

ORDINANCE No. 184775

*Authorize execution of a Loan Agreement with Oregon Rail Heritage Foundation to construct an enginehouse and rail interpretive center for City-owned historic locomotives (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. Through a series of donations in 1958, the City of Portland received ownership of three historic steam locomotives, currently controlled by Portland Parks & Recreation (PP&R).
2. The locomotives are currently managed and maintained for the benefit of the public by several non-profit organizations established for that purpose. These organizations are represented in the Oregon Rail Heritage Foundation (ORHF), a non-profit corporation serving as an umbrella organization, which is dedicated to the preservation of the locomotives in cooperation with PP&R. City Ordinance 183281, executed October 28, 2009, authorized a Management Agreement between PP&R and ORHF.
3. The locomotives and other equipment are currently stored on property owned by Union Pacific Railroad Company (UPRR) in accordance with a 1988 lease between the PP&R and UPRR.
4. UPRR has effectively provided notice to PP&R through ORHF that the locomotives must now be moved from the current site.
5. ORHF investigated numerous properties for a storage facility for the locomotives, and identified a parcel owned by UPRR (Site 1) in the OMSI District as the preferred available site. Under the authority of City Ordinance 183280, passed November 23, 2009, the Commissioner in Charge of Parks executed a loan agreement with ORHF for \$978,598 to purchase Site 1.
6. Site 1 was also identified as being needed for TriMet's Portland-Milwaukie Light Rail Project (Project). With TriMet's assistance, ORHF identified an alternative site (Site 2) just north of the Project's planned OMSI station platform. ORHF has found that Site 2 is suitable for a locomotive storage facility and the potential future development of a rail interpretive and educational center.
7. TriMet will be dedicating right-of-way to the City, and the Oregon Department of Transportation (ODOT) will be transferring fee title of real property to the City at Site 2. The fee owned property of Site 2 will be designated as right-of-way and assembled with existing dedicated City rights-of-way in order provide a replacement site for ORHF. Once assembled, PBOT will lease Site 2 to ORHF.

8. As of June 2010, ORHF's fund raising efforts have generated over \$2.8 million in pledges and payments. ORHF has requested an extension of its existing loan funded by the PP&R System Development Charge Fund to ensure that the construction of the project is fully funded. In the fall of 2011, with a new approved loan from the City, ORHF will begin construction of a new yard and enginehouse, relocate the locomotives, preserve elements of the Brooklyn Roundhouse and establish a rail interpretive center for the City-owned locomotives.

NOW, THEREFORE, the Council directs:


- a. The Commissioner in Charge of Parks is authorized to execute all documents necessary, approved as to form by the City Attorney, to revise the Loan Agreement, previously authorized by Ordinance 183280, from the PP&R System Development Charge Fund to the Oregon Rail Heritage Foundation, in accordance with a Loan Agreement generally in the form attached to this Ordinance as "Exhibit A."
- b. The Commissioner in Charge of Parks is authorized to give any consents or notices, negotiate and execute any extensions and/or amendments, or take any action on behalf of the City under the restated Loan Agreement, and, with the assistance of the City Attorney, to enforce the terms thereof; and may commence any suit or action for that purpose.

Section 2. The Council declares an emergency exists because the integrity of the budget and schedule for the relocation of the City-owned historic steam locomotives is dependent on securing suitable property and construction of a new locomotive storage facility; therefore, this Ordinance shall be in full force and effect from and after its passage by Council.

Passed by the Council: JUL 27 2011

Commissioner Nick Fish
Prepared by: Todd Lofgren
July 12, 2011

LaVonne Griffin-Valade
Auditor of the City of Portland

By 
Deputy

277481

Agenda No.
ORDINANCE NO.
 Title

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INTRODUCED BY Commissioner/Auditor: Nick Fish	CLERK USE: DATE FILED <u>JUL 22 2011</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish <i>Nick Fish</i> Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: Portland Parks & Recreation Bureau Head: Sue Keil <i>Sue Keil</i> Prepared by: Todd Lofgren Date Prepared: July 12, 2011	ACTION TAKEN:
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date July 27, 2011	
City Attorney Approval	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: 2:00 PM Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	<input checked="" type="checkbox"/>	
Adams	<input type="checkbox"/>	