO @ 1% of permit fee or		\$2.00 min.
DBPR @ 1-1/2% of permit fee or		\$2.00 min.
Alternative fee: Provide a copy of the signed contract showing total project cost		\$10.00/\$1,000.00
<i>Unsubstantiated contract prices may be revised by the Bldg. Official</i>		
<i>F.S. 837.06 - Whoever knowingly makes a false statement in writing and with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor</i>		

### \*Residential & Commercial-Modular

New Construction Single Family, Duplex, and 6 Units or Less		\$.42 per sq. ft.
Alterations and Additions including balconies, garages, enclosures, and accessory buildings		\$10.00/\$1,000.00
Misc. structures other than buildings		\$10.00/\$1,000.00
Site Work: Fill, pavers, landscaping, land clear invasive exotic removal, flat work, grading		\$10.00/\$1,000.00
<i>All sub-contractors must sign-on. MEPR trades are included in new construction. Specialty permits, and sewer connection permits are additional.</i>		

### \*Residential & Commercial Non-Modular

New Construction Over 6 Units Multifamily and Commercial Occupancies		\$.67 per sq. ft.
Remodel or Change/Use		\$10.00/\$1,000.00 or minimum
Miscellaneous Structures or unconditioned space		\$10.00/\$1,000.00 or minimum

Site Work: Fill, pavers, landscaping, land clear including invasive exotic removal, flat work, grading		\$10.00/\$1,000.00 or minimum
Signage; Surface Area		\$10.00/\$1,000.00 or minimum
<i>All sub-contractors must sign-on. MEPR trades are included in new construction. Specialty permits, and sewer connection permits are additional.</i>		

### Miscellaneous Fees (may require add'l. trade permit fees)

Construction Trailers		\$300.00 Annual Fee
Demolition		\$10.00/\$1,000.00 or minimum
Building relocation (including foundation)		\$10.00/\$1,000.00 or minimum
Windows, doors, and shutters		\$10.00/\$1,000.00 or minimum
Roofing permits		\$10.00/\$1,000.00 or minimum
Tanks (all types)		\$10.00/\$1,000.00 or minimum
Spalling repairs		\$10.00/\$1,000.00 or minimum
Fencing		\$10.00/\$1,000.00 or minimum
Retaining Walls		\$10.00/\$1,000.00 or minimum
Seawalls, bulkheads and riprap along canals or shoreline		\$10.00/\$1,000.00 or minimum
New docks, ramps, and piers (including pilings)		\$10.00/\$1,000.00 or minimum
Repair/replace docks, ramps and piers (including pilings)		\$10.00/\$1,000.00 or minimum
Boatlifts and Davits		\$10.00/\$1,000.00 or minimum
Swimming Pools, Spas, Tubs		
	Residential	\$10.00/\$1,000.00 or minimum
	Commercial	\$10.00/\$1,000.00 or minimum

## City of Marathon Building Department

9805 Overseas Highway, Marathon, FL 33050

Phone (305) 743-0033 | Fax (305) 743-3667 | [www.ci.marathon.fl.us/government/building/](http://www.ci.marathon.fl.us/government/building/)

## Mechanical Permit Fees

This category includes:

A/C system and components, ductwork, grease ducts, and exhaust/intake, commercial kitchen exhaust hooks. Based on contract price for labor and materials.	\$10.00/\$1,000.00
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### *Fuel Gas Permit Fees*

This category includes gas-fired appliance installation, venting, combustion air, etc. Based on contract price for labor and materials.	\$10.00/\$1,000.00
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### *Electrical Permit Fees*

This category includes all new and upgrade to existing electrical. Also low voltage, solar, gensets, and added power circuits.	\$10.00/\$1,000.00
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### *Plumbing Permit Fees*

This category includes all new and existing plumbing work, irrigation and other non-potable sources.	\$10.00/\$1,000.00
Building Sewer Laterals	\$93.50
OSTS Abandonment	\$93.50
Residential Secondary Water Meter and Backflow Prevention	\$93.50

## Fire / Life-Safety Permits and Plan Review Fees

### Occupational License Inspection Fees

\$85.00 Minimum Fee

	Under 1,000 sq. ft.	1,001-9,999 sq. ft.	10,000-19,999 sq. ft.	20,000+ sq. ft.
Assembly	\$85	\$170	\$255	\$340
Business	\$85	\$170	\$255	\$340
Residential	\$85	\$170	\$255	\$340

### Fire Plan Review & Inspection Fees

Fire Prevention Fee (Fee includes any fire specialty permits, life safety review and required inspections)	\$110.00
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Plans Review Fee		\$5.00 per \$1,000.00
Time specific inspections requested by owner or contractor for inspection scheduled before or after normal business hours		\$150.00
Re-Inspection Fee		\$50.00
No Show Fee		\$150.00
Work without a permit		All Fees Doubled

### Administrative Fees

Change of ownership		\$100.00
Contractor Registration annual fee		\$25.00 per year
Reprint fee for change of contractor (does not apply for revisions)		\$50.00
Conditional Certificate of Occupancy Listing Terms and Expiration Date		\$150.00
Renew and expired Permit within 90 Calendar Days		\$150.00
Extension to avoid expiration		\$100.00
'After-the-Fact' Permit		Twice the fee
Administrative Permit to Clear an expired Permit		\$30.00
Re-Inspection Fee (after 2 failed inspections and at the Inspectors discretion)		\$50.00
Inspections requested by owner or contractor after normal business hours, with three hour minimum and a partial hour shall be rounded up, per hour		\$150.00 (minimum of 3 hours)
Time specific inspections requested by owner or contractor for inspections scheduled during normal business hours, per inspection		\$150.00
Right-of-Way Permit		\$93.50
Review of applications for properties with code violations		\$25.00

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<i>Bonding Requirements: They may be required for some Conditional C/O's or extensive work within the City Right-of-Way</i>	
Public Assembly Permit	\$93.50

### Plan Review Fees

Residential - New, Revision, or Remodel (1st hour in ½hour increments minimum ½ hour)	\$70.00 per hour
Commercial and Multi-Family - New, Revision, or Remodel (1st hour in ½ hour increments minimum ½ hour)	\$120 per hour

### Private Provider Discount

<b><u>Private Provider information for inspections submitted at the time of application</u></b>	<b><u>13% of building permit</u></b>
<b><u>Private Provider information for plan review and inspections submitted at the time of application</u></b>	<b><u>25% of building permit</u></b>
<b><u>Private Provider information for inspections and/or plans review submitted prior to first inspection (After the permit is issued and paid for)</u></b>	<b><u>\$200.00 Administrative Fee</u></b>
<b><u>Private Provider information for inspections and/or plans review submitted after the first City Inspection</u></b>	<b><u>Will not be accepted</u></b>

In addition:

Termination or abandonment of the related construction work prior to completion shall not entitle the applicant to a refund of fees paid.

Per F. S. 553.80 Enforcement: (1)The governing bodies of local governments may provide a schedule of fees, as authorized by s. 125.56 (2) or s. 166.222 and this section, for the enforcement of the provisions of this part. Such fees shall be used solely for carrying out the local government's responsibilities in enforcing the Florida Building Code. The authority of state enforcing agencies to set fees for enforcement shall be derived from authority existing on July 1, 1998. However, nothing contained in this subsection shall operate to limit such agencies from adjusting their fee schedule in conformance with existing authority.

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