

CITY OF MADISON  
**INTER-DEPARTMENTAL**  
CORRESPONDENCE

DATE: August 4, 2005

TO: Mark Bugher, Chair  
Economic Development Commission

FROM: Mayor Dave Cieslewicz

SUBJECT: Update on Implementation of EDC Report

In May of 2004, I asked the Economic Development Commission to explore the view that Madison city government is anti-business. In December of 2004 the Commission issued a report to me on Opportunities to Make Madison City Government More Friendly to Business. At that time, I told the commission that I would work with city staff in reviewing the Report's recommendations and would provide an update on our work by this Summer. I am pleased to report to you that city government has already begun implementing many of the recommendations listed in the Report. The following is an update on those efforts.

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

**ACTION:** Refer major proposed ordinance/policy changes to the EDC. This ensures that major ordinances (such as the "big box" proposal) that could have a significant impact on business are scrutinized, without adding an unnecessary layer of bureaucratic review (and the accompanying delay and diversion of staff time) to minor proposals.

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

**ACTION:** I 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.

**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.

**ACTION:** Following my 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. For instance, through these meetings, city staff have been able to resolve conflicts between the interpretation of Chapters 34 and 16 of the Madison General Ordinances governing the width of streets. Also, a number of storm water drainage issues were similarly worked out. City agencies continue to improve inter-agency communications through e-mail and telephone contacts.

In addition, at my 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.

These department representatives identified the following top issues and plans for action:

- (1) Fire apparatus access requirements.
- (2) Storm water management.
- (3) Street trees and fire aerial ladder access.
- (4) Differing interpretations from staff.
- (5) Queuing for drive-up facilities.

The staff team is working on action plans for each of these issues.

Furthermore, city staff have embarked on a process of inter-departmental training. For example, the Madison Fire Department conducted a Fire Code training in June that was well attended, not only by city staff, but by a myriad of developers and consultants. 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.

**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.

**ACTION:** In March, I visited the Urban Design Commission and provided parameters for their work. In summary, I 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. Staff will

start with the creation of a new Urban Design District for the Park Street corridor, which will include more specific and objective standards than are found in any of the other six Urban Design Districts.

These standards will then be used as a prototype to guide the review of standards within the other Urban Design Districts. Staff will also be working to more specifically identify within the Urban Design Commission Ordinance the scope of the Urban Design Commission authority as it relates to Urban Design, architectural review, site planning, energy conservation, storm water management, etc. Completing this work will be a multi-year effort, which will need to be fit in among the many other priority projects in the Planning Unit.

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. Other areas of inter-agency communication and coordination include:

- City Engineering has met with the Urban Design Commission and Plan Commission to discuss new storm water management standards and standards for rain gardens.
- The Fire Department has met with the Urban Design Commission and Plan Commission to review fire access requirements for new development projects.
- The Planning Unit is recommending that City Engineering, the Fire Department and Traffic Engineering prepare a short, multi-page handout that includes checklists which will be used by each agency in the review of development projects and which can be given to applicants in the earliest pre-application discussions with Zoning staff and Planning staff.
- The Planning Unit and Zoning staff have been handing out the standards which are used by Planning staff and the Plan Commission and Common Council in their review of projects. The Planning Unit staff have flow charted the development review and approval process to identify opportunities to streamline the process.

**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.

**ACTION:** 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. The purpose of this review is to identify existing conditional uses that could be moved to the permitted use list within each zoning district. As part of this process, staff will also be identifying uses which may fall into a middle category which would allow for administrative approval of uses which are currently listed as a conditional use requiring Plan Commission approval. This administrative approval may require some additional review beyond a typical permitted use but would not require board or commission review.

The staff team has also been asked to look at the PUD approval process. The Planned Unit Development (PUD) zoning process involves the approval of a General Development Plan (GDP) which establishes the uses allowed in the PUD and the design parameters to guide the preparation of detailed Specific Implementation Plans (SIPs) for individual buildings. For PUDs that involve single-family homes, it is common for the Common Council to approve a set of design guidelines for the single-family homes and then to allow the individual buildings to be approved administratively as permitted uses. This process could be expanded to cover certain buildings beyond single-family homes within a PUD to eliminate the need to go back to the Urban Design Commission, Plan Commission and Common Council for the

approval of each and every building included in certain PUDs. The ordinance could be amended to specify the conditions which would need to be present and the standards which would need to be met in order for individual buildings to be administratively approved and avoid going back through the full process. This could eliminate some of the PUD-SIPs which currently must go back through the entire process.

**Improvements to City Processes.** The Report mentions several aspects of City processes that city agencies should continue to focus on improving.

**ACTION:** 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. They include the following:

- a. On-line permitting for windows, roofs and doors was initiated in March 2004.
- b. The implementation of a web-based system for final site plan approval and sign-off in January of 2005 resulting in concurrent review and sign-off by individual agencies.
- c. Implementation of Legistar, the City's new web-based legislation tracking system. All materials related to development projects requiring Plan Commission and Common Council review are posted on the web through the Legistar system.
- d. Department of Planning and Development web page. The Department has begun posting all applications received for Plan Commission and Common Council review on the Department's web site through the Planning Unit. These applications are posted one week after the application is submitted for review. All materials are now accessible by neighborhoods, developers, policy makers and others interested in individual projects.
- e. The Department has also posted the "Development Guide" on the Department's web page. The Development Guide outlines all of the major development approval processes, including flowcharts, timelines, references to standards and application materials, and key staff to contact.
- f. The Department has completed a Best Practices Guide to promote more effective and early communication between developers, neighborhoods, policy makers and staff during the development process. The guidebook is available online and is currently being printed for distribution to members of the public.
- g. The Department web page provides downloadable application forms, application deadlines and meeting schedules, flowcharts, relevant development plans and studies, and key staff contacts.
- h. Amendments to the City's development codes and policies to provide greater flexibility for developers. In the last year the City has adopted over one-half dozen amendments to the City's Development Codes to provide greater flexibility for developers. These amendments have included:
  - i. Creation of new small lot zoning districts (R2S, R2T, R2Y and R2Z) with lots ranging from 5,000 square feet or 8.7 units per acre to 3,500 square feet or 12.4 units per acre, to supplement the two existing districts already in the Code.

- ii. Developers are now allowed to incorporate public alleys into new residential neighborhoods.
  - iii. New storm water management standards and guidelines have been approved.
  - iv. Adoption of a new secondary dwelling unit ordinance to allow a second dwelling unit on certain single-family housing lots.
  - v. Creation of a new Research and Development Center District to guide the development of the new University Research Park.
- i. In order to make the interagency review process more effective, the Mayor directed that all primary agencies involved in the development review process attend the interdepartmental land use application review meetings, and provide their comments to applicants one week in advance of the Plan Commission meeting. The Planning Unit has also worked with all agencies to have each agency provide their comments in a standardized format to aid in their review of multiple comments by developers, the Plan Commission and the Common Council.
  - j. Made changes to processing of single-family plan review where plans are submitted via emails for review and processing. We are also approved to accept payments of these permit fees through a debit card system.
  - k. Changed the Zoning Code to permit a more structured approach to reductions in required parking spaces to facilitate redevelopment, and encourage reducing the amount of required surface parking required on projects.

To communicate these and other changes, the mayor has directed the City to hold two major conferences of interest to business: The Healthy City Conference, which outlined an Economic Development Vision for the City; and a Small Business Conference, which provided valuable information for one of our best economic engines: small businesses.

**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.

**ACTION:** I 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.

**Create a Cabinet-Level Office of Economic Development.**

**ACTION:** The Dept. 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.

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

**ACTION:** The Office of Business Assistance 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.

The 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.

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

**ACTION:** 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.

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

**ACTION:** As the Commission is well aware, the La Follette 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 my direction, Mark Olinger has worked with city staff to summarize initiatives being undertaken to address the issues raised by the La Follette report. His report is provided to you separately. I have reviewed his report, and believe it shows a strong commitment by City staff to improve and streamline our development review process.

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

**ACTION:** This recommendation is addressed under the "one-stop shop" item in the La Follette Report section of the memo, above.

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

**ACTION:** 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; and
- By January 31 of each year, report on length of time for project approvals, as compared to established benchmarks.

The Planning Unit has prepared a summary of the timelines for various types of project approvals over the past two years. The Planning Unit uses the published schedules showing application deadlines and associated Plan Commission and Common Council meeting dates as the benchmark against which the timeline for reviewing individual projects is measured. The benchmarks used by staff to schedule formal approvals are as follows:

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| • Conditional use permits              | 6 Weeks  |
| • Planned Unit Developments            | 10 Weeks |
| • Other zoning map amendments          | 10 Weeks |
| • Demolition permits                   | 6 Weeks  |
| • Certified survey maps                | 8 Weeks  |
| • Preliminary plats                    | 10 Weeks |
| • Final plats                          | 8 Weeks  |
| • Public projects (UDC) *              | 4 Weeks  |
| • Projects in Urban Design Districts * | 6 Weeks  |

- Sign variances

3 Weeks

\* assumes two meetings

Clearly, if evidence developed that a “presumptive approval” policy was necessary based on the City’s performance versus its benchmarks, that is an issue that could be revisited.

**Adopt “Best” Organizational Practices.** Including regular review of ordinances, which the City Attorney is working on currently.

**ACTION:** This issue was also largely addressed previously, in the discussion of the La Follette 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.





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### NEWS RELEASE

Date: Wednesday, August 03, 2005

Contact: George Twigg, 608-266-4611

### Mayor's Remarks to the Economic Development Commission

**Madison** – Mayor Dave Cieslewicz made the following remarks today to Madison's Economic Development Commission, regarding his ongoing efforts to respond to the commission's report on ways to make Madison more business-friendly.

Thank you for giving me this opportunity to speak to you tonight. It was an early goal of mine to revitalize the work of the EDC, and I am glad to see that you have all taken that charge very seriously.

Last May, I asked the Economic Development Commission (EDC) to explore the view that Madison city government is anti-business. In December, the EDC issued a report to me on "Opportunities to Make Madison City Government More Friendly to Business". At that time, I told you that I would work with city managers to review the Report's recommendations and provide an update on our work this summer.

After extensive consultations and work with a diverse group of city managers, I am pleased to be here tonight to discuss how city government is moving forward on many of the recommendations from your Report.

The City of Madison has an economic climate that is the envy of communities around the nation. Many national publications have consistently cited Madison as one of the best places to do business anywhere. My goal in reviewing and acting upon the EDC's recommendations has been to make a good thing even better.

As I have met with city managers over the past several months to review the EDC's recommendations, I have been impressed with the dedication of these professionals to work long hours and in good faith to meet the needs of their customers – the entrepreneurs and business leaders who want to locate, remain, or expand in the City of Madison.

During these consultations, it became clear to me that to the extent the business community may have frustrations dealing with the city, it is not due to any sort of "anti-business" attitude, or to a lack of dedication or professionalism from city staff. Rather, the greatest challenges we face are to re-engineer our internal processes to make the City a more responsive, more effective partner with businesses. In addition, we need to ensure that when new regulatory structures are introduced, they are designed with an eye towards meeting the needs of both the City and our business customers alike. Much of this work is neither exciting nor headline-grabbing, but "the devil is in the details", and the details of City process is where many of the frustrations of business appear to originate from.

In addition to my remarks tonight, I have also prepared a memo which addresses in detail the City's responses to the major recommendations of the EDC report. At this time, I will just touch on a few highlights, so we have some time for discussion following my remarks.

In considering the various recommendations before me, I generally placed them into one of three categories:

1. New policies or practices that the City should implement.
2. Improvements to current policies or practices.
3. Recommendations that for one reason or another I do not believe to be feasible.

In the first category, there are a number of new practices or policies that I strongly support, and in some cases have already started to implement:

- Treating business associations like neighborhood associations in terms of early notification of major new projects.
- Adoption of an economic development mission statement.
- Development of a customer feedback survey mechanism.
- Review and proposed elimination of obsolete/ineffective ordinances by the City Attorney's office.

Highlights from the second category, "improvement of current policies and practices", include:

- The institution of weekly inter-agency meetings to work through internal City policy disagreements so that businesses don't get conflicting advice from different city agencies.
- Directing the Urban Design Commission and city staff to develop more consistent policies that are predictable and sensitive to the impact their decisions have on project costs, housing affordability and other issues.
- Streamlining the approval process for small projects by identifying "conditional" uses (which require Plan Commission and City Council approval) that can be turned into "permitted" uses (which only require administrative approval).
- Implementation of enhanced online and web-based systems that improve and streamline both the internal and external processes for processing permits and other city business.
- Expanding the current practice of designating an ombudsman/project facilitator to serve as a single point of contact for major projects.

Items where my views differ from the report recommendations include:

- 180-day presumptive approval. I do not believe this to be necessary because few, if any projects are currently requiring more than 180 days to approve. However, city staff have developed a series of benchmarks for city approvals on items ranging from sign variances (3 weeks) to Planned Unit Developments (10 weeks), and will be reporting performance versus those benchmarks on an annual basis.

- Combining the Urban Design and Plan Commissions. These two bodies have unique and distinctive roles that I believe should be preserved. In addition, the agenda for the Plan Commission is already so extensive that adding urban design issues to its responsibilities would slow down their work substantially. However, I did meet with the UDC earlier this year to convey my concerns about issues such as consistency and predictability, and offered specific ideas for improvement.
- Fiscal estimates for costs to businesses. I support the need to better assess the impact that certain ordinances might have on local businesses. I believe the best way to meet that need is by referring to the EDC any proposals that could have a significant impact on the cost of doing business in the City. Creating a blanket requirement for a fiscal estimate would add a layer of bureaucratic review to every new ordinance, and divert city staff resources from direct service to our “customers”.

In addition to these items, there are a number of other initiatives underway that touch on recommendations from both the EDC and LaFollette reports. Development of a “one-stop shop” is currently being considered in the context of the ongoing Planning and Development reorganization, as well as the “space needs” study to reconfigure city agency workspace downtown. While I am not inclined for budget and capital reasons to create a Director of Economic Development, I will be instituting meetings on a regular basis with key city business liaison staff from the Office of Business Resources and elsewhere to assess opportunities and challenges regarding specific businesses.

I continue to believe that Madison can be a model of a city that is truly both pro-business and progressive. Achieving both of those goals can be a challenge for policy-makers and business leaders, but it can be done. We have made real strides in the past two years, many in response to the reports of the EDC and the LaFollette school.

I look forward to continuing to work with the members of this commission, and the business leaders of our community, to keep our community moving forward. Thank you.

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