

# City Council Meeting Notice & Agenda

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Tuesday, June 25, 2013  
City Council Chamber  
8401 West Monroe Street  
Peoria, AZ 85345

## Special Meeting & Study Session

5:00 P.M. Convene

**Pledge of Allegiance**

**Roll Call**

**Final Call To Submit Speaker Request Forms**

### Consent Agenda

**CONSENT AGENDA:** All items listed with a "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

### Consent

#### 1C. Authorization to Hold an Executive Session

Discussion and possible action to authorize the holding of an Executive Session for the purpose of: (a) discussion with legal counsel in order to consider the City's position regarding a proposed Economic Development Incentive and Investment Agreement with Huntington University pursuant to the City's Economic Development Incentive and Investment Policy, pursuant to A.R.S. § 38-431.03.A.4. (b) discussion with legal counsel in order to consider the City's position regarding a proposed Economic Development Incentive and Investment Agreement with the College of St. Scholastica pursuant to the City's Economic Development Incentive and Investment Policy, pursuant to A.R.S. § 38-431.03.A.4.

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Mayor  
Bob Barrett

Acacia  
District  
Tony Rivero,  
Vice Mayor

Ironwood  
District  
Bill Patena

Mesquite  
District  
Cathy Carlat

Palo Verde  
District  
Ron Aames

Pine  
District  
Carlo Leone

Willow  
District  
Jon Edwards

## Study Session Agenda

### Subject(s) for Discussion Only

2. Economic Analysis Update for the Sports Complex Redevelopment Project
3. Proposed Building Plan Review Self-Certification Pilot Program

### **Call To The Public (Non-Agenda Items)**

If you wish to address the City Council, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The City Council is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

### Adjournment

## Executive Session

**Convene immediately following Special City Council Meeting  
Executive Room, City Council Chamber**

Under the provisions of A.R.S. § 38-431.02 there will be a **CLOSED EXECUTIVE SESSION**.

### Executive Session Agenda

4. An Executive Session for the purpose of: (a) discussion with legal counsel in order to consider the City's position regarding a proposed Economic Development Incentive and Investment Agreement with Huntington University pursuant to the City's Economic Development Incentive and Investment Policy, pursuant to A.R.S. § 38-431.03.A.4. (b) discussion with legal counsel in order to consider the City's position regarding a proposed Economic Development Incentive and Investment Agreement with the College of St. Scholastica pursuant to the City's Economic Development Incentive and Investment Policy, pursuant to A.R.S. § 38-431.03.A.4.

### Adjournment

The above-named Public Body of the City of Peoria, Arizona will convene into Executive Session pursuant to A.R.S. § 38-431.03 for those items listed on the agenda. Only those persons who are:

- Members of the Public Body, or
- Officers of the City that are required to attend, or
- Those individuals whose presence is reasonably necessary for the Public Body to carry out its Executive Session responsibilities as determined by the City Attorney may be present during the Executive Session.

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District  
Jon Edwards

All persons who remain present during the Executive Session are reminded that the business conducted in Executive Session, including all discussion taking place herein, is confidential and may not be disclosed to any person, except as permitted by law.

### **Call To The Public (Non-Agenda Items)**

If you wish to address the Board, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The Board is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

### **Adjournment**

**NOTE:** Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

***Accommodations for Individuals with Disabilities.*** *Alternative format materials, sign language interpretation and assistive listening devices are available upon 72 hours advance notice through the Office of the City Clerk, 8401 West Monroe Street, Peoria, Arizona 85345 – Phone: (623) 773-7340 or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request. The City has a TDD line where accommodations may be requested at: (623) 773-7221.*

### **PUBLIC NOTICE:**

In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda.

City Council Meetings can be viewed live on Channel 11 (Cox Cable) and are available for viewing on demand at <http://www.peoriaaz.gov/content2.aspx?id=2151>.

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Date Prepared: June 4, 2013**

**Council Meeting Date: June 25, 2013**

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**TO: Carl Swenson, City Manager**

**FROM: Scott Whyte, Economic Development Services Director**

**THROUGH: Susan J. Daluddung, Deputy City Manager**

**SUBJECT: Economic Analysis Update for the Sports Complex Redevelopment Project**

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**Purpose:**

This is an introductory presentation and update on the Peoria Sports Park (PSP) Economic Analysis that was conducted by Ernst & Young LLP (EY) as a result of the attached Statement of Work (SOW) that the City entered into in May 2013.

**Background/Summary:**

Peoria Sports Park, LLC has a Ground Lease and Memorandum of Understanding (MOU) with the City of Peoria, providing the framework to explore a redevelopment opportunity next to the Sports Complex, and to negotiate a public/private partnership for the financing, acquisition, development and operation of a mixed-use redevelopment project. A project update was presented to the City Council on September 4, 2012. The MOU was approved by the City Council on October 23, 2012. The Ground Lease was approved by the City on January 22, 2013.

The next step in the process pursuant to the MOU is for the city to conduct a detailed economic analysis on the developer's financial and economic submittal to determine project feasibility. Ernst and Young has been contracted with, following a formal Request for Proposal (RFP) process, to perform the following statement of work:

Phase I – Market Analysis:

- Development Team: Review and comment on the experience and capabilities of the developer and the development team;
- Market Analysis: Analyze key market assumptions for market support for each of the proposed uses, as stipulated in the site plan, namely hotel, restaurant, retail, entertainment, and luxury condos;
- Cash Flow Assumption Review: Analyze the developer's key operating assumptions for market support including hotel, retail and residential;
- Construction Cost Review: Analyze the developer's key construction assumptions including selected construction cost assumptions for the parking garage, contractor's profit and entrepreneurial (developer's) profit;

- GAP Analysis: Analyze the developer's cash flow models, including the sale of the property in the terminal year, project revenues and expense, and development costs to determine if a gap exists between the net present value of the revenues and development costs and returns required by a typical market participant;
- Direct City Benefits: Utilize the developer's estimates to estimate gross taxes generated by the project to the city over a defined period, and discount the future benefits at a municipal cost of funds rate.

**Phase II – Economic Impact:**

- Utilize the developer's estimates or sensitized market supported estimates;
- Estimate direct, indirect and induced economic impacts of construction and development activities in terms of employment, personal income and economic gross output;
- Estimate direct, indirect and induced economic impacts of the ongoing operations of the facility for each of the proposed uses;
- Economic impact results will be estimated for a single geography (city or county) using economic models for the region;
- Results will be estimated for a single year of stabilized operations and the entire construction period.

Once completed, the final report will be presented to the City Council at a future study session meeting.

**Previous Actions:**

Following is a list of previous Council actions on this project:

- The City Council approved an Exclusive Negotiating Agreement (ENA) between the City and Osage West, LLC on March 22, 2011
- A request to extend the ENA for another year was approved by the City Council on February 8, 2012.
- A Memorandum of Understanding (MOU) was approved by City Council with Peoria Sports Park, LLC on October 23, 2012.
- A Ground Lease was approved by City Council on January 22, 2013.
- City Council approved the Ernst and Young consultant contract on April 9, 2013.

**Options:**

**A:** Provide input on the draft and preliminary outcomes of this economic analysis.

**B:** Reject this project or provide new direction as to how Ernst and Young should approach the completion of the economic analysis.

**Staff's Recommendation:**

Provide input on the outcomes of this economic study.

**Fiscal Analysis:**

There is no fiscal consideration at this time.

**Exhibits:**

Exhibit A: Statement of Work

**Contact Name and Number:**

Maria Laughner at x 5121

## **Statement of Work**

This Statement of Work, dated **17 April 2013** (this “SOW”), is made by Ernst & Young LLP (“we” or “EY”) and **the City of Peoria** (“City”, “you” or “Client”), pursuant to the Agreement, dated **17 April 2013** (the “Agreement”), between EY and the City of Peoria.

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the transaction advisory Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement, and references in the Agreement to “you” or “Client” shall be deemed references to you.

### **Objective and Purpose**

We will assist you as set forth below in connection with an analysis of the proposed redevelopment project within the City. The proposed project includes the development of a 17-acre site adjacent to the Peoria Sports Complex, as described in the attached project site plan (the “Project”), on an existing surface parking lot. The site plan is attached.

### **Scope of services**

#### **Phase I**

We will perform the following tasks related to a market analysis described below with respect to the Project. EY will not be conducting a feasibility study, but will analyze the projected revenues and expenses provided by the Developer and his development advisors. If EY disagrees with the Developer on a particular estimate, we will discuss the assumption with the Developer’s Team in more detail and, if necessary, sensitize the Developer’s estimates (potentially in a range) for the assumptions that do not appear to be supported by market evidence. We will:

- Meet with you and/or the Developer to get a current understanding of the project and the most recent developer’s proposal
- Review the Developer’s reports such as cash flow projections, market studies, appraisals; cost estimates, renderings, marketing report, leasing LOI’s, financing plan, etc.

### **Development Team**

- Review and comment on the experience and capabilities of the Developer and Development Team, including:
  - Past development experience
  - Project financing package
  - Completeness of the current development package
  - Provided equity sources

## **Market Analysis**

- Analyze key market assumptions for market support for each of the four proposed uses as stipulated in the site plan, namely hotel, restaurant, retail, luxury condos, including:
  - Supply of, and Demand for comparable uses in the market
  - Tenant Mix
  - Project Concept
  - Offsetting substitution effects for similar tenants

## **Cash Flow Assumption Review**

- Analyze developer's key operating assumptions for market support including:
  - Hotel: Occupancy, Average Daily Rate (ADR), operating expenses, growth rates, capitalization and discount rates
  - Retail: Retail Sales/SF, market rents, escalation rates, lease-up period, capitalization and discount rates
  - Residential: Pricing/SF, absorption, discount rates.

## **Construction Cost Review**

- Analyze developer's key construction assumptions for market support including:
  - Selected construction cost assumptions, including the structured parking garage, contractor's profit, entrepreneurial (Developer's) profit
  - We will utilize the following in our analysis:
    - Cost estimates from the Developer's Team (engineers, architects, construction companies, etc.)
    - Market-based Cost Service Company estimates
    - Interviews with construction companies (as necessary)

## **GAP Analysis**

- Analyze the Developer's cash flow models, including: sale of the property in the terminal year, project revenues and expenses, and development costs to determine if a gap exists between the net present value of the revenues and development costs and returns required by a typical market participant

## **Direct City Tax Benefits**

- Utilize the Developer's estimates (sensitized by EY) to estimate gross taxes generated by the project to the city of Peoria over a defined period.
  - Construction taxes
  - Property taxes
  - Occupancy taxes
  - Privilege taxes (retail and restaurant/bar)
  - Hotel/Transient Lodging taxes
- Discount the future benefits at a municipal cost of funds rate.

## **Project Modifications to Meet Development Objectives**

Should the project as analyzed require market modifications to meet the city's objectives, EY shall provide such recommendations as part of the reports submitted to the city by EY.

## **Phase II**

### **Economic Impact**

- Utilize the Developer's estimates or sensitized market supported estimates
- Estimate direct, indirect, and induced economic impacts of construction and development activities in terms of employment, personal income, and economic gross output. The estimates will be based on construction budget information provided by the developer.
- Estimate direct, indirect, and induced economic impacts of the ongoing operations of the facility for each of the proposed uses. The estimates will include gross economic impacts and will discuss potential offsetting substitution effects from decreased hotel and retail activity elsewhere in the City. The operating impacts of the proposed facility will be estimated based on the projected operating expenses and other operating characteristics provided by the developer.
- Economic impact results will be estimated for a single geography (City or County) using the IMPLAN economic model for the region.
- Results will be estimated for a single year of stabilized operations and the entire construction period.

### **Reports and Meetings**

We will provide you with progress updates and meet with you periodically to review our results.

We will prepare the written Reports<sup>1</sup>:

- A progress report of Phase I findings
- An executive level PowerPoint presentation for a City Council briefing

Upon authorization and completion of Phase II, we will prepare the written Reports:

- A report summarizing our findings
- An executive level PowerPoint presentation for a City Council briefing

We will present our findings at a Peoria City Council Study Session and attend a Regular Council Meeting when the project is on the agenda for approval.

If at the completion of Phase I, we determine that the project is not economically viable, we will stop work and present our findings to you. We will not begin Phase II without your written authorization to proceed.

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<sup>1</sup> "Report" is defined in the General Terms and Conditions as including all information, advice, recommendations, templates or other content of any reports, presentations, or other communications we provide to you.

## **Timing**

We anticipate a time frame of 3 to 4 weeks for Phase I of our analysis, assuming we receive all of the necessary information and responses from the Development Team in a timely manner. We shall use commercially reasonable efforts to deliver a draft of our Phase I findings by 4 June 2013. Phase II shall require 2 to 3 weeks to complete. We shall use the same commercially reasonable efforts to deliver a draft of our Phase II findings on 9 July 2013

## **Your specific obligations**

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (“Securities Laws”) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this Agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

## **Specific additional terms and conditions**

The Services are advisory in nature. EY will not render an assurance report or assurance opinion under the Agreement, nor will the Services constitute an audit, review or examination of any entity’s financial statements or prospective financial statements in accordance with generally accepted auditing standards or other applicable professional standards. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts, nor will we render any opinion as to the fairness or advisability of the proposed transaction or any other transaction.

For purposes of this SOW, Client Information shall include all information and data relating to the Developer, delivered to us by or on behalf of you or the Developer.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by their vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the Agreement is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a non-reliance and release letter acceptable to us in form and substance.

We will not assist in the preparation of the Developer's Prospective Financial Information (PFI) or in the development of any assumptions therein and therefore we shall only proceed to comment on PFI if we consider it to be of sufficient quality and completeness and if Developer's management has provided sufficient information to explain the basis of key assumptions. Our report may include tables showing or aggregating quantified sensitivities in order to illustrate by way of adjustment the effects of possible alternative assumptions. Those tables should not be regarded as a restatement of the Developer's and/or the Developer's management's PFI, or preparation of revised PFI; they will be provided as a means of summarizing our findings and recommendations illustrating the possible effects of alternative assumptions to assist you in considering their implications for the Transaction. It will be your responsibility to consider our findings and make your own decision based on the information available to you, including such findings and recommendations, and you agree that we do not take any responsibility for any PFI or underlying assumptions.

We will reach factually based conclusions and make recommendations about specific assumptions and components of the PFI herein, where we have sufficient evidence to provide a reasonable basis for them. We will not provide any opinion or any type of assurance about specific assumptions or components of the PFI or on the PFI as a whole.

There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievement of projected results.

The Reports are based on facts of which EY is aware, estimates, assumptions and other information derived from its research, knowledge of the industry and meetings with you or your advisors. We will state our information sources and the basis of our estimates and assumptions in any written Report. All such estimates and assumptions are inherently subject to uncertainty and variation depending upon future events, which cannot be accurately foreseen. Our estimates will in any event be based on general economic conditions as they exist on the date of the analysis and will not contemplate the potential for any sudden or sharp rise or decline in those conditions. We make no representation, and give no assurance, that any estimates or results can or will be achieved. Actual results may vary materially from the estimates presented.

Any financial analyses contained in the Reports are not forecasts or projections as defined by the AICPA. Rather, they are used as contemplated by the Uniform Standards of Professional Appraisal Practice ("USPAP"). Accordingly, terms such as "project," "projections," or "forecast" in the Reports relate to broad and generally perceived expectations of future events or market conditions.

EY will not conduct any architectural, engineering, soil or subsoil study, property survey, or environmental investigation, and will not assume any liability in connection with such matters.

After the Services under this SOW have been completed, we may disclose to present or prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo

as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

**Timetable**

Unless otherwise agreed, and subject to the General Terms and Conditions of the Agreement, we expect to perform the Services during the period from April 2013 to July 2013.

**Contacts**

You have identified Maria Laughner, Economic Development Manager, as your contact with whom we should communicate about these Services. Your contact at EY for these Services will be Valentin Hernandez, Manager.

**Fees**

The General Terms and Conditions of the Agreement address our fees and expenses generally.

The City of Peoria shall pay EY's Professional Fees for the Services, based on the following rate schedule:

Staffing level	Proposed hourly rates
Partner/Principal/Executive Director	\$495
Senior Manager	450
Manager	395
Senior	275
Staff	195

Further we will set a professional fee cap of \$85,000 for Phase I and \$40,000 for Phase II.

In addition, the City of Peoria shall reimburse EY for expenses incurred in connection with the performance of the Services, including reasonable and customary out-of-pocket expenses specifically related to this engagement. EY may receive rebates in connection with certain of its purchases, which are used to reduce charges that EY would otherwise pass on to its clients. Any expense exceeding \$500 shall be approved by the City, in writing, excluding travel to Phoenix for Phase II work.. We will set an expense cap of \$5,000 on this engagement.

Your obligation to pay our fees and expenses is not contingent upon the results of the Services or the consummation of the proposed development.

In witness whereof, the parties have executed this SOW as of the date set forth above.

Ernst & Young LLP

Phase I

City of Peoria

By: \_\_\_\_\_

Maria Laughner  
Economic Development Manager

Phase II

City of Peoria

By: \_\_\_\_\_

Scott Whyte,  
Economic Development Services Director

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

**Date Prepared: May 15, 2013**

**Council Meeting Date: June 25, 2013**

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**TO: Carl Swenson, City Manager**

**FROM: Scott Whyte, Economic Development Services Director**

**THROUGH: Susan J. Daluddung, Deputy City Manager**

**SUBJECT: Proposed Building Plan Review Self-Certification Pilot Program**

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**Purpose:**

To present a proposed Building Plan Review Self-Certification Pilot Program as one of several tools to improve customer service and expedite the issuance of building permits in the development process.

**Background/Summary:**

On October 19, 2010, the City Council adopted the Economic Development Implementation Strategy (EDIS) which identified the city's economic development strengths, weaknesses, opportunities, and threats, as well as created a roadmap for economic development activity in the city through the establishment of eleven initiatives. In addressing the *Permit and Approval Process Improvement* initiative, the Economic Development Services Department (EDS) has identified the following ways to improve customer service by facilitating quicker turn-around times for plan review, permitting and inspection.

- **Building Plan Review Self-Certification Program (Program)** – The Program allows a registered design professional (architect or engineer) to certify that building plans prepared by them, or under their direct supervision, meet the requirements of all applicable building codes adopted by the jurisdiction. The advantage of such a program is to allow the applicant to eliminate the plan review step in the City's permit approval process and reduce the time period between application and issuance of a permit. This program will allow the building owner and the designer the option to self-certify if the project is within the defined scope, or to use the traditional City plan review process. Several jurisdictions throughout the country have implemented such programs with a very diverse variety of scopes, parameters, and processes. Such programs are voluntary participation by the customer.

To date, the following has occurred as part of the self-certification study process:

- **December 2012** - a contract was signed with Zucker Systems to provide consulting services for the self-certification study.
- **January 2013** - The consultant conducted two separate visits to Peoria for a total of five days.
  - During the first visit he interviewed 12 city staff, including Deputy City Manager Susan Daluddung, and EDS Director Scott Whyte. The first visit also included meeting with the City's self-certification working group (Group) comprised of key City departments involved in the development review process, as well as a Program introduction to Peoria's Economic Development Advisory Board (EDAB).
  - During the second visit he met with three City Council members, Ron Aames, Cathy Carlat, and Tony Rivero. This trip to Peoria also included an afternoon at the City of Phoenix interviewing three key staff members. The purpose of the interviews was to gather information on how departments operate, and explore the steps the City of Phoenix took to implement self-certification within their departments.
  - The second visit also included an interview with two architects that are certified through the City of Phoenix Self-Certification program, and a second meeting with the Group and EDAB.
- **March 5, 2013** – During a City Council Study Session, EDS provided the City Council with definitions and updates on the various Building and Site Development initiatives as they relate to customer service enhancements in the permitting process. The initiatives unanimously approved by the City Council on March 5, 2013 include:
  - Over-the-Counter Plan Review;
  - Electronic Plan Review; and
  - Online Permitting

The Council instructed staff at the March 5, 2013 Study Session to return to Council for further discussion on the Program. At the March 5, 2013 City Council Study Session, the Planning Department was directed to evaluate other development applications such as Zoning, Conditional Use Permits, and Site Plan Review relative to the Phoenix Self-Certification model for potential inclusion. The Planning & Community Development Department has completed its evaluation (Exhibit I) and is not recommending inclusion into the self-certification pilot program at this time.

- **April 2013** – The consultant delivered a draft version of the Self-Certification Study.

- **May 2, 2013** – EDS presented to the Group a framework for the Program, which the Group approved for further consideration by EDAB and the City Council.
- **May 8, 2013** – EDS presented the proposed Pilot Program to EDAB for its consideration and input.
- **May 22, 2013** – EDS held a Development Forum with property owners, engineers, architects, contractors, and homebuilders to discuss forthcoming Customer Service Enhancements (Exhibit J). Such future enhancements include the Pilot Program and:
  - **Over-the-Counter Plan Review concepts** – Over-the-Counter Plan review involves designating a City staff member to review, analyze and approve certain permit applications, of a more minor nature, at the time of submittal.
  - **Online Permitting** – Online permitting allows citizens to access building permit information 24 hours a day, seven days a week. With Accela, the city’s current permitting system, citizens have the ability to view the status of their permit, schedule inspections and retrieve inspection results. Ideally, we would want to expand this to include the ability to apply for permits online. This feature is also part of the City’s existing Accela system and thus far has not been implemented.
  - **Electronic Plan Review process** – Electronic Plan Review enables plan submittal and staff review/approval to occur electronically, significantly reducing (and potentially eliminating) customer trips to the City of Peoria Development Services Building. Further, Electronic Plan Review enhances collaboration resulting in plans being finalized as effectively and efficiently as possible. Additionally, Electronic Plan Review is a sustainable practice that reduces cost by minimizing printing and delivery of hard copy plans, as well as cuts staff time to assemble and route plans.

**Previous Council Actions:**

- **January 8, 2013** – EDS brought forward to the City Council a budget amendment request for the use of General Fund reserves to contract with a self-certification consultant. The scope for the self-certification consultant includes the evaluation of the existing Phoenix self-certification program, determining staffing considerations, determining the impact of this program, as well as how those options would enhance customer service and the permitting process.
- **March 5, 2013** – EDS brought forward to the City Council proposed Site and Building Development Initiatives to improve customer service in the permitting process.

**Staff Recommendation:**

Staff requests City Council to provide direction regarding the next steps for the Peoria Building Plan Review Self-Certification Pilot Program.

**Fiscal Analysis:**

Should the City Council direct staff to proceed with implementing the Self-Certification Pilot Program, final costs will be assessed and brought back to Council for further consideration.

**Exhibit(s):**

- Exhibit A: Peoria Self-Certification Program Final Consultant Report
- Exhibit B: City of Peoria Building Self-Certification Administrative Procedure
- Exhibit C: Critical Life & Health Safety Matrix (Audit Scoring)
- Exhibit D: Building Plan Submittal Checklist (Tenant Improvements)
- Exhibit E: Structural Peer Review Certificate
- Exhibit F: Self-Certification Hold Harmless Letter
- Exhibit G: Owner/Tenant Certification Statement
- Exhibit H: Recordation Letter
- Exhibit I: Planning and Community Development White Paper
- Exhibit J: Development Forum Flyer

# **SELF-CERTIFICATION STUDY**

## **Peoria, Arizona**

*By*

Zucker Systems  
Paul Zucker, President  
Brad Remp, Senior Associate, CBO



**3038 Udall St.**

**San Diego, CA 92106**

**(619) 260-2680**

**[www.zuckersystems.com](http://www.zuckersystems.com)**

**[paul@zuckersystems.com](mailto:paul@zuckersystems.com)**

April, 2013

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# Executive Summary

## Background

This study was initiated by the City to evaluate the establishment of a building plan review Self-Certification Program for development services based on the City of Phoenix Self-Certification Program.

## Key Findings and Priority Areas

The City of Peoria's interest in investigating the establishment of a Self-Certification Program for building plan review is based on a desire to accomplish a number of different goals. This report is intended to identify both the anticipated benefits and challenges associated with such a program, what lessons can be learned from the experience gained by the City of Phoenix in the development of their program and how those lessons can be incorporated into a program unique to the City of Peoria. Based on the experience of the City of Phoenix, a similar program in the City of Peoria will not generate a significant number of participants and will therefore have very little positive impact on the majority of the City's permit applicants.

## Quality Control

### Findings

The number one concern expressed during staff interviews was the need to maintain high quality control standards for all projects constructed within the City. The traditional process of requiring all plans to be reviewed by qualified City Plans Examiners has performed well for Peoria and other jurisdiction throughout the country for many years. The Self-Certification Program will entrust the responsibility to the Certified Design Professional to prepare a set of code complying plans without direct review by City Plans Examiners. Historically designers have depended on City review to identify and help correct code deficiencies prior to permit issuance. Lessons learned from the Phoenix Program indicated that design professionals were much more successful in preparing code complying plans when the scope of the project was limited.

### Recommendation

- *Establish a pilot Self-Certification Program that is limited to tenant improvement projects less than 25,000 sq. ft.. Recommendation 1.*
- *Consider expanding the Self-Certification Program to include drainage, landscaping and complete building structures in the future. Recommendation 2.*

## Program Guidelines

### Findings

The City of Peoria is approximately one-tenth (1/10th) the size of the City of Phoenix in population. This difference is also represented in the level of staffing available within their respective development services departments. During the development of the Self-Certification Program, the City of Phoenix utilized considerable in-house technical resources. These resources are not readily available to the City of Peoria. The City of Phoenix has generously offered to assist the City of Peoria by encouraging them to use the resources they have developed through their Program. Peoria should take advantage of this offer and avoid duplicating their efforts.

### Recommendations

- *Avoid duplication of effort by recognizing design professionals Certified by the City of Phoenix and augmenting with abbreviated local certification class that focuses on local code amendments and procedures. Recommendation 3.*
- *Utilize the guides and forms previously generated by the City of Phoenix as a baseline to create a program unique to the City of Peoria. Recommendation 4.*

## Inspector Training and Classification

### Findings

One of the functions most significantly impacted by implementation of a Self-Certification Program is building inspections. The traditional role of the Building Inspector is to confirm that the construction is proceeding in conformance with the plans that had been previously approved by City Plans Examiners. The Self-Certification Program eliminates the role of the City Plans Examiner in favor of relying on the Certified Design Professional's ability to prepare a fully code complying set of plan. Program experience has shown that this rarely occurs so the burden to identify code deficiencies becomes a new responsibility of the Building Inspectors when the building is under construction. The Phoenix Program benefitted from having some inspectors who had previously performed plan review, this advantage is not currently available to Peoria.

### Recommendations

- *Field inspection staff should be provided with training on performing basic plan review functions for those types of projects that are eligible under the pilot Self-Certification Program. Recommendation 5.*
- *The Building Official should work with Human Resources to evaluate the current Inspector job description and determine if language and compensation adjustments are warranted based on the expanded duties of the position that will be required to implement the program. Recommendation 6.*

## Audit Program

### Findings

A Self-Certification Program will eliminate the traditional role of formal plan review prior to permit issuance. The City; however still needs to confirm the project is constructed in accordance with the adopted codes. To confirm that the Certified Design Professional is preparing plans that meet the code, it is essential that the designers work be periodically reviewed by qualified staff. The audit program is intended to ensure that the participating design professional is continuing to meet the standards required by the program. Following the audit guidelines established in the Phoenix Self-Certification Program for minor projects (less than 25,000 sq. ft) would only require that 10% of the projects be audited. The results of their audit program indicate a failure rate of 23%. We believe that the quality of the plans could be improved with a higher number of projects being audited.

### Recommendation

- *A minimum of 25% of projects should be audited during the pilot phase of the Self-Certification Program and those individuals who have failed an audit should be subject to more frequent audits in the future. Recommendation 7.*

## Program Funding

### Findings

Keeping in mind that the overall participation in the program is anticipated to be very small, concerns about lost revenue from reduced plan review fees should not be significant. The additional costs associated with implementing this program will be primarily in the form of staff costs to develop the program, including staff training, on-going audits and administration of the local certification program that would include establishing an appeals program with City Attorney support. To the extent that the structure of the program has already been established in Phoenix and Chicago, utilizing their work as a baseline and making modifications appropriate to Peoria as determined by staff, including the City Attorney, should help minimize overall costs. With the recommendation to increase the audit ratio to 25% from the 10% threshold used by Phoenix, we would recommend including a fee equal to 25% of the normal plan review fee be established as a surcharge to participate in the program.

### Recommendation

- *A fee of 25% of the normal plan review fee should be established as a surcharge for all applicants to participate in the Self-Certification Program. This fee should be adjusted in the future to reflect the actual cost of providing the required services. Recommendation 8.*

## Phoenix Self-Certification Program – Lessons Learned

### Findings

Considerable useful information was gathered by reviewing the documentation made available from the City of Phoenix and the insights they were willing to share with us regarding the lessons they have learned through their experience implementing their Self-Certification Program. While recognizing that

## Exhibit A

there are significant differences between the operations of the City of Phoenix and the City of Peoria, we recommend the Lessons Learned section of this report be consulted frequently in developing a program suitable for the specific needs of Peoria.

### Recommendation

- *The lessons learned by the City of Phoenix during the implementation of their Self-Certification Program should be incorporated into any program developed to meet the specific needs of Peoria's permit customers.*

## Best Practices to Consider

### Findings

In the course of our studies we have had the opportunity to observe development services operations throughout the country. From these observations we have developed an understanding of those “Best Practices” that contribute to providing excellent customer service. The scope of our contract did not permit the type of review that Zucker Systems would typically perform with our full team of experts. However, we have included a list of a few of those “Best Practices” that we believe are particularly applicable to the Building Safety Division at this time. Our interviews with Management staff in the Economic Development Services Department have suggested that they intend to seriously investigate implementing many of these practices in the future.

### Recommendation

- *The City should investigate and implement, to the greatest extent possible, those “Best Practices” identified in this report in conjunction with implementing a Self-Certification Program.*

# Introduction

## Purpose

Zucker Systems was retained by the City of Peoria to assess the viability of implementing a Self-Certification Program similar to the program being utilized by the City of Phoenix. The Phoenix Self-Certification Program can generally be defined as a program that authorizes an owner to by-pass the conventional plan review process by retaining the services of a pre-qualified design professional. A design professional becomes pre-qualified based on professional standing, experience in Arizona and attendance at a City-sponsored training program. The design professional assumes responsibility for ensuring that the plans conform to all applicable regulations and code requirements. After permit issuance, these plans may be subject to a City audit that could result in both plan revisions and suspension of the design professional's authorization to participate in the program. Specifically, the City of Peoria wished to investigate the possible impacts on existing staff and the likely benefits to be achieved by implementing a Self-Certification Program.

## Methods

The methods used to perform the evaluation included a review of the existing on-line information regarding the origin and current status of the City of Phoenix Self-Certification Program as well as interviews with key staff members from the City of Peoria and the City of Phoenix. Interviews were also conducted with stakeholders including Architects and Engineers Certified under the City of Phoenix Program and several members of Peoria's City Council. The information gathered through these investigations formed the basis for the recommendations provided at the end of this report.

# Permit Process

## Overview

To be able to fully understand the potential impacts of implementing a Self-Certification Program it is essential to have an appreciation of the major components of the permit review process. In the most basic form, the process consists of a series of meetings with City staff to identify potential issues that may conflict with existing municipal code requirements, the creation of a plan to demonstrate compliance with the intent of the code requirements and subsequent field inspections to confirm the provisions identified in the plans are incorporated into the finished construction. Frequently the owner's intent cannot be readily accomplished within the framework of existing codes and regulations which necessitates discretionary approvals such as variances or zone changes that include community input as well as staff recommendations. The overall process to develop a site from the time of pre-application meetings to final inspection can be lengthy. Frustration frequently arises due to the length of time

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necessary to accomplish all of the required steps to reach completion. Discussion of this frustration is often summarized as an excessive amount of time needed to “get the plans approved”. Accordingly, much of the blame for a perceived inefficient system falls upon the technical plan review function performed by the various City Departments. While there are always opportunities to improve efficiencies in the plan review process and this report provides several suggestions to make such improvements, it is appropriate to place this activity in the proper context of the total development process. By doing so, it is possible to develop a realistic understanding of the magnitude of changes that could be accomplished by implementing changes that focus solely on the plan review process.

As a means of identifying the relative role that the plan review turnaround time represents in relationship to the overall time to develop a project, staff performed a timeline review for a typical project built within the City in the last year. The project chosen for the analysis was a McDonalds Restaurant. The timeline they developed showed the actual amount of time consumed during the development of this project from the initial pre-application meeting through final inspection. The actual amount of time consumed by the City for building and site plan review purposes was only 10% of the total development time. This information is not intended to minimize the importance of the plan review process, but rather to draw attention to the misconception that the plan review process is the primary cause of delayed project development.

## Role of Plan Review

The intended purpose of implementing a Self-Certification Program is to eliminate the need for City staff to perform an in-house review of the various plans prepared by the design professional. An underlying assumption regarding a primary benefit to be achieved through such a program is the time to be saved by eliminating a redundant review of the plans to confirm code compliance. The basis for assuming that the City review is redundant arises from a general public perception that professional engineers and architects are fully trained in not only the technical aspects of engineering and architectural design, but also the complex and often confusing provisions identified in the various codes. A review of university catalogs for engineering and architectural schools, however, fails to identify any reference to classes that focus specifically on the appropriate application of building and related codes. This fact was further confirmed through interviews with Registered Architects and Licensed Engineers. On the other hand, municipal plans examiners, while frequently possessing qualifications as professional architects and engineers, also have obtained additional knowledge specific to the application of codes and standards. In the case of Building Plans Examiners, most individuals have achieved the status of a Certified Plans Examiner for specific disciplines. The most widely accepted certifications for these types of qualifications are earned from the International Code Council (ICC), the organization that oversees the creation of most of the national building codes.

Traditionally architects and engineers have gained their knowledge of the various code requirements through their on-going experience of submitting their proposed plans for review by the local jurisdiction’s plan review staff. Our experience has shown that plans, other than over the counter type projects, are very rarely approved based on the initial submittal. Most plans undergo between two and five sets of resubmittals before the city approves the plans as conforming to the minimum code requirements. It is through this iterative process that designers become familiar with the code requirements and how they are being interpreted by the local jurisdiction. The need for plan resubmittals is generally based on both the lack of information provided on the plans and the inappropriate application of the code provisions. Numerous interviews nation-wide suggest that the normal practice is

for designers to submit minimal plans with the expectation that the city plans examiner will help “complete” the plans by ensuring that the code complying information is eventually included in the plans. The Self-Certification approach assumes that design professionals are capable of preparing a complete set of code compliant plans without any plan review oversight by the local jurisdiction.

# Benefits & Challenges

The table below summarizes the benefits and challenges identified through research and interviews.

**TABLE 1 BENEFITS AND CHALLENGES**

<b>BENEFITS</b>	<b>CHALLENGES</b>
Shorter timeline due to reduced plan review	Concerns about reduced quality of construction
Marketing advantage for City	Greater burden placed on inspectors
Reward professionals for Quality Work	Low volume of participation – worth the effort?
Marketing Advantage for Certified Professionals	Reduced revenue to support program
Improved Quality of Submittals	New programs for auditing
Delay need to hire additional staff	Certifying and appealing suspension or revocation of Certification status
	Perception of Increased Professional Liability

## Benefits

### Reduced Timeline

As discussed above, there is a general perception that a city’s in-house plan review function constitutes a significant portion of the timeline from project conception to completion. With this mindset, it is easy to appreciate how proponents of a Self-Certification Program would envision the elimination of the city plan review process as having a significant impact on reducing the overall amount of time needed to develop a project. What is less clear is whether the amount of time necessary to prepare a code complying set of plans would be substantially less than that achieved through the traditional process. Eliminating the traditional iterative process of submitting, receiving corrections and resubmitting to the city would seem to result in significant time savings, however, the need to confirm that the plans comply with the code remains and must be performed by the in-house Certified Architect or Engineer. While in

## **Exhibit A**

the case of the City of Phoenix program, these Self-Certified individuals have been exposed to a two-day class on the application of codes and the new submittal process, this exposure is not equivalent to the experience possessed by most seasoned plans examiners. The burden to provide this code compliance review in-house by individuals with limited experience in performing code-compliance plan reviews may significantly increase the plan preparation time prior to actual program submittal.

### **Marketing Advantage for City**

National research has indicated that the Phoenix Metropolitan Area is beginning to see the effects of an economic recovery. Interviews with Council Members and Staff indicated that the City of Peoria has placed a great emphasis on its desire to attract economic development to the community. Success in this arena can be reflected in the community's ability to attract both new businesses and retain desirable existing businesses. This is a competitive environment that encourages businesses to compare the types of business-friendly services that each community offers. Staff from the City of Phoenix has indicated that the implementation of the Self-Certification Program has contributed significantly to the image of the City as being innovative and business-friendly even though overall participation in the program has been limited. Other jurisdictions in the valley are also investigating ways to improve their services to attract businesses. Peoria's current efforts to evaluate self-certification, as well as other permit streamlining programs, reflects an appropriate investment to respond to the heightened competitiveness being generated among the jurisdictions in the valley.

### **Reward Professionals for Quality Work**

As with all professions, the quality of services provided can vary greatly. The fields of professional architecture and engineering are no exception to this rule. Most existing permit processing systems fail to adequately reward those professionals who routinely submit quality plans that fully comply with the adopted codes. These systems generally run on a first-come-first-served basis which means that quality submittals are frequently held in line behind poor quality submittals. While every state has a Board that oversee the professional practice of Architecture and Engineering, it is rare for these Boards to engage in disciplinary action based on the poor quality of plan submittals to local permit enforcement agencies. To a great extent this is due to their limited resources to adequately pursue these types of complaints. A Self-Certification Program can provide a means of rewarding professionals that consistently prepare code compliant plans for construction.

### **Marketing Advantage for Certified Professionals**

Much like communities competing to attract new businesses and retain existing customers, professional designers are under similar pressure to compete for clients. The ability to advertise a firm's or individual's status as being approved to participate in a Self-Certification Program can provide a clear marketing advantage when competing with other firms that are not similarly distinguished. At the time of this report, the City of Phoenix has 181 individuals that were Certified to participate in the Self-Certification Program in various categories.

### **Improved Quality of Submittals**

The introduction of a Self-Certification Program can provide opportunities for participating design professionals to gain market advantages, however, continued participation in the program is dependent

## **Exhibit A**

upon maintaining an acceptable level of performance. One of the unanticipated outcomes of the City of Phoenix Program was an overall improvement in the quality of plan submitted for participation in the program. As design professionals were exposed to the training provided by the City of Phoenix and received feedback in the form of plan review audits, the importance of submitting complete plans gained in importance. This was of particular interest to those certified individuals who had failed a previous audit and would be subject to certification revocation if they failed additional audits in the future.

### **Delay Need to Hire Additional Staff**

With a Self-Certification Program there is a general expectation that the overall impact on staffing may be reduced, particularly for the plan review staff. The extent of this reduction in staffing workload needs to be evaluated against the anticipated increase in workload that will result in the implementation of a new program. The City of Phoenix confirmed that no staff positions were eliminated as a result of the implementation of their Self-Certification Program. Plan review staff will need to create a new training program for the design professional that is catered to the specific requirements applicable to the City of Peoria and field inspection staff will assume additional responsibilities in the form of a more comprehensive review of plans for completeness and code compliance.

## **Challenges**

### **Quality Control Concerns**

One of the most frequently expressed concerns by staff was the expectation that the overall quality of construction will decline without a rigorous oversight process by the jurisdiction. These concerns are based on both the historical fact that very few plans are approved at initial submittal and that a Self-Certification Program will assume that the property owner and design professional will embrace the additional responsibility of acting in the best interest of the public. If projects are allowed to be constructed in accordance with the typical first plan submittal, numerous code deficiencies will be created and the completeness of the plans will be insufficient to allow construction without the need for additional information. The plan changes that may be identified by field inspectors will be costly and result in delays and still may not result in a fully complying project at completion.

The other significant concern expressed was the belief that removal of the government plan review process would leave the public's interest to be solely represented by the design professional and property owner. Historically the motives of property owners have been to return a profit on their efforts to develop a project and the design professional has been responsible for assisting them in creating a product that would be marketable at reasonable cost. Assuming that the property owner and design professional will expand their roles to assume the government's responsibility to serve in the greater public's interest may be an inappropriate assumption.

### **Greater Burden Placed on Field Inspectors**

The normal process for obtaining a building permit includes a thorough review by staff specifically qualified to review all aspects of proposed plans to confirm compliance with the various codes adopted by the jurisdiction. These individuals frequently have both extensive educational backgrounds in architecture and engineering and a comprehensive education in the application of codes. Once the plans

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have been approved, typically after several resubmittals, the permit is issued and the field inspector is charged with the responsibility to confirm the construction complies with the approved set of plans. The expectation is that only in very rare situations will the inspector be expected to also review and identify issues on the plans that don't meet the minimum code requirements. While some field inspection staff with extensive experience do transition into a plans examiner role later in their career after attending numerous code classes and obtaining nationally recognized certification(s), this career path is not the norm.

The basic concept behind the Self-Certification Program is the expectation that the Certified Design Professional will prepare a set of plans that fully comply with all aspects of the adopted codes. In reality, it should be anticipated that the field inspectors will not only continue to perform their traditional field inspection responsibilities but also begin developing a stronger awareness of basic code requirements in order to develop a more comprehensive understanding of the code requirements applicable to the plans they find in the field. This expanded role of the field inspector will necessitate additional training and potential higher compensation. Additionally, the learning curve for the inspectors developing this additional code knowledge will undoubtedly create some confusion and delays for projects initially participating in the program.

### **Low Volume of Participation – Is it Worth the Effort?**

A statement frequently expressed by the public is that government needs to be run more like a business. The underlying theme is that government processes need to be efficient and decisions need to reflect appropriate use of resources. While clearly the government is not expected to make a profit, particularly when being asked to provide services that promote a social agenda, there is an expectation of a reasonable return on investment of tax payer dollars. Interviews with staff, design professionals and Council Members failed to reach a consensus on what would be considered as a reasonable level of program participation that would warrant investing resources to implement a Self-Certification Program. As will be discussed later in this report under findings from the Phoenix Program, overall participation, as a percent of potentially qualifying projects, has been very small. However, the number of actual participants should not be the sole indicator of the benefits of the program. Offering such an innovative program as a mechanism to enhance economic development must be considered even if developers eventually chose to not participate in the Self-Certification Program. A method to minimize the expenditure of resources while still achieving a Self-Certification Program would be to initially limit the scope of the program and borrow resources from other agencies. This is further discussed under Recommendation elsewhere in this report.

### **Reduced Revenue to Support Program**

A basic premise of the Self-Certification Program is that the elimination of the requirement to obtain approval by the City plan review staff should result in a reduced permit fee. This is a reasonable assumption given the fact that plan review staff will not be charged with the task of performing the initial and subsequent detailed plan review function for projects participating in this program. The substitution of the Self-Certification Program for the normal process, however, creates additional demands for staff resources for which revenue must be recovered. In the City of Phoenix additional revenue is recovered through Certification Registration, a basic surcharge for all program participants and charging of a partial plan review fee for those projects subject to automatic auditing. All of these revenue sources may not be available to the City of Peoria to the extent experienced in Phoenix but the

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anticipated low volume of initial program participation may make the issue moot. It might also be appropriate to consider subsidizing these efforts through contributions from the City's Economic Development recruitment funds in proportion to the level of participation by new businesses.

### **New Programs for Auditing**

Self-certification does not imply that the government is abandoning all responsibility for confirming that construction within the community continues to meet the basic health and safety regulations contained in the adopted codes. The Self-Certification Program provides an alternative to the traditional process that includes a formal plan review of every project for a process that involves periodic auditing of the quality of the plans prepared by the Certified Design Professional. Creating and administering an auditing program will introduce new workload demands on plan review and administrative staff. Plan review staff will be charged with performing a plan review with the additional burden of documenting the number and type of code deficiencies that are observed during the plan review audit. The administrative staff will be responsible for tracking the number of audits performed for each Certified Professional participant, the need for future audits based on past performance and the collection and reporting of overall system performance parameters.

### **Certifying and Appealing Suspension or Revocation of Certification Status**

A likely outcome of a Self-Certification Program that includes periodic performance auditing is the need to take action when audits reveal unsatisfactory performance. This action would take the form of placing an individual's Certification in a probationary status or revoking the Certification and thereby prohibiting the individual from participating in the program. Due to the anticipated advantages associated with having Self-Certification status as a marketing tool for design professionals, it is reasonable that such individuals would seek to avoid loss of that status. To ensure that the program is administered in a fair and equitable manner, it is essential that an appeal process be established to afford individuals the right to challenge any proposed action to condition or revoke their Certification status. It is reasonable to assume that an existing Building Board of Appeals would assume these additional responsibilities by following an established set of administrative procedures. This process is likely to be a much more formal process than the Board's current procedures and will necessitate the retention of separate legal services to represent the City and the Board of Appeals. A mechanism to recover the staff costs not only of this additional legal support but also the staff time to provide testimony during these hearings should be factored into the cost of implementing the program.

### **Perception of Increased Professional Liability**

Interviews with staff and design professionals indicated there was a strong interest on the part of design professionals to achieve status as Certified to participate in the City of Phoenix program when it was first announced. There was a belief that the program would both facilitate an early start of construction and also provide additional marketing benefits for those individuals and firms that had achieved the status of approved to participate in the Self-Certification Program. Over time it became apparent that most of these individuals were not actively participating in the new program. One of concerns expressed was the appearance of additional liability being assumed by the design professional. Design professionals have always been responsible for their designs; however, process steps have traditionally been in place that would minimize the impact of their mistakes. Principal among these process steps has

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been the independent review by qualified plans examiners prior to issuance of the permits. Under the Self-Certification Program, with the exception of a very minimal plan review for completeness, the project will proceed without City plan review. Consequently, any mistakes on the plans are not likely to be detected until the construction is underway. Any significant problems detected once construction has begun are typically both time-consuming and very costly. Design professionals must carefully consider whether participation in the program will actually save time and money if the project is audited and problems are identified after construction has begun.

Some firms have carefully evaluated the risks associated with participating in the program and have chosen to proceed. The most successful of these firms have focused their attention on a limited type of project (example: medical office tenant improvements) and have developed a strong skill set to address the demands of this type of operation. Other firms have evaluated the risk of not only having projects that could be delayed but also potentially losing the status of being approved for Self-Certification and the commensurate damage that such an action might have on their professional reputation, and have declined to actively participate in the program.

The issue of liability insurance (Errors and Omissions) was also mentioned during interviews. The comments from design professionals indicated that their insurance agents have told them there would not be any differences in their rates or coverage while participating in the City of Phoenix Self-Certification Program. Further inquiries with these individuals could not confirm that their original inquiry was actually reviewed by the underwriting staff from the insurance companies. It seems conceivable that insurance underwriters might have some concerns when confronted with the fact that the Self-Certification Program excludes the traditional step of having the design professional's plans reviewed by qualified plans examiners prior to permit issuance.

# Phoenix Self-Certification Program

## Program Origin

The City of Phoenix Self-Certification Program is primarily based on a similar program developed for the City of Chicago. The program is intended to allow registered professionals the ability to bypass the normal plan review process and get permits within a very short period of time, sometimes within one (1) day.

On April 15, 2009 a Task Force was created by the Phoenix Mayor and City Council with the charge to work with City staff to review the efforts undertaken by the Development Services Department (DSD) to improve processes and services to customers and identify areas for continuous improvement including, but not limited to, turnaround times, predictability of plan reviews and consistency of inspections. The Task Force was co-chaired by Vice-Mayor Tom Simplot and Councilman Sal DiCiccio and included key representatives of the development community. One of the Task Force's recommendations was to implement a Building Self-Certification Pilot Program modeled after the City

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of Chicago program. The City of Phoenix goal is to issue a permit under the Self-Certification Program within one (1) to five (5) days of submittal.

The Phoenix Self-Certification Program, when first introduced, had a limited scope of projects that would qualify for participation. For example, the original program established a maximum size for commercial buildings to be 25,000 sq. ft. and a single story. After approximately a year, in an effort to encourage broader participation, the scope of eligible projects was expanded to most commercial buildings regardless of size if not exceeding 4 stories. Outlined in Figure 1 below are the current criteria for participating in the program.

## Participant Qualifications

The opportunity to participate in the current Self-Certification Program is limited to those design professionals with specific qualifications, including:

- Architect or Structural Engineer registered in Arizona for at least three years to certify building plans
- Landscape Architect registered in Arizona for at least three years to certify landscape plans
- Civil Engineer registered in Arizona for at least three years to certify grading and drainage plans
- Successful completion of Self-Certification Training Class from the Planning and Development Department

## Self-Certification Training Class

A key component to the Self-Certification Program is the requirement that all participating professional designers become Certified through attendance at a Self-Certification Training Class conducted by City of Phoenix staff. The class is intended to provide attendees with instruction about the self-certification permit process, examining plans for compliance with the Phoenix Building Construction Code, and with instruction about the administrative aspects of permit processing for which the Self-Certified Professional is responsible when self-certifying plans.

The Class to obtain Certification for building and parking lot plans is a two-day class and costs \$1,500 for the first attendee from a firm and \$750 for additional attendees from the same firm. The class for Certification in Landscaping and Parking Lot Plans is a 4 hour class and is \$500 for the first attendee and \$250 for additional attendees from the same firm. The class time and rates are the same for the Certification in Grading and Drainage/Stormwater Management and Parking Lot Plans. These Certifications expire after three years, which is the typical period between the publication and adoption of new code editions. Phoenix staff reports that the revenue generated through these Certification classes contribute significantly to covering the costs associated with administering the program.

## Project Eligibility

To participate in the Self-Certification Program the scope of the project must fall with the following parameters:

- Interior alterations and tenant build-outs of business, mercantile, factory, assembly, and storage.
- New construction of residential or commercial buildings up to 4 stories.
- Landscape inventory, salvage, and new landscape plans.
- Grading, drainage, and parking lots.
- Projects that are not eligible include:
  - New high-rise buildings (most tenant improvements inside existing high-rise is allowed)
  - Projects located in Hillside Development Areas
  - Extra-large assembly occupancies (A4 & A5)
  - Hazardous Occupancies
  - Projects in FEMA Special Floodplain Hazard Areas

A copy of the eligibility guidelines prepared by the City of Phoenix is included below as **Figure 1**.

## FIGURE 1 ELIGIBILITY CHART



PLANNING & DEVELOPMENT  
DEPARTMENT

### Self-Certification Program Eligibility Chart

#### Building Plans

Projects Eligible	Projects Not Eligible*
<ul style="list-style-type: none"> <li>All new building construction and alterations not included in the "Projects Not Eligible" list to the right</li> </ul>	<ul style="list-style-type: none"> <li>Hazardous occupancies</li> <li>New high rise buildings (occupied floor more than 75' above Fire Department access)</li> <li>Projects located in a Hillside Development Area</li> <li>Extra large assembly occupancies (A4 &amp; A5)</li> <li>Projects in FEMA Special Floodplain Hazard Area</li> </ul>
<p><i>*A structural peer review by a city-approved structural peer reviewer is required for all projects under 25,000 square feet that have structural components designed and sealed by a structural engineer.</i></p>	
Random Audit Guidelines	Automatic Audit Guidelines
<ul style="list-style-type: none"> <li>All projects under 25,000 square feet</li> <li>Requires a structural peer review by a city-approved structural peer reviewer</li> <li>No audit fee assessed</li> <li>Generally a 10% chance of audit</li> </ul>	<ul style="list-style-type: none"> <li>All projects over 25,000 square feet are automatically audited</li> <li>No structural peer review required</li> <li>Audit fee is equal to half plan review fee per Planning &amp; Development Fee Schedule</li> </ul>

#### Civil/Site/Landscape Plans

Projects Eligible	Projects Not Eligible
<ul style="list-style-type: none"> <li>New construction and improvements to parking lots up to 5 acres</li> <li>All new construction and alteration plans for landscape, salvage and inventory up to 20 acres (on-site and off-site)</li> <li>New construction and amendments to civil on-site grading and drainage plans for:                             <ul style="list-style-type: none"> <li>Commercial projects up to 20 acres</li> <li>Industrial and non-hazardous storage projects up to 80 acres</li> <li>New residential single family home subdivisions up to 180 acres</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Projects located in a Hillside Development Area</li> <li>Projects in FEMA Special Floodplain Hazard Area</li> <li>All other civil, site and landscape plans</li> </ul>
Random Audit Guidelines	Automatic Audit Guidelines
<ul style="list-style-type: none"> <li>All landscape, civil grading and drainage, and parking lot plans up to 5 acres</li> <li>No audit fee assessed</li> <li>Generally a 10% chance of audit</li> </ul>	<ul style="list-style-type: none"> <li>Projects over 5 acres are automatically audited</li> <li>Audit fee is equal to half plan review fee per Planning &amp; Development Fee Schedule</li> </ul>

**Note: All Self-Certification plans must be submitted by the following types of registered professionals:**

- Building Plans – Architect or Structural Engineer
- Landscape Plans – Landscape Architect
- Civil Grading and Drainage Plans – Civil Engineer
- Parking Lot Site Plans – Architect, Landscape Architect or Civil Engineer

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The process to participate in the program includes the following:

- Building projects must obtain all planning, zoning, grading and drainage approvals and building code modifications as necessary prior to the City's intake of the plans.
- Civil, Landscape or Parking Lot projects must obtain all planning, zoning, site, off-site civil, site fire, addressing, and alternative paving approvals as necessary prior to the city's intake of the plans.
- For buildings less than 25,000 sf, a Structural Peer Review Certificate by a City-approved Structural Peer Reviewer is required for projects with a structural scope of work.
- For buildings greater than 25,000 sf, the City will perform an automatic audit in place of the structural peer review.
- All Fire plans and permits cannot be self-certified.
- All plan sheets must be sealed by a professional registered in the State of Arizona.
- Additional program requirements for all projects include: a hold-harmless letter signed by all registrants, a building owner/tenant indemnification letter, and a copy of the Self-Certified Professional's Certification of Insurance

For illustration purposes, a process flow chart describing the various steps to be undertaken to comply with the Self-Certification Program for building plans has been developed by the City of Phoenix and included below as Figure 2.

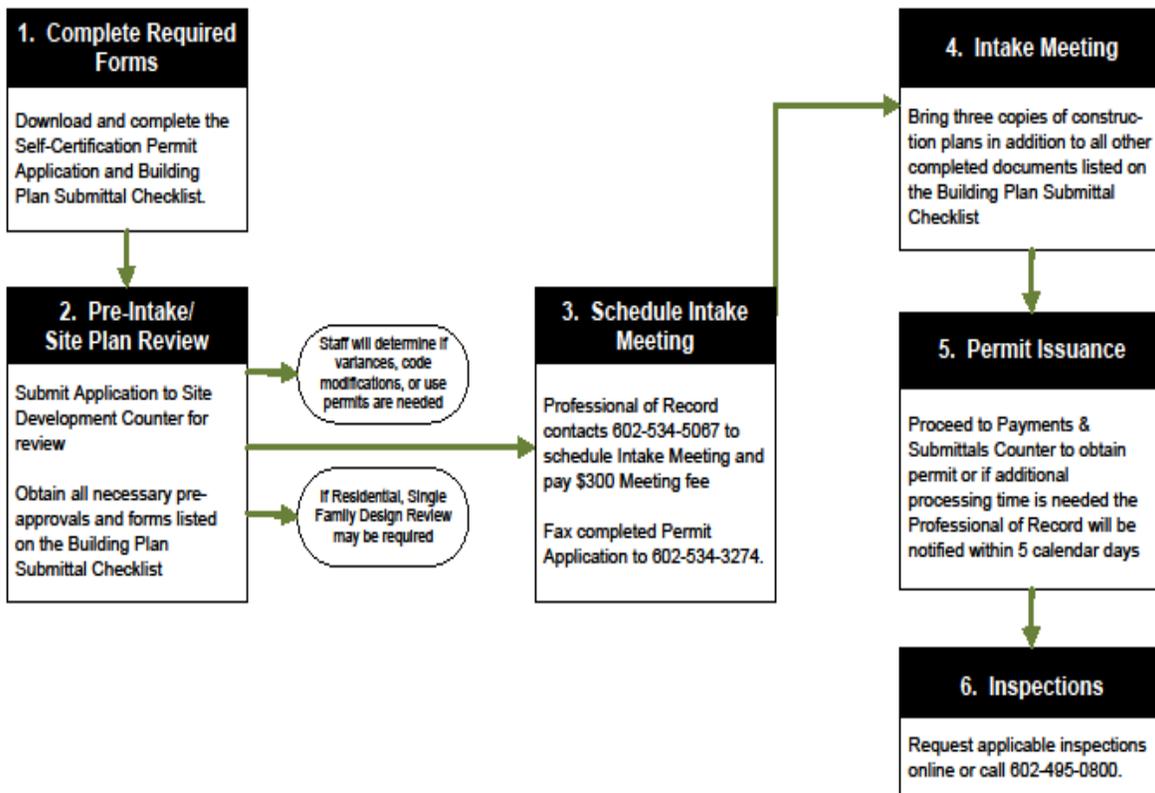
**FIGURE 2 BUILDING PROGRAM FLOW CHART**



PLANNING AND DEVELOPMENT  
DEPARTMENT

**Self-Certification Program Flow Chart**  
Building Plan Process

All procedures and forms are available at [http://phoenix.gov/development/aboutdsd/servicesandprograms/program\\_information.html](http://phoenix.gov/development/aboutdsd/servicesandprograms/program_information.html)  
The online request page for inspections is available at <http://phoenix.gov/development/onlineservices>



TRT doc #00581  
Revised 7/11

## Intake Process

Participation in the program requires that the Self-Certified Professional attend an intake meeting. The purpose of the meeting is to confirm that the proposed project meets the Self-Certified eligibility criteria, that all the documents have been provided and all prior required approvals have been obtained. This meeting allows staff to determine if the project’s scope requires structural peer review and, if so, confirm that it has been provided by a professional certified to perform 3<sup>rd</sup> party structural peer reviews.

## Exhibit A

During this meeting a Team Leader screens the plans and documents to confirm that all of the information specified in the Self-Certified Building Plan Submittal Checklist has been provided. The Team leader will also determine if this project will be selected for auditing based on the projects size, if it has been randomly selected as part of the 10% sampling ratio or if it requires auditing based on this designer's record of previously failing an audit. Prior to the meeting the applicant must pay a \$300 application fee and agree to pay an additional fee of \$150/hr if the intake meeting takes more than one (1) hour. If staff determines that all of the documentation is in order and the fees have been paid then the permit can be issued over-the-counter. If it is not possible to immediately approve the permit over-the-counter then staff will advise the applicant within 5 days that the permit is ready to be obtained or that additional items need to be included in the application package.

## Audit Program

The success of a Self-Certification Program is highly dependent upon the City's ability to continue to confirm that construction meets the minimum standards established in the adopted codes. While this is normally achieved by having the City perform both the plan review and inspection of all construction, under the Self-Certification Program, the City no longer performs the traditional function of plan review. As an alternative to performing a comprehensive plan review of all construction, the Self-Certification Program provides for an audit program that confirms code compliance. With the City of Phoenix program this audit is conducted on all large projects (greater than 25,000 sq ft.) and 10% of small projects. The City has committed to performing the audit function for these types of projects within thirty (30) days after issuance of the permit.

Individuals who choose to participate in the Self-Certification Program agree to have their projects audited by the City and to resolve any code deficiencies that are identified through the audit process. These individuals also acknowledge that their privilege to participate in the Program may be revoked if they fail to consistently prepare construction plans that meet the minimum requirements adopted by the jurisdiction. The City of Phoenix, following the guidelines developed by the City of Chicago, adopted a comprehensive method for evaluating the quality of plans submitted under the program by establishing a point schedule for the type and number of code deficiencies detected during the audit program. Based on this schedule, plan submittals that contained deficiencies that totaled over 10 points were determined to have failed the audit. Projects with a point rating of 8 or 9 points were considered to have passed on a provisional basis and plans with 7 or less points were considered to have passed the audit. It is very important to note that projects that received a "pass" rating did not necessarily mean that the plans did not contain code violations, the types of which would have been detected and corrected had the project been processed in the traditional manner.

The results of the audit have a direct bearing on the design professional's ability to participate in future self-certification projects. An individual is subject to revocation of their status as approved for self-certification if they fail three (3) audits within a five (5) year period, or in any combination, provisionally passes or fails four (4) audits within any five (5) year period or fails to take all remedial measures within such individual's control to bring the required plans and any construction thereunder into compliance with the City of Phoenix Building Construction Code .

Since the inception of the program, the City has made an adjustment to the auditing program in an effort to gain greater support from the participating design professionals. The original program followed the City of Chicago model that established deficiency points based on a weighted scale that established a

**Exhibit A**

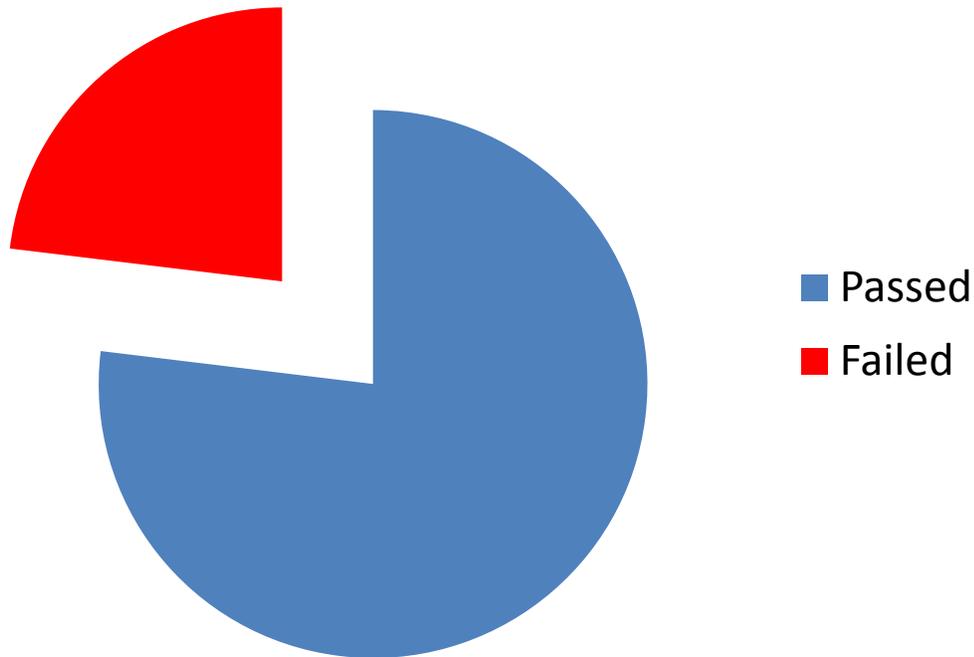
higher point total for certain types of identified code deficiencies. The apparent subjectivity of this approach created considerable disagreement between staff and some of those individuals being audited. The City has abandoned the approach of differential weighting of deficiencies and as a consequence the City reports that the audit program is generating much less resistance.

Information collected from the City of Phoenix regarding the results of the audit program is summarized in the table below.

**TABLE 2 PHOENIX SELF-CERTIFICATION AUDITS**

Audits Performed	#	%	Average Points
Passed or Provisionally Passed (< 10 pts)	40	77%	4
Failed (> 10 pts)	12	23%	16

**FIGURE 3 AUDIT PASS/FAIL RATIO**



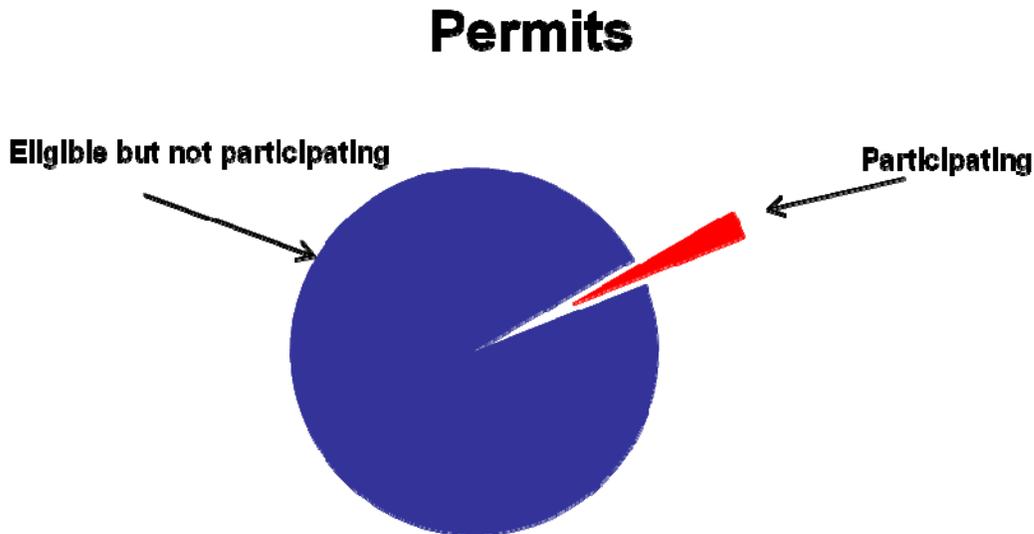
The Table and graph above illustrates that even those projects that have been determined to have passed the audit have included an average of four (4) code deficiencies that would presumably have been identified and corrected prior to permit issuance utilizing the traditional plan review process. Under this program, these deficiencies are not identified until after the project has begun construction when the cost of making the corrections in both time and money may be significant. It is also very important to note that these deficiencies, while included in the audits for all large projects, will only be identified for ten percent (10%) of the small projects based on the established ratio for auditing small projects (< 25,000

sq. ft.). For the approximate ninety percent (90%) of small projects not subject to audit, the burden for identifying these code deficiencies will become the responsibility of the building inspectors during construction when materials have already been ordered and some portions of the construction may already be approaching completion.

## Program Participation

Interviews with key staff from the City of Phoenix indicate that the overall participation in the Self-Certification Program has been very small in comparison with other programs that they offer. Staff estimates that they annually process about 30,000 permits of which approximately 50% qualify for over-the-counter processing because they do not require any significant plan review. Of the remaining number of projects it is estimated that 30% to 40% would qualify to participate in the Self-Certification Program. Using the 40% number would yield a total number of eligible projects since the inception of the program in June 2010 of 15,500. Since the beginning of the program a total of 377 projects have been processed utilizing the self-certification process. This represents a participation rate of 2.4% as illustrated in the figure below.

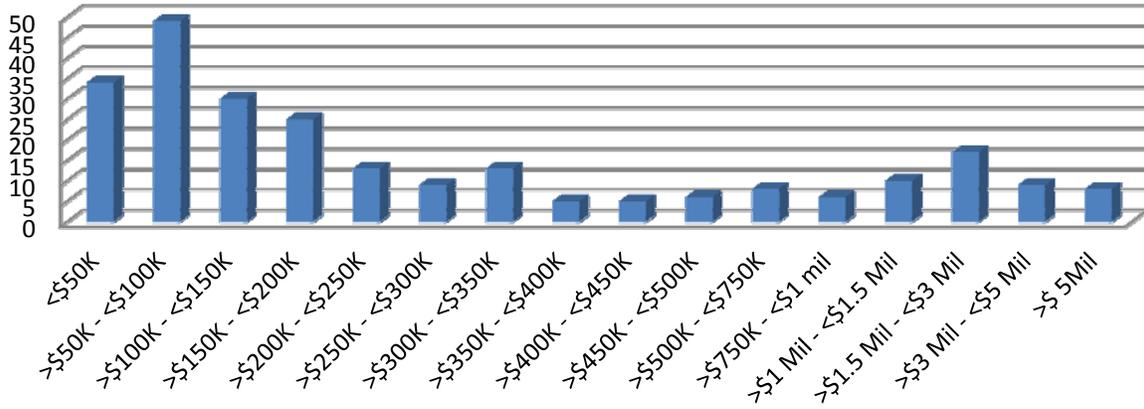
**FIGURE 4 SELF-CERTIFICATION PERMITS RATIO**



A further review of the data on participating projects reveals that most of the projects were of comparatively small valuation and may be highly indicative of the fact that one firm specializing in medical office tenant improvements has been the major participant in the program with over 30 projects completed to date.

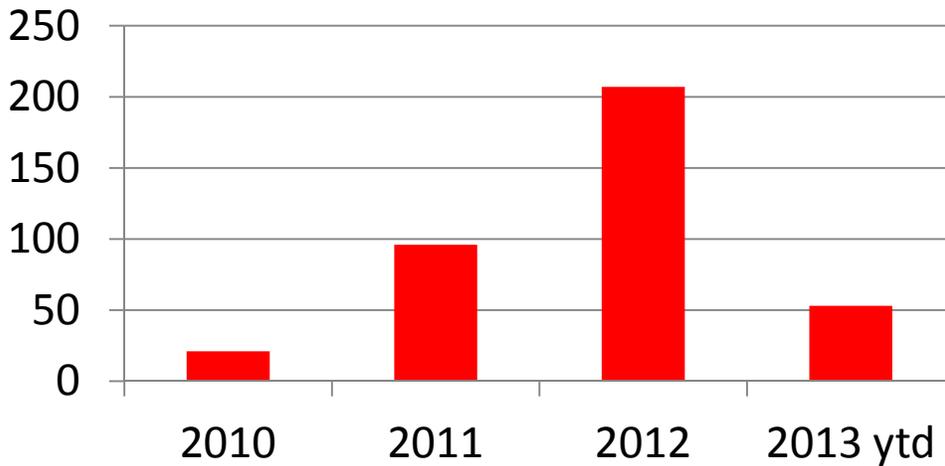
Exhibit A

**FIGURE 5 SELF-CERTIFICATION PERMITS BY VALUATION**



The chart below illustrates the number of Self-Certification permits issued on a yearly basis and reflects an overall increase in participation. The figure for 2013 represents the number of permits issued through January 30th and, if projected for the remaining portion of the year, would represent a substantial increase in program participation during 2013 when compared with previous years.

**FIGURE 6 SELF-CERTIFIED PERMITS BY YEAR**



# Phoenix Program - Lessons Learned

As with any program, there are lessons learned that can be useful for future modifications to the program or to provide valuable guidance to others who may be considering implementation of a similar program. We are very appreciative of the amount of time City of Phoenix staff was willing to spend with us to share the lessons they learned through implementation of their Self-Certification Program.

The creation of this program was originally suggested by industry as a means of streamlining the development process. During the initial stages of discussion and implementation there was considerable concern expressed that the program would ultimately result in a large number of additional staff layoffs. The Department of Planning and Development had been experiencing massive layoffs that resulted in an overall reduction in staffing levels from 600 to 375 positions. In reality, the program's implementation did not result in any additional layoffs. Upon reflection, management staff indicated that they could have improved the implementation stage of the program by gaining greater staff support through early and frequent communication with all levels of staff.

**Lesson: Management staff should communicate early and frequently with all levels of staff during the implementation stages of the program.**

Among the reasons to implement such a program was the desire to stimulate economic development during a time when the economy was suffering. Shortly after the program was implemented it became apparent that participation in the new program was very limited. During the first year (2009) only a single structure (golf course restroom) was processed through the new program. In order to attract the largest possible number of projects, Council directed staff to expand the scope of projects that could be eligible for participation in the program. This change did generate additional applications for the Self-Certification Program; however, it also became clear that many of these larger and more complex projects were experiencing a high level of audit failures. Due to these higher failure rates, some design professionals were placed in jeopardy of losing their status as approved to participate in the program while others experienced project delays when inspectors identified code deficiencies during construction. Eventually the design professionals seemed to either focus their attention on only those projects for which they had a strong expertise (example: medical office tenant improvements) or they choose not to participate in the program if they had a large or complex project. Staff strongly recommended that a Self-Certification Program be initiated as a pilot program that included projects of very limited scope.

**Lesson: A new Self-Certification Program should begin as a pilot program that only includes projects of limited scope.**

The results of the audits indicated that the most frequent source of deficiencies was due to the lack of coordination between of the work to be performed by the subcontractors. Those firms that ultimately proved successful in participating in the program typically hired or reassigned Self-Certified employees to perform an internal quality control function prior to submitting the plans for consideration. This

## Exhibit A

essentially had the result of delaying the submittal until the plans underwent a thorough internal review similar to that review traditionally provided by the City. This industry driven decision resulted in a dramatic decrease in the risk of having a project fail the audit.

***Lesson: Design professionals choosing to participate in the program should be encouraged to include a comprehensive internal plan review process prior to submittal to the City for Program participation.***

Those Coordinators providing the training during the self-certification class are the lead plan review staff in each of the disciplines and are also the staff assigned to perform the plan review audits. This arrangement allows the instructors to have first-hand knowledge of the types of code deficiencies that are identified during the audit process and to incorporate that information into future class discussions. Compiling this information in a written format and making it available for all program participants to consider prior to future submittals is of great benefit to the program.

***Lesson: Coordinators should periodically compile a list of the most frequently identified code deficiencies they observe during audits and publish that information for future use by program participants.***

The City of Phoenix management staff indicated that it took a large amount of staff resources to initially set-up the program. The preparation of the Self-Certification Training Class required the participation of numerous technical staff and approximately six (6) months to develop. Other jurisdictions in the valley do not have access to the same quantity and level of technical expertise to make such a commitment of staff resources. Fortunately, the City of Phoenix has historically adopted the philosophy of freely sharing the results of their efforts with other jurisdictions. In the case of the Self-Certification Program, management staff has stated that they are open to other jurisdictions sharing the resources they have developed, including their list of participants in the Self-Certification Program. Utilizing the City of Phoenix list of Self-Certified Professionals as a starting point in the development of their own program would be a tremendous benefit to other jurisdictions. We have been advised that the City of Chandler has adopted this approach.

***Lesson: Other jurisdictions should be encouraged to utilize the work previously developed by the City of Phoenix, including the active list of Self-Certified Professionals, in developing their local Self-Certification Program.***

As started previously, the traditional role of the building inspector is to verify that the construction complies with the plans previously approved by the City Plans Examiners. Under the Self-Certification Program, the role of the Building Inspector has been expanded to include a plan review component while performing their field inspections. For most jurisdictions this would represent a daunting assignment for inspectors charged with the responsibility to both inspect and perform basic plan review functions for any type of large or complex construction. One of the factors that facilitated this transition for some of the Building Inspectors within the City of Phoenix was the fact that they had previously held the position of Plans Examiner. This is a major advantage that most other jurisdictions will not enjoy as they pursue Self-Certification. Transitioning building inspection staff into role that includes plans examination during construction will require an investment in technical training resources and time to complete. It is also likely that a review of the job description and a commensurate pay scale adjustment will be required.

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***Lesson: Other jurisdictions should anticipate an increased burden being placed on building inspection staff as the need to perform basic plan review in the field becomes a critical component of any proposed Self-Certification Program.***

The Self-Certification Program generated much more positive media, including national press coverage, than any other program offered by the City of Phoenix despite the very low level of actual participation. This program helped establish an image of the City of Phoenix as being a leader in permit streamlining innovation. The City believes this program has had an overall positive impact on the City's ongoing efforts to attract economic development.

***Lesson: Establishing the Self-Certification Program helped enhance the image of the City of Phoenix as a national innovator of permit streamlining and is believed to a useful tool to help attract economic development.***

While the Self-Certification Program garnered considerable positive press, the actual impact on the majority of permits processed by the City of Phoenix was very small. During the implementation process staff questioned whether other, less staff-intensive programs, could be implemented that would serve a broader spectrum of permit applicants. As an example, subsequent to implementation of the Self-Certification Program, staff implemented a Permit by Inspection (PBI) program that has experienced substantially greater participation. This PBI program generally applies to smaller projects and achieves the desired result of significantly reducing the amount of time that would normally have spent in the traditional plan review process. Phoenix staff also suggested considering the establishment of an "At-Risk Permit" whereby applicants would be allowed to proceed with the project at their own risk while the plans were being reviewed in the normal course.

***Lesson: The Self-Certification Program has provided benefits to some participants; however, recent experience has demonstrated that a much broader group of permit applicants can be benefitted through implementation of other permit streamlining programs.***

One of the anticipated benefits of the Self-Certification Program was not only the elimination of plan review turnaround times but also a significant reduction in the plan review fees that would be charged. For larger projects, the City charges 25% of the normal plan review fee to cover the cost of the mandatory audit. The reasoning behind the reduced plan review fee was the expectation that the actual plan review audit could be conducted in a much shorter period of time than a typical plan review. Plan review staff reports that this is generally true because the quality of the plans are superior to those submitted through the normal process. Staff attributes this improved quality to the fact that the designers have incorporated new internal quality control measures into their process and that there is a new found realization that failing an audit could have an adverse impact on the project and the firm's reputation. For small projects there is no plan review fee but an overall 10% surcharge to participate in the program. This reduction was intended to reflect the fact that only 10% of these smaller projects were actually subject to an audit. Initially there were staff concerns that these reduced plan review fees would result in insufficient revenue to cover the cost to administer the program. As a result of a large number of individuals paying the certification fee to obtain status to participate in the program, but not actually participating through project submittals, the revenue generated through the certification classes has proven to be adequate to support the administrative overhead of the program.

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***Lesson:* The revenue loss from charging reduced plan review fees has been adequately offset by the revenue generated through the process of certifying design professionals to participate in the Self-Certification Program.**

***Lesson:* The overall quality of plans submitted by those design professionals who have participated in the Self-Certification Program has improved.**

Interviews with both staff and individual Certified Design Professionals revealed a number of potential causes for the relatively limited participation in the program. As a by-product of the depressed regional economy, the business of providing professional design services became even more highly competitive. Enrolling in the City of Phoenix Self-Certification Program was envisioned by many design professionals as a means of providing a marketing advantage over those individuals and firms that did not have such status. For many, it appears, paying the fees and attending the Certification class to receive the certification was a sufficient expenditure to justify the marketing advantage gained by becoming Certified.

***Lesson:* Some design professionals appeared to have become Certified for the sole purpose of gaining a marketing advantage for their services.**

Interviews also suggested that some the Self-Certified Design Professionals have made a decision to not participate in the program as a result of performing a self-evaluation of the level of liability they are willing to absorb. Upon reflection, it appears that many design professionals that participated in the certification training program may have gained a renewed level of respect for the value of the plan review provided by the jurisdiction and an appreciation for how that process can help highlight plan deficiencies that might otherwise become the source of future legal action.

***Lesson:* Some design professionals participating in the certification training program have gained a renewed appreciation for the City's plan review function and how it can help correct code deficiencies that might otherwise become a source of future litigation.**

Some design professionals participating in the program also became aware of a gap in their knowledge base as it applied to interpreting and incorporating the wide variety of code requirements into a well-coordinated set of plans. For many participating professionals, the result of failing an audit came to them as a complete surprise and a bit of an embarrassment. The risk of further failed audits and the potential for loss of their professional status to participate in the program would likely out-weight the anticipated benefits of continued participation in the program.

***Lesson:* For some design professionals, the risk of future failed audits and potential loss of status as an approved firm to participate in the Self-Certification Program outweighs the potential benefits of continued participation in the program.**

Another issue raised during the course of the interviews was the potential impact that participation in the program would have on the fees the design professional might expect for the project. Under the traditional process, plans frequently undergo several, and sometimes numerous resubmittals to the jurisdiction to confirm previously identified code deficiencies have been addressed on the new plans. Generally the design professional would include the cost of providing these additional plan revisions as billable hours for the project. Under the Self-Certification Program, the standard process of reviewing

resubmittals is intended to be eliminated and therefore any billable hours normally generated through this process would likewise be eliminated.

***Lesson: Some design professionals may experience a reduction in fees due to the elimination of the billable hours normally associated with plan resubmittals required to correct code deficiencies.***

# Findings and Recommendations

The purpose of this report was to evaluate the appropriateness for the City of Peoria to implement a building plan review Self-Certification Program based on the model currently being utilized in the City of Phoenix. After performing research and conducting interviews with key staff and stakeholders, it is our opinion that a Self-Certification Program can be established within the City of Peoria. The recommendations identified below represent our opinion of how the City of Phoenix Self-Certification Program should be adapted to meet the needs of the permit applicants within the City of Peoria. Implementing these recommendations will have an impact on existing staff resources and therefore any decision to proceed with implementation of this program should be evaluated in light of the potential application of those same resources in developing other programs that would have the same or greater benefits to the majority of permit applicants served by the City. A list of other types of projects that should also be considered for implementation are included later in this report and reflect our experience in identifying the “Best Practices” we encounter and encourage in our studies elsewhere in the country.

It is appropriate to note that the attitudes expressed during interviews with City of Peoria staff seem to reflect a genuine desire to fully explore the potential of implementing a successful Self-Certification Program and that issues raised by employees seem to focus on the importance of identifying potential problems so that they could be addressed early in the program development process. Most of the discussion in this report centers on the issues most relevant to implementing a Self-Certification Program for building plan review. When it became apparent during the research and interview process that we would be recommending a pilot program that only included tenant improvements, the need to provide detailed discussion of other types of projects such a grading and landscaping became less of a focal point for this report. With the successful implementation of a pilot Self-Certification Program for building plan review for tenant improvements, it is appropriate to gather the lessons learned during that process and incorporate them into the potential expansion of the Self-Certification Program in the future. The building plan review functions currently performed by other Departments and Divisions, such as Fire and Public Works Environmental Review, are typically completed within a very short period of time. Historically these types of reviews are completed with a day or two and would therefore qualify as meeting the goal of approving these types of Self-Certification Programs within one to five days of submittal.

Based on the experience of the City of Phoenix, it is apparent that the types of projects that have been the most successful in participating in the program have been limited in complexity and size. Such projects allow the designer to focus on a limited number of code requirements and thereby enhance their

## Exhibit A

ability to successfully pass the audit program. The City of Phoenix highlighted the high rate of success achieved by one firm that specialized in the design of medical office tenant improvements. We believe that implementing a pilot program that focuses on tenant improvements offers the greatest opportunity for early success of the Program.

**1. Recommendation: Peoria should implement a pilot Self-Certification Program that limits initial participation to tenant improvements of less than 25,000 square feet.**

With successful implementation of a pilot program, the City should consider expanding the scope of self-certification projects to include grading, landscaping and complete building structures consistent with the types of projects typically being currently submitted for permits.

**2. Recommendation: After successful implementation of the pilot program, Peoria should consider expanding the program to include drainage, landscaping and complete building structures.**

To minimize the impact on existing staff resources, Peoria should take advantage of the offer by the City of Phoenix to share the resources they have developed as part their program implementation. These resources would include the extensive work they have completed to create a comprehensive Self-Certification Training Program for Design Professionals and the numerous program guides and forms. In recognition of the significant differences in the code amendments adopted by the City of Phoenix and the procedural differences to be utilized by the City of Peoria, a supplemental local training program should be provided by Peoria staff.

**3. Recommendation: Peoria should recognize those Design Professionals with active status in the City of Phoenix Self-Certification Program and further enhance their education by offering a half-day class on local code amendments and process issues unique to the Peoria Program.**

**4. Recommendation: To the greatest extent possible, Peoria staff should use the guides and forms previously generated by the City of Phoenix as a baseline in developing their Self-Certification Program.**

One of the most significant adjustments that staff will be required to accomplish as a result of implementing a Self-Certification Program is expanding the job responsibilities of the inspector to include performing basic plan review functions during inspection. With the plans no longer being routed through the City's experienced plan review staff, the responsibility for detecting obvious code violations will rest with the field inspectors. It is not expected that field inspectors will have the same qualifications and experience as the City's designated Plans Examiners, but they will need to transition from a mindset of simply confirming construction per the City approved plans to an approach that seeks to verify the plans meet the minimum code requirements as part of their normal inspection routine. By providing inspectors with plan review training that is specifically focused on the requirements applicable to the narrow scope of projects eligible under the pilot program, inspectors should be capable of making this transition in a reasonably short period of time.

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**5. Recommendation: Field inspection staff should be provided with training on performing basic plan review functions for those types of projects that are eligible under the pilot Self-Certification Program.**

The introduction of additional responsibilities for the field inspectors may trigger the need to reevaluate the inspector's current job description and to make appropriate adjustments to both the language and the compensation appropriate for the new position.

**6. Recommendation: The Building Official should work with Human Resources to evaluate the current inspector job description and determine if language and compensation adjustments are warranted based on the expanded duties of the position that will be required to implement the program.**

The results of the audits performed under the City of Phoenix Self-Certification Program revealed that the quality of plans processed through the program, while showing improvement over time, continued to contain code deficiencies. Given that approximately 23% of the projects that were audited failed the audit and that the average score for the failed audits was considerably above the threshold to pass, it is appropriate to consider a more aggressive auditing program. For small projects (less than 25,000 sq ft), the Phoenix program only required 10% of the projects to be audited. Given the failure rate, this approach places considerable extra burden on the inspection staff to identify and correct code deficiencies on the 90% of the projects that have not been audited. We believe the Peoria program should include a requirement that initially requires no less than 25% of the projects be subject to an audit. In addition, similar to the Phoenix approach, those individuals who have failed a previous audit should have their projects subjected to more frequent audits in the future. This approach will help ensure a higher level of quality control during the pilot program and provide a greater opportunity for field inspection staff to transition into their limited plan check role in the field.

**7. Recommendation: A minimum of 25% of projects should be audited during the pilot phase of the Self-Certification Program and those individuals who have failed an audit should be subject to more frequent audits in the future.**

Funding of the additional functions required by this program should rest with those applicants anticipated to benefit from the program. While the City of Phoenix program generated sufficient revenue from the on-going Design Professional Certification Training Program to cover its additional costs, the City of Peoria should not anticipate such a significant revenue stream from the fees they will generate by offering a highly abbreviated training program locally. Given the recommendation to establish a pilot program that limits the size of eligible projects to tenant improvements of less than 25,000 sq. ft. and that only 25% of these projects will be audited, we believe it is reasonable to establish a fee of 25% of the original plan review fee as a surcharge to participate in the program. In lieu of charging the normal plan review fee for all of these projects, charging each project 25% of the plan review fee and conducting audits of only 25% of the projects should provide a reasonable nexus between the fee and the services provided. The relationship between this fee and the cost of service being provided should be monitored during the pilot program and adjusted based on program participation and anticipated efficiencies to be gained with experience.

- 8. Recommendation: A fee of 25% of the normal plan review fee should be established as a surcharge for all applicants to participate in the Self-Certification Program. This fee should be adjusted in the future to reflect the actual cost of providing the required services.**

# Best Practices to Consider

Zucker Systems has been conducting organizational reviews of development services related departments for over 32 years including the review of 41 counties and 120 cities in 31 states. As a result of this experience we have developed a list of recommended “Best Practices”. This specific study was focused on evaluating the appropriateness of establishing a Self-Certification Program for the City of Peoria and therefore very limited in scope in comparison to our other studies. Nonetheless, during the course of performing research and interviewing staff and stakeholders, a question repeatedly raised was whether there were programs other than the proposed Self-Certification Program that could produce equal or greater benefits to the permit customers of Peoria. To fairly address that question it is important recognize that not all permit customers share the same profile. Permit customers can range from homeowners seeking minor permits for repair work or minor residential additions up to major commercial developers. If considering the full spectrum of permit applicants, a much larger number of applicants could be benefitted from implementation of other program enhancements. As was pointed out in the report, the anticipated level of participation in the Self-Certification Program is very low when compared with the total volume of permits processed. We believe that a large number of permit applicants would receive significant benefits by implementing some or all of the programs identified below. It is very important to note that the Economic Development Services Department is already in the process of actively pursuing implementation of several of these program enhancements.

## Over-the-Counter Permits

The City of Peoria, like most jurisdictions of similar size have at least 50% of their permit activity devoted to processing minor permits that require little or no plan review. By making plan review staff available to conduct over-the-counter plan reviews customers can normally obtain their permit the same day of submittal. This saves the customer extra trips to the Permit Center and reduces the administrative overhead associated with receiving, routing and collecting plans prior to issuance. The City is pursuing this program enhancement at this time.

## On-line Permits

Projects that don’t require plan review by City staff are prime candidates for receiving their permits on-line through the City’s web site. These permits can be issued 24/7 with all fees collected via credit cards and require virtually no direct staff interface to issue the permit. Customer are able to avoid the burden of taking time from work and traveling to the Permit Center and staff is relieved of this normally routine task so they can focus on activities that benefit from their direct intervention. Other communities utilizing the same software program as the City of Peoria have already implemented on-line permitting.

## **Electronic Plan Review**

Those projects that require a formal plan review typically involve the production of numerous sets of blueprints and the physical process of transporting those plans to various Departments and Divisions where designated staff will unroll them and frequently red-line them for corrections. Progressive departments throughout the country are implementing electronic plan review programs that allow staff to simultaneously review submitted plans and note needed corrections directly on the electronic version. As communities seek to attract economic development from other parts of the country, the ability to perform tasks such as electronic plan review can become an indicator of the community's desire to be business-friendly.

## **Expedited Plan Review**

Our interviews with focus groups throughout the country consistently indicate that customers are willing to pay additional fees to receive expedited plan reviews. They report that the cost of delaying a project due to excessive plan review turnaround times is far in excess of what they would be willing to pay to expedite the plan review process. It is important to note that the current plan review turnaround times reported for the City of Peoria would not be considered excessive and were not the stated reason for initiating a Self-Certification Program. However, many project owners would be willing to pursue an expedited plan review program if it was available. Previously Peoria offered such a program but it was eliminated due to staffing reductions. With Council's recent approval of the Department's request to utilize contract plan review and inspection staff to address peak service demand loads, reestablishing this program should be strongly considered.

## **Permit-By-Inspection**

In reviewing the City of Phoenix Self-Certification Program it became apparent that many of their customers who had been considering the Self-Certification Program in the past are now pursuing the Permit-By-Inspection program (PBI). As stated previously, one of the distinct advantages that the City of Phoenix enjoyed when implementing both the Self-Certification Program and the Permit-By-Inspection program is their large pool of Inspectors who have previous experience as Plans Examiners. This is not an asset Peoria currently enjoys; however, with a successful implementation of a Self-Certification Program in Peoria, it should be anticipated that building inspectors will eventually gain additional plan review skills and be ready to consider a Permit-By-Inspection program.

# **Persons Interviewed**

## **City of Peoria**

Cathy Carlat, Councilmember, Mesquite District

Dr. Ron Aames, Councilmember, Palo Verde district

## Exhibit A

Tony Rivero, MPA, Vice Mayor, Acacia District

Susan Daluddung, Phd, Deputy City Manager

Scott Whyte, Economic Development Services Director

Dennis Marks, C.B.O., Manager Building Development Division

Rebecca Zook, P.E., Site Development Manager

Bobbie Ruiz, Fire Chief

Andrew Granger, P.E., Engineering Director

Chris Jacques, AICP, Planning Director

John W. Imig, M.S., I.T. Director/CTO

Dan Zenko, MBA, MSC, CPPB, Materials Management Supervisor

Dennis Chase, Supervisor, Building Safety Division

Stacy Irvine, Deputy Fire Chief

Michael Brune, Fire Prevention Inspector Supervisor

Robin E. Bain, P.E., BCEE, Environmental Resources Manager

Leisha Williams, Environmental Quality Assurance Officer

Katie Gregory, Budget Coordinator

Jeff Sterling, Plans Examiner

Cheryl Mullis, Plans Examiner

Tom Fierros, Plans Examiner

## **City of Phoenix**

Cindy D. Stotler, Assistant Director, Planning and Development Department

Tom Wandrie, P.E., C.B.O., Deputy Director – Plan Review, Planning and Development Department

Mo Glancy, P.E., Deputy Development Services Director – Inspections

## **Architects and Engineers**

Neil Terry, AIA, Orcutt Winslow

**Exhibit A**

Ryan Weed, CVL Group

Exhibit B

 <b>ADMINISTRATIVE PROCEDURE</b>	
	Department: Economic Development Services
<b>TITLE:</b>  Building Self Certification Program	Approved: <i>[Date is 10 days following Council's review period. Date is entered by City Manager's Office Staff]</i>

**A. Purpose**

To provide parameters pursuant to which approved registered design professionals may self-certify building plans to expedite the issuance of certain permit types.

**B. Policy**

1. Scope of the pilot program shall initially be limited to Tenant Improvement projects for non-residential occupancies EXCLUDING buildings or portions of buildings:
  - a. Exceeding two stories in height
  - b. Exceeding 15,000 square feet in area
  - c. Any H (Hazardous) occupancy
2. The pilot self certification program only applies to building safety related codes and amendments as adopted by the City of Peoria Council. (City Code Chapter 5). The pilot program does not include zoning, parking, sign, fire, environmental services, landscaping, grading, storm water, floodplain, or any other land development codes.
3. Size and use limitations, as noted in Items 1-3 above, are established for the pilot program's implementation. The intent of limiting the eligible permit types during the pilot program is to identify program efficiencies as well as program deficiencies and to address program deficiencies in an environment in which results can be easily tracked without the necessity of wasted resources. In addition, the use of a limited pilot program was implemented by other cities such as Phoenix (in establishing its program) and was further recommended by the City's consultant on this program. An appropriately controlled pilot program is intended to ultimately improve quality and ensure efficiency on potential future expanded programs. Depending on the results of the initial pilot program, the scope of the program may be expanded while maintaining public safety.

**C. Participants**

In order to participate in the program, applicants must:

1. Be currently registered and in good standing as a design professional with the State of Arizona for a minimum of the preceding 3 years.
2. Maintain current certification from the International Code Council as a Building Plans Examiner.
3. Be a current active certified member of City of Phoenix self certification program.
4. Have participated in the City of Peoria's amendment and procedures orientation class. There will be no charge for attending this class and no testing will be required. The class will be scheduled on an 'as needed' basis with a minimum of five participants. This class is not intended to measure a registrant's building code or policy knowledge but simply will train the participant on code amendments adopted by the City of Peoria. The class will be conducted by a member of the City's development team.

**D. Submittal requirements**

1. Building projects must obtain all zoning, parking, sign, fire, landscaping, grading, storm water, floodplain, and/or any other land development code approvals or permits and building code modifications as necessary prior to the City's intake of the self-certified plans.
2. A Structural Peer Review Certificate by a City of Phoenix approved Structural Peer Reviewer is required for projects with a structural scope of work.
3. All plan sheets must be sealed by a professional registered in the State of Arizona.
4. Each page of the construction plans must have the following:

SELF-CERTIFIED BY: \_\_\_\_\_  
(Insert name of Self-Certified Professional)                      Date

5. Forms and the checklist will be available on-line or at the customer service counter located on the 1st floor of the Development & Community Services Building ("DCSB") located at 9875 N. 85th Avenue, Peoria. Additional program requirements at time of submittal for all projects include:
  - a. Self- Certification Permit Application
  - b. Completed Building Plan Submittal Checklist
  - c. Signed Hold-harmless letter
  - d. Completed Recordation letter

- e. Building owner/tenant indemnification letter
- f. A copy of the Self-Certified Professional's Certification of Insurance

#### **E. Procedures**

1. Applications for a building self-certified permit shall be routed through the customer service counter at the DCSB.
2. Applicant will download and complete the Self-Certification Permit Application and Building Plan Submittal Checklist.
3. Applicant will submit two copies of construction plans in addition to all other completed documents listed on the Building Plan Submittal Checklist.
4. With submittal, applicant shall provide all documentation which shows prior City staff approval of zoning, parking, signage, Fire Department sprinklers and alarm systems, environmental services, landscaping, grading, storm water, floodplain, and/or other land development codes.
5. Permit fees will be calculated, payment completed and processing of permit initiated. There will be no reduction in plan review fees for the pilot self-certification program. Plan review fees will be used to cover the cost of service associated with the audit program, staff time training the participants, staff time for requested meetings prior to submittal and possible increase in duties and tasks placed upon the building inspectors.
6. Information verification and processing time may take up to 3 working days. When successfully completed, the building permit will be issued. Plans will be noted in the City's permitting system specifying that the plans are Self-Certified and that they have not been reviewed by the Building Division of the City of Peoria.

#### **F. Inspections**

Inspections are to be requested using current City procedures. Requests can be made on-line or by the automated phone system. It is anticipated that the duties and tasks of the building inspectors will increase as a result the Self-Certified Program.

#### **G. Auditing Procedures**

1. 100% of initial pilot program self-certified plans will be audited to determine whether plans are in compliance with building codes and amendments as adopted by the City of Peoria.
2. Audits will be completed within 12 working days from when the permit is issued. Due to the initial anticipated number of self-certified submittals, the auditing process is achievable with current staffing levels. However, as participation increases, staffing levels will be evaluated and the targeted timeframe may be adjusted.

3. Registrants may request a waiver of mandatory audits after passing one audit. If granted, audits would then occur on approximately 25% of the registrant's submittals.
4. If a registrant fails two consecutive audits for like projects as defined by the Building Official, the registrant shall not participate in the self-certification program for a period of 12 months from the date of the last failed audit.
5. Plans will be audited by the Plans Examiner II and the audit scoring is as follows:
  - a. Each audit deficiency will be counted as one (1) point except as noted in the 'Critical Life & Health Safety' scoring matrix. (Attached)
  - b. A score of less than 10 accumulated points is considered passing.

#### **H. Audit Results**

The Department shall notify the Self-Certified Professional and the Owner of Record in writing of the results of any audit conducted. The notification will provide a summary of the audit results and will direct the Self-Certified Professional to address all code violations found in the audit. Failure to submit required corrections by the date identified in the notification will result in the revocation of the Self-Certified Professional's privileges. Re-applying for privileges will need to be requested through the Building Official.

#### **I. Appeal Procedures**

If the Self-Certified Professional of an audited plan disputes the results of the audit or disputes the accuracy or applicability of any code correction comment entered in connection with such audit, the Self-Certified Professional has the right to within 3 business days following actual or constructive notice of any such audit or code correction comment, request a meeting to review the matter with the City's Building Official who shall issue a decision on the issue(s) per adopted code.

Should the Self-Certified Professional dispute the decision of the City's Building Official, an appeal may be made to a Hearing Officer who shall be appointed by the City. Any such appeal shall be filed with the City Clerk within 10 calendar days of receipt of the Building Official's decision. In order to perfect an appeal, the appellant must include at the time of filing the appeal a written notice specifying the factual and technical basis of the appeal and must pay a \$150 filing fee. The standard for hearing on appeal shall be informal and the decision of the Hearing Officer is final.

**J. Revisions**

1. Voluntary Field Changes and Revisions

The Self-Certified Professional or the General Contractor shall provide to City of Peoria inspection staff a request in writing that a field change or revision is requested. The field inspector associated with the applicable discipline will determine if registrant approved plans must be provided to the inspector in order to complete the revision.

2. Mandatory Field Changes and Revisions

When a City of Peoria inspector determines that the self-certified plans contain code violations or are missing critical information, the inspector shall get a second opinion from his or her supervisor prior to requiring the registrant to make the plan changes or revisions. If the item is confirmed to be a code violation or the Department requires more information critical to ensuring that the project meets the building code, the Field Supervisor will inform the Self-Certified Professional in writing. If plan revisions are required, the Self-Certified Professional will be directed to submit the revisions in a time period agreed upon with the Field Supervisor. The revisions are to be submitted to the permitting counter to be reviewed by the appropriate Plans Examiner using the usual and customary review time line.

All provisions of the Self Certification Program are subject to change without notice.

APPROVED:

Carl Swenson, City Manager

APPROVED AS TO FORM:

Stephen M. Kemp, City Attorney

Copy Provided to Council: \_/ / \_\_, Issued: \_/ / \_\_ [Completed by CMO]

Exhibit C

Critical Life & Health Safety Matrix

# Audit Scoring – Buildings



Plan Review Discipline	Subject Matter Category	Points
Architecture	• Not enough exits	2 points
	• Inaccurate occupancy count	2 points
	• Fire ratings inadequate	2 points
	• Height and area limits exceeded	2 points
Structural	• Incorrect design loads	3 points
	• Structural elements inadequate	5 points
Electrical	• Full system failure	3 points
Plumbing	• Non-compliant gas piping system	2 points
Mechanical	• Non-compliant outside air calculations	2 points
	• Non-compliant kitchen grease hood system	2 points



## Exhibit D

City of Peoria

ECONOMIC DEVELOPMENT  
SERVICES DEPARTMENT

9875 North 85<sup>th</sup> Avenue  
Peoria, Arizona 85345  
MAIL 8401 West Monroe Street

# Self-Certification Program Building Plan Submittal Checklist Tenant Improvements

This checklist provides information on the required documents and information that must be provided for Self-Certification Program projects. A copy of the completed checklist must be submitted with the application.

**The following documents must be approved or signed off as N/A by city staff prior to submitting Tenant Improvement application:**

- |  |  |
|--|--|
| <input type="checkbox"/> Site Plan                             | <input type="checkbox"/> Exterior Changes    |
| <input type="checkbox"/> Plat or Lot Split                     | <input type="checkbox"/> Zoning Verification |
| <input type="checkbox"/> Fire Sprinkler Review                 |  |
| <input type="checkbox"/> Building Code Modifications & Appeals |  |
| <input type="checkbox"/> Address Verification                  |  |
| <input type="checkbox"/> Fire Alarm Review                     |  |

**The following documents must be provided when submitting permit application:**

- |   |  |
|---|--|
| <input type="checkbox"/> Self-Certification Permit Application  | <input type="checkbox"/> Water Meter Worksheet |
| <input type="checkbox"/> Professional of Record Statement   | <input type="checkbox"/> Hold Harmless Letter  |
| <input type="checkbox"/> Owner/Tenant Certification Statement   | <input type="checkbox"/> Recordation Letter    |
| <input type="checkbox"/> Structural Peer Review Certificate by city-approved structural peer reviewer (if applicable) |  |
| <input type="checkbox"/> Two sets of plans including the Self-Certification Signature of Notation on each sheet       |  |
| <input type="checkbox"/> Copy of Professional Liability Insurance Certificate   |  |

**I CERTIFY THAT I HAVE RECEIVED THE NECESSARY APPROVALS AS LISTED ABOVE AND THAT I HAVE COMPLETED THE DOCUMENTS REQUIRED TO SUBMIT BUILDING PLANS THROUGH THE SELF-CERTIFICATION PROGRAM.**

Professional of Record's Name: \_\_\_\_\_ Date: \_\_\_\_\_

Professional of Record's Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**Exhibit E**

**City of Peoria**

**ECONOMIC DEVELOPMENT  
SERVICES DEPARTMENT**

9875 North 85<sup>th</sup> Avenue  
Peoria, Arizona 85345  
MAIL 8401 West Monroe Street

**Self-Certification Program  
Structural Peer Review Certificate**

This form must be completed by a city-approved structural peer reviewer for any Self-Certification project which involves structural work, and must be submitted during the Self-Certification Intake Meeting.

Project Name: \_\_\_\_\_

Project Address: \_\_\_\_\_

Lot #: \_\_\_\_\_ Tract #: \_\_\_\_\_ Bldg #: \_\_\_\_\_ Floor: \_\_\_\_\_ Suite/Space \_\_\_\_\_

Scope of Work: \_\_\_\_\_

**Structural Engineer of Record Information**

Name: \_\_\_\_\_ Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax: \_\_\_\_\_

AZ License #: \_\_\_\_\_ Email: \_\_\_\_\_

Structural Engineer of Record Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Structural Peer Reviewer Information**

Name: \_\_\_\_\_ Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax: \_\_\_\_\_

AZ License #: \_\_\_\_\_ Email: \_\_\_\_\_

I hereby certify the following information:

- I have reviewed the structural portion of the plans being submitted for the project listed above and I certify that the plans submitted are complete and in accordance with all applicable provisions of the Peoria Building Construction Codes and any applicable state or federal laws, as of this date.
- I have participated in city-sponsored training and am listed on the city-approved list of structural peer reviewers.
- I have exercised a professional standard of care in reviewing these plans and am aware that the Building Official of the City of Peoria will rely upon on the truth and accuracy of this statement as the basis for issuance of a building permit.
- At all times while I was reviewing the plans being submitted for the project listed above, I have maintained professional liability insurance in place in accordance with the application and documents on file with the City of Peoria, Arizona.

Structural Peer Reviewer Signature: \_\_\_\_\_ Date: \_\_\_\_\_



**Exhibit F**

**City of Peoria**

**ECONOMIC DEVELOPMENT  
SERVICES DEPARTMENT**

9875 North 85<sup>th</sup> Avenue  
Peoria, Arizona 85345  
MAIL 8401 West Monroe Street

**Self-Certification Program Hold Harmless Sample Letter**

This letter must be printed on property owner's letterhead.

Date: \_\_\_\_\_

City of Peoria  
Economic Development Services Department  
9875 N. 85<sup>th</sup> Avenue  
Peoria, AZ 85345

Re: \_(Project Legal Description)  
Project Address

Building Owner's Name

Dear Building Official:

In consideration of the issuance of a construction permit under the Self-Certification Program for the project address identified above, I, \_\_\_\_\_ (insert owner's name) on my own behalf and that of any joint tenants or tenants by the entireties if I am signing on behalf of a Limited Liability Corporation, by my signature I am indicating that I am the duly authorized Managing Member of the Limited Liability Corporation, hereby agree to protect, defend, indemnify, and hold harmless the City of Peoria, Economic Development Services Department, and their officers, representatives, managers and employees harmless against any and all claims, demands, awards, suits, judgment, liabilities, losses or damages arising out of, or being in any way connected with the design, construction and/or code compliance review for the above referenced project.

The obligation should not be construed to negate, waive or otherwise reduce any other right or obligation of indemnity that may exist in the favor of the City of Peoria.

It is further understood and agreed that if the construction of the project is contrary to, or does not meet the standard of the City of Peoria Building Construction Codes, or the permit to be issued pursuant to this Letter, I, as the owner shall, at my own expense, remove or modify any and all components that do not conform.

Sincerely,

Building Owner's Signature

Notarize



**Exhibit G**

**City of Peoria**

**ECONOMIC DEVELOPMENT  
SERVICES DEPARTMENT**

9875 North 85<sup>th</sup> Avenue  
Peoria, Arizona 85345  
MAIL 8401 West Monroe Street

**Self-Certification Program  
Owner/Tenant Certification Statement**

---

This Statement must be signed by the Owner or the Authorized Tenant responsible for the project work.

Project Number: \_\_\_\_\_

Project Address: \_\_\_\_\_

I have authorized all registered professionals' named on the attached plans and application by the applicant (and consultants(s) if any) named herein. I agree to take the necessary measures to correct any misrepresentation or falsification of facts made knowingly or negligently by my agents, contractors, employees, or me. I understand that the Self-Certified project is being approved for a building permit subject to audit and/or field inspection by the Department. I agree to take any remedial measures, disclosed by the Economic Development Services Department and/or applicant, licensed professionals or subcontractors named herein, that are necessary to bring the attached plans and any completed construction into conformity with all applicable provisions of the Peoria Building Construction Codes and other related state and federal laws and regulations.

**BY OWNER/TENANT**

\_\_\_\_\_  
(Insert Name of Corporation, Individual or Other Legal Entity, as applicable)

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_, 20\_\_\_\_



**Exhibit H**

**City of Peoria**

**ECONOMIC DEVELOPMENT  
SERVICES DEPARTMENT**

9875 North 85<sup>th</sup> Avenue  
Peoria, Arizona 85345  
MAIL 8401 West Monroe Street

**Self-Certification Program Recordation Letter**

This letter must be printed on property owner's letterhead.

*This document must be recorded with the Maricopa County Recorder's Office before any permit(s) will be issued.*

Date: \_\_\_\_\_

City of Peoria  
9875 N. 85<sup>th</sup> Avenue  
Peoria, AZ 85345

Re: (Project Legal Description)  
Project Address

Building Owner's Name

Improvements completed for this project:

Dear Building Official:

**Be on notice** that the improvements generally described in this document were completed at my request pursuant to the City of Peoria's Self-Certification program for the permitting of construction documents. The City of Peoria did not review the construction documents prior to the issuance of building permits and the construction was permitted and completed at my risk. Relevant documents related to this Self-Certified construction project are on file with the City of Peoria and will be maintained pursuant to the City's records retention policies.

Sincerely,

Building Owner's signature

Notarize

# Self-Certification

## Planning & Zoning Development Applications



CITY OF PEORIA  
PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT

Chris M. Jacques, AICP, LEED Green Associate  
Planning Director  
June 25, 2013

**Exhibit I**

# Self-Certification

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## Planning & Zoning Development Applications

### EXECUTIVE SUMMARY

As part of the adopted 2010 Economic Development Implementation Strategy (EDIS), several strategies to improve customer service were identified including facilitating quicker turn-around times for plan review, permitting and inspection. One such initiative was Self-Certification and was one of the key subjects for discussion at a March 5, 2013 Study Session. The Phoenix model was reviewed by a 3<sup>rd</sup> party (Zucker Systems) for its portability to Peoria. Although the focus was permitting, interest was expressed by some councilmembers in considering planning cases such as Rezones, Conditional Use Permits and Site Plan Review to reduce the overall timeframe to get to permit. The purpose of this White Paper is to analyze these case types against the Phoenix Self-Certification Model.

Planning and Zoning cases (Rezones, CUP's, Site Plan Review) occur at the front-end or "conceptual" stage in the development process. The City Council exercises legislative authority on Rezones and adjudicates any CUP appeals. Unlike the permit review stage, development standards at this stage are not prescriptive ("black and white") meaning they are subject to considerable discretion (professional judgment in implementing plans, guidelines, policies and codes) and shaped through the civic engagement process. An open and expansive civic engagement program has been a top Council ethic. Additionally, the City has a responsibility to safeguard the integrity of the process and ensure open and transparent access to information. For these reasons, staff does not believe the Self-Certification model is an appropriate fit for these discretionary cases. To be clear, the City of Phoenix Self-Certification program also does *not* include Rezone, CUP's or Site Plan Review. Qualifying projects for Phoenix's Self-Certification program must have pre-clearance in zoning and land use prior to intake.

The City of Phoenix also has an *Express Pass Site Plan* program. This program is not a self-certification model but rather an accelerated review model for qualifying projects. This program allows for the Site Plan review of certain projects to occur within 24 hours or 3 business days. However, the City of Peoria already offers this accommodation for most of the qualifying projects (in Phoenix). In other words, most of the projects would not warrant Site Plan Review in the City of Peoria. Peoria already has codes and procedural steps in place that allow most of the minor changes identified in Phoenix's program to be reviewed straight through the permit or Plat revision process, bypassing Site Plan Review. Nonetheless, there is always room for improvement and certainly there are circumstances that may not warrant full Site Plan Review. It is recommended that staff comprehensively identify these circumstances and expand the list of projects that can be reviewed outside Site Plan Review (through permit or Plat adjustment).

## Introduction

One of the eleven (11) initiatives in the adopted 2010 Economic Development Implementation Strategy (EDIS) was the *Permit and Approval Process Task Force* initiative. In that regard, the Building and Site Development Division of the Economic Development Services Department identified several ways to improve customer service by facilitating quicker turn-around times for plan review, permitting and inspection. One such initiative is Self-Certification, with particular attention on the City of Phoenix Self-Certification program.

Accordingly, a study was initiated by the City to assess the viability of implementing a building plan Self-Certification Program for development services similar to the program utilized by the City of Phoenix. The City hired Zucker Systems to analyze and provide a third-party perspective on this program. Key insights, findings and definitions for this program, as well as other permit enhancements, were presented to the City Council at their March 5, 2013 Study Session. A recommendation for a limited building plan Pilot will be forthcoming as part of a June 25, 2013 City Council Study Session.

## Self-Certification Program

A self-certification program allows a registered design professional (architect or engineer) to certify that building plans prepared by them, or under their direct supervision, meet the requirements of all applicable building codes adopted by the jurisdiction. In other words, the program (as outlined in the 2013 Zucker Study) allows an applicant to bypass the conventional plan review process by retaining the services of a pre-qualified design professional. The design professional assumes responsibility for ensuring that the plans conform to all applicable regulations and code requirements. Upon permit issuance, the jurisdiction may then choose to ‘audit’ a selection of issued permits. Subsequent findings may require plan revisions and/or suspension of the design professional’s authorization to participate in the program.

Supporters of this program point to the benefit in shortening the time period between application and permit issuance by eliminating the plan review step in the City’s approval process. The program affords the building owner and the designer the option to self-certify if the project is within the defined scope, or to use the traditional plan review process. Reportedly, several jurisdictions throughout the country have implemented such programs with a very diverse variety of scopes, parameters, and processes (2013 Zucker Study).

## Planning & Zoning Development Applications

At the March 5, 2013 City Council Study Session, some councilmembers expressed a desire for staff to evaluate other application types within the development process against the Self-Certification model. More specifically, staff was directed to consider Rezones, Conditional Use Permits (CUP) and Site Plan Review (“P&Z applications”). In the request, specific references were made to the *Phoenix Express Pass Site Plan Review*, which incidentally is not part of the Self-Certification model. The interest in the consideration was to determine if additional time could be eliminated in the development process and hasten ultimate permit issuance and business starts (speed-to-market).

In the discussion surrounding building plan review and a self-certification model, it was made clear that consideration should not occur at the expense of public safety. Similarly, as we evaluate the P&Z applications, it is critical that the desire for speed not compromise the civic engagement program and due process. In managing a case, the City has a responsibility to safeguard the integrity of the process.

- ◀ Ensure proceedings occur without appearances of impropriety or conflicts of interest.
- ◀ Ensure fair and efficient process without undue and unreasonable delays to the applicant; the applicant has the right to “have their day in court” so to speak.
- ◀ Promote “openness” and transparency in the process; ensure that the general public and applicant have access to the public record pertaining to the case and have the opportunity to participate and be heard.
- ◀ Ensure decisions regarding the case are not “arbitrary and capricious” and based upon findings that point to relevant codes, policies and ordinances.

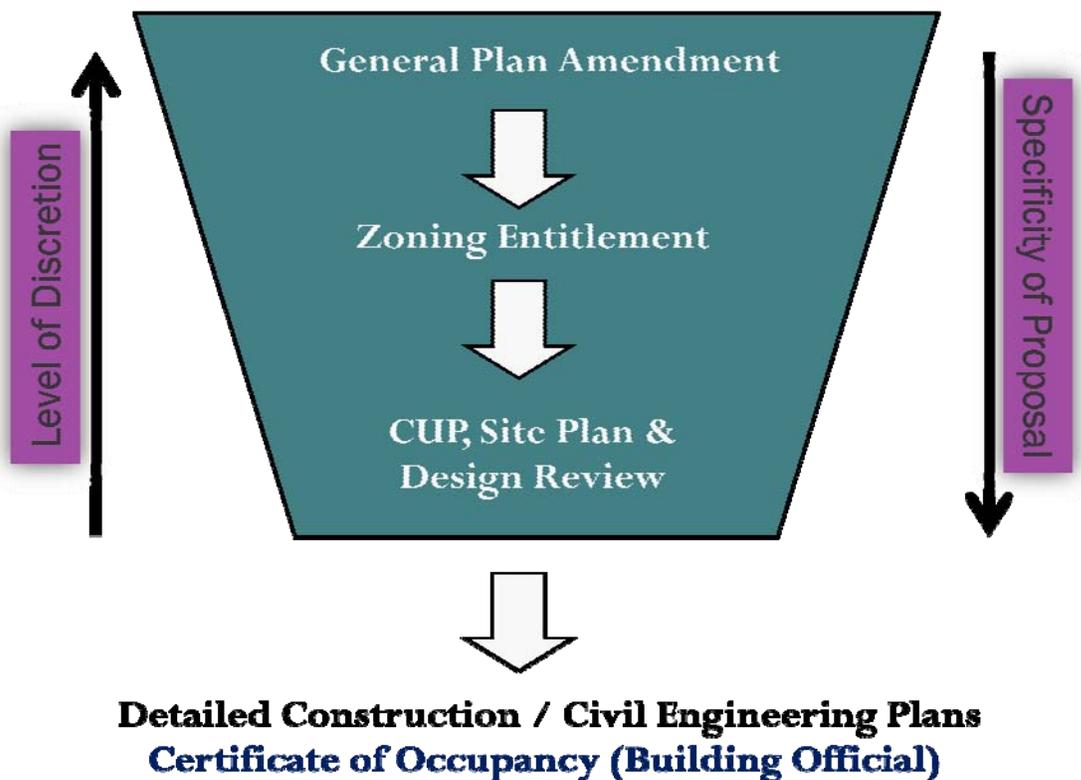
In 2010, the City Council approved *Ordinance 2010-24* significantly expanding the civic engagement program for P&Z applications. The purpose was to provide enhanced notification and offer affected residents the opportunity to provide input and otherwise participate in the early stages of the development process. The new requirements significantly expanded the notification “reach” for P&Z applications well beyond State Statute and existing standards to a leading position among Valley peer communities. Based on the acreage of the site, the notification radius was extended from 300 feet to at least 600 feet up to 1,320 feet (1/4 mile) with the added requirement that all registered HOA’s within a 1-mile radius be notified. The accompanying notification radius was also expanded to all required applicant-driven Neighborhood Meetings. These meetings are required for General Plan Amendments, Rezones and contested Conditional Use Permits. While the Ordinance was targeted to the more discretionary applications, other requirements were placed on the whole group of Planning application types to heighten citizen awareness. The point here is that as the City investigates new models, we need to remain mindful of recent enhancements and continue to strengthen the organizational ethic in civic engagement.

This white paper analyzes specific P&Z applications – Rezones, Conditional Use Permits and Site Plan Review. As illustrated below, these applications occur early in the development process with a high degree of discretion, site-specific challenges and public participation. These elements will invariably shape the case to the extent that it is not practical for two separate cases to follow an identical pre-determined set of prescriptions in a code book or checklist. As the proposal progresses from the concept (P&Z applications) to the permit, the scope of public review and the level of discretion sharply decreases (as we are now working with specific, “black and white” identifiable standards). Those standards are not as readily available at the concept or P&Z stage of the process. That is not to say that interpretations or discretionary decisions are not made in the permit and inspection stage. They most certainly are. However, the interpretations point to compliance to a set of specified codes or operating procedures. There are ambiguous provisions in all codes and procedures and interpretations are necessary.

## The Development Process

This section outlines the development process and where P&Z applications occur. What should be recognized is that proposals will not all start at the same point in the process. For example, if a Developer was interested building a commercial center on vacant land designated in the General Plan for single-family residential and zoned single-family residential, the Developer would have to start at the very beginning of the development process continuum. That is to say that the Developer would have to gain public, staff and Council support for a change to the General Plan designation and Zoning for the property. This deliberation occurs well before Site Plan Review, permits and/or inspections, assuming the request progresses. Conversely, let's say a Developer desires to build a restaurant on commercially zoned land and has already received approval of the concept (Site Plan Review). In this case, the Developer would enter the process at the permit submittal stage. Questions regarding the appropriateness of the use have already been answered and it really is a question of whether the permit meets the building and infrastructure codes or not.

**Figure 1: The Development Process at a Glance**



## Rezoning

Under A.R.S. §9-462.01, the City Council has the legislative authority and discretion to enact zoning regulations and take action on rezoning requests, including any relevant and defensible conditions or exactions related thereto. This is a key responsibility that is delegated to the City Council to promote the public health, welfare and safety of the City. Zoning decisions occur early in the process and establish the “framework” for which later site concepts and individual permits follow.

In a Rezone, an applicant makes a request to change the Zoning of a defined (legal description) area. The Zoning for a property embodies all of the development standards (e.g. land use, building setbacks, signage, parking etc.) that dictate the manner in which a property may develop and operate. The City will evaluate the Rezone for conformance to the various maps, goals, policies and objectives in the General Plan, determine the adequacy and timing of infrastructure and ensure that the proposal develops in accordance with various Plans and Ordinances. There is a high degree of discretion in this early phase of the development process and each case is different.

In many cases throughout the City, rezone requests come in the form of a Planned Area/Community Development (“PAD/PCD”) district. The PAD/PCD provides the ability to tailor the development standards for a unique or specific proposal while maximizing public benefit and area compatibility. The Rezoning action may also contain “exactions” (e.g. ROW dedication, trail requirements, signalization etc.) which are based on the scope, scale and location for the request against relevant codes and ordinance such as the Infrastructure Guidelines, PROST, Principles of Sound Financial Management, Street Classification Map and others. Finally, the Rezoning decision may contain unique mitigating conditions that are formulated through the civic engagement process such as limitations on density or building height in a given area, use restrictions or expanded buffers to name a few.

***In the Phoenix model, self-certification is not available to Rezones.*** Any zoning decision would need to be concluded prior to the intake of permits. Similarly, Peoria staff also recommends against self-certification for Rezones. Again, this is a key legislative right afforded to the City Council with a process that is shaped through civic engagement. Staff ensures the integrity of the process (as described above) and conformance to relevant plans, policies and codes. In that consideration, there are many discretionary elements. In short, from a legal, practical and public policy position, self-certification is not an appropriate vehicle.

## Conditional Use Permits

In every zoning district, there are certain buildings or uses of land which are normal and complementary to permitted uses in the district, but which, by their physical or operating characteristics may be incompatible with adjacent activities and uses. One such example is a daycare center in a residential zone, where operating times and drop-off/pickup may elicit concerns in a neighborhood if not appropriately scaled and addressed. Other examples of CUP’s include medical marijuana dispensaries, bars/taverns, service stations and pawn shops in commercial zones. Considerations may include security, noise, light, glare, odor, concentration and other factors. Each CUP is different and shaped by zoning district, location and civic engagement.

In the City of Peoria, the Planning & Zoning Commission (public hearing) is empowered with decision-making on CUP's. Should an action be appealed by the applicant or member of the public within a specified window, the City Council is then entrusted with the final decision. Unlike a Rezone or General Plan Amendment, CUP's do not automatically require a neighborhood meeting. Upon notification, any stated opposition received within the initial 21 days would then trigger a neighborhood meeting. Similarly, the nature of the use and operations informed through the public process may result in site specific restrictions that run with the use and location. These conditions are memorialized through action by the Planning & Zoning Commission, or if appealed, the City Council. After a decision, the City retains "continuing jurisdiction" on the CUP meaning that it retains the right to initiate revocation procedures should non-performance or adherence to conditions not occur.

***In the Phoenix model, self-certification is not available to Conditional Use Permits.*** Any decision on a use permit would need to occur prior to the intake of any permits. Peoria staff also recommends against self-certification for CUP's. It should be apparent that the public process is a critical component of the CUP and that each CUP is uniquely shaped based on its location and operational characteristics. From a legal, practical and public policy position, self-certification is not an appropriate vehicle.

### Site Plan Review

In Peoria, Site Plan Review occurs in the middle of the overall development continuum and is required for new ground-up non-residential and multi-family residential development. In this regard, decisions on the legality and/or appropriateness of the use and all corresponding development standards, conditions and exactions have been made. The legal framework has been established. The purpose of Site Plan Review is to ensure that a development concept "works" and meets all codes and standards before the applicant has expensive and detailed plans drawn up for permitting. Staff will review the concept to ensure adequate and safe circulation, proper grading and drainage, adherence to any stated zoning conditions or exactions, compliance with the fire and building codes, Zoning Ordinance and Infrastructure Guidelines, and conformance to the architectural and site design guidelines contained in the Design Review Manual. A Site Plan will vary in size and may cover a commercial center or a small office.

Although various codes and guidelines were identified above in the review of a Site Plan, there is nonetheless, considerable levels of discretion and interpretation in how the concept meets the requirements. Take the example of architectural and site review in the City's Design Review Manual. This occurs during Site Plan Review. There is no stated prescription in how a building or site complies with design review. It is not "one size fits all." There are many ways for a building or site to comply with the guidelines and the architect or designer has the freedom to identify and substantiate the compliance subject to staff review. Staff has a key responsibility here to uphold the public interest in promoting community appearance. Any impasses in this collaborative review is considered and acted upon by the City's Design Review Board (DRB) through a public process.

Unlike Rezones and CUP's, Site Plan Review is an administrative process. Nonetheless, notification to a specified radius of property owners is required at project submittal and upon staff decision. There is an opportunity to get information and participate in the review and approval of the concept. Again, as

identified above, the “scope” of the input is limited as the use has already been deemed compliant. A property owner does have the ability to appeal the staff decision on the Site Plan to the Planning & Zoning Commission in a public hearing for final action. However, the scope of consideration is not use or appropriateness, but whether the Site Plan met all codes and ordinances.

When evaluating the City’s Site Plan Review against Phoenix’s self-certification model and processes, it should be clear that each municipality has different terms, processes, requirements and levels of discretionary review. What Peoria calls “Site Plan Review” does not necessarily mean the same thing to Phoenix and other municipalities. Additionally, sometimes the term “Site Plan” is used interchangeably for a “Plot Plan” or is simply denoted as a sheet within a larger building permit submittal.

The City of Phoenix identifies eligible self-certification projects to include (Exhibit A):

- Interior alterations and tenant build-outs of businesses, mercantile, factory, assembly and storage.
- New construction of residential or commercial buildings up to 4 stories
- Landscape inventory, salvage, and new landscape plans
- Grading, drainage and parking lots

However, in its program overview, the City of Phoenix requires – prior to intake of plans (for permits) for self-certification – that the applicant has obtained all prior planning, zoning, grading and drainage approvals and building code modifications. To this end, approval of the concept has to occur first prior to self-certification intake of the permit. However, the City of Phoenix developed an *Express Pass Site Plan Review* for eligible projects (Exhibit B). The purpose of the program was to enable certain eligible projects to obtain an accelerated site review within 24 hours (3 business days). This program enables a reduction in the Site Plan review “window” for qualifying projects decreasing the time for said projects to submit permits. ***To be clear, the City of Phoenix Express Pass Site Plan Review is not a self-certification model. It is an accelerated review model for certain projects.***

In comparing the eligibility list of projects for Phoenix’s Express Pass Site Plan to Peoria, here is an example of where jurisdictional differences are pronounced. Figure 2 compares eligible Phoenix Express Pass Site Plan projects to the corresponding review in Peoria. In most cases, projects authorized for an accelerated Site Plan review in Phoenix do not currently require Site Plan Review in Peoria. That is not to say that such changes are not reviewed for conformance with the various codes and ordinances. They most certainly are. However, in most cases, such minor modifications are currently reviewed through the permit review process (formerly called Minor Site Plan Review). So in essence, Peoria already offers this accelerated accommodation for many of the stated projects. With that said, there is always room for improvement and introspection. Certainly, there may be projects that currently require Peoria Site Plan Review (e.g. co-location on a cell tower, storage yard without buildings) that may be appropriately suited to the list of projects that bypass formal Site Plan Review.

**Figure 2: Phoenix Express Pass Site Plan projects compared to Peoria**

Phoenix Express Pass Site Plan Eligible Projects*	City of Peoria Site Plan Review (SPR)
Public School or Charter School affiliated with public school system	SPR required, except PUSD (IGA exemption)
City Project	Site Plan Review required, except well sites, reservoir stations and other smaller City projects
Building construction or impervious surface less than 5,000 SF on existing developed site with industrial zoning or heavy commercial and not adjacent to residential uses within residential zoning	Site Plan Review required for building construction if new square footage (SF) is greater than 10% of existing Gross Floor Area (GFA)
Converting use from commercial or industrial to residential	SPR not required
Change of occupancy from one commercial use to another commercial use	SPR not required
New development within existing approved site plan for a commercial project	SPR not required
New building or addition less than 15,000 SF within existing approved site plan in industrial or commerce park zoning	Site Plan Review required if addition or new building is greater than 10% of existing GFA
New building or addition less than 5,000 SF within existing approved site plan in commercial office district	Site Plan Review required if addition or new building is greater than 10% of existing GFA
Adaptive reuse projects	SPR not required
Development submitted for Site Plan approval prior to March 1, 1991	Site Plan Review required (approved Site Plan expires if permits not received within 18 months).
Development annexed into the City	SPR not required
New or relocated pools, ramadas and amenities	SPR not required
New carports to cover commercial/industrial parking	SPR not required
Wireless communication facility additional arrays or exchange of arrays	Site Plan Review required
Lot combination	SPR not required;
Temporary parking lots	SPR not required
Interior TI or alteration which does not affect parking	SPR not required
Interior TI or alteration that has pre-approved updated tenant list	SPR not required
New or relocated solar elements placed on top of an existing shade canopy or roof	SPR not required
Outdoor dining interior to a shopping center (with updated	SPR not required; However, CUP is required

tenant list/sufficient parking)	
Paint and nonstructural improvements to an existing building; nonstructural remodeling of façade treatment	SPR not required
Relocate trash enclosure	SPR not required
Add or relocate accessible parking	SPR not required
Add or relocate bicycle parking	SPR not required
Add electric vehicle charging station	SPR not required
Roof mounted mechanical equipment	SPR not required
Temporary storage units placed on existing developed site	SPR not required
Construction fencing	SPR not required
Construction staging area	SPR not required
Sign permits	SPR not required
Change of occupancy and additions up to 5,000 SF or 25% of the primary building's GFA in the Arts, Cultural and Small Business Overlay	Site Plan Review required
Subdivision property line adjustment	SPR not required

\*Per City of Phoenix Express Pass Site Plan brochure (Exhibit B)

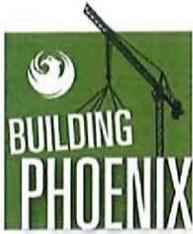
## Conclusions

Planning and Zoning cases (Rezoning, CUP's, Site Plan Review) occur at the front-end of the development process. Unlike the permit review stage, standards are less prescriptive and more discretionary. This is an important stage in the process whereby the development framework is established, shaped through the civic engagement process. As the City evaluates new models to hasten permit issuance, it is important that we not degrade recent gains in the civic engagement program. Additionally, the City has a responsibility to safeguard the integrity of the process. From a legal, practical and public policy position, self-certification is not an appropriate approval structure for the three (3) P&Z applications discussed.

The Phoenix Express Pass Site Plan program is not a self-certification model but rather an accelerated review model for qualifying projects. Although it does not have a program name, Peoria already has codes and procedural steps in place that allow most of the minor changes identified in Phoenix's program to be reviewed straight through the permit process, bypassing the more formal and extended Site Plan Review. Nonetheless, there are circumstances that may not warrant full Site Plan Review. It is recommended that staff identify these circumstances and in essence expand the list of projects that can be reviewed outside Site Plan Review (through permit or Plat adjustment).

## Exhibits

- Exhibit 1:** City of Phoenix Self-Certification Program Overview brochure
- Exhibit 2:** City of Phoenix Express Pass Site Plan Review brochure



PLANNING & DEVELOPMENT  
DEPARTMENT

## Self-Certification Program Program Overview

The Self-Certification Program allows a registered professional to bypass the normal plan review process and get permits in one day. Participating professionals must meet minimum qualifications and attend a Self-Certification training class.

### Professional Qualifications

- Architect or structural engineer registered in Arizona for at least three years to certify building plans
- Landscape architect registered in Arizona for at least three years to certify landscape plans
- Civil engineer registered in Arizona for at least three years to certify grading and drainage plans
- Successful completion of self-certification training from the Planning & Development Department

### Submittal Requirements

- Building projects must obtain all planning, zoning, grading and drainage approvals and building code modifications as necessary prior to the city's intake of the plans.
- Civil, Landscape or Parking Lot projects must obtain all planning, zoning, site, off-site civil, site fire, addressing, and alternative paving approvals as necessary prior to the city's intake of the plans.
- For buildings less than 25,000 sf, a Structural Peer Review Certificate by a city-approved Structural Peer Reviewer is required for projects with structural scope of work.
- For buildings greater than 25,000 sf, the city will perform an automatic audit in place of the structural peer review.
- All Fire plans and permits cannot be self-certified.
- All plan sheets must be sealed by a professional registered in the State of Arizona
- Additional program requirements for all projects include: a hold-harmless letter signed by all registrants, a building owner/tenant indemnification letter, and a copy of the Self-Certified Professional's Certification of Insurance.
- Current forms and checklists are on-line at [http://phoenix.gov/pdd/topics/program\\_information.html](http://phoenix.gov/pdd/topics/program_information.html)

### Eligibility

Project scope of work must comply with the Self-Certification Program Eligibility Chart

Eligible projects include:

- Interior alterations and tenant build-outs of business, mercantile, factory, assembly, and storage.
- New construction of residential or commercial buildings up to 4 stories
- Landscape inventory, salvage, and new landscape plans
- Grading, drainage, and parking lots

Projects not eligible:

- New high-rise buildings (most tenant improvements inside existing high rise allowed)
- Projects located in Hillside Development Areas
- Extra large assembly occupancies (A4 & A5)
- Hazardous Occupancies
- Projects in FEMA Special Floodplain Hazard Areas

For more information refer to our website at <http://phoenix.gov/pdd/scp.html> or contact Deborah Larkins at 602-495-0265.



**Site Plans Requiring Full Review:**

Site plans require a full review if: located in the Downtown Code, special planning district or overlay area which includes Historic Preservation; high-rise; hazardous and large assembly occupancies; properties subject of a rezoning and any other requirement as described in Section 507 of the Phoenix Zoning Ordinance (variance/use permit).

**Major Development Projects Eligible for Express Pass:**

1. Public School or Charter School affiliated with public school system
2. City project (with completed assumed responsibility form)
3. Building construction or impervious surface less than 5,000 sq. ft. on existing developed site with industrial zoning (A-1, A-2) or heavy commercial (C-3) and not adjacent to residential uses within residential zoning
4. Converting use from commercial or industrial to residential
5. Change of occupancy from one commercial use to another commercial use allowed per city of Phoenix Zoning Ordinance (existing building)
6. New development within existing approved site plan for a commercial project
7. New building or addition less than 15,000 sq. ft. within existing approved site plan in industrial or commerce park zoning district
8. New building or addition less than 5,000 sq. ft. within existing approved site plan in commercial office district
9. Adaptive reuse projects
10. Development submitted for site plan approval prior to March 1, 1991
11. Development annexed into the City

**Minor Development Projects Eligible for Express Pass:**

1. New or relocated pools, ramadas and amenities
2. New carports to cover commercial/industrial parking
3. Wireless communication facility additional arrays or exchange of arrays
4. Lot combination
5. Temporary parking lots
6. Interior tenant improvement or alteration which does not affect parking requirements
7. Interior tenant improvement or alteration that has pre-approved updated tenant list
8. New or relocated solar elements placed on top of an existing shade canopy or roof
9. Outdoor dining interior to a shopping center (with updated tenant list/sufficient parking)

10. Paint and nonstructural improvements to an existing building; nonstructural remodeling of façade treatment;
11. Relocate trash enclosure
12. Add or relocate accessible parking
13. Add or relocate bicycle parking
14. Add electric vehicle charging station
15. Roof mounted mechanical equipment
16. Temporary storage units being place on existing developed site
17. Construction fencing
18. Construction staging area
19. Sign permits for properties not otherwise subject to development review
20. Change of occupancy and additions up to 500 sq. ft. or 25% of the primary building's ground floor area in the Arts, Culture and Small Business Overlay (Section 669)
21. Subdivision property line adjustment

**Important Processing Information:**

Express Pass projects will be triaged and the applicant will be notified if the project is approved or if the applicant must complete the full plan review process and pay the site plan review fee per the adopted fee schedule. Express Pass cursory reviews not completed within 24 business hours (3 business days) can be deemed approved and applicant can move forward to building permit. This does not constitute approval of a Zoning Ordinance, City Code or Building Code violation.

Street Transportation and Water Services Departments have agreed to respond within 5 days to applicants regarding projects eligible for the EXPRESS PASS program. Street Transportation and Water Services Departments staff should provide documentation in writing to the applicant. This verification should be included with the plans provided to Planning & Development.

**NO SITE REVIEW FEE will be charged. Applicants will be charged a \$300 administrative fee to process the plans.**



**YOU ARE INVITED**

# City of Peoria Development Forum

**Wednesday, May 22, 2013  
1:00 p.m. - 2:30 p.m.**

**Public Safety Administration Building  
8351 W. Cinnabar Avenue**

**Special meeting to discuss upcoming  
Customer Service Enhancements.**

**RSVP by May 20th to  
[developmentforum@peoriaaz.gov](mailto:developmentforum@peoriaaz.gov)**

*Owners*

*Engineers*

*Architects*

*Contractors*

*Homebuilders*

