Agenda – Executive Policy Committee - June 7, 2006

REPORTS

Item No. 10 Red Tape Commission Report, Recommendation 12 – Streamline Permits Processing
File GG-5

ADMINISTRATIVE RECOMMENDATION:

1. The Planning, Property and Development Department proceed immediately to implement changes through amendment of the Winnipeg Building By-law No. 4555/87 and The Winnipeg Zoning By-law No. 6400/94 in order to:

   A. Eliminate the requirement for Building and Development Permits for Decks two feet and under in height.

   B. Eliminate the requirement for Building and Development Permits for a temporary tent less than 901 square feet (83.7 square meters) in size.

   C. Increase the threshold for the exception of Building Permits for non-structural alterations or repairs from $1,000 to $5,000. (note: Electrical and Plumbing Permits are still required).

2. The Planning, Property and Development Department continue phasing in the introduction of additional "fast track" permits as identified through the Permits X-Press Project.

3. The Planning, Property and Development Department continue to use and communicate clear, specific and open targets for speed of service for commercial projects and permits, through the Permits X-Press Project and in consultation with Industry utilizing clear guidelines for submission (e.g. Building Design Summary).

4. The Planning, Property and Development Department, through the Permits X-Press Project, phase in a 'permit clock' for display on the City's website with targeted wait times for selected permits, and the current estimated average time for processing.

5. That under Section 289(1) of The City of Winnipeg Charter, a Permit Stabilization Reserve Fund be established in order to: 1) stabilize the revenue stream (mitigate revenue shortfalls) in boom/bust cycles, and 2) provide a source of funds for service and system improvements and, further, that:

A. The Director of Planning, Property and Development is designated as the Reserve Fund Manager and is thereby authorized to draw on the Reserve when the approved annual operating budget is insufficient to cover the costs of responding to the needs described above;

B. The Reserve is funded through 1) the establishment of a line item within the Development and Inspections Annual Operating budget beginning in 2007 that provides for an annual transfer from permit revenues to the Reserve; and 2) the deposit of all Development and Inspections annual surpluses to the Reserve;

C. The Reserve Balance should never exceed $3M.

D. In the event that the amount of money within the Reserve Fund in any given year is insufficient to cover the costs of responding to the conditions described above, that the Chief Administrative Officer has the authority to over-expend to a maximum of $3M and submit an Additional Appropriation after the fact.

6. The Planning, Property and Development Department continue its strategy of continuous service delivery improvements year over year though the Permits X-Press project and consultation with staff, industry and the general public with a commitment to transparent and accountable processes.

Agenda – Executive Policy Committee - June 7, 2006

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner, in a manner reflecting the following list of priorities:

A. <u>April 2006 Phase</u>
Recommendation 12 Streamline permit processing overall to expand on successes

RE: Red Tape Commission Report: Recommendation 12 – Take Additional Steps To Support The Planning, Property And Development Department As It Accelerates Service Speed For Permit Approvals

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Director of Planning, Property and Development

REPORT DATE: April 28, 2006

RECOMMENDATION:

1. The Planning, Property and Development Department proceed immediately to implement changes through amendment of the Winnipeg Building By-law No. 4555/87 and Zoning By-law 6400 in order to:
    a. Eliminate the requirement for Building and Development Permits for Decks two feet and under in height.
    b. Eliminate the requirement for Building and Development Permits for a temporary tent less than 901 square feet (83.7 square meters) in size.
    c. Increase the threshold for the exception of Building Permits for non-structural alterations or repairs from $1,000 to $5,000. (note: Electrical and Plumbing Permits are still required)
2. The Planning, Property and Development Department continue phasing in the introduction of additional “fast track” permits as identified through the Permits X-Press Project.
3. The Planning, Property and Development Department continue to use and communicate clear, specific and open targets for speed of service for commercial projects and permits, through the Permits X-Press Project and in consultation with Industry utilizing clear guidelines for submission (e.g. Building Design Summary).
4. The Planning, Property and Development Department, through the Permits X-Press Project, phase in a ‘permit clock’ for display on the City’s website with targeted wait times for selected permits, and the current estimated average time for processing.
5. That under Section 289(1) of The City of Winnipeg Charter, a *Permit Stabilization Reserve Fund* be established in order to: 1) stabilize the revenue stream (mitigate revenue shortfalls) in boom/bust cycles, and 2) provide a source of funds for service and system improvements and, further, that:
    a. The Director of Planning, Property and Development is designated as the Reserve Fund Manager and is thereby authorized to draw on the Reserve when the approved annual operating budget is insufficient to cover the costs of responding to the needs described above;

b. The Reserve is funded through 1) the establishment of a line item within the Development and Inspections Annual Operating budget beginning in 2007 that provides for an annual transfer from permit revenues to the Reserve; and 2) the deposit of all Development and Inspections annual surpluses to the Reserve;

c. The Reserve Balance should never exceed $3M.

d. In the event that the amount of money within the Reserve Fund in any given year is insufficient to cover the costs of responding to the conditions described above, that the CAO has the authority to over-expend to a maximum of $3M and submit an Additional Appropriation after the fact.

6. The Planning, Property and Development Department continue its strategy of continuous service delivery improvements year over year though the Permits X-Press project and consultation with staff, industry and the general public with a commitment to transparent and accountable processes

Report Summary

Key Issues:

Permits X-Press Project:

- In November 2003, the Planning, Property and Development Department launched a comprehensive review of their permit processing system called the *Permits X-Press.*
- An Industry Advisory Group (IAG) was established at the outset of the project, which included representatives of the various organizations involved in Winnipeg's construction industry.
- Measurable improvements to permits processes have continued throughout 2004 and 2005 and are ongoing. Departmental accomplishments include successful delivery of over 45 improvements to the Building Permits Process in the last 2 years.

Council Direction on the Red Tape Commission:

- On November 23, 2004, the Mayor officially established a Red Tape Commission.
- On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission.

Departmental Recommendations on Red Tape:

- The Department supports the elimination of the requirement for permits for **decks two feet and under** in height through amendment of the Winnipeg Building By-law No. 4555/87 and Zoning By-law 6400.
    - From a public safety perspective, elimination of the requirement for permits for decks two feet in height and under would not pose a grave threat to public safety.
    - It is anticipated that the elimination of the requirement for permits for decks two feet and under in height will result in an impact on Assessment Departments' property valuation process.
    - In 2004, 338 permits ($17,000 in revenue) were issued for decks two feet and under; in 2005 354 permits were issued ($22,400 in revenue).
- The Department will continue the use of summer staff in order to facilitate the **"fast track" permits** piloted in 2005.

- The Department further recommends phasing in the introduction of additional "fast track" permits through the Permits X-Press Project.
- The Department believes that the existing operating budget will be able to accommodate the additional summer staff for 2006, but will need to review resource and budget implications on an annual basis as additional "fast track" permits are introduced.

- The Department recommends that **tents less than 901 square fee**t in size (e.g. 30' X 30') no longer require Building and Development Permits.
  - This is an increase in tent size above the original Red Tape Commission recommendation of tents less than 100 square feet (e.g. 10' X 10')
  - Past experience has proven that larger sized tents have appropriate engineering design associated with them.
  - The elimination of Building and Development Permits for tents less than 901 square feet would **not** preclude the need for approval and coordination from the Special Events Committee, which may require permits beyond Building and Development Permits.
- The Department supports the use and communication of **clear, specific and open targets** for speed of service for commercial projects and permits, through the Permits X-Press Project and in consultation with the Industry Advisory Group.
  - The Department recommends utilizing the Building Design Summary pilot project to define clear guidelines for submission of applications for projects involving commercial new construction and additions, which will in turn determine the range of time required for review and approval of a complete application.
- The Department recommends a phased approach for the establishment of a **"Permit Clock".** The Department recommends updating the web site on a monthly basis with set target times and the current estimated average processing times *for those applications where agreements on target times have been reached with the industry.*
- That under Section 289(1) of The City of Winnipeg Charter, an ***Permit Stabilization Reserve Fund*** be established in order to: 1) stabilize the revenue stream (mitigate revenue shortfalls) in boom/bust cycles, and 2) provide a source of funds for service and system improvements and further that:
  - The Director of Planning, Property and Development is designated as the Reserve Fund Manager and is thereby authorized to draw on the Reserve when the approved annual operating budget is insufficient to cover the costs of responding to the needs described above;
  - The Reserve is funded through 1) the establishment of a line item within the Development and Inspections Annual Operating budget beginning in 2007

that provides for an annual transfer from permit revenues to the Reserve; and 2) the deposit of all Development and Inspections annual surpluses to the Reserve;

- The Reserve Balance should never exceed $3M.

- In the event that the amount of money within the Reserve Fund in any given year is insufficient to cover the costs of responding to the conditions described above, that the CAO has the authority to over-expend to a maximum of $3M and submit an Additional Appropriation after the fact.

- The Department recommends that Winnipeg Building By-Law 4555/87 be updated to reflect an increase in the threshold for the exception of Building Permits for non-structural alterations or repairs from $1,000 to $5,000.
- The Department will update its ongoing internal and external education and communication strategy to incorporate the above –mentioned recommendations.

Implications of the Recommendation(s):

General Implications

( ) None

(X) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

- Maximizes human resources within the Department.
- Potential for perceived inequities for change in permit requirements.
- Ability to reduce inspection volumes.

Policy Implications

( ) No

(X) Yes

Comment(s):

- In order to effect the recommendations contained within this report, amendments will be required to appropriate City of Winnipeg By-laws.

Regulatory Implications

( ) None

(X) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(X) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

() Within approved current and/or capital budget

(X) Current and/or capital budget adjustment required

Comment(s):

- Reduction in overtime costs to inspect and respond to special event permits.
- Reduction in revenue from the issuance of deck permits and special events permits.
- That under Section 289(1) of The City of Winnipeg Charter, an *Permit Stabilization Reserve Fund* be established in order to: 1) stabilize the revenue stream (mitigate revenue shortfalls) in boom/bust cycles, and 2) provide a source of funds for service and system improvements and further that:

- The Director of Planning, Property and Development is designated as the Reserve Fund Manager and is thereby authorized to draw on the Reserve when the approved annual operating budget is insufficient to cover the costs of responding to the needs described above;

- The Reserve is funded through 1) the establishment of a line item within the Development and Inspections Annual Operating budget beginning in 2006 that provides for an annual transfer from permit revenues to the Reserve; and 2) the deposit of all Development and Inspections annual surpluses to the Reserve;

- The Reserve Balance should never exceed $3M.

- In the event that the amount of money within the Reserve Fund in any given year is insufficient to cover the costs of responding to the urgent conditions described above, that the CAO has the authority to over-expend to a maximum of $3M and submit an Additional Appropriation after the fact.

Report

REASON FOR THE REPORT:

On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner with a list of priorities for April and May. Red Tape Recommendation 12, "Streamline permit processing overall to expand on successes", was requested by April 2006.

HISTORY:

On November 23, 2004, the Mayor officially established a Red Tape Commission, chaired by Councillor Franco Magnifico, to review City operations and regulations in order to improve customer service while granting administrators more freedom to innovate.

The Red Tape Commission submitted a final report, dated June 28, 2005, containing 30 general recommendations, each with numerous corresponding, and more comprehensive, sub-recommendations. Recommendation 12 and its sub-recommendations of said report state:

"RECOMMENDATION 12: Take Additional Steps To Support The Planning, Property And Development Department As It Accelerates Service Speed For Permit Approvals.
The Commission's goal in Recommendation 12 is to ensure that City Hall supports further permit service improvements."

> **Recommendation 12.1**
> Amend the *Building By-Law* and zoning by-laws to eliminate the requirement for permits for decks under two feet in height, and replace the requirement with a provision limiting deck construction to a home's side and rear yard.
>
> **Recommendation 12.2**
> Establish a "fast track" approval for low-risk permits, as per Department recommendations.
>
> **Recommendation 12.3**
> Council should support any proposal forthcoming from the Planning, Property and Development Department to eliminate permits for temporary tents of 10' x 10' or smaller.

Recommendation 12.4
Public service managers successfully used clear, specific and open targets for speed of service to manage change in residential building permit approvals (Permits X-Press). The Commission believes that targets should be also be set for commercial projects and permits, despite obstacles to consistent service in that sector.

Recommendation 12.4
Create a 'permit clock' for display on the City's website. The clock would refresh daily or weekly to show the Department's targeted wait time for selected permits, and the current estimated average time for processing. "Permit clock" displays can also be posted as a hard copy at the point of sale for permits."

DISCUSSION:

The Planning, Property and Development Department is cognizant of and takes seriously its responsibilities as a municipal authority ensuring public safety. At the same time, the Department has been working diligently to reduce its red tape and speed up various processes for its customers through various initiatives. Specifically, the Department has undertaken to:

- Focus on constant improvement for permit approvals – the Department is currently in the process of piloting a consistent framework for systematically reviewing all permit and approval processes, monitoring progress and maintaining improvements realized. The intent is to eliminate unnecessary steps, simplify procedures, encourage more accurate applications and provide better communication.
- Streamline processes in order to align work differently -- this will allow for more effective use of technical expertise and human resources in targeted service areas.
- Obtain reliable statistics regarding processing times for permit and inspections -- identification of realistic statistics enables the Department to effectively identify capacity and volume of workload.
- Constantly review staff resource requirements to achieve and maintain alignment between human resource requirements and service demands from the construction industry.
- Continually improve service delivery on improvements year over year though consultation with staff, industry and the general public with a commitment to transparent and accountable processes

In November of 2003, the Planning, Property and Development Department of the City of Winnipeg launched a comprehensive review of their permit processing system. While the long-term goal of the Permits X-Press Project was to improve the permit process, it was also given the mandate to ensure shorter-term improvements were in place by March 31, 2004 – the beginning of 2004's busy construction season.

The Department believed that the successful accomplishment of this task could only be realized through a collaborative approach, with ongoing stakeholder involvement in the implementation of improvements. To facilitate this approach, an Industry Advisory Group (IAG) was established at the outset of the Project, which included representatives of the various organizations involved in Winnipeg's construction industry.

- Manitoba Home Builders Association (MHBA)
- Winnipeg Construction Association (WCA)
- Association of Professional Engineers and Geoscientists of Manitoba (APEGM)
- Consulting Engineers of Manitoba (CEM)
- Manitoba Association of Architects (MAA)
- Representatives of the development industry
- CentreVenture Development Corporation
- Destination Winnipeg

The IAG meets every second month to monitor the progress of the initiative and provide input and feedback on pilot improvements. Several members became actively involved in joint "Working Groups" to tackle some of the larger improvement initiatives.

Measurable improvements to the permits processes have continued throughout 2004 and 2005 and are ongoing. Departmental accomplishments include successful delivery of over 45 improvements to the Building Permits Process in the last 2 years, balancing "quick wins" with items that require more study and consultation with stakeholders. In addition, many of these improvements were consistent with recommendations of other reports – such as the *Getting Down to Business Report* and the *Integrated Planning Model* (Fall 2002). Following is a sampling of three *long term* improvements recently introduced:

1. Creation of an ongoing series of code training courses, developed in conjunction with industry and delivered through a partnership with Red River College
2. Introduction of a pilot "Building Design Summary" documents for construction projects involving new construction and additions. Developed in conjunction with industry, the document is intended to speed up the approval process by providing a consistent and comprehensive format for all submission requirements, thereby ensuring that applicants have included all necessary information and documentation in their permit application *the first time;* thus eliminating the need for time-consuming follow-up to obtain missing information
3. Establishment of the "Development Liaison Administrator" position to act as a "file manager" to shepherd large and complex building and development projects through the review and approval process from concept to occupancy. The position will be operational on a 2-year pilot basis commencing May 1, 2006.

The Final Report of the Mayor's Red Tape Commission highlighted the work of the Permits X-Press by stating, *"The Planning, Property and Development's Permits X-Press system was frequently identified as a City best-practice. We also heard strong and positive feedback for the Department's efforts to resolve building issues in advance through "pre-meetings" with project managers. Finally, respondents to the BDO Dunwoody Consumer Experiences Study praised the Department for improved management of inspections and reduced logjams at other points of service. Examples of the Department's open-minded approach to policy reform…"*

The Red Tape Report reinforces the commitment the Department has exercised in demonstrating accountability to staff, industry and the general public through consultation with its customers and engaging staff in much needed improvements to the City's permit process. The Project is built around the principles of having transparent and accountable processes, and on measuring results. In addition, the Department has been proactive in its commitment to delivering a responsive and ongoing communication strategy, through publication and regular updating of our progress in making improvements, with the creation of the Permits X-Press Report Card, available on-line at www.winnipeg.ca/ppd/default.stm

The following is a preliminary analysis of each of the sub-recommendations of Recommendation 12 conducted in response to the Executive Policy Committee recommendation to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner with a list of priorities.

"Recommendation 12.1

Amend the Building By-Law and zoning by-laws to eliminate the requirement for permits for decks under two feet in height, and replace the requirement with a provision limiting deck construction to a home's side and rear yard".

Departmental Recommendation:

The Department has reviewed and researched the issues surrounding sub recommendation 12.1 and concurs in its implementation on the basis that the Building Code and Zoning implications associated with this type of construction are minimal. The Department also concurs in the proposed maintenance of aesthetic controls through provisions that limit deck construction to a home's side and rear yards.

The Department recommends implementation of this sub-recommendation through amendment of the Winnipeg Building By-law No. 4555/87 and Zoning By-law 6400. Following is a recommended strategy to effect implementation of this recommendation:

- Single level decks 24 inches or less above grade would not require permits
- Requires amendments to Section 14.2.1(2) of the Winnipeg Building By-law No. 4555/87 in order to eliminate the requirements for permits for decks two feet in height, or less.
- Requires an amendment to existing Zoning By-law No. 6400 (it is anticipated that the new zoning by-law will be recommending less restrictions in this area).
- Initiate and document discussion with the Assessment Department in order to determine impact of elimination of these permits on assessment values and workflow.

- Update ongoing internal and external education and communication strategy to incorporate suggested amendments and recommendations.
-

Departmental Action to Date:

Through the Department's commitment to communication, the Department has been proactive in providing responsive information services to the construction industry through ongoing consultation and the publication and distribution of brochures, as well as publication of current information on the City of Winnipeg's Internet site.

These initiatives have proven beneficial in developing informed industry retailers, who are not only providing homeowners with proper building materials, but are also relaying information and distributing relevant brochures that demonstrate how to construct decks in accordance with current construction standards. In addition, industry retailers are expanding their service delivery to include the provision of combined retail sales and construction service packages of decks. Retailers providing these types of service delivery alternatives now have a vested interest in providing accurate information.

Implications of Implementation:

From a public safety perspective, elimination of the requirement for permits for decks two feet and under in height would not pose a grave threat to public safety. From a liability perspective, it should be noted that elimination of the requirement for a permit would also eliminate inspection of these decks and therefore enable the Department to reallocate inspection resources to other permit types.

With regard to the replacement of the requirement with a provision limiting deck construction to a home's side and rear yard, the Department does not foresee any negative implications of this recommendation. Based on 2005 permit statistics, the vast majority of side yard deck variations requested were approved through the variance process.

It is anticipated that the elimination of the requirement for permits for decks two feet and under will impact on the Property Assessment Department's valuation process. In accordance with the *Manitoba Municipal Assessment Act*, the Property Assessment Department must assess real property at market value in the reference year. Structures such as decks are part of the entire parcel assessed, and it is typical that decks have a material contribution to the overall market value of the parcel. In many ways, decks are similar to any other significant property attribute in that the presence of that attribute contributes to the overall value of the parcel. A home with a deck would generally be seen by the market as having more value than a comparable home without a deck (all other characteristics held constant).

Currently, the presence of a permit acts as a trigger for the Property Assessment Department that would indicate to the department that there has been a physical change to a property. This physical change to the property can affect the market value of that property. Without a permit for decks two feet and under, the Property Assessment Department would have no notification of a potential change in the market value of the property due to this physical change. The Property Assessment Department, due to the lack of notification of this change in the property, would not schedule an inspection of the property, and would not be able to update its property characteristic

database with that new information. The result of this would be that the assessed value of that property may not be an accurate reflection of the true market value of that property, as the information regarding the deck would not be included as a factor contributing to the overall assessed value of that property.

Based on market analysis performed for the 2006 general reassessment (2002 reference year) the contribution of a deck to the overall market value of the entire property was approximately $9.23 per square foot of deck. It should be noted that this analysis was for all decks. There has been no analysis done in attempt to isolate the contribution to overall market value by decks specifically two feet and under in height. Also, it should be noted that $ 9.23 per square foot is an average. The value that a deck would contribute to the overall market value of the property does vary depending on the location of the property within the City. Capturing these physical changes to a property (new deck), and then in turn adjusting the assessed value of the entire parcel to include the market's view of the additional value of the improvement for some properties and not for others can lead to inequity in the assessment roll.

However, it should be noted that a considerable number of decks two feet and under in height have in the past been constructed without the necessary permits. As no permits were taken out on these properties, the Property Assessment Department would have not received any notification to inspect these properties, and therefore would not have updated the property characteristic inventory database and adjusted the assessed value to reflect the presence of the improvement.

There are cases where the Property Assessment Department will attend to an inspection for some other reason (other permit on the property, request for a tax certificate, etc). It is the normal practice of the department to review all of the property attributes of the property while attending to the inspection. At this point, if it was found that the department's records did not include the presence of the deck, the property record would be updated to now include the deck. In this way, the deck would get into the department's database, and thus would be then included as part of the overall assessed market value of the property.

In 2004, 338 permits were issued for decks under two feet in height, for revenue of $17,000. In 2005, 354 permits were issued for revenue of $22,400. The impact on Planning, Property and Development Department's revenue has been identified in the Financial Impact Statement.

"Recommendation 12.2

Establish a "fast track" approval for low-risk permits, as per Department recommendations"

Departmental Recommendation:

The Department concurs in this sub-recommendation and recommends a formal annual increase in the summer staff complement to 2005 levels, in order to continue in the 2006 construction season with the "fast track" permits piloted in 2005:

- Continue the seasonal "fast track" for residential detached garages
- Continue the seasonal "fast track" for decks greater than two feet, subject to by-law amendment and eliminating the need for permits for decks less than two feet in height. It should be noted that the 2005 National Building Code changes have restricted surface

foundations for decks greater than two feet in height and therefore have necessitated the need for some technical review.

The Department further recommends phasing in the introduction of additional "fast track" permits. The Department will work through the Permits X-Press Project to identify additional residential "fast track" permits that could be introduced through a phased approach. An implementation plan for other types of potential residential fast track permits will need to be developed. Some potential examples include:

- Above ground pools
- Gazebos
- Hot Tubs
- Landings
- Electrical Residential
- Plumbing Residential
- Rec Rooms (Basement Development)
- Non-structural Alteration/Repair

In addition to the above fast track permits the Department also intends to continue to work towards previously identified fast track commercial permits on the Permits X-Press Report Card:

- Fast track (5 day) process for Occupy Only Permits
- Fast track (5 day) process for Simple Interior Alterations (Commercial)

Departmental Action to Date:

The Department has determined that a significant amount of time and technical resources are dedicated to processing minor, low-risk permit applications during the busy construction season, which reduces the review and approval times available for more significant projects.

Through the Permits X-Press Project, the Department piloted the implementation of some fast-track permit approvals during the summer months of 2005. The Department utilized non-technical staff resources to accept and immediately issue specific types of applications at the permit counter. This pilot program has proven to be successful for the specific permits and the Department intends to continue to explore additional low risk permits in a phased approach in order to monitor progress and maintain efficiencies realized. This process has allowed the Department to continue to utilize resources in an effective manner while continuing to improve service delivery to its customers.

The following documents some of the experience in 2005 with the above fast track permits:

- A *"fast track"* process for decks and detached garages was implemented during the 2005 busy season (May – September). Two retired Zoning Officers were brought back on a part-time basis to perform a quick zoning review right at the front counter for those applications that did not required a structural review. If zoning requirements were met, the application was then processed "on the spot" by non-technical staff.
- Results were as follows:
    - Detached garages:

- Fast track detached garage permits ("garage packages" sold by home supply retailers) that complied with applicable codes and by-laws were processed in an average of 6 minutes.

- Decks:
  - Fast track deck permits ("deck packages" sold by home supply retailers) were issued in an average of 9 minutes

Implications of Implementation:

It is anticipated that the implementation of the requirement for "fast track" permits will result in an increase in the Department's annual budget for temporary summer staff. The Department believes that the existing operating budget will be able to accommodate this but will need to review resource and budget implications on an annual basis as additional "fast track" permits are introduced.

"Recommendation 12.3

Council should support any proposal forthcoming from the Planning, Property and Development Department to eliminate permits for temporary tents of 10' x 10' or smaller".

Departmental Recommendation:

The Department concurs in this sub-recommendation and further recommends the elimination of the permit requirement for temporary tents 30'x 30' and smaller. The Department currently requires building or development permits for temporary tents erected for a period of 4 days or less.

This recommendation will require an amendment to the Winnipeg Building By-law 4555/87 Section 14.2.1(2) to eliminate requirements for permits for temporary tents less than 901 square feet.

The current requirements of the City of Winnipeg Charter and the Winnipeg Building by-law require plans to be approved before permits can be issued, which in the past has made it difficult to issue annual Building Permits for special events without technical review and inspections. If permits are not required as part of the Winnipeg Building By-law, applicants will be able to reapply annually without the need for plan review and associated inspections. Implementation of Recommendation 12.3 will therefore support the implementation of Red Tape Recommendation 19: "*Create a "regular events permit" to consolidate permit approvals and payments for regular festivals events into a permanent permit. Once filed and approved, each "regular event" should have the option to simply renew or adjust the permit annually*."

Department Action to Date:

Through a commitment to responsive communication, the Department has been proactive in improving information services to the construction industry through consultation, brochure publication and distribution as well as publication of current information on the City of Winnipeg's Internet site.

These initiatives, combined with improvements in the temporary tent industry, have resulted in tents being designed and engineered in accordance with the Manitoba Building Code requirements.

The Department's review and research indicates that permit applications for temporary tents now have few Building Code or Zoning issues associated with this type of construction. Past experience has also demonstrated that larger size tents have appropriate engineering design associated with them, thereby reducing the risk associated with these types of structures. As well, these structures are utilized for special events, which by nature are for a short-term period (approximately 2 to 4 days). The City could still address public safety concerns through the development of information brochures and a public information campaign without the need for permits.

Implications of Implementation:

This recommendation would **not** preclude the need for approval and coordination of special events from the Special Events Committee, which may require permits other than Building and Development Permits. Special events such as street festivals, beer gardens, etc, require other approvals and coordination such as use of streets, health, waste removal, transit, through the Special Events Coordinating Committee.

It is anticipated the elimination of the need for Building and Development Permits for tents under 901 square feet will result in the further streamlining of Red Tape Recommendation 19, as one of the impacts on timeliness of approvals was the approval, technical review and inspection for the temporary tent permits.

The Department also believes there will be a reduction in costs to the applicant as not only permit fees would be reduced but as well the costs for off-hours inspection fees. There would also be a reduction in overtime costs to the City for scheduling inspections on weekends to facilitate these special events approvals.

In 2004, 63 permits for Temporary Tent Building and Development Permits were issued for revenue of $7,200. In 2005, 83 permits were issued for revenue of $12,000.00. The impact on Departmental revenue has been identified in the Financial Impact Statement.

"Recommendation 12.4 (A)

Public service managers successfully use clear, specific and open targets for speed of service to manage change in residential building permit approvals (Permits X- Press). The Commission believes that targets should be also be set for commercial projects and permits, despite obstacles to consistent service in that sector"

Departmental Recommendation:

The Planning, Property and Development Department recommends that it expand the use and communication of clear, specific and open targets for speed of service for commercial projects and permits, through the Permits X-Press Project and in consultation with the Industry Advisory Group. The Department recommends utilizing the Building Design Summary pilot project to help in defining clear guidelines for submission, which will in turn determine the range of time required for review and approval of a complete application.

Department Commitment:

The Planning, Property and Development Department has in the past set specific targets for various permit types through consultation with the industry representatives. The ability for the Department to meet targets requires the development of clear guidelines for submission of information as part of the permit application and a commitment to monitoring progress in order to maintain improvements realized. This type of consultation requires significant commitment of internal and external resources in order to negotiate appropriate and realistic target times.

Through the Permits X-Press Project the Department has set targets for several permit types, as follows:

- Residential:
    - Engineered Homes – 5 days
    - Master Plans for new home permits – 5 days
    - Electrical trade permits – 1 day
    - Plumbing trade permits – 1 day

- Commercial:
    - Electrical trade permits (online) – 1 day
    - Plumbing trade permits (online) – 1 day

At present work is underway through the Permits X-Press Project to establish targets for the following permit types, as identified in the Report Card:

- Commercial Occupy Only Permits
- Simple Commercial Interior Alterations
- Residential basement development
- Standard new Single Family permits (i.e. those not Engineered Homes or Master Plans for new home permits)

In order to continue to work towards consistent targets for speed and service for *new construction and additions of commercial buildings*, the Department, in consultation with industry has developed and implemented a pilot utilizing a Building Design Summary (checklist) as part of the application process. The document defines all of the submission requirements in one consistent and comprehensive format, and if completed properly, will provide all of the information required to process the application, thus eliminating the need for time-consuming follow-up calls to obtain missing information. The results of the Building Design Summary pilot

for commercial projects is intended to assist in the establishment of a target range for permit processing time for this category of commercial permits. Once the pilot is completed the Department will then be able determine the range of time required to review and approve a COMPLETED application, and from there establish specific target turnaround times.

Implications of Implementation:

It is anticipated that the implementation of clear, specific and open targets for speed of service for commercial projects will result in clear expectations for both the industry and the City. The Department will need to review resource and budget implications in order to determine the impact of providing specific timelines for approval of permits.

"Recommendation 12.4 (B)

Create a 'permit clock' for display on the City's website. The clock would refresh daily or weekly to show the Department's targeted wait time for selected permits, and the current estimated average time for processing. "Permit clock" displays can also be posted as a hard copy at the point of sale for permits".

Departmental Recommendation:

The Department recommends a phased approach for the delivery of a "permit clock". The Department proposes updating the web site on a monthly basis with set target times and the current estimated average processing times for those applications where agreements with the industry have been reached on target times. The applications that would first be displayed would be those identified in sub-recommendation 12.4 (A). Once the Department has established target dates and processing times for other permit types this information would also appear on the web site.

Department Action to Date:

The Planning, Property and Development Department, through its commitment to producing reliable statistics regarding processing times for permits and inspections through the Permits X-Press Project, has been actively working to identify capacity and volume of workload. The Department has also been working closely with the Permits X-Press Industry Advisory Group to establish clear, specific and open targets for speed of service delivery. This in turn will enable the Department to develop clear guidelines for submission of information as part of the permit application process, and a commitment to monitoring progress in order to maintain improvements realized.

The Department has been monitoring selected critical permit approval times on a quarterly basis, and reporting the results to the Industry Advisory Group.

Implications of Implementation:

It is anticipated that the implementation of a "permit clock" will result in better communication and provide a clear understanding of service delivery expectations for both citizens and industry. The Department will need to review resource and budget implications in order to determine the impact of providing specific timelines for approval of permits

“Recommendation 12

take additional steps to support the Planning, Property and Development Department as it accelerates service speed for permit approvals” .

Through its research, the Department has discovered that many cities have established permit stabilization reserves/funds as a reliable funding source to maintain improvements without impacting their operating budgets. The permit stabilization reserve is drawn upon to mitigate revenue shortfalls in building permit revenue in any annual operating budget cycle. Similarly, contribution(s) are made to the reserve when additional funds are available to smooth out future swings in building permit revenues.

The Department recommends that under Section 289(1) of The City of Winnipeg Charter, an *Permit Stabilization Reserve Fund* be established in order to: 1) help smooth out the revenue stream (mitigate revenue shortfalls) in boom/bust cycles, 2) provide a source of funds for service and system improvements The Reserve is structured whereby:

a. The Director of Planning, Property and Development is designated as the Reserve Fund Manager and is thereby authorized to draw on the Reserve when the approved annual operating budget is insufficient to cover the costs of responding to the needs described above;

b. The Reserve is funded through 1) the establishment of a line item within the Development and Inspections Annual Operating budget beginning in 2006 that provides for an annual transfer from permit revenues to the Reserve; and 2) the deposit of all Development and Inspections annual surpluses to the Reserve;

c. The Reserve Balance should never exceed $3M.

d. In the event that the amount of money within the Reserve Fund in any given year is insufficient to cover the costs of responding to the urgent conditions described above, that the CAO has the authority to over-expend to a maximum of $3M and submit an Additional Appropriation after the fact.

The reserve would allow the Department to reduce or eliminate repeated requests to Senior Administration and political committees for approvals of system improvements (processes, policies, procedures, studies), thereby speeding up that implementation process.

The Department believes that a Permit Stabilization Reserve Fund would allow the Department to accelerate service speed for permit approvals as identified in sub-recommendations 12.4 (A) and (B), commitments made through the Permits X-Press project and assist the Department in the implementation of other Red Tape Recommendations identified by Council.

Additional Recommendations

The City of Winnipeg, through Winnipeg Building By-Law 4555/87, provides an exception to the building permit requirement for non-structural work that is below a certain value of construction. With the sustained cost increases for basic construction materials over the last few

years, the Department recommends that the exception threshold in the by-law be updated from $1,000.to $5,000, in order to reflect inflation of construction costs.

Financial Impact Statement

Date: April 19, 2006

Project Name:

Red Tape Commission Report: Recommendation 12

First Year of Program 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	(17,500)	(35,000)	(35,000)	(35,000)	(35,000)
Net Cost/(Benefit)	$ 17,500	$ 35,000	$ 35,000	$ 35,000	$ 35,000
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 17,500	$ 35,000	$ 35,000	$ 35,000	$ 35,000

Additional Comments: The decrease in revenue consists of foregone permit revenue related to decks less than two feet in height and tents less than 901 sq. ft. in area and is assumed to remain constant (prorated for six months in 2006). There may be additional mill rate support requirements associated with any transfers to the proposed Permit Stabilization Reserve, hiring of summer staff, and/or human resource requirements to meet specific timelimes for permit approval processes, although currently any such amounts are not reasonably determinable. No allowance has been made for decrease taxation revenue for decks not being assessed.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Preliminary discussions with the Special Events Committee
Preliminary discussions with the Assessment Department

External Consultation With:

Preliminary discussions have resulted in positive responses from Industry Advisory Group.
Other Municipal Jurisdictions

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Development and Inspections Division
Prepared by: Deepak Joshi, Manager of Development and Inspections and Patti Regan, Manager of Permits X-Press Project
File No. N/A

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