



City of Portland, Oregon
Bureau of Development Services
Office of the Director
FROM CONCEPT TO CONSTRUCTION

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Report to Council

July 20, 2011

TO: Mayor Sam Adams
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Randy Leonard
Commissioner Dan Saltzman

FROM: Paul L. Scarlett, Director

PLS

SUBJECT: Improvements to Public Works Development Review and Permitting Services

The attached report is an update and evaluation of the improvements Council directed for the Public Works Permitting services. As Council directed, monitoring and assessment of the changes has occurred to ensure improvements in the areas of concern: timeliness of review, certainty of plan review costs, and coordination between bureaus. Below is a timeline for the changes made since the original Council direction followed by my conclusions. Exhibit A is attached which includes a more in depth discussion on the Council directives and Interagency Team recommendations.

Background

On April 16, 2009, Council directed the bureaus of Environmental Services, Transportation, Water, Parks and Recreation, and Development Services to plan and implement a comprehensive set of improvements to Portland's development review and permitting services focusing on public works permitting.

On July 9, 2009, Council received and accepted a report of recommended improvements to public works permitting processes. The report was developed by an Interagency Team representing the bureaus of Environmental Services, Transportation, Water and Development Services, with the active participation of members of the Development Review Advisory Committee (DRAC).

- The July 2009 recommendations dealt with public works permitting turnaround times, predictable permitting fees, appeals procedures and the colocation of public works permitting staff at the 1900 Building.

On September 23, 2009, Council received and accepted the next installment of process improvement recommendations. The report combined the approved recommendations from July 9, 2009 with new recommendations that were scheduled for Council consideration in September.

- The September 2009 recommendations focused on procedures to resolve internal policy and regulatory conflicts and changes to provide a uniform program for financing, deferring and exempting system development charges.

- The Interagency Team proposed a new process for continuous policy and regulatory improvements, as well as guidance on the monitoring of staff performance during the current fiscal year and beyond.

On December 17, 2009, Council received and adopted recommendations and ordinances necessary to implement predictable fee schedules for public works permits, create a public works appeals process, adopt uniform policies for deferred and installment payment of system development charges, and adopt uniform policies for partial and full exemptions of system development charges for qualified affordable housing developments.

On January 13, 2010, Council received and adopted recommendations regarding the Public Works Appeals Process including the Appeals Panel and Appeals Board, the appeal decision criteria, and the aspects of what can be appealed.

On July 28, 2010, Council was presented with an update on the status of process improvements made to date and a review and report on the status of the original April 16, 2009 Council directives. The public works bureaus were directed to report back to Council in July 2011.

I now return to Council to report on the effectiveness of the initiatives in improving customer service in Portland's permitting system and with a recommendation regarding consolidation of the City's permitting functions.

Council Directives, Updates, and Recommendations

1. Consolidation/Colocation: Successful

All development review and development related permitting staff and public works permitting staff have been located at the 1900 Building as of December 2009. The colocation directive is complete and successful. Staff has reported increased efficiencies in coordination with other colocation staff. However, maintaining connections with other staff in their home bureaus has been challenging. The Interagency Team has recommended to me that the public works development review staff not be consolidated into the Bureau of Development Services and that the relocated staff remain at the 1900 Building. Colocation has achieved desired outcomes in efficiencies and coordination. I concur with their recommendation. The priority should be for the customers we serve and their needs are best met with the Public works permitting taking place in one location.

2. Evaluation of Different Types of Inquiry Meetings: Continue to address in FY 11-12 Work Plan

The Inquiry Meeting options have continued to be modified. At this time there are two types of public works early scoping meetings each with its own fee. The fee is not variable. It is based on the level of City staff effort (time) assumed for each (\$150 and \$3,000) and is currently subsidized. There are still several problems honing in on the best options for early assistance feedback and the best associated fees. The detailed consultation (\$3,000) meeting has not been used. Additionally, redundancies with other early assistance meetings provided by other bureaus, confusion over the number of different options available for early assistance, and zoning or on-site information being requested at public works inquiry meetings have created a confusing system. For these reasons, it is recommended that inquiry meetings and early assistance options

be further evaluated and improved as part of the Interagency Team's work plan for the next year.

3. **Timelines and Process Steps for Public Works Review, including Staffing Levels: Successful**

The new system of in-take and review includes (1) increased assistance at the concept stage of projects, (2) identification and resolution of appeals at the earliest stages of design, and (3) a more efficient and predictable review process that compresses total City turn-around times from 18 weeks to 11 weeks.

The new public works process was implemented January 4, 2010. As of the beginning of July, there have been 84 Inquiry meeting requests and 72 public works permits submitted. (In the past decade an average of approximately 80 permits are submitted annually). Overall, timelines are met at a very high rate. The assessment of data at current work levels indicates that the timelines as established can and should be met at a very high rate, and are internally working successfully.

Feedback from users is that the permit review process is working well and successful. Users cited greater predictability in terms of review time and fees. Staff and industry partners are aware that to maintain timelines when workload increases, some shift in the program will be necessary (such as additional staff, modifying the scope of review, etc.). Workload increases, timeline achievement rates, and staff levels will need to be monitored to assist with forecasting upward trends and potential to hire additional staff to assist with increased workloads. This monitoring will continue to be included in quarterly reports issued by the Interagency Team.

4. **Integration of Public Works Processes with Existing TRACs: Partially Successful; Defer TRACs reporting in FY 12-13 Work Plan**

The permit process is integrated and coordinated with TRACs. Reporting and monitoring mechanisms within TRACs are still pending as development requests with City Information Technology staff and as such trends and systems refinement have been difficult to analyze. Reporting improvement is expected to occur with the upgrade of the permitting system as part of the Information Technology Advancement Project (ITAP).

5. **Internal Conflicts & Conflict Resolution: Continue to address in FY 11-12 Work Plan**

The Interagency Team has:

- Established new procedures that empower development review staff, team leads, section supervisors and division managers at the 1900 Building to identify, balance and coordinate competing policy and regulatory requirements related to site-specific public works permit applications.
- Developed and implemented turnaround times for resolving conflicts that support adopted plan review timelines.
- Referred appropriate cases to new public works appeals process.
- Establish a system to document conflicts and appeals issues.

The new public works appeals process was implemented June 1, 2010. As of June 30, 2011, a total of 27 appeal applications have been submitted. Nineteen appeals have been submitted to the Appeals Panel with 16 decisions being reached. Panel decisions can be further appealed to

the Appeals Board. The Appeals Board has received 8 appeal applications and made decisions on 5 appeals.

Appeal decisions are documented on the Public Works Permitting website and in TRACs. Feedback from the Appeals Panel and staff is that the appeals process is not working as intended and requires further refinement. The appeals process, more effective utilization of public and DRAC members regarding consistent application of decisions, and the role of the Appeal Panel needs to be evaluated as part of the work plan for the next year. In addition, the Interagency Team will work on developing a proposal for a robust policy feedback loop as part of the overall improvements to the appeals process and report how, when, and what financial support will be needed to implement that feed back loop to Council in July/August 2012.

At this time no internal policy level conflicts between bureaus has been identified. However, implementation of the appeals process has resulted in public works code changes, need for greater public outreach, the need to improve the appeals process and decision-making, and issues with infill development. These will be part of the work plan for next year.

6. **Online Fee Calculator for Public Works: Incomplete, will continue to address in FY 11-12 Work Plan**

Along with the new public works process, new fees were implemented January 4, 2010. Originally, fees were proposed to have two options: fixed fees and “usual and customary” fees. Setting fixed fees requires a history of work to analyze and establish standard cost parameters; the lack of data on permits processed through the new system prevents locking in on fees therefore interim fees were established. Fees are set on a project by project basis within the new program parameters: an established fixed project fee which is accompanied by a City guarantee to refund to the applicant any balance if less than 90% of the fees are used. Until the new rates and fees are set, development of the online Public Works Permit fee calculator is deferred. In May 2012, fee levels will be addressed as part of the annual fees presented to Council, assuming additional permit data is available to support the analysis. These interim steps provide the applicant with certainty regarding fees following the ‘30% Meeting’, which is beneficial to the customer. Continuing to develop a history of project costs will support the establishment of fees that provide cost information earlier in the process, and provide recovery of Public Works Permit costs. Permit users have provided feedback that the certainty of the fees as is now being provided meets the original request for certainty. The Interagency Team will continue to pursue fixed fees for certain categories of projects.

7. **Developing programming and funding to submit public works appeals online Partially Successful; Defer to FY 12-13 Work Plan**

Currently public works appeals applications can be submitted via email to Public Works Permitting rather than online. The appeals process has continued to evolve since implementation, responding to input from staff and appellants for modifications that improved efficiency of the new system and identified earlier points in the process for resolution of the issue. Therefore, this task is not completed and is deferred. It is anticipated that the appeals process will continue to change over the next year and in order to use resources efficiently, securing an online submittal process may be rolled into the new permitting system as part of the ITAP project, which is intended to include electronic online submittal of all permit applications.

8. **Indicators of effectiveness: Successful**

Indicators that have been used in quarterly reports and will continue to be used in upcoming quarterly reports include timelines (numbers met, rejected and repeated), appeal issues and use, and cost of services and staff levels.

9. **System Development Charges Policies and Public Access to Information: Successful**

System Development Charges are assessed and paid as part of the development permit for work on private property, and are separate from Public Works Permitting. These were identified by the development community and folded into the directives as a task needing multi-bureau coordination.

Uniform policies regarding the exemption, deferral and financing of system development charges have been developed. Repayment policies related to exemptions for low income housing projects have been clarified and aligned amongst the bureaus. Guidelines have been established within City Code to govern the granting of other types of SDC exemptions and adjustments. Deferral policies have been extended to cover all SDCs and consistent deferral time-periods were established based on the size of the project. Sufficient security is required to ensure payment of all deferred SDCs, and provide uniform calculations of interest and fees during the deferral period. A master financing template that facilitates the consistent financing of SDCs through the City's special assessment loan program has been established.

Public information on SDCs is available on the BDS website, which includes links to more specific information on individual bureau websites.

The attached report provides additional details about these comprehensive improvements. As has been the case since April 2009, all participants are dedicated to making lasting and meaningful improvements to development review and permitting services. The Interagency Team will continue to implement and refine the public works process and the public works appeals process. The Interagency Team (consisting of staff from public works bureaus) will continue to involve stakeholders over the next year as they make progress on their work plan.

Work Plan

The Work Plan for 2011-2012 includes the following:

1. **Public Works Inquiry Meetings and Early Assistance.** The current process needs improvement and refinement. The goal of the improvements should be to establish clear and consistent communication with PW applicants regarding the requirements for PW Permit submittals, provide appropriate tools and meetings to provide PW Permit information regarding specific projects to applicants, and include appropriate options so relevant meaningful information is provided to the applicant.
2. **Appeals Process, Design Exceptions, and Policy Feedback Loop.** The current process needs further improvement and refinement. The goal of the improvements should be to consider modifying the role of the Appeal Panel to more effectively utilize and enhance the contribution of the members in the appeals process regarding consistent application of decisions and to tap into their expertise on design alternatives to street sections; and to

create a more program-based and structured system. This should include a proposal for a robust policy feedback loop as part of the overall improvements to the appeals process and report how, when, and what financial support will be needed to implement that feed back loop to council.

3. **Fees.** An evaluation of a fixed fee schedule, hourly usual and actual costs, and tiered system of public works fees will be evaluated.
4. **Public Outreach.** Changes to the public works permit process and policy interpretations need to be communicated to the public and customers. A variety of methods for public outreach should be utilized (website, service level alerts, publications, etc.). The same communication tools should be examined and implemented as appropriate to provide SDC related information – waivers, deferral programs, and financing programs.
5. **Reporting, trends, and analysis.** Report and analyze permit and appeal systems level data to influence efficiencies and policy recommendations based on shifts and trends and to influence staffing levels.

TO THE COUNCIL

The Commissioners of Finance and Administration, Public Safety and Public Affairs concur with the recommendations of the Director of the Bureau of Development Services and

RECOMMENDS:

That the Council accepts this Director's Report to Council and report as set forth in Exhibits A and B.

Respectfully submitted,

Sam Adams, Mayor and Commissioner of Finance and Administration

Randy Leonard, Commissioner of Public Safety

Dan Saltzman, Commissioner of Public Affairs



Public Works Permitting Recommended Service Improvements

EXHIBIT A

Portland, Oregon | Public Works Permitting – Interagency Team | July 20, 2011

BACKGROUND AND TIMELINE

On April 16, 2009, Council directed the bureaus of Environmental Services, Transportation, Water, Parks and Recreation, and Development Services to plan and implement a comprehensive set of improvements to Portland's development review and permitting services focusing on public works permitting.

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- The July 2009 recommendations dealt with public works permitting turnaround times, predictable permitting fees, appeals procedures and the colocation of public works permitting staff at the 1900 Building.

On September 23, 2009, Council received and accepted the next installment of process improvement recommendations. The report combined the approved recommendations from July 9, 2009 with new recommendations that were scheduled for Council consideration in September.

- The September 2009 recommendations focused on procedures to resolve internal policy and regulatory conflicts and changes to provide a uniform program for financing, deferring and exempting system development charges.
- The Interagency Team proposed a new process for continuous policy and regulatory improvements, as well as guidance on the monitoring of staff performance during the current fiscal year and beyond.

On December 17, 2009, Council received and adopted recommendations and ordinances necessary to implement interim predictable fee schedules for public works permits, create a public works appeals process, adopt uniform policies for deferred and installment payment of system development charges, and adopt uniform policies for partial and full exemptions of system development charges for qualified affordable housing developments.

On January 13, 2010, Council received and adopted recommendations regarding the Public Works Appeals Process including the Appeals Panel and Appeals Board, the appeal decision criteria, and what can be appealed.

On July 28, 2010, Council was presented with an update on the status of process improvements and a review and report on the status of the original April 16, 2009 Council directives. The public works bureaus were directed to report back to Council in July 2011.

COUNCIL DIRECTIVES AND RECOMMENDED ACTIONS

The following is a review of the original April 16, 2009 Council directives and status updates for each of the directives based on recommendations submitted to and approved by Council on July 9, 2009, September 23, 2009, and July 28, 2010. This report includes the original directives and the proposals approved in July and September 2009 for reference (see page 9). Note that the below item numbering represents the original numbering of items in the April 16, 2009 Council directive.

COLOCATION, TRANSITION PLAN & COSTS OF COLOCATION: SUCCESSFUL

1. Commence co-location of programs and personnel from the infrastructure bureaus necessary for the review and issuance of all development related permits in the 1900 SW 4th Avenue building on or before July 1, 2009. Co-located positions will perform their duties in a common location to enhance customer service delivery, but will continue to serve under the authority of their respective bureaus. Co-located programs and positions shall include but not be limited to those

outlined in Exhibit A. The Director of the Bureau of Development Services shall be the ultimate authority in the identification of co-located programs and positions for the 1900 SW 4th Avenue building to ensure that co-located staff have the appropriate knowledge and authority to enhance customer service in the City's permitting functions.

2. Develop an Employee Transition & Support Plan for the employees who will be impacted by the transition to ensure that new staff are welcomed to BDS and that their concerns and issues are addressed.

6. Any costs necessary to accomplish the co-location of permitting personnel at the 1900 SW 4th Avenue building shall be borne by PBOT, BES, PWB, and PPR commensurate with the proportion of staff being accommodated at the 1900 SW 4th Avenue building.

STATUS: As of December 2009, all staff in the following areas have been located at 1900 SW 4th Avenue:

- Public Works Permitting Review
- Building Permit Review
- Land Use Review

A total of 29 staff (11 from PBOT, 12 from BES and 6 from Water) have located at the 1900 building joining the 10 staff already located here (3 PBOT, 7 BES). These staff people are located on the 4th floor with the Land Use Services Division staff of the Bureau of Development Services.

Staff has transitioned and the costs have been borne by PBOT, BES, and PWB. Customers have expressed benefits with the change. Staff report efficiencies in coordinating with other colocated staff. Although coordination and communication have improved among staff located in the 1900 building, it should be noted that it is more difficult to maintain connections with infrastructure bureau staff remaining located in the Portland Building, capturing policies of home bureaus, maintaining a feel for the overall bureau pulse, as well as providing input on individual development projects. The staff connections between the Portland Building and the 1900 Building necessary for project review will need to be supported and maintained to ensure the best customer service for applicants. This directive for collocating staff has been completed and has been successful.

CONFLICT RESOLUTION: CONTINUE TO ADDRESS IN FY 11-12 WORK PLAN

3. Create an effective conflict resolution process to address policy and code conflicts between bureaus, including the Development Review Advisory Committee (DRAC) and Planning Commission.

STATUS:

Appeals Process

The appeals process was implemented on June 1, 2010. The Public Works Interagency Team will continue to refine the appeals process to resolve some of the issues identified under 4.c. below in this report.

Internal Policy Balancing

Internal policy-balancing is typically handled by first level managers in one of two weekly meetings: Public Works Technical Team for public works specific issues and Land Use Coordination for projects with land use components. Issues may be referred to higher managers and to the Appeals Board or to Directors (for broader policy issues). Typically, project issues are resolved quickly at the lowest management level.

The next step is for staff to develop processes and procedures for tracking issues that arise in the public works appeals process. In order to truly address fundamental conflicts between codes or competing policies, the conflicting codes or policies need to be reviewed comprehensively. Funding is necessary to develop a work plan, with direction by City Council and Bureau Directors, to make code changes that address code conflicts between bureaus.

Internal policy and code conflicts between bureaus are not occurring as initially expected. Instead, the appeals process has highlighted other issues:

- Users identified that the timeline to file an appeal was too short. As a result the timeline for appeals has been extended to the life of the permit through a code change to Title 17. The applicant may file an appeal during any phase of the permit application and review process. However, an appeal must be submitted during the phase in which the decision is made. For example, a decision made during the 30 percent phase of plan review must be appealed prior to the start of the 60 percent phase. Rather than developing from a policy or code conflict, this was a code revision based on operational practicality.
- Many appeal applications are related to “infill development”, and are requests to not develop the required frontage improvement and instead allow waivers allowing future ROW development to substitute for current ROW improvements. Alternatives to the typical street design have also been proposed in infill development situations. Infill development and public improvement policies are not an issue of bureaus’ policy or codes conflicting. Rather, it is an issue of timing of the improvements, and has been highlighted as a topic that the bureaus are addressing through discussions with developers and other stakeholder groups, and will look to include in a separate work plan to be supported by Council.
- Appeal Panel members and staff have identified the need to highlight and forward general policy issues found during their decision reviews to the Chief Engineers (Appeal Board) for consideration. Panel members are interested in taking on a more “advisory role” where they would be providing recommendations to the Chief Engineers on items they could direct their staff to include in upcoming work plans. The Public Works Interagency Team will include improving the policy feedback loop as part of the overall improvements to the appeals process.

The Interagency Team will develop a proposal for a robust policy feedback loop as part of the overall improvements to the appeals process and report to Council in July/August 2012 the how, when, and what financial support will be needed to implement that feed back loop.

TURNAROUND TIMES AND PROCESS STEPS: PARTIALLY SUCCESSFUL; CONTINUE TO ADDRESS IN FY 11-12 WORK PLAN

4. By no later than July 1, 2009, the Interagency Team defined in Exhibit D shall work with DRAC to:

- a. **Establish standard turnaround times for permit application reviews, code appeals, and other associated services provided by the Portland Bureau of Transportation (PBOT), the Bureau of Environmental Services (BES), the Portland Water Bureau (PWB) and Portland Parks and Recreation (PPR) in a manner that is consistent with established BDS turnaround times outlined in Exhibit B and present them to the City Council for approval.**

STATUS:

Timeline and Process

The new public works permitting process was initiated January 4, 2010. This includes early assistance, in the form of the Inquiry Meetings and the public works permit review. Under the new process, the turnaround times for public works permits have been reduced from a typical 18 weeks of City review time to a proposed 11 weeks of City review time (does not include applicant/engineer preparation time). An additional two weeks are allowed for complex projects (this is the 95% review). All bureaus participating in public works permit review (Transportation, BES and Water) have committed to these turnaround times.

In addition, staff are reviewing the public works permit much earlier in the process – during the design phase and working with the applicant during design rather than delaying public works permit submittal and review until the applicant has fully designed the project and gone through other City processes (such as land use review or building permit review).

EXHIBIT A

In the past decade, there have been approximately 80 public works permits submitted annually. Since implementation of the new process (18 months beginning January 2010) there have been 87 PW permits submitted for review. For the last fiscal year (July 2010 – June 2011), 72 new public works projects have reached the 30% or Concept Stage and have been submitted – down 10% from the previous years average. As of June 30, 2011, FY 10-11 permit status' are reflected in the following table:

July 2010 – June 2011 REPORTING	PW IQ	Concept 30%	Design 60%	Review 90%	Final Check 95%	Approved to Issue	Issued
Intake (# applications submitted)	84	72*	41	29	11	27	19
Pending	6	11	7	1	0	0	NA
Withdrawn	4	0	0	0	0	0	NA
Completed	74	61	34	28	11	27	19
City review timeline (calendar days)	14 days	14 days	35 days	14 days	14 days	14 days	NA
#completed and met City review timeline	66	61	34	25	11	23	NA
# Permits Rejected in phase**	NA	13	5	2	1	0	NA
# Permits that repeated the phase	NA	8	4	2	1	0	NA
% timeline goal met	89%	100%	100%	89%	100%	85%	NA
Average time applicant takes between completion of prior phase to submittal of this phase (calendar days)	NA	NA	61 days	31 days	10 days	22 days	3 days

* Of the 72 permits submitted 29 originated from a Public Works Inquiry (PW IQ), 26 from a Land Use Review response, 12 from a BDS Early Assistance appointment, and 5 from a Building Permit response.

** Of the 21 total permits rejected for a review phase 3 originated from a PW IQ, 9 from a Land Use Review response, 6 from a BDS EA appointment, and 3 from a Building Permit response.

Timelines that were not met were due to those permits being the first through the new process; deadlines falling on a Friday, after a holiday, or staff vacations; or internal coordination. Permit phases were repeated or rejected due to a decision being made to require additional review at design meeting, the applicant adding an element which required additional review, or submittal occurring without a Public Works Inquiry being held.

For the 19 PW permits that have been issued over the year, the average city time spent on the permit review was 73.6 calendar days (10.5 weeks), which is below the proposed review time of 11 weeks for typical projects and 13 weeks for more complex projects. This means that staff is frequently completing their permit review before due dates and accommodating repeats of review phases within the 11 week required review time. The average total time from PW permit intake to issuance (for both staff and applicant time) is 212.6 days (30.4 weeks). The average total time that the applicants spent on plans was 137.9 days (19.7 weeks).

Currently, a total of 10.25 staff (3 PBOT Engineering, 2.25 Public Works Permitting, 4.5 BES, 0.5 Water) are dedicated to reviewing public works permits, and these staff numbers have ensured success in meeting the expected timelines. However, staff and industry partners have expressed concern about meeting the timelines when workloads increase. Monitoring of the intake of permits and timeline achievement rates will continue over the course of the next year in quarterly reports which will assist management with forecasting upward trends and potential to hire additional staff to assist with workloads. Given the modest decrease from the average permit submittal level of prior years, the high percentage of meeting the recently established benchmarks, one could assume that there is capacity within the system to absorb some additional level of work, or to decrease the turn around times even more.

Establishing turnaround times that the reviewers were committed to meeting was described by one user as “the success story” of this project. Likewise, staff are satisfied with how the timelines and review process are working; they appreciate managing their workload against definite deadlines. Some minor tweaking may occur over time and opportunities sought for expanding what development is allowed to occur under a “Limited

Public Works” or “Short Sewer Extension” permit which would provide for even a shorter review time for some projects.

The public works bureaus, in collaboration with DRAC, Citywide Land Use Group, other community stakeholders and City Commissioners, have developed key indicators of the success of public works program improvements. The key indicators are timelines (numbers met, rejected, and repeated), appeal issues and numbers, and cost of services and staffing levels. These key indicators will be reported to DRAC and other interested advisory bodies, bureau directors and City Commissioners on an ongoing basis, and will provide direction for future process improvements.

Early Assistance

The goal of this directive was to offer inquiry clinics and project specific consultations so that potential applicants could receive input about permitting requirements and the criteria for deviating from established standards, before making development decisions. Initially, technical staff and applicants were required to attend these meetings, as well as have a prerequisite to initiating the scoping and concept refinement phase (30%) of the public works permitting process that applicants attend either an inquiry meeting, submit for a land use review, or attend a pre-application conference review.

Several challenges were discovered with requiring early assistance meetings and the meeting options:

- **Cost Recovery:** Nearly all applications for inquiry meetings were for the basic \$150 meeting option that provided a very basic coordinated project response. The meeting was attended by only one staff person and over time applicants requested to skip the meeting and receive the report via email. Only one or two of the in depth \$3000 meetings were applied for and those meetings were refunded and transferred over to the basic meeting option as customers did not think that they received substantially different information than the \$150 meeting option.
- **Procedural Conflicts:** Because BDS Early Assistance meetings were not included as fulfilling the prerequisite to initiating the public works permitting process many applicants ended up having to apply for a public works inquiry after their BDS EA meeting. This was occurring even though often the same public works bureaus staff was involved in both meetings, and similar information was provided. Customers and staff have become confused by the lack of differentiation between the different early assistance options provided by both Public Works and BDS. As a result, applicants are not always applying for the best meeting option for their project.
- **Out of Scope Questions:** Applicants for a PW Inquiry are straying from questions related to the public works aspects of the project, and provided a coordinated written response from PBOT, BES, and Water reviewers that are not the same groups that review and answer on-site utility questions or zoning questions. The one PW staff person that attends the PW IQ meeting is also unable to answer on-site utility questions or the zoning related questions.

Due to these concerns, the Interagency Team recommends that Public Works Permitting include in their work plan for the upcoming year devising improvements to the PW Inquiry Meetings and report back to Council at their next annual report. The goal of the improvements should be to establish clear and consistent communication with PW applicants regarding the requirements for PW permit submittals, provide appropriate tools and meetings to provide PW permit information regarding specific projects to applicants, and include appropriate options so relevant meaningful information is provided to the applicant.

TRACs and Online Information

The public can now view all public works projects and inquiry meetings online on a map within a ½ mile of an address by using portlandmaps.org (Type in address, look under “Projects” for “Public Works”). Users have requested more information to be shown online on the status of their PW permit related to who is currently reviewing the permit, when the review was assigned and due, and next steps in the review process. Currently, the underlying TRACs folder information does not reflect the revised process, nor is the current information transmitted completely to portlandmaps.org, which has more general information for public works permits. The Information Technology Advancement Project and conversion to Accela is

expected to provide an opportunity for the PW Permitting Team to develop a more refined permit submittal and review process, allowing for more detailed information regarding PW permitting to be seen internally and online.

A new website for public works permitting is online and includes public works permitting information and necessary forms for all the steps in the public works process, including appeals.

The permit process is integrated and coordinated in TRACs. However, reporting and monitoring requests that require programming will require the improved PW permit submittal and tracking information to be developed/refined by the PW bureaus and implemented through the ITAP improvements.

PREDICTABLE FEES: CONTINUE TO ADDRESS IN FY 11-12 WORK PLAN

4. By no later than July 1, 2009, the Interagency Team defined in Exhibit D shall work with DRAC to:

- b. Establish predictable fee schedules for all permits and associated services provided by PBOT, BES, PWB, and PPR and present them to the City Council for approval. An example of this type of fee schedule is outlined in Exhibit C.**

STATUS: On December 17, 2009, Council approved new public works process and fees that were implemented on January 4, 2010. In May 2011, Council approved to extend these interim fees through the fiscal year 2011/2012. The interim fees currently are structured as follows:

- A set fee for the Inquiry Meeting (either \$150 [subsidized] or \$3,000)
- At concept development, a deposit of \$2,500 is required. Staff provides the applicant with an outline of permit fees based on the proposed project and a schedule of fees that will be due.
- If actual review costs are less than 90% of the estimated cost provided to the applicant, a refund is provided.

Until permanent fees are adopted, development of an online calculator for estimating public works fees will be pending.

As part of the fee evaluation for the next fiscal year (FY 2012-13), the Interagency Team will look at options for providing both a fixed fee schedule and an hourly "usual and actual costs" rate. In addition, the Interagency Team will assess creating a tiered system of fixed public works fees.

We also have heard through this process that the Development Review Advisory Committee (DRAC) has expressed a desire for more consistent and comprehensive information related to all fees associated with development review projects (building permits and SDCs) to be presented to Council to demonstrate the full impact of fee increases. This is a separate effort being lead by BDS with coordination with other bureaus.

APPEALS PROCESS: CONTINUE TO ADDRESS IN FY 11-12 WORK PLAN

4. By no later than July 1, 2009, the Interagency Team defined in Exhibit D shall work with DRAC to:

- c. Establish formal appeals processes for PBOT, BES, PWB, and PPR consistent with the existing appeals processes provided by the Bureau of Development Services as outlined in Exhibit E.**

STATUS: The new appeals process began implementation on June 1, 2010. The process includes two potential levels of appeal: the first level is an Administrative Review Appeals Panel which includes two citizen members representing development and community interests. The second level is an Appeals Board comprised of the Chief Engineers of the three infrastructure bureaus. This process does not include Parks Bureau appeals, however if there is a need to engage the city forester, they will attend the appeal meeting. The Public Works Permitting Section provides a single point of contact for intake, assistance, tracking,

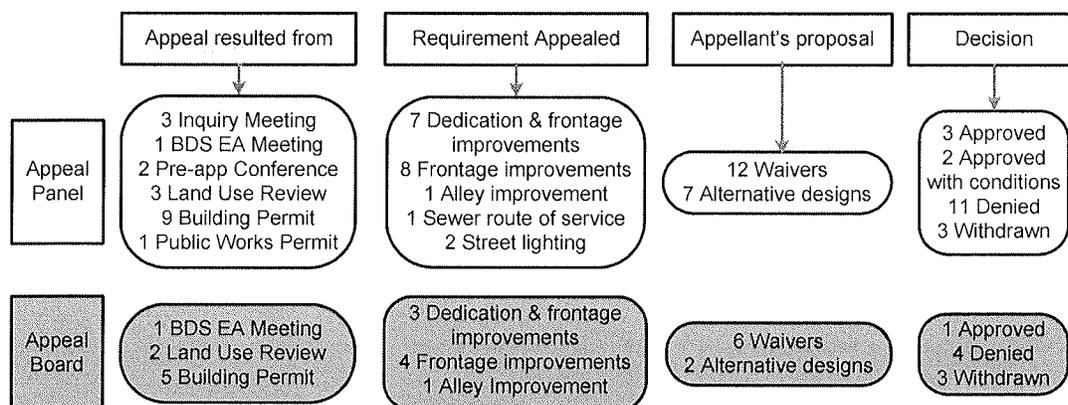
recordkeeping and reporting of all appeals. This is new. An appeal fee of \$200 has been adopted. This fee covers some of the administrative work associated with the appeals, but the appeals are also subsidized by the infrastructure bureaus. This was agreed to for development of the appeal program and will be revisited in the future since greater cost recovery is still a goal.

Set turnaround times have been adopted for the appeals process. All appeals submitted to the Appeals Panel will be decided within 14 business days (3 weeks) of the request. Appellants are typically notified the day of or following the day of the appeal, however, the code notification requirement is within 10 business days of the decision (2 weeks). Appeals to the second level, the Appeals Board, was originally proposed to be heard and decided within 24 business days (5 weeks) from submittal request. However, this has since been modified to follow the Appeals Panel timeline of 14 business days (3 weeks). The Appellants attend the Appeals Board hearing and receive their decision at the hearing as well as a written decision via email.

The new appeals process is designed for specific projects on specific sites. General challenges to policies and requirements are to be directed to an annual inter-bureau process to review and consider policy and program improvements. If fundamental conflicts between codes or competing policies arise, a work plan will be developed with direction by City Council and Bureau Directors to fund code changes and address fundamental policy and code conflicts between bureaus. Tracking of appeals requests, findings and determinations is conducted via TRACs folders and with the Appeal and Decision Matrix available on the Public Works Permitting Website.

The appeals process has been published on the internet (<http://www.portlandonline.com/index.cfm?c=43826&a=303207>). Brochures on appeals procedures and decision criteria have not been developed due to the continuing changes to the appeals process. Instead this information is available on the public works website. A matrix of submitted and decided appeals has been posted online. Exploration of online appeal submittal was to occur over the last year. However, due to continuous changes to the appeals process and the proposed Information Technology Improvement Project (ITAP), which includes online submittal of building code appeals, this has been moved to a future work plan.

As of June 30, 2011, 19 appeals have been submitted and 16 decisions reached by the Appeals Panel. Panel decisions can be further appealed to the Appeals Board. The Appeals Board has received 8 appeal applications and made decisions on 5 appeals.



The Interagency Team, staff, appeals panel members, and appeal board members met to discuss the appeals process. All are in agreement that the process is not meeting our expectations and needs further evaluation and improvements. Issues that we have identified include:

- Customers and staff have agreed that it is unclear what is to be submitted as a Public Works Appeal or a PBOT Design Exception. In addition, users have noted that the Design Exception process is cumbersome and takes additional time and resources to complete.

- Panel members are frustrated by the lack of discretion in what the panel is charged with evaluating. The Panel can only make a decision on whether a bureau decision was inconsistent with or contrary to City code, rules, standards or policy or that it was misapplied or misinterpreted city code, rules, standards or policy. In addition, since the Panel does not receive information on how a bureau is making other decisions on their code, rules, standards or policy application the panel has difficulty in determining consistency.
- Customers have expressed the need for greater public information on policy changes that the bureaus are implementing and service updates.
- The public members of the Panel are concerned with the panel composition, which they perceive as resulting in the bureau members overriding their vote.
- The policy feedback loop is not occurring as expected. The Panel, through their decisions, does not have a clear mechanism to make suggestions to the Board, provide recommendations on issues raised via appeals, or regarding policy issues. The public works bureaus have already begun working with the Panel on this issue. The Panel is conducting a pilot to audit Design Exceptions and appeals. The goal is to assess consistency, identify specific policy and code issues that warrant further discussion, and determine which issues should be forwarded to the Board for their review.
- Panel members frequently have questions about an application and without the appellant present it can be challenging to evaluate the appeal request.

The Interagency Team recommends that improvements to the appeals process be on their work plan for the next year. Public Works Permitting will continue to work with Panel and Board members, DRAC, Citywide land use group, staff, and other stakeholders on improvements to the appeals process. The Interagency Team also commits to improving public information regarding changes to public works improvement processes and policy interpretations. The Interagency Team will develop and present to Council a recommendation on modifying the role of the Appeal Panel members to enhance their contribution to the public works appeal process in July/August 2012.

STANDARDIZED SDCs: SUCCESSFUL

5. By no later than September 1, 2009 the Interagency Team shall work with DRAC to:

- a. Develop and present for City Council approval a standardized Systems Development Charge (SDC) program which offers customers a uniform approach to SDC low income waivers, SDC deferrals, and SDC financing.**

STATUS: System Development Charges are assessed and paid as part of the development permit for work on private property, and are separate from Public Works Permitting. These were identified by the development community and folded into the directives as a task needing multi-bureau coordination.

The Interagency Team has completed the work to implement the full and partial exemption of SDCs for Affordable Housing. The program was transferred to the Portland Housing Bureau and the system has been streamlined to ensure more direct communication from the Housing Bureau to the reviewing bureau charging the SDCs. The Housing Bureau exempts projects from SDCs based upon criteria defined in City Code.

A Deferral Contract has been established which offers uniform approaches to deferrals for 6, 9 or 12 months based on project valuation and includes a consistent processing fee. Interest shall accrue at the City's current interim interest rate during the deferral period and be due and payable, along with the deferred amount by the end of the deferral period.

A Loan Contract template has been established that provides for 5, 10, and 20 year loan term options. This contract template will be used by all the SDC bureaus.

Additional work is needed to increase public access to information about SDCs, their purpose, revenues raised and programs/projects funded, as well as clarifying current bureau policies of PBOT and BES regarding adjustments for transit-oriented and green building developments.

The Bureau of Development Services provides general information about SDCs and their purpose at <http://www.portlandonline.com/bds/index.cfm?c=34186>. Information on all of the City's SDCs is compiled into one handout that is available in the DSC and on the BDS website. Access to additional forms, fee waivers, and links to bureau specific information is also available at this one location. The links offering more detailed SDC information include:

- The PBOT website (<http://www.portlandonline.com/transportation/index.cfm?c=46210>) contains information on current policies regarding adjustments for transit oriented development, a project list for SDCs, and a project map.
- The Parks & Recreation website (<http://www.portlandonline.com/parks/index.cfm?c=38516>) contains information on SDCs, including a report which outlines investments, acquisition target areas, and acquisition target areas.
- The BES website (<http://www.portlandonline.com/bes/index.cfm?c=47683&a=199690>) contains information on SDCs, as well as sewer rates collected. BES has a reimbursement SDC, which means that SDCs collected go toward costs associated with capital improvements already constructed or under construction when the fee is established, for which the local government determines that capacity exists. The BES website includes information on capital improvement projects (CIPs) of which a portion are funded by SDCs. Reductions of up to 30% of SDCs are available by appeal. It is BES's objective to adopt in their ratemaking ordinance effective fiscal year 2012-2013 a standardized alternative method for reducing the SDCs for approvable green buildings. However, a study confirming the long run effectiveness of the green building methods being proposed must be completed. BES is hopeful to have sufficient data within the next year to complete this task using data from the ones we have currently approved in the pilot effort for this approach.
- The Water website (<http://www.portlandonline.com/water/index.cfm?c=48925>) contains information on SDCs. Like BES, the Water Bureau also has a reimbursement SDC. A Capital Improvement Project list is available on Water's website. Information about revenues and programs/projects is available via annual City and Bureau budget documents posted in PortlandOnline, as well as on the Water website (<http://www.portlandonline.com/water/index.cfm?c=53697>). This includes a 5-year capital improvement plan.

Information about all the bureaus' SDC revenues is in the City's Comprehensive Annual Financial Report, prepared by OMF (<http://www.portlandonline.com/omf/index.cfm?c=25955>). For each of the bureaus under Revenues, the first line item "Public works and utility charges" are SDCs.

EFFECTIVENESS OF COLOCATION: SUCCESSFUL

7. The Director of the Bureau of Development Services shall report to the City Council on the effectiveness of these initiatives in improving customer service in Portland's permitting system by July 1, 2010, and make a recommendation on whether the City Council should pursue full consolidation of the City's permitting functions. This recommendation should be informed by DRAC, CityWide Land Use Group, organized labor and community stakeholders.

STATUS: In July 2010, Council approved a recommendation to delay this report until July 1, 2011 to allow incorporation of more meaningful levels of permitting activity into the evaluation.

This report serves as our July 2011 reporting on the effectiveness of these initiatives in improving customer service and with a recommendation regarding consolidation of the City's permitting functions.

We have met or coordinated with DRAC, Citywide Land Use Group, organized labor and community stakeholders on our recommendations.

Inclusion of all development review staff into the Bureau of Development Services will not be pursued as the desired benefits have been achieved through colocation of staff within the 1900 Building. Benefits received for staff and customers include:

- Greater access and coordination between staff in PBOT, BES, Water, and BDS;
- Increased transparency in decision making and improvement requirements; and
- Improved predictability in decision making and improvement requirements.

Relocated staff will remain at the 1900 Building.

STAKEHOLDERS AND OUTREACH: CONTINUE TO ADDRESS IN FY 11-12 WORK PLAN

Staff has continued to meet with stakeholders and development professionals to obtain feedback on the new process and make changes as necessary. Staff has been providing monthly updates to DRAC on appeal issues, as well as providing quarterly reporting City Council, Planning and Sustainability Commission, DRAC, Citywide Land Use, and the User Group. The User Group (industry partners) has continued to meet over the past year (July 15, 2010; October 7, 2010; June 16, 2011) and will be scheduled to meet either quarterly or semi annually. Staff has been, and will continue to update the User Group via email (February 9, 2011; and March 1, 2011) on program improvements and solicit comments and feedback. Staff will provide program updates via email and establish links to reports and analyses.

Attached as Exhibit B is a list of the outreach efforts conducted by the Interagency Team. In addition, frequent updates were made to the Public Works Permitting website, and several brochures created. Brochures have been posted on the Public Works Permitting website and include the following:

- Frequently Asked Questions
- What Kind of Permit do I need?
- What is a Public Works Permit?
- Plans Preparation Guide
- Avoiding Plan Rejection

A survey of PW permit applicants was conducted from December 8, 2010 to January 2, 2011. Two surveys were distributed to obtain feedback on the usefulness of the Public Works Permitting Website and the Public Works Permit Process. A response of only 10% was received. As a result of comments and suggestion included in these surveys the Public Works Permitting website was reorganized and additional content was provided to benefit the customer.

A second survey, this one focusing on engineers that had completed the public works permit process (a total of only 6 at that time), was conducted during March and April 2011. A response of 67% was received. Overall, those engineers surveyed felt that the process was much improved from the previous public works permit process. Engineers had varying suggestions for additional improvements to the process, which included a more focused review at the 30% meetings, evaluating the time required for the 60% review, changing the review process to allow for a shorter process for less complicated projects, identifying issues with infill projects, requests for PBOT to publicize current practices and to update guidelines for street improvements, and asking for a clarification of what requests go through a Public Works Appeal versus a Design Exception.

While the continued economic downturn has impacted the number of permits that have made it through the system, and the number of survey responses received is more anecdotal than statistically significant, they do support process improvements that are recommended as part of next years work plan, as well as highlight additional work items that require attention out side of the Public Works process such as Infill development.

Quarterly reports on policy and program decisions as well as appeals activities, issues and determinations have been provided to City Council, Planning and Development Directors, Development Review Advisory Committee, Planning and Sustainability Commission, Citywide Land

Use Group, and other community stakeholders. Quarterly reports will continue to be sent to these groups.

Attendance and a presentation at the Planning and Development Directors meetings were held July 14, 2011, January 13, 2011 and July 14, 2010, as well as with the DRAC Subcommittee (and User group) on July 16, 2010. DRAC has been receiving monthly reporting on appeal issues and a discussion of the recommendations within this report was conducted at their June 21, 2011 meeting. These semi-annual meetings with the Planning and Development Directors and DRAC are to identify and prioritize refinements to public works permitting policies, programs and procedures based on reports of appeals and policy balancing decisions, survey findings, written requests from applicants, and staff recommendations.

This 2011 report is the annual report on public works permitting to Council for this year. The next annual report will be presented by the Public Works Permitting bureaus to Council in July/August 2012.

Public Works Permitting – Work Plan & Ongoing Tasks

1) Work Plan for 2011-2012

- a. **Public Works Inquiry Meetings and Early Assistance.** The current process needs improvement and refinement. The goal of the improvements should be to establish clear and consistent communication with PW applicants regarding the requirements for PW permit submittals, provide appropriate tools and meetings to provide PW permit information regarding specific projects to applicants, and include appropriate options so relevant meaningful information is provided to the applicant.
- b. **Appeals Process, Design Exceptions, and Policy Feedback Loop.** The current process needs further improvement and refinement. The goal of the improvements should be to consider modifying the role of the Appeal Panel to more effectively utilize and enhance the contribution of the members in the appeals process regarding consistent application of decisions and to tap into their expertise on design alternatives to street sections; and to create a more program-based and structured system. This should include a proposal for a robust policy feedback loop as part of the overall improvements to the appeals process and report how, when, and what financial support will be needed to implement that feed back loop to council.
- c. **Fees.** An evaluation of a fixed fee schedule, hourly usual and actual costs, and tiered system of public works fees will be evaluated.
- d. **Public Outreach.** Changes to the public works permit process and policy interpretations need to be communicated to the public and customers. A variety of methods for public outreach should be utilized (website, service level alerts, publications, etc.). The same communication tools should be examined and implemented as appropriate to provide SDC related information – waivers, deferral programs, and financing programs.
- e. **Reporting, trends, and analysis.** Report and analyze permit and appeal systems level data to influence efficiencies and policy recommendations based on shifts and trends and to influence staffing levels.

2) Ongoing Tasks

- a. Quarterly report of policy and program decisions, 3 to 5 key indicators of the effectiveness and efficiency of public works permitting services, and appeals activities, issues and determinations. The report will be distributed to City Council, Planning and Development Directors, Development Review Advisory Committee, Planning and Sustainability Commission, Citywide Land Use Group, and other interested development and community stakeholders ongoing every quarter.
- b. Ongoing semi-annual meetings with Planning and Development Directors, DRAC, and the User Group to identify and prioritize refinements to public works permitting policies, programs and procedures based on reports of appeals and balancing decisions, surveys, written requests and staff recommendations.
- c. Annual report to Council on Public Works Permitting. The public works bureaus will collect workload data including demand for staff services at each step in the new public works permitting process, staffing levels, applicant and City turnaround times, the percentage of successful intakes occurring without the need for additional intake meetings and reviews, and the number of process complaints filed with City Commissioners. Include appeals reports in the annual process of evaluating and considering improvements to permitting policies, procedures and programs.

CITY COUNCIL DIRECTIVES ON PUBLIC WORKS PERMITTING
S-438 Report to Council on the Colocation of Permitting Functions

April 16, 2009 (includes commentary from July 9, 2009 and September 23, 2009 staff reports)

TO THE COUNCIL:

The Commissioner of Public Safety concurs with the recommendation of the Director of the Bureau of Development Services, and

RECOMMENDS:

That the City Council accept the report as complete and direct City bureaus to:

1. Commence co-location of programs and personnel from the infrastructure bureaus necessary for the review and issuance of all development related permits in the 1900 SW 4th Avenue building on or before July 1, 2009. Co-located positions will perform their duties in a common location to enhance customer service delivery, but will continue to serve under the authority of their respective bureaus. Co-located programs and positions shall include but not be limited to those outlined in Exhibit A. The Director of the Bureau of Development Services shall be the ultimate authority in the identification of co-located programs and positions for the 1900 SW 4th Avenue building to ensure that co-located staff have the appropriate knowledge and authority to enhance customer service in the City's permitting functions.
2. Develop an Employee Transition & Support Plan for the employees who will be impacted by the transition to ensure that new staff are welcomed to BDS and that their concerns and issues are addressed.
3. Create an effective conflict resolution process to address policy and code conflicts between bureaus, including the Development Review Advisory Committee (DRAC) and Planning Commission.

Recommendations from September 23, 2009:

APPEALS PROCESS

- Implement procedures to identify and resolve development review issues involving competing technical requirements, policies and regulations as they apply to specific sites and permit applications. See Appendix D [not included in July 2010 report] for a graphic representation of this proposed internal City bureau resolution process.
- Focus public works balancing and coordination decisions on the site-specific requirements of the development application. Use the process to identify citywide issues for future work as a part of a continuous improvement process for public works permitting policies, regulations and programs.
- Record decisions for future review and consideration as a part of a continuous improvement program for public works policies, standards and regulations. Post decisions to an Internet site for access by interested development and neighborhood stakeholders, and the general public.

INTERNAL POLICY BALANCING

- To the greatest extent possible, make balancing and coordination decisions in a timely manner to ensure compliance with posted turnaround times. Expedite the processing of development applications in the event of a potential delay caused by an inter-bureau balancing or coordination issue.
 - Empower public work permit review personnel to identify balancing issues and recommend solutions.
 - Create an inter-bureau Quick Response Team consisting of team leads, section supervisors and division managers. Empower the team to balance and coordinate competing policies, standards and regulations.
 - Refer difficult technical and policy issues to chief engineers (technical) and bureau directors (policy) with expedited turnaround times to prevent permitting backlogs.
4. By no later than July 1, 2009, the Interagency Team defined in Exhibit D shall work with DRAC to:
 - a. Establish standard turnaround times for permit application reviews, code appeals, and other associated services provided by the Portland Bureau of Transportation (PBOT), the Bureau of Environmental Services (BES), the Portland Water Bureau (PWB) and Portland Parks and

Recreation (PPR) in a manner that is consistent with established BDS turnaround times outlined in Exhibit B and present them to the City Council for approval.

Recommendations from September 23, 2009:

ONLINE INFORMATION

- Provide online access to permit processing guides, calculators for fees and charges, appeals procedures and other development review and permitting information.
- Post public works permit projects to an Internet site for early identification by development and neighborhood stakeholders, perhaps as early as the first scoping and design meeting with City public works staff. Investigate the development of an online mapping system for easy identification of pending public works permitting projects.

EARLY ASSISTANCE

- Offer “Public Works Inquiry” clinics and personal consultations so that potential applicants can ‘kick the tires’ before making development decisions. Include technical staff in early inquiry meetings and meetings at the initiate stages of design.
- Require applicants to attend a public works inquiry meeting, land use review or pre-application review before initiating the scoping and concept refinement phase of the public works permitting process.

TIMELINE

- Establish a performance standard of 10 weeks to complete the review of a public works permit application that meets all in-take requirements. Allow for no more than 1 additional week to issue a permit once the review is complete.

PROCESS

- Implement a new public works permitting process that emphasizes complete information and technical guidance for scoping and concept refinement or design development prior to the initial submittal of a public works permit application. This new process shall be implemented by January 2010. See Appendix B [not included in July 2010 report] for a graphic representation of these recommendations.
 - Implement strict in-take standards for public works permit applications. Reserve the right of City to determine if the alterations in design are such that it is a new project altogether.
 - Require three problem solving/discussion meetings with the applicant’s development team at fully-defined 30%, 60% and 90% stages of project design to ensure that the project is on track, in compliance with public works requirements, and the City is part of the design team’s decision-making.
 - Require applicants to repeat the review meeting for the 60% and 90% milestones if their plans do not meet City standards or have not resolved development issues raised by the reviewing staff.
 - Use the scoping and concept refinement phase to tease out and deal with most inter-bureau balancing issues and appeals.
- b. Establish predictable fee schedules for all permits and associated services provided by PBOT, BES, PWB, and PPR and present them to the City Council for approval. An example of this type of fee schedule is outlined in Exhibit C.

Recommendations from September 23, 2009:

PROCESS

- Present fees schedules for City Council consideration in November 2009 and implemented in January 2010.
- Institute both fixed fee schedules and hourly rates for all public works permitting services. Establish new rate schedules and methodology administrative rules for implementation by July 2010. See Appendix C [not included in July 2010 report] for a graphic representation of these recommendations.
- Offer a subsidized fee for simple public works inquiry meetings (“clinics”) and fees based on full cost recovery for more detailed public inquiry consultations.
- Establish fixed fees for meetings during the three stages of Scoping and Concept Refinement (30%, 60% and 90% of public works project design).
- Establish a tiered system of fixed public works permit fees, reflecting the average cost of reviewing a project based on three tiers of project size and complexity.

- Require a fixed deposit of \$2,500 when plans are submitted for review. Credit the deposit against the final permit fee. Require the applicant to select one of two permit fee options – a fixed fee based on the complexity of the project, or a calculated fee based on “usual and actual costs” of the permit review.
- Continue current practices for recovering the costs of construction management and inspection services.

ONLINE INFORMATION

- Provide an online calculator for estimating permitting and other process fees. Incorporate fee information in permitting brochures and guides.
- c. Establish formal appeals processes for PBOT, BES, PWB, and PPR consistent with the existing appeals processes provided by the Bureau of Development Services as outlined in Exhibit E.

Recommendations from July 9, 2009:

- Limit appeals to the interpretation of existing policies and requirements as applied to a specific development site or permit application. Redirect general challenges to policies and requirements to an annual inter-bureau process to review and consider policy and program improvements. See Appendix D [not included in July 2010 report] for a graphic representation of this process.
- Establish uniform and consistent appeals procedures for all permitting bureaus that provides multiple opportunities for review and consideration:
 - Level 1 - Administrative Review by three development division managers and one representative each from the Development Review Advisory Committee and the Citywide Land Use Group.
 - Level 2 - Appeals Hearing and final determination by an Appeals Board consisting of the City Engineer and three Chief Engineers. Any Policy review will be incorporated as needed by consultation with the public works Bureau Directors and the Director of the Bureau of Development Services.
- Publish details about the appeals process and include information about appeals rights in permitting brochures and guides.
- Fully document appeals procedures and decision criteria.
- Provide a single-point of contact for intake, assistance, tracking, recordkeeping and reporting.
- Adopt strict turnaround times for each step in the appeals process.
- Record all appeals requests, findings and determinations.
- Prepare quarterly reports on appeals activities, issues and determinations. Transmit reports to the Planning and Development Directors, Planning Commission, Development Review Advisory Committee, Citywide Land Use Group and interested development and neighborhood stakeholders. Include reports in the annual process of evaluating and considering improvements to permitting policies, procedures and programs.
- Adopt fees to recover the costs of appeals.

5. By no later than September 1, 2009 the Interagency Team shall work with DRAC to:

- a. Develop and present for City Council approval a standardized Systems Development Charge (SDC) program which offers customers a uniform approach to SDC low income waivers, SDC deferrals, and SDC financing.

Recommendations from September 23, 2009:

Low Income Waivers and Exemptions

- Adjust Parks process to include interest and repayment charge to align all bureaus business practices.
- Adjust repayment charges to discourage abuse of the system.
- Reduce the simple interest rate to the interim interest rate for special assessment loans.
- Adopt Code provisions to standardize the granting of SDC exemptions and adjustments.

Deferred Payments

- Extend short term deferrals to all SDCs.
- Set the length of a short term deferral based on the class of development:
 - 9 months for projects valued under \$500,000

- 12 months for project valued between \$500,000 and \$3 million
- 18 months for projects valued over \$3 million
- Secure the deferral with a recorded master financing agreement and property lien.
- Investigate and recommend alternative methods of security for SDC deferrals.
- Charge simple interest during the deferral period at the interim rate for special assessment loans.
- Charge loan origination and recording fees consistent with special assessment loans.

Loan Financing

- Provide a master financing contract for all SDC financing.
- Provide 5, 10 and 20-year loan term options for all SDCs.

Other Recommendations

- Clarify current policies regarding adjustments for transit-oriented and green building developments.
- Increase public access to information about SDCs, their purpose, revenues raised and programs/projects funded.

6. Any costs necessary to accomplish the co-location of permitting personnel at the 1900 SW 4th Avenue building shall be borne by PBOT, BES, PWB, and PPR commensurate with the proportion of staff being accommodated at the 1900 SW 4th Avenue building.

7. The Director of the Bureau of Development Services shall report to the City Council on the effectiveness of these initiatives in improving customer service in Portland's permitting system by July 1, 2010, and make a recommendation on whether the City Council should pursue full consolidation of the City's permitting functions. This recommendation should be informed by DRAC, CityWide Land Use Group, organized labor and community stakeholders.

ADDITIONAL RECOMMENDATIONS FROM THE INTERAGENCY TEAM

CONTINUOUS IMPROVEMENT PROCESS

Recommendations from July 9, 2009:

Additional improvements were recommended by the Interagency Team

The Interagency Team recommends the following process improvements to ensure that policy, program and regulatory issues that arise out of the review of public works permit applications inform a process of continuous improvement. Internal policy balancing decisions and appeals determinations may have citywide ramifications that warrant the attention of program managers, bureau directors, citizen advisory bodies, development and neighborhood stakeholders and City Council.

- Establish recording and reporting procedures for all appeals and inter-bureau balancing decisions. See Appendix D [not included in July 2010 report] for a graphic representation of this proposed process.
- Provide quarterly reports of policy and program decisions to the Planning and Development Directors, Development Review Advisory Committee, Planning Commission, Citywide Land Use Group, and other community stakeholders.
- Conduct semi-annual meetings of the Planning and Development Directors and DRAC to identify and prioritize refinements to public works permitting policies, programs and procedures based on reports of appeals and balancing decisions, surveys, written requests and staff recommendations.
- Present an annual report on public works permitting to Council.

PUBLIC WORKS PERMITTING INITIATIVES – MEASURES OF SUCCESS

Recommendations from July 9, 2009:

The public works bureaus propose the following “measures of success” to monitor the effectiveness of improvements to public works permitting services. The measures are divided into two broad categories, reflecting the difference between performance during the initial implementation of process improvements, and performance once the bureaus have implemented all process improvements, including the colocation of development review and permitting staff at the 1900 Building.

Initial Implementation Period

The public works bureaus will implement a comprehensive set of process improvements during the first six months of the current fiscal year. By the end of December 2009, the bureaus will have implemented the following reforms:

1. Colocate more than 40 employees on a single floor of the 1900 Building
2. Institute a completely new public works permitting process with an emphasis on complete information and early assistance
3. Fully integrate PW processes with existing TRACs permit process tracking, including those features available for public use.
4. Institute new procedures to reconcile and balance multiple rules, regulations and Code requirements involving three public utilities, citywide transportation infrastructure, urban forestry policies, and requirements related to fire, life and safety standards
5. Institute new public works permitting appeals procedures
6. Establish predictable turnaround times and fees for public works permitting services

These reforms will be implemented while the public works bureaus are responding to existing and new development proposals and applications, adjusting to significant changes in the operations of the Bureau of Development Services, and managing the ongoing impacts of a depressed economy on City resources.

With these obligations and circumstances in mind, the public works bureaus recommend the following simple measures of success for the initial implementation period through June 2010:

- Timely and effective implementation of all the process improvements
- Ongoing collaboration with the Development Review Advisory Committee, Citywide Land Use Group, other advisory bodies and community stakeholders
- General acceptance of the process improvements by applicants and participating development professionals
- Greatly reduced turnaround times for the issuance of public works permits
- Alignment and coordinated development review and permitting business processes of all development bureaus

In addition to these measures, the public works bureaus will collect workload data including demand for staff services at each step in the new public works permitting process, staffing levels, applicant and City turnaround times, the percentage of successful intakes occurring without the need for additional intake meetings and reviews, and the number of process complaints filed with City Commissioners.

In the spring of 2010, the public works bureaus will conduct a survey of applicants, participating development professionals and affected staff to assess the effectiveness of colocation and public works permitting reforms. The survey will be modeled on customer services satisfaction surveys conducted by BDS for building permit and land use reviews.

The primary focus of this initial assessment is to determine if the process improvements are moving in a positive direction, and are supported by DRAC, Citywide Land Use Group, other City advisory boards and community stakeholders. Such an approach represents a change in the timeline originally set by City Council in April 2009. City Commissioners will need to endorse this change and accept a longer period of time to establish a baseline of permitting experience to evaluate the long-term benefits and costs of the improvements. During this period, success will hinge on a spirit of experimentation, continuous improvement and collaboration by all participants and stakeholders.

Ongoing Performance Monitoring

Beginning in January 2010, the public works bureaus will implement a comprehensive performance monitoring system. The system will rely on a combination of workload data, business process metrics and survey responses to assess the ongoing performance of the new public works permitting process. Data will be collected regarding each step in the process, from early assistance and public works inquiry, through the three steps of concept refinement and intake, and finally through permit review and redlines. The system will include the following measures of success:

- Workload – User demand, staffing levels, applicant and staff turnaround times, and number of attempts to successfully complete a process step.
- Survey – Access to useful/accurate process and appeals information, access to useful/accurate cost estimates, responsiveness to inquiries, staff knowledge and consistency, coordination and collaboration among reviewing entities, predictability of turnaround times and costs, and completeness, efficiency and quality of redline reviews.

The public works bureaus, in collaboration with DRAC, Citywide Land Use Group, other community stakeholders and City Commissioners, will use the initial work of the performance monitoring system to develop 3 to 5 key indicators of the effectiveness and efficiency of public works permitting services. These key indicators will be reported to DRAC and other interested advisory bodies, bureau directors and City Commissioners on an ongoing basis, and will provide direction for future process improvements.

Public Outreach Summary for PWP Changes	Dates	
City Council	04/19/11 01/28/11 10/29/10 07/21/10 01/13/10 12/17/09 09/23/09 07/09/09 04/16/09 01/7/09	<ul style="list-style-type: none"> - 3rd Quarter Report - 2nd Quarter Report - 1st Quarter Report - Report to Council (status report) and 7/28/10 City Council session - City Council (policy) ordinance on Administration of Public Works Permits (add 17.06) and code/policy decision on appeals - Council considered ordinances on fees for PW permits and SDC standardization - Council accepts report and adopted Interagency Team recommendations on conflict resolution procedures and SDC standardization - Council accepts report and adopted Interagency Team recommendations on public works permitting turnaround times, predictable fees, appeals, and colocation of staff - Council approved set of improvements to development review and permitting services - Council directs bureaus to work together to implement the measures set out in the framework for "Improving the City that Works"
Public Works User Group (including emails)	04/19/11 01/28/11 10/29/10 10/07/11 07/15/10 06/17/10	<ul style="list-style-type: none"> - 3rd Quarter Report emailed - 2nd Quarter Report emailed - 1st Quarter Report emailed - Meeting (system design) on IQ meetings, appeals - Meeting (system design, code, policy) on appeal deadlines, appeal tracking, design exceptions - Meeting (implementation) public works triggers, appeals
Planning and Sustainability Commission	04/19/11 01/28/11 10/29/10	<ul style="list-style-type: none"> - 3rd Quarter Report emailed - 2nd Quarter Report emailed - 1st Quarter Report emailed

Public Works Permitting Outreach Summary

EXHIBIT B

DRAC	04/19/11	- Appeals status report (PWP IA Policy Team) and 3rd Quarter Report
	01/28/11	- 2nd Quarter Report emailed
	10/14/10	- DRAC meeting and 1st Quarter Report
	12/10/09	- DRAC Meeting – Status Report “Colocation”
	11/12/09	- DRAC Meeting – Status Report “Colocation”
	10/08/09	- DRAC Meeting – Status Report “Colocation”
	06/11/09	- DRAC Meeting – Status Report “Permit Consolidation”
	05/14/09	- DRAC Meeting – Status Report “Permit Consolidation”
	04/09/09	- DRAC Meeting – Status Report “Permit Consolidation”
	03/12/09	- DRAC Meeting – Status Report “Permit Consolidation”
	02/12/09	- DRAC Meeting – Status Report “Permit Consolidation”
DRAC - City Work Group Subcommittee	2010	- only met as part of PW User Group
	12/03/09	- Meeting
	11/12/09	- Meeting
	10/29/09	- Meeting
	10/01/09	- Meeting
	09/10/09	- Meeting
	08/20/09	- Meeting
	08/06/09	- Meeting
	07/30/09	- Meeting
	07/22/09	- Meeting
	07/15/09	- Meeting
	07/08/09	- Meeting
	06/24/09	- Meeting
06/17/09	- Meeting	

Public Works Permitting Outreach Summary

EXHIBIT B

	06/10/09	- Meeting
	06/08/09	- Meeting
	06/03/09	- Meeting
	05/27/09	- Meeting
Citywide Land Use Group	04/19/11	- 3rd Quarter report
	01/28/11	- 2nd Quarter report
	10/29/10	- 1st Quarter Report
	10/25/10	- Danaher & Wier met with group to discuss process and improvements

Portland, Oregon

**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Denise Kleim	2. Telephone No. 503-823-7338	3. Bureau/Office/Dept. BDS
4a. To be filed (hearing date): August 3, 2011, 9:50 TC	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to Commissioner's office and FPD Budget Analyst: 7/29/2011
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed	6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Proposed Improvements to Public Works Development Review and Permitting Services (Report)

2) Purpose of the Proposed Legislation:

This is an Annual Report to Council on directives and recommendation on consolidation or colocation of Public Works development review and permitting services.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- City-wide/Regional Northeast Northwest North
 Central Northeast Southeast Southwest East
 Central City

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

Not anticipated to generate or reduce revenue.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

No costs expected out of this report and directives. Bureaus already have covered costs of locating staff in the 1900 Building.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*
No

- **Will positions be created or eliminated in future years as a result of this legislation?**
No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES:** Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Improvements to the public works permitting services is expected which will benefit the community by providing greater transparency of decision making and permitting.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

See Exhibit B attached to report.

c) How did public involvement shape the outcome of this Council item?

The public informed the direction of the recommendations and creation of the work plan for the next year.

d) Who designed and implemented the public involvement related to this Council item?

This was a joint effort of BDS, PBOT, BES, and Water.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

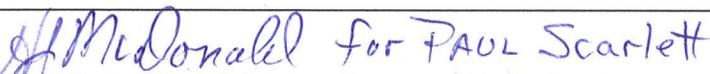
Christine Leon, PBOT Development Services Division manager, 503-823-7441,
Christine.leon@portlandoregon.gov

or

Lana Danaher, BES Engineering Systems Development Division manager, 503-823-5755, lane.danaher@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Future public involvement is an ongoing part of monitoring the improvements to the public works permitting process, the public works appeals process, and is incorporated in work plan items for the upcoming fiscal year.


Paul L. Scarlett, Director, Bureau of Development Services

APPROPRIATION UNIT HEAD (Typed name and signature)