

EXECUTIVE SUMMARY

“The objective of this project is to focus on re-designing Rochester’s development and permitting process in an effort to improve effectiveness and efficiency, thereby improving customer satisfaction.”
-Project Scope Statement of the Chamber Services Re-design Task Force.

According to the introductory letter (signed by Ted Kulongoski, Governor of Oregon, Janet Taylor, Mayor of Salem, Oregon, and Andrew Adelman, General Manager, Los Angeles Department of Building Safety) in the 2006 U.S. Housing and Urban Development ***Guide To More Effective and Efficient Building Regulatory Processes Through Information Technology***:

Successful government leaders have to be able to effectively balance a series of competing forces. These include increased demands from both the public and the business community for: more timely and less costly public services; the ability of their jurisdiction to retain and attract new businesses to be economically competitive in the regional (and increasingly in the global) marketplace; ... affordable housing (including providing housing for an aging population) and lastly demands to do all of this with diminishing financial resources.

This Report focuses exclusively on Development Process Improvement in the City of Rochester, Minnesota, and includes practical, “in-use-in-other-Cities” recommendations related to process stream-lining, as well as customer service and satisfaction. Accomplished through market mechanisms like improved managerial practices and the use of technology for more productive outcomes, it does not concern itself with blame or political rhetoric but rather is a recording of, and response to, the input of over 60 interviews conducted in Rochester, November 30-December 1, 2010. The interviewees included a large cohort of City representatives, builders, residential and commercial developers, business owners, architects, and engineers.

After the two days of interviews, it was easy to conclude that there is an obvious and serious disconnect between the service expectations of the Development Community and the mindset of the City development staff. The development community considers the current plan review and permitting process to be capricious, inflexible, inconsistent, time-consuming, and unnecessarily bureaucratic. The City Development Staff distrust the word of many development community representatives based upon their experience with the lack of follow-through/word-keeping in regard to agreed upon development plans or permit conditions/requirements. Both groups raised legitimate concerns and both groups need to make changes in order to improve the effectiveness and efficiency of the permitting process to save Rochester taxpayers, homeowners, homebuyers, and businesses (those who always pay the cost of inefficiency) time, money, and inconvenience while still protecting public safety, quality of life, and natural resources.

In response to this disconnect, the following recommendations are made:

The Rochester City Council should:

1. Adopt the *COMMITMENT TO SERVICE QUALITY*.¹
2. Direct staff to enhance and improve the City's adoption of technological innovation for more productive (cost saving) uses.

The Rochester City Staff should:

1. Commit to adopting, in word and action, *COMMITMENT TO SERVICE QUALITY*.
2. Establish a Multi-Department Development Review Team.
3. Allow stamped plans by state licensed architects and engineers to be fast-tracked and/or automatically approved within reasonable guidelines.
4. Comprehensively review all Zoning and Planning, Public Works, and Public Safety ordinances.
5. Engage representatives of the development community in conversations about potential new ordinances before they are enacted, and all re-writes or modification in existing ordinances in order to increase understanding and improve compliance.
6. Take a communications course once per year.

The Development Community should:

1. Begin or enhance Continuing Education on all matters related to development agreements, permitting, public safety, the benefits test, the state fire code, etc.
2. Follow through on all agreements with the City to the letter of the agreement.
3. Take a communications course once per year.

The list of recommendations for the development community is shorter because it functions in a very competitive marketplace where market forces (customer satisfaction, price, service, recessions, interest rates, etc.) close down inefficient and ineffective producers. The City, on the other hand, is a monopoly provider of regulatory controls. There is no competitive "other" option for consumers seeking to remodel, build, locate, or expand a business. Therefore, it follows that the monopoly should have to change (become efficient and effective) more significantly than the competitively positioned development community.

¹ See pages 12-14 for greater detail and Appendix F.