# Benchmarking the Development Review Process

David N. Ammons

Nine North Carolina cities recently completed a twenty-one-month benchmarking project that yielded several dozen ideas for improving development review in their communities. Development review is the process that developers confront—often a daunting set of hurdles designed to protect the public's interests—when they seek local government permission to build a new restaurant, create a new subdivision, or otherwise develop a piece of property within that government's jurisdiction.

Hoping to improve their practices, development review professionals and other administrative officials from the nine communities teamed up with researchers from the School of Government (School) in a quest to identify national leaders in development review and glean lessons—best practices—from these leading operations. Many of the ideas encountered during the project have already been adapted for use and implemented in the North Carolina cities.

This bulletin describes the distinctive approach taken in this benchmarking project—an approach unusual for the public sector—and reports many of the project's key findings.
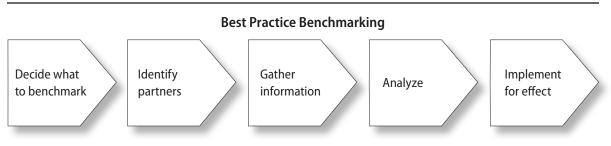
## Development Review and Best Practice Benchmarking

Always complex and often controversial, the process of reviewing plans for new buildings, subdivisions, and other developments in a community can be quite contentious. Builders want a reliable process that minimizes delays and leads to a favorable outcome. Neighbors and other citizens seek a development review process that enhances the community and protects their interests, even if these procedures are time-consuming. Understandably, local government officials want development review to be sensitive to competing interests and to address all the crucial elements accurately, usefully, and effectively.

Asheville, Cary, Concord, Durham, High Point, Matthews, Salisbury, Wilson, and Winston-Salem are benchmarking veterans. They are among the seventeen cities that participate each year in the North Carolina Benchmarking Project (NCBP), a project that compiles comparative performance statistics on the efficiency and effectiveness of services across eleven municipal

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**Figure 1**

### Best Practice Benchmarking

Decide what to benchmark → Identify partners → Gather information → Analyze → Implement for effect

**Source:** Bengt Karlöf and Svante Östblom, *Benchmarking: A Signpost to Excellence in Quality and Productivity* (New York: John Wiley & Sons, 1993). Used with permission.

functions. Officials in these nine cities are accustomed to gathering and comparing performance statistics. They make such comparisons each year in the context of the NCBP and use them to learn where their operations' relative strengths and weaknesses lie. But this supplemental project would take a different course—one that would go well beyond just comparing performance statistics. The project was modeled on the benchmarking approach pioneered in the corporate world and now considered standard in that sector (see Figure 1).The School research team[1] focused first on identifying local governments considered to be among the national leaders in development review operations. In this initial stage of the process, researchers contacted 103 development review experts and asked them to identify local governments thought to have outstanding development review processes. Outstanding processes, the researchers reminded the experts, should be fast, thorough, and fair.

In response, the experts gave the project team a list of 163 local governments with solid reputations for development review operations. By comparing process descriptions, performance statistics, and other information about these communities, the team narrowed the list to eight outstanding local governments whose officials would then be interviewed by telephone. Each of these units had a strong development review operation producing excellent results. Following the interviews, the team identified three leading local governments: Henderson, Nevada; San Diego, California; and Tallahassee, Florida. All three agreed to participate as benchmarking partners and host site visits.

## Process Comparison

Customary benchmarking practices in the public sector call for the comparison of performance statistics across a wide range of functions. Best practice benchmarking—the corporate approach to benchmarking—is different. This approach focuses on one key process and compares the process in the benchmarking organizations to the process of a best-in-class or even world-class

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1. The research team consisted of a professor (the author of this article) and two graduate students, Ryan Davidson and Ryan Ewalt, with periodic assistance from other School faculty, staff, and graduate students.

performer.[2] Performance statistics are important in this benchmarking approach, too, for they help to identify outstanding performers; however, the focus of corporate-style benchmarking shifts eventually from the comparison of performance statistics to a detailed examination of the process that produces the outstanding results of these top performers.

While the research team was building, then narrowing, the list of top performers in development review and compiling information on their processes, the North Carolina municipalities were compiling detailed information and flowcharting their own processes. This procedure would help identify relevant differences between the development review processes of the North Carolina local governments and those of their benchmarking partners. Ultimately, the North Carolina officials hoped to discover the differences that accounted for the superior results of the benchmarking partners and then to adapt those key elements for use in their own communities.

The project included site visits to Henderson, San Diego, and Tallahassee. To prepare for the site visits, the travelers had to do their homework. They had to be familiar with their own review processes—more so than some had been before creating the flowcharts—and they had to learn as much as possible about the benchmarking partner before beginning a site visit. Long before their arrival on site, they already knew many of the questions they wanted to ask.

## Site Visits

Site visits to the partner cities took place in three consecutive months. To avoid overwhelming the hosts, the number of visitors was limited. Traveling parties of fifteen, eighteen, and twenty made the three trips.[3] In each case the travelers arrived in the host cities the evening prior to the site visit, the next day was devoted to a full-day site visit, and a two-hour debriefing session was conducted by the site visit team the following morning.

Each benchmarking partner had been carefully selected, so it was not surprising that each host presented an impressive development review operation and described excellent outcomes. Still, the site visitors were inspired by the ideas they encountered and "blown away," in the words of one, by the preparations of the host cities.[4] Each site visit began with an overview and proceeded with detailed presentations by officials representing various elements of the operation, followed by tours of the facilities. Visitors asked questions, probed for greater detail, and engaged their hosts in conversations between presentations and during tours.

The site visits provided a rich source of information and new ideas. Most travelers compiled extensive notes and began thinking about various features they had observed and how those features could be adapted for use back home. Some could not wait until returning home and telephoned colleagues to share ideas while the site visit was still under way. Several prepared memoranda for the city manager or colleagues describing their observations and detailing ideas for improving their communities' development review operations.

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2. Typically private sector benchmarking projects are undertaken by a single benchmarking organization rather than by multiple organizations. The project described in this bulletin differed from the typical pattern by having nine benchmarking organizations.

3. The site visit teams included representatives of the participating North Carolina cities and three School researchers.

4. Robert Griffin, e-mail message to author, January 30, 2008.

## Debriefing Sessions

Before departing the hotel the day following the site visit, the site visitors participated in a debriefing session to record their observations while still fresh and to share their thoughts with the project team and fellow travelers. The purpose of the debriefing sessions was to identify intriguing concepts encountered the day before and to discuss whether and how easily these new ideas could be adapted for use in their own communities.

Altogether trip participants identified seventy-eight intriguing, far-ranging, and innovative ideas from the three site visits. Some of these ideas were encountered only once during the three trips and others at two or all three site visit locations. Some pertained to the financing of development review and included ways to identify and recover a portion or all of the operation's costs. Other ideas—ranging from the design of more effective stakeholder education sessions to the use of advanced software for project tracking and review—addressed stakeholder engagement and process management (see the sidebar for several examples). Further details on the full range of ideas gleaned from the site visits may be found in *Development Review in Local Government: Benchmarking Best Practices*.[5]

## Rapid Adaptation and Implementation

Site visitors were enthusiastic about many of the ideas introduced by the benchmarking partners, and several visitors acted quickly to incorporate the new ideas or some version of them into their own processes. For instance, in a memo to the city manager of Wilson barely two weeks after the final site visit, that city's director of planning and development services proposed a dozen new ideas for implementation and compared ten other initiatives already under way in Wilson with the approach taken by the benchmarking partners. In some of these comparisons, the director suggested adjustments based on the new ideas encountered in the preceding weeks. In one such case, the director endorsed San Diego's rationale in defining the role of the staff member assigned as the city's coordinator for review of a given project:

> One distinction that San Diego used for its project management position was that of process advocate rather than project advocate. We feel strongly that this should be the defined role for our Land Development Coordinator. The role of the position is not to advocate for the approval of a project, rather, the position should work to ensure that the process works in a timely manner and that applicants receive a fair review that meets the published review time frames.[6]

A survey of project participants was conducted soon after completion of the visits. Responses revealed that within six weeks of the final site visit, thirty-eight of the seventy-eight intriguing ideas encountered on the site visits already had been adapted and implemented in at least one of

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5. David N. Ammons, Ryan A. Davidson, and Ryan M. Ewalt, *Development Review in Local Government: Benchmarking Best Practices* (Chapel Hill, N.C.: School of Government, the University of North Carolina at Chapel Hill and Alliance for Innovation, 2009). Available at http://shopping.netsuite.com/s.nl/c.433425/it.A/id.1529/.f.

6. Rodger H. Lentz, *Development Review Benchmarking Study: Site Visit Summary and Applicability to Wilson*, Report to City Manager of Wilson, North Carolina, April 2008.

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**Examples of Ideas Gleaned from Site Visits**

**Process Financing**
- Conduct time-and-motion study to identify cost of service as basis for fees
- Establish interlocal agreements with nearby jurisdictions for the performance of selected development review duties (as service provider or recipient)

**Stakeholder Engagement**
- Create external advisory group composed of industry professionals
- Use website to provide project estimates (e.g., time, fee) and to increase transparency (e.g., status information)
- Auto–e-mail stakeholders about upcoming projects (upon request and within specified distance)

**Process Management Tools**
- Implement a highly proficient records management system featuring an integrated project file and the ability to retrieve all e-mails associated with a given project
- Institute permits with holds (conditional permits allow work to proceed in limited instances despite hold)
- Utilize advanced tracking and review software (e.g., electronic submission, electronic review, GIS interface, access to/sharing of reviewers' comments, up-to-the-minute status of applicant/plan processing, departmental and employee performance reporting, auto–e-mails to customers to inform them when plans are ready for pickup, description of individual customer interactions, tracking of customer wait and service times)

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**Source:** David N. Ammons, Ryan A. Davidson, and Ryan M. Ewalt, *Development Review in Local Government: Benchmarking Best Practices* (Chapel Hill, N.C: School of Government, the University of North Carolina at Chapel Hill and Alliance for Innovation, 2009).

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the North Carolina cities that had not implemented it previously. Such rapid implementation is noteworthy, especially given the public sector's reputation for resisting change.

In addition, many of the ideas that were not immediately adopted were reportedly high on the "to-do" lists of participating cities. Of the seventy-eight ideas, fifteen pertained to stakeholder engagement, fifty-eight to process management, and five to process financing. On average the fifteen stakeholder engagement ideas were judged to have an "excellent" or "pretty good" chance of implementation—or in some cases had already been implemented—by 69 percent of the responding project participants.[7] Participants were only slightly less optimistic about the implementation prospects of the fifty-eight process management ideas. On average the process management ideas were judged to have an "excellent" or "pretty good" chance of implementation—or, once again, had already been implemented—by 53 percent of the respondents. In contrast, only 27 percent of the respondents were as positive about the five process financing ideas.

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7. Respondents were asked to rate the likelihood of implementation as "excellent," "pretty good," "fair," "somewhat unlikely," or "extremely unlikely." Responses indicating that a given idea was already in place in the respondent's city prior to the project were excluded from the likelihood-of-implementation tabulation for that idea.

## Conclusion

The benchmarking team, consisting of university researchers and technical experts and administrative officials from participating cities, tackled a complex process in the team's trial of the corporate approach to best practice benchmarking. The development review process in local government is anything but simple.

The steps prescribed in best practice benchmarking proved well-suited to the complexity of the task. The wide array of promising ideas gleaned from the project and their subsequent rapid adoption reveal the applicability of this approach to the public sector and suggest that perhaps the value of best practice benchmarking could extend to many other local government processes beyond development review.