

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Art Pearce	2. Telephone No. 503-823-7791	3. Bureau/Office/Dept. PBOT/PMD
4a. To be filed (date): June 20, 2012	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> </div>	5. Date Submitted to Commissioner's office and FPD Budget Analyst: June 11, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed

1) Legislation Title:

*Authorize tax-exempt installment purchase through Key Government Finance, Inc. for the purchase of Streetcar Fare Collection System from Parkeon Inc. (Ordinance)

2) Purpose of the Proposed Legislation:

September 2012 brings the opening of the Portland Streetcar Loop. The project expands the streetcar to a significantly larger service area. This expansion of the Portland Streetcar service and changes in fare policy requires the Bureau of Transportation to increase the fare collection capacity of the system beyond the onboard machines currently in use. The Bureau of Purchasing issued a request for proposals for a Fare Collection System (FCS) including 77 Cashless Ticket Vending Machines (CTVMs) and a Fare Collection Management System (FCMS) to support the processing of transactions and system maintenance. The Evaluation Committee selected Parkeon as the successful proposer and the Bureau of Transportation has negotiated a not to exceed contract for \$1,275,800 to implement the Fare Collection System and ongoing service contract.

The Bureau of Transportation and the Public Finance and Treasury Division of the Bureau of Financial Services investigated several funding alternatives for the purchase of the CTVMs and spare parts, including general fund backed bond financing, transportation revenue backed financing, tax-exempt installment purchase bank financing and machine rental.

The Bureau of Transportation and the Public Finance and Treasury Division of the Bureau of Financial Services have arranged for \$580,000 in tax-exempt installment purchase financing through Key Government Finance, Inc for the initial purchase of the CTVMs and spare parts and will repay the financing over seven years through fare revenue generated by the CTVMs.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|---|---|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input checked="" type="checkbox"/> Northeast | <input checked="" type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input checked="" type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

The Service area of the Portland Streetcar spans the following neighborhoods. HAND, Buckman, Lloyd, Pearl, DNA and South Portland.

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

Fare revenues from the platform locations are projected to generate \$750,000 of the \$1,000,000 in fare revenue budgeted in FY 2012-13. The provision of Ticket Vending Machines at these locations is essential to realizing this revenue.

5) Expense: What are the costs to the City related to 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 initial purchase of the Cashless Ticket Vending Machines and spare parts total approximately \$580,000. The ongoing service contract is approximately \$46,200 per year (\$415,800 for 9 years). Allotment for additional parts and service or extended warranty during 9 year contract is \$280,000. Total not to exceed contract for up to 9 years is \$1,275,800.

\$580,000 Cashless Ticket Vending Machine and spare parts purchase will be financed by Key Government Finance, Inc. for 7 years for approximately \$85,000 per year. Fare revenue from the existing FY2012-13 budget will cover the cost of the financing and ongoing service contract.

6) Staffing Requirements:

- **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.)** This legislation does not add positions; however, two fare inspectors are budgeted for in the 2012/2013 budget.
- **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 Fund Center column if new center needs to be created. Use additional space if needed.)*

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

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ YES: Please proceed to Question #9.

☐ NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Fare collection was an important issues raised during the Public Involvement process to evaluate the proposed Streetcar Fare Policy. The community asked City Staff for tools and increased attention to address fare collection, evasion and safety issues on the streetcar system. The addition of these Cashless Ticket Vending Machines is essential to providing revenue to operate the system.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

(See attached public involvement plan.)

b) How did public involvement shape the outcome of this Council item?

While discussing proposed changes in the fare policy, the issues of fare collection, evasion, and improved customer service were repeatedly highlighted by the community.

d) Who designed and implemented the public involvement related to this Council item? This item is the result of the public involvement process designed for the fare policy designed by Shoshanah Oppenheim.

e) Primary contact for more information on this public involvement process (name, title, phone, email): 503-823-7677. shoshanah.oppenheim@portlandoragon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

As part of the public information about the opening of new service in September 2012, Portland Streetcar will educate the public about the changes to the fare structure and fare collection devises, the new routes and the expected code of conduct.

KK 06-14-12

BUREAU DIRECTOR


TOM MILLER, Bureau of Transportation