

CITY OF ANCHORAGE
APPROVED
Date: 3-14-06

Submitted by: Chairman of the Assembly at
the Request of the Mayor
Prepared by: Development Services
Department
For Reading: February 28, 2006

ANCHORAGE, ALASKA
AR NO. 2006-50

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$475,000) FROM ANTICIPATED UNEARNED REVENUES TO THE BUILDING SAFETY FUND (181) 2006 GENERAL GOVERNMENT OPERATING BUDGET TO FUND TWO NEW POSITIONS AND THIRD-PARTY COMMERCIAL PLAN REVIEW CONTRACT SERVICES IN THE DEVELOPMENT SERVICES DEPARTMENT

THE ANCHORAGE ASSEMBLY RESOLVES:

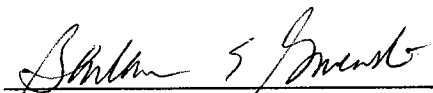
Section 1. That the sum of Four Hundred Seventy-Five Thousand Dollars (\$475,000) is hereby appropriated from anticipated unearned revenues to the Building Safety Fund (181) 2006 General Government Operating Budget to fund two new positions and third-party commercial plan review contract services in the Development Services Department.

Section 2. This resolution shall take effect immediately upon passage and approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 14th day of March, 2006.


Acting Chair

ATTEST:


Municipal Clerk

Departmental Appropriation:
Development Services \$475,000



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM- 140-2006

Meeting Date: February 28, 2006

FROM: Mayor

SUBJECT: Resolution Appropriating Four Hundred Seventy-Five Thousand Dollars (\$475,000) of Anticipated Unearned Revenues to the Building Safety Fund (181) 2006 General Government Operating Budget to Fund One New Plan Reviewer Position, One New Elevator Inspector Position, and Third-Party Commercial Plan Review Services in the Development Services Department

Development Services processed \$660 million in new and remodeled construction permits in 2005. Commercial construction has been steadily rising since 2001, and comprised greater than 50% of all construction projects in the last three years. All indications are that 2006 will be even greater: just three of Anchorage's architectural firms have reported the intent to submit the following projects for permits in 2006 (in millions):

Anchorage International Airport South Terminal	\$120.0
Anchorage Airport Parking Garage.....	52.0
Anchorage Civic and Convention Center	73.5
JL Properties midtown tower	70.0
Anchorage Museum expansion	50.0
Faith Christian Church.....	15.0
Office building, native corporation	10.0
Office building, native corporation	10.0
Providence House	8.0
Girdwood Library	3.0
Alaska Pacific University dormitory.....	1.5
Bartlett High School renovation	2.5

These projects alone total \$415.5 million, or 63% of all construction activity in the previous year. The department is also aware of other large projects which are yet to be announced.

Commercial construction requires significantly more plan review resources, and experiences a far greater number of project change orders, than residential construction. In 2005, at the request of the construction community, the department initiated a program of expedited plan reviews for an additional fee. The plan review program revenues exceeded budget by 25% (\$1,875,265) in 2005; however, the department struggled to meet plan review turnaround time demands, and concerns were voiced by the construction community and the Anchorage Assembly. The fee for expedited plan reviews was raised in 2006 (from 30% to 60% of the plan review fee), which may reduce demand in smaller owner-built projects, but not the larger commercial projects where construction costs are ultimately passed on to the owner or buyer.

The department's contracted third-party plan review firm, Reid Middleton, designs projects here in Anchorage, and the department cannot outsource projects they design to them for a third-

1 party review. Due to increasing commercial demand, Development Services needs funding to
2 contract for a second third-party plan review firm.

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4 This level of commercial construction has also increased the numbers of elevators and
5 escalators in Anchorage. The department has one certified elevator inspector performing
6 inspections on all new and remodel permits, and performing 1,200 annual safety inspections on
7 existing lift devices. This volume now exceeds the capacity of one employee.

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9 To meet current demand, Development Services requests funding from anticipated unearned
10 revenue for one new structural plan review engineer and one new elevator inspector positions
11 (\$175,000), an increase in the Reid Middleton contract (\$200,000), and an additional contract
12 for a second third-party plan review firm (\$100,000). The accounting detail is as follows:

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Revenue	Description	Amount
181-7530-9132	Building Permits	\$95,000
181-7540-9131	Plan Review	380,000

Expenditures	Description	Amount
181-7530-1101	Salaries and Wages	\$95,000
181-7540-1101	Salaries and Wages	80,000
181-7540-3101	Professional Services	300,000

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24 THE ADMINISTRATION RECOMMENDS APPROVAL OF RESOLUTION AR 2006- 50
25 APPROPRIATING FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$475,000) IN
26 ANTICIPATED UNEARNED REVENUES TO THE BUILDING SAFETY FUND (181) 2006
27 GENERAL GOVERNMENT OPERATING BUDGET TO FUND TWO NEW POSITIONS AND
28 THIRD-PARTY PLAN REVIEW CONTRACT SERVICES IN THE DEVELOPMENT SERVICES
29 DEPARTMENT.

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32 Prepared by: Shelly L. Rogers, Senior Administrative Officer (343-8317)
33 Recommended by: Ron J. Thompson, Director, Development Services Department
34 Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer
35 181-7530-9132 \$95,000 (Subject to Assembly Approval)
36 181-7540-9131 \$380,000 (Subject to Assembly Approval)
37 Concur: Denis C. LeBlanc, Municipal Manager
38 Respectfully submitted: Mark Begich, Mayor

Content Information

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A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING
FOUR HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$475,000) FROM

Title: ANTICIPATED UNEARNED REVENUES TO THE BUILDING SAFETY FUND
(181) 2006 GENERAL GOVERNMENT OPERATING BUDGET TO FUND TWO
NEW POSITIONS AND T

Author: gonzalezv

Initiating Dept: Dev_Svs

Select Routing: Standard

Review Depts:

Description:

Keywords:

Date Prepared: 2/14/06 2:54 PM

Director Name: Ron Thompson

Addnl Dept
Review ?: No

Addnl Review
Depts:

Mayor
Review?: No

Requested
Assembly
Meeting Date 2/28/06 12:00 AM
MM/DD/YY:

Requested
Public Hearing
Date
MM/DD/YY:

Document
Number:

Assembly
Meeting Date
MM/DD/YY:

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>	<u>Revision</u>
AllOtherARWorkflow	2/14/06 2:57 PM	Checkin	gonzalezv	Public	003711	0
Dev_Svs_SubWorkflow	2/14/06 4:22 PM	Approve	frostjl	Public	003711	0
MuniManager_SubWorkflow	2/18/06 1:48 PM	Approve	leblancdc	Public	003711	0
MuniMgrCoord_SubWorkflow	2/20/06 2:06 PM	Approve	abbottmk	Public	003711	0