



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, May 21, 2015

DRAC Members Present:

Claire Carder	Hermann Colas	Phil Damiano
Rob Humphrey	Maryhelen Kincaid	Chris Kopca
Dana Krawczuk	Jennifer Marsicek	Kristin Wells

City Staff Present:

Claire Adamsick, Commissioner Fritz's Office	Danielle Bohannon, Parks
Cindy Dietz, Water	Rebecca Esau, BDS
Elshad Hajiyev, BDS	Kurt Krueger, PBOT
Erika Nebel, Commissioner Novick's Office	Deborah Lev, Parks
Dora Perry, Commissioner Fritz's Office	Mitch Nickolds, BDS
Elizabeth Reese Cadigan, BES	Andy Peterson, BDS
Nancy Thorington, BDS	Christopher Wier, PBOT
	Deborah Sievert Morris, BDS
	Sue Williams, BES

DRAC Members Absent:

Maxine Fitzpatrick	Dave Humber	Keith Jones
Kirk Olsen	Joe Schneider	Justin Wood

Guests Present:

Al Ellis, United Neighborhoods for Reform
John Hasenberg, Oregon Remodelers Association
John Sandie, United Neighborhoods for Reform
Barbara Strunk, United Neighborhoods for Reform

Handouts

- Draft DRAC Meeting Minutes 4/16/15
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- 2015 BDS Fee Change Memo to Council
- BDS Fee Schedules
- Memo Regarding Proposed Urban Forestry Fees for FY 2015-16
- Proposed Urban Forestry Fee Schedule FY 2015-16
- Urban Forestry Land Use Review Fee Details
- Email Regarding Water Bureau Fees FY 2015-16
- Water Bureau Proposed Fees FY 2015-16
- Email Regarding BES Fees FY 2015-16
- Proposed BES Fee Revisions FY 2015-16
- BES SDC Information
- PBOT Fee Letter to DRAC

Convene Meeting

DRAC Chair Maryhelen Kincaid convened the meeting and welcomed DRAC members and guests.

A quorum was not yet present, so draft minutes from the April 16th DRAC meeting could not be approved.

Director's Report

BDS Sr. Business Operations Manager Deborah Sievert Morris reviewed the handouts **Non-Cumulative Cost Recovery Report** and **BDS Major Workload Parameters** and provided an update on the bureau's work and finances.

Ms. Sievert Morris and BDS Finance Manager Elshad Hajiyev reviewed the handouts **2015 BDS Fee Change Memo to Council** and **BDS Fee Schedules** and gave an overview of BDS's proposed fee changes for fiscal year (FY) 2015-16. The changes are minor and are geared toward reaching cost recovery for specific services, consistency across fee schedules, and transparency.

Announcements / Meeting Minutes

Ms. Sievert Morris announced that Dora Perry (Commissioner Fritz's Office) had been hired as BDS's new Equity & Policy Manager. She will begin her work in BDS on June 1st.

A quorum was at that time present, so DRAC members reviewed and approved the draft minutes from the April 16, 2015 DRAC meeting.

Ms. Kincaid discussed the ongoing challenge in meeting requests for time in DRAC agendas while ensuring sufficient time for discussion. She proposed adding a 30 minute discussion time at the end of DRAC meetings, to be used when fuller discussion of particular agenda items is desired. The additional time would be optional for DRAC members, and would help ensure that all scheduled agenda items are covered at least briefly during the main meeting. After discussion, DRAC members agreed to try the idea.

Unreinforced Masonry Structures

Portland Bureau of Emergency Management (PBEM) Director Carmen Merlo described PBEM's Unreinforced Masonry Seismic Retrofit Project (<http://www.portlandoregon.gov/pbem/66306>). PBEM is currently updating a database of about 1,800 buildings in this category. Less than 20% of current building stock has been seismically retrofitted. BDS Plan Review/Permitting Services Manager Andy Peterson said the goal of the project is to make the buildings safe while preserving their historic nature. Most of the buildings date from the early 1900s through the 1940s.

Ms. Merlo said they hope to have a recommendation before City Council by Spring 2016.

Ms. Kincaid asked whether the owners of affected buildings have been notified. Mr. Peterson said one of next steps is to contact owners of the buildings in the database, both to inform them and to get more information on the buildings. He said that building owners who have questions about the project can contact him or go to the project website.

DRAC Member Kristin Wells asked how building owners will pay for retrofitting, since this is a mandatory upgrade. Mr. Peterson said that the project's Incentive Committee is looking at

the funding question. There will be some costs absorbed by the building owners. Owners will need to have their buildings assessed within 3 years of being notified, and then there will be timeframes for them to have the work done.

DRAC Member Dana Krawczuk asked whether retrofits would be subject to design / historic design review. Ms. Merlo said that this has not been worked through in detail yet, but will be.

John Hasenberg (Oregon Remodelers Association) asked whether a surcharge on property taxes has been considered as an option to finance retrofits. Mr. Peterson said that this will be looked at, along with tax incentives that other cities have used.

DRAC Member Jennifer Marsicek asked whether the project will be part of City Title 24 or separate from it. Mr. Peterson said that it will be part of Title 24. Ms. Marsicek referenced the red "U" signs seen on some buildings in town. Ms. Merlo said those signs are placed by the Fire Bureau to let their firefighters know that the building is unsafe. She said they could consider some kind of placard to let the public know that a building is unreinforced masonry construction.

DRAC Member Hermann Colas said that funding for retrofit work is problematic. Many of the buildings have occupants who can't bear the costs, and the work would require moving them out of the building. The City should carefully consider how the retrofit work will be funded.

DRAC Member Chris Kopca said that in addition to the cost of the retrofit work, the City needs to consider the lost revenue from buildings being unoccupied during required retrofit work. He said that retrofit requirements should be standalone, and should not trigger other requirements like historic/design review, trees, etc. He said that he also expects that funding for retrofitting will be a problem; there needs to be a discussion of revisiting the retrofit requirements when the funding for the work doesn't come together.

Mr. Peterson said that the project has been underway for about 6 months. They plan to send notices to building owners in the next 60 days.

Ms. Wells suggested that financial incentives be focused on the buildings with the largest potential negative impact in an earthquake.

Infrastructure Bureau Fee Updates

Transportation (PBOT)

Kurt Krueger (PBOT) referenced the handout **PBOT Fee Letter to DRAC** and gave an overview of PBOT fee changes that were presented to City Council yesterday (May 20th). Most fee increases were capped at 15%, with a couple outliers at 25%. PBOT is still trying to get to cost recovery, but they recognize that getting all the way there would have a significant impact on development. PBOT SDC fees are not changing.

Mr. Krueger said that during the Council presentation the Mayor referenced the cumulative impact from fee increases from the development bureaus. City Council will vote to adopt the PBOT fees next week.

Ms. Kincaid said that there is a concern that the bureaus calculate SDC fees differently, and there needs to be a separate conversation about this. Mr. Krueger said that the City's transportation needs are far greater than what PBOT is collecting in SDCs.

Water Bureau

Cindy Dietz (Water Bureau) distributed and reviewed the handout **Water Bureau Proposed Fees FY 2015-16**.

Urban Forestry

Deborah Lev and Danielle Bohanon (Parks) gave an overview of Urban Forestry's proposed fee changes and reviewed the handouts **Memo Regarding Proposed Urban Forestry Fees for FY 2015-16**, **Proposed Urban Forestry Fee Schedule FY 2015-16**, and **Urban Forestry Land Use Review Fee Details**. The proposed fee changes are scheduled to go to City Council on May 27th, with the changes going into effect in July. The proposed changes are being reviewed by the Urban Forestry Commission in addition to the DRAC before they go to City Council.

Mr. Humphrey asked what Urban Forestry does with the money collected for tree fees. Ms. Bohanon replied that Title 11 specifies that the fees go into a tree preservation fund, and can be used only to plant and maintain trees within the same watershed. Mr. Humphrey said that he is happy to see Urban Forestry being involved in reviews earlier in the process, as it lets builders know what to expect.

Mr. Colas asked whether there will now be inspections of sites for tree preservation/mitigation before any construction work is done. Ms. Bohanon said it is the builder's responsibility to hire an arborist to review site and map trees before work begins, so Urban Forestry can then review and make determinations regarding trees that should be saved/mitigated.

Environmental Services

Sue Williams (BES) first discussed BES's fees and SDCs in general terms. SDCs reimburse ratepayers for the increased usage of the system by new development. Over the last 30 years, BES's SDCs have typically followed inflation. This year, however, BES received direction (with the support of City Council) to reach cost recovery, resulting in a 22% increase in BES SDCs. BES does not anticipate further significant SDC increases in near future. Other BES fees will be increasing by 4%.

Ms. Williams then distributed and reviewed the handouts **Proposed BES Fee Revisions for FY 15/16** and **BES SDC Information**. She said that BES recognizes the cumulative impact of fees on the cost of development, and it is important for the DRAC to continue to speak out regarding that impact. Mr. Humphrey said that it isn't really developers who are absorbing the increased costs; rather, it's the people who purchase what they develop, or homeowners who are developing their own property.

Ms. Wells asked why there is a fixed fee for single family residences (SFRs), rather than something like cost per fixture; charging a fixed fee impacts certain types of SFRs more than others. Ms. Williams said this is done partly for simplicity, but it's also based on the average water usage for SFRs. Ms. Wells said that this is a topic that should be discussed more in the future, for its impact on microhouses and other types of development.

Fee Discussion

Mr. Kopca initiated a discussion about the role of the DRAC in relation to fees charged by the development bureaus. He said that he is not comfortable with 15% fee increases year after year, and doesn't want to give impression that the DRAC has reviewed and given assent to the fee changes presented today. DRAC member Claire Carder suggest forming a subcommittee to define the role of DRAC in relation to development-related fees.

Ms. Wells said she struggles with applying the cost-recovery concept to infrastructure bureau fees. For example, should a developer building in a neighborhood without streets bear the full cost of street improvements? She said that where the costs are direct, cost recovery makes sense; the fees should directly relate to what's being done. But when street improvements are made in a neighborhood, it benefits the larger community. The public should help bear those costs along with the neighborhood, and there needs to be discussion around how those public funds will be raised/collected.

Ms. Kincaid asked Mr. Peterson if he had prepared an update of a document he had shared with the DRAC in the past, showing the impact of all development fee increases on typical projects. Mr. Peterson said an updated version of the document isn't ready yet because not all of the proposed fee changes have been approved or put into the system. He typically prepares this document closer to July 1st, but he said they should be able to calculate the increases for a typical SFR in the next 1-2 weeks.

**Next DRAC Meeting:
Thursday, June 18, 2015**
Minutes prepared by Mark Feters, BDS