

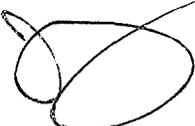


MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez 

DATE: December 9, 2009

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF November 16, 2009.**

OLD BUSINESS

1. Update on Building Development Process Fee Study

ACTION

The Committee recommended this item be brought to Commission and the Building Development Task Force.

Budget & Performance Improvement Director Kathie Brooks presented the item and gave a brief history of the item.

The Building Development Process in the City of Miami Beach includes the Building Department, the Fire Department's Prevention Services Division, the Public Works' Engineering Division, and the Planning Department.

In July, the Finance and Citywide Projects Committee recommended that the proposed fees be revenue neutral from the current fee structure with respect to the total fees collected by the various departments involved in the building development process. As a result, the recommended fees reflect a decrease in the building fee component to offset the increase in Public Works and Planning and Fire fee components.

The proposed fee structure incorporates the following components:

- New Construction, Renovations and Alterations (Master Permits): Currently, the City charges for new construction based on square footage and for renovations and alterations based on construction value. The recommended fee structure is based on the estimated cost of plan review and inspections (level of effort) for type of occupancy classification. To determine the cost of these fees, all which is required is to know the structure's occupancy type and size (square footage). This provides a simplified, transparent approach that is easy for the customer to understand and for staff to implement. In addition, these recommended fees are proposed at a level inclusive of mechanical, electrical and plumbing permit fees, each of which previously had separate permit fees in addition to the master permit fee.

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The recommended fee structure moves away from a value based system for reconfiguration of space and \$0.15 per square foot for new construction. As a result of the value based system, current fees for reconfiguration of space are much higher than for new construction. Under the recommended fee structure, new construction and reconfiguration of space are treated the same for fee purposes and there is no project true-up on final values required at project close-out.

- Specialty Permits: Additional fee categories are recommended for frequently requested smaller permits that are interdisciplinary in nature. These include permits such as kitchens, baths, swimming pools, generators, etc. Most of this type of work will have a fixed fee.
- Building/ Mechanical / Electrical / Plumbing Stand-alone permits: Some applicants need a permit for building, mechanical, plumbing, and electrical work without an associated major construction project/master permit.

In addition to fees charged for enforcing the Florida Building Code and the Florida Fire Prevention Code, fees are proposed to include cost recovery for the following previously non-fee items:

- A Zoning review fee – costs associated with the review of plans for planning and zoning requirements in the City Code
- A Public Works review fee – plan review and inspection costs to support a variety of permits in private property that have the potential to impact City-owned property, rights-of-way or easements

The proposed fee structure also incorporates the following:

- Revisions will be billed on an hourly basis
 - Reflecting the level of effort for each specific revision
- An Upfront fee is proposed to cover the cost of plan review - it will be charged as 20 percent of the estimated permit fee at the time of application
- The penalty for lost plans has been removed
 - Currently it is 25% of the original permit fee
- The Minimum permit fee will increase from \$46 to \$100

Other recommended changes to the Building Development Process Fees are as follows:

- Special Event Permits
 - A discount is proposed when a stage/platform has been pre-approved
 - Permitting fees for portable toilets will be charged per event – currently charged per toilet
 - Fire Department costs not previously charged to cover the cost of evaluating and inspecting special events.
- Fire permit fees
 - Re-structured to be based on square footage instead of number of components
 - A minimal fee will remain for small jobs to continue to encourage permits for minor sprinkler and fire alarm work
- Public Works Right-of-Way Fees
 - Two Fee components are recommended:
 - A base ROW obstruction fee is recommended to cover the costs associated with the review to determine that a full or partial roadway closure is warranted and the costs associated with inspections related to the closure

- The current additional Right-Of-Way obstruction fee will be assessed based on the area utilized

The Committee discussed the Administrations recommendations and reviewed the proposed fees and made the following recommended changes:

- Reduce the fee for Specialty Permit – Bath and offset by increasing the Specialty permit fee for kitchen Renovations to the cover the level of effort
- Change the 40 Year Recertification Program Fee to a two level fee so that smaller buildings are not charged the same fee as large buildings. Increase the special event fee for Temporary Chillers/Generator to \$760
- Revise the structure for Renovation and New Construction fees so that the break in fee grouping occurs at over 50,000 square feet instead of over 100,000 square feet, increasing the per square foot fee as a result

Further, the Committee recommended that the proposed fee discounts sunset in two years and that night club inspection fees should be brought separately and in conjunction with Business Tax rate and Certificate of Use fees.

The Committee recommended this item be brought the Building Development Task Force and. to Commission

NEW BUSINESS

2. Discussion regarding the implementation of a Municipal Marketing (Corporate Sponsorship) program for the City.

ACTION

The Committee recommended bringing this item along with a list of proposed opportunities, revenue projections, and examples from other cities to the Commission before going to Phase 2.

Assistant City Manager Hilda Fernandez presented the item and gave a brief history of the item.

The Administration recommends that the City consider pursuing implementation of Phase 2. Direction from the Committee is requested on whether to conclude negotiations with The Superlative Group (TSG) or present an agreement with TSG to the Commission for consideration at the December 9, 2009 meeting.

Chairman Gross asked what the three largest and most likely projects TSG is considering for the City. Ms. Fernandez stated that TSG recommended soft drink beverage vending, licensing products, and athletic fields. Discussion ensued. The Committee recommended bringing this item along with a list of proposed opportunities, revenue projections, and examples from other cities to the Commission before going on to Phase 2, which consists of marketing the City's assets, to include developing sample rights packages for the marketplace; assisting in the evaluation and development of sponsorship Request for Proposal's (RFP) (as may be needed); preparing reports and presentations on the City's municipal marketing program, as directed by the City; assisting in contract negotiations; and providing advice in implementing/managing sponsorships.

3. **A discussion regarding a lease agreement with Immunity, Inc. a computer security software company, for use of the 7th and 8th floor of Historic City Hall.**

ACTION

The Committee approved the lease agreement with Immunity, Inc. subject to landlord verification.

Assistant City Manager Hilda Fernandez presented the item.

Immunity, Inc. has submitted various Letters of Intent (LOI) for the use of both the 7th and 8th floors in Historic City Hall, located at 1130 Washington Avenue. After negotiations, Immunity submitted a LOI offering to pay \$6,400 per month, equal to a blended rate of \$25.30. The City countered with a \$25.30 PSF rent, with no rent abatement as previously recommended by the Finance and Citywide Projects Committee for other lessees (three months, one month per year). At a blended rate of \$27.50 PSF (less the one month annual rent abatement), the City would be receiving a total annual rent in the amount of \$76,532.50. Immunity's offer of \$25.30 PSF (with no annual rent abatement credit as proposed by the Administration) would generate an annual rent payment to the City of \$76,810.80, resulting in a higher annual revenue to the City than would have been generated at the blended market rate with the rent abatement model previously approved by the Committee.

Ms. Fernandez stated that Immunity, Inc. has also requested that rather than an annual escalator of three (3) percent that it be back loaded, which would be an increase in the third year of at the end of the third year of ten (10) percent. Chairman Saul Gross stated that the initial lease term is three (3) years and Immunity, Inc. may not renew. The Committee did not approve the request.

Chairman Gross asked if Immunity, Inc.'s landlord reference has been checked. Robert Reboso, Redevelopment Specialist, stated that it has not been checked but it will be as part of the due diligence. The Committee also noted that if Immunity, Inc. was able to move sooner than June 1, 2010, that it be granted.

The Committee approved the lease agreement with Immunity, Inc. subject to landlord verification.