



Las Vegas

Agenda Item No.: 6.

AGENDA SUMMARY PAGE
RECOMMENDING COMMITTEE MEETING OF: AUGUST 17, 2010

DEPARTMENT: CITY ATTORNEY
DIRECTOR: BRADFORD R. JERBIC

☐ Consent ☒ Discussion

SUBJECT:
Bill No. 2010-37 Amends the City's Administrative Code to adopt new fee tables applicable to permits, inspections and other services performed in connection with the City's technical codes, and to make other permit-related adjustments. Sponsored by: Councilman Gary Reese

Fiscal Impact

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This bill will amend the City's Administrative Code to adopt new fee tables applicable to permits, inspections and other services performed in connection with the City's technical codes. The new tables are based on the cost of providing services rather than on the estimated value of construction. The tables include built-in adjustments for 2012 and 2013, unless it is determined that increases are not needed. The bill also requires a general contractor to obtain all permits and pay all related fees in the case of projects involving the work of more than one trade.

RECOMMENDATION:

This bill should be submitted to a Recommending Committee for review, hearing and recommendation to the City Council for final action.

BACKUP DOCUMENTATION:

1. Bill No. 2010-37
2. Fee Tables
3. Business Impact Statement
4. Submitted at Meeting Bill No. 2010-37 First Amendment by Staff and Documentation from the National Association of Industrial Office Properties (NIOP) by Suzette La Grange

Motion made by RICKI Y. BARLOW to Hold in abeyance 8/31/2010

Passed For: 2; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Minutes:

COUNCILMAN BARLOW declared the Public Hearing open.

CHRIS KNIGHT, Director of Building and Safety, reviewed the 2001 Building and Safety Enterprise Fund the City of Las Vegas created and Nevada Revised Statute 354.59891 restriction for its use by local government for direct and indirect program costs. The proposal is to move from a value-based system to a cost-based system. This creates a better nexus between individual projects and the Department costs incurred for a project. Based on the valuation-based system, larger projects subsidize smaller projects. Currently there is a 48 percent cost recovery and the proposal would result in a 65 to 71 percent fee increase. Since the existing economy cannot support that drastic an increase, the proposal is an incremental increase over several years, with an immediate initial 25 percent increase. The proposal includes an additional 15 percent increase in 2012 and 10 percent in 2013, bringing total proposed additional cost recovery to 57 percent. Should the economy improve so that the future increases are not necessary, the Building Official would bring forward a bill to eliminate the pertinent increase.

To date, the difference between the existing cost recovery and a balanced department budget has been addressed through staffing reduction. The impact a severe cut has reached a level making it impossible to further reduce staff. However, to stabilize expenses without an increase to fees will mandate another staffing reduction or an infusion of General Fund dollars similar to the contribution the City of Henderson made to its Building and Safety Department.

MR. KNIGHT described his efforts to work with the Homebuilders, the Association of General Contractors (AGC), National Association of Industrial Office Properties (NAIOP) and American Institute of Architects (AIA). These organizations and their members are not pleased with the increase, but understand the need and do not object. The AIA and NAIOP requested some changes, including that the definition of high rise building conform to the international building code, the proposed fees applied to shell buildings and establish a committee. These changes have been incorporated into a First Amendment.

SUZETTE LA GRANGE, NAIOP, submitted information regarding salary comparison with other local jurisdictions. The 25 percent increase would not address the root of the problem, which is tied to collective bargaining. However, a 25 percent increase on zero activity will not pay salaries. While MS. LA GRANGE commended MR. KNIGHT for working with her, she expressed concern about automatically granting the increases. The development community understands they need to pay for growth and are prepared to pay reasonable costs for services. In exchange, those services should be provided within a reasonable amount of time. There are challenges with inspection times and interpretations. NAIOPs request to create an appeal board of industry and department staff was denied.

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DON KING, President of the City of Las Vegas Employee Association (CEA), commended MR. KNIGHT for his accomplishments as Director of Building and Safety. There are discussions regarding concessions and it is important to recognize that City employees are members of the community, taxpayers, voters, and increases impacts them as much as everybody else. He supported MR. KNIGHT'S request.

COUNCILMAN ROSS stressed government does not always have the answer and he was pleased that MS. LA GRANGE was present to voice her concerns. He assured her that he will hold the Deputy City Manager and Director accountable. He wants the City of Las Vegas to be the leader among the government entities. He encouraged the development industry to stay engaged and involved in the process. The City Council and staff do not want to raise fees, especially in this economic environment, when the goal is to stimulate economic activity. The impact of a 50 percent layoff raises concerns regarding service levels. There have been discussions regarding privatization of services. MR. KNIGHT had requested a consultants evaluation regarding services and service levels. In addition, the City Managers Office has been looking at the Development Review process, involving multiple departments and other entities involved in land use entitlements. He is currently working with the AGC to expand over the counter process as well as field verification on small projects, streamlining the plans check process. Building and Safety will continue with express inspections.

As to the appeal board, MR. KNIGHT noted he is committed to using the same appeal board structure used by Henderson, North Las Vegas, and Clark County in accordance with Section 112 of the International Building Code (IBC). MR. KNIGHT also committed to establishing an informal Building Official Advisory Commission or Committee comprised of representatives from the industry to discuss how the City of Las Vegas can improve the delivery of services.

There was discussion that this item could be sent forward to City Council with a Do Pass recommendation, subject to continuing dialogue, or it could be held in abeyance to the Recommending Committee meeting of August 31 and still presented it to the full Council with whatever changes are recommended at that time as a second amendment on September 1. MR. KNIGHT stressed that action is necessary in order to avoid additional staffing reductions as well as provide for software installation and staff training before implementing the new fee structure. Two weeks would not have a great adverse impact, but thirty days would.

COUNCILMAN BARLOW declared the Public Hearing closed.