

DATE: January 9, 2014
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 14-04

Authorizing an Intergovernmental Agreement with the Portland Bureau of Transportation for Construction of the SE 122nd: Ramona to Holgate Sidewalk Infill Project in the Lents Town Center Urban Renewal Area; Providing Funding in an Amount Not to Exceed \$1,000,000

BOARD ACTION REQUESTED

Adopt Resolution No. 7038

ACTION DESCRIPTION

This action will authorize the Portland Development Commission (PDC) Executive Director to enter into an Intergovernmental Agreement (IGA) between PDC and the Portland Bureau of Transportation (PBOT) providing funding in an amount not to exceed \$1,000,000 for the construction of SE 122nd Sidewalk Infill Project (Project). The Project is entirely within the Lents Town Center Urban Renewal Area (LTC URA) and will include the following work:

- Construct approximately one mile of sidewalks where none currently exist (see Attachment A)
- Reconstruct substandard curb tight sidewalks
- Upgrade 43 corners with Americans with Disabilities Act (ADA) curb ramps
- Enhance pedestrian and bicycle crossings at Schiller and Raymond, which include:
 - Median refuge island
 - Pedestrian/bike-activated beacons
 - Curb extensions
- Plant up to 76 deciduous trees
- Construct curbs, driveways, and bio-swales

The total project cost is estimated at just under \$3,000,000. PDC is proposing to invest \$1,000,000 in the Project, in addition to \$225,000 previously approved for design and engineering costs, and PBOT is funding the difference of approximately \$1,300,000. The balance of the Project funding is comprised of \$402,283 in federal Surface Transportation Program Flexible Funds. Following a construction bid and award phase in early 2014, construction is anticipated to begin in May 2014 and be completed by December 2014.

BACKGROUND AND CONTEXT

The 122nd Avenue area has experienced considerable change in recent years. Annexed into the City of Portland in the mid-1990s, the area dramatically transformed from a low-density, semi-rural, and suburban community to one of the fastest growing areas in the city. Today, adjacent neighborhoods are some of the most diverse in the city, with significantly larger household sizes. As part of the 1996 *Outer Southeast Community Plan*, much of the corridor was rezoned to allow for multifamily residential

development. While some street and pedestrian infrastructure was built along with the new development, today the corridor is a patchwork of infrastructure lacking a comprehensive network of streets and sidewalks. With the sizable increase in population, more and more residents walk and take transit through the area, increasing the need for a safe pedestrian environment.

The *East Portland Action Plan*, adopted by the Portland City Council in 2009, identified SE 122nd area as a prime location for a pilot study to explore land use, infill development, and infrastructure issues. This resulting *SE 122nd Avenue Study: a Pilot Project of The Portland Plan* identified specific recommendations for improvements. In developing the study, the Bureau of Planning and Sustainability (BPS) assembled several community working groups to advise and provide guidance to inform the recommendations. The study was completed at the end of 2010.

While the study and community outreach was being conducted, PDC initiated a public process to develop an action plan to identify and prioritize infrastructure projects within the LTC URA. The findings of the LTC URA Transportation Task Force identified and the LTC Urban Renewal Advisory Committee endorsed SE 122nd Avenue between Foster Road and Powell Boulevard as a high priority to invest PDC funds in infrastructure projects. Subsequently, PDC allocated \$225,000 for design and engineering of sidewalk and crossing improvements with the intention of investing \$1,000,000 in construction.

As a response to community input from the *SE 122nd Avenue Study: a Pilot Project of The Portland Plan*, BPS drafted and received City Council approval for the *SE 122nd Avenue Rezone Project*, rezoning portions of SE 122nd Avenue to allow for more commercial and mixed-use development.

To complete the sidewalk infill project, PBOT leveraged PDC funds and received \$402,283 in federal grant funds for purchasing necessary right-of-way and designed and constructed sidewalk infill to the north (Powell to Holgate) and south (Ramona to Foster) of the Project. The construction of the Project will provide a complete sidewalk system from Powell Boulevard to Foster Road on SE 122nd Avenue.

COMMUNITY AND PUBLIC BENEFIT

Benefits of the Project include:

- PDC's Equity Policy applies to this IGA and associated construction contracts.
- In 2012, City Council approved a comprehensive zone change on SE 122nd Avenue from Foster Road to Powell Boulevard from Residential to Neighborhood Commercial that encourages small commercial uses and/or mixed-use development. The Project, in conjunction with the zone change, will enhance economic development opportunities through improved pedestrian and bicycle safety and access to newly zoned commercial areas.
- The improved infrastructure, coupled with the zone change, will make SE 122nd Avenue more attractive to commercial development that should result in an increase of commercial investment along the corridor.
- Sidewalk infill, crossing improvements, and ADA curb ramp upgrades will provide both pedestrians and bicyclists with better and safer transportation options to access transit, neighborhood commercial and residential areas, Alice Ott Middle School, Raymond Park, and the Springwater Corridor. Improved access strengthens the existing urban social environment and better meets the needs of the transportation disadvantaged.

PUBLIC PARTICIPATION AND FEEDBACK

The Project's conception was at the request of the community and residents in the area to increase pedestrian and bicycle safety and spur economic and community development. SE 122nd Avenue is designated a High Crash Corridor and the need for safer sidewalks and pedestrian crossing is vital. Public participation and feedback was prevalent throughout the many years leading up to this point.

From the generous public participation in the East Portland Action Plan to the many working groups, task forces and advisory committees, community input has been a key component for the *SE 122nd Avenue Study: a Pilot Project of The Portland Plan* and the *SE 122nd Avenue Rezone Project*, as well as the LTC URA Transportation Priority Infrastructure Investment Strategy, resulting in this final segment on SE 122nd Avenue (Holgate to Ramona).

BUDGET AND FINANCIAL INFORMATION

The fiscal year (FY) 2013-14 Approved Budget includes \$1,000,000 for construction of the Project (see Attachment B). The Executive Director previously authorized expenditures of \$225,000 for design and engineering of the Project. This action will authorize the expenditures of \$1,000,000 bringing the total PDC project contribution to \$1,225,000. Following is a summary of the Project budget:

Uses	PDC	PBOT	Federal	Total
Design and Engineering IGA	\$225,000	\$415,409	\$0	\$640,409
Right of Way purchase	\$0	\$0	\$402,283	\$402,283
Construction IGA	\$1,000,000	\$884,867	\$0	\$1,884,867
Total	\$1,225,000	\$1,300,276	\$402,283	\$2,927,559
Percentage Contribution	42%	44%	14%	100%

The \$1,884,867 budget to construct the Project is based upon 95 percent construction documents. The cost estimate for the Project will be further refined with 100 percent construction documents to be completed by February 2014. The budget includes a 10 percent construction contingency of \$190,884 for undefined or scope changes. PDC has notified PBOT that PDC does not have additional financial resources to contribute to the Project. Therefore, PBOT will need to complete the scope of the Project based on the available financial resources. To the extent project costs increase beyond available financial resources during final design, PBOT will either need to pay for the increased costs or scale back the scope of the Project.

This action will result in a minimal increase in workload for PDC staff, which is accounted for in establishing staff work plans to assist PBOT with the Project, and will not require additional staff.

The Project and IGA budget includes \$27,215 for the Regional Arts & Culture Council Percent for Art Program, which represents two percent of the applicable construction costs.

RISK ASSESSMENT

There is a risk that contract bids will exceed the cost estimate and the Project will be put on hold until further funding resources can be found. However, the Project cost estimate is at 95 percent design stage, reducing the risk gap.

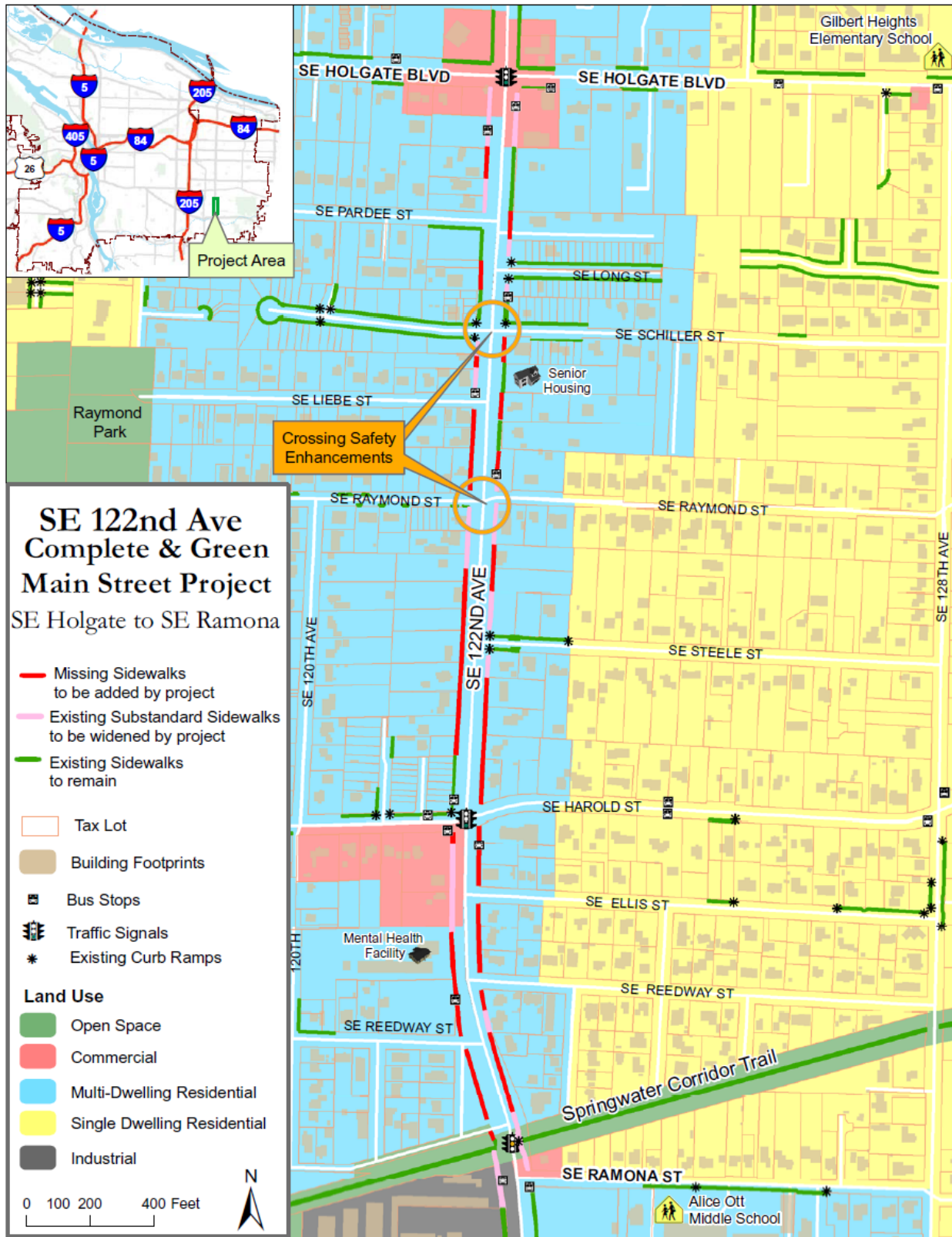
ALTERNATIVE ACTIONS

The PDC Board of Commissioners can elect to not authorize the IGA and direct staff to renegotiate the terms of the IGA, which would result in PBOT either needing to find alternative funding sources to complete the construction of the Project or terminating the Project. Lack of PDC support would likely mean the Project would be terminated due to lack of funding.

ATTACHMENTS

- A. SE 122nd Ave Sidewalk Infill Map
- B. Lents Town Center URA Financial Summary

SE 122nd Avenue Sidewalk Infill Map



URA Financial Summary

Five-Year Forecast Program Requirements Detail

	Revised-3 FY 2012-13	Adopted FY 2013-14	Forecast FY 2014-15	Forecast FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18
Lents Town Center URA						
Resources						
Beginning Fund Balance	11,074,058	7,694,745	1,650,693	1,129,884	149,708	428,025
Interest on Investments	7,000	10,000	10,000	10,000	10,000	10,000
Loan Collections	73,000	139,000	139,000	161,270	161,270	166,244
Long Term Debt	0	0	1,750,000	0	0	0
Property Income	59,827	210,827	59,827	59,827	59,827	59,827
Reimbursements	301,250	0	0	0	0	0
Short Term Debt	7,092,906	7,845,688	8,272,984	8,891,398	8,991,000	8,991,000
Total Resources	18,608,041	15,900,260	11,882,504	10,252,379	9,371,805	9,655,096
Requirements						
Program Expenditures						
Administration						
Financial Administration						
A45101360 Debt Management-LTC	10,000	10,000	10,000	10,000	10,000	10,000
Total Administration	10,000	10,000	10,000	10,000	10,000	10,000
Business Dev						
Business Lending						
L02119360 BIF-Nbrhood Ec Dev-Budget-LTC	0	300,000	300,000	300,000	300,000	300,000
L02100360 BIF-General-LTC	200,000	100,000	150,000	150,000	150,000	150,000
L02110360 BIF-Cluster Group-Budget-LTC	30,000	0	0	0	0	0
Small Business & Community Dev						
B55800360 Business Development-LTC	0	10,000	10,000	10,000	10,000	10,000
B55900360 Community Development-LTC	200,000	50,000	50,000	50,000	50,000	50,000
Traded Sector Business Dev						
T01069360 Lean Manufacturing-LTC	30,000	30,000	30,000	30,000	30,000	30,000
B15102360 Site Recruitment-LTC	16,500	10,000	10,000	10,000	10,000	10,000
L02110360 BIF-Cluster Group-Budget-LTC	0	300,000	250,000	250,000	250,000	250,000
Total Business Dev	476,500	800,000	800,000	800,000	800,000	800,000
Infrastructure						
Parks						
N36012515 Parks Public Impr-LTC-Adm	50,000	1,050,000	0	0	0	0
Transportation						
N36031525 Foster-Woodstock-LTC-Adm	400,000	400,000	0	0	0	0
N36031535 122nd-Holgate/Ramona-LTC-Adm	6,096	1,000,000	0	0	0	0
N36031545 Foster-52nd to 82nd-LTC-Adm	60,581	1,119,420	820,000	0	0	0
N36032015 Lents Entryway-LTC-Adm	400,000	200,000	0	0	0	0
N36031415 Street/Sidewalks LID-LTC-Adm	400,000	0	0	0	0	0
Total Infrastructure	1,316,677	3,769,420	820,000	0	0	0
Portland Hsg Bureau						
PHB Housing						
H15410360 Home Repair Projects-LTC	484,000	500,000	500,000	500,000	500,000	500,000
H15933360 Raymond St Apt-LTC	486,649	0	0	0	0	0
H15931360 Scat Site Home Rehab-LTC	77,538	0	0	0	0	0
H15928360 PCRI Scat Sites 2 (NOFA)-LTC	54,468	0	0	0	0	0
H15900360 PHB Staff & Admin-LTC	558,705	829,091	400,000	400,000	400,000	400,000
H15501360 NSP3 Acq/Rehab-LTC	52,600	0	0	0	0	0
H15500360 NAYA Kah San Chako Haws-LTC	1,221,147	0	0	0	0	0
H15420360 Home Buyer Assistance-LTC	500,000	500,000	500,000	500,000	500,000	500,000
H15292360 Property Management-LTC	991	5,400	0	0	0	0