

Staff Report

File #: 23-21**Version:** 1**Date:** 1/23/2023**Item #:** 3.3a.

TO: Urban Renewal Agency Board**THROUGH:** Keith Stahley, Executive Director**FROM:** Kristin Retherford, Urban and Community Development Director**SUBJECT:**

Authorize use of unallocated \$4,500,000 in McGilchrist URA funds for 22nd Street SE Realignment Project.

Ward(s): Ward 2

Councilor(s): Nishioka

Neighborhood(s): Southeast Salem Neighborhood Association

Result Area(s): Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy

SUMMARY:

The reallocation enables the 22nd Street SE/McGilchrist Realignment project (Phase I) to go to bid in time for the upcoming construction season. The project design is complete and the bid package is ready for Oregon Department of Transportation (ODOT) review; however, it has a \$4.5M gap in pledged grant funds. The McGilchrist URA has the capacity to bridge the gap. This action reallocates from unspecified future projects to the realignment project.

ISSUE:

Shall the Agency Board authorize the use of \$4,500,000 of unallocated McGilchrist Urban Renewal Area funds for the 22nd Street SE Realignment project?

RECOMMENDATION:

Authorize the use of \$4,500,000 of unallocated McGilchrist Urban Renewal Area funds for the 22nd Street SE Realignment project.

FACTS AND FINDINGS:

The project has more than \$8M of federal highway (Salem Keizer Area Transportation Study, or SKATS) grant awarded for right-of-way acquisition in all phases and design/construction of Phase I, of which approximately \$2.8M has been spent. The URA is currently budgeted to provide

approximately \$1.5M in matching funds, and Public Works Stormwater/Transportation System Development Charge funding is planned to provide \$1.7M over all phases.

With this reallocation, the URA's contribution is approximately \$6M and the ending balance for unspecified projects is projected to be approximately \$585,000.

BACKGROUND:

SKATS is exploring providing additional funding for the project, however final SKATS approval cannot be obtained in time for the bidding schedule. Once bids are opened, the City will go to SKATS to work out final funding sources. If additional SKATS funding becomes available, URA's additional \$4.5M contribution may be reduced or eliminated.

The City's 2022 Bond initiative included funding for the overall McGilchrist Street project but is not yet available to guarantee funds for this bid cycle.

Michael Brown
Financial Services Manager, UCD

Attachments:

1. McGilchrist Strip Map Phase Delineation
2. Phase I-22nd Street McGilchrist Realignment