



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

---

**Development Review Advisory Committee**  
**MINUTES**  
**Thursday, October 8, 2009**

**Attendees:**

**DRAC Members Present:**

Jeff Fish	Kathi Futornick	Don Geddes
Steve Heiteen	Renee Loveland	Bonny McKnight
Rick Michaelson	Michele Rudd	Keith Skille

**City Staff Present:**

Paul Scarlett, BDS	Ross Caron, BDS	Hank McDonald, BDS
Jim Nicks, BDS	Andy Peterson, BDS	Mark Feters, BDS
Lana Danaher, BES	Cindy Dietz, Water	Darren Kipper, Water
Kurt Krueger, PBOT	Christine Leon, PBOT	

**Guests:**

Karen Karlsson, KLK Consulting, LLC

**DRAC Members Absent:**

John Cisneros	Goudarz Eghtedari	Charlie Grist
Ed McNamara	Carrie Schilling	Greg Theisen

**Handouts**

- 9.10.09 DRAC Meeting Minutes
- Inter-Bureau Code Change Project List
- BDS Major Workload Parameters (10/8/09)
- BDS Non-Cumulative Cost Recovery Rate Report / Scenario 4B-July/August 2009 Preliminary Actual Data
- Service Level Update Document
- Narrow House Garage Stakeholders Committee (10/7/09)

## Convene Meeting

DRAC Chair Steve Heiteen convened the meeting, and the DRAC adopted the September, 2009 meeting minutes. The Chair invited members to review the meeting packet materials, which included the updated *Inter-Bureau Code Change Project List*.

## Director's Report

### Bureau Updates

BDS Director Paul Scarlett provided an update on the bureau's current financial and staffing situation. Wednesday September 30 was the effective date of the last round of layoffs. The bureau's staffing has decreased by 135-140 people since July 1, and the effects are starting to be felt. The bureau has been receiving complaints about not keeping up with work, with an example being the number of setover inspections. In response, BDS is taking new approaches to getting the work done. Two years ago BDS performed 99% of 220,000 inspection requests within 24 hours of receiving the request, but current revenue won't support the level of staffing needed to maintain that level of service. The layoffs and decrease in service levels is also impacting staff morale, and the bureau is making every effort to improve the situation.

BDS is also moving forward with vacating the 6<sup>th</sup> floor of the 1900 Building. This will result in cost savings and will enhance morale by improving employee adjacencies and synergy. The bureau is excited about the opportunity to restructure to become more efficient and effective.

DRAC member Bonny McKnight asked if anyone will be moving into the newly-vacated areas of the 1900 Building. Director Scarlett replied that he is unaware of any other groups moving into the building. BDS will occupy the 1<sup>st</sup>, 2<sup>nd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> floors, and has asked the City's Bureau of General Services (BGS) to reserve the space on the 3<sup>rd</sup> floor for BDS when the bureau is ready to expand again. Collocated interagency staff will be on the 4<sup>th</sup> floor, adjacent to BDS Site Development.

### Budget Update/Workload Measures

BDS Director Paul Scarlett distributed and reviewed *BDS Major Workload Parameters (10/8/09)*. The bureau's workload numbers are still down.

DRAC member Jeff Fish noted that final plats weren't down as much as they would have been because he had a few projects he was waiting on, but he had to either do the final plat now or start the process over again. Kurt Krueger from PBOT and BDS Director Paul Scarlett both responded that provisions for time extensions exist, and said they would have BDS Land Use Manager Rebecca Esau get back to him.

DRAC member Bonny McKnight asked if there was any progress in collecting the \$8 million owed to BDS in property liens. BDS Director Paul Scarlett replied that BDS is talking with the Office of Management and Finance (OMF) about buying the liens from BDS, to give the bureau a cash infusion. OMF has come up with a system to allow for a \$1 million loan to BDS as a rainy day fund – an absolute last resort if the bureau's reserves fail.

Ms. McKnight asked if the liens are old, and if they are mostly City costs for repairs. BDS Site Services Manager Ross Caron responded that the liens are held by the City Auditor's Office, and that BDS collects on the liens when property is sold. Most of the liens are for nuisance abatements by the City, and there are also penalty liens. The Lien Amnesty Program offered by the bureau was successful in generating lien payoffs.

BDS Director Paul Scarlett distributed and reviewed *BDS Non-Cumulative Cost Recovery Rate Report / Scenario 4B-July/August 2009 Preliminary Actual Data*. BDS still went \$1.5 million into its reserves in August. The plan is holding for now, but there's not a lot of room for deviation. It would help if some large projects come in for permits. The bureau is watching cost recovery data very closely.

DRAC member Rick Michaelson asked what financial signs would indicate that it's time for BDS to rehire. BDS Director Paul Scarlett replied that re-staffing decisions would be based on data from several sources, including new work coming in to the Development Services Center (DSC), state economist projections, and feedback from DRAC members and others in the industry. The bureau will look at double-filling with temporary hires initially.

DRAC member Ed McNamara asked how BDS will staff for the usual uptick in work in the spring, as well as the benefit of some one-time monies that are coming through. BDS Director Paul Scarlett replied that the bureau will have to adjust based on what's in front of it. DRAC member Rick Michaelson responded that it might make sense for the bureau to hire temporary workers if it knows that work is coming. Director Scarlett answered that hiring is easier if the bureau has funds in hand, and that options for hiring temporary help will be explored.

DRAC Chair Steve Heiteen asked if most inspection requests were still being performed within 24 hours. BDS Inspections Manager Jim Nicks said that 30-40% of commercial structural, mechanical, and plumbing inspections and almost 50% of commercial electrical inspections are taking two days, with some 2-3 day setovers on final inspections. All cover inspections are being done within 48 hours. There are still a few more inspector positions that have been cut but not yet vacated. Residential inspection requests have been steady. The sense is that remodeling is robust, but there is not much new construction. He is not expecting a significant drop-off in residential inspections over the winter. Mr. Nicks observed that currently 60% of inspection calls is for stand-alone permits (electrical, mechanical, plumbing), while 40% is for remodels & new construction.

DRAC member Jeff Fish noted that residential new construction will stay steady if the 8% tax credit is extended, but otherwise will drop off. DRAC member Don Geddes added that there is a large financial penalty if he receives the tax credits and doesn't meet the required timelines, and that inspection setovers can really hurt. He asked how BDS will adjust its workforce to account for this. BDS Inspection Manager Jim Nicks responded that the bureau hasn't seen much of this yet, but BDS will respond on a case-by-case basis & work with customers. The bureau also recognizes that setovers are difficult for homeowners, who might have taken a day off work to be there for the inspection.

DRAC Member Rick Michaelson asked if there is a way for applicants to pay extra to cover any overtime to make sure an inspection gets done. BDS Inspections Manager Jim Nicks replied that he will need to discuss this with BDS Director Paul Scarlett. DRAC member Renee Loveland added that the US Department of Energy is dispersing a lot of stimulus dollars, and that many of the projects funded by those dollars will have a combination of other credits and incentives, and will be time-sensitive. Director Scarlett replied that the bureau will stay aware of this and work on screening those projects better.

### **Service Level Changes**

BDS Site Services Manager Ross Caron distributed and reviewed *Service Level Update Document*. Press releases regarding service level changes are e-mailed to media contacts and stakeholders, and contain links to the update documents online. He noted that DRAC members are on the press release e-mail list and should be getting all press release e-mails. Media contacts receiving press releases include the DJC. Mr. Caron noted that several more updates will be released soon.

DRAC member Jeff Fish asked if the bureau had been in touch with the HBA Communication Director about getting service level change information out, and offered to get contact information. BDS Inspections Manager Jim Nicks said that the bureau had not been in contact with the HBA regarding the service level changes, and added that he would be happy to meet with the HBA. The bureau would like to see information about service level changes in the HBA newsletter.

DRAC member Jeff Fish noted that consultation inspections have been suspended, but are sometimes legitimately needed. BDS Inspections Manager Jim Nicks replied that upon receiving a consultation inspection request, the inspector will call to determine if it's really necessary. Sometimes issues can be dealt with over the phone, and sometimes it's something the applicant needs to get a contractor to look at. BDS Director Paul Scarlett added that BDS provides a number of services that warrant fees, but that the bureau doesn't always charge for (such as consultation inspections). The bureau may start charging for some of those services, but will communicate with customers before doing so.

### **Budget Discussion**

BDS Management Analyst Mark Feters announced that BDS is establishing a Budget Advisory Committee (BAC) again for this year's budget process, and asked for volunteers from the DRAC to serve on that committee. DRAC members Rick Michaelson, Bonny McKnight, and Steve Heiteen volunteered. Mr. Feters said that he would contact them with a meeting schedule and further information.

### **Development Review Bureau Budgets**

DRAC Chair Steve Heiteen explained that several of the development review bureaus would be making presentations to the DRAC regarding their Fiscal Year (FY) 2010-11 budget requests, and he asked DRAC members for questions that could be given to those bureaus to answer in their presentations.

DRAC member Bonny McKnight suggested asking how much money those bureaus can provide in their budgets to support the development and completion of the fee and SDC calculators. She said the calculators would be beneficial, but that the \$50,000 needed for the project did not seem to be available. BDS Director Paul Scarlett stated that the fee calculator is high on BDS's wish list, too. DRAC member Keith Skille suggested that perhaps the development review bureaus could share the project cost. BES Manager Lana Danaher replied that none of the bureaus will have much money in the next budget.

DRAC member Bonny McKnight stressed that the fee calculator is at the core of what DRAC has been talking about, and will save staff time & money. DRAC member Rick Michaelson suggested that this type of issue should be addressed directly to City Council. Ms. McKnight then moved to include a letter stating that DRAC strongly supports funding for fee calculator with the upcoming Permitting Services Collocation report to Council. DRAC member Jeff Fish seconded the motion. PBOT manager Christine Leon concurred that DRAC should go to the Council to ask for funding, since the fee calculator would be treated as an add package and the bureaus have been told that there will be no add packages in this year's budget.

DRAC Chair Steve Heiteen called for a vote on Ms. McKnight's motion, and it passed unanimously. BDS Management Analyst Mark Feters offered to draft the letter.

### **Permitting Services Collocation**

BDS Plan Review and Permitting Services Manager Andy Peterson discussed the Public Works Appeals Board proposed as part of the Permitting Services Collocation project. The proposal is to create a single appeals board for public works with public participation. The Appeals Board has been set up to include one member from the DRAC, and Mr. Peterson asked for four names of DRAC members to take forward to Council for consideration.

DRAC member Rick Michaelson put his name forward for consideration. Mr. Peterson offered to e-mail DRAC members with more specific information, and asked that DRAC members forward other names to him.

### **Other Business**

#### RICAP 5

DRAC member Jeff Fish distributed and reviewed meeting notes from the *Narrow House Garage Stakeholders Committee (10/7/09)*. The committee met three weeks ago in response to RICAP item #55, which would take away garages on narrow houses. Mr. Fish said that RICAP 5 goes to the Planning Commission next Tuesday (10/13/09), and he asked the DRAC to write a letter to the Planning Commission requesting that this provision (eliminating garages) be removed from RICAP item # 55. He stated that if garages are removed from narrow homes, the homes will no longer be built.

DRAC Bonnie McKnight said that she supported Mr. Fish's request, and that the city can't build for a future that hasn't arrived yet. She added that the provision was added to RICAP because people didn't want ugly garages on skinny houses, but that it should not be mandated this way. Mr. Fish concurred that the issue of garages on narrow houses needs to be dealt with at some point, but that there hasn't been enough discussion.

DRAC member Michelle Rudd noted that she is a member of the Planning Commission, and she urged that the DRAC send something to the Commission on the matter. She added that the issue will have market implications, as it will hamper small lot development and density goals.

DRAC member Rick Michaelson moved that the DRAC send a letter to the Planning Commission voicing opposition to the provision in RICAP 5 item #55 regarding narrow house garages. DRAC member Keith Skille seconded the motion. A vote was called, and the motion passed with one abstention.

#### BDS Staffing Process

DRAC member Keith Skille asked if the bureau's rehiring process can be fast-tracked when the economy recovers. BDS Director Paul Scarlett replied that there are two elements to the rehiring process. First, the bureau has to have vacant positions available, but BDS cut its positions. BDS is in conversation with the City Budget Office about carrying positions so they can be filled when the bureau has sufficient funds. Second, rehiring has to be done by seniority, according to relevant labor contract provisions.

DRAC member Bonny McKnight asked if the bureau would have to go through the full hiring process to fill positions. Director Scarlett said no; positions can be filled through the recall list. Employees laid off from BDS are in redeployment for 90 days, and then go on the recall list. The most senior person on the list gets recalled first.

DRAC Chair Steve Heiteen noted that it will be important for DRAC members to let BDS know when they see things moving in the development industry.

**Next DRAC Meeting: Thursday, November 12, 2009—7:30-9:00 a.m.**

Minutes prepared by Mark Feters, BDS