

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: September 24, 2008

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 08-114

Approve a Light Rail Track Easement and a Deed for Right of Way Purposes for the Construction and Operation of Light Rail Lines, Accessories and Appurtenances in the River District and Downtown Waterfront Urban Renewal Areas

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution Nos. 6634, 6635

ACTION SUMMARY

The Portland Development Commission (PDC) entered into an Intergovernmental Grant Agreement (IGA) with the Tri-County Metropolitan Transportation District of Oregon (TriMet) on August 16, 2004, and subsequently amended on June 2, 2007, to provide TriMet \$22,865,686 to extend light rail along I-205 from Clackamas Town Center to Gateway Transit Center, and in downtown Portland from the Steel Bridge to Portland State University along 5th and 6th Avenues for the I-205/Mall Light Rail Project (Light Rail). Portions of these improvements were designed utilizing property owned by PDC (See Attachment C).

The accompanying resolutions authorize the execution of a Light Rail Track Easement agreement with TriMet for the use of 5,118 square feet of Block A&N and 5,181 square feet of the Union Station Signal Tower properties (see Attachment D); and the execution of a Deed for Right of Way Purposes agreement with the City of Portland for an easement to 211 square feet of Block A&N (see Attachment E) (collectively, the Agreements). The City will, in turn, authorize TriMet's use of the right of way. Due to construction schedule requirements, the Light Rail improvements in both areas were implemented under a lease agreement with TriMet. The improvements include new track and the renovation of a previously vacant and derelict historic railroad signal tower for the purposes of Light Rail operations. The execution of the Agreements will provide for perpetual operation and maintenance of the new Light Rail alignment by TriMet.

It is recommended that the Agreements are executed at no cost to the City or TriMet. PDC, the City, and TriMet (among others) are financial partners in the construction of the Light Rail improvements, and share an interest in maximizing local and federal financial resources, and minimizing any budget shortfalls or value engineering of the project.

PUBLIC BENEFIT

The execution of the Agreements support the implementation of the new Light Rail alignment, specifically in the area from the Steel Bridge wrapping north to Union Station and adjoining the Bus/Light Rail Mall on 5th and 6th Avenues (See Attachment C).

Public benefits of the new Light Rail alignment include:

- Providing sufficient transportation facilities, including transit and street improvements, to improve the region's transportation links, ability to accommodate growth, and livability.
- Promoting alternative modes of transportation to reduce traffic congestion and environmental degradation caused by automobile use.
- Improved streetscapes that are more attractive for pedestrians, bicyclists, and transit; and improve traffic flow and pedestrian safety.

Benefits specific to the area governed by the Agreements and immediately adjacent include:

- Improved pedestrian crossing at the intersection of NW 3rd & NW Glisan
- Improved sidewalks and curb cuts to maintain future access to Block A&N
- Renovation and reuse of the historic Signal Tower adjacent to Union Station
- Additional "eyes on the street" from passing Light Rail trains in an area of town currently prone to illegal activities and transient camping.

This action will support the following PDC goals:

- Develop healthy neighborhoods
- Provide access to quality housing
- Help businesses to create and sustain quality jobs
- Support a vibrant Central City (urban core)
- Contribute to a strong regional economy

PUBLIC PARTICIPATION AND FEEDBACK

The Light Rail alignment and design are the result of public participation during the project's design phase and discussions with multiple stakeholders and regional partners either directly or indirectly participating in the local share, including the City of Portland, Portland State University, TriMet, Metro, Oregon Department of Transportation (ODOT), and Clackamas County.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

Five Urban Renewal Areas (URAs) provided funding for the Light Rail project – Downtown Waterfront, Gateway Regional Center, Lents Town Center, River District, and South Park Blocks. All identify transportation infrastructure improvements as part of their respective URA Plans. Additionally, the URA Plans for the Downtown Waterfront and River District –

the two URAs in which the properties contemplated by the Agreements lie – include the following goals:

Downtown Waterfront

Goal 2: High-Density Retail/Office Core

Support development of a high-density retail/office core by providing transit and pedestrian facilities, convenient short-term parking, and open spaces, including a public square, thereby reducing traffic congestion.

Goal 5: Transportation

Help ensure sufficient transportation facilities, including transit and street improvements, to maintain the Area's accessibility to the region and its ability to accommodate growth.

River District

Goal 2: Transportation

Improve transportation links with other parts of the Central City and the region, and modify or improve transportation within the Area to enhance livability.

- Promote alternative modes of transportation, including transit systems such as the Central City Streetcar and North/South Light Rail, and pedestrian and bicycle routes.
- Improve local streets and streetscapes to be more attractive for pedestrians, bicyclists and transit, and to improve traffic flow and connections to adjacent areas.

FINANCIAL IMPACT

There is no budget impact to PDC.

RISK ASSESSMENT

The Agreements outline the terms and conditions for the use of PDC property for the intended Light Rail operations by TriMet. Failure to execute the Agreements would result in the need to renegotiate the terms and conditions, or ultimately, modify the Light Rail alignment.

Construction Services staff has reviewed the environmental status of the property and believes that there is little or no risk to PDC on this matter. Subsequent to the Effective Date of the Agreements, PDC will retain responsibility for all claims/damages which may potentially arise as a result of the environmental contamination on the property. This retention of responsibility would have occurred as long as PDC maintained ownership of the property, regardless of whether PDC provided the easements or not.

This transaction is not dependent upon the increase in maximum indebtedness under the River District Plan Amendments. Furthermore, the ability of PDC to dispose of PDC-owned property would not be legally prohibited if the property were no longer included in any URA if the courts were to make a determination that the River District Plan Amendments were invalid and ineffective.

WORK LOAD IMPACT

The execution of the Agreements is not anticipated to result in a significant workload impact.

ALTERNATIVE ACTIONS

The PDC Board of Commissioners (Board) may elect to not authorize execution of the Agreements, and direct staff, the City, and TriMet to renegotiate the terms and conditions. This decision would result in workload impacts, and in a worst-case scenario, delays to the commencement of Light Rail operations.

CONCURRENCE

The Light Rail alignment, and thus the use of PDC-owned property for these purposes, is supported by the regional partners, including the City of Portland, Portland State University, TriMet, Metro, ODOT, and Clackamas County.

The Investment Committee has reviewed and approved the proposed transactions, consistent with the Real Property Disposition Policy.

BACKGROUND

The new Light Rail alignment, also referred to as the Green Line, will travel along I-205 from Clackamas Town Center to Gateway Transit Center, connect to the existing Red and Blue line track, and then travel through downtown Portland from the Steel Bridge to Portland State University along 5th and 6th Avenues. The alignment will travel through the five URAs providing funding: Downtown Waterfront, Gateway Regional Center, Lents Town Center, River District, and South Park Blocks.

The Light Rail project is estimated to cost approximately \$584.8 million, funded through a combination of federal funds and local matching funds. The commitment for local matching funds is in the form of IGAs between TriMet and each of the Regional Partners (TriMet, ODOT, the City of Portland, the Clackamas County Urban Renewal Agency, and PDC).

On August 11, 2004, the Board authorized the Executive Director to enter into an IGA with TriMet, agreeing to grant \$20 million for the Light Rail project (Resolution No. 6171). The Board subsequently authorized an amendment to the IGA on June 2, 2007, to provide TriMet an additional \$2,865,686 in local matching funds (Resolution No. 6464). The additional funds were authorized to support the implementation of additional desired urban treatments and the establishment of a Small Business Support Program to help mitigate construction impacts.

Construction of the Light Rail improvements necessitates the use of portions of PDC-owned property in the Old Town/Chinatown area, commonly referred to as “Block A&N” and the “Signal Tower.” Both properties were acquired with Union Station and are currently not in use. Block A&N, a triangular 34,461 square foot parcel located northeast of the NW 3rd and NW Glisan intersection, is also home to the historic Engine House #2. The Signal Tower and necessary immediately adjacent land is a portion of the Union Station parcel.

The Deed for Right of Way Purposes provides an easement to 211 square feet of the southwest corner of Block A&N, to the City to expand the right of way to accommodate the sharp turn of the track from the Steel Bridge to NW 3rd Avenue. The Light Rail Track Easement agreement authorizes TriMet's use of 5,118 square feet along the northeast edge of Block A&N for the construction of a track spur-line to accommodate layovers and emergency repairs if necessary. The Light Rail Track Easement also provides TriMet with use of 5,181 square feet of the Union Station parcel (the Signal Tower and the land immediately adjacent) for light rail track and rehabilitation and reuse of the 850 square foot Signal Tower. The historic Signal Tower originally served the railroads at Union Station and has now been retrofitted for light rail controls.

The use of a portion of the Union Station parcel by TriMet does not impact Union Station operations and reuse of the land is not considered in applicable area plans. Upon execution of the Agreements, 29,132 square feet of Block A&N remains for future redevelopment, including the historic fire station. Access to the site is maintained by curb cuts, driveway improvements, and a traffic signal provided by the Light Rail improvements. Preliminary conceptual uses and designs for Block A&N are included in the recently completed North Old Town/Chinatown Redevelopment Strategy (N OT/CT Strategy). Staff anticipates presenting the N OT/CT Strategy to the Board for consideration at the September 24, 2008, Board Meeting. Given the historic preservation considerations for the fire station and the unique configuration and location of the parcel, the ultimate use, design and feasibility of redevelopment of the block is dependent on additional due diligence.

ATTACHMENTS:

- A. URA Financial Summary
- B. Project Summary
- C. Light Rail Improvements & PDC Property
- D. Light Rail Track Easement Properties
- E. Deed for Right of Way Purposes Properties

- CC:** L. Bowers, Interim Development Department Director
S. Harpole, Project Coordinator
D. Elott, Interim General Counsel
J. Jackley, Director of Business and Community Relations

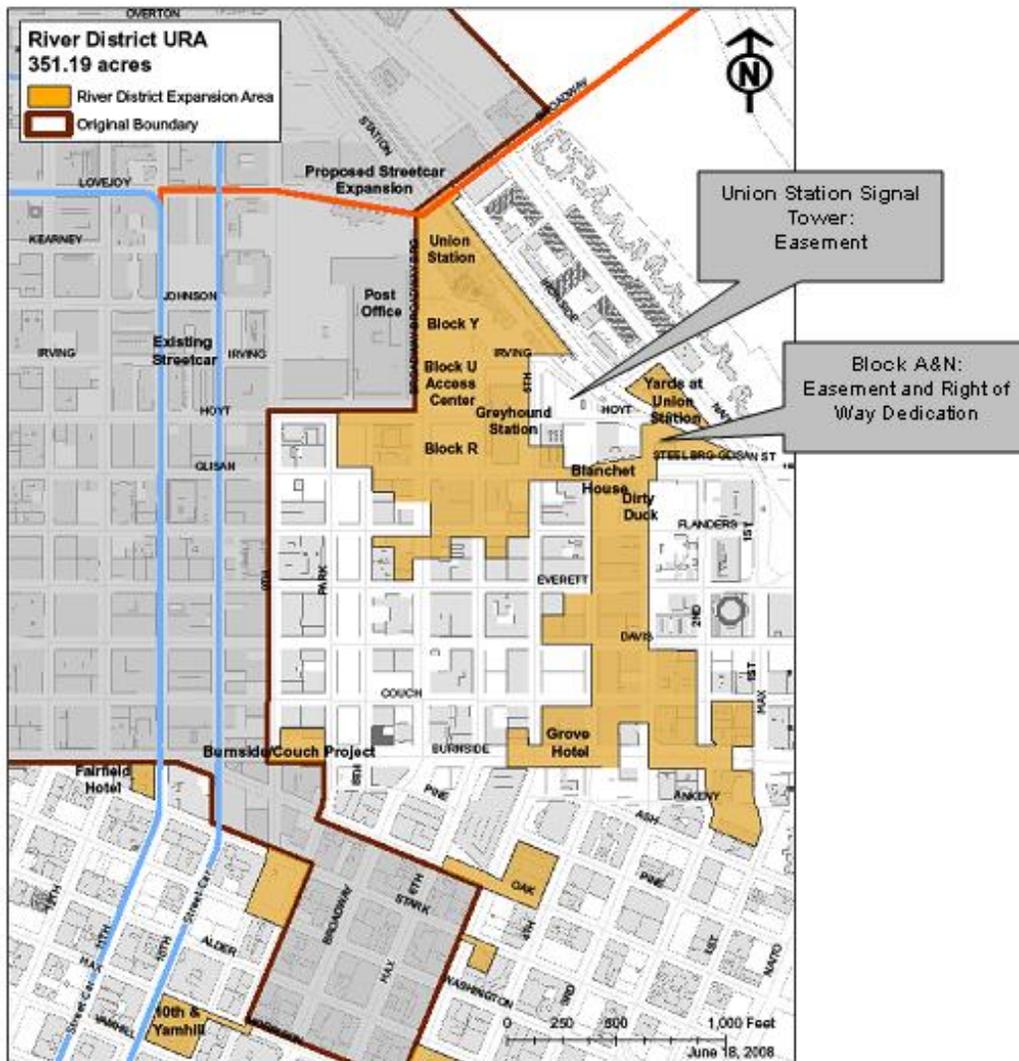
URA FINANCIAL SUMMARY

There are no financial impacts to the Downtown Waterfront or River District Urban Renewal Areas. Staff time for the negotiation and preparation of the Agreements was charged to the Downtown Waterfront Urban Renewal Area (320-13152), as all properties were in the Downtown Waterfront Urban Renewal Area at the time.

PROJECT SUMMARY

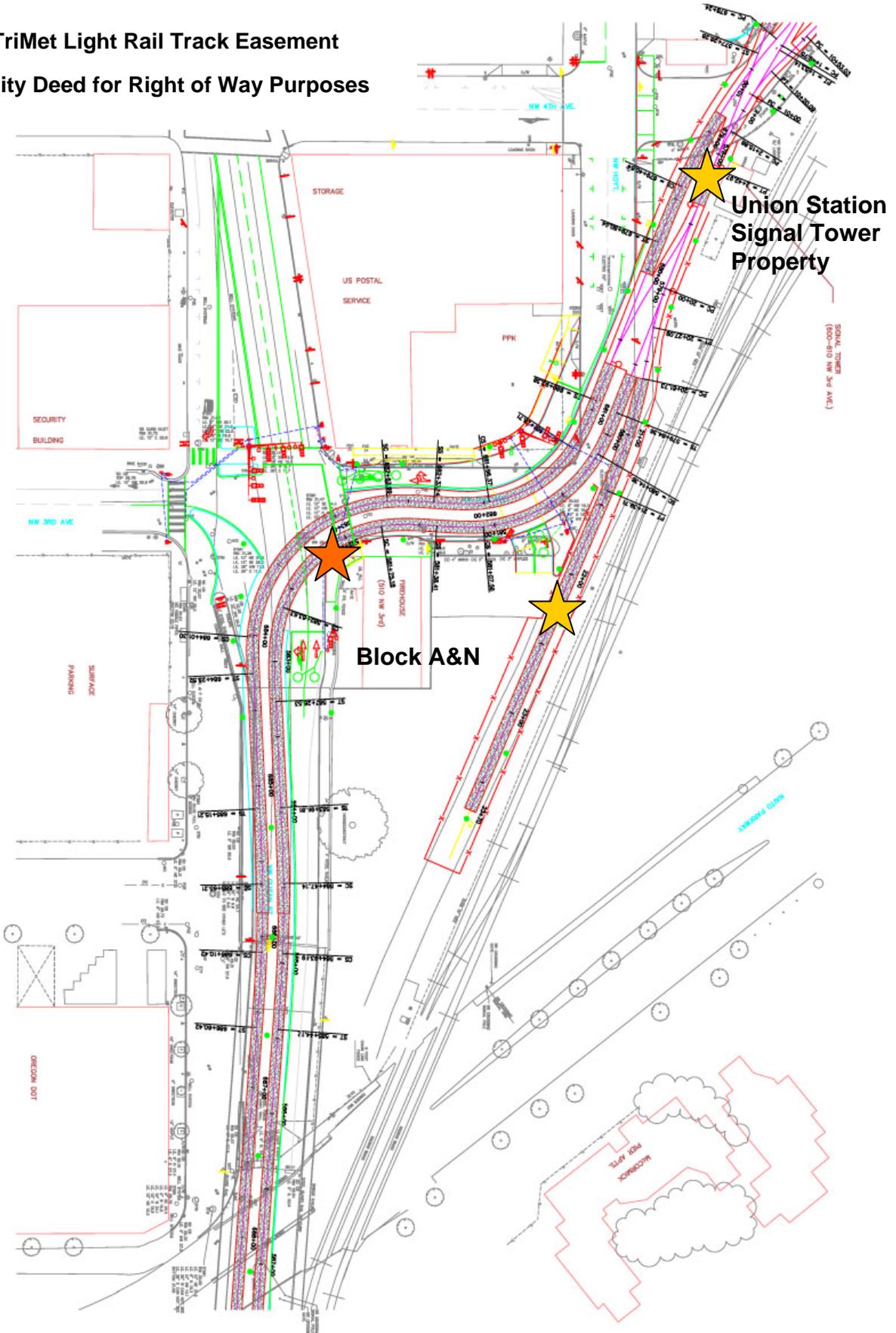
- Project Name:** Green Line Light Rail
- Description:** Execution of an Light Rail Track Easement to TriMet and a Deed for Right of Way Purposes to the City of Portland for the purposes of constructing and operating light rail improvements
- Location:** Block A&N and Union Station parcels, located in Old Town/Chinatown
- URA:** Downtown Waterfront and River District Urban Renewal Areas
- Current Phase:** Construction underway
- Next Milestone:** Operations anticipated in September 2009
- Completion Target:** Not applicable
- Outcome:** Transfer and authorization of PDC property for the construction and operation of light rail improvements

Site/Project Map:



LIGHT RAIL ALIGNMENT & PDC PROPERTY

- ★ = TriMet Light Rail Track Easement
- ★ = City Deed for Right of Way Purposes



CITY DEED FOR RIGHT OF WAY PURPOSES PROPERTY

Block A&N:

