



City of Madison
Proceedings - Final
ECONOMIC DEVELOPMENT
COMMISSION

City of Madison
Madison, WI 53703
www.cityofmadison.com

Wednesday, October 5, 2005

5:00 PM

Municipal Building, Parks Conference Room

1 Call to Order / Roll Call

Present: Patricia E. Jenkins, Ald. Zachariah Brandon, Susan M. Gleason, Richard A. Slone, Mark Clear, Jeff C. Erlanger, Thomas W. Still, Mark D. Bugher and Edward G. Clarke

Excused: Michael E. Falk and Ralph Kauten

2 Minutes of September 7, 2005 Meeting

It was noted that portions of the minutes appear to be repeated. Naherny said she would look into the formatting required by the Legistar system.

A motion was made by Gleason, seconded by Slone, to Approve the Minutes The motion passed.

10 Public Comment - See #10 below

On a request from Chairman Bugher, Gleason moved, seconded by Erlanger, to move Agenda Item #10, Public Comment, next to allow Mario Mendoza to speak. The motion passed.

3 Presentation / Discussion of the Collaboration Council

Bugher introduced Jennifer Alexander, President of the Greater Madison Chamber of Commerce and Rafael Carbonell, the Chamber staff for economic development.

Alexander provide the following overview of the Regional Collaborative:

· It is a Dane County economic development initiative designed to address the lack of focus of all the economic development groups currently working in the area.

· To date, its work has occurred through the Collaboration Council, a cross-section of leaders from Dane County's business, government, education and non-profit communities. The goal is to grow the Dane County economy in ways that advance the quality of life.

· The Collaboration Council is now gearing up for Phase II-- implementation teams are forming and the initiative is being taken to a broader group to invite participation and support.

· It is truly unique in Dane County in that it is private sector driven, collaborative and focused on quality of life and economic growth.

Alexander invited Bugher, Clarke and Still and others involved in the initiative to make comments.

· Bugher noted that one strong recommendation of the Collaboration is the creation of a

regional entity, an economic development corporation that would work with all in the region on business retention and targeted attraction.

· Clarke noted that the #1 challenge for Dane County is workforce development- the area doesn't have the workers for the jobs projected.

Discussion with the EDC members present included:

· A recommendation from Brandon that area elected officials be invited to a meeting to hear about and discuss the Regional Collaboration. Although the initiative is private sector driven, it is critical to get the buy-in of the elected officials of all the communities in Dane County.

· Funding for the economic development corporation- anticipated that it would be predominantly private sector with a modest commitment from public sector.

The effort to raise the private sector funds is underway.

Alexander closed her presentation with 2 requests:

- 1. Each EDC member fill out the comment form she distributed.*
- 2. Tell five colleagues about the Regional Collaborative*

Bugher thanked Alexander for her time and asked her to come back to a future meeting of the EDC with an update.

4 New Initiatives

4a Proposal for Hotel Room Tax (Transit Occupancy Tax) Study - Ald. Radomski

Bugher introduced Ald. Radomski, currently serving as the alder on the board of the Greater Madison Convention and Visitors Bureau (GMCVB). Radomski introduced Jim Davis, General Manager for the Crowne Plaza/Holiday Inn at East Towne and also a member of GMCVB.

Radomski and Davis presented their concerns about the current distribution of the TOT- transient occupancy tax, aka room tax. The GMCVB is grossly under funded and this affects its ability to market the area for tourism and convention activity. The Madison area faces growing and new competition for the visitor destination dollars -- Madison is starting to lose share.

They are undertaking a study that they hope will serve as a catalyst for making change in how the TOT is used. The study will provide statistical data that will document the competition, establish comparable parameters with like cities and provide other information about the best uses of TOT to support the growth of the tourism industry.

They requested that the EDC participate in the study by having one of its member serve on the study oversight committee. After further discussion, Ed Clarke volunteered to serve on the oversight committee. Bugher observed that the EDC supports the use of data for making policy decisions and would look forward to the hearing the study results. He thanked Radomski and Davis for their time.

5 OLD BUSINESS

5a The Comprehensive Plan - Revised Economic Development Chapter

Naherny reported that the Comprehensive Plan document approved by the Plan Commission for adoption will probably be on the EDC's November agenda.

5b Mayor's Response to the EDC Report

Bugher reviewed with the Commission suggested responses to the written report the Mayor gave them at the August meeting. He said that with the assistance of staff he would prepare a memo to the Mayor, thanking him for his follow-up on the EDC report recommendations and giving him comments and suggestions for continued action. All present agreed with comments as discussed below:

EDC Recommendation - Fiscal Estimate. City should provide a fiscal estimate relating to the cost to businesses affected by an ordinance.

Mayor Response: Refer major proposed ordinance/policy changes to the EDC...

Commission Response: Willing to be the commission that examines the costs and benefits to businesses that may result from major ordinance/policy changes. Ask three things in order to be able to do this assessment well:

· Early discussion of proposed changes - The Commission would like to be Mayor's first source of advice and perspective on proposed ordinances, policies and changes with a potential to affect businesses i.e. before such changes are introduced for action.

· Adequate time to assemble and analyze data and facts- Major policy decisions should be based on good data. As volunteers EDC needs sufficient time to collect data and analyze it before can draw reasonable conclusions. For example, to understand the fiscal impact of a local ordinance requiring private employers to provide mandatory sick leave, there needs to be a well-thought out research methodology and the time to conduct the research if we are serious about using data to guide decisions.

· Resources to do the necessary research and analysis- Surveys and other research methods require funding and staff support.

EDC Recommendation - Notification to Business Associations. The Report indicated that, while neighborhood associations are routinely and consistently invited to public meetings, business associations are not.

Mayor Response: Co-authored legislation to require equal treatment of business associations with neighborhood associations in terms of project notifications, which the Council passed last night. In addition:

· The City's Department of Planning and Development Dept. is now routinely including business associations in such notifications where the same is provided by virtue of administrative action, rather than required by ordinance;

· P&D staff are working to link business associations in GIS system. This will ensure that the proper business association is notified about projects in their area.

Commission Response: The official notification of business associations and other business groups is an important step in communicating with businesses. Urge city staff to expand this effort in two ways: (1) involve businesses and their associations early and often in discussions of plans and changes for their area, e.g., neighborhood plans and street closings/reconstructions; and (2) encourage neighborhood associations to invite

businesses into their associations and to their meetings.

EDC Recommendation - Code Interpretation and Enforcement/Conflicting Policies. The Report indicated that City agencies at times adopt conflicting interpretations of codes and businesses are presented with code requirements at a late stage of a project.

Mayor Response: On the Mayor's direction, Inter-Departmental Staff meetings are being conducted every Thursday to examine and develop solutions for conflicts between City agencies. These meetings have already yielded very positive results in resolving conflicts, sometimes before they become a problem for an applicant.]

In addition, at Mayor's direction, a group of City staff met to discuss the top issues over which agencies run into conflicts. Representatives from the following agencies participated in this process: Engineering, Madison Fire, Planning & Development, Building Inspection, Water Utility, and Transportation. The staff team is working on action plans for top issues.

Furthermore, City staff have embarked on a process of inter-departmental training. These and related initiatives are being driven by a new "What do I need to do to make this work?" motto among City agencies, and shows great promise for developing a better understanding of different City functions and early conflict resolution.

Commission Response: very pleased to learn of these actions and believe that if the Mayor continues to hold city managers accountable for these efforts more improvements can and will be made.

EDC Recommendation - Cumbersome, Inconsistent Processes/Board and Commission Management and Mission Creep. The Report notes that the City does not speak with one voice when interacting with business users. Also, for complex projects, approval processes are not timely and not clear. Finally, Commissions are unclear on the scope of their authority and function.

Mayor Response: In March, Mayor visited the Urban Design Commission and provided parameters for their work...[setting] set forth the following guiding principles: (a) be consistent and predictable; (b) be sensitive to cost and impact on affordable housing, TIF, etc.; (c) balance the foregoing with good design and suitable materials. I provided additional guidance on how these principles may be furthered.

In addition, the Office of the City Attorney has already engaged in training for staff of committees earlier this year, will engage in training of new committee members later this year, and is planning a training specifically designed for the Plan Commission and the Alcohol License Review Committee.

To follow-up on the Mayor's recommendations, staff will be working with the Urban Design Commission to review the standards used to guide Urban Design Commission review of individual projects within urban design districts, planned developments, conditional use permits, and for public projects.

Additional training of the Plan Commission and Urban Design Commission and staff will help to ensure that there is a common understanding of the current ordinance requirements, the scope and role of each commission and the standards used by all agencies in the review process.

Commission response: the initiatives described are good first steps. Would also be useful to get better data on the effect of the changes and training. Encourage city staff to

begin routine surveying of land use applicants on their experience with each reviewing and approval commission. Such a survey could be administered right after final action is taken on an application.

EDC Recommendation - Number of Reviews required for small changes. The Report finds businesses and City managers in agreement that there are many small projects that go through more review than is warranted.

Mayor Response: A staff team has been formed within the Planning Unit and Zoning Office to review the permitted and conditional uses listed within the Zoning Code and to look at the PUD approval process.

Commission Response: Like to see a follow up report on the progress related to this initiative.

EDC Recommendation - Improvements to City Processes. The Report mentions several aspects of City processes that City agencies should continue to focus on improving.

Mayor Response: Over the past two years, the Department of Planning and Development has implemented a variety of initiatives to improve the development review process and better utilize web-based tools as part of that process.

Commission Response: Understand that many improvements will take years to implement and that often people aren't aware of improvements already made. The intent of this recommendation is to call attention to the need to look at city processes from the users' perspectives, e.g. businesses, and make changes as needed throughout all city agencies.

EDC Recommendation - Adopt an Economic Development Mission Statement. The City does not have a unified economic development mission and statement on how it wants to work with the business community.

Mayor Response: Support this proposal, and will work with the Council to develop a City mission statement. A first draft:

Madison will strive to be the healthiest city in America. We will work toward this goal by constantly improving the quality of life in our community by making responsible investments in public infrastructure and services and by protecting the environment and workers through sensible regulations. Madison will promote the entrepreneurial spirit by pursuing these goals in a cooperative manner and with efficiency and flexibility. All members of the public, including citizens and businesses, will be treated as customers with respect and the same level is asked by city government in return.

Commission Response: Appreciates that Mayor recognizes the need for a statement of the City's commitment to economic development. The points in the draft mission statement are certainly important. However, a mission statement must be concise and specific. Also needs to articulate a commitment to economic development must have substantive language supporting the growth of a healthy economy, job creation, workforce development and business growth.

The EDC has not reviewed its own mission statement in a number of years. Suggest the Commission draft a citywide economic development mission statement as part of our review of own mission to achieve the goals of a healthy economy and job creation. Welcome another opportunity to discuss the city's economic development mission with the Mayor, as well as with key city agencies and area economic development

organizations.

EDC Recommendation - Create a Cabinet-Level Office of Economic Development.

Mayor Response: The Department of Planning and Development is currently examining a broad restructuring to improve their level of service and effectiveness. This proposal will be examined within the context of that review.

Commission Response: Requests Mayor reconsider and urge the creation of either (1) a separate department of economic development or (2) an office of economic development that would be housed within the Mayor's office. The economic development function needs both the direct access to the Mayor and the Mayor's authority and support to work across department organizational lines to accomplish economic development goals. Suggest the UW's Office of Corporate Relations as a model. This Office, which reports directly to the Chancellor, was created from several different UW departments to provide better service and connections between the University and the business community.

EDC Recommendation - Develop a Customer Satisfaction Feedback Mechanism. The Report recommends the development of a customer satisfaction feedback process to place a focus on customer service.

Mayor Response: The Office of Business Resources has created a customer feedback survey form consisting of four questions. These forms will be provided or made available whenever and wherever City agencies come in contact with the public. These questions are meant to supplement any existing customer satisfaction surveys and will provide a baseline set of questions across all City agencies that interact with the public.

Mayor is asking all Departments that interact with the public to incorporate these questions into their existing surveys, or if no survey exists currently, to utilize this new survey, and to summarize and report on the results of these surveys at their quarterly meetings with him.

Commission Response: an excellent idea - it reinforces the importance of getting data from the customer to continuously improve city services.

EDC Recommendation - Create an Ombudsman/Project Manager and a First Point of Contact for Businesses Seeking City Approvals and Permits.

Mayor response: This item is discussed in more detail in the item below. Generally speaking, the City already assigns a single point of contact for major projects, and plans to continue doing so in the future.

COMMISSION RESPONSE: See below

EDC Recommendation - Evaluate and Redesign System of Development Review. The Commission's Report noted that the UW's LaFollette School of Public Affairs has offered to provide students to conduct such a review.

Mayor Response: As the Commission is well aware, the LaFollette Institute's offer was accepted and staff worked diligently with students. The report, released in May, 2005, focused on a number of perceived problems with the development process, including: the speed of the process, conflicting ordinances and agency requirements, uncoordinated neighborhood involvement, and understanding of the application process by applicants.

The report recommends that the City consider a combination of options to address perceived concerns with the process. These options include:

- 1. Creation of a one-stop shop for development consultation, application processing and review and permitting.*
- 2. Expand the use of automated project tracking and permitting systems.*
- 3. Expand the use of project facilitators and reviewing the role of development case managers.*
- 4. Overhaul the development ordinances (Zoning Code and Subdivision Ordinance).*
- 5. Team consultation.*
- 6. Education programs.*
- 7. Earlier neighborhood notification.*

At Mayor's direction, Mark Olinger has worked with City staff to summarize initiatives being undertaken to address the issues raised by the LaFollette report. His report is provided to you separately. Mayor has reviewed his report, and believes it shows a strong commitment by City staff to improve and streamline our development review process.

COMMISSION RESPONSE: See below

EDC Recommendations - Single Location for Project Entry and Management. The Report suggests the creation of an office of development services to centralize such functions.

Mayor Response: This recommendation is addressed under the "one-stop shop" item in the LaFollette Report section of the memo, above.

Commission Response: Applaud the Mayor's budget commitment in 2006 operating budget to fund the purchase of software that will result in a Web-based, completely integrated plan review and permitting system. Such technology will make it even easier for the City to create a true "first start" center for development services.

A center dedicated to project entry, review and management is very important to good customer service in the City. As shown in the LaFollette report, many of the cities that have made significant improvements in this area have instituted some version of a Development Services Center focused on all aspects of development review and permitting.

EDC Recommendation - Presumptive Approval. The Report suggests that the City automatically grant approval of certain permits after 180 days have passed.

Mayor response: There are various reasons why presumptive approval is not advisable. First, some time periods involved in the development process are governed by State Statutes, and therefore not subject to presumptive approval as suggested in the report. Furthermore, there are situations where developers themselves ask for delays because of reasons unrelated to City processes. Most importantly, there is little evidence of projects taking more than 180 days to win approval (or disapproval, as the case may

be).

That said, it is important that the City consistently collect data on its permitting processes and compare it against established schedules. To that end, staff have been directed to do the following:

- *Assemble data to compare against established schedules.*
- *Restate existing schedules for approval.*
- *Establish benchmarks for approvals.*
- *By January 31 of each year, report on length of time for project approvals, as compared to established benchmarks.*

Commission response: This alternative is acceptable if the data show that projects are acted upon within the timelines.

More difficult to measure is the time spent by an applicant conferring with neighborhood associations, other stakeholders and staff before submitting a formal application for review and approval. To the extent that the new permitting system would enable data collection, recommend that the time of informal review also be measured.

EDC Recommendation - Adopt "Best" Organizational Practices including regular review of ordinances, which the City Attorney is working on currently.

Mayor Response: This issue was also largely addressed previously, in the discussion of the LaFollette Report's recommendations. The Office of the City Attorney is developing a plan to present to the Common Council Organizational Committee for the review and update of ordinances. This is already included as a duty for the City Attorney and the consensus of the CCOC is that it made sense to work through the OCA and the CCOC rather than create a new committee. The City Attorney will make a presentation to the CCOC of ideas related to this item during August.

Commission response: This approach is a sound one for the review of ordinances. Research and professional analyses such as the study conducted by the students at the LaFollette School of Public Policy is another example of keeping abreast of best practices. Encourage this approach for all city agencies whose actions in some way affect the community's perception of the City.

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6 ITEMS REFERRED FROM COMMON COUNCIL

6a [01742](#) Creating a TID 36 Stakeholders Advisory Committee.

Ald. Olson spoke about the resolution. She introduced it originally to ensure that over the course of the 20 years it would take to implement the redevelopment recommendations for the Capitol Gateway Corridor/East Rail Corridor area, there would be a group charged with making sure the redevelopment happened in the ways intended. The adopted resolution creating TIF district 36, however, included language that directed the Department of Planning and Development to meet with the stakeholders group and develop a report on the organizational oversight structure by the end of the year. This approach was satisfactory to her and she had no objection to placing this resolution on file.

There was a discussion of the advisory committee structure. Gleason reported that as the EDC representative, she had attended the most recent meeting of the Stakeholders group.

She supports the idea of an advisory committee but disagrees with those who would have the committee take on oversight of the uses of TIF in the area. She is also concerned that the businesses and the business associations in the area be more involved than they seem to be currently. Bugher noted that in earlier discussions the idea of a non-profit development corporation had been suggested; this is still a good implementation tool.

This matter was Place On File. The motion passed.

6b [02077](#)

Creating Section 3.57 entitled "Mandatory Minimum Sick Leave" of the Madison General Ordinances to require employers in the City of Madison to provide sick leave benefits to employees.

Bugher explained that the Commission was not going to take action on the proposed ordinance at this meeting but would hear some background information and discuss how they wanted to proceed in evaluating the ordinance. Bugher invited Ald. King to provide background on the proposed ordinance and review its key provisions [See Resolution 02077]. King is supporting the enactment of the resolution because it is an important public policy measure affecting the well-being of workers and families. The ordinance has been designed to limit the burden on very small businesses. King suggested that the EDC may want to hold a joint hearing with the other referral bodies, City-County Board of Public Health and Equal Opportunities Commission.

Some initial discussion among the Commissioners included concerns about the period of eligibility being tied to probationary periods; fiscal impact on the City, which currently has 300 employees who would qualify; definition of what constitutes an employer.

Testimony of those who registered on the sick leave proposal:

Jim Garner - owner of Sergenians and chair of the Small Business Advisory Council:

- He does not support the proposed ordinance.*
- The proposed ordinance does not recognize or allow for the benefits offered to employees based on industry standards.*
- By his calculations and assuming that all employees who qualified for sick leave used it, it's possible the ordinance could cost the business more than \$200,000.*
- It would place him at a competitive disadvantage with other vendors re city contracts.*

Jennifer Alexander - Greater Madison Chamber of Commerce:

- The Chamber is opposed to the ordinance.*
- Supports getting solid data on the need for this ordinance and the economic impact on businesses in Madison.*
- Need to know how time off for illness is currently handled and what would the effect be on local businesses, jobs and the economy.*

· The effect of this ordinance is to pit business against low income workers.

Bugher noted that Peder Moran had registered but had already left the meeting and that Schoeps had contacted him and would be sending a letter.

The Commission discussed methods for getting more data on the effects of the ordinance. Ideas included a city web site survey, having 3-4 hearings like those used for the EDC report, researching other similar initiatives.

7 Alder's Report

No additional items to report.

8 Chair's Report

No report.

9 Staff Report

No report.

10 Public Comment

Mario Mendoza, Mayor Cieslewicz's aide for economic development, spoke on the Mayor's proposed 2006 operating budget. Following up on the recommendations in the EDC's report to make City government more friendly to business, the Mayor will be fully funding the cost of developing the Enterprise Permitting Project, a web-based, completely integrated land use approval and permit system that will greatly improve the consistency and efficiency of the development approval process.

Chairman Bugher thanked Mendoza for sharing this information in advance of the Mayor's release of his budget and expressed the EDC's appreciation for the Mayor's action.

11 Adjournment

The meeting adjourned at 7:10 p.m.