

**Development Review Advisory Committee
MINUTES
Thursday, December 13th, 2007**

Attendees:

DRAC Members Present

Kathi Futornik	Charlie Grist
Goudarz Eghtedari	Tom Skaar
Melvin Oden-Orr	Don Geddes
Steve Heiteen	Bonny McKnight
Dennis Wilde	

Guests

Susan Steward, BOMA
Skai Dancey, OHSU/ Institutions Coalition
Jim McCauley, HBA
Stacy Triplett, Metro
RJ Cervantes, PBA
Toby Van Fleet, Portland Tribune

City Staff Present

Anne Hill, BDS	Paul Scarlett, BDS
Rebecca Esau, BDS	Nora Mulane, BDS
Kurt Krueger, PDOT	Alisa Cour, BDS
Denise Kleim, BDS	Lana Danaher, BES
Jim Nicks, BDS	Cindy Dietz, Water
Ross Caron, BDS	Andy Peterson, BDS
Hank McDonald, BDS	Lori Graham, BDS
Betsy Ames, BOP	Ross Turkus, BDS
Peter Hurley, OSD	Michael Armstrong, OSD
Brendan Finn, Commissioner	Saltzman Chief of Staff
Commissioner Dan Saltzman	

DRAC Members Absent

Greg Theisen	Jeff Perala
Peter Finley Fry	Alan Beard
Rick Michaelson	Simon Tomkinson

Handouts

11/8/07 DRAC Minutes
Planning Commission Appointment to DRAC Correspondence
System Development Charge (SDC)—new handout
BDS Budget FY 2008-09 New Position Requests
BDS Estimated Fee Increases Financial Plan 2008
BDS Estimated Programmatic Growth Rates
DRAFT—FY 2008-09 Budget Note and Funding Options for the Neighborhood Inspections Program
Neighborhood Inspections Program—handout
DRAC Green Building Subcommittee Report
DRAC Green Building Subcommittee Report Power Point
OSD Green Building Technical Assistance and Policy Implementation Add Package, FY 08-09

Convene Meeting

DRAC member Steve Heiteen convened the meeting and asked if anyone had any changes to the November meeting minutes. With no changes, the November 8th, 2007 minutes were approved.

Steve Heiteen explained that it was time to nominate DRAC officers for 2008 and if there were any nominations. Dennis Wilde nominated Simon Tomkinson to a second term as Chair and Steve Heiteen to a first term as Vice Chair. Simon Tomkinson and Steve Heiteen were unanimously approved as the 2008 DRAC officers. Steve Heiteen thanked the Committee and expressed his willingness to step up and lead the DRAC with Simon.

Director's Report

Director Paul Scarlett updated the committee on the completion of the physical move of BDS staff in the building, the continued on average rate of 300 inspections a day, and the great work the 5 person BDS team did last week in Vernonia doing damage assessment resulting from the flood. Bonny McKinght and Dennis Wilde congratulated the staff for their service. Paul Scarlett also distributed new handouts available to the public on System Development Charges (SDCs).

BDS Budget Update

Paul Scarlett explained that two new groups were included in this year's budget process: organized labor and a DRAC subcommittee. The financial plan looks 5 years out and includes the bureau's reserve goals. There were several budget themes including customer services as part of the foundation of the organization and technology as part of the TRACS system, making more information available via the internet, and bringing online an electronic queuing system to track turnaround times. The 35% of the permits taken in for review are not meeting the turnaround times on a consistent basis. To meet the turnaround times more regularly, the bureau is asking for additional positions in plan review and structural engineering.

As a result of DRAC's concerns, for many programs fees are not being increased more than 5% but that does mean that the reserve goals for some programs are not going to be met at the same rate as projected in previous 5 year financial plans.

Administrative Services Manager Denise Kleim distributed and reviewed the following handouts: *BDS Budget FY 2008-09 New Position Requests; BDS Estimated Fee Increases Financial Plan 2008 and BDS Estimated Programmatic Growth Rates*. She invited the DRAC budget subcommittee members to speak about the budget. Jim McCauley noted that the budget was transparent making it very clear to see where the needs are being addressed in terms of FTE for reviews and inspections.

Neighborhood Inspections Section manager Ed Marihart distributed and reviewed the *DRAFT—FY 2008-09 Budget Note and Funding Options for the Neighborhood Inspections Program*. He explained that unlike the majority of BDS programs, the Nuisance Abatement Program is partially funded via the general fund. Tom Skaar asked if it was realistic to think that Council would fund the request. Ed Marihart explained that as in years past, Council has funded the program at varying levels. Dennis Wilde asked if there was any talk about borrowing against the \$5 million in unpaid liens. Denise Kleim explained while borrowing had never been discussed, BDS has worked closely

with the Auditor's office to review the status of the liens. Bonny McKnight noted that there is an overall value to the City for doing this program well.

Denise Kleim concluded that the budget would be published on December 21st and thanked DRAC members Bonny McKnight, Don Geddes and Jim McCauley for their time spent reviewing the budget. Steve Heiteen asked if there would be a follow up the committee regarding the Neighborhood Inspections reserves and the borrowing against unpaid liens. Steve Heiteen asked if there was a motion to support the proposed added positions, the proposed fee increases, and then general fund request for the nuisance program. The committees unanimously supported the proposed FY 2008-09 budget and agreed to sign a letter in support of the budget.

DRAC Green Building Subcommittee Report Presentation

Green Building Subcommittee Chair Dennis Wilde presented the report and recommendations—*Expanding Sustainable Development Practices in Portland, Oregon* to the Committee. BOMA (Building Owner and Manager Association) Executive Director Susan Steward asked who would be responsible for the reclassification of office buildings (Recommendation #19), and that her concern would be to go to her members with this recommendation. Dennis Wilde replied that the subcommittee was not sure who would be responsible for reclassifying office space that the City could work on incentives to make it more attractive to building owners. Susan Steward asked if the reclassification would be LEED, because there would be buildings that would never meet the standard, and if that were the case, would there be concessions. Dennis Wilde explained that the Subcommittee looked at Architecture 2030 goals rather than specific certification programs like LEED to develop recommendations—and that to be carbon neutral by 2030 meant that current buildings would have to be brought up to new standards. Once carbon trading or carbon taxes become mandatory, corporations will begin to make these changes regarding their current buildings. When real estate appraisers begin to tie energy performance to a building's value, building owners will move to make the necessary adjustments. Dennis Wilde concluded that the subcommittee looked at ideally how to make the strategies not a burden to the building owner.

Subcommittee member Charlie Grist explained that the vision of the committee was that over time a rating system would evolve out of necessity. Subcommittee member Kathi Futornik explained that the group wrestled with how to look at these issues and begin the discussion, and that this report was the first step in a two-step process—the second step being to examine some of the recommendations more closely and determine how they could be implemented.

DRAC member Don Geddes wanted to know what DRAC would be asking City Council to do? Dennis Wilde replied that DRAC would be asking the Council to put in place a set of strategies to assist in meeting the goals for the resolution (80% carbon reduction by 2050). He further explained that unlike other projects or initiatives, Council did not ask DRAC to develop the report and come back to them. DRAC convened a subcommittee, developed the report and wants to share it with the Council in the hopes that they will support the document and its recommendations and want to have the strategies put in place. Subcommittee member Jim McCauley (Homebuilders Association of Metropolitan Portland) explained that it took the subcommittee 10 months to research and develop 22 recommendations and the next step will be to flesh out the more complex recommendations. Susan Steward thought that DRAC was putting the cart before the

horse to go to Council without a sound plan and timeline. Dennis Wilde disagreed, noting that getting the issues on the table; get the recommendations that are easy to implement implemented; and those that need to be wrestled with start those conversations so we can move forward and begin to address the larger issue of reducing green house gas emissions. DRAC member Bonny McKnight wanted to make sure the City's universities were included in the following phases in terms of education and research opportunities. DRAC member Melvin Oden-Orr supported the report's approach of increasing efficiencies without mandates. Steve Heiteen asked if there was a motion to accept the Subcommittee report *Expanding Sustainable Development Practices in Portland, Oregon* and adopt it as a DRAC report. The report was unanimously adopted.

Proposed OSD Add Package & City of Portland High Performance Green Building Policy Review

Steve Heiteen welcomed Commissioner Dan Saltzman to the DRAC meeting. Commissioner Saltzman reviewed the goals supported by City Council to: (1) promote sustainable sector wages; (2) to encourage the proliferation of healthy offices/schools/homes; and (3) to slow the effects of global warming by reducing greenhouse gas emissions. Commissioner Saltzman invited the DRAC to consider participating in a High Performance Green Building Advisory Committee to determine how to meet the objectives of the City's Green Building Policy. The committee would be comprised of DRAC members, Sustainable Development Commission members and other stakeholders.

Office of Sustainable Development (OSD) Michael Armstrong distributed and reviewed the OSD Green Building Technical Assistance Add Package FY 2007-08 being submitted by OSD to support many of the report recommendations along with the proposed green building policy. DRAC member Tom Skaar asked if the proposed positions would be located in BDS. Michael Armstrong confirmed that yes; the positions would be located and managed at BDS. Dennis Wilde commented that the add package put the meat on the bones of the DRAC report and that this was a fantastic partnership between OSD and BDS. Jim McCauley noted that this type of proposed technical assistance and incentives are so important if we are going to meet the objectives of the report. Michael Armstrong asked DRAC to support the assured the DRAC that by supporting the add package they were in no way an endorsement of the Green Building Policy. The DRAC unanimously supported the OSD Green Building Technical Assistance Add Package FY 2007-08.

OSD staff Peter Hurley reviewed the draft City of Portland High Performance Green Building Policy. There are three components:

- (1) Technical Assistance, Education & Outreach;
- (2) Performance ratings for Existing Buildings—a performance rating for all commercial and residential buildings to inform prospective buyers about building performance;
- (3) Carbon Feebate for New Construction:
 - build high performance building and receive a carbon fee rebate form the City,
 - build to at least 30% more energy efficient than current code and receive a carbon fee waiver,
 - build to Oregon code and pay a carbon fee to help mitigate resulting carbon emissions.

Jim McCauley asked what it would cost a builder of a 2,000 square foot home that built to code. Peter Hurley noted that it would cost approximately \$2,800-\$3,500 in fees, but that you could build to the waiver standard for less than the fees.

DRAC member Bonny McKnight saw this as encouraging change from the top down rather than from the builder/community at large. She was concerned that adding more fees to the people at the bottom in new residential housing that was already inflated was not a good policy. Peter Hurley agreed that this should be discussed in more detail. He noted that the policy is about 50% designed right now.

DRAC member Don Geddes asked why this isn't being moved as a change to the code (like seismic, ADA) rather than setting up a new system? BDS staff Lori Graham noted that there is now an ability to do a local amendment through a code process. DRAC member Dennis Wilde saw this as a good issue to raise with the stakeholder group. DRAC member Charlie Grist wanted to see a timeline for how OSD saw to orchestrate the policy over time. DRAC member Bonny McKnight wanted to be assured that DRAC's participation was not going to be overlooked on the stakeholder group. OSD staff Michael Armstrong clarified that he thought there would be 15 or so members and that the process would take 6-8 weeks. DRAC member Steve Heiteen noted that this was an ambitious timeline. The DRAC unanimously voted to have DRAC Green Building Subcommittee members represent them on the Green Building High Performance Advisory Committee.

DRAC Meeting, Thursday, January 10th, 2008 7:30-9:00 a.m.

Minutes prepared by Anne Hill—December 17, 2007