

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Dave Evonuk		2. Telephone No. (503) 823-1566	3. Bureau/Office/Dept. Water / Engineering / Planning
4a. To be filed (date): April 11, 2013	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: April 3, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Authorize the Water Bureau to acquire a permanent easement necessary for construction of the Fulton Pump Station Improvements Project through direct negotiation or exercise of the City's Eminent Domain Authority (Ordinance)

2) Purpose of the Proposed Legislation:

The Burlingame Service Area Master Plan (Master Plan) completed in September of 2006 identified the Fulton Pump Station as a top priority for replacement. Based upon the Master Plan recommendation and by an extensive public outreach effort, the Water Bureau designed a project to replace the Fulton Pump Station with a new facility to be sited in nearby Willamette Park. The Water Bureau has continued efforts to finalize the pump station design and inform the public of potential impacts which could result from construction.

Through ongoing outreach it became apparent that the primary public concerns pertain to Oregon Public Broadcasting's (OPB) facility access restrictions and vibration during a phase of construction. In response to OPB's concern, the Water Bureau developed an alternate design option that will substantially mitigate concerns related to access restrictions or vibration. Using this method necessitates that Water Bureau acquire a permanent easement from the OPB broadcasting facility located at the intersection of SW Macadam and SW Nevada.

This legislation authorizes the Water Bureau to acquire a permanent easement for facilities appurtenant to a pump station to be constructed in Willamette Park. Acquisition will be in accordance with eminent domain procedures provided for in ORS Chapter 35 (Eminent Domain; Public Acquisition of Property), including those procedures that apply to notification, valuation, negotiation, relocation and early possession, if necessary.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|------------------------------------|---|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) **Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.
No.

5) **Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

The costs of this action are included as part of the \$2,200,000 requested for the project in FY 2013-14. The estimated total project cost is \$11,650,000. This project is part of the Pump Stations/Tanks Program budget program that has \$5,000,000 requested in FY 2013-14 and over \$16 million in the 5 year Capital Improvement Program (CIP) budget. The proposed action will not result in a change in the forecast water rates and the current confidence rating is moderate.

6) **Staffing Requirements:**

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)
No.
- Will positions be created or eliminated in future years as a result of this legislation?
No.

(Complete the following section only if an amendment to the budget is proposed.)

7) **Change in Appropriations** (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☒ **YES:** Please proceed to Question #9.
☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Impacts in the community will be typical of a large infrastructure construction project including the potential for increased noise and traffic. Much of the impact from this project will occur in the vicinity of SW Nevada Street at Macadam. Through the public engagement process, the Water Bureau was able to identify concerns of property owners who will be the most greatly affected. Based on feedback from that process, Water Bureau modified its preferred design to a bore and jack method of construction rather than an open trench method, in order to reduce the noise and traffic impact. The design change necessitated acquisition of the easement which is the subject of this legislation.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

Project public involvement efforts began in 2009, and currently continue. Eighteen southwest neighborhood associations were contacted, as well as formation of a public advisory committee (PAC) who worked with architects to develop the exterior design of the building. A survey and presentations, including a public meeting were also conducted. Water Bureau staff also promoted the project through articles in *SW Post* and *The Oregonian*, and the Water Bureau Blog.

Coordination with OPB began in 2010. Three meetings with OPB were held in 2012 to discuss potential impacts during construction, and to coordinate onsite design activities. It was through these discussions that the bore and jack method of pipeline installation was selected as the preferred construction alternative.

c) How did public involvement shape the outcome of this Council item?

The public involvement process on this project resulted in a change in construction methods. Originally this project was designed as an open trench installation. Upon hearing concerns from the public, it was decided that a bore and jack method would be used. The change in construction method will reduce the impact to the community during construction but necessitates acquisition of the easement which is the subject of this legislation.

d) Who designed and implemented the public involvement related to this Council item?

The overall public involvement process for this project was designed and executed by Tim Hall, Water Bureau Public Outreach, with support from Elizabeth Kennedy-Wong, Portland Parks & Recreation Public Involvement, and Keith Walker and Dave Evonuk Water Bureau Engineering Services. Meetings with OPB were organized by Tim Hall.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Terry Black, Senior Community Outreach & Information Representative, 503-823-1168, and Terry.Black@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Future involvement related to this Council item will be focused on the owner of the property where the subject easement is located. All communications will be in accordance with Eminent Domain procedures provided for in ORS Chapter 35 (Eminent Domain; Public Acquisition of Property).

David G. Shaff, Administrator



APPROPRIATION UNIT HEAD (Typed name and signature)



Mayor Charlie Hales
David G. Shaff, Administrator

1120 SW 5th Avenue, Room 600
Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandoregon.gov/water



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DATE: March 8, 2013
TO: Mayor Charlie Hales
FROM: David G. Shaff, Administrator
RE: Authorize the Water Bureau to acquire a permanent easement necessary for construction of the Fulton Pump Station Improvements Project through direct negotiation or exercise of the City's Eminent Domain Authority (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** April 11, 2013
2. **REQUESTED COUNCIL AGENDA DATE:** April 17, 2013
3. **CONTACT NAME AND NUMBER:** Dave Evonuk, (503) 823-1566
4. **PLACE ON:** ☐ **CONSENT** ☒ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Y** ☐ **N** ☐ **N/A**
6. **TWO (2) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☐ **No** ☒ **N/A**

7. BACKGROUND/ANALYSIS:

The Water Bureau operates and maintains its Fulton Pump Station facility to provide water to approximately 10,000 private services in the City of Portland as well as wholesale customers west of the Willamette River. The pump station was originally constructed in 1912, has been redesigned for greater capacity four times and is now obsolete. The Burlingame Service Area Master Plan completed in September of 2006 identified the Fulton Pump Station as a top priority for replacement.

Based upon the Burlingame Service Area Master Plan recommendation and by an extensive public outreach effort, the Water Bureau designed a project to replace the Fulton Pump Station with a new facility to be sited in nearby Willamette Park. Council approved the Willamette Park site through Ordinance No. 183522 which was passed February 3, 2010.

The Water Bureau has continued efforts to finalize the pump station design and inform the public of potential impacts which could result from construction. Through ongoing outreach it became apparent that the primary public concerns pertain to Oregon Public Broadcasting's (OPB) facility access restrictions and vibration during a phase of construction involving use of an open trench method to install mains in SW Nevada Street. In response to OPB's concern the Water Bureau developed an alternate design option which would install the mains in SW Nevada using a bore and jack method instead of open trenching.

An added benefit is that the bore and jack method shall be extended across Macadam Avenue at Nevada Street thereby eliminating the traffic impacts associated with trenching in Macadam which is a state highway.

The bore and jack method of installing mains in SW Nevada will substantially mitigate concerns related to access restrictions or vibration; however, using this method necessitates that the Water Bureau acquire a permanent easement from the OPB's broadcasting facility located at the intersection of SW Macadam and SW Nevada. The permanent easement from OPB is the subject of this ordinance which seeks Council approval to negotiate with OPB for easement rights, or acquire the easement using the City's eminent domain authority.

8. FINANCIAL IMPACT:

The cost of this legislation has been determined to be compensation for the taking of easement rights and fees charged by consultants engaged in the acquisition process. This includes, but is not limited to, acquisition consultant, appraisal, and title/escrow fees. The value of the easement is anticipated to be low due to the small area involved and the relatively small impact to the subject property. The exact value will be determined by an independent appraisal of the exact rights taken.

Given the costs associated with litigation and the possibility of an adverse outcome, the Water Bureau intends to negotiate in good faith to arrive at agreement with the owner regarding reasonable compensation for the property. If agreement regarding just compensation cannot be reached through direct negotiations, additional costs could include staff time, resources of the City Attorney, and court costs associated with a condemnation proceeding. Costs associated with this legislation will not exceed available project funds.

The costs of this action are included as part of the \$2,200,000 requested for the project in FY 2013-14. The estimated total project cost is \$11,650,000. This project is part of the Pump Stations/Tanks Program budget program that has \$5,000,000 requested in FY 2013-14 and over \$16 million in the 5 year Capital Improvement Program (CIP) budget. The proposed action will not result in a change in the forecast water rates and the current confidence rating is moderate.

9. RECOMMENDATION/ACTION REQUESTED:

Authorize the Water Bureau to use available project funds to negotiate and acquire the described property through direct negotiations or use of the City's eminent domain authority.

Funds are available


Michael P. Stuhr, Chief Engineer


David G. Shaff, Administrator