



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee  
MINUTES  
Thursday, November 12, 2009**

**Attendees:**

**DRAC Members Present:**

Jeff Fish	Don Geddes	Bonny McKnight
Ed McNamara	Rick Michaelson	Michele Rudd
Keith Skille	Carrie Schilling	Greg Theisen

**City Staff Present:**

Ross Caron, BDS	Lana Danaher, BES	Cindy Dietz, Water
Rebecca Esau, BDS	Mark Feters, BDS	Roberta Jortner, BPS
Darren Kipper, Water	Fred Kowell, Parks	Kurt Krueger, PBOT
Christine Leon, PBOT	Hank McDonald, BDS	Jim Nicks, BDS
Andy Peterson, BDS	Paul Scarlett, BDS	Morgan Tracy, BPS
Riley Whitcomb, Parks		

**DRAC Members Absent:**

John Cisneros	Goudarz Eghtedari	Kathi Futornick
Charlie Grist	Steve Heiteen	Renee Loveland

**Handouts**

- 10.08.09 DRAC Meeting Minutes
- Inter-Bureau Code Change Project List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Rate Report
- Interagency Team Memo

## Director's Report

BDS Director Paul Scarlett provided an update on the bureau's current financial situation. Revenues and expenses matched in October 2009, the first time that had happened since August 2008. Bureau payroll has dropped from \$2.7 million to \$1.4 million since the staffing reductions. October revenues were helped by a few large projects. The re-stack of BDS office space has been completed, and the 3rd and 6th floors of the building have been vacated. The bureau has gone from 7 to 5 divisions and from 28 to 13 sections.

BDS Manager Ross Caron gave an update on the bureau's Communication Plan. He will be sending an e-mail to stakeholder groups asking for their help in getting the word out regarding service level changes. DRAC member Jeff Fish recently put Ross in touch with the Home Builders Association, and they put information regarding service level changes in their newsletter. Mr. Fish suggested that the bureau create a stakeholder e-mail list, and Mr. Caron said he would look into it. DRAC member Bonny McKnight asked how this fits with the DRAC Communication Subcommittee and Communication Plan, and whether the DRAC's plan should fit into what the bureau is doing. Mr. Caron said he would get in touch with Ms. McKnight outside the DRAC meeting to discuss further.

Director Scarlett then reviewed the handout *Major Workload Parameters / Non-Cumulative Cost Recovery Rate Report*. DRAC Member Carrie Schilling asked whether the bureau's 100% cost recovery in October was more about revenue increases or savings from layoffs. Director Scarlett replied that it was a combination of wage savings and savings from vacating the 3rd floor of the 1900 Building. Ms. Schilling said she had noticed on recent permits that the applicant's valuation of the work has been thrown out, and asked if this was a way of increasing fees. BDS Plan Review/Permitting Manager Andy Peterson replied that the State of Oregon requires the bureau to use certain standards to determine valuation. Ms. Schilling responded that they have brought in construction estimates and reached a compromise with the permit technicians, and that it may be that things are skewed because bids are so much lower due to the economy.

Mr. Fish said that in the residential market, prices dropped significantly and some players dropped out. Now that there are fewer, more established companies, prices have moderated. BDS Plan Review/Permitting Manager Andy Peterson said that new construction (both residential and commercial) is way down compared with remodels and alterations.

Director Scarlett said that the big impact right now from the layoffs is that the bureau is struggling to keep up with the workload; for example, inspections are seeing setovers of 3-4 days. This is typically a slower time for the bureau, and hopefully staff can get caught up over the winter.

DRAC Member Bonny McKnight asked whether there has been push-back regarding the closure of the Development Service Center (DSC) on Mondays. BDS Plan Review/Permitting Services Manager Andy Peterson said that there was an initial spike on Tuesdays, but that now has evened out. The main feedback from customers is to be consistent with staffing - to have everyone available when the DSC is open. The DSC is averaging 150-190 customers per day every day since going to a 4-day schedule. DRAC Member Jeff Fish said that the residential developers would like to see the DSC go back to a 5-day schedule once things pick up. Ms. McKnight expressed concern that when things do pick up, BDS won't have enough people to do the work. Director Scarlett acknowledged that re-staffing will be a balancing act.

Parks Bureau Manager Riley Whitcomb asked how to interpret the 25% increase in Site Development permits received. BDS Site Services Manager Ross Caron replied that the cause is uncertain, and that the bureau doesn't want to jump to the conclusion that this is a long-term change.

Mr. Fish said that a builder told him that BDS isn't doing insulation inspections anymore, and he advised BDS to be aware of rumors spreading. BDS Inspections Manager Jim Nicks confirmed that the bureau has been allowing some self-certification on some residential jobs, on a case-by-case basis as allowed by code. BES Manager Lana Danaher asked if there are published criteria on what's allowed for self-certification, and Mr. Nicks replied that there are no published criteria.

Ms. McKnight asked whether the bureau would pay interest on the \$1 million line-of-credit from OMF. Director Scarlett said the bureau would pay interest only if it used the funds.

Ms. Schilling mentioned that several other cities have adopted self-certification for tenant improvements (TIs), and asked if that is being considered by BDS. BDS Inspections Manager Hank McDonald said it is being considered, particularly as BDS looks at technology improvements (automated review process) that could shorten the plan review process. Ms. McKnight said she hoped there would be a broader discussion about self-certification; some firms have earned self-certification, while others haven't. She added that a few years ago there was movement toward landscape self-certification that didn't work well. Mr. McDonald said he was referring to only building code review, and not other areas. Director Scarlett added that BDS has some hooks through inspections to ensure that what was supposed to be built was built. Ms. Schilling suggested a limited scope of self-certification involving only TIs with no other issues, and said that this could help BDS staff keep up with the workload.

### Technology Update

BDS Inspections Manager Hank McDonald described a technology update that Commissioner Leonard has directed the bureau to explore that will give the capability for most bureau services and resources to be online, fully automated, and digital. Mr. McDonald is leading the effort, which is looking at two potential products that offer similar functionality. Plans will be submitted electronically; those that come in hard copy form will be scanned and digitized. All records will be digitized, so customers and citizens can research everything from their own computer. Notification will be automated, as will the inspection process. It will take 24-30 months to fully implement the new system. A request for funding will be taken to Council sometime in December or January; the cost is estimated to be \$4-6 million.

DRAC Member Rick Michaelson asked if the new system would include public works permits. Mr. McDonald said the new system will do everything that's possible now, including public works permits, and it will add new capabilities. Ms. Danaher cautioned that BDS should talk with the other infrastructure bureaus before promising that public works permits will be included, and Mr. Michaelson said that there isn't enough time to properly evaluate the proposal, and that the process needs to slow down. Ms. Schilling expressed surprise at the resistance, since DRAC has wanted this capability for a while.

Mr. McDonald said that nothing will happen without the necessary funding, and that there will be discussions with all bureaus affected. He reiterated that no current functionality will be lost. Commissioner Leonard asked the bureau to explore this and bring back information;

staff is scheduled to meet with him on December 10<sup>th</sup>. Ms. McKnight expressed concern that the request for funding for the IT project will come before the budget request is submitted. She said that the IT improvements are overdue, but the money will have to come from someone else's program. Mr. McDonald said that the Commissioner's perspective is to act now while development is relatively slow, and that's why the timeline seems short. Director Scarlett added that it's still early in the process. He said that he would share the DRAC's input with Commissioner Leonard.

### **Convene Meeting**

DRAC Chair Steve Heiteen noted that the meeting had not been officially convened; he convened the meeting, and the DRAC adopted the October 8, 2009 meeting minutes.

### **Parks Bureau Budget Process Update**

Parks Bureau Finance Manager Fred Kowell distributed the handout *An Overview of 2010-11 Budget Planning* and discussed the upcoming Parks SDC fee increase. DRAC Member Keith Skille asked how SDCs figure into the budget process. Mr. Kowell said that SDCs all go to capital, and thus do not figure much into the budgeting process; not a lot of FTE is tied to it.

Mr. Skille questioned the timing of the increase coming in January. Parks Bureau Project Manager Riley Whitcomb said that the implementation has already been delayed - half of the increase came in 2009, and half was delayed until January 2010. Mr. Skille and Ms. Schilling both said that they have projects they're rushing to get through before the increase in January, and that the increase is causing some projects to die. Mr. Whitcomb said that they understand that there will be an impact from the increase, but that it has been needed for a while.

Ms. McKnight then asked whether the Parks Bureau will be doing a bond measure. Mr. Kowell said that they're gathering data and will be looking at whether a bond measure can go forward. They recognize that they need to make the bond small enough so that people will support it.

Mr. Fish suggested that the DRAC might want to pursue having the SDC increase moved back, as it will have an adverse effect on bureaus because it will keep projects from moving forward. Mr. Whitcomb asked what the DRAC would suggest as far as a delay, and Mr. Skille suggested a delay of six months. DRAC Member Ed McNamara then asked how much the SDC fee will be increased. Mr. Whitcomb said it will be approximately doubled; for residential construction, it will increase from \$4,000 to \$8,000. Mr. McNamara then suggested that the increase be phased in over a four-year period. Mr. Kowell responded that Parks Bureau has been delaying it, and their cost recovery continues to be 27-28%.

Mr. Fish observed that at \$8,000, the Parks SDC fee will be the fourth largest cost of building an entry-level house. Mr. Whitcomb said that there would be impacts if the fee is not increased, and that not all relevant interests are represented in the DRAC. He said that Parks worked on the proposal for 18 months, and it has been accepted by the Council.

### **Collocation Presentation to Council Nov. 19**

BDS Plan Review/Permitting Manager Andy Peterson distributed the handout *Interagency Team Memo*. The Collocation presentation to City Council has been delayed, and the new date is not yet known.

### **Citywide Tree Project Regulatory Improvement Update**

BPS Planners Roberta Jortner, Morgan Tracy, and Stephanie Beckman distributed the hand-out *Citywide Tree Policy and Regulatory Improvement Project Background and Status Report* and discussed the Tree Project. They are currently completing their review and preparing information to bring to the DRAC in January 2010. They hope to have a public draft out during the second week of January, and they are scheduled to go before the Planning Commission in February. They are working with the Urban Forestry Commission subcommittee as well as the Planning Commission. They are working on a couple of key policy issues with development bureau directors, and want the bureaus to be comfortable before a public draft is released.

Ms. McKnight asked whether the Tree Project is integrated with the public works permitting process, and Mr. Tracy said it is being worked on. Ms. McKnight noted that promises have been made regarding how quickly public works permits will be issued, and this work will need to fit within those timelines.

Mr. Fish felt that the January DRAC meeting would be close to the public release date, and suggested that it would be better to distribute the proposal to the DRAC in January and then come back to the DRAC meeting in February.

**Next DRAC Meeting: Thursday, December 10, 2009—7:30-9:00 a.m.**

Minutes prepared by Mark Feters, BDS