CITY OF DORAL DEVELOPMENT SERVICES

BUILDING DEPARTMENT FUND
& DEVELOPMENT SERVICES TECHNOLOGY FUND
Fee Schedule Update Executive Report

The Case for a Cost-Incurred Fee Model — Effective October 1, 2026

Prepared pursuant to Florida Statute § 553.80(7), HB 399 (2026), and HB 803 (2026)

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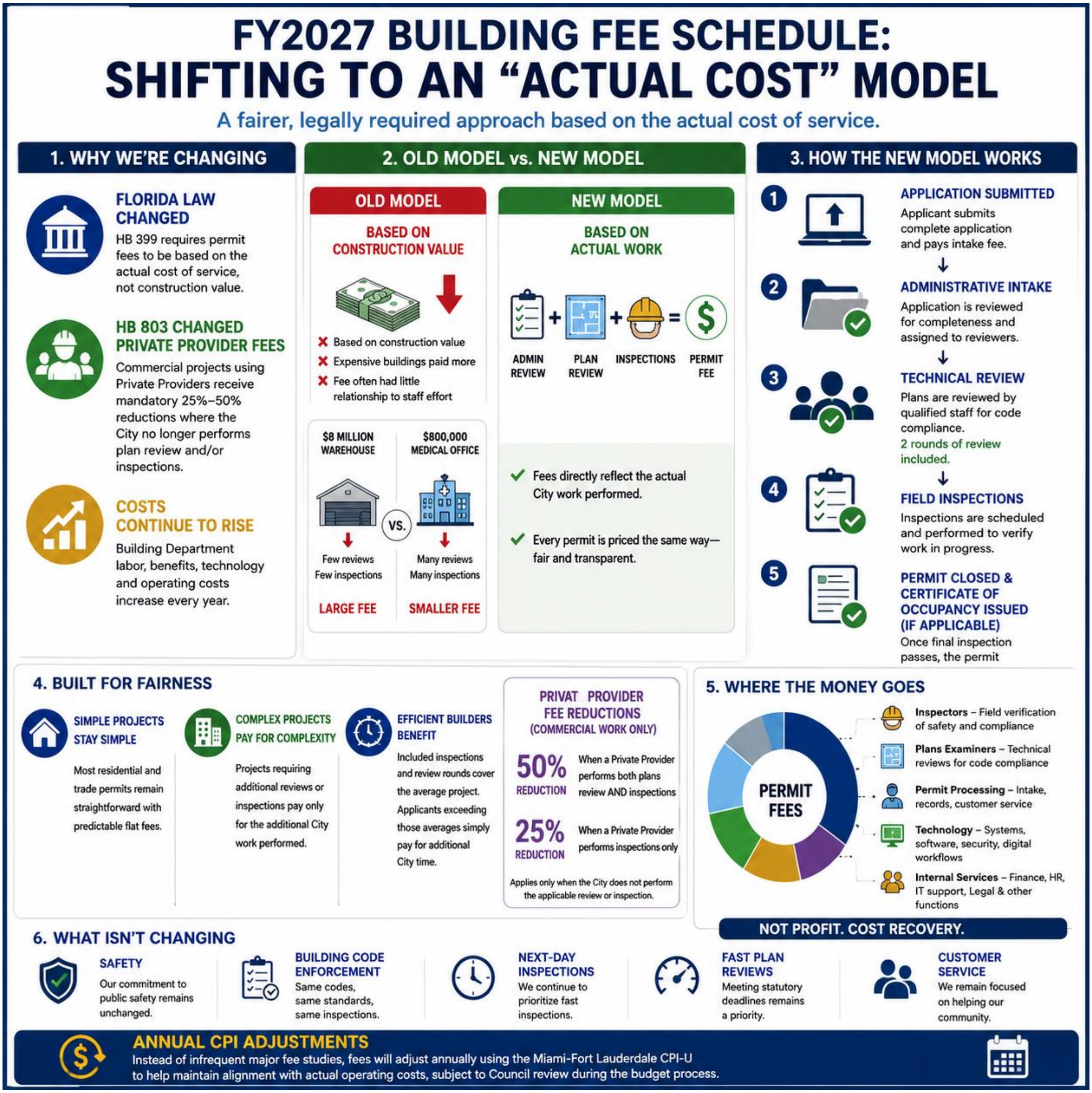
FY2027 BUILDING FEE SCHEDULE:
SHIFTING TO AN "ACTUAL COST" MODEL
A fairer, legally required approach based on the actual cost of service.
1. WHY WE'RE CHANGING
FLORIDA LAW CHANGED
HB 399 requires permit fees to be based on the actual cost of service, not construction value.
HB 803 CHANGED PRIVATE PROVIDER FEES
Commercial projects using Private Providers receive mandatory 25%–50% reductions where the City no longer performs plan review and/or inspections.
COSTS CONTINUE TO RISE
Building Department labor, benefits, technology and operating costs increase every year.
2. OLD MODEL vs. NEW MODEL
OLD MODEL
BASED ON CONSTRUCTION VALUE
Based on construction value
Expensive buildings paid more
Fee often had little relationship to staff effort
$8 MILLION WAREHOUSE
$800,000 MEDICAL OFFICE
VS.
Few reviews
Few inspections
Many reviews
Many inspections
LARGE FEE
SMALLER FEE
NEW MODEL
BASED ON ACTUAL WORK
ADMIN REVIEW + PLAN REVIEW + INSPECTIONS = PERMIT FEE
Fees directly reflect the actual City work performed.
Every permit is priced the same way—fair and transparent.
3. HOW THE NEW MODEL WORKS
1 APPLICATION SUBMITTED
Applicant submits complete application and pays intake fee.
2 ADMINISTRATIVE INTAKE
Application is reviewed for completeness and assigned to reviewers.
3 TECHNICAL REVIEW
Plans are reviewed by qualified staff for code compliance.
2 rounds of review included.
4 FIELD INSPECTIONS
Inspections are scheduled and performed to verify work in progress.
5 PERMIT CLOSED & CERTIFICATE OF OCCUPANCY ISSUED (IF APPLICABLE)
Once final inspection passes, the permit
4. BUILT FOR FAIRNESS
SIMPLE PROJECTS STAY SIMPLE
Most residential and trade permits remain straightforward with predictable flat fees.
COMPLEX PROJECTS PAY FOR COMPLEXITY
Projects requiring additional reviews or inspections pay only for the additional City work performed.
EFFICIENT BUILDERS BENEFIT
Included inspections and review rounds cover the average project. Applicants exceeding those averages simply pay for additional City time.
PRIVAT PROVIDER FEE REDUCTIONS (COMMERCIAL WORK ONLY)
50% REDUCTION When a Private Provider performs both plans review AND inspections
25% REDUCTION When a Private Provider performs inspections only
Applies only when the City does not perform the applicable review or inspection.
5. WHERE THE MONEY GOES
PERMIT FEES
Inspectors – Field verification of safety and compliance
Plans Examiners – Technical reviews for code compliance
Permit Processing – Intake, records, customer service
Technology – Systems, software, security, digital workflows
Internal Services – Finance, HR, IT support, Legal & other functions
NOT PROFIT. COST RECOVERY.
6. WHAT ISN'T CHANGING
SAFETY
Our commitment to public safety remains unchanged.
BUILDING CODE ENFORCEMENT
Same codes, same standards, same inspections.
NEXT-DAY INSPECTIONS
We continue to prioritize fast inspections.
FAST PLAN REVIEWS
Meeting statutory deadlines remains a priority.
CUSTOMER SERVICE
We remain focused on helping our community.
ANNUAL CPI ADJUSTMENTS
Instead of infrequent major fee studies, fees will adjust annually using the Miami-Fort Lauderdale CPI-U to help maintain alignment with actual operating costs, subject to Council review during the budget process.

Section 1: The Catalyst: Statutory Mandates & Operational Reality

Pursuant to Florida Statute §553.80(7) and recent legislative mandates, the City of Doral must promptly replace the Building Department's valuation-based fee structure with a cost-incurred model that can be explained, audited, and implemented in the permitting software quickly and efficiently. This is not a cosmetic revision. It is a structural redesign of how the City recovers the cost of Building Code enforcement. This change is not discretionary; it is a legal requirement to ensure fees are directly proportional to the actual work performed by City staff. Calculating fees based on value has historically been a common practice among many Miami-Dade County jurisdictions. Under new state prohibitions, such methods are no longer permissible.

The current 2025 fee schedule generally calculates primary building permit fees as a percentage of the declared value of construction. That approach can produce large swings in revenue that do not reliably track staff effort. A high-value permit may require fewer City touches than a modest tenant improvement, while a new-construction master permit can generate extensive reviews, dozens of trade sub-permits, inspections, revisions, and temporary occupancy requests.

The recommended direction is a transparent hybrid model: a non-refundable application fee at intake, work class plans review base fees, flat inspection and reinspection charges, separate technology, and dedicated schedules for building recertification, TCO/TCC, private provider, revisions, work-without-permit, and other special workflows.

- **HB 399** (2026 Legislature): Explicitly prohibits application fees from being based on a percentage of construction costs, site costs, or project valuation.
- **HB 803** (2026 Legislature): Mandates specific fee reduction floors for Private Provider services (at least 50% for plans review and inspections, and 25% for inspections only for commercial projects). It also establishes strict, legally binding review deadlines for permits, requiring the City to process applications rapidly or face automatic approvals.

Beyond the state statutory mandates, the City's own audited financials demonstrate a critical, multi-year need for structural correction. According to the City of Doral's Annual Comprehensive Financial Reports (ACFR), the Building Fund has operated at a deficit. In FY 2025, actual revenues of $6,077,183 against expenditures of $6,669,796 forced a $592,613 draw from reserves.

This compounding, audited reality is the absolute justification for transitioning to a strict Cost-Incurred model. The new fee schedule is designed to protect the City's financial health by ensuring the Building Department fully recovers its operational costs without subsidizing development or continuously draining emergency reserves.

Section 2: The Foundation: Establishing True Actual Costs

The City assembled a multi-year workload record using applications, plan-review interactions, inspections, fee collections, salary information, budget documents, workflow templates, and sample permit back-end reviews. The analysis excludes Planning & Zoning and Public Works permits, reviews, and inspections from the Building model. To build the new Cost-Incurred model, the Department first established the actual cost of operating a fully staffed 40-person department. Before any benefits or overhead are applied, the base salaries for the roster establish the raw hourly rates across all operational tiers:

Table 2-1 Raw Base Rates

Raw Base Rates		
Team	**Pay Grade(s)**	**Hourly Rate**
Clerical Staff (Permit & Records Clerks)	106, 108	$25.87
Technical Field Staff (Inspectors)	116	$46.25
Technical Office Staff (Plans Examiners)	117	$50.71
Administrative/Supervisory (Chief Inspectors)	119	$61.01
Executive Technical (Chief Structural PE)	120	$66.13
Administrative/Supervisory & Dev Services[1]	120, 124, 125	$81.49

Benefits & Overhead (90.3%) Under Florida HB 803 and HB 399, the department is allowed to recover both direct benefits and reasonable indirect overhead. An audit of actual expenditures confirms that the baseline load factor required to support these employees is 90.3%. This is composed of:

- **37.6% Benefits Load:** Covering mandatory FICA, retirement contributions, Life/Health Insurance, and Workers Comp/Other.
- **49.5% Internal Services Load (ISL):** This captures indirect municipal overhead, including HR, Finance, legal, and the Internal Services transfers.[2]
- **3.2% Operating Load:** Covering travel, supplies, dues, and training

[1] The DSA position, effective October 1, 2026, is allocated 60% Building Department, 20% Code Compliance, and 20% Planning & Zoning. Only the Building allocation is included in the Department's cost basis. The City's Internal Services allocation is pending determination with the next Cost Allocation study, currently underway with Finance.

[2] The Internal Services Load (49.5%) originates from the City's Full Cost Allocation Plan prepared by Sequoia Consulting Group, dated August 7, 2017, based on Fiscal Year 2016 actual expenditures, which allocated approximately $1.5 million in indirect costs to the Building Department. A comparison against FY25 audited expenditures shows the Department's actual non-personnel, non-capital indirect cost running approximately 17% above what the stated load factor would predict from FY25 personnel costs, suggesting the current percentage is a reasonable, if dated, approximation rather than an overstatement. Pending review is if the citywide IT cost pool is appropriately scaled given the Building Department Fund's direct funding and supervision of a dedicated BD System Analyst. The Department recommends Council authorize an updated Cost Allocation Plan to resolve this item.

The Vacancy Buffer (7.5%) Because the department budgets and obligates salary funds for all authorized positions, the full budgeted labor cost is a real, committed expenditure of the Building Fund even if a seat is temporarily vacant. To ensure the Building Fund does not operate at a deficit when application volume fluctuates, a 7.5% Vacancy Trend Adjustment is added to the baseline load factor based on historical department-level averages, lower than the citywide 10% factor calculated in the budget.

The Indirect Coordination Load (20%) An Indirect Coordination Load recognizes that permitting staff spend substantial time on activities not attributable to a single permit: public counter service, phone and email inquiries, and file management for the Department's active pipeline which is consistent with GFOA fee-study guidance on indirect cost recovery. This load also incorporates supervisory overhead: not all of a Chief Inspector's or Director's time can be billed directly to one specific permit, since they spend hours answering general contractor questions, performing random field checks, and managing staff. Consistent with GFOA fee-study standards, this supervisory time is recovered through the same 20% Indirect Coordination Load rather than as a separate surcharge and is proportionally spread across every hourly rate in the department as part of the Total Hybrid Load Factor.

Total Hybrid Load Factor of 117.8% (a 2.178 multiplier)

The Final Fully Burdened "Actual Cost" Rates By multiplying the raw base wages by the **2.178** load factor, the department establishes the exact, fully burdened cost for one hour of staff time. The Department applied the three load components additively (1 + 0.903 + 0.075 + 0.200 = 2.178) rather than compounding them (1.903 × 1.075 × 1.200 = 2.4549). The additive construction produces a fully burdened rate approximately 11% below the compounded alternative and was selected as the more conservative of the two methods. These are the rates utilized to build the 2026 fee schedule:

Table 2-2 Fully Burdened Actual Cost Rates

Fully Burdened Actual Cost Rates (Base Rate x 2.178 Load)	
Team	**Actual Cost Rate**
Clerical Staff (Permit & Records Clerks)	$56.34
Technical Field Staff (Inspectors)[3]	$100.73
Technical Office Staff (Plans Examiners)[4]	$110.44
Administrative/Supervisory (Chief Inspectors)	$132.88
Engineering (Chief Structural & MSP)[5]	$163.93
Administrative/Supervisory (Dir, AD & DSA)	$177.49

[3] Rate includes fleet-related cost recovery as reflected in the Department's ISL factors.

[4] The Department bills Floodplain reviews at the Technical Office Staff (Plans Examiners) rate despite current reviews being completed by the Director/Building Official.

[5] Blended Desk Rate for Chief Structural Plans Examiner (Pay Grade 120) and Structural MSP

A Foundational Funding Gap: Compensation Policy Impact The methodology above establishes a fully burdened, cost-based rate for every hour of Department labor, consistent with GFOA fee-study practice and Florida HB 399/803. Applying this methodology to the Department's current permit volume and staffing complement does not, however, fully recover the Building Fund's current operating cost. A portion of this gap is directly attributable to compensation decisions outside the Department's control.

In recent years, the approved budget has included compensation adjustments for non-bargaining staff that exceeded the Department's historical compensation trend. Assuming full participation at the approved merit ceiling, this policy accounts for over $750,000 in annual personnel costs beyond a typical cost-of-living trajectory.

This increase reflects citywide compensation policy, not growth in permit volume, application complexity, or Department workload, and is presented here separately from the cost-based rate methodology above so that Council can evaluate the fee schedule's revenue target with full visibility into its components.

The Department's cost-based methodology, inclusive of the Indirect Coordination Load described above, is designed to recover the actual cost of processing the Department's permit volume. It is not designed, and should not be represented, as a mechanism to recover costs unrelated to that volume. The Department recommends the continued use of Building Fund reserves during this transition period, rather than through further adjustment to the cost-based rate table.

The Department also notes that its rates are constructed on a 2,080-hour annual divisor — the full paid year. Prevailing fee-study practice divides fully burdened annual cost by *productive* hours, excluding leave, training, supervision, counter service, and other time not attributable to an individual permit. Adopting a productive-hour divisor would raise cost recovery materially without altering the load factor or the underlying methodology. The Department has not applied that adjustment in this schedule, in order to present Council with the most conservative defensible rate table ahead of the statutory deadline. The department will evaluate a productive-hour divisor for the FY28 fee cycle, concurrent with the updated Cost Allocation Plan recommended above.

Municipal Service Providers (MSPs) The Department supplements in-house structural and plumbing plan review with contracted Municipal Service Providers, paid from account 500310 at flat contract rates of:

- **Plumbing Plan Review:** $115.00 / hour
- **Structural Plan Review:** $175.00 / hour

These cost sources are not directly comparable: MSP invoices carry no City benefit or internal services load, while in-house hours carry the full 2.178 load factor but no contract margin. The allocation between them is not fixed, and varies with application volume, staffing availability, and certification requirements.

Table 2-3 MSP Structural Review Share

FY	MSP	Doral FTE	MSP Share
2023	1,225	1,403	46.6%
2024	1,466	1,171	55.5%
2025	1,818	1,406	56.4%
2026 (9 mos)	1,635	780	**67.7%**

Over that period, contracted providers performed 64.3% of structural reviews and 35.3% of plumbing reviews. The cost of contract administration is recovered through the Indirect Coordination Load described above and is not separately surcharged.

Table 2-4 Structural Blended Desk Rate by Review Count

Basis	**MSP share**	**Blended STR rate**
All-period (FY23–FY26)	56.3%	$161.48
Trailing 12 months	**64.3%**	**$163.93**
Trailing 12 mo + 10% contract oversight		$175.18

The Department validated this methodology against contractor invoices. The Desk Rate is recalculated annually alongside the CPI adjustment so that the 500310 Professional Services account will remain fully funded as the staffing mix shifts, without charging applicants for capacity they did not consume.

By establishing this actual-cost roster, the City mathematically proves that the 2027 fee schedule strictly expects to recover the cost of its personnel and vital city-wide overhead, perfectly aligning with state statutes.

Inspection trip cost. The Department measured the actual cost of an inspection trip from three independent methods: inspections completed per inspector-day, field staffing capacity against annual trip volume, and route observation. These converge on a range of 0.65 to 1.00 staff hours per trip inclusive of travel, on-site inspection, and result entry. The Department has adopted 0.65 hours ($65.47) as the cost basis for inspections included within the Base Permit Fee — the conservative end of the measured range — on the basis that scheduled initial inspections are batched into planned daily routes, so the marginal travel cost of each additional stop is shared across the route.

Re-inspections and additional trips are assessed at 1.00 hour. A re-inspection is generated by a failed or incomplete inspection rather than by the Department's schedule, cannot be reliably batched into an existing route, and requires a discrete origination and return trip. This is not a penalty rate; it is the unshared cost of a single-purpose trip, and it remains within the measured range for a Department inspection. Both figures are capped at the Department's actual inspection cost as required by Section 553.79(1)(f), Florida Statutes.

Stated Worst Case Ceiling It is also understandable that Doral's development community needs to understand their cost basis when it comes to submitting their pro formas for financing and open-ended inspection fees could potentially inflate project cost. Based on historical inspection data for Commercial Building permits, 63% of permits require no additional inspection fees beyond the base permit fee.

For planning and financing purposes, permit applicants should budget a ceiling of approximately **1.7x** the total base permit fee to cover the reasonably foreseeable range of outcomes for a project with a typical compliance history. In rare cases (fewer than 1% of permits, historically), extensive non-compliance with submitted plans has resulted in total permit-related fees of up to **11x** the base fee. These cases are outliers driven by substantial, avoidable plan and construction deficiencies rather than typical project risk.

Sample Project 1 Analysis *Orig Base Fee $14,921 ($0.50 psf)*

Tier 5 – New Construction Commercial (Standalone Showroom)

Base Intake Fee	$200.00
Review Fee	$1,000.00
7 disciplines, 2 rounds	
Base Inspection Fee	$1,000.00
Includes 15 Inspections on Master	
Efficient Project (Master Permit)	**$2200 Base Permit Fees**
Base Intake Fee	$200.00
Additional Submittals – 8 Rounds	$450.72
Review Fee	$1000.00
7 disciplines, up to 8 rounds	$3,958.61
Base Inspection Fee *(Included 20 insp)*	$1000.00
Additional 26 Inspections	$2,618.98
Inefficient or Prolonged Project (Master Permit)	**$9,228.31 Total Est Fees**

Sample above shows a 4.2x over new scheduled fees.

Sample Project 2 Analysis *Orig Base Fee $340 (2% VOC)*

Tier 4 – Interior Alteration Commercial (Industrial, Legalization, **Still in review**)

Base Intake Fee	$200.00
Review Fee	$450.00
7 disciplines, 2 rounds	
Base Inspection Fee	$650.00
Includes 10 Inspections on Master	
Efficient Project (Master Permit)	**$1,300.00 Base Permit Fees**

Base Intake Fee	$200.00
*Additional Submittals – **11 Rounds+***	$619.74
Review Fee	$1000.00
6 disciplines, up to 11 rounds	$5,849.92
Base Inspection Fee *(Included 10 insp)*	$650.00
Additional	$TBD
Inefficient or Prolonged Project (Master Permit)	**$8,319.66+ Total Est Fees**

Sample above shows a 6.4x over new scheduled fees and permit is not issued.

Section 3: The Operational Reality: Volume & Customer Lag

Overall Permitting Volume Application and issuance volumes remain incredibly high and consistent, validating the need for the fully funded 40-person department. According to the FY 2026 Adopted Budget, the Department processes over 5,000 permits annually and performs over 19,000 construction inspections. Tracking data from the Annual Permit Fee Utilization Reports further confirms this sustained volume.

Table 3-1 Permitting Volume by Year – Applications Received vs. Permits Issued

Fiscal Year	Applications Received	Permits Issued
2023	5,624	4,521
2024	5,440	5,012
2025	5,756	5,099
2026 (In Progress)	4,483	4,300[i]

Count of FY Issue Date Application Date	Issue Dates Apply Status	2023	2024	2025	2026	Grand Total
2023	303	4521	737	55	8	5624
2024	466		4275	668	31	5440
2025	598			4376	782	5756
2026	1004				3479	4483
Grand Total	**2371**	**4521**	**5012**	**5099**	**4300**	**21303**

The Active Pipeline & "Customer Lag" Beyond the permits issued, the Department is currently managing an active pipeline of 2,371 open applications spanning multiple fiscal years. There is a common perception in the development community that when a permit is delayed, the "City is sitting on their file." However, empirical data proves that most of this 2,371-permit pipeline is experiencing "Customer Lag." In many cases, the file is actively in the court of the owner, architect, engineer, contractor, or expediter to correct design deficiencies, obtain outside agency approvals and resubmit.

Rework & Resubmittal Rates Simple permits like residential Windows/Doors have a very low resubmittal rate (4.3%), while complex commercial permits often bog down the system. Commercial Interior Alterations suffer a staggering **61.6% resubmittal rate** (averaging 1.27 extra rounds of review per permit). Commercial Exterior Alterations face a 51.2% resubmittal rate, and Commercial New Construction faces a 45.0% resubmittal rate. The department understands the impact of outside agency approvals, but trends also prove that developers are heavily relying on City Plans Examiners to perform their quality control checks.

This dynamic is perfectly illustrated by isolating "City Time" (business days the file was actively worked on by City staff) versus the "Customer Time" (business days the applicant held the file for corrections) in the table below. Despite delays resting heavily on the applicant's team, the City's staff must continually carry the administrative burden of maintaining these open files, answering status inquiries, and processing the eventual rework months or years later. This extended liability provides unassailable justification for maintaining healthy Building Fund reserves and further necessitates the "Allowance + Overage" fee model to protect the City from applicants who stretch their projects across multiple years.

A Maturing, "Built Out" City Profile The permitting data reveals a distinct shift in the type of development occurring in Doral. The Department processed 745 Commercial Interior Alterations compared to only 23 Commercial New Construction permits during the measurement period. This indicates that Doral is maturing into a highly built-out urban environment where the focus has shifted toward complex commercial tenant improvements, renovations, and infill redevelopment, rather than raw greenfield development. Based on the dataset of final permits between October 2022 and March 2026, the highest volume categories consuming staff time are shown below in Table 3-2.

Table 3-2 Peak Permit Types & Work Classes

Permit Type & Work Class	Volume (# Permits)
Electrical General (Primary & Subs)	1,954
Building - Windows/Doors (Primary)	1,191
Building - Interior Alterations (Commercial)	745
Plumbing General (Commercial, Sub)	630
Mechanical General (Commercial, Sub)	524
Roofing - Tile Reroof (Residential)	520

State-Mandated Turnaround Times and Elite Service Delivery Historically, the Building Department successfully maintained elite service levels, completing over 75% of initial plan reviews within 10 business days and by allowing developers to pay premium "Expedite Fees" that subsidized over $100,000 in annual staff overtime. However, as the Florida Legislature continues to mandate strict statutory turnaround times, the City is now required to deliver this accelerated speed as the standard baseline, without charging additional expedite fees.

To manage this unfunded state mandate, the new Cost-Incurred Model absorbs the Department's necessary $100,000+ overtime budget directly into the fully burdened base hourly rates. This ensures the City can sustainably fund the overtime required to meet statutory clocks without continuously draining emergency reserves.

Table 3-3 Representative Sample of Permit Activities

Permit Number	Tier Category	Work Class / Permit Type	Review Rounds	City Time (Days)	Customer Time (Days)	Total Business Days to Issuance
BDCC-**-2747**	Tier 2	BD Interior Alteration (Commercial)	7	32	368	415
BDCC-**-3511**	Tier 2	BD Interior Alteration (Commercial)	8	46	124	179
BDCC-**-3222**	Tier 2	BD New Construction (Commercial)	6	51	243	294
SIGN-**-0111**	Tier 2	PZ Signs (Non-Electrical)	4	30	165	195
BDRC-**-4458**	Tier 1	BD Windows/Door (Residential Primary)	2	10	0	22
ELCC-**-4261**	Tier 3	EL Electrical General (Sub)	2	2	0	9

(Source Data: EnerGov Submittals and Interaction Tracking, October 2022 – March 2026).

The Mathematical Justification for the Upfront Rework Fee This data shatters the misconception that the City is the bottleneck in the permitting process. As demonstrated by permit BDCC-****-2747, City staff spent 32 business days actively reviewing the file across 7 different rounds, while the applicant had plan ownership for **368 business days** – pending corrections from AEC, outside agency approvals, etc.

Currently, when architects submit deficient plans that require 6 to 8 rounds of review, the City absorbs the heavy hourly labor cost of the Plans Examiners (Technical Office Staff rate, Section 3) to repeatedly check those errors. Furthermore, because the City historically waited until issuance to collect fees, the Building Fund essentially acted as a free, 400-day line of credit for developers while their plans sat.

Conversely, the data proves that high-volume, simple permits move highly efficiently. Trade sub-permits and minor residential property maintenance are approvable in just 2 rounds with zero customer lag. This empirical efficiency mathematically validates charging a heavily reduced, flat Base Fee providing absolute justification for shifting the financial burden of commercial rework back onto the developers generating it.

Section 4: The Solution: A Universal Equation & Tier-based System

The "Old Math" vs. The "New Math" Under the 2025 Fee Schedule, base permit fees were determined by an arbitrary equation tied to the estimated project value (e.g., Value × 2.5%). Under this countywide-accepted model, the fee had no mathematical relationship to the amount of work the Building Department actually performed. Florida HB 399 and HB 803 strictly prohibit this practice, mandating that fees reasonably relate to the actual direct and indirect costs of processing a specific permit.

The Work Class Allocation Matrix (The Rule of Averages) Custom-calculating this equation from scratch every time an application is submitted would paralyze the department. Instead, the Department utilized its four years of measured historical data to build a **Work Class Allocation Matrix**. By grouping permits into complexity Tiers and assigning a fixed, historical average of hours and inspections to every specific Work Class, the City ensures fees are predictable, easy to audit, and mathematically designed to break even.

Calibration at the tier level. Fees in this schedule are established at the tier and sub-tier level rather than permit by permit. Each tier is priced to the measured average cost of the work classes it contains, which means an individual permit may cost the Department modestly more or modestly less than the fee it pays. The schedule is calibrated so that these variances offset within each tier and across the schedule as a whole.

This is the standard method for administering a cost-based fee program at scale, and it is the method the Legislature contemplates in requiring that fees "reasonably relate" to cost rather than equal it: custom-calculating a bespoke fee for each of the Department's 200-plus work classes on every application would itself impose an administrative cost that applicants would ultimately bear.

The Universal Algebraic Equation To comply with the actual-cost mandate while permanently solving the commercial rework crisis, every permit in the City of Doral is now governed by one universal algebraic equation:

[Admin Time] + [Plans Review Time] + [Field Inspections] = BASE FEE

This equation utilizes the locked, fully burdened hourly rates established in Section 2.

Solving the Outlier Trap: The "Allowance + Overage" Methodology In evaluating the City’s historical permit data, a critical operational threat was identified: extreme outliers. For example, while the average Commercial Interior Alteration requires 8.7 inspections, the worst-case outlier in our dataset consumed a staggering **245 inspections**. Under the old "flat fee" models, simple projects were forced to subsidize the heavy labor costs of these massive commercial outliers.

Table 4-1 Average Count of Failed Inspections by Permit Type

Average Count of Failed Inspections Per Permit Type	**Ave**
BD Building (Commercial)	2.64
BD Building (Residential)	1.74
EL Burglar Alarm Permit Label	2.20
EL Electrical - Lightning Protection	3.07
EL Electrical - Photovoltaic Systems	2.25
EL Electrical - Temp for Construction	1.83
EL Electrical (Commercial)	2.05
EL Electrical (Residential)	1.96
EL Generator	3.94
FL Floodplain Management	2.29
ME Emergency A/C Changeout	2.00
ME Mechanical (Commercial)	1.84
ME Mechanical (Residential)	1.41
ME PV Annual Certification	1.44
ME PV/BO Pressure Vessels/Boilers	1.64
PL Plumbing (Commercial)	2.96
PL Plumbing (Residential)	2.06
RF Roofing (Commercial)	1.82
RF Roofing (Residential)	2.16

To permanently solve this, the City is transitioning to a strict **"Allowance + Overage" Model**.

Instead of unlimited “partial approvals” and “denied w/ no fee” inspections, the Base Permit Fee now pays for a strict *allowance* of review rounds and inspections based on the historical mean averages of that specific work class. The department will work to allot the appropriate number of inspections to the permit and once the contractor exceeds that allowance, the system triggers a hard stop. The permit holder would pay for the additional inspections needed. 80% of contractors who build efficiently pay the standard Base Fee, while the 20% who use City inspectors for ongoing quality control, phased or multi-level projects pay for the exact extra trips they generate.

Handling Phased Projects and Partial Inspections Commercial developers frequently utilize City inspectors for phased, floor-by-floor, or partial inspections to maintain aggressive construction schedules. Under the new Allowance + Overage model, every requested site visit for a partial inspection counts as one distinct trip against the permit's allowance.

As an example, if a contractor chooses to piece-meal their plumbing rough-ins across 10 separate days instead of consolidating them into one visit, they will rapidly exhaust their Tier allowance and automatically trigger the overage fee for the remaining trips. This allows developers to maintain their flexible, multi-phase schedules while ensuring the City is fully compensated for the extra truck rolls.

The 5-Tier "Bucket" System To manage the City's 200+ distinct permit Work Classes without overwhelming the software architecture, the fee schedule consolidates all applications into Tiers (Sub-Tiers) guaranteeing that fees remain predictable for the development community while mathematically securing the City's labor budget against volatile, high-maintenance projects.

Table 4-2 Simplified Tier Schedule

Tier (Sub-Tier)	Work Classes Included
Tier 0 (Mandate)[2]	Burglar Alarm Permit Label — administrative label only; no plan review or field inspection.
Tier 0 (Other) - Recertifications	10-year Recertification; Building / Milestone Recertification.
Tier 0 (Other) - Permit Revision (Commercial)	Revising scope of work on an issued commercial permit.
Tier 0 (Other) - Permit Revision (Residential)	Revising scope of work on an issued residential permit.
Tier 0 (Other) - Early Start Permit[3]	Coordinates parties to allow work up to first inspection before the building permit is issued.
Tier 1 (Minor / Express)	Minor residential & single-trade work — paving/pavers, fences/gates, shutters, windows/doors, fire alarm, temporary power/test, A/C changeout, demolition.
Tier 1 (Records)	Records Request.
Tier 1 (Shop)	Deferred shop-drawing submittals — composite slab, elevator, hand/stair rails, hollow metal doors, overhead doors, pallet racking, post-tensioning, precast/pre-stressed concrete, stairs, tilt-up walls, trusses/steel, twin tees, shoring/re-shoring.
Tier 2 (All Trade Subs)	Sub-permits across all trades — electrical (general, fire alarm, low voltage, security, sound, access control), mechanical (A/C, fire sprinkler/suppression, refrigeration, hoods), plumbing (irrigation, gas, water/sewer, pool/spa), roofing, and accessory/structural subs.
Tier 2 (Standard Residential)	Standard residential primary permits — electrical general, generators, low voltage, mechanical general, plumbing (irrigation, gas, water/sewer, water heaters), reroofing, plus accessory structures, pools/spas, demolition, interior/exterior alterations.
Tier 3 (Complex Residential)	Residential accessory structures, pools, interior/exterior alterations, pool/spa/fountain, photovoltaic systems, floodplain reviews (LOMC, development, floodproofing).
Tier 3 (Minor Commercial)	Commercial-scale primary permits — electrical (general, generators, access control, lightning protection), mechanical (A/C, pressure vessels, hoods, refrigeration), plumbing (irrigation, gas, water/sewer), roofing, plus paving, fencing, signage, land clearing, demolition.
Tier 4 (Major Commercial Alteration, Changes)	Commercial accessory structures, Annual Facility (Premise) Permits, Change of Occupancy, interior/exterior alterations, pool/spa/fountain, photovoltaic systems, floodplain reviews (LOMC, development, floodproofing).
Tier 5 (New Construction, Commercial)	New construction - Commercial
Tier 5 (New Construction, Residential & MM)	New construction - Residential & Master Models

Section 5: Accountability & Compliance: Upfront Fees & Private Providers

The Upfront Collection & Rework Model (Accountability) Historically, the City waited until the end of the permitting cycle (at issuance) to collect the balance of permit fees. As demonstrated by the EnerGov data, complex commercial projects frequently sat in "Customer Lag" for hundreds of days while architects addressed failed plan reviews. Because the City absorbed the cost of these repeated reviews without upfront payment, the Building Fund effectively functioned as a free line of credit for developers, subsidizing poor-quality plans.

To stop the cost-recovery bleed, the Department is shifting to a strict "pay-before-we-work" model:

- **The Upfront Processing Fee:** A flat administrative fee is assessed at application intake. This covers the immediate clerical cost of validating the submittal package and routing the file. See Work Class Allocation Matrix for reference.
- **The Upfront Base Review & Inspection Fee:** The Calculated Base Permit Fee (established by the Work Class Allocation Matrix) must be paid at completion of the technical execution of the permit review. This covers the standardized average of Plans Review and Field Inspections.
- **The Upfront Rework Penalty (The Accountability Trigger):** The Base Fee covers a strict allotment of two review rounds. To proceed, the applicant is invoiced an Upfront Rework Penalty strictly based on the Plans Review rate for the affected trades. The next round of review will not commence until this penalty is paid, shifting the financial burden of quality control back to the applicant.

The Statistical Justification Table (Empirical Data) To scientifically justify the "Allowance + Overage" model, the Department analyzed the standard deviation and outlier history of its Work Classes. As shown below, simple residential projects are highly predictable, while commercial projects exhibit extreme volatility that threatens the City's labor budget if not strictly capped by allowances.

Table 5-1 Statistical Justification Table

Tier / Representative Work Class	Mean (Average Inspections)	Standard Deviation (Volatility)	Max (Worst-Case Outlier)	Justification & Strategy
Tier 1: BD Fence/Gate (Residential Primary)	2.40	1.16	11	**High Predictability:** The low standard deviation (1.16) proves this class is highly consistent. The Mean of 2.40 safely establishes the Tier 1 base allowance with virtually zero risk of a cost-recovery deficit.
Tier 2: BD Exterior Alteration (Residential Primary)	4.34	4.20	42	**Moderate Volatility:** While the Mean remains low (4.34), a higher standard deviation and a maximum outlier of 42 trips show that even residential scopes can occasionally experience "customer lag." The Tier 2 allowance perfectly caps this risk.

Tier 3: BD Windows/Door (Commercial Primary)	3.01	1.36	10	**High Predictability (Minor Commercial):** Grouped in Tier 3 under the new Matrix, these commercial permits adhere tightly to the ~3-trip Mean with low volatility (1.36), meaning they can be processed efficiently without triggering heavy overages.
Tier 4: BD Interior Alteration (Commercial)	8.70	13.92	245	**Extreme Volatility:** The 8.70 Mean sets a fair base allowance, but the massive 13.92 standard deviation and the staggering 245-trip outlier mathematically prove the absolute necessity of the standard overage fee (Section 3 Inspector rate) to protect the budget.
Tier 5: BD New Construction (Commercial)	31.52	25.33	139	**Extreme Volatility:** The massive spread between the Mean (31.52) and the Max (139), along with a 25.33 standard deviation, proves that heavy commercial projects require strict Tier 5 accountability triggers to prevent draining department resources.

Private Provider Statutory Compliance (Florida HB 803) Florida HB 803 mandates that if an owner retains a Private Provider for plans review and inspections, the local jurisdiction must reduce the permit fee by the amount of cost savings realized (at least 50% for full services). If the City fails to provide these exact reductions, it forfeits the ability to collect *any* fees for that project. The statute also prohibits "punitive administrative fees."

The Department's new Matrix permanently solves this compliance mandate. If an applicant registers a Private Provider to handle a master permit, the Department simply zeroes out the **[Plans Review]** and **[Field Inspections]** values on the Work Class Allocation Matrix. The applicant is only charged the exact, fractional **[Administrative Intake]** base fee required to process their paperwork.

Table 5-2 Commercial Private Provider Discount Calculation[6]

Standard Permit Based on Tier and Sub Tier			
P Base Intake Processing Fee (Non-refundable Minimum Fee)	+ ***R*** Base minimum Review Fee	+ ***I*** Base minimum Inspection Fee	= ***Total Permit Fee***
Permit with Private Provider for Plans Review & Inspections – Commercial Project			
P Base Intake Processing Fee (Non-refundable Minimum Fee)	+ ***R (-25%)*** Base minimum Review Fee with 25 % discount	+ ***I (-25%)*** Base minimum Inspection Fee with 25% discount	= ***Total Permit Fee (-50%)***
Permit with Private Provider for Inspections Only – Commercial Project			
P Base Intake Processing Fee (Non-refundable Minimum Fee)	+ ***R*** Base minimum Review Fee	+ ***I (-25%)*** Base minimum Inspection Fee with 25% discount	= ***Total Permit Fee (-25%)***

[6] Residential projects will remain discounted at 15% Inspections Only or 30% Plans Review and Inspection.

Section 6: Adjustment to Other Surcharges

Some language in the Fee Schedule has been modified to allow for regular updates by outside agencies that the department collects surcharges on behalf of and which is passed directly through to the applicant.

Surcharges are calculated after base permit fees for intake, review and inspections.

Review **Exhibit A** for the fully revised fee schedule document.

Section 7: Development Services Technology Fund Fee Update

History The Technology Fund was established to support the robust needs of all permitting, planning and inspection activities that take place across multiple departments.

Table 7-1 Technology Usage Matrix

Department	% Usage of Technology Suite
Building Department	65%
Code Compliance	20%
Planning & Zoning	11%
Public Works	3%
All Others (IT, Finance, Economic Development, City Manager & Council)	Nominal <1%

Background The departments participating in collecting revenue for the technology fund have historically under collected revenue by charging a flat $15 fee per transaction in Planning, Zoning and Public Works and a 0.15% Value of Construction rate in Building. No fees have historically been collected for Licensing or Code Compliance, yet both divisions are embedded in the software. To remedy this perpetual deficit, the department is proposing:

Table 4-2 Updated Tech Fund Schedule with Estimated Revenue

Department	Historical Transaction Volume (Average)	Fee	Estimated Revenue (Fee * Xaction Volume)	Fund Support by Revenue (%)
Building Department	6,500 Permits 19,000 Insp *New* Records, Exemption Requests, etc.	$75.00 $3.00 $15.00	$487,500 $57,000 $75,000	$619,500 (67.0%)
Code Compliance	775 Ext Requests 1700 Lien Search 100 Default Reg 275 Special Mag 450 WWP Permits	$15.00 $15.00 $15.00 $50.00 $75.00	$11,625 $25,500 $1,500 $13,750 $33,750	$85,125 (10.0%)
Planning & Zoning	100 Permits 300 Plans 600 Inspections 7,500 BTRs	$75.00 $75.00 $3.00 $15.00	$7,500 $22,500 $1,800 $112,500	$144,300 (16.8%)
Public Works	600 Permits 2,400 Inspections	$75.00 $3.00	$45,000 $7,200	$52,200 (6.10%)
		FY27 Estimated Revenue	$901,125	
		FY27 Estimated Operational Costs	$854,519	
		Surplus/(Deficit)	**$46,606**	

The Technology Fee will incur annual increases per the Consumer Price Index (CPI). See section 8. Average number of WWP will be assessed a double technology fund fee to support Code Compliance technology use.

Section 8: Annual Increases & Consumer Price Index (CPI)

Pursuant to the City of Doral's Financial and Budgetary Policies and Florida Statute §553.80(7), all fees within this schedule must reasonably relate to the actual direct and indirect costs of the Building Department. To ensure cost-recovery is maintained against rising labor, operational, and municipal overhead costs, all base permit fees, hourly rates, and flat fees listed in this schedule shall be subject to an automatic annual adjustment.

Effective October 1 of each year, fees shall be adjusted by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Miami-Fort Lauderdale-West Palm Beach, FL metropolitan area, as published by the U.S. Bureau of Labor Statistics for the preceding 12-month period. All annual CPI adjustments shall be calculated by the Department in collaboration with Finance and are subject to final review and ratification by the City Council during the annual budget adoption process.

https://www.bls.gov/regions/southeast/news-release/consumerpriceindex_miami.htm

Section 9: The Cost-Per-Square-Foot Argument

The Statutory Conflict (Florida HB 399) While Florida HB 399 explicitly prohibits fees based on "a percentage of construction costs, site costs, or project valuation," it also strictly mandates that application fees must "reasonably relate to the direct and reasonable indirect costs associated with the review, processing, and final disposition of the application". Charging by square footage violates this core actual-cost mandate because the physical size of a project does not linearly dictate the City's labor hours required to process it.

The Operational Reality From an actual-cost perspective, a 50,000-square-foot empty warehouse shell requires a fraction of the MEP (Mechanical, Electrical, Plumbing) plans review time and field inspections compared to a 5,000-square-foot medical surgery center. The department would arbitrarily be **overcharging the warehouse developer to artificially subsidize the heavy labor costs of the medical center.**

By utilizing the Work Class Allocation Matrix, the department bypasses the square footage trap. The Matrix calculates the base fee strictly by using the universal equation:

[Administrative Intake] + [Plans Review Time] + [Field Inspections]

This guarantees that highly complex, multi-trade projects pay for the exact specialized expertise they consume, while simple permits remain safely at the lean, baseline rate, making the new fee schedule completely defensible to state auditors.

Section 10: Comparison Analysis of Existing Closed Permits

The following random selection of closed permits from 10/1/2022-06/30/2026 evaluates the effect of the proposed fee schedule update and the potential for revenue surplus, deficit or breakeven revenue. See **Exhibit G.**

Section 11: Source Documents Reviewed & Tools Utilized

- City of Doral FY27 Building Fund (109) Summary Sheet
- City of Doral FY27 Development Services Technology Fund (108) Summary Sheet
- City of Doral FY26 Building Fund and Technology Fund line-item reports
- FY24 and FY25 Building Fund actual financial schedules
- Doral ACFR Reports 2023-2025
- Employee salary report dated April 28, 2026
- FY27 organization chart
- All Applications Submitted dataset, 10/01/2022-03/31/2026
- Interaction and Review Rounds dataset, 10/01/2022-03/31/2026
- Permit and Plan Reviews Listing dataset, 10/01/2022-03/31/2026
- Inspection type counts and completed datasets, 10/01/2022-03/31/2026
- Permit issuance summaries for FY23, FY24, FY25, and FY26 partial year
- FY25 Permit Fee Utilization Report
- Commercial new-construction workflow template and sample back-end permit reviews
- Current City of Doral Building Department Fee Schedule
- GL Account Report for BDPERM & TECFEE 10/01/2022-06/30/2026
- Fees paid, 10/01/2022-06/30/2026
- Florida Senate official bill pages for 2026 HB399 and 2026 HB803
- Florida Statute section 553.80
- A I Tools including Gemini NotebookLM, Claude Sonnet 5, Opus 5, and ChatGPT 5.5 were used to conduct exhaustive analysis of data extracted from the permitting system and reports, budgets, etc. available from cityofdoral.com.

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