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Building permits City bottleneck stalls renovations Builders are waiting longer for permits, partly because of last year's budget cuts

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Home contractor Roger Schuller is planning to take on a \$300,000 addition and put 50 people to work. But even before the project is under way, he's worried about a delay - and it has nothing to do with his work.

Schuller, owner of R.D. Schuller Construction, is one of the many contractors dealing with delays from the City of **Omaha**, which approves construction **permits** and is typically taking a month to authorize renovation projects that make up Schuller's 37-year-old business.

Work for Schuller's subcontractors is on the line. If the city's building staff acts quicker than 30 days, Schuller expects that his crews could work on the addition this fall, close it up while the weather is good and have work into the winter.

If the city is slower, construction workers may go without work.

"Thirty days - it's just unbelievable to sit there and wait for a **permit** when you're ready to go," Schuller said.

Home renovators may not even face the worst delays. Some smaller home projects - including decks, sheds and garages - are taking five weeks to get reviewed, sidelining both contractors whose business depends on the city's go-ahead and handyman homeowners. Those are projects that the **permit** departments in Lincoln and Des Moines say they can approve in 30 minutes.

Omaha's problem stems largely from city budget cuts last year that

saw the small projects plan examiner laid off, which doubled the wait for some **permits**.

Now Mayor Jim Suttle's budget is proposing to fill that position and spend \$500,000 to ramp up an online permitting system that would speed up **Omaha's permits** process, even allowing online applications and approval.

Suttle spokesman Ron Gerard said the mayor is sensitive to builders and contractors' needs, especially at a time when the economy is rebounding. He said Suttle wants "the fastest response possible - period" and wants it through automation.

Although Suttle's proposals for hefty tax increases have drawn public rancor, his spending proposal for the building department is winning praise from a home construction industry frustrated by the city's **slow** pace.

Planning Director Rick Cunningham said the department needs more staff, but he also acknowledged that it needs to become more efficient.

Still, while Lincoln and Des Moines officials say they can review larger home projects in one week, Cunningham holds to a goal of a review within four weeks.

Cunningham said the department is "not in the business to hold up anybody" and often beats the four-week mark. But he said the department must perform critical safety reviews and assure that contractors and homeowners' plans meet building codes.

"We are working on: Can we do that faster with the same quality?" Cunningham said.

No one doubts the efforts of the building department's staff.

Omaha used to have four plan examiners - one each for commercial buildings, residential projects and smaller plans, and one to review mechanical, electrical and plumbing **permits**. But the smaller-**permit** employee, who had the least seniority, was laid off.

The demand for **permits** had slackened because of the recession, but **permit** activity is starting to pick up. Through June, the department had issued more **permits** - 17,228 - than it did over the same period in any of the three previous years.

In that time, however, the city's review time on **permits** for new single-family homes has steadily increased, said Ted Ramm, owner of Ramm Construction.

The lag time has become a concern for the Metro **Omaha** Builders Association, which has met with planning officials in hopes of seeing changes.

"Time is money in this business," said Ramm, who is MOBA's first vice president. "Let's move them along."

Full home plans get some of the quicker responses - three weeks to review a plan, according to Ramm. If that review finds problems, the timeline stretches out.

Ramm said he wonders if the department could improve its efficiency. He noted that when a **permit** application has problems, the city sends a letter in the mail - when an e-mail would provide quicker notice.

"You kind of feel like you lost another week," he said.

Mike Lengyel, owner of MLS Construction, said his jaw dropped when the **permit** staff told him his one-page deck application would take five weeks to review. The department previously had a goal of reviewing similar plans in two weeks.

"Have somebody look at it and get on with it," Lengyel said.

Lengyel, Ramm and Schuller all praised other metro area building departments - which handle fewer **permits** - for their quick reviews. Sarpy County, for instance, was recognized for turning around residential **permits** in a single day.

But the larger **permit** departments in Lincoln and Des Moines also far exceed **Omaha's** pace.

In Des Moines, the **Permit** and Development Center aims to handle smaller **permits** within 15 to 20 minutes - definitely on the same day, said Ross Stafford, the center's administrator and a civil engineer.

Single-family housing **permits** are typically reviewed within three days, Stafford said. Stock plans are given an accelerated review, he said, while a custom home plan might take five days.

Lincoln's Development Services Center sets similar targets - same-day reviews, typically 30 minutes to a couple of hours, on smaller **permits** and five days for larger home projects.

"We're actually anxious to have more work come in," said Chuck Zimmerman, an interim director in Lincoln.

In the last full fiscal year, Lincoln issued 39,441 building, mechanical, electrical and plumbing **permits**. That compares with **Omaha's**

34,613 **permits** issued in 2009. While **Omaha** issues at least three times more building **permits**, Lincoln issues more of the other kinds of **permits**.

Lincoln and **Omaha's** departments are funded differently. Lincoln's is funded by the fees it collects, allowing it to add staff as building demand increases but forcing it to downsize when **permits** fall off. Currently, it collects about \$3.5 million in fee revenue a year, Zimmerman said, and funds a staff with six employees who review **permits** full time or as part of their job.

The **Omaha** department, whose officials plan to visit Lincoln's department, is largely supported by the city's general operations fund. **Permit** fees go into the general fund along with other taxes and fees.

Omaha is projected to collect \$5.3 million in building and related fees for 2011. That would be enough to support the building and development staff, but not the Planning Department's other sections, said Cunningham, who doesn't see a need to change the funding system.

Lincoln also is getting by with lower building **permit** fees. According to an analysis by Lincoln's building department, for a standard-sized house with the same specifications, Lincoln would charge \$484 for a **permit**, compared with \$1,223 in **Omaha**.

Omaha has taken steps to bring its process online, where people can request a building inspection time or check a **permit's** status.

But actual approval is not given online. The city website says that even an online notice that a **permit** was issued does not guarantee that it is ready for pickup - final notification comes by mail or phone.

Cunningham said he wants to both increase staffing and improve efficiency.

He said he would like a system that notifies applicants electronically if an application has a problem. But he said he wants to do that without adding a step to the city's internal process.

Increased use of the department's online permitting system will improve efficiency, Cunningham said, but also will come with a cost for advanced software.

"We're doing the best we can with the resources we have," he said.

Overall, the entire Planning Department's budget for staffing, the online **permit** system and other costs is proposed to increase \$371,000 - or 5.2 percent. So while \$500,000 is allocated for the

online **permit** system, the department is cutting back elsewhere on supplies and equipment spending.

City Councilwoman Jean Stothert said she is aware of frustration over the city's **permit** process. Still, she was skeptical of the spending increase.

If money weren't a problem for the city, Stothert said she would consider it an extremely high priority. Instead, she wants to know if the department could operate more efficiently or if the city and county's joint computer department could help move toward online **permit** applications.

Schuller, the home contractor, said it's not just his jobs in the balance, but those of thousands of construction workers affected by the city's delays.

"Something's got to be changed."

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