



**Portland-Milwaukie Light Rail Project  
Steering Committee Meeting  
Wednesday, May 26, 2010  
TriMet Offices**

**Meeting Notes**

**Members Present:**

**Fred Hansen, General Manager, TriMet**  
**Neil McFarlane, Executive Director for Capital Projects, TriMet**  
**Carlotta Collette, Councilor, Metro (for Robert Liberty)**  
**Veronica Valenzuela, Multnomah County (for Commissioner Kafoury)**  
**Sue Keil, Director, Portland Bureau of Transportation**  
**Susan Stone, Councilor, City of Milwaukie**  
**Jim Bernard, Commissioner, Clackamas County**  
**Rian Windsheimer, ODOT Region 1 (for Jason A. Tell)**

**Members Absent:**

**Rick Williams, Chair, CAC**  
**Alice Norris, Mayor, Oregon City**

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**Welcome and Introductions presented by Fred Hansen**

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**Project Funding presented by Neil McFarlane, TriMet**

Neil complimented the work of the project partners in putting together a well-defined financing plan to the Federal Transit Administration. Neil explained the 40 percent local match comprises intergovernmental agreements and property donation agreements. Donation agreements include right of way and property for construction staging. A final element of the local match is from the Willamette Shore Consortium in the South Waterfront. This all was cobbled together in the typical Portland way. The final proposal to the FTA is for \$1.4 billion. That is the all-in amount, including financing and borrowing costs. Since submitting that proposal, TriMet has been responding to FTA questions, issues and concerns. We knew going in that asking for 60 percent federal funding on a project of this size would require extended conversations with the FTA. We have started that conversation. The first feedback from FTA is that the initial finance plan relied on a realistic expectation of federal funding given the size of the project on an

annual basis. Their response was that, because there is no new surface transportation authorization bill, they want us to limit our financing needs to \$100 million year. We've responded positively to that. We're still at a 60-40 percent federal-to-local contribution ratio to meet the cash flow requirement. That means we have to borrow more. And it puts an additional spotlight on the 60 percent federal share. To that end, last week, Fred Hansen and I met with FTA Administrator Peter Rogoff, and the Oregon Congressional delegation, to discuss the 60 percent federal contribution. We don't have a response yet, and don't expect one for a while. Our pitch to them is that this project meets the administration's desire for livability projects that build community. Their response is that, while that's true, they haven't yet connected money with policy. We are looking at this from many angles. We all knew this was coming.

Fred Hansen: If you look at the issue, the previous administration used the 50 percent federal share to choke off projects coming in. The issue Mr. Rogoff faces is that, without a reauthorization bill, he has more project proposals than money. It's hard to foresee a reauthorization in the next session of Congress. So the issue is whether we can get a Congressional direction to address the issue. Other communities around the nation have done that. The question is whether that's the best course of action. But we never give up until we obtain our regional goals.

Rian Windsheimer: What is the difference between 60 percent and 50 percent federal funding?

Neil McFarlane: Worst case, it's around 10 percent of \$1.4 billion.

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### **Project Milestones presented by Dave Unsworth, TriMet**

Dave brought the committee up to date on project milestones.

First, he reviewed the process leading to the completion of 30 percent design drawings. In March 2009, the Project received permission to enter preliminary engineering, approximately four to five months late. Preliminary Engineering (PE) takes the project from 5 percent to 30 percent drawings. Within one year, the Project hit its milestones for 15 and 25 percent plans, and we finished on schedule on March 31, 2010. During that period, staff from TriMet and other jurisdictions attended 150-160 public meetings and open houses. The design document expanded from 45 to over 1,200 pages. This public process helped us understand requirements and risks better than when we started. During that time, we also were able to improve designs and develop detailed cost estimates. With Metro's assistance, we developed a Final Environmental Impact Statement. At the conclusion of PE on March 31<sup>st</sup>, we submitted a significant number of documents to our federal partners.

New Starts has the highest scrutiny and accountability of any federal transportation projects. This scrutiny comes from the Project Management Oversight Committee, which is paid to review the scope, schedule and budget of the Project. In October 2009, we participated in a risk assessment with the Project Management Oversight Consultant (PMOC). The consultant asked us to produce 63 products that are intended to reduce risk. In addition, the application for entry into Final Design required the development of 70 final documents. Yesterday, we entered a second round of risk assessment with the consultant. The consultant told us we had the right level of contingency for a Project with this complexity and at this stage. The Project had also identified approximately \$98 million in scope that could be cut if the Project needs to reduce costs. The PMOC indicated that the Project was in good shape. We were buoyed by a good report from the consultant. We will continue our coordination with the PMOC and FTA as we seek to enter Final Design in October 2010.

The 30 percent design drawings represented a significant milestone. They involved much work. Your jurisdictions reviewed these drawings and provided copious comments. Along with the public outreach, these reviews have greatly improved the design.

Second, Dave discussed the Conceptual Design Report. The CDR helps describe the project in color. It helps explain to the average reader what we're buying for the money, the purpose of the project, what we're trying to knit together from a land-use standpoint. It reviews challenges and opportunities at each station. It details costs. It tells the story of the project. The CDR can be found on the TriMet website. We had open houses and planning commissions in Milwaukie and Portland. The CDR moves us into the urban design phase. It's the fun stuff, what gets people excited. It articulates to the planning commissions where we're going.

Dave pointed out additional documents attached to the Steering Committee's information packet:

- Letter from the Portland-Milwaukie Light Rail Project Citizens Advisory Committee, dated May 20, 2010.
- Conceptual Design Report recommendations from City of Milwaukie.
- City of Portland recommendations on final engineering.

Without going into detail on the documents, Dave said staff would take the comments to heart as it moves into final design. It's homework to do during Final Design.

Susan Stone: Noted some copy changes on the Milwaukie document. She wanted to emphasize that, because this is a livability project, it should take its impact on livability in neighborhoods seriously.

Dave Unsworth: The CDR is a useful tool. It helps flush out urban design as we move into Final Design. There will probably be another version of the CDR as design is finalized.

Questions:

Susan Stone: Milwaukie City Council voted against placing a traffic signal at Southeast 42<sup>nd</sup> Avenue and Johnson Creek Boulevard. While the intersection at Southeast 32<sup>nd</sup> Avenue and Johnson Creek Boulevard is within Portland, the neighborhood would much prefer to see a traffic roundabout than a traffic signal. I would like to put that out for consideration.

Fred Hansen: Asked Sue Keil to comment.

Sue Keil: I'd like to see the traffic engineering study. We will look at it. Sometimes, however, there are unintended consequences of doing something different than the traffic engineering studies indicated. We have to make sure we're doing the right thing for the right reason.

Susan Stone: I understand that. The whole idea is to prevent traffic backing up to McLoughlin Boulevard. If that can be accomplished with a roundabout, the neighborhood would appreciate that.

Jim Bernard: One possible drawback of a roundabout is the possibility of encroaching on business property due to the roundabout's large footprint.

Dave Unsworth: Referred members to the handout on the project schedule and reviewed milestones:

- Completion of Biological Assessment. Staff believes it has reached a settlement on this issue.
- FTA to publish FEIS. Completion of the prior step will push publication of the FEIS in the Federal Register out to about July 2, although it will be available one to two weeks before that date.
- FTA to issue Record of Decision. This should be issued in September 2010, approximately 60 days following publication of the FEIS. This still allows the project to enter Final Design in October. The process has taken longer, but that is to be expected. While negotiations with NOAA Fisheries has been difficult, the solution—involving the City of Portland and greenway improvement—is creative and beneficial. We met with Bob Salinger (Audubon Society) and Mike Houck (Urban Greenspaces Institute) and they were excited with the solution for healthy rivers. We believe we have the support of NOAA Fisheries and the Army Corps of Engineers.
- FTA grants permission to enter Final Design. This is expected in mid-October. This is a major step.
- In-water construction begins. If all goes right, we will start the in-river portion of Willamette River bridge construction in July 2011.

- Full Funding Grant Agreement. This is the final step, expected in July 2012.
- Service begins. September 2015.

Fred Hansen: Referring to the proposed settlement with NOAA Fisheries involving greenway improvement, Fred noted that, often, when wrestling with natural resources issues, you end up with compromises. In this case, it's different. All parties worked hard on a solution that, in the end, all say is better than originally conceived. Fred complimented Dave Unsworth and staff. It's a matter of finding a better answer through very, very hard work.

Rian Windsheimer: How do you build in-water before receiving the Full Funding Grant Agreement?

Dave Unsworth: We will ask for a letter of no prejudice. This agreement allows certain construction activities, but places the risk on TriMet. If the project fails to move forward, those are dollars that are at risk. We wouldn't do it if we didn't understand the work. Quite a bit of the Portland Mall Light Rail Project had to be done this way. If we had to wait until July 2012, the cost of inflation would be significant.

Rian Windsheimer: Asked a question about budget impact.

Neil McFarlane: Usually FTA provides a commitment of dollars. And what normally follows is a recommendation in the president's budget that would show February 2011 as a recommendation to Congress to fund. These are creeping layers of confidence we expect to build on through process.

Rian Windsheimer: The Naito jurisdictional transfer has reached agreement between the City of Portland and ODOT. The City Council has approved it, and now we need to take it to the Oregon Transportation Commission. We have an agreement, we're moving ahead, and we should get final approval by year-end.

Dave Unsworth: Light rail, with its specific schedule, can become a catalyst for driving and making decisions within a narrow timeframe.

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### **Project Right-of-Way Program presented by Jillian Detweiler, TriMet**

Jillian provided an overview of how the right-of-way program will move forward. Referring to a handout, she said the number of property acquisitions required will be 129—49 full acquisitions and 80 partial. This includes property donations from OHSU and ZRZ. These will require the relocation of 61 businesses and 12 residences.

Additional acquisitions and relocations will be required in Gresham for the Ruby Junction expansion.

The acquisition process is governed by the Federal Uniform Relocation Act. Jillian reviewed steps in the acquisition process, the use of relocation and acquisition agents, and conditions requiring federal or TriMet board approval. She said it's rare to need to ask a court for condemnation; however, it could happen, in order to maintain the construction schedule. Condemnation negotiations revolve around the amount of money above the agency's offer, not the full amount.

Relocation has a separate set of benefits and restrictions. Relocation benefits go to owners as well as tenants. Our general approach is to try to get affected people every dollar allowed by the Uniform Relocation Act. Even with that, relocation assistance may fall short of some tenants' or businesses' expectations. For example, some may suffer a loss of business during a move. However, the federal government does not cover that.

This gets to what's critical: our expanded business support. As with previous projects, we look to our partners to help make business support a group effort. Our local partners, including the state Economic Development Department, and organizations like Energy Trust of Oregon, have resources to try to make the relocation experience a good outcome for owners. We've held a series of meetings with state, local and county representatives. We've developed a matrix of resources to help businesses. We've contracted with PSU for business planning and support and to act as a conduit to other state and local programs. Our goal is to help businesses end up in a better place, if possible. For example, with the help of the Energy Trust, businesses can invest in energy-efficiency for long-term cost savings and other benefits.

We have a detailed schedule. We start working on properties in the order they're needed for the construction process. We've tailored the schedule to what we expect is a reasonable timeframe for a particular business. Some are more complicated, and require an earlier start.

FTA allows property owners to ask TriMet to start the acquisition process early. We can ask FTA for concurrence. We have 11 properties under way as hardships. These are people who can't sell their properties under the cloud of our project. In some cases where owners have lost tenants, they may want to move ahead with the acquisition process.

Also, there are memoranda of understanding with OHSU, ZRZ and the Union Pacific Railroad. A number of pieces have made considerable progress even before the record of decision, which is the official jumping-off point for acquisitions.

Every property owner has been contacted. We've sent out general information notices to affected owners. We have the OK from FTA to start environmental studies and appraisal studies.

Fred Hansen: On the Interstate MAX project, the only condemnation was one where multiple owners asked for condemnation to proceed to resolve family disagreements. We work exceedingly hard to not resort to the use of eminent domain.

Neil McFarlane: Sometimes the (condemnation) process gets started, but only as a way to move toward settlement.

Susan Stone: Are property owners generally satisfied with compensation?

Jillian Detweiler: Yes.

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### **Willamette River Bridge update presented by Rob Barnard, TriMet**

Rob presented an update on Willamette River Bridge planning and status. The bridge is on the project's critical path. We are working hard to move that process along faster than other processes. We started with the bridge study a year before we started preliminary engineering. We wanted to get a jump start in order to get in the water by July 2011.

Rob illustrated his presentation with a series of slides:

- Bridge path programming. We widened the path from 12 to 14 feet. To delineate bike and pedestrian sides, we've chosen a stripe as opposed to other things. This allows greater flexibility to make changes, if deemed appropriate, later. While the actual dimensions of the lanes are not set, it's generally agreed that bikes should have more room.
- Greenway connections—West. We want to create communities. Our line goes through OSHU and ZRZ properties. They have master plans. We want to knit a common vision for what the area might look like in 10 to 15 years. What's the right way to phase and fund it? We have gotten some consensus, realizing it may be 10 or more years out. We're also asking, what might be TriMet's fair share for these improvements. We're beginning those conversations with our partners.
- Greenway connections—East. OMSI and Portland Opera have master plans. We're talking about how we can make this area a district, how we can connect facilities. This is a visioning process.
- Railings—base bid. We're also asking design-build team for an alternate design such as stainless steel or unpainted metal with a more custom shape.
- Aesthetic lighting. We'd be illuminating cables, towers. Our notion is that a light controller can adjust the intensity and color of light. We're asking the

design-build team for a price. That's not in the budget, but we're asking at this point.

- Treatment below abutment. An artist provided ideas early on. Some ideas stuck, others didn't. The concept for a parabolic wall has been included. The notion of a way to celebrate stormwater under the bridge was not supported by the Department of Environmental Quality due to concerns about the soil.
- Sonic bike lane. This has been moved off the bridge on to the approach ramps. So it's still in play.
- Wind study. We built a bridge model and tested it in wind conditions. We wanted to make sure we didn't have to change the bridge design to accommodate wind. Our tests proved the bridge is rock solid beyond 90 mph. So our design has been validated with this study.
- Pile cap visibility. This is a new issue with the Coast Guard. They're concerned with the possibility of boats running into the pile cap as the water rises and covers portions of the caps. We're looking at several options to address the concern while staying true to the proportion, scale and elegance of the bridge.
- Bridge procurement schedule. We published a Request for Qualifications and received bids from a variety of teams. We narrowed the list to three shortlisted firms. These are Flatiron Construction, Inc. (teamed with Parsons); Kiewit Pacific Co. (teamed with TY Lin International); and PCL/Traylor (teamed with International Bridge Technologies). We generated this list by asking these questions: Have you built a cable-stay bridge before? Have you designed a cable-stay bridge before? Have you done those in a design-build environment? And have you done those together as a team in a design-build environment? These three teams rose to the top. They have done this very successfully on significant structures much larger than ours. We were very pleased with the three chosen. We gave those three a Request for Proposal for pricing on May 5. We'll get prices Sept. 1. Choosing a contractor will not be about just the low bid. This is about delivering the vision and conduct of construction.

Questions: None

Fred Hansen: Bridge is critical path. We have to be in the water July 1, 2011. That's why all these steps are critically important to move forward.

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### **Next steps presented by Neil McFarlane, TriMet**

There will be continued refinement of our work in response to questions from FTA. In the session yesterday with the federal Project Management Oversight Consultant, they gave the project an A-plus. That is a rare occurrence. This project has advanced as far as any other project I've ever seen at 30 percent. We have good resolution of the primary issues. We have a great checklist of issues to work on. We are in excellent shape. We need to continue to work

closely with FTA. This is the phase of the project that requires action on their part. We will try to do everything to make those actions easy.

You'll be the first to know if we need your help in addressing schedule issues. But the message is that your staffs and agencies have been excellent in advancing the project so far.

Comments:

Sue Keil: The success of the TIGER grant was very helpful.

Fred Hansen: Neil and I were very pleasantly surprised with the results of yesterday's meeting with the PMOC. It indicated the contingency was sufficient. This is one instance where we can judge by others' mistakes across the country. They tend to add a lot extra contingency for things unseen. That was very important; compliments to Dan Blocker and staff.

Carlotta Collette: We had been told we'd have to set aside a huge amount of money as contingency. How were we able to pull it off?

Dan Blocker, TriMet (in audience): Since the LPA estimate, we've had a couple of wins. Near-team inflation was lower. That, combined with fine technical work, allowed us to offset some increases. The net effect was a slight increase in the contingency. That puts us in good stead. We still have to go through the risk process. FTA analyzes risks. We hit all the markers comfortably, and that was unusual in FTA's experience. All the good work has put us in a place where FTA is ready to advance the project.

Neil: It helped to obtain an MOU with UPRR. That reduced project risk. The same is true with other elements we've worked through. As we solve problems, we reduce risk, and lower the size of contingencies.

Susan Stone: What is the amount of contingency now?

Fred Hansen: About \$161 million, a hair over 10 percent of the project cost.

Sue Keil: Nice work.

Carlotta Collette: That's a big accomplishment.

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**Public Comment**

David Bean: First, he asked the committee to consider how the light rail crossing at Southeast 11<sup>th</sup> and 12<sup>th</sup> avenues might mesh with potential high-speed rail. His concern is that the crossing won't function well if the rail grade and road grade

are not separated. Second, he suggested the project consider the work of Portland sculptor Devin Field for the bridge. Third, he asked the committee to consider how to create real capital, such as the light rail line, without incurring debt. He suggested the group look at the work of economists Ellen Hodgson Brown and James Robinson on this topic.

Fred Hansen: High speed rail discussions have been ongoing among all players trying to ensure that nothing be done, on this or other projects, to preclude building high speed rail.

John Gormley: If an earthquake incapacitates the Steel Bridge, leaving the new bridge as the only rail transit link across the river, will this new bridge allow the other light rail lines to access the east side from the west side, and vice versa? How?

Neil McFarlane: This bridge is designed for high seismic standards. However, some lines, such as the Blue Line, would not be able to access the new bridge.

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Fred Hansen adjourned the meeting at 5:20 p.m.

The next meeting of the Steering Committee likely will occur in the fall.

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