



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Tuesday, February 21, 2012

DRAC Members Present:

George Bruender	Hermann Colas	Jeff Fish
Steve Heiteen	David Humber	Dana Krawczuk
Rick Michaelson	Michelle Rudd	Keith Skille

City Staff Present:

Charles Auch, BDS	Ross Caron, BDS	Lana Danaher, BES
Cindy Dietz, Water	Rebecca Esau, BDS	Mark Feters, BDS
Matt Grumm, Comm. Saltzman's Ofc.		Dave Hasson, Water
Denise Kleim, BDS	Christine Leon, PBOT	Hank McDonald, BDS
Jim Nicks, BDS	Andy Peterson, BDS	Paul Scarlett, BDS
Riley Whitcomb, Parks		

Guests Present:

Dan Gilkison, Port of Portland	John Hasenberg, ORA
Rob Humphrey, Faster Permits	Keith Jones, HHPR Inc.
Karen Karlson, KLK Consulting	Maryhelen Kincaid, East Columbia NA
Susan Steward, BOMA	

DRAC Members Absent:

Jeffrey Cole	Ed McNamara
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Handouts

- DRAC Meeting Minutes 1/17/12
- DRAC Work Plan
- Inter-Bureau Code Change List
- BDS Major Workload Parameters (Monthly / Cumulative)
- Non-Cumulative Cost Recovery Report
- Water Bureau Budget Presentation to DRAC
- BES Budget Highlights
- SDC Fee Resolution
- DRAC Tree Code Memorandum
- Extension of Land Use Approvals

Convene Meeting

DRAC Member Keith Skille welcomed DRAC members and reminded them that the DRAC Chair and Vice Chair positions needed to be filled. Mr. Skille asked for volunteers, and after discussion Mr. Skille was nominated for the Chair position and DRAC Member Rick Michaelson was nominated for Vice Chair. DRAC members then unanimously approved Mr. Skille as DRAC Chair and Mr. Michaelson as Vice Chair.

BDS Director Paul Scarlett mentioned that on occasions when both the Chair and Vice Chair are absent from a DRAC meeting, other DRAC members will need to step forward to chair the meeting.

Director Scarlett noted that several prospective DRAC members were in attendance and asked them to introduce themselves. Those present included:

- Dan Gilkison, Port of Portland
- Keith Jones, Harper Houf Peterson Righellis Inc.
- Maryhelen Kincaid, East Columbia Neighborhood Association
- Rob Humphrey, Faster Permits

DRAC members reviewed the minutes from the January 17, 2012 DRAC meeting. Director Scarlett noted a couple of small corrections. The minutes were approved with those corrections.

Director's Report

Director Scarlett noted that BDS continues to do better financially, with a fiscal year (FY) 2011-12 cost recovery rate of 118% through January 2012. He reviewed the handouts *BDS Major Workload Parameters (Monthly/Cumulative)* and *Non-Cumulative Cost Recovery Report*. BDS's budget request asks for 17 additional positions for FY 2012-13, and also requests the continuation of ongoing and one-time General Fund support. Service levels and staff morale continue to improve, and feedback from customers indicates that things are headed in the right direction.

BDS Land Use Services Manager Rebecca Esau indicated that the discussion regarding historic design review that began at the January DRAC meeting will be continued at the March DRAC meeting. Ms. Esau will e-mail information to DRAC members before the March meeting.

Mr. Skille said that the DRAC Work Plan will also be on the March meeting agenda, and he encouraged DRAC members to review the Work Plan prior to the meeting.

Water Bureau Budget Update

Dave Hasson from the Water Bureau presented information on the FY 2012-13 Water Bureau Requested Budget and reviewed the handout *Water Bureau Budget: Presentation to DRAC*. He stressed that the budget numbers are not final, and he noted that the Mayor did not ask the Water Bureau to submit budget cuts since Water does not receive any General Fund support.

Water's budget includes two add packages. The first package provides for water quality monitoring in hopes of obtaining a variance and avoiding building a treatment plant for Bull Run water. If the Water Bureau doesn't receive a variance, the cost of building a plant would lead to a 1.4 – 2% increase in rates. The second add package will enable the Water Bureau to bill customers monthly rather than quarterly. City Council directed Water Bureau to move to monthly billing because of the customer feedback. This will affect primarily residential accounts; most commercial accounts are already billed on a monthly basis. The change to monthly billing will cost \$1.8 million per year, increasing rates by 2%.

DRAC members discussed the cost of moving to monthly billing and the lack of an option for customers to continue quarterly billings. The Water Bureau is hoping that the move will decrease the delinquency rate, but they have not factored that into their budget calculations.

DRAC Member Michelle Rudd asked if the Water Bureau looks at contracting out services such as water quality monitoring. Mr. Hasson replied that they did not in this case since the service will be needed on a permanent basis. Water does contract out the related lab work.

The Water Bureau does not anticipate a major increase in SDC fees.

DRAC Member Steve Heiteen asked how many Water employees are working on water conservation, since customer demand for water has been decreasing for several years. Mr. Hasson said that 5.0 FTE are devoted to water conservation. Two of those staff work with businesses solely. To his knowledge, there is no plan to reduce water conservation staff. Mr. Heiteen encouraged the Water Bureau to look at reductions in that area. DRAC Member Jeff Fish asked how close water usage is to maximum capacity. Mr. Hasson said that 10-15 years ago maximum capacity was reached frequently, but in recent years typical use is at 2/3 capacity.

Bureau of Environmental Services (BES) Budget Update

Sam Murray (BES) presented the FY 2012-13 BES budget request and reviewed the handout *BES Budget Highlights*. BES's operating expenses are decreasing now that the Combined Sewer Overflow (CSO) project has been completed, and the bureau is focusing on maintenance of existing infrastructure to enhance service and reliability. BES is operating an asset management program to ensure that the bureau is spending money on infrastructure where it is most needed. BES anticipates a 5.9% rate increase in FY 2012-13, driven primarily by debt service requirements and fees beyond their control (i.e., the Utility License Fee).

Lana Danaher (BES) said the bureau is at the beginning of the process of determining fee increases, but they don't expect large increases. SDC fees are backward-looking (they address previous expenditures), and therefore increases in FY 2012-13 will likely be larger. Development Services is not affected by budget cuts at this point. BES has been working with PBOT on less expensive options for public works permits.

SDC Resolution

Mr. Fish distributed and reviewed the handout *SDC Fee Resolution* that the HBA has submitted to City Council regarding the collection of SDC fees when a title transfer has been completed. The resolution calls for SDC fees to be deferred and made into a lien on the property until it changes hands. Mr. Fish said the thought behind the resolution is that there is minimal demand on the system (water, sewer, etc.) until a property is occupied, so the developer should not be compelled to pay the SDC fees before occupancy takes place. Christine Leon (PBOT) mentioned that there is also a loan option available for SDC fees and an exemption option available for low-income NSFR (new single family residence) applicants. She said that there will be some additional risk incurred by the City if SDC payment is deferred. She offered other options for deferrals that would have less of an impact on the City's risk. DRAC Member Dana Krawczuk asked why the resolution is limited to SFRs only. Mr. Fish said that if this resolution is successful, application to multi-family and commercial properties may be considered. Matt Grumm (Commissioner Saltzman's Office) said the resolution is worded vaguely so that various options can be considered. The resolution will go to City Council on March 7, 2012. Mr. Fish said that if the resolution passes, the DRAC will have the opportunity to express its interests regarding

the matter. Riley Whitcomb (Parks) said that he was told by the Auditor's Office that interest would need to be charged on deferrals and each bureau would need to have its own form.

DRAC Tree Code Letter

Ms. Esau distributed the handout *DRAC Tree Code Memorandum*. After a brief discussion regarding implementation, DRAC members unanimously approved the memorandum. It was noted that there will be a City Council work session on the Tree Code in April. In addition, the Planning and Sustainability Commission will discuss code amendments to make the Tree Code more workable on May 22nd.

Land Use Extension Expiration

Ms. Esau distributed and reviewed the handout *Extension of Land Use Approvals*. DRAC members discussed the issue and developed a consensus in support of an extension for land use cases. Mr. Fish expressed concern that without extensions, it may present a burden to developers. The DRAC voted to support an extension through June 30, 2014. Ms. Rudd abstained.

Land Use extensions will be discussed at the Planning and Sustainability Commission on April 10, 2012 at 12:30 p.m.

Director Scarlett suggested that the DRAC draft a letter in support of extension.

Next DRAC Meeting: Tuesday, March 20, 2012, 10:00 a.m. - 11:30 a.m.
Minutes prepared by Mark Feters, BDS