

MEMORANDUM

To: Administrative Services Committee

From: Ken Gibb, Community Development Director 

Date: October 8, 2010

Subject: Development Services, Service Enhancement Package

I ISSUE

Council approval for a service enhancement package to improve building inspection and plan review services.

II BACKGROUND

Building plan review and inspections have been conducted using a similar process as was used 20+ years ago. The construction and design community have adapted in changing with the times while building departments, including Corvallis, have processed these projects in much the same manner.

There are three main influential drivers for this package:

1. The 2009 Development Services Survey had 105 respondents. Despite a very positive outcome, there was concern expressed in two key areas including:
 - Length of time required to complete the plan review process
 - Coordination of reviews by multiple departments and multiple agencies.
2. The Development Services Stakeholder Advisory Group (Att 3d) meets approximately quarterly, and has identified and shared the above concerns.
3. The Prosperity that Fits Plan from the DR2 / Blue Ribbon Panel, contains strategies that speak to streamlining the review process, developing a "permit partner" program, developing a model permit program, and adding clarity and certainty to the review process.

III DISCUSSION

The overarching goal for this service enhancement package is to get the customer to success through a timely and predictable development review process.

There are four main elements to this package:

1. A Development Services reorganization
2. An overhaul of the review and approval process
3. The implementation of ePlans
4. Establishing a Service Enhancement Review Fee

Reorganization

In considering how construction projects are approved, rather than funneling project approval to multiple staff with specific disciplines, this concept treats projects holistically. From start to finish, each project gets the oversight of a multi-certified inspector/plans examiner. This individual serves as a project coordinator. A project manager supervises a team of project coordinators and is also tasked with taking a proactive approach to shepherding major projects through review and approval. This proposal also adds needed capacity to reduce staffing bottlenecks and timing with engineering and land use review.

The reorganization of Development Services involves key positions including:

- **Project Manager** – Acts as a process facilitator and project shepherd. Supervises project coordinators.
- **Project Coordinators** – Combines the plans examiner and inspector. Handles a project from concept to completion.
- **Specialty Inspection Supervisor** – Oversees specialty programs (Plumbing, Electrical, Erosion Control, Code Enforcement)
- **Public Works Plan Review support** – Provides depth for public works engineering review
- **Land Use Supervisor** – Manages the over-the-counter review process and supervises the land use review and front counter staff
- **Planning Plan Review support** - Provides depth for planning review

Overhaul Process

The current target review time for initial review of commercial projects is 21 days, and 14 days for residential projects. Consistent with historical performance, in 2009 targets for plan review achieved a 90% success rate - 30% of these were conducted within 1-day. Despite this track record, customers are increasingly sensitive to project delays as time is money. The process for review and approval must be consistent, predictable and transparent. The following are some of the process overhaul initiatives as part of this package:

- Rapid Review: Target 1-day plan review turn around from 30% to 60%
- Re-reviews: Reduce the frequency of 10-day re-reviews for commercial plans from unlimited numbers, to a goal of one re-review. Use proactive methods that consistently engage the customer, while targeting a 30-day time savings for typical projects.
- ePermits: Expand online permit services to include the most common plumbing permits
- Provide field review of certain addendums, revisions, and deferred submittals
- Initiate overhaul of cross-departmental processes through Project Manager
- Designate a weekly pre-development meeting time
- Transition to paperless plan review software (ePlans)
- Provide for local processing of DEQ 1200-C permits in concert with city grading permits

ePlans

Most plans today are drawn via computer and those that are not, can easily be scanned. ePlans is a software package that enables plan review staff to conduct plan reviews electronically through an electronic markup layer. This software is currently in use in a number of jurisdictions, including Bend and Beaverton, and is very powerful in its ability to save time, enhance communications, and to provide transparency in the process. Among the many benefits, it allows:

- A city markup layer which is returned to the designer with electronic “post-it” notes and hyperlinks to codes and picture references.
- A clear time-stamp audit trail for both the city and customers so that timing issues can easily be identified and troubleshot.
- Plan submittal over the internet, and electronic routing – even to external consultants.
- Identification tools for changes to plans so they are easily recognized through multiple layers to ensure the impacts from changes are filtered through all areas of a project.

Service Enhancement Fee

Stakeholders are generally willing to pay for a package of services that provides identified benefits in efficiency and time savings (Att 4b).

The following describes expenses and revenues associated with the package:

Expenses

- Expenses will be offset by discontinuing the Accela annual maintenance fee (permit tracking system) of ~\$40,000 per year to capture savings.
- A one-time purchase expense for e-Plans will be absorbed by the DS technology fund.
- The total net annual expenses which include personal services, overhead, and technology purchases are approximately \$224,800 per year.

Revenues

- In order to derive the amount needed from fees to cover costs, a 10 year average of development activity was used. The proposed service enhancement review fee when fully implemented is expected to generate approximately \$210,400.
- This will provide a revenue source that will be reasonably close to the annual revenue needed to pay for the enhancement package.
- The fee adjustment is proposed to be phased over a 3-year period as services rollout (i.e.: 20% adjustment January 1, 2011; 20% January 1, 2012; and 27% January 1, 2013).
- Avoids the state building permit fee surcharge as the 12% surcharge is not required on plan review – keeps the revenue local.
- This represents an approximated 0.25% increase in the cost of a typical project (see attachments 3p through 3r).

Outcomes

The following anticipated outcomes of this package have been identified by staff and stakeholders:

Benefits

- Project Manager facilitates early troubleshooting of problems. Facilitates inter-department and inter-agency communications. Oversees project coordinators
- Reduce 10-day re-reviews for commercial plans from unlimited quantities, to one re-review
- Transition to paperless plan review software (highly sustainable practice)
- Better internal and external facilitation and coordination of complex projects
- Limited addendum, revision and deferred submittal review in the field to keep projects moving
- Eliminate disruptive delay with plans examiner to inspector transition at time of permit issuance - Project Coordinator handles start to finish (concept to completion)
- Automated email notices of review completion

- Improved over-the-counter review success target from 30% to 60%
- Expanded over-the-counter review scope for residential projects
- Two-deep staffing for key positions
- Better staff availability to pre-development meetings
- Designated weekly pre-development meeting date
- Provides fee based support for General Fund positions that do fee-based related work, thereby positively impacting the General Fund

IV OUTREACH

In preparing this package, outreach has been conducted including:

- The Development Services Stakeholder Advisory Group - Members provided feedback and helped shape the package
- DR2 / Blue Ribbon Panel - Voted unanimously to support the package
- GT – Published notice of opportunity for public comment at ASC
- BCD – Statewide notice to stakeholders and interested parties (Att 1)
- Meeting notice of opportunity for public comment sent to local businesses: Corvallis/Benton Chamber, Willamette Association of Realtors, WV Homebuilders, DCA, CIBA
- Posted information online at www.CorvallisPermits.com

V CONCLUSION

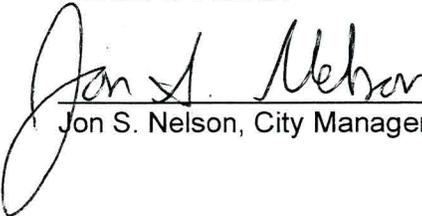
This concept is a significant departure from the current organizational structure and will be challenging to implement. However, with decision maker, stakeholder and staff support, the concept moves the City in a positive direction that promotes project success and engages the customer in an approval process that is timely and predictable.

VI REQUESTED ACTION

The following motion is recommended:

Staff recommends that the ASC recommend that the City Council approve an ordinance amending the Corvallis Municipal Code as highlighted in Attachment 2, to reflect the proposed service enhancement review fees, with an effective date of January 1, 2011.

Review & Concur:



Jon S. Nelson, City Manager



Nancy Brewer, Finance Director

List of Attachments

Attachment	Description
1	Building Codes Division, Statewide stakeholder notice of fee change
2	Highlighted Municipal Code Changes
3	Service Enhancement Package – Presentation (labeled 3a through 3t)
4	Service Enhancement Fact Sheet



Oregon

Theodore R. Kulongoski, Governor

Department of Consumer and Business Services

Building Codes Division

1535 Edgewater Street NW

PO Box 14470

Salem, OR 97309-0404

(503) 378-4133

FAX (503) 378-2322

<http://bcd.oregon.gov>

October 4, 2010

To: INTERESTED PARTIES

**From: CHRIS HUNTINGTON, MANAGER
POLICY AND TECHNICAL SERVICES**

Subject: CITY OF CORVALLIS PROPOSED FEE ADOPTION

The State Building Codes Division (division) has received the enclosed notice of intent to adopt building inspection program fees from the above listed municipality. Pursuant to Oregon Administrative Rule 918-020-0220, municipalities seeking to adopt fees are required to provide the following summary information 45 days prior to the proposed adoptive date.

- (A) The affected specialty code or program areas;
- (B) A description of the proposed building inspection program fees including the approximate percentage change when applicable;
- (C) The proposed effective date;
- (D) The date of the last fee increase in the specialty code or program area if applicable;
- (E) The anticipated date, time and location of the local municipal hearing scheduled pursuant to Oregon Revised Statute (ORS) 294.160;
- (F) The name, phone number, and title of a contact person; and
- (G) A narrative explaining the purpose of the proposed fee adoption.

The division is required to notify interested parties after receiving a notice of intent to adopt building inspection program fees from a municipality. Enclosed is the information the municipality provided to the division pursuant to the above administrative rule requirements.

If you have concerns about this proposed fee change, you may contact the municipality directly by contacting Development Services Manager, Dan Carlson at (541) 766-6929, or attend the local municipal hearings: October 20, 2010 in the City of Corvallis Madison Meeting Room, 501 SW Madison Ave., at 3:30 p.m. and November 15, 2010 in the City of Corvallis Main Fire Station, 400 NW Harrison Blvd., at 12:00 p.m. If you still have unresolved concerns, you may, pursuant to ORS 455.210(3) and 479.845, appeal this fee adoption by sending a written request to the division within 60 days of the municipality's letter of notice to the division.

cc: CITY OF CORVALLIS

Att 1a



Community Development
Development Services Division
501 SW Madison Avenue
P.O. Box 1083
Corvallis, OR 97339-1083
(541) 766-6929
TTY (541) 766-6477

September 29, 2010

Oregon State Building Codes Division
PO Box 14470
1535 Edgewater Street NW
Salem, OR 97309-0404

RE: Notification of Building Permit Fee Change for City of Corvallis

In accordance with OAR 918-020-0220, the City of Corvallis, Development Services Division, is providing notification to the Oregon State Building Codes Division of intent to adjust permit fees. This section provides several criteria that must be included in this notification. Please see the list below for the criteria and explanation:

918-020-0220 Fee Adoption Standards

(1)(a) The municipality shall notify the division of such adoptions 45 days prior to the adoptive date. The notification shall include a summary of the following:

(A) The affected specialty code or program areas;

The structural specialty code area is being adjusted to add a Service Enhancement Review Fee.

In addition, while not required to provide notice because of a waiver by BCD or due to fee neutrality, or fee reduction, several fees will be reduced, eliminated, or modified to reduce confusion with lingering impacts of implementing the consistent form and fee methodology rules found in OAR 918-050. This change will apply to residential and commercial building, mechanical, plumbing, and electrical programs.

(B) A description of the proposed building inspection program fees including the approximate percentage increase when applicable;

The proposal establishes a new Service Enhancement Review Fee (SERF) that will be applied whenever a building plan review is conducted. This is to pay for enhanced services requested by stakeholders. The fee adjustment varies and will be phased in over a three year period. The following dates correspond to effective dates and rate of adjustment:

January 1, 2011, SERF will equal 20% of the building plan review
January 1, 2012, SERF will equal 40% of the building plan review
January 1, 2013, SERF will max at 67% of the building plan review

Att 1b

(C) The proposed effective date;

The proposed effective dates are noted above.

(D) The date of the last fee increase in the specialty code or program area if applicable;

The date of the last fee adjustment in each specialty was January 1, 2009 due to the consistent fee methodology rules. Some fees were increased, while others decreased.

(E) The anticipated date, time and location of the local municipal hearing scheduled pursuant to ORS 294.160;

There are two opportunities for public comment:

- 1) Administrative Services Committee Meeting on October 20, 2010, at the City of Corvallis Madison Meeting Room, 501 SW Madison Ave, 3:30 PM
- 2) Corvallis City Council Meeting on November 15, 2010, at the City of Corvallis Main Fire Station, 400 NW Harrison Blvd, 12:00 PM.

Public notice will be provided in accordance with ORS 294.160.

Side Note: Outreach is underway to local stakeholder groups including the Corvallis City Council, OSU Facilities Group, Development Services Stakeholder Advisory Group, Willamette Valley Home Builders Association and the Corvallis/Benton Chamber.

(F) The name, phone number and title of a contact person; and

Contact Info:
City of Corvallis, Development Services Division
Dan Carlson, Development Services Manager
PO BOX 1083
Corvallis, OR 97339-1083
541-766-6929 phone
541-766-6936 fax
dan.carlson@ci.corvallis.or.us

(G) A narrative explaining the purpose of the proposed fee adoption.

The purpose of the proposed new Service Enhancement Review Fee is to provide a funding basis for the service enhancement package that has been recommended for adoption by the Development Services Stakeholder Advisory Group.

In addition, although notice has been waived, a solar installation fee is being added for recovering cost of providing services relating to administering the Oregon Solar Installation Specialty Code.

The purpose of the other proposed adjustments for fees, which are revenue neutral or revenue reduced, are to simplify the current fee structure in aligning with the State mandated fee methodologies required by OAR 918-050.

Questions or comments relating to this notification of proposed fee adjustment should be directed as noted above. Thank you.

Sincerely,



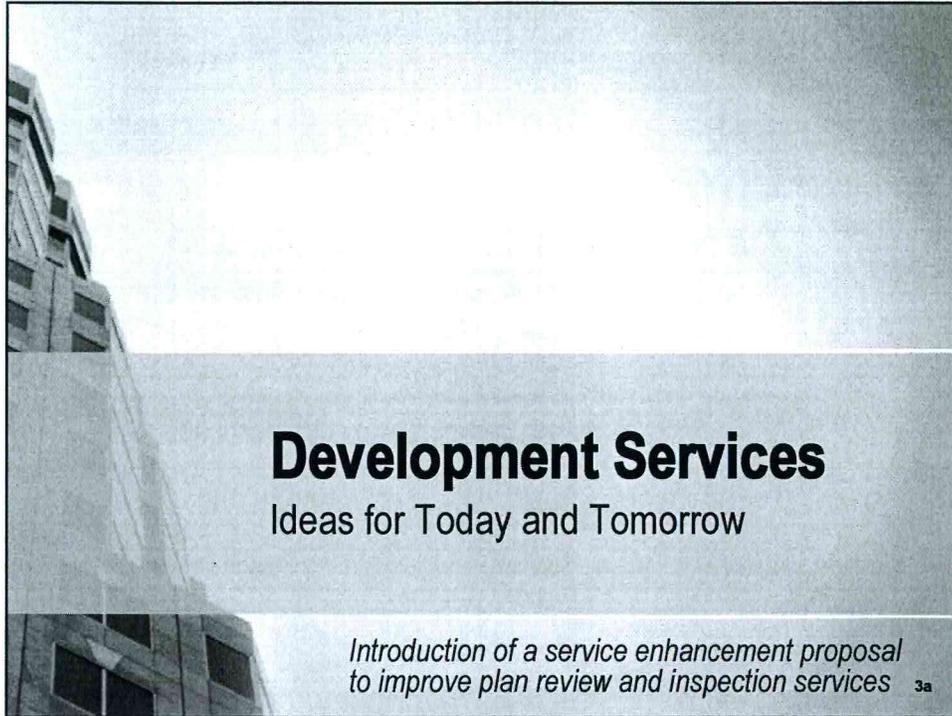
Dan Carlson
Development Services Manger

Section 8.03.300 Building and Construction Permit Fees (Ord. 98-27 §§ 1 and 2, 07/06/1998)

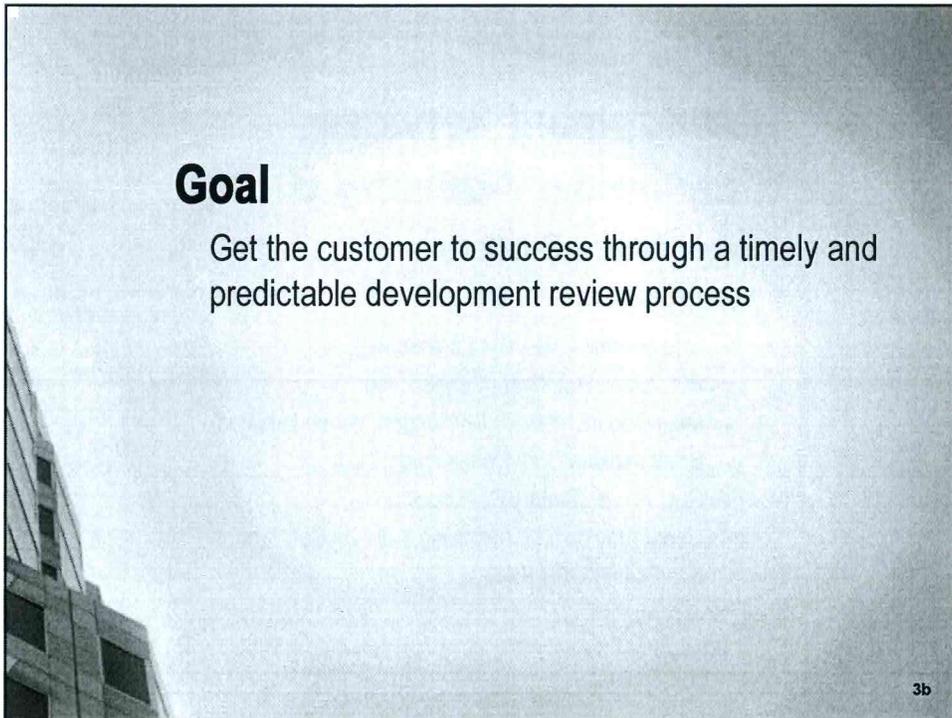
Section 8.03.300.010 Building permit fees.

- 1) The building permit fees applicable under Section 9.01.110 shall be:
 - a) Building permits for the following total valuations:
 - 1] \$1.00 to \$500.00 - \$20.00,
 - 2] \$501.00 to \$2,000.00 - (\$20.00 for the first \$500.00) + (\$1.83 for each additional \$100.00 or fraction thereof),
 - 3] \$2,001.00 to \$25,000.00 - (\$47.51 for the first \$2,000.00) + (\$7.94 for each additional \$1,000.00 or fraction thereof),
 - 4] \$25,001.00 to \$50,000.00 - (\$230.31 for the first \$25,000.00) + (\$5.97 for each additional \$1,000.00 or fraction thereof),
 - 5] \$50,001.00 to \$100,000.00 - (\$379.69 for the first \$50,000.00) + (\$3.96 for each additional \$1,000.00 or fraction thereof),
 - 6] \$100,001.00 and up - (\$578.09 for the first \$100,000.00) + (\$3.31 for each additional \$1,000.00 or fraction thereof);
 - 2) Building permit plan review fees: Plan review fees shall be equal to the building permit fee as set forth in Section 8.03.300.010 subsection 1)a).
 - a) A service enhancement review fee is applicable when a building plan review is required. On the following dates, the service enhancement review fee shall be equal to:
 - 1] January 1, 2011; 20% of the building permit plan review fee
 - 2] January 1, 2012; 40% of the building permit plan review fee
 - 3] January 1, 2013; 67% of the building permit plan review fee
 - 3) Land Development Code review fee: Land Development Code review fees shall be 33 percent of the building permit plan review fee as set forth in Section 8.03.300.010 subsection 2).
 - 4) Fire Code Review Fee: Fire Code review fee shall be 10 percent of the building permit plan review fee as set forth in Section 8.03.300.010 subsection 2).
 - 5) Fire and life safety plan review fees: Fire and life safety plan review fees shall be equal to the building permit fee as set forth in Section 8.03.300.010 subsection 1).
 - 6) Certificate of occupancy: Certificate of Occupancy fee applicable under Chapter 9.01 - \$25.00.
 - 7) Temporary Certificate of Occupancy: Temporary Certificate of Occupancy fee applicable under Chapter 9.01 - \$250.00 each, per 60-day period.
 - 8) Phased Permitting:
 - a) Each phased permit of a phased development project shall be assessed a permit and plan review fee as set forth in Section 8.03.300.010, subsections 1), 2), 3), 4), and 5), and
 - b) The phased development plan review fee for each phased permit shall be an additional 10% plan review fee, to the plan review fees set forth in section 8.03.300.010, subsections 2), 3), 4), and 5).
 - 9) Deferred Submittal fee: The Deferred Submittal plan review fee shall be \$150.00 per deferred submittal.

(Ord. 2008-18 §1, 12/01/2008; Ord. 2007-01§1, 02/05/2007; 2005-10 §1, 06/20/2005; Ord. 2002-24 §3, 07/15/2002)



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Drivers

This proposal was shaped based on feedback from:

- Development Services Stakeholder Advisory Group
- DR2 / Blue Ribbon Panel
(EVP Prosperity that Fits Plan)
- 2009 Customer Service Survey (105 respondents)

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Development Services Stakeholder Advisory Group

- Meet Approx Quarterly
- Members:
 - > Lyle Hutchins, DEVCO Engineering
 - > Bob Grant, Bob Grant Construction
 - > Mike Goodrich / Boyd Dockendorf, Legend Homes
 - > Brent Jenkins, JBD Construction, LLC
 - > Rob Wood, Century Constructors
 - > Henry Alaman, OSU Housing & Dining Services
 - > Lori Fulton, OSU Facilities Services

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Prosperity that Fits – DR2 / Blue Ribbon

Strategy 14: Streamline, clarify and make the permit and development review processes more predictable and improve the quality level of future developments.		Implementation in Years			
#	Action Description	Partners (1 Denotes Lead)	Yrs 1-2	Yrs 3-5	Yrs 6+
14.1	<p>Establish a "blue ribbon" panel consisting of planners, engineers, policymakers, developers and other appropriate interests to identify priority permit, development and annexation review process improvement and opportunities. The goal is not to "re-ex" standards, but rather to add clarity and certainty to the review process. Specific assignments might include:</p> <ul style="list-style-type: none"> Facilitating a community conversation to identify development projects that are consistent with community objectives. Identifying and rectifying any potential redundancies, unnecessary restrictions and/or unclear requirements with the goal of setting a "guaranteed review timeline." Evaluating and improving the current procedure for annexing properties. Prioritizing future areas for annexation, and defining accessible development types for each. Inventorying future development potential by type based on known amounts in distinct geographic areas. Assessing the current PDO process and recommending critical improvements. Establishing zoning and permit flexibility for downtown and other in-fill areas to stimulate increased use of existing land and build resources before developing new. Establishing a "permit partner" program at city- and county-level regulatory offices, to: A) provide clear instructions to business applicants seeking new development, building improvements, etc.; B) establish and clarify a project review timeline; C) troubleshoot review glitches or discrepancies; and D) offer insight or strategies for achieving defined policy or performance objectives. Provide a directory of related professional services offered locally. Designing and testing a "model permitting and development review package" that clearly articulates development targets, and outlines a step by step review process to take place within a specified period of time. This could first be applied to housing developments, and if successful, expand to additional development types. 	<p>City of Carrollton, Chamber, Local contractors, Other political Jurisdictions, DCA (For Lampton), Carrollis Matters, QNHS</p>	→		
	<p>add clarity and certainty to the review process.</p>				

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Issues

- Overall process for plan review and inspections is much the same as it was 20+ years ago.
- Despite a very positive outcome, the 2009 Development Services Survey indicated concern in two key areas:
 - > length of time required to complete the plan review process and the complexity of the process
 - > coordination of reviews by multiple departments and multiple agencies
- Projects are broken into multiple phases
- Each phase contains large numbers of deferred submittals and revisions
- Time is money - customers expect instant service

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Background

Four Elements to the Proposal

- Reorganization
 - Fund a Project Manager (Shepherd)
 - Combine Inspector/Plans Examiners
- Overhaul the approval process
 - Stop the re-review spin cycle
- Implement Electronic Plan Review (e-Plans)
- Add a Service Enhancement Fee
 - Supports an enhanced service level beyond the traditional baseline code review and approval
 - 3-year phase in

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Reorganization

- Project Coordinators
 - A multi-certified inspector/plans examiner who is responsible for code approval from project inception, to final approval.
- Project Manager
 - Facilitates early troubleshooting of problems and proactively monitors projects for trouble spots
 - Develops tools for tracking, conducts quality control
 - Facilitates inter-department and inter-agency communications
 - Oversees project coordinators and promotes healthy conflict resolution

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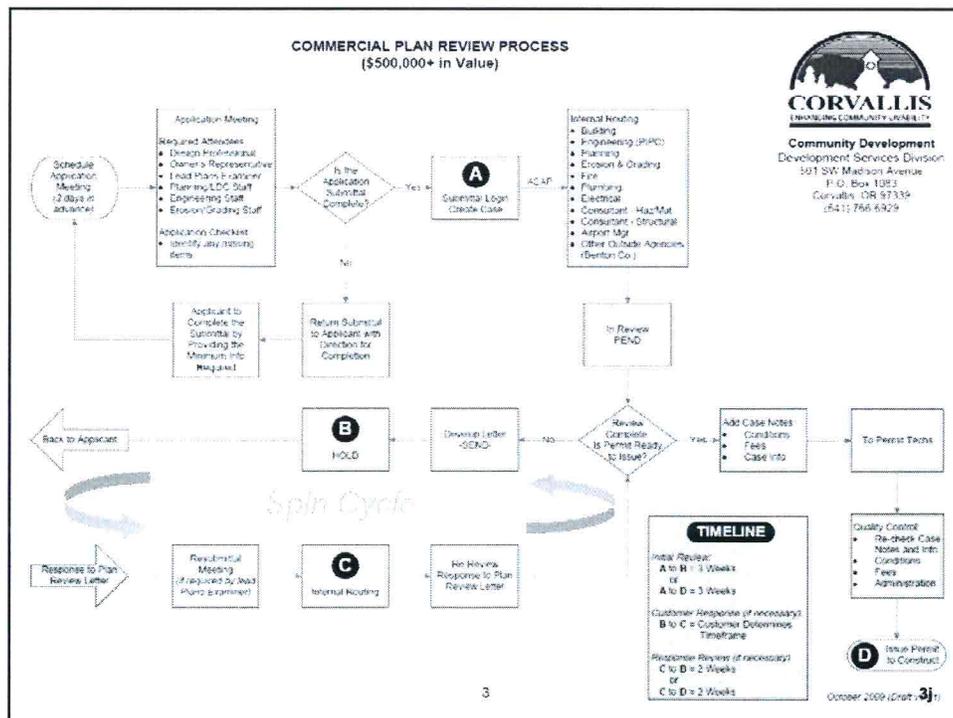
Process Overhaul

Approval Process

- > Stop the re-review spin cycle – eliminate unlimited re-reviews
- > Rapid Reviews - provide additional OTC staff coverage by certified staff (target from 30% to 60%)
- > Advance pre-scheduling of reviews for new homes
- > Implements tools for tracking, auditing and conducting quality control
- > Project Manager proactively facilitates inter-department and inter-agency communications
- > Restructure project workflow, focusing on timeliness, efficiency, and predictability

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Time Savings

Project	Valuation	# Revisions	# Letters	1st Review		2nd Review		3rd Review		4th Review		Total City Review	Total Design Review
				City	Design Pro								
OSU Project	\$ 7,000,000	27	3	26	36	14	9	30	2	13		83	47
9th Street Retail Building	\$ 130,000	5	3	21	63	20	65	14	20	2		57	148
9th Street Retail Building Site Util	\$ -	9	3	20	65	32	20	14	4	8		74	89
OSU Project	\$ 4,500,000	35	3	21	25	9	8	6	5	2		38	38
Warehouse/Storage Facility	\$ 4,596,000	17	3	21	66	14	44	12	1	5		52	111
Business/Factory	\$ 1,638,400	18	3	24	16	14	7	14	14			52	37
Fitness/Retail Center	\$ 953,500	36	9	21	16	19	18	14	15	13	12	67	61
Hospital Project	\$ 4,400,000	29	2	13	36	15	4	15				43	40
OSU Project	\$ 5,000,000	5	1	21	36	3	8	7				31	44
OSU Project	\$ 5,000,000	6	2	50	5	15	20	14	29	6		85	54
Office Shell	\$ 376,000	14	2	22	9	19	6	4				44	15
Office TI	\$ 375,000	6	2	22	22	5	9	1				28	31
Clinic	\$ 1,516,400	14	2	32	34	27						59	34
Averages		17	3	24	33	15	18	12	11	7	12	55	58
				Avg # Days		73	Avg # Days		30				

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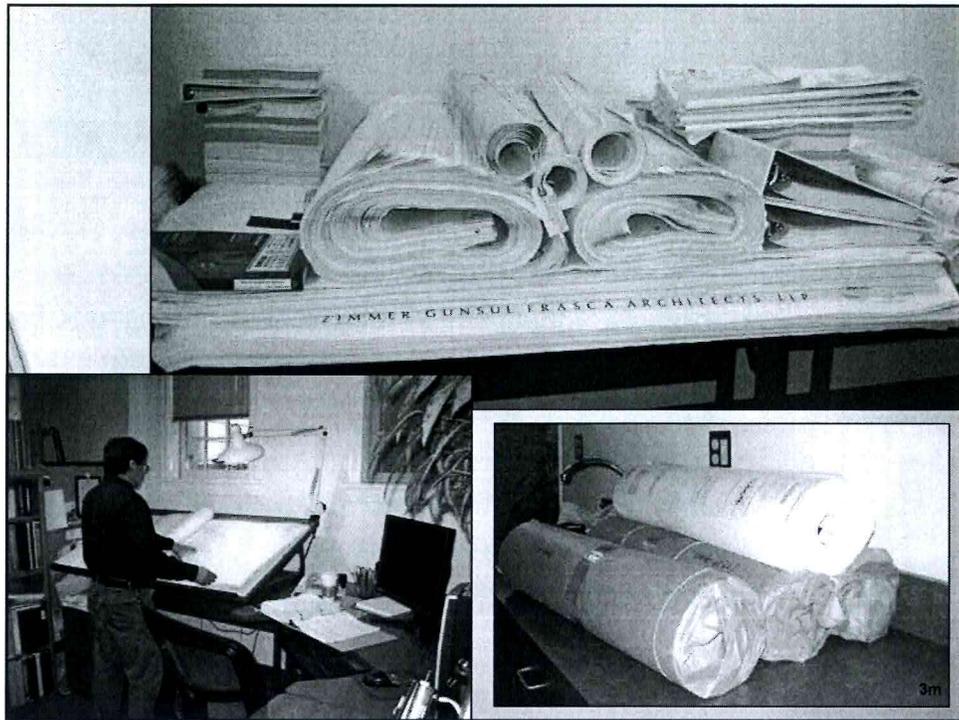
e-Plans

■ Project Dox

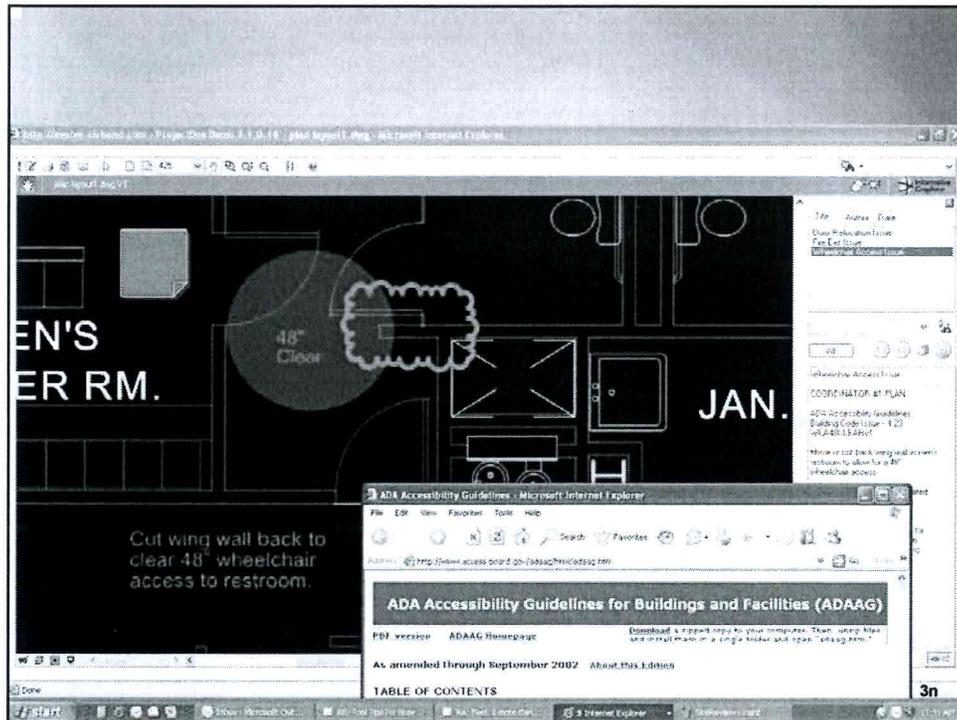
- > Plans submitted electronically over the internet
- > Plans reviewed electronically by all staff concurrently
- > Markup layer
- > Code information layer
- > Enhance accountability for City and Applicant

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Fee Adjustment

- Pursue a service enhancement review fee
- The service enhancement review fee is proposed to be phased over a 3-year period as services rollout:
 - > 20% January 1, 2011
 - > 20% January 1, 2012
 - > 27% January 1, 2013 (total = 67% of Plan Review Fee)
- Avoids the state surcharge as the 12% surcharge is not required on plan review – Keeps the revenue local

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Project Impacts

New 6,260 sq ft Office Building			
Valuation	\$ 751,000		
Square Feet	6,261		
Development Services Permits	Shell & TI	% of Value	Project Increase %
Building Permit	2,979.99		
Building Plan Review	2,979.99		
Land Development Code Review	963.79		
Full 2013 Adjusted SE Review	1,996.20		
Fire & Life-Safety Review	2,979.99		
Current	\$ 9,924	1.32%	
Proposed	\$ 11,920	1.59%	0.27%
Adds \$ 1,996			
0.27% to cost of project			

SE Fee	SE Review Phase-in		
	January-11	January-12	January-13
\$ 596	\$ 1,192	\$ 1,996	

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Project Impacts

New 24,000 sq ft Medical Office Building			
Valuation	\$ 4,000,000		
Square Feet	24,000		
Development Services Permits		% of	Project
Building Permit	13,487.00	of Value	Increase %
Building Plan Review	13,487.00		
Land Development Code Review	4,450.00		
Full 2013 Adjusted SE Review	9,037.00		
Fire & Life-Safety Review	13,487.00		
Current	\$ 44,911	1.12%	
Proposed	\$ 53,948	1.35%	0.23%
Adds \$ 9,037			
0.23% to cost of project			

SE Fee	SE Review Phase-in		
	January-11	January-12	January-13
\$ 2,698	\$ 5,396	\$ 9,037	

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New 2,380 sq ft Single Family Dwelling			
Valuation	\$ 266,791		
Square Feet	Dwelling 2376 Garage 620	2,996	
SDC Fees	Water 1,991.54 Sewer 5,439.61 Storm 158.55 Street 2,210.72 Parks 5,152.65	\$ 14,953	5.60%
Development Services Permits		% of	Project
Building Permit	1,130.86	of Value	Increase %
Building Plan Review	1,130.86		
Land Development Code Review	373.18		
Full 2013 Adjusted SE Review	757.68		
Mechanical Permit	220.00		
Mechanical Plan Review	110.00		
Plumbing Permit	380.00		
Plumbing Service Charge	175.00		
Temp Electrical Permit	65.00		
Electrical Permit	300.00		
Erosion Control Permit	250.00		
Certificate of Occupancy	25.00		
Current	\$ 4,160	1.56%	
Proposed	\$ 4,918	1.84%	0.28%
State Surcharges			
State Building Surcharge	12% 135.70		
State Mechanical Surcharge	12% 26.40		
State Plumbing Surcharge	12% 45.60		
State Electrical Surcharge	12% 36.00		
State Electrical Temp Surcharge	12% 7.80		
	\$ 252	0.09%	
Other			
Water Meter	474.00		
Sidewalk	25.00		
Curb Cut	75.00		
	\$ 574	0.22%	
Grand Total			
Current	\$ 19,938	7.47%	
Proposed	\$ 20,696	7.76%	
Adds \$ 758			
0.28% to cost of project			

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SE Fee	SE Review Phase-in		
	January-11	January-12	January-13
\$ 226	\$ 452	\$ 758	

Benefits

- Biggest benefit is consistency and project time savings
 - > Approaches projects like they are projects, rather than by specific disciplines
 - > Home Builder, Remodeler – Scheduled counter & OTC review
 - > Commercial Builder – Electronic plans, Project Coordinator, Field Approved Revisions
- Eliminates workflow cycle delays – streamlines process

"There will be no "percentage of a total project cost" nor "cost per day" which will be consistent from one project to the next."

"I can assure you, however, with the proposed permitting process change proposal, the savings to any large project, will far outweigh the proposed fee increase."

-Rob Wood, Century Constructors, August 23, 2010

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Next Steps

- Feedback from ASC
- Additional outreach to various groups
(Home Builders, Stakeholders, DR2, etc)
- Notice of public comment at the October 20, ASC
- ASC to review and deliberate
- Recommendation to Council, November
- First phase effective January 1, 2011

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Development Services Services Enhancement Proposal

September 1, 2010

Goal

Get the customer to success through a timely and predictable development review process

Drivers

- 1) Times have changed - Construction project management strategies and administration have been evolving for the past 10 years or more while the process for plan review and inspections is much the same as it was 20+ years ago
- 2) Despite a very positive outcome, the 2009 Development Services Survey indicated concern in two key areas:
 - length of time required to complete the plan review process and the complexity of the process
 - coordination of reviews by multiple departments and multiple agencies
- 3) Projects are broken into multiple phases – each phase contains large numbers of deferred submittals and revisions – creates a sizable challenge to track and manage for both developer and facilitator, often results in unnecessary project delays
- 5) Time is money - customers expect instant service and instant approval

Feedback

This proposal was shaped based on feedback from:

- Development Services Stakeholder Advisory Group
- DR2 / Blue Ribbon Panel (EVP Prosperity that Fits Plan)
- 2009 Customer Service Survey (105 respondents)

Four Parts

- 1) Reorganization
 - Fund a Project Manager (Shepherd)
 - Combine Inspector/Plans Examiners (Project Coordinators)
- 2) Overhaul the approval process
 - Stop the re-review spin cycle (2 reviews max)
- 3) Implement Electronic Plan Review (e-Plans)
- 4) Add a Service Enhancement Fee
 - Supports enhanced service level beyond traditional baseline services
 - 3-year phase in total 67% of plan review fee (20% Jan 2011, 20% Jan 2012, 27% Jan 2013)

Project Cost

Total Service Enhancement Fee in 2013 will equal approximately 0.25% of the overall project cost

Benefits

- Biggest benefit is consistency and project time savings
- Approaches projects like they are projects, rather than by specific disciplines
 - Home Builder, Remodeler – Scheduled counter & OTC review
 - Commercial Builder – Electronic plans, Project Coordinator, Field Approved Revisions

Eliminates workflow cycle delays – streamlines process

Project	Valuation	# Revisions	# Letters	1st Review		2nd Review		3rd Review		4th Review		Total Design Review	
				City	Design Pro	City	Design Pro						
OSU Project	\$ 7,000,000	27	3	26	36	14	9	30	2	13	83	47	
9th Street Retail Building	\$ 130,000	5	3	21	63	20	65	14	20	2	57	148	
9th Street Retail Building Site Util	\$ -	9	3	20	65	32	20	14	4	8	74	89	
OSU Project	\$ 4,500,000	35	3	21	25	9	8	6	5	2	38	38	
Warehouse/Storage Facility	\$ 4,596,000	17	3	21	66	14	44	12	1	5	52	111	
Business/Factory	\$ 1,638,400	18	3	24	16	14	7	14	14	12	52	37	
Fitness/Retail Center	\$ 953,500	36	9	21	16	19	18	14	15	13	67	61	
Hospital Project	\$ 4,400,000	29	2	13	36	15	4	15			43	40	
OSU Project	\$ 5,000,000	5	1	21	36	3	8	7	29	6	85	54	
OSU Project	\$ 5,000,000	6	2	50	5	15	20	14			85	54	
Office Shell	\$ 376,000	14	2	22	9	18	6	4			44	15	
Office TI	\$ 375,000	6	2	22	22	5	9	1			28	31	
Clinic	\$ 1,516,400	14	2	32	34	27					59	34	
Averages		17	3	24	33	16	18	12	11	7	55	58	
				Avg # Days		73		TARGET		Avg # Days		30	

"There will be no "percentage of a total project cost" nor "cost per day" which will be consistent from one project to the next."

"I can assure you, however, with the proposed permitting process change proposal, the savings to any large project, will far outweigh the proposed fee increase."

Approximate Estimated Savings

- Office Shell and TI \$ 350 per day
- Clinic Shell and TI \$ 1,000 per day
- New retail building \$ 1,500 per day

"Cutting 30 days out (average) would be fantastic!"

-Rob Wood, Century Constructors
August 23, 2010

COMMERCIAL PLAN REVIEW PROCESS
(\$500,000+ in Value)

