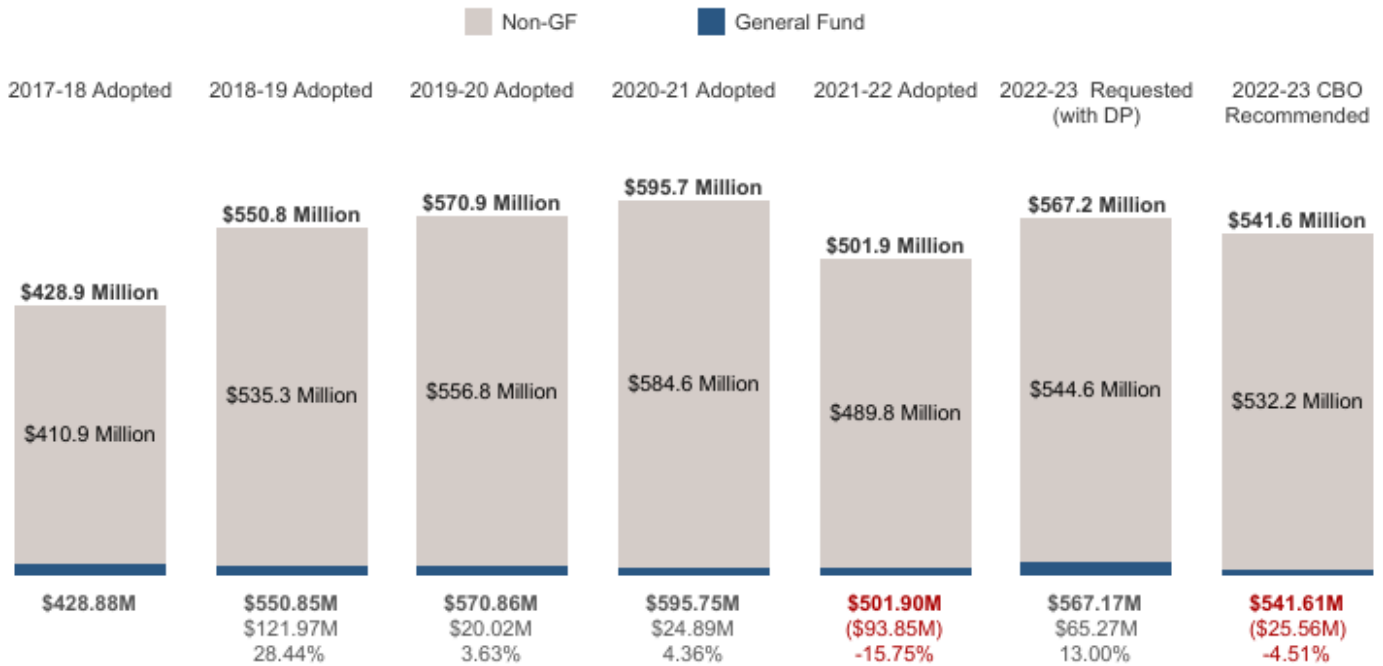




Bureau of Transportation

Analysis performed by Lorena Guadiana

Adopted Budget Revenues | 5-Year Lookback



Adopted Full-time Equivalent Totals

Year	Non-GF	General Fund	Total
2017-18	881.32	977.34	1,021.30
2018-19	96.02	977.34	1,078.37
2019-20	43.96	1,021.30	1,078.37
2020-21	57.07	1,021.70	1,078.37
2021-22	-56.67	1,021.70	1,021.70
2022-23 Requested	23.00	1,044.70	1,044.70
2022-23 CBO Recommended	1.00	1,045.70	1,045.70

EXECUTIVE SUMMARY

The Portland Bureau of Transportation (PBOT) submitted a Requested Budget for FY 2022-23 totaling \$567.2 million, which includes \$12.6 million in Capital Improvement Set-Aside requests, plus 1,044.70 authorized FTE.

The COVID-19 pandemic continues to have substantial impacts on PBOT’s revenue and structural deficit. PBOT’s FY 2022-23 Requested Budget estimates a deficit of \$28.4 million in their FY 2023-27 five-year forecast. This deficit is expected to grow to over \$30 million when accounting for the recent impacts of the District Coalition of Trade Unions (DCTU) labor related settlement and interagency costs. To address the bureau’s five-year General Transportation Revenue (GTR) deficit for this primary discretionary funding source, PBOT proposes both ongoing programmatic reductions in their budget and increases to

existing fees and rates focused on stabilizing the bureau’s finances. More, to tackle its projected FY 2022-23 budget shortfall, PBOT is proposing new revenue increases, as well as expenditure reductions. While they are not eliminating programs, the bureau is making service delivery reductions across all divisions; enacting policies and funding projects that shift transportation behavior in an equitable manner; and developing sustainable long-term revenue sources.

To address losses from the pandemic and structural deficit, the bureau proposes expense reductions supported by GTR of \$4.1 million. Their Capital Improvement Set-Aside requests include projects for paving, signal improvement, the installation of ADA-compliant curb ramps, as well as other projects.

The bureau’s budget includes Recreational Cannabis Tax Fund and General Fund resource requests for community violence reduction initiatives and pedestrian safety. PBOT is also requesting American Rescue Plan Act (ARPA) resources to continue the Healthy Businesses Program. The table below includes a summary of each decision package submitted by PBOT and corresponding City Budget Office (CBO) recommendation. The table and this review do not include recommendations or analysis for the bureau’s ARPA requests.

Decision Package (DP) #	Request Description	CBO Recommendation
12963	Reductions to Balance PBOT Deficit: the request makes programmatic expense reductions across multiple PBOT divisions, representing a net savings of \$20.6 million over a five-year period and cuts 4.0 FTE in FY 2022-23.	CBO recommends this decision package as requested.
13123	Cost-Recovery and Inflationary Increases: the request is for \$173,000 deriving from new parking fee and rate increases to achieve cost recovery and catch up with inflation.	CBO recommends this decision package as requested.
13124	Parking Fees to Fund Climate and Equity: the request is for \$2,000,000 deriving from new parking transaction fees, and an ongoing permanent Analyst II (1.0 FTE) position.	CBO recommends this decision package as requested.
13125	Community Violence Prevention: this request is for \$250,000 in one-time General Funds, \$250,000 in Discretionary Recreational Cannabis Funds, and an ongoing permanent Coordinator II (1.0 FTE) position to implement built environment interventions that would lead to gun violence prevention.	Due to constrained General Fund resources and competing proposals for said resource, CBO is not recommending funding for this decision package but encourages Council to consider funding the entire request using one-time Recreational Cannabis Funds.

13126	Outer Holgate Ped Safety: this request is for \$350,000 in one-time General Funds, \$350,000 in Discretionary Recreational Cannabis Funds for purposes of a pedestrian safety project focused on deterring vehicle crashes.	Due to constrained General Fund resources and competing proposals for said resource, CBO has not prioritized this decision package for funding recommendation.
13130	Parking Garage Savings - Cash Transfer: this request seeks to eliminate the PBOT’s annual cash transfer from the Parking Facilities Fund to the General Fund, resulting in an estimated \$1.8 million in savings for the bureau and a corresponding decrease in centrally available General Fund resources.	Given the importance of the General Fund as a source of funding for decision packages and the considerable funds that the bureau receives, the CBO does not recommend Council approve the elimination of this cash transfer.
13133 (Capital Set -Aside)	ADA-Compliant Corners - Capital Set-Aside: \$1,600,000 to continue the work of delivering curb ramps as mandated by the City of Portland signed consent decree because of a settlement with the Civil Rights Education and Enforcement Center (CREEC) agreeing to deliver 1,500 ADA -compliant curb ramps per year for 12 years.	CBO recommends this decision package for Capital Set-Aside funding as requested. CBO notes these funds supplement \$1.8M provided in the FY 2021-22 Fall BMP for this purpose.
13134 (Capital Set-Aside)	Bridge Completion: 42nd Ave: this request is for \$1,100,000 in one-time General Funds to pay for a budget shortfall to replace the NE 42nd Avenue Bridge which has been classified as “functionally obsolete.”	CBO recommends this decision package for Capital Set-Aside funding as requested.
13135, 13136, 13137, 13138 (Capital Set-Aside)	<p>These PBOT DPs were grouped as they are all requesting one-time General Funds to deliver signal rebuilds.</p> <ol style="list-style-type: none"> 1. DP 13135, Signal Rebuild: SE 52nd & Woodstock: \$650,000 in one-time General Funds to replace traffic signal hardware, upgrade pedestrian crossings, and left turning movements separated from pedestrian crossings at the 52nd and Woodstock intersection to achieve safety benefits for all users. 2. DP 13136, Signal Rebuild: SE Foster & 110th: \$600,000 in one-time General Funds to cover a funding gap for the Foster Road: 110th-111th signals and 	CBO recommends all four decision packages for Capital Set-Aside funding as requested.

	<p>lighting project which received partial funding in FY 2021. This intersection signal will be completely rebuilt. All four intersection corners will be rebuilt to current ADA standards and resurfaced with a four-inch grind and pave, and lighting will be added.</p> <p>3. DP 13137, Signal Rebuild: N Rosa Parks & Greeley: \$500,000 in one-time General Funds to rebuild the signal at the N Rosa Parks Way and N Greeley intersection by installing four new signal poles with new signal heads. All four corners will be upgraded to include dual ADA ramps. Adjacent crosswalks will be upgraded to high-visibility crosswalks.</p> <p>4. DP 13138, Signal Rebuild: SW Broadway & Jefferson: \$1,500,000 in one-time General Funds to install new high visibility signal heads with reflective backplates, transit priority sensors, emergency vehicle priority sensors; traffic detection sensors and controllers with capabilities for advanced traffic control strategies. Additionally, refresh high visibility crosswalk markings, and crossing signals with leading pedestrian interval time and countdown timers.</p>	
13139 (Capital Set-Aside)	Street Paving: SE Division: this request is for \$4,664,000 in one-time General Funds to reconstruct the pavement along SE Division Street between César E Chávez Boulevard and 52 nd Avenue. PBOT would also upgrade all crossings along this section of SE Division Street to meet Americans with Disabilities Act (ADA) standards.	Due to constrained Capital Set-Aside fund resources and competing proposals for said resource, CBO is not recommending funding for this decision package at this time.
13140 (Capital Set-Aside)	Landslide Stabilization: SW Upper Hall & College: this request is for \$1,200,000 in one-time General Funds for landslide mitigation projects on SW Upper Hall Street and SW College Street.	Due to constrained Capital Set-Aside fund resources and competing proposals for said resource, CBO is not recommending funding for this decision package at this time.
13142	Critical ADA Funding: Sidewalks & Signal Crossings: this request is for \$800,000 in	CBO recommends this decision package for Capital

(Capital Set-Aside)	one-time General Funds to remediate trip hazards, cracks, and gaps along sidewalks and upgrade traffic signals' push buttons to include audible operations. This work is part of PBOT's recently adopted ADA Title II Public Right of Way Transition Plan.	Set-Aside funding as requested.
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BASE BUDGET & KEY ISSUES

The mission of the Portland Bureau of Transportation (PBOT) is to be a community partner in shaping a livable city. PBOT plans, builds, manages, and maintains an effective and safe transportation system that provides people and businesses access and mobility. PBOT keeps Portland moving.

To contend with a fast-evolving environment, PBOT recently adjusted how the bureau plans for the future. In FY 2019-20, PBOT launched Moving to Our Future, the bureau's updated strategic vision and their 5-year plan for the transportation system. PBOT's plan framework aims for a more equitable transportation system. It emphasizes addressing critical intersectional issues connected to its mission such as gentrification and displacement, equitable service delivery, and access to jobs and opportunity. The goals of Moving to Our Future are threefold:

1. Safety: Make Portland's streets safe for everyone
2. Moving people and Goods: Provide transportation options for a growing city
3. Asset Management: Deliver smart investments to maintain the transportation system

These goals communicate the important and challenging work ahead for PBOT. The bureau's Transportation System Plan (TSP) envisions a shift from cars to other modes of travel, and places high value on delivering greater transportation alternative options to impact congestion, health, the economy, and carbon emissions in Portland.

Behind the curtain guiding the indispensable work needed to achieve the bureau's goals are several PBOT groups including:

- Office of the Director
- Policy, Planning, and Projects
- Parking Services
- Engineering Services
- Maintenance Operations
- Development Permitting and Transit
- Business Services
- Traffic Systems & Operations

Likewise, the bureau's budget is organized around 21 budget programs and bureau organizational units often provide support to more than one program area.

Consistent with the bureau's desire to strategize around their mission and goals, for this budget process, PBOT prioritized the following areas:

1. Making progress on the strategic plan and transportation justice goals,

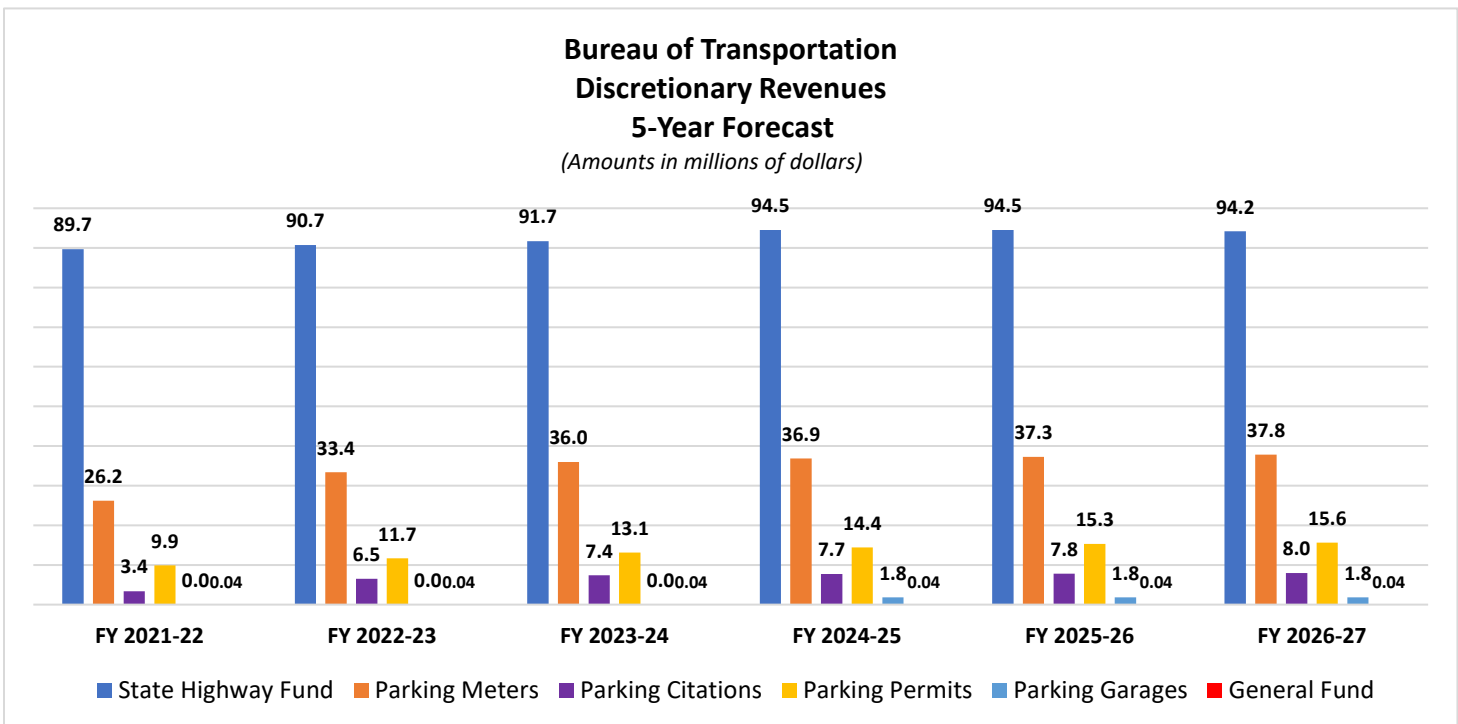
2. Preserving existing workforce, and
3. Stabilizing the bureau's finances.

PBOT's requests include Cannabis Recreational Tax Funds, General Funds, and American Rescue Plan Act (ARPA) resources. To address critical services and infrastructure for all Portlanders, PBOT's FY 2022-23 budget request amounted to \$567.2 million, including \$12.6 million for Capital Improvement Set-Aside requests.

PBOT's Prolonged Fiscal Challenges

To understand PBOT's funding challenges, one must also comprehend its funding sources. The bureau's sources of revenue consist of constrained funding: the State Highway Fund, parking revenues, program fees, grants, program reserves, set-asides, balancing reserves, project carryovers, and bond proceeds. It is fundamental to highlight that the majority of PBOT's discretionary revenues are generated by funding sources where the bureau does not have authority to set the rate to collect. The largest of this type of revenue is the State Highway Fund, whose rates and allocations are set by the Oregon state legislature and equate to about 60% of the bureau's General Transportation Revenue (GTR). Funding from the State Highway Trust Fund is also constitutionally restricted for use on "construction of roads, streets, and roadside rest areas." As a result, PBOT is highly reliant on statewide decisions for local funding issues. The State Highway Fund is best summarized as an increasingly regressive source of funding for the bureau. Magnifying the Bureau's financial situation are significant declines to parking revenues borne from the COVID-19 pandemic. Parking revenues have been slow to recover as waves of infections have delayed the return of remote workers and impacted demand for in-person activities.

PBOT's ongoing source of discretionary funding dedicated to the Capital Improvement Program (CIP) continues to be scarce. As a result, 81% of these funds are dependent on grants and other fiscally constrained funding sources. PBOT's CIP was developed with existing resources in mind and with the goal of maintaining project funding commitments. While the bureau can leverage funding from the federal Infrastructure Investment and Jobs Act of 2021 for city transportation projects, this type of funding represents a limited increase in competitive grant opportunities through programs such as the [Regional Flexible Fund Allocation](#). As such, relying on grants has resulted in funding challenges for the bureau.



The above graph includes a five-year forecast of PBOT's discretionary revenue sources.

PBOT is also grappling with increases to expenses whilst revenues remain comparatively flat. Personnel costs continue to be one of the most notable increases in PBOT's expenditure budget. These are due to the FY 2021-22 restoration of COLA and merit pay for non-represented City employees, associated cost increases for paid family medical leave, and subsequent 5% COLA increase in FY 2022-23. The new DCTU contract will also place an added burden on PBOT's budget to be realized in the outer years. Early estimates predict the new DCTU contract will add approximately \$2.5 million of costs to both GTR and not-GTR backed positions.

In FY 2019-20 and FY 2020-21, PBOT experienced \$55 million in GTR losses due to the pandemic. Including these impacts, a total of \$88 million in GTR losses is anticipated through the end of their five-year forecast post pandemic. These challenges have prompted PBOT to take steps to balance their budget in the last two years, including ongoing reductions of \$8.3 million in the FY 2021-22 Adopted Budget, hiring freezes, furloughs, defer merit and cost of living adjustments (COLA) increases, and eat into their balancing reserves. PBOT's ongoing reductions over the past two fiscal years (FY 2021-22 and FY 2022-23) budget processes, have resulted in approximately 9% of ongoing reductions in discretionary spending.

In its FY 2022-23 Requested Budget, PBOT proposes ongoing programmatic reductions and increases to existing fees and rates to continue to offset its strained resources. Additionally, all groups within the bureau applied reductions of 3.5%, resulting in savings of \$20.6 million over the five-year forecast and a net decrease of 4.0 FTE. Together, PBOT's revenue and reduction packages are expected to balance the bureau's unstable five-year forecast.

Into the Future: The Bureau's Financial Forecast

The bureau's forecast assumes a level of post-pandemic recovery in the spring and summer of 2022, including a slow rebound of the downtown as employees across the region return to in-person work on a part-time basis. PBOT's FY 2022-23 Requested Budget estimates a deficit of \$28.4 million in their FY 2023-27 five-year forecast. This deficit grows to over \$30 million when accounting for the anticipated impacts of the DCTU settlement and additional interagency costs. Even before the pandemic, PBOT was projecting a significant budget shortfall in its 10-year financial forecast attributed to limitations with its funding model. As noted, PBOT has no control over its funding source associated with most of its discretionary revenues. Both state and locally controlled funding streams have not kept up with the bureau's costs, and the bureau often finds itself contending with revenue-making mechanisms that do not align with City and bureau policy objectives. Dependence on fossil fuel taxes, parking fees, and citation revenues is in clear contrast to the bureau's climate, mobility, and equity goals.

To render projections, PBOT incorporated the following assumptions in its five-year forecast:

- Substantial revenue impacts in FY 2021-22 that progressively subside
- Uses the Oregon Department of Transportation (ODOT) October 2021 forecast in the projection of State Highway Fund revenues
- Interagency funding reflects current service levels and continuance of agreements with other City bureaus
- When possible operating and capital programs leveraged external resources, while aiming to maximize cost recovery of direct and overhead costs of services and projects
- Assumes a continuance of current service levels and subsequent deficit
- The Fixing Our Streets program revenues and investments utilize a December 2024 expiration of

the local gas and Heavy Vehicle Use Tax

- Assumes no policy changes to assessment of fees and charges by the bureau, apart from phased increases to development related permit fees
- No changes to on-street parking meter rates were assumed
- Inflation rates correspond to a weighted average of the inflation factors issued by the City Economist

A significant degree of uncertainty remains for PBOT as the pandemic continues, and the bureau will revisit their forecast as updates and progress is made. While moderate assumptions are built into PBOT's financial forecast, the timing and degree of recovery, along with long-term structural changes, will ultimately dictate the bureau's fiscal outlook. On the short-term, PBOT strives to continue working to manage adversity as best as possible and is making additional reductions to ongoing discretionary expenditures and proposing near-term increases in its FY 2022-23 budget which are described in relevant decision packages.

DECISION PACKAGES

Reductions to Balance PBOT Deficit

DP 12963 | \$20,600,000 in service delivery reductions | (4.00) FTE

Request Summary

As discussed in the significant issues section of this review, PBOT is forecasting a continued steady decline of its resources, predominantly the revenues received from gas tax within its broader category of General Transportation Revenues (GTR). This decision package will cut programmatic expenses across multiple divisions in PBOT, equating to a net savings of \$20.6 million over a five-year timeframe and reduce 4.0 FTE in FY 2022-23.

CBO Analysis

The five-year financial forecast as submitted by PBOT in at least three previous budget cycles have included assumptions for declining revenues, and as such, necessary program reductions on the horizon. In fact, the bureau's FY 2021-22 Adopted Budget included the elimination of 39.5 FTE and approximately \$8.3 million in ongoing programmatic reductions to balance. While there has been some indication of local economic recovery, there still is ongoing decline in resources forecasted for the bureau.

PBOT states that the more immediate service impact associated with this decision package is the reduction of available funds supporting mobility programs; reduced capacity for repairs and maintenance to the transportation infrastructure including major roads, bridges, and sidewalks; and fewer parking enforcement officers. It is anticipated that the service impacts will mostly be felt through delays in delivery. The bureau does highlight when deciding where to make programmatic cuts they weighted the bureau's equity goals and desired outcomes as part of the selection process.

CBO recommends this decision package as this will allow the bureau to balance to its five year forecasted revenues. Council may elect to support PBOT with one-time Federal Resources through ARPA revenue backfill, however it is important to highlight that this would effectively delay the inevitable at PBOT where ongoing resources are not keeping pace with current programmatic costs.

CBO Recommendation: \$0 General Fund | \$4.1 million in ongoing reductions to bureau services | Reduce 4.00 FTE

Cost-Recovery and Inflationary Increases for PBOT Budget Stabilization

DP 13123 | \$173,000 from parking permit fee and rate increases

Request Summary

This is one of two requests to increase the bureau's cost recovery practices, an effort to mitigate the impacts of the five-year forecast. The alternative to the pursuit of changing the bureau's cost recovery models would be an additional reduction of \$2 million of ongoing program expenses. This decision package is the result of a City Council FY 2021-22 Adopted Budget Note directing PBOT to develop new revenue streams considering the known structural deficit. If approved, this decision package will increase on-street parking rates by 40 cents and increase area parking permit fees on a staggered basis until these revenues match the costs of administering the program.

CBO Analysis

Aside from answering to City Council, this decision package would recognize increased revenue to support general bureau operations. First, the funding request increases area parking permit fees gradually over four years until revenues match the cost to administer the program which was implemented in 2022. For instance, this would result in roughly a \$10 increase per year for the Area Parking Permit fee until permit prices reflect the total cost of the program, which would in turn generate about \$3 million of additional resources over PBOT's five-year forecast. Second, the proposal seeks to implement Performance-Based Parking and increase on-street hourly rates to account for inflation. The bureau brought this proposal to City Council in February 2022, where the resolution was approved by a 5-0 vote. Parking meter rates have not changed since 2016 while bureau costs have increased with inflation. This implementation of Performance-Based Parking pricing and the inflationary base meter rates increase of \$0.40 per hour would result in an estimated \$24 million in gross revenues over the bureau's five-year forecast.

CBO recommends this decision package as requested. [City Financial Policies](#) highlight the importance for outside collected fees to seek cost recovery, and the proposal includes gradual approach over the next three years before full cost recovery is achieved. This will allow the bureau to work through any potential unintended consequences associated with changing a fee structure for parking services.

CBO Recommendation: \$0 General Fund | \$173,000 in bureau program funds

Parking Fees to Fund Climate and Equity

DP 13124 | \$2,000,000 from parking fee increases

Request Summary

This decision package would establish a new fee in the Parking program, which would generate \$2.0 million in annual revenue. Included in this decision package is a request for 1.0 FTE Analyst II supported by the revenues generated. The proposal would add a fee on parking transactions, which is in alignment with recommendations from the POEM Task Force to take policy actions to reduce the City's carbon consumption and reflect the true costs associated with single occupancy vehicle trips.

CBO Analysis

As part of addressing its structural deficit, PBOT has put together a proposal to add a new component to the parking fees in all parking districts, primarily impacting the downtown parking zones. This new additional fee of \$0.20 is estimated to bring in \$2.0 million in resources to support new equity and climate investments. PBOT has engaged stakeholders, notably the POEM taskforce, where this group is not only assessing the financial stressors at the bureau, but also the desire to impact climate initiatives

through policy direction.

Further, this fee would send a signal to drivers about the cost of driving and generate revenue that would be dedicated to support climate and equity priorities with emphasis on transportation affordability and access. As proposed, this \$0.20 surcharge fee per on-street parking transaction in the City would be used to support investments such as expansion of the affordable housing Transportation Wallet, which provides low-income households with transportation passes and credits. It would also support the BIKETOWN for All program which provides low-income people with discounted bike-share memberships. The fee is anticipated to help improve research and policy development that would inform future rates increases, and expand outreach efforts on affordability programs, such as the SmartPark swing shift reduced rates also for low-income people.

CBO recommends this decision package as requested. The proposal has been through many internal and external processes. The bureau is cognizant of the financial costs of driving on low-income community members and is developing alternative to driving incentive programs. Funding this decision package is also likely to have meaningful impact on advancing the Bureau's climate and racial equity goals.

CBO Recommendation: \$0 General Fund | \$2,000,000 bureau program funds | 1.0 FTE

Community Violence Prevention

DP 13125 | \$250,000 in one-time General Funds | \$250,000 in Recreational Cannabis Fund Discretionary | 1.0 FTE

Request Summary

This request is for \$250,000 in one-time General Funds, \$250,000 in Recreational Cannabis Funds, and addition of an ongoing 1.0 FTE. This program would use data and lessons learned from the traffic calming Mt. Scott neighborhood pilot initiated the Fall 2021. A partnership between PBOT and Transportation Commissioner Jo Ann Hardesty has spurred this request intended at using data and making improvements to the built environment such as traffic calming techniques to deter gun violence. The funds would be used for the following purposes:

- \$125,000 of ongoing Recreational Cannabis Funds to pay for an ongoing permanent 1.0 FTE Program Coordinator position to provide program planning, implementation, and evaluation; installation contract management; cross-bureau collaboration; data collection and reporting; and community engagement
- \$125,000 one-time Recreational Cannabis Funds to cover costs associated with installation contractor and materials
- \$250,000 one-time General Fund to purchase of materials, speed bumps, mapping costs, equipment placement, and maintenance by an experienced contractor.

PBOT is requesting the listed funds since the bureau does not have the resources nor staff to support the implementation of this initiative beyond the single pilot.

CBO Analysis

Last year, PBOT worked with Commissioner Hardesty and her staff to plan and install temporary traffic calming in a six-block radius around an area experiencing intense and frequent gun violence. This new Integrated Street Safety Initiative would be informed by the promising results from an evaluation of interventions of such traffic calming pilot in the Mt. Scott neighborhood. This Integrated Street Safety

Initiative would also supplement cross-bureau efforts spearheaded by Community Safety Transition Director to utilize data and built-environment improvements to prevent firearm violence. Should the intervention demonstrate reductions in gun and traffic violence, PBOT would be involved in citywide efforts to implement a similar initiative in other areas of concern.

The initiative would be grounded in three core principles:

1. Community engagement, including input from historically underserved Portlanders
2. Equity and anti-racism, using data to select locations and identify actions that maximize benefit and avoid burdens for Portlanders who are BIPOC
3. Evaluation, documentation, and reporting that informs program development and evolution over time

The initiative was also developed with anticipated impacts to vulnerable populations. It seeks to address firearm violence, which disproportionately affects BIPOC Portlanders. It aims to improve traffic safety in neighborhoods where BIPOC Portlanders live and/or travel. A framework for location selection would be incorporated focused on racial equity, as opposed to driven by political connections or historical access to decision-making. The initiative ensures program decisions are aligned with Portland's emerging anti-displacement framework, the Social Diversity Investment Metric (SDIM). Also, this process identifies appropriate resources for program planning, communications, and evaluation centering BIPOC communities and capturing how the initiative is advancing racial equity in Portland.

This request addresses a clearly defined and pressing need focused on community safety. Just recently, some initial findings from this pilot were released showing potential results in efforts to reduce violence in this location¹. CBO acknowledges the importance of this proposal as it aims to deter violence in Portland and for its substantial grounding in equity. Though CBO does not recommend new funding for this decision package due to constrained General Fund resources, it encourages Council to consider funding the entire request using one-time Recreational Cannabis Funds. The decision package is likely eligible to be funded by resources collected through the City's tax on Recreational Cannabis. CBO forecasts approximately \$1 million in one-time and \$865,000 in ongoing recreational cannabis tax resources to be available for appropriation this budget cycle. As there are competing Recreational Cannabis Tax (RCT) requests, Council may choose to fund this proposal if it is deemed a high priority amongst RCT requests.

CBO Recommendation: \$0 General Fund | 0.00 FTE

Outer Holgate Pedestrian Safety

DP 13126 | \$350,000 in one-time General Funds | \$350,000 in Recreational Cannabis Funds

Request Summary

This request seeks \$350,000 in one-time General Funds and another \$350,000 in Recreational Cannabis Funds. Funding would be used to implement a pedestrian safety project along SE Holgate Boulevard, between SE 96th Avenue all the way to 136th Avenue.

CBO Analysis

¹ <https://www.oregonlive.com/portland/2022/03/se-portland-neighborhood-sees-64-drop-in-shootings-amid-traffic-calming-program-commissioner-jo-ann-hardesty-says.html>

PBOT's request includes making capital investments for safety and infrastructure improvements, including lighting and pedestrian crossings with ADA-accessible curb ramps, median islands, markings, and signage along SE Holgate Boulevard between 96th and 136th avenues.

This SE Holgate Boulevard location is listed in the City's [high crash streets and intersections network](#) which includes City streets and intersections located in low-income and communities of color prioritized for safety. This request was also developed with anticipated impacts to vulnerable populations. It aims to improve traffic safety in neighborhoods where BIPOC Portlanders live and/or travel.

CBO acknowledges the importance of this proposal as it aims to deter vehicle crashes in Portland. This request addresses a pressing need focused on community safety, a Mayoral and Council priority, however, CBO highlights questions around its ability to measure impact, which is important when needing to allocate constrained resources amongst competing requests addressing large complex challenges. Additionally, while the equity component of the initiative has been conveyed, the extent of which equitable outcomes would be realized remains to be determined. Due to constrained General Fund resources and competing proposals for said resource, CBO has not prioritized this request for funding.

CBO Recommendation: \$0 General Fund

Parking Garage Savings - Cash Transfer Reduction

DP 13130 | Eliminate the Parking Facilities Fund cash transfer to the General Fund

Request Summary

To offset impacts from its structural deficit and declining revenues, PBOT is bringing forth this request to eliminate the bureau's annual cash transfer from the Parking Facilities Fund to the General Fund. The FY 2022-23 transfer is in the Requested Budget at \$339,755. PBOT intends to repurpose these savings for essential asset needs to parking facilities.

CBO Analysis

In FY 2021-22, the Parking Facilities Fund cash transfer to the General Fund was \$331,468. PBOT and Spectator Facilities are the two property-owning bureaus who transfer resources to the General Fund for an "in lieu of tax" payment. The City's parking garages were first constructed utilizing bond financing, and the Parking Facilities Bond Redemption Fund was created in 1969 to manage the financing and repayments. Since then, the bonds have all been paid off, and the bond redemption fund has been closed for several years now. As the garages were bond-financed to begin with, City Council has the prerogative to determine how the base resources from garage operations should be used. It is important to highlight that some other non-general fund property owning functions (example- Portland International Raceway) do not make payments the General Fund in lieu of property tax collection.

PBOT has indicated making tradeoffs related to parking services in support of essential workers. At the onset of the pandemic, PBOT's six SmartPark garages provided transportation options for essential workers by offering discounted parking rates. According to PBOT, these lower rates have resulted in revenue losses of \$16 million as of December 2022. To offset these losses, PBOT has delayed investment in critical maintenance such as parking deck resealing and resurfacing, concrete repairs, and removing barriers to Americans with Disabilities Act (ADA) access, etc. PBOT would reroute savings to some of these asset needs.

Given the importance of the General Fund as a source of funding for decision packages and the considerable funds that the bureau receives, the CBO does not recommend Council approve the elimination of this cash transfer. If Council does decide to forgo the collection of estimated property taxes from the Parking Fund, CBO would recommend this action be taken in the form of a direction to the City

Budget Office to no longer include this transfer as a resource coming into the City's General Fund in the Fall of 2022 in order to be incorporated in the December Economic Forecast for the General Fund.

CBO Recommendation: \$0 General Fund

CAPITAL SET-ASIDE DECISION PACKAGES

ADA-Compliant Corners - Capital Set-Aside

DP 13133 | \$1,600,000 in one-time Capital Set-Aside Funds

Request Summary

The Bureau is requesting \$1,600,000 million in Capital Set Aside funding to deliver 75-100 American with Disabilities Act (ADA) compliant curb ramps.

CBO Analysis

This funding request supports PBOT's settlement with the Civil Rights Education and Enforcement Center (CREEC) to improve citywide corners to meet current ADA standards. This settlement requires PBOT to complete 1,500 corners annually for 12 years, for a total of 18,000 compliant ramps. Per Council, PBOT and the Budget Office's agreement, Capital Set-Aside will be used to account for \$1.6 million of the funding required to deliver these improvements.

In addition to Capital Set-Aside funding, PBOT receives a CAL adjustment of \$1.0 million in General Fund ongoing resources to support this work and a one-time allocation of \$10.5 million of Build Portland General Fund resources have been allocated to this work as well.

A business case evaluation was not completed for this submission as it is a mandated activity. It is fair to assume that failure to deliver the ADA improvements in the consent decree would incur significant financial risk for the City, e.g. significant legal fees and the required delivery of 38,000 ADA improvements rather than the 18,000 currently required. There are also significant social benefits to ADA accessibility.

CBO notes that the bureau received a \$1.8 million allocation of General Fund resource during last Fall's Supplemental Budget Process that would have otherwise been available Capital Set Aside this spring. This requested allocation essentially doubles the established commitment from the Capital Set Aside account for the year. However, given the magnitude and importance of this project, CBO recommends this package for additional Capital Set-Aside funding as requested.

CBO Recommendation: \$1,600,000 one-time Capital Set-Aside Fund

Bridge Completion: 42nd Ave

DP 13134 | \$1,100,000 in one-time Capital Set-Aside Funds

Request Summary

The bureau is requesting \$1,100,000 in Capital Set-Aside funding to support the replacement of its NE 42nd Avenue Bridge to meet safety and earthquake standards. This capital improvement bridge project has an updated budget gap of \$1.1 million due to rising material and labor costs.

CBO Analysis

There are multiple safety concerns with this bridge: 1) the bridge has surpassed its lifespan of 50 years as it was originally built in 1938, 2) the Federal National Bridge Inventory has classified it as "functionally obsolete," and 3) it is seismically vulnerable and in need of seismic retrofits. Should the bridge fail or collapse during an earthquake, it would severely impact NE 42nd Avenue, the state highway under the

bridge, and the Union Pacific railroad tracks. The asset is in the highest risk categories for collapse.

This bridge is located on a Transit Route and in a Freight District, but its limited clearances come at a cost of increased carbon emissions because freight is often rerouted. Nevertheless, the bridge serves as a vital link to 37% of the city's industrial land and 24,000 jobs. Replacing the bridge adds a seismically resilient asset to this critical route for freight and access to area jobs. The project will also widen the new bridge which could allow for safer bike traffic.

As noted, the request would cover gap funding not included in the \$14.4 million that has been secured using the following sources:

1. General Fund Capital Set-Aside (FY 2017-18)
2. Transportation System Development Charges
3. Build Portland
4. Heavy Vehicle Use Tax and delivery of key products

The additional \$1.1 million being requested is due to cost increases related to pandemic-related supply chain issues generating delays in production and delivery of products, price increases related to sustained demand, rising lumber and steel prices, and labor shortages causing wage premiums for construction labor. Replacing the bridge lead-based paint on the girders and railings alone are expected to cost over \$1 million. PBOT is currently spending about \$50,000/year to maintain the bridge. Previous bridge closings for repairs have significantly impacted transit and freight running through.

Due to the project's advanced state (it is ready to go to bid) and the significant funding sources secured, PBOT only entertained a Build scenario. The bureau cannot afford the additional funding need given its vulnerable financial state. Funding the gap with the bureau's discretionary resources would further aggravate PBOT's deficit.

The business case evaluation provided by the bureau for this project communicates a benefit to cost ratio of 1.4 to 1. Despite this lower benefit cost ratio, the CBO is still recommending this decision package as requested. CBO recognizes the considerable and multiple safety concerns. Funding this request would result in greater safety for the community and substantially reduce risk of incurring additional costs for the City.

CBO Recommendation: \$1,100,000 one-time Capital Set-Aside Fund

Signal Rebuilds: SE 52nd & Woodstock; SE Foster & 110th; N Rosa Parks & Greeley; and SW Broadway & Jefferson

DP 13135 | SE 52nd & Woodstock | \$650,000 in one-time Capital Set-Aside Funds

DP 13136 | SE Foster & 110th | \$600,000 in one-time Capital Set-Aside Funds

DP 13137 | N Rosa Parks & Greeley | \$500,000 in one-time Capital Set-Aside Funds

DP 13138 | SW Broadway & Jefferson | \$1,500,000 in one-time Capital Set-Aside Funds

Request Summary

Signal Rebuild: SE 52nd & Woodstock, \$650,000

At the intersection, the traffic signal hardware and controllers will be replaced with high visibility equipment and increased programmability. The pedestrian crossings will be upgraded with new crossing signals with a Leading Pedestrian Interval time and countdown. Left turning movements will be completely separated from pedestrian crossings. Additionally, ADA-compliant pedestrian ramps will be

added.

Signal Rebuild: SE Foster & 110th, \$600,000

At the intersection, the signal will be completely rebuilt, all four corners will be overhauled to meet ADA standards, the intersection will be resurfaced with a four-inch grind and pave, and lighting will also be added.

Signal Rebuild: N Rosa Parks & Greeley, \$500,000

This project will install four new signal poles with new signal heads. All four corners of the intersection will be upgraded to include dual ADA-compliant ramps. The new signal will allow for the reopening of a crosswalk for the west side crossings, and all crosswalks will be upgraded to high-visibility crosswalks.

Signal Rebuild: SW Broadway & Jefferson, \$1,500,000

The project will install four new, high visibility signal heads with reflective backplates, transit priority sensors; emergency vehicle priority sensors; traffic detection sensors and controllers with capabilities for advanced traffic control strategies. The project will also refresh high visibility crosswalk markings and deliver pedestrian crossing signals with Leading Pedestrian Interval time and countdown timers.

CBO Analysis

SE 52nd & Woodstock: This signal is over 30 years-old and the bureau anticipates it could fail at any point which could yield cost premiums prompted by catastrophic failure. This signal equipment is outdated, and the crossings are unfavorable for pedestrians. This signal is also located in an area of Portland with a greater concentration of low-income people when compared to the whole of Portland. The area scored 6 of 10 on PBOT's equity matrix.

The signal project will be replacing signal heads, hardware, and controllers. The project is expected to deliver:

- 4 new mast arm poles
- 12 new, high visibility signal heads with reflective backplates, transit priority sensors; emergency vehicle priority sensors; traffic detection sensors and controllers with capabilities for advanced traffic control strategies
- Protected left turns, separating pedestrian and vehicle movements
- Install lighting to illuminate corners, crosswalks, and sidewalks.
- Refresh high visibility crosswalk markings
- Pedestrian crossing signals with Leading Pedestrian Interval time and countdown timers
- New pavement and base repair in intersection
- ADA-compliant pedestrian ramps in all quadrants

SE Foster & 110th:

Through a former Capital Set-Aside Request process, the Foster Road: 110th -111th signals and Lighting project received partial funding. The funding request for this signal is a continuation of this project. Through this project the signal will be fully rebuilt, all four intersection corners be reconstructed to meet ADA standards, the intersection will be resurfaced with a four-inch grind and pave, and lighting will be added. This intersection is located on a high traffic and high crash corridor commuter route. It is a Transportation Systems Plan (TSP) designated major transit priority, primary emergency route, and freight as nearly 45,000 vehicles pass by per day. The bureau has stipulated this area is also a high-equity area. The area scored the maximum of 10 of 10 on PBOT's equity matrix.

This signal project will replace signal heads, hardware, and controllers. The project is anticipated to deliver:

- New signal poles and high visibility signal heads with reflective backplates, transit priority sensors; emergency vehicle priority sensors; traffic detection sensors and controllers with capabilities for advanced traffic control strategies.
- Phase separation for protected turning movements – dedicated phasing for left and right turns, detection for bikes, leading pedestrian intervals for crossing legs not separated by phasing.
- Installed pedestrian-scale lighting to illuminate corners, crosswalks, and sidewalks.
- Four-inch grind and pave through the intersection
- Refreshed high visibility crosswalk markings

SW Broadway & Jefferson:

This signal project aims to generate safer crossings and smart traffic signals enabling cross street bus efficiency improvements. The intersection improvements support the entire corridor from Old Town and the Pearl to downtown and Portland State Univ. The project is focused on enhancing safety, improving transit speed and reliability, and connecting people to education and jobs while reducing racial disparities around safety and access. The area scored 8 of 10 on PBOT's equity matrix. Further, the project is also part of PBOT's Central City in Motion plan adopted by Portland City Council in 2018.

The intersection is on a High Crash Corridor, designated by PBOT's Vision Zero Program. From 2010 to 2020, there has been a significant amount of pedestrian and crash related injuries along the project extents. The corridor is part of the Transportation Systems Plan (TSP) and is designated as a major city bikeway, primary emergency route, and high traffic freight corridor. The intersection controls traffic that feeds into I-405 along SW Jefferson.

Updated signals to control traffic flows are expected to decrease travel delays, increase safety and comfort for multi-modal users. The signal equipment is outdated, and the crossings are unfavorable for bicyclists and pedestrians.

This project is anticipated to deliver:

- Four new, high visibility signal heads with reflective backplates, transit priority sensors; emergency vehicle priority sensors; traffic detection sensors and controllers with capabilities for advanced traffic control strategies.
- Refreshed high visibility crosswalk markings
- Pedestrian crossing signals with Leading Pedestrian Interval time and countdown timers

Signal Rebuild: N Rosa Parks & Greeley:

This project will rebuild the signal at the intersection by installing four new signal poles with new signal heads. All four corners will be upgraded to incorporate ADA ramps. The new signal will allow for the reopening of a crosswalk for the west side crossings, and all four crosswalks by it will be upgraded to high-visibility crosswalks, and lighting upgrades will be performed. The area where this signal is located scored the maximum of 5 of 10 on PBOT's equity matrix.

The signal would help reduce vehicle collision incidents by improving traffic flow. These types of incidents are measured and tracked by PBOT's Vision Zero team and Engineering Traffic Systems team. Aside from offering increased safety, PBOT's asset management goals seek to limit liability risk by ensuring compliance with mandates, and so this project would contribute to the City's obligation to construct ADA-accessible crossings under the CREEC Settlement.

PBOT performed business case evaluations for all these signals rebuilds and below are the corresponding benefit cost ratios for each.

Signal Project	Benefit Cost Ratio
SE 52nd & Woodstock	2.1
SE Foster & 110th	3.4
N Rosa Parks and Greeley	4.9
SW Broadway and Jefferson	1.4

CBO recommends all four decision packages for Capital Set-Aside funding as requested.

CBO Recommendation: Combined total of \$3,250,000 one-time Capital Set-Aside Funds for all four signal rebuilds.

Street Paving: SE Division

DP 13139 | \$4,664,000 in one-time Capital Set-Aside Funds

Request Summary

PBOT is requesting \$4,664,000 in Capital Set-Aside funding to reconstruct the pavement along SE Division Street between César E Chávez Boulevard and 52nd Avenue. PBOT utilized [StreetSaver](#) software to identify the pavement treatment associated with this budget request.

CBO Analysis

Pavement on the noted segment of SE Division Street is in very poor condition from the Willamette River to the Gresham border. PBOT seeks to leverage the Division Transit Project by supplementing the substantial investments in transit priority and safety that the project is providing along the corridor. Along with this project, PBOT would also upgrade all crossings along this section of SE Division Street to meet Americans with Disabilities Act (ADA) standards.

The project is on a high-traffic commuter route and is described as a major priority street in the Transportation System Plan (TSP), as well as a main emergency route, and major city walkway. As of 2019, a total of 12,362 vehicles have passed per day as well as 55,730 transit trips per week. New pavement would positively impact transit service through fewer delays and service interruptions. Pavement along this section has received an average Pavement Condition Index (PCI) score of 23 out of 100. Reconstruction would result in a PCI of 100 and restart its lifecycle of 30 years. In the near-term, there will be less need for corrective maintenance. Long-term, it is more economical to maintain good or fair condition pavement.

These improvements would provide greater safety for all pedestrians, especially for people with disabilities given 51 curb ramps will be updated to meet ADA standards. The investment triples the number of ADA-compliant curb ramps from 25 to 76. Moreover, the additional ADA curb ramps would contribute to city's mandate under the CREEC settlement. Cost/benefit models also indicate that Transit riders would save time when a comparison of transit ridership on repaired pavement vs. failed pavement is performed.

The business case analysis provided by the bureau communicates a benefit to cost ratio of 1.2 to 1. Despite the clear need for this project's funding given the pavement condition of the route and ADA curb ramp component, the CBO had to make difficult tradeoffs in assessing recommendations. Due to constrained Capital Set-Aside fund resources, this size of this request, and competing proposals for said

resource, CBO is not recommending funding for this decision package at this time. CBO notes that the Council may always opt to allocate available General Fund discretionary resources to support critical capital set aside projects.

CBO Recommendation: \$0 Capital Set-Aside Fund

Landslide Stabilization: SW Upper Hall & College

DP 13140 | \$1,200,000 in one-time Capital Set-Aside Funds

Request Summary

PBOT is requesting \$1,200,000 in Capital Set-Aside to pay for landslide mitigation projects on SW Upper Hall Street and SW College Street.

CBO Analysis

Climate resiliency is the main driver of this project. Climate change is causing severe weather fluctuations generating heavy rainfall during the winter. Landslides caused by rainfall continue to show signs of activity at these two sites. There are three residential properties, and the right-of-way, which PBOT is responsible for maintaining, that are at risk of damage on the sites. Neither PBOT nor the city has a dedicated source of funding to address such severe events.

This project would prevent future erosion from landslides, removes risk of damage to impacted residences, and makes the right-of-way safer. PBOT has been able to slow erosion in the areas and avoid further damage by instituting temporary mitigations to the right-of-way and real property. However, there is potential of further damage to people, property, public utilities, and other PBOT assets like pavement. PBOT aims to limit liability through compliance and mandates, including asset condition warrants. This project addresses a failed asset in need of reconstruction.

These landslide mitigation projects will:

- Provide a more resilient wall system that limits risk of future landslides and erosion
- Protect private homes from debris damage
- Improve public safety with an upgraded guardrail atop the wall

PBOT will continue to provide temporary mitigations that slow landslide activity and erosion. Worst case scenarios include the sustained slope degradation which lead to PBOT acquiring adjacent properties at market value, as well as a rock wall collapsing and ensuing damage. PBOT anticipates increasing costs for both remediation and the construction of climate-resilient infrastructure.

The business case analysis provided by the bureau communicates a benefit to cost ratio of 1.5 to 1. Despite the request promising potential in advancing Council's climate goals, CBO had to make difficult tradeoffs as a result of limited funding resources. Due to constrained Capital Set-Aside fund resources and competing proposals for said resource, CBO is not recommending funding for this decision package at this time. CBO notes that the Council may always opt to allocate available General Fund discretionary resources to support critical capital set aside projects.

CBO Recommendation: \$0 Capital Set-Aside Fund

Critical ADA Funding: Sidewalks & Signal Crossings

DP 13142 | \$800,000 in one-time Capital Set-Aside Funds

Request Summary

PBOT is requesting \$800,000 in Capital Set-Aside funds to remediate trip hazards, cracks, and gaps on sidewalks adjacent to its facilities and to upgrade traffic signal push buttons to include audible operations.

CBO Analysis

City Council recently adopted PBOT's [ADA Title II Public Right of Way Transition Plan](#). Under this plan, PBOT is charged with making yearly progress to eliminate identified barriers and achieve an accessible transportation system. To advance on this progress, PBOT is requesting funding to repair sidewalks and upgrade traffic signal audibles.

As of 2017, 114 claims have been filed for trips and falls and the city has paid out \$670,000 to settle the claims. PBOT proposes to repair or replace deficient sidewalks identified during an inspection performed in July 2020. A full map of these sites is viewable with an ArcGIS login at www.portlandmaps.com through the Sidewalk Inspection Hazard Summary. A total of 132 individual repairs at 58 PBOT facilities throughout the city were identified.

As far as signal audibles, PBOT will upgrade any traffic signal in need of this update and target the signals prioritized in the PBOT's ADA Title II Public Right of Way Transition Plan. This project would help comply with ADA standards, and by repairing sidewalks and installing accessible pedestrian signals (APS) it would improve safety for all pedestrians. Nearly all of city traffic signals need APS upgrades. Every year, PBOT receives about 10 to 20 requests for intersection audible push button upgrades.

This request would advance the bureau's equity goals to provide equitable services, especially to vulnerable population and those with mobility disabilities. PBOT aims to prioritize ramp improvements in locations requested by persons with disabilities. Plus, the bureau emphasizes investing in transportation infrastructure that leads to improved access to jobs, education, healthcare, etc. Further, maintaining infrastructure in Good and Very Good condition supports livability of communities.

The business case analysis provided by the bureau communicates a benefit to cost ratio of 3.4 to 1. CBO recommends this decision package as requested. CBO recognizes the significant safety concerns and ability to reduce the substantial risk of incurring additional costs to the city. This project would also advance the bureau's ADA Title II Public Right of Way Transition Plan, which stipulates making the necessary improvements to the public right-of-way and to PBOT programs to comply with the ADA.

CBO Recommendation: \$800,000 one-time Capital Set-Aside Fund

SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

Portland Bureau of Transportation

All Funds

		2021-22 Adopted Budget	2022-23 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Revenue	Taxes	\$20,150,000	\$21,000,000	\$0	\$0	\$21,000,000
	Miscellaneous Fund Allocation	\$2,653,257	\$1,753,257	\$600,000	(\$600,000)	\$1,753,257
	Miscellaneous	\$3,706,434	\$938,520	\$0	\$0	\$938,520
	Licenses & Permits	\$11,981,243	\$14,504,213	\$0	\$0	\$14,504,213
	Intergovernmental	\$129,421,557	\$159,956,243	\$10,450,000	(\$10,450,000)	\$159,956,243
	Interagency Revenue	\$35,825,523	\$35,436,159	\$0	\$0	\$35,436,159
	Fund Transfers - Revenue	\$34,595,855	\$42,706,927	\$13,214,000	(\$6,464,000)	\$49,456,927
	Charges for Services	\$75,621,642	\$82,865,069	\$1,298,000	\$875,000	\$85,038,069
	Bond & Note Proceeds	\$57,516,733	\$29,440,209	\$0	\$0	\$29,440,209
	Beginning Fund Balance	\$130,431,449	\$153,007,858	\$0	\$0	\$153,007,858
Revenue	Sum:	\$501,903,693	\$541,608,455	\$25,562,000	(\$16,639,000)	\$550,531,455
Expense	Personnel	\$136,715,541	\$147,427,596	\$1,873,247	(\$3,081,372)	\$146,219,471
	Internal Materials and Services	\$45,361,256	\$47,871,473	(\$411,865)	(\$350,000)	\$47,109,608
	Fund Transfers - Expense	\$11,640,473	\$10,831,746	(\$339,755)	\$339,755	\$10,831,746
	External Materials and Services	\$76,689,064	\$66,872,898	\$7,145,385	(\$6,390,428)	\$67,627,855
	Debt Service	\$19,463,109	\$21,030,146	\$0	\$0	\$21,030,146
	Contingency	\$97,090,102	\$105,724,607	\$7,671,588	(\$3,158,555)	\$110,237,640
	Capital Outlay	\$114,944,148	\$141,849,989	\$9,623,400	(\$3,998,400)	\$147,474,989
Expense	Sum:	\$501,903,693	\$541,608,455	\$25,562,000	(\$16,639,000)	\$550,531,455