

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: October 27, 2010

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 10-99
Disposition of an aerial and buried communications system easement to Integra Telecom across a portion of the PDC property located on Block 68 of the Burnside Bridgehead Property in the Central Eastside Urban Renewal Area.

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6833

ACTION SUMMARY

This action will authorize the Executive Director to execute an aerial and buried communication system easement granting such easement across a portion of Block 68 of the Burnside Bridgehead Property in the Central Eastside Urban Renewal Area (URA) to Integra Telecom for the extension of a fiber line from the corner of NE Third and NE Davis to NE Second.

Granting this easement furthers the Portland Development Commission's (PDC's) policy goal of creating quality jobs at the Burnside Bridgehead site by providing fiber availability to Convention Plaza and other Burnside Bridgehead development sites. It also supports the goal of creating a Central Eastside entrepreneurship district by initiating broadband infrastructure and service in the district.

PUBLIC BENEFIT

The easement will allow Integra Telecom to provide fiber service to the Convention Plaza building and the remainder of the Burnside Bridgehead site and will 'tee-up' service to other areas of the currently underserved Central Eastside.

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

Not applicable.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

The action is consistent with and supports PDC's ability to implement the Burnside Bridgehead Framework Plan, through the enhancement of services and amenities available at the Burnside Bridgehead project to serve industry cluster, and related, type companies.

FINANCIAL IMPACT

The easement will be five (5) feet wide across the length of block 68 (200 feet) from NE Third to NE Second in the vacated NE Davis alignment. The Burnside Bridgehead Framework Plan indicates a desire to extend NE Davis, in the future, as public right-of-way. As such, allowing the easement in this location does not impact future development plans as this area is likely to remain unencumbered by buildings to provide for this future extension. PDC and Beam Development are currently negotiating the disposition of Block 68 and Beam Development is supportive of granting this easement as it provides fiber to the Convention Plaza building and the remainder of the Burnside Bridgehead site at Integra's expense. In exchange for the easement, Integra Telecom has agreed to the following:

- To bury or relocate the aerial fiber, at Integra Telecom's expense, when/if NE Davis is extended from NE Third to NE Second and/or when/if the aerial line conflicts with future development of the property;
- To pull fiber to the Convention Plaza building's common telephone room at Integra Telecom's expense;
- To exert best efforts in its participation with PDC in the future provision of adequate communications service availability to the other PDC developments in the surrounding area; and
- To provide information and participate with PDC in a broader conversation regarding fiber service for the Burnside Bridgehead project and the Central Eastside.

It should also be noted that this easement does not preclude PDC from contracting with other fiber providers to serve the project or the district.

RISK ASSESSMENT

The easement alignment proposed is within the vacated NE Davis right-of-way between NE Third Avenue and NE Second Avenue. The Burnside Bridgehead Framework Plan recommends restoring the street grid through the property by extending NE Davis, in the future, from NE Third Avenue to NE Second Avenue. Neither a timeline for this extension, nor costs and funding, have been identified, and as such, it is not appropriate to require this line to be buried at this time. However, the Integra easement includes a clause requiring the fiber to be buried or relocated at the time of the construction of NE Davis and/or if future development plans are impacted by the aerial line.

WORK LOAD IMPACT

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

ALTERNATIVE ACTIONS

The easement requested by Integra is the most direct alignment for pulling fiber to NE Second from the existing fiber location at NE Third and NE Davis. The PDC Board of Commissioners could choose to deny the easement, in which case Integra would need to determine an alternate alignment for the fiber line. In addition, with the redevelopment of Convention Plaza, the development team would need to explore alternatives for providing fiber service to the building.

CONCURRENCE

PDC is currently negotiating a Disposition and Development Agreement (DDA) with Beam Development on Block 68. Beam Development has participated in the discussions with Integra Telecom and support the easement.

BACKGROUND

SITE DESCRIPTION

Acquired by PDC over several years, the site is located at the base of the east end of the Burnside Bridge. The site is 176,215 square feet (4.04 acres) in size and is situated on four-plus city blocks in the Central Eastside URA. The area is generally bound by NE Martin Luther King Boulevard to the east, the Burnside Bridge to the south, the NE Second Avenue to the west, and NE Davis Street and the I-5/I-84 interchange to the north.

EASEMENT INFORMATION

The easement requested is a strip of land five (5) feet in width within the vacated NE Davis right-of way that is part of Block 68. There is an existing utility pole at the southeast corner of NE Davis and NE Third. The fiber line would connect from that pole east to a new pole located in NE Second Avenue directly adjacent to the vacated NE Davis alignment. At that point, the fiber can connect underground up to the Verizon tenant at Block 69 and also be available to connect across NE Second Avenue to other properties in the Central Eastside.

ATTACHMENTS:

- A. Project Summary and Site Aerial Photo
- B. Central Eastside URA Financial Summary
- C. Easement Aerial Photo

PROJECT SUMMARY

- Project Name:** Burnside Bridgehead
- Description:** Mixed-use development
- Location:** 4.04-acre site at the northeast corner of NE Martin Luther King Jr. Blvd. and E. Burnside St.
- URA:** Central Eastside
- Current Phase:** Planning
- Next Milestone:** Initiation of Phase I – Block 68 DDA
- Completion Target:** 2014
- Outcome:** Catalytic mixed-use development
- Site Aerial Photo:**



URA Financial Summary

Five-Year Forecast Project Requirements

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Central Eastside URA						
Resources						
Beginning Fund Balance	4,043,315	328,721	77,194	32,289	193,620	384,536
Interest on Investments	0	25,000	25,000	25,000	25,000	25,000
Loan Collections	130,100	66,207	66,207	53,269	43,116	40,000
Property Income	35,840	2,020,000	3,020,000	20,000	20,000	20,000
TIF Proceeds	7,392,600	9,437,280	5,474,499	4,344,075	4,576,229	3,747,180
Total Fund Resources	11,601,855	11,877,208	8,662,900	4,474,633	4,857,965	4,216,716
Requirements						
Program Expenditures						
Administration						
Executive						
H80041 Eastside Central City Plan	0	50,000	0	0	0	0
Administration Total	0	50,000	0	0	0	0
Business and Industry						
Community Economic Development						
H79020 Business Finance	382,500	250,000	87,500	125,000	337,500	125,000
General Business Assistance						
H79022 Business Retention	60,000	0	0	0	0	0
High Growth						
H79020 Business Finance	382,500	250,000	87,500	125,000	337,500	125,000
Industry Cluster						
H79020 Business Finance	765,000	500,000	175,000	250,000	675,000	250,000
Business and Industry Total	1,590,000	1,000,000	350,000	500,000	1,350,000	500,000
Debt Service						
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H88001 Debt Management	10,137	10,644	11,176	11,511	11,857	12,000
Debt Service Total	10,137	10,644	11,176	11,511	11,857	12,000
Housing						
Multi-Family - Rental Housing						
H80045 Hooper Center	75,000	0	0	1,925,000	0	0
H80046 CES Clifford Apartments Rehab	2,300,000	850,000	0	0	0	0
H89030 Affordable Rental Housing	0	0	400,000	500,000	900,000	0
Housing Total	2,375,000	850,000	400,000	2,425,000	900,000	0
Infrastructure						
Parks						
H10048 Eastbank/Asset Transfer	20,000	20,000	20,000	20,000	20,000	20,000
H10052 Washington Monroe Redevelopment	0	0	0	0	985,000	0
Transportation						
H10041 Eastside Streetcar Construction	0	3,184,000	3,000,000	0	0	0
H10044 Eastside Burnside-Couch Couplet	3,940,748	1,000,000	0	0	0	0
H10070 Sidewalks/Routes to River	210,000	0	0	0	150,000	0
Infrastructure Total	4,170,748	4,204,000	3,020,000	20,000	1,155,000	20,000
Revitalization						
Community Outreach - Revitalization						
H11801 Community Outreach	11,000	11,000	11,000	11,000	11,000	11,000
Plans and Strategies - Revitalization						
H61007 New Strategy	0	50,000	0	0	0	0
Redevelopment						
H10072 Burnside Bridgehead Redevelop	66,420	2,600,000	3,000,000	0	0	0
H10073 Convention Plaza Interim Mgmt	120,364	75,000	0	0	0	0
H10074 Burnside Bridgehead Planning	150,000	50,000	0	0	0	0
H27001 Storefront Grants	380,000	200,000	200,000	100,000	100,000	100,000
H28030 Redevelopment Loan Projects	500,000	500,000	200,000	500,000	200,000	200,000
Revitalization Total	1,227,784	3,486,000	3,411,000	611,000	311,000	311,000
Total Program Expenditures	9,373,669	9,600,644	7,192,176	3,567,511	3,727,857	843,000

Easement Aerial Photo

Integra Telecom Easement

