

**CITY OF MARATHON, FLORIDA
RESOLUTION 2023-32**

A RESOLUTION OF THE CITY OF MARATHON, FLORIDA APPROVING A MODIFICATION TO THE CITY'S FEE SCHEDULE FOR BUILDING PERMITS PROVIDING AN APPROXIMATELY FORTY-TWO PERCENT (42%) REDUCTION IN THE IMMEDIATE FUTURE "COST OF CONSTRUCTION" AND "COST PER SQUARE FOOT" BUILDING FEES; PROVIDING THAT THERE WILL BE FURTHER MODIFICATIONS IN FUTURE YEARS; PROVIDING THAT THERE WILL BE AN APPROXIMATE ANNUAL REVIEW OF FEES BASE ON THE STATUTORY REQUIREMENTS OF 553.80 F.S.; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Marathon, Florida ("City") has adopted a Building Permit Fee Schedule ("Fee Schedule") most recently revised in Resolution 2022-138; and

WHEREAS, in review, the City's rate consultant, Raftelis, has confirmed that the City's Building Department fund balance exceeds the Statutory limit as established pursuant to 553.80 F.S.;

WHEREAS, Raftelis has made several recommendations that will create reductions in the fund balance through "cost of construction" and "cost per square foot" Building Permit Fee Schedules; and

WHEREAS, Raftelis has also recommended a partial refund of said fees collected from permittees over the past two to two- and one-half years to be implemented separately; and

WHEREAS, the current proposed Fee Schedule may be further modified within the next several months, based on additional cost reduction measures as may be needed, and

WHEREAS, it is in the City's best interest to adopt the following Resolution modifying the building permit fees for City building permits,

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 incorporated herein.

Section 2. The Attached Fee Schedule as provided in Exhibit "A" is hereby adopted and amended to be utilized as a replacement for Resolutions 2020-085 and 2022-138.

Section 3. This Resolution shall take effect immediately upon signature by the Mayor.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 14TH DAY OF MARCH, 2023.

THE CITY OF MARATHON, FLORIDA

Luis Gonzalez, Mayor

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Diane Clavier, City Clerk

(City Seal)

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

Steve Williams, City Attorney

Exhibit "A"

Permit Fee Schedule

Required Fees

| | | |
|---|--|----------------------|
| Minimum Permit Fee – applies to all permits not projects | | \$93.50 |
| Education Fee | | \$4.00 |
| Florida surcharges: DE) @ 1.0% of permit fee | | \$2.00 minimum |
| DBPR @ 1 ½ % of permit fee OR | | \$2.00 minimum |
| Alternate DBPR Fee: Provide a copy of the signed contract showing total project cost | | \$17.50 / \$1,000.00 |
| Unsubstantiated contract prices may be revised by the Building Official | | |
| <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 | | \$0.75 per sq. ft. |
| Alterations and Additions including balconies, garages, enclosures, and accessory buildings | | \$17.50 / \$1,000.00 |
| Misc. structures other than buildings | | \$17.50 / \$1,000.00 |
| Site Work: | | \$17.50 / \$1,000.00 |
| Land Clearing | | \$0.05 |
| Fill (cu. yd.) | | \$2.50 per 100 cy |
| Water (l.f.) | | \$0.75 |
| Sewer (l.f.) | | \$0.75 |
| French Drain | | \$1.00 |
| Catch Basin | | \$10.00 |
| Manhole | | \$20.00 |
| Paving (sq. ft.) | | \$0.27 |
| TV – Cable – Phone | | \$0.20 |
| Demolition (sq. ft.) | | \$0.20 |
| <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 | \$1.15 per sq. ft. |
| Remodel or Change/Use | \$17.50 / \$1,000.00 |
| Miscellaneous Structures or unconditioned space | \$17.50 / \$1,000.00 |
| Site Work: | \$17.50 / \$1,000.00 |
| Land Clearing (sq. ft.) | \$0.005 |
| Fill (cu. yd.) | \$2.50 per 100 cy |
| Water (l.f.) | \$0.75 |
| Sewer (l.f.) | \$0.75 |
| French Drain | \$1.00 |
| Catch Basin | \$10.00 |
| Manhole | \$20.00 |
| Paving (sq. ft.) | \$0.27 |
| TV – Cable – Phone | \$0.20 |
| Demolition (sq. ft.) | \$0.20 |
| Signage; Surface Area | |
| <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 additional trade permit fees)

| | |
|---|----------------------|
| Construction Trailers | \$300 Annual Fee |
| Demolition | \$17.50 / \$1,000.00 |
| Building relocation (including foundation) | \$17.50 / \$1,000.00 |
| Windows, doors, and shutters | \$17.50 / \$1,000.00 |
| Roofing Permits | \$17.50 / \$1,000.00 |
| Tanks (all types) | \$17.50 / \$1,000.00 |
| Spalling Repairs | \$17.50 / \$1,000.00 |
| Fencing | \$17.50 / \$1,000.00 |
| Retaining Walls | \$17.50 / \$1,000.00 |
| Seawalls, bulkheads and riprap along canals or shoreline | \$17.50 / \$1,000.00 |
| New docks, ramps, and piers (including pilings) | \$17.50 / \$1,000.00 |
| Repair/replace docks, ramps and piers (including pilings) | \$17.50 / \$1,000.00 |
| Boatlifts and Davits | \$17.50 / \$1,000.00 |
| Swimming Pools, Spas, Tubs | \$17.50 / \$1,000.00 |
| Residential | \$17.50 / \$1,000.00 |
| Commercial | \$17.50 / \$1,000.00 |

MEP Fees (may require additional trade permit fees)

| | | |
|--|--|----------------------|
| A/C system and components, ductwork, grease ducts, and exhaust/intake, commercial kitchen exhaust hooks. Based on contract price for labor and materials. | | \$17.50 / \$1,000.00 |
| Fuel Gas Permit Fees | | |
| This category includes gas-fired appliance installation, venting, combustion air, etc. Based on contract price for labor and materials. | | \$17.50 / \$1,000.00 |
| Electrical Permit Fees | | |
| This category includes all new and upgrade to existing electrical. Also, low voltage, solar, gensets, and added power circuits. | | \$17.50 / \$1,000.00 |
| Plumbing Permit Fees | | |
| This category includes all new and existing plumbing work, irrigation and other non-potable sources. | | \$17.50 / \$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. | | | |
|-------------|---------------------|----------|----------|----------|
| Assembly | \$85.00 | \$170.00 | \$255.00 | \$340.00 |
| Business | \$85.00 | \$170.00 | \$255.00 | \$340.00 |
| Residential | \$85.00 | \$170.00 | \$255.00 | \$340.00 |
| | | | | |

Fire Plan Review & Inspection Fees

| | | |
|---|--|-----------------------|
| Fire Prevention Fee (Fee includes any fire specialty permits, life safety review and required inspections) | | \$110.00 |
| 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 fees | | \$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 | | All Fees Doubled |
| 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 - \$50.00 X 3)) |
| 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 |
| Public Assembly Permit | | \$93.50 |
| Bonding Requirements: They may be required for some Conditional CIO's or extensive work within the City Right-of-Way | | |

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) | | \$120.00 per hour |

Private Provider Discount

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

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.

City of **Marathon**

2023 Building Fee Review

Draft Report / February 23, 2023



February 23, 2023

Mr. George Garrett
City Manager
City of Marathon
9805 Overseas Highway
Marathon, Florida 33050

Subject: 2023 Building Fee Review

Dear Mr. Garrett:

Raftelis has completed our updated building fee study report. This report provides the analysis, findings, conclusions and recommendation of the study together with supporting documentation of the study process. Professional care was used in identifying and utilizing data, assumptions and estimates such that the fee structure represents the cost to the City of Marathon (City) for enforcing the Florida Building Code.

Thank you for the opportunity to assist the City of Marathon with this study, and the time you and your staff made available to assemble data and discuss the study elements.

Very truly yours,
Raftelis

Tony Hairston
Vice President

Joe Williams
Senior Manager

TABLE OF CONTENTS

| | |
|--|---|
| Summary | 1 |
| Background | 2 |
| Building Fund Expenses | 3 |
| Revenue Sufficiency Evaluation | 4 |
| Recommended Building Permit Fees | 5 |

List of Tables

| | |
|--|---|
| Table 1: Proposed Fee Level | 1 |
| Table 2: Building Department Staffing | 3 |
| Table 3: Building Department Reported Expenses | 3 |
| Table 4: Indirect Cost Allocation Methodology | 4 |
| Table 5: Historical Direct and Indirect Costs | 4 |
| Table 6: Historical Revenue Collection | 5 |
| Table 7: Proposed Fee Level | 6 |

List of Report Exhibits

- Exhibit 1: Section 553.80, Florida Statutes
- Exhibit 2: City of Marathon Organizational Chart 2019-2020
- Exhibit 3: Expenditure Summary
- Exhibit 4: Operating Forecast
- Exhibit 5: Recommended FY23 & FY25 Fee Schedule
- Exhibit 6: Existing Fee Schedule

Summary

The City has established building fees to recover the costs of enforcing the Florida Building Code pursuant to Florida Statutes. The existing fees were implemented in 2017 following hurricane Irma. The City has engaged Raftelis to review the existing building fees and recommend a new fee structure based on the cost of providing service, recent development trends, and the City’s overall policy objectives while remaining within Florida Statute requirements. This current study (2023 Study) represents an update to the 2020 Building Fee Review study completed in May 2020. The 2020 study included recommendations to lower the current fees, however the City has not yet implemented a fee reduction. As set forth in this report, the 2023 Study also recommends a fee reduction, but also reflects a new City initiative to consider rebates of a portion of building fees paid by property owners during the past two and a half years.

Table 1: Proposed Fee Level

| Description | Fee Amount |
|----------------------------------|------------|
| Existing Fees | 3.00% |
| Proposed Fees – 2023 | 1.75% |
| Proposed Fees – October 2024 [1] | 2.50% |
| Proposed Fees – October 2026 | 3.00% |

[1] It is recommended the City adopt this fee level effective October 1, 2024. This fee is lower than existing fees but higher than proposed fees in 2023. While we recommend adopting this fee effective October 1, 2024, we also recommend the City review its fee level again prior to this date to validate this fee level or potentially adjust it.

We offer the following observations concerning the potential rebate of fees:

- Any legal considerations would take present on any of the following points.
- Any rebate should be limited to the difference in the fees paid compared to the proposed fees herein (i.e., not a rebate of all fees paid, but only the difference as if the City adopted the lower fees two years ago).
- The rebate should be payable to the current property owner.
- The City should establish an application process and procedure whereby the current property owner would request a rebate from the City.
- The City should set up its accounting such that rebates are a “contra” revenue separate from building fee revenues for accurate reporting purposes.
- The rebate request should have a termination date within a year or less of the City lowering building fees.

In summary, the observations, conclusions, and recommendations resulting from our study are as follows:

1. Building fee revenue has exceeded the City’s cost of enforcing the Florida Building Code. It is therefore recommended that the City reduce building fees.
2. The City should consider reducing the building permit fees for construction activity other than new development from 3.00% of construction value to 1.75% of construction value, effective upon adoption of City ordinance. The ordinance should also include an additional adjustment to 2.50% of construction value effective October 1, 2024 and to 3.0% of construction value effective October 1, 2026.
3. The City should review the 2023 fee levels and fee structure by March 2024 to confirm the fee adjustment for October 1, 2024.
4. A significant consideration in the fee reduction is the City’s desire to rebate a portion of building fees over the past two years. Any rebate program should be governed by a thorough legal review.
5. If the City does not implement a rebate program, consideration should be given to further reduce building permit fees to spend down the accumulated fund balance.

Background

Fees for providing services to the general public by a local government should be predicated on a cost of service basis. Specifically, the City's Building Department "Building Department" fees must be established to meet the provisions of Section 553.80, Florida Statutes (F.S.), which reads in part "Such fees shall be used solely for carrying out the local government's responsibilities in enforcing the Florida Building Code." Also identified in Section 553.80 F.S. the phrase "enforcing the Florida Building Code" entails the following:

1. *As used in this subsection, the phrase "enforcing the Florida Building Code" includes the direct costs and reasonable indirect costs associated with review of building plans, building inspections, reinspections, and building permit processing; building code enforcement; and fire inspections associated with new construction. The phrase may also include training costs associated with the enforcement of the Florida Building Code and enforcement action pertaining to unlicensed contractor activity to the extent not funded by other user fees.*
2. *A local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees, or to pay for the construction of a building or structure that houses a local government's building code enforcement agency or the training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code. Excess funds used to construct such a building or structure must be designated for such purpose by the local government and may not be carried forward for more than 4 consecutive years. An owner or builder who has a valid building permit issued by a local government for a fee, or an association of owners or builders located in the state that has members with valid building permits issued by a local government for a fee, may bring a civil action against the local government that issued the permit for a fee to enforce this subparagraph.*
3. *The following activities may not be funded with fees adopted for enforcing the Florida Building Code:*
 - a. *Planning and zoning or other general government activities.*
 - b. *Inspections of public buildings for a reduced fee or no fee.*
 - c. *Public information requests, community functions, boards, and any program not directly related to enforcement of the Florida Building Code.*
 - d. *Enforcement and implementation of any other local ordinance, excluding validly adopted local amendments to the Florida Building Code and excluding any local ordinance directly related to enforcing the Florida Building Code as defined in subparagraph 1.*
4. *A local government must use recognized management, accounting, and oversight practices to ensure that fees, fines, and investment earnings generated under this subsection are maintained and allocated or used solely for the purposes described in subparagraph 1.*

As such, the building fees should be designed to only recover the Building Department's cost of service including any support from other departments such as finance, general services, information technology, etc. The building fees should not subsidize other municipal functions where the costs provided by such functions are not for the benefit of the Building Department.

Pursuant to our agreement with the City, we have reviewed and are recommending a new fee schedule for the City's building fees. Our scope for this project does not include the review and calculation of fire inspection fees or impact fees. The scope of this project does not include an analysis of the existing private provider discount. The cost differential due to private inspections could be evaluated under a separate scope of services if the City requests this service.

Building Fund Expenses

The Building Department is a budget component of the City’s General Fund. Exhibit 2 at the end of this report shows the City’s full organizational chart for FY 2021. The Building Department budget includes thirteen full-time equivalent (FTE) positions summarized below:

Table 2: Building Department Staffing

| Position Title | FTEs [1] |
|------------------------------------|-------------|
| Building Official | 1.0 |
| Building Inspector | 4.5 |
| Building Administrative Assistant | 1.0 |
| Permit Tech | 5.0 |
| Geographic Information System Tech | 1.0 |
| Receptionist [1] | 0.5 |
| Total | 13.0 |

[1] While the FY 2023 Budget includes 13.0 FTEs, the City reports that 6 positions are vacant as of the date of this report.

[2] The Receptionist is budgeted to spend 50% of their time on Building Department activities with the remainder in the Clerk department.

The primary costs within the building fund are labor related. Additional cost components include the supporting services allocation, capital outlay, insurance, and other operating expenses. The following summarizes the FY 2022 reported expenses for the building department:

Table 3: Building Department Reported Expenses

| Description | FY 2022 Expense |
|---------------------------------|--------------------|
| Personnel | \$612,090 |
| Contractual Services | 464,135 |
| Supporting Services Allocation | 475,056 |
| Auto & Gen. Liability Insurance | 7,727 |
| Capital Outlay | 31,581 |
| All Other | 16,394 |
| Total | \$1,606,982 |

To enforce the Florida Building Code, the City incurs costs directly associated with the Building Department. As demonstrated above the City has been using contracted services for plan review and inspection activities as opposed to increasing staffing levels. Additionally, indirect costs are incurred from many other City departments that support the efforts of the Building Department. During the 2020 study, Raftelis identified the level of support other departments provide to the Building Department, through interviews and discussions with staff. That prior study then recognized the total cost of enforcing the building code with the support of other departments such as finance, administration, information technology, etc. Subsequent to the prior study, the City has reconfigured its annual budget to include an indirect cost expense from these other departments. Additionally, in 2021 the City established the Building Department as a special revenue fund within the General Fund for better tracking of the revenues, expenditures, and any fund balances accumulated. The departments identified and a brief description of the allocation methodology to the Building Department are provided on the table below.

Table 4: Indirect Cost Allocation Methodology

| Department | Allocation Methodology | Allocation Factor |
|------------------------|---|-------------------|
| City Manager | Identified through interviews and discussions. | 5.0% |
| General Services | Based on a detailed analysis for certain budget line items included in this department. | 10.0% |
| Information Technology | Based on percentage of total City FTEs (excluding the Police contract) located in the Building department. | 8.0% |
| Finance | Identified through interviews and discussions. | 2.0% |
| Public Works | Identified through interviews and discussions. | 5.0% |
| Planning | Identified through interviews and discussions. | 5.0% |
| Vehicle Replacement | Based on the number of vehicles assigned to the Building Division and the cost of replacing every five years. | 5.0% |
| Debt Service | Based on a detailed analysis of the amount of space the Building department occupies at City Hall, including allocations from other supporting departments. | 26.3% |

The City has since adopted this methodology and recognizes an annual cost allocation from the General Fund to the Building Department based on an allocation similar to that shown above.

Relying on direct and indirect (supporting) services, the table below shows the actual full cost to the City to enforce the Florida Building Code between FY 2017 and FY 2022:

Table 5: Historical Direct and Indirect Costs

| Description | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|----------------------------|-----------|-------------|-------------|-------------|-------------|-------------|
| Building Department | \$454,150 | \$643,278 | \$670,182 | \$942,194 | \$1,009,955 | \$1,131,926 |
| Supporting Departments [1] | 431,460 | 421,020 | 407,770 | 402,220 | 425,078 | 475,056 |
| Total Cost | \$885,610 | \$1,064,298 | \$1,077,952 | \$1,344,414 | \$1,435,033 | \$1,606,982 |

[1] Supporting department expenses for FY 2021 and FY 2022 obtained from City financial statements. FY 2020 and prior amounts are based on the 2020 Building Fee Study and other supporting information as the City did not have a Special Revenue Fund for the Building Department until FY 2021.

As shown on the table above, the costs to the City for enforcing the Florida Building Code have typically increased each year and the **past two years have amounted to over \$1.6 million** including indirect costs for supporting departments.

Revenue Sufficiency Evaluation

Raftelis reviewed the permit and Building Department activity over the past six years from Fiscal Year 2017 through Fiscal Year 2022. In recent years construction activity has been accelerated as the community continues to recover from hurricane Irma and major new projects have been built. The revenues generated by the building fees between Fiscal Years 2018 – 2022 have remained steadily elevated, around \$2 million annually, which is more than twice the revenues collected in 2017. It is anticipated that over the next two years the level of construction activity will continue to be strong, primarily due to the Valhalla development on Grassy Key. The City also expects a large development at Coco Plum. At the completion of these developments, construction activity is expected to wain as allocable building permits for vacant land development are limited and will instead be limited to redevelopment activity.

The historical revenue collections for the Building Department are compared to the costs identified on Table 5, and are provided on the table below:

Table 6: Historical Revenue Collection

| Description | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---------------------------|------------|-------------|-------------|-------------|-------------|-------------|
| Permit Fee Revenue | \$798,321 | \$2,113,856 | \$2,539,277 | \$1,898,442 | \$2,152,611 | \$2,089,385 |
| Total Cost | 885,610 | 1,064,298 | 1,077,952 | 1,344,414 | 1,435,033 | 1,606,982 |
| Revenue Surplus/(Deficit) | (\$87,289) | \$1,049,557 | \$1,461,325 | \$554,028 | \$717,578 | \$482,403 |

As shown above, building permit fee revenue experienced large surpluses starting in FY 2018 after hurricane Irma and the City’s implementation of the current building fee schedule. The surpluses have continued during the past three years, but by smaller annual amounts. These recent surpluses have resulted in a relatively large building fee reserve balance, such that the City will need to reduce the current fee levels to meet state statutes as set forth below. Prior to FY 2018, the building department was operating at an annual deficit or slight surplus each year without any fund balance accumulations.

As demonstrated on Table 6 above, the surpluses generated by the permit fee revenues over the past five-years have ranged from approximately \$500,000 to \$1,700,000, resulting in a cumulative fund balance of \$4,082,600 as of September 2022. This exceeds the limitations set forth in F.S. 553.80, which indicates there should not be funds in excess of the prior four years average budgeted expenditure levels. Based on historical information, the maximum fund balance is limited to approximately \$1,400,000 based on actual expenditures and \$1,700,000 based on budgeted expenditures. Based on this premise, the Building Department has funds in excess of between \$2,300,000 and \$2,600,000. To address this over-funded position, a combination of fee reductions and rebates is being considered by the City.

The fee reductions and rebates being considered by the City have been evaluated as a single program to identify the potential revenue and fund balance implications. For the rebate program, the City is considering going back as far as October 2020. This time period is the most feasible since there was a permit fee billing/tracking software conversion around this time that makes going any further back significantly more labor (and cost) intensive. As such, it is estimated that by the time the recommended fee reductions would be adopted by the City it would be mid-year FY 2023; meaning there would be rebates for FY 2021, FY 2022, and the first half of FY 2023 (or two and a half years). With this information taken into account, along with the increases costs of providing Building Department services, it is recommended that the City reduce the building permit fees by 42% across the board. The typical building activity in the City is related to renovations and other improvements to existing structures. This type of activity is currently charged at the rate of \$30.00 per \$1,000 of project value, or 3% of project value. Recognizing maximum fund balance limits pursuant to F.S. 553.80, it is proposed that the rate of 3% be reduced to 1.75%.

By reducing the permit fees by 42%, for future permits and payments as well as the rebates going back to October 2020, it is forecast that the City would largely mitigate the over-funded balances by the end of FY 2025. A high-level forecast estimates that the rebate program would return in excess of \$2,200,000 of permit fees collected from October 2020 through March 2023.

Recommended Building Permit Fees

The City last adjusted the building permit fees in 2017 following hurricane Irma. New construction and improvements to existing buildings are charged on a different basis to capture the different nature of the improvements. New construction is assessed a fee per square foot of development, where other improvements are generally assessed based on construction value. The other improvements to existing buildings are more prevalent in Marathon as the City is largely built out and is going through a phase of redevelopment of older structures. The Building Department’s existing permit fees for improvements other than new buildings are calculated based on the following: \$30.00 per \$1,000 of construction value, or as stated as a percentage; 3.0% of construction value.

As part of the evaluation process, City staff requested that Raftelis provide suggestions with respect to how the Building Department’s fees could be adjusted such that revenue collections would approximate the allocated expenditures. The evaluation determined that it is appropriate to implement a fee reduction from the current 3.0% of construction value to 1.75% of construction value. With the implementation of reduced fee levels and planned rebates to reimburse the difference in fees paid during the past two years with the reduced fee levels, it is recommended that the building fees be reviewed again by March 2024 to evaluate whether the lower fees should continue or revert back closer to the existing fee levels.

Proposed Permit Fees

The following summarizes the existing and proposed fee structure for renovation projects:

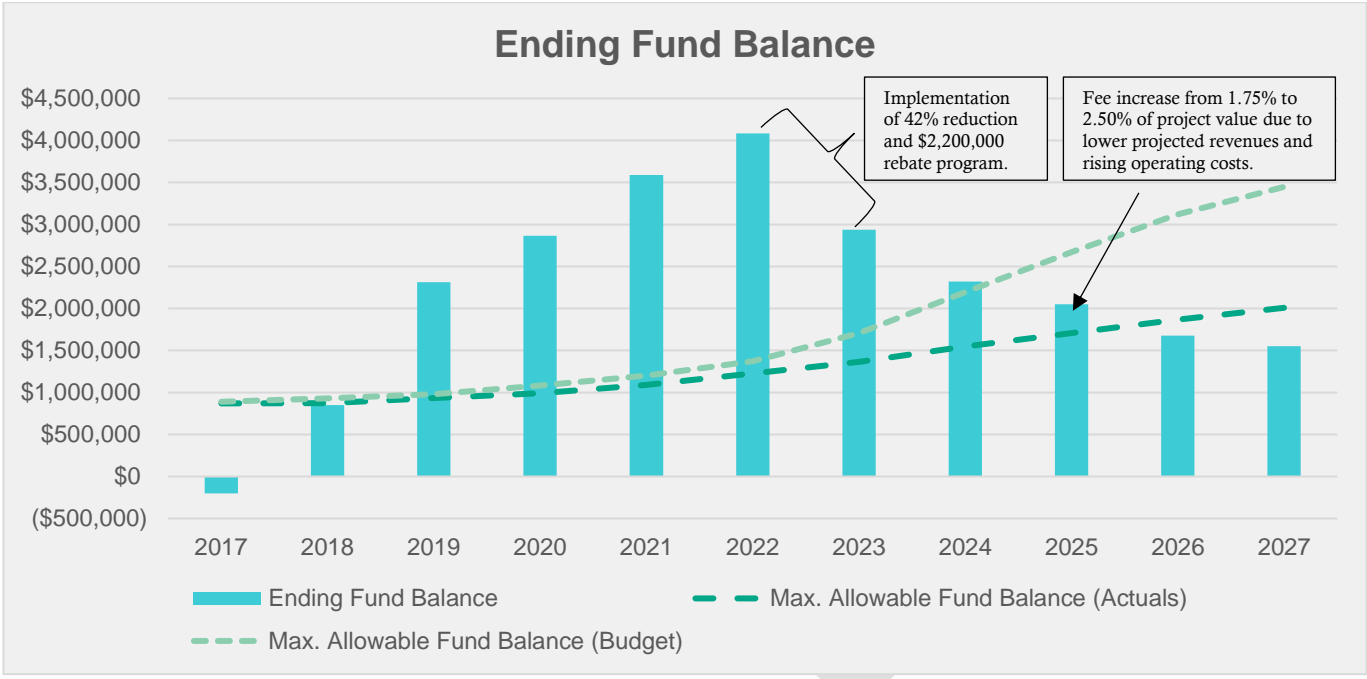
Table 7: Proposed Fee Level

| Description | Fee Amount |
|----------------------------------|------------|
| Existing Fees | 3.00% |
| Proposed Fees – 2023 | 1.75% |
| Proposed Fees – October 2024 [1] | 2.50% |
| Proposed Fees – October 2025 | 3.00% |

[1] It is recommended the City adopt this fee level effective October 1, 2024. This fee is lower than existing fees but higher than proposed fees in 2023. While we recommend adopting this fee effective October 1, 2024, we also recommend the City review its fee level again prior to this date to validate this fee level or potentially adjust it.

As shown above, we recommend the City reduces its fee levels from 3.0% of construction value to 1.75% effective upon adoption. We understand that the City is strongly considering the difference in building fees paid and these new lower rates on fees paid during the past two years. The combination of lowering fees to new permits and rebating the fee differential is expected to significantly reduce the building fee reserve balance. As such, we recommend that City adopt a fee increase to 2.50% effective October 1, 2024 and to 3.0% effective October 1, 2026. We also recommend that City review fees in March 2024 before the proposed October 2024 fee increase implementation to determine if this fee level is justified, or if a lower or higher fee should be implemented. If the City ultimately decides to no do a rebate program, the proposed fee levels likely need to be reduced further to bring the City into compliance with Florida Statute reserve fund limitations for the Building Department.

The full recommended fee schedule is provided in Exhibit 5 at the end of the report followed by the existing fee schedule in Exhibit 6. The following chart illustrates the historical and projected building fee reserve fund balances with the implementation of the proposed fee schedule:



Fee Structure

The prior building fee study in 2020 included a discussion of other potential fee structures. The scope of this study update only includes a financial analysis of fee levels and does not include any evaluation of fee structures. In 2024 we recommend the City reevaluate its fee structure to determine if a tiered fee structure or other structure would be appropriate. Several municipalities include declining tiered fees where projects with construction values over a certain threshold have permit fees increasing at a lower rate. This structure is common due to the nature of permit fee effort from staff, where there is a typical level of effort provided that is related to the complexity of the improvements.

Summary

In summary, the observations, conclusions, and recommendations resulting from our study are as follows:

1. Building fee revenue has exceeded the City’s cost of enforcing the Florida Building Code. It is therefore recommended that the City reduce building fees.
2. The City should consider reducing the building permit fees for construction activity other than new development from 3.00% of construction value to 1.75% of construction value, effective upon adoption of city ordinance. The ordinance should also include an additional adjustment to 2.50% of construction value effective October 1, 2024 and to 3.0% of construction value effective October 1, 2026.
3. The City should review the 2023 fee levels and fee structure by March 2024 to confirm the fee adjustment for October 1, 2024.
4. A significant consideration in the fee reduction is the City’s desire to rebate a portion of building fees over the past two years. Any rebate program should be governed by a thorough legal review.
5. If the City does not implement a rebate program, consideration should be given to further reduce building permit fees to spend down the accumulated fund balance.

Select Year:

The 2022 Florida Statutes

| | | |
|--|------------------------------------|-------------------------------------|
| Title XXXIII | Chapter 553 | View Entire Chapter |
| REGULATION OF TRADE, COMMERCE, INVESTMENTS, AND SOLICITATIONS | BUILDING CONSTRUCTION STANDARDS | |

553.80 Enforcement.—

(1) Except as provided in paragraphs (a)-(g), each local government and each legally constituted enforcement district with statutory authority shall regulate building construction and, where authorized in the state agency's enabling legislation, each state agency shall enforce the Florida Building Code required by this part on all public or private buildings, structures, and facilities, unless such responsibility has been delegated to another unit of government under s. [553.79](#)(11).

(a) Construction regulations relating to correctional facilities under the jurisdiction of the Department of Corrections and the Department of Juvenile Justice are to be enforced exclusively by those departments.

(b) Construction regulations relating to elevator equipment under the jurisdiction of the Bureau of Elevators of the Department of Business and Professional Regulation shall be enforced exclusively by that department.

(c) In addition to the requirements of s. [553.79](#) and this section, facilities subject to the provisions of chapter 395 and parts II and VIII of chapter 400 shall have facility plans reviewed and construction surveyed by the state agency authorized to do so under the requirements of chapter 395 and parts II and VIII of chapter 400 and the certification requirements of the Federal Government. Facilities subject to the provisions of part IV of chapter 400 may have facility plans reviewed and shall have construction surveyed by the state agency authorized to do so under the requirements of part IV of chapter 400 and the certification requirements of the Federal Government.

(d) Building plans approved under s. [553.77](#)(3) and state-approved manufactured buildings, including buildings manufactured and assembled offsite and not intended for habitation, such as lawn storage buildings and storage sheds, are exempt from local code enforcing agency plan reviews except for provisions of the code relating to erection, assembly, or construction at the site. Erection, assembly, and construction at the site are subject to local permitting and inspections. Lawn storage buildings and storage sheds bearing the insignia of approval of the department are not subject to s. [553.842](#). Such buildings that do not exceed 400 square feet may be delivered and installed without need of a contractor's or specialty license.

(e) Construction regulations governing public schools, state universities, and Florida College System institutions shall be enforced as provided in subsection (6).

(f) The Florida Building Code as it pertains to toll collection facilities under the jurisdiction of the turnpike enterprise of the Department of Transportation shall be enforced exclusively by the turnpike enterprise.

(g) Construction regulations relating to secure mental health treatment facilities under the jurisdiction of the Department of Children and Families shall be enforced exclusively by the department in conjunction with the Agency for Health Care Administration's review authority under paragraph (c).

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.

(2)(a) Any two or more counties or municipalities, or any combination thereof, may, in accordance with the provisions of chapter 163, governing interlocal agreements, form an enforcement district for the purpose of enforcing and administering the provisions of the Florida Building Code. Each district so formed shall be registered with the department on forms to be provided for that purpose. Nothing in this subsection shall be construed to supersede provisions of county charters which preempt municipal authorities respective to building codes.

(b) With respect to evaluation of design professionals' documents, if a local government finds it necessary, in order to enforce compliance with the Florida Building Code and issue a permit, to reject design documents required by the code three or more times for failure to correct a code violation specifically and continuously noted in each rejection, including, but not limited to, egress, fire protection, structural stability, energy, accessibility, lighting, ventilation, electrical, mechanical, plumbing, and gas systems, or other requirements identified by rule of the Florida Building Commission adopted pursuant to chapter 120, the local government shall impose, each time after the third such review the plans are rejected for that code violation, a fee of four times the amount of the proportion of the permit fee attributed to plans review.

(c) With respect to inspections, if a local government finds it necessary, in order to enforce compliance with the Florida Building Code, to conduct any inspection after an initial inspection and one subsequent reinspection of any project or activity for the same code violation specifically and continuously noted in each rejection, including, but not limited to, egress, fire protection, structural stability, energy, accessibility, lighting, ventilation, electrical, mechanical, plumbing, and gas systems, or other requirements identified by rule of the Florida Building Commission adopted pursuant to chapter 120, the local government shall impose a fee of four times the amount of the fee imposed for the initial inspection or first reinspection, whichever is greater, for each such subsequent reinspection.

(3)(a) Each enforcement district shall be governed by a board, the composition of which shall be determined by the affected localities.

(b)1. At its own option, each enforcement district or local enforcement agency may adopt rules granting to the owner of a single-family residence one or more exemptions from the Florida Building Code relating to:

a. Addition, alteration, or repairs performed by the property owner upon his or her own property, provided any addition or alteration shall not exceed 1,000 square feet or the square footage of the primary structure, whichever is less.

b. Addition, alteration, or repairs by a nonowner within a specific cost limitation set by rule, provided the total cost shall not exceed \$5,000 within any 12-month period.

c. Building and inspection fees.

2. However, the exemptions under subparagraph 1. do not apply to single-family residences that are located in mapped flood hazard areas, as defined in the code, unless the enforcement district or local enforcement agency has determined that the work, which is otherwise exempt, does not constitute a substantial improvement, including the repair of substantial damage, of such single-family residences.

3. Each code exemption, as defined in sub-subparagraphs 1.a., b., and c., shall be certified to the local board 10 days prior to implementation and shall only be effective in the territorial jurisdiction of the enforcement district or local enforcement agency implementing it.

(4) When an enforcement district has been formed as provided herein, upon its registration with the department, it shall have the same authority and responsibility with respect to building codes as provided by this part for local governing bodies.

(5) State and regional agencies with special expertise in building code standards and licensing of contractors and design professionals shall provide support to local governments upon request.

(6) Notwithstanding any other law, state universities, Florida College System institutions, and public school districts shall be subject to enforcement of the Florida Building Code under this part.

(a)1. State universities, Florida College System institutions, or public school districts shall conduct plan review and construction inspections to enforce building code compliance for their building projects that are subject to the Florida Building Code. These entities must use personnel or contract providers appropriately certified under part XII of chapter 468 to perform the plan reviews and inspections required by the code. Under these arrangements, the entities are not subject to local government permitting requirements, plans review, and inspection fees. State

universities, Florida College System institutions, and public school districts are liable and responsible for all of their buildings, structures, and facilities. This paragraph does not limit the authority of the county, municipality, or code enforcement district to ensure that buildings, structures, and facilities owned by these entities comply with the Florida Building Code or to limit the authority and responsibility of the fire official to conduct firesafety inspections under chapter 633.

2. In order to enforce building code compliance independent of a county or municipality, a state university, Florida College System institution, or public school district may create a board of adjustment and appeal to which a substantially affected party may appeal an interpretation of the Florida Building Code which relates to a specific project. The decisions of this board, or, in its absence, the decision of the building code administrator, may be reviewed under s. 553.775.

(b) If a state university, Florida College System institution, or public school district elects to use a local government's code enforcement offices:

1. Fees charged by counties and municipalities for enforcement of the Florida Building Code on buildings, structures, and facilities of state universities, state colleges, and public school districts may not be more than the actual labor and administrative costs incurred for plans review and inspections to ensure compliance with the code.

2. Counties and municipalities shall expedite building construction permitting, building plans review, and inspections of projects of state universities, Florida College System institutions, and public schools that are subject to the Florida Building Code according to guidelines established by the Florida Building Commission.

3. A party substantially affected by an interpretation of the Florida Building Code by the local government's code enforcement offices may appeal the interpretation to the local government's board of adjustment and appeal or to the commission under s. 553.775 if no local board exists. The decision of a local board is reviewable in accordance with s. 553.775.

(c) The Florida Building Commission and code enforcement jurisdictions shall consider balancing code criteria and enforcement to unique functions, where they occur, of research institutions by application of performance criteria in lieu of prescriptive criteria.

(d) School boards, Florida College System institution boards, and state universities may use annual facility maintenance permits to facilitate routine maintenance, emergency repairs, building refurbishment, and minor renovations of systems or equipment. The amount expended for maintenance projects may not exceed \$200,000 per project. A facility maintenance permit is valid for 1 year. A detailed log of alterations and inspections must be maintained and annually submitted to the building official. The building official retains the right to make inspections at the facility site as he or she considers necessary. Code compliance must be provided upon notification by the building official. If a pattern of code violations is found, the building official may withhold the issuance of future annual facility maintenance permits.

This part may not be construed to authorize counties, municipalities, or code enforcement districts to conduct any permitting, plans review, or inspections not covered by the Florida Building Code. Any actions by counties or municipalities not in compliance with this part may be appealed to the Florida Building Commission. The commission, upon a determination that actions not in compliance with this part have delayed permitting or construction, may suspend the authority of a county, municipality, or code enforcement district to enforce the Florida Building Code on the buildings, structures, or facilities of a state university, Florida College System institution, or public school district and provide for code enforcement at the expense of the state university, Florida College System institution, or public school district.

(7)(a) The governing bodies of local governments may provide a schedule of reasonable fees, as authorized by s. 125.56(2) or s. 166.222 and this section, for enforcing this part. These fees, and any fines or investment earnings related to the fees, shall be used solely for carrying out the local government's responsibilities in enforcing the Florida Building Code. When providing a schedule of reasonable fees, the total estimated annual revenue derived from fees, and the fines and investment earnings related to the fees, may not exceed the total estimated annual costs of allowable activities. Any unexpended balances must be carried forward to future years for allowable

activities or must be refunded at the discretion of the local government. A local government may not carry forward an amount exceeding the average of its operating budget for enforcing the Florida Building Code for the previous 4 fiscal years. For purposes of this subsection, the term “operating budget” does not include reserve amounts. Any amount exceeding this limit must be used as authorized in subparagraph 2. However, a local government that established, as of January 1, 2019, a Building Inspections Fund Advisory Board consisting of five members from the construction stakeholder community and carries an unexpended balance in excess of the average of its operating budget for the previous 4 fiscal years may continue to carry such excess funds forward upon the recommendation of the advisory board. The basis for a fee structure for allowable activities must relate to the level of service provided by the local government and must include consideration for refunding fees due to reduced services based on services provided as prescribed by s. 553.791, but not provided by the local government. Fees charged must be consistently applied.

1. As used in this subsection, the phrase “enforcing the Florida Building Code” includes the direct costs and reasonable indirect costs associated with review of building plans, building inspections, reinspections, and building permit processing; building code enforcement; and fire inspections associated with new construction. The phrase may also include training costs associated with the enforcement of the Florida Building Code and enforcement action pertaining to unlicensed contractor activity to the extent not funded by other user fees.

2. A local government must use any excess funds that it is prohibited from carrying forward to rebate and reduce fees, or to pay for the construction of a building or structure that houses a local government’s building code enforcement agency or the training programs for building officials, inspectors, or plans examiners associated with the enforcement of the Florida Building Code. Excess funds used to construct such a building or structure must be designated for such purpose by the local government and may not be carried forward for more than 4 consecutive years. An owner or builder who has a valid building permit issued by a local government for a fee, or an association of owners or builders located in the state that has members with valid building permits issued by a local government for a fee, may bring a civil action against the local government that issued the permit for a fee to enforce this subparagraph.

3. The following activities may not be funded with fees adopted for enforcing the Florida Building Code:

- a. Planning and zoning or other general government activities.
- b. Inspections of public buildings for a reduced fee or no fee.
- c. Public information requests, community functions, boards, and any program not directly related to enforcement of the Florida Building Code.

d. Enforcement and implementation of any other local ordinance, excluding validly adopted local amendments to the Florida Building Code and excluding any local ordinance directly related to enforcing the Florida Building Code as defined in subparagraph 1.

4. A local government must use recognized management, accounting, and oversight practices to ensure that fees, fines, and investment earnings generated under this subsection are maintained and allocated or used solely for the purposes described in subparagraph 1.

5. The local enforcement agency, independent district, or special district may not require at any time, including at the time of application for a permit, the payment of any additional fees, charges, or expenses associated with:

- a. Providing proof of licensure under chapter 489;
- b. Recording or filing a license issued under this chapter;
- c. Providing, recording, or filing evidence of workers’ compensation insurance coverage as required by chapter 440; or
- d. Charging surcharges or other similar fees not directly related to enforcing the Florida Building Code.

(b) By December 31, 2020, the governing body of a local government that provides a schedule of fees shall create a building permit and inspection utilization report and post the report on its website. The information in the report shall be derived from relevant information available in the most recently completed financial audit. After December 31, 2020, the governing body of a local government that provides a schedule of fees shall update its

building permit and inspection utilization report before making any adjustments to the fee schedule. The report shall include:

1. Direct and indirect costs incurred by the local government to enforce the Florida Building Code, including costs related to:
 - a. Personnel services costs, including salary and related employee benefit costs incurred by the local government to enforce the Florida Building Code.
 - b. Operating expenditures and expenses.
 2. Permit and inspection utilization information, including:
 - a. Number of building permit applications submitted.
 - b. Number of building permits issued or approved.
 - c. Number of building inspections and reinspections requested.
 - d. Number of building inspections and reinspections conducted.
 - e. Number of building inspections conducted by a private provider.
 - f. Number of audits conducted by the local government of private provider building inspections.
 - g. Number of personnel dedicated by the local government to enforce the Florida Building Code, issue building permits, and conduct inspections.
 - h. Other permissible activities for enforcing the Florida Building Code as described in subparagraph (a)1.
 3. Revenue information, including:
 - a. Revenue derived from fees pursuant to paragraph (a).
 - b. Revenue derived from fines pursuant to paragraph (a).
 - c. When applicable, investment earnings from the local government's investment of revenue derived from fees and fines pursuant to paragraph (a).
 - d. Balances carried forward by the local government pursuant to paragraph (a).
 - e. Balances refunded by the local government pursuant to paragraph (a).
 - f. Revenue derived from other sources, including local government general revenue.
- (c) The governing body of a local government that issues building permits may charge a person only one search fee, in an amount commensurate with the research and time costs incurred by the governing body, for identifying building permits for each unit or subunit assigned by the governing body to a particular tax parcel identification number.

(8) The Department of Agriculture and Consumer Services is not subject to local government permitting requirements, plan review, or inspection fees for agricultural structures, such as equipment storage sheds and pole barns that are not used by the public.

(9) A single-family or two-family dwelling that is converted into a certified recovery residence, as defined in s. [397.311](#), or a recovery residence, as defined in s. [397.311](#), that has a charter from an entity recognized or sanctioned by Congress does not have a change of occupancy as defined in the Florida Building Code solely due to such conversion.

History.—s. 11, ch. 74-167; s. 3, ch. 75-111; s. 5, ch. 77-365; s. 3, ch. 85-97; s. 805, ch. 97-103; ss. 50, 51, ch. 98-287; ss. 85, 86, ch. 2000-141; ss. 34, 35, ch. 2001-186; ss. 3, 4, ch. 2001-372; s. 87, ch. 2002-1; s. 27, ch. 2002-20; s. 12, ch. 2005-147; s. 64, ch. 2006-1; s. 15, ch. 2008-191; s. 37, ch. 2010-176; s. 127, ch. 2014-17; s. 276, ch. 2014-19; s. 23, ch. 2014-154; s. 21, ch. 2016-129; s. 10, ch. 2017-149; s. 7, ch. 2019-75; s. 3, ch. 2019-121; s. 6, ch. 2021-128; s. 5, ch. 2021-201; s. 4, ch. 2021-212; s. 6, ch. 2022-136.

Exhibit 2: Organizational Chart



City of Marathon
Building Fee Study
Exhibit 3: Expenditure Summary

| | Reported 2021 | Reported 2022 | Budgeted 2023 | Escalation | Estimated 2023 | Projected 2024 |
|---------------------------------|--------------------|--------------------|--------------------|------------|--------------------|--------------------|
| Personnel | \$567,809 | \$612,090 | \$1,497,184 | Input | \$700,000 | \$440,000 |
| Contractual Services | 359,421 | 464,135 | 600,000 | Input | 600,000 | 950,000 |
| Supporting Services Allocation | 425,078 | 475,056 | 544,369 | 5.00% | 499,000 | 524,000 |
| Auto & Gen. Liability Insurance | 8,453 | 7,727 | 19,067 | 5.00% | 8,000 | 8,000 |
| Capital Outlay | 32,650 | 31,581 | 380,000 | 5.00% | 33,000 | 35,000 |
| All Other | 41,622 | 16,394 | 126,700 | 5.00% | 17,000 | 18,000 |
| Total | \$1,435,033 | \$1,606,982 | \$3,167,320 | | \$1,857,000 | \$1,975,000 |

City of Marathon
Building Fee Study
Exhibit 4: Operating Forecast

| Description | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|-------------|-------------|-------------|-------------|-------------|
| Building Fund Expenditures [1] | \$1,857,000 | \$1,975,000 | \$2,073,800 | \$2,177,500 | \$2,286,400 |
| Other Revenue Requirements | | | | | |
| Transfer to Reserves | \$0 | \$0 | \$0 | \$0 | \$0 |
| Transfer to Capital Fund | 0 | 0 | 0 | 0 | 0 |
| Used for Capital Improvements | 0 | 0 | 0 | 0 | 0 |
| Total Other Revenue Requirements | \$0 | \$0 | \$0 | \$0 | \$0 |
| Gross Revenue Requirements | \$1,857,000 | \$1,975,000 | \$2,073,800 | \$2,177,500 | \$2,286,400 |
| Less: Income and Funds from Other Sources | | | | | |
| Unrestricted Interest Income | \$3,700 | \$3,700 | \$3,700 | \$3,700 | \$3,700 |
| Transfers from Operating Reserves | 0 | 0 | 0 | 0 | 0 |
| Subtotal Other Sources | \$3,700 | \$3,700 | \$3,700 | \$3,700 | \$3,700 |
| Net Revenue Requirements | \$1,853,300 | \$1,971,300 | \$2,070,100 | \$2,173,800 | \$2,282,700 |
| Revenues from Existing Permit Fees | \$2,159,000 | \$1,259,417 | \$1,259,417 | \$1,799,167 | \$1,799,167 |
| Anticipated Revenues from Valhalla Project [2] | 754,000 | 49,000 | 0 | 0 | 0 |
| Anticipated Revenues from Coco Plum Project [2] | 720,000 | 46,667 | 0 | 0 | 0 |
| Total Revenues from Existing Permit Fees | \$3,633,000 | \$1,355,083 | \$1,259,417 | \$1,799,167 | \$1,799,167 |
| Rate per \$1,000 of Construction Value | 1.75% | 1.75% | 2.50% | 2.50% | 3.00% |
| Rate Adjustment | -41.7% | 0.0% | 42.9% | 0.0% | 20.0% |
| Months of Year Effective | 6 | 12 | 12 | 12 | 12 |
| Adjusted Revenues from Permit Fees | \$2,876,100 | \$1,355,100 | \$1,799,200 | \$1,799,200 | \$2,159,000 |
| Rate Revenue Surplus / (Deficiency) | \$1,022,800 | (\$616,200) | (\$270,900) | (\$374,600) | (\$123,700) |
| Beginning Fund Balance | \$4,082,600 | \$2,888,400 | \$2,272,200 | \$2,001,300 | \$1,626,700 |
| Change in Fund Balance | 1,022,800 | (616,200) | (270,900) | (374,600) | (123,700) |
| Rebate Program [2] | (2,217,000) | 0 | 0 | 0 | 0 |
| Ending Fund Balance (Compared with Actuals) | \$2,888,400 | \$2,272,200 | \$2,001,300 | \$1,626,700 | \$1,503,000 |
| Maximum Allowable Fund Balance (Actuals) | \$1,366,100 | \$1,560,900 | \$1,718,500 | \$1,878,200 | \$2,020,800 |
| Ending Fund Balance (Compared with Budgeted) | \$2,888,400 | \$2,272,200 | \$2,001,300 | \$1,626,700 | \$1,503,000 |
| Maximum Allowable Fund Balance (Budgeted) | \$1,707,900 | \$2,194,400 | \$2,669,500 | \$3,119,500 | \$3,447,900 |

[1] Based on estimated actual expenditures for FY 2023 and escalated for future years.

[2] Anticipated revenues for Valhalla and Coco Plum projects in FY 2023 are at the current fee rate of \$30.00 per \$1,000 of construction value. However, based on adjusting the fee down to \$17.50 per \$1,000 of construction value, a portion of these revenues will be provided back through the rebate program.

City of Marathon
 Building Fee Study
 Exhibit 5: Recommended Fee Schedule

| Description | Existing Amount [1] | FY 23 Recommended Amount | FY 25 Recommended Amount | FY 27 Recommended Amount |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Minimum Permit fee | \$93.50 | \$93.50 | \$93.50 | \$93.50 |
| Education Fee | \$4.00 | \$4.00 | \$4.00 | \$4.00 |
| DBPR Surcharge [2] | 1.0% of permit fee or \$2 min | 1.0% of permit fee or \$2 min | 1.0% of permit fee or \$2 min | 1.0% of permit fee or \$2 min |
| DEO Surcharge [3] | 1.5% of permit fee or \$2 min | 1.5% of permit fee or \$2 min | 1.5% of permit fee or \$2 min | 1.5% of permit fee or \$2 min |
| Alternative fee | \$30.00/\$1,000.00 or min | \$17.50/\$1,000.00 or min | \$25.00/\$1,000.00 or min | \$30.00/\$1,000.00 or min |
| New Construction | | | | |
| Modular Construction | \$1.25 / sq ft. | \$0.73 / sq ft. | \$1.04 / sq ft. | \$1.25 / sq ft. |
| Non-modular construction | \$2.00 / sq ft. | \$1.17 / sq ft. | \$1.67 / sq ft. | \$2.00 / sq ft. |
| All other improvements (alterations and additions, remodel, misc. structures, site work, etc.) | \$30.00/\$1,000.00 or min | \$17.50/\$1,000.00 or min | \$25.00/\$1,000.00 or min | \$30.00/\$1,000.00 or min |
| Other Building Permit Fees: | | | | |
| Construction Trailers | \$300 annual | \$300 annual | \$300 annual | \$300 annual |
| Other Improvements | \$30.00/\$1,000.00 or min | \$17.50/\$1,000.00 or min | \$25.00/\$1,000.00 or min | \$30.00/\$1,000.00 or min |
| Building Sewer Laterals, OSTs Abandonment, & Residential Secondary Water Meter and Backflow Prevention | \$93.50 | \$93.50 | \$93.50 | \$93.50 |
| Plan Review Fees: | | | | |
| Residential - New, Revision, or Remodel | \$70/hour | \$70/hour | \$70/hour | \$70/hour |
| Commercial and Multi-Family - New, Revision, or Remodel | \$120/hour | \$120/hour | \$120/hour | \$120/hour |
| Administrative Building Fees: | | | | |
| Conditional Certificate of Occupancy listing terms and expiration date | \$150.00 | \$150.00 | \$150.00 | \$150.00 |
| Renew an expired permit within 90 calendar days | \$100.00 | \$100.00 | \$100.00 | \$100.00 |
| Extension to avoid expiration | \$100.00 | \$100.00 | \$100.00 | \$100.00 |
| After-the-Fact Permit | Twice the fee | Twice the fee | Twice the fee | Twice the fee |
| Administrative Permit to clear an expired permit | \$30.00 | \$30.00 | \$30.00 | \$30.00 |
| Re-Inspection fee (after 2 failed inspections) | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| After hours Inspection requests | \$150 Min | \$150 Min | \$150 Min | \$150 Min |
| Time specific inspections requested by owner or contractor for inspections scheduled during normal working hours | \$150.00 | \$150.00 | \$150.00 | \$150.00 |
| Other Administrative Fees: | | | | |
| Change of ownership | \$100.00 | \$100.00 | \$100.00 | \$100.00 |
| Contractor Registration annual fee | \$25 Annual | \$25 Annual | \$25 Annual | \$25 Annual |
| Re-print permit card for change of contractor | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| Right-of-Way Permit | \$93.50 | \$93.50 | \$93.50 | \$93.50 |
| Review of applications for properties with code violations | \$25.00 | \$25.00 | \$25.00 | \$25.00 |

Footnotes:

[1] From Exhibit 6.

[2] Fee assessed pursuant to F.S. 553.721, which is subject to change from time to time.

[3] Fee assessed pursuant to F.S. 468.631, which is subject to change from time to time.



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 | | \$30.00/\$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 | | \$1.25 per sq. ft. |
| Alterations and Additions including balconies, garages, enclosures, and accessory buildings | | \$30.00/\$1,000.00 |
| Misc. structures other than buildings | | \$30.00/\$1,000.00 |
| Site Work: Fill, pavers, landscaping, land clear invasive exotic removal, flat work, grading | | \$30.00/\$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 | | \$2.00 per sq. ft. |
| Remodel or Change/Use | | \$30.00/\$1,000.00 or minimum |
| Miscellaneous Structures or unconditioned space | | \$30.00/\$1,000.00 or minimum |

| | | |
|--|--|-------------------------------|
| Site Work: Fill, pavers, landscaping, land clear including invasive exotic removal, flat work, grading | | \$30.00/\$1,000.00 or minimum |
| Signage; Surface Area | | \$30.00/\$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 | | \$30.00/\$1,000.00 or minimum |
| Building relocation (including foundation) | | \$30.00/\$1,000.00 or minimum |
| Windows, doors, and shutters | | \$30.00/\$1,000.00 or minimum |
| Roofing permits | | \$30.00/\$1,000.00 or minimum |
| Tanks (all types) | | \$30.00/\$1,000.00 or minimum |
| Spalling repairs | | \$30.00/\$1,000.00 or minimum |
| Fencing | | \$30.00/\$1,000.00 or minimum |
| Retaining Walls | | \$30.00/\$1,000.00 or minimum |
| Seawalls, bulkheads and riprap along canals or shoreline | | \$30.00/\$1,000.00 or minimum |
| New docks, ramps, and piers (including pilings) | | \$30.00/\$1,000.00 or minimum |
| Repair/replace docks, ramps and piers (including pilings) | | \$30.00/\$1,000.00 or minimum |
| Boatlifts and Davits | | \$30.00/\$1,000.00 or minimum |
| Swimming Pools, Spas, Tubs | | |
| | Residential | \$30.00/\$1,000.00 or minimum |
| | Commercial | \$30.00/\$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/

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. | \$30.00/\$1,000.00 |
|--|--------------------|

Fuel Gas Permit Fees

| | |
|--|--------------------|
| This category includes gas-fired appliance installation, venting, combustion air, etc. Based on contract price for labor and materials. | \$30.00/\$1,000.00 |
|--|--------------------|

Electrical Permit Fees

| | |
|--|--------------------|
| This category includes all new and upgrade to existing electrical. Also low voltage, solar, gensets, and added power circuits. | \$30.00/\$1,000.00 |
|--|--------------------|

Plumbing Permit Fees

| | |
|--|--------------------|
| This category includes all new and existing plumbing work, irrigation and other non-potable sources. | \$30.00/\$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 |
|--|----------|

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/

| | | |
|---|--|-----------------------|
| 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 |

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/

| | | |
|---|--|---------|
| <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

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

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.

City of Marathon Building Department