



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**REGULAR MEETING**

**#20-0588**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Chris Lagerbloom, ICMA-CM, City Manager

**DATE:** August 18, 2020

**TITLE:** Ordinance Amending Chapter 25, Streets and Sidewalks, Article II. – Division 3. – Curb or Sidewalk Cuts; Section 25-76. – Permit Required; Fee by Deleting Permit Fee in 25-76(c); Creating a New Article XIII – “Fees” and Creating Sections 25-322 Through 327, Establishing Engineering Fees for Construction, In Rights of Way and Easements Based Upon Percentage of Construction Value, Fixed Fees an Fees Based Upon Hourly Review and Inspection Rates – **(Commission Districts 1, 2, 3 and 4)**

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**Recommendation**

It is recommended that the City Commission adopt an Ordinance amending Chapter 25 of the Code of Ordinances of the City of Fort Lauderdale to establish new fees for the review and inspection of construction permits for work in the Rights-of-Way and other support services provided by the Engineering Division in the Department of Sustainable Development.

**Background**

The services provided by the Engineering Division in the Department of Sustainable Development may be summarized as follows:

1. Right-of-Way Permits – Review and inspect construction permits in accordance with Chapter 25 of the City Code that governs construction and other activities in the Rights-of-Way under City jurisdiction. The construction permit applications are typically submitted by private development projects, individual property owners and franchise utilities. The scope of permitted work typically involves modifications to the roadway, installation of sidewalks, curbs, driveway entrances, decorative improvements, drainage, water and sewer improvements, landscaping, maintenance of traffic, crane operations as well as installation of electrical, communications and 5G networks.
2. Building Permits - Provide support to the Building Division by reviewing and inspecting the on-site civil design and construction proposed under Building permit applications. For the larger development projects, the scope of review generally includes paving, geometric design, grading, stormwater management, sediment control, water and sewer mains, and verification that the conditions of site plan

approval are met prior to issuance of a Certificate of Occupancy. For the smaller residential construction permits the review and inspections are generally concerned with driveways, swales, and installation of improvements near or within City easements.

3. Development Review Committee – As a member of the Development Review Committee, review site plans, administrative amendments, plats and vacations for compliance with the general provisions of the Unified Land Development Regulations and the adequacy requirements pertaining to potable water, sanitary sewer, drainage and transportation, in accordance with Section 25.2 of the City's Unified Land Development Regulations.

The Department retained Matrix Consulting Group, a firm specialized in providing analytical services to local governments, to determine actual costs associated with the services described above. The Report entitled "Cost of Services (User Fee) Study" documents their findings and is attached as Exhibit 1.

This agenda item proposes new fees that pertain specifically to Item 1 above – "Right-of-Way Permits" based on the recommendations of the study for 100% cost recovery. Fees pertaining to Item 2 - "Building Permits" are proposed under a companion item on this agenda. Fees pertaining to Item 3 – "Development Review Committee" will be presented to the Commission in an upcoming agenda in association with another study that was conducted for the Urban Design and Planning Division that also includes fees associated with the Zoning Division.

The Matrix study methodology was based on the estimated staff time to provide permit reviews, inspections and administrative services that fall under each of the three areas described above. The raw data for this analysis was obtained through face-to-face interviews with the division staff directly responsible for those activities. The fully burdened hourly rates for each staff position were subsequently applied to the estimated staff times to determine the "Per Unit" costs for each service. The resulting unit costs were then multiplied by the annual volume for each activity to estimate the annual cost to the City. A detailed explanation of the methodology is provided in the Matrix Report, starting on Page seven (7).

The Report concludes that the City is currently over-charging for the review and inspection services pertaining to work in the public right-of-way and is under-charging or not charging fees for most of the other services provided by the Engineering Division. Based on data obtained from FY 2018, the current fee structure generates approximately \$699,000 in revenue, and costs the City approximately \$2,595,000 (i.e. only 27% of the costs are recovered).

It should be noted that no new permit review fees are proposed for franchise utility and 5G network permits since the City has historically not charged permit fees for those services.

The City receives revenue directly from the franchise companies or through the State Department of Revenue as compensation for installing, operating and maintaining their facilities in the City's public rights-of-way. Based on the City's Revenue Manual, in FY 2018 the City was estimated to receive approximately 16.8 Million in franchise fees from FPL, \$393,000 from People's Gas and \$12.1 Million from the State Department of Revenue for the Communications Services Tax. The only exception would be fees that would be charged for overtime inspection during non-working hours that may be requested by the franchise utilities.

The Report provides a detailed breakdown of the staff hours and actual costs for each permit type, activity or service. The fee amounts proposed in the Ordinance represent 100% cost recovery for the City to provide the services. Some of the costs provided in the Report have been rounded off as a practical consideration and are within the study's margin of error.

In addition, Matrix conducted a comparative market survey with similar agencies (Palm Beach County, Broward County, Miami-Dade County, City of Pompano, City of Sunrise and City of Miami Beach) for selected flat fees and job cost based fees. In general, the study found the proposed rates to be comparable with the fees charged by those agencies. Additional details regarding the market analysis and results are provided on Page 36 of the Report.

Based on the recommendations of the Matrix Report, the Ordinance includes the following provision:

- A Requirement to Re-analyze the Cost of Services and Fees Every Five (5) Years  
– A study would be conducted every five (5) years by City staff and/or a hired consultant to verify if the fees are comparable with actual costs to the City. The methodologies of the update studies would be similar to the current study that is based on actual staff time to process, review and inspect permit types in accordance with the laws, policies, procedures in effect at the time. Those permit times would then be multiplied by the fully burdened rates for each staff position to obtain the actual cost to the City for providing the services. Any needed adjustments to reconcile the fees in effect at the time and the actual costs would be brought back to the City Commission for further consideration and adoption into the Code.

If the City Commission approves this item, the proposed effective date for the new fees will be October 1, 2020.

### **Resource Impact**

There is no fiscal impact associated with this action.

### **Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, included within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing our resources wisely and sustainably
- Objective 2: Ensure sound fiscal management

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We are Community.

**Related CAMs**

CAM #20-0175

**Attachments**

Exhibit 1 - Cost of Services (User Fee) Study

Exhibit 2 - Ordinance

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