

**IMPACT STATEMENT**

**Legislation title:** Authorize an Intergovernmental Agreement between the Bureau of Transportation and the Portland Development Commission for the funding of final design and construction of SW Bond Avenue Extension Phase 1.

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**Purpose of proposed legislation and background information:**

This ordinance will authorize an Intergovernmental Agreement (IGA) between the Bureau of Transportation (PBOT) and the Portland Development Commission (PDC) to provide urban renewal funding for final design and construction the SW Bond Avenue Extension Phase 1, from SW River Parkway to SW Porter Street. The IGA covers 60 to 100 percent design and construction of Phase 1 interim improvements and limited design of the Phase 1 final improvements. PDC funds from the North Macadam Urban Renewal Area (URA) will join Transportation System Development Charges (TSDCs) and a pending state grant to fund the project.

SW Bond Avenue Extension Phase 1 is part of the City's commitment to provide public infrastructure to facilitate redevelopment in the South Waterfront District. The project will provide access to the Oregon Health & Science University (OHSU) Schnitzer Campus, including the Knight Cancer Research Building under construction at the time of this ordinance. The project is considered as the City's contribution to the Knight Cancer Challenge, a \$1 billion public/private partnership to fight cancer through research and development. When joined by future project phases to the south, the SW Bond Avenue Extension will become a major north-south circulation feature in South Waterfront along with existing SW Moody Avenue. Upon opening in 2018, the project will also serve hundreds of people walking and bicycling between the Tilikum Crossing and downtown Portland. A map of the project is included as Exhibit A to the IGA.

On July 1, 2015, City Council adopted Ordinance 187240 authorizing a PBOT/PDC IGA for funding of preliminary (30 percent) design for the entirety of SW Bond Avenue from SW River Parkway to SW Whitaker Street. That work was completed in March 2016. Additional funding is now needed to complete the roadway design for Phase 1 and to construct Phase 1 interim improvements.

On February 17, 2016 City Council adopted Resolution 37189 amending the *South Waterfront Street Plan, Criteria and Standards* to realign SW Bond Avenue Extension Phase 1 to better facilitate adjacent site development and provide access to public amenities including the Willamette Greenway. That resolution also directed the City to construct Phase 1 in an interim fashion, followed by a collaborative process involving adjacent property owners and the Portland Design Commission to design final improvements. Interim features will include asphalt sidewalks and temporary street lights. Concurrent with adjacent development, including the South Waterfront Greenway and OHSU Schnitzer Campus development, these interim features

ultimately will be replaced with permanent concrete sidewalks, pedestrian-scale street lighting, landscaping and public art.

On March 30, 2016 City Council adopted Ordinance 187655 authorizing bidding for the surcharge and retaining wall construction contract for SW Bond Avenue Phase 1. That contract went to bid in early September 2016. PDC funds authorized by this ordinance will be used to help fund the surcharge construction contract as well as the subsequent roadway construction contract.

SW Bond Avenue Extension Phase 1 is a technically complex project. Much of the road will be elevated above the surrounding terrain as high as 17 feet, requiring retaining walls, fill pre-consolidation (“surcharge”), and the use of all-weather aggregate fill. The project will cross the approach to the Tilikum Crossing and pass underneath the Marquam Bridge, requiring close coordination with TriMet and the Oregon Department of Transportation (ODOT), respectively. All utilities will be underground, requiring environmental remediation of underlying soils to meet City requirements for clean utility corridors. OHSU is covering the majority of remediation responsibilities and costs, except that the City plans to use a state grant to cover the cost of remediation under the Marquam Bridge on ODOT property.

PBOT will need to return to City Council periodically to authorize related action items including an IGA with TriMet for design and construction coordination on the Tilikum Crossing approach, an IGA with ODOT to allow public travel and define maintenance responsibilities under the Marquam Bridge, and bidding for the roadway construction contract. PBOT is currently on track to complete and open the roadway concurrently with the 2018 opening of OHSU’s Knight Cancer Research Building, which will connect to SW Bond Avenue via SW Meade Street.

**Financial and budgetary impacts:**

The estimated total cost of SW Bond Avenue Extension Phase 1 interim improvements is \$9,010,400. PDC funding provided by this IGA is tax increment financing (TIF) originating from the North Macadam URA. PDC’s Fiscal Year (FY) 2016-17 budget allocates \$2,450,000 to the project, followed by \$1,200,000 in PDC’s proposed FY 2017-18 budget, for a total of \$3,650,000 in PDC funds. Of these funds, \$3,601,000 will be provided to PBOT through this IGA, with the remaining \$49,000 retained by PDC to fund public art costs of \$49,000 in accordance with the City’s Percent for Art program. Remaining project costs, including costs in FY 2018-19, will be funded by approximately \$4.7 million in Citywide and North Macadam Overlay TSDCs, and a pending \$750,000 Immediate Opportunity Fund grant from the State of Oregon. Design and construction of SW Bond Avenue Extension Phase 1 is an eligible expenditure of all of the above funds. Funding the project will not cause undue financial impacts to the balance of TSDCs or the North Macadam URA.

**Community impacts and community involvement:**

The SW Bond Avenue Extension has long and consistently been a priority for district stakeholders and property owners as expressed during public planning and budgeting processes, including the *North Macadam Urban Renewal Plan (1999)*, the *South Waterfront Plan (2002)*, the *South Waterfront Street Plan, Criteria and Standards (2003)*, the *North Macadam Transportation Development Strategy (2009)* and subsequent amendments to those plans as

recently as February 2016. The construction of Phase 1 supports growth of OHSU’s Schnitzer Campus and joins \$1 billion in public/private investment tied to the Knight Cancer Challenge. SW Bond Avenue Extension Phase 1 is a new street and therefore there are no public travel impacts caused by the project. No residences and limited office and hotel uses are located in the immediate vicinity of the project. PBOT, in coordination with OHSU, will provide construction updates to affected parties, including the Marriott Residence Inn, the owners and occupants of the 2100 SW River Parkway office building, and the South Portland Neighborhood Association. A project website has been developed:  
<https://www.portlandoregon.gov/transportation/article/585824>

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

KK 9-6-16