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191834

Ordinance

Create the N Richmond Ave and Crawford St Local Improvement District to construct street, sidewalk, stormwater, water main, sanitary sewer, and railroad grade crossing improvements (C-10074)

Passed

The City of Portland ordains:

Section 1. The Council finds:

- 1. The Council adopted Resolution No. 37662 on May 29, 2024, declaring its intent to initiate local improvement district formation proceedings and establishing the name of the local improvement district as the N Richmond Avenue & Crawford Street Local Improvement District ("LID").
- 2. The record related to the adoption of Resolution No. 37662 is incorporated into the record of this Ordinance except that no part of the record of Resolution No. 37662 shall be considered a remonstrance for purposes of Section 17.08.070 of City Code, nor for purposes of Section 9-403 of the City Charter.
- 3. The Bureau of Revenue & Financial Services mailed notice of the July 10, 2024 LID formation hearing on June 18, 2024 to the owners of the benefited properties within the proposed N Richmond Avenue & Crawford Street LID. The property owners were notified of the time and location of the hearing conducted by Council, the total estimated project costs, the right and manner to object to the formation of the N Richmond Avenue & Crawford Street LID, the deadline and procedure for filing a remonstrance against the formation of the N Richmond Avenue & Crawford Street LID, and the amount of the estimated future assessment on benefited properties as set forth in Exhibit A. The deadline to submit a written remonstrance was at 5:00 PM on July 3, 2024.
- 4. Notices of the LID formation hearing were posted within the N Richmond Avenue & Crawford Street LID on June 26, 2024.

Introduced by

Mayor Ted Wheeler

Bureau

Transportation

Contact

Andrew Aebi LID Administrator & Project Manager, PBOT

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J <u>503-823-5648</u>

Requested Agenda Type Regular

Date and Time Information

Requested Council Date July 17, 2024

- 5. The LID Administrator published notice of the July 10, 2024 LID Formation Hearing in the Daily Journal of Commerce on June 24, 2024 and on June 26, 2024.
- 6. The general character and scope of the improvement is to remove the existing dirt, gravel and/or hard surface; grade the streets to their proper subgrade; construct an asphaltic concrete street with an aggregate base; construct stormwater drainage facilities; construct and reconstruct curbs on both sides of the street, and construct sidewalk and plant street trees; relocate water mains and sanitary sewer from N Bradford St. to N Crawford St.; and relocate and replace the N Richmond Ave. water main.
- 7. Widths, alignments and lengths of the project may be modified during the preparation of plans and specifications by the City Engineer.
- 8. N Richmond Avenue is in very poor condition with current pavement condition index ("PCI") score of 20 on a zero to 100 scale. The current curb-to-curb width is 51 feet with a concrete surface; this LID will reconstruct the street to a 32' curb-to-curb width in asphalt as approved by the City Engineer on September 22, 2022 and by the City Traffic Engineer on September 29, 2022.
- 9. N Crawford Street from N Burlington Avenue to N Richmond Avenue is also in very poor condition with current PCI scores ranging from zero to 36 on a zero to 100 scale with an average PCI score of 14, which is only marginally better than an unpaved street.
 - a. This LID will reconstruct the street in asphalt, maintaining the 36' curb-to-curb width as approved by the City Engineer on September 22, 2022 and by the City Traffic Engineer on September 29, 2022.
 - b. No sidewalk will be built on the north side of N Crawford Street between N Burlington Avenue to N John Avenue, and the amount of Pending Lien Nos. 176856, 176857, 176858, and 176859 reflect this scope change requested by the property owner at an on-site meeting on January 10, 2024.
- 10. N John Avenue from N Crawford Street to N Decatur Street, N Decatur Street from N John Avenue to N Charleston Avenue, and N Charleston Avenue from N Crawford Street to N Decatur Street are currently impassable rights-of-way.
- 11. N Richmond Avenue improvements will be constructed from the south right-of-way line of N Bradford Street right-of-way (Union Pacific Railroad tracks) to the north right-of-way line of N Crawford Street, plus any transition work on abutting street segments, intersections, and/or adjacent property determined to be necessary by the City

Engineer. The improvements will include new 12'-wide sidewalks with street trees on both sides of the street adjacent to a newly-constructed 32' curb-to-curb width roadway.

- 12. N Crawford Street improvements west of N Richmond Avenue will be constructed from the east right-of-way line of N Burlington Avenue to the east right-of-way line of N Richmond Avenue, plus any transition work on abutting street segments, intersections, and/or adjacent property determined to be necessary by the City Engineer. The improvements will include new 12'-wide sidewalks with street trees on both sides of the street (except for the north side of the street between N Burlington Avenue and N John Avenue) adjacent to a newly-constructed 36' curb-to-curb width roadway. Construction of improvements to N Crawford Street east of N Richmond Avenue will be designed, but is not currently budgeted for construction, which is dependent on additional funding from property owner(s) per directive 'i' of this Ordinance.
- 13. N Decatur Street improvements will be constructed from the west right-of-way line of N John Avenue to the east right-of-way line of N Charleston Avenue, plus any transition work on abutting street segments, intersections, and/or adjacent property determined to be necessary by the City Engineer. The improvements will include new 12'-wide sidewalk with street trees on the south side of the street adjacent to a newly-constructed 20' curb-to-curb width roadway with a temporary mountable curb on the north side of the street.
- 14. N John Avenue improvements will be constructed from the north right-of-way line of N Crawford Street right-of-way to the north right-of-way line of N Decatur Street, plus any transition work on abutting street segments, intersections, and/or adjacent property determined to be necessary by the City Engineer. The improvements will include new 12'-wide sidewalk with street trees on the east side of the street adjacent to a newly-constructed 20' curb-to-curb width roadway with a temporary mountable curb on the west side of the street.
- 15. N Charleston Avenue improvements will be constructed from the north right-of-way line of N Crawford Street right-of-way to the north right-of-way line of N Decatur Street unless the right-of-way is subsequently vacated by City Council, plus any transition work on abutting street segments, intersections, and/or adjacent property determined to be necessary by the City Engineer. The improvements (in the absence of a street vacation) will include new 12'-wide sidewalk with street trees on the west side of the street adjacent to a newlyconstructed 20' curb-to-curb width roadway with a temporary mountable curb on the east side of the street.
- 16. N Burlington Avenue improvements will be constructed from the south right-of-way line of N Bradford Street right-of-way (Union Pacific

Railroad tracks) to the north right-of-way line of N Crawford Street, plus any transition work on abutting street segments, intersections, and/or adjacent property determined to be necessary by the City Engineer. The improvements will consist of grade crossing improvements at the Union Pacific Railroad tracks and a new 12'-wide sidewalk adjacent to the existing 36' curb-to-curb width roadway, which will not be reconstructed.

- 17. The boundary of the N Richmond Avenue & Crawford Street LID includes the properties as shown on the map in Exhibit B.
- 18. The LID Administrator's estimated cost of designing, constructing and financing the improvements is \$15,726,500 as shown in Exhibit C, not including the cost of utility relocation that may be required at utilities' expense. The LID Administrator's estimate is based on the Engineer's Estimate of September 6, 2023 as shown in Exhibit D. Exhibit C reflects a subsequent revision to eliminate the sidewalk on the north side of N Crawford St. as noted in Finding No. 9 of this Ordinance. The LID Administrator's level of confidence in the cost estimate for this project as of the filing date of this Ordinance is "Low" per Exhibit A of Resolution No. 36430 adopted by Council on July 26, 2006 given that project specifications are preliminary.
- 19. The estimated amount of the future assessment for the N Richmond Avenue & Crawford Street LID is \$13,794,613 as reflected in Exhibits A, C and E.
- 20. The LID Administrator has analyzed the financial feasibility of the N Richmond Avenue & Crawford Street LID and finds that:
 - a. The collective bonding capacity of benefiting properties will be sufficient to minimize the City's financial risk associated with this project through a street vacation of N Charleston Avenue, eliminating an estimated \$4,053,196 in design and construction costs, including contingency, bringing the collective valuation of properties to more than twice the amount proposed to be assessed, excluding N Charleston Avenue costs.
 - b. Further, a recently-developed property at 6520 N Salem Avenue (adjacent to but outside the LID boundary) has no remaining frontage improvement requirements and currently carries a land-only value at a per-square-foot rate significantly in excess of the equivalent current values for properties within this LID.
 - c. Even a small increase in property values resulting from construction of the LID improvements would further lift the valuation to assessment ratio above the minimum 2:1 ratio specified in City Code.

- 21. The remonstrance level is evaluated in Exhibit E. Council retains jurisdiction over the formation of the N Richmond Avenue & Crawford Street LID because the total remonstrance level is less than the 60% threshold established by Section 9-403 of the City Charter.
- 22. The parcels of land within the N Richmond Avenue & Crawford Street LID will receive special benefit from the project in the amounts set forth in Exhibits A and E.
- 23. The Council has considered the remonstrances made by the owner of properties to be benefited by the N Richmond Avenue & Crawford Street LID project, and adopts the summary of remonstrances and findings as set forth in Exhibit F.
- 24. Passage of this Ordinance will constitute an assurance of performance as allowed by Section 17.24.055 B.5 of City Code.
- 25. Assessments for LIDs are not subject to the property tax limitation established by Article XI, Section 11b of the Oregon Constitution.
- 26. Pursuant to City Code, assessments for the N Richmond Avenue & Crawford Street LID will be imposed by a separate and subsequent ordinance.

NOW, THEREFORE, the Council directs:

- A. The N Richmond Avenue & Crawford Street LID is hereby created as shown in Exhibit C and the N Richmond Avenue & Crawford Street LID includes the properties to be benefited in the amounts identified in Exhibits A and E.
- B. Assurance of performance for nonexempt properties identified in Exhibit A is provided upon Council passage of this Ordinance per Section 17.24.055 of City Code.
- C. The properties' owners' estimated share of costs is as shown in Exhibit A and E. Costs for any necessary utility relocation shall be allocated per Subsection 17.16.100 of City Code as well as per the Final Procedures for Allocation of Utility Relocation Costs adopted on June 5, 2002.
- D. The City Engineer shall prepare plans and specifications for the improvement.
- E. Properties shall be assessed on a zoned square footage basis.
- F. Procurement Services within the Bureau of Revenue and Financial Services shall advertise for bids, prepare a contract, and award the contract through a competitive bid process. The improvements may be constructed in whole or in part by the City of Portland, or the City

of Portland may seek bids for any portion of the N Richmond Avenue & Crawford Street LID project. The manner in which the improvements are constructed will be at the sole discretion of the City Engineer.

- G. The Bureau of Revenue & Financial Services shall obtain interim financing to pay for N Richmond Avenue & Crawford Street LID project costs prior to bonding.
- H. PBOT is authorized to make expenditures for this project per Finding No. 18 and per Exhibit C, and the Bureau of Revenue & Financial Services is authorized to reimburse such expenditures from the LID Fund.
- I. The LID Administrator is authorized to negotiate Extra Work Agreements with any owner of property or properties for work not included in Findings 11 through 16, or other work, without a hearing notwithstanding Section 17.08.080 of City Code provided that:

1. The City Engineer has determined the additional work to be technically feasible; and

2. An Extra Work Agreement for property or properties abutting the additional improvement(s) have been approved as to form by the City Attorney.

- J. The Portland Bureau of Transportation to prepare a proposal for a street vacation of N Charleston Avenue from N Crawford Street to N Decatur Street for Planning Commission and City Council approval.
- K. The Local Improvement District Administrator shall prepare an Ordinance adjusting pending lien amounts in Assessment Zones 'D' and 'E' for properties abutting the current N Charleston Avenue rightof-way per directive 'j' if approved by both the Planning Commission and City Council.
- L. The requirement for a hearing per Code Section 17.08.080 is waived in the event that any portions of N John Avenue, N Decatur Street and/or N Charleston Avenue are omitted from construction at the sole direction of the City Engineer. Property owners will still be assessed for any design costs. Any design plans approved by the City Engineer may be built by property owners under a Public Works Permit subsequent to final assessment of this LID consistent with Code Chapter 17.24.
- M. The requirement for a hearing per Code Section 17.08.080 is waived to the extent of any increase in interest costs incurred prior to bonding.
- N. The requirement for a hearing per Code Section 17.08.080 is waived in the event that a major cost increase occurs as the result of contaminated media removal expense.

- O. In the event of any conflict between Binding City Policy ENB-6.02 and Code Chapter 17.08, Code Chapter 17.08 shall prevail.
- P. In the event of any conflict between Binding City Policy ENB-6.02 and this Ordinance, this Ordinance shall prevail.
- Q. If any finding or directive within this Ordinance conflicts with Resolution No. 37662, the finding or directive within this Ordinance shall prevail.

Documents and Exhibits

Exhibit A (https://www.portland.gov/sites/default/files/councildocuments/2024/03-exhibit-a-assessment-register-for-n-richmondcrawford-lid-formation-2024-07-10-rev1.pdf) 50.57 KB

Exhibit B (https://www.portland.gov/sites/default/files/councildocuments/2024/04-exhibit-b-map-for-n-richmond-crawford-lid-formation-2024-07-10-rev0.pdf) 179.17 KB

Exhibit C (https://www.portland.gov/sites/default/files/councildocuments/2024/05-exhibit-c-lid-administrators-estimate-for-n-richmondcrawford-lid-formation-2024-07-10-rev0.pdf) 21.38 KB

Exhibit D (https://www.portland.gov/sites/default/files/councildocuments/2024/06-exhibit-d-engineers-estimate-for-n-richmondcrawford-lid-formation-2024-07-10-rev0.pdf) 151.37 KB

Exhibit E (https://www.portland.gov/sites/default/files/councildocuments/2024/07-exhibit-e-remonstrance-evaluation-apportionment-forn-richmond-crawford-lid-formation-2024-07-10-rev1.pdf) 87.11 KB

Exhibit F (https://www.portland.gov/sites/default/files/councildocuments/2024/08-exhibit-f-summary-of-remonstrances-for-n-richmondcrawford-lid-formation-2024-07-10-rev0.pdf) 89.15 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council July 17, 2024

Auditor of the City of Portland Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

- This legislation forms the N Richmond Avenue & Crawford Street LID as a prerequisite to beginning survey and design.
- Final Council approval of the LID is anticipated on July 10, 2024.
- Commercial property owners are paying all direct costs of the LID. PBOT will only pay for overhead costs.
- BES and PWB are contributing funding to relocate their utilities from the N Bradford Street right-of-way to N Crawford Street to eliminate these utilities from underneath the Union Pacific Railroad tracks.
- Pavement is currently in very poor condition and will be reconstructed, and new street connections will be built in this area where the street grid is very undeveloped.
- Council approved initiation of LID formation proceedings on May 29th with the passage of Resolution #37662; the LID Administrator included directives in the Resolution to effect cost reductions to two property owners' assessments.
- One assessment reduction will be immediate, by deleting a sidewalk on one block face where a building encroaches into the right-of-way, and the other will happen subsequent to LID formation assuming Council approves a street vacation of N Charleston Avenue and removes this block from the eventual LID construction contract.

Financial and Budgetary Impacts

- Total project cost is \$15,726,500 at the Ordinance phase, reduced from \$15,902,100 at the Resolution phase.
- The LID amount is \$13,794,613 at the Ordinance phase, reduced from \$13,970,214 at the Resolution phase, with no owner-occupied residential properties included in the LID.
- PBOT is contributing \$1,447,414 in General Transportation Revenue (GTR) for overhead costs (per LID Code) and the PBOT Capital Investment Committee (CIC) was briefed on this project on February 14, 2023; no change from the Resolution phase to the Ordinance phase.
- PWB and BES are contributing \$317,004 and \$167,469 in ratepayer funds; no change from the Resolution phase to the Ordinance phase.

• There is no funding requested as a result of this legislation. Once the LID is formed, funding will be incorporated into the FY 2024-25 Capital Improvement Plan Requested Budget.

Community Impacts and Community Involvement

- There is currently a pending development proposal for one property in this LID.
- Formation of this LID will enable to development of hundreds of new housing units, including market rate and affordable housing. Longstanding infrastructure deficiencies have been a barrier to development, and multiple Public Works Permits (PWPs) are not a viable alternative to unlocking this area for development, which requires a comprehensive infrastructure solution and the involvement of all three infrastructure bureaus as well as Union Pacific Railroad.
- This LID will connect to improvements built in conjunction with the recently-completed N Burlington Avenue & Edison Street LID.
- The scope of the LID as proposed reflects extensive multiyear negotiations with property owners in the LID as well as with Union Pacific Railroad.

100% Renewable Goal

Not applicable.

Budget Office Financial Impact Analysis

This action authorizes creation of the N Richmond Ave and Crawford St Local Improvement District to construct street, sidewalk, storm water, water main, sanitary sewer, and railroad grade crossing improvements. Direct costs for the LID are to be paid by commercial property with PBOT paying for overhead costs. The LID amount is \$13,794,613 at the Ordinance phase.

Document History

Item 658 Time Certain in July 10, 2024 Council Agenda (https://www.portland.gov/council/agenda/2024/7/10)

(City Council)

Passed to second reading

Passed to second reading July 17, 2024 at 9:30 a.m.

Item 669 Regular Agenda in J<u>uly 17, 2024 Council Agenda</u> (<u>https://www.portland.gov/council/agenda/2024/7/17</u>)

City Council

Passed

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Absent

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Mayor Ted Wheeler Absent