

RESOLUTION No. 36224 As Amended

Approve the City Engineer recommendation for the design of the Portland Aerial Tram and direct implementation of the project and associated neighborhood improvements (Resolution)

WHEREAS, on May 23, 2002, City Council passed Resolution #36071, which approved a process for consideration of a Suspended Cable Transportation System and directed the City Engineer in the Portland Office of Transportation (PDOT) to develop an alternatives analysis of connection alternatives between Marquam Hill and South Waterfront; and

WHEREAS, on July 10, 2002, City Council passed Resolution #36085 which accepted the City Engineer's recommendation for the construction of an aerial tram on the Gibbs Street alignment linking South Waterfront to Marquam Hill and directed further work towards the implementation of this project; and

WHEREAS, on November 1, 2002, City Council approved Resolution #36112, which accepted a work plan for the design development phase of the Portland Aerial Tram project, including the implementation of an international design competition for the tram; and

WHEREAS, the work plan for the design development phase was consistent with the Suspended Cable Aerial Tram process previously adopted by City Council, and consistent with the City Engineer's approach for the development of public projects through the incorporation of public advice, including the advice of the Portland Design Commission and Portland Historic Landmarks Commission; and

WHEREAS, City Council subsequently approved contracts with the project sponsor, Portland Aerial Transportation, Inc. (PATI), to manage the design competition and provide ongoing technical and project management support for the aerial tram project; and

WHEREAS, the design competition was successfully completed, attracting over 1500 local participants to public events held throughout the competition. The competition resulted in four outstanding design proposals for the aerial tram project and the selection of Angéil/Graham/Pfenninger/Scholl as the lead architect for the project; and

WHEREAS, City Council directed the Portland Office of Transportation (PDOT) and PATI to work closely with affected neighborhood residents and interested citizens on the design of the tram and the identification of related neighborhood improvements; and

WHEREAS, in early 2003, PATI and PDOT collaborated with neighborhood leaders in Southwest Portland to create a forum for meaningful citizen input, resulting in the creation of a thirteen member Citizens Advisory Committee for the Portland Aerial Tram project; and

WHEREAS, the Citizens Advisory Committee met eighteen times over the course of fourteen months to provide advice on the design of the tram, identify neighborhood improvements, and establish an implementation strategy for neighborhood improvements; and

WHEREAS, the Citizens Advisory Committee, in collaboration with PATI and PDOT, has produced and unanimously endorsed the *Portland Aerial Tram Final Recommendations and Report*, attached as Exhibit A, which outlines recommendations for the design of the tram and neighborhood priorities for implementation of projects in the South Portland area; and

WHEREAS, the recommendations contained within the Citizens Advisory Committee report relative to the design of the Portland Aerial Tram meet the stated goals of the City Council and PATI for design excellence, are consistent with the vision and goals for the project and are technically sound recommendations acceptable to the City Engineer; and

WHEREAS, the estimated project cost for the Portland Aerial Tram has increased to \$28,500,000 due to increased structural and site requirements and the desire to maintain architectural excellence for the project; and

WHEREAS, the South Waterfront Central District Project Development Agreement, approved by the Portland Development Commission on August 13, 2003, and accepted by City Council Resolution #36163 on August 14, 2003, contains a funding and financing plan for the Portland Aerial Tram project and is being amended to reflect the updated project cost; and

WHEREAS, the Citizens Advisory Committee's recommendations relative to neighborhood improvements include a number of projects that have been identified through previously adopted studies, including the South Portland Circulation Study (accepted by City Council Resolution #36014, August 1, 2001), the Marquam Hill Plan (adopted by City Council Ordinance #176742 on July 10, 2002), the South Waterfront Plan (adopted by City Council Ordinance #177082, November 13, 2002), and the Southwest Trails Plan (accepted by City Council Resolution #35907, July 26, 2000); and

WHEREAS, many of the projects identified in the Citizens Advisory Committee Report, including initial phases of the South Portland Circulation Study, pedestrian connections to South Waterfront and traffic management projects on Marquam Hill, are critical to the continued health of South Portland's neighborhoods, especially Homestead, Corbett/Terwilliger/Lair Hill and South Waterfront; and

WHEREAS, the PATI Board has received the *Portland Aerial Tram Final Recommendations and Report* and wholeheartedly supports the recommendations on tram design and neighborhood improvements, with the sole exception being the recommendation for property owner compensation or buy-out programs; and

WHEREAS, PDOT and PATI have met with the Portland Design Commission and Portland Historic Landmarks Commission on multiple occasions during the Design Development process to receive advice on the design of the tram and related neighborhood improvements, and will continue to meet with these commissions as designs are refined and further developed to seek and incorporate additional advice.

NOW, THEREFORE, BE IT RESOLVED, that the City Council accepts the City Engineer's design recommendation for the Portland Aerial Tram, identified in *Portland Aerial Tram Final Recommendations and Report*, attached as Exhibit A; and

BE IT FURTHER RESOLVED, that the City Council directs the City Engineer to complete the final design for the tram consistent with the accepted recommendation by December 31, 2004, and to issue the design as a City Standard Improvement in the Public Right-of-way; and

BE IT FURTHER RESOLVED, that the City Council sets and approves the project budget for the Aerial Tram at \$28,500,000, which will be funded consistent with the South Waterfront Central District Project Development Agreement, as amended; and

BE IT FURTHER RESOLVED, that the City Council directs the Portland Office of Transportation and Portland Aerial Transportation, Inc., to continue their work with the Design and Historic Landmarks Commissions to solicit their advice during the remaining stages of the design process; and

BE IT FURTHER RESOLVED, that the City Council wishes to thank the members of the Citizens Advisory Committee and other interested citizens who actively participated in the tram design process and helped create a compelling vision for South Portland's neighborhoods; and

BE IT FURTHER RESOLVED, that the City Council accepts the Citizens Advisory Committee recommendations for neighborhood improvements identified in *Portland Aerial Tram Final Recommendations and Report*; and

BE IT FURTHER RESOLVED, that the City Council directs the City Engineer to pursue implementation of the neighborhood improvement projects listed on the Tier I Study and Project Lists contained within Exhibit A; and

BE IT FURTHER RESOLVED, that the City Council will continue to focus on neighborhood improvements within the Lair Hill area that improve the quality of life for neighborhood residents, and especially those along or under the tram alignment; and

BE IT FURTHER RESOLVED, that the City Council directs the City Engineer to return with a status report on the progress of the funding and implementation of neighborhood improvements within one year of the passage of this Resolution; and

BE IT FURTHER RESOLVED, that the City Council directs the City Engineer to pursue and bring back to Council for consideration, recommendation 5.7.7 S-71, a fair market value, one-time, limited term property buy-out program, based on an independent professional appraisal, for owner occupied, residentially zoned properties, along the Gibbs Street alignment.

Adopted by the Council, JUN 1 0 2004

Mayor Vera Katz
Matt Brown:slg
June 1, 2004
Design Resolution 0610041.doc

GARY BLACKMER
AUDITOR OF THE CITY OF PORTLAND

By 

DEPUTY

Agenda No.

RESOLUTION NO.

Title

Approve the City Engineer's recommendation for the design of the Portland Aerial Tram and direct implementation of the Portland Aerial Tram project and associated neighborhood improvements. (Resolution)

INTRODUCED BY	DATE FILED:
Mayor Vera Katz	Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER	
Affairs	
Finance and Administration	By: _____ Deputy
Safety	For Meeting of: <u>June 10, 2004</u> Time Certain <u>3:30 p.m.</u>
Utilities	
Works	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: Transportation Engineering & Development	
Prepared by: <u>MB</u> Date: <u>June 1, 2004</u>	
Budget Impact Review:	
<input checked="" type="checkbox"/> Completed <input type="checkbox"/> Not Required	
Include in PPD: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Filename: Design Resolution of Intent doc	
Bureau Head: Donald Gardner <i>Don Gardner</i>	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
		YEAS	NAYS
Consent Regular XX	Francesconi	Francesconi	
NOTED BY	Leonard	Leonard	
City Attorney	Saltzman	Saltzman	
	Sten	Sten	
	Katz	Katz	

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**PORTLAND OFFICE OF TRANSPORTATION
COUNCIL CALENDAR ITEM**

Council Calendar No. _____

Submitted for Council Consideration on: June 10, 2004, 3:30 p.m. Time Certain - Regular Agenda

DESCRIPTION: Resolution Title: Approve the City Engineer's recommendation for the design of the Portland Aerial Tram and direct implementation of the Portland Aerial Tram project and associated neighborhood improvements.

The resolution approves the design for the Aerial Tram based on work performed to date by Portland Aerial Transportation, Inc. (PATI), and the architect, Angelil/Graham/Pfenninger/Scholl. The resolution also supports the recommendations of the Portland Aerial Tram Citizens Advisory Committee related to the implementation of neighborhood improvements in the South Portland area, specifically in Corbett/Terwilliger/Lair Hill and Homestead.

BACKGROUND: On November 12, 2002, City Council directed PDOT and PATI to undertake the Design Development work program for the Aerial Tram. The work program specifically called for the creation and implementation of an international design competition, the initiation of a design process for the project, the identification of associated neighborhood improvements, and the meaningful inclusion of public dialogue throughout the process..

Over the past 18 months, PDOT and PATI have worked cooperatively with South Portland residents to develop design recommendations for the aerial tram and a neighborhood improvement strategy that seeks to improve the neighborhood as a whole in association with the tram project. The work is embodied in Exhibit A to the Resolution, the *Portland Aerial Tram Final Recommendations and Report*, which serves as a total package of recommendations from the CAC, PATI, and the City Engineer on the design of the tram and the identification of neighborhood improvements.

ISSUES: Over the course of the public process, a number of issues have been identified and resolved between the neighborhood, PATI, and PDOT. However, there remain a few issues that continue to emerge as hot buttons.

First, the tram is still a project that generates antagonistic feelings among neighborhood residents. The reasons for this are many, but primarily related to the notion that the tram will destroy neighborhood livability and decrease property values. The Citizens Advisory Committee held two spots open for residents of Gibbs Street in Lair Hill, but no direct participation was provided for these slots due to ongoing litigation efforts on their behalf.

Second, the issue of property owner compensation continued to emerge as a direct request from the neighborhood on behalf of Gibbs Street residents. A number of recommendations in the *Portland Aerial Tram Final Recommendations and Report* outline potential approaches to this issue, including a property value guarantee, outright compensation for affected property owners based on an as-yet-to-be-determined formula, and voluntary buy-out programs for property owners along the alignment.

Third, the neighborhood is highly skeptical of the City's ability to produce results on the neighborhood improvement front, and are looking for commitments from Council to ensure that

progress will be made on their highest priorities. Specifically, the pedestrian bridge connection to South Waterfront, South Portland Circulation Study Implementation, Marquam Hill traffic calming and Terwilliger Parkway stewardship and improvements are the primary issues of interest.

POTENTIAL PROBLEMS: The issue of property owner compensation will be a very divisive and hotly contested point at the hearing. Both PDOT and the PATI Board, while supportive of the recommendation package as a whole, do not support providing any form of monetary compensation for affected property owners. The reasons for this stance are:

1. The implementation strategy for the neighborhood improvements portion of the report focuses efforts and resources on improvements that benefit not only residents of Gibbs Street but surrounding residents as well. Money used for property owner compensation would inhibit the City's abilities to put resources towards long-standing neighborhood priorities, such as the pedestrian bridge or South Portland Circulation Study. City resources can and should be spent to benefit the maximum number of people, and can be spent in this case in a way that also helps improve the quality of life for Gibbs Street residents, even with the tram in place.
2. Using public dollars to compensate property owners for impacts – real or perceived – of a public project would set a dangerous and expensive precedent for the City's public works bureaus. Even if the program is tightly defined, a decision to move in this direction would create political pressure on future projects to include compensation as a strategy for offsetting any potential impacts. By comparison, and consistent with PDOT's and PATI's recommendation, the \$330,000,000 Westside CSO project set aside \$1,000,000 for neighborhood improvements and not compensation, even with the amount of disruption that the project has caused for residents and businesses along the length of the alignment.
3. A report commissioned from E.D. Hovee and Company by PDOT during the Design Development Phase to evaluate the potential financial impact of the tram on property owners was inconclusive. However, the report found that investment in neighborhood improvements similar to those improved would improve property values in the Lair Hill area.

The remaining problem relative to this resolution is the need to pass the Development Agreement Amendment #3 concurrent with or before the passage of the package of the tram decisions. Until that development agreement amendment is approved, there will be legitimate questions on the behalf of interested citizens as to the effect that increasing the tram budget to \$28,500,000 will have on the rest of the package, including neighborhood improvements, greenway improvements, parks, and affordable housing. Without this amendment, it will be difficult or impossible to explain the terms of the entire deal to interested participants.

RECOMMENDATION: Pass Resolution

Can be delayed week(s), if necessary

Fiscal Review by WV

Should be filed this week.

No impact at fund level

Must be filed this week.

Impact on Fund

Contact Person Matt Brown, Project Manager will attend Council session.

Phone No. 503-823-7027

City of Portland
BUDGET/FINANCIAL COUNCIL ACTION IMPACT STATEMENT

INITIATOR'S SUMMARY OF COUNCIL ACTION (Deliver original to Financial Planning Division. Retain copy).

1. Name of Initiator Matt Brown, Project Manager	2. Interoffice Mail Address 106/800	3. Telephone No. 503-823-7027	4. Bureau/Office/Dept. PDOT/BTE&D/PMD
5a. To Be Filed (date) June 10, 2004	5b. Calendar (Check One) REGULAR Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to OMF Budget Analyst: June 1, 2004	6. Fund Name & Number Transportation Fund #

Please check appropriate box and list dollar amount.
 If using electronic MS Word Version, underline appropriate category and type and list dollar amount after. (Opt.)

Category 1 No financial Impact [X]

Category 2 Routine and Budgeted Items []

- | | |
|---|--|
| <input type="checkbox"/> Contracts
<input type="checkbox"/> Grants
<input type="checkbox"/> Call for bids on purchasing contracts
<input type="checkbox"/> Reports to Council regarding completion of projects | <input type="checkbox"/> Annual Supply Contract
<input type="checkbox"/> Claims payment under \$15,000
<input type="checkbox"/> Creation of a Local Improvement District
<input type="checkbox"/> Other |
|---|--|

Category 3 Non-Routine or Unbudgeted Item []

SUMMARY OF ACTION: In concise terms, describe what is to take place through the enactment of this council action. Where applicable, narrative should include answers to the following questions. Add space as necessary below each question. Multiple page responses are acceptable if necessary to answer all relevant questions.

- A. What action(s) is proposed?

- B. Who will be affected by the proposed action? (List other City bureaus? Citizens? The business community?)

- C. What will the action cost? In this fiscal year? Subsequent year(s)? How much revenue will it generate? In this fiscal year? In subsequent year(s)? If there are indirect costs or future commitments implied as a necessary accompaniment or result of this action, include an estimate of these costs even if the action does not formally authorize any expenditure.

- D. Is the cost included in the current year's budget? If so, which Fund or AU? If not, identify funding sources and amounts -i.e., interagency, contingency/unforeseen, grants, administrative transfer, etc.

- E. What alternatives to this action have been explored?

APPROPRIATION UNIT HEAD (Typed name and signature)

Brant Williams, Director, Office of Transportation

