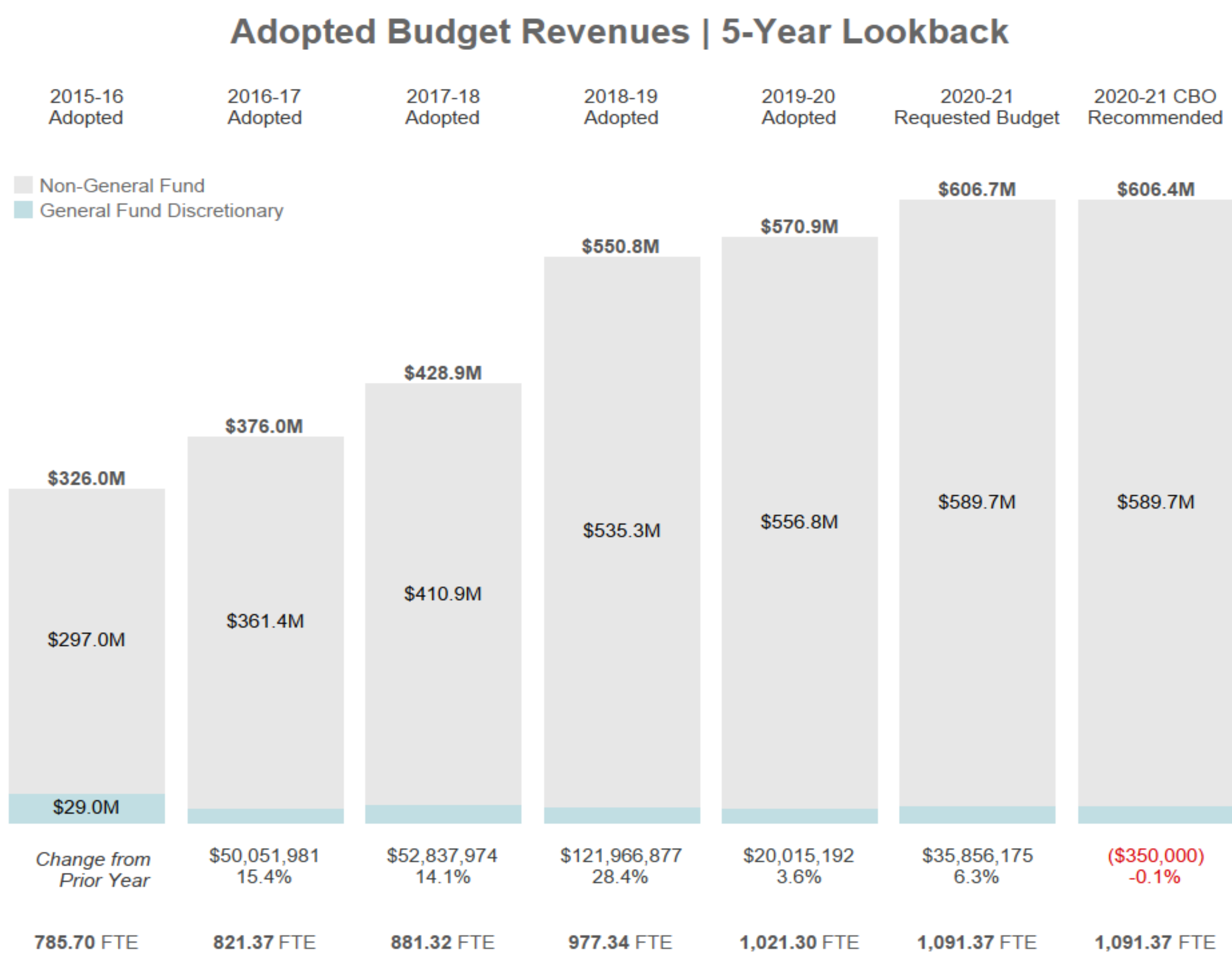
City Budget Office

Bureau of Transportation



INTRODUCTION

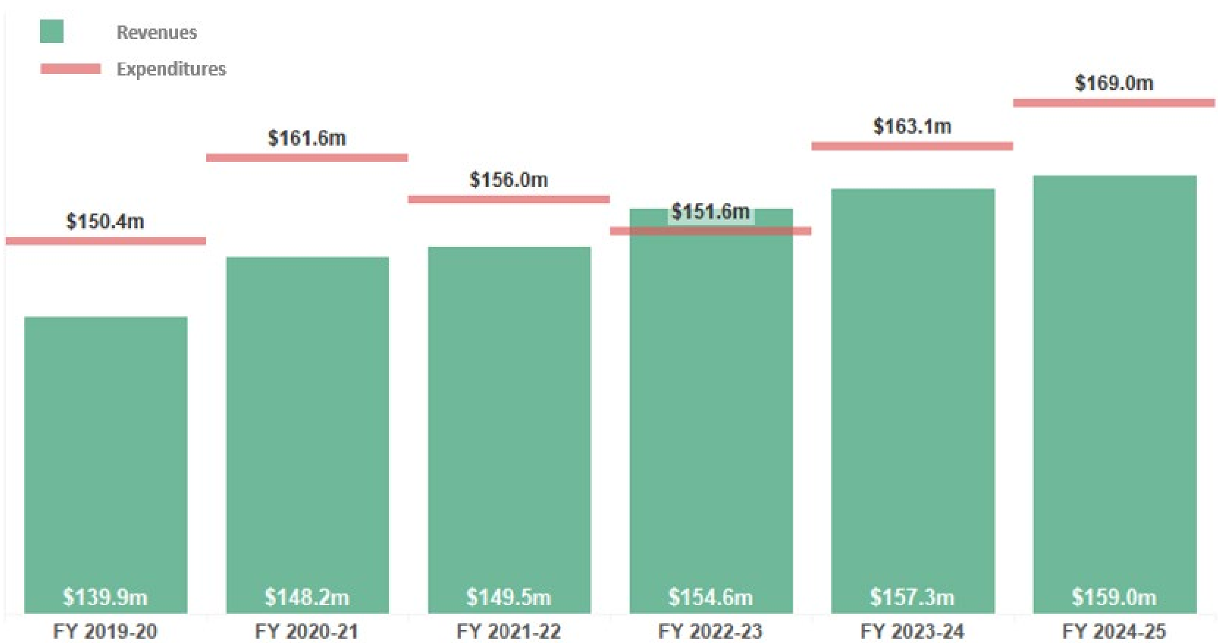
The Portland Bureau of Transportation's (PBOT) FY 2020-21 requested budget of $606.7 million is approximately 6% more than the current year adopted budget of $570.9 million. Bureau decision packages includes a $350,000 one-time General Fund request, budget authority for $10,687,500 in Fixing Our Streets 2020-2024 revenues as well as a request to reallocate General Fund resources to install streetlights along poorly lit areas of the High Crash Network. The Bureau also requests $7.6 million in one-time Capital Set Aside funding for maintenance projects.

BASE BUDGET KEY ISSUES

Expenditures Outpacing Revenues in the Bureau's General Transportation Revenue Five-Year Forecast

The Bureau's discretionary revenue source—General Transportation Revenue (GTR)—is expected to grow to $138.8 million in FY 2019-20, a $26.3 million or 23% increase since FY 2015-16. GTR consists of the State Highway Fund (Gas Tax) and parking related revenue. The bureau's forecast estimates that discretionary revenues will increase to $158.5 million by FY 2024-25, a 10% increase from FY 2019-20 due primarily to biennial fee and tax increases introduced under Keep Oregon Moving (HB 2017); however, the annual growth rate is expected to slow to 1% a year over the five-year forecast. Conversely, as revenues flatten, the bureau's operating expenditures are projected to increase at a 3% growth rate during the same period. This divergence in expenditures and revenue creates an operating deficit in the current year and in four of the five years of the forecast. To address the gap, the bureau will draw down its built-up ending balance from a projected $63.3 million in FY 2019-20 to $20.2 million in FY 2024-25.

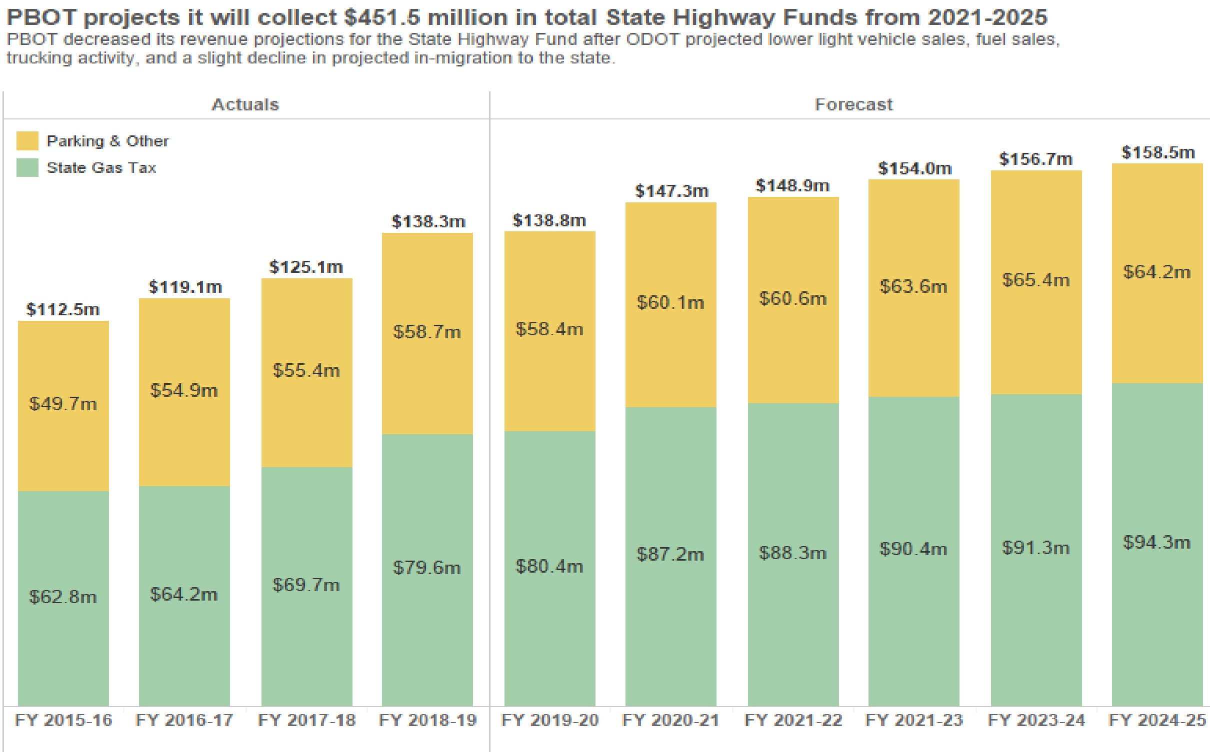
Total discretionary expenditures will outpace revenues in 4 of the next 5 years.



Revenue drivers: Lower revenue projections from the State Highway Fund

One of the most significant factors impacting the bureau's GTR forecast is lower revenue projections from the State Highway Fund (gas tax). The State Highway Fund's projections are influenced by the motor vehicle fuels tax and fee increases passed under Keep Oregon Moving (HB 2017). The bureau estimates it will receive $451.5 million in total State Highway Funds between FY 2020-21 and FY 2024-25.

Compared to the prior forecast, PBOT decreased its revenue projections for the State Highway Fund after ODOT projected lower light vehicle sales, fuel sales, trucking activity, and a slight decline in projected in-migration to the state. The revised projections are also impacted by decreasing State Highway Fund apportionments to the County as the growth in the number of vehicles registered in Multnomah County was slower relative to the growth of other counties. The impact was an approximately $12 million reduction in revenue in the five-year forecast and $32 million over the ten year.



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. The forecasted growth of parking revenues—GTR's other revenue source—is not expected to significantly offset the projected loss of the State Highway Funds either. The bureau's forecast assumes it will generate $313.9 million over the next five years which amounts to a growth rate of 1% per year. While this forecast is conservative, the primary purpose of the City's parking management policy is to manage parking demand and supply; it is not to generate revenue to support multiple bureau operations.

Additionally, regular fee increases to offset inflation are not included in the City's annual rate schedule for the bureau's parking system. This differs from the practices of the utility bureaus, which balance their long-term forecasts based on the assumption that Council will approve annual rate increases at a level that will fund operating costs, capital, and debt service expenditures. Except for reserved parking and a subset of parking permits which include inflationary increases, the bureau's parking revenue forecast does not assume fee increases that would offset the systemic growth in bureau expenses.

Expense drivers: Increasing interagency and program costs

On the expense side, the bureau's operating expenditures are projected to rise at approximately 3% a year over the five-year forecast with year-to-year fluctuations driven largely by one-time expenses that are reimbursed later in the forecast.

Like many bureaus, PBOT's interagency costs grew significantly in FY 2020-21 as compared to the current year budget. The bureau's five-year financial plan assumes interagency increases of about 2.6% per year. However, for the FY 20-21 Requested Budget, multiple interagency agreements (IAs) from other bureaus were submitted at a much higher rate. Bureaus have some latitude to increase or lower IA these charges where there are per-unit charges that are within their control and bureaus often incur increased charges based on bureau-initiated projects. However, bureaus have little control over many IA charges because the per-unit or service price is set by the service provider. Examples of increased IAs included in PBOT's FY 2020-21 Requested Budget:

- $3.7 million in additional rent costs from the blended rate for the Portland Building reconstruction and the 13th floor of the Congress Center beginning in FY 2020-21;
- $154,049 or a 42% increase in the bureau's IA for procurement support; and
- $229,832 or a 110% increase for increased rent from the 1900 Building.

Altogether, interagency costs added approximately $5 million per year to the bureau's discretionary forecast. Other significant costs added to the five-year forecast in FY 2020-21 include $365,400 in ongoing GTR funding to support additional FTE, and $2.75 million in funding for the Rose Lane project. Ongoing costs were offset by a 1% reduction to GTR-funded programs that were used to balance the long-term forecast.

Challenges in the outyears of the forecast

Unlike rate funded bureaus that have an opportunity to increase rates on a yearly basis to help offset costs, PBOT relies on resources that are either controlled at the state level or not indexed to inflation or other regular increases (e.g. parking revenues). This makes it difficult to mitigate the impacts of lower revenue projections. In the short term, the bureau is using its built-up ending balance to prevent any immediate service impacts, however, this strategy is not sustainable in the long term. 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 $386 million is needed per year over the next 10 years for major maintenance to meet PBOT's infrastructure service level goals.

The City and Bureau's goals to reduce greenhouse gas emissions, increase active transportation, and promote the use of public transit are important, but they have the potential to significantly impact the Bureau's discretionary resources. Nearly all the bureau's discretionary resources (e.g. gas tax and parking revenue) are generated from vehicles; however, as cars become more fuel- and energy-efficient, this revenue source is less viable over the long term. Therefore, it is increasingly important that the bureau manage the growth of its expenditures and take steps to identify additional revenue, either through new funding sources and/or growth in an existing source, such as regular increases in parking fees to offset inflation, to help avoid service level reductions.

PROGRAM OFFERS

The bureau's requested budget includes budget authority for 26.25 permanent FTE, these are not included through the decision package process. These positions are funded with a mix of new discretionary and non-discretionary resources. To help pay for some of these new investments, the bureau incorporated an internal 1% ongoing reduction to GTR funded programs in FY 2020-21. This resulted in $1.3 million in funding that was reallocated to offset new investments in priority programs and provided resources to balance the long-term forecast. Taking these offsets into account, the bureau added $356,400 in ongoing GTR expenditures and $4,123,127 one-time GTR expenditures. CBO is supportive of the bureaus efforts to focus internal prioritization for the allocation of its base budget.

Ongoing GTR funding requests in FY 2020-21 will support 7.0 FTE. Of the 7.0 FTE, GTR will cover 100% of the cost for three of the positions and 40% of the cost for the remaining 5.0 FTE requested in FY 2020-21. For the 5.0 FTE that are partially funded with ongoing GTR, the remaining funding will come from non-discretionary sources. Significant one-time GTR funding budget requests in FY 2020-21 include $2.75 million to support phase 1 and 2 of the Rose Lane Project.

If funded, these 7.0 FTE would address the following needs:

- Engineer to support Active Traffic Design and Traffic Operations to provide support for the Fatal Crash Response Team, proactive evaluation of the High Crash Corridor intersections and project evaluations. The Engineer will also evaluate projects on the High Crash Network, safety pilots, and interventions and Vision Zero intervention.
- Product Owner for the bureau's asset management system, Maximo. The position will create a release management strategy and cycle for Maximo, work directly with Maximo users to collect enhanced or new feature requests, and manages the backlog of work order requests.
- Planner/Scheduler for CIP projects. This position will support the planning and scheduling of the bureau's 200 CIP projects by working with project management staff to review projects and schedules and help determine which projects to keep in-house versus consulting out.
- Process Improvement Analyst to support the Office of Strategy, Innovation and Performance and improve back end data compliance, document preparation, meeting facilitation, and process method improvement definition and implementation.
- Safety Programs Education and Outreach to help deliver citywide safety education campaigns, multi-bureau safety collaborations, ongoing safety communications, and community engagement.
- Commuter Trip Reduction Plan to support the implementation of the mixed-use zone ordinance, recently passed by Council, which requires developers to pay into a fund that benefits resident commuter needs.
- Mapping Data Tech in Survey that that will assist with addressing the increased workload of the survey crew and specifically support the collection of data in the field.

The bureau's requested budget also includes $2,336,127 in ongoing non-discretionary funding for 19.25 additional FTE. Of the total FTE funded with non-discretionary resources, 16.25 FTE will support the operational needs of the Development and Permitting Group. These positions will be paid for with fee revenues. The bureau is also adding 1.0 FTE to support the NW Parking District's proactive parking management program and 2.0 dedicated FTE within PBOT for the POPS project and AMANDA-related work. The bureau has a backlog of requests for AMANDA that will not be supported or implemented without these resources.

DECISION PACKAGES

Lighting Portland for Safety

$0, 2.00 FTE

Request Summary

Currently, PBOT receives General Fund resources to fund the replacement of streetlights from older sodium bulbs to more energy efficient LED bulbs following Council's decision (Ordinance 185838, December 2012). This decision package proposes to use $12 million in projected savings from the energy efficient streetlights and reallocate it toward adding streetlights along poorly light areas of the High Crash Network. The request also includes 2.0 FTE that would be devoted to this project.

Offset Summary

This request proposes to reallocate funding. No offset is required.

CBO Analysis

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, 74% of serious and deadly pedestrian crashes (141 pedestrian serious injuries and 44 deaths), occurred on these High Crash Corridors. Injury data for 2018-2019 is not yet available, however, the number of traffic deaths increased to 49 people in 2019, a 44% increase from 2018 and the most traffic deaths since 1997. At the time of this writing, there have been 7 traffic-related deaths in 2020.

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-light 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 (approximately 1,800 new poles) predominantly in North and East Portland. Per the Bureau, this investment, along with $4 million for new streetlights that would be funded by the renewal of Fixing Our Streets (if approved by voters in May 2020) 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). Per the bureau, existing staff are fully programmed, and an additional 2.0 FTE are needed to deliver this work.

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: $0 ongoing | 2.00 FTE

Climate Mobility Campaign

$350,000 one-time

Request Summary

The Bureau is requesting $350,000 in one-time General Fund resources for the initial phase of a Climate Mobility Campaign focused on individual and organizational accountability.

Offset Summary

The offset for this package is in-kind match of $500,000. The match represents is the estimated value of the support from participating in the American Cities Climate Challenge (ACCC). This includes technical assistance from consultant partners, including ideas42, Nelson/Nygaard and NRDC.

CBO Analysis

Currently, PBOT is participating in American Cities Climate Challenge (ACCC), which is a Bloomberg Philanthropies-funded initiative designed for cities to augment and accelerate strategies to reduce emissions at the local level. These include behavioral nudging and incentive strategies, price signals, transit and bike infrastructure improvements, and more. The Bureau is incorporating the technical assistance received from ACCC and applying it to a smaller scale pilot related to the Central City in Motion and Rose Lane projects. The bureau plans to roll out the initial campaign pilot this spring and is requesting one-time General Fund resources to expand the scope and impact beyond the initial nudging pilot. Funding would be used for additional consultant and communications support. This work would be accomplished over two years:

- **Phase 1—Pilot (July 2020 – January 2021):** PBOT staff would work with consultants to develop a comprehensive messaging strategy so that the community and employers understand the City's climate strategy and the steps and actions they should take to be a part of it.
- **Phase 2—Refine (January-July 2021):** PBOT staff will work with consultants to refine the campaign strategy based on the results from the pilot phase. Phase 2 will also include planning additional campaign strategies (e.g. car free demonstration days, scaled up behavioral nudging pilots, scaled up employer commute reduction programs).
- **Phase 3—Scale (July 2021-July 2022):** PBOT staff will work with consultants to scale up the most effective components of the campaign strategy.

CBO recognizes that this proposal, if effective, could address the Council's climate goals and the Bureau's key performance measure for 70% of Portlanders to commute by walking, biking, transit, carpool, or telecommuting by 2035. CBO recommends that the bureau use the resources from the ACCC and evaluate the results of the initial campaign pilot (spring of 2020) to refine its approach and either re-request funding in a subsequent budget cycle or fund with internal resources.

CBO Recommendation: $0 one-time

Fixing Our Streets 2

$10,687,000, 2.00 FTE

Request Summary

This request provides budget and position authority if Fixing Our Streets 2 is renewed by voters in May 2020. The revenue would be generated by a temporary, 4-year continuation of a ten cent per gallon gas tax on vehicles not subject to the weight-mile tax. The request also provides budget authority for the Heavy Vehicle Use Tax, a companion to the local gas tax that ensures heavy trucks pay their fair share to maintain the transportation system. If the tax is not renewed in May, PBOT will withdraw this package.

Offset Summary

Not required.

CBO Analysis

In May 2020, City voters will decide whether to renew a temporary 10-cent per gallon tax on light vehicles in Portland for another four years. PBOT estimates that the first gas tax, which was approved by voters in 2016, will bring in $76 million for vehicles not subject to the weight-mile tax. If renewed, the measure is estimated to raise $74.5 million over four years, beginning January 2021. The Heavy Vehicle Use Tax is expected to generate $11 million in revenue over the same period. Together, over four years, these taxes are expected to generate an estimated $85.5 million. It will be allocated toward the following:

- $25 million for paving with a focus on preventative maintenance;
- $26 million for safer streets such as new signals and beacons, sidewalks, lighting and neighborhood greenways;
- $13 million to fixing potholes and conducting base repair of failing roads, and maintaining gravel streets; and,
- $10.5 million for basic safety improvements like speed reduction on cut-through streets.

The decision package includes a request for a limited term Planner II to conduct additional public outreach and design refinement activities for the projects. If renewed, PBOT will need a limited term Capital Project Manager to oversee the design and construction of the additional projects that would result from this funding. The request also converts ten limited term maintenance positions (one Engineering Technician II, seven Utility Worker II, one Automotive Equipment Operator I and one Construction Equipment Operator) into permanent positions to address bureau maintenance needs over the next five years.

The 2019 Portland Insights Survey indicates that approximately 76% of Portland residents are either very dissatisfied or somewhat dissatisfied with the physical condition of roads. Fixing Our Streets provides a portion of its funding to maintenance and repair projects, however, the bureau’s maintenance gap for pavement of $280 million per year over the next 10 years to bring assets to fair or better condition far exceeds the scope of this funding source. If renewed, the 10-cent gas tax will also be at the same level that it was when it passed in 2016. Despite people paying less in gas taxes per vehicle mile traveled than they did 10 years ago, the tax did not do well in focus groups when it was adjusted for inflation. This presents a challenge for the bureau as it tries to address public expectations with a funding source representing only 5% of its annual budget.

CBO recommends this request but notes that expected revenue from this tax will address only a portion of the significant maintenance needs faced by the bureau.

CBO Recommendation: $10,687,500, 2.00 FTE

CAPITAL SET-ASIDE

PBOT submitted five decision-packages for consideration as part of the Capital Set Aside process. Submitting and evaluating Capital Set Aside requests underwent a new pilot process this year whereby all requests were required to produce a Business Case Evaluation quantifying the comprehensive costs and benefits of the proposal. Each analysis produces a benefit-cost ratio and additional information to communicate and demonstrate the benefits of the proposal.

SE Foster Signals and Lighting Upgrades

$1,000,000 one-time

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.

Offset Summary

Capital Set Aside requests did not require an offset.

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 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

West Burnside Signal Upgrades

$2,000,000 one-time

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.

Offset Summary

Capital Set Aside requests do not require an offset.

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 accident cost savings, travel time savings for vehicles and transit, vehicle operating cost savings, emissions saved.

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 goal's in the Bureau's Strategic Plan: Transportation Justice, Safe Systems, Moving People and Goods, and Asset Management.

CBO Recommendation: $2,000,000 one-time

NE Cornfoot Paving Project

$2,000,000 one-time

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 with concrete to accommodate heavy freight traffic.

Offset Summary

Capital Set Aside requests do not require an offset.

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 evaluated 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 accident cost savings, 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.

CBO recommends that Council fund this package. 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: $2,000,000 one-time

N. Michigan Avenue Paving Project

$1,000,000 one-time

Request Summary

The Bureau is requesting $1 million in Capital Set Aside funding to deliver preventative maintenance to 1.7 miles of North Michigan road (from N Cook to N Rose Parks Way).

Offset Summary

Capital Set Aside requests do not require an offset.

CBO Analysis

This project provides preventative maintenance to pavement using a microsurfacing treatment for pavement in Fair and Poor condition before costly grinds are required. This project would take the pavement condition index (PCI) on this corridor from 55 (Fair/Poor) to 95 (Very Good) and extend the life of this pavement by about 10 years. The bureau indicates that additional maintenance would not be required for about a decade after this improvement; replacement of the asset would be pushed even farther out.

This corridor is on a neighborhood greenway (City-adopted bicycle route), a safe routes to schools route serving three schools and is in a pedestrian zone identified in the TSP. It also facilitates movement of approximately 500 cyclists per day and about 24,000 vehicles. Investing in pavement on a neighborhood greenway creates a smoother, and often safer surface for people on bikes. It also addressing the bureau’s road maintenance backlog.

The business case analysis provided by the bureau communicates a benefit to cost ratio of 5.2 to 1. The benefits of this proposal are predominantly related to the bikeway, including health and improved journey benefits. The cost side of the analysis is predominantly impacted by the low cost of micropaving compared to a 2-inch grind and pave, which is the treatment required absent this preventative maintenance intervention.

The following table offers general information associated with the lifecycle of microsurfacing vs 2” grind and pave and the estimated cost per lane mile.

	Lifecycle	Cost estimate (inclusive of implementation costs, including overhead)
Micropaving/microsurfacing	7-9 years	$175,000 per lane mile
2-inch Grind and Pave	12-15 years	$1.3 million per-lane mile

CBO recommends that Council fund this package. This treatment provides a more affordable preventative maintenance treatment option to address the bureau’s growing maintenance backlog and leverages a recently completed ADA improvement project in this location. According to the bureau’s most recent asset status and condition report, meeting the bureau’s asset maintenance needs would require $366.3 million per year for the next 10 years. Local streets and arterials and collector streets make up $280 million of the annual funding gap.

CBO Recommendation: $1,000,000 one-time

ADA Corner Ramps

$1,634,138 one-time

Request Summary

The Bureau is requesting $1,634,138 million in Capital Set Aside funding to deliver up to 200 American with Disabilities Act (ADA) compliant curb ramps.

Offset Summary

Capital Set Aside requests do not require an offset.

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 $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 notes that the bureau's request is $1.6 million versus the $1.5 million that is outlined in the agreement between Council, PBOT, and the Budget Office. Per the bureau, the $1.6 million request reflects an adjustment for inflation. CBO will honor this adjustment, but the bureau should clearly articulate how it arrived at the requested dollar amount in the future.

CBO Recommendation: $1,634,138 one-time

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Portland Bureau of Transportation - All Funds

		2019-20 Adopted Budget	2020-21 Requested Base (A)	Bureau Decision Packages (B)	CBO Recommended Adjustments (C)	Total Recommended Budget (A+B+C)
Expense	Personnel	$128,188,288	$138,342,394	$4,044,123	$0	$142,386,517
	External Materials and Services	$78,780,424	$103,097,038	$4,871,265	($350,000)	$107,618,303
	Internal Materials and Services	$40,652,510	$44,790,928	$0	$0	$44,790,928
	Capital Outlay	$156,341,618	$128,041,409	$10,631,250	$0	$138,672,659
	Debt Service	$20,777,233	$23,243,329	$0	$0	$23,243,329
	Fund Transfers - Expense	$13,839,655	$13,480,688	$0	$0	$13,480,688
	Contingency	$130,608,219	$137,049,745	($875,000)	$0	$136,174,745
	Debt Service Reserves	$1,673,047	$0	$0	$0	$0
	Total	**$570,860,994**	**$588,045,531**	**$18,671,638**	**($350,000)**	**$606,367,169**
Revenue	Beginning Fund Balance	$210,885,311	$226,576,192	$0	$0	$226,576,192
	Bond & Note Proceeds	$22,002,526	$21,048,256	$0	$0	$21,048,256
	Charges for Services	$92,235,115	$98,944,379	$0	$0	$98,944,379
	Fund Transfers - Revenue	$29,399,063	$22,995,871	$7,984,138	($350,000)	$30,630,009
	General Fund Discretionary	$0	$0	$0	$0	$0
	Interagency Revenue	$34,277,659	$35,838,715	$0	$0	$35,838,715
	Intergovernmental	$138,700,277	$145,901,899	$0	$0	$145,901,899
	Licenses & Permits	$15,672,000	$19,049,607	$0	$0	$19,049,607
	Miscellaneous	$4,286,430	$4,871,265	$0	$0	$4,871,265
	Taxes	$21,400,000	$10,800,000	$10,687,500	$0	$21,487,500
	Total	**$568,858,381**	**$586,026,184**	**$18,671,638**	**($350,000)**	**$604,347,822**