

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** February 22, 2012

**TO:** Board of Commissioners

**FROM:** Patrick Quinton, Executive Director

**SUBJECT:** Report Number 11-88  
Intergovernmental Agreement with the Portland Bureau of Transportation  
for the Foster-Woodstock Streetscape Enhancement Project

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

Adopt Resolution No. 6921

#### ACTION SUMMARY

This action will authorize the Portland Development Commission (PDC) Executive Director to execute an Intergovernmental Agreement (IGA) with the Portland Bureau of Transportation (PBOT) for the Foster-Woodstock Streetscape Enhancement Project (Project) in an amount not to exceed \$797,640. This IGA will complete the construction phase of the Project that was anticipated and reported to the Board in Report Number 09-136 and presented December 9, 2009.

This action will also authorize the dedication of right-of-way (ROW) and temporary construction easements (TCE) to the City, for the construction of the Project as shown in the Resolution Exhibit B.

Funding commitments in the FY 2012-13 Proposed Budget are subject to final budget appropriation.

#### PUBLIC BENEFIT

The Project will enhance the Lents Town Center business district by adding on-street parking, easing traffic flow, and helping to create a distinct and appealing sense of place and unified design elements in the business district. In the short term, the Project will benefit the public by providing upwards of 30 temporary construction jobs (per the American Recovery and Reinvestment Act formula of 14 jobs/\$1M). Long term public benefits include improved pedestrian safety and enhanced public environment through widening sidewalks, adding street trees and pedestrian-scale street lighting, and curb extensions. Additional long-term benefits include increased vehicular circulation by the realignment of 91<sup>st</sup> Avenue north of SE Foster Road, which also prepares the intersection for signalization when increased traffic warrants. The project leverages \$1.9M Metropolitan Transportation Improvement Program grant funds.

**This action will support the following PDC goals:**

- Strong Economic Growth and Competitiveness
- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Effective Stewardship over our Resources and Operations, and Employee Investment

**PUBLIC PARTICIPATION AND FEEDBACK**

This IGA is the final phase of an extensive public process. An initial Citizen Advisory Committee (CAC) was formed by PDC in April 2009 to prioritize street improvement elements with available funding. The CAC met approximately four times and held a public open-house before recommending a preferred project scope to the LTC URAC and PDC staff. The CAC evolved into the concept design phase holding five meetings and an open-house for public review and input of design concepts before recommending a preferred concept to the LTC URAC. With the endorsement of the LTC URAC, the preferred concept went into design engineering. This IGA provides a portion of funds not covered by the MTIP grant for final construction.

**COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

The Project implements and builds upon design, planning, and infrastructure improvement needs outlined in the LTC Business District Transportation Plan adopted by City Council in 1999 and the LTC Urban Renewal Plan. The PDC Business and Workforce Equity Policy applies to this project and is included in this IGA.

**FINANCIAL IMPACT**

The total PDC estimated contribution to date for project soft costs, acquisition, project management, and engineering is \$1,815,000 of LTC URA funds covering Fiscal Years 2009-10 through 2011-12. The construction phase of the project is estimated at \$2,519,144 funded in part by \$1,930,000 in MTIP grant funds awarded to PBOT in March of 2007 and \$797,640 in LTC URA funds. The LTC URA funds are included in the Requested Budget for Fiscal Year 2012-13(N36031525). See Attachment A.

In addition to providing funding commitments, construction of the Project requires ROW dedication and TCE from PDC. The action requested on this report will authorize ROW and TCE's of PDC-owned property as shown in the Resolution Exhibit B. The total PDC ROW is 10,554 sq. ft. Based on an average appraised value of private property acquired ROW of \$25.00 per sq. ft., the approximate value of the ROW dedication is \$263,850. The TCE affects 5,437 sq. ft. of PDC-owned property. Private property owners are compensated at approximate \$2.50 per sq. ft. At this rate, PDC's TCE is valued at approximately \$13,593. Additionally, PDC is reducing future financial impact by including two PDC-owned parcels to the Project not originally included.

PDC shall receive no compensation for these transactions. With the Project, the effected parcels will have improved sidewalks, meeting the City's standards, and will be ready for redevelopment.

## **RISK ASSESSMENT**

The IGA allows for the construction of the Project. PBOT developed the cost estimate, to include 15% for contract contingency to reduce risk. PBOT cannot proceed with bidding and contract award phase until all funding, ROW and TCE are secured. If all funding, ROW, and TCE are not secured by March 2012, the Project is at risk of missing a construction bidding cycle, which would delay the Project by several months, with a worst case scenarios that the Project would be put on hold until the following year. If the Project were to be put on hold, construction costs are anticipated to increase and the Project would be at risk of losing the \$1.9M MTIP award which requires the Project be completed within ten years of award (2006). At the current timeline, construction is anticipated to be certified complete in 2013. Funds are budgeted for this IGA in the LTC URA FY 2012/13 requested budget.

## **WORK LOAD IMPACT**

Staff resources are available and programmed to support the proposed action.

## **ALTERNATIVE ACTIONS**

The Board could decline to approve the proposed IGA and direct staff to renegotiate the terms of the IGA, which could result in PBOT needing to find alternative funding sources to complete the construction of the Project or terminate the Project altogether. Lack of PDC support would likely mean the Project would be terminated due to lack of funding by PBOT.

## **CONCURRENCE**

On December 9, 2009, the PDC Board approved amending the Project Design IGA #508013, to increase the matching funds for the MTIP grant from \$200,000 to \$1,815M with the acknowledgement of a future IGA to fill in the construction gap funds (Resolution No. 6754).

On May 11, 2010, the LTC URAC approved the CAC's design concept recommendation. No objections were received during public comment period.

On February 8, 2012, the PDC Financial Investment Committee approved moving forward with the dedication of ROW and TCE's to the City for the construction of the Project.

On February 22, 2012, the Portland City Council is scheduled to consider approval of the IGA.

## BACKGROUND

In 2006, the then-Portland Office of Transportation, with the support and initial financial match of \$200,000 from PDC, applied for and received a \$1.9M MTIP grant to fund the design, engineering and construction of the Foster-Woodstock Streetscape Enhancement Project (the Project) to implement recommendations of the LTC Business District Transportation Plan adopted by the Portland City Council in 1999. Because the MTIP grant, and initial PDC funding, was insufficient to cover all improvements identified in the 1999 Plan, a public design process, utilizing a Citizen Advisory Committee (CAC), was conducted to prioritize elements of the Project. During this process, a blighted property became available that would enable the LTC Business District Transportation Plan's proposed alignment of SE 91<sup>st</sup> Avenue to occur. The initial \$200,000 Design IGA, #508013, was amended and approved by PDC Board on December 9, 2009, to incorporate the alignment of SE 91<sup>st</sup> avenue, encompass all the identified priority areas, and include SE Ramona Street at SE 92<sup>nd</sup> Avenue (considered a gateway from the new transit station to the town center) and acknowledged the need for a future construction IGA to fund improvements not covered in the MTIP grant.

The Project entered the concept design phase utilizing the CAC to develop preferred design concepts for the street improvements, including redesign of Ramona Street and the east and west couplet traffic islands which is a goal and objective in the 1998 LTC URA Plan. LTC URAC endorsed the CAC's recommended preferred concept on May 11, 2010.

Following the concept design phase, and at the request of the PDC Board, PDC contracted with Kittelson & Associates to conduct a utility undergrounding study to analyze the feasibility of undergrounding utilities as part of the Project. The study's findings, presented to the Board October 13, 2010 with a project overview, outlined the obstacles associated with undergrounding utilities. Staff determined that undergrounding utilities on Foster Road and/or SE Ramona Street was financially, physically and politically infeasible.

The design drawings for the Project are anticipated to be complete by March 1, 2012. PBOT will bid and award the construction contract in accordance with the Oregon Department of Transportation's, who manages the MTIP grants, guidelines. In order to bid the construction contract, PBOT needs to have all funding sources, ROW and TCE secured. PDC's Construction IGA, ROW dedication and TCE's is the final step towards securing funds and bidding the contract.

### ATTACHMENTS:

- A. Lents URA Financial Summary
- B. Project Summary

### URA FINANCIAL SUMMARY

#### Five-Year Forecast Project Requirements Detail

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
<b>Lents Town Center URA</b>						
<b>Resources</b>						
Beginning Fund Balance	12,789,086	2,738,000	5,910,595	9,633,372	6,199,625	4,541,916
Interest on Investments	6,000	7,000	5,000	5,000	5,000	5,000
Intergovernmental Revenues	250,000	0	0	0	0	0
Loan Collections	149,000	173,000	173,000	173,000	173,000	173,000
Long Term Debt	0	9,600,000	8,600,000	0	397,748	0
Property Income	20,000	0	0	0	0	0
Short Term Debt	6,617,702	6,553,872	6,591,813	6,557,250	7,127,555	6,687,571
<b>Total Fund Resources</b>	<b>19,831,788</b>	<b>19,071,872</b>	<b>21,280,408</b>	<b>16,368,622</b>	<b>13,902,928</b>	<b>11,407,487</b>
<b>Requirements</b>						
<b>Program Expenditures</b>						
<b>Administration</b>						
<b>Urban Renewal Plan Area Develop</b>						
P36091015 Public Outreach-LTC-Adm	0	1,000	1,000	1,000	1,000	1,000
<b>Financial Administration</b>						
A45101360 Debt Management-LTC	10,000	10,000	10,000	10,000	10,000	10,000
<b>Administration Total</b>	<b>10,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>
<b>Business Dev</b>						
<b>Cluster Industry Development</b>						
B15100360 Cluster Development-LTC	30,000	30,000	30,000	30,000	30,000	30,000
B15102360 Site Recruitment-LTC	38,000	38,000	38,000	0	0	0
B15202360 Green Innovation Park-LTC	185,000	0	0	0	0	0
T01069360 Lean Manufacturing-LTC	30,000	30,000	30,000	30,000	30,000	30,000
<b>Business Lending</b>						
L02100360 BIF-General-LTC	800,000	900,000	900,000	900,000	900,000	900,000
<b>Small Business &amp; Entrepreneurs</b>						
B55900360 Community Development-LTC	200,000	200,000	200,000	200,000	200,000	200,000
<b>Business Dev Total</b>	<b>1,283,000</b>	<b>1,198,000</b>	<b>1,198,000</b>	<b>1,160,000</b>	<b>1,160,000</b>	<b>1,160,000</b>
<b>Infrastructure</b>						
<b>Parks</b>						
N36012515 Parks Public Impr-LTC-Adm	265,000	0	0	0	0	0
<b>Transportation</b>						
N36031415 Street/Sidewalks LID-LTC-Adm	377,000	400,000	0	0	0	0
N36031515 Nbrhd Trans Safe Impr-LTC-Adm	2,200,000	0	0	0	0	0
N36031525 Foster-Woodstock-LTC-Adm	0	800,000	0	0	0	0
N36031535 122nd-Holgate/Ramona-LTC-Adm	0	1,000,000	0	0	0	0
N36031545 Foster-52nd to 82nd-LTC-Adm	0	0	1,000,000	1,000,000	0	0
N36032015 Lents Entryway-LTC-Adm	0	600,000	0	0	0	0
<b>Infrastructure Total</b>	<b>2,842,000</b>	<b>2,800,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>
<b>Portland Hsg Bureau</b>						
<b>PHB Housing</b>						
H15031360 The Glen Apartments-LTC	462,359	0	0	0	0	0
H15410360 Home Repair Projects-LTC	664,362	500,000	500,000	500,000	493,753	500,000
H15420360 Home Buyer Assistance-LTC	468,621	500,000	510,000	510,000	500,000	510,000
H15430360 Affordable Rental Hsg-LTC	940,000	0	0	1,000,000	2,600,000	0
H15900360 PHB Staff & Admin-LTC	742,676	596,583	653,333	888,889	884,142	673,952
H15923360 Holgate House-LTC	1,076,147	0	0	0	0	0
H15928360 PCRI Scat Sites 2 (NOFA)-LTC	88,882	0	0	0	0	0
H15931360 Scat Site Home Rehab-LTC	807,000	0	0	0	0	0
H15933360 Raymond St Apt-LTC	1,114,000	0	0	0	0	0
H15935360 Beyer Court Apts-LTC	330,872	0	0	0	0	0
H15941360 Svaboda Court Project-LTC	2,134,300	0	0	0	0	0
H15942360 Habitat for Humanity#3-LTC	7,615	0	0	0	0	0

Five-Year Forecast Project Requirements Detail

			FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	<b>Portland Hsg Bureau</b>	<b>Total</b>	<b>8,836,834</b>	<b>1,596,583</b>	<b>1,663,333</b>	<b>2,898,889</b>	<b>4,477,895</b>	<b>1,683,952</b>
<b>Property Redevel</b>								
<b>Commercial Property Redevelopm</b>								
P36050815	SE 92nd Redevel-LTC-Adm		500,000	500,000	1,000,000	1,000,000	250,000	0
P36050817	SE 92nd Redevel-LTC-Pred		90,195	0	0	0	0	0
P36050819	SE 92nd Redevel-LTC-mgmt		3,700	0	0	0	0	0
P36050915	LTC Town Ctr Redevel-LTC-Adm		1,197,564	3,000,000	1,000,000	500,000	500,000	500,000
P36050916	LTC Town Ctr Redevel-LTC-Plan		600	0	0	0	0	0
P36050917	LTC Town Ctr Redevel-LTC-Pred		43,428	0	0	0	0	0
P36050918	LTC Town Ctr Redevel-LTC-Impl		2,493	0	0	0	0	0
P36050919	LTC Town Ctr Redevel-LTC-mgmt		278,982	0	0	0	0	0
P36051215	Jns Ck Ind Area Revit-LTC-Adm		0	500,000	2,000,000	200,000	200,000	1,000,000
P36051217	Jns Ck Ind Area Revit-LTC-Pred		100,000	0	0	0	0	0
P36052015	Neighborhood Cleanup-LTC-Adm		50,000	0	0	0	0	0
P36055015	Foster Road Redevel-LTC-Adm		13,700	0	500,000	500,000	0	500,000
P36091015	Public Outreach-LTC-Adm		1,000	0	0	0	0	0
<b>Commercial Real Estate Lending</b>								
R01100360	CPRL-General-LTC		300,000	300,000	300,000	300,000	300,000	300,000
<b>Community Redevelopment Grants</b>								
G01100360	CLG-General-LTC		250,000	300,000	300,000	200,000	200,000	200,000
G02100360	DOS-General-LTC		75,000	75,000	75,000	50,000	50,000	50,000
G03100360	SIP-General-LTC		344,079	300,000	500,000	500,000	500,000	500,000
G04100360	GFGP-General-LTC		125,000	125,000	125,000	125,000	125,000	125,000
G05100360	CEWP-General-LTC		688,680	0	0	0	0	0
	<b>Property Redevel</b>	<b>Total</b>	<b>4,064,421</b>	<b>5,100,000</b>	<b>5,800,000</b>	<b>3,375,000</b>	<b>2,125,000</b>	<b>3,175,000</b>
<b>Total Program Expenditures</b>			<b>17,036,255</b>	<b>10,705,583</b>	<b>9,672,333</b>	<b>8,444,889</b>	<b>7,773,895</b>	<b>6,029,952</b>
Personal Services			859,882	724,328	580,338	506,692	466,433	361,796
Transfers - Indirect			1,500,338	1,731,366	1,394,363	1,217,415	1,120,684	869,277
PHB Staff/Admin			0	0	0	0	0	0
<b>Total Fund Expenditures</b>			<b>19,396,475</b>	<b>13,161,277</b>	<b>11,647,034</b>	<b>10,168,996</b>	<b>9,361,012</b>	<b>7,261,025</b>
Contingency			435,313	5,910,595	9,633,374	6,199,626	4,541,916	4,146,462
Ending Fund Balance			0	0	0	0	0	0
<b>Total Requirements</b>			<b>19,831,788</b>	<b>19,071,872</b>	<b>21,280,408</b>	<b>16,368,622</b>	<b>13,902,928</b>	<b>11,407,487</b>

## PROJECT SUMMARY

- Project Name:** Foster-Woodstock Streetscape Enhancement Project
- Description:** Infrastructure project to widen sidewalks, add bio-swales, street trees, align SE 91<sup>st</sup> and add parking spaces to improve pedestrian safety, increase vehicular circulation and improve conditions in the Lents Town Center commercial node.
- Location:** Lents Town Center: SE Foster Road from 87<sup>th</sup> Avenue to I-205 Freeway; SE Woodstock Blvd. from 91<sup>st</sup> Avenue to 93<sup>rd</sup> Avenue; SE Couplet Street from Foster Road to Woodstock Blvd.; SE 92<sup>nd</sup> Avenue from Woodstock Blvd. to Reedway Street; and SE Ramona from 92<sup>nd</sup> Avenue to end of street.
- URA:** Lents Town Center Urban Renewal Area
- Current Phase:** Design Engineering
- Next Milestone:** Bid and Award
- Completion Target:** December 1, 2012
- Outcome:** Attract economic development and redevelopment to the Lents Town Center.
- Site/Project Map:**

