



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**  
**MINUTES**  
**Thursday, November 15, 2012**

**DRAC Members Present:**

Hermann Colas  
Steve Heiteen  
Ed McNamara

Jeff Fish  
Dave Humber  
Keith Skille

Dan Gilkison  
Maryhelen Kincaid

**City Staff Present:**

Rebecca Esau, BDS  
Matt Grumm, Comm. Saltzman's Office  
Kurt Krueger, PBOT  
Paul Scarlett, BDS

Mark Feters, BDS  
Jim Nicks, BDS  
Sandra Wood, BPS

Denise Kleim, BDS  
Andy Peterson, BDS

**Guests Present:**

John Hasenberg

**DRAC Members Absent:**

Rob Humphrey  
Rick Michaelson

Keith Jones  
Michelle Rudd

Dana Krawczuk  
Joe Schneider

**Handouts**

- DRAC Meeting Minutes 10/18/12
- Inter-Bureau Code Change List
- BDS Major Workload Parameters (Monthly/Cumulative)
- Non-Cumulative Cost Recovery Report
- IVR Project Overview

## **Convene Meeting**

DRAC Chair Keith Skille convened the meeting and welcomed DRAC members and attendees. Mr. Skille noted that there are still three vacancies on the DRAC, representing Large Developers, Environmental Conservation & Green Building, and Neighborhood Coalition Land Use Committees. There is one candidate for the Large Developer position; Keith encouraged DRAC members to continue to forward names to Mark Feters at BDS ([mark.feters@portlandoregon.gov](mailto:mark.feters@portlandoregon.gov) or 503-823-1028).

Mr. Skille's term as DRAC Chair and Rick Michaelson's term as DRAC Vice Chair expire at the end of December. Mr. Skille encouraged DRAC members to let Mr. Feters or BDS Director Paul Scarlett know if they are interested in either position.

## **Minutes**

DRAC members reviewed and approved minutes from the October 18, 2012 DRAC meeting.

## **Director's Report**

BDS Director Paul Scarlett reviewed the handouts *BDS Major Workload Parameters* and *Non-Cumulative Cost Recovery Report*. The bureau is starting to see some seasonal slowdown in revenues, as was anticipated in the bureau's financial plan. Reserves remain healthy and the workload has been consistent. BDS is considering ways to expand the hours of the Development Services Center (DSC).

Given that workload is higher than the past few years, the DSC will be open Thursday, December 27 and Friday, December 28.

The bureau met with its Strategic Plan consultant for the first time this week.

DRAC member Dan Gilkison asked if BDS anticipates any changes coming with the new mayor. Director Scarlett said that at this point the bureau does not foresee changes in its services or programs, though the Mayor has said he will take all City bureaus into his own portfolio for a few months once he's in office.

## **BDS Budget Planning**

BDS Administrative Services Manager Denise Kleim provided an update on the bureau's budget preparation process. Finance staff will work on the financial plan and projections within the next week. Current projections call for permit revenues to increase slightly in the next year.

The City's General Fund revenues are strong, but outside factors will have a negative impact on the General Fund. The Multnomah County Library levy will result in an estimated loss of \$10 million in revenue for the City. At this time it appears that one-time General Fund monies approved for the current fiscal year (FY 2012-13) will not be renewed in FY 2013-14. This will impact BDS's Neighborhood Inspections, Noise, and Land Use programs. In addition, business tax revenues are projected to be weaker. The bureau will be requesting that programs funded with one-time monies be funded with ongoing General Fund.

City Council had a budget meeting this last week and will be releasing its budget directions soon.

Mr. Skille asked what percentage of the bureau's budget is made up by the Neighborhood Inspections, Land Use, and Noise programs (individually); Ms. Kleim said the bureau would provide this information.

*Note: The percentages are as follows:*

- *Land Use Services: 21%*
- *Neighborhood Inspections: 8%*
- *Noise Control: 1%*

DRAC member Ed McNamara suggested that BDS consider moving its fee increase process to January, rather than July, since the bureau has a rush of work right before fee increases while winter is generally slower.

Mr. Scarlett mentioned that the Planning & Sustainability Commission voted to not adopt a moratorium on multi-family housing without parking. The parking study that was shared with the Commission can be found here: <http://www.portlandoregon.gov/bps/article/420059>. Additional information can be found at: <http://www.portlandoregon.gov/bps/article/420179>.

### **Vacant Property Registration Program Update**

Matt Grumm (Commissioner Saltzman's Office) said that the focus of the program is being narrowed to foreclosed properties. At this point it's uncertain whether the Council will implement the program, but if they do, Mr. Grumm believes that it will be similar to Hillsboro's program. Mr. Grumm will send updates to Mr. Feters as they become available to forward to DRAC members.

### **IVR & Inspection Limitation**

BDS Administrative Services Manager Denise Kleim distributed and reviewed the handout *BDS IVR Project Overview*. The new IVR server will go live the first week of December. It will be very similar to the current system, but will include functions to support the implementation of the Inspection Limitation Program. BDS Inspections Manager Jim Nicks gave an overview of the program, which provides a fair way for the bureau to control costs and provide an appropriate level of service, particularly for lower-cost projects. The bureau will do significant outreach before the program is implemented. The IVR system will provide a countdown to applicants, letting them know how many inspections remain on their permit. IVR will also allow applicants to pay for additional inspections over the phone if they have exceeded their inspection limit.

DRAC Member Hermann Colas asked for clarification of work "not being ready" as opposed to not being done correctly. Mr. Nicks gave an example of being called to do a cover inspection and finding the plumber and electrician still doing rough-in work. Another example would be an inspector being called repeatedly to inspect the same correction that hasn't been made.

John Hasenberg (ORA) asked whether the bureau had considered the application of inspection limitation to permits for projects that expand the building footprint (but have valuations similar to projects that do not increase the building footprint). Mr. Nicks said that was part of the discussion and was factored into the limits. Allowances were made for a footing inspection on lower-valuation projects. Also, managers have the ability to add an inspection if they feel it's appropriate.

Mr. Nicks reiterated that for permits over \$100,000 in valuation, there will be no change from current practices. The bureau would allow for one reinspection on each of the expected inspections for the permit.

DRAC Member Steve Heiteen said that inspection limitation is directed at homeowners, and that most contractors won't go over the limit. He recommended that the bureau track how frequently contractors go over the limit, and allow contractors with multiple permits to go over the limit once or twice a year without being charged.

Mr. Colas said that he incurs costs when inspections are set-over; since BDS will charge for extra costs incurred from excessive inspection requests, could he be reimbursed for his costs due to inspection set-overs? Mr. Nicks encouraged Mr. Colas to call him directly if this is a frequent issue or becomes burdensome.

### **DSC 3<sup>rd</sup> Checksheet**

BDS Plan Review/Permitting Services Manager Andy Peterson gave an overview of a proposed third checksheet fee. The fee would apply to customers who are trying to get a permit over-the-counter and make multiple visits trying to get their application in order. It would function similarly to the inspection limitation - an additional fee would be charged when a third checksheet is issued from the Development Services Center (DSC). The fee is geared to encourage applicants to be more prepared and to make use of outside professional services when preparing their permit applications. Implementation is planned for early January.

Mr. Heiteen said the fee would most often be charged to one-time customers, so the impact will not be ongoing (it will end with that customer's one permit). Mr. Hasenberg asked if other jurisdictions offer over-the-counter permits. He said that he has seen homeowners with rudimentary plans obtain permits over-the-counter while detailed plans from professionals are more frequently taken in for review because of their complexity. He suggested the bureau consider doing away with over-the-counter permits (i.e., take all permits in for review) and instead focus on issuing permits more quickly.

Mr. Hasenberg said he used to send clients to Homeowners' Night in the DSC when they wanted to get their own permits, and he suggested restarting it as a way of segregating homeowners from professional applicants. Mr. Peterson said that Homeowners' Night was popular, but it was very expensive to provide; usually 13 employees were present, all on overtime. Mr. Skille asked that the cost of re-instituting Homeowners' Night be identified so the DRAC can discuss it with City staff. Ms. Kleim said that BDS will provide a cost number.

Mr. Colas suggested that instead of re-starting Homeowners' Night, BDS find a less expensive way to provide the same services. Mr. Michaelson suggested moving the homeowner time to late afternoon rather than evening, to save on overtime costs. Mr. Fish said that since the estimated cost of providing Homeowners' Night would equate to approximately one FTE each year, BDS should instead hire a person to specifically deal with these types of customers. Mr. Heiteen suggested that the bureau prepare an instructional video on what's involved with applying for a permit and post it on the bureau website. DRAC Member Maryhelen Kincaid suggested seeking financial sponsorship (from the Home Depot, for example) to support Homeowners' Night.

Mr. Hasenberg asked why Portland feels the need to provide these kinds of educational resources when other jurisdictions don't. Professional customers end up subsidizing these services through their permit fees. Mr. Colas argued that BDS should provide the services because it will help homeowners see their need for professional help, which will bring business to the industry.

DRAC Member Dan Gillkison asked about comments/corrections that appear for the first time on a second checksheet. Mr. Peterson replied that in most cases the corrections do not show up on the first checksheet because the initial plans submitted did not provide enough detail to bring them out.

## **Other**

### Public Works Appeal Panel

Kurt Krueger (PBOT) said that Public Works Appeal staff is working on a Code Guide creating a process to administratively approve the most common Public Works appeals. Details will be available as the work progresses.

## **Pulse of the Industry**

Mr. Skille opened the floor for comments from DRAC members regarding current trends in the development industry. Mr. Humber said they're busy with some single-family work and a lot of apartments. Mr. Colas asked how BDS is doing in re-staffing to meet the increased workload; Ms. Kleim replied that BDS has been bringing staff back when it is fairly certain that the workload will remain steady. Re-staffing has been conservative, but the bureau wants to make sure it can retain re-hired staff. BDS has added inspectors, plans reviewers, and other operational staff. All BDS managers have said they need more staff, and the bureau is considering those requests for next year's budget. Three new positions were just added this fall.

Mr. Hasenberg asked how the FIR program is doing. Mr. Nicks said that FIR has 3 full-time staff and is operating at or above capacity. There are approximately 150 contractors registered in FIR currently, with a waiting list of approximately 20 contractors.

Mr. Gillkison said the Port of Portland is busy; they're cautiously considering several projects for next year. Mr. Skille said that this looks like one of his firm's best years in recent memory. They have a little bit of backlog and some larger projects. They have a wide variety of work and demand is strong.

DRAC Member Ed McNamara said that in the last few months he's been seeing more interest in larger (20-30 story) apartment towers. Mr. Fish said his company is working at levels they haven't seen since before the recession, and houses are selling before they're completed.

Mr. Krueger mentioned that the Street by Street Initiative will go back to City Council on November 29<sup>th</sup>. The goal of Street by Street is the provision of lower-cost alternatives to right-of-way improvement on unpaved streets in single family residential zones.

Mr. Peterson mentioned that the David Douglas School District passed a bond and will have two large construction projects. A Portland Public School District bond also passed and will also generate large projects. Large projects are also coming in for Portland Community College.

**Next DRAC Meeting: Thursday, December 20, 2012, 8:00 a.m. - 9:30 a.m.**

Minutes prepared by Mark Feters, BDS