



DATE: August 12, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-37

Approving an Intergovernmental Agreement with the City of Portland Bureau of Transportation for the SW 4th Avenue Project in the North Macadam Tax Increment Finance District

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7392

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to execute an Intergovernmental Agreement (IGA) with the City of Portland Bureau of Transportation (PBOT) that will authorize a \$3,000,000 Prosper Portland investment in the SW 4th Avenue Project (Project) located in the North Macadam Tax Increment Finance (TIF) District (see a Project Map in Attachment A).

If approved, this action will complete PBOT’s funding sources necessary to design and construct the Project, which will improve connectivity and safety and support economic development in the South Downtown/University subdistrict by reconstructing and repaving the roadway, and providing new signalized crossings, transit priority, and a protected bike lane between Interstate 405 and West Burnside Street (see Project Renderings in Attachment B). Prosper Portland’s funds will contribute to only those project elements located within the North Macadam TIF District.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action aligns with Prosper Portland’s Strategic Plan by creating healthy connected neighborhoods.

BACKGROUND AND CONTEXT

Over the past ten years the City of Portland has engaged in a series of community planning efforts intended to accommodate and direct population and business growth and make the city safer and more sustainable and equitable. These efforts resulted in the adoption of the joint City of Portland and Multnomah County Climate Action Plan in 2009, the Vision Zero Action Plan in 2016, and the Central City 2035 Plan in 2018.

Recognizing the complexity and importance of the Central City’s transportation system, PBOT engaged in a comprehensive planning and project development effort for active transportation investments, building on the Central City 2035 Plan. Through this effort, known as Central City in Motion, PBOT evaluated a wide range of projects over a two-year period and sought public input and feedback on

project design and prioritization. The Central City in Motion plan, which was approved by Portland City Council on November 15, 2018, identifies 18 projects in the Central City including nine miles of bus lanes, 17 miles of protected bikeways, and 88 pedestrian crossing improvements. The Project is one of the 18 projects included in the Central City in Motion plan. The Project will improve connectivity and safety and support economic development in the South Downtown/University subdistrict by reconstructing and repaving the roadway, and providing new signalized crossings, transit priority, and a protected bike lane on SW 4th Avenue between I-405 and West Burnside Street.

The total cost of the Project is approximately \$17,000,000. Prosper Portland’s \$3,000,000 in funding will contribute to more than \$5,000,000 in costs for Project elements located within the North Macadam TIF district. The Project schedule calls for design to be completed between the third quarter 2020 and third quarter 2021, and for construction to be completed between first quarter 2022 and first quarter 2023.

Following is a summary of the total funding package for the Project with segment estimates completed in June of 2020 based on the Project’s most recent conceptual design:

Project Segment	Revenue Source	Design	Construction	Total Budget
SW 4th Ave - Grant to Harrison (N. Macadam TIF Boundary Segment)	Prosper Portland	\$250,000	\$2,750,000	\$3,000,000
	Fixing Our Streets (FOS) (approved add)	\$120,000	\$1,280,000	\$1,400,000
	TriMet (Pending IGA execution)	\$100,000	\$1,200,000	\$1,300,000
Total Budget: Grant to Harrison segment with North Macadam TIF District				\$5,700,000.00

Project Segment	Revenue Source	Design	Construction	Total Budget
SW 4th Ave - Caruthers-Grant, Harrison-Burnside segments	FOS SW 4th Paving funds	\$750,000	\$2,673,000	\$3,423,000
	FOS (approved add)		\$2,339,010	\$2,339,010
	FOS CCIM funds	\$450,000	\$353,288	\$803,288
	SSL Signal Maintenance		\$2,000,000	\$2,000,000
	TSDCs		\$2,500,000	\$2,500,000
	TriMet (Pending IGA execution)	\$25,000	\$275,000	\$300,000
Total Budget: Caruthers-Grant, Harrison-Burnside segments				\$11,365,298.00

Total Budget: full project, all segments				\$17,065,298.00
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In exchange for Prosper Portland’s investment, PBOT staff recommended to City Council the addition of \$5,000,000 in eligible project costs to the Transportation System Development Charge (TSDC) Capital Project List entitled Post Office Blocks Transportation Improvements, Phase 1. These improvements include but are not limited to extending Park and Johnson streets through the Broadway Corridor redevelopment site and adding traffic signals at NW 9th Avenue and Everett Street and NW 9th Avenue and Glisan Street intersections located in the River District TIF District.

EQUITY IMPACT

The Project will comply with and implement Prosper Portland Business Equity and Workforce Equity Program Specifications. In addition to meeting contracting and workforce goals, Prosper Portland’s investment in the Project provides a series of community and public benefits by contributing to a transportation system that:

1. Prioritizes safety first;

2. Promotes equity by providing affordable and convenient travel options for everyone to better serve people of color, people with disabilities, and those who depend on transit;
3. Enables the reliable and predictable movement of people and freight; and
4. Improves sustainability by helping residents and businesses reduce carbon emissions.

COMMUNITY PARTICIPATION AND FEEDBACK

Over a two-year period PBOT conducted outreach on 147 Central City in Motion project ideas through public engagements that included in-person open houses, focus groups, and meetings with neighborhood associations and community groups. PBOT and partners, including the Oregon Department of Transportation, Multnomah County, TriMet, and City bureaus, incorporated that feedback to prioritize the 18 selected projects and influence project design. The Portland City Council adopted the Central City in Motion Plan in November 2018.

In November 2018, PBOT established the Central City in Motion Working Group consisting of 17 community members. The Working Group meets quarterly to advise the project team and PBOT Director as follows:

- Provide input on priorities for project design and construction
- Connect the project team with key stakeholders and community representatives to identify opportunities for public engagement on project design;
- Identify opportunities for the private sector to leverage public investments;
- Monitor project delivery; and
- Evaluate project performance.

Prosper Portland staff informed the Southwest Portland Neighborhood Association of Prosper Portland's intent to provide this funding for the Project and solicited feedback. Comments received include:

- Mike Houck with Urban Greenspaces Institute and Jeanne E. Galick of the South Portland Neighborhood Association have encouraged Prosper Portland to continue to work with developer Alamo Manhattan and reach an agreement to spend North Macadam TIF funds to enhance the current Willamette Greenway design on the Alamo Manhattan property.

Prosper Portland is currently engaged in discussions with Alamo Manhattan and Portland Parks & Recreation regarding a potential development agreement that would provide Willamette Greenway enhancements, although neither the amount of a potential Prosper Portland investment nor the potential for a successful agreement is known at this time.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in the fiscal year (FY) 2020-21 North Macadam TIF district fund for the Project (see Attachment C). Fiscal controls specified in the IGA include: (1) a project scope and budget not to exceed \$3,000,000; (2) PBOT and Prosper Portland project managers will coordinate regularly; (3) PBOT will provide detailed invoices on at least a quarterly basis that will be reviewed and approved by Prosper Portland's project manager; and (4) change and conflict resolution procedures if necessary.

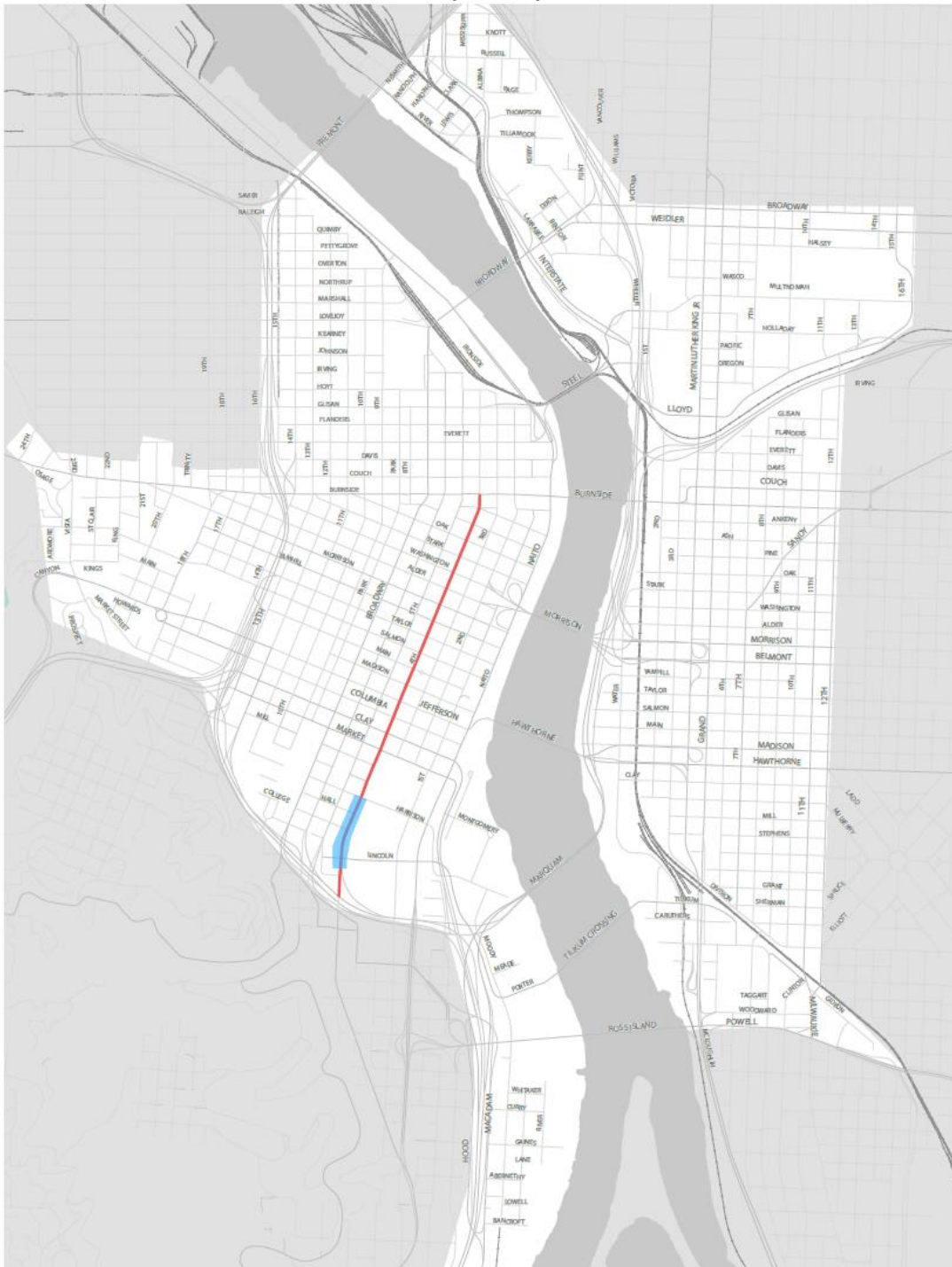
RISK ASSESSMENT

Prosper Portland's contribution ensures PBOT has the full amount of financial resources required to construct the Project. With the exception of an initial \$150,000 up-front payment for design services, Prosper Portland will mitigate its risk by contributing funds on a reimbursement basis for only that portion of the Project located within the North Macadam TIF district.

ATTACHMENTS

- A. Project Map
- B. Project Renderings
- C. North Macadam TIF District FY 2020-21 Budget

Project Map



SW 4th Avenue Project

May 2020

CENTRAL CITY IN MOTION

 North Macadam URA segment



Data provided by the
City of Portland and Metrolinx.
Map produced October 2019.



Project Rendering



Rendering of SW 4th Avenue at College, looking north

**Financial Summary
 Five-Year Forecast**

<u>North Macadam TIF Fund</u>	<u>Revised 5 FY 2019-20</u>	<u>Adopted FY 2020-21</u>	<u>Forecast FY 2021-22</u>	<u>Forecast FY 2022-23</u>	<u>Forecast FY 2023-24</u>	<u>Forecast FY 2024-25</u>
Resources						
Beginning Fund Balance	20,045,992	28,660,996	4,009,888	4,212,999	9,315,894	4,613,895
Revenue						
Interest on Investments	476,360	235,238	3,270	79,651	104,893	218,978
TIF - Short Term Debt	14,686,722	17,269,358	12,666,513	12,848,495	13,876,833	14,822,527
TIF - Long Term Debt	0	-	11,000,000	-	-	7,522,751
Rent and Property Income	220,224	201,039	445,424	494,421	548,806	609,176
Total Revenue	15,383,306	17,705,635	24,115,207	13,422,567	14,530,532	23,173,432
Total Resources	35,429,298	46,366,631	28,125,095	17,635,566	23,846,426	27,787,327
Requirements						
Administration						
A00024-Debt Management-NMC	24,615	15,337	15,337	15,337	20,000	20,000
Administration Total	24,615	15,337	15,337	15,337	20,000	20,000
Housing						
A00165-Affordable Housing-NMC	3,682,018	12,558,041	13,792,386	2,393,203	13,022,322	1,795,245
Housing Total	3,682,018	12,558,041	13,792,386	2,393,203	13,022,322	1,795,245
Infrastructure						
Transportation						
A00589-Infrastructure Investments-NMC	0	6,300,000	3,475,000	3,750,000	2,000,000	3,000,000
Infrastructure Total	0	6,300,000	3,475,000	3,750,000	2,000,000	3,000,000
Property Redevelopment						
Commercial Property Lending						
A00360-CPRL-General-NMC	500,000	500,000	-	-	-	-
Real Estate Management						
A00273-RiverPlace Prkng-NMC	107,603	107,141	112,500	118,123	124,031	136,472
A00560-South Waterfront Lot 4-NMC	14,680	-	-	-	-	-
A00618-Portland Center Park	0	1,000	1,000	-	-	-
Real Estate Disposition						
Redevelopment Strategy						
A00268-Eco District-NMC	2,500	-	-	-	-	-
A00270-N Distr Partnershp-NMC	150,000	-	-	-	-	-
A00274-Project Development-NMC	200,000	15,800,000	-	-	-	-
A00533-University Place-NMC	0	5,100,000	4,500,000	-	-	-
A00624-South District-NMC	200,000	-	-	-	-	-
A00633-Fourth Avenue Bldg-NMC	0	-	-	-	2,000,000	-
Property Redevelopment Total	1,174,783	21,508,141	4,613,500	118,123	2,124,031	136,472
Total Program Expenditures	4,881,416	40,381,519	21,896,223	6,276,663	17,166,353	4,951,717
Personnel Services	17,918	285,856	321,875	326,556	330,431	343,489
Total Fund Expenditures	4,899,334	40,667,375	22,218,098	6,603,219	17,496,784	5,295,206
Interfund Transfers - Indirect Charges	1,868,968	1,689,368	1,693,998	1,716,453	1,735,747	1,787,164
Contingency	28,660,996	4,009,888	4,212,999	9,315,894	4,613,895	20,704,957
Total Fund Requirements	35,429,298	46,366,631	28,125,095	17,635,566	23,846,426	27,787,327