

BUREAU OF DEVELOPMENT SERVICES FEESIF YOU WISH TO SPEAK TO CITY COUNCIL, **PRINT** YOUR NAME, ADDRESS, AND EMAIL.

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Testimony
5-19-10

GREEN DEVELOPMENT COMMUNITY'S RESPONSE TO INCREASED CITY FEE'S

Dear Mayor Sam Adams,

Thanks to great ideas and great leadership, Portland is a city renowned for building green.

That said, the higher costs and the larger permit fees required to produce mid-rise green buildings have required that most green projects be either government-sponsored or luxury housing. Our project, eco Flats on North Williams, received a PDC loan due to its goal to shatter the belief that neighborhood-friendly green developments are cost prohibitive, and that net energy zero is too expensive. We have created a mid rise model that can be enjoyed by the many, and is highly reproducible. Therefore we are on the verge of creating a field of infill workforce housing that is low energy, green, and transportation oriented. Unfortunately, due to recent unexpected spikes in SDC fees, that hurt mid rise green development the most, the current threat of an 8% increase from BDS, and the inability for city agencies to produce a coherent remedy on how these fees ought to be handled, the future of green development is in jeopardy. The trail we are blazing along with other green motivated developers will scarcely be followed.

In order to remedy the SDC increases, we looked into a City sponsored incentive offered to defer Transportation and Parks SDC fees as a solution. The result was not useful. The deferral program offered is actually a first position loan that no bank or even PDC can accept. The deferral program once entered is quickly boned and sold immediately. We have since paid interest on it even though our permits were not issued for another 3 months. Because the city has not produced a solution that can be used, another solution must be developed. Keep in mind, mid-rise structures already pay on an average of 12% in permit costs, and any City fee increase to this cost makes projects not viable. Put simply, the margins are already too thin, and what then are the benefits to investors?

When the 8% BDS fee increase arose, I was so in disbelief I thought that perhaps I was not seeing things correctly. The realization is that we the developers are the only ones to see things as they are. Now I have engaged with other green developers around the city, I have learned that they are having the same concerns over the fee increases, and I have gained their support in this letter, as you will see.

The truth is that we should be looking into the benefits of a decrease in City Fees. Currently System Development Charges are not properly valuing the green development that is in alignment with the city's green goals. The current structure and additional increases are therefore self-defeating because, already SDC's are hurting the very developments that put less pressure on the SDC Systems, and any further increases to development will disengage the developers who fund the agency. The new effort by the City to raise BDS fees on top of the high fees we are already paying will surely bring development to a stand still in Portland.

To remedy this, what we're asking for is the following Four things.

First: Vote down the 8% BDS permit fee increase, by doing so you have begun to spurn green development, create jobs and a greener future for Portland.

Second: Bureau of Environmental Services has to implement a conservancy based fee system that awards low water implementation in its SDC charge. Water conservancy has to be rewarded. Do this and it will happen on a larger scale.

Third: Parks fees need to be more fairly based on size of units rather than the current per unit charge. Currently we pay the same per unit for small footprint 600 sf units that one would pay for a 3,500 sf penthouse. (A big concern for mid rise development, infill workforce housing, energy efficient housing etc.,)

Fourth: The definition of “deferral” returns to what “deferral” really can mean—The SDC’s should be differed and paid when the buildings are put into use, at project completion.

Building green is obviously very important to climate change, energy conservation, and health and well-being. What’s more, in Portland green buildings are a source of regional pride. I have gathered the green development community of our city. These supporters have responded to the call from our leaders, that we need to do something better and greener. With the combined experience under our belts, we are experienced enough to know that developers are the only ones to see how all the different city agencies come into play, and that it is our combined opinion that our four requests have to be met to keep Portland Building Green infill structures.

In a climate where the market has shifted we the development community see how our efforts are key to creating the jobs that benefit the City and the State. The potential to pick up on the right foot and create new green construction jobs, green workplaces, and green living is here at this moment. With the City participation in our requests we can meet the goal of the greenest city for years to come. Our City’s and Our State’s Green developments soon could be able to include the everyone in its goals, and could continue to be recognized nation-wide.

Jean-Pierre Veillet 

My company Siteworks Design-Build was an earlier adopter of green building, having delivered green projects throughout the city since its inception in 1994.



City of

PORTLAND, OREGON**Development Review Advisory Committee**

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May 17, 2010

Dear Mayor Adams and City Commissioners:

As Chair of the City of Portland Development Review Advisory Committee (DRAC), I am writing to you in support of the Bureau of Development Services' (BDS's) proposed fee increases for FY 2010-11.

While many of us want to limit permitting, review, and administration costs as much as possible, we in the development community are willing to pay for service when the increases in costs have demonstrable benefits. Such is the case when the City of Portland acts as a fair, responsive, and service-focused partner in the development process. The proposed fees support many of the services that are vital for a variety of permit, inspections and planning functions.

More importantly, we discussed in our committee the dire financial situation faced by BDS and the critical need for fee increases in order to ensure the bureau's ability to continue to provide key services to the development community. The proposed increases will also help the bureau work toward cost recovery for programs and the gradual rebuilding of its reserve fund. We want to commend the efforts of BDS' Director Paul Scarlett and his staff for balancing the needs of the community with the demands of service.

The DRAC membership is comprised of representatives from significant organizations involved in construction, design, development, and neighborhood associations. We have a keen interest in the outcome of policies, budgets, regulations, and procedures that affect development in the City of Portland.

DRAC respectfully requests that you approve the BDS proposed fee increases to maintain acceptable levels of customer service and to help stabilize the bureau financially.

Please feel free to contact me to ask questions or receive additional information. I can be reached by phone at (503) 244-3525 or steve@portlandremodel.com.

Sincerely,

Steve Heiteen
Development Review Advisory Committee Chair