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192016

Ordinance

Assess benefited properties for street, sidewalk, stormwater and sanitary sewer improvements in the N Suttle Rd Local Improvement District (C-10058)

Passed

The City of Portland ordains.

Section 1. The Council finds:

1. The Council stated its intent to construct improvements in the N Suttle Road Local Improvement District (LID) by the adoption of Resolution No. 37282 on May 10, 2017, declaring its intent to initiate LID formation proceedings and establishing the name of the LID.
2. The Council approved formation of the N Suttle Road LID with the passage of Ordinance No. 188576 on August 30, 2017.
3. The Council approved a major scope change and increase in the estimated cost of the N Suttle Road LID with the passage of Ordinance No. 189523 on May 29, 2019, extending the sanitary sewer to the west and extending the street improvements to the western terminus of the N Suttle Road right-of-way.
4. The Council approved a grant to Peninsula Terminal Company for replacement and vertical relocation of track and track crossings in advance of construction of the N Suttle Rd Local Improvement with the passage of Ordinance No. 190140 on September 23, 2020. This work was privately-contracted by Peninsula Terminal Company, and was completed its contractor, Rick Franklin, Inc., on April 12, 2021.
5. The Council authorized additional compensation in the amount of \$49,150 to Vega Civil Engineering, LLC, to complete design of the N Suttle Road LID per the passage of Ordinance No. 190876 on June 15, 2022.
6. The records related to Council approval of Resolution No. 37282, Council approval of Ordinance No. 188576, and Council approval of

Introduced by

[Mayor Ted Wheeler](#)

City department

[Transportation](#)

Contact

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

December 18, 2024

Ordinance No. 1889523 are incorporated into the record of this Ordinance, except that no part of the record of Resolution No. 37282, nor of Ordinance No. 188576, nor of Ordinance No. 189523 shall be considered an objection to final assessment for purposes of Section 17.08.130 of City Code, nor for purposes of Section 9-405 of the City Charter.

7. The Council authorized award of the construction contract to Westech Construction, Inc., accepting Bid No. 00001969 on February 8, 2023. Contract No. 30008343 was executed on February 22, 2023.
8. The City Engineer issued a Notice to Proceed to Westech Construction, Inc. on March 28, 2023. The street, sidewalk, stormwater and sanitary sewer improvements to N Suttle Road were substantially complete as of September 4, 2024 as indicated in Exhibit A.
9. A final certificate of completion is pending final payment and release of retainage to Westech Construction, Inc. based on final quantities of items of work as of October 31, 2024. The City Engineer has approved an in-lieu completion as indicated in Exhibit B to avoid additional progress payment interest accruing to this project.
10. The LID project scope included 3,097 centerline feet of street, sidewalk and stormwater improvements on N Suttle Road in addition to the replacement of five (5) railroad grade crossings per Finding No. 4 of this Ordinance.
11. No sidewalk was built on the south side of N Suttle Road due to the adjacency of the Peninsula Terminal Company railroad. Completion of this LID does not fulfill future frontage improvement requirements for sidewalk improvements to the west side of N Portland Road.
12. The total cost of the project is \$10,025,983 as shown in Exhibit C based on amounts in Exhibits A and C. The property owner's share for this project is \$9,216,876 as shown in Exhibits D and E, which is a decrease of \$353,684 or 3.7% below the amount estimated at LID major scope change hearing.
13. Additional funding was provided by the Portland Bureau of Transportation in the amount of \$809,107 in General Transportation Revenue for overhead costs.
14. The Revenue Bureau mailed notice of the December 11, 2024, final assessment hearing to the owners of benefited properties within the LID on November 20, 2024. The benefited properties are legally described based on Multnomah County property tax records as of the filing date of this Ordinance. The property owners were notified of the time and location of the final assessment hearing conducted by the Council; the total project costs, the deadline and procedure for filing

objections to the final assessment of the LID; and the amount of the proposed final assessment on benefited properties as set forth in Exhibit D and E. The deadline to file objections to final assessment was at 5:00 PM on December 4, 2024.

15. The properties are specially benefited in the amounts shown in the assessment roll in Exhibit E and the apportionment worksheet in Exhibit F.
16. The LID Administrator submitted for publication two notices of the LID final assessment hearing in the Daily Journal of Commerce on November 25, 2024, and on November 27, 2024.
17. The Council has considered any and all objections made by owners of the benefited properties. The Council accepts the summary of objections and findings as set forth in Exhibit G and adopts these findings as its own.
18. This Ordinance provides for assessment of benefited properties for local improvements. Assessments for local improvements are not subject to the property tax limitation established by Article XI, Section 11b of the Oregon Constitution.
19. In the event of any finding or any directive within this Ordinance conflicting with any prior Council action involving this LID, the finding or directive within this Ordinance shall prevail.
20. The LID Administrator's level of confidence in the cost estimate for this project is "High" per Exhibit A of Resolution No. 36430 adopted by City Council on July 26, 2006, because the project is complete.

NOW, THEREFORE, the Council directs:

- A. That any and all objections received are overruled and the assessment roll contained in Exhibit E and the apportionment worksheet contained in Exhibit F of this Ordinance are hereby approved and adopted.
- B. The Budget & Liens Section of the Revenue Division to enter the assessments as shown in Exhibit E in the Docket of City Liens.
- C. The Budget & Liens Section of the Revenue Division to mail final assessment notices to owners of benefited properties as set forth in Exhibit E based on the amounts identified in Exhibit F.

Exhibits and Attachments

 [Exhibit A](#) 733.48 KB

 [Exhibit B](#) 707.44 KB

 [Exhibit C](#) 21.89 KB

 [Exhibit D](#) 707.67 KB

 [Exhibit E](#) 663.66 KB

 [Exhibit F](#) 613.78 KB

 [Exhibit G](#) 640.87 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
December 18, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

- This legislation imposes final assessment and closes out the N Suttle Road LID.

Financial and Budgetary Impacts

- Total project cost is \$10,025,983.
- The final assessment for the core LID is in the amount of \$9,216,876 which is \$353,684 or 3.7% below the amount estimated at the LID scope change hearing.
- The LID assessment includes \$7,713,909 for privately-owned properties; \$779,992 for a PBOT taxlots and a combined \$722,975 for BES taxlots. The PBOT assessment will be paid from Transportation System Development Charge (TSDC) revenue (61.5%) and from Heavy Vehicle Use Tax (HVUT) revenue (38.5%).
- PBOT's project costs are \$809,107 of General Transportation Revenue (GTR) for absorption of overhead costs.
- Each \$1.00 of City funding leveraged \$3.34 in LID funding.

Economic and Real Estate Development Impacts

Engagement specific to the final assessment of the N Suttle Road LID consisted of notifications to the impacted property owners as set forth in Chapter 17.08 of City Code.

The N Suttle Road LID is entirely in an industrially-zoned area, so there is no effect on housing production or household income as a result of this project or this Final Assessment Ordinance. N Suttle Road was previously described by a property owner as the "Worst Road in Portland"; see property owner video in the record of Resolution #37282. Improvements to N Suttle Road will preserve N Suttle Road as an industrial sanctuary and its living wage jobs. Improvements to transportation infrastructure supporting freight movement is expected to accelerate the timing of industrial employment growth, as evidenced by the property ownership transfer of one property concurrent with LID construction.

Property owners have been engaged with the City for over 20 years on this LID, since the first property owner meeting was held in January 2004 before the LID was formed in 2017. Three (3) Council hearings were held prior to completion of design and issuance of a Notice to Proceed to the contractor by the City Engineer to begin construction. Now that construction of the project is complete, the sole remaining input of property owners is whether they wish to choose to object to final assessment of the LID.

Property owner input resulted in local infiltration of stormwater instead of piping it north to the Columbia River, which resulted in significant cost savings to the LID and avoided environmental permitting which would have been necessary to construct a new stormwater outfall to the Columbia River. The street was designed to be significantly narrower than the typical standard for freight streets so that building acquisition and demolition could be avoided.

Completion of the N Suttle Road LID significantly simplifies future land use approvals which may be sought in conjunction with future development. It would have been impossible to build frontage improvements under a public works permit (PWP) without also being able to avoid designing and constructing extremely costly off-site infrastructure improvements without each property owner instead pooling resources with their neighbors and with the City as was made possible by the N Suttle Road LID. The prior condition of the road was so poor that it was damaging freight vehicles using the street and was jeopardizing the viability of this area remaining as an industrial sanctuary. Two properties in combined ownership have sold since the LID was formed, at sales prices much higher than the real market value carried by Multnomah County at LID formation (\$9.6 million vs. \$4.1 million).

Community Impacts and Community Involvement

- This LID was initiated by Council prerogative.
- This project provided industrial property owners with a financial mechanism to resolve the very poor pavement condition of their street (49 on a zero to 100 scale), and benefited from the engineering expertise of PBOT and BES, and the ability of PBOT to collaborate with Peninsula Terminal Company to replace the substandard railroad crossings.
- There has been extensive collaboration and communication between the LID Program and property owners during the past twenty years, culminating in successful construction of the project, with property owners receiving the benefit of the LID 3.7% below budget over seven years since the LID was formed

100% Renewable Goal

Not applicable

Document History

Agenda	Council action
December 11, 2024 Regular Agenda City Council	Passed to second reading Passed to second reading December 18, 2024 at 9:30 a.m.
December 18, 2024 Regular Agenda City Council	Passed Aye (5): Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler