



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

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**Development Review Advisory Committee  
MINUTES  
Tuesday, December 21, 2010**

**DRAC Members Present:**

Don Geddes  
Keith Skille

Steve Heiteen  
Greg Theisen

Rick Michaelson

**City Staff Present:**

Ross Caron, BDS  
Denise Kleim, BDS  
Jim Nicks, BDS

Cindy Dietz, Water  
Kurt Krueger, PBOT  
Andy Peterson, BDS

Mark Feters, BDS  
Hank McDonald, BDS  
Paul Scarlett, BDS

**Guests Present:**

Hermann Colas, Colas Construction  
John Hasenberg, JHA  
Karen Karlson, KLK Consulting  
Susan Steward, BOMA

**DRAC Members Absent:**

Jeff Fish  
Ed McNamara  
Simon Tomkinson

Renee Loveland  
Michele Rudd

Bonny McKnight  
Carrie Schilling

**Handouts**

- DRAC Meeting Minutes 11.16.10
- Inter-Bureau Code Change Project List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Report
- Preliminary Summary of Service Priorities
- BDS BAC Meeting Notes 12/2/10
- DRAC Work Plan

## **Convene Meeting**

DRAC Chair Steve Heiteen convened the meeting and thanked City staff for all their support of the DRAC. The November meeting minutes could not be approved because a quorum was not present.

## **Director's Report**

BDS Director Paul Scarlett expressed appreciation for the work of DRAC members and BDS staff over the last year.

BDS continues to monitor expenditures and revenues on a daily basis. The DSC will be closed from Dec. 24<sup>th</sup> – Jan. 3<sup>rd</sup>. However, if customers have permits ready to be issued, they can be picked up on the 2<sup>nd</sup> floor at Permitting Services. If customers have questions, they should contact Kareen Perkins at (503) 823-3622. PBOT will be issuing street closure permits during that time.

## Financial Update

Director Scarlett reviewed the handouts *BDS Major Workload Parameters* and *Non-Cumulative Cost Recovery Report* and discussed current trends regarding BDS's workload and income. An issue of concern is the continued decline in permit valuation, but the bureau seems to have entered a period of stability in regards to workload and revenue. Staff continues to work diligently to provide quality service.

DRAC Member Simon Tomkinson was not able to attend the meeting but shared via e-mail that he continues to be concerned with the low valuation of permits issued (as shown in the handout *Major Workload Parameters*) and its relationship to funding for staffing and timelines. He asked that the DRAC consider whether BDS should examine possibly lengthening its turnaround timelines, rather than trying to hire staff to improve those timelines.

## **BDS Budget Update**

BDS Administrative Services Manager Denise Kleim provided an update on the bureau's budget preparation process. The bureau is still working on its financial projections; the new model (including real estate variables) is in the ballpark of the bureau's original projections. The BDS Budget Advisory Committee continues to meet (meeting minutes were included with the handouts).

BDS is preparing both a "realistic" financial plan and a "worst case scenario" plan. The handout *Preliminary Summary of Service Priorities* is based on projections from the realistic financial plan. This document was shared with the BAC last week, and BAC members expressed support for directing more staff adds to the DSC (Development Services Center). The document is being updated and will be shared again once the update is completed.

DRAC Member Rick Michaelson noted that no staff adds are planned for Land Use Services, and he said that staffing will be inadequate for the upcoming light rail project. Director Scarlett said that the adds are based on current workload projections, and they can be adjusted over time based on changing realities.

Ms. Kleim noted that the document reflects just the bureau's highest priority services, not all services the bureau provides.

DRAC Member Keith Skille noted discrepancies between information in the *Workload Parameters* regarding permit valuations and the additional staff positions proposed in the *Preliminary Summary of Service Priorities*. The position adds should reflect revenues, and the continued low valuations do not seem to indicate sufficient support to add positions. Director Scarlett mentioned that even if the positions are approved in the budget, they won't be filled unless funding becomes available. The FY 2010-11 budget includes positions that are not being filled because funding was not available. DRAC Member Greg Theisen asked about the process of filling the positions if they're approved. Ms. Kleim responded that it depends on whether laid-off staff is available to be recalled. Recalling laid-off staff is very fast; recruiting and hiring new staff takes much longer.

Mr. Theisen asked BDS to consider reducing the number of things it does, rather than cutting service levels or trying to rehire staff. BDS should be stronger in saying "no" to other bureaus when they develop regulations for BDS to implement. Mr. Michaelson added that the code seems more "nit-picky" than in the past, and the development review process takes longer because of it. Director Scarlett said that many of our services are required by state regulations, and the Zoning Code has mandatory timelines that the bureau has to meet. The bureau has also had to shift some responsibilities to customers because there isn't sufficient staff. BDS has stopped responding to some lower-priority enforcement complaints, but doesn't have the option of dropping other services.

Mr. Michaelson asked if the bureau's financial model is showing increased permit valuations; Mr. Scarlett and Ms. Kleim said the model projects a 1% growth rate.

John Hasenberg shared the example of the Irvington neighborhood, which has been designated historic. The designation requires historic design review for many types of permitted work. Regulations like this provide incentive to avoid permitting. Mr. Heiteen mentioned that the BAC discussed the topic of un-permitted work, and that more needs to be done regarding enforcement of such work. He urged the bureau to consider ways to step up its enforcement work and coordinate better with the State CCB. BDS Inspections Manager Jim Nicks said that the CCB enforces contractor licensing issues and leaves permitting issues up to localities. The challenge lies in trying to address un-permitted work when the bureau is still struggling to respond to permit inspection requests. The bureau is still responding to complaints, but staff is stretched thin. Ultimately, the City places responsibility for not obtaining permits on the homeowner, rather than the contractor.

DRAC Members Don Geddes and Greg Theisen said that BDS has to be clearer in saying that it does not have the funding or staff to enforce additional regulations. Mr. Skille asked if BDS has established baselines for the number of BDS staff who can be committed to support programs or regulations for other bureaus. Director Scarlett said that the bureau would work on producing this information for the next DRAC meeting. Mr. Nicks said that most optional inspection services have either ceased or are available on a fee basis.

BDS Public Information Officer Ross Caron said that the DRAC's support for the 16.5 positions and their allocation are keys for BDS in planning its budget. Mr. Skille stated that the staff adds need to be based on realistic revenue projections, and that there won't be sufficient funds to add positions. Director Scarlett responded that BDS is still working on its financial projections and can make adjustments as those figures change. By putting the positions in the budget, the bureau is not committing to fill them; but if funding becomes available, having the positions in place allows them to be filled much more quickly.

Mr. Heiteen suggested that BDS develop projections for services that will be cut if revenues continue to fall and additional General Fund support is not provided. He said that this type of information is needed to help people understand why additional General Fund support is needed.

Mr. Geddes suggested focusing the additional positions on services that generate larger revenues. Mr. Skille recommended reducing the threshold for MPG (the Major Projects Group) from \$50 million to a lower amount, and adding staff to help process the additional work. That would increase bureau revenues and speed up development. Hermann Colas expressed that to be equitable, the bureau should not emphasize large projects to the detriment of small projects. Mr. Theisen encouraged the bureau to refuse to support the City Planner position for the Tree Code (p. 4 of the handout) because it can't afford it. Director Scarlett mentioned that yesterday (Dec. 20) Tree Code staff briefed Commissioner Leonard and himself on the code, and the Commissioner expressed strong concerns on the timing of implementation in light of current economic conditions and BDS's service level and staffing issues.

Mr. Theisen expressed support for the position adds, so long as BDS has the flexibility to not add positions if funding isn't available. Mr. Caron responded that the bureau will have the flexibility to leave positions vacant if the funding doesn't materialize.

Mr. Theisen asked that BDS e-mail DRAC members to solicit their comments and concerns regarding the Tree Project prior to Roberta Jortner's presentation to the DRAC in January. He asked that notes from the last Tree presentation to DRAC be included.

BDS Plan Review & Permitting Services Manager Andy Peterson suggested that the DRAC consider testifying before Council at the Tree Code hearing if the group is in agreement in its opposition.

Mr. Heiteen asked DRAC members to continue reviewing the handout (*Preliminary Summary of Service Priorities*) and be prepared to give input at the January DRAC meeting. Ms. Kleim said that BDS will come to the January meeting with updated financial projections and information, but there will be limited time after that since the budget is due January 31<sup>st</sup>. Director Scarlett asked DRAC members to get input back to BDS by January 10<sup>th</sup>.

#### **DRAC Work Plan**

Mr. Heiteen encouraged DRAC members to review the DRAC Work Plan in order to discuss it at the January DRAC meeting.

#### **Other Business**

Given the number of items on the January meeting agenda, DRAC members agreed to schedule two hours for the January DRAC meeting (10:00 a.m. - 12:00 p.m.).

**Next DRAC Meeting: Tuesday, January 18, 2011, 10:00 a.m. -12:00 p.m.**

Minutes prepared by Mark Feters, BDS