



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, May 14, 2009

Attendees:

DRAC Members Present:

Steve Heiteen	Goudarz Eghtedari	Carrie Schilling
Jeff Fish	Bonny McKnight	Don Geddes
Michele Rudd	Rick Michaelson	Greg Thiesen
Simon Tomkinson		

City Staff Present:

Alisa Kane, BPS	Anne Hill, BDS	Andy Peterson, BDS
Denise Kleim, BDS	Rebecca Esau, BDS	Ross Caron, BDS
Hank McDonald, BDS	Christine Leon, PBOT	Chris Weir, PBOT
Kassandra Griffin, Parks	Cindy Dietz, Water	David Schaff, Water
Ross Turkus, BDS	Darren Kipper, Water	Kurt Kreuger, PBOT
Dan Vizzini, BES	Riley Whitcomb, Parks	Sun Noble, BES

DRAC Members Absent:

John Cisneros	Kathi Futornick	Ed McNamara
Keith Skille	Charlie Grist	Renee Loveland

Handouts

4.9.09 DRAC Minutes
4.14.09 Interim Meeting Minutes
Proposed DRAC 2009 Work Plan
Inter-Bureau Code Change Project List
BDS Budget Update, May 12, 2009
BDS Major Workload Parameters/Non-Cumulative Cost Recovery Rate Report
Proposed Building and Other Permits Fee Schedule
DRAC SDC Subcommittee Report
Collocation report accepted by City Council
Bureau Collocation Update to DRAC

Convene Meeting

DRAC Chair Steve Heiteen convened the meeting, and the DRAC adopted the April 9, 2009 meeting minutes. DRAC member Goudarz Eghtedari abstained due to being absent for those DRAC meetings. The April 14, 2009 interim meeting minutes were also accepted with a correction. Bonny McKnight was not appointed Chair of the Oversight Committee. 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 highlighted National Building Safety Week and the associated public outreach event that took place at BDS on May 5th. The Director distributed and reviewed the *BDS Budget Update* explaining that the Mayor's proposed budget included most of the decision packages BDS submitted in the FY 09-10 proposed budget..

BDS Budget

BDS will continue to manage the budget by implementing Employee Transition Plan items as approved by City Council. Over the next 2-6 months, 6-8 employees will participate in targeted severance. A combination of retirements, resignations, and a reduction in overtime and travel have provided significant cost savings and prevented layoffs.

DRAC member Bonny McKnight asked whether the Bureau would be impacted by the resignation of staff with hard-to-replace skills. Bureau Director Paul Scarlett responded that he is not concerned that there will be negative impact on customer service, because newer employees are well versed and committed to the philosophy of providing excellent customer service.

Michael Sestric, representing the Facilities Coalition, asked if staff would be moved or reduced if permit applications continue to decline. BDS Director Paul Scarlett replied that BDS would keep sight of performance goals, including turnaround times, when transitioning staff.

DRAC Member Simon Tomkinson asked if there was any notable change in the number of pulled permits. BDS Plan Review/Permitting Services Manager Andy Peterson responded that there was a very modest increase in permits. Simon Tomkinson asked if the next phases of the multi-phase personnel reduction would be moving forward. BDS Director Paul Scarlett acknowledged that the next phase of staff reductions are being discussed, but that BDS will strive to avoid layoffs.

Work Load

DRAC Chair Steve Heiteen asked about the status of permits and workload. BDS Permitting Services/Plan Review Manager Andy Peterson distributed and reviewed the *BDS May 11, 2009 Major Workload Parameters*. There has been a small increase in New Single family Residential permits, but the overall numbers are still low. Trade permit numbers are higher as a result of remodels. The total dollar value of permits is down.

DRAC member Simon Tomkinson asked if staff coverage has been impacted. BDS Permitting Services/Plan Review Manager Andy Peterson responded that staffing has declined, as we are down 50 positions bureau-wide, 40 of which are vacancies. As a result, nearly all of the plan review staff is tapped to be at the counters at the end of the day when DSC traffic

increases. The result of this is too few staff in other areas. BDS Director Paul Scarlett pointed out that the DSC hours have been extended for one hour to 4:00 to help accommodate the late rush.

PBOT staff Kurt Kreuger has seen his staff reduced 40%. He is concerned about getting staff back if there is an increase in demand this summer. BDS Permitting Services/Plan Review Manager Andy Peterson shared that BES staff Lana Danaher has also made staffing adjustments and moves.

DRAC member Bonny McKnight observed that enforcement activity has increased and was concerned that public outreach efforts might be creating a market that can not currently be served. In response, BDS Director Paul Scarlett assured the DRAC that, if there was a demonstrated need, BDS would respond to that need.

Referring to the *BDS Budget Update-Decision Package 07*, Michael Sestric asked what inspections this would fund. BDS Site Services Manager Ross Caron clarified that the Add package item was to fund one additional staff person to implement a pilot project for multi-family complexes, however, one additional position is being cut from the budget. There are often systemic issues in multi-family buildings, and this pilot would allow for inspections of multiple units in the same building.

BDS Fee Increases

BDS Administrative Services Manager Denise Kleim distributed and reviewed *July 1, 2009 Fee Increases, Exhibit A*. She reminded the DRAC that building permit fees will not increase, but that mechanical permits will increase by 10%. The overall cost recovery rate of the mechanical program is approximately 50%. BDS will work over the next year to develop a plan to bring the mechanical program to full cost recovery over time. DRAC approved the fee increases in April.

DRAC member Bonny McKnight moved to approve drafting a letter of support for the proposed BDS fee increase, and the motion was accepted by the DRAC. DRAC member Simon Tomkinson agreed to represent DRAC and present the letter at the Council Hearing.

DRAC SDC Subcommittee Report

DRAC SDC Subcommittee Chair Don Geddes distributed and reviewed the revised *DRAC SDC Subcommittee Report*, explaining that it incorporates additional feedback from Planning and Development Directors (PD &D) group. Don Geddes then asked for the full DRAC committee's approval of the subcommittee's work and asked the DRAC if they wanted to move the SDC subcommittee findings forward.

BDS Director Paul Scarlett shared with the DRAC that BDS Administrative Services Manager Denise Kleim and BDS staff Anne Hill presented the report at the PD&D group's bi-weekly meeting. The comments from the PD&D are reflected in the report in bold. DRAC member Bonny McKnight asked if the intention of the DRAC was to bring the SDC report to City Council? Bonny pointed out that DRAC was ahead of City Council in calling attention to issues with SDCs and making subsequent recommendations. BDS Director Paul Scarlett acknowledged the importance of recognizing that DRAC's work started prior to City Council adopting the Permit Co-Location report that incorporated SDC fees and waivers. He noted that a number of the recommendations in the Subcommittee Report could be used for the

SDC related item referenced in City Council Collocation Report. Staff updates will be due to Council at the end of June and again in September of this year.

DRAC member Greg Theisen asked what commitments the bureaus had made for reporting to City Council and/or DRAC. BDS Director Paul Scarlett replied that bureaus were expected to report on the implementation and effectiveness of the City Council Collocation and SDC directives.

DRAC member Don Geddes pointed out that the DRAC SDC Subcommittee had made recommendations only, and though those recommendations had yet to be accepted by DRAC, Council's Report has the item in it. This both validates and convolutes the DRAC SDC Subcommittee Report.

DRAC member Simon Tomkinson referenced the DRAC SDC Subcommittee recommendation that there be an Annual Council Hearing regarding SDCs and that the City provides an Annual Report that includes aggregate SDC revenues. Simon perceived the SDC Subcommittee Report as a discovery process, and that the City Council's action is separate from the SDC Subcommittee's work.

BES staff Dan Vizzini acknowledged that DRAC provided a head start on the work City Council approved in the April 16 Collocation Report. Dan recommended using the SDC Subcommittee report as a starting or source document, the content of which would ultimately go to City Council as part of the Inter-Agency Team Collocation reporting process due September 1, 2009.

BDS Director Paul Scarlett recommended that the *DRAC SDC Subcommittee Report* be brought to City Council separately before September, as a resource that can inform Council as the Inter-Agency Team's process progresses. DRAC member Rick Michaelson agreed, and recommended that a cover letter accompany the DRAC SDC Report to provide context for the recommendations. DRAC member Goudarz Eghtedari recommended getting the report to City Council sooner rather than later.

DRAC Member Greg Theisen moved to approve the *DRAC SDC Subcommittee Report and Recommendations*. DRAC member Bonny McKnight seconded the motion. The report was approved and accepted by the DRAC.

DRAC member Greg Theisen moved to forward the *DRAC SDC Report and Recommendations* to City Council for review and to request support, including public process and disclosure. DRAC Rick Michaelson seconded the motion, and the DRAC approved the motion.

DRAC member Simon Tomkinson was interested in having a way to measure and examine aggregate costs of SDCs, which would require all bureau's input. DRAC member Steve Heiteen suggested that the DRAC's SDC presentation to City Council would be more visceral if a matrix of different kinds of projects were used to demonstrate the difference in charges.

Parks staff Kasandra Griffin shared that the SDC fee calculator currently in development is based on a certain set of assumptions for different size projects. According to DRAC member Simon Tomkinson, it is the increases and their impacts that need to be tracked.

DRAC member Rick Michaelson suggested creating a matrix that plugged in this year's SDC rates, and then work backwards to establish historic baselines.

The chronological SDC matrix would be a tool for City Council and DRAC to use to see the impacts of SDC increases on development, according to DRAC Vice-Chair Carrie Schilling.

DRAC member Bonny McKnight asked how much of the cost of growth do the SDCs reflect, and asked how to capture the rest of the cost of growth. Bonny stated that fee increases are only one part of the discussion. DRAC member Simon Tomkinson expressed concern about SDC fees being externalized to the developer. DRAC member Steve Heiteen pointed out that fees paid by the developer are ultimately passed on to citizens. DRAC member Bonny McKnight clarified that she was not as concerned about who was paying for the cost of growth, but what we were NOT paying for.

Permit Collocation

BDS Director Paul Scarlett BDS distributed and reviewed the April 16th, 2009 Report adopted by City Council and *Bureau Collocation Update to DRAC*. BDS Director Paul Scarlett noted the significant contributions of the DRAC through their letters of support. BDS Permitting Services/Plan Review Manager Andy Peterson explained that cost estimates for collocation are being established.

Water Bureau staff Darren Kipper distributed and reviewed *System Development Charge Program Improvements Draft Work Plan* that was developed by bureau staff at the request of the Planning and Development Directors group. PBOT (Bureau of Transportation) staff Christine Leon the short timeframe for the three deadlines in the Council accepted report.

DRAC Chair Steve Heiteen asked the DRAC members who would like to represent the Committee as they meet with the Inter-Agency team to discuss the the deadlines established in the Collocation Report accepted by City Council. The first meeting of the Inter-Agency Team is May 20th. DRAC Vice Chair Carrie Schilling, DRAC member Greg Theisen, DRAC member Simon Tomkinson, and DRAC member Bonny McKnight expressed interest in representing DRAC once the time commitment was clarified. DRAC member Don Geddes was asked to join the subcommittee because of his work on the SDC report. DRAC Chair Steve Heiteen nominated Carrie Schilling to chair this DRAC subcommittee. The DRAC agreed that the first Inter-Agency Team meeting on May 20th would be an organizational meeting. BDS staff Ross Turkus agreed to coordinate correspondence between the bureaus and DRAC and to send any documentation provided by the bureaus prior to the meeting.

DRAC Work Plan

DRAC Chair Steve Heiteen acknowledged that time had run short to review the *DRAC Work Plan* but that the Permit Collocation directives should be included.

DRAC member Simon Tomkinson explained that that federal money will be available for brownfield remediation and development and that the City needs to have developed the infrastructure to respond to the opportunity. DRAC member Simon Tomkinson pointed out that DRAC member Kathi Futornick is involved in brownfield work and can serve as a resource. DRAC member Michelle Rudd asked if the City had the necessary expertise to

respond to brownfield development opportunities. DRAC Chair Steve Heiteen recommended that the issue of brownfields be brought to the June meeting.

DRAC member Simon Tomkinson recommended inviting the PDC into the DRAC's brownfields discussion, as federal money may only be available through development commissions. Simon stressed the need for a permit process to accommodate brownfields. BDS Director Paul Scarlett recommended that there also be discussion of the State's involvement in brownfield redevelopment.

BDS Permitting Services/Plan Review Manager Andy Peterson invited the DRAC to attend the brownfield focused Lunch and Learn at noon on June 12th on the second floor of the 1900 Building.

Next DRAC Meeting, Thursday June 11th, 2009—7:30-9:00 a.m.

Minutes prepared by Ross Turkus—May 19th, 2009