

City of Portland, Oregon
FINANCIAL IMPACT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Art Pearce/Shoshanah Oppenheim	2. Telephone No. 503-823-7791/3-7677	3. Bureau/Office/Dept. PBOT/Development & Capital Program/PMD
5a. To be filed (hearing date): May 12, 2010	5b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	4. Date Submitted to Commissioner's office and FPD Budget Analyst: APRIL 30, 2010

1) Legislation Title: *Authorize an Intergovernmental Grant Agreement with the Portland Development Commission regarding a financial contribution to fund the final design and construction of the South Corridor Phase II: Portland-Milwaukie Light Rail Project. (Ordinance)

2) Purpose of the Proposed Legislation: Adopt IGA with PDC for \$10 million in Tax Increment Financing funds to contribute to the South Corridor Phase II: Portland-Milwaukie Light Rail Project

Revenue and/or Expense:

Is ALL the Revenue and/or Expense a part of the current year's budget? Yes _____ No X _____
SAP COST OBJECT No(s): _____ then go to Step #5.
If NO, complete Steps 3 & 4. For modifications to budgets, identify/discuss only the changes to the budget.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source. Allocation existing TIF revenue to the LRT project will reduce the amount of funding available to contribute to other projects and programs.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required) ("If there is a project estimate, please identify the **level of confidence**.")

The Portland Development Commission has identified tax increment financing (TIF) in the amount of \$10 million to contribute toward the project from North Macadam Urban Renewal Area (NMAC URA). The NMAC URA TIF contribution is based the following assumptions: 1) Tax increment financing capacity in the URA meets or exceeds assumptions currently included in the PDC forecast; 2) Funds would be accessible after the South Waterfront Central District projects have been completed, currently assumed to be distributed between fiscal years 2011-12 and 2012-13; and 3) To allocate the full amount in 2011-12 the NMAC URA's contribution may require some reprioritization of projects currently included in the five year forecast.

The IGA supports a funding plan adopted by council committed \$30 million in City resources for the PMLR project. This agreement between PDC and the City, commits \$10 million in TIF toward the City contribution.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.) NO

6) Will positions be created or eliminated in future years as a result of this legislation? NO

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.) NO

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

KK 04-26-10

Susan D. Keil

APPROPRIATION UNIT HEAD

SUSAN D. KEIL, Director, Bureau of Transportation