

Submitted by: Assembly Member Cross,
Assembly Member Sulte, and
Mayor Bronson
Prepared by: Assembly Counsel's Office
For reading: December 19, 2023

ANCHORAGE, ALASKA
AO No. 2023-136

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING BUILDING CODES AT ANCHORAGE MUNICIPAL CODE CHAPTER 23.10, ANCHORAGE ADMINISTRATIVE CODE 2018 EDITION, TO ALLOW OPTIONAL INDEPENDENT PLAN REVIEW OF STRUCTURAL DESIGN FOR COMMERCIAL BUILDING PERMITS.

WHEREAS, Title 23 of Anchorage Municipal Code provides applicants applying for a residential single-family or two-family building permit the option to use independent reviewing professionals for plan review; and

WHEREAS, the Anchorage building community utilizes this option frequently, saving Anchorage residents and Municipality of Anchorage staff, time and resources; and

WHEREAS, this ordinance would provide applicants applying for a commercial building permit the option to use an independent reviewing professional for review of structural plans only; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code section 23.10.104.9 is hereby amended to read as follows:

23.10.104.9 – Optional independent single-family, [AND] two-family, and three-unit dwelling plan review; commercial plan review.

A. Residential one-, two-, and three-family dwellings. For residential one-family, [SINGLE-FAMILY OR] two-family, or three-unit dwelling permit applications, the permit applicant shall have the qualified option for independent reviewing professionals, as described in this subsection [B BELOW], to accept responsibility for plan review and building code compliance for the permit. For permit applications submitted under this provision, it shall not be the responsibility of the building official to review the application for compliance with applicable building codes. The building official shall conduct or cause to be conducted reviews for zoning, address, flood, NPDES, storm water and any other reviews necessary for the project.

1. [A.] The applicant's exercise of the option and the identity of the independent reviewing professionals shall be designated on the building permit application in accordance with this section.

2. [B.] Plan review shall be conducted by independent reviewing

professionals as follows:

- a. [1.] Review of the structural plans and calculations shall be conducted by a professional engineer currently registered by the State of Alaska Board of Registration for Architects, Engineers and Land Surveyors as either a structural engineer or a civil engineer. A reviewing civil engineer must be able to demonstrate experience in structural engineering.
 - b. [2.] Review of the plans for fire code compliance and building safety shall be conducted by either
 - i. [(i)] an individual certified as a Building Plans Examiner or Residential Plans Examiner by the International Code Council (ICC), or
 - ii. [(ii)] a professional architect registered by the State of Alaska Board of Registration for Architects, Engineers and Land Surveyors.
 - c. [3.] The structural review and the review for fire code compliance and building safety may be conducted by a single individual if that individual meets the certification requirements set forth in both subsections 2.a. and 2.b.[B.1 AND B.2], above.
 - d. [4.] No application will be accepted where an independent reviewing professional [HAS] also serves[D] as the designer or builder of the project.
3. [C.] A complete building permit application reviewed pursuant to this section shall include:
- a. [1.] Complete building plans and structural calculations;
 - b. [2.] Plot plan;
 - c. [3.] Completed storm water discharge permit application;
 - d. [4.] Letter of review signed by the appropriate independent reviewing professional demonstrating experience in structural engineering certifying structural plans, calculations, fire code compliance, building safety, accepting responsibility for plan review, as required by this section;
 - e. [5.] Signed release of liability, as required by this section; and
 - f. [6.] Any geotechnical reports required by Titles 21 and 23 of the Anchorage Municipal Code.
4. [D.] The plans, calculations and all documents required under this section may be submitted electronically via the department's electronic plan review software [KNOWN AS E-PLANS].
5. [E.] The building official shall confirm the application includes the materials required by sections 23.10.104.9 and 23.10.104.10. If complete and compliant with Title 21 regulations, the application shall be accepted, and the building official shall issue the permit provided that:
- a. [1.] The permit application demonstrates the plans and specifications for residential single-family, [AND/OR] two-family, and/or three-unit dwellings have been reviewed by independent reviewing professionals. Each reviewing

1 professional must submit a signed letter of review with
2 the plans describing the scope of their review and
3 including the details of their credentials to conduct such
4 review. Each reviewing professional must include their
5 registration number and the related expiration date.

6 b. [2.] The permit applicant and the independent reviewing
7 professionals confirm in writing that the independent
8 reviewing professionals accept responsibility for the plan
9 review.

10 c. [3.] Each independent reviewing professional either:

11 i. [a.] Submits to the building official, in concert with the
12 letter of review, a waiver of claims against the
13 Municipality of Anchorage for all damages, losses
14 and expenses, arising out of or resulting from the
15 performance of the review, to the fullest extent
16 permitted by law and on a form satisfactory to the
17 Municipality of Anchorage Office of Risk
18 Management, executed by

19 (A)[(i)] the reviewing professional;

20 (B)[(ii)] the building construction contractor; and

21 (C)[(iii)] the current owner of the property and any
22 party under contract to purchase the
23 property within a year of its completion; or

24 ii. [b.] Provides proof that they maintain professional
25 liability insurance meeting each of the following
26 requirements:

27 (A) [i.] Plan review and building code compliance
28 review under Anchorage Municipal Code
29 are within the scope of the professional
30 liability insurance coverage.

31 (B) [ii.] The professional liability insurance
32 provides a minimum of \$250,000 in
33 coverage.

34 (C) [iii.] Coverage extends for no less than two
35 years from completion of the project
36 construction. If the existing policy does not
37 extend for the duration of this period, the
38 independent reviewing professional must
39 specify in his or her reviewing letter when
40 the policy expires and that it will be
41 renewed to ensure continuous coverage for
42 no less than two years from the date of
43 completion.

44 d. [4.] Each independent reviewing professional indemnifies,
45 holds harmless and states they shall defend the
46 Municipality of Anchorage from and against all claims,
47 damages, losses and expenses, including but not limited
48 to attorney fees and costs, arising out of or resulting from
49 the performance of the review to the fullest extent
50 permitted by law.

1 6. [F.] Reviewing professionals do not have authority to approve code
2 modifications or alternative materials, designs, and methods of
3 construction and equipment as defined in this code. Any request
4 for consideration of code modifications or alternative materials,
5 designs, and methods of construction and equipment shall be
6 submitted to the building official for approval prior to or along
7 with the permit application under the optional process.

8 7. [G.] The building official may

9 a. revoke the privilege afforded by this section of any
10 individual who displays incompetence or lack of
11 knowledge in matters relevant to the design and
12 construction of [ONE- AND TWO-FAMILY] dwellings
13 covered by this section, or who commits fraudulent acts.

14 b. issue a notice to any individual finding the person is
15 grossly negligent in conducting independent plan reviews
16 for residential dwellings submitted under this subsection.
17 The building official shall have the right to audit all
18 submitted plans reviewed by that independent reviewing
19 professional for a time period stated in the notice, not to
20 exceed two years. Such notice is subject to appeal
21 pursuant to section 23.10.103.4.

22
23 B. Commercial. For commercial permit applications, the permit applicant
24 shall have the qualified option for an independent reviewing
25 professional, as described in this subsection, to accept responsibility for
26 structural plan review for the permit. For permit applications submitted
27 under this provision, it shall not be the responsibility of the building
28 official to review the application for compliance with applicable building
29 codes regarding structural design requirements. The building official
30 shall conduct or cause to be conducted reviews for fire, electrical,
31 plumbing, zoning, address, flood, NPDES, storm water and any other
32 reviews necessary for the project.

33 1. The applicant's exercise of the option and the identity of the
34 independent reviewing professional shall be designated on the
35 building permit application in accordance with this section.

36 a. Exclusions. This option is not available for significant
37 structures as defined in state regulation, 12 AAC 36.990.

38 2. Plan review shall be conducted by independent reviewing
39 professionals as follows:

40 a. Review of the structural plans and calculations shall be
41 conducted by a professional engineer currently registered
42 by the State of Alaska Board of Registration for
43 Architects, Engineers and Land Surveyors as either a
44 structural engineer or a civil engineer. A reviewing civil
45 engineer must be able to demonstrate experience in
46 structural engineering.

47 b. No application will be accepted where an independent
48 reviewing professional also serves as the designer or
49 builder of the project.

50 3. A complete building permit application reviewed pursuant to this

1 section shall include:

- 2 a. Complete building plans and structural calculations;
3 b. Plot plan;
4 c. Completed storm water discharge permit application;
5 d. Letter of review signed by the appropriate independent
6 reviewing professional demonstrating experience in
7 structural engineering certifying structural plans and
8 calculations, and accepting responsibility for plan review,
9 as required by this section;
10 e. Signed release of liability, as required by this section; and
11 f. Any geotechnical reports required by Titles 21 and 23 of
12 the Anchorage Municipal Code.

13 4. The plans, calculations and all documents required under this
14 section may be submitted electronically via the department's
15 electronic plan review software.

16 5. The building official shall confirm the application includes the
17 materials required by sections 23.10.104.9 and 23.10.104.10. If
18 complete and compliant with Title 21 regulations, the application
19 shall be accepted, and the building official shall issue the permit
20 provided that:

21 a. The permit application demonstrates the plans and
22 specifications for the commercial building has been
23 reviewed by an independent reviewing professional. The
24 reviewing professional must submit a signed letter of
25 review with the plans describing the scope of the review
26 and including the details of the professional's credentials
27 to conduct such review. The reviewing professional must
28 include registration number and the related expiration
29 date.

30 b. The permit applicant and the independent reviewing
31 professional confirm in writing that the independent
32 reviewing professional accepts responsibility for the plan
33 review.

34 c. The independent reviewing professional provides proof
35 that the person maintains professional liability insurance
36 meeting each of the following requirements:

37 i. Plan review and building code compliance review
38 under Anchorage Municipal Code are within the
39 scope of the professional liability insurance
40 coverage.

41 ii. The professional liability insurance provides a
42 minimum coverage of \$1,000,000 or fifty percent
43 (50%) of the estimated valuation of the building or
44 project, whichever is greater.

45 iii. Coverage extends for no less than two years from
46 completion of the project construction. If the
47 existing policy does not extend for the duration of
48 this period, the independent reviewing
49 professional must specify in his or her reviewing
50 letter when the policy expires and that it will be

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

renewed to ensure continuous coverage for no less than two years from the date of completion.

d. The independent reviewing professional indemnifies, holds harmless and states he/she shall defend the Municipality of Anchorage from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, arising out of or resulting from the performance of the review to the fullest extent permitted by law.

6. Reviewing professionals do not have authority to approve code modifications or alternative materials, designs, and methods of construction and equipment as defined in this code. Any request for consideration of code modifications or alternative materials, designs, and methods of construction and equipment shall be submitted to the building official for approval prior to or along with the permit application under the optional process.

7. The building official may
a. revoke the privilege afforded by this section of any individual who displays incompetence or lack of knowledge in matters relevant to the design and construction of commercial buildings, or who commits fraudulent acts.

b. issue a notice to any individual finding the person is grossly negligent in conducting independent structural plan reviews. The building official shall have the right to audit all submitted plans reviewed by that independent reviewing professional for a time period stated in the notice, not to exceed two years. Such notice is subject to appeal pursuant to section 23.10.103.4.

C[H]. The building official may audit the reviews conducted by independent reviewing professionals as necessary to enforce the provisions of this code.

1. At a minimum, the building official shall audit ten percent of the structural plans submitted for commercial permit applications under subsection B.

2. At the direction of the owner or the owner’s authorized agent, the building official shall audit a plan submitted under this section.

(AO No. 2020-85, § 1, 10-27-20; AO No. 2021-88(S), § 3, 2-15-22)

Section 2. Anchorage Municipal Code 23.10. Table 3-B, Plan Review Fees, is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out*):

23.10. Table 3-B - Plan review fees.

1. Commercial Plan Review Fees	
A. Building Safety	

(1) Plan review	\$0.0031 valuation with a minimum of \$75
(2) Pre-approved plan review for new buildings	\$0.0017 * Valuation with a minimum of \$75 (In lieu of item A. (1))
<u>(3) Optional commercial plan reviewed by independent reviewing professionals</u>	<u>\$0.0017 * Valuation with a minimum of \$75 (In lieu of item A. (1))</u>
B. Land Use Plan Review	15% of the permit fee under Table A with a \$75 minimum fee
C. Fire Department	\$0.0011 * Valuation with a minimum of \$75
2. Residential Plan Review Fees	
A. Building Safety	
(1) Plan Review	\$0.005 * Valuation with a minimum of \$75
(2) Pre-Approved Plan Review	\$0.003 * Valuation with a minimum of \$75
(3) Optional single-family, [AND] two-family, <u>and three-unit</u> reviewed by independent reviewing professionals	\$0.003 * Valuation with a minimum of \$75
B. Land Use Plan Review	15% of the permit fee under Table 3-A with a minimum of \$75
C. Fire Department optional residential fire plan review for Wildland Urban Interface	\$0.002 * Valuation with a minimum of \$75
***	***

(AO No. 2020-85 , § 1, 10-27-20)

Section 3. This ordinance shall become effective 30 days after passage and approval by the Assembly. This ordinance shall only be effective as to new permit applications submitted after the effective date.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2023.

Chair

ATTEST:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16

1
2
3

Municipal Clerk

MUNICIPALITY OF ANCHORAGE



ASSEMBLY MEMORANDUM

No. AM 1005-2023

Meeting Date: December 19s, 2023

1 **From: Assembly Members Cross and Sulte**

2
3 **Subject: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY**
4 **AMENDING BUILDING CODES AT ANCHORAGE MUNICIPAL**
5 **CODE CHAPTER 23.10, ANCHORAGE ADMINISTRATIVE CODE**
6 **2018 EDITION, TO ALLOW OPTIONAL INDEPENDENT PLAN**
7 **REVIEW OF STRUCTURAL DESIGN FOR COMMERCIAL**
8 **BUILDING PERMITS.**
9

10 This ordinance proposes to allow an owner, developer or contractor for a
11 commercial building or structure construction project to engage a qualified
12 professional from the private sector to review building structural plans and
13 calculations and stamp them, which can then be submitted with the application for
14 a building permit. It also allows review for all plans for and review of all plans for
15 residential three-family buildings to be by an independent plan reviewer. (Another
16 ordinance, AO 2023-130 introduced December 5, 2023, also makes this Code
17 amendment for independent plan review for three-unit dwellings, and this proposed
18 ordinance makes identical text changes for consistency should both pass.) The
19 reviewing professional cannot be the same person or with the same engineering or
20 architectural firm that designed the building plan drawings or the contractor that will
21 build it, but must be independent from those roles. Currently, in the building permit
22 process in Title 23 of the Anchorage Municipal Code, this plan review function is
23 performed by the Municipality's Development Services Department under
24 supervision of the Building Official. This ordinance allows that function for
25 commercial structural plan reviews and all plans for three-family buildings to instead
26 be performed by an independent reviewing professional at the option of the building
27 permit applicant.
28

29 This is not a new idea. The option for a permit applicant to have an optional
30 independent plan review has been available for one- and two-family dwelling
31 structures about ten years ago by passage of AO 2012-62(S-1). This option has
32 been successful and beneficial to the residential building industry and has not
33 sacrificed or compromised the safety of residential construction built under its
34 provisions. Additionally, this proposal was previously submitted to the Assembly in
35 November 2022 as AO 2022-100 and -100(S), and is renewed now with a clean
36 ordinance document with recommended changes incorporated as suggested from
37 the Development Services Department and Structural Engineers Association of
38 Alaska.
39

40 Currently the Code limits optional independent review to plans for one- and two-
41 family dwelling structures. A building with three-family dwelling units within it is not
42 a commercial structure under the applicable state and Municipal Code definitions,
43 so this ordinance includes them with the one- and two-family dwelling plan review

1 process. Buildings with four-family dwelling units are, by definition and state law,
2 covered by state law building code requirements and considered commercial in
3 nature. Residential structures for four or more dwelling units must have plans
4 reviewed under commercial permit applications, and this ordinance provides for
5 optional independent plan review for structural plans only, reviews of fire, electrical,
6 plumbing and other plans and drawings will continue to require Municipal plan
7 reviewers for all commercial building construction projects.

8
9 In addition to the above, the other differences of independent commercial structural
10 plan reviews from the independent review of one- and two-family plans and are:

- 11
12 - There is no option to submit a waiver of all claims against the Municipality as
13 an alternative to providing proof of maintaining professional liability
14 insurance. In the AO, *compare* AMC subsection 23.10.104.9.A.5.c.i. *with*
15 104.9.B.5.c.
- 16 - The required minimum amount of professional liability insurance is the
17 greater of \$1,000,000 or fifty percent (50%) of the estimated valuation of the
18 project for independent commercial plan reviewers, compared to \$250,000
19 for residential plan reviewers.
- 20 - The Municipal plan review fee based on valuation has a different multiplier
21 for commercial permits than residential. This new optional independent plan
22 review fee uses the same multiplier of 0.0017 that is in current Code for pre-
23 approved plan review for new buildings; which mirrors the structure for
24 residential plan review where the optional independent plan review multiplier
25 is the same as that for pre-approved residential plans.
- 26 - Excludes “Significant Structures” from the option to have an independent
27 reviewing professional for structural plan review. Significant structures are
28 currently defined in 12 AAC 36.990(a)(44) and includes, among other things,
29 hazardous facilities for toxic or explosive substances; special occupancy
30 structures such as schools, colleges and universities, medical facilities, jails,
31 and those for public assembly for more than 300; hospitals, fire and police
32 stations, aviation control towers; structures over 100 feet in height; and large
33 bridges and piers.
- 34 - Establishes a minimum 10% for audits of structural plans using the
35 independent reviewer option.

36
37 An important detail is the Municipal Building Official continues to have oversight
38 authority even for third-party independent plan reviewer, both for existing residential
39 and the new commercial independent reviewer options. An independent plan
40 reviewer’s privilege to engage in this process can be revoked by the Building Official
41 if the person’s work is found to be incompetent or demonstrates a lack of knowledge
42 in the field, and if found to be grossly negligent in conducting their reviews may have
43 all plans reviewed by that person audited by the Development Services Department,
44 for up to two years. In addition, the Building Official shall audit a plan submitted
45 using an independent reviewing professional if requested by the owner or owner’s
46 agent. Finally, the Building Official continues to have complete discretion to audit
47 the reviews as necessary to enforce compliance with the Title 23 building codes.

48
49 There are significant and substantial benefits to offering optional independent plan

1 review. The main benefit is the efficient and shorter turnaround time for the design
2 phase of a construction project. An independent plan reviewer may possess greater
3 flexibility in scheduling working hours that allow them to meet and discuss the plans
4 and drawings with the developer or owner quickly and at hours when Municipal plan
5 reviewers may not be available. This may reduce the time and communications that
6 occur in the Municipal plan review process where comments on submitted plans are
7 sent back for correction and modification for code compliance, a process that may
8 go through several rounds before a plan is approved by the Building Official. An
9 owner or developer may need to pay more for an independent plan reviewer
10 compared to the Municipal plan review fees, but save on time and associated cost
11 savings. It is a choice always up to the owner or developer whether to engage a
12 private, qualified independent plan reviewer or engage in the Municipality's plan
13 review process.

14
15 The predecessor legislation, AO 2022-100, was introduced on November 9, 2022.
16 There have been several instances of community engagement and review of that
17 ordinance and its (S) version, including:

- 18
- 19 • Assembly Community and Economic Development Committee (CEDC)
20 reviewed October 6, 2022.
- 21 • Assembly worksession held December 1, 2022.
- 22 • Board of Building Regulation Examiners and Appeals (Building Board)
23 reviewed, with comment in a November 8, 2022 letter (attached to AIM 240-
24 2022), and on their meeting agenda January 19, 2023 with no further
25 comment or action.
- 26 • Discussed with the Structural Engineers Association of Alaska (SEAAK) in
27 February 2023.
- 28

29 **We request your support for the ordinance.**

30
31 Prepared by: Assembly Counsel's Office

32 Respectfully submitted: Kevin Cross, Assembly Member

33 District 2 - Eagle River, Chugiak and Eklutna

34
35 Randy Sulte, Assembly Member

36 District 6 – South Anchorage, Girdwood & Turnagain
37 Arm

38