

IMPACT STATEMENT

Legislation title: Support entering the Project Development phase of the Powell-Division Transit and Development Project and authorize letter to Metro stating commitment to provide Transportation System Development Charge funds towards the transit project. (Resolution)

Contact name: Jean Senechal Biggs, Portland Bureau of Transportation

Contact phone: x 3-7211

Presenter name: Leah Treat, Director, Portland Bureau of Transportation

Purpose of proposed legislation and background information:

The purpose of this item is to request the Council's support to continue the region's efforts on the Powell-Division Transit and Development Project and to authorize a letter from Commissioner Novick to Metro stating the City's commitment to budget Transportation System Development Charge (SDC) funds towards the transit project.

Background

Metro's 2009 *High Capacity Transit System Plan*, a 30-year plan to guide investments in light rail, commuter rail, bus rapid transit and rapid streetcar in the Portland metropolitan region, identified a route from Portland city center to Gresham in the vicinity of the Powell Boulevard corridor as one of three near-term regional priority corridors.

In 2013, Metro initiated the Powell-Division Transit and Development Project to develop a planning vision for future transit service and related investments in the corridor with project partners from TriMet, the cities of Portland and Gresham, Multnomah County, and the Oregon Department of Transportation. To support this work, the Metro Council awarded the City of Portland a Community Planning and Development (CPDG) Grant to participate in and complete work during the Planning phase. In spring 2015, the Project Steering Committee of community partners, agency leaders and elected officials reached consensus on bus rapid transit (BRT) service and conceptual route alignments to advance for further consideration between downtown Portland and Gresham via inner SE Powell Boulevard and outer SE Division Street. (see attached Exhibit A)

Implementation of the transit project reinforces the proposed *2035 Comprehensive Plan Update* and supports strategies and policies identified in the *Portland Plan*, *East Portland Action Plan* and *East Portland in Motion*.

Next Steps

The project is now ready to enter into Project Development, the first phase of the Federal Transit Administration (FTA) process for discretionary funding opportunities of up to \$75 million through the Small Starts Program. Project Development activities include initiating preliminary engineering, preparing cost estimates, conducting environmental analysis and approvals required by the National Environmental Policy Act (NEPA), identifying and adopting a final Locally Preferred Alternative (LPA), and developing a finance plan and accompany information for a

Small Starts rating for the project. Metro and TriMet will lead these efforts and City of Portland staff would provide technical and expert support.

Metro and TriMet are preparing an application to FTA to request entry into FTA Project Development, which will include information about the transit project to understand the potential eligibility of the project for a future Small Starts grant. The complete application requires letters of commitment from each of the project partners stating support for advancing the project and available local funding for the two-year FTA Project Development phase.

Financial and budgetary impacts:

The FTA Small Starts program offers an opportunity to leverage local funds with future federal funding toward a transit project in the corridor. Up to \$8.394 million of City of Portland Transportation SDC funds are available for capacity increasing improvements to the transportation system along SE Division Street such as safer pedestrian crossings, new sidewalks and street lighting, and enhanced traffic signals to accommodate transit service. The SDC funds require a 25% match over the life of the project. [note: Procurement of rolling stock (e.g. buses) is not an eligible expense and other project funding will be required.]

Project Development Phase – Fiscal Years 15/16 and 16/17

Once the project is in FTA Project Development, any project-eligible expenses can be counted as match toward a future federally-funded grant of up to \$75 million under Small Starts.

To complete the two-year Project Development Phase, Metro estimates \$7.15 million in direct costs, with additional in-kind contribution from project partners. Metro, TriMet and the partner agencies are developing a scope of work that will further refine this cost estimate, therefore, the level of confidence for the Project Development work is moderate.

The project partners expect to meet the required funding for FTA Project Development through financial contributions from each agency. PBOT anticipates a contribution of an estimated \$2,000,000 in Transportation SDCs in Fiscal Years 15/16 and 16/17. Should the project advance, an intergovernmental agreement between the City of Portland and Metro will be presented to Portland City Council this summer.

This Resolution and letter of support to Metro are non-binding. Commitment of any Transportation SDC funds for the project would occur through the City of Portland's budget approval process. The Portland Bureau of Transportation's proposed FY 15/16 budget towards the project includes \$500,000 in direct contribution and an additional \$507,894 in personnel expenses (SAP Cost Object T00465). The FY 15/16 budget process culminates with Council action to adopt the proposed budget on June 18, 2015.

If this Resolution is not approved and the City does not submit a letter to Metro stating its support of the project, this would either halt the project entirely or substantially reduce the extent of the project and the City's role in this regional transit project.

Project Implementation – Future Years

Upon the successful completion of Project Development, the project partners, including the City of Portland, may consider advancing the project to final engineering and construction and make a formal application to the FTA for a Small Starts Construction Grant.

In order to qualify for the Small Starts program and an FTA grant of up to \$75 million, the overall project cost must be less than \$250 million. During the two-year Project Development phase, formal cost estimates will be prepared based on a refined design and preliminary engineering.

Metro will lead the effort to develop a finance plan to determine the region's approach to funding the transit project. Any future financial contributions from the City of Portland will require City Council action.

Community impacts and community involvement:

The project partners worked with communities along the corridor through broad and inclusive engagement. Public engagement activities, led by Metro with support from all of the project partners, included numerous input opportunities in inner Southeast and East Portland.

Latino, Chinese, Vietnamese, Russian, Tongan, Bhutanese and Native American Portlanders were reached through public involvement efforts, as well as Portland youth and seniors. The project team also engaged with community building and economic development efforts in the Jade District and the Division Midway Alliance, which are two of the Portland Development Commission's Neighborhood Prosperity Initiative districts, and reached Portland Community College students and administration. Project staff sought input through a variety of methods including: briefings to committees, neighborhood associations, business and advocacy groups; open houses; bus stop surveys; and an online map comment tool. Project working groups held meetings focused on specific topics: transportation, development, equity, and safety and security.

Important themes emerged during engagement activities that contribute to Portland Plan goals for a prosperous, educated, healthy, equitable Portland:

- 1) People see the transit project and supporting action plan work by the City as a means to advance desired community outcomes including:
 - mixed income neighborhoods
 - intentional affordable housing
 - safer, more welcoming streets and community spaces
 - more jobs in the corridor
 - support communities of color
 - protecting existing small businesses, especially ethnic businesses at the heart of communities
- 2) People want safer, more comfortable transportation that includes:
 - safe sidewalks, crossings and bike facilities
 - continued or improved mobility for all road users
 - faster, more reliable transit
 - better access to transit

- 3) There are places that could be made safer, more welcoming, healthier and better connected, which could present opportunities for business development and community building.

The Project Steering Committee weighed public input and technical information to advance the transit project and related action items. Project partners are committed to a realistic proposal with strong community support.

Metro’s primary contact for public involvement is Dana Lucero, Senior Public Involvement Specialist (503-797-1755; Dana.Lucero@oregonmetro.gov)

Several members of the Project Steering Committee are expected to attend the Council Hearing to testify in support of the project. Other community members may also testify.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

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

KK 5-7-15