



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2019-242, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Amending And Establishing The Franchise Fee Payable By Private Haulers Providing Commercial Sanitation Services Within The City To 30% Of Gross Receipts, Effective October 1, 2019.

Staff Recommends: Approval of the Attached Resolution.

Explanation:

Pursuant to Ordinance O-99-29 dated September 15, 1999, Chapter 50 of the Code of Municipal Ordinances, "Solid Waste and Recycling Management" the said Code Section was amended to provide for a franchise fee to be charged for commercial sanitation services with the rate of said franchise fee to be established by resolution of the City Commission.

The commercial sanitation services franchise fee rate is currently established at 25% of gross receipts, for licensed and permitted commercial sanitation haulers who operate in the City of Hollywood who provide sanitation services to their customers. The last time a review of the commercial franchise fee rate for sanitation services was performed, and a rate change implemented, was in October of 2016. There are presently 16 licensed and permitted commercial haulers operating in the City of Hollywood who pay the commercial franchise fees to the City.

Staff has reviewed the commercial franchise fee rate and determined that additional collected revenues are needed to offset the administration and operational costs being incurred by the City related to commercial sanitation services provided. Additionally, with the number of commercial sanitation haulers/trucks driving on City streets and alleys, ongoing damage over time can occur and the City requires ongoing funding to make repairs to such roads and alleys.

As indicated above, the commercial sanitation franchise services fee has not changed over the last three years, and over this period of time, the change in the Consumer Price Index in the Miami/Ft. Lauderdale, South Region has increased 9%.

Staff also surveyed surrounding municipal jurisdictions to obtain the prevailing commercial sanitation services franchise fees in the respective jurisdictions and has found that several neighboring cities assess a franchise fee ranging from 20% to 35%. Additionally, these neighboring cities have a higher commercial sanitation rate as their contracted hauler have

exclusive hauling agreements so there is no competition for solid waste hauling. In our City, we have an “open-market” system. As a result, our permitted private haulers compete for hauling contracts, which in turn, keeps our commercial sanitation rate lower in comparison with municipalities with exclusive franchise agreements.

Staff is recommending that the commercial franchise fee payable by each of the permitted private contractors for commercial sanitation services pursuant to Section 50.05 of the City Municipal Code of Ordinance be amended and established as 30% of gross receipts. The City’s General Fund receives approximately \$3.1M annually from the commercial sanitation haulers franchise fee. This increase from 25% to 30% provides for an approximate increase of \$160,000.00 in revenues to offset the impacts and costs related to the commercial sanitation services being provided to the City’s multi-family and commercial properties. This increase in the commercial sanitation services gross receipts fee increase from the current 25% to 30% will become effective October 1, 2019.

Recommended for inclusion on the agenda by:

Charles Lassiter, Assistant Director of Department of Public Works

Peter Bieniek, Director of Department of Public Works

George R. Keller, Jr., CPPT, Assistant City Manager, Public Safety