



Memorandum

Meeting Details: August 27, 2025 – Board of Commissioners Regular Workshop Meeting
Prepared For: Honorable Mayor Brooks and the Board of Commissioners
Staff Contact: Community Development Department
Subject: Discussion of Building Permit Fees Waiver

Background:

Pursuant to Ordinance 2024-22, building permit fees associated with Hurricanes Helene and Milton are waived through September 26, 2025, provided the property was owned prior to the occurrence of the hurricanes. Many property owners who plan to demolish and rebuild or substantially improve their existing structure following the hurricanes are still in the early design phases or are having trouble finding contractors and may not be able to meet the waiver deadline (September 26, 2025).

Discussion:

Status of Building Fund

As of August 19, 2025, the Building Fund balance is \$248,966, with \$341,893 in revenues and \$1,120,891 in expenditures. While the city has suspended collection of permit fees, it is simultaneously experiencing the highest volume of permit applications to date. This surge has required significant additional staffing and outsourced professional services, including the Building Official, permit reviewers, and inspectors. Both the number of personnel and the hours worked have increased substantially to address the influx of permits, inspections, and code enforcement actions, including stop-work orders.

Permit Fees Are Self-Funding, Not General Fund-Supported

Florida Statute 553.80(7) requires that permit fees must be used solely for enforcing the Florida Building Code, covering direct and reasonable indirect costs (e.g., plan review, inspections, administration, training), and must not exceed the actual cost of enforcement. Fees may not be used for planning, zoning, or general government activities.

Permit fees are cost recovery only—they are calculated to cover the direct costs of processing, reviewing, and inspecting permits, not to generate profit. They pay for salaries and benefits of building department staff, training and certifications, vehicles and fuel for inspections, permit software, and state-mandated technology

upgrades. Without permit fees, the Building Department must draw from reserves or other restricted funds, which can impact operations.

Policy & Fairness Concerns

The number of permits required after Hurricane Helene has significantly increased demand for inspections, plan review, and records processing. In addition, the city is experiencing a record volume of new construction permits, which take substantially more time to process than repair or renovation permits. Staff are also handling a large number of inquiries from property owners, requiring considerable staff time and extended office hours. This workload has strained the permit review system and necessitated the use of outsourced services, which continue to grow. As a result, the Building Fund is being depleted quickly. Restoring permit fees would bring Madeira Beach in line with typical recovery timelines and help stabilize the department’s finances. Extending the fee waiver further risks creating an unsustainable precedent for future disasters.

The waived fees primarily benefit contractors rather than property owners. For contractor-managed projects, contractors continue to charge the same rates while avoiding permit costs, which increases their profit margins. Property owners rarely see these savings. In owner-builder projects, fee waivers do provide direct savings, but these projects typically require more staff time due to limited familiarity with building codes, increased revisions, and longer inspection timelines.

Regional Comparison

Most, if not all, Pinellas County municipalities impacted by the same hurricane have already reinstated permit fees well before the one-year mark.

Municipality	Waiver Period	Notes
Madeira Beach	September 26, 2025	Fee waiver for storm-damaged properties—including work by original owners affected by Hurricanes Helene and Milton.
Pinellas County	June 1, 2025	All permit application and inspection fees for repairs related to Hurricanes Helene and Milton.
St. Petersburg	July 31, 2025	Application and inspection fees for demolition and repairs to properties damaged by Hurricanes Milton or Helene.
St. Pete Beach	January 14, 2025	All permit and plan examination fees for storm-damaged residential and commercial repairs/demolition.
Treasure Island	May 31, 2025	Permit and plan review fees for storm-related repairs.

Fiscal Impact:

The waiver of building permit fees has eliminated the primary source of revenue for the Building Fund at the same time expenditures have increased. As permit activity remains at record levels, costs for inspections, plan review, and outsourced professional services continue to rise without offsetting income. This imbalance is rapidly reducing the available fund balance.

Permits issued since September 27, 2024 had a total value of \$94,409,588.64. Permit fees to be collected at 1% comes out to \$944,095.88. Actual fees collected in the provided timeframe is \$301,460.36. Therefore, the approximate fees waived is \$642,635.52. This is a very close approximation. The fees collected does not include the DBPR & DCA fee amounts or the Building base fee. The actual fees collected does include those amounts plus credit card fee.

Recommendation(s):

City staff recommends taking no further action and ending the fee waiver on September 26, 2025, as originally planned.

Attachments/Corresponding Documents:

- Building Permit Fee Revenues Fiscal Years 2021 through 2025