

MINUTES
LANE TRANSIT DISTRICT
FACILITIES COMMITTEE
December 2, 1986

The District's Facilities Committee met on Tuesday, December 2, at 6:00 p.m. at the Red Lion.

Present:

Board Members:	Janet Calvert Janice Eberly Gus Pusateri
Community Representatives:	Bruce Hall
Staff Members:	Phyllis Loobey Mark Pangborn Tim Dallas Ed Bergeron Eileen Mugglewortz, Recording Secretary
Consultant:	Eric Gunderson
Absent:	Jim Ivory

Janet Calvert brought the meeting to order. Minutes of the November 12, 1986 meeting were approved by the Committee. Mark Pangborn told the Committee that Agenda Item #5 for the December 2 meeting should read "Future **Adjustments** in the Budget," and not "Future Purchases in the Budget."

Mr. Pangborn told the Committee that staff would be providing information about the attractiveness of other possible sites for the facility, the impact on future development in the Glenwood area if the District does build on this site because of noise standard limits, and, whether or not other sites would become more attractive if the District needed to purchase an additional strip of land at the Glenwood property necessary for access. Mr. Pangborn explained that this information will be provided when the Committee begins consideration of the site purchase in January or February. Gus Pusateri asked if staff had any idea of what the cost of the property would be. Eric Gunderson responded that \$700,000 had been estimated for the Burlington Northern property, although \$400,000 of that amount was for the cost of wetland improvements. Janet Calvert asked what the cost would be for an environmental assessment, and for an impact study if it were necessary. Mr. Pangborn responded that an

environmental assessment would cost approximately \$11,000, and an impact study would be two to three times that amount.

Mr. Pangborn then told the Committee that staff would be addressing concerns they had at the last meeting about the estimated costs and where the cost increases had come from. He stated that Mr. Gunderson would be discussing the cost increases as presented in the agenda material in greater detail. Tim Dallas added that the chief action item at this meeting was to have a recommendation from the Committee to take to the Board on the schematic design of the facility.

Mr. Gunderson then reviewed the information presented in the agenda packet on the comparison of the schematic design and the preliminary budget and explained the reasons for the changes to the budget and design of the facility. Ms. Calvert asked if additional regulations could be expected to be mandated from UMTA that could lead to additional expenses. Mr. Gunderson responded that the current regulations are supposed to be what will be adopted by UMTA, but some fine-tuning may be necessary. Mr. Pusateri asked if the original design had not included covered walkways in the bus parking areas. Mr. Gunderson responded that the value engineers had recommended eliminating the covered walkways along with the recommendation to eliminate fueling in place. Mr. Gunderson added that there are some covered walkways, but not as many as originally proposed. Mr. Gunderson stated, in summary, that about 80 percent of the total budget increases were not within the District's control.

Mr. Pusateri asked if businesses normally purchase electrical transformers. Mr. Gunderson responded that there are about a dozen large businesses in the area that have purchased the transformers and that it can be cost-effective to do so. He added that at this point it appeared feasible; however, if it is determined that there will not be significant savings by purchasing the transformer, it will be eliminated. Mr. Pusateri then commented on the market adjustment figure to the construction bid presented in the agenda material and asked if it were not possible that out-of-state contractors would under bid local contractors, thus making the \$266,783 figure much less. Mr. Gunderson stated that this was highly possible, but added that local help is generally hired by the out-of-state construction firms and the District could still anticipate these added costs. He added that local construction firms are also having difficulty getting bonds because construction is presently down. Ms. Calvert stated that the District would not necessarily want to encourage out-of-state contractors, and would have to consider the impact on the payroll tax. Ms. Loobey stated that the District will be monitoring this very closely, especially if the construction bid is awarded to a firm out-of-state. She added that the District has not yet felt the impact of the Weyerhaeuser cutbacks, and that the anticipated increase in construction may help. Mr. Pangborn told the Committee that there was a 1.8 percent

increase in area's payroll during the last quarter, which was the lowest in the last 3 years. He stated that most of the folks laid off at Weyerhaeuser had received vacation pay and that the real impact of the layoffs will be from the employees at lower wage rates. Bruce Hall asked how the incentive pay would affect the District. Mr. Pangborn responded that the District has not seen the affect of the incentive pay, as there is always a three-month delay. Ms. Eberly stated that it may show good things, and that employment may be up. Mr. Pangborn stated that this will be a key, but added that employment did not increase as much as last year, as seasonal employment did not pick up.

Ms. Calvert asked the Committee if there were any additional comments on the schematic design, and if they felt comfortable and enthusiastic in making a recommendation to the Board. Mr. Hall stated that the reasoning behind each item listed and discussed seemed very logical, and that the costs just add up fast. Mr. Hall asked if the figures for the property appraisals, the value engineering fees, and the title report figures had been included in the 1985 budget figures. Mr. Pangborn responded that they had not been included. Mr. Pusateri stated that he felt much better about the costs after the additional explanation, and that all of the increases seemed beyond the District's control. He added, however, that the estimates have been revised twice since 1985 figures were presented to the Board, and he stated a concern about getting into the project too far with escalated costs and having a difficult time justifying the expense to the people who are riding the bus and paying the fares.

Mr. Pangborn then reviewed the information provided to the Committee on the District's current budget and its present financial outlook. He explained that Section 9 and Section 18 funds have been approved, and that UMTA has assured the District that they are almost certain to receive Section 3 funds in the Fall of 1987. Mr. Pusateri asked if additional funds are needed above the \$10.8 million for the facility if it will be possible to go back to UMTA and ask for additional funds. Mr. Pangborn responded that the District has been advised that this will not be possible. He stated that the District does have some flexibility using Section 18 funds and future Section 9 funds. Mr. Pusateri asked if the budget estimate of \$10.8 million was considered a conservative budget figure. Mr. Pangborn stated that, as far as we know, this is a conservative figure. He reviewed the material presented in the agenda packet on the status of the federal and state grants and told the Committee that there is a shortfall of \$61,000 in local share funds. On December 10, the District will have a Budget Committee mid-year meeting to discuss the current budget status. Mr. Pangborn stated that a \$450,000 year-end balance is anticipated. Ms. Eberly asked if this amount was assuming no change to the payroll tax rate. Mr. Pangborn stated that no change was anticipated in the tax rate. He added that this would leave the District with a \$390,000 balance after the \$61,000 shortfall, giving the District sufficient funds to cover the project and other capital needs. Ms. Calvert asked if Section 9 funds were actually in the bank, and if they

were collecting interest. Mr. Pangborn stated that the local share funds are in the bank, but that the interest received on these funds goes into the District operating budget. The District does not actually receive federal grant capital funds until they are to be spent.

Mr. Pusateri stated that the District would have to be very cautious if additional Section 3 funds cannot be requested and if local match funds are needed. Mr. Pangborn then discussed the variables that may also have an affect on the capital budget. These variables include lottery funds from the State, changes in the District risk management fund, savings for future capital projects, and possible increased costs of the new facility. He explained that lottery funds have to be under contractual obligation by June 30, 1986 or the balance could be lost. Mr. Pusateri asked if lottery funds would be available again next year. Mr. Pangborn stated that they would be, but that there would be much competition for them. He added that it may be possible to "loan" these funds to other transit properties in the state, and get the money back next year if the project is delayed. Mr. Pusateri asked if Section 3 funds are received in one large sum, or in smaller increments. Mr. Pangborn stated that a letter is sent to the District about the allocated funds, and the money is sent by direct wire transfers only as needed. Mr. Hall asked about how UMTA will react to the increase when the Section 3 grant is submitted. Mr. Pangborn responded that, in a project of this size, it is fairly common for the costs to change. Ms. Eberly asked if the District can reapply for Section 9 funds. Ms. Loobey stated that it cannot, and Mr. Pangborn stated that approximately \$600-700,000 a year is received from Section 9 funds.

Mr. Hall asked what changes the District would make if the Board would approve only the \$9.5. Mr. Pangborn replied that it would be difficult to say, but added that it could change the whole perspective of the project. Mr. Dallas added that it could be that the District would alter the size of the facility and, rather than have adequate space for ten years, would move into the facility and begin planning for expansion. Mr. Eberly stated that an approach in between a "budget-driven" and "design-driven" facility would be appropriate, and that the facility currently seems to lean toward "design-driven." She added that she felt the Board would need to be able to feel comfortable with the budget amount for the facility before presenting it to the community. Mr. Pusateri stated that, while UMTA allows some flexibility with the amount requested for the facility because of the complicated design process, they are not living in the community that will be helping to fund the project. Ms. Calvert asked if it were possible to determine a percentage amount that the project could be expected to increase/decrease down the line. Mr. Hall responded that the recent building of the PNWB offices came in 25% below projected cost, but added that this was not typical.

After a 10-minute break, the Committee continued their discussion.

Mr. Hall stated that he liked the proposal, but thought it was necessary to determine the areas where savings could be made. He added that he agreed there needed to be a shift for the project from "design-driven" to "budget-driven." Ms. Calvert stated that at some point the Committee will need to be able to say more concretely how much variance will occur in the projected costs, and reiterated that both the Committee and the Board are committed to being frugal. Ms. Eberly told the Committee that she felt they needed to address these issues and show the Board and the community the long-term "why's" of the decisions made about the project, and agreed that it was necessary that the project become "budget-driven." She added that she felt the community would not be interested in the amount of scrutiny that has been given to the project.

Mr. Gunderson told the Committee that there would be two more key design phases brought before the group for review before April when the grant is submitted.

Mr. Thomas Hoyt, attorney for Mr. Spicer (owner of a portion of the Glenwood site), and Mr. Spicer were present at the meeting. Mr. Hoyt asked if the schematic design about to be approved by the Committee was interchangeable to other sites that were under consideration, i.e., would it be possible to take the design and set it down on the Burlington Northern site. Mr. Gunderson responded by saying that any site change would affect the budget and to some degree the design of the facility; however, major portions of the design would be transferrable to other site locations. Mr. Hoyt further stated that he felt concern that the approval of the schematic design may paint Mr. & Mrs. Spicer into a corner, which he stated was not what he thought was the District's intent. He further expressed a concern that, if the schematics were approved for the Glenwood Avenue site, any other review would be superfluous. He stated that he felt there was a lot of information that is still available for the District's review, in particular a study published in September 1986 entitled, "Central Industrial Area Study." He stated that he felt it was very important for the District to review this document and that, since the process has been ongoing for two years, he stated that he felt waiting an additional 30 days before making a recommendation to the main Board would be a short wait. He stated that he hoped the committee would give open-minded consideration to other site locations.

Ms. Calvert thanked Mr. Hoyt for his input and stated that, while the District is definitely looking at this particular site, it was necessary that the District, to balance these concerns, move forward without further delays.

Ms. Eberly asked Mr. Gunderson if there would be major differences to the design should the site be changed. Mr. Gunderson responded that if the District needed to move the facility to another location, it would be subject to new needs, but added that the Committee has been asked to approve the design of the facility and if the information provided is a

reasonable basis for proceeding to the next phase, which is necessary regardless of where the facility is located.

Mr. Hoyt stated that, as representative for Mr. Spicer, he would be satisfied if the design was interchangeable, as long as the design is not tailor-made for the Spicer or drive-in property, and stated that they had great confidence in the Burlington Northern site. Mr. Hoyt then stated that, when analyzing local costs, over \$300,000 in life-cycle costs would be saved at the Burlington Northern site because the location is 2 minutes closer to the downtown transfer station. He stated that he was concerned about the operational cost savings and, if the additional \$300,000 operating cost savings were included, as well as the additional site costs, easement acquisitions, condemnation of the lands, etc., he felt the amount was within a few hundred thousand dollars on the site costs alone for the Burlington Northern site.

A motion was made and seconded that the Facilities Committee recommend to the Board that the schematic design be approved as presented, recognizing that further change, including site location, may affect total costs and may require re-evaluation of the current design. The Committee unanimously approved the recommendation.

The Committee scheduled their next meeting for Tuesday, January 13, to discuss land acquisition and site location of the facility.


Recording Secretary