

DATE: June 11, 2013

ECO Project #: 21250

TO: City of Oregon City Commissioners

FROM: Lorelei Juntunen

SUBJECT: EXCERPTED TEXT REGARDING DEVELOPMENT READINESS IN OREGON CITY

ECONorthwest, together with Group Mackenzie, assisted the Development Ready Communities group (the DRC) of the Community Investment Initiative (CII) with the creation of a diagnostic assessment tool that can serve as part of a larger program to improve development readiness in Portland metro area municipalities. One part of the process of creating that tool was a pilot assessment of development readiness in Oregon City. Other components included the development of a tool that can diagnose strengths and weaknesses in development readiness, a series of conversations with regional policy leadership regarding the need for a program focused on increasing development readiness, and drafting a final deliverable that summarizes a set of recommendations regarding the feasibility and utility of a regional development readiness program.

This memorandum excerpts **one section** of ECONorthwest's final deliverable for the project that is of special interest to the Oregon City Commission: findings about development readiness in Oregon City. The purpose of this excerpted text is to report back key findings from the pilot test in Oregon City for review and discussion at a June 19, 2013 Commission meeting. This text will be incorporated into a larger ECONorthwest deliverable that addresses a wider range of findings from this project and process.

Development readiness in Oregon City

The purpose of the pilot jurisdiction assessment was to test and refine the diagnostic tool itself. Results of that process have been incorporated into the tool and its indicators. This section presents some findings regarding Oregon City's development readiness, and some next steps that the community might take to improve its development readiness that were discovered along the way to creation of the diagnostic tool. Given that context, the findings and ideas for improvement are best described as preliminary. Further, recognizing the constraints of staff time and municipal budgets, it is not reasonable to expect that the City would undertake all of the ideas for improvement that are described here. Nonetheless, the findings and ideas should serve as a useful starting place for community conversations about Oregon City's priorities for improving its development readiness. Especially if a full regional program eventually exists and provides technical assistance to supplement staff activities, the findings here could be an important step toward developing a detailed work program for improving readiness.

Strengths:

1. Despite a small staff, Oregon City has clearly focused on process improvements that create efficiencies for customers. A few examples:

- The City provides the ability to complete concurrent permit applications, and the ability to use a consultant for faster reviews.
- Fee schedule and System Development Charges (SDC) are available on the City's website, and SDCs can be paid over time after permit issuance.
- The City is currently working to implement a time management system to track staff time related to projects, which can be used to increase efficiency and ensure staff availability.

2. Outreach efforts were noted as challenging in the Oregon City context; nonetheless, staff has focused on improvements in this area and serious and noteworthy efforts are in progress:

- The "Land of Opportunity" campaign may be the most prominent example. The campaign includes radio advertisements, websites, and other media to make site-specific development opportunities and jurisdiction wide economic development efforts more accessible to a broad range of target audiences.
- Overall, staff reported working to focus efforts on going to the citizens where they are already gathering, to get a broader range of involvement than a typical open house or citizen involvement committee process might support: schools, churches, service organizations, etc. The City does also use citizen involvement committees for specific projects, such as Comprehensive Plan updates or code updates, and includes developers on those committees.
- The City works directly with Greater Portland Inc. to more proactively recruit developers and business to the City, and with Clackamas County on target industry attraction and retention in accordance with the County economic development strategy.
- The City explicitly includes Native American tribes in pre-application noticing processes.

Areas for improvement and ideas to consider:

The use of the diagnostic tool highlighted the following challenges for development readiness. The possible next steps are ideas to spur conversations, and could be implemented in collaboration with a program administrator.

1. **Alignment of vision and implementation goals.** It is not clear that there is a consistent vision for development and growth among staff, developers, elected and appointed officials, and citizens. While it is rare in any community that these parties all agree on where, how, and what type of new development should occur, in Oregon City, the disparate opinions among these groups create challenges for supporting new development, and for the reputation of the City. Targeted outreach is an important part of the solution, but some additional work to define a development vision and strategy will be helpful to provide content for the outreach.

Possible next steps to address this concern:

- Independent, third-party survey of customers, to clarify sticking points in the development process, gather feedback on customer service, and provide data to support policy or other changes. “Customers” in this case refers to developers and property owners who access the City’s development services, but also citizens and advocacy groups that are affected by and want to influence the outcomes. This step is related to the customer service steps described below, but is also helpful for developing and clarifying a development vision.
 - Facilitated workshops with staff and elected and appointed officials, to explore opportunities and barriers to development in the area from each of their perspectives, and provide opportunities for education and discussion about the development process, including pro forma and market analysis. One portion of this workshop could involve developers directly in sharing the challenges of moving a development project through to completion.
 - Strategic planning that ties the Comprehensive Plan and the economic development strategy to an articulation of desired development outcomes.
2. **Policies and goals to support improvements.** While staff have achieved a number of development readiness successes (noted above), they have been on a fairly small scale and have occurred within the context of processes that staff can easily control and influence. Policy support or targets for improvements from leadership (including elected officials) would give staff the framework that they need to make further improvements.

Possible next steps to address this concern:

- Begin tracking development statistics data (similar to those identified in the diagnostic tool), and use this information to set benchmarks for permitting timelines and other process improvements.
 - Set a regular schedule for code “housekeeping” updates, and include developers and community members in this process.
 - Set goals for coordination among the team and across jurisdictions regarding development issues. For example, meeting in advance of a pre-application conference and a debrief conversation to coordinate and discuss responses, so that the team can share lessons learned and identify and discuss opportunities to improve the process.
 - Set clear priorities for desired development areas or types, and tie incentives and outreach processes to these areas. Long-term, this could lead to the creation of expedited approval processes and other incentives that can implement these priorities.
3. **Training.** While staff have obtained and maintain all required professional certifications, some targeted training involving staff and others could be very helpful.

Possible next steps to address this need:

- Consider customer service training for counter staff and others that interact with the public, focused on mechanisms to improve collaboration with developers and property owners to find solutions to development problems.
- Related to ideas described above, provide specific training or workshops for staff, elected and appointed officials, and possibly even community members regarding the realities of the development process and the community vision for redevelopment could be helpful.
- Undertake cross-training among relevant departments to enhance staff familiarity with the City's scope of services and create additional efficiencies.

Next steps for Oregon City

ECONorthwest's full report on the development readiness project contains a recommendation that the program administrator conduct a follow-up "implementation pilot" in Oregon City. The purpose of this follow-up would be to work with senior City staff to translate the results of the diagnostic tool pilot and the recommendations described in this memorandum into a full, implementable work program that prioritizes and phases actions to account for staff and fiscal realities. In this phase, the program administrator, in collaboration with staff, might undertake the following kinds of steps:

- Seek the input of elected and staff leadership in prioritizing actions for implementation
- Develop a scope of work for staff that estimates the number of hours and total time frame needed to implement the work program
- Develop and administer a survey of "customers" to further refine the results of this diagnostic
- Provide technical assistance and other support throughout the implementation process

This follow-up pilot would be beneficial both for the program (which will need to develop implementation processes to use in communities throughout the region) and for Oregon City.