

# CITY OF PORTLAND PUBLIC WORKS PERMITTING

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## REPORT TO COUNCIL

August 10, 2012

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

**FROM:** Public Works Interagency Bureaus  
Christopher Wier, P.E., PW Engineering Manager (PBOT)  
Lana Danaher, BES Development Manager  
Cindy Dietz, PWB Development Manager  
Christine Leon, P.E., PBOT Development & Street Systems Management Division Manager  
Andy Peterson, BDS Permitting Division Manager

**SUBJECT:** Update on Improvements to Public Works Permitting Services

The attached report is an update on the Public Works (PW) Permitting services reforms initiated in 2009. The Interagency Bureaus provided periodic reports to Council through BDS on the directives given in 2009. In August 2011, as BDS transitioned out of the “lead agency” role in the PW reform, PBOT has become the primary contact for assembling the improvements and new processes, with significant roles filled by BES and Water. At the request of Council, BDS remained involved over the past year to provide any assistance needed with regard to coordination and direction of the PW Permitting improvements.

The principal target areas the Interagency (IA) Bureaus (BES, PBOT, and Water) continued to assess and improve were: (a) timeliness and certainty of plan review costs, (b) improvements on coordination and collaborative decision-making, and (c) a consolidated PW permitting appeal process that could inform policy consideration. Based on the recommendations, reports, trends and analysis during the past 2 ½ years we continue to identify more opportunities for effectiveness and have added some important items to next year’s work plans. This update and its included highlights of the next year’s work plan reveal a maturing culture of continuous improvement -- a culture we are striving to nurture and sustain.

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## Public Works Reform Report

### I. Beyond Colocation, establishing collaborative decision-making.

The need for improved inter-bureau coordination and conflict resolution was addressed, in part, through colocating development related staff, their supervisors, and managers into the Development Services Building at 1900 SW 4<sup>th</sup>. The goal was, and still is, to serve the customers' needs in an efficient and timely manner. The first step in addressing this goal was to get help those working on the same development projects housed in one location, near one another. The next step was to achieve true efficiency and efficacy by collaborating during key review milestones and collectively engaging in many public works related decisions. Examples of these efforts include:

► **Bi-weekly Managers Policy meetings**

To discuss process and policy-type issues, trends and challenges, and check in on work plan milestones.

► **Weekly Project and Process Coordination Meetings of staff and supervisors**

The section supervisors and involved staff of the PW bureaus meet at least weekly to review milestones, and discuss issues that can effect, schedule, cost, or scope for each project.

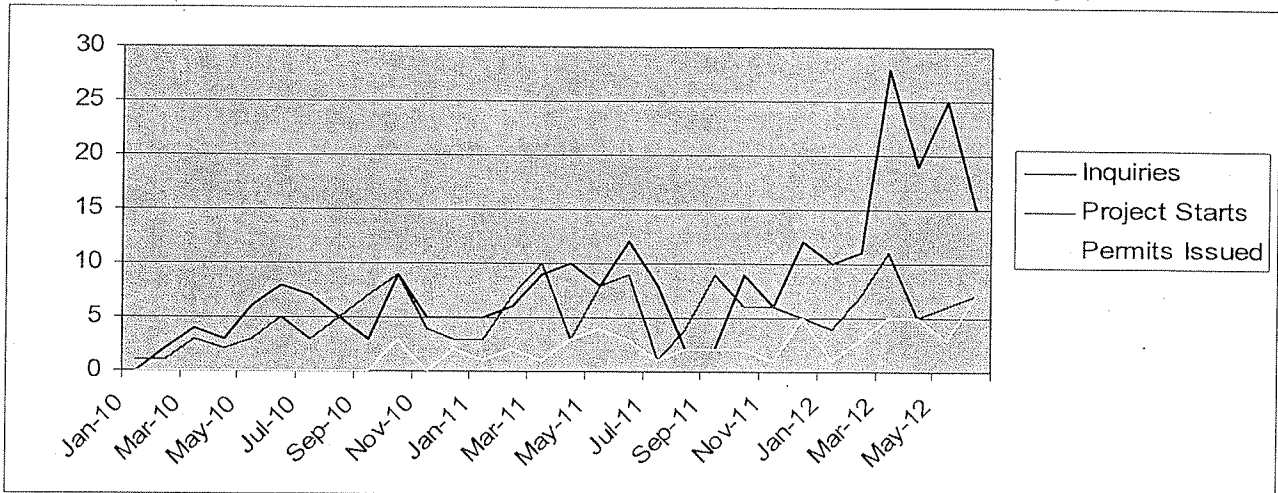
► *An Encroachment Review Team* is a group of experts from the three infrastructure Bureaus that have a bi-weekly meeting to review and advise PBOT on encroachments into the public right of way (ROW) from private development. The collaborative team address the more unique requests, reviews whether they meet the criteria, and ensure they are not causing negative impact to other users and needs of the ROW. Representatives from BES and Water have joined PBOT's group for embracing a broader perspective for decision making.

► PW Permit Administration works diligently with each bureau to ensure information from the bureaus is being communicated effectively and in a coordinated fashion to the applicant. The PW process has key milestones:

Early Information	Concept Approval	Design & Plans Approval			Permitting	Construction Quality Assurance
PW Inquiry, Land Use Review, Building Permit, or EA	30% Plans	60% Plans	90% Plans	Final Plans	Bonding, Insurance, Permit	Construction Inspection & Warranty Period

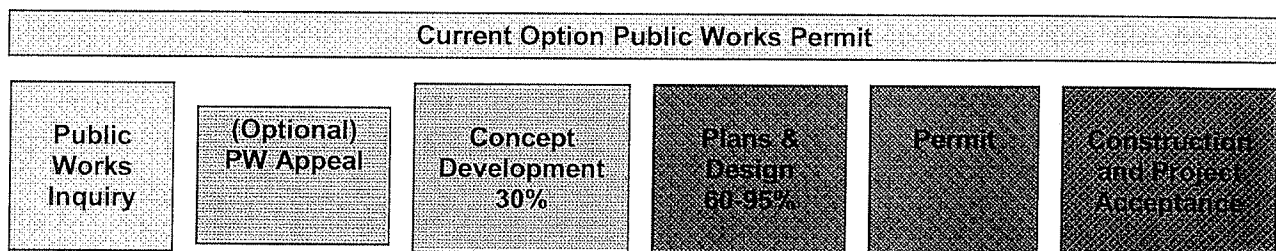
Within each of these key milestones are points where PW staff check-in and coordinate the work of the bureaus and the applicants. The PW Permit Administration section is organizationally located under PBOT; however, the PW Engineering Manager receives assignments and is accountable to the three IA bureaus. This is the section responsible for centralized PW intake and permitting.

#### Raw Data – number of projects occurring within the Public Works Permitting system

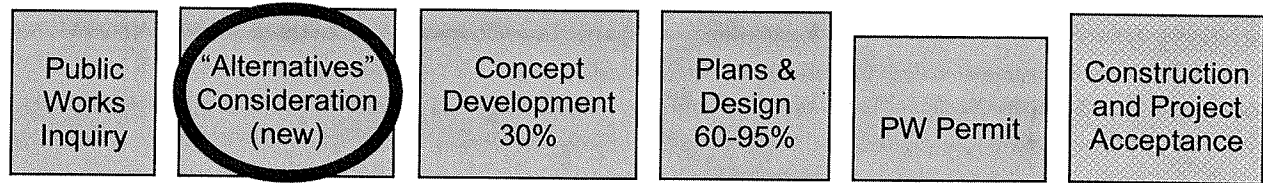


#### ► Public Works Appeals

The public works appeals process has undergone a metamorphosis. It now includes as the first step the Appeal Administrative Review Committee (AARC) and what will become consideration of an alternative design analysis prior to the Appeal Panel and Appeal Board reviews. The purpose and need for this added AARC step was identified by Appeals Panel members as a result of several similar appeal requests which revealed a need for a staff level assessment and discussion of design alternatives. This committee makes weekly documented appeal decisions maintained in a spreadsheet located on the Public Works website. Periodically we review these reports with the Appeal Panel, including its citizen members, and plan to review with the chief engineers at the Appeal Board.



## NEW Performance Based Streets Public Works Permit



We identified in our current work plan and in a related effort--the Street by Street Initiative--an expansion of this AARC role to include alternatives review. This will include consideration of an alternative by staff collectively and prior to being requested to do so by permit applicants. We are also assessing the best manner to make this information accessible to all stakeholders.

Since January 2010, 222 PW Permits have gone through the public works permitting system, from submittal to issuance. From January of 2012, with the beginning of the AARC process, through June 30, 2012, there have been approximately 40 PW permits submitted and 135 appeals submitted as of June 30, 2012. Of those, approximately 25 were appealed to the second level (Public Works Appeal Panel). Approximately 3 were further appealed to the Public Works Appeal Board. We estimate there have been over a thousand project opportunities for public works appeals in this time frame. In comparison, BDS has processed approximately 3,977 building permits and 360 Building Code Appeals during the same time period (January through June 30, 2012).

## II. Permit Process, Turnaround times, and Certainty of Costs.

The most significant change that occurred in 2010 and 2011 was transitioning to the interim review cycles: the 30, 60, and 90% process. The process was designed to address our primary goals of early concept agreement and conflict resolution, timeliness, better coordination and ensuring cost certainty by including a guaranteed estimate of plan review costs at the 30% scope adoption phase.

### How projects have moved through the system

#### *PW Permitting Steps*

<i>Jan 2010 - Aug 2012</i>	<b>Plan Review</b>	<b>Count</b>	<b>% of Total In</b>
<b>1st submittal</b>	<b>30%</b>	<b>160</b>	<b>100%</b>
	<i>extra 30%</i>	25	16%
<b>2nd submittal</b>	<b>60%</b>	<b>107</b>	<b>67%</b>
	<i>extra 60%</i>	7	4%
<b>3rd submittal</b>	<b>90%</b>	<b>81</b>	<b>51%</b>
	<i>extra 90%</i>	4	3%
<b>optional 4th</b>	<b>95%</b>	<b>12</b>	<b>8%</b>
	<i>extra 95%</i>	1	1%
<b>Permits Ready to Issue</b>		<b>68</b>	<b>43%</b>
<b>Permits Issued</b>		<b>57</b>	<b>36%</b>
<b>Total Intake</b>		<b>160</b>	

33 projects (21%) had one rejection; 1 project had 2 rejections.

Examples of how the PW Bureaus addressed this category of improvements in the past year are:

► Meeting or beating established turnaround times

Timeline targets were established and the concept of a guaranteed estimate for plan review costs was piloted. The tables below show that PW Permitting process is successfully meeting the timeline targets, and our guaranteed cost estimating approach has been successfully estimating costs. Data will be continually monitored to help management adjust resources to identify and meet market trends and respond to increased workloads.

**Review times for ready-to-issue permits:**

*Permit Review Time*

<i>Jan 2010 - Aug 2012</i>		<b>Avg. Days</b>	<b>% of Total Time</b>
		<b>Total Permits Ready to Issue</b>	<b>67</b>
<b>Total, Intake to Permit Ready</b>		222	100%
	Minimum	58	
	Maximum	647	
<b>Applicant Time in Hand</b>		146	66%
	Minimum	13	
	Maximum	560	
<b>City Time in Hand</b>		76	34%
	Minimum	42	
	Maximum	133	
<b>Total, Intake to Permit Pickup</b>		260	
Avg Delay from Permit Ready to Applicant's			
Permit Pickup		38	15%
<b>Permits City Met Time Goal</b>		55	82%
Avg Days Met Goal by		7	
	Minimum	0	
	Maximum	35	
<b>Permits City Missed Time Goal</b>		12	18%
Avg Days Missed Goal by		4	
	Minimum	1	
	Maximum	11	

NOTE – the tables as generated do not reflect if the meeting was rescheduled per applicant request, if holidays fell in the midst, etc. These variables account for a significant portion of why Permit Review process met timelines at 90-95%, yet show that it only met the total time goals 82% of the time.

### July 2011- June 2012 Data

<b>FY 11-12 REPORTING</b>	<b>PW IQ</b>	<b>Concept 30%</b>	<b>Design 60%</b>	<b>Review 90%</b>	<b>(Optional) Final Check 95%</b>	<b>Approved to Issue</b>	<b>Issued</b>
<b>Intake (# applications submitted)</b>	153	81	58	49	3	40	37
<b>City review timeline (calendar days)</b>	14 days	14 days	35 days	14 days	7 days	14 days	NA
<b># completed and met City review timeline</b>	139	76	55	42	3	37	NA
<b># completed and did not meet City timeline</b>	8	2	1	3	0	2	NA
<b># In review process</b>	0	3	2	4	0	1	NA
<b># Permits Rejected in phase</b>	NA	10	1	0	0	0	NA
<b># Permits that repeated the phase</b>	NA	11	1	1	0	0	NA
<b># Withdrawn</b>	6	0	0	0	NA	0	NA
<b>% goal met</b>	<b>95%</b>	<b>98%</b>	<b>98%</b>	<b>94%</b>	<b>100%</b>	<b>95%</b>	<b>NA</b>
<b>Average time applicant takes between completion of prior phase to submittal of this phase (calendar days)</b>			92 days	62 days	NA	38 days	69 days

#### ► Introduction of FIXED fee for Public Works permit types for smaller projects

The initiation of a fixed fee for smaller projects was launched during the course of the last fiscal year, and the implementation continues to be well received. Early project screening allows PW to accomplish this with a reduced review and fewer review groups, matching the depth of the review to the simplicity of the project. This is possible because the Bureaus are accepting some risk when a project meets specific criteria ensuring that the risk is minimal. We will continue to explore ways of expanding this concept.

Beginning July 1<sup>st</sup>, 2012, street improvements that meet the following criteria will be assessed a set fee for permit review.

- Identified in the TSP as local residential street
- Less than 150 feet in length
- Existing paved street (either city or privately maintained)
- No traffic operational change

- No alternative design
- Not within a special street design district
- Requires 2 or less stormwater treatment facilities
- Approved nearby stormwater disposal point
- Installation of stormwater plantings by BES forces (not included in fee)
- No storm or sanitary sewer extension
- No major utility conflict

The total Residential Infill fee for Public Works Review is \$7,150. If there are no public stormwater required improvements, the fee is reduced to \$4,450. Construction Inspections fees are in addition to the fee.

### Permit Types and associated fees

*Permits Issued by Type, with Time, Estimates, Fees*

Project Type		Total Time From Intake to Issuance (pickup)	Total App Time	Total City Time	Perf Guarantee Amount	NTE Est.
<b>Commercial</b>	count	37				
	avg	268	191	77	\$ 123,021	\$ 11,027
	max	666	577	133	\$ 495,840	\$ 26,025
	min	59	17	42	\$ 15,000	\$ 3,698
<b>Infill</b>	count	14				
	avg	230	156	74	\$ 31,820	\$ 7,647
	max	476	393	88	\$ 52,958	\$ 12,123
	min	69	14	55	\$ 10,935	\$ 3,230
<b>Subdivision</b>	count	6				
	avg	284	208	76	\$ 58,070	\$ 10,817
	max	486	409	80	\$ 97,448	\$ 13,063
	min	129	58	71	\$ 29,681	\$ 6,150

#### ► Expansion of the Limited PW permit for simple BES only projects

This new permitting tool allows small sewer extension projects that meet defined criteria to use an abbreviated, expedited, fixed fee process.

This past year we have monitored and assessed in an ongoing fashion the way we administer these changes. We have made an effort, one we are committed to sustaining to find new tools that will allow us to adapt the PW process steps to meet the requirements of different types of projects.

### III. Early Assistance / Inquiry tools

Last year we identified multiple early assistance processes offered to permit and land-use applicants. This past year we have taken a close look at these various consultation options and have concluded that any future early assistance options offered by the Public Works bureaus must include BDS land use as well as the infrastructure bureaus. We have initiated discussions with BDS on how we can provide some improved, flexible, early assistance tools for the applicants. We have introduced a new early assistance meeting / consultation option. We will be exploring with BDS how to simplify and clarify ways to better address the need to get potential permit or land-use applicants the right public works related information at the right time for the proposed project. We are hopeful the ITAP process will make identification and implementation of this tool more easily achievable than it has been in the past without having to commit to more staff resources or higher applicant costs as they assess project feasibility.

Methods that projects entered the Public Works Permitting system (how conditions are set)

#### *Intakes, inquiry type*

<i>Jan 2010 - Aug 2012</i>	<b>TRACS Folder Type</b>	<b>Count</b>	<b>% of Total In</b>
<b>PW Inquiry</b>	IQ or WI	66	41%
<b>Land Use Review</b>	LU thru BDS	44	28%
<b>Early Assistance</b>	EA thru BDS	41	26%
<b>Com'l. Bldg. Permit</b>	CO	6	4%
<b>Res. Bldg. Permit</b>	RS	3	2%



## V. Appeals Processes and Lessons Learned

Improvements to and refinements of the appeals process, clarity in the use of design exceptions and a policy feedback loop have been key in identifying the trends and prompting the analysis of the overall process, with cost and time efficiency as a big consideration with the staff. The Appeal Administrative Review Committee and Encroachment Review Advisory Committee were created to meet these needs. Appeal Administrative Review Committee (AARC) is the first level of appeal for the Public Works applicant to submit an alternative design proposal which can be considered if there are grounds for a variation from standards. Denial of this appeal will give the applicant an option to go up the next level of appeal. The Appeals Panel may uphold the AARC's decision or may consider a different recommendation, which is forwarded to the Appeals Board. Summary Report is prepared and submitted quarterly for analysis to someone for continued refinements and improvements of the public works permitting process.

The new Public Works Process which consists of the aforementioned AARC, the Appeal Panel (with 2 community representatives), and the Appeal Board (the Chief Engineers for the infrastructure bureaus) has undergone many adaptations and changes.

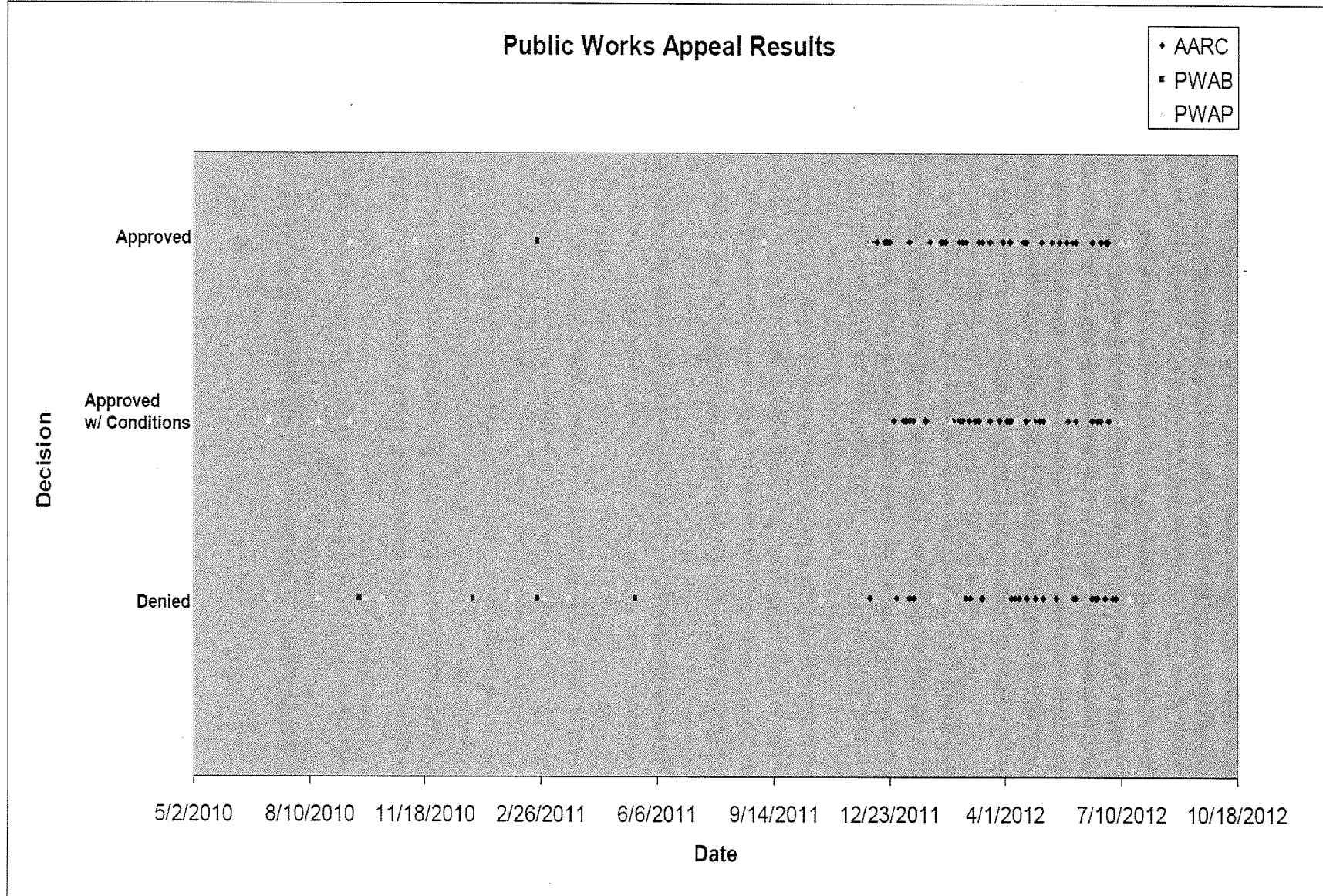
A few highlights include:

- Allowance of appellants to attend panel appeal hearing and present requests
- Expansion of the role of the panel to consider alternative options
- More consistent and informative intake forms and processes
- Transparency and documentation of exceptions and decisions to the public through the Public Works Permitting website.

The discussions in the appeal panel board have also informed and prompted additional changes in the Public Works process. The current Street by Street Initiative, which the Mayor has emphasized as an alternative approach to achieve street improvements, is one obvious and exciting example. Many issues relating to the challenges of infill development and the current requirements for mid-block right of way improvements have been informed and have helped to identify ways to resolve long standing challenges in addressing the impacts to neighborhoods of these smaller infill projects. The new short sewer extension abbreviated process and fee, the AARC and its improved inter-bureau exceptions processes, the Fixed Fee Public Works permit, and better coordination between the Chief Engineers of the infrastructure Bureaus are all examples of improvements being stimulated through the new PW appeal and feedback loop processes.

<i>Public Works Appeals</i>	<b>Program Started</b>	<b>Total</b>	<b>Approved</b>		<b>Approved with Conditions</b>		<b>Denied</b>		<b>Canceled</b>	
<b>AARC</b>	Dec 2011	<b>136</b>	45	33%	58	43%	33	24%	0	
<b>PW Appeal Panel</b>	June 2010	<b>39</b>	9	23%	11	28%	14	36%	5	13%
<b>PW Appeal Board</b>	June 2010	<b>10</b>	4	40%	2	20%	4	40%	0	
<b>Design Exceptions</b>	May 2010	<b>89</b>	71	80%	3	3%	15	17%	0	
<b>All Types Combined</b>		<b>274</b>	129	47%	74	27%	66	24%	5	2%

Appeals by review body, date, and decision



## V. Public Outreach and Permit Applicant Training Opportunities

A variety of methods were utilized for public outreach to inform applicants and stakeholders, including training, public meetings, and email plus the website, a new Code Guide, articles in the Plans Examiner. In the upcoming year, consideration is being given to articles in the DOJ or other publications, service level alerts, creation or update of brochures and creation of the QR Code application (a matrix barcode) to effectively communicate to the public any changes to the public works process and policy interpretations. In addition, several morning and noon time “frequent user” meetings and training opportunities on the public works permitting process have been held.

### Public Outreach for FY 11-12

Public Works Outreach	No. of Times
Email Blast	3
City Code Guides Updates	5
Public Meetings	6

## VI. FY 12-13 Work Plan

- Develop and pilot Street by Street Initiative program for Development Projects
- Further refine the public works permitting and appeal processes and formalize the feedback loop to program work planning
- Look for ways to align public works plan review and construction management tasks with degree of risk – Reduce costs by reducing staff tasks where feasible
- ITAP – Working with BDS to create a new integrated approach to permitting on private property and the interface with public ROW permitting
- Collapse complexity of early assistance type meetings into an easier to access consultation defined by the needs each project and the needs of the applicants
- Finalize a new permit fee schedule reflecting Public Works Permit plan review costs from 2010 - 2013

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### Background Information: 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.

On July 9, 2009, Council 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 monitoring the performance of the new public works permitting process during the current fiscal year and beyond.

On December 17, 2009, Council 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 adopted recommendations regarding the Public Works Appeals Process including establishing the Appeals Panel and Appeals Board, the appeal decision criteria, and the aspects of what can be appealed.

On July 28, 2010, Council received an update on the status of process improvements since the April 16, 2009 Council directives. The public works bureaus were directed to report back to Council in July 2011.

On August 3, 2011 Council received a report on the effectiveness of the initiatives to improve the public works development review and permitting functions.

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#### **TO THE COUNCIL**

The Commissioners of Finance and Administration, Public Safety and Public Affairs concur with the information contained within this Report and

#### **RECOMMENDS:**

That the Council accepts this Report to Council as set forth.

Respectfully submitted,

Sam Adams, Mayor and Commissioner of Finance and Administration

Randy Leonard, Commissioner of Public Safety

Dan Saltzman, Commissioner of Public Affairs

Agenda No.  
**REPORT NO.**  
Title

Accept Public Works Annual Report FY 2011-12 (Report)

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>MAYOR SAM ADAMS</b> <b>Commissioner Randy Leonard</b> <b>Commissioner Dan Saltzman</b></p> <p><i>K. Dillman on behalf of Mayor Adams</i></p> <p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>Randy Leonard</i></p> <p>Position 4/Safety - Leonard</p> <p><b>BUREAU APPROVAL</b></p> <p>Bureau: Bureau of Transportation Group Manager: Greg Jones Development &amp; Capital Program Other: <i>Chris Weir</i></p> <p>Prepared by: Christopher Weir : MLL Date Prepared: August 10, 2012</p> <p>Financial Impact &amp; Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/></p> <p>Council Meeting Date <b>August 22, 2012</b></p> <p><b>City Attorney Approval</b></p>	<p>CLERK USE: DATE FILED <u><b>AUG 17 2012</b></u></p> <p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p><b>ACTION TAKEN:</b> <b>AUG 22 2012 ACCEPTED</b></p>
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<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/>  <b>Start time: 9:30 AM</b></p> <p><b>Total amount of time needed: 30 mins.</b>          (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/>  <b>Total amount of time needed: _____</b>          (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	