



Staff Report

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Version: 1

Date: 9/13/2021

Item #: 6.b.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Reallocation of unallocated Fiscal Year 21-22 McGilchrist URA funds for design of McGilchrist Street Improvement Project

Ward(s): Ward 2

Councilor(s): Councilor Andersen

Neighborhood(s): SESNA

Service Area(s): Welcome and Livable Neighborhood; Strong and Diverse Economy; Safe and Reliable Infrastructure

SUMMARY:

The realignment of 22nd Street is an approved CIP project and the first phase of the McGilchrist Street Improvement Project. The budget allocation is \$225,000 to complete design work in advance of construction. Final design costs came in at \$662,000, requiring an additional \$437,000 of McGilchrist Urban Renewal Funds to continue project work. The FY 21-22 McGilchrist URA budget includes \$950,000 in unallocated funding to be used to cover this cost increase. The City Manager approved of the funding shift in August to maintain project schedule.

ISSUE:

Reallocation of \$437,000 from unallocated FY 21-22 McGilchrist URA funding to the design of the first phase of the McGilchrist Street Improvement Project (realignment of 22nd Street SE).

RECOMMENDATION:

Information only

FACTS AND FINDINGS:

Reallocating \$437,000 in FY 21-22 McGilchrist URA funding to the 22nd Street SE realignment project is needed to cover cost increases associated with the design of the project. Federal environmental requirements and complexities caused by going from a single project to a phased project have increased the project costs. The URA funding will be matched by \$5.2 M in federal funding administered by the Oregon Department of Transportation for construction of the project.

The 22nd Street realignment project will create a four-leg intersection at 22nd and McGilchrist Street and add sidewalks on McGilchrist Street SE and 22nd Street SE. Construction is expected to begin in summer 2023. City staff continue to apply for grant funding to help pay for the remaining phases of the McGilchrist Street project from 12th Street to 25th Street.

Implementation of the 22nd Street SE realignment project is consistent with the McGilchrist URA Plan, Section 5A, as an approved project.

Sufficient budget authority exists within the FY 2021-2022 adopted budget for the McGilchrist URA to accommodate the increased design costs. The \$437,000 would come from the \$950,000 in unallocated funding.

Annie Gorski
Economic Development Manager

Attachments:
None.