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191884

Emergency Ordinance

***Authorize Intergovernmental Agreement between Prosper Portland and Bureau of Transportation to construct the New Water Avenue project in Central Eastside in the amount up to \$16,900,000**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Prosper Portland is the City of Portland's (the "City's") Urban Renewal Agency with broad powers to make investment towards economic development and community development outcomes.
2. The Portland Bureau of Transportation ("PBOT") oversees transportation operations and improvements in the City's public rights-of-way, and cooperation between Prosper Portland and PBOT is beneficial to the implementation of urban renewal plans and other public policies, plans, and capital projects.
3. Portland's Central City 2035 Plan identified the OMSI Station Area (the "OMSI District") within the Central Eastside district as a large potential redevelopment site subject to a Central City Master Plan review process to identify future development requirements, locations of uses, plans for meeting infrastructure capacity and the location of open spaces and right-of-way to connect to the larger surrounding area.
4. Portland Design Commission approved the OMSI Central City Master Plan on February 16, 2023, in Case Number LU-21-115214, (the "OMSI CCMP") to guide future development within the OMSI District.
5. PBOT and OMSI have identified road reconstruction and connectivity improvements adjacent to or otherwise near the OMSI District for a New Water Avenue as critical priorities in the OMSI District, in order to serve users of the OMSI District as well as Central Eastside residents and the public generally (the "Project").
6. Prosper Portland desires to provide \$10.9 million of tax-increment finance revenue ("TIF") to PBOT for PBOT to construct the Project.
7. If Prosper Portland receives \$6 million from the Oregon Business Development Department ("State Funds") for the Project, it would like to provide these additional funds to PBOT for the Project.
8. Prosper Portland desires to enter into an intergovernmental agreement ("IGA") with PBOT to establish terms and conditions by which Prosper Portland will compensate PBOT for the Project.

Introduced by

[Commissioner Carmen Rubio](#);
[Commissioner Mingus Mapps](#);
[Mayor Ted Wheeler](#)

City department

[Prosper Portland](#);
[Transportation](#)

Contact

Justin Douglas

Governance, Learning and
 Outcomes Manager

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Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

September 4, 2024

Requested Start Time

2:00 pm

Time Requested

45 minutes (2 of 2)

NOW, THEREFORE, the Council directs:

- A. The Deputy City Administrator for Public Works or the Portland Bureau of Transportation's Director is hereby authorized to accept on behalf of the City of Portland a grant from Prosper Portland for T01273 New Water Avenue project in the amount of up to \$16,900,000.
- B. The Deputy City Administrator for Public Works or the Portland Bureau of Transportation's Director to execute an Intergovernmental Agreement in the amount of up to \$16,900,000 in a form similar to the contract attached as Exhibit A.
- C. The Deputy City Administrator for Public Works or the Portland Bureau of Transportation's Director is authorized to execute amendments, approved as to form by the City Attorney, to the scope of the services or the terms and conditions of this Agreement, provided the changes do not increase the total project cost by twenty-five percent (25%) or greater.
- D. The FY 2024 / 2025 budget is hereby amended as follows:
 - 1. GRANTS FUND
 - Fund: 217
 - Business Area – TR00
 - Bureau Program Expenses – \$16,900,000
- E. The OMF Grants Office is authorized to perform all administrative matters in relation to the grant application, grant agreement or amendments, requests for reimbursement from the grantor, and to submit required online grant documents on the Deputy City Administrator for Public Work's behalf.

Section 2. The Council declares that an emergency exists because a delay would unnecessarily delay the City's ability to perform the activities authorized by the grant; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Exhibits and Attachments

 [Exhibit A](#), 147.05 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
September 4, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

Portland City Council will be taking an action to approve an ordinance between Prosper Portland and the Portland Bureau of Transportation (PBOT) to construct the New Water Avenue project, a critical priority in the OMSI District. This action builds on a companion legislation *Approving a term sheet between OMSI, City of Portland, Prosper Portland* which sets the framework for individual public and private infrastructure and development projects to occur in the furtherance of the OMSI CCMP and the Central City 2035's policy goals and objectives for the area.

City Council adopted the initial Central City 2035 Plan ("CC2035") by Ordinance No. 189000 on June 6, 2018, which became effective July 9, 2018, to serve as the primary guiding policy document setting forth the goals, policies, and tools to guide growth and development in the Central City. It identified the Central Eastside as a Regional Center district within the Central City. Further, the OMSI Station Area (the "OMSI District") within the Central Eastside district was identified as a large potential redevelopment site that was required to go through a Central City Master Plan process to identify future development requirements, locations of uses, plans for meeting infrastructure capacity, and the location of open space and rights-of-way that will connect to the larger surrounding district. Portions of the plan were appealed by the Oregon Land Use of Appeals and City Council re-adopted CC2035 on July 8, 2020, by Ordinance 190023.

On February 16, 2023, in Case Number LU-21-115214, the City's Design Commission approved the OMSI Central City Master Plan ("OMSI CCMP") and related Infrastructure Zones to guide future development within the OMSI District. Through term sheet negotiations and using the Infrastructure Zones to identify needed investments in public and private infrastructure, PBOT, OMSI and Prosper Portland have agreed that road reconstruction and connectivity improvements adjacent to or otherwise near the OMSI District for a New Water Avenue as a critical priority in the OMSI District in order to serve uses of the district as well as Central Eastside residents and the general public.

Prosper Portland will provide \$10.9 million of tax increment finance revenue to PBOT to construct the project to realize economic development and community development outcomes in alignment with its mission and broad powers. If Prosper Portland receives \$6 million from the Oregon Business Development Department ("State Funds"), it will also provide these funds to PBOT for the project. Prosper Portland and PBOT have successfully used this funding mechanism for other street and infrastructure projects throughout the City.

Financial and Budgetary Impacts

Prosper Portland will invest \$10.9 million in Central Eastside Tax Increment Finance resources to the project and will transfer another \$6 million in State of Oregon funds when it receives them from Business Oregon. PBOT has budgeted \$500,000 in Transportation System Development Charges that may be made available for eligible improvements within the project.

Community Impacts and Community Involvement

OMSI has led a significant community involvement process since the concept level of the district master plan in 2015 and again in 2018 while seeking approval of the OMSI CCMP. PBOT led an outreach campaign for *Central City in Motion*, a transportation network plan that seeks to increase efficiency through smart investments in all travel modes. This plan proposes a two-way bikeway along SE Water Avenue, which will now go through the OMSI District. All entities engaged with Central Eastside District stakeholders including the Central Eastside Industrial Council and its Land Use Committee on the various plans and investment.

100% Renewable Goal

The New Water Avenue Realignment project seeks to reduce carbon emissions and improve air quality by investing in a multi-modal facility that will increase transportation options for residents, workers, and visitors arriving at the site.

Document History

Item 775 Time Certain in [September 4-5, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/9/4)
(<https://www.portland.gov/council/agenda/2024/9/4>)

City Council

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea