



**City of North Port, Florida**

# **City of North Port Building Fee Study**

**NEIGHBORHOOD  
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# Overview of Building Fees



- **Schedule of Fees to Enforce Florida Building Code**
- **Support Building Division's Mission:**
  - Provide for the Safety, Health, and Welfare of North Port Citizens By Assuring and Maintaining a Safely Built Structural Environment
- **Recent High-Profile Building Collapses in Other Cities Have Emphasized Importance of Building Division's Activities**

# Building Fee Adjustment History



## ■ **Reduced in 2017**

- Ordinance 2017-22 Effective 10/1/2017

## ■ **Reduced in 2020 in Response to Pandemic**

- Ordinance 2020-28 Effective 7/20/2020

## ■ **Increased to Pre-Pandemic Levels Effective 4/12/2022**

## ■ **Current Review Indicates That Current Building Fees Are Insufficient to Fund Building Division's Operating and Capital Needs**

- A Goal Is to Ensure That City's Taxpayers Are Not Subsidizing Developers

# Current Financial Plan Is to Fund Three Major Capital Needs Over Next Few Years



## Major Building Division Capital Needs

Project	Current Estimated Cost
New Building Permit Software	\$2,500,000
Building Division Portion of City Hall Remodel Project	3,000,000
West Villages Development Services Center	6,500,000
Total	<u><u>\$12,000,000</u></u>

### ■ Estimated Capital Costs Are Subject to Substantial Changes

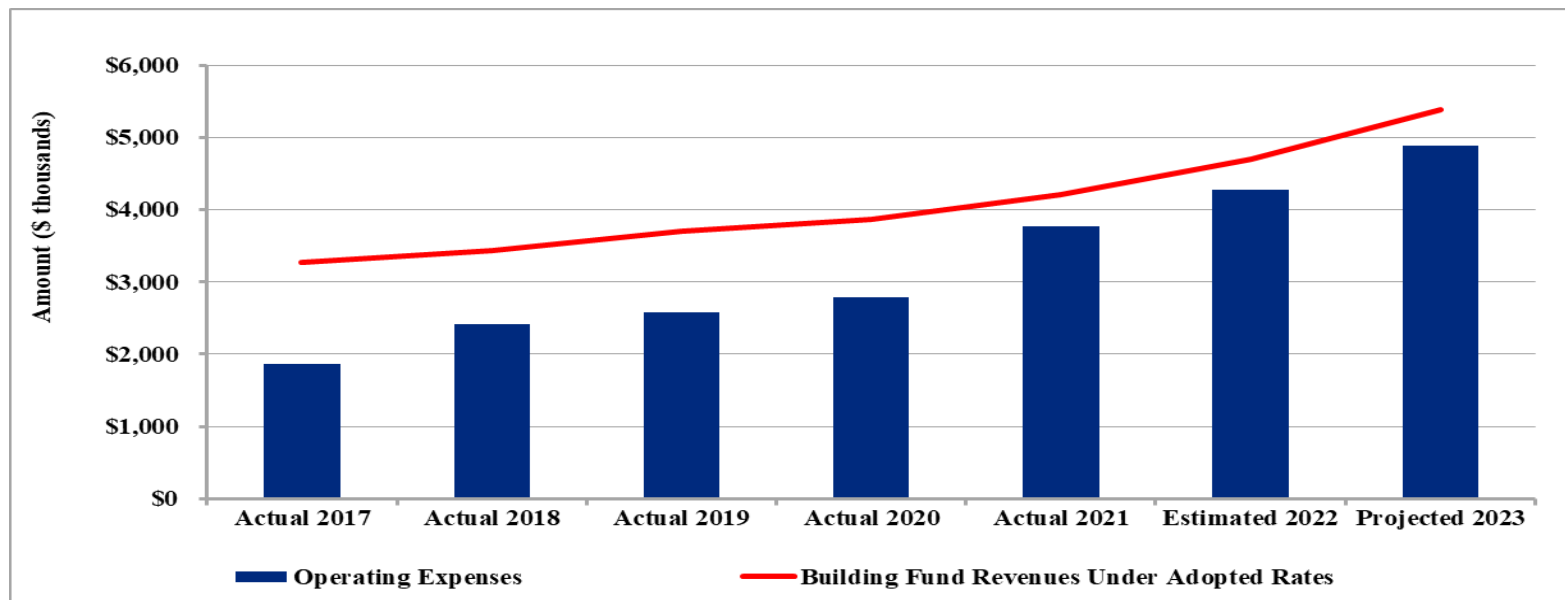
- In the Current Economy, Some Local Governments Are Receiving Bids That Are Twice the Planning Estimates

# Building Division Revenues Under Existing Fees Provide Minimal Funding for Major Capital Needs



## ■ Operating Expenses Have Been Increasing at a Higher Rate Than Revenues

- Increased Development Activity
- New Staff to Maintain Level of Service
- General Inflation in Costs
  - Tampa-St. Petersburg-Clearwater CPI Increased By 9.6% from January 2021 to January 2022



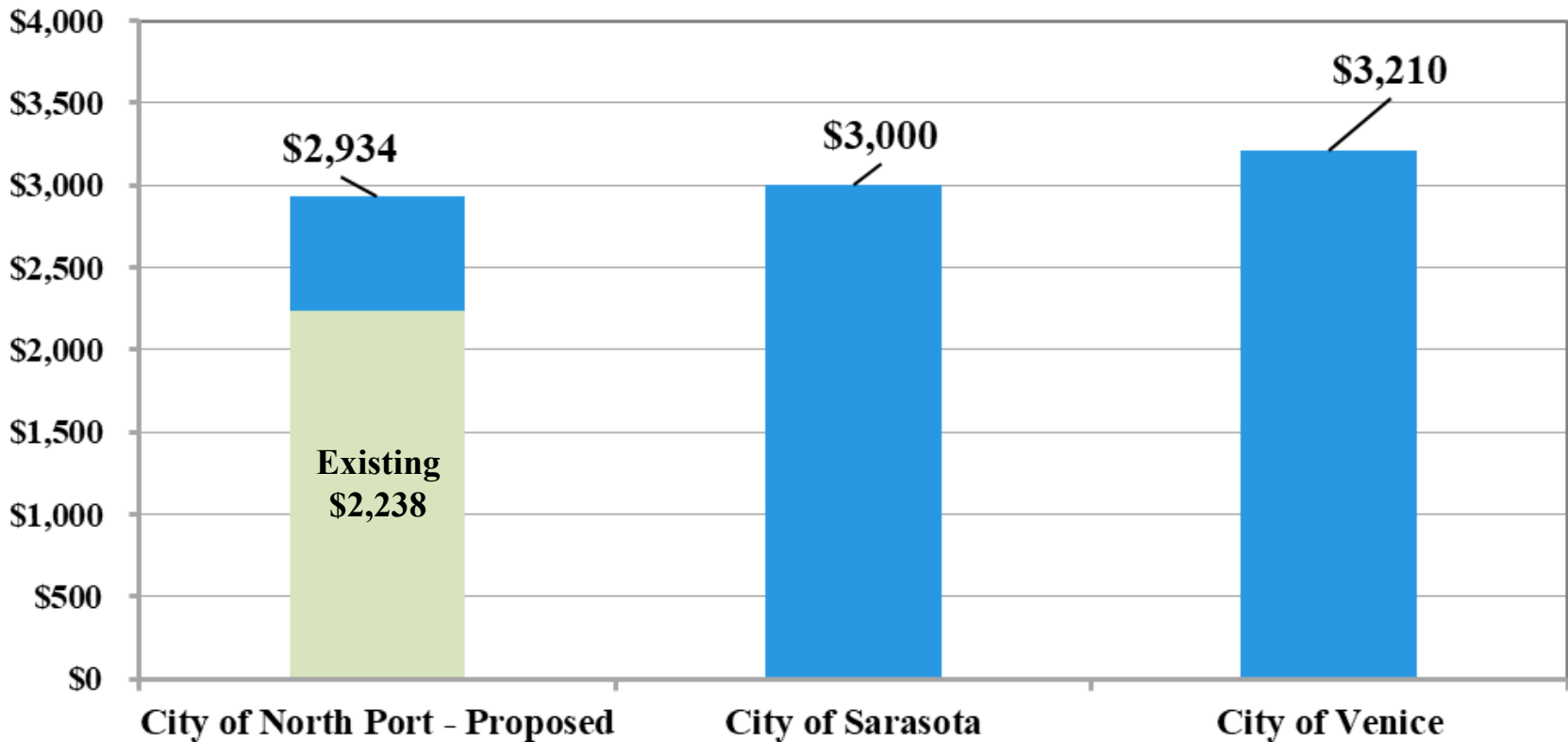
# Proposed Building Fees

- **Return to Building Fee Schedule That Was in Effect for Ten (10) Years Prior to 10/1/2017**
  - Maintains Existing Fee Structure That Has Been Accepted By the City's Building Community
  - In Absence of Economic Downturn, Should Provide Sufficient Revenues to Fund Projected Operating and Capital Needs
  - Building Fund Cash Balance Anticipated to Remain Below Legal Limits
    - Florida Statute 553.80: Can Carryforward Average of Past Four Years of Operating Budgets Plus Accrue Funding for Buildings and Structures Projects for Up to Four Years
  - City Staff Plans to Review Fee Sufficiency on Annual Basis and Will Make Recommendations for Future Adjustments
    - Financial Model Provided to City as Part of the Study

# Proposed Building Fees Are Competitive With Those of Neighboring Communities



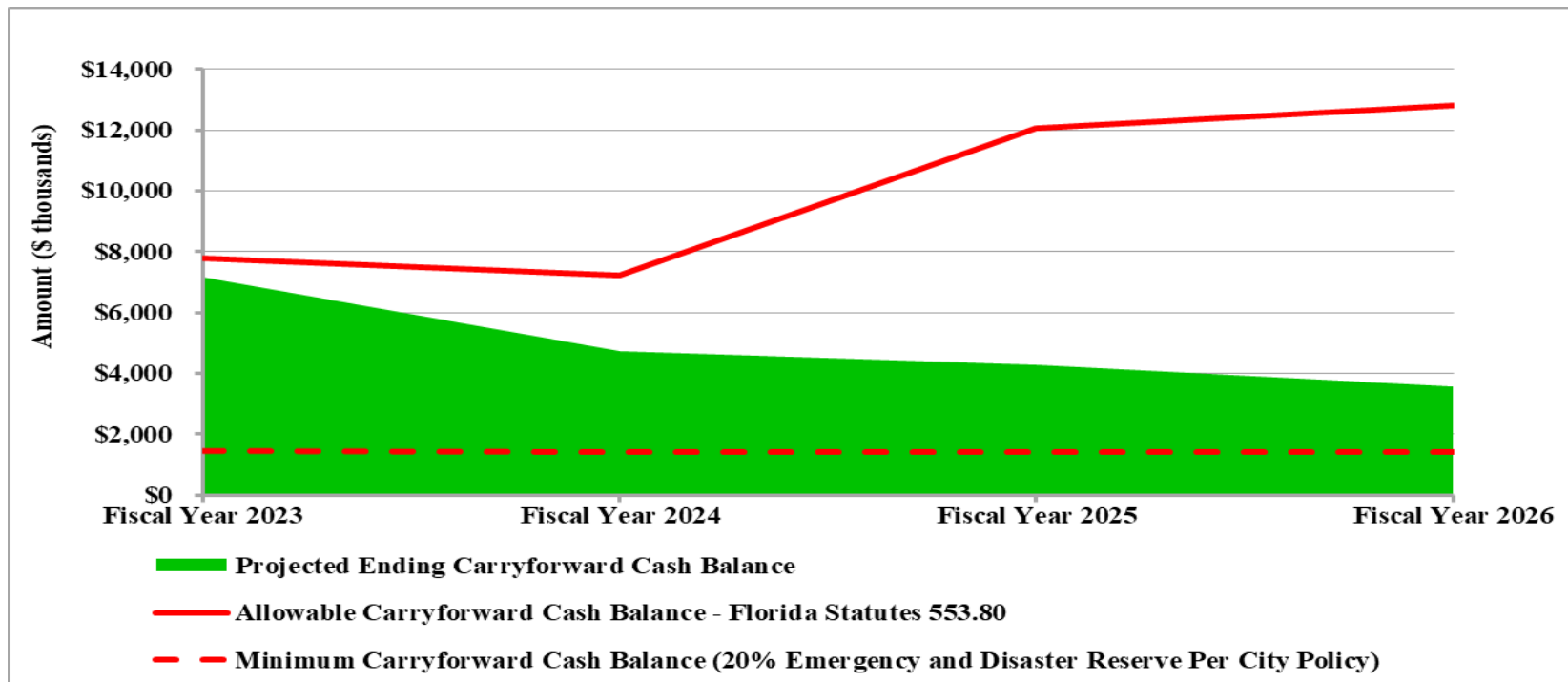
Comparison of Total Building Fees for "Typical" 2,450 Square Foot Residential Home with \$300,000 Value



# Projected Carryforward Cash Balance Assuming Adoption of Proposed Building Fees



- Reflects Spending of Cash for Major Capital Needs
- Should Maintain Healthy Cash Balance for Contingencies and Cyclical Nature of Building Division Revenues
  - Important to Be Prepared for Economic Downturn and Emergencies





# Requested City Commission Action



- **Adopt Proposed Schedule of Building Fees**
  - Recover Costs of Helping to Ensure Public Health and Safety
  - Should Enable Building Division to Fund the Identified Major Capital Needs
  - Competitive With the Fees of Neighboring Communities
  - Was Effective for Ten Years Prior to 10/1/2017
  
- **Support City Staff Review of Fees on Annual Basis to Ensure That Fees Remain Fair and Reasonable**
  - Can Adjust for Changes in Economic Conditions and Planning

# QUESTIONS AND DISCUSSION

