

 **Metro** | *Agenda*

**REVISED**

Meeting: Lake Oswego to Portland Transit Project Steering Committee  
Date: Tuesday, July 13, 2010  
Time: 9 to 10:30 a.m.  
Place: Metro Regional Center, room 401  
Purpose: Discuss DEIS highlights including financial plan  
Outcome: Understand latest DEIS information; receive project updates, discuss next steps

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9:00 a.m.	Welcome and agenda review	Councilor Collette, Co-chair
9:15 a.m.	Project updates <ul style="list-style-type: none"><li>• Review of alternatives</li><li>• DEIS status, publication and public comment period</li><li>• LPA decision-making process</li><li>• Schedule and budget</li><li>• Public involvement</li></ul>	Doug Oblatz, SOJ
9:35 a.m.	Federal funding picture	Rick Gustafson, SOJ
9:45 a.m.	Finance plan presentation <ul style="list-style-type: none"><li>• Project capital cost</li><li>• Project operations and maintenance cost</li><li>• Project finance plan</li></ul>	Steve Siegel, Seigel Consulting
10:15 a.m.	Discussion	Councilor Collette, Co-chair
10:30 a.m.	Adjourn	Councilor Collette, Co-chair



Lake Oswego to Portland Transit Project Steering Committee  
Friday, January 8, 2010  
10 a.m. to noon  
Lake Oswego Trolley tour for Steering Committee members

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**Committee Members or Representatives Present**

Robert Liberty, Chair	Metro Council
Carlotta Collette, Co-Chair	Metro Council
Jack Hoffman	City of Lake Oswego
Patrick Sweeney	City of Portland
Judie Hammerstad	Portland Streetcar, Inc.
Joe Recker	TriMet
Nancy Bennett	Multnomah County
Douglas Oblatz	Shiels Oblatz Johnsen
Ann Lininger	Clackamas County
Rian Windshiemer	Oregon Department of Transportation
Ellie McPeak	former Lake Oswego Councilor

**Committee Members Excused**

Jason Tell	Oregon Department of Transportation
Michael Powell	Portland Streetcar, Inc.
Sam Adams	City of Portland
Fred Hansen	TriMet
Deborah Kafoury	Multnomah County
Lynn Anne Peterson	Clackamas County

**Project Team**

Jamie Snook, Bridget Wieghart, Cliff Higgins, Crista Gardner, Brian Monberg, Jenny Dempsey Stein, Ina Zucker, Rick Gustafson, Tom Markgraf, Brant Williams, Ralph Drewfs

## **I. WELCOME**

Tour began at 10:21 a.m.. Twenty-two elected officials and staff were in attendance. **Councilor Robert Liberty** and **Ms. Jamie Snook** led the tour presentation and discussion. Councilor Liberty thanked the committee for attending the tour and previewed what they would see on the tour. He introduced Ms. Snook and her role in the project. Ms. Snook gave a brief overview of the history of the Willamette Shore Line.

## **II. FOOTHILLS DEVELOPMENT**

**Mayor Jack Hoffman** described the Lake Oswego Foothills development plan and vision of transit oriented development on 100 acres, including 17 industrial acres. The plan would be oriented to the streetcar, with stations at the old trolley station and Albertsons, amidst challenging topography across 50 feet of riverfront. Williams and Dane have projected a 10 to 15 year framework plan, incorporating goals of mixed-use commercial and residential housing, with owner occupied and rental units at a variety of price points.

Mayor Hoffman said that the development project is a “poster child” for a tight urban growth boundary and urban reserves, and the market will respond in downtown Lake Oswego, Milwaukie and Oregon City. With installation of parallel tracks, economic development will increase as vehicle miles traveled (VMTs) along Highway 43 decrease.

Mayor Hoffman stated that there are some issues to be aware of and to work out. There are access issues on Highway 43 with multi-modal transport. This corridor passes by a sewage treatment plant and Tryon Creek. Housing unit density could be up to 40 to 60 units/acre.

## **III. TOUR STOPS**

**Ms. Snook** noted the terminus at Albertsons would have about 300 parking spots and about 100 spots would be in a surface lot at the old trolley station. In the Foothills District, two design options would be the streetcar running on a Foothills Road extension and the Union Pacific Railroad option, which would be single track in the railroad right of way. The Union Pacific Railroad option would maintain the freight offset required by Union Pacific but would require relocation of freight tracks 15 feet to the west. There would be a pedestrian connection at State Street and B Avenue. This could be a phased option, adding a northbound single track on the extended Foothills Road during the redevelopment of the Foothills District.

Both design options will be compared in the Draft Environmental Impact Statement, to be published in summer of 2010. By fall 2010, the Locally Preferred Alternatives will be determined and move into preliminary engineering. The Final Environmental Impact Statement will be published by 2011. Construction could begin in 2014. The Lake Oswego streetcar would open in 2016. The original trolley line was built in 1932.

Ms. Snook pointed out areas of potential redevelopment in the Foothills area. She mentioned that one or two freight trains operated by Portland and Western Railroad run on the Union

Pacific tracks daily. The freight tracks diverge from the Willamette Shore Line right of way just north of Lake Oswego to cross the “forgotten bridge” toward Milwaukie.

Ms. Snook mentioned that the trail refinement is moving forward in a separate process, and improvement of the currently unimproved trail would help to reconnect neighborhoods. The streetcar design has it come off the Willamette Shore Line right way and pass underneath bermed freight tracks, which may also become a pedestrian and bicycle underpass, in either the Union Pacific or Foothills design options. The City of Lake Oswego has plans to improve the difficult at-grade crossings at Fielding and Stampffer roads. There is 30 to 60 feet of right of way in this area, but it is constrained. Double tracks will continue through the Fielding Road area.

The tour passed the potential station at Briarwood Road near Highway 43, next to Riverwood Road. This is an historic stop of the Red Electric line. Near the existing trestle, a double track would be feasible although the area is constrained by a retaining wall and hill to the west.

The tour passed through the 1,400 foot tunnel, which has never been widened. This would be a single-track section. Historically, there was a double-decker train on the route. North of the tunnel at Riverwood Road, another station would connect to Highway 43. This original trolley stop at Jefferson Street used to be next to the Whitehouse Hotel on the Willamette River, a gentleman’s club in the 1920’s, until it burned down.

Two design options for the area are being evaluated in the DEIS, and one was proposed by the property owner whose land would be bisected by the other option. The second option he proposed would run in-street on Riverwood Road, but the finance plan would lose the equivalent local match value, if part of the right of way were not used. Many residents without driveways also park their cars on Riverwood. At Military Road, streetcar tracks adjacent to Highway 43 would require closing access to Military Road, a local roadway for residents. Committee members noticed the big grade difference on the slope, but Ms. Snook replied that good transit design would ensure safe streetcar grade passage.

In the next constrained section, there is a 30-foot right of way and frequent pedestrian access to residences. In the Willamette Shore Line option, the two large trestles, one long and one short (1,300-foot) would be replaced. She noted that the Riverwood option was to the west of the trolley tracks.

The Willamette Shore Line right of way has been assessed every 3 to 5 years, and trestle work was last done in November of 2009. There was a question about comparing costs of reusing trestles. Ms. Snook replied that streetcar system design poses challenges to maintaining 15-minute headways. In other streetcar systems, signal timers and intelligent design systems have helped to reach this goal. Light rail systems typically use switches for this purpose, whereas streetcars cannot. In this area, residences have limited road access and have used private manual rail carts to transport bulky items on the tracks.

With the Sellwood Bridge in sight, Ms. Snook discussed two design options for the potential station and minimum operable segment. One would be in the Willamette Shore Line right of way and the other would be a new interchange, closer to the river, as part of the interim and

future redesigned bridge. Phase three of the Sellwood Bridge Project will increase the infrastructure of the west side interchange. The west end interchange and bridge access will be planned for future streetcar space as part of the Sellwood Bridge Project.

North of the Sellwood Bridge, there is an existing culvert at Stevens Creek. One design option would be single-track in the Willamette Shore Line right of way. The second would be a new double-track bridge over the creek. A committee member asked about restoration on Stevens Creek and Councilor Liberty responded that there had been work done in Butterfly Park and in the headwaters.

Next to the industrial park in Johns Landing, close to the OPB office at Nevada Street, a double track would pass through Willamette Park in the 30-foot right of way.

**Mr. Doug Oblatz** mentioned the Lake Oswego Transit Project Citizen Advisory Committee's interest in another Macadam Avenue option, extending streetcar six blocks on Macadam Avenue, between Carolina and Nevada streets, which the members thought could engender more economic development opportunities. A "full Macadam" option, which had the streetcar running on Macadam Avenue through the length of Johns Landing was eliminated by the Steering Committee due to the decrease in local match funds (in the loss of Willamette Shore Line value). Mr. Oblatz said that he is reviewing the budget and timeline for an economic assessment of the idea put forth by the Community Advisory Committee members. At Nebraska Street, there could be a station location by an office building, although this is not the preferred access point. The Macadam option would have a stop at Carolina Street, one block north of this transition point, then turn, with a new signal for pedestrian activity. The rail line would be a tangible part of the community.

Further north, the alignment would follow the right of way again, moving closer to riverside condos. In the 1970s, developers of these condos made agreements with the City of Portland that any transit would be on Macadam Avenue through this area. This agreement was not an easement or contract, and city zoning code allows for temporary uses. With the Willamette Shore Line design, the Jones trestle would be removed and the streetcar would cross the existing Willamette River Greenway at grade, then pass through the old Who Song and Larry's restaurant site.

After the Boundary Street station, the streetcar would operate in mixed-traffic on Landing Drive.

**Councilor Carlotta Collette** asked what the furthest distance between Macadam Avenue and the Willamette Shore Line was. Ms. Snook replied approximately 400 feet, but she would verify that number.

There is already public access on Nebraska Street, but Boundary Street access would have to be purchased. The beginning of the South Waterfront south portal project at Hamilton Court and Moody Avenue has access to businesses. The Willamette Shore Line right of way would be an interim option until the south portal project is completed. A committee member asked about right of way in the area. At Hamilton Street, there is a southbound two-way couplet with Moody Avenue, and a north-bound two-way with Bond Avenue. Greenway trail access would be maintained in the double-track area.

In the Willamette Shore Line option, there would be a temporary turnaround at Lovell Street at the Bancroft terminus.

#### **IV. FEDERAL POLICY UPDATE**

**Mr. Rick Gustafson** gave a federal policy update. The federal transportation authorization bill is being extended from September of 2009 until past the 2011 election. Grants will be more rapidly processed and this will facilitate streetcar development. The Urban Circulator Program, a joint initiative of the Environmental Protection Agency, the Department of Housing and Urban Development and the Department of Transportation, is accepting applications for Transportation Investment Generating Economic Recovery grants by Feb. 8, and recipients would be announced by June. A maximum of \$25 million in funds are available. Different grant criteria include sustainability, economic development and livability. This will impact the work/thought processes of Federal Transit Administration regional offices.

An urban circulator grant has not been requested for the Lake Oswego corridor, but the right of way will leverage New Starts funds. Congress and the Federal Transit Administration will tie in transit-oriented development into a proposal for the February streetcar summit. – Planners would like to achieve a cost benefit ratio of less than 24.99. If Rogoff repeals the letter, this would help streetcars in the United States. The office of Management and Budget refused to go along with requirement to meet criteria and this eliminated a lot of projects.

The Eastside streetcar loop was funded by the Small Starts program. Another streetcar project in Tucson has not been funded yet, but there is pressure from the Transit System Users Benefit (TSUB) calculation.

#### **V. DEIS UPDATE**

**Ms. Snook** informed the group that the DEIS was still on schedule, with the complete draft to be submitted to the FTA in middle of March. Chapters 1 and 2 have been submitted, with a detailed definition of alternatives and transit methodologies.

**Mr. Oblatz** noted staff have been recalibrating the budget with Joe Recker and having monthly PMG meetings. The DEIS will be published on-track. MTIP funds will be borrowed for the LPA project.

**Councilor Liberty** added that extended federal transportation funds would not pay for planning.

#### **VI. Public Involvement Update**

**Mr. Cliff Higgins** stated that in response to ODOT's request for more business and commuter outreach, staff has met with business groups and institutions in the corridor, including the Lake Oswego Chamber of Commerce, Portland State University, OHSU and Mary's Woods. The South Portland Business Alliance is scheduled for next week.

Participants were generally happy with the idea of streetcar, but said that the streetcar would have to be speed competitive with car usage in order to personally use it. Most commuters like the idea of others using the streetcar if it makes this functioning corridor faster.

**Councilor Liberty** added that OHSU commuters mentioned issues of paid versus non-paid parking, congestion and weekly family versus weekend usage would all affect ridership. Mr. Higgins noted that commuters were excited for the potential to use the streetcar for non-work related trips or social trips.

Three thousand people received newsletters, updating on the DEIS process, alternatives and design options.

The next steering committee meeting date has not been scheduled.

Mr. Higgins announced that the first of four Southwest Charter School audio podcasts was placed on Metro's web site in late December. The podcast themes will be:

- 1) The history of streetcars and the Willamette Shore Line in Portland and streetcar safety
- 2) Oregon Iron Works hardware construction and employment aspects
- 3) DEIS topics, with a special focus on sound and vibration.
- 4) Modeling, transit ridership projections using math and science curriculum.

## **VI. ADJOURN**

There being no further business, Chair Liberty? adjourned the meeting at 11:58 a.m.

*Meeting summary respectfully submitted by:*

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*Jenny Dempsey Stein*

Attachments to the Record:

Item	Topic	Document Date	Description	Document Number
1	Agenda	7/22/08	July 2008 Meeting Agenda	072908tsc-01
2	Staff Report	7/22/08	TOD S.C. Communication	072908tsc-02
3	Summary	7/22/08	TOD S.C. Meeting Summary, January 2008	072908tsc-03
3	Summary	7/22/08	TOD S.C. Meeting Summary, February 2008	072908tsc-04
3	Summary	7/22/08	TOD S.C. Meeting Summary, March 2008	072908tsc-05
4	Elevation	7/22/08	One 19 Towers	072908tsc-06
5	Document	7/22/08	TOD Program Financial Report	072908tsc-07



# OVERVIEW OF LAKE OSWEGO CAPITAL COST AND FINANCING ISSUES

## 1. Purpose

- First in a Series of Discussions on Finance Plan
- Explain Current Cost Estimates
- Explain Preliminary Capital Funding Concepts
- Allocation of Cost Shares/O&M Cost Issues to Come

## 2. Project Capital Cost Background

- Five Segments – 2 to 4 options each; 96 combinations
- Overlapping Projects/Shared Project Elements
  - Moody/Bond Option: Shared South Portal Project Cost
  - Sellwood Bridge: ROW Trade of Equal Value
  - Foothills Option: Shared Road Project Cost
- 2035 Cost vs. Opening Day (FFGA) Cost
- 2010 Dollar Cost vs. Inflated (YOE) Cost

## 3. Capital Cost Elements

- Design and Construction Cost
  - 2010 Dollar Cost Estimate from URS
  - Escalation to YOE Costs based on Project Schedule
- Value of Donated ROW
- Interim Borrowing Cost
- Net Finance Cost during Project Development

## 4. Design and Construction Cost

- Hard Construction Costs
- Design/Engineering/Administration/Management
- Purchased ROW/Relocation
- Vehicles
- Maintenance and Storage Allowance
- Art
- Contingency

## 5. Donated ROW/In-Kind Contribution

- FTA Decides on Value of In-Kind Contribution
- Real Market Value of Property Interest Contributed
- Appraisal Done in 2008
- Includes “Railroad” Factor for Assemblage

## 6. Interim Borrowing/Net Finance Cost

- Interim Borrowing Cost Results from New Starts Appropriations Lag
- Net Finance Costs Result from Borrowings Used to Provide Local Match
- Amount of Net Finance Cost Depends on Duration of Project – ends when all New Start Funds Appropriated

## 7. Preliminary Capital Cost Estimate: Low and High

	Cost in Millions of YOE \$	
	Low	High
PE/Final Design	\$22.6	\$28.5
Construction	\$253.5	\$320.5
Contributed ROW	\$94.5	\$97.0
Interim Borrow Interest	\$3.9	\$4.4
Net Finance Cost	\$5.1	\$8.0
<b>Total</b>	<b>\$379.6</b>	<b>\$458.3</b>

## 8. Funding Plan Elements

- 60% New Starts Funding
- In-kind Contribution
- Shared Project Contribution
- Project-Specific Match
- Revenues Used for Net Finance Costs

## 9. Higher Capital Cost ≠ Higher Project Specific Match: Example of Impact of In-Kind Contribution (Millions of YOE\$)

	Others/ Riverwood/	Others. WSL
<b>Capital Cost (YOE\$)</b>	\$386.0	\$400.0
<b>Revenue (YOE\$)</b>		
New Starts	\$231.6	\$240.0
In-Kind (WSL ROW)	\$94.5	\$108.8
<b>Project Specific Match</b>	<b>\$54.6</b>	<b>\$46.8</b>
Shared Project Contribution	\$0.0	\$0.0
Net Finance Revenues	\$5.3	\$4.4
<b>Total</b>	<b>\$386.0</b>	<b>\$400.0</b>

**10. Overlapping Project/Shared Project Contribution**

- Lake Oswego Streetcar Built First, no certainty of shared project
  - Overlap costs on Lake Oswego Streetcar
  - Worse Case
- Shared Project Built First, prior to LONP
  - Overlap Costs removed from Lake Oswego Streetcar
  - Lower Cost = Lower project specific match
  - Good, but not Best
- Project Timing Coordinated/Funding Plan Integrated
  - Overlap Costs included in Lake Oswego Streetcar
  - Shared Project Revenues included in Lake Oswego Streetcar
  - Best Case: Lowest Project Specific Match

**11. Higher Capital Cost ≠ Higher Project Specific Match:  
Example of Impact of Shared Project Contribution**

	<b>Others/ UPRR</b>	<b>Others/ Foothills</b>
<b>Capital Cost (YOE\$)</b>	\$38 8.2	\$418 .5
<b>Revenue (YOE\$)</b>		
New Starts	\$23 2.9	\$251 .1
In-Kind (WSL ROW)	\$83. 4	\$83. 4
<b>Project Specific Match</b>	<b>\$65. 3</b>	<b>\$63. 2</b>
Shared Project Contribution	\$0.0	\$13. 0
Net Finance Revenues	\$6.6	\$7.8
<b>Total</b>	<b>\$38 8.2</b>	<b>\$418 .5</b>

**12. Mitigate Risk Associated with Shared Projects**

- Risk with Share Project Revenue: Shared Project does not Advance as Expected
- This would Increase Project Specific Match, or Necessitate Shift in Preferred Alignment
- Shift in Preferred Alignment Triggers Supplemental DEIS
- Solution: Carry Alternatives into FEIS

### 13. Preliminary Examples of 2035 Finance Plan Scenarios (Millions of YOES)

	1	2	3	4	5
<i>North Macadam:</i>	WSL	WSL	WSL	WSL	Moody/Bond
<i>Macadam:</i>	WSL	WSL	In-Street	In-Street	Add Lane
<i>Sellwood:</i>	Sellwood	WSL	Sellwood	WSL	Sellwood
<i>Dunthorpe:</i>	Riverwood	WSL	Riverwood	WSL	Riverwood
<i>Lake Oswego:</i>	UPRR	UPRR	UPRR	UPRR	Foothills-No
New Starts	\$231.6	\$240.0	\$232.9	\$241.3	\$244.7
South Portal: Shared					\$10.9
Foothills: Shared					
WSL ROW	\$94.5	\$108.8	\$83.4	\$97.7	\$83.4
<b>Project Specific Match</b>	<b>\$54.6</b>	<b>\$46.8</b>	<b>\$65.3</b>	<b>\$57.5</b>	<b>\$61.5</b>
Construction Interest	\$5.3	\$4.4	\$6.6	\$5.6	\$7.4
<b>Total</b>	<b>\$386.0</b>	<b>\$400.0</b>	<b>\$388.1</b>	<b>\$402.2</b>	<b>\$407.8</b>

	6	7	8	9
<i>North Macadam:</i>	WSL	Moody/Bond	Moody/Bond	WSL
<i>Macadam:</i>	Add-Lane	Add-Lane	In-Street	In-Street
<i>Sellwood:</i>	WSL	WSL	WSL	WSL
<i>Dunthorpe:</i>	Riverwood	WSL	Riverwood	Riverwood
<i>Lake Oswego:</i>	Foothills	Foothills	Foothills	Foothills
New Starts	\$255.2	\$275.2	\$262.4	\$251.1
South Portal: Shared	\$0.0	\$10.9	\$10.9	\$0.0
Foothills: Shared	\$13.0	\$13.0	\$13.0	\$13.0
WSL ROW	\$83.4	\$97.7	\$83.4	\$83.4
<b>Project Specific Match</b>	<b>\$65.7</b>	<b>\$54.0</b>	<b>\$59.1</b>	<b>\$63.2</b>
Construction Interest	\$8.1	\$7.9	\$8.6	\$7.8
<b>Total</b>	<b>\$425.4</b>	<b>\$458.6</b>	<b>\$437.3</b>	<b>\$418.5</b>