



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee  
MINUTES  
Thursday, December 10, 2009**

**Attendees:**

**DRAC Members Present:**

Jeff Fish	Kathi Futornick	Don Geddes
Steve Heiteen	Renee Loveland	Bonny McKnight
Ed McNamara	Keith Skille	Simon Tomkinson

**City Staff Present:**

Commissioner Randy Leonard		Charles Auch, BDS
Ross Caron, BDS	Eric Engstrom, BPS	Rebecca Esau, BDS
Mark Fetters, BDS	Kurt Krueger, PBOT	Christine Leon, PBOT
Hank McDonald, BDS	Jim Nicks, BDS	Andy Peterson, BDS
Sara Petrocine, Commissioner Leonard's Office		Paul Scarlett, BDS
Riley Whitcomb, Parks	Rachel Whiteside, BDS	

**DRAC Members Absent:**

John Cisneros	Goudarz Eghtedari	Charlie Grist
Rick Michaelson	Michele Rudd	Carrie Schilling
Greg Theisen		

**Handouts**

- Inter-Bureau Code Change Project List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Rate Report/Scenario 4B

## **Convene Meeting**

DRAC Chair Steve Heiteen convened the meeting and thanked the DRAC for all their good work and time spent. The November 2009 meeting minutes were not ready, but BDS Management Analyst Mark Feters said he would distribute the minutes later via e-mail. The Chair invited members to review the meeting packet materials, which included the updated *Inter-Bureau Code Change Project List*.

## **Director's Report**

BDS Director Paul Scarlett reviewed the handouts *BDS Major Workload Parameters* and *Non-Cumulative Cost Recovery Rate Report/Scenario 4B*. Historically things slow down for BDS around holidays, and the bureau is closely watching what's happening. The DSC will be closed for the last week of December, but some things can be handled on the 2<sup>nd</sup> floor (Permitting Services) for businesses if needed. The bureau typically gets only 10 customers per day in the DSC during the holiday week.

The bureau continues to look to be creative and maximize resources. An example is a proposal to change the way inspections are distributed, in order to take advantage of inspectors' multiple certifications by distributing the work according to certification, rather than splitting commercial & residential.

More than forty staff from the infrastructure bureaus moved to the 1900 Bldg on December 7<sup>th</sup> as part of the Permitting Services Collocation project. Project staff from the various bureaus goes back to Council next Thursday, December 17<sup>th</sup> to present ordinances related to various elements of the collocation.

The bureau is looking at options for improving its reserve level and cost recovery rate, such as charging for services that are currently provided for free, and is looking at the current fee structure. BDS wants input and ideally support from the DRAC in these efforts.

In order to carry forward with critical services, BDS is asking for more General Fund support and has the option of taking a \$1 million loan from OMF to use if the reserves go below zero. City Commissioner Randy Leonard added that it is unconscionable to reduce BDS staff further, but fee increases are also not a good option. He has let the Council know that if a further dip occurs, he will be coming with a request for other funding. He and the bureau have been talking with OMF, and the Mayor and others want to help BDS avoid further layoffs.

Director Scarlett shared the good news that the Council agreed to exempt BDS from the 3% General Fund cut required of other bureaus.

Various DRAC members and City staff discussed the need to establish baselines in order to evaluate the changes over time to performance data in the handout *Major Workload Parameters*. Concerns expressed included the need to use long-term averages as baselines; adjusting staffing and performance goals to support development and growth over the long-term; and accounting for the additional, community costs of development.

## **BDS Budget Update**

BDS Management Analyst Mark Feters gave an update on the bureau's budget process and the work of its Budget Committee and external Budget Advisory Committee. Director Scarlett mentioned that City Council will give final budget directions to bureaus next week.

### **Parks SDC Fee Discussion**

DRAC members continued a discussion of the upcoming increase in Parks SDC fees on January 1, 2010. The increase will generally double SDC fees. Members did not question the validity of the SDC fee, but did question the timing of the increase. Members observed that for an apartment building, the increase will lead to higher rents in order to pay investors, making it difficult to succeed, especially in today's economy. It requires investors to sign on when the developer has to charge rents that the market may not support.

DRAC Member Jeff Fish moved to send a letter to City Council asking to delay implementation of the increase. The motion was seconded by DRAC Member Simon Tomkinson. There was one nay vote.

DRAC members asked about the impacts of delaying the increase. Parks SDC Program Manager Riley Whitcomb said that in the short-term, impacts to Park programs would be minimal. However, Parks is concerned about losing the opportunity to get to 75% cost recovery, which City Council committed to. Parks previously agreed to phase in SDC increases, so they've already been delayed. Parks debated delaying further to July 1, 2010, but decided to proceed now based on the Council's direction. Parks discussed the fees with the Small Business Advisory Committee (SBAC) on December 9<sup>th</sup>, and they will be talking with Commissioner Fish as well. At this time, an ordinance has not yet been filed.

DRAC members discussed the impacts of the SDC fee increase, both for individual projects and for development in the city. DRAC members also questioned why Parks is increasing SDC fees, which can be used only for new parks, when the bureau is unable to maintain what it currently has. Members questioned whether the increase should be delayed for a certain length of time, or whether it should be tied to the availability of funding or another economic measure. It was also noted that if the increase prevents some development from moving forward, it will impact the budgets of BDS and any other agencies involved with development.

### **Technology Update & Discussion**

City Commissioner Randy Leonard gave an update and facilitated discussion regarding the BDS Technology Initiative. The crisis at BDS has led to a desire to make improvements in order to minimize the impact of another downturn in the future. BDS's permitting and information archiving processes are "archaic" and need to be updated to be more efficient and improve access for customers.

The changes may have an impact on the number of staff who is re-hired, but we owe it to customers to have the best, most efficient system possible. BDS Restructuring Lead Hank McDonald has been researching systems in use in other jurisdictions to find out what will work for BDS.

Mr. McDonald said that full implementation of a web-based permitting system will take approximately 24 months. The new system will be entirely web-based; customers will be able to do research, submit permit applications, and receive permits remotely. This will allow BDS to start the review process quicker, as there will be no need to move around paper plans. BDS will continue to accommodate customers who don't operate electronically, but paper plans and applications will be digitized and handled electronically.

DRAC members echoed that the development industry has become web-based, and that BDS is overdue to move in that direction. DRAC members also had questions regarding the project cost and potential funding sources. The estimated cost of implementing the technology is \$4.5 - \$4.7 million, including staff and training costs. Commissioner Leonard said that he has alerted the Mayor and the rest of the Council that BDS is looking at technology to reduce costs, and that a one-time funding option is needed. Commissioner Leonard believes that the Council will be interested in making the change in order to avoid future layoffs.

#### **Permitting Services Collocation Update**

BDS Plan Review/Permitting Services Manager Andy Peterson gave an update on the Collocation process. Ordinances regarding Public Works permitting, fees, and appeals processes will be taken to City Council on December 17<sup>th</sup> at 2:00 p.m. (time certain). Due to limited time, Mr. Peterson encouraged DRAC members to contact him directly with any questions regarding the Collocation. Several DRAC members remarked that the Collocation process has been open, transparent, and productive, and that the end product works for most everyone.

#### **Other Business**

DRAC member Jeff Fish asked for a status update regarding inspection setovers. BDS Inspection Manager Jim Nicks said that the situation has improved, and they are not setting inspection requests over 2-3 days anymore. Inspections staff worked overtime on 3 Saturdays last month. Inspections have slowed down due to the holidays, but they expect to see an upturn in January, particularly in residential inspections.

**Next DRAC Meeting: Thursday, January 14, 2010—7:30-9:00 a.m.**

Minutes prepared by Mark Feters, BDS