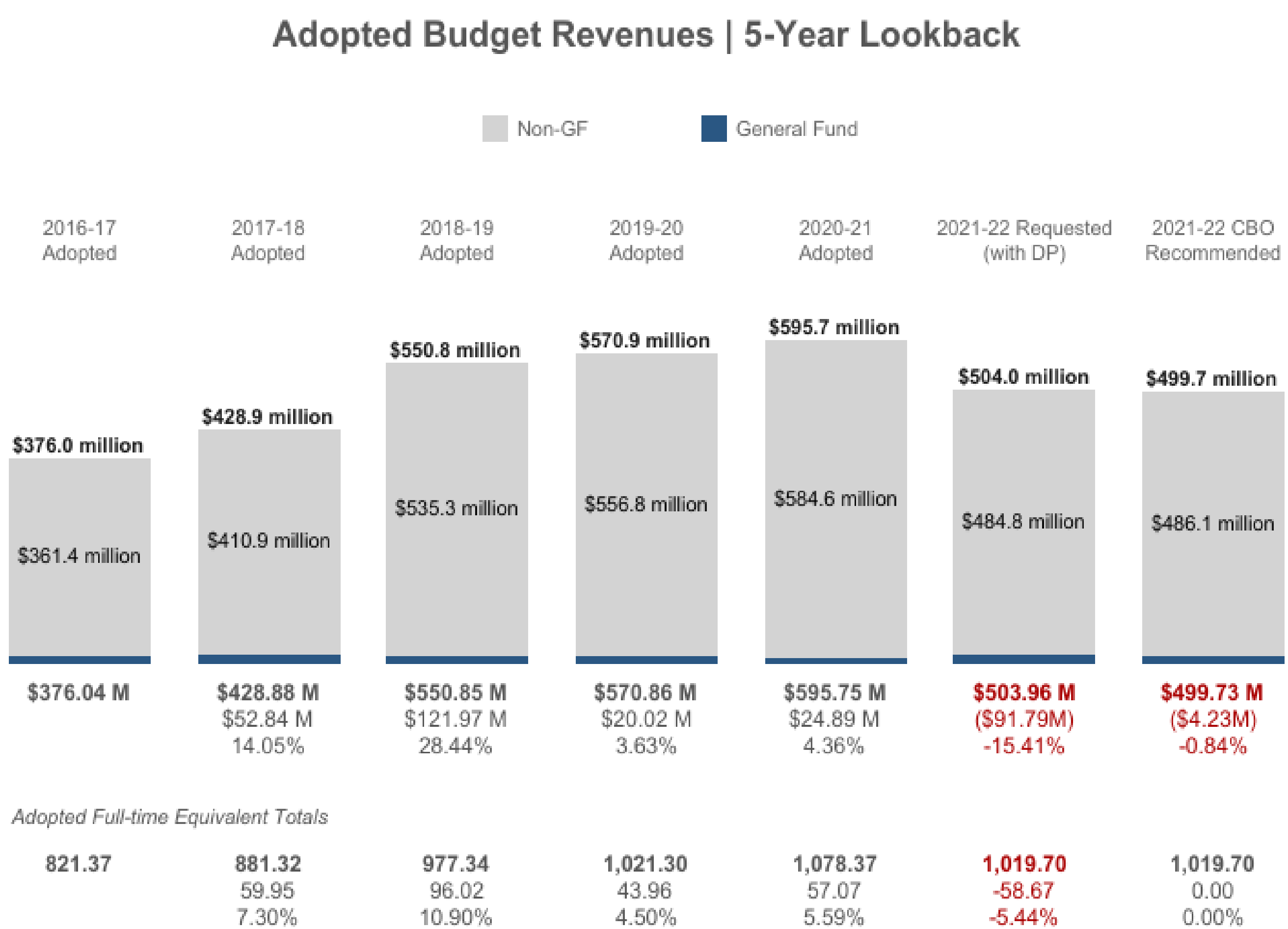
City Budget Office

Bureau of Transportation

Analysis by Shannon Fairchild



INTRODUCTION

The Portland Bureau of Transportation's (PBOT) FY 2021-22 base budget totals approximately $495.1 million, across multiple funds. This represents a decrease of approximately $112.3 million compared to the FY 2020-21 Revised Budget which is primarily driven by changes in the capital program due to construction timelines and the economic impacts of COVID-19. PBOT's FY 2021-22 Requested Budget has 1,019.7 authorized FTE; a reduction of 55.57 FTE, all vacant, compared to the Bureau's FY 2020-21 Revised Budget.

Per the Mayor's Budget Guidance, PBOT put forward a 5% reduction to their General Fund allocations, totaling $451,449. The Bureau requested $412,506 back for three programs: Lighting Portland for Safety, which uses the current and projected savings generated from the replacement of streetlights to more energy-efficient bulbs to fund additional streetlights along the High Crash Network in east Portland; ADA ramps; and Street Cleaning. The Bureau also requested $3,509,000 in one-time General Fund resources for the Healthy Business Program and four requests for Capital Set-Aside funding totaling approximately $6.7 million. CBO recommends $388,120 in ongoing General Fund resources for Lighting Portland for Safety and funding for ADA Compliance. CBO also recommends $4,682,345 in one-time General Fund resources for three of the Bureau's Capital Set-Aside projects: ADA-Compliant Corners; SE Foster Signals and Lighting Upgrades; and W Burnside Signal Upgrades.

BASE BUDGET & KEY ISSUES

Impacts of COVID-19 on the Five-Year Forecast

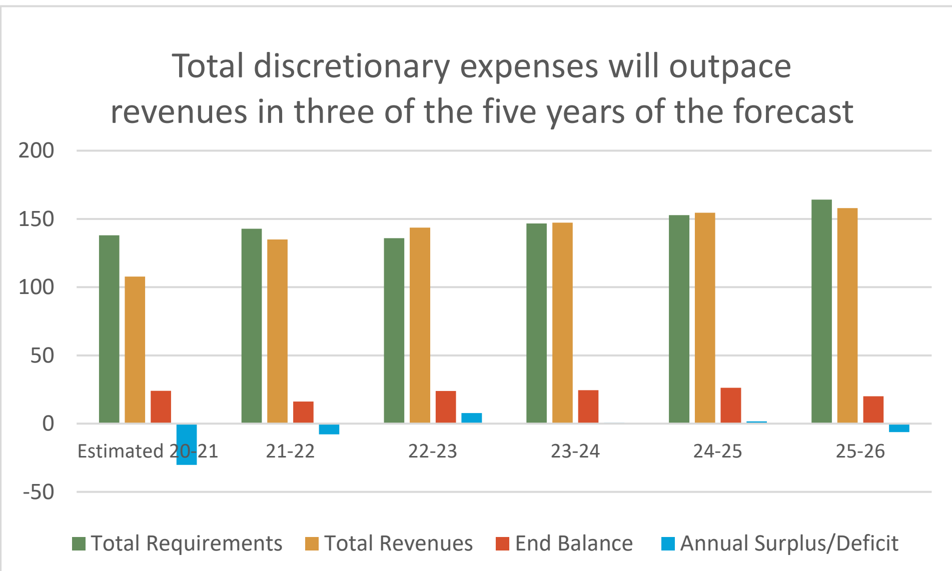
The Bureau's Transportation Operating Fund's FY 2021-22 through FY 2025-26 financial forecast demonstrates significant impacts to PBOT's revenue sources from COVID-19. Compared to the Bureau's FY 2020-21 through FY 2024-25 forecast that was published in January 2020, the bureau experienced a $75.6 million reduction in revenue from State Highway Fund (gas tax) and parking revenues. The Bureau's forecasted revenue losses for the gas tax are projected to be $10.8 million below the January 2020 forecast in FY 2020-21 and $2.9 million in FY 2021-22. The total loss over FY 2020-21 and the five-year forecast is $27.5 million.

The State Highway Fund has three revenue streams (motor fuels taxes, weight-mile, and DMV fees), which have been affected differently by the pandemic. The motor fuels tax decreased by more than a third in April 2020 compared to the year prior. Sales have recovered to 90% of pre-COVID levels. ODOT's forecast assumes that the motor fuels tax will begin to increase in mid-2021, in conjunction with a vaccine, and reach within 3% of pre-COVID levels by 2023. Compounding the lower revenue projections for the State Highway Fund is the expectation that HB 2017 revenues will level off in 2024. State Highway Funds are not indexed to inflation. Rather, HB 2017 revenue includes biennial fee increases with the final increase scheduled for 2024.

Parking meter revenues are projected to be $20.8 million below the FY 2020-21 forecast and $6.8 million in FY 21-22. The total lost over FY 2020-21 and the five-year forecast is $37.6 million. Revenues fell dramatically, as much as 87%, when Governor Brown issued the stay-at-home order. By the fall, revenues recovered to 45-50% of prior forecast levels. The bureau anticipates that revenues will recover to 80% of pre-COVID forecast levels in the summer of 2021 as more people become vaccinated, but occupancy levels will remain below pre-COVID levels through FY

2024-25. The Bureau's forecast also projects losses for parking citations ($9.4 million) and permit parking ($1.2 million) over FY 2020-21 and the five-year forecast.

The Bureau's forecast also includes bond proceeds for a planned issuance that will be reimbursed by General Transportation Resources, Transportation System Development Charges (SDCs), and Local Transportation Infrastructure Charge (LTIC) resources. The size of the bond issuance is not finalized, but the forecast assumes $20 million in bond proceeds for GTR funded projects, $40 million for SDC funded projects, and $7.5 million in LTIC funded projects. Over the past year, PBOT has adjusted funding allocations for SDC and LTIC projects to realign spending patterns with available revenues, but bond proceeds are still needed to cover cash flow issues related to the completion of several projects over the next few years. If the debt issuance moves forward, projected debt service for the SDC projects will be approximately 30% of projected future revenue, which are not forecasted to return to pre-COVID levels until the end of the five-year forecast. While risk to GTR is low, the decision to borrow against future SDC and LTIC resources means that less funding will be available for new projects during the repayment term.



To lessen the impact of pandemic and structural deficit that existed prior to COVID-19, PBOT is drawing $34.3 million in built-up fund balance from $54.3 million to $20 million by the end of the five-year forecast, FY 2025-26. Prior to COVID, PBOT built up this balance to help smooth the longer-term structural deficit caused by revenues not keeping up with inflation on expenses. This is compared to the bureau's prior five-year forecast which reduced its built-up ending balance to $20.2 million by FY 2024-25. The bureau is making its largest draw, $24.1 million from its fund balance in the current year when revenue losses from the pandemic are expected to be the greatest. Beginning in FY 2021-22 the bureau will draw $7.8 million in fund balance. The forecast assumes modest surpluses in FY 2022-23 through FY 2024-25. The final year of the forecast estimates a $6.2 million draw on the bureau's fund balance.

To reduce draws from PBOT's fund balance, the bureau's FY 21-22 Requested Budget includes $8.3 million, or 7%, in ongoing reductions to operating expenses and $0.5 million in one-time savings. The cuts were taken from across the bureau and include the elimination of 39.5 FTE funded with discretionary resources. PBOT's Managers were asked to identify and evaluate how proposed reductions would negatively impact equity goals. The bureau's equity goals are identified by the Bureau's Transportation Justice Goal. Specific consideration was given to the following objectives:

- Address hate in public spaces
- Apply equity matrix or other equity data tools
- Disrupt intergenerational financial burdens
- Focus on vulnerable roadway users
- Mitigate financial burdens
- Strengthen relationships with our community and within communities themselves
- Understand the impacts of gentrification and displacement on transportation
- Alternate travel options
- Environmentally friendly and socially responsible procurement and delivery
- Move more people, not more vehicles
- Reduce driving
- Reduce pollution and GHG emissions
- Sustainable asset management

Given the prioritization of equity in the bureau's budget reduction process, PBOT anticipates the impacts to the Bureau's Transportation Justice goals will be minimal. However, the bureau outlined reductions and unfunded items that may have an impact on PBOT's equity goals. They include:

- Some FTE reductions include the elimination of vacant positions that can serve as first advancement opportunity for new employees, including BIPOC employees. These include Auto Equipment Operation I/II's (4 FTE), Utility Worker I/II's (7 FTE)
- Funding is needed to support a more proactive approach for street repair and away from the current complaint-driven process, which tends to be biased in favor of historically well-served communities. Increasing predictive and preventative street maintenance citywide is a goal of the bureau's strategic plan.

Challenges in the Forecast

While the bureau is reducing its expenditures and drawing on its built-up fund balance to address the short-term impacts from COVID, the outyears of the PBOT's operating forecast remains challenging. Unlike rate funded bureaus that have the ability to increase rates on a yearly basis to help offset costs, PBOT relies on resources that are either controlled at the state level or are not indexed to inflation or other regular increases (e.g. parking revenues). Nearly all the bureau's discretionary resources are generated from gas tax and parking revenue; however, as cars become more fuel and energy efficient, these revenue sources are less viable over the long term. Further, remote work has the potential to shift commuting patterns permanently, reducing transportation revenues from gas taxes and parking revenues generated from office employment. Without additional revenues, the bureau's operating deficit will continue to grow and service levels will be impacted.

This is particularly concerning as the bureau's current funding levels, including funding from non-discretionary sources like Fixing Our Streets, grant funding, and General Fund Capital Set-Aside are not enough to maintain the City's infrastructure. To address the bureau's asset repair, rehabilitation, and replacement gap (R/R/R gap), an additional $400[1] million is needed per year over the next 10 years for major maintenance to meet PBOT's infrastructure service level goals. A majority, 69% or approximately $276 million of the Bureau's $400 million R/R/R gap is needed to meet the bureau's pavement condition goal; this is for both arterial and collector streets ($123 million), and local streets ($153 million).

Mandated by the State Transportation Planning Rule, the Transportation System Plan (TSP) is a 20-year planning document that meets state and regional planning requirements and addresses local transportation goals for cost-effective street, transit, freight, bicycle, and pedestrian improvement. PBOT recently initiated an update to the TSP, which includes prioritization of investments according to lifecycle needs (repair, rehab, and replacement). This information will help inform the Bureau's funding gaps that it reports annually. In addition to considering lifecycle needs in the TSP, CBO encourages the bureau to begin budgeting major maintenance, operations and maintenance and lifecycle replacement costs of new capital assets planned in the CIP pursuant to City Financial Policy 2.03. Establishing this practice is increasingly important as PBOT faces major challenges to build and maintain its transportation system.

DECISION PACKAGES

PBOT 5% General Fund Reductions

($451,449) in ongoing General Fund resources, 0.00 FTE

Request Summary

This request is in response to the Mayor's budget guidance. The package includes reductions totaling $451,449 (5%) of PBOT's General Fund allocation.

CBO Analysis

- PBOT receives several annual General fund allocations to support various programs and initiatives at the bureau. Included below are the reduction amounts and the expected service level impacts:
- ($335,928) for the **Streetlight Program**. PBOT receives General Fund resources to convert sodium bulbs to energy efficient LED bulbs and creates a reserve for the future replacement of streetlight bulbs. The Bureau is requesting the 5% reduction back. More information regarding the request and CBO's analysis is addressed in a separate decision package request.
- ($52,192) for **American Disabilities Act (ADA) Compliant Curb Ramp Program**. PBOT receives $1.0 million in ongoing General Fund resources to support the ADA curb ramp program which was allocated following the City's settlement with the Civil Rights Education and Enforcement Center (CREEC). PBOT is requesting the reduction back. More information regarding the request and CBO's analysis is addressed in a separate decision package request.

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[1] Not included in these figures are Streetcar and Tram which currently report no unmet need, and unimproved (gravel) streets which do not meet the City standard for maintenance.

- ($25,839) for **Out of the Mud**. The program's General Fund allocation for FY 2021-22 is $516,785. These funds are used to pave dirt and gravel streets to the Alternative Streets standard. The program has allocated $500,000 of these funds to the Errol Heights project in FY 21-22. The bureau anticipates that project can still be completed with the 5% reduction.
- ($24,386) for **Street Cleaning**. PBOT receives an annual allocation of $487,716 to support its Street Cleaning Program. PBOT is requesting the reduction back. More information regarding the request and CBO's analysis is addressed in a separate decision package request.
- ($6,142) for **Sunday Parkways**. The program's General Fund allocation for FY 2021-22 is $122,834 for Sunday Parkways events which offers five opportunities every year for community members to get out and bike or walk without car traffic. This reduction would reduce the number of barricades and other traffic control resources available for the events.
- ($5,180) for the **Sustainability Initiative**. PBOT receives an annual allocation of $103,592 to support the bureau's sustainability efforts. The funding is currently being used to fund an electrification study. Given the modest reduction amount, PBOT does not an anticipate a significant impact on delivery.
- ($1,782) for **Director Park**. The bureau receives an annual allocation of $35,640 to offset parking revenue loss from the construction of Director Park. PBOT does not anticipate these cuts will have a significant service impact.

CBO Recommendation: ($0 ongoing) | ($0 one-time) | 0.00 FTE

Lighting Portland for Safety Add Back

, $335,928 ongoing General Fund resources, 0.00 FTE

Request Summary

PBOT is requesting $335,928 in ongoing General Fund resources be restored to support the Lighting Portland for Safety Initiative. This request is the bureau's highest priority decision package.

CBO Analysis

Council approved the Lighting Portland for Safety Initiative as part of the FY 20-21 Adopted Budget. The initiative gives the bureau the ability to use current and projected savings from the bureau's General Fund allocation for Streetlight Replacement Program to fund lighting in-fill in the High Crash Network, with a focus on East Portland where streetlights are more likely to be absent compared to other areas of the City. However, the ongoing reduction taken in the FY 20-21 Adopted Budget and the one-time reduction from the FY 20-21 Fall BMP, significantly reduced the number of new streetlights that could added to High Crash Network from 1,800 new poles to approximately 1,100. The additional 5% ongoing cut reduction will reduce the number of new streetlights to 275, effectively terminating the initiative.

The High Crash Network includes only 8% of Portland's total lane miles, but accounts for a majority of serious crashes involving pedestrians and vehicles. Between 2013 and 2017, 141 pedestrian serious injuries and 44 deaths, or 74% of serious and deadly pedestrian crashes, occurred on High Crash Corridors. There is evidence that well-lit intersections can significantly decrease the potential for serious and/or fatal crashes. According to ODOT's HSIP Countermeasures and Crash Reduction Factors, well-lit intersections and midblock crossings decrease pedestrian and bicycle crashes by 42%. Over the past several years, the Bureau has increased its investment in lighting and other safety improvements in the High Crash Network; however, significant sections remain poorly lit.

To address this need, the request would invest $12 million over the next four years to add the second side of lighting to at least 20 miles of the High Crash Networks predominantly in North and East Portland. Per the Bureau, this investment, along with $4 million for new streetlights funded by the renewal of Fixing Our Streets would address more than 80% of the High Crash Corridors that currently have insufficient lighting. PBOT estimates that an additional $5 million would be needed to complete lighting in all of the High Crash Corridors in the City.

Funding for this request would come from current and projected savings from the bureau's streetlight replacement program. After accounting for debt service, current and future maintenance costs, the bureau anticipates savings of approximately $15.7 million between now and the scheduled cobra head replacements in FY 2034-35. This request proposes to allocate these savings to fund $12 million in capital costs and $2.6 million in maintenance costs, energy costs and the replacement reserve for the new lights. This would leave approximately $1.1 million in savings in FY 2034-35 that will be used to seed future light replacements (e.g. ornamental head replacements in FY 2039-40).

CBO recommends this request. Careful consideration has been given in requesting these resources using current and projected savings from the bureau's General Fund allocation for streetlight replacement to fund lighting in-fill in the High Crash Network, particularly in North and East Portland where streetlights are more likely to be absent compared to other areas of the City. The proposed outcomes of this investment are supported by evidence that lighting reduces pedestrian and bicycle crashes and addresses PBOT's strategic safety goals.

CBO Recommendation: $335,928 ongoing | ($0 one-time) | 0.00 FTE

ADA Compliant Corners Add Back

$52,192 in ongoing General Fund resources, 0.00 FTE

Request Summary

PBOT is requesting $52,192 in ongoing General Fund resources be restored to support the ADA-Compliant Corners. This request is the bureau's second highest priority decision package.

CBO Analysis

This request is part of the Bureau's $17 million annual investment that constructs 1,500 curb ramps per year or 18,000 total ramps over a 12-year period to comply with the terms of the CREEC settlement. Finding accessible points in the street system can cause people with mobility devices to travel in the street, exposing them to high risk of injuries and mortality.

CBO recommends that Council fund this package as it is a legal requirement**.** 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 Recommendation: $52,192 ongoing | ($0 one-time) | 0.00 FTE

Street Cleaning Add Back

DP 11,406, $24,386 in ongoing General Fund resources, 0.00 FTE

Request Summary

This request restores the $24,386 in ongoing General Fund resources for the Street Cleaning Program.

CBO Analysis

PBOT's Street Cleaning Program removes debris from residential streets as well as major transit and bike routes. The Program has a $7.64 million budget which includes $6.66 million from ongoing GTR resources, $487,716 from General Fund (with the 5% cut of $24,386 totals $463,330) and $464,000 from other bureaus, primarily BES.

Given that the cut is less than 1% of the Street Cleaning Program's budget and that significant service level impacts are not expected from the budget reduction, CBO does not recommend this request.

CBO Recommendation: ($0 ongoing) | ($0 one-time) | 0.00 FTE

Healthy Business Program

DP 11,407, $3,509,000 onetime General Fund and ($1,300,000) General Transportation Revenues, 0.00 FTE

Request Summary

This request is for $3,509,000 in onetime[2] General Fund resources to cover the costs of the Healthy Business Program. The resources fund $1,080,000 in personnel costs for the time of 8.5 FTE (all existing and filled positions); $864,000 in overhead costs; and $140,000 in external materials and services for traffic control devices (wave delineators, signage) for BIPOC-owned businesses doing business in the right-of-way or private parking lot. The request also includes $1.3 million in lost parking revenue for permit holders doing business in a metered parking space.

CBO Analysis

The Healthy Businesses program is a permit program that was developed to help businesses meet physical distance guidance by conducting business in the right of way, such as sidewalks, public parking spaces, travel lanes, or in the street. Given the economic impacts of COVID-19, PBOT

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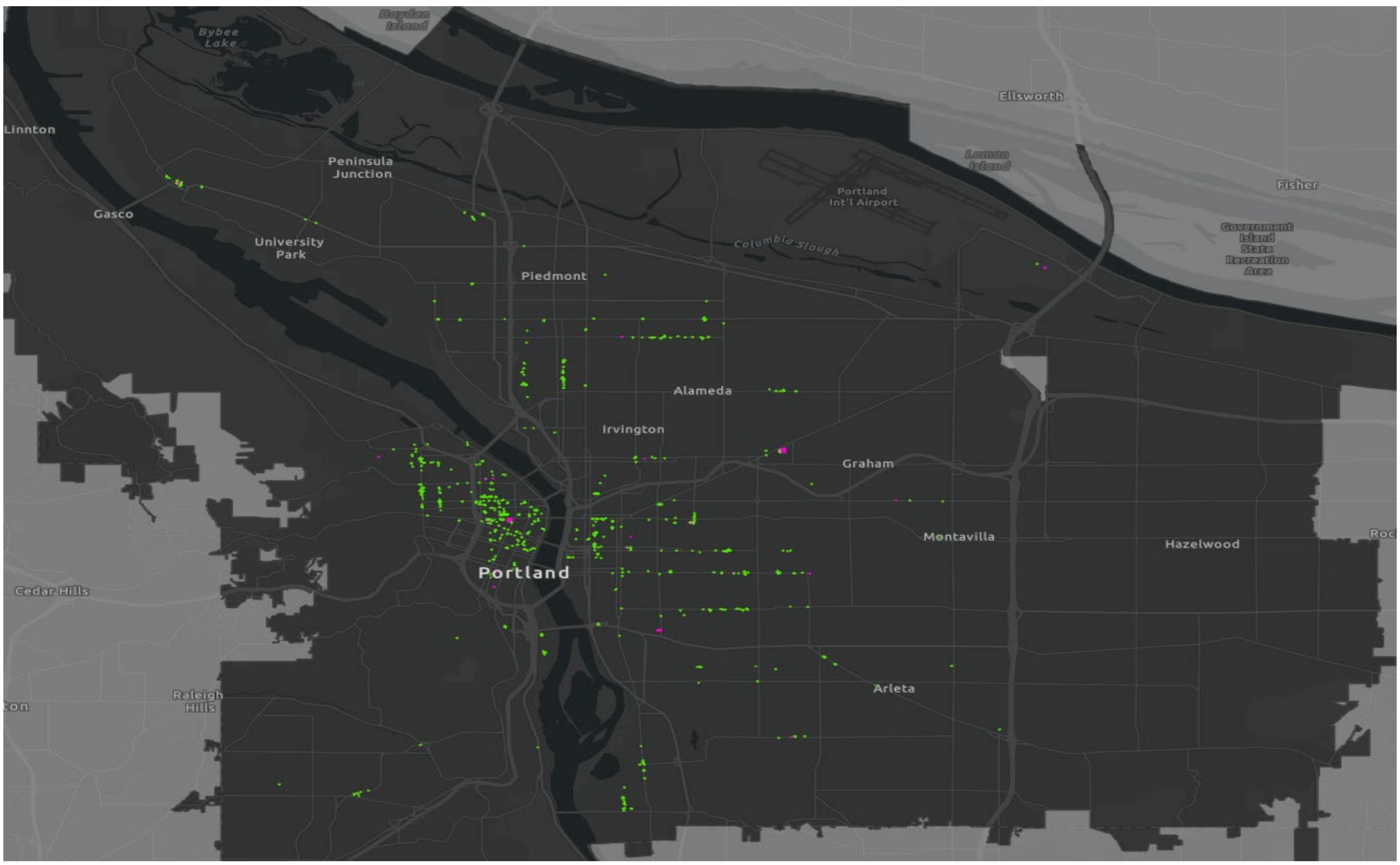
[2] CBO notes that the Bureau's FY 2021-22 Requested Budget submission was for $3,509,000 in ongoing General Fund resources for the Healthy Business Program. However, Bureau's intention was to request one-time resources to support the program. The correction from ongoing to one-time resources is reflected in CBO's analysis and recommendation.

made the permits free to help businesses remain in business and keep staff employed.

To date, the permit program has issued 1,221 permits, the majority of which are food and beverage establishments that have opted to set up tables and chairs in parking spaces adjacent to their business. PBOT Permit holders are located throughout Portland with the highest concentration of locations in the Central City and sections of inner Northeast, Southeast and North Portland, reflected in the green dots in the map below. The geographic distribution of the permit holders also reflects differences in land uses. Businesses east of 82nd have greater access to private parking lots for outdoor commerce which is outside the scope PBOT and the Bureau of Development Services' (BDS) jurisdiction. PBOT is partnering with BDS to provide guidance on using parking for outdoor commerce, including the allocation of CARES relief funds for signage and wave delineators for businesses citywide. In a survey conducted by the Bureau, 20 percent of the permits were issued to BIPOC-owned businesses.



To better understand the impacts of the program, PBOT interviewed 30 Healthy Business Program participants. CBO notes that information shared from the interviews was limited to excerpts of quotes, which makes it difficult to determine how representative the quotes are for the 30 businesses interviewed. Noting these caveats, the Healthy Business permit holders interviewed by PBOT attribute access to the right-of-way during the pandemic as helping to save their business. The excerpts also identified employment benefits, giving examples of permit holders retaining and/or hiring back staff. The Bureau also noted that neighboring businesses did not always experience the same reported economic benefits as permit holders, particularly those that depend on accessible on-street parking or street access. PBOT notes that a measured approach for conducting business in the right-of-way is imperative if this program continues.

The bureau's evaluation also conducted a survey to determine how people felt about Portland businesses doing business in a parking spot, sidewalk, or street. Overall, the reports were positive with 78% of respondents indicating they felt safe visiting businesses outdoors given concerns about COVID-19. Of the 3,100 survey responses, most respondents lived in SE and NE Portland. Less than 1% of the recipients reported living east of I-205. From a "who benefits" perspective, PBOT's survey data suggests that people living in wealthier parts of the City are more likely to visit a Healthy Business Program. According to the Bureau, it is unknown but assumed that there is a greater proportion of BIPOC Portlanders employed by the restaurant industry, and therefore, supporting local restaurants through the pandemic avoids layoffs in these communities.

While the Program appears to have provided an economic benefit during the pandemic, PBOT asserts that without General Fund resources, the program would either be discontinued, or a cost recovery model would need to be put in place. PBOT has not determined what the fee structure would be for the Healthy Business Program if General Fund resources are not approved, but the Bureau points to the Outdoor Dining program as a point of comparison. If the bureau's current Outdoor Dining permit fee structure were applied to the Healthy Business Program, then fees would average $900 per permit for Sidewalk Cafes, $3,500 in non-metered areas and $17,000 in metered areas for Sidewalk Cafes and Street Seat costs (permits include space within streets)[3]. CBO notes the Outdoor Dining permit's current fee structure is partially subsidized by GTR.

In place of implementing a cost recovery model, the bureau's request for $3.5 million in ongoing General Resources includes $1,080,000 in personnel expenditures or the time equivalent of 8.5 FTE from PBOT's temporary permit program. Currently, the Program is run by staff from PBOT's permit program whose work has been impacted by public health guidance (i.e. issuing permits for marathons, parades, block parties). The bureau has been using GTR to backfill lost permit revenue due to the economic impacts of COVID-19. The bureau anticipates that by this summer, public health guidance will allow the bureau to start issuing some community use permits again. Without General Fund support, PBOT asserts that staff won't have the capacity to administer a free permit program.

Another significant portion of the PBOT's request for General Fund resources, is the $1.3 million in lost metered parking revenue. The estimate is based on lost revenue from 157 Healthy Business Program permits (which is the comparable number of downtown permits over the summer 2020) and the assumption that parking occupancy levels will return to 80% of 2019 levels by July 2021 and increase to 92% of occupancy levels by July 2022. At present, lost parking revenue from the Healthy Business Program has been minimum as on street parking occupancy is less than 60% in most parts of the city. CBO notes if parking occupancy levels fall below PBOT's estimates, $1.3 million in limited General Fund resources would be spent on lost revenue that did not fully materialize. Conversely, if parking occupancy levels exceed estimates and the same number of businesses participate in the program, then there will be an increased amount of parking meter revenues losses, PBOT may request additional ongoing General Fund resources if the Program is made permanent.

Due to limited available General Fund resources and significant costs of the Bureau's request, CBO does not recommend General Fund support for this proposal. However, under the Federal American Recovery Plan's current draft language, this request would likely be eligible for future federal stimulus funding, for which the rules and distribution is anticipated to be finalized this Spring. Therefore, given the pandemic's continued impacts, **CBO would recommend allocating American Recovery Plan resources towards this request** once the rules and funding are finalized.

CBO Recommendation: ($0 ongoing) | ($0 one-time) | 0.00 FTE

ADA Compliant Corners-Capital Set-Aside

DP 11,408, $1,682,000 in one-time General Fund resources

Request Summary

The Bureau is requesting $1,682,000 million in Capital Set Aside funding to deliver up to 200 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 $1.5 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 recommends that Council fund this package**.**

CBO Recommendation: $1,682,000 one-time | 0.00 FTE

SE Foster Signals and Lighting Upgrades

DP 11,409, $1,000,000 in one-time General Fund resources

Request Summary

The Bureau is requesting $1 million in Capital Set-Aside funding to upgrade street signals and lighting at the intersection of SE Foster and SE 110th/SE 111th.

CBO Analysis

This request would fund the replacement of signal heads, hardware, and controllers with high visibility equipment and increased programmability. This includes upgrading pedestrian crossings with a Leading Pedestrian Interval timer and countdown crossing signal. Pedestrian lighting will also be added to illuminate the corners and crosswalks. The project will provide additional lighting in-fill along one side of the road up to Springwater Corridor.

This intersection occurs on a high traffic and High Crash Corridor commuter route. Between 2010-2017, there have been 15 injuries (8 serious) and 2 fatalities within the area controlled by these signals. It is also designated a major transit priority in the Transportation Systems Plan (TSP) as well as a primary emergency route and freight associated corridor with nearly 45,000 vehicle passes per day. Additionally, this project is in an area with a high concentration of communities of color and low-income residents; it has the maximum score (10 of 10) on PBOT's equity matrix indicating relatively high proportions of these residents.

The business case analysis provided by the bureau communicates a benefit to cost ratio of 102 to 1. Given the number of injuries and deaths in the area this project would serve, the benefit-cost analysis (BCA) score is predominately related to safety benefits from improved lighting and visibility of pedestrians and cyclists and timed signal phases that improve traffic flow and driver expectations. The benefits also account for travel time savings from the increased programmability of the signals and controllers. The costs included in the analysis are for project management, design and construction of the safety improvements.

CBO recommends that Council fund this package. Careful consideration has been given in requesting these resources in terms of the impacts to safety, which a key priority for PBOT. Funding it is likely to have a meaningful impact on advancing the Bureau's goals around Vision Zero, racial equity, and asset management.

CBO Recommendation: $1,000,000 one-time | 0.00 FTE

West Burnside Signal Upgrades

DP 11,410, $2,000,000 in one-time General Fund resources

Request Summary

The Bureau is requesting $2 million in Capital Set-Aside funding to upgrade the intersections at West Burnside at SW 2nd and SW 3rd. Funding would go toward signal head, hardware, controller, and mast arm replacement and upgrades to pedestrian crossings.

CBO Analysis

These intersections are heavily used by pedestrians, transit and vehicles and West Burnside is a High Crash Corridor. Between 2010-2017, there have been 26 injuries within the area controlled by these signals. There are several service agencies in the blocks around the intersections (Union Gospel Mission, Salvation Army, and Central City Concerns) that serve vulnerable populations and the location also hosts several well-known tourist destinations.

The signal equipment is over 40 years old and out of compliance. The existing mast arms are structurally insufficient to carry the weight of safer, larger signal heads or street signs. Emergency vehicle sensors no longer function, and there are no transit priority sensors to improve the flow of traffic. From a safety perspective, the controller hardware is located on a pole jutting into the walking path which is a hazard to sight-disabled pedestrians navigating with a cane. The crossing distance is challenging for pedestrians requiring more time to cross, ADA accessible pedestrian push buttons are missing, pedestrian countdowns are not on the signals, and there is no pedestrian crossing on the east side of the SW 2nd and Burnside intersection.

This project will replace signal structures, hardware, and controllers using PBOT's conventional design/bid/build process. The project will deliver:

- Eight new, complete signal units with mast arms; high visibility signal heads with reflective backplates, transit priority sensors; emergency vehicle priority sensors; traffic detection sensors with capabilities for advanced traffic control strategies, and high visibility street signs; vault installed (underground) controller hardware
- Replace structurally unstable pedestrian lighting column
- Curb extensions to shorten crossing distance on Burnside
- Additional crossing on east side of SW Burnside and SW 2nd
- ADA-compliant crossing request buttons
- Pedestrian crossing heads with countdown timers and refreshed crosswalk markings

The business case analysis provided by the bureau for this project communicates a benefit to cost ratio of 16.3 to 1. The benefits of this proposal are predominantly related to human health and safety, travel time savings for vehicles and transit, vehicle operating cost savings, and reduced emissions.

CBO Recommendation: $2,000,000 one-time | 0.00 FTE

NE Cornfoot Paving Project

DP 11,407, $3,509,000 ongoing General Fund and ($1,300,000) General Transportation Revenues, 0.00 FTE

Request Summary

The Bureau is requesting $2 million in Capital Set-Aside funding and $8 million in Heavy Vehicle Use Tax (HVUT) funds to replace 1.5 miles of failing road to accommodate heavy freight traffic.

CBO Analysis

Traffic volume on Cornfoot, a designated freight route, has doubled since 1991. The road is only 1.5 miles long; however, its average daily vehicle counts of 10,500 is on par with traffic counts on NE Marine Drive between Martin Luther King Blvd. and NE 33rd. Boeing and military facilities are located on this road, the United States Postal Service has relocated their downtown facility to this location, as well as UPS, Amazon, and FedEx all have increased their employment and distributions from their Cornfoot locations. This is the only access road to their centers. Approximately 25% of the traffic is heavy freight, triple that of average city arterials.

The concentrated heavy weights and increased traffic have caused the street to fail along several parts of the segment from NE 47th to NE Alderwood, causing hazards and poor driving conditions for all road users. NE Cornfoot is a key maintenance priority for the City; PBOT seeks to prioritize this major maintenance intervention before the corridor further declines.

This business case evaluation looked at two scenarios: build/no-build, and deferred build/no build. The build scenario assumes that pavement lifecycle is reset, and essentially no maintenance is needed for at least 20 years. The deferred build assumes annual maintenance costs continue at their current rates of $50,000 - $100,000 and after 10 years, a complete asphalt replacement would be done at approximately $7,000,000.

The business case analysis provided by the bureau communicates a benefit to cost ratio of 15.6 to 1 for the build/no-build option and benefit to cost ratio of 1.9 for the deferred build/no build option. The benefits of this proposal are predominately driven by cost savings from avoided crashes, vehicle operating cost savings, and emissions savings from smoother driving conditions. Differences in cost are related to decreased maintenance costs for at least 20 years under the build option. The costs of the deferred build option are driven by annual maintenance and an asphalt replacement in year 10.

Given the limited availability of Capital Set-Aside, CBO does not recommend that Council fund this package. CBO notes that careful consideration has been given regarding the different build and no-build scenarios and leverages Heavy Vehicle User Tax funds. While the benefits to cost ratio score does not fully account for the economic benefits of this investment, this road provides access to an employment center in the City. It is reasonable to assume that many of jobs that the employment center supports provide living wages with benefits. CBO notes that the road also provides access to a low-income neighborhood that surrounds the area. While the people living in the neighborhood would benefit from a new road, it is unknown whether they are benefiting from the growing employment center that this investment directly supports.

CBO Recommendation: $0 one-time | 0.00 FTE

SUMMARY OF REQUESTS & RECOMMENDATIONS (ALL FUNDS)

Portland Bureau of Transportation

		2020-21 Adopted Budget	2021-22 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Revenue	Taxes	$21,487,500	$20,150,000	$0	$0	$20,150,000
	Miscellaneous Fund Allocation	$1,702,191	$1,753,257	$0	$0	$1,753,257
	Miscellaneous	$4,273,719	$3,706,434	$0	$0	$3,706,434
	Licenses & Permits	$18,890,980	$11,981,243	$0	$0	$11,981,243
	Intergovernmental	$143,477,563	$125,712,557	$0	$0	$125,712,557
	Interagency Revenue	$35,979,785	$35,825,523	$0	$0	$35,825,523
	Fund Transfers - Revenue	$25,064,500	$30,348,106	$10,152,402	($5,533,386)	$34,967,122
	Charges for Services	$96,939,640	$76,921,642	($1,300,000)	$1,300,000	$76,921,642
	Bond & Note Proceeds	$21,357,412	$31,990,249	$0	$0	$31,990,249
	Beginning Fund Balance	$226,576,192	$156,722,818	$0	$0	$156,722,818
Revenue	**Sum:**	**$595,749,482**	**$495,111,829**	**$8,852,402**	**($4,233,386)**	**$499,730,845**
Expense	Personnel	$136,643,380	$134,191,654	$1,074,820	($1,090,000)	$134,176,474
	Internal Materials and Services	$44,326,265	$45,897,989	$864,000	($864,000)	$45,897,989
	Fund Transfers - Expense	$14,601,018	$11,467,395	$0	$0	$11,467,395
	External Materials and Services	$107,150,271	$74,051,573	$258,858	($279,386)	$74,031,045
	Debt Service	$23,243,329	$19,463,109	$0	$0	$19,463,109
	Contingency	$135,612,560	$96,358,081	($1,782)	$0	$96,356,299
	Capital Outlay	$134,172,659	$113,682,028	$6,656,506	($2,000,000)	$118,338,534
Expense	**Sum:**	**$595,749,482**	**$495,111,829**	**$8,852,402**	**($4,233,386)**	**$499,730,845**