RECOMMENDATIONS

OF THE

OFFICE OF REGULATORY REINVENTION

REGARDING

INSPECTIONS & PERMITTING

March 2013

Office of Regulatory Reinvention
Inspections & Permitting Advisory Rules Committee

Amy Banninga
State Business Ombudsman
Michigan Economic Development Corporation

Bill Benoit
Building Director and Fire Chief
Oakland Township

James Clift
Policy Director
Michigan Environmental Council

Mike Crawford
Executive Director
Michigan Electrical Contractors Association

Matt DeLong
Development Services Division Administration
Michigan Department of Transportation

Peter Draaisma
Senior Vice President
Huntington Bank

Bryce Feighner
Chief, Office of Environmental Assistance
Michigan Department of Environmental Quality

Steve Hilfinger *(Committee Chair)**
Director and Chief Regulatory Officer
Department of Licensing and Regulatory Affairs

Jackie Hoist
Registered Architect and Certified Building Inspector
THA Architects Engineers

Mike Jackson
Exec. Secretary/Treasurer
Michigan Regional Council of Carpenters

Arkan Jonna
Founder
A.F. Jonna Development

Steven Kepley
Director of Engineering & Inspections
City of Kentwood

Nicholas Koster
Vice President of Operations
CWD Real Estate Investment

Irvin Poke
Director
Bureau of Construction Codes

Steven Rewers
Project Director
Barton Malow Company

Tony Sanfilippo
Deputy Director and Assistant Fire Marshal
Bureau of Fire Services

Lee Schwartz
Executive Vice President for Government Relations
Michigan Association of Home Builders

James Scott
Director, Division of Health Facilities & Services
Bureau of Health Systems

John Szerlag*
City Manager
City of Troy

*= Has since changed positions; description reflects position and title at the time of the Advisory Rules Committee.

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1. INTRODUCTION

A. BACKGROUND

This report contains the recommendations of the Office of Regulatory Reinvention (ORR) for changes to Michigan's inspections and permitting processes for new development. These recommendations consist of the final recommendations of the Inspections & Permitting Advisory Rules Committee (ARC), as modified and supplemented by the ORR.

The Inspections & Permitting Advisory Rules Committee was created by the ORR, in accordance with Executive Order 2011-5. The mission of the ORR is to ensure that Michigan's regulatory environment is simple, fair, efficient, transparent, and supports business growth and job creation. The purpose of the Inspections & Permitting ARC was to produce advisory recommendations to the Office of Regulatory Reinvention for changes to Michigan's existing regulatory climate.

NOTE: This document is not part of the rulemaking process. This report is a set of recommendations from the ORR. Any proposed changes to administrative rules recommended by this report will be made as part of the rulemaking process, and any proposed changes to Michigan statute will be made through the legislature.

B. SCOPE

The Inspections & Permitting ARC was tasked with evaluating and making recommendations for changes to Michigan's construction and development-oriented regulations, including existing administrative rules, non-rule regulatory actions, regulatory processes, and as necessary, statutes. Evaluations and recommendations were based, among other things, on the application of the seven factors described in Executive Order 2011-5 to existing rules and regulations. Those seven factors are as follows:

1. Health or safety benefits of the rules;
2. Whether the rules are mandated by any applicable constitutional or statutory provision;
3. The cost of compliance with the rules, taking into account their complexity, reporting requirements and other factors;
4. The extent to which the rules conflict with or duplicate similar rules or regulations adopted by the state or federal government;
5. Extent to which the regulations exceed national or regional compliance requirements or other standards;
6. Date of last evaluation of the rules and the degree, if any, to which technology,

economic conditions or other factors have changed regulatory activity covered by the rules since the last evaluation; and

7. Other changes or developments since implementation that demonstrate there is no continued need for the rules.

Recommendations range from the general (e.g., identification of processes which need improvement) to the specific (e.g., identified changes to specific statutes).

C. PROCESS

The Inspections & Permitting ARC met for the first time on Nov. 29, 2011. The ARC immediately formed four subcommittees – Code (co-chaired by Mike Crawford and Phil Hendges), Local (co-chaired by Holly Grandy-Miller and John Groen), People (co-chaired by Bill Benoit and Shelly Edgerton), and Process (co-chaired by Jackie Hoist and John Groen) – to address the issues identified by the committee members. The Local subcommittee was combined with the Process subcommittee after two meetings once it finished working on the major identified recommendation. All the subcommittees were used to vet issues for discussion before the full meeting.

Between November 29, 2011 and May 9, 2012, the Inspections & Permitting ARC held 11 meetings. Three of these meetings took place on non-state premises; two at the office of the Michigan Electrical Contractors Association and one at the offices of the City of Troy. Additionally, the committee held a meeting at the Michigan Economic Development Corporation (MEDC).

Former Director Hilfinger and three LARA staff members made benchmarking visits to four separate states (Wisconsin, Minnesota, South Carolina and Georgia) to gain additional knowledge of best practices to inform recommendations.

This report is the ultimate product of that process.

2. OUR CURRENT SYSTEM: A SYNOPSIS

The contractor's journey to obtain the necessary state and local permits can be confusing and time consuming. Understanding what permits you need and which governmental entity has jurisdiction for overseeing the development requires skillful navigation.

A. JURISDICTION

The State of Michigan shares jurisdiction over many development-related activities. There are three areas of state government that enforce the code and regulations governing these types of projects: the Bureau of Construction Codes, Bureau of Fire Services and Bureau of Health Systems. The Bureau of Construction Codes (BCC) issues permits and provides inspections in the area of building, boiler, electrical, elevator, mechanical, plumbing and manufactured housing.

Across Michigan, BCC has delegated jurisdiction for inspections and permitting for building, electrical, mechanical, or plumbing to many localities and counties. Fifty-three counties have permitting programs and 872 localities have permitting programs. A county could have jurisdiction for all construction permitting, such as Alcona County; it has thirteen localities and Alcona County is responsible for all permitting in each locality. A county can share jurisdiction with the state. For instance, Alger has ten localities, and all ten have a mix of state and county programs. Some counties, such as Allegan, have a mixture of county and local programs. Other counties can be completely run by the state or contain a mixture of all three. This shared jurisdiction adds complexity for developers to operate in Michigan. For a complete list breaking down statewide jurisdiction, visit:
http://www.michigan.gov/documents/dleg/dleg_bcc_statewide_jurisdiction_list_241251_7.pdf

B. OBTAINING PERMIT/LICENSE

The process, requirements, and delivery time for obtaining permits at the local governmental level varies widely and the contractor may experience delays in project plans depending on where they will build. At the state government level, maximum timeframes for permit processing are often mandated by legislature. Often state government processes permits faster than the required timeframe. However, statistical analysis found that many of these systems contained high amounts of variability in processing times.

At the time this committee first convened, a contractor may have had to contact multiple state agencies and divisions to begin their effort to obtain permits. Contractors could find some information on permits at each area's web portal. They would find multiple methods and varied requirements for submitting their application and supporting documentation. They may have three different applications to submit to the State. A paper submittal with copies to each state permitting area is the common practice. However, contractors could submit their applications to each of the permitting areas simultaneously if they knew that was an option.

The application process is very similar across all permitting areas in state government. The process consists of five major steps: Intake, Plan Review, Decision/Feedback, Permit/License Issuance and Inspection.

During intake each agency utilizes different databases to log the same project. This data is not shared across the agencies. The lack of data sharing means that there is no easy way for the applicant to follow

the status of their project through the approval process. The process becomes more confusing when the applicant uses different identifying information on each application. Applicants can call each agency to obtain information on the status of their permit.

During plan review, the information that is being reviewed, and the process for reviewing it, varies between each agency. This is due to specific code requirements and different agency-preferred practices. In all cases, the agencies work to provide the contractor or their appointed architect with specific areas for improvement in writing based on their plan review.

Some permits can be renewed online without a lengthy intake and review process. These are typically permits that do not require plan review.

Depending on code requirements, an inspection may or may not take place prior to the issuance of the permit. The process and the information/work that is being inspected vary between agencies. It is not uncommon for the state inspectors to have to revisit a project based on contractor changes or delays in installation. At the Bureau of Fire Services, in some cases, the permit can be issued at the job site during the inspection process.

C. DELAYS

There are three areas where a contractor could experience a delay in getting their permit issued. These three areas are:

A. Plan Review – Delays will occur if plans that are submitted are incomplete or project addendums are sent to the state agency. It is estimated that 35% of plans are submitted incomplete to the state and at least 85% will have addendums added to them during the plan review stage. Incomplete plans and addenda are most likely due to architects rushing to get plans submitted because of aggressive construction deadlines. They may also be due to the owner/contractor requesting repetitive changes to the project. It is estimated that each addendum adds 5 days to the plan review process.

B. Inspection – It is estimated that for projects that require review by the Bureau of Fire Services or the Bureau of Health Systems, 50-70% of the final inspections are not ready for inspections. Often, this is not found until the inspectors are on site, and at that time the applicant can request an inspection to be scheduled for a later date. This may be due to overly optimistic owner/contractor scheduling; failure to communicate agreed upon changes from the architect to the contractor; the architect missing a code on the plans; changes to the project not being reflected in plans; or utilizing subcontractors that are not certified to install.

C. Coordination - The active coordination of permit processing for the same project across multiple areas is not the normal procedure for state government. In some instances a review in one area

of government should be done before another area, i.e. Fire Services prior to Health Services review. Although agencies will attempt coordination, it is the applicant's responsibility to submit their information in a timely and concurrent way in order to reduce unplanned delays and costly adjustments to their project plan.

(SEE APPENDIX: LARA's CURRENT PERMITTING PROCESSES ON P. 49)

3. REINVENTING THE SYSTEM: CHARACTERISTICS OF A SUCCESSFUL SYSTEM MOVING FORWARD

The ARC identified several characteristics that Michigan's inspections and permitting systems should have moving forward. Below are a handful of the most important characteristics. This is not an exhaustive list; rather these are a few examples of meaningful characteristics of a successful system.

A. MAINTAIN HEALTH AND SAFETY BENEFITS

The purpose of construction codes is to ensure a minimum standard of safety for citizens in structures throughout the state. Any changes to our system should not endanger the public; rather they should maintain at least the current level of protection, while making the system operate more effectively. There is plenty of room to improve and streamline our system without curtailing any protections to public health and safety. The top consideration of the ARC was to ensure that public health and safety benefits remained.

B. DEVELOPMENT FRIENDLY

Michigan's inspections and permitting systems should be designed to encourage safe development. In order to be development friendly, Michigan must continually reach out to developers to ensure that they understand processes and work to help them comply with applicable rules and regulations.

C. FOCUSED ON CUSTOMER SERVICE

The Department of Licensing and Regulatory Affairs' slogan is "Customer Driven. Business Minded." This mindset must extend to our customers in the inspections and permitting systems. Exemplary customer service has been a differentiator for many companies, driving their success despite a difficult economic environment in the last few years. For example, strong customer service has been a key source of competitive advantage for many of Michigan's strongest companies such as Domino's and Quicken

Loans. Customer satisfaction has been found to correlate with economic growth (the University of Michigan's American Customer Satisfaction Index has been found to correlate with GDP growth).

While the State of Michigan is not a business and its goal is not to increase profits, it is in a competitive market. Michigan is competing against other states for developers' projects. These projects are essential economic drivers in communities. In a service industry – such as government – how the service is delivered is an essential element of an organization's value proposition. Therefore, in order to better compete against other states, Michigan should differentiate itself through exemplary service. This means a cultural change within government that focuses on helping developers understand and comply with rules and regulations.

D. PREDICTABLE

A major source of cost in any system is unpredictability, which leads to an inability to adequately match supply to demand. Whether it's the auto industry, the fashion industry, or the construction industry, accurate forecasting is essential to keep the overall costs of the supply chain down. Unpredictability at the front end of the supply chain can have a bull-whip effect throughout the supply chain magnifying costs. The government plays a role in the construction supply chain, as it "supplies" permits to successful applicants. The time it takes to conduct inspections and issue permits directly affects each player in the supply chain. If a developer is forced to delay construction because of an unforeseen delay in the permitting process, that not only affects the developer's subsequent projects' timetables, but also affects inventory costs for every other player down the chain.

A predictable environment is a low cost environment. Michigan should seek to create a system that is as predictable as possible in order to limit the cost of the system as a whole.

From the start of the ARC process, there was feedback that Michigan officials should take measures to enhance the predictability of inspections and permitting processes. This was a significant focus of the ARC.

E. LEAN AND EFFICIENT

The State of Michigan's inspections and permitting systems should be as lean as possible. Government should seek to identify areas of waste – any activity that does not produce value – and eliminate it. Government should seek to continually improve and constantly question the work processes to identify areas of waste. By eliminating all activities that do not produce value, Michigan will maximize resources and will be able to deliver better service for less taxpayer money.

Intergovernmental cooperation and standardization of services throughout the different levels of

government is an important way to achieve a lean and efficient system – Michigan could seek out improvements to the system that support both cooperation and standardization.

4. BENCHMARKING RESEARCH: VISITS TO OTHER STATES

Executive Order 2011-5 mandates that the Office of Regulatory Reinvention conduct benchmarking analyses. For the Inspections & Permitting ARC, this mandate was fulfilled by doing both primary and secondary research. Given the importance of attracting new development to the Governor's goal to create jobs, LARA decided to visit four states – two direct competitors (Midwestern states) and two states that are nationally recognized for strong regulatory structures. Staff supporting the ARC reached out to every state in the Great Lakes region. They directly spoke to officials from several other states. Staff identified Minnesota and Wisconsin as states that deserved further investigation through an in-person visit. (SEE APPENDIX: "BENCHMARK STATE CONTACTS" ON P. 50)

To select the other states to visit, staff members reviewed national reports on regulatory climate. Staff identified Georgia as a state to visit because of its top ranking in the 2010 Forbes Regulatory Environment Rankings. South Carolina was selected as the other state to visit for best practices because of multiple anecdotal accounts of developers having good experiences there and the success certain communities have had in attracting significant automotive industry investment (such as a major BMW plant in Greenville). South Carolina was also a top ten state in the 2010 Forbes Regulatory Environment Rankings. Both states were ranked in the top five in Forbes 2011 report.

A. FINDINGS

Division of Authority

Two states visited, Georgia and South Carolina, have much more decentralized systems than Michigan. They do not do any inspections and permitting at the state level except for state-owned projects or school-related projects. While they both have code adoption at the state-level, all code administration occurs at the local level. If the local authority cannot administer the code, then they are asked to contract with a neighboring city or county authority. In both states, even environmental quality permitting is done at the local level.

Minnesota and Wisconsin both have systems closer to Michigan's – a mix of state and local control. The Minnesota Department of Labor and Industry regulates elevators, electrical, plumbing, building, modular homes, and high pressure systems. Local jurisdictions handle most of the building inspections and permitting. The Wisconsin Department of Safety and Professional Services regulates elevators, electrical, plumbing, commercial buildings, multi-family residential buildings, and boilers/high-pressure systems. Two hundred communities have delegated authority to regulate commercial and multi-family residential buildings. Seven communities have delegated authority regarding the plumbing code

enforcement.

People

All four states allow for the use of private contractors for various purposes. Georgia and South Carolina allow local authorities to outsource plan review to private architectural firms or contract with another jurisdiction. Each state requires the local authority to provide them with notification of the arrangement. Minnesota also allows the use of private contractors. All on-the-ground inspections are done by private contractors who are managed by state employed staff. Citations are handled by the state employed staff – they encourage violations to be addressed by other means first. Wisconsin uses contract inspectors in their boiler/high-pressure systems program, and communities with delegated authority under the various programs may use contract inspectors.

South Carolina provides licensing and training to maintain licensing of professionals. They strongly believe that a system that goes above the minimum for education is more efficient and safer in the long run. While they do not mandate more education requirements to create artificial barriers to entry, they encourage participants in the system to continually build their knowledge to make the system more effective overall.

The City of North Charleston, South Carolina (where the new Boeing plant is located) had numerous examples of best practices in staffing. All of their inspectors are able to inspect multiple disciplines – electrical, plumbing, etc. They use flexible schedules and comp time in order to meet the needs of the developers. They also contract with another local authority to provide them staffing coverage. The originating governmental entity worked to develop a fee structure and then a split revenue arrangement was created between North Charleston and the other governmental entity that is contracting.

Consistency

All four states have a statewide code, including a statewide fire code. This ensures that there are predictable and consistent standards throughout the state.

However, in Georgia and South Carolina, local authorities have latitude in their interpretation of the code. Appeals are handled at the local level (local appeal boards) with further appeals possible only through the court system. This creates less consistency in their systems. Also, in some states, like Wisconsin, local communities may impose stricter standards through code variances, creating less consistency.

To encourage consistency, South Carolina sponsors quarterly meetings where all the local authorities are invited. The state government focuses on code consistency and training. The state also provides a peer-to-peer support group between local authorities to help build their building program as needed.

Transparency

Most local authorities in Georgia or South Carolina offer pre-submittal meetings, prior to submission of plans which helps make the plan review process transparent. The best-in-class communities offer these

meetings free of charge. Gwinnett County, Georgia (northeast of Atlanta) goes as far as giving advance common notes to highlight the most frequent issues encountered in submitted plans.

Minnesota's eTRAKit electronic permitting system allows for a significant level of transparency. Their online system is not password protected (not even license renewals; they think paying the fee is enough of a deterrent for mischief) and any citizen can view a licensee's information.

Timeline Certainty

Georgia and South Carolina communities take a number of steps to help achieve shorter timelines and greater certainty around those timelines. Best-in-class communities offer same day inspections and issue permits on average in 3-5 days for small projects and under 10 days for large projects. For very large projects, they offer the ability to begin construction immediately with the understanding that the developer is assuming the risk that they may have to completely start over.

Greenville, South Carolina (which has garnered significant automotive industry investment) provides an advance assessment of how long they anticipate the inspections and permitting for the project to take. North Charleston, South Carolina has an established "Saturday Team" that permits and inspects over the weekend and in the night. Gwinnett County, Georgia also offers weekend inspections – and they don't charge for them.

Like Michigan, Minnesota has a statutory maximum amount of time for required action for permitting and inspections. However, they aim to provide service faster than the required timeframe.

Use of Information Technology

Both Minnesota and Wisconsin have comprehensive inspections and permitting databases. Wisconsin manages internal workflow with an internally developed database system. The database is capable of assessing performance of each inspector – including expected vs. actual time taken. However, the database is not internet capable. Minnesota recently purchased the eTRAKit system from CRW Software, after conducting a comprehensive make-or-buy analysis for upgrading their system. Minnesota desired to streamline their permitting process by allowing online permitting. At the time of the research trip, the eTRAKIT system had only been operating for less than six months and they were processing 50% of electrical permits online. This is not enterprise software – they have a separate system for enforcement.

In both Georgia and South Carolina, because of decentralization, the use of IT varies depending on locality. In the cities and counties visited, almost all communities had extensive IT infrastructures. The vendor use and systems were diverse; most were of equivalent sophistication. Neither state had eliminated the requirement of having a wet signature.

Performance Management

Two of the states we visited have, or are about to have, dashboards/scorecards similar to Michigan – Georgia and Minnesota. The State of Georgia has a dashboard that focuses on the health of the codes,

audits of inspections and customer service. It does not track turnaround time of plan review or inspections. Minnesota is adopting a dashboard that measures enforcement activity, permits issued, renewals, and time to completion for plan reviews.

Gwinnett County uses a balanced scorecard approach where they measure a variety of department initiatives via metrics determined at the beginning of the year. They tie employee performance review directly to these metrics.

Other Best Practices

There are a number of general best practices that were identified on the research trips. Many of these are noted in the recommendations. For example, every state we visited highlighted that citations are the last resort – they want to educate and help developers comply first. Others include having a sole point of contact for big projects and using a master permit number so that internally, they evaluate it as a whole project and not as a series of small projects.

5. RECOMMENDATIONS

The following pages contain the final recommendations of the Office of Regulatory Reinvention regarding Michigan's inspections and permitting systems. There are twenty-seven recommendations in total. The recommendations are categorized by topic area. In order to provide guidance for implementation, the recommendations have been listed in order of priority within each subject area, taking into account the importance of the recommendation, the ease of implementation, and the potential for the recommendation to spur job creation in Michigan.

A. DIVISION OF AUTHORITY

This subsection of recommendations contemplates what role the state should play and what role locals should play regarding certain development oversight functions.

Recommendation #1: Creation of a Statewide Fire Code

Recommendation: The state should adopt a statewide fire code. The Bureau of Fire Services and LARA should determine which fire code (International Fire Code, etc.) to adopt based on what Michigan communities already use and what standards are prevalent across the country. This statewide code – like the single state construction code first adopted in 1999 – would not be subject to local amendments.

Justification: Developers have faced markedly different cost structures for building virtually the same building in different cities across Michigan because of different fire safety standards. Like the single state construction code, a statewide fire code would increase predictability for developers, which in turn reduces the costs of the system. Furthermore, a statewide fire code would create a system that would be more accountable – if each community is held to the same standard, that standard will be easier to monitor – which leads to more safety for our citizens. The Bureau of Fire Services is already scheduling meetings to investigate this topic.

Comparison to Benchmarks: All benchmark states use state-wide fire codes. In all, 42 states and the District of Columbia establish a state-wide minimum fire code applicable to most commercial and residential structures in their jurisdiction.

Analysis of Counterarguments: Some of the potential counterarguments to a statewide fire code include:

a. *Counterargument:* Local jurisdictions have a better understanding of their unique needs.

   Response: Fire risk does not differ substantially by jurisdiction for new development. A statewide code can adequately address fire risk for each jurisdiction. National and international codes are developed by experts in the field and lead to the best consensus code. Deviations from those codes do not add substantial protection but they do add complexity to the system. This adds costs that are either borne by the consumer or lead to reduced consumer choice because certain businesses choose not to enter in those markets.

b. *Counterargument:* A statewide fire code will be costly for the state to adopt and enforce.

   Response: LARA does not anticipate that staff would have to spend significant resources in moving to a statewide fire code. Furthermore, while the state may face additional costs, the system as a whole will face reduced costs due to the decreased complexity of the system. The ARC is focused on decreasing the overall cost of the system – not just one facet of the system.

c. *Counterargument:* There is a potential that the codes vary greatly between communities now – this change could hurt local developers in the short-term.

   Response: This is why we are recommending that LARA study which code best fits Michigan's needs. LARA will research whether this is a true problem and deal with it accordingly. Further, any short-term code adaptation costs are outweighed by the benefits from a statewide code in the long term. The purpose of these recommendations is to make Michigan attractive for new development and a statewide fire code is an important step to becoming more development friendly. Developers have responded very favorably to this recommendation.

<u>Recommendation #2:</u> Hear All Construction Code Appeals at the State Level

Recommendation: Revise MCL 125.1514 and MCL 125.1516 to eliminate local authority to hear

construction code appeals and require that all construction code appeals from local decisions be conducted at the state level by a panel of three members from the construction code commission within the time periods under the Administrative Procedures Act. A filing fee assessment process should be established for appeals that are deemed "frivolous."

Justification: Many local jurisdictions do not hear a high volume of appeals. By centralizing the appeals function, the state will be able to achieve economies of scale that reduce the overall cost of the system and ensure greater technical quality. Furthermore, centralization will increase accountability because of the assumed neutrality of the state. Occasionally, developers fear retribution for creating controversy by seeking an appeal.

Comparison to Benchmarks: Michigan would be a leader in centralizing this function.

Analysis of Counterarguments:

a. *Counterargument:* Local jurisdictions have a better understanding of their unique needs.

   Response: This should not be applicable in this setting – the code is a statewide code and the interpretation of the code should be the same across the state. If anything, this further demonstrates the need for a statewide appeals process. This creates more consistency and predictability throughout the system.

   There is also precedent for this. In 1980 the legislature revised the Barrier Free Design Act to place the appeal process for accessibility at the state level. This was done because of inconsistencies at the local level.

b. *Counterargument:* It will be costly for the state to adopt and enforce.

   Response: This does not appear to be true. At the state level appeals are heard by the Construction Code Commission or the Electrical, Mechanical or Plumbing Board. The commission and boards are very consistent and have a good track record with the Court of Appeals.

   Current structures could be adapted to support this function. Ultimately, the reductions in costs to the system outweigh these fears.

c. *Counterargument:* The courts would be a better counter-option.

   Response: While the courts would not be a bad option, the state is a preferable setting given the expertise that the state has regarding the code.

d. *Counterargument:* The state could become a bottleneck in the process.

   Response: Our feedback from local jurisdictions is that they do not hear many of these types of appeals and therefore, the state should not expect a massive case load. However, this potential risk will be taken into consideration when deciding how many sub-committees should be

convened to hear appeals, how often they are convened, and whether there are too many appeals to be handled solely by the state construction code commission (which could necessitate a complimentary body to handle overflow).

<u>Recommendation #3:</u> Enhance Standards for Enforcing Agency Approval of Delegated Authority

Recommendation: Amend MCL 125.1508b (the act that provides for the administration and enforcement of the state construction code) to develop specific criteria for local governments who apply for delegated authority from the state, including: specific requirements regarding personnel, facilities, and resources; a demonstration of the community's need; and potential impact on surrounding communities. The statute should set a limit on the number of applications by a single community in a given period of time.

Justification: Spelling out certain criteria will give governmental jurisdictions more clarity in preparation for applying to receive a delegation of authority. By requiring a demonstration of need, this assures that the local building department will be sustainable and that the building department is necessary for the community.

Of the benchmark states, only Wisconsin and Minnesota delegate enforcement functions as Michigan does.

Analysis of Counterarguments:

a. *Counterargument:* This is an overly burdensome requirement on local communities – if they want local control, they should be granted it.

   Response: Empirically, there have been applications that have had negative effects on surrounding communities. More defined standards are necessary to prevent less experienced and qualified building officials that hurt the entire system. Further, state government already has requirements to judge whether the local community should have delegated authority – this just makes them more rigorous and clear.

b. *Counterargument:* Local jurisdictions should be able to apply as frequently as they want.

   Response: There have been communities that have submitted application after application. This is very costly and it prevents staff time from being spent on more value-added activities.

<u>Recommendation #4:</u> Create an Expedited Code Interpretation Review Panel through the State Construction Code Commission

Recommendation: Develop an expedited interpretation review panel at the state construction code commission level that would provide code interpretations within no more than 14 days of receiving the code interpretation application. LARA management should seek to provide the fastest turnaround

possible and work to actively reduce the amount of time it takes to provide an expedited interpretation review.

Justification: The costs incurred by a construction contractor and the building owner due to a construction project being delayed over a code interpretation can be very significant. It is simply too expensive to hold up construction projects over code interpretations. It is vital to get manufacturing facilities, retail stores, health care institutions and rental housing built quickly to enhance the revenue-generating capabilities of these business ventures. Faster code interpretation can translate into enhanced income-producing facilities which improve Michigan's economy and business climate.

Comparison to Benchmarks: Michigan would be a leader in centralizing this function.

Analysis of Counterarguments:

a. *Counterargument:* This would be duplicative of the proposed appeals board.

   Response: This recommendation intends to provide for quick and binding interpretations of the code, not to serve as a board of appeal for settling disputes between a contractor and an enforcing agency. Those disputes are a separate matter. This is a process to avoid disputes.

b. *Counterargument:* This could be costly to set up and operate.

   Response: This would function within the existing structures of the Construction Code Commission.

<u>Recommendation #5:</u> Permit Application Review – Multiple Jurisdictions

Recommendation: Reduce (and eliminate redundancies where possible) the levels of permitting and approvals where appropriate public safety, health and environmental safeguards can be achieved by other means.

Justification: For many projects, there are multiple layers of permits/approvals required by local jurisdictions in addition to state department permits. In many cases, overlapping reviews are conducted for essentially the same engineering, public safety, public health and environmental criteria. In some cases, departments perform higher level system reviews and approvals, such as for master plans, in addition to specific project permitting.

As one example, in municipal systems which are customers of the Detroit Water and Sewerage Department, there are multiple layers of municipal permits/approvals required for water main installations in addition to the DEQ Act 399 permit. It would be more efficient for contractors, developers, municipalities and the DEQ if Act 399 permit issuance was streamlined, or perhaps not required at all, for community water supply water mains installed under certain conditions established by the DEQ. A similar approach may be appropriate for other activities that currently require local,

county and state approvals.

Developers that have reviewed the report remarked that a simplified system, in which redundancies were eliminated where possible, would be a major competitive advantage for Michigan.

Comparison to Benchmarks: As an example, South Carolina's Environmental Department is a part of their building regulatory system. They have the ability to delegate authority to locals – reducing the different levels of permitting. It is either handled by the local authority or the state – not both.

Analysis of Counterarguments:

a. *Counterargument:* State oversight is required for certain projects because of their complexity and importance to the public. Certain municipalities lack the resources and "big picture" viewpoint to adequately protect the public.

   Response: This approach should only be taken in circumstances where public safety, health and environmental concerns can be adequately addressed by local authorities. The key is the conditions established by the relinquishing party.

B. PEOPLE

This subsection of recommendations considers different issues surrounding human resources related issues.

<u>Recommendation #6:</u> Create a Development-Friendly Culture throughout the State of Michigan – Adopt the Mantra of "Educate First, Enforce Second"

Recommendation: Create a development-friendly culture throughout the State of Michigan – adopt the mantra of "Educate First, Enforce Second."

Justification: Enforcing agencies should never forget that "building" is also a verb. They are an integral part of the process of building compliant structures and ensuring that they remain safe to occupy after completion. The goals of compliance and continued safety are shared by all parties in the inspection and permitting process and enforcing agencies should to the greatest extent possible play a positive role and help the other parties involved to achieve shared goals.

As one developer states: "The 'us/them' mentality needs to change. All developers want and need to develop compliant, safe projects. A developer's reputation with their clients depends on developing projects that meet all laws and regulations and most importantly are safe."

Comparison to Benchmarks: The states that were visited by LARA staff had a customer-focused mindset and recognized their roles in attracting development. One state operates an economic development

academy for local officials on the planning and development process.

Analysis of Counterarguments:

a. *Counterargument:* Enforcing agencies' only concerns should be code compliance and safety.

   Response: Those concerns are shared by developers; enforcing agencies should play a positive role helping to achieve shared goals, including compliance and safety. This mindset would not downplay the role of safety; rather would use a customer-focused method to assure it. By educating developers and helping them comply, safety will be maintained at a high level.

<u>Recommendation #7</u>: Encourage Flexible Schedules for Inspectors

Recommendation: Enforcing agencies should be encouraged to adopt flexible schedules for inspectors to allow them to perform their duties in sync with the progress of the projects they are overseeing.

Justification: All construction projects are unique and proceed at a pace dictated by their particular characteristics (siting, design, labor quality/availability, weather, business considerations, etc.). Not all construction activities occur during "normal" business hours during the traditional work week and they require inspections before the builder may move to the next phase in the project. Enforcing agencies should adjust their scheduling practices so that they have personnel available when they are needed so that projects are not unreasonably delayed waiting for an inspector.

Comparison to Benchmarks: The City of North Charleston, South Carolina makes their inspectors available 24 hours a day, six days a week through flexible scheduling. The city's goal is a turnaround time from request to completed inspection of 24 hours or less. The Building Inspections Department of the city indicated that they were contemplating extending the availability of staff for inspections to Sundays, as well. Gwinnett County, Georgia also offers weekend inspections – and they don't charge for them.

Analysis of Counterarguments:

a. *Counterargument:* Not all enforcing agencies have the staff to allow service demand to control employee scheduling.

   Response: The recommendation does not mandate any particular degree or type of flexibility; it only suggests that it should be sought. The general trend today is toward flexibility and responsiveness and government agencies are not exempt from this trend. If an enforcing agency lacks the resources to adapt to changing expectations, its long-term viability is questionable and other options (third-party contractors or consolidation/cooperation with other enforcing agencies, for example) should be explored.

b. *Counterargument:* Developers should not be "in the driver's seat" when it comes to the

management of enforcing agencies.

Response: An enforcing agency can only exist if there is demand for the services it provides. If it is difficult to work with, development will go elsewhere. Adjusting scheduling to better address customer needs is a sensible step to ensure continued agency viability.

<u>Recommendation #8</u>: Encourage Above the Minimum Continuing Education for all of the Participants in the System

Recommendation: Enforcing agencies should encourage building officials and inspectors they employ/contract with to complete more than the minimum required continuing education coursework.

Justification: Ensuring code compliance and consistency of application requires in-depth knowledge of the applicable codes and broad familiarity with issues that may arise in the construction/renovation of a building. Building officials and inspectors are currently required to complete a minimum number of hours of continuing education to maintain their licenses. While these requirements are undoubtedly adequate for maintaining basic competence, they should be viewed as a starting point. Continued study of applicable codes and sharing of knowledge regarding their application will increase the likelihood of increased compliance and consistency of application by building officials and inspectors.

Comparison to Benchmarks: Although many states require a minimum amount of continuing education credits for building inspectors (including NY, OR, FL, TN, and IL), South Carolina and Georgia encourage (but do not require) key participants in the building process to exceed required educational credits. The benchmark states viewed their effort to help participants exceed the required educational credits as a critical component of their strategy of high safety and quality standards managed at the lowest possible governmental level.

Analysis of Counterarguments:

a. *Counterargument:* Continuing education is costly and time-consuming.

   Response: Optimizing personnel training is an investment that yields significant returns for an enforcing agency.

b. *Counterargument:* If the basic requirements are not good enough, why not just raise the minimum standards?

   Response: As stated, the basic requirements are currently adequate. Encouragement through incentives or other mechanisms are a better approach to achieve a stronger system. This allows each individual jurisdiction to adequately weigh the cost and benefits. Not all jurisdictions may have the same needs.

<u>Recommendation #9</u>: Encourage the Use of Combination Inspectors (Inspectors licensed in multiple

disciplines)

Recommendation: The state should encourage localities to consider the use of combination inspectors to better manage workflow and reduce the total number of inspections. The state should periodically review its own structure to see if efficiencies could be gained by reorganizing the staff around the use of combination inspectors.

Justification: While a number of Michigan townships already use combination inspectors, the state could encourage an increased use of this style of inspection. Building departments could have less staff members overall if they use combination inspectors – potentially saving time and taxpayer money. This would also be development friendly as the authority could seek to limit the number of inspections overall (again saving taxpayer money).

Comparison to Benchmarks: The City of North Charleston, South Carolina uses only combination inspectors. Minnesota, Virginia and other states use combination inspectors.

Analysis of Counterarguments:

a. *Counterargument:* Combination inspectors are often weak in one discipline.

   Response: Any inspector that is not good at a particular discipline should not practice that discipline. Combination inspectors should only be used if they are competent in all the licensed disciplines.

b. *Counterargument:* Inspections usually don't happen at the same time.

   Response: While this may be true for the state system, it isn't the experience of certain municipalities. For instance, the City of Kentwood uses combination inspectors because they have found synergies in conducting multiple inspections at the same appointment time. At the state level, this experience is likely is the by-product of a linear system. Once the building authorities adopt a parallel approach, there will be more opportunities to reduce the overall number of inspection visits.

c. *Counterargument:* Inspections will still take the same amount of time.

   Response: While it is true that inspectors will still have to spend similar amounts of time looking at the relevant systems, limiting the amount of days interrupted by inspections would be desirable. Also, this could speed up the entire timeline if developers didn't have to spend time scheduling different inspections and dealing with multiple inspectors. Even if they only dealt with one less person, that is time saved.

d. *Counterargument:* Geography could limit the use of combination inspectors due to the amount of time and expense required to travel between a centralized office and structures requiring inspections or attention.

Response: This is a fair concern, and it might not be appropriate for large jurisdictions. Building departments, where at all feasible, should consider centralizing functions and not limiting staff utility/productivity by assignment to specific territories. A centralized inspection staff as opposed to a regional staff could go to where the demand was at the time and the cost of travel should be weighed against savings from being able to maintain a leaner operation.

Recommendation #10: Require Sufficient Code Knowledge before Provisional Registration of Building Inspectors

Recommendation: The Bureau of Construction Codes should enhance the experience requirements contained in Rule 408.30037 (work experience, professional licensure and education acceptable for initial registration) and establish new requirements that must be met before an individual is provisionally registered as a residential or commercial Building Inspector. Such requirements might include, for example, approved International Code Council (ICC) certification, other nationally recognized code certification, or a state authorized training credential.

Justification: Rule 408.30037 contains a list of requirements in order to become provisionally registered as a Building Inspector. Currently the requirements include a certain number of hours working in the related field, completion of a recognized curriculum in the field or for the applicant to be a licensed architect or engineer. Under current requirements, knowledge of building codes is not built into the provisional requirements and applicants often have little knowledge of state building codes. ARC members have spoken with a number of engineers and architects and they all agree that they get very little education on codes during their studies. This results in provisional inspectors being released out into the field that may have inadequate knowledge of codes.

Analysis of Counterarguments:

a. *Counterargument:* Having to obtain this certification prior to registration is another burden on prospective Building Inspectors.

   Response: By requiring this certification there are some assurances that the provisionally registered Building Inspector has the minimum knowledge to actively enforce the building and residential codes, which is important to ensure public safety.

Recommendation #11: Remove the Requirement of Government Employment before Qualifying for Registration under the Building Officials and Inspectors Registration Act (Act 54)

Recommendation: Amend Act 54 to remove the requirement that an individual be a government employee to be eligible for registration as a building official, plan reviewer, or inspector.

Justification: In order to work for an enforcing agency, all building officials, plan reviewers and inspectors must be registered under Act 54. In order to be registered under Act 54 all building officials,

plan reviewers and inspectors must first be employed by a governmental subdivision. Once registered under Act 54 all building officials, plan reviewers and inspectors can keep their registration regardless of governmental employment or lack thereof.

Individuals who are not employed by a governmental unit but would otherwise be qualified to be registered under Act 54 are prohibited from doing so because of their employment status.

This unnecessarily and unfairly limits the number of individuals who can qualify for registration.

Analysis of Counterarguments:

a. *Counterargument:* Governmental employment is a fair requirement.

   Response: First, this creates a Catch 22 scenario where no one is qualified prior to hire as a government employee. Second, this unnecessarily limits the applicant pool. There may be very qualified candidates that have not worked for the government.

b. *Counterargument:* There shouldn't be a registration to begin with.

   Response: Registration enhances public safety by establishing minimum requirements for building officials, plan reviewers and inspectors.

C. PROCESS

This subsection of recommendations looks at various ways to make the process more streamlined and to improve the customer's experience with the process.

Recommendation #12: Allow for Electronic Submittals of Plans

Recommendation: Amend the Occupational Code to allow state and local agencies to accept electronic documents by removing the requirement for wet-seal and signature.

Justification: Electronic submittal and review of plans are currently not being allowed or done uniformly from department to department at the state or the local level. The state should not only allow for electronic submission, but devote resources to allowing it for all plan reviews.

Paper documents cause problems both for the applicant and the agency receiving the application. On the applicant's part, providing multiple copies of a document either through the mail or in person adds unnecessary costs and delay due to copying and mailing/delivery time required. A reduction in the time and cost of submitting and processing applications would improve the efficiency of Michigan's inspections and permitting system, and result in a more customer-friendly regulatory environment. Electronic submittals of applications will help move the state in this direction.

The Bureau of Construction Codes (BCC) has advised jurisdictions that electronic submittal is not

permitted per the Act: The Occupational Code, 1980 PA 299, MCL 339.101 (the Act) requires an embossed or printed seal.

For Example:

- Commercial building projects are required to be "wet sealed and signed" by the design professional in reasonable charge. The only exception is for small projects with the approval of the Building Official from the authority having jurisdiction.
- Residential projects over 3500 square feet of habitable space are required to have a "wet seal and signature" as well.

Comparison to Benchmarks: Michigan will be a leader in the nation by lifting this requirement.

Analysis of Counterarguments:

a. *Counterargument:* Electronic submission may not be secure.

   Response: This is unfounded – there are many secure systems that will ensure electronic submissions will have the same level of privacy as paper submissions.

b. *Counterargument:* Wet seal and signature ensures accountability.

   Response: Electronic signatures are equally accountable. A number of governmental systems use it – including the expansive federal student loan program.

<u>Recommendation # 13:</u> Allow for Self-Certification in Certain Circumstances

NOTE: This recommendation was not initiated by the Advisory Rules Committee; it was added by the Office of Regulatory Reinvention as part of its preparation of this final report.

Recommendation: The state should explore creating a self-certification program similar to that operated in jurisdictions such as Ohio and New York City. Under such a program, the architect or structural engineer of record takes full responsibility for code compliance. Conventional plan review is eliminated and the professional of record certifies that the work will be in compliance with the building code. Some features of a self-certification program could include:

- Limited to certain common residential/commercial structures and building alterations.
- Participating professionals are required to meet standards relating to experience, training (within the program) and liability coverage.
- Self-certified projects are subject to audit and the program includes a systematic audit mechanism to ensure compliance.
- Self-certification is optional and final inspection of the completed work is still required.

Justification: Providing developers an option such as this for plan review gives them more control over

the project schedule, and promotes economic development and job creation. Having this option available may also remove many simpler projects from the plan review queue at both and the state and local level leaving more resources available for more complex reviews. In addition, this option may promote more rapid redevelopment of urban areas where some city governments are resource constrained. This would allow them to focus their time on the most significant economic development projects in their jurisdictions.

Comparison to Benchmarks: Although none of the states visited by ORR staff for purposes of this report had a similar program, New York City, the State of Ohio and Phoenix, Arizona are some of the jurisdictions that have self-certification programs.

Analysis of Counterarguments:

a. *Counterargument:* Architects and structural engineers aren't competent to perform the plan review function independently.

   ORR Response: Professionals of record participating in this program will have to meet specific standards for both experience and training set by the Bureau of Construction Codes. They should also participate in continuing education to ensure proficiency. Given the heightened risk and liability to contractors of self-certification, they will undertake the requisite due diligence and perform this role carefully to manage that risk and liability.

b. *Counterargument:* The use of self-certification will increase the likelihood of corner-cutting and diminish public safety.

   ORR Response: Professionals of record will not only have the experience and training to perform this function but they will also be putting their professional license on the line each time they certify compliance, in addition to the risk and liability exposure. In the case of contractors who practice as part of corporate entities, those entities would be subject to additional requirements to backstop compliance, such as appropriate insurance or other financial wherewithal. The program will also include an audit mechanism to check the quality of self-certifications. If a project is audited and errors are found they must be corrected before the project is allowed to proceed. Poor performance will result in the removal of the architect or structural engineer from program. Finally, as noted above all final work will still need to be inspected in the traditional manner.

<u>Recommendation #14:</u> Permit Applications Processing - Parallel State Review

Recommendation: LARA should review its plan review and permitting processes to ensure parallel review for industrial, educational and health care based development projects in the most expeditious way possible. This review would ensure that plan reviews and permits are not occurring sequentially, but at the same time.

Justification: Currently, plan review is sometimes done in a linear fashion at the state, increasing the length of the permit application process (some plan review is parallel – but linear processes are still used and many customers are unaware of parallel processing). The Bureau of Construction Codes, Bureau of Fire Services and Bureau of Health Services all conduct state-level plan review and issue permits. In a linear system, plan reviews and permits are issued one at a time, in a sequential manner (the sequence is arbitrary and at the discretion of the applicant). In a parallel system, the different authorities conduct plan-reviews and issue permits at the same time. By creating a parallel process (intra-bureau reviews should be parallel as well) – the impact of different review bottlenecks will be lessened. Overall permit review time will dramatically decrease. These improved permitting processes will benefit everyone – taxpayers and developers. If we are to be competitive with other states we need to allow for the most effective streamlined permit review and submittal process.

Comparison to Benchmarks: Competitive municipalities in states visited by ORR staff conduct their permitting process in a parallel manner and successfully cut down on their processing time.

Analysis of Counterarguments:

a. *Counterargument:* Concurrent reviews may be hard to manage – a required change in one area may have cascading effects on other reviews. In the current method, these changes are accounted for at each step, a concurrent review may miss these changes.

   Response: IT systems can be set up to allow other reviewers to be notified by the change. Additionally, even though these changes may increase individual review time slightly, the overall permit review time will be greatly decreased and the system will be able to review a greater number of permits overall. Even if IT systems aren't readily available, other notification systems can be set up to account for requested changes. Furthermore, this will make identified bottlenecks in the system even easier to address, making it easier to improve the system in the future.

<u>Recommendation #15:</u> Make IT Procurement Process More Customer-Focused for Inspections/Permitting Software and Actively Seek to Include Locals into the IT System

Recommendation: As the BCC is purchasing new software for its inspections and permitting processes, it should make the process customer-driven. They should hold focus groups and make improving the customer experience the number one goal of IT procurement. Furthermore, BCC should actively seek to allow access for locals into the state's IT system. They should incentivize their participation as participants and explore ways to encourage them to use the same system as BCC. These partnerships should emphasize data-sharing agreements to lead to further customer service improvements through insights gained through data analysis.

Justification: Currently, the IT procurement process is very state government user-focused. This should not be the purpose of the software improvement. The goal should be value creation for the end user of

the system – citizens. A customer-driven process should also lead to improvements for the state government employees as well, but these improvements will have a more targeted impact. Including local governments in the system should lead to customer insights that improve the process overall. This should lead to an even more efficient process and improve consistency in the system as well.

Comparison to Benchmarks: Minnesota's IT system was designed with the customers in mind. Oregon uses a system that allows locals to participate.

Analysis of Counterarguments:

a. *Counterargument:* Allowing locals to participate would be expensive.

   Response: Synergies through data sharing will decrease costs to the entire system making Michigan a more attractive place to do business, which would outweigh increased costs to state government.

b. *Counterargument:* Focus groups would be costly.

   Response: Starting with a customer-driven system at the start will alleviate the need to go back and make changes after complaints. A customer-focused system will differentiate Michigan as a better place to do business.

<u>Recommendation #16:</u> Create Single Permit for Water Heater Replacement

Recommendation: Create a single permit for a water heater replacement. It would require that the contractor be licensed as a plumbing contractor and mechanical contractor in the categories of venting and gas piping. This would not replace the current system, but allow for a new process that could lead to more efficient permitting.

Justification: Currently a contractor installing a water heater is required to obtain a plumbing permit and a mechanical permit. A single permit would allow certain contractors to expedite the permitting of water heaters. A gas fired water heater installation engages the practice of both the plumbing and mechanical trades and neither licensing statute acknowledges an exception for performing the work covered by the other trade. To require a contractor to have both a plumbing and mechanical license is the only way to allow a single application and be in compliance with both licensing statutes. If the contractor had only a plumbing license or only a mechanical license he/she would be violating the other licensing statute. Twenty two percent of contractors (or 677 individuals) have both licenses now – this represents a large enough market to justify the change.

Analysis of Counterarguments:

a. *Counterargument:* Not many people are licensed in multiple areas – this would be little used.

   Response: This would allow for a market of water heater installation to develop. This is a pro-

growth recommendation that is worth the cost regardless of the number of current dual licensees.

b. *Counterargument:* Amend the statutes so that you do not need both licenses to replace a water heater replacement.

   Response: This would be difficult due to technical complexities. There are strong arguments that both skills are needed. While this could be considered, the single permit is the easiest solution currently.

<u>Recommendation #17:</u> Create Single Permit for HVAC Installation

Recommendation: Create a single permit for a HVAC installation. It would require that the contractor be licensed as an electrical contractor and mechanical contractor. This would not replace the current system, but allow for a new process that could lead to more efficient permitting.

Justification: A single permit would allow certain contractors to expedite the permitting of HVAC installation. Currently, HVAC equipment installations require both electrical and mechanical permits. An electrical contractor runs the wiring from the panel to the location and the mechanical contractor can make the final electrical connection. MCL 338.887(3)(i) allows the mechanical contractor to secure the electrical permit and perform the work. The same section of the Electrical Administrative Act also allows a plumbing contractor to make the final electrical connections under an electrical permit. In all cases two permits are required.

Analysis of Counterarguments:

a. *Counterargument:* Not many people are licensed in multiple areas – this would be little used.

   Response: This would allow for a market of HVAC installation to develop. This is a pro-growth recommendation that is worth the cost even if there are not many dual licensees now.

b. *Counterargument:* Amend the statutes so that you do not need both licenses to install a HVAC system.

   Response: This would be difficult due to technical complexities. There are strong arguments that both skills are needed. While this could be considered, a single permit is the easiest solution currently.

D. CONSISTENCY

This subsection of recommendations considers methods for making the system more consistent, which in turn would create a fairer system overall.

<u>Recommendation #18</u>: Single Streamlined Application

Recommendation: LARA should publish and maintain a single streamlined and electronic application form and checklist for industrial and health care development projects. This application will serve those seeking permits/licenses in Bureau of Construction Codes, Bureau of Health Services and the Bureau of Fire services. This application should be a digital internet-based form (available online for electronic submission) and could be used as a template for any local authority.

LARA should seek feedback from developers, architects and others to develop and maintain the application and checklist.

Other enforcing agencies should be encouraged to adopt the form and similar standardized forms and checklists should be developed for other types of projects.

Justification: Development and use of a single streamlined application form and checklist for these types of projects should reduce the number of incomplete applications (and accompanying plans) submitted to the state, enable concurrent reviews, and improve responsiveness.

Comparison to Benchmarks: It is not clear if any other states employ standardized forms and checklists. Some jurisdictions use master permit numbers – indicating that they don't treat them as separate smaller projects, but rather as one single applicant.

Analysis of Counterarguments:

a. *Counterargument:* A single application would be unnecessarily long – not much commonality exists.

   Response: There are enough commonalities to justify it – name, address and other standard information is redundant on most applications. A digital application could solve this problem by making the application customizable to the applicant's needs. Hypothetically, the user could add on the necessary sections from a menu of potential application sections.

<u>Recommendation #19</u>: Participate in the DTE Stakeholder Process

Recommendation: DTE is embarking on a process, in consultation with its stakeholders, to review its processes for connecting customers who construct new facilities or modify existing facilities, in order to improve the timeliness, efficiency and transparency of the process. ARC members and LARA officials should participate in the DTE stakeholder process. LARA should monitor progress and results, specifically assessing the effectiveness of the work group and DTE's response. The ORR should determine whether further steps are necessary to address this concern.

Justification: ARC members identified strong relationships with utilities as a critical factor to successful development projects. The ARC highlighted that delays with utilities have been frequent and can be very costly. Enhancing the efficiency and predictability of the utility connection process will be an important enhancement to the facilities development process in Michigan.

E. TRANSPARENCY

This subsection of recommendations contemplates how to increase citizens' awareness of the inspection and permitting process and where their application is in the process.

Recommendation #20: Bolster Website Educational Information – Including Adding Process Maps

Recommendation: LARA should add essential information to existing web portals (i.e. Michigan Business One Stop) dedicated to guiding businesses and individuals in obtaining permits and licenses. LARA should develop and maintain information on such web pages concerning permitting and licensing to include*:*

1. Tips for using the internet-based licensing/permitting systems
2. Process map for permits/licenses for commercial/industrial projects and institutional uses
3. Process map for permits/licenses in health care facility projects
4. Chart showing government entities (State and Local) having inspection authority, organized by type of facility; information for local officials
5. FAQs for inspections
6. FAQs for permitting
7. Plan review Program Evaluation Review Technique (PERT) chart with expected timelines based on completeness or plan readiness
8. Inspection PERT chart with expected timelines based on inspection readiness

LARA should ensure that feedback from developers and architects is used to create and validate the usefulness of the information on the web site. LARA's Bureau of Construction Codes, Bureau of Health Services and the Bureau of Fire services should be assigned to design and maintain these tools to keep them fresh through the ongoing solicitation of feedback from the development community.

Justification: The licensing, permitting and inspecting processes can be complicated and may include multiple areas of local, regional, and state government. Applicants can benefit from more information on the process and steps to obtain a permit/license. A more informed applicant will be more successful

in quickly moving through the permitting and licensing process. A more informed applicant will reduce the number of incomplete applications and addenda that the state receives. In addition, when reevaluating the process, this information will make it easier to continually improve the system.

Comparison to Benchmarks: Many states offer robust portals such as Wisconsin, Minnesota, Georgia and South Carolina.

Analysis of Counterarguments:

a. *Counterargument:* Processes are too complicated to capture in single maps.

   Response: This doesn't mean that the State of Michigan should not try to map it – in the process of mapping it, the state may find there are unnecessary non-value added steps that should be eliminated. If anything, this is an argument for further reform and mapping is essential to achieve that reform.

b. *Counterargument:* This is time-consuming and citizens won't really use this information.

   Response: Much of this information already exists, and would simply need to be repackaged. Members of the development community on the ARC identified that this information is very useful and would help people prepare better when considering a project in Michigan. The clear benefits to the development community outweigh the costs.

<u>Recommendation #21:</u> Create an Applicant Checklist

Recommendation: LARA should provide a submission checklist to applicants to ensure a complete submission of applications for permits and plan review. A single checklist will be created for industrial and health care development projects. The checklist and application would be provided in a digital web-based document format. LARA should share this checklist with other local authorities as a template to encourage them to adopt a similar practice.

Justification: The majority of delays in obtaining permits are a result of applicants submitting incomplete applications and the resulting multitude of amendments submitted by applicants. Both state and local authorities report this as a cause of added time in the process. While Public Act 230 of 1972 sets forth the criteria for processing permits, inspections and reviews, the public act is not user friendly and the process lacks definition and description for the end user, from forms to fees, to the submission requirements.

Comparison to Benchmarks: Competitive municipalities throughout states visited by ORR staff provide an application checklist to all applicants.

Analysis of Counterarguments:

a. *Counterargument:* A checklist may not aid all applicants.

   Response: While this is true, it is not a reason to not create a checklist. The question shouldn't

be whether it aids all applicants, but whether it aids enough applicants to justify putting it on the website. The ARC believes a checklist would aid enough applicants.

b. *Counterargument:* Applicants are provided this information in letter form and many do not follow the guidance in the current letter.

   Response: This is why a checklist could be helpful – many people may not be using the letter because it is not user friendly. A checklist is easier to follow along and could help the people that currently do not read the letter closely enough.

<u>Recommendation #22:</u> Provide for Pre-Project Meetings (including web-based meetings)

Recommendation: State and local authorities should provide for in-person or internet-based pre-submission meeting where all parties can establish a relationship, review the project, the process for the permit, and help to establish reasonable expectations for the permit timeline for projects within their jurisdiction. This is an opportunity to share common plan review notes with the developer in advance to their submittal. This meeting should be provided for free when requested by the applicant.

Justification: Public Act 230 of 1972 sets forth the criteria for processing permits, inspections and reviews. The public act is not user friendly and the process lacks definition and description for the end user, from forms to fees, to the submission requirements.

The plan review, permit, and inspection processes can be confusing, lengthy and unpredictable to the entity attempting to gain approvals for construction. Pre-submission meetings can save weeks in a developer's project timeline and provide better communication throughout the review and inspection processes.

Comparison to Benchmarks: Municipalities throughout states visited by ORR staff provide this type of meeting to developers.

Analysis of Counterarguments:

a. *Counterargument:* Small municipalities may not have the web based resources to facilitate this type of meeting.

   Response: There are a number of free applications (such as Skype) to make this possible.

b. *Counterargument:* Too costly – staff time is limited and this would take up too much time.

   Response: Statistical analysis at the start of the committee found that there was a correlation between the number of plan reviews and total turnaround. Pre-meetings should have the effect of decreasing the number of plan reviews and therefore, overall turnaround time. This would be worth the cost. Additionally, decreasing the amount of plan reviews would save money.

<u>Recommendation #23:</u> Pursue Internet Applications to Allow Customer to See the Status of Plan Reviews/Permits Online in Real Time

Recommendation: LARA should pursue an internet-based tracking functionality to enable applicants to track the status of their application including:

- Application specific start and finish times of each stage of the permitting cycle
- Alerts of application deficiencies
- Estimated time of permit/license receipt

The complex permits/licenses will be targeted for inclusion in this tracking system first. Simple, noncomplex permits/licenses may not need this level of tracking but just a simple time of processing estimate. The State of Michigan should create a process flow chart for successful navigation of the permit process and tracking system. It should provide online access to status information regarding the permit, where it is in the process, what is remaining to be completed in the process, and who to contact for more specific information regarding any issues in the process. Online information should be provided by and for each reviewing department and review staff, and should include sign-off comments.

Justification: It can be hard for a company to track the status of their permit/license application especially if it is being reviewed in multiple bureaus. The status of the permit and license impacts the overall timeline and success of a development project. This would increase the ability for companies to better plan their projects. This would increase the ability for companies to respond to deficiencies in their applications or plans. This would increase the communication and customer satisfaction between the State of Michigan and developers and would improve the overall transparency of the permitting and licensing process.

Comparison to Benchmarks: Other states, such as Minnesota, are investigating this type of application. Michigan could be the leader in adopting this first in the United States. British Columbia has a system that provides these types of status updates.

Analysis of Counterarguments:

a. *Counterargument:* This would be costly to develop and maintain.

   Response: This could be a major point of differentiation for Michigan – it would set Michigan apart the way similar applications have set Domino's apart in the pizza industry. Developers on the ARC highlighted that this would be a major benefit and extremely appealing to all developers.

<u>Recommendation #24:</u> Create a Single Point of Contact for Projects of a Certain Size or Complexity

Recommendation: LARA, the MEDC, and the Department of Environmental Quality should establish a single point of contact for businesses to help them navigate through the permitting processes. The

departments should work with the MEDC to determine the appropriate business demographic to gear this service towards and to obtain aid in marketing this service. The state should encourage local authorities to provide a similar service.

Justification: The licensing, permitting and inspecting processes can be complicated and may include multiple areas of local, regional, and state government. Applicants can benefit from more information and guidance on the process and steps to obtain permits. A more informed applicant will be more successful in quickly moving through the permitting and licensing process. A more informed applicant will reduce the number of incomplete applications and addenda that the state receives.

Comparison to Benchmarks: Competitive municipalities throughout states visited by ORR staff provide this service.

Analysis of Counterarguments

a. *Counterargument:* State and local authorities may not have the resources to provide such single point of contact service.

   Response: This could be solved by rearranging responsibilities of current staff to account for this volume. Each organization should perform a cost benefit analysis of the projected increase in customer satisfaction versus the cost. The state should make sure to develop a plan to ensure that a single point of contact would not create a bottleneck in the system. This problem is foreseeable and is resolved by planning in the implementation phase.

F. PERFORMANCE MANAGEMENT

This subsection of recommendations suggests ways to improve performance of the system.

Recommendation #25: Utilize Customer Feedback Surveys

Recommendation: Maintain benchmark data and perform quarterly surveys of service levels.

Justification: The permitting and plan review processes require state employees and contractors to work closely with applicants. In order to provide the best customer service, it is necessary to ask for feedback from those served. Feedback from developers can identify problem areas in the system and ways to improve the system overall. Examples of surveys were provided by the City of Troy to the ARC.

Comparison to Benchmarks: Competitive municipalities throughout states visited by ORR staff conduct customer feedback surveys.

Analysis of Counterarguments:

a. *Counterargument:* It could be costly for local jurisdictions to conduct customer feedback surveys.

   Response: There are many free and low-cost customer survey companies. This should not be a concern.

b. *Counterargument:* Local authorities may be concerned with who would have access to the survey results and how they may be perceived, especially if they are in the process of improving.

   Response: This is what makes the customer surveys a strong performance management tool – it creates accountability and a measure of the effectiveness of an authority. Different authorities should not be afraid of what their customers say – that is a sign of a weak operation.

Recommendation #26: Create and Use Baseline Criteria for Reviewing Building Officials' Performance. Allow Developers to Provide Feedback on Their Experience Relative to These Measures.

Recommendation: The State of Michigan should work with local authorities to create baseline criteria for local communities that will help define a business's expected level of service from building departments. The criteria will provide anticipated response times and explain other services available to the customer to expedite their development and allow better customer planning. New development customers could use this information in their site selection evaluation.

A voluntary program could be established ranking and certifying building departments based on the criteria. It would also allow developers to provide feedback on their experience relative to these measures. The goal is to incentivize building departments to improve their performance and become competitive. The ranking and certification could be performed by the MEDC Redevelopment Ready Communities (RRC) program. The RRC is the MEDC's recently-acquired program that credentials communities that are redevelopment friendly. The MEDC has a website and will promote these communities with a variety of mechanisms, including Pure Michigan Business Connect.

The RRC could certify communities based on the outcomes criteria. How they achieve the outcomes are at the local communities' discretion. If they are not able to meet those outcomes criteria, they can meet their best practices criteria instead.

Potential criteria include:

Attribute	Standard	Weighted Points
1. Response time for on-site Inspection 95% of the time	Same day if called by 9am otherwise next day	19
2. Response time for on-site Inspection 95% of the time	Two day response time	15

3. Response time for on-site Inspection 95% of the time	Five day response time	10
4. Building Plan Reviews Turnaround Time	50% of all projects in 5 days - 95% in 10 days	19
5. Building Plan Reviews Turnaround Time	10 days	15
6. Building Plan Reviews Turnaround Time	10 days for simple project; 15 days for complex projects	10
7. In-place system allowing multiple customer service contacts	Yes	3
8. Single person customer service contact	Yes	3
9. Pre-Submittal Plan Review Meeting with Owner & Staff	Yes	3
10. Agreement with 2nd party for Inspection coverage if fewer than 3 FTE in any discipline	Yes	3
11. Utility Agreement with Private Utilities (Idea is for local units of Government to have an agreement with private utilities to get a timely response to provide power to projects.)	Yes	3
12. Approval Process Flow Chart	Yes	3
13. On-line trade permit application submission	Yes	6
14. On-line building permit application submission with digital drawings	Yes	10
15. On-line information on all fees including water & sewer connection fees	Yes	3
16. On-line permit tracking	Yes	5
17. Plan review response check list	Yes	5

18. E-mail communication including inspection reports & plan review responses	Yes	5
19. Fixed fees for plan reviews including 3rd party plan reviews. Fees would be based on scope of work & type of construction following the ICC	Yes	10
		Total Possible: 100 points

Justification: Time is a major issue when planning and controlling a project's progression and success. For governing agencies to be "open for business," service response times need to be both anticipated (known) and acceptable. Today many local authorities do not have a posted or competitive service delivery time for key milestones such as plan review and inspections.

At this time, there are no laws governing the on-site inspection response times for building departments. On-site inspection response times vary throughout the state. The ARC has been informed that some municipal building departments take 7 to 10 days to respond to an on-site inspection request. Whether in an economic boom or slow down, 7 to 10 day response time is unacceptable. These changes will make communities more predictable in their turnaround times and the best practices will allow for a system that is more customer friendly.

Comparison to Benchmarks: Competitive municipalities in benchmark states average a 3- to 5-day plan review for small projects and a 10-day review for large projects. They also are able to provide inspections the same day of the request. Many provide inspections during the weekend. Many of the authorities in the benchmark states used partnering agreements with other communities to be able to maintain an excellent level of service. These are the type of innovative approaches that more communities in Michigan could explore and implement.

Analysis of Counterarguments:

a. *Counterargument:* Some local municipalities may not be able to meet criteria based on resources.

   Response: This program is voluntary and is intended to inspire communities to find innovative ways to improve and meet criteria.

b. *Counterargument:* Local authorities may not want to participate because the criteria are too difficult to meet.

   Response: If developers are marketed to by municipalities that use these evaluation criteria,

and begin to favor communities that participate, that will create an incentive for participation.

c. *Counterargument:* The RRC might not be the best venue for doing this type of performance scorecard.

   Response: That should be left to the discretion of the MEDC and other state officials. The ARC feels that if the RRC is determined to not be the right venue, then this scorecard should be created and maintained by LARA.

Recommendation #27: Conduct Random Performance Audits of Jurisdictions with Delegated Authority

Recommendation: The state (LARA in collaboration with the Department of Treasury) should perform random audits of jurisdictions with delegated authority, in addition to compliance-based audits, if revenue is available. LARA should develop and manage standards for periodic review of local authorities' performance of the inspection, permitting and plan review function. LARA should establish operational benchmarks for plan review and permit issuance. LARA should establish guidelines for specific operations (i.e. standardization of applications, hours of operations, inspection time frames, and specific permit fee parameters) to ensure compliance with Public Act 230 by local jurisdictions.

Justification: Currently the state does provide review of these functions but only once a complaint has been received and investigated. This infrequency of reviews has provided a wide variation in quality of how local authorities deliver services of inspection and plan review. Specifically, LARA should evaluate the timeframe in which they deliver service. Specific processes and procedures may need to be established and adhered to by state and local authorities related to operations. Public Act 230 of 1972 set forth the following:

> An application shall be granted, in whole or in part, or denied within 10 business days, except that in case of an unusually complicated building or structure, action shall be taken within 15 business days. Failure by an enforcing agency to grant, in whole or in part, or deny an application within these periods of time shall be deemed a denial of the application for purposes of authorizing the institution of an appeal to the appropriate board of appeals.

Public Act 230 of 1972 set forth the above criteria related to processing permits, inspections and reviews, as well as giving authority for performance evaluations. This current lack of state review does not encourage consistency throughout the state and impacts developers' decisions to build in Michigan.

Comparison to Benchmarks: The State of Georgia does random audits of building authorities, specifically with respect to how inspections are conducted.

Analysis of Counterarguments:

a. *Counterargument:* Audits are time consuming and could affect local authorities' operations.

   Response: The value of heightened performance in the system overall would justify these costs. The random nature of the audits would increase effectiveness of the system and outweigh the costs of audits.

b. *Counterargument:* BCC does not have the funding to perform these audits.

   Response: The audits should be performed if funding is available. The ARC believes additional funding is justified to perform these functions.

6. IMPACT OF RECOMMENDATIONS

The above recommendations help Michigan achieve a system that has the characteristics that the ARC identified as drivers of successful inspections and permitting systems.

A. ENHANCED HEALTH AND SAFETY

The ARC sought to maintain the current level of public health and safety protection. In several recommendations, the ARC even enhanced public health and safety protection. Examples include:

- The Bureau of Construction Codes should enhance the experience requirements contained in R 408.30037 (work experience, professional licensure and education acceptable for initial registration) and establish new requirements that must be met before an individual is provisionally registered as a residential or commercial Building Inspector. Satisfaction of these requirements should be possible *via* approved International Code Council (ICC) certification, other nationally recognized code certification, or a state authorized training credential. (Recommendation #10)

- Amend MCL 125.1508b (the act that provides for the administration and enforcement of the state construction code) to develop specific criteria for local governments who apply for delegated authority from the state, including: specific requirements regarding personnel, facilities, & resources; a demonstration of the community's need; and potential impact on surrounding communities. The statute should set a limit on the number of applications by a single community in a given period of time. (Recommendation #3)

- The state (LARA in collaboration with the Department of Treasury) should perform random audits of jurisdictions with delegated authority, in addition to compliance-based audits.

(Recommendation #27)

- Enforcing agencies should encourage building officials and inspectors they employ/contract with to complete more than the minimum required continuing education coursework. (Recommendation #8)

- The state should adopt a statewide fire code. The Bureau of Fire Services and LARA should determine which fire code (International Fire Code, etc.) to adopt based on what Michigan communities already use and what standards are prevalent across the country. This statewide code would not be subject to local amendments. (Recommendation #1)

B. DEVELOPMENT FRIENDLY

The ARC was focused on creating a development friendly inspections and permitting system. The following recommendations help achieve that goal:

- Create a development friendly culture throughout the State of Michigan – adopt the mantra of "Educate First, Enforce Second." (Recommendation #6)

- The State of Michigan should work with local authorities to create baseline criteria for local communities that will help define a business's expected level of service from building departments. The criteria will provide anticipated response times and explain other services available to the customer to expedite their development and allow better customer planning. New development customers could use this information in their site selection evaluation. (Recommendation #26)

- LARA, the MEDC, and the Department of Environmental Quality should establish a single point of contact for businesses to help them navigate through the permitting processes. The departments should work with the MEDC to determine the appropriate business demographic to gear this service towards and to obtain aid in marketing this service. The state should encourage local authorities to provide a similar service. (Recommendation #24)

- LARA should pursue an internet-based tracking function to enable applicants to track the status of their application including:

    - Application-specific start and finish times of each stage of the permitting cycle
    - Alerts of application deficiencies
    - Estimated time of permit/license receipt
      (Recommendation #23)

- State and local authorities should provide for in-person or internet-based pre-submission

meetings where all parties can establish a relationship, review the project, the process for the permit, and help to establish reasonable expectations for the permit timeline for projects within their jurisdiction. This is an opportunity to share common plan review notes with the developer in advance to their submittal. This meeting should be provided for free when requested by the applicant. (Recommendation #22)

- LARA should add essential information to existing internet portals (i.e. Michigan Business One Stop) dedicated to guiding businesses and individuals in obtaining permits and licenses. (Recommendation #20 and #21)
- Enforcing agencies should be encouraged to adopt flexible schedules for inspectors to allow them to perform their duties in sync with the progress of the projects they are overseeing. (Recommendation #7)
- Create a single permit for a water heater replacement. It would require that the contractor be licensed as a plumbing contractor and mechanical contractor in the categories of venting and gas piping. This would not replace the current system, but allow for a new process that could lead to more efficient permitting. (Recommendation #16)
- Create a single permit for a HVAC installation. It would require that the contractor be licensed as an electrical contractor and mechanical contractor. This would not replace the current system, but allow for a new process that could lead to more efficient permitting. (Recommendation #17)
- DTE is embarking on a process, in consultation with its stakeholders, to review its processes for connecting customers who construct new facilities or modify existing facilities, in order to improve the timeliness, efficiency and transparency of the process. ARC members and LARA officials should participate in the DTE stakeholder process. LARA should monitor progress and results. (Recommendation #19)

C. FOCUSED ON CUSTOMER SERVICE

The ARC wanted to create a system that was customer driven. The ARC identified several recommendations that will enhance (or lead to the enhancement of) the customer experience:

- Maintain benchmark data and perform quarterly surveys of service levels. (Recommendation #25)
- Amend the Occupational Code to allow state and local agencies to accept electronic documents by removing the requirement for wet-seal and signature. (Recommendation #12)

- LARA should publish and maintain a single streamlined application form and checklist for industrial and health care development projects. This application will serve those seeking permits/licenses in Bureau of Construction Codes, Bureau of Health Services and the Bureau of Fire services. This application should be a digital internet-based form (available on-line for electronic submission) and could be used as a template for any local authority. (Recommendation #18)

- LARA, the MEDC, and the Department of Environmental Quality should establish a single point of contact for businesses to help them navigate through the permitting processes. The departments should work with the MEDC to determine the appropriate business demographic to gear this service towards and to obtain aid in marketing this service. The state should encourage local authorities to provide a similar service. (Recommendation #24)

- LARA should pursue an internet-based tracking functionality to enable applicants to track the status of their application including:

    - Application specific start and finish times of each stage of the permitting cycle
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    - Estimated time of permit/license receipt
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- State and local authorities should provide for in-person or internet-based pre-submission meeting where all parties can establish a relationship, review the project, the process for the permit, and help to establish reasonable expectations for the permit timeline for projects within their jurisdiction. This is an opportunity to share common plan review notes with the developer in advance to their submittal. This meeting should be provided for free when requested by the applicant. (Recommendation #22)

- LARA should add essential information to existing internet portals (i.e. Michigan Business One Stop) dedicated to guiding businesses and individuals in obtaining permits and licenses. (Recommendation #20 and #21)

- Enforcing agencies should be encouraged to adopt flexible schedules for inspectors to allow them to perform their duties in sync with the progress of the projects they are overseeing. (Recommendation #7)

- The state should encourage localities to consider the use of combination inspectors to better manage workflow and reduce the total number of inspections. The state should periodically review its own structure to see if efficiencies could be gained by reorganizing the staff around the use of combination inspectors. (Recommendation #9)

- As the BCC is purchasing new software for its inspections and permitting processes, it should make the process customer-driven. They should hold focus groups and make improving the

customer experience the number one goal of IT procurement. Furthermore, BCC should actively seek to allow access for locals into the state's IT system. They should incentivize their participation as tenants and explore ways to encourage them to use the same system as BCC. These partnerships should emphasize data-sharing agreements to lead to further customer service improvements through insights gained through data analysis. (Recommendation #15)

D. PREDICTABILITY

The ARC identified several recommendations that would bring more predictability to the system. Examples include:

- The state should adopt a statewide fire code. The Bureau of Fire Services and LARA should determine which fire code (International Fire Code, etc.) to adopt based on what Michigan communities already use and what standards are prevalent across the country. This statewide code would not be subject to local amendments. (Recommendation #1)
- Revise MCL 125.1514 and MCL 125.1516 to eliminate local authority to hear construction code appeals and require that all construction code appeals from local decisions be conducted at the state level by a panel of three members from the construction code commission within the time periods under the Administrative Procedures Act. A filing fee assessment process should be established for appeals that are deemed "frivolous."(Recommendation #2)
- The State of Michigan should work with local authorities to create baseline criteria for local communities that will help define a business's expected level of service from building departments. The criteria will provide anticipated response times and explain other services available to the customer to expedite their development and allow better customer planning. New development customers could use this information in their site selection evaluation. (Recommendation #26)
- LARA should pursue an internet-based tracking functionality to enable applicants to track the status of their application including:
    - Application specific start and finish times of each stage of the permitting cycle
    - Alerts of application deficiencies
    - Estimated time of permit/license receipt

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- State and local authorities should provide for in-person or internet-based pre-submission meeting where all parties can establish a relationship, review the project, the process for the permit, and help to establish reasonable expectations for the permit timeline for projects within their jurisdiction. This is an opportunity to share common plan review notes with the developer

in advance to their submittal. This meeting should be provided for free when requested by the applicant. (Recommendation #22)

- LARA should add essential information to existing internet portals (i.e. Michigan Business One Stop) dedicated to guiding businesses and individuals in obtaining permits and licenses. (Recommendation #20 and #21)
- The state (LARA in collaboration with the Department of Treasury) should perform random audits of jurisdictions with delegated authority, in addition to complaint-based audits. (Recommendation #27)
- Enforcing agencies should encourage building officials and inspectors they employ/contract with to complete more than the minimum required continuing education coursework. (Recommendation #8)

E. EFFICIENCY

The ARC sought to identify processes that did not add value, while recommending other steps that would lead to a streamlining of the Michigan's processes overall. Examples of recommendations that improve the efficiency of Michigan's system include:

- LARA should implement parallel plan review and permitting processes – no longer handle plan reviews and permits sequentially, but at the same time - for industrial, educational and health care based development projects. (Recommendation #14)
- Reduce (and eliminate redundancies where possible) the levels of permitting and approvals where appropriate public safety, health and environmental safeguards can be achieved by other means.(Recommendation #5)
- Revise MCL 125.1514 and MCL 125.1516 to eliminate local authority to hear construction code appeals and require that all construction code appeals from local decisions be conducted at the state level by a panel of three members from the construction code commission within the time periods under the Administrative Procedures Act. A filing fee assessment process should be established for appeals that are deemed "frivolous."(Recommendation #2)
- The state (LARA in collaboration with the Department of Treasury) should perform random audits of jurisdictions with delegated authority, in addition to compliance-based audits. (Recommendation #27)
- LARA should publish and maintain a single streamlined and electronic application form and checklist for industrial and health care development projects. This application will serve those

seeking permits/licenses in Bureau of Construction Codes, Bureau of Health Services and the Bureau of Fire services. This application should be a digital internet-based form (available online for electronic submission) and could be used as a template for any local authority. (Recommendation #18)

- Enforcing agencies should be encouraged to adopt flexible schedules for inspectors to allow them to perform their duties in sync with the progress of the projects they are overseeing. (Recommendation #7)

- Enforcing agencies should be encouraged to require that building officials and inspectors they employ/contract with complete more than the minimum required continuing education coursework. Enforcing agencies should encourage building officials and inspectors they employ/contract with to complete more than the minimum required continuing education coursework. (Recommendation #8)

- Amend the Occupational Code to allow state and local agencies to accept electronic documents by removing the requirement for wet-seal and signature. (Recommendation #12)

- The state should encourage localities to consider the use of combination inspectors to better manage workflow and reduce the total number of inspections. The state should periodically review its own structure to see if efficiencies could be gained by reorganizing the staff around the use of combination inspectors. (Recommendation #9)

- Develop an expedited interpretation review panel at the state construction code commission level that would provide code interpretations within no more than 14 days of receiving the code interpretation application. LARA management should seek to provide the fastest turnaround possible and work to actively reduce the amount of time it takes to provide an expedited interpretation review.(Recommendation #4)

- Create a single permit for a water heater replacement. It would require that the contractor be licensed as a plumbing contractor and mechanical contractor in the categories of venting and gas piping. This would not replace the current system, but allow for a new process that could lead to more efficient permitting. (Recommendation #16)

- Create a single permit for a HVAC installation. It would require that the contractor be licensed as an electrical contractor and mechanical contractor. This would not replace the current system, but allow for a new process that could lead to more efficient permitting. (Recommendation #17)

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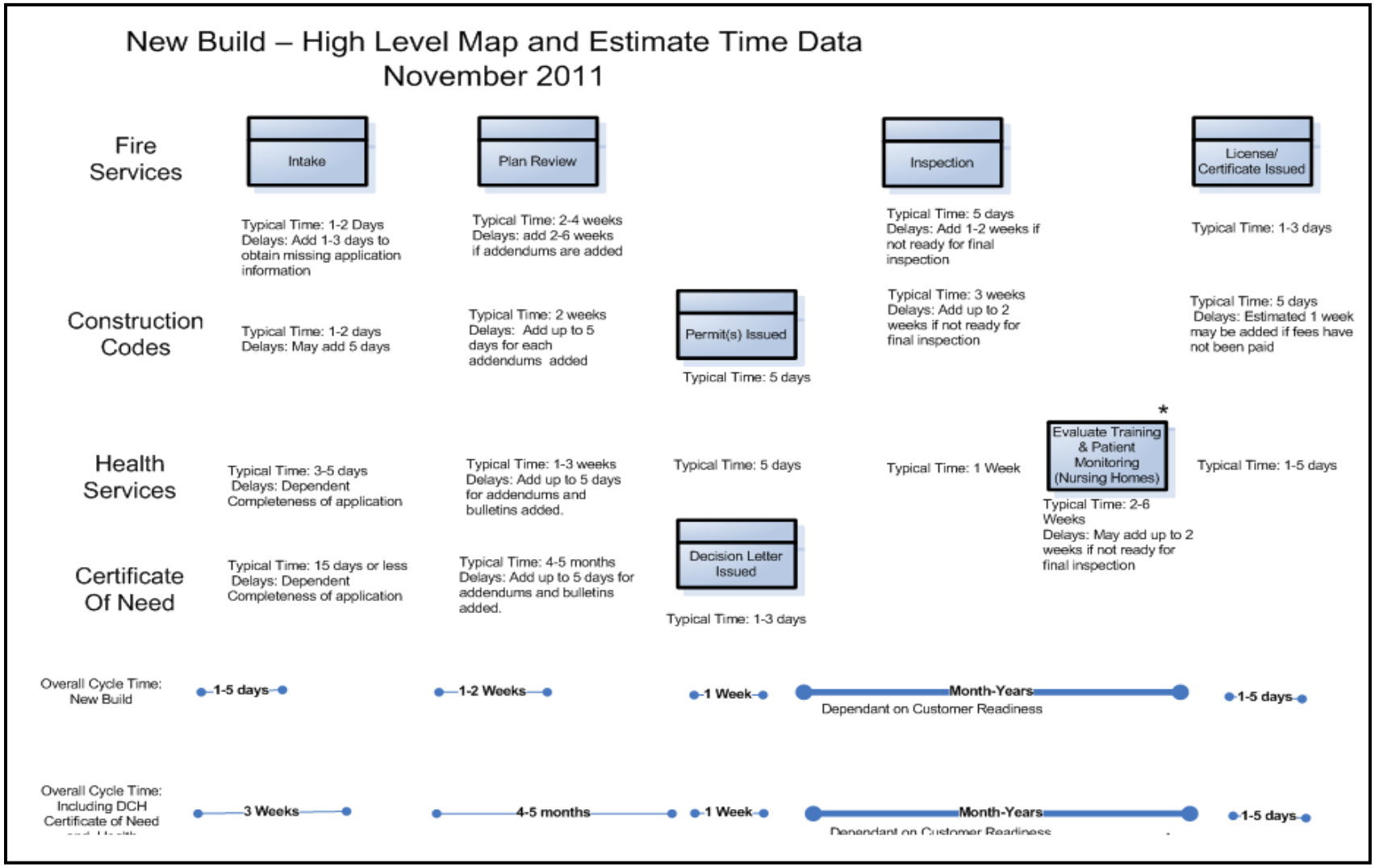
LARA'S CURRENT PERMITTING PROCESSES



BENCHMARK STATE CONTACTS

GEORGIA

- Thomas Buttram, Director, Bureau of Inspection & Fees, City of Macon
- Mike Jenness, Development Review Manager, Department of Planning and Development, Gwinnett County
- Ted Miltiades, Director, Construction Codes, Georgia Department of Community Affairs
- Max Rietschier, Consultant, Construction Codes, Georgia Department of Community Affairs
- Joel Rodriguez, Inspections Manager, Department of Planning and Development, Gwinnett County
- John Watts, Architectural Consultant, Construction Codes & Industrialized Bldgs., Georgia Department of Community Affairs
- Morgan Wheeler, Building Official, Walton County

MINNESOTA

- Betty Baron, Information Technology Services, Minnesota Department of Labor and Industry
- Todd Green, Chief, High Pressure Piping, Minnesota Department of Labor and Industry
- Stephen Hernick, Assistant Director, Licensing, Education Enforcement & Code Development, Minnesota Department of Labor and Industry
- Jessica Looman, Assistant Commissioner, Construction Codes & Labor Standards Division, Minnesota Department of Labor and Industry
- Scott McLellan, Director, Construction Codes and Licensing Division, Minnesota Department Labor and Industry
- John Schultz, Assistant Director, Construction Codes & Licensing, Minnesota Department of Labor and Industry

SOUTH CAROLINA

- Darbis Briggman, Building Official, City of North Charleston
- Lil Ann Gray, Program Coordinator, State of South Carolina Division of Professional &

Occupational Licensing

- Steve Landrith, Building Codes Administrator, City of Greenville
- Joan Rennhack, Project Officer III, Building Services, North Charleston County
- Carl Simmons, Director, Building Services, North Charleston County
- Gary Wiggins, Administrator, South Carolina State Building Code

WISCONSIN

- Tom Kasper, Plan Review Section Chief, Bureau of Integrated Services , Wisconsin Department of Commerce
- Katie Koschnick, Public Information Officer, Wisconsin Department of Safety and Professional Services
- Rick Merkle, Section Chief, Division of Safety and Buildings, Wisconsin Department of Safety and Professional Services
- Nancy Mistele, Administrator, Safety & Buildings, Wisconsin Department of Safety and Professional Services
- Dave Ross, Secretary, Wisconsin Department of Safety and Professional Services