



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

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**MINUTES**  
**Tuesday, April 19, 2011**

**DRAC Members Present:**

Hermann Colas	Jeffrey Cole	Jeff Fish
Don Geddes	Steve Heiteen	Renee Loveland
Bonny McKnight	Ed McNamara	Rick Michaelson
Michele Rudd	Keith Skille	Carrie Strickland
Greg Theisen	Simon Tomkinson	

**City Staff Present:**

Ross Caron, BDS	Lana Danaher, BES	Cindy Dietz, Water
Rebecca Esau, BDS	Mark Fetters, BDS	
Matt Grumm, Comm. Saltzman's Office		Denise Kleim, BDS
Kurt Krueger, PBOT	Christine Leon, PBOT	Hank McDonald, BDS
Jim Nicks, BDS	Andy Peterson, BDS	Paul Scarlett, BDS
Kim Tallant, BDS	Riley Whitcomb, Parks	

**Guests Present:**

Commissioner Dan Saltzman	John Hasenberg, JHA
Dave Humber, MGH Associates	Susan Steward, BOMA

**DRAC Members Absent:**

None

**Handouts**

- DRAC Meeting Minutes 3/15/11
- Inter-Bureau Code Change Project List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Report
- DRAC Work Plan
- April 2011 Public Works Permitting Quarterly Report

## **Convene Meeting**

DRAC Chair Carrie Strickland convened the meeting and welcomed DRAC members and attendees.

## **Director's Report**

Director Scarlett provided a general update on BDS finances, staffing, and service levels. He said that BDS heard from some customers that the schedule of services in the Development Services Center (DSC) are still confusing, and the bureau is working on communicating better with customers regarding service availability and limitations. BDS is also looking at adding staff in the DSC to improve availability. BDS is also working on improving building signage to make it clearer that the bureau is here and what services are provided.

Ms. Strickland asked whether, as work picks up, there is potential to return DSC services to their previous levels. Director Scarlett said that several options are being considered, and if BDS is able to add staff in Fiscal Year (FY) 2011-12, that will help.

DRAC Member Bonnie McKnight asked if other bureau services that have been cut back, such as compliance and neighborhood issues, will be restored. Director Scarlett said they will be restored as the bureau is able to add staff. Staff additions will be focused on the highest priority services throughout the bureau.

DRAC Member Keith Skille asked if the increase in work is affecting turnaround times. BDS Plan Review & Permitting Services Manager Andy Peterson said that timeframes are generally about the same. When staff can't meet turnaround goals, they're trying to communicate with customers to let them know what's happening. DRAC Member Jeff Fish asked about the effect of code changes on projects that have been sitting but are now being revived. BDS staff replied that plans are reviewed based on the effective code at the time of submittal.

## **Commissioner Dan Saltzman**

Commissioner Saltzman introduced himself and Matt Grumm, his BDS liaison, to the DRAC and thanked DRAC members for their work. He expressed interest in the DRAC's input and ideas regarding BDS's services and service delivery, and will be watching the DRAC's work closely. He then asked DRAC members for their comments and feedback.

DRAC Member Simon Tomkinson shared a recent experience where the largest line item on a project for a client was the Parks SDC fee. He encouraged the Commissioner to work with the City Council to take on SDC fee review because the fees are negatively impacting development. Ms. Strickland referenced the earlier work the DRAC did on SDC fees, including a presentation to Council, and said that nothing came of it. DRAC members said SDCs are affecting the way they approach development projects. Mr. Skille cited a multi-unit development where each unit is being charged \$40,000 in SDC fees.

Commissioner Saltzman said he would like to see the DRAC's SDC report again. He also noted that the Council compares SDCs to other jurisdictions, and Portland isn't at the top. DRAC Member Don Geddes said that the fact that SDCs are charged per unit, rather than by project size, creates problems.

Mr. Peterson (BDS) said that a recent comparison to other jurisdictions regarding SDC fees puts Portland in the lower third. There also has been a review of changes in Portland SDC fees over the last several years, which can be provided to DRAC members. The process of

calculating SDC fees has been streamlined and improved, but that hasn't affected the fee amounts.

Commissioner Saltzman said that he does want to take a look at SDCs. Mr. Tomkinson said the biggest issues (other than the fee amounts) are unpredictability and the amount of time it takes to find out what the fees will be. The methodology for calculating the SDCs is generally such that project plans must be well underway in order to estimate the SDC costs. Being able to calculate the SDCs at the beginning of the project planning phase would be beneficial. Mr. Fish said the Home Builders Association (HBA) is working on a proposal regarding affordable housing fee waivers.

Director Scarlett noted that the transition from Commissioner Leonard to Commissioner Saltzman has gone very well, and the Commissioner has been very supportive of the bureau and its work.

### **DRAC Vice Chair**

Ms. Strickland noted that the Vice Chair position is currently unfilled. She asked DRAC members to indicate their interest in the position. Mr. Skille was the lone DRAC member to indicate interest, and he was subsequently nominated and approved by DRAC members.

Director Scarlett also noted that three DRAC positions remain vacant and need to be filled. Commissioner Saltzman is committed to filling the positions and adding to the diversity of representation on the DRAC. BDS will be doing more outreach, and Director Scarlett encouraged DRAC members to let BDS know if they have candidates to recommend.

### **March Meeting Minutes**

The March 15, 2011 meeting minutes were approved by DRAC members with two minor corrections.

### **Information Technology Advancement Project (ITAP) Update**

BDS Sr. Program Manager Hank McDonald provided an update on BDS' Information Technology Advancement Project (ITAP). BDS is hoping to finalize a contract with the system vendor (Accela) shortly, and is also looking at contracting with a third-party reviewer (Case & Associates) to review the Accela agreement. The project is working on forming internal and external advisory committees, and the external group should have its first meeting in the next couple weeks. The project staff team is almost in place, and the initial project mapping is underway.

The hope is to begin the project implementation by July 1, 2011, with full implementation by late 2013. Scanning equipment (for digitizing historic records) has been purchased but not yet delivered. Staff is also working on integrating scanning software with the City's archival record storage system. BDS has had some contact with the other development bureaus regarding ITAP, but more will take place after the project team is in place and contracts are signed.

### **Public Works Appeals Process Update**

Lana Danaher (BES) distributed and reviewed the handout *April 2011 Public Works Permitting Quarterly Report*. DRAC Member Rick Michaelson noted that one area of frustration has been the narrow window of possible appeals. Christine Leon (PBOT) noted that the appeals committee is locked into the limits of code, as are developers.

A phone survey of customers who have gone through the process was done recently, and results were mixed. Customers felt the process had improved but was too expensive. The committee will be looking at ways to reduce costs.

### **Pulse of the Industry**

Ms. Strickland asked DRAC members for updates on their work and what they're seeing in the development industry locally. Mr. Fish noted that the starter home market is very soft due to foreclosures. Most entry-level builders are moving up into higher-priced homes. He met with Sterling Bank recently, and they are beginning to lend to builders they've worked with in the past for individual new homes (not developments).

Ms. McKnight asked about the prevalence of private financing. DRAC members agreed that most development is being financed privately. Private investors typically charge higher interest rates and fees, and don't face the regulations and oversight given to traditional lenders.

DRAC Member Renee Loveland noted the Portland Public Schools bond and opportunities to leverage federal funds to finance development.

Guest John Hasenberg asked for review of historic district standards for development and their impact on development, particularly on projects that don't change the building footprint. BDS Land Use Services Manager Rebecca Esau said that this is on the bureau's radar, but the Bureau of Planning & Sustainability's (BPS') resources are committed to the Portland Plan. BDS will continue to work with BPS to address the issue.

Mr. Geddes said that their work is hit-and-miss. Mr. Peterson (BDS) said there has been interest in Block 43 in South Waterfront, and permits have been issued for Block 49. There are a couple of mixed housing developments in NE Portland, and area universities are working on a few projects. Mid-value housing makes up about 50% of new single family residence (NSFR) activity. Commercial construction is down from a year ago. The number of ADU projects has increased significantly since the SDC fees were waived.

Ms. Leon (PBOT) noted that PBOT will be making a couple changes to City Code Title 17, and that PBOT has finished its fee schedule for FY 2011-12 and will be taking it to Council soon. Not all fees are increasing; SDC fees will be increasing by 7%.

**Next DRAC Meeting: Tuesday, May 17, 2011, 10:00 a.m. -11:30 a.m.**

Minutes prepared by Mark Feters, BDS