



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**  
**MINUTES**  
**Thursday, December 17, 2015**

**DRAC Members Present:**

Clair Carder  
Maxine Fitzpatrick  
Maryhelen Kincaid  
Kirk Olsen

Hermann Colas  
David Humber  
Christopher Kopca  
Joe Schneider

Phil Damiano  
Rob Humphrey  
Jennifer Marsicek  
Justin Wood

**City Staff Present:**

Jenn Cairo, Parks  
Mark Feters, BDS  
Mieke Keenan, BDS  
Andy Peterson, BDS  
Deborah Sievert Morris, BDS  
Sean Williams, BDS

Fred Deis, BDS  
Matt Grumm, Comm. Saltzman's Office  
Kurt Krueger, PBOT  
Emily Sandy, BDS  
Nancy Thorington, BDS  
Sandra Wood, BPS

Rebecca Esau, BDS  
Mitch Nickolds, BDS  
Paul Scarlett, BDS  
Morgan Tracy, BPS  
Shawn Wood, BPS

**Guests Present:**

Jeff Fish, Fish Construction NW  
Joshua Klyber, Code Unlimited

**DRAC Members Absent:**

Dana Krawczuk

**Handouts**

- Draft DRAC Meeting Minutes 11/19/15
- Inter-Bureau Code Change List
- Pending DRAC Membership Changes
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Initiatives
- Proposed City Code for Traffic Signals
- Chapter 17 Traffic Signals and Beacons
- Residential Infill Project Update
- BDS Tree Code Amendment Proposal Summary
- DRAC Work Plan w/edits

## **Convene Meeting**

DRAC Chair Maryhelen Kincaid convened the meeting and welcomed DRAC members and guests. DRAC members reviewed and approved minutes from the November 19, 2015 DRAC meeting.

## DRAC Membership Update

Mark Feters (BDS) reviewed the handout **Pending DRAC Membership Changes** and gave an update on DRAC membership changes scheduled to go before the City Council in January 2016:

- Joe Schneider will be renewed for a second 3-year term representing Large Construction Contractors;
- Mitch Powell will be appointed as a new DRAC member representing Home Remodelers;
- Michael Harrison will be appointed as a new DRAC member representing Major Facilities Landowners;
- Dana Krawczuk will shift from the Frequent Development Review Customers position to Land Use Planning Professionals; and
- Rob Humphrey will shift from the Small Businesses position to Frequent Development Review Customers.

This will leave two remaining vacant positions – Small Businesses and Planning & Sustainability Commission.

## Demolition Tax Update

Ms. Kincaid gave an update on the Mayor's proposed Demolition Tax. At the recent hearing on the proposal, the City Council asked the DRAC to give feedback and gave additional time. The DRAC Demolition Subcommittee met last Friday to begin preparing a response, and will be meeting again this Friday (December 18) from 1:30 – 3:00 p.m. in Room 4A (4<sup>th</sup> floor).

DRAC Member Justin Wood said that no one at the hearing argued that there was an epidemic of demolitions; rather, people are interested in slowing down some demolitions in some neighborhoods. DRAC Member Christopher Kopca added that the issue isn't as much about the demolitions, but what comes after, and that's a harder issue. There is a need to advance the design side so the process isn't so onerous.

Ms. Kincaid said that there is a proposal from a citizens' group for a moratorium on demolitions because lead and asbestos isn't being handled properly.

## **Director's Report**

BDS Director Paul Scarlett reviewed the handouts **Non-Cumulative Cost Recovery Report** and **BDS Major Workload Parameters** and discussed BDS's financial status. Cost recovery continues to be strong, at similar levels to last year. The BDS Business Continuity Plan was presented to City Council yesterday and was well-received.

Mr. Scarlett then reviewed the handout **BDS Initiatives** and described the various organizational development processes currently underway in the bureau. Follow-up activities from the various processes will be rolled into the bureau's Strategic Plan, which will launch in spring 2016. Ms. Kincaid said that the role played by the DRAC, BDS Finance Committee, and other stakeholder groups play should be recognized in the **BDS Initiatives** handout.

Guest Jeff Fish (Fish Construction NW) asked whether anything had been done about bureau financial reserves, or whether they would keep growing. Mr. Scarlett said that he is glad to see reserves increasing, and the bureau will be reviewing fees and reserves with the BDS Budget Advisory Committee (BAC). Building permit fees are tied to project valuation, so as long as the economy is strong, BDS will have a strong reserve. There may be opportunities to reduce fees. The bureau is also still carrying a number of vacant staff positions; once those are filled, the reserve will go down.

DRAC Member Hermann Colas said that if the reserves are meant to cover for when the economy is down, having the reserves will help because the economy will turn down at some point. BDS just hired a lot of staff, and wouldn't want to have to let them go in the next downturn.

Mr. Scarlett said he understands the DRAC's focus on the reserves, as they are currently pretty high. Some of the reserves will be spent on filling vacant staff positions, but it will take a while for the reserve balance to go down because the work keeps coming in.

DRAC Member Kirk Olsen asked when the DRAC will be able to see proposed 2016 fee changes from BDS and the other development bureaus. Mr. Scarlett replied that BDS will be encouraging the other bureaus to bring their fee proposals to the DRAC on a timely basis. The goal is to have all proposed fee changes go to the City Council at the same time, so the Council can see the overall impact.

Mr. Wood asked whether the other development bureaus are seeing the same kind of revenue increases as BDS. Sue Williams (BES) said BES is not. While development review and permitting is BDS's primary business, it is a very small part of BES's overall work. Kurt Krueger (PBOT) said that PBOT finally set aside a rainy day fund (less than \$500,000) a couple years ago. Both Ms. Williams and Mr. Krueger said their revenues haven't increased significantly and they are not at full cost recovery for their services.

Mr. Kopca said that BDS's fee structure should be changed to help bring reserves down; filling the remaining staff positions won't be enough to do it. Mr. Scarlett replied that during the recession, BDS increased residential permit fees because they weren't covering the cost of providing services (commercial developers had been complaining that they were subsidizing residential development). The result of that change is much higher revenues in the present. BDS will take a close look at fees, and Mr. Scarlett said he can see the possibility of some fee reductions. The BDS BAC will also spend significant time on fees.

Mr. Fish said that BDS was financially strapped during the recession, but some things worked well. He doesn't want to see BDS go into the next recession with a large reserve and not be willing to make significant cuts when called for.

DRAC Member Claire Carder noted that the City has mandated 5% cuts for City bureaus for the fiscal year (FY) 2016-17 budget. Mr. Scarlett said that this applies only to the Neighborhood Inspections and Land Use Services programs. BDS will comply with the requirement to offer the cut, but will also ask for it to be restored.

### **Traffic Signals Code Change**

Mr. Krueger and Peter Koonce (PBOT) reviewed the handouts **Proposed City Code for Traffic Signals** and **Chapter 17 Traffic Signals and Beacons** and described proposed code changes. The proposal is the result of work on finding ways for PBOT signal maintenance to work with developers when development triggers traffic signal requirements. The proposal targets large projects where signal installation is required, and is meant to address the growing need to update traffic signals. The City used to have a capital budget for this, but not anymore. DRAC members discussed equity issues – developers of corner properties bear the cost of traffic signal upgrades. Mr. Koonce said that Clackamas County, Gresham, and Vancouver use a similar system. Portland asks for far less fees than those jurisdictions.

Mr. Koonce said there is currently no timetable for taking the proposal to the City Council; he wanted to get the DRAC's input first. Mr. Kopca offered that while the concept of partnering is great, it results in more fees and is not equitable. Mr. Olsen asked what would happen if a traffic study finds that development caused a traffic signal deficiency. Mr. Koonce replied that traffic studies aren't always requested, if the development is zoned outright, and then problems turn up afterwards. This proposal is an attempt to get out in front of problems. Mr. Humber asked whether affordable housing would be exempted. Mr. Koonce said they're trying to be creative and work with developers on issues.

Mr. Koonce said his goal was to start a conversation today, and that he would be happy to come back with more examples of partnerships with developers. Mr. Kopca suggested that he also explain what developers will be required to do; he said the process needs to be predictable. Also, PBOT needs to consider the cost impacts from other proposals, such as the gas tax, transportation fee.

Mr. Kopca also brought up larger issues to be considered, such as:

- Right-of-way is sometimes viewed as public space, sometimes as private;
- Exempting affordable housing from so many fees and regulations makes all other development less affordable

Mr. Krueger suggested that the DRAC put together a subcommittee to discuss the issues further. DRAC Members David Humber, Christopher Kopca, Hermann Colas, Kirk Olsen, and Maxine Fitzpatrick volunteered to participate on the subcommittee.

Mr. Colas spoke in defense of affordable housing; Ms. Fitzpatrick questioned of volume of affordable housing as opposed to market rate housing, and said that exempting affordable housing doesn't create that much of an impact.

### **Residential Infill Project Update**

Morgan Tracy (BPS) reviewed the handout **Residential Infill Project Update** and gave an update on the project status. This project is separate from the Regulatory Improvement Code Amendment Package (RICAP) 8. Part of RICAP 8 deals with lot confirmations, which may be pulled out of RICAP and put into the Infill Project. The Infill Project has a 26-member stakeholder advisory committee that has been meeting bi-weekly for the past 3 months. A public forum on the project will be held in April 2016.

Key themes emerging from the advisory committee include affordability, feasibility, compatibility with the surrounding neighborhood, the variety of design/housing options, and attached vs. detached housing. He said he will come back to the DRAC later with an update.

Mr. Wood said that at the last Demolition Tax hearing, the Mayor said that some elements of the Infill Project would be fast-tracked; how will that work? Sandra Wood (BPS) said that will be discussed at the workshop in April. If the advisory committee feels that something can be pulled out and addressed quickly, they'll take that to City Council.

Mr. Fish said there is a huge difference in the way consumers value attached vs. detached housing, and that needs to be kept in mind in this project. Mr. Tracy agreed, and said that's part of what the advisory committee is struggling with. Ms. Wood said they had a discussion about equity, demographics, and changing preferences. Detached housing is preferred today, but may not be in the future. Mr. Fish said that millennials prefer attached housing, but there is still a large demographic that prefers detached.

Ms. Fitzpatrick said that her organization has done a lot of infill development of various types. They try to stay cognizant of the surrounding community and share designs with neighbors before they start building. They have had good relationships with neighbors.

Mr. Kopca asked whether, when implemented, the project would create standards for infill anywhere in the city, allowing customers to get permits over-the-counter. Mr. Tracy said yes, with caveats: it would apply only where the zoning allows; it would not be an over-the-counter process; and there would be a separate permitting track. The standards would apply to historic districts, but the historic designation would allow applicants to modify the standards in order to meet historic requirements.

### **Outgoing Member Recognition**

Ms. Kincaid recognized DRAC member Phil Damiano, who will be retiring and stepping down from the DRAC soon. He will be serving through the March 2016 meeting. Ms. Kincaid and Mr. Scarlett Mr. Damiano's service not only on the DRAC, but numerous other City committees as well.

## **DRAC Workplan Discussion**

DRAC members discussed the DRAC Workplan, and agreed to continue or establish the following subcommittees for 2016:

- Development Fees & Regulations – David Humber, Christopher Kopca, Jennifer Marsicek, Joe Schneider, Justin Wood
- SDC Fees – Christopher Kopca, Claire Carder, Kirk Olsen, Maxine Fitzpatrick, Justin Wood
- Demolition Subcommittee

## **BDS Proposal for Tree Code (Title 11) Amendments – Trees in Development Situations**

Emily Sandy (BDS) reviewed the handout **BDS Tree Code Amendment Proposal Summary** and gave an overview of the proposal as an alternative to Commissioner Fritz's proposal that was presented to the DRAC previously. BDS's proposal would apply only to trees on private property, not to street trees or trees on City-owned/managed property. Dead, dying, and nuisance trees are not included.

Mr. Wood said he felt the proposal represented a well-balanced approach to the issue of larger trees. He took a similar proposal to an infill builders group, and while they preferred to not make any changes to the code, they felt this proposal was fair. He recommended that the DRAC support BDS's proposal. DRAC members then discussed how the proposal would apply to specific development situations.

Mr. Scarlett said there has been some discussion about the possibility of merging the two large tree proposals, but it is possible that the two proposals will go forward separately. Rebecca Esau (BDS) and Jenn Cairo (Parks) are working on finding a way to merge the two proposals.

Mr. Wood put forward a motion that the DRAC support BDS's proposal and write a letter to the Planning & Sustainability Commission and Urban Forestry Commission urging their support as well. This proposal was seconded and approved, with two abstentions. A draft letter of support will be circulated to DRAC members for their review and approval.

## **Other**

A hearing is scheduled for today (December 17<sup>th</sup>) at 11:00 a.m. at Multnomah County Circuit Court for the groups that challenged the Parks Bureau's SDC proposal.

Mr. Krueger asked that at the January 2016 DRAC meeting, the DRAC nominate a representative to serve on the PBOT SDC committee.

**Next DRAC Meeting:**  
**Thursday, January 21, 2016**  
Minutes prepared by Mark Feters, BDS