

Submitted by: Assembly Members Cross, Sulte
and Volland

Prepared by: Assembly Counsel's Office

For reading: November 9, 2022

ANCHORAGE, ALASKA

AO No. 2022-100

1 **AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING**
2 **BUILDING CODES AT ANCHORAGE MUNICIPAL CODE CHAPTER 23.10,**
3 **ANCHORAGE ADMINISTRATIVE CODE 2018 EDITION, TO ALLOW OPTIONAL**
4 **INDEPENDENT PLAN REVIEW OF STRUCTURAL DESIGN FOR COMMERCIAL**
5 **BUILDING PERMITS.**
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8 **WHEREAS**, Title 23 of Anchorage Municipal Code provides applicants applying for a
9 residential single-family or two-family building permit the option to use independent
10 reviewing professionals for plan review; and
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12 **WHEREAS**, the Anchorage building community utilizes this option frequently, saving
13 Anchorage residents and Municipality of Anchorage staff, time and resources; and
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15 **WHEREAS**, this ordinance would provide applicants applying for a commercial
16 building permit the option to use an independent reviewing professional for review of
17 structural plans only; now, therefore,
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19 **THE ANCHORAGE ASSEMBLY ORDAINS:**

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21 **Section 1.** Anchorage Municipal Code section 23.10.104.9 is hereby amended to
22 read as follows:
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24 **23.10.104.9 – Optional independent [RESIDENTIAL SINGLE-FAMILY AND** 25 **TWO-FAMILY] plan review.**

26
27 **A.** Residential one-, two-, and three-family dwellings. For residential one-
28 family, [SINGLE-FAMILY OR] two-family, and three-family dwelling
29 permit applications, the permit applicant shall have the qualified option
30 for independent reviewing professionals, as described in this
31 subsection [B BELOW], to accept responsibility for plan review and
32 building code compliance for the permit. For permit applications
33 submitted under this provision, it shall not be the responsibility of the
34 building official to review the application for compliance with applicable
35 building codes. The building official shall conduct or cause to be
36 conducted reviews for zoning, address, flood, NPDES, storm water and
37 any other reviews necessary for the project.

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

41 2. [B.] Plan review shall be conducted by independent reviewing
42 professionals as follows:

43 a. [1.] Review of the structural plans and calculations shall be

- 1 conducted by a professional engineer currently registered
2 by the State of Alaska Board of Registration for
3 Architects, Engineers and Land Surveyors as either a
4 structural engineer or a civil engineer. A reviewing civil
5 engineer must be able to demonstrate experience in
6 structural engineering.
- 7 b. [2.] Review of the plans for fire code compliance and building
8 safety shall be conducted by either
9 i. [(i)] an individual certified as a Building Plans
10 Examiner or Residential Plans Examiner by the
11 International Code Council (ICC), or
12 ii. [(ii)] a professional architect registered by the State of
13 Alaska Board of Registration for Architects,
14 Engineers and Land Surveyors.
- 15 c. [3.] The structural review and the review for fire code
16 compliance and building safety may be conducted by a
17 single individual if that individual meets the certification
18 requirements set forth in both subsections 2.a. and
19 2.b. [B.1 AND B.2], above.
- 20 d. [4.] No application will be accepted where an independent
21 reviewing professional [HAS] also serves [D] as the
22 designer or builder of the project.
- 23 3. [C.] A complete building permit application reviewed pursuant to this
24 section shall include:
25 a. [1.] Complete building plans and structural calculations;
26 b. [2.] Plot plan;
27 c. [3.] Completed storm water discharge permit application;
28 d. [4.] Letter of review signed by the appropriate independent
29 reviewing professional demonstrating experience in
30 structural engineering certifying structural plans,
31 calculations, fire code compliance, building safety,
32 accepting responsibility for plan review, as required by
33 this section;
34 e. [5.] Signed release of liability, as required by this section; and
35 f. [6.] Any geotechnical reports required by Titles 21 and 23 of
36 the Anchorage Municipal Code.
- 37 4. [D.] The plans, calculations and all documents required under this
38 section may be submitted electronically via the department's
39 electronic plan review software [KNOWN AS E-PLANS].
- 40 5. [E.] The building official shall confirm the application includes the
41 materials required by sections 23.10.104.9 and 23.10.104.10. If
42 complete and compliant with Title 21 regulations, the application
43 shall be accepted, and the building official shall issue the permit
44 provided that:
45 a. [1.] The permit application demonstrates the plans and
46 specifications for residential one-, two-, and three-family
47 [SINGLE-FAMILY AND/OR TWO-FAMILY] dwellings
48 have been reviewed by independent reviewing
49 professionals. Each reviewing professional must submit a
50 signed letter of review with the plans describing the

1 scope of their review and including the details of their
2 credentials to conduct such review. Each reviewing
3 professional must include their registration number and
4 the related expiration date.

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

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

10 i. [a.] Submits to the building official, in concert with the
11 letter of review, a waiver of claims against the
12 Municipality of Anchorage for all damages, losses
13 and expenses, arising out of or resulting from the
14 performance of the review, to the fullest extent
15 permitted by law and on a form satisfactory to the
16 Municipality of Anchorage Office of Risk
17 Management, executed by
18 (A)[(i)] the reviewing professional;
19 (B)[(ii)] the building construction contractor; and
20 (C)[(iii)] the current owner of the property and any
21 party under contract to purchase the
22 property within a year of its completion; or

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

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

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

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

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

50 6. [F.] Reviewing professionals do not have authority to approve code

1 modifications or alternative materials, designs, and methods of
2 construction and equipment as defined in this code. Any request
3 for consideration of code modifications or alternative materials,
4 designs, and methods of construction and equipment shall be
5 submitted to the building official for approval prior to or along
6 with the permit application under the optional process.

7 Z. [G.] The building official may revoke the privilege afforded by this
8 section of any individual who displays incompetence or lack of
9 knowledge in matters relevant to the design and construction of
10 one-, [AND] two-, and three-family dwellings, or who commits
11 fraudulent acts.
12

13 B. Commercial. For commercial permit applications, the permit applicant
14 shall have the qualified option for an independent reviewing
15 professional, as described in this subsection, to accept responsibility for
16 structural plan review for the permit. For permit applications submitted
17 under this provision, it shall not be the responsibility of the building
18 official to review the application for compliance with applicable building
19 codes regarding structural design requirements. The building official
20 shall conduct or cause to be conducted reviews for fire, electrical,
21 plumbing, zoning, address, flood, NPDES, storm water and any other
22 reviews necessary for the project.

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

26 2. Plan review shall be conducted by independent reviewing
27 professionals as follows:

28 a. Review of the structural plans and calculations shall be
29 conducted by a professional engineer currently registered
30 by the State of Alaska Board of Registration for
31 Architects, Engineers and Land Surveyors as either a
32 structural engineer or a civil engineer. A reviewing civil
33 engineer must be able to demonstrate experience in
34 structural engineering.

35 b. No application will be accepted where an independent
36 reviewing professional also serves as the designer or
37 builder of the project.

38 3. A complete building permit application reviewed pursuant to this
39 section shall include:

40 a. Complete building plans and structural calculations;

41 b. Plot plan;

42 c. Completed storm water discharge permit application;

43 d. Letter of review signed by the appropriate independent
44 reviewing professional demonstrating experience in
45 structural engineering certifying structural plans and
46 calculations, and accepting responsibility for plan review,
47 as required by this section;

48 e. Signed release of liability, as required by this section; and

49 f. Any geotechnical reports required by Titles 21 and 23 of
50 the Anchorage Municipal Code.

- 1 4. The plans, calculations and all documents required under this
2 section may be submitted electronically via the department's
3 electronic plan review software.
- 4 5. The building official shall confirm the application includes the
5 materials required by sections 23.10.104.9 and 23.10.104.10. If
6 complete and compliant with Title 21 regulations, the application
7 shall be accepted, and the building official shall issue the permit
8 provided that:
- 9 a. The permit application demonstrates the plans and
10 specifications for the commercial building has been
11 reviewed by an independent reviewing professional. The
12 reviewing professional must submit a signed letter of
13 review with the plans describing the scope of the review
14 and including the details of the professional's credentials
15 to conduct such review. The reviewing professional must
16 include registration number and the related expiration
17 date.
- 18 b. The permit applicant and the independent reviewing
19 professional confirm in writing that the independent
20 reviewing professional accepts responsibility for the plan
21 review.
- 22 c. The independent reviewing professional provides proof
23 that the person maintains professional liability insurance
24 meeting each of the following requirements:
- 25 i. Plan review and building code compliance review
26 under Anchorage Municipal Code are within the
27 scope of the professional liability insurance
28 coverage.
- 29 ii. The professional liability insurance provides a
30 minimum of \$1,000,000 in coverage.
- 31 iii. Coverage extends for no less than two years from
32 completion of the project construction. If the
33 existing policy does not extend for the duration of
34 this period, the independent reviewing
35 professional must specify in his or her reviewing
36 letter when the policy expires and that it will be
37 renewed to ensure continuous coverage for no
38 less than two years from the date of completion.
- 39 d. The independent reviewing professional indemnifies,
40 holds harmless and states he/she shall defend the
41 Municipality of Anchorage from and against all claims,
42 damages, losses and expenses, including but not limited
43 to attorney fees and costs, arising out of or resulting from
44 the performance of the review to the fullest extent
45 permitted by law.
- 46 6. Reviewing professionals do not have authority to approve code
47 modifications or alternative materials, designs, and methods of
48 construction and equipment as defined in this code. Any request
49 for consideration of code modifications or alternative materials,
50 designs, and methods of construction and equipment shall be

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submitted to the building official for approval prior to or along with the permit application under the optional process.

7. The building official may 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.

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

(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 <u>one-, two-, or three-family [SINGLE-FAMILY AND TWO-FAMILY]</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
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(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 _____, 2022.

Chair

ATTEST:

Municipal Clerk

MUNICIPALITY OF ANCHORAGE



ASSEMBLY MEMORANDUM

No. AM 654-2022

Meeting Date: November 9, 2022

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 proposed ordinance will provide for optional independent structural plan review
11 for commercial buildings in the Municipality, and review of all plans for residential
12 three-family buildings. Currently optional independent plan review is limited to
13 residential one- and two-family dwellings, as an alternative to having Municipal
14 Building Department conduct the plan review and approve them. Originally enacted
15 ten years ago by passage of AO 2012-62(S-1), this option has been successful and
16 beneficial to the residential building industry and has not sacrificed or compromised
17 the safety of residential construction built under its provisions. This ordinance would
18 extend the option to all commercial building permits, with a few differences.
19

20 Currently the Code limits optional independent review to plans for one- and two-
21 family dwelling structures. A building with three-family dwelling units within it is not
22 a commercial structure under the applicable state and Municipal Code definitions,
23 so this ordinance includes them with the one- and two-family dwelling plan review
24 process. Buildings with four-family dwelling units are, by definition and state law,
25 covered by state law building code requirements and considered commercial in
26 nature. Residential structures for four or more dwelling units must have plans
27 reviewed under commercial permit applications, and this ordinance provides for
28 optional independent plan review for structural plans only, for all commercial
29 projects. Reviews of fire, electrical, plumbing and other plans and drawings will
30 continue to require Municipal plan reviewers.
31

32 In addition to the above, the other differences between the optional independent
33 review of one- and two-family plans and commercial plans are:

- 34 - There is no option to submit a waiver of all claims against the Municipality as
35 an alternative to providing proof of maintaining professional liability
36 insurance. In the AO, *compare* AMC subsection 23.10.104.9.A.5.c. *with*
37 104.9.B.5.c.
- 38 - The required minimum amount of professional liability insurance is
39 \$1,000,000 for independent commercial plan reviewers, compared to
40 \$250,000 for residential plan reviewers.
- 41 - The Municipal plan review fee based on valuation has a different multiplier
42 for commercial permits than residential. This new optional independent plan
43 review fee uses the same multiplier of 0.0017 that is in current Code for pre-

1 approved plan review for new buildings; which mirrors the structure for
2 residential plan review where the optional independent plan review multiplier
3 is the same as that for pre-approved residential plans.
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5 There are significant and substantial benefits to offering optional independent plan
6 review. The main benefit is the efficient and shorter turnaround time for the design
7 phase of a construction project. An independent plan reviewer may possess greater
8 flexibility in scheduling working hours that allow them to meet and discuss the plans
9 and drawings with the developer or owner quickly and at hours when Municipal plan
10 reviewers may not be available. This may reduce the time and communications that
11 occur in the Municipal plan review process where comments on submitted plans are
12 sent back for correction and modification for code compliance, a process that may
13 go through several rounds before a plan is approved by the Building Official. An
14 owner or developer may need to pay more for an independent plan reviewer
15 compared to the Municipal plan review fees, but save on time and associated cost
16 savings. It is a choice always up to the owner or developer whether to engage a
17 private, qualified independent plan reviewer or engage in the Municipality's plan
18 review process.
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21 **We request your support for the ordinance.**
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23 Prepared by: Assembly Counsel's Office
24 Respectfully submitted: Kevin Cross, Assembly Member
25 District 2, Eagle River, Chugiak and Eklutna
26
27 Randy Sulte, Assembly Member
28 District 6 – South Anchorage, Girdwood & Turnagain
29 Arm