Business Impact Estimate

NOTE: This form should be completed and posted on the City Website no later than the date of newspaper publication of ordinance adoption (i.e., second reading) and included in the agenda packet for the item under which the proposed ordinance is to be considered and must be posted on the [City's/Town's/Village's] website by the time notice of the proposed ordinance is published.

Proposed ordinance's title/reference: <u>2023-15179</u>

An Ordinance of the City Council of the City of Naples, Florida, Amending Chapter 16 "Construction, Rehabilitation and Property Maintenance Regulations" to Create a New Article X "Mandatory Inspection of Aging Condominium and Cooperative Buildings Ordinance" Containing New Sections 16-340 to 16-343, Inspection, Reporting, Repairs, Enforcement and Penalties; Providing for Conflict, Severability, and Codification; and Providing an Effective Date.

This Business Impact Estimate is provided in accordance with section 166.041(4), Florida Statutes. If one or more boxes are checked below, this means the [City/Town/Village] is of the view that a business impact estimate is not required by state law[1] for the proposed ordinance, but the [City/Town/Village] is, nevertheless, providing this Business Impact Estimate as a courtesy and to avoid any procedural issues that could impact the enactment of the proposed ordinance. This Business Impact Estimate may be revised following its initial posting.

☐   The proposed ordinance is required for compliance with Federal or State law or regulation;

☐   The proposed ordinance relates to the issuance or refinancing of debt;

☐   The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;

☐   The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;

☐   The proposed ordinance is an emergency ordinance;

☐   The ordinance relates to procurement; or

☒   The proposed ordinance is enacted to implement the following:

     a.   Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;

     b.   Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;

     c.   Section 553.73, Florida Statutes, relating to the Florida Building Code; or

     d.   Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

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[1] See Section 166.041(4)(c), Florida Statutes.

In accordance with the provisions of controlling law, even notwithstanding the fact that an exemption noted above may apply, the [City/Town/Village] hereby publishes the following information:

1. Summary of the proposed ordinance (must include a statement of the public purpose, such as serving the public health, safety, morals and welfare):

The proposed ordinance is required to address public safety. In the 2023 Legislative Session, the Florida Legislature amended existing law to require milestone inspections to ensure on-going compliance with Florida Building Code to provide for mandatory inspection and maintenance of previously permitted existing buildings to avoid catastrophic building collapses, such as the collapse of the building in the Town of Surfside in 2021 killing 98 people.

2. An estimate of the direct economic impact of the proposed ordinance on private, for-profit businesses in the City, if any:
(a) An estimate of direct compliance costs that businesses may reasonably incur:

There are direct compliance costs are proposed in this Ordinance that is required by state law, the legislative analysis for the state law contained the following estimated impacts and direct compliance costs:

> B.   Private Sector Impact:
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> Under the bill, condominium and cooperative associations and unit owners in those communities may incur additional expenses related to the required conduct of a milestone inspection and reserve study. However, the associations and unit owners may benefit from the long-term financial planning benefits of a reserve study and from the maintenance or repair of association property.
>
> The agency analysis from the Florida Building Commission for SB 1702 (Reg. Sess. 2022), which provided a similar milestone inspection requirement, noted that the comparable recertification and building safety inspections currently being conducted in Miami-Dade and Broward counties can cost as much as $20,000 to $40,000 for the inspection of a 15 to 20 story condominium, and between $2,000 and $4,000 for the inspection of a small commercial building. Any remedial work to remedy issues identified during the inspection would be in addition to these costs.[118] The agency analysis for this bill did not mention this information.[119]

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[118] *See* Department of Business and Professional Regulation, *2022 Agency Legislative Bill Analysis for SB 1702* at p. 7 (Jan. 7, 2022) (on file with the Senate Regulated Industries Committee).
[119] *See* Department of Business and Professional Regulation, *2023 Agency Legislative Bill Analysis for SB 154* (Feb. 14, 2023) (on file with the Senate Regulated Industries Committee).

(b) Any new charge or fee imposed by the proposed ordinance or for which businesses will be financially responsible:

No new Charges or Fees are proposed in this Ordinance.

(c) An estimate of the City's regulatory costs, including estimated revenues from any new charges or fees to cover such costs:

The Building Department does not anticipate additional staff.

3. Good faith estimate of the number of businesses likely to be impacted by the proposed ordinance:

>1000: All businesses, condominium associations and cooperatives that own buildings will eventually be required to obtain mandatory milestone inspections as their buildings age.

4. Additional information the governing body deems useful (if any): **N/A**