

IMPACT STATEMENT

Legislation title: Create a local improvement district to construct street, sidewalk, stormwater, sanitary sewer and water main improvements in the NW Park Ave and Johnson - Kearney Sts Local Improvement District (Hearing; Ordinance; C-10069)

Contact name: Andrew Aebi

Contact phone: 503-823-5648

Presenter name: Andrew Aebi

Purpose of proposed legislation and background information:

- Forms the local improvement district as a prerequisite to beginning survey and design of the project.
- NW Park Avenue, NW Johnson Street and NW Kearney Street have been combined into a single LID. Per LID Code, a final assessment will not occur until the entirety of the project has completed construction. Therefore, there will be no LID payments for any property receiving special benefit from the LID until all three (3) streets are constructed, which is not anticipated to be fully completed until 2030.

Financial and budgetary impacts:

- The LID amount is \$23,000,000 with \$18,000,000 from Assessment Zone 'A' west of NW Broadway and \$5,000,000 from Assessment Zone 'B' east of NW Broadway.
- Approximately 78% of the LID is apportioned to properties currently in the ownership of Prosper Portland and approximately 22% of the LID is apportioned to properties currently in the ownership of Greyhound.
- An additional \$4.6 million in project costs will be funded by PBOT Transportation System Development Charge (TSDC) revenue.
- No funding is being provided by PBOT General Transportation Revenue (GTR).
- Per Administrative ENB-6.02, 85% of the future LID assessment amount is on currently publicly-owned properties and is therefore exempt from all feasibility tests in ENB-6.02; however these properties meet the requirements of Code Section 17.08.050.E. The remaining 15% of the future LID assessment amount will be secured on properties currently in private ownership which meet all other applicable requirements of ENB-6.02 in addition to Code Section 17.08.050.E. Formation of the LID also advances City goals and objectives as identified within Ordinance No. 190146 approved by Council on September 23, 2020.

- Prosper Portland and the Office of Management and Finance are negotiating the restructuring of an existing line of credit to be partially or fully repaid by future land sales, consistent with the terms of City Council's approval of the Broadway Corridor Omnibus Resolution on September 23, 2020. These negotiations are expected to be finalized within approximately the next six (6) months.
- As part of City Council's approval of the Broadway Corridor Omnibus Resolution, PBOT and Prosper Portland were also directed to negotiate an IGA consistent with the terms of the Funding & Finance Plan, for City Council's future consideration. Among other terms, this IGA will address:
 - Allocation of potential cost overruns. Interest rates and other market conditions may vary over the next twelve years, and additional costs that arise in connection with the LID-funded infrastructure – whether due to financing, greater than anticipated contaminated media remediation costs, or otherwise – will be addressed in the PBOT / Prosper IGA. As stated in the ordinance, PBOT will not bear additional costs relating to financing and/or contaminated media remediation but will bear a proportionate share of other potential cost overruns.
 - Mitigation of LID default risk. In the unlikely event most or all of the USPS property remains in ownership by Prosper Portland by 2032, and Prosper Portland's financial resources are insufficient to cover the LID payments due on those parcels remaining within their ownership, the PBOT / Prosper IGA will address the conditions by which the parties may reallocate funds up to the amounts set forth in the Funding & Finance Plan.
 - The risk of Prosper defaulting on the LID payments due to an inability to transact on land sales may also be mitigated by provisions that allow for renegotiation of the terms of the Community Benefit Agreement and/or the Disposition and Development Agreement due to financial infeasibility that could reduce Prosper Portland's financial obligations within the Funding and Finance Plan.
 - If the aforementioned mechanisms are still insufficient, as with all LIDs there is potential risk to the LID Fund (and ultimately the General Fund) if Prosper Portland defaults on the LID payments.
- The Portland Bureau of Transportation and the Office of Management and Finance are collaborating on an interim line of credit for the financing for the LID Fund.
- Formation of this LID conserves discretionary public resources and enables funding of additional planned public infrastructure within the Broadway Corridor.

Community impacts and community involvement:

- This project is part of the planned redevelopment of the Post Office site in Northwest Portland.
- This LID was initiated by majority petition support, with outreach to Prosper Portland and Greyhound, which are the only two (2) current property owners in the LID. Prosper Portland has in turn reached out the development partners who will be the future owners of their property.

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



PORTLAND BUREAU OF TRANSPORTATION

190180

EXHIBIT G

1120 SW Fifth Ave., Suite 800 Portland, OR 97204 503-823-5185

Fax 503-823-7576 TTY 503-823-6868 www.portlandoregon.gov/transportation

Chloe Eudaly Commissioner Chris Warner Director

October 14, 2020

SUMMARY OF REMONSTRANCES AND FINDINGS TO COUNCIL

Create a local improvement district to construct street, sidewalk, stormwater, sanitary sewer and water main improvements in the NW Park Ave and Johnson - Kearney Sts Local Improvement District (Hearing; Ordinance; C-10069)

I. SUMMARY

No written remonstrance representing any of the owners of the six (6) nonexempt properties in the NW Park Avenue & Johnson - Kearney Streets Local Improvement District was received by the filing deadline registering objections to formation of the local improvement district. Total remonstrances represent 0% of the total area of properties included in the local improvement district and 0% of the estimated assessment within the local improvement district.

II. RECOMMENDATION

It is the recommendation of the Local Improvement District Administrator that the City Council overrule any and all remonstrances and form the NW Park Avenue & Johnson - Kearney Streets Local Improvement District.

Respectfully submitted,

A handwritten signature in black ink that reads "Andrew H. Aebi".

Andrew H. Aebi
Local Improvement District Administrator



The Portland Bureau of Transportation fully complies with Title VI of the Civil Rights Act of 1964, the ADA Title II, and related statutes and regulations in all programs and activities. For accommodations, complaints and information, call (503) 823-5185, City TTY (503) 823-6868, or use Oregon Relay Service: 711.