

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: March 11, 2009

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 09-28
Intergovernmental Agreement with the Portland Bureau of Transportation for the Eastside Burnside-Couch Couplet Project

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6681

ACTION SUMMARY

This action will authorize the Executive Director to enter into an Intergovernmental Agreement (IGA) with the Portland Bureau of Transportation (PBOT), in the amount of \$4,940,748, of which \$3,940,748 is budgeted in the Central Eastside Urban Renewal Area (URA) fiscal year (FY) 2009-10 Proposed Budget and \$1,000,000 is proposed in the FY 2010-11 Forecasted Budget.

This action will also authorize the Portland Development Commission (PDC) Board of Commissioners (Board) to dedicate right-of-way to the City of Portland (the City) for the NE Couch Street alignment onto the Burnside Bridge; and to convey a Slope Easement and a Temporary Construction Easement to the City for the construction of the Eastside Burnside-Couch Couplet (Eastside Couplet) project. Funding commitments in the FY 2009-10 Proposed Budget and FY 2010-11 Forecasted Budget are subject to final budget appropriation.

PUBLIC BENEFIT

The Eastside Couplet project provides the following public benefits:

- Provides enhanced vehicle and transit access and traffic flow through the realignment of Burnside and Couch Streets into a one-way couplet system between the Burnside Bridgehead project and Northeast 14th Avenue, including improvements to the 12th/Sandy/Burnside/Couch intersection.
- Builds transportation improvements on East Burnside and Northeast Couch Streets that significantly enhance the redevelopment of the Burnside Bridgehead site, and provide the additional traffic capacity to the property.
- Reduces traffic conflicts between autos and bicycles with a striped bike lane on East Burnside from Martin Luther King Boulevard to Northeast 13th Avenue.
- Significantly improves pedestrian safety by providing curb extensions to narrow pedestrian crossing distances across Burnside Street and traffic signals at all intersections.
- Assembles two new city blocks for potential redevelopment at Northeast Sandy Boulevard and Northeast 14th Avenue.

- Improves access to businesses with left turns at all intersections and street parking spaces on East Burnside Street.
- Provides for stormwater management with landscaped stormwater areas.
- Enhances property values along the alignment by upgrading streets, sidewalks, street trees, lighting and other public amenities.

Additionally, the project will provide the following regional benefits:

- Creates enhanced capacity for vehicles, freight and transit, improving traffic flow through the Central City.
- Creates additional new jobs in Portland's Central City through construction and new business development.

This action will support the following PDC goals:

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

PUBLIC PARTICIPATION AND FEEDBACK

The Stakeholder Advisory Committee (SAC) met monthly for over three years to provide input and guidance on the Phase I *Burnside Transportation and Urban Design Plan* (Plan). SAC members included neighborhood, local business, affordable housing, bicycle and pedestrian advocacy groups, social services, and City agency representatives. In addition, the Friends of Burnside-Couch, Inc. was formed as a private sector initiative to support implementation of the overall Plan.

Support has also been received from Congressman Earl Blumenauer, who assisted in obtaining federal transportation funds for the Eastside Couplet.

Both the Central Eastside Urban Renewal Advisory Committee (CES URAC) and the Burnside Bridgehead Citizen Advisory Committee (CAC) support this project, and have been critical in helping staff secure funds by sending letters of support to the appropriate funding agencies.

In June 2007, PBOT formed the Design Advisory Committee (DAC) to help review and discuss design aspects of the Eastside Couplet including green street improvements, bicycle connectivity, design options at 13th Avenue between Burnside and Couch Streets, and design opportunities for Streetcar. Key design decisions were discussed and resolved at numerous DAC meetings, with a final design meeting in September 2008.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

The Phase I Plan was approved by City Council in December 2002. The Phase I Plan proposes transportation and streetscape improvements, between Northeast 14th and Northwest 16th Avenues. The plan includes a couplet between Northeast 14th and Northwest 16th Avenues. The Plan builds on existing neighborhood plans for the CES including the Lower Burnside Redevelopment Plan (1999) which recommends improved parking, traffic signalization, and streetscapes on East Burnside.

As part of adopting the Phase I Plan, City Council directed PBOT to undertake Phase II of the project that included refining the transportation improvements and evaluating development potential given the proposed transportation and streetscape enhancements. Phase II documents—the Burnside-Couch Transportation and Urban Design Plan, Technical Refinements (Transportation Improvements), and the Burnside-Couch Catalyst Development Study (Development Study)—were completed in June 2005.

Implementation of these plans would support Goal Three (3) of the *CES Urban Renewal Plan* by improving the transportation system and parking resources to meet the CES Industrial District's business needs and redevelopment objectives while respecting traffic concerns of adjacent neighborhoods.

This action would allow PBOT to continue the implementation of these plans. This is a federal project, and all consultants are under the Oregon Department of Transportation contract policies.

FINANCIAL IMPACT

The Eastside Couplet project cost is \$17.8 million; of this, \$13.5 million is the estimate for construction. The financial impact of this action is \$4,940,748, of which \$3,940,748 is budgeted in the CES URA FY 2009-10 Proposed Budget and \$1,000,000 is proposed in the FY 2010-11 Forecasted Budget. Funding commitment in the FY 2009-10 Proposed Budget and FY 2010-11 Forecasted Budget are subject to final budget appropriation. Funding of this IGA would allow for construction of the Eastside Couplet project.

In April 2008, the 60 percent design and report provided a project cost estimate of \$28 million, which exceeded the available funding. In an effort to reduce project costs, then City Commissioner Adams asked PBOT to scale back the project to meet the available funds of \$17.8 million. One cost reduction option proposed by PBOT is to locate the transition of westbound Couch Street onto the Burnside Bridge through the Burnside Bridgehead site, Block 76, instead of aligning the roadway on existing right-of-way (ROW), NE Third Avenue. PBOT cited that the alignment of NE Couch through Block 76 would eliminate the costs associated with the relocation of a 116-year-old sewer line beneath 3rd Avenue; the relocation of existing water lines; and reconstruction of a portion of the Burnside Bridge deck and needed structural work of the Burnside Bridge. Eliminating this work reduced the project by an estimated \$2.7 - \$3.8 million. In July 2008, then City Commissioner Adams approved the project's cost reduction options, which includes the NE Couch Street alignment onto the Burnside Bridge through Block 76.

In addition to providing funding commitments, construction of the Eastside Couplet requires a ROW dedication, conveyance of a slope easement, and a temporary construction easement from PDC. PDC shall dedicate 8,645 square feet of Block 76 to the City as ROW, convey 4,986 square feet of Block 76 to the City as a Slope Easement, and convey 17,383 square feet of Block 76 to the City as a Temporary Construction Easement for the

construction of the Couch Street alignment onto the bridge. PDC shall receive no compensation for these transactions. If PDC desired to sell the ROW to the City, it would only increase the project cost and create a funding shortfall by the same amount.

RISK ASSESSMENT

This IGA will allow for the future construction of the Eastside Couplet. The project cannot proceed with the bidding and contract award phase until all funding, ROW, and easements are committed. If all funding, ROW, and easements are not committed by March 2009, the project will miss a construction bidding cycle and delay the project by at least 6 months, with a worst case scenario that the project be put on hold for longer. If the project were to be put on hold, construction costs would increase.

Currently, PDC has budgeted funds for this IGA in the CES FY 2009-10 proposed budget and FY 2010-11 forecasted budget. As noted above, if PDC desired to sell the ROW to the City, it would only increase the project cost and create a funding shortfall by the same amount. If PBOT is unable to find other funding sources, they may look to PDC to fill the project's funding gap, and ask for funding commitments beyond the funds already proposed and forecasted.

WORK LOAD IMPACT

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

ALTERNATIVE ACTIONS

The Board can decide not to move forward with the Eastside Couplet IGA with PBOT. PBOT would then need to find an alternative funding source to complete the construction of the project or terminate the project altogether. Lack of PDC support would likely mean the Eastside Couplet would be delayed or would not move forward until funding sources are identified.

CONCURRENCE

On March 9, 2006, the Portland City Council authorized commencement of engineering for the Eastside Couplet, which allowed the Burnside-Couch Couplet project to be engineered and constructed in two independent segments, Eastside and Westside.

On March 22, 2006, the PDC Board endorsed the Eastside Couplet and directed PDC staff to continue to work with PBOT to refine the funding strategy and secure funds for the project.

On February 27, 2008, the City Council approved Ordinance No. 181631, providing authorization to the PBOT Director and the City Auditor to execute agreements using the template that formed the basis of the attached IGA.

In July 2008, then City Commissioner Adams approved the updated Eastside Couplet project scope which meets the committed project funds of \$17.8 million.

On February 6, 2009, the PDC Investment Committee approved moving forward with the dedication of ROW and conveyance of the Slope Easement and Temporary Construction Easement to the City for the construction of the NE Couch Street alignment onto the Burnside Bridge.

Monthly project updates are provided at the CES URA team meetings, and the team supports this project.

BACKGROUND

The Eastside Couplet will serve as a catalyst for CES URA redevelopment and business growth, and is a critical infrastructure improvement for the Burnside Bridgehead project. The Eastside Couplet project will be constructed on existing roadways from NE 14th Avenue to the Burnside Bridge. Burnside and Couch Streets will be realigned into a one-way couplet system, with eastbound traffic in three lanes on Burnside Street and westbound traffic in two lanes on Couch Street.

In December 2002, the Portland City Council adopted the Phase I Plan, which provides a vision and strategy for humanizing Burnside from East 14th Avenue to West 24th Place. In addition to outlining specific capital improvements, the plan also recommended a market analysis to determine development potential and financial return related to the completion of the capital improvements.

On March 9, 2006, the Portland City Council authorized commencement of engineering for the Eastside Couplet, which separated the Burnside-Couch Couplet project into two projects, Eastside and Westside. On March 22, 2006, the PDC Board endorsed the Eastside Couplet and directed PDC staff to continue to work with PBOT to refine the funding strategy and secure funds for the project.

In April 2008, the 60 percent design and report provided a project cost estimate of \$28 million, which exceeded the available funding. In an effort to reduce project costs, then Commissioner Adams asked PBOT to scale back the project to meet the available funds of \$17.8 million. On July 30, 2008, then Commissioner Adams issued a memo to the DAC, CES URAC, and CAC formally approving the project's cost reduction options, which includes the Couch Street alignment onto the Burnside Bridge through Block 76.

ATTACHMENTS:

- A. CES URA Financial Summary
- B. Eastside Burnside-Couch Couplet Project Summary

**URA FINANCIAL SUMMARY
 (Draft Budget)**

CENTRAL EASTSIDE URA - Five-Year Budget Planning by Project for FYs 2010-2014

Resources	Adopted FY 2008-09	2008-09 Actuals* July-Dec	AMENDED 2008-09 BUDGET	2009-10	2010-11	2011-12	2012-13	2013-14	5 Yr Total
3110 Tax Increment - S-T Debt	2,770,828	0	3,371,625	3,203,551	3,316,296	2,386,181	2,589,744	2,813,802	14,309,574
3120 Tax Increment - L-T Debt	5,984,010	0	931,068	4,295,700	4,031,060	1,798,200	1,198,800	799,200	12,122,960
3130 Loan Fee	0	2,615	0	0	0	0	0	0	0
3140 Loan Late Charges	0	130	0	0	0	0	0	0	0
3310 Loans - Principal Collection	67,827	46,534	67,827	65,050	59,065	56,500	44,915	44,915	270,445
3320 Loans - Interest Earned	70,813	33,150	70,813	65,050	59,065	56,500	44,915	44,915	270,445
3510 Rent and Property Income	0	26,356	0	0	0	0	0	0	0
3710 Interest - City Invest Pool	0	28,602	50,000	0	0	0	0	0	0
3810 Real Property Sales	0	36,600	0	0	5,000,000	0	0	0	5,000,000
3890 Miscellaneous Income	0	8,420	0	0	0	0	0	0	0
3999 Beginning Fund Balance	140,844	2,975,491	2,975,491	181	114,833	93,546	44,316	85,677	338,553
Total Fund	9,034,322	3,157,898	7,466,824	7,629,532	12,580,319	4,390,927	3,922,690	3,788,509	32,311,977

Requirements

Project Expenditures (These do not include Personal Services or Indirect Cost)

Development				2009-10	2010-11	2011-12	2012-13	2013-14	5 Yr Total
10019 CES Fin & Comm Outreach	10,000	892	11,000	11,000	11,000	11,000	11,000	11,000	55,000
10039 CES Redevelopment	0	1,141	0	0	0	0	0	0	0
10041 CES Streetcar Construction	0	4,367	5,000	0	3,184,000	3,000,000	0	0	6,184,000
10044 CES Bums/Couch Couplet	500,000	20	0	3,940,748	1,000,000	0	0	0	4,940,748
10048 Eastbank Park/Holman Bldg	0	8,609	20,000	0	0	0	0	0	0
10052 Washington Monroe	0	0	0	0	0	0	0	985,000	985,000
10060 CES Redevel Fund	300,000	0	100,000	0	0	0	500,000	500,000	1,000,000
10070 Sidewlk/Rtes to River Plan/Des	125,000	0	125,000	150,000	0	0	0	150,000	300,000
10071 Bumside Bridgehead Reloc	500,000	63,359	500,000	0	0	0	0	0	0
10073 Convention Plaza Build Interim Mgt	0	0	120,364	120,364	0	0	0	0	120,364
10074 Bumside Bridgehead Planning	0	0	25,000	100,000	0	0	0	0	100,000
10072 Bumside Bridgehead: Developme	925,000	223,471	300,000	600,000	5,000,000	0	0	0	5,600,000
Development Total	2,360,000	301,859	1,206,364	4,922,112	9,195,000	3,011,000	511,000	1,646,000	19,285,112
Economic Development									
10021 CES Storefront Grants	0	27,473	75,000	0	0	0	0	0	0
10023 CES Industrial Storefronts	100,000	3,176	100,000	100,000	100,000	100,000	100,000	100,000	500,000
70017 CES Business Finance	1,427,644	177,982	1,352,644	750,000	800,000	500,000	650,000	1,350,000	4,050,000
70247 CES Business Retention	150,000	24	150,000	0	0	0	0	0	0
Economic Development Total	1,677,644	208,654	1,677,644	850,000	900,000	600,000	750,000	1,450,000	4,550,000
Housing									
33423 CES Aff Homeownership	0	0	0	0	300,000	0	0	0	300,000
80021 CES Workforce Rental Housing	0	0	0	0	0	0	0	0	0
80028 CES Aff Rental Housing	0	0	0	0	0	0	0	0	0
80046 CES Clifford Apartments Rehab	2,500,000	0	2,500,000	350,000	0	0	0	0	350,000
80045 CES Hooper Center	0	0	0	75,000	0	0	1,925,000	0	2,000,000
Housing Total	2,500,000	0	2,500,000	425,000	300,000	0	1,925,000	0	2,650,000
Central Services									
59167 CES Debt Management	9,655	3,833	9,655	10,137	10,644	11,176	11,511	11,857	55,325
Central Services Total	9,655	3,833	9,655	10,137	10,644	11,176	11,511	11,857	55,325
Executive									
60041 CES Central City Study	72,000	38,561	72,000	55,000	0	0	0	0	55,000
Executive Total	72,000	38,561	72,000	55,000	0	0	0	0	55,000
Total Project Expenditures	6,619,299	552,906	5,465,663	6,262,249	10,405,644	3,622,176	3,197,511	3,107,857	26,595,437
Total All Personal Svcs & Indirect Costs	1,899,274	899,303	2,000,980	1,252,450	2,081,129	724,435	639,502	621,571	5,319,087
Total Fund Expenditures	8,518,573	1,452,208	7,466,643	7,514,699	12,486,773	4,346,611	3,837,013	3,729,428	31,914,524
Contingency	515,749	0	0	114,833	93,546	44,316	85,677	59,081	397,453
Ending Fund Balance	0	0	0	0	0	0	0	0	0
Total Requirements	9,034,322	1,452,208	7,466,643	7,629,532	12,580,319	4,390,927	3,922,690	3,788,509	32,311,977

*Please note that the 2008-09 Actuals data only shows revenue and expenditures which have been entered into Lawson as of December 31, 2008. These numbers DO NOT show or represent any encumbrances, since encumbrances may or may not spend in the current fiscal year.

PROJECT SUMMARY

- Project Name:** Eastside Burnside-Couch Couplet
- Description:** The Eastside Couplet project will be constructed on existing roadways from NE 14th Avenue to the Burnside Bridge. Burnside and Couch Streets will be realigned into a one-way couplet system, with eastbound traffic in three lanes on Burnside Street and westbound traffic in two lanes on Couch Street.
- Location:** From NE 14th Avenue through the Burnside Bridgehead site, Block 76
- URA:** Central Eastside
- Current Phase:** Bidding and Award
- Next Milestone:** Final Engineering Plans
- Completion Target:** Complete Bidding and Award – June 2009
Complete Construction - September 2010
- Outcome:**
- Site/Project Map:**

