



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

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**Development Review Advisory Committee**  
**MINUTES**  
**Thursday, August 16, 2012**

**DRAC Members Present:**

Jeff Fish  
Rob Humphrey

Dan Gilkison  
Joe Schneider

David Humber  
Keith Skille

**City Staff Present:**

Lana Danaher, BES  
Denise Kleim, BDS  
Andy Peterson, BDS  
Sandra Wood, BPS

Rebecca Esau, BDS  
Kurt Krueger, PBOT  
Nancy Thorington, BDS

Mark Feters, BDS  
Jim Nicks, BDS  
Riley Whitcomb, Parks

**Guests Present:**

John Hasenberg, ORA  
Ben Jackson, BOMA

Melissa Hayden, Security Signs  
Susan Steward, BOMA

**DRAC Members Absent:**

George Bruender  
Steve Heiteen  
Dana Krawczuk  
Michelle Rudd

Jeffrey Cole  
Keith Jones  
Ed McNamara

Hermann Colas  
Maryhelen Kincaid  
Rick Michaelson

**Handouts**

- DRAC Meeting Minutes 6/19/12
- Inter-Bureau Code Change List
- BDS Major Workload Parameters (Cumulative)
- Non-Cumulative Cost Recovery Report
- DRAC SDC Subcommittee Meeting Notes 07-17-12
- Specialized Finals Inspector Certification (Notice of Permanent Rule)

## **Convene Meeting**

DRAC Chair Keith Skille convened the meeting and welcomed DRAC members and attendees. A quorum of members was not present, so the June 19, 2012 DRAC meeting minutes could not be approved.

## **Director's Report**

BDS Administrative Services Manager Denise Kleim gave an update on BDS finances, staffing, and workload, and reviewed the handouts *BDS Mayor Workload Parameters* and *Non-Cumulative Cost Recovery Report*. She noted that BDS repaid its \$1.5 million operating loan in full in May 2012.

BDS's workload remains high and the bureau's financial position is strong compared to the previous few years. The bureau is bringing on a few temporary positions to respond to the increased workload and make sure work gets out the door quickly.

Ms. Kleim introduced Nancy Thorington, who will be working on code and program guides for the bureau.

Ms. Kleim noted that the bureau has been working with City Facilities on the HVAC system for the first and second floors of the 1900 Building, especially in the customer waiting areas. Broken system components have been replaced and other changes have been made to improve airflow and bring temperatures down to acceptable levels. The system seems to be working much better now.

BDS will be moving some staff back to the 6<sup>th</sup> floor of the building later this fall to make room for projected staff additions over the next few years.

BDS has issued an RFP (Request for Proposals) for a consultant to assist with facilitating and documenting the bureau's upcoming strategic planning process. The bureau is looking for a volunteer to serve on a panel to evaluate proposals; Mark Feters (BDS) will send an e-mail to DRAC members with more information.

DRAC Member Jeff Fish asked whether ITAP (Information Technology Advancement Project) will be paid for out of the bureau's reserve; he also asked when the bureau will cap its reserve. He expressed concern regarding the bureau having a large reserve and still increasing fees. Ms. Kleim responded that revenues and reserves are higher than projected; the current reserve will help fund ITAP; and no additional fee increases are needed to fund any of the three ITAP proposals. Once a vendor is chosen, the ITAP project costs will be incorporated into the financial plan.

Since it composes a significant portion of the overall bureau reserve, BDS is considering increasing the Building/Mechanical Program reserve from 25% to 35%. It had been set at 45% previously.

## **DRAC Subcommittee Updates**

### Historic Design Review Subcommittee

BDS Land Use Services Manager Rebecca Esau gave a brief update on activities regarding historic design review. City staff kicked off this project by meeting with various City committees (including the Historic Landmarks and Planning and Sustainability Commissions) to review the list of topics the project will address and the general timeline.

This month, the Bureau of Planning and Sustainability (BPS) is working with BDS to draft a white paper that will outline a narrow set of issues - with potential solutions - related to regulating historic resources. The draft white paper will be available in early September and will start a broader conversation with the community about this effort.

For more information about the project and how to get involved, please visit the project website at [www.portlandoregon.gov/bps/58976](http://www.portlandoregon.gov/bps/58976) or contact Jay Sugnet (BPS Project Manager) at (503) 823-5869.

A meeting of the DRAC Historic Design Review Subcommittee will be scheduled for late September.

#### SDC Subcommittee

The committee met on July 17, 2012. BDS Plan Review/Permitting Services Manager Andy Peterson referred members to the meeting notes in the handouts. The committee intends to meet again next week.

Mr. Skille noted that Parks will be re-examining its SDC fee methodology this winter; Riley Whitcomb (Parks) said he will bring information to the next SDC Subcommittee meeting.

#### **Specialized Finals Inspector Certification**

Mr. Fish referred DRAC members to the handout *Specialized Finals Inspector Certification (Notice of Permanent Rule)*. BDS Inspections Manager Jim Nicks noted that the certification is for final inspections only; since BDS already has a number of inspectors who are fully certified in multiple disciplines, the new rule may be more relevant to smaller jurisdictions than to BDS.

The State Building Codes Division is interested in developing new paths to certifications and has been dialoguing with the trade unions about this. Mr. Nicks felt that this will benefit the industry in the long run.

#### **Information Technology Advancement Project (ITAP) Update**

Kim Tallant (BDS) gave an ITAP update. Since June, eight BDS staff visited multiple cities to see vendor products in operation (2 cities for each vendor's product). The jurisdictions had good advice on project management and product implementation. They stressed keeping the product simple, preparing thoroughly, and involving multiple levels of staff. The three vendors' software programs were very similar, but differed greatly in the implementation of digital plan review.

Upcoming ITAP milestones include:

- Mid-September - "Best and Final Offer" phase
- Late September to early October – Vendor selection
- October to December - Negotiations with the selected vendor
- Early 2013 - Vendor on-board
- Early 2015 - Complete implementation

#### **BDS FY 2013-14 Budget Advisory Committee**

Mr. Skille noted that BDS will be forming its Budget Advisory Committee and will be looking for two volunteers from the DRAC. Mr. Feters will send an e-mail to DRAC members with more information.

Ms. Kleim stressed that the bureau is open to input on its budget and encouraged DRAC members to send their thoughts and ideas.

### **Pulse of the Industry**

DRAC members and others gave updates on conditions in the industry. Several members said they are seeing a lot of apartments developed. Mr. Skille noted that there is renewed interest in South Waterfront. The Lloyd District development is continuing; it is about 50% through schematic design. Mr. Skille said the demand for multi-family housing in the central city remains high, and real estate people are mentioning condos again. The general sense is that the multi-family market will be strong for a while yet. There are signs that commercial development may start again in the central city, as well as at Cascade Station and Swan Island.

Banks seem to be loosening up somewhat on their lending, but creative financing remains the norm. West Hayden Island development is moving forward, but slowly. Plans will be going to the Planning Commission soon, and they are hoping to go to Council before the end of the year.

The new home market has been good, though July and August were slower than June. Mr. Fish noted that 6 of 8 recent spec houses in the Portland area sold quickly. Lenders are returning to the housing market, but they're smaller lenders than previously. Mr. Peterson said that BDS is receiving 14-16 new home plan submissions every week, and Mr. Fish added that he's receiving many more calls from people wanting to sell vacant lots.

Mr. Skille noted that 4-5 years ago, one or two clients would make up 60-70% of their business. Currently, they have about 50 clients. The market has diversified and will be stronger as a result. Construction costs are increasing for both residential and commercial.

### **Other**

The BDS [online fee calculator](#) is scheduled for a soft go-live in September. BDS staff has been testing the system to make sure it's working properly. Mr. Peterson expressed appreciation for DRAC members' involvement in system development and testing.

Kurt Krueger (PBOT) gave a brief introduction to the [Street by Street program](#), which will be addressed by Mayor Adams at the September DRAC meeting. The program is designed to engage the issue of unimproved streets in various areas of the city, and will create options for less than full street improvement when infill development takes place on existing unimproved streets. This will allow for a level of improvement without the high upfront costs of full improvement, but without giving up the goal of full improvement at a future date.

**Next DRAC Meeting: Thursday, September 20, 2012, 8:00 a.m. - 9:30 a.m.**

Minutes prepared by Mark Feters, BDS