



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**  
**MINUTES**  
**Tuesday, May 15, 2012**

**DRAC Members Present:**

George Bruender  
Jeff Fish  
Keith Jones  
Joe Schneider

Hermann Colas  
Steve Heiteen  
Dana Krawczuk  
Keith Skille

Jeffrey Cole  
Rob Humphrey  
Ed McNamara

**City Staff Present:**

Ross Caron, BDS  
Tim Heron, BDS  
Christine Leon, PBOT  
Colleen Poole, BDS

Lana Danaher, BES  
Denise Kleim, BDS  
Jim Nicks, BDS  
Paul Scarlett, BDS

Mark Feters, BDS  
Kurt Krueger, PBOT  
Andy Peterson, BDS

**Guests Present:**

Susan Steward, BOMA

**DRAC Members Absent:**

Dan Gilkison  
Rick Michaelson

David Humber  
Michelle Rudd

Maryhelen Kincaid

**Handouts**

- DRAC Meeting Minutes 4/17/12
- Inter-Bureau Code Change List
- BDS Major Workload Parameters (Monthly / Cumulative)
- Non-Cumulative Cost Recovery Report
- DRAC Work Plan (updated 5/14/12)
- DRAC Letter: Zoning Code Amendment to Extend Expiration of Land Use Review Approvals
- BDS Fee Changes (BDS Letter to Commissioners' Assistants)
- BDS Preliminary Impact Estimates of Proposed Fee Increases
- Proposed Land Use Services Fee Schedule (with explanation)
- Indexed Parks SDC Fees
- Exhibit A: Sewer and Drainage Rates and Charges FY 2012-13 (BES)
- International Code Conference (ICC) Overview

## **Convene Meeting**

DRAC Chair Keith Skille convened the meeting and welcomed DRAC members and attendees. He welcomed new DRAC member Joe Schneider (Skanska), representing Large Developers.

The April 17, 2012 DRAC meeting minutes were approved.

## **Director's Report**

BDS Director Paul Scarlett gave an update on BDS finances, staffing, and workload, and reviewed the handouts *BDS Mayor Workload Parameters (Monthly/Cumulative)* and *Non-Cumulative Cost Recovery Report*. Bureau workloads and revenues have sustained their increased levels and the bureau is more confident that revenues will meet projections and enable BDS to add staff beginning July 1<sup>st</sup>. The bureau is seeing a significant increase in the number of large projects, which has greatly helped with cost recovery. As always, BDS continues to carefully monitor workload and revenues.

BDS is taking a 6% cut in General Fund support for FY 2012-13, but the Mayor's proposed budget includes the extension of one-time General Fund monies for all 7 positions that BDS requested. The 7 positions include the Tree Code position and several Code Enforcement positions.

Yesterday (5/14) BDS staff met with the City Commissioners' Assistants to review BDS's proposed fee increases for fiscal year (FY) 2012-13. Director Scarlett referred staff to the handout *BDS Fee Changes (BDS Letter to Commissioners' Assistants)* and distributed the handout *BDS Land Use Services Proposed Fee Schedule (with explanation)*.

Director Scarlett thanked Mr. Skille and DRAC Member Jeff Fish for writing the Op-Ed piece in support of BDS that recently appeared in the Oregonian.

BDS is now returning to the strategic planning effort it began in 2008 before the recession. There will be opportunities for the DRAC and other stakeholders to give input into the plan. Workforce development has become more of a focus, as approximately half of BDS's staff will be eligible to retire within the next 5 years.

The International Code Conference (ICC) national conference will be held in Portland this October. BDS will play a significant role in supporting the conference, and the ICC is inquiring about groups that would want to be involved in the conference. Colleen Poole (BDS) reviewed the handout *International Code Conference (ICC) Overview* and encouraged DRAC members to contact her regarding opportunities to participate.

## **Code/Policy Updates**

BDS Land Use Services Manager Rebecca Esau gave updates on Historic and Design Review and the Land Use Extension Expiration.

### Historic and Design Review

The Mayor's Proposed Budget did not include funding for the Bureau of Planning and Sustainability's (BPS's) proposal for a one-year full-time planner position. BDS is working with BPS on scaling back the proposal to make it doable with current staffing. BDS is citing violations, but is also presenting options for compliance with the code. By July 1<sup>st</sup>, it should be clear what the longer-term solution will be. A question was raised regarding whether BDS tracks complainant information; the information is tracked but is kept confidential.

DRAC Member Dana Krawczuk said that at the Landmarks Commission yesterday it was argued that street trees should be subject to landmark review. Ms. Esau said she will talk with BPS about an amendment to the Tree Code to address this.

#### Land Use Extension Expiration

The ordinance extending the expiration of land use applications is going to City Council tomorrow (May 16<sup>th</sup>) at 2:00 p.m.

#### **BES Fees**

Lana Danaher (BES) distributed and reviewed the handout *Exhibit A: Sewer and Drainage Rates and Charges FY 2012-2013* and gave an update on BES fees for FY 2012-13. Most fees will not be increasing from last year. BES had anticipated fee increases of between 5 and 7%, but Commissioner Saltzman directed the bureau to hold fees steady and make cuts instead. BES has implemented a hiring freeze and is currently identifying where cuts will be made.

DRAC Member Steve Heiteen noted again the cumulative effect of fee increases from all the bureaus involved in development. The DRAC needs to communicate this effect and encourage the Council to find ways to contain salary and benefits costs, which drive the fee increases. Ms. Danaher observed that freezing costs in one year typically leads to larger increases the following year. It was also noted that the Mayor's Proposed Budget freezes COLA and merit increases citywide until June 2013 for non-represented staff making over \$45,000.

#### **DRAC Work Plan**

Mr. Skille asked DRAC members to review the handout *DRAC Work Plan (updated 5/4/12)*. The intent of the Work Plan is to identify where DRAC members have interests and can partner with the City to improve policies and processes and make them more efficient. He asked DRAC members for their thoughts on items that could be added to the Plan.

Ms. Krawczuk and Mr. Heiteen volunteered to work on the Historic Design Review subcommittee; Rick Michaelson had previously indicated an interest as well. Ms. Esau and Tim Heron will be BDS staff on the committee. Mr. Heiteen suggested that one goal of the subcommittee be to produce a handout for neighborhoods that are considering seeking historic designation. Ms. Esau said such a handout would be useful to the neighborhoods and stakeholders to the process. Mr. Skille asked that the subcommittee have a first meeting before the June DRAC meeting.

Regarding RICAP, Ms. Esau said she can bring a list of BDS's highest priority Zoning Code amendments to the next DRAC meeting for review. Director Scarlett said it would be helpful to have someone from BPS at DRAC to discuss the current RICAP list. Mr. Fish volunteered to serve on a RICAP subcommittee; Mr. Skille is interested in being involved in the initial discussion.

DRAC Member Rob Humphrey asked about the automation of the queuing system in the Development Services Center. Andy Peterson (BDS) said that since electronic submittal capability is coming in a couple years, it may not be worth investing the money in an automated queuing system.

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

Ross Caron (ITAP Manager) gave an ITAP update. A short list of vendors has been established, and on-site presentations have been scheduled during the next two weeks. The bureau is also scheduling product demonstrations in jurisdictions where the product is actually being used. BDS is hopeful to complete vendor selection by July and have a contract in place by September.

Mr. Skille is one of the vendor reviewers; he, Mr. Michaelson, and Mr. Humphrey also serve on the ITAP Citizen Advisory Committee.

Permit record digitization and business process review and improvement are also ongoing. By June 1<sup>st</sup>, all applications taken in for review will be scanned after issuance. Mr. Caron is still working with the City to make the records available through Portland Online. The scanning process has proven to be very accurate.

Digitization staff will soon start scanning older records, which go back to the early 1900s. The goal is to have all records available online through Portland Maps. Mr. Caron will keep the DRAC updated as this effort moves forward. DRAC Member Hermann Colas asked if BDS is coordinating with other jurisdictions in this effort, particularly the State. Director Scarlett said that the State is aware of BDS's efforts but has not contacted the bureau regarding coordination of efforts.

DRAC Member Ed McNamara asked whether it will be easier or more challenging to make process flow changes after ITAP implementation. Mr. Caron said he believes the process will be easier, as it will not be as dependent on programmers to write script in order to make changes. The ITAP RFP included this element. Mr. Humphrey noted that the development bureaus have invested a lot of time in documenting and analyzing their process flows in order to make ITAP work better.

## **Pulse of the Industry**

Mr. Fish said residential new construction is picking up, which is leading to higher land prices. There were several projects he has been holding onto that he will move forward with now because of the higher land prices.

Ms. Danaher said that sewer scopes have increased about 200% in the last couple months.

Mr. Schneider said that projects financed with state bonds are flat, but multi-family is picking up. Mr. Skille said that his firm has had to turn some work away. They have brought back a few people that were let go previously, but they're being cautious with growth. Most of the development is supported by private money.

Ms. Danaher noted that the development bureaus (other than BDS) are currently looking at staff cutbacks, and it will be a challenge for them to respond to work increases as the market heats up.

Mr. Fish noted that he has heard of some manufacturers moving back from China to the U.S. as costs in China rise.

Mr. Humphrey said that on a national level, funding for development seems to be more available. Larger retail chains are doing upgrade work on their stores; apartments and land divisions are also picking up.

## **Other**

Director Scarlett noted that the BDS fee increase ordinance will go before City Council at 10:30 a.m. next Wednesday, May 23<sup>rd</sup>. A representative from the DRAC will be testifying in support of the fees. It was noted that historically the DRAC has submitted a letter in support of the fee increases. DRAC members approved drafting a letter to City Council in support of the proposed fee increases.

Riley Whitcomb (Parks) directed DRAC members to the handout *Indexed Parks SDC Fees*. Christine Leon (PBOT) said that Transportation fees are going to Council tomorrow (May 16<sup>th</sup>). PBOT is projecting their SDCs will increase about 4%.

**Next DRAC Meeting: Tuesday, June 19, 2012, 10:00 a.m. - 11:30 a.m.**

Minutes prepared by Mark Feters, BDS