



# Agenda Report

2725 Judge Fran Jamieson  
Way  
Viera, FL 32940

## Unfinished Business

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I.1.

4/7/2020

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### **Subject:**

Board Consideration, Re: Small Business Relief Report - Potential Mitigating Measures for Brevard County.

### **Fiscal Impact:**

FY20/21: (\$83,152) Permit Fees & (\$13,700 - 17,200) Fire Fees  
Deferred/Impacted

### **Dept/Office:**

Planning and Development

### **Requested Action:**

It is requested that the Board direct staff to utilize self-certification (affidavits) when considering small businesses for relief from repair permit fees, code enforcement actions and fines, and special event permit fees through September 1, 2020.

### **Summary Explanation and Background:**

On March 24, 2020, the Board of County Commissioners (Board) requested that the Planning and Development Department (P&D) prepare a report regarding suspension of fees and penalties for Business Tax Receipts (B.T.R.s), fire inspections, and repair permits for small businesses. The Board also directed staff to quantify impacts for suspending utility payments and provide other suggested measures that could ameliorate the impact of the current COVID-19 crisis for small businesses through September 1, 2020.

Staff first sought to identify the definition of a small business and found that the United States Small Business Administration utilizes Title 13 Part 121 of the Electronic Code of Federal Regulations to define a small business. The recently passed federal stimulus bill identifies small businesses as having less than 500 employees. Staff recommends that businesses that qualify using either criterion are considered for recommended relief and can self-certify through an affidavit when applying for approved relief measures.

In addition to the Board-identified initiatives of B.T.R., fire inspection, repair permit fee, and utility bill deferral, staff also investigated five other potential relief options for viability. These are solid waste fee waivers, abatement of code enforcement fines and action, waiver of special event permit fees, extension of contractor licensing renewal period, and deferral/waiver of the stormwater utility fee. Feasibility and recommended initiatives are summarized in the attached staff report.

### **Clerk to the Board Instructions:**

None

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April 8, 2020

**MEMORANDUM**

**TO:** Tad Calkins, Planning and Development Director

**RE:** Item I.1., Small Business Relief Report – Potential Mitigating Measures for Brevard County

The Board of County Commissioners, in regular session on April 7, 2020, authorized staff to utilized Option 3, both Options 1 and 2, as follows:

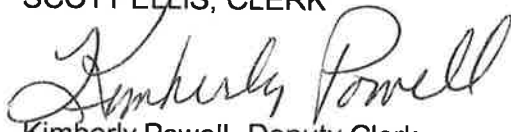
- Direct staff to accept affidavits from small business applicants seeking to receive approved Board assistance. The affidavit should indicate that the business meets Title 13 Part 121 of the Electronic Code of Federal Regulations defining a small business, or has less than 500 employees, and should therefore qualify for relief.
- Direct staff to accept and implement the options identified as viable in this report and reject those investigated and deemed to be non-viable as follows:
  - a. **ACCEPT** – The Business Tax Receipts (BTR) renewal period extends through September 30, 2020, pursuant to Florida Statutes. This exceeds the Board's intent of deferral of fees through September 1, 2020. Fiscal Impact: \$0.
  - b. **ACCEPT** – Accept Fire Inspection deferrals of 30 and 90 days as partially fulfilling the targeting relief time period, with potential reassessment in future. Current deferral. Fiscal Impact: \$13,700-\$17,200. Fiscal Impact of deferral until September 1, 2020: \$70,000-\$90,000.
  - c. **ACCEPT** – Waiver, rather than deferral of Building, Zoning, Natural Resources, and Fire Prevention review fees for small business repair permits through September 1, 2020. Fiscal Impact: Building - \$73,175; Zoning - \$2,100; Natural Resources - \$525; Fire Prevention - \$290 = TOTAL: \$76,110.
  - d. **REJECT WAIVER OF FEES** – Utilities and solid waste fee waivers or deferral as investigated are non-viable. Accept payment plans as partially fulfilling the Board's intent or small business relief. Fiscal Impact: \$0.
  - e. **ACCEPT:** Elimination of Code Enforcement fines for small businesses after compliance is achieved and enforcement costs paid. Accept abatement of Code Enforcement efforts for small businesses through September 1, 2020, for non-health/safety issues. Fiscal Impact: \$4,500.

- f. ACCEPT – Waiver of Special Event Permit fees through September 1, 2020, as a viable option to provide small business relief. Fiscal Impact: \$2,542.
- g. ACCEPT – Contractor license renewal period and grace period through September 30, 2020, already exceeds the Board's targeted relief date range. Fiscal Impact: \$0.
- h. REJECT – Abatement or waiver of stormwater utility fee as investigated and non-viable. Fiscal Impact: \$0.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK



Kimberly Powell, Deputy Clerk

/ds

cc: Assistant County Manager Denninghoff  
Budget  
Finance



# Staff Report

BOARD OF COUNTY COMMISSIONERS

**SUBJECT:** Small Business Relief –  
Potential Mitigating Measures for Brevard County

**DATE:** April 1, 2020

**AUTHOR:** Planning & Development Department (P&D)

**FISCAL IMPACT:** FY20/21: (\$83,152) Permit Fees &  
(\$13,700-\$17,200) Fire Fees Deferred/Impacted  
FY21/22: (\$70-90k) Fire Fees if extended to September 1, 2020

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## Introduction

On March 24, 2020, the Board of County Commissioners (Board) requested that the Planning & Development Department (P&D) prepare a report regarding suspension of fees and penalties for Business Tax Receipts (B.T.R.s), fire inspections, and repair permits for small businesses. The Board also directed staff to quantify potential impacts for suspending utility payments and provide other suggested measures that could ameliorate the impact of the current COVID-19 crisis for small businesses through September 1, 2020.

## Definition of Small Business

The United States Small Business Administration (SBA) offers an online tool to identify small businesses based upon industry and number of employees in accordance with Title 13 Part 121 of the Electronic Code of Federal Regulations. The tool is available at <https://www.sba.gov/size-standards/>. Typically, qualification as a small business, in accordance with Title 13 Part 121, is used in determining whether businesses qualify for SBA-guaranteed business loans or can apply for certain government contracts.

The recent federal stimulus bill directs \$350 billion for loans to small businesses and non-profits with less than 500 employees. Either the SBA tool or federal stimulus bill language could be used to determine relief from any County-offered deferrals or waivers. Businesses could self-certify that they meet one or both requirements via affidavit when applying for repair permit fee waiver or any other relief.



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### Preliminary Analysis

#### Business Tax Receipts

Business Tax Receipt (B.T.R.) Renewals are processed by the Tax Collector's Office in accordance with 205.053 Florida Statutes (F.S.). The renewal period pursuant to 205.053 F.S. is July 1 – September 30 and the fee is \$37. Some applicants are exempt from the fee such as veterans, religious organizations, low income persons, and applicants with disabilities. The Tax Collector's Office processes applications and renewals for the entirety of Brevard County, including municipalities. Currently, there are approximately 21,365 active B.T.R.s. Of those, 7,420 are in the unincorporated areas of Brevard, 13,945 are in incorporated areas. For FY18/19, approximately 625 new B.T.R.s were issued for the unincorporated areas of Brevard and approximately 1,279 new B.T.R.s for the incorporated areas. For the same time period, the Tax Collector's Office distributed \$255,521 (not including fees for Zoning, Building, and Fire Prevention) to the Board for B.T.R.s located in unincorporated Brevard. The Tax Collector's Office collected \$104,854 from the Board for the cost of billing, collecting and distributing the tax.

The Planning & Development Department only reviews new B.T.R. applications in unincorporated Brevard. P&D neither reviews nor charges for renewals. Therefore, P&D has no portion of renewal fee to waive or defer for existing small businesses. The Tax Collector has indicated that their application and payment systems have limitations in that there is no method to identify small businesses and waive or defer fees or portions of fees. Additionally, there is no mechanism to renew/issue B.T.R.s without billing/collecting fees and sending the applications to be reviewed by various County agencies. A change in software to identify small businesses or defer fees would be cost and time prohibitive. The Tax Collector's Office also offers that the process is labor intensive relative to revenue collected and the County could help businesses by ceasing the issuance of B.T.R.s altogether.

Given that the F.S. defined renewal period is July 1 – September 30, the intent of the Board to defer payment or billing for B.T.R. renewals to September 1, 2020 is already met and this relief mechanism can be accepted as already implemented.

#### Fire Inspections

Approximately 5,000 businesses are inspected annually. With the exception of high hazard occupancies, Fire Rescue has implemented a 30-day moratorium on fire inspections due to COVID-19 concerns. Additionally, the state has issued a 90-day extension of licensing inspections for assisted living facilities, nursing homes, health care facilities, day cares and like facilities unless there is a known



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## BOARD OF COUNTY COMMISSIONERS

issue or complaint/request. Although the 30-day Fire Rescue moratorium and 90-day state extension for state-licensed facilities does not span the Board's desired period of abatement through September 1, 2020 entirely, perhaps Fire Rescue and the state will delay inspections further if conditions warrant.

As the vast majority of fire inspections are already deferred, the Board may wish to consider accepting this relief option as already partially implemented for the targeted time period. Given the moratorium and the Board's stated desire to defer payment of inspection fees until September 1, 2020, the impact to Fire Rescue would be between \$70,000 and \$90,000. A deferral through September 1, 2020 could be expected to impact not only FY20/21 but FY21/22 as Fire Rescue already conducts a significant amount of follow-up on collections. A large delay would further impact that process and the collection software does not have the ability to defer due dates when inspections are billed.

### Small Business Repair Permits

Deferral of small business repair permit fees could be problematic as many of these permits are quickly reviewed, issued and closed. The only mechanism that P&D has to defer fees to September 1, 2020 would be delaying inspection sign-off and closing of permit until that date. Otherwise, it would be difficult to collect fees months after potential permit closure from contractors/applicants. As contractors are often paid when inspections are passed and permits are closed, this deferral would have the unintended consequences of 1) extending the permitting and inspection process for the applicant, and 2) potentially delaying payment to the contractor. Therefore, it may be preferable to waive fees rather than defer them.

Planning & Development analyzed business repair permits received in February 2020 to quantify the potential impact of fee deferral or waiver. The majority of the commercial repair permits are for re-roofs or air conditioning replacements. There were 61 such permits issued to businesses with an average permit fee of \$289 and average job value of \$20,412 in February 2020. The monthly permit fees collected were \$17,210; \$2,575 of which was easily identifiable as a large business permit (Wal-Mart re-roof). Therefore, the impact of waiving or deferring Building Code Compliance fees for small businesses would be approximately \$14,635 per month, February being a representative month.

Florida Statutes limit Building Department reserves to one year of expenses. However, The Planning & Development Department's Building Code Compliance program has budgeted Restricted Reserves for Fiscal Year 2019/20. The use of these reserves is restricted to building permit fee reductions, refunds or waivers during times of economic crisis. If small business repair fees were waived through



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September 1, 2020, the reserve fund could be utilized to absorb the anticipated loss of \$73,175 in revenue. Since the Restricted Reserves can absorb waiver of small business repairs, the Board may wish to direct staff to offer waiver, rather than deferral of permit fees, which would difficult or impossible to implement.

Lastly, aside from Building Code Compliance, other departmental/program reviewers are sometimes required to review repair permits depending on the nature and complexity of the repair. Fire Rescue, Zoning and Natural Resources are three such departments/programs that review repair permits and therefore collect fees associated with the reviews. In February, Fire conducted one repair review for \$58; Natural Resources conducted two reviews totaling \$105; and Zoning conducted two reviews for \$420. All have indicated that their fees could be waived through September 1, 2020 for these permits and program budgets could absorb the lost revenue. It should be noted, however, that these agencies are user fee funded. Therefore, additional waivers of user fees could significantly impact the programs' ability to deliver expected service level.

## Other Relief Mechanisms

Staff explored many other fees and fines across various County Departments to determine viability as relief options for small businesses. Findings are summarized as follows.

### Utilities Service & Solid Waste Fees

Utilities Services is not legally permitted to waive service or connection fees. Waiver of such fees would constitute violation of bond covenants and State Revolving Fund loan agreement. Utilities Services does, however, allow payment plans for service bills and connection fees. Some customers pay as little as \$17/month and the Department routinely works with customers on payment plans.

The Solid Waste Management Department has an outstanding bond and enabling legislation that created the Department; both disallow waiver of service fee.

As both Utilities and Solid Waste fees have inherent restrictions regarding fee waivers, and Utility Services already offers relief in the form of payments plans, the Board may wish to accept this relief option as partially implemented.

### Code Enforcement Fines & Abatement

Staff analyzed the impact of eliminating fines accruing for small businesses, as the result of code enforcement action, through September 1, 2020. It was determined that the Special Magistrate could



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eliminate such fines once compliance is achieved and enforcement costs paid, without great impact to the Code Enforcement budget.

Additionally, code violations for small businesses, including signage issues, determined to be neither health-safety nor repeat violations could be placed on administrative hold/abatement and scheduled for hearings after the declared emergency.

The Board may wish to accept the above Code Enforcement relief options and direct staff to implement the options through September 1, 2020. The anticipated fines lost would be approximately \$4,500 for this time period.

### Special Event Permits

Special Event Permits are processed through the Planning & Development Department. There are approximately 100/year; the fee is \$61/permit. The Board may wish to consider waiving application fees through September 1, 2020 to allow small businesses to hold events once social distancing measures are relaxed. The lost revenue of \$2,542 for the partial year could be absorbed in Planning & Development's budget. The Board may wish to direct staff to implement Special Event Permit waivers through September 1, 2020.

### Contractor Licensing Renewals

State and county code dictate a renewal period for contractor licenses from September 1 terminating the following year on August 31. There is, however, a 30-day grace period through September 30th. Failure to renew a certificate of competency within the 30-day period renders the certificate inoperative. Late fees are charged October 1. As contractors are not currently required to renew certificates until September 30<sup>th</sup> without penalty, the Board may wish to accept this relief option already fulfills the targeted relief period. No waiver of fees if necessary to accomplish the Board's intended deferral goal.

### Stormwater Utility Fees

Natural Resources collects an annual stormwater utility fee represented as a non-ad valorem item on yearly tax bills. It is likely not possible to split the fee based on business size. The total revenue collected through the stormwater utility fee is \$6,364,000 of which \$1,515,000, or approximately 24 percent, is collected from commercial and industrial properties which are not vacant. It is not known how much of this commercial/industrial revenue is generated by small businesses.





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Any proposed fee change requires mailed public notifications at a cost of approximately \$100,000. If the fees for all commercial and industrial properties were deferred, ongoing operations and maintenance would be impacted as well as project planning, design, and construction for flood relief and nutrient load reduction. The lost revenue could also have an effect on current and future grant opportunities by limiting the matching funds available to meet match requirements. These issues would potentially increase the number of people impacted by flooding in future years and slow improvements to the Indian River Lagoon and St. Johns River systems. The number of projects eliminated or delayed would be dependent upon the amount of deferral or waivers in each district.

Given the cost of noticing a fee modification, lack of ability to implement fee waiver/abatement for small businesses exclusively, and impact to the environment, the Board may wish to reject this relief option as non-viable.

## Options for Board Consideration

1. Direct staff to accept affidavits from small business applicants seeking to receive approved Board assistance. The affidavit should indicate that the business meets Title 13 Part 121 of the Electronic Code of Federal Regulations defining a small business, or has less than 500 employees, and should therefore qualify for relief.
2. Direct staff to accept and implement the options identified as viable in this report and reject those investigated and deemed to be non-viable as follows:
  - a. ACCEPT - The B.T.R. renewal period extends through September 30, 2020 pursuant to Florida Statutes. This exceeds the Board's intent of deferral of fees through September 1, 2020. Fiscal Impact: \$0.
  - b. ACCEPT - Accept Fire Inspection deferrals of 30 and 90 days as partially fulfilling the targeting relief time period, with potential reassessment in future. Current deferral Fiscal Impact: \$13,700-\$17,200. Fiscal Impact of deferral until September 1, 2020: \$70,000-90,000.
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  - d. REJECT WAIVER OF FEES - Utilities and solid waste fee waivers or deferral as investigated are non-viable. Accept payment plans as partially fulfilling the Board's intent of small business relief. Fiscal Impact: \$0



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- e. ACCEPT - Elimination of code enforcement fines for small businesses after compliance is achieved and enforcement costs paid. Accept abatement of code enforcement efforts for small businesses through September 1, 2020 for non-health/safety issues. Fiscal Impact: \$4,500
  - f. ACCEPT - Waiver of Special Event Permit fees through September 1, 2020 as a viable option to provide small business relief. Fiscal Impact: \$2,542.
  - g. ACCEPT - Contractor license renewal period and grace period through September 30, 2020 already exceeds Board's targeted relief date range. Fiscal Impact: \$0
  - h. REJECT - Abatement or waiver of stormwater utility fee as investigated and non-viable. Fiscal Impact: \$0
- 3. Both Options 1 and 2.
  - 4. Provide other direction.

## BUSINESS TAX DISTRIBUTIONS 10/01/18 - 09/30/19

## BOCC AND MUNICIPALITIES

Distribution Category	Agency Code	Funding Agency	Allocated	Commission	Distributed Amt	% of Total Commission
<b>DISTRIBUTION TO BOCC ( UNINC &amp; INC. RECEIPT FEE)</b>						
Business Tax Receipts	BOCC	BOARD OF COUNTY COMMISSIONERS	360,376.26	104,854.47	255,521.79	37.35%
<b>DISTRIBUTION TO CITIES (INC. RECEIPT FEE)</b>						
Business Tax Receipts	CAPE CAN	CITY OF CAPE CANAVERAL	9,032.11	4,927.55	4,104.56	1.75%
Business Tax Receipts	COCOA	CITY OF COCOA	16,907.63	9,278.78	7,628.85	3.30%
Business Tax Receipts	COCOA BCH	CITY OF COCOA BEACH	9,995.38	5,457.13	4,538.25	1.94%
Business Tax Receipts	IN HB BCH	CITY OF INDIAN HARBOUR BEACH	7,509.07	4,105.68	3,403.39	1.46%
Business Tax Receipts	MELB	CITY OF MELBOURNE	72,028.86	39,481.89	32,546.97	14.06%
Business Tax Receipts	PALM BAY	CITY OF PALM BAY	98,666.99	54,200.54	44,466.45	19.30%
Business Tax Receipts	ROCK	CITY OF ROCKLEDGE	23,601.41	12,935.26	10,666.15	4.61%
Business Tax Receipts	SAT BCH	CITY OF SATELLITE BEACH	9,214.96	4,992.76	4,222.20	1.78%
Business Tax Receipts	TVILLE	CITY OF TTUSVILLE	41,470.51	22,814.05	18,656.46	8.13%
Business Tax Receipts	W MELB	CITY OF WEST MELBOURNE	19,150.07	10,564.18	8,585.89	3.76%
Business Tax Receipts	GR VALK	TOWN OF GRANT-VALKARIA	3,711.74	2,047.03	1,664.71	0.73%
Business Tax Receipts	INDIALAN	TOWN OF INDIALANTIC	2,501.90	1,368.44	1,133.46	0.49%
Business Tax Receipts	MALABAR	TOWN OF MALABAR	2,547.38	1,395.42	1,151.96	0.50%
Business Tax Receipts	MELB BCH	TOWN OF MELBOURNE BEACH	2,731.91	1,490.98	1,240.93	0.53%
Business Tax Receipts	MELB VLGE	TOWN OF MELBOURNE VILLAGE	592.38	323.94	268.44	0.12%
Business Tax Receipts	PALM SH	TOWN OF PALM SHORES	982.12	534.26	447.86	0.19%
<b>Business Tax Receipts</b>	<b>Grand Total</b>		<b>681,020.68</b>	<b>280,772.36</b>	<b>400,248.32</b>	<b>100.00%</b>