



CITY OF  
**PORTLAND**  
BUREAU OF  
**TRANSPORTATION**

EXHIBIT E

184191



Sam  
Adams  
Mayor

Susan D.  
Keil  
Director

## **SUMMARY OF OBJECTIONS AND FINDINGS TO COUNCIL**

October 14, 2010

Assess benefited properties for bridge and street improvements in the NE 92nd Drive Local Improvement District (Hearing; Ordinance; C-10020)

### **I. SUMMARY**

One (1) written objection representing the owner of 1 of the 83 assessable properties proposed for final assessment in the NE 92nd Drive Local Improvement District (LID) was received by the filing deadline.

Late objections or objections not filed in accordance with the requirements of Section 17.08.130 of City Code but received prior to the Final Assessment Hearing will be forwarded to City Council but are not summarized within this Exhibit E.

### **II. SPECIFIC RESPONSES TO THE OBJECTION FILED BY PROPERTY OWNER THOMAS SAUNDERS**

An objection was submitted by Thomas Saunders, owner of the property at 9331 NE Colfax Street; State ID #1N2E16D 1400; tax account #R614700080; property ID #R227517; legal description NE 92ND DRIVE IND PARK, BLOCK 1, LOT 2 EXC PT IN SLOUGH; pending lien record #141604 (see Attachment 1).

An Equal  
Opportunity  
Employer

## ISSUES RAISED BY THE OBJECTION

Issue No. 1: I cannot understand how our property will receive almost \$17,000 in benefits from these improvements.

### Findings:

- a. This project improves emergency access to this property; see Exhibit F of this Ordinance.
- b. This project improves connectivity and access to this property; see Exhibit G of this Ordinance.
- c. Petition support for this project was tendered from owners of 12 other properties south of the Columbia Slough (see record of Resolution No. 36476) for estimated costs ranging from \$4,004.63 to \$91,164.20. The average of \$20,494.28 in petition support for each of these properties south of the Columbia Slough exceeds the \$16,696.64 assessment proposed for this property.
- d. A commercial real estate brokerage firm representing a prospective lessee of a building at NE 92nd Drive & Colfax Street (south of the Columbia Slough) contacted the Local Improvement District Administrator on December 17, 2009. The potential lessee expressed desire for better access to Portland International Airport (north of the Columbia Slough). The real estate brokerage firm indicated that the availability of the new connection over the Columbia Slough would be a key factor in the potential lessee's decision. Although the exact address of the property was not identified, because NE Colfax Street is a dead-end street, it is on the same block as this property for which an objection to final assessment was submitted.
- e. An employee of International Paper, 9111 NE Columbia Blvd., contacted the Local Improvement District Administrator on January 26, 2010 after the new NE 92nd Drive connection was first opened on January 4, 2010. She stated, "It's going to be wonderful to have two accesses, especially in case of emergency." NE 92nd Drive was temporarily closed for installation of the companion pedestrian/bicycle bridge and was permanently reopened to traffic on June 18, 2010. This property is less than one-half mile from this property for which an objection to final assessment was submitted.
- f. Eight properties south of the Columbia Slough with pending lien numbers 141590, 141594, 141678, 141683, 141689, 141693, 141694 and 141696 as identified in Exhibit D are in the process of being acquired by a new property owner. In a July 29, 2010 telephone call, the prospective purchaser indicated that a secondary means of access for these properties was a key factor in the decision to purchase these properties, i.e., so that these properties would not effectively be on a dead-end cul-de-sac. On October 14, 2010 the new property owner further indicated that the NE 92nd Drive LID provides positive enhancements to the buildings and positive upgrades for the tenants' use. The closest of these properties is less than 350 feet from this property for which an objection to final assessment was submitted.

Issue No. 2: Since this project began, we have seen commercial lease rates drop from near \$0.47 a square foot to about \$0.30 a square foot and vacancy increase 25%. We absolutely cannot afford such an expense as this property assessment on our 20,000 square foot building unless it is going to help us increase our rates and decrease vacancy.

Findings:

- a. See Finding "c" in response to Issue No. 1.
- b. See Finding "d" in response to Issue No. 1.
- c. See Finding "e" in response to Issue No. 1.
- d. Multnomah County Assessment & Taxation currently carries a building square footage of 19,800 square feet. Based on a proposed assessment of \$16,696.64, this represents a one-time-only cost of less than \$0.85 per square foot. Based on current financing rates, a 20-year monthly payment for a \$16,696.64 would be approximately \$130.88 per month or less than \$0.01 per building square foot. This in turn represents less than 4% of the \$0.17 per square foot change in the lease rate stated by Mr. Saunders.

Issue No. 3: A foot bridge over the Columbia Slough, which few, if any people will use does not warrant the significant expense and impact on my property.

Findings:

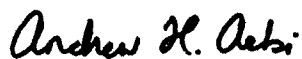
- a. See Finding "d" in response to Issue No. 2.
- b. The companion bridge installed over the Columbia Slough provides multimodal access for pedestrians and bicyclists, and separates pedestrians and bicyclists from freight and other traffic, thereby improving safety for all users including motorists.
- c. The companion bridge installed over the Columbia Slough also provides a connection the MAX Red Line light rail line, which offers frequent service between Portland International Airport and Beaverton Transit Center, which improves access to downtown Portland and other destinations along the line.
- d. \$846,726.52 was expended for construction of project work, excluding extra work not being charged to this property owner. Less than one-third of this construction expense was attributable to the companion bridge (\$266,342.64). The remainder was expended for street and vehicle bridge construction.

- e. This project was originally petitioned in April 2005 while this property was under ownership of William R. & Janet M. Reed. The previous project scope anticipated replacing (in lieu of upgrading) the existing vehicle bridge (and in lieu of constructing the companion pedestrian/bicycle bridge) at an estimated LID cost of \$3,233,571.01 with the share for this property previously estimated at \$31,835.69. The proposed assessment of \$16,696.64 is \$15,139.05 or 47.5% less than what was previously petitioned under the prior project scope reflecting value engineering.
- f. The proposed assessment is also below the estimate at LID formation with the revised project scope of upgrading the existing vehicle bridge and constructing a new companion pedestrian/bicycle bridge. The estimate at LID formation was \$21,792.64; the proposed final assessment of \$16,696.64 is \$5,096.00 or 23.5% less than what was petitioned under the revised project scope.

### III. RECOMMENDATION TO COUNCIL

This LID has provided street improvements for the benefit of all of the properties within the LID, including for the property for which an objection to final assessment was received. It is the recommendation of the Local Improvement District Administrator that the Final Assessment Ordinance be passed at its second reading on October 27, 2010 without amendment.

Respectfully submitted,



Andrew H. Aebi

**RECEIVED**

OCT 12 2010

**OFFICE OF THE  
CITY AUDITOR**

October 8, 2010

Office of the City Auditor  
City of Portland  
1221 S.W. 4<sup>th</sup>, Rm. 130  
Portland, OR 97204

184191

Re: NE 92<sup>nd</sup> Drive LID  
Acct No. 00141604  
Project No. C10020  
Tax Acct. No. R614700080

Dear Sir or Madam,

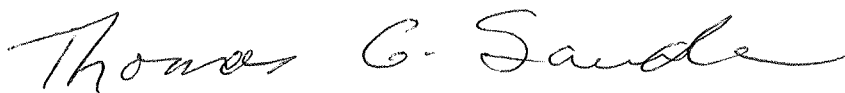
I am writing to object to the proposed assessment dated 09/15/2010 in the amount of \$16,696.64 for the NE 92<sup>nd</sup> Drive Local Improvement District. I understand that the costs of such improvements are apportioned to each property according to the amount of estimated benefit that property will receive. I cannot understand how our property will receive almost \$17,000 in benefits from these improvements.

It is an increasingly difficult time for investment property owners. Since this project began, we have seen commercial lease rates drop from near \$0.47 a square foot to about \$0.30 a square foot and vacancy increase 25%. We absolutely cannot afford such an expense as this proposed assessment on our 20,000 square foot building unless it is going to help us increase our rates and decrease vacancy. I can tell you now, it will not.

I understand and appreciate that this project came in under budget. I disagree and do not accept responsibility for these charges. A foot bridge over the slough which few, if any people will use does not warrant the significant expense and impact on my property.

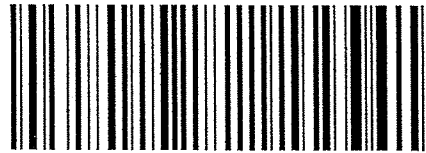
I appreciate any and all thoughtful consideration you can give to this matter.

Sincerely,

Thomas Saunders  
Bridgeport 44 Systems, LLC  
PO Box 13023  
Portland, OR 97213  
(503) 235-1781

City Houses, Inc.  
PO Box 13023  
Portland, OR 97213

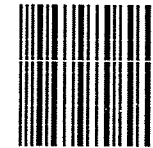
**CERTIFIED MAIL™**



7009 2820 0004 0214 4494



1000



97204

U.S. POSTAGE  
PAID  
PORTLAND, OR  
97213  
OCT 08, 10  
AMOUNT

**\$5.54**

00025385-10

OFFICE OF THE CITY AUDITOR  
CITY OF PORTLAND  
1221 S.W. 4<sup>th</sup> Rm. 130  
PORTLAND, OR 97204

RETURN RECEIPT  
REQUESTED

184191

9720481900

