

Item No. 25

Supplemental Material

For
City of Sacramento
City Council
Housing Authority
Redevelopment Agency
Economic Development Commission
Sacramento City Financing Authority

Agenda Packet

Submitted: 4/25/07

For the Meeting of: 4/26/07



Additional Material



Revised Material

Subject: 2006-2007 Annual Report of the Development Oversight Commission

Re: Sacramento Business Journal Article

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Please include this supplemental material in your agenda packet. This material will also be published to the City's Intranet. For additional information, contact the City Clerk Department at Historic City Hall, 915 I Street, First Floor, Sacramento, CA 95814-2604 B (916) 808-7200.

Sacramento Business Journal - April 23, 2007

<http://sacramento.bizjournals.com/sacramento/stories/2007/04/23/focus2.html>



Big gains for Sacramento on annual survey

Development industry sounds off about cities, counties and poor service

Sacramento Business Journal - April 20, 2007

by Michael Shaw

Staff Writer

In just two years, the city of Sacramento has transformed its reputation among members of the development industry from a plodding, muddled "pit of Hell," as one put it, to responsive and punctual.

That's evident from Sacramento's rapid rise in the Business Journal's annual survey on planning and building departments, which this year put the city No. 4 among 16 communities, up from dead last in 2005.

While there were dissenters, real estate and development professionals generally raved about the city's overhaul of services that has recast applicants as "customers."

Rocklin climbed even higher, jumping from fourth last year to the top of list.

The survey asked developers, builders, architects and engineers in the Business Journal's databases to rate the way local cities and counties processed development applications, using a four-point scale from "very satisfied" to "very dissatisfied."

At the other end of the spectrum was Elk Grove, which placed dead last for the second year in a row, with an average score corresponding to "dissatisfied." Developers and builders complained of inconsistent rules, overzealous regulators, last-minute changes and unexplainable delays. (See full results, page 22)

Surveys were sent to hundreds of professionals though only a fraction replied. The results represent a slice of opinion, not a statistically rigorous sample reflecting opinions of the whole industry. Respondents were self-selecting, which can skew results toward those with axes to grind or most impressed by improvements. The response rate dropped, with 57 surveys returned this year compared with 87 in 2006.

Customer service a big issue

The most common knock against departments that scored poorly wasn't that they were anti-development, but that staff were slow to respond and apathetic.

Many respondents were reluctant to speak for the record about bad experiences, saying they feared their projects could suffer if officials react harshly.

But others spoke openly, criticizing departments for a perceived lack of professionalism or workers who appeared unaccountable or unmotivated to resolve issues. Sacramento County received 38 evaluations, the most of any jurisdiction this year.

Andy Davidson, development coordinator for Sacramento-based St. Anton Partners LLC, recounted his frustration after weeks of unreturned calls from Sacramento County planners. Upon arriving in person at county offices, he was told the man he needed to see was not available. Only after stubborn questioning of other staff did the supposedly absent worker appear.

"We had a five-minute conversation, and he answered all of my questions," Davidson said. "And then he told me I could save time by calling instead of coming in person.

"I don't know if I've ever called and had someone pick up," he added.

John Shorey, vice president at Harsch Investment Properties, said projects submitted to the county for review can fall into a "black hole" where it's impossible to get updates on where they stand. Paperwork can sit on the desks of vacationing staff without being handed off, he said.

"It may be a funding issue," said Gordon Rogers, an architect from Rocklin. "It's evident in their demeanor that they're overworked. They don't have a person ... that has the overall vision to guide the process."

Michael Penrose, director of engineering with the county, said officials have heard the gripes and have initiated improvements. The county replaced the voicemail system for key planners after complaints that they filled up after just a few messages. After setting up an oversight committee, the county this week launched new programs to streamline building permits and projects in the design review phase. The county has hired more building inspectors, and past backlogs have been eliminated, Penrose said.

Elk Grove does its own survey

Commercial developers said the most frustrating delays often come at the worst times, such as when tenants are ready to move into new buildings but must wait because of bureaucratic holdups.

One developer, who spoke only if not named, said an error by Elk Grove city staff halted a completed project, caused months of delay and ultimately forced the company to radically alter plans for a neighboring parcel.

"They're aware of it," Elk Grove spokeswoman Christine Brainerd said of city leaders who have heard complaints. "The city is working hard to improve its processes and procedures." Elk Grove has even surveyed developers on its own, seeking input on ways to improve service.

But the results of the Business Journal survey surprised Craig Nagler, a land developer who has worked within the city since it incorporated seven years ago. He's chair of the Elk Grove Area Council and said its members have seen "dramatic improvements" in the city's application and building permit process.

"They've really worked on accountability," Nagler said. When applicants demanded a way to better track handling of development proposals, the city quickly created online updates.

Developer Jeremy Bernau gave low marks to Folsom but said recent hires put the city on the path of improvement.

"Folsom did not have a permanent city manager, community development director or building official," he said. "All those positions are now filled, and all appear to be experienced and quality individuals. I had lunch with two building department employees that have been in there for years, and I was surprised at their renewed optimism and enthusiasm for their jobs."

Even with Rocklin's solid reputation, officials have been looking to improve service, said assistant city manager Rob Braulik. "We've worked hard to be consistent and predictable," he said. "But we rigorously follow our general plan, state and federal regulations."

Improvements in the center

Shorey, the Harsch vice president who gave poor marks to Sacramento County, praised West Sacramento, which was No. 2 in this year's survey despite growing concern among developers over city fees.

"Any developer will complain about fees," he said. "But the difference in West Sacramento is you can actually get somebody to sit down with you and find out exactly what you need to do."

In Sacramento, the city has implemented sweeping changes to the application process, including giving applicants a single point of contact, demanding communication between departments and insisting on better attitudes from employees.

Rogers, the Rocklin architect, described the "pit of Hell" that Sacramento's system once was, with scattered offices and apathetic workers who left applicants loitering in hallways for hours to get issues resolved.

"The entire attitude has changed," he said. "It's 'How can we assist you?' rather than 'How can we slow you down?'"

Major changes began in Sacramento early in 2005 with the arrival of Ray Kerridge as assistant city manager in charge of development services. Kerridge, who had improved services in the Portland, Ore., department that handled development applications, was promoted to city manager early last year.

Bill Thomas, development services director, said Sacramento's work isn't done. "We know we're taking care of the big developments," he said. "We want to talk with smaller contractors and determine how we are serving those customers."

Many real estate professionals are pushing communities for electronic filing systems that would allow them to submit applications over the Internet. It's something Sacramento is working on. Thomas said a new system might be up and running by the end of the year.

But not everyone agrees that things have improved in the city.

One development company executive related a story of resorting to a back door at City Hall -- contacting a city employee who was related to someone on the development team -- before getting a response.

"Get rid of all the politicians who say the process is better," wrote one construction company executive who responded to the survey. "The employees don't ever seem to buy into the ideas that all the city managers and supervisors all talk about."

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