



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

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**MINUTES**  
**Tuesday, June 21, 2011**

**DRAC Members Present:**

Hermann Colas	Jeffrey Cole	Rick Michaelson
Michele Rudd	Keith Skille	Carrie Strickland
Greg Theisen		

**City Staff Present:**

Ross Caron, BDS	Lana Danaher, BES	Cindy Dietz, Water
Rebecca Esau, BDS	Mark Feters, BDS	
Matt Grumm, Comm. Saltzman's Office		
Elshad Hajiyev, BDS	Kurt Krueger, PBOT	Melissa Kuhn, BDS
Christine Leon, PBOT	Hank McDonald, BDS	Jim Nicks, BDS
Andy Peterson, BDS	Paul Scarlett, BDS	Riley Whitcomb, Parks

**Guests Present:**

Dana Krawczuk, Ball Janik LLP  
Karen Karlson, KLK Consulting

**DRAC Members Absent:**

Jeff Fish	Don Geddes	Steve Heiteen
Renee Loveland	Bonny McKnight	Ed McNamara
Simon Tomkinson		

**Handouts**

- DRAC Meeting Minutes 5/17/11
- BDS Major Workload Parameters (Monthly/Cumulative)
- Non-Cumulative Cost Recovery Report
- DRAC Work Plan
- Public Works Permitting Accomplishments/Council Directives and Summary of Report to Council

## **Convene Meeting**

DRAC Chair Carrie Strickland convened the meeting and welcomed DRAC members and other attendees. A quorum was not present, so the 5/17/11 DRAC meeting minutes could not be approved.

## **Director's Report**

### BDS Financial Update

BDS Director Paul Scarlett provided an update on the bureau's financial status and reviewed the handouts *BDS Major Workload Parameters (Monthly/Cumulative)* and *Non-Cumulative Cost Recovery Report*. The bureau's financial performance is improving and is in line with projections for a gradual increase in construction activity and revenues. The bureau is recovering its costs and anticipates continuing to do so.

Revenue for the first few weeks of June has been less than projected, but BDS anticipates that activity will pick up considerably in the last week of June prior to the July 1<sup>st</sup> fee increases, as has happened in previous years. The bureau is preparing to provide sufficient staff in the permit center in order to not have to turn away any customers prior to July 1<sup>st</sup>. Fee increase notices are posted in the permit center and on the BDS website.

The Multnomah County Board of Commissioners will meet this Thursday, June 23<sup>rd</sup>, to vote on Land Use and Environmental Soils fee increases.

### Staffing & Service Levels

BDS anticipates adding 8 positions between July 1<sup>st</sup> and the end of September, dependent on revenues meeting projections. The bureau's projections have been within 1% of actual performance over the last couple years, so confidence is high that staff will be added, which should result in significant service improvements.

DRAC Member Keith Skille asked if there is a threshold for cost recovery before staff will be added back. He expressed concern given the bureau's cost recovery rate that BDS will put itself in a hole if it adds staff too quickly. Director Scarlett said that 100% cost recovery is the goal, and that adding staff is always balanced with building and maintaining bureau reserves and service levels. At present he is looking at only the next 3 months, and not committing to bring back additional staff beyond that until the revenue trend is clearer.

BDS Financial Manager Elshad Hajiyev noted that the mix of work the bureau is receiving has changed significantly, and the average project valuation has decreased approximately 50%. The bureau has improved its cost recovery on small projects from 30-40% a few years ago to 70% currently, which has reduced the impact of the reduction in project valuations.

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

ITAP Manager Hank McDonald provided an update on the ITAP project. Commissioner Saltzman is committed to having the project reviewed by an oversight committee, which has formed but has not yet met. There is also consideration as to whether (and to what extent) BDS's program will be integrated into the State's program, or will be created as a separate program. This review has slowed the project down, but will help ensure that the final product meets the bureau's, customers', and stakeholders' needs. Increased integration with the State would result in less say for the bureau in the structure and implementation of the final product, while a standalone program may affect BDS's ability to obtain the State's negotiated pricing with Accela.

Process mapping work continues, and it is apparent that there will be significant opportunities for process improvements throughout the bureau. Some of the staff that has been assigned to ITAP is refocusing on their previous work while the review process takes place.

### **May 17, 2011 Meeting Minutes**

DRAC Member Greg Theisen made a few corrections to the 5/17/11 draft meeting minutes. Revised meeting minutes will be issued to DRAC members for review and approval at the next DRAC meeting.

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

Lana Danaher (BES) and Christine Leon (PBOT) distributed and reviewed the handout *Public Works Permitting Accomplishments/Council Directives and Summary of Report to Council*, and asked DRAC members to send feedback and comments to them. The handout provides an executive summary of the report that will be written and submitted to City Council. A key goal for the next year is to better integrate the public works and land use review processes. The appeal process still has issues and needs work. The evaluation period for fees has been extended until May 2012 in order to provide more data.

For next year, staff and the advisory group will develop a work plan to provide a roadmap for additional changes to the Public Works Permit process and Public Works Appeals process. A code change is going to City Council for a second reading on June 29<sup>th</sup> to remove the requirement to submit an appeal within 15 days of a decision and do code clean-up. The 2011 report is scheduled to go before Council on August 3<sup>rd</sup>, and will be reviewed several times by stakeholders (including directors of the Bureaus of Planning & Sustainability and Development Services, the Public Works User Group, and representatives from the Citywide Land Use Group and the Planning Commission) before then. Ms. Leon and Ms. Danaher said they will send the report to DRAC subcommittee members for review and comment by July 18<sup>th</sup>.

Mr. Skille suggested that staff consider improving communication with applicants as they hit milestones in the development review process (30%, 60%, and 90% completed), and that they provide more detailed information - who has the review, how long have they had it, what is the next step in the process, etc. Mr. Skille has noticed that reviews sometimes get hung up because a reviewer is waiting for a piece of information, while the applicant doesn't know what's happening. Public Works permits are viewable on TRACS, but detailed permit information was not established when initial programming was taking place, so it is not possible to view the same level of detail as with building permits. Ms. Leon and Ms. Danaher said that they haven't been able to make more use of TRACS because TRACS staff is focused on preparation for Accela.

Mr. McDonald said that Accela and other web-based permitting systems allow customers to view detailed information, and they provide automatic e-mail notification when a review process is completed. With TRACS, it is incumbent upon the reviewers to send e-mails to customers.

### **DRAC Work Plan**

DRAC members expressed interest in shifting the focus of DRAC meetings away from bureau financial reports to committee members providing direct input to the bureau on broader policy issues. Director Scarlett said the bureau will continue to provide financial information,

perhaps in a 1-page, more graphical format. Mr. Theisen asked if the bureau could include information each month about trends, events, or other items that "tell the story" of the bureau; perhaps a focus on different division or section each month.

Since several DRAC members were not present, Ms. Strickland did not want to hold further discussion on the Work Plan at this time. Since attendance will likely be down in July and August due to vacations, members agreed to re-visit the Work Plan at the September DRAC meeting.

### **Pulse of the Industry**

Mr. Theisen observed that money is still tight, which is leading to lower-quality materials used in construction. Mr. Skille said they are seeing a lot of infill, small-scale residential work, and very little commercial work. There is a continued need for housing (the apartment vacancy rate is about 3%). Ms. Strickland said that banks have indicated they will lend on apartments, but not much else. They are seeing very low bids on work (a recent bid was \$80/sf). Mr. Skille said his firm has brought one person back and hired two new people. DRAC Member Hermann Colas said that it will be clear that the industry is improving when large contractors stop competing for smaller jobs. Mr. Skille noted that bids continue to attract a good deal of attention; other DRAC members concurred and said that low bidders on projects tend to be impractically low, leading to fears that they will not be able to complete the work. Mr. Theisen said that a few projects are coming up at the Port of Portland and the Port of Vancouver.

### **July DRAC Meeting Canceled**

DRAC members agreed to cancel the July 19<sup>th</sup> DRAC meeting. The DRAC will meet again on Tuesday, August 16<sup>th</sup>.

**Next DRAC Meeting: Tuesday, August 16, 2011, 10:00 a.m. -11:30 a.m.**  
Minutes prepared by Mark Feters, BDS