



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, June 10, 2010

Attendees:

DRAC Members Present:

Jeff Fish	Don Geddes	Steve Heiteen
Renee Loveland	Ed McNamara	Rick Michaelson
Carrie Schilling	Greg Theisen	

City Staff Present:

Eric Engstrom, BPS	Rebecca Esau, BDS	Darren Kipper, Water
Denise Kleim, BDS	Kurt Krueger, PBOT	Hank McDonald, BDS
Jim Nicks, BDS	Andy Peterson, BDS	Paul Scarlett, BDS

Guests Present:

Karen Karlsson

DRAC Members Absent:

Goudarz Eghtedari	Bonny McKnight	Michele Rudd
Keith Skille	Simon Tomkinson	

Handouts

- DRAC Meeting Minutes 05.13.10
- Inter-Bureau Code Change Project List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Rate Report
- BDS Service Level Update: Temporary Service Availability Changes to Development Services Center
- DRAC Work Plan 6/1/09 – 6/30/10

Convene Meeting

DRAC Chair Steve Heiteen convened the meeting. A quorum was not present at that time, so minutes from the 5/13/10 DRAC meeting could not be approved.

Director's Report

BDS Financial Update

BDS Director Paul Scarlett and BDS Administrative Services Manager Denise Kleim provided an update on the bureau's budget process. The Mayor's Proposed Budget was released on May 20th. The budget will next be reviewed by the Tax Supervising & Conservation Commission, and then will go back to Council for final adoption. The budget for BDS includes one additional Housing Inspector position funded by the Portland Housing Bureau and funding (via loan) for the IT replacement project. The budget also reflects all of the staff reductions, including the 16 positions cut this month.

Council also adopted a budget note directing BDS to update its 5-Year Financial Plan (FY 2010-11 to 2014-15) to include a cost/benefit analysis for the bureau's IT Initiative and ensure that sufficient resources are set aside to meet future debt service requirements. BDS must receive Council approval prior to expending funds or receiving loan monies.

Council had previously asked that an economic consultant review BDS's 5-Year Financial Plan, and the bureau has received a summary report from the consultant, Jerry Johnson of Johnson Reid LLC. The report acknowledges the difficulty of financial forecasting in the current economy and is generally affirming of BDS's financial planning process and product. Specific recommendations for strengthening the Financial Plan include: Review information on leading indicators; pursue ongoing improvement of the BDS (business cycle) forecasting model; include peer review from the State Economist and other public and private forecasters; consider creating a standing review/advisory committee of technical experts; and develop a forecasting model of the real estate cycle.

DRAC members expressed significant concern about the time and money that it would take to develop another forecasting tool, and expressed doubt that another model would help the bureau project revenues. DRAC members representing the development community strongly stated that the next two years would continue to be volatile and unpredictable. One indicator mentioned was the difficulty in obtaining construction loans; during the 1980s recession homebuilders could still get construction loans (albeit at 20% interest), but now no loans are available. DRAC members strongly cautioned against putting effort and money into developing a new forecasting model; they believe that it will take away from other more productive work that the bureau is doing, especially with the reduced number of staff.

Ms. Kleim then reviewed the handouts *BDS Major Workload Parameters* and *Non-Cumulative Cost Recovery Report*. Director Scarlett explained the bureau's organizational changes in light of the 16 additional position reductions:

- The Site Services Division is being eliminated and its sections are moving to other divisions (Compliance/Neighborhood Inspections is moving to the Inspections Division, while Site Services is moving to Plan Review/Permitting Services).
- The number of sections in Land Use Services is condensing from three to two.

Development Services Center (DSC) Changes

BDS Plan Review/Permitting Services Manager Andy Peterson reviewed the handout *BDS Service Level Update: Temporary Service Availability Changes to Development Services Center* and discussed the recent service availability changes in the DSC. Because of the additional staffing reductions, as of June 1st, land use review and building permit application review/intake services are available in the DSC from 8:00 a.m. – 12:00 p.m. only. Afternoon hours (12:00 p.m. – 3:00 p.m.) are now devoted to responding to general customer questions. In addition, Permitting Services (on the 2nd floor) is open from 8:00 a.m. – 3:00 p.m. Tuesday through Friday only. On Mondays, staff is available only to release permits that have been approved and completed pre-issuance.

Various DRAC members expressed concerns regarding the effects of understaffing on the timeliness and quality of services, particularly with Design Review. DRAC Member Rick Michaelson mentioned that Tri-Met land use applications will be coming in, and BPS Principal Planner Eric Engstrom added that the Irvington neighborhood is pursuing historic design, which will result in a further uptick in work for Design Review. Mr. Michaelson encouraged BDS to consider adding temporary staff to respond to the increased workload.

BDS Land Use Services Manager Rebecca Esau noted that Land Use has experienced a 77% reduction in its staffing level, creating a significant learning curve for remaining employees who have taken on new tasks. Mr. Peterson added that this is only the 7th day since the DSC service availability changes were made, so infrequent customers still don't know about the changes. The bureau is trying to maximize the number of staff in the DSC in the mornings, then have those staff at their desks in the afternoons to do plan reviews.

Mr. Peterson added that the bureau is open to other ideas for managing and organizing the work. Mr. Michaelson suggested putting together a package of temporary fee increases that would enable hiring back staff on a temporary basis. Director Scarlett mentioned the possibility of offering applicant-paid overtime for plan review or land use review services. DRAC Member Ed McNamara commented that the Design Review process is overly detailed, to the point that review staff seems to want to re-design buildings. He suggested that the level of detail be reduced by setting clearer expectations with Design Review staff.

DRAC Member Greg Theisen offered the River Plan as a classic example of other bureaus asking BDS to do things it doesn't have the capacity to do. He asked if someone from BDS or DRAC could join the North Reach Plan Advisory Committee (NORAC) to better communicate regarding BDS's ability to respond to requests for services.

DRAC Work Plan Discussion

Mr. Heiteen directed DRAC members to the handout *DRAC 2009-10 Work Plan*, and initiated a discussion on updating the plan for 2010-11. Mr. Heiteen said that the most important focus for DRAC in the next year will be BDS's finances, staffing, and service levels. He said the DRAC should be a source of input and a sounding board to BDS, to give the bureau feedback on how things are going. Mr. Theisen expressed that DRAC should be the "Committee of No" regarding things that impact BDS and its budget; BDS often has to do work it doesn't get paid for. Mr. Michaelson suggested that DRAC monitor the Public Works appeals process.

It was suggested that the DRAC give input to the Planning Commission's proposal to use fee increases to help fund implementation of the Citywide Tree Project. BDS IT Replacement

Project Manager Hank McDonald advocated for DRAC involvement in the agreement for services and statement of work for the IT project. Director Scarlett added that the bureau will need DRAC feedback during the project's implementation phase. Mr. Engstrom mentioned the Mayor's proposal to combine the Planning Commission and the Sustainable Development Commission to further incorporate social, economic, and environmental sustainability into planning. The combined Commission would be larger and would look at using subcommittees for more detailed work.

Other Business

The DRAC agreed to skip its scheduled July meeting, and will meet again on August 12th.

DRAC Membership

Director Scarlett mentioned that some DRAC members have not been attending meetings consistently, and three members have recently resigned. BDS has received applications from four people interested in serving on the DRAC. Mr. Michaelson said that the DRAC should have representation from Public Works permit customers. Mr. Theisen and DRAC Vice Chair Carrie Schilling advocated for someone who can represent the LEED and green building movement. Mr. Heiteen asked that bureau staff put together a list of categories and ideas for DRAC members to consider.

Since a quorum was present at this time, minutes from the 5/13/10 DRAC meeting were approved.

Next DRAC Meeting: Thursday, August 12, 2010, 7:30-9:00 a.m.

Minutes prepared by Mark Feters, BDS