

# ORDINANCE No 185440

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

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland, Bureau of Transportation has operated The Portland Streetcar System since 2001.
2. The current alignment of the Portland Streetcar on the west side of the river provides more than 4,000,000 rides annually; riders include visitors, students, residents of the downtown, as well as commuters to and from work and recreation.
3. In September 2012, the Portland Streetcar Loop project, a 3.4 mile rail extension, will open for revenue service significantly increasing the service area and ridership of the streetcar system.
4. 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.
5. 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.
6. 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 on-streetcar machines currently in use.
7. The Bureau of Purchasing issued a request for proposals (authorized by Ordinance 185145) for a Fare Collection System (FCS) including 77 Cashless Ticket Vending Machines (CTVMs), spare parts, and a Fare Collection Management System (FCMS) and service contract to support the processing of transactions and system maintenance.
8. The Evaluation Committee selected Parkeon Inc. as the successful proposer and the Bureau of Transportation has negotiated a not to exceed contract for \$1,275,000 to implement the Fare Collection System and ongoing service contract for up to 9 years.

9. 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.
10. 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 purchase of the CTVMs and spare parts and will repay the financing over seven years through fare revenue generated by the CTVMs.

NOW, THEREFORE, the Council directs:

- a. The City Treasurer is authorized to execute a Tax Exempt Installment Purchase Contract for \$580,000 between the City and Key Government Finance, Inc. in scope and form substantially in accordance with the Contract and the terms, attached hereto as Attachment A, for the Purposes identified in Section 1.
- b. The Commissioner and Auditor are hereby authorized to draw and deliver check(s) payable to Key Government Finance, Inc. and chargeable to the appropriate authorization and accounting center when demand is presented and approved by the proper authorities.

Section 2. The Council declares that an emergency exists because this authorization needs to take effect immediately to ensure that the Streetcar Fare Collection System is operational by the September 2012 opening of the Streetcar Loop Project; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council, **JUN 20 2012**

Mayor Sam Adams

Prepared by: Art Pearce:slg

Date Prepared: June 7, 2012

**LAVONNE GRIFFIN-VALADE**

Auditor of the City of Portland

By

*Gayle Jennings*

Deputy

730

Agenda No.  
**ORDINANCE NO.**  
 Title

185440

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>MAYOR SAM ADAMS</b>	CLERK USE: DATE FILED <u>JUN 15 2012</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy
<b>BUREAU APPROVAL</b> Bureau: Bureau of Transportation Group Manager: Greg Jones Development & Capital Program Other: Prepared by: Art Pearce:slg Date Prepared: June 7, 2012	<b>ACTION TAKEN:</b>
<b>Financial Impact &amp; Public Involvement Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>	
<b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date <b>JUNE 20, 2012</b>	
<b>City Attorney Approval</b>	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input checked="" type="checkbox"/> Total amount of time needed: <b>5 min</b> (for presentation, testimony and discussion)

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