



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, April 9, 2009

Attendees:

DRAC Members Present:

| | | |
|----------------|----------------|------------------|
| Steve Heiteen | Keith Skille | Carrie Schilling |
| Jeff Fish | Bonny McKnight | Don Geddes |
| Michele Rudd | Ed McNamara | Charlie Grist |
| Renee Loveland | | |

City Staff Present:

| | | |
|--------------------------|-----------------------|----------------------|
| Alisa Cour, BDS | Anne Hill, BDS | Andy Peterson, BDS |
| Denise Kleim, BDS | Rebecca Esau, BDS | Ross Caron, BDS |
| Hank McDonald, BDS | Kurt Krueger, PDOT | Christine Leon, PDOT |
| Kassandra Griffin, Parks | Cindy Dietz, Water | Darren Kipper, Water |
| Ross Turkus, BDS | Alisa Kane, BPS | Chris Scarzello, BPS |
| Dan Vizzini, BES | Riley Whitcomb, Parks | |

DRAC Members Absent:

| | | |
|-----------------|-------------------|-----------------|
| Rick Michelson | John Cisneros | Kathi Futornick |
| Simon Tomkinson | Goudarz Eghtedari | |

Handouts

3.12.09 DRAC Minutes
Inter-Bureau Code Change Project List
Bureau of Development Services July 1, 2009 Fee Increases
BDS Major Workload Parameters/Non-Cumulative Cost Recovery Rate Report
City of Portland Permit Fee Estimator
DRAC SDC Subcommittee Report
Proposed DRAC 2009 Work Plan
2009 Permit Consolidation Report
Summary—Consolidation of Citywide Development review and Permitting

Convene Meeting

Chair Steve Heiteen convened the meeting, and the DRAC adopted the March 9, 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

BDS Director Paul Scarlett updated the Committee on the effect of the economic challenges on the Bureau. Staff is continuing to focus on customer service while looking for cost saving efficiencies. While the staff have been notified of their position being reduced beginning July 1, 2009, the Bureau continues to work to find appointments for those affected staff.

The Development Services Center (DSC) will be temporarily moved to the second floor of the 1900 SW 4th Avenue building as a result of scheduled maintenance from the Bureau of General Services. The temporary move will be in effect though the first two weeks of May 2009.

As a result of the retirement of Chief Plumbing Inspector and Commercial Plumbing section manager Ken Carlson—after 24 years of service—Commercial Inspections Division Manager Hank McDonald will temporarily assume the duties of the Chief Plumbing Inspector and of managing the section along with his division manager duties.

BDS Budget

BDS Senior Business Operations Manager Denise Kleim distributed and reviewed *Bureau of Development Services BDS Major Workload Parameters/Non-Cumulative Cost Recovery Rate Report*.

DRAC member Bonny McKnight asked how the Bureau addressed the discrepancy between the footnote on the Cost Recovery Report referring to "the BDS Financial Plan has set a minimum goal for the FY 08-09 reserve to be \$8,120,164." and the reserves being shown at \$7,888,268. BDS Director Paul Scarlett explained that there were alternative options like targeted severances, furloughs, and leaving positions vacant that would help with the cost recovery along with remaining hopeful that the revenues will pick up. DRAC member Bonny McKnight noted that as a DRAC member she always heard that this reserve threshold was a bottom line that the Bureau cannot go below. At what point is the not adjustable? BDS Director Paul Scarlett explained there is a 10% threshold or \$4,000,000.

Fee Increases

BDS Senior Business Operations Manager Denise Kleim distributed and reviewed *July 1, 2009 Fee Increases*. Mechanical Permit fees are covering less than 50% of program costs resulting in a proposed 10% fee increase next year. This is 5% more than what was initially proposed, which is still not enough to be at 100% cost recovery.

DRAC Vice Chair Carrie Schilling asked if the mechanical program had increased expenses or where their efficiencies that hadn't been capitalized? BDS Senior Business Operations Manager Denise Kleim explained that the mechanical fees had not been increased for four years and they had never been separated from the building permit fees until this year. This analysis allowed the Bureau to understand the associated costs of the program. DRAC member Jeff Fish remembered that a year ago the fees were going to increase 5% for a number of years and then decrease to the range of 3-3.5%. Have the fees been adjusted

since then? BDS Director Paul Scarlett agreed that the increases had not been above 5%. Once the goals had been met the rates would be adjusted down closer to the 3.5% based on revenues, cost of living adjustments and other factors.

DRAC member Keith Skille asked if the mechanical fees would be offset. BDS Director Paul Scarlett replied yes, they would be offset. DRAC member Bonny McKnight asked if the 5% increase built revenues to replenish the reserves. BDS Director Paul Scarlett explained that the cost recovery goals and then reserve goals were factors when the fee increases were calculated.

Fee Calculator

BDS staff Nora Mullane distributed and reviewed the *City of Portland Permit Fee Estimator* summary. DRAC member Renee Loveland asked what was being designed behind the calculator to address fee reductions a customer might receive for items such as storm water efficiencies. BDS Plan Review/ Permitting Services manager Andy Peterson explained that in the case of storm water, BES would include those fees associated with those services and programs. BES staff Lana Danaher noted that storm water reductions were currently handled through appeals so staff can collect data to assess if the assumptions used to develop the methodology regarding the fee reduction was accurate. If not, then the methodology would be adjusted accordingly.

DRAC SDC Subcommittee Report

Subcommittee Chair Don Geddes distributed the current draft of the *DRAC SDC Subcommittee Report* explaining that it had been redrafted to incorporate additional feedback from the Bureaus. He noted that the goal of the subcommittee was not to determine if SDCs were too high or too low. DRAC member Bonny McKnight agreed that City Council should look at the questions raised in the report and hoped that it would stimulate discussion about what it means to the City's infrastructure to build 300,000 more units. DRAC Chair Steve Heiteen asked the Committee to review the new draft which would be sent electronically after the meeting and be ready to discuss adopting the report at the May, 2009 meeting.

Proposed DRAC Work Plan

DRAC Chair Steve Heiteen reminded Committee members that the proposed work plan had been emailed prior to the meeting for their review. He asked if anyone had questions, concerns or additions. DRAC member Bonny McKnight asked if the title could be changed on the Permit Consolidation item of the work plan because she objected to the premise that the way to get to these issues are by permit consolidation. DRAC member Ed McNamara noted that he saw the words "examination" and "proposed changes" and was fine with the current language. DRAC member Bonny McKnight thought the language was limiting. DRAC Chair Steve suggested adding "or Other Related Options" to the section title. BDS Director Paul Scarlett reminded the Committee that unless it is changed on April 16th at City Council, what is currently on the table and described in the work plan is the process and subsequent report of the Permit Consolidation Plan. DRAC member Jeff Fish made a motion to adopt the DRAC Work Plan. Ed McNamara seconded the motion. 10 members voted in favor, one member voted in opposition.

Permit Consolidation Update

BDS Plan Review/ Permitting Services manager Andy Peterson distributed and reviewed the

Summary—Consolidation of Citywide Development Review and Permitting with the Committee. The Council resolution initially due to Council March 11, 2009 was postponed until April 16, 2009. DRAC member Greg Theisen asked if the infrastructure bureaus were not at cost recovery from their programs how would BDS have the revenues to operate them? BDS Plan Review/ Permitting Services manager Andy Peterson explained that the plan asked for the current funding sources be maintained in the short term.

DRAC member Ed McNamara asked if there would be cost efficiencies with the Permit Consolidation or would it increase the coordination and the cost? BDS Director Paul Scarlett explained that staff was working on those numbers. The hope would be that the Consolidation would yield efficiencies in out years.

DRAC member Greg Theisen asked if there were the three votes necessary at Council. BDS Director Paul Scarlett explained that Commissioners Fritz and Saltzman had voiced concerns with Commissioner Saltzman filing an alternative for partial consolidation. He was not aware of Commissioner Fish's position on the issue. DRAC member Michele Rudd asked if the report would be voted on in its entirety including allocating the necessary funds. BDS Director Paul Scarlett confirmed that the report would be voted in its entirety.

BDS Plan Review/ Permitting Services manager Andy Peterson explained that regardless of alternative resolutions, complete participation was there from staff assigned from other bureaus. DRAC member Greg Theisen said he heard there seemed to be differing perspectives on the issue. He thought Andy Peterson had captured the Permit Consolidation perspective well, but wanted to hear the feedback from those bureaus with a different perspective.

Committee members were asked if they wanted to take a position on the Permit Consolidation Report being presented to City Council. DRAC member Greg Theisen said he wanted to take a position but wasn't prepared to yet. DRAC member Jeff Fish explained that as a member of the Oversight Committee there were two perspectives. The first was that permit consolidation was a good solution. The second perspective was a concern that there would be a loss of regulatory oversight and that developers would be able to get away with something. His feeling was that currently the system is inefficient. Now is the time to take the gamble and try something new.

DRAC member Keith Skille explained that he supported Jeff's perspective but wanted to hear the other concerns before he fully embraced the concept. PBOT staff Christine Leon and BES staff Lana Danaher noted that if Committee members were to read the 2 documents, you would see more in common than not. The difference was the \$3.2 million needed for the consolidation.

The DRAC agreed to hold an interim DRAC meeting on Tuesday, April 14th, 2009 from 7:30-9:00 am to come to a consensus regarding whether to support, remain neutral, or decline support for the Permit Consolidation Plan. Staff was directed to verbally confirm members' attendance to ensure a quorum.

DRAC Meeting, Thursday May 14th, 2009—7:30-9:00 a.m.
Minutes prepared by Anne Hill—April 16th, 2009