



September 25, 2025

Representative Mike Giallombardo
214 House Office Building
402 South Monroe Street
Tallahassee, FL 32399-1300

Senator Jonathan Martin
315 Senate Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Re: Urgent Request for Joint Legislative Auditing Committee Investigation of Cape Coral Building Department Fund Mismanagement

Dear Representative Giallombardo and Senator Martin:

On behalf of the Cape Coral Construction Industry Association (CCCIA) and the hundreds of licensed contractors, builders, and developers we represent, I am writing to formally request your assistance in securing a comprehensive audit of the City of Cape Coral's Building Department by the Joint Legislative Auditing Committee (JLAC).

Our extensive financial analysis and documentation reveal concerning patterns of potential statutory violations, financial mismanagement, and discriminatory practices that warrant immediate legislative oversight. The issues outlined below not only impact on our industry members but also directly affect Cape Coral residents through increased housing costs and delayed development.

Critical Areas of Concern

1. Apparent Violation of Florida Statute 553.80

Our financial analysis conducted by Chris Moran, CPA, indicates the City has potentially violated Florida Statute 553.80, which mandates that building permit fees must be reasonable and may only fund the cost of operating the building department. Key findings include:

- In 2014, the Building Department generated \$4,020,000 in revenue with direct costs of \$2,688,000 (67% of revenue)
- The Building Fund has operated with significant surpluses that appear to be improperly transferred to other city departments
- The "Interfund Service Fee" has grown dramatically from \$572,000 in FY 2014 to a peak of \$1,879,000 in FY 2020
- The Building Fund is now operating in deficit for FY 2025 despite years of surplus collection

2. Questionable Interdepartmental Transfers

We have documented numerous instances of building permit fees being diverted to seemingly unrelated expenses:

- \$264,910 budgeted in FY 2023 for "Building Fire Expense" despite no fire review requirements for single-family homes
- Fire Department representatives have stated they do not receive the fire plan review and inspection fees collected through permitting

- The FY 2023 fire budget was amended to \$419,930 to cover hurricane-related emergency pay, an inappropriate use of building permit funds

3. Systemic Operational Issues Affecting Industry and Consumers

Our members report consistent patterns of problematic practices:

- Arbitrary and inconsistent project valuations resulting in inflated permit fees
- Discriminatory treatment of contractors utilizing state-authorized private providers
- Preferential treatment creating an uneven playing field among builders
- Confusing, inconsistent, and burdensome permitting processes causing costly delays
- Aggressive enforcement tactics that undermine trust between the industry and City officials

Impact on Cape Coral Community

These practices directly harm Cape Coral residents by:

- Increasing housing costs during an affordability crisis
- Delaying construction timelines and housing availability
- Creating unnecessary regulatory burdens that stifle economic growth
- Undermining the transparent and fair application of building codes

Request for Action

We respectfully request that you initiate a formal JLAC investigation focusing on:

1. A forensic accounting audit of the Building Department Fund from 2014 to present
2. Review of all interdepartmental transfers and "service fees" charged to the Building Fund
3. Examination of Compliance with Florida Statute 553.80
4. Assessment of operational practices for consistency and statutory compliance

Our Building Industry Oversight Committee has compiled extensive documentation to support this request, which we are prepared to provide for the JLAC. Given the current deficit status of the Building Fund and ongoing impact on our community, we emphasize that time is of the essence.

The construction industry is vital to Cape Coral's economic growth and prosperity. A transparent, accountable, and statutorily compliant building department is essential for continued development and public trust.

Thank you for your leadership and commitment to good governance. We look forward to your response and stand ready to provide any additional information needed to facilitate this important investigation.

Respectfully,



Keith Quackenbush, 2025 President
Cape Coral Construction Industry Association

Encl. CCCIA Summary Notes Supporting Audit Request