



Permit Us to Help

A growing number of municipalities are implementing procedures and using technology to make the permitting process faster and easier for companies and developers.

Cynthia Kincaid (Dec/Jan 08)

Officials at computer chip manufacturer Intel estimate that a single day's delay in construction could cost the company \$1 million. So when the company went looking for a site to build a new plant, a streamlined permitting process was a key factor in their site selection decision. Thus, Oregon's decision to streamline its regulatory permitting process was a crucial component in Intel's decision to build its plant there. The facility was completed within 18 months at a cost of \$2 billion. The construction was so successful that when Intel decides to build future chip facilities, its existing plants in New Mexico, Oregon, California, and Arizona all compete in the bidding process - and permitting time is a critical factor in who wins the business.

More and more, municipalities are taking notice of the need for a streamlined permitting and inspection process, particularly given today's sluggish real estate market. Time is money, and cities are taking steps to make the process as quick and painless as possible.

Revamping the Process

Carlsbad, California, has created a new initiative called the Annual Facility Permit (AFP), which allows owners and tenants of commercial or industrial properties to use one permit to make multiple improvements to their facilities. Prior to this initiative, a permit was needed for each individual project.

"We are always looking for innovative ways of helping people do business more efficiently with the city," says Sandra Holder, the city's community development director. "We are one of a few cities to launch this type of permit programming. For us, it makes sense to offer the AFP for Carlsbad's larger businesses that are expanding and want to be able to take advantage of business opportunities that might require additional space and/or reorganizing their current facilities."

Carlsbad officials estimate that the program will benefit about 40 of its largest businesses. Under the new AFP program, businesses must continue to follow the city's building protocol, which requires building inspection and fire department signoffs for each tenant improvement project. "Businesses are still required to meet all of the city's requirements and existing checks and balances for improvements," says

Holder. "This permit allows these bigger companies to consolidate their trips to City Hall and handle most of their tenant improvement-related business in one trip."

Other municipalities have also recognized the importance of taking the frustration out of obtaining permits while creating innovative ways for both sides to win. In 2009, Chicago's 60-story 300 North LaSalle building will be completed, making it one of Chicago's taller structures. Permits to build the 1.3 million-square-foot skyscraper were granted within 30 days under Chicago's two-year-old Green Permit program. The innovative program grants expedited permits for developers who build sustainable, "green" buildings. In other words, going green in Chicago

can give builders the green light for construction. The LaSalle building, designed by Pickard Chilton, will have a 50 percent green roof and use condenser water supplied by the Chicago River, thus eliminating cooling towers for the building.

Companies and manufacturers are also making demands of their own in terms of faster and more efficient permitting. As an example, on a recent New Year's Eve, the Walt Disney Company wanted to hold an event in Los Angeles. The company told the city it had to have its permitting process approved within three weeks - or lose the venue. The City of Los Angeles responded and was able to streamline the process to make the event happen. Hewlett Packard also reports that the lifespan of many of its manufactured products is just 12 months. To remain profitable, the company needs a permitting process that will take weeks, not months, to complete.

Henderson Goes High-Tech

Henderson, Nevada, completely redesigned its permitting and inspection process by creating the Development Services Center (DSC). The idea for the DSC came from a series of meetings between city leaders and local developers.

Initially, the city's attempt to streamline permitting was not successful, according to Bob Cooper, economic development manager for the City of Henderson. With so many "moving parts" and so many approvals needed in the process, the city decided to invite developers, builders, architects, and others involved in the construction and permitting process to have a dialogue about best practices. From those conversations, the DSC was born.

The first decision was to reorganize staff into teams to analyze and approve construction drawings and other permitting requirements. "The sharing of information and putting people together in teams was extremely important," says Cooper. "It's better to have groups of people look at it together and as a team, and then pass it on to the next team."

The city also revamped its technology and fee structure. Once it was in place, Cooper and his team went to the city council and asked for \$3 million and additional staff to make the program a success. The council gave the DSC six months to perform at a 95 percent success rate.

And successful it has been. Now, when someone comes to the center, their project is barcoded and tracked through the system. "We can trace whose desk it's on, how many minutes it's been on the desk, what the expectation of that person is, and on and on," says Cooper. "So there's no hiding and no delays. If a project isn't moving along like it is supposed to, a red flag pops up on the computer and will tell a supervisor the thing is not moving through the system quickly enough."

Owners and developers of projects can go online and type in barcodes and passwords to track timelines. "There's no more using the city as an excuse," says Cooper. "Everyone knows where the projects are at, and that has made the owners and developers ecstatic."

The building community in Henderson has been delighted with the changes. "The DSC has drastically streamlined the permitting process," says John Ramos, vice president of operations for Harsch Investment Properties' Las Vegas Regional office. "They have shaved weeks and even months off the permitting process, which has allowed us to start our projects sooner and, in turn, has made our business more successful."

In fact, Henderson's DSC has been so successful that other municipalities around the country - including Tucson, Arizona; Minneapolis, Minnesota; and Sacramento County, California - are all taking a look at how to implement a similar system in their communities.

Teamwork is Key

All of the technology in the world won't help, however, if the people involved in the permitting process fail to do their jobs. So many municipalities are re-educating their staffs to be cross-trained in varied areas of the permitting process, thereby making them more valuable and efficient team members. Educating the "clients" involved in the permitting process has also proven to be valuable. "We have found education to be very important, so we have workshops and forums for engineers and architects," says Cooper. "We also found having an ongoing advisory board to be very popular."

And in today's fast-paced construction climate, architects, building officials, and field inspectors need to be up to date on current building codes and the local permitting processes in their communities. "The challenges are still there because there are a dozen different departments that have to write off or proof your plans," says Cooper. He lists police and fire departments, utilities, and public works, to name just a few. "Everyone has input into your plans."

So developers, builders, inspectors, and municipal permitting departments are just a few of the constituencies that are going to have to support changes in the regulatory process going forward - as are architects. "We are so busy that architects have to turn in their plans like an 'A' paper; otherwise it's going to get rejected," says Cooper. "If the plans are perfect, they will go into the system quicker." And that can streamline everything.

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