



DATE: May 12, 2025

TO: Joint Committee on Transportation

FROM: Tiffani Penson, Director, Urban Mobility Office
Oregon Department of Transportation

SUBJECT: SB 1182 – I-5 Rose Quarter Improvement Project Property/Rights for the Albina Vision Trust

BACKGROUND

The Oregon Department of Transportation's (ODOT) Urban Mobility Office manages the Urban Mobility Strategy (UMS). The UMS is a cohesive approach to reduce congestion, improve safety, and modernize the Portland metro region's aging transportation system. The UMS includes generational projects, including the I-5 Rose Quarter Improvement Project. Part of that project includes a new highway cover over I-5 that would help restore the historic Albina neighborhood by reconnecting local streets and creating new community spaces for future development and economic opportunities.

SB 1182 would authorize ODOT to lease or sell surplus real property associated with the construction of the I-5 Rose Quarter Project directly to the Albina Vision Trust.

BILL CONTENT

The I-5 Rose Quarter Improvement Project is a generational project that will improve safety and congestion where three major interstates converge to form one of the worst traffic bottlenecks in the country. This project will:

- Improve auxiliary lanes and ramp connections
- Connect streets and create new space for community development and foster opportunities for a diverse and skilled workforce with the highway cover
- Create a new Hancock Roadway crossing and provide local street improvements
- Create a new pedestrian and bicycle bridge

The department is excited to advance this project to initial construction in 2025; full project completion is not expected until 2033, assuming additional funding is identified. ODOT will continue to foster and rely on community partnerships to ensure this project delivers the congestion relief, economic benefits, and community revitalization it has promised.

Among critical project partners, including the Historic Albina Advisory Board, City of Portland, Portland Trailblazers (Rip City Management), Metro, and trucking industry, the Albina Vision Trust (AVT) has been instrumental to the I-5 Rose Quarter Improvement Project. AVT is a non-profit organization dedicated to rebuilding and revitalizing Portland's historic Albina neighborhood. The department has been working with AVT since 2017, and the group's leadership, engagement, and vision were pivotal in ODOT successfully securing a major federal discretionary grant—the largest in the agency's history—for this project. AVT is a crucial partner, and their vision for the historic Albina neighborhood is an integral part of and guiding force for the I-5 Rose Quarter Improvement Project.

The Albina Vision Trust and the City of Portland have detailed visions for the development of the new highway cover portion of the project. This bill would simplify one piece of this much larger process of developing this property. Specifically, it authorizes the department to streamline the granting of property rights for the highway cover to AVT.

Under current law, the state has a dedicated process agencies must use when disposing of property by sale or lease. Among other things, it requires providing notice of sale to various groups in specific sequence, including other state agencies (which have purchase priority over other groups), nonprofit organizations, Indian Tribes, local governments, and the public. Agencies are also required to post notice when the asking price for property is more than \$5,000. Additionally, agencies must sell property at fair market value as determined by an appraisal approved by the Department of Administrative Services.

On March 14, 2024, the OTC adopted a unanimous [resolution](#) formalizing a partnership between Albina Vision Trust) and ODOT. In doing so, it directed the Department and AVT to explore whether AVT could be granted certain ownership and development rights for surplus I-5 Rose Quarter Improvement Project property. It further directed the department and AVT to explore the legal changes needed to accomplish this. This bill is an outcome of those efforts, proposing some of the legal changes necessary to effectuate the potential transfer of ownership and leasing of cover development rights as contemplated in the OTC resolution.

The relevant language is excerpted below:

- 1) The OTC values AVT and the efforts to reconnect the Albina community and therefore directs the Director of ODOT, or their designee, to establish and implement a work plan collaboratively with AVT to jointly explore options for the highway cover governance and future ownership of surplus lands associated with the Project consistent with the values in this Resolution.
- 2) The objective of the work plan is to determine if AVT can have access and rights to: 1) the future lease(s) and/or easement(s) for developable air rights on the Project's highway cover and 2) ownership and development rights for surplus property associated with the Project, under current law and regulation. As needed, the work plan also will determine what law and regulatory changes are needed to provide AVT with those rights described in Items 1 and 2.

[...]

- c) The work plan will identify concrete steps that would need to be taken in order to identify relevant legal and process requirements, including, if applicable, any necessary changes to those requirements.

This bill would authorize a limited, narrow exception to the state’s typical process for disposing of public land. It would provide AVT with something akin to a right of first refusal to ownership and development rights associated with the yet-to-be constructed highway cover and other parcel(s) of surplus land adjacent to the cover. Among other things, the measure would allow ODOT to convey this property and development rights directly to AVT without first offering it to other groups. It would also exempt any transfer of surplus real property—but not leasing of development rights—to AVT from state fair market value sale requirements. Federal fair market value rules may still apply.

This measure reflects the unique nature of this project, including the important community benefits for the historic Albina neighborhood that can be realized through construction of this project. The changes reflected in SB 1182 are specific to ownership and development rights for a limited and specific area of the I-5 Rose Quarter Improvement Project and that project alone.

This project’s highway cover is best developed in alignment with the goals and visions of community partners, including the Albina Vision Trust’s reimagination of the broader 94-acre district of Lower Albina. ODOT is committed to supporting a safe and equitable project for Albina.

CONCLUSION

The I-5 Rose Quarter Improvement Project is a generational project that will, among other things reconnect the historic Albina Neighborhood that was divided by the original construction of I-5. Consistent with OTC direction, this bill streamlines the process for granting property and lease rights for specific project land to the Albina Vision Trust—a trusted and valued community partner.