

Draft Capital Improvement Program Overview

PREPARED FOR: Bend Transportation Bond Oversight Committee
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Introduction

This memorandum provides: an overview of the City of Bend's General Obligation (GO) Bond Transportation Capital Improvement Program (CIP); the process city staff used to develop the Draft 5-year GO Bond CIP currently under consideration by the Transportation Bond Oversight Committee; and additional information requested by TBOC at the October 5, 2021, meeting. The project cut sheets have been significantly expanded to including the following information:

- **Project scope overview:** What is the project, what needs would it address, and what other projects should be coordinated with during project implementation?
- **Preliminary project schedule:** Draft schedule for planning, design, and construction activities, including information on City staffing considerations.
- **Project sequencing information and rationale for recommended fiscal year funding:** Background information on priority ranking evaluation scores and why a project was recommended for a particular funding cycle.
- **Additional information relevant to each project regarding potential project budget, readiness, and background information on construction fatigue.** This is extensive information on each project that provides important information that needs to be considered during the CIP development process.

This information, as well as important background documents, are included as attachments to this memorandum. Specific documents provided include:

- Attachment A: Draft CIP Sequencing Schedule
- Attachment B: City of Bend Resolution 3218, which established TBOC
- Attachment C: Expanded Project Cut Sheets
- Attachment D: Prioritization Criteria Memorandum & Scoring Results
- Attachment E: Financing Projection PowerPoint
- Attachment F: Public Opinion Research from GO Bond (December 2019)
- Attachment G: One-minute Survey Results (December 2019)

Request to TBOC

The project team requests that TBOC:

1. Review the additional information provided to describe the Draft CIP
2. Come to TBOC Meeting #6 prepared to discuss the CIP and finalize the Committee's recommendation to the City Council.

Questions or clarifications on the materials provided for this meeting may be discussed with City staff prior to the meeting. If all members come to the November 9th meeting having thoroughly read all materials and ready to discuss or propose adjustments to the presented CIP, we will be able to make efficient use of the meeting time and focus on adjustments to the proposed CIP.

The goal is to approve a CIP for recommendation to Council at the conclusion of the November 9 meeting.

Overview of the 5-year CIP

Bend's Capital Improvement Program (CIP) identifies infrastructure improvement projects to be designed and/or constructed by the City within a 5-year time period that are necessary to enhance service levels, address existing deficiencies, and provide for future growth. The 5-year CIP is updated annually, along with the biennial budget, and is coordinated with in City departments. The CIP includes projects in Water, Water Reclamation, Stormwater, Transportation Construction, GO Bond, Accessibility Construction, Airport Funds, and the Facilities Management division of the Internal Service Fund – City Wide Administration. TBOC is examining a proposed GO Bond CIP for 2021-2026.

The City continues to refine its CIP process as a means to enhance both financial planning and management decisions. Policy directives, population changes, land-use patterns, and operational impacts are all considered when assessing future demands and needs. The City also looks at staffing resources needed to complete the projects, financial impacts to utility rates, and the availability of funds to pay for projects.

Community Commitments – Council Resolution No. 3218

As part of recommending the Transportation (GO) Bond to Bend voters during the November 3, 2020, election, the Bend City Council also passed Council Resolution No. 3218 (see Attachment B). The resolution sets forth a commitment to the community to allocate GO Bond proceeds to a project list that addresses key citywide needs identified within the Bend Transportation System Plan (TSP). The resolution also committed to establishing the Transportation Bond Oversight Committee (TBOC) for the purpose of providing transparency during the GO Bond implementation process.

Relationship to the Bend TSP

As identified in the resolution, the GO Bond projects were selected to address major themes for improving Bend's citywide transportation system:

- **East-West Connections:** Improvements to major corridors, such as Reed Market Road, Butler Market Road, Wilson Avenue, Portland, Avenue, and midtown crossings connecting Bend's core area to downtown.
- **Intersection Improvements:** Safety and capacity investments for all modes of travel at 20 major intersections within the community.
- **12 Key Walking and Bicycling Routes:** Providing east-west and north-south routes through the community to provide safe walking and biking routes that link people to schools, parks, and jobs.

- **Support for Transit:** Investments to leverage the existing and future Cascades East Transit system.
- **US 97/Parkway On/Off Ramp Improvements:** Investments to leverage Oregon Department of Transportation (ODOT) funding for improvements to interchanges along the Bend Parkway.
- **Citywide Safety Improvements:** Investments to support neighborhood safety improvement projects, including sidewalk improvements, safe crossings, and safe routes to school.
- **Intelligent Transportation Systems (ITS) Investments:** Investments for advanced technological improvements to improve traffic flow and safety.

These investments are consistent with the Bend TSP and helps the City build towards the vision for an economically vital, healthy, and equitable community.

Public Opinion Research

As part of the preparation of the GO Bond for voter consideration, the City of Bend commissioned a statistically valid public opinion phone survey in December 2019 on what the community expected from the Bond. The full report is included as Attachment F. The following summarizes key findings:

- Transportation issues, and especially congestion, are a top-of-mind issue for Bend voters. 37 percent of Bend voters identified transportation as their top issue, with most concern (23 percent) focused on traffic congestion. Road maintenance and repair account for 8 percent.
- Voters are sensitive to cost, which led the City to present the smaller of two GO Bond proposals under consideration at the time.
- Improving east-west congestion resonated with voters and was a strong driver in support for the overall GO Bond

A non-statically valid one-minute survey was also conducted by the City in December 2019 to gauge general needs important to the Bend community. 3,300 respondents provided feedback. Final results are included in Attachment G. The following summarizes key findings:

- Similar to the phone survey, improving east-west travel and addressing congestion were top priorities of respondents.
- Top locations for projects to address included:
 - Reed Market Road (1,117 mentions)
 - US 97/Parkway (738 mentions)
 - 3rd Street (508 mentions)
 - Greenwood Avenue (315 mentions)
 - Empire Avenue (246 mentions)
 - Wilson Avenue (226 mentions)
- Safety improvements were noted as important, including:
 - Safe crossings near schools and parks
 - Citywide sidewalk network
 - Citywide bike routes

Findings from these surveys were important tools for the City as a GO Bond proposal was crafted for voters. With the GO Bond now passed, these needs communicated by the

community are important reminders to consider along with the recent public testimony and comments received.

TBOC's Role

As outlined in Council Resolution No. 3218, TBOC serves an important oversight and advisory role to:

- Provide input to and from the public for transportation and accountability,
- Help staff with implementation of projects, and
- Make recommendations to the City Council.

The initial CIP outlines a sequencing of GO Bond projects - a foundational first step in the fulfillment of TBOC's important community role. As with any voter action, the City has a responsibility to keep the commitments made through the passage of the GO Bond. By reviewing, providing input, and ultimately recommending a CIP list to City Council, TBOC is providing transparency and accountability. The intent is to maintain and grow community trust by keeping the commitments made regarding the Bond.

Financing the Bond

Through the development of the GO Bond and advertisement to voters, the City has been open and transparent in regards to estimated annual cost for the average Bend homeowner. Figure 1 below presents the costs communicated to voters when the GO Bond was under consideration (the green line) and the current estimates based on the Draft CIP as proposed by City staff (the red line).

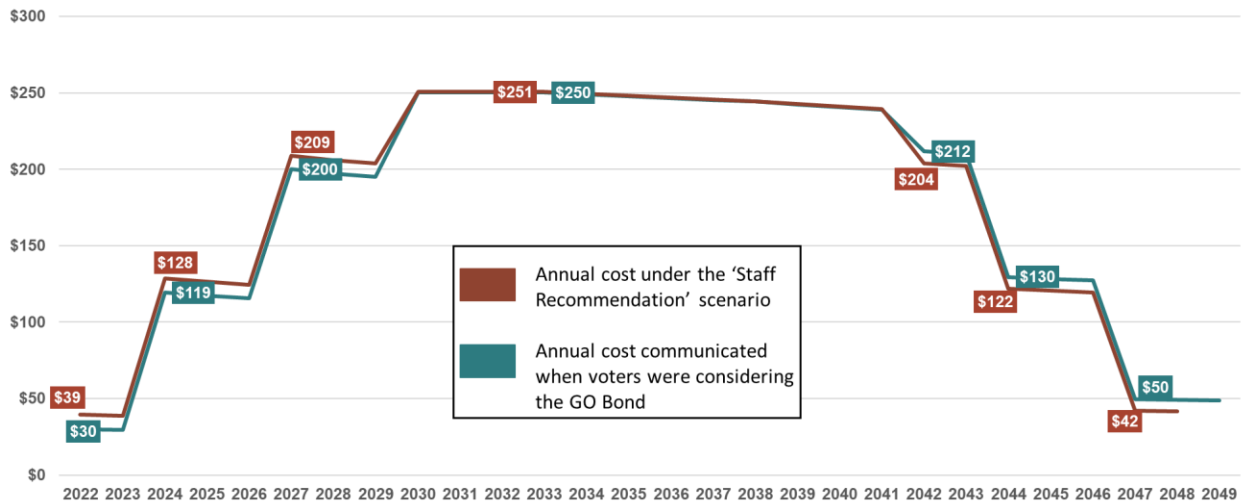


Figure 1 – Estimated Annual Cost for Average Homeowner (Average of \$170/year over term of the bonds)

As presented, the Draft CIP closely aligns with the estimated costs to the average homeowner shared with voters. Revisions to the proposed sequencing should strongly consider how changes would affect these estimates and align with community expectations.

TIF Funding

Projects that fall within established Urban Renewal/Tax Increment Finance Areas could be eligible for additional funds to meet funding gaps, pending availability of funds and authorization to allocate funds towards projects by the Bend Urban Renewal Agency. These projects include:

- Olney Pedestrian and Bike Improvements
- Midtown Crossings

- Colorado Avenue Interchange Improvements
- Aune Extension (east and west)
- 4th Street Intersection Improvements
- Murphy Parkway Ramps

5-year CIP Development – How the Projects were Prioritized and Sequenced

City staff and TBOC developed and utilized evaluation criteria (Attachment D) for the purposes of informing the project prioritization process. As outlined in Council Resolution No. 3218, the criteria addressed the following general categories.

- Bicycle & Pedestrian
- Crash Reduction/Safety
- Equity
- Synergy
- Travel Time Reliability/Mobility
- Construction Fatigue
- Project Readiness

Based on evaluation criteria, the City team, with assistance from TBOC, scored each project included in the GO Bond and developed aggregate scoring for each. Based on TBOC review and input, City staff presented finalized scores at the October 5, 2021 meeting.

The project scores are useful to inform ranking which projects are most effective at moving the community towards the objectives identified by the GO Bond and communicated to voters. However, it is important to note that the scoring does not mean that one project is more important than another. Rather, all projects included in the GO Bond are needed and serve an important part of the transportation system.

As presented in the following section, City staff is working diligently to balance priority scoring with the pragmatic reality of project delivery.

Equity

The City and TBOC are committed to prioritizing transportation facilities with the GO Bond that serve people historically underserved by the transportation infrastructure. In many cases, these populations are more likely to rely on all elements of the transportation system to access basic services, jobs, etc.

The Draft CIP under consideration by TBOC strongly accounts for the Equity criteria, including the TBOC committee scoring of how projects improve access for or limit impacts to underserved populations.

All projects the scored in the top 50 percent of these metrics are recommended to occur in the first 5 years of the GO Bond program. Notably, this includes Olney Pedestrian and Bike Improvements, projects that increase Access to Transit, Midtown Crossings, and improvements to the Neff Road Corridor. The Wilson Corridor improvement project, which also scored high in these categories, is already initiated by the City and within the design phase.

With this input the Draft CIP will, in the first 5 years, deliver projects that will improve access to transportation for those typically underserved and move the Bend community closer to the equitable infrastructure envision by the Bend TSP.

Project Readiness and Construction Fatigue

Two evaluation criteria, Project Readiness and Construction Fatigue, were included in the evaluation criteria to consider how the project development process and construction/closure impacts can be integrated into the CIP. Each criterion is unique and discussed further in the sections below.

Both criteria address the pragmatic implementation of designing and constructing the projects within the GO Bond. While each measure alone could provide rationale for a particular CIP sequencing of projects, City staff first considered the evaluation criteria scoring and then attempted to account for the project realities discovered through the evaluation of the following two metrics. Additional details on each are including in the expanded Project Cut Sheets (Attachment C).

Project Readiness

Most of the projects included in the GO Bond are at an early stage of project development. Additional details such as intersection form, right-of-way impacts, etc. need to be more robustly evaluated and identified as the projects move towards implementation. In most cases, this will include conducting an alternatives analysis and working with agency partners and key stakeholders to identify the preferred alternative. In addition, large scale projects, like the Reed Market Railroad Overcrossing, will require time to design, permit, acquire right-of-way, and implement even when the general project form is understood. In these cases, the City will need to allocate appropriate resources to initiate the due diligence and design phases of the project prior to construction beginning.

City staff reviewed each project based on these considerations and used that information to help shape the draft CIP presented to TBOC. Specifically, staff attempted to balance moving forward with projects that are ready for implementation in the near-term while also initiating the development and design of larger priority projects early in the implementation period of the GO Bond to prepare for construction as soon as feasible. The result presented in the Draft CIP is a mix of: (1) the pragmatic early delivery of some projects even though the priority scoring might be lower than other projects; and (2) strategic planning and later delivery for projects even when their priority scoring might be higher.

Construction Fatigue

Like Project Readiness, City staff broadly considered many factors to evaluate Construction Fatigue, including reviewing adopted CIPs for other infrastructure programs, initial estimates of detour planning, etc.

As outlined in the evaluation criteria, City staff evaluated each group of projects recommended for particular construction periods to assess if an area of the community would experience too much disruption or if additional projects could be added to take advantage of planned closures, thus limiting prolonged impacts over several construction periods.

There is no perfect sequencing of projects to fully eliminate impacts of street closures necessary to implement the GO Bond. The collective effect of sewer, water, and other infrastructure projects, in addition to the transportation projects identified through the GO Bond, creates a complicated program that will require constant evaluation (and in some cases, adjustments) as additional information for each project is better understood.

City staff considered this Construction Fatigue evaluation in developing the draft CIP presented to TBOC. The Project Cut Sheets describe construction fatigue considerations for each project.

Summary of Draft 5-year and 10-year CIP Schedule

Based on the process described in the previous section, City staff prepared a draft 5-year CIP for the GO Bond for review by TBOC. To communicate the plan and at TBOC's request, City

staff has prepared a detailed year-by-year summary schedule for how the GO Bond is proposed to be implemented over the next ten years (estimating remaining project sequencing in years 6 to 10). This graphic is included as Attachment A and shows the draft planning/design/permitting schedule and construction schedule for each project. Additional details describing the evaluation of each project that led to this proposed sequencing is provided in Attachment C.

City staff evaluated the draft schedule in Attachment A to determine the staff needed for delivery (a measure of program capacity). As drafted, the program would reach a need for 4.0 Full-Time Equivalent (FTE) engineering project managers by 2024, tapering to 3.0 FTEs through 2027. This level of staffing need reaches and may exceed levels currently assumed for budgeting. Therefore, additional shifting of projects to early in the schedule would need to consider the cost impacts for City staffing.

Potential for a Larger 5-Year CIP

TBOC discussions have included consideration of increasing project delivery (and spending) during the 5-year CIP to meet more of the community's needs in the near-term. Several corridor improvements were contemplated for acceleration for this scenario, including Reed Market Corridor, Bear Creek Road and 27th Street Improvements, and Neff Corridor Improvements. While adjusting the Draft CIP to include one of these projects may best meet community goals from TBOCs perspective, several risks should be considered based on the information summarized above including:

- Increased annual costs to homeowners compared to information previously communicated to voters
- Additional City staff would likely be needed for project delivery, increasing program costs
- Construction fatigue may be increased in areas of the City near the additional improvements

Changes Since October 5th

In response to comments from TBOC, staff has made a few changes to the Draft Capital Improvement Program presented during the October 5, 2021 TBOC meeting. These changes are summarized as follows:

- Reed Market Corridor has been split into three parts - a study and two separate phases for construction. Construction for 15th and Ferguson, 3rd and Canal, and the key route have been identified for 2025. Construction for 15th and Reed Market, the Reed Market railroad overcrossing and the Reed Market interchange project have been identified for 2029-2030.
- Olney Bike and Pedestrian Improvements has been moved from a start date outside of the initial 5-year Capital Improvements Plan to a start date in early 2022. This, if it can be coordinated with the Central Interceptor project, would lead to construction occurring in 2024.