



AGENDA SUMMARY PAGE
RECOMMENDING COMMITTEE MEETING OF: AUGUST 31, 2010

DEPARTMENT: CITY ATTORNEY
DIRECTOR: BRADFORD R. JERBIC

☐ Consent ☒ Discussion

SUBJECT:
BEYANT ITEM - 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 White

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. Bill No. 2010-37 First Amendment by Staff and Documentation from the National Association of Industrial Office Properties (NIOP) by Suzette La Grange
5. Submitted at Meeting Correspondence from Charleston Neighborhood Preservation by Juanita Clark for Items 3, 4 and 6

Motion made by STAVROS S. ANTHONY to Forward the bill to full Council with no recommendation

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

STEVE WOLFSON, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Minutes:

COUNCILMAN WOLFSON declared the Public Hearing open.

COUNCILMAN WOLFSON noted that this bill, if approved, will be eligible for adoption at the City Council meeting on September 1, 2010.

CHRIS KNIGHT, Director of Building and Safety, explained that this item was held in abeyance, as a result of questions raised by the National Association of Industrial Office Properties (NAIOP) regarding City employee salaries compared to other local jurisdictions. Since that time, the NAIOP has submitted correspondence objecting to the proposed 10 and 15 percent increases as well, if there are no concessions made by the bargaining units for City employees.

MR. KNIGHT provided a brief background, stating the City hired a consultant two years ago to look at the current valuation-based system, and it was determined that the City's existing fees are too low. The idea is that if the project is bigger, the expenses will match; however, this is not always the case. State statutes for Enterprise Funds indicate that fees should cover the costs relative to plans check, permit issuance, inspections and final inspection. Since 2008, MR. KNIGHT'S department has had to balance the department's budget as effectively as possible despite having experienced approximately 70 staff layoffs. However, reduced staffing has impacted the turnaround time, known as a holdover, for completing inspections, which contributes to minimizing the department's revenue of services.

Staff recommended changing the fee schedule system from valuation-based to cost-based, in which the fees will be tied directly to the level of effort for each type of building and its square footage. The fees have not been increased since 1992 and having the fees imposed in phases, initially 25 percent in possibly three months, and then an automatic 15 percent in 2012 and subsequent 10 percent in 2013, will lighten the burden for the private sector and bring the total proposed additional cost recovery to 57 percent. The recommendation is critical to survival; otherwise, the department will lose additional employees through layoffs and service levels will continue to minimize.

MR. KNIGHT noted that the Enterprise Fund Committee is aware of this issue and the department's hardship. Staff believes that efforts have been made to address the concerns expressed by NAIOP, with the exception of employee salaries, which are part of a legal binding agreement between the City and bargaining units. Such organizations as the Association of General Contractors (AGC) are not pleased with the proposed increase but understand the need and do not object.

MR. KNIGHT discussed examples with COUNCILMAN WOLFSON dealing with different types of development and the imposed fees. Thereafter, MR. KNIGHT pointed out that the fees go directly to the General Fund, which assists in covering costs such as labor, computers and insurance.

DEPUTY CITY ATTORNEY VAL STEED indicated that a proposed First Amendment to this bill was distributed at the last Recommending Committee meeting. The amendments included

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adjusting the language defining high-rise buildings versus shell buildings and requiring any adjustment of fees be presented to the advisory committee, Enterprise Fund Committee. A new fee schedule has also been completed. After explaining the revised definitions, COUNCILMAN WOLFSON confirmed that staff's recommendation is to pass this bill as a Second Amendment.

JUANITA CLARK, Charleston Neighborhood Preservation (CNP), asked that the bill be denied, as the current City Council body would increase the costs of doing business in the city of Las Vegas for approximately two years prior to the next election. The CNP believed the new officers should make these types of decisions. She expressed appreciation for the questions raised by COUNCILMAN WOLFSON, as information is sometimes difficult to receive. COUNCILMAN WOLFSON appreciated MS. CLARK'S concerns and clarified that the next election is eight months away and not approximately two years. He informed MS. CLARK that the Council has the authority to revisit any bill at any given time to determine if an adjustment is appropriate.

SUZETTE LA GRANGE, NAIOP, expressed appreciation for MR. KNIGHT working with her and the changes to the proposed bill. She stated that the NAIOP is highly concerned with certain salaries within the Building and Safety Department and granting the fee increases. In addition, she did not believe that the 25 percent increase would address the root of the problem. The development community understands the need to pay for growth and is 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 interpretation. On behalf of the NAIOP, she requested a two-year time period after the first 25 percent increase before granting an automatic additional increase. The two-year period will allow for a review of the delivery of service and, if effective, impose the additional fee increase. She confirmed for COUNCILMAN WOLFSON that she would be present at the 9/1/2010 City Council meeting to reiterate the NAIOP'S concerns.

Regarding the Las Vegas City Employees Associations contract with the City, MARK VINCENT, Director of Finance and Business Services, explained that this contract expires in 2014. MR. VINCENT commented on the City's Class and Comp study, which reflects building inspectors' and plans' examiners salaries are at the same levels of other local entities but somewhat higher than other entities, outside of Las Vegas. This type of study measures salary ranges from midpoint to midpoint and does not reflect longevity pay for applicable employees. The City is trying to negotiate a process by which recommendations from this study can be implemented.

MR. KNIGHT informed COUNCILMAN WOLFSON that Building and Safety currently has 44 employees and three are of appointive classification.

MS. LA GRANGE commended MR. KNIGHT on doing a good job, but pointed out that development is not occurring as in the past. MR. VINCENT noted that MR. KNIGHT has balanced this department's budget by drawing down his fund balance.

COUNCILMAN WOLFSON confirmed through MR. STEED that this committee has the option to forward the bill to the City Council with no recommendation, an approval or denial.

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COUNCILMAN ANTHONY related that he has spoken with business owners, and it is a reality that companies are in survival mode with the decrease in development. He pondered the idea of increasing such fees when potentially many of these companies will not pay. MR. KNIGHT understood this dilemma but also remained mindful of his departments survival. In addition, accessing the 25 percent fee increase now is better because development is slower, so the industry can adjust in phases. COUNCILMAN ANTHONY appreciated the industrys feedback and MR. KNIGHTS efforts.

COUNCILMAN WOLFSON discussed with MR. KNIGHT the current staffing levels and the negative impact on the departments turnaround time relative to inspections and plans check.

COUNCILMAN WOLFSON declared the Public Hearing closed.

