

RESOLUTION No. 36936

Acknowledge potential modifications to the approved FY 2012-2013 Streetcar Operations and Maintenance Budget and direct various implementation actions to increase revenues and ridership (Resolution)

WHEREAS, the Portland Streetcar Loop Project (Loop Project), which expands the streetcar system from 4.0 miles in length to 7.4 miles, will begin revenue service on September 22, 2012; and

WHEREAS, due to current economic conditions and governmental budgetary constraints, the City's Approved FY 2012-2013 Streetcar Operations and Maintenance Budget (FY 12-13 Streetcar O&M Budget) is based on contributions from the City and the Tri-County Metropolitan Transportation District of Oregon (TriMet) that are below the levels contemplated when the Loop Project was authorized by the Federal Transit Administration (FTA) in April 2007; and

WHEREAS, the total FY 12-13 Streetcar O&M Budget (\$8,148,928) will support a system with 36 full-time operators limiting service to 10 vehicles, only an increase of 3 vehicles over the 7 that presently can be placed in service during peak periods, which significantly reduces existing service frequencies; and

WHEREAS, Portland Streetcar, Inc, (PSI) is a public service non-profit corporation with a volunteer board of directors that includes representatives of local governments including the City and TriMet, businesses, institutions, properties, residents and the general public; and since its formation on 1996 has represented the City in overseeing the design and construction of the Portland Streetcar system, as well as providing operations assistance; and

WHEREAS, the City and PSI recognize that the success of the Loop Project is dependent on the streetcar achieving a high-quality, reliable service profile with frequencies that will attract ridership, all of which require sufficient resources; and

WHEREAS, during the timeframe for planning the start-up of the Loop Project and for the development of the FY 12-13 Streetcar O&M Budget, the City and PSI have focused on several actions that will enhance revenues and efficiencies: Business Energy Tax Credits (BETCs); fare collection and organizational changes; and

WHEREAS, the City has applied for and received from the Oregon Department of Energy (ODOE) BETCs to supplement Portland Streetcar operations based on its use of electrical propulsion, some of which remain unsold; and

WHEREAS, PSI has agreed to assist the City by selling the streetcar BETCs at the State-established credit rate without markup or commission to PSI and to encourage PSI Board members and others with State tax obligations to participate; and

WHEREAS, as of May 31, 2012, PSI has sold credits equal to pass-through amounts of \$406,547 (BETC Credit #19956) that will be applied to the FY 11-12 Streetcar O&M Budget

and has received commitments for an additional amount of \$990,953 (BETC Credit #23431 and partial BETC Credit #31601), which is greater than the \$500,000 assumed in the FY 12-13 Streetcar O&M Budget, leaving a balance of \$542,254 (balance of BETC Credit #31601) available; and

WHEREAS, the FY 12-13 Streetcar O&M Budget assumes that streetcar fares and the proceeds from annual passes will increase significantly because of the elimination of TriMet's Free Rail Zone, which will also apply to Streetcar, and because of the expansion of service as a result of the Loop Project; and

WHEREAS, in order to maximize fare collection it is essential that we prepare streetcar riders for a change in the fare policy, provide a convenient way to purchase tickets and enforce the fare policy; and

WHEREAS, the FY 12-13 Streetcar O&M Budget provides for two new Fare Surveyors positions for education and enforcement; and

WHEREAS, the City and PSI support the procurement of new Cashless Ticket Vending Machines to complement the Cash Fare Machines on the vehicles and funding their acquisition over time from proceeds from Streetcar fares; and

WHEREAS, in order to improve cost effectiveness, organizational changes have been made to the FY 2012-2013 Portland Streetcar Organizational Chart, as set forth to Exhibit A to this Resolution, including PSI hiring as direct employees the 2 existing and up to 2 new administrative/clerical positions and the City continuing to replace through attrition TriMet-contracted Superintendents with City-employed Supervisors; and

WHEREAS, the City and PSI also recognize that the relationship with TriMet and its continued financial participation is fundamental to the long-term success of Portland Streetcar and its integration into the regional transit system; and

WHEREAS, the City and PSI recognize the need to explore additional long-term revenue sources for Portland Streetcar and will continue their collaborative relationship in order to do so, including the analysis and evaluation of the Additional Revenue and Increased Ridership, as set for in Exhibit B to this Resolution;

NOW, THEREFORE, BE IT RESOLVED that the City Council requests that PSI sell the remaining balance of BETCs at the State-established credit rate without markup or commission to PSI; and

BE IT FURTHER RESOLVED that the Council directs the Director of the Portland Bureau of Transportation (PBOT) to use the BETC pass-through funds above the initial \$500,000 to fund additional streetcar operators from 36 up to 41 operators and for other costs associated with increased service frequencies; and

BE IT FURTHER RESOLVED that the Council directs the PBOT Director to approve the addition of operators based upon the commitments received by PSI for pass-through partners for BETCs to assure adequate funding for the improved service during FY 12-13 and to cause to have the FY 12-13 Streetcar O&M Budget adjusted to incorporate the increased revenue once ODOE has issued credits to the pass-through partners; and

BE IT FURTHER RESOLVED that the Council directs PBOT to work with Procurement Services to bring to Council for its consideration a contract for the procurement of Cashless Ticket Vending Machines; and

BE IT FURTHER RESOLVED that the Council requests PSI and directs PBOT to continue to analyze additional cost effective organizational changes that would enhance Streetcar operations; and

BE IT FURTHER RESOLVED that the Council directs PBOT to finalize and bring to Council for its consideration the new City/TriMet Master Agreement that will set out their collaborative relationship regarding Streetcar service and development and the new Operating Agreement that will update and succeed existing agreements for funding assistance, the provision of personnel and the provision of other services needed for Streetcar operations and maintenance; and

BE IT FURTHER RESOLVED that the Council requests PSI and directs PBOT to analyze and evaluate additional opportunities to increase revenues and ridership of Portland Streetcar.

Adopted by the Council, JUN 20 2012

Mayor Sam Adams
Prepared by: Vicky Diede:slg
Date Prepared: May 30, 2012

LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland
By 
Deputy

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✓147

Agenda No.
RESOLUTION NO.
 Title

3693.6

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<p>INTRODUCED BY Commissioner/Auditor: MAYOR SAM ADAMS</p> <hr/> <p>COMMISSIONER APPROVAL <i>Commissioner for Mayor Adams</i> Mayor—Finance and Administration—Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p> <hr/> <p>BUREAU APPROVAL Bureau: Bureau of Transportation Group Manager: Greg Jones Development & Capital Program Other <i>Greg Jones</i></p> <p>Prepared by: Vicky Diede:slg <i>slg</i> Date Prepared: May 30, 2012</p> <p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Council Meeting Date JUNE 20, 2012</p> <hr/> <p>City Attorney Approval</p>	<p>CLERK USE: DATE FILED <u>JUN 15 2012</u></p> <hr/> <p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p>ACTION TAKEN:</p>
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AGENDA <i>1 of 8</i>
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	