



DATE: December 14, 2016
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 16-65

Authorizing an Intergovernmental Agreement with the Portland Bureau of Transportation for the Final Design and Construction of the Foster Streetscape Project in the Lents Town Center Urban Renewal Area; Providing Funding in an Amount Not to Exceed \$1,453,956

BOARD ACTION REQUESTED

Adopt Resolution No. 7225

ACTION DESCRIPTION

This action by the Portland Development Commission (PDC) Board of Commissioners (Board) will authorize the Executive Director to enter into an Intergovernmental Agreement (IGA) between PDC and the City of Portland (City) Bureau of Transportation (PBOT) providing funding in an amount not to exceed \$1,453,956 to implement final design and construction of the Foster Road Transportation and Streetscape Plan Improvements East of 82nd Avenue (Foster Streetscape Project). If approved, this action will allocate funding from PDC to PBOT to complete a high-priority transportation improvement project, improving safety and access on SE Foster Road from SE 82nd to SE 91st avenues in the Lents Town Center Urban Renewal Area (URA). In addition the PDC's financial contribution to the Foster Streetscape Project, PBOT will provide \$3,000,000 for a full repaving of SE Foster Road from of SE 82nd to SE 91st avenues funded through PBOT's Fixing our Streets Program and \$122,030 of PBOT System Development Charges.

BACKGROUND AND CONTEXT

Foster Road has consistently ranked as one of the highest crash corridors in the city of Portland. As of 2014, there have been over 1,200 crashes and eight fatalities. SE Foster Road has also emerged as a key commercial corridor in southeast Portland, providing a mix of retail and other business services to adjacent neighborhoods. In response to community aspirations to create a safe, business-friendly street, in 2003 PBOT, through an extensive public process to improve safety along SE Foster Road and support neighborhood businesses, developed the Foster Road Transportation and Streetscape Plan (Streetscape Plan). The Streetscape Plan extends from SE Powell and SE Foster to SE 91st and SE Foster and includes restriping, sidewalk, crossing and safety improvements for the length of the corridor (see Attachment A). The Streetscape Plan also builds on the Foster - Woodstock Streetscape Enhancement Project which was completed in 2014 and focused on implementing recommendations for the Lents Town Center Business District Transportation Plan (1999) along SE Foster Road and SE Woodstock Avenue in the Lents Town Center.

In 2014, Portland City Council adopted the recommendations of the revised Streetscape Plan. The focus of the Streetscape Plan is to help transform Foster into a successful commercial corridor by providing greater accessibility for all modes of transportation, increasing safety and attractiveness to support local businesses and neighborhoods. The overall goals of the Streetscape Plan are:

Safety and Streetscape: Make the street safe, pleasant, attractive and comfortable.

Access: Provide balanced access to and from SE Foster Road to adjacent businesses and residential neighborhoods for all modes.

Pedestrian Travel: Create a safe walking environment for pedestrians on SE Foster Road with enhanced safer crossings and shorter crossing distances.

Motor Vehicles: Create a safe corridor for motor vehicle travel with smooth, consistent traffic movement.

Transit: Improve quality of service on SE Foster Road, maintaining and improving access for local and regional trips, including future high-capacity transit service.

Bicycle Travel: Create a safe, attractive and comfortable cycling environment on SE Foster Road for both local and non-local trips, and provide safe crossings and adequate bicycle parking.

Green Infrastructure: Provide opportunities for additional street canopy on SE Foster Road.

Key elements that will be implemented as part of the Foster Streetscape Project include:

- **Road Diet:** SE Foster Road will be reconfigured from a four lane cross section with two travel lanes in each direction to a three lane cross section with one travel lane in each direction, a center turn lane and buffered bike lanes. The Federal Highway Administration has deemed Road Diets as a proven safety countermeasure and promotes them as a safety-focused design alternative to a traditional four-lane, undivided roadway.
- **Enhanced Crossing and Pedestrian Safety improvements:** The Foster Streetscape Project includes a rapid flash beacon at SE 84th Avenue, curb extensions and corner redesign in several locations and a widening of sidewalks from five to nine feet from SE 84th to SE 89th avenues;
- **Streetscape Improvements:** Ornamental lighting in key nodes and over 150 new street trees will be added to the corridor.

The Foster Streetscape Project is identified as a priority in PDC's Five-Year Lents Action Plan.

COMMUNITY AND PUBLIC BENEFIT

The Streetscape Plan dramatically re-scales SE Foster Road to better serve its intended function as a commercial main street. To do this, space within the public right-of-way will be reallocated to improve its use for local access and circulation for all modes of travel, particularly pedestrians and bicycles. As a result, the new street will provide a better balance between its needs as a commercial destination along with its intended function as a regional through route.

PDC has been focusing on businesses within key commercial nodes along SE Foster Road as identified in the Lents Five-Year Action Plan. This work includes targeted outreach to long-time property owners, existing businesses, and prioritizing grant resources to support small businesses and businesses owned by minorities and people of color.

PDC's Workforce Equity Policy will apply to the Foster Streetscape Project.

PUBLIC PARTICIPATION AND FEEDBACK

PBOT has conducted significant public outreach for the transportation improvements, including five open houses attended by more than 450 people and a survey of more than 430 people (80 percent of whom supported the Streetscape Plan). The process also included multiple opportunities for public feedback, including targeted outreach to low-income communities of color and those with limited English proficient communities.

Community feedback from businesses, neighborhood associations, schools, local organizations and hundreds of residents has been overwhelmingly supportive of the recommendations of the Streetscape Plan. However, some stakeholders have expressed concern about increased congestion on SE Foster Road as a result of the road reconfiguration element of the project. In response to some business owners concerns, Portland Commissioner Steve Novick conducted a tour of a section of the SE Foster Road corridor in the spring of 2016 and held an informal forum to answer and address community questions and concerns. In addition, PBOT staff reached out to several business owners with concerns about the design and in some cases made changes to the design to accommodate businesses. For example, one business identified that the location of one of the rapid flash beacon would interfere with truck access to their business, so PBOT worked with the design team to address the issue.

Since design began in 2015, PDC and PBOT staff has been providing regular updates to the Foster Area Business Association and the Foster Powell Neighborhood Association.

BUDGET AND FINANCIAL INFORMATION

In total, PDC has committed \$2,000,736 in urban renewal resources for the implementation of the Streetscape Plan. PDC has already funded \$60,580 for the installation of a rapid flash beacon at SE 80th Avenue and SE Foster Road and has also funded the preliminary design and engineering phase of the project through an IGA in the amount of \$486,200. This IGA will memorialize the remaining \$1,453,956 for final design and construction of the improvements east of SE 82nd Avenue (see the fiscal year 2016-17 Revised PDC Budget in Attachment B). Total construction costs to implement the Foster Streetscape Project are projected to be \$4,750,000.

PDC Resources

| | |
|--|--------------------|
| Preliminary Design and Engineering IGA | \$486,200 |
| Rapid Flash Beacon | \$60,580 |
| Foster Streetscape Project Final Design and Construction IGA | \$1,453,956 |
| Total PDC Commitment | \$2,000,736 |

Foster Streetscape Project

| | |
|--|--------------------|
| Foster Streetscape Project Final Design and Construction IGA | \$1,453,956 |
| Fixing Our Streets | \$3,000,000 |
| PBOT System Development Charges | \$122,030 |
| Total Project Costs | \$4,575,986 |

RISK ASSESSMENT

There is a risk that contract bids will exceed the cost estimate. The IGA is not to exceed \$1,453,956 and PDC has notified PBOT that PDC does not have any additional financial resources to contribute to the Project. Therefore, PBOT would need to find additional funding sources or consult with PDC on value engineering if actual costs exceed budget.

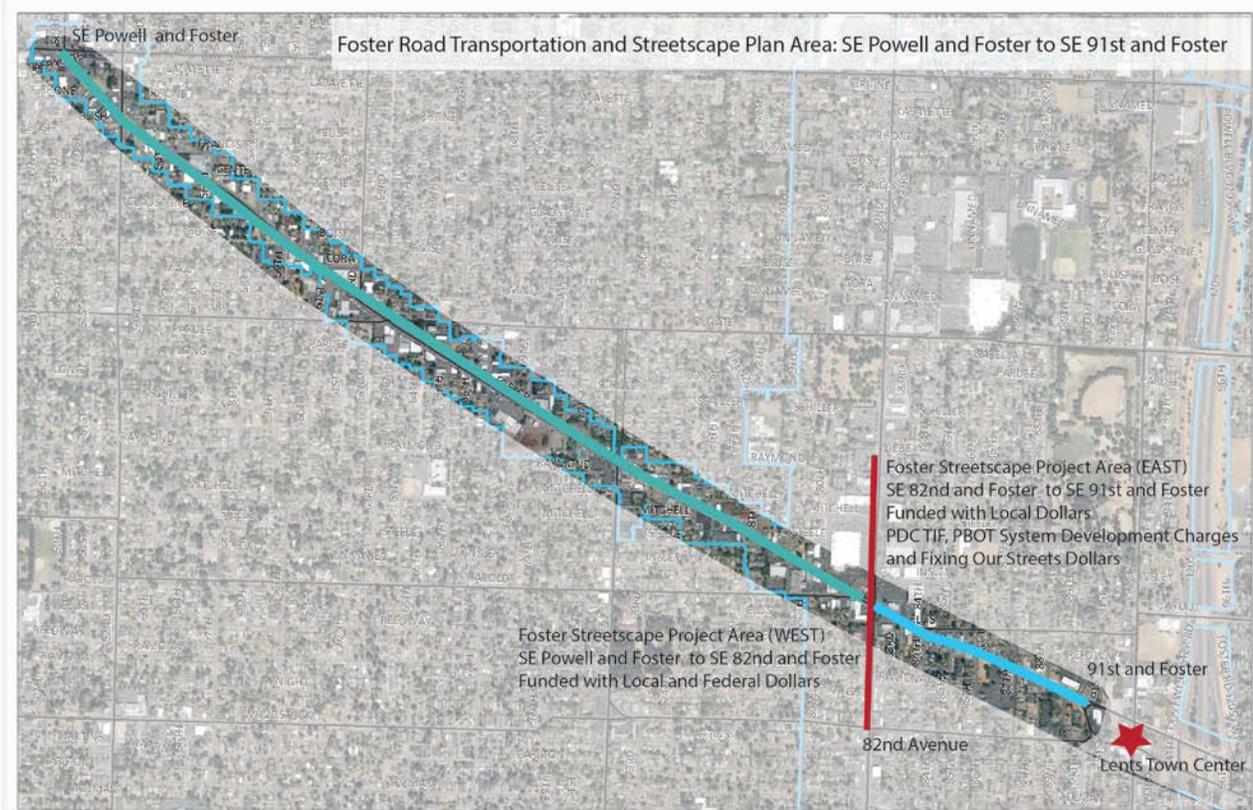
ALTERNATIVE ACTIONS

The PDC Board can elect to not authorize the IGA or direct PDC staff to renegotiate the terms of the IGA.

ATTACHMENTS

- A. Map of Project Area
- B. URA Financial Summary

MAP OF PROJECT AREA



URA FINANCIAL SUMMARY

**Financial Summary
 Five-Year Forecast**

| Lents Town Center URA Fund | Revised FY 2016-17 | Forecast FY 2017-18 | Forecast FY 2018-19 | Forecast FY 2019-20 | Forecast FY 2020-21 |
|---------------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Resources | | | | | |
| Beginning Fund Balance | 21,849,770 | 249,609 | 4,057,406 | 5,500,042 | 19,567,946 |
| Revenue | | | | | |
| Fees and Charges | 31,211 | 31,462 | 3,539 | 4,107 | 3,390 |
| Interest on Investments | 51,118 | 665 | 1,607 | 8,938 | 72,951 |
| Loan Collections | 5,212,118 | 172,490 | 187,830 | 301,365 | 158,002 |
| TIF - Short Term Debt | 9,990,000 | 10,989,000 | 10,087,961 | 10,304,003 | - |
| TIF - Long Term Debt | 8,000,000 | 26,000,000 | - | 11,989,114 | - |
| Property Sales | 3,902,233 | 180,000 | - | 1,345,000 | - |
| Rent and Property Income | 111,346 | 58,874 | 58,874 | 2 | 1 |
| Reimbursements | 73,056 | 81,593 | 81,593 | 81,593 | 81,593 |
| Total Revenue | 27,371,082 | 37,514,084 | 10,421,404 | 24,034,122 | 315,937 |
| Total Resources | 49,220,852 | 37,763,693 | 14,478,810 | 29,534,164 | 19,883,883 |
| Requirements | | | | | |
| Administration | | | | | |
| A00029-Debt Management-LTC | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Administration Total | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Economic Development | | | | | |
| Traded Sector | | | | | |
| A00113-Business Development-LTC | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| A00380-Lean Manufacturing-LTC | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Community Economic Development | | | | | |
| A00121-Community Development-LTC | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Business Lending | | | | | |
| A00208-BL -General-LTC | 700,300 | 700,300 | 700,300 | 700,300 | 300,300 |
| Economic Development Total | 800,300 | 800,300 | 800,300 | 800,300 | 400,300 |
| Housing | | | | | |
| A00170-Affordable Housing-LTC | 12,537,946 | 13,571,255 | 3,280,913 | 4,165,000 | 4,371,849 |
| Housing Total | 12,537,946 | 13,571,255 | 3,280,913 | 4,165,000 | 4,371,849 |
| Infrastructure | | | | | |
| Parks | | | | | |
| A00240-Leach Botanical Grdns-LTC | 1,890,989 | - | - | - | - |
| Transportation | | | | | |
| A00243-Foster-82nd to 91st-LTC | 1,488,956 | - | - | - | - |
| Infrastructure Total | 3,379,945 | - | - | - | - |
| Property Redevelopment | | | | | |
| Real Estate | | | | | |
| A00325-Lents Little Lge Fld-LTC | 7,500 | 7,500 | 7,500 | 7,500 | - |
| A00326-Bakery Block-LTC | 106,000 | 95,937 | 95,937 | 95,937 | 95,937 |
| A00327-LTC II Parking Lot-LTC | 8,200 | 8,200 | 8,200 | 8,200 | - |
| A00328-MetroAuto Whsl WLot-LTC | 9,500 | 9,500 | - | - | - |
| A00329-MetroAuto Bldg & Lot-LTC | 50 | 50 | 50 | 50 | 50 |
| A00330-ArchctIronPrdctBldg-LTC | 12,100 | 12,100 | 12,100 | 12,100 | - |
| A00332-Real Estate Mgmt-LTC | 33,000 | 33,000 | 33,000 | 33,000 | 33,000 |
| Commercial Property Lending | | | | | |
| A00365-CPRL-General-LTC | 25,551,770 | 15,515,000 | 1,001,000 | 1,001,000 | 1,001,000 |
| Redevelopment Strategy | | | | | |
| A00323-LTC Town Ctr Redev-LTC | 5,000 | - | - | - | - |
| A00331-Project Development-LTC | 195,000 | 150,000 | 150,000 | 150,000 | 150,000 |

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Redevelopment Grants | | | | | |
| A00130-CLG-General-LTC | 405,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| A00137-DOS-General-LTC | 28,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| A00145-SIP-General-LTC | 260,000 | 600,000 | 600,000 | 600,000 | 600,000 |
| A00149-GFGP-General-LTC | 0 | 125,000 | 125,000 | 125,000 | 125,000 |
| A00501-Prosperity Investment Program (PIP) Grant-LTC | 875,000 | - | - | - | - |
| Property Redevelopment Total | 27,496,120 | 16,956,287 | 2,432,787 | 2,432,787 | 2,404,987 |
| Total Program Expenditures | 44,234,311 | 31,347,842 | 6,534,000 | 7,418,087 | 7,197,136 |
| Personnel Services | 391,560 | 350,902 | 358,630 | 371,576 | 379,379 |
| Total Fund Expenditures | 44,625,871 | 31,698,744 | 6,892,630 | 7,789,663 | 7,576,515 |
| Interfund Transfers - Indirect Charges | 1,824,654 | 2,007,543 | 2,086,138 | 2,176,555 | 2,239,541 |
| Contingency | 2,770,327 | 4,057,406 | 5,500,042 | 19,567,946 | 10,067,827 |
| Total Fund Requirements | 49,220,852 | 37,763,693 | 14,478,810 | 29,534,164 | 19,883,883 |