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Sacramento shoots to No. 1 on building department survey

City reaps rewards after years of analyzing, restructuring procedures

Sacramento Business Journal - by [Michael Shaw](#) Staff writer

After three years spent restructuring how it handles development applications, the city of Sacramento has gone from worst to first in an annual Business Journal survey of developers, contractors, architects and engineers. The city ranked last in the first survey conducted in 2003.

The favorable reviews come after sweeping reforms in both the city's procedures and in how it relates to the real estate professionals who are its customers and clients.

"A lot of people think it's very, very difficult to change government," said city manager Ray Kerridge, who noted that Sacramento officials had eyed the survey as a benchmark to track their progress. "We did change government. The basis of the whole thing is customer service."

"I'm proud of our city," added Mayor Heather Fargo. "It shows we have made the right moves."

Kerridge said the city will find it more challenging to maintain its position at the top during the current period of economic downturn, staff layoffs and a budget shortfall.

Other big movers on this year's survey include Woodland and Davis; each jumped four positions higher than last year's ranking among the 16 communities rated.

The only significant decline was for the city of Rocklin, which fell from first place in 2007 to seventh this year, with a score that dropped more than a half-point on a four-point scale.

Taking a snapshot of opinion

In each of the past five years, the Business Journal has asked developers and others in the industry to rate the building and planning departments of cities and counties in the region, using a scale from "very satisfied" (four points) to "very dissatisfied" (one point). They're also invited to share comments, which may remain anonymous, although we require identification data with each survey.

This year, the average scores were higher for nearly all the municipalities listed -- likely reflecting efforts by most to streamline their operations. Like Sacramento, many jurisdictions are attempting to shift from the role of regulator to that of customer service provider -- and even those at the bottom of the list have been making changes.

Surveys were sent to hundreds of professionals. The results are not a statistically rigorous reflection of industry opinion, but rather the thoughts of those respondents who chose to reply. That means results could be skewed toward those most unhappy with the process and those most impressed by improvements.

Brian Holloway, president of Holloway Land Co., was one of 60 people who replied to the survey this year. He serves on development oversight committees for both the city of Sacramento and Sacramento County, and so is uniquely situated to observe where the system is working and where it isn't.

"The difference is that in (Sacramento), the changes come from the mayor, the council and the city manager," he said. "At the county, the board (of supervisors) is not as involved. Upper and mid-management is trying to make drastic changes, but it doesn't have the same power and authority."

Holloway described Sacramento County's Department of Environmental Review and Assessment as a "disaster," despite efforts at improvement. Those sentiments were common among other respondents, who ranked the county No. 14 among the 16 governments.

Tom De Kleer, principal at De Kleer & Associates, described the confusion and conflicting information he's received from Sacramento County as "horrible."

"At the county, every time you talk to a different person, you get a different response," he said. "They do not want to give you a clear answer because they would have to track somebody down and find out what the answer is."

Those criticisms can be tough to hear, but Paul Hahn, director of the county's Municipal Services Agency, said the county is working to make the process more transparent to applicants, and more informative.

"We recognize there is work to do," he said. "We want to be the best in the region." In the past year, the county has implemented a new online system to track projects and is auditing how it handles development projects to determine where the problems are.

"We've asked the consultant to be brutally honest," he said.

Cellar dwellers and aiming higher

Also faring poorly this year -- ranking below even Sacramento County -- were Rancho Cordova and Elk Grove.

"We're taking a hard look at our structure," said Christine Brainerd, a spokeswoman for Elk Grove. The city has partnered with the North State Building Industry Association to get feedback, and staff holds pre-application and comment review meetings every Wednesday with applicants, aiming to avert lengthy and costly project delays. Other steps include a monthly forum open to all development customers, including homebuilders, contractors and residents. The city, meanwhile, is changing its fee schedule from a deposit-based system that's based on city expense to a flat-rate schedule.

"This will ensure more certainty in the cost of processing development applications," Brainerd wrote in an e-mail.

"I don't think it's a great surprise -- the ranking is not unlike previous years," said Rancho Cordova planning director Paul Junker, who questioned whether the sample size from the survey was large enough to support broad conclusions.

Junker said the city has received both positive and negative comments from developers during council meetings. The young city, which incorporated in 2005, has been focused on improving services for all its residents, not just the development industry, he said, so the city's building and planning functions represent "an important but limited portion of the services" provided to the overall community.

In Rocklin, assistant city manager Rob Braulik said part of the score decline could be attributed to the long time it has taken to process some "extremely complicated" projects. He said the city is processing applications for 1.2 million square feet of retail near Interstate 80 and Sierra College Boulevard. He also noted that delays attributed to the city are sometimes the result of miscommunications within the development team.

"We haven't had any changes in procedure" that would account for a decline in customer satisfaction, he said. "We'd always like to be No. 1."

At the opposite end of the spectrum, praise for Sacramento hasn't been universal. An architect who preferred to remain anonymous because of continuing work with the city said there was "inconsistent implementation of the 'Matrix' coordination program," referring to one of the major initiatives launched to smooth the processing of development applications. "The Matrix team changed midway through design."

Sacramento officials say the changes weren't made just to appease developers. They say making the process more efficient can ultimately boost revenue by moving viable projects through the pipeline quicker. Fargo said she wants the same changes cheered by big developers to apply to homeowners and small businesses.

Bill Thomas, director of the city's Development Services Department, said he's attempting to expand the city's successful efforts to other players with a say in Sacramento's development approval process, such as the Sacramento Municipal Utility District and the California Department of Transportation.

"From the top down, the tone is very pro-business with a can-do attitude," said David Bugatto, president of Allegheny Properties LLC, one of the top developers in North Natomas. "Their motto is getting the customer to success, and we've had that experience."

One city hoping to duplicate that success is Woodland, which jumped into eighth place in the survey after finishing at No. 12 last year.

"Frankly, we're not done yet," said Mark Deven, the new city manager there. "We recognize that economic development is key and we've got other initiatives we're looking at."

"They've made significant progress," said Dave Taormino, general manager and partner in land developer Russell Ranch Development, of Woodland. "They are bringing a new, modern attitude to their department."

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