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Henderson strives to streamline services

It was obvious to many in the development community and at Henderson City Hall that something needed to be changed.

Despite having already increased fees for development projects in February 2000, accompanied by a promise that plan reviews and inspection services would be completed in a timely manner, the job just wasn't getting done.

Permits for community development, civil, hydrology, traffic and other development services were not getting out when city workers said they would. At one low point in May last year, less than 10 percent of community development permits were delivered on time.

Fire inspections, which are supposed to be done the following day, also were not getting done on time. In fact, none of those inspections were done in a timely manner, according to the city of Henderson.

Only building inspections were getting done on time, most of the time, said Ron Patterson, Development Services Center manager. Patterson and other current and former city employees, along with development consultant Diana Bossard, spoke at an Urban Land Institute meeting recently to give an overview of the changes to Henderson's Development Services Center.

The center is comprised of seven Henderson departments that work together to provide coordinated-plan review, inspection and permitting services.

"We had a credibility and financial crisis," said Bonnie Rinaldi, now retired Henderson assistant city manager.

Henderson Councilman Andy Hafen said he would field calls on a daily basis from developers and consultants wondering where their project was in the process, why something wasn't done or why it had stalled.

Hafen said the system wasn't entirely broke, it just wasn't working.



Nathan Hill, a records analyst with Henderson's Development Services Center, is shown in a records room full of building permit plans at City Hall.

Photo by Steve Marcus

"The amount of work is overwhelming," he said. "It wasn't a matter of people not doing their job, they were just overwhelmed."

And Patterson faced another problem: In February 2000, the Development Services Center had moved from being funded through the city's general fund to an enterprise fund system (where revenues are supposed to equal the cost of doing business). That change caused it to run into financial trouble because the department's costs were greater than the money they were bringing in.

In fall of 2004, Rinaldi and Patterson went to city council looking for help -- and more money -- from both the council and from developers.

But the development community, already stung by an increase in fees and a promise that wasn't kept, was wary.

"Not nice things were being said about our friends at the city of Henderson," said Diana Bossard, with B2 Developer Services and a development industry advisory committee member.

But this time, department heads were armed with a plan. A review of the development services process identified 74 areas for improvement and outlined how the city could combine services for a one-stop office for developers.

They also presented a goal that at the time, given past history, appeared to be unreachable: At least 90 percent of the department's plan review and inspection services would be completed on time.

In order to show they meant business, department heads last fall asked the council to raise fees, but only after a demonstration period from January to March of this year. The city council agreed and also infused the department with \$4.1 million to hire more employees to meet the stated goals and reduce the backlog so the office could start with a "clean slate."

By Jan. 3, the Development Services Center, with help from outside consultants, worked through the backload, Patterson said. Outside consultants are still used to help the office work through peak periods.

At the end of the 90-day demonstration period, the Development Services Center had provided almost all of its services on time. During the three months, it had processed 4,051 of 4,055 activities -- an on-time rate of 99.9 percent.

"We fundamentally changed how we do our business," Patterson said.

The city council, in turn, raised development fees.

Instead of charging valuation fees, as had been done before, where the cost is based on the value of the project, the Development Services Center changed its fee structure to equal the cost it takes Henderson to provide a certain service.

Under the new fee structure, some services had minor increases and others were significant. The following examples were provided by the Development Services

Center and are based on the size of the construction -- including size with total review, inspection and permit fees charged.

- Prior to the change, a 2,000-square-foot single-family home production permit was \$924. Under the new fee structure the same permit will cost \$1,055 -- a 15 percent increase.
- A 50,000-square-foot retail building permit was \$22,860 and under the new fee structure the same permit is now \$29,119 -- a 27 percent increase.
- A civil improvement permit with \$885,000 worth of improvements for a 115-lot subdivision was \$9,679 and is now \$14,805, a 52 percent increase.
- A traffic study for a 115-lot subdivision was \$260 and is now \$1,000, a 385 percent increase.

Henderson officials point out that while some fees increased substantially, they are still within the same ranges charged by other municipalities.

Since the implementation of the new fees, the Development Services Center has upheld its end of the bargain -- the current on-time rate for plan review and inspection services is 99.6 percent.

A complex tracking system follows everything from how long a customer waits at the counter to file plans to how long it takes to review plans or issue a permit.

While the on-time rate is high -- that doesn't mean there isn't room for improvement.

A complaint raised by developers at the ULI meeting was that revisions to plans, especially minor revisions, take much longer than necessary.

Traci Combs, entitlement coordinator for Concordia Homes, said the time it takes to process revisions is a source of frustration.

"Something as simple as moving a fire hydrant is taking three weeks to get approved, and it should be very simple," she said.

But overall, she said the new system put in place by the city of Henderson for plan review and inspection services has helped, in terms of predictability of service and in how long a service is going to take to process.

"If it's held up, you know why it was held up," she said, adding that each of the municipalities' systems has good points and bad points.



Steven Buskevicius, an engineer with Henderson's Development Services Records Department, checks building plans for a commercial office building last week at Henderson City Hall.

Photo by Steve Marcus

Todd Nigro, president of Nigro Development LLC, said Henderson is meeting its deadlines. Nigro did not attend the ULI meeting.

"That's huge. So much of the risk of development and the costs is related to the timing," he said.

Nigro has three projects in different stages of development in Henderson.

He said the ability to give tenants and lenders a schedule that is adhered to is critical.

"It's as important or as costly and time consuming as mistakes or delays in construction," Nigro said of a reliable schedule.

City Councilman Hafen measures the success of the system by the lack of phone calls to his office from people looking for information.

"We really have a good thing going at our development center," he said. "In eight months, we've not had anybody say 'Where is my project, how much longer is it going to be?' "

One reason is because developers can now track the progress of their project online through the city's Web site. The new system makes for a transparent process for city workers, developers and consultants, Patterson said, and virtually eliminates finger pointing if something goes wrong.

"It offers accountability for both city staff and the development community," he said.

It also has increased productivity among city workers, almost eliminating unnecessary phone calls, Patterson said.

A prescreening program, involving a comprehensive set of checklists, also was implemented to ensure complete plans are submitted for review. Patterson said prior to prescreening plans, workers were essentially acting as de facto consultants. Now they only review what is ready to be reviewed, he said.

Whether the Development Services Center can continue to keep up with an almost 100 percent on-time rate for plan review and inspection services is yet to be seen.

Patterson points out that the office's goal is 90 percent or better -- but to far exceed that out of the box may have created some unrealistic expectations. Patterson said he is working with staff to meet realistic services targets.

"We need clear expectations about success," he said.