



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Tuesday, April 14, 2009

Attendees:

DRAC Members Present:

Steve Heiteen	Keith Skille	Renee Loveland
Carrie Schilling	Greg Theisen	Jeff Fish
Bonny McKnight	Don Geddes	Rick Michaelson
John Cisneros		

City Staff Present:

Alisa Cour, BDS	Anne Hill, BDS	Andy Peterson, BDS
Denise Kleim, BDS	Rebecca Esau, BDS	Dan Vizzini, BES
Hank McDonald, BDS	Kurt Krueger, PBOT	Christine Leon, PBOT
Kassandra Griffin, Parks	Cindy Dietz, Water	Darrell Kipper, Water
Ross Turkus, BDS	Eric Engstrom, BPS	Lana Danaher, BES
Sara Petrocine, Staff, Commissioner Leonard		

DRAC Members Absent:

Goudarz Eghtedari	Charlie Grist	Kathi Futornik
Simon Tomkinson	Michelle Rudd	Ed McNamara

Handouts

Plan for Achieving Development Review and Permitting Consolidation, April 9, 2009
Summary—Consolidation of Citywide Development Review and Permitting
Permitting Consolidation Major Policy Considerations

Convene Meeting

Chair Steve Heiteen convened the meeting and thanked Committee members and staff for attending this interim meeting to further discuss the Permit Consolidation Proposal being presented to City Council on Thursday, April 16, 2009. The Chair confirmed that there was a quorum.

Overview of the Permit Consolidation Plan

BDS Plan Review/Permitting Services Manager Andy Peterson distributed and reviewed the *Summary—Consolidation of Citywide Development Review and Permitting* with the Committee. The primary functions that have been identified to be consolidated includes building plan review, the Public Works Process Management and Public Works Permit Engineering groups, and a portion of the Land Use groups. A few of the major issues that have been raised include acceptance of public works projects by the infrastructure bureaus if reviewed and permitted by BDS, maintaining infrastructure bureau advocacy for city policy when consolidated into BDS, and creating an appropriate path for balancing competing policies/providing policy feedback to appropriate bodies. He explained if passed, the transfer of employees would begin on July 1, 2009 through December 31, 2009. DRAC member Rick Michaelson thought that was a fast a timeline to resolve the issues discussed in the proposed plan.

BES Principal Financial Analyst Dan Vizzini who was appointed to the Development Review Permitting Consolidation Inter Agency Team and the Oversight Committee, distributed and reviewed *Permitting Consolidation Major Policy Considerations* with the Committee. BES staff Dan Vizzini pointed out that there was common ground among all parties that permitting functions should all occur at the 1900 Building. The question was how that should occur. He continued by thanking Mayor Adams and Commissioner Leonard because the process allowed staff the opportunity to identify areas for improvement and develop great ideas for implementation.

He noted that after reviewing BDS (DRAC) minutes for the last two years the never saw the topic of permit consolidation on any work plan or in any discussion nor was it on any Planning and Development Director meeting agenda. He continued by asking if the issue of permit consolidation was such a critical issue, why was it never addressed in these venues? He invited DRAC to compare their role In 2004 when the Committee made a presentation to Council leading the change for identifying efficiencies in combining development review functions with now, in 2009, when only days before the Permit Consolidation Plan was to be heard at Council, it was up for discussion at DRAC.**

DRAC member Don Geddes asked if there was so much leadership in 2004, why had nothing changed in terms of permitting with the infrastructure bureaus? He supported trying something different because nothing else has made any significant improvement. DRAC Vice-Chair Carrie Schilling did not support a policy shift that would merely encourage a developer to use policy (ENB-2.04). Instead she was supportive of enforcement vs. an encouragement model as described in the full Permit Consolidation proposal.

BES staff Dan Vizzini thanked the Committee for inviting him to present the Permit Consolidation Major Policy Considerations to them.

DRAC Discussion

DRAC Chair Steve Heiteen opened the floor to discussion. DRAC member Jeff Fish noted that when all of the bureaus with permitting functions co located in the Portland Building years ago, he was asked by the then Bureau of Buildings Director how he liked the new system. Jeff replied that the new system was no better because moving everyone to the same place didn't change anything. The key to change for him is having direct authority over all staff affecting the development review process.

DRAC member Rick Michaelson was terrified because the public right of way process was still split in terms of its' review and inspection processes. The current proposal does not address this issue. BDS Land Use Services manager Rebecca Esau asked if moving the inspections staff over too would help. DRAC member Rick Michaelson replied yes, they need to be in the same bureau.

DRAC member Bonny McKnight explained that there were many things that have not been tried. Why would spending more money solve the problem? She wants BDS to blow the whistle and tell the other bureaus that they are not doing their jobs. Blueprint 2000 had aspirational goals that were never tried. She encourages the committee to consider that before destroying the morale in some bureaus why not explore those options.

DRAC member Jeff Fish commented that he had seen this fragmented approach for over 30 years building in the City and it hasn't worked. Builders continue to not build in the City because of the silo structure.

DRAC member Greg Theisen explained that he had been on the DRAC for four years and could recall many conversations about the permitting process. The permit process has been a major focus of this committee. What are the long term cost effects of the current proposal? He recalled that the permitting functions in other bureaus were not at cost recovery. If those functions were transferred to BDS, would there have to be constant permit fee increases to support the programs?

BDS Plan Review/Permitting Services Manager Andy Peterson explained that based on information from the infrastructure bureaus and BDS projections, the proposal would result in a 65-70% cost recovery rate. In the short term, there would be no net increase to BDS because those funding streams currently funding those positions being transferred would continue. In the long term, he explained that BDS currently issues approximately 10,000 permits a year. If every building permit was increased on average by \$100, that increase would recover the estimated \$1million necessary to meet cost recovery. When looking at the additional parking fees and time it takes to navigate multiple systems, he thought that increase would be cost effective.

DRAC member Rick Michaelson explained that while it was appropriate for BDS to be at cost recovery for private development but that regarding public works projects, the development community is doing work on behalf of the City and that shouldn't be at 100% cost recovery. BDS Plan Review/Permitting Services Manager Andy Peterson explained that the Public Works pieces proposed to be consolidated are at 100% cost recovery.

BES staff Dan Vizzini responded to DRAC member Greg Theisen's comments by re-affirming that while reviewing the DRAC minutes, they did not show any substantive discussion of this matter at all. He continued by asking the Committee why they wouldn't want to publish to

the world the appeals process (ENB-2.04) to hold the (development review) system accountable?

DRAC Vice-Chair Carrie Schilling replied by saying that she did not feel that the City's customers should have to force the City (staff) to be held accountable to do their jobs. DRAC Chair Steve Heiteen further explained that his personal experience as a private citizen obtaining permits was confusing and difficult. He explained that the DRAC's role was to lead and respond to items coming from bureaus, the City Council, or the public.

DRAC member Jeff Fish said that apart from building with in the city since 1972 and sitting on numerous City committees and advisory groups, he consistently encounters staff empowered in the City that don't completely understand the City processes because they are split up, contradictory and confusing.

DRAC member Keith Skille commented that everybody agrees that the staff engaged in the work of permitting public and private projects should be in the same place. He suggested that the BDS process managers work great. He was not sure that Paul (BDS Director Paul Scarlett) having authority to hold people accountable was the best option. An alternative plan such as expanding the Major Projects Group (MPG) might allow people to do their job and get the results we all want.

BES staff Lana Danaher explained that BDS has a value that's should be expanded and that the problem now is that the chain of command is too linear so problem solving happening at the top of the ladder instead of at the lowest level. Those jurisdictions like Gresham that fully consolidated these functions have since disbanded because they didn't work.

DRAC member Renee Loveland commented that the MPG program has been a very effective mechanism one that her colleague former DRAC member Dennis Wilde championed. She explained that she was representing those interests who want to see those issues associated with having to build teams with the adequate staff necessary to navigate the City's multiple processes addressed. She explained that the hope would be that full Permit Consolidation would begin to address these issues.

DRAC member Rick Michealson explained that he was working on a project with PBOT for street widening. He is currently making the project work because he has the ability to directly work with the policy makers who can make the adjustments necessary for this project to be a success. The Permit Consolidation proposal would make this impossible.

DRAC Chair Steve Heiteen noted that he recognized when in BDS shifted from a culture of how to say no to a culture of how to say yes. DRAC member Rick Michealson thought those changes occurred because of personality vs. function.

DRAC member Keith Skille thought that accountability and process doesn't have to be about grabbing power and that that might be what was happening here. BES staff Dan Vizzini suggested that it might be worthwhile for the general fund to underwrite the early assistance functions so that more people would be involved earlier in the process at the beginning of their projects. He further noted that it was false to think that efficiency would be gained by splitting policy from permitting. We should give Paul (BDS director Paul Scarlett) top break the tie when disputes arise.

DRAC member Bonny McKnight asked the Committee to consider that a permit getting out to of the system faster wasn't necessarily the best solution. She hoped that the DRAC would advise Council to test new out new solutions to see what worked.

DRAC Chair Steve Heiteen was not convinced that merely by merging permitting functions the policies and practices would change.

PBOT staff Christine Leon explained that PBOT staff developed proposals based on what would work for the developers and the neighborhoods versus what would work for transportation. She noted that she a real issue with full consolidation because she didn't think it would get the customers what they want. Moving the Public Works Permitting project staff to BDS made sense.

DRAC member Don Geddes said that any appeals process was not the issue. The issue is that projects are repeatedly lost in PBOT and BES. BES staff Dan Vizzini suggested moving Public Works Permitting functions to BDS. DRAC Member Don Geddes followed up by asking who would issue what permit? PBOT staff Christine Leon explained that there were no agreed upon timelines for public works permitting and that by setting these there would be more accountability.

DRAC member Jeff Fish explained that process managers and the MPG program were tailored for large scale projects. These efficiencies did not affect the smaller residential or commercial projects.

DRAC Action

DRAC Chair Steve Heiteen asked the Committee if the members were ready to make a motion. DRAC member Bonny McKnight asked if a motion to support the proposal was accepted, would the dissention be noted. The Chair said that yes, it would be.

DRAC member Jeff Fish made a motion to support the Plan for Achieving Development Review and Permitting Consolidation as written, being presented to Council on Thursday, April 16th, 2009. DRAC member Greg Theisen seconded the motion.

DRAC members Steve Heiteen, Carrie Schilling, Don Geddes, John Cisneros, and Jeff Fish voted in support of the motion. DRAC member Renee Loveland had to leave early but left her support of a motion in writing with DRAC Chair Steve Heiteen.

DRAC members Bonny McKnight, Greg Theisen, Keith Skille and Rick Michaelson voted against the motion.

A letter from the DRAC in support of the Plan for Achieving Development Review and Permitting Consolidation would be forwarded and signed by the Chair and Vice Chair.

***It should be noted that DRAC member Bonny McKnight was appointed to the Oversight Committee, DRAC member Jeff Fish was appointed to the Oversight Committee and former DRAC member Dennis Wilde was appointed to the Oversight Committee. There were updates by BDS staff and DRAC members on the January, February, and March 2009 DRAC meetings and a fuller discussion at the April 9, 2009 DRAC meeting.*

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