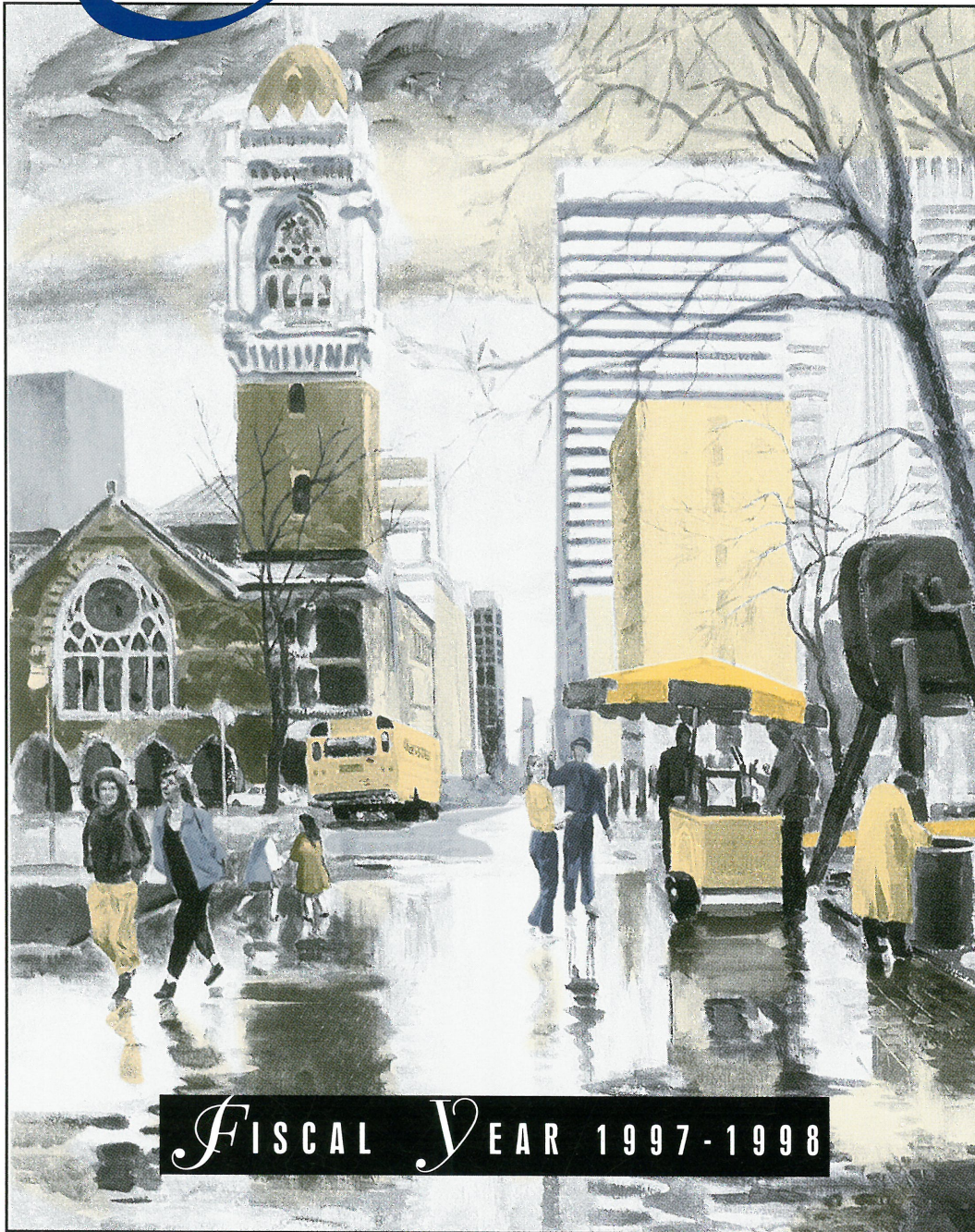


# The City Of *Portland*



## **ADOPTED**

# **BUDGET**

**VOLUME TWO**  
CAPITAL IMPROVEMENT PLAN • PORTLAND DEVELOPMENT COMMISSION • APPENDICES



# **Adopted Budget**

**City of Portland  
Fiscal Year 1997-98  
Volume Two**

**Capital Budgets  
Portland Development Commission  
Appendices**

*Mayor Vera Katz  
Commissioner Charlie Hales  
Commissioner Jim Francesconi  
Commissioner Gretchen Miller Kafoury  
Commissioner Erik Sten*







# Table of Contents

## Capital Budgets, PDC, and Appendices

---

	<u>Page</u>
<b>CAPITAL BUDGETS</b>	
Introduction .....	1
Process Objectives .....	2
Capital Process Background .....	3
Capital Review Committee Process .....	5
Overview of the Five-Year Capital Budget .....	7
Highlights	
General Fund Supported Expenditures .....	11
Other Funds .....	14
<b>CAPITAL IMPROVEMENT PROGRAM</b>	
Summary Tables .....	16
City Support Facilities System .....	23
Cultural and Recreation System .....	39
Economic Development System .....	47
Sewer System .....	53
Transportation System .....	65
Water System .....	103
<b>PORTLAND DEVELOPMENT COMMISSION</b>	
Executive Director's Message .....	121
Guide to the FY 1997-98 Budget .....	125
Fund Summaries .....	137
Personnel Tables .....	194
<b>APPENDICES</b>	
<b>Financial Plans</b>	
General Fund 5-Year Financial Forecast .....	199
Bureau of Buildings .....	209
Bureau of Environmental Services .....	213
Office of Transportation .....	243
Water Bureau .....	245
Portland Development Commission .....	253
<b>Financial Policy Resolutions</b>	
Comprehensive Financial Policy .....	253
General Fund Revenue Policy .....	281
Issuance of Debt Policy .....	285
Investment Policy .....	295



## **APPENDICES (continued)**

General Fund Reserve Fund Policy .....	303
Interagency Agreement Policy .....	315
Local Improvement District Financing .....	325
 <b>FY 1997-98 Budget Adoption Ordinances</b>	
Budget Adoption with Appropriation Schedule .....	333
Tax Levy .....	343
Creation & Closure of Funds .....	349
 <b>Tax Supervising and Conservation Commission</b>	
Letter of Certification .....	351
 <b>List of City Funds</b>	
City Funds by Type of Fund .....	361
 <b>Your City - Your County</b>	
Executive Summary of Comments from Public Meeting .....	369



## INTRODUCTION

The five-year capital planning and budgeting process was initiated by the City of Portland in FY1974-75. Over the years, the focus of the process has varied from a review of citywide capital policies and requirements to one focusing on a very detailed project-by-project review in order to identify scheduling and other conflicts between bureaus. Allocation of increasingly scarce General Fund resources for capital projects continues to be one of the major functions of this process.

The FY1997-98 operating and capital budgeting process was significantly impacted by the approval of property tax limitation Measure 47 in November 1996 as well as the subsequent approval of Measure 50. Drafted by the Oregon State Legislature and ultimately referred to and approved by the voters in May 1997, Measure 50 represents a substitute property tax limitation measure which will be implemented in the Fall of 1997. Although the full financial impact of Measure 50 remains uncertain, it has been determined that Measure 50 will have a negative impact on the City's General Fund resources which may further impact the City's ability to fund capital projects from the General Fund. As a result of Measures 47 and 50, the FY1997-98 capital budget represents a revised second year budget of a two year budget process.

Increasing fiscal constraints continue to make it imperative that the City assess its capital needs and resources carefully, ensuring that high priority projects are funded first with an emphasis on maintaining existing capital assets. Tax limitation measures coupled with rapid changes in municipal financing mechanisms highlight the need for a comprehensive and long-range capital financing plan. The impact of capital budget plans on rates and charges, credit ratings, and financing requirements must be assessed carefully. This is particularly true when taking into consideration some of the large capital outlays that are required in order to comply with changes in State and Federal regulations.

### ***PUBLIC FACILITIES PLANS***

Public Facilities Plans (PFP's) were completed for the Bureaus of Environmental Services, Water, and Transportation in 1989, in accordance with State administrative rules. In FY1991-92, Public Facilities Plans were also completed for each major capital bureau (Parks, Fire, Police, General Services). The PFPs outlined capital requirements over a twenty year time frame. In order to address the City's future capital needs, the PFP for Parks, Fire, Police, and General Services concluded that the City of Portland needed to establish a new, citywide capital funding source, possibly general obligation (G.O.) bonds or dedication of a new funding source to capital improvements.

During development of FY1994-95 capital budget, substantial discussion regarding such funding sources occurred at the Council level, resulting in the referral of a \$58.8 million G.O. bond measure to City voters in November 1994 which was approved by a substantial margin. The bonds were sold in March 1995 and the proceeds are being used over the next several years to make long needed renovation and rehabilitation improvements to the City's park system, while also supporting the construction of new community and aquatics centers.

Despite the proposed Measure 47/50 reductions in the FY1997-98 budget, Council was able to continue its commitment to funding the City's capital needs by committing General Fund support to various city-wide capital projects including all Police and Fire Bureau capital outlays as well as the City Hall and Portland Building

projects. The General Fund is also providing funding support for two key Portland Development Commission capital outlays, the men's homeless shelter facility and the River District infrastructure improvement project. In addition, the FY1997-98 Capital Budget also reflects Council's ongoing commitment of General Fund set-aside and Short Term Capital Financing Program ("STC Program", a.k.a. "Master Lease") monies which totaled more than \$5.35 million.

### ***PROCESS OBJECTIVES***

The City's annual Capital Improvement Plan (CIP) is intended to provide guidance in constructing budgets and subsequently implementing projects in a coordinated manner by the City's capital bureaus. Specifically, the capital planning process is intended to accomplish the following objectives:

- Insure coordination among City bureaus in planning and implementing capital projects.
- Insure that available capital resources, especially for General Fund bureaus, are allocated to the City's highest priority projects.
- Identify for the Council both short and long-term problems, opportunities, and policy issues resulting from bureau capital expenditure plans.
- Assess the short and long-term financial impact of capital projects both upon individual bureaus and the City as a whole. This includes an assessment of the impact upon rates, debt, and revenue, as well as operation and maintenance costs.
- Insure that annual capital improvement submissions are consistent with legally required capital public facility plans.

The capital budgeting process exists in order to address these objectives.

### ***CAPITAL DEFINITIONS***

Projects which must be submitted within the CIP are those fitting the following definitions:

- Facility projects with a total expenditure equal to or exceeding \$10,000.
- Equipment with a cost of \$50,000 or more with a useful life of ten or more years.
- Maintenance and renovation projects totaling \$10,000 or more and having a life expectancy of ten or more years.



An exception to the Capital Project definition has been made in the case of the Office of Transportation's repaving program, which is not included in the capital budget because of the size and cost of individual projects. These projects are maintenance in orientation with no net impact on the value of City fixed assets. The Office of Transportation includes specific information on the repaving program as part of its annual operating budget request.

### ***CAPITAL PROCESS BACKGROUND***

Beginning in FY1989-90 an inter-bureau group, referred to as the Capital Review Committee (CRC), began the task of redesigning the capital budgeting process, a task which continues today. Over the years changes to the process have been made to ensure achievement of the aforementioned objectives. Notable among these changes have been the following:

- Capital recommendations are made in early January to allow for incorporation into the budget process and review by the Council during the annual budget hearings.
- Greater emphasis is placed on the ongoing financial impact of proposed capital projects, particularly on the consideration of increased or reduced maintenance and operating costs stemming from projects.
- Increased emphasis is placed on long term public facility plans, which span 20 years. All bureaus having major, recurring capital requirements have now completed these plans. The plans serve as guides for the five year capital process and assist in identifying long-term financial needs. These plans will continue to be updated on a periodic basis in coordination with the Bureau of Financial Planning.
- In acknowledgment of a significant and increasing backlog of capital projects, Council has provided increased funding to support General Fund capital projects. In FY1990-91 Council as a matter of policy established a minimum annual capital allocation to \$1 million. In FY1991-92 this amount was increased to \$2 million. Additionally, during FY1991-92 Council allocated \$5 million on a one-time basis to support replacement of the City's radio system and to build a new emergency communications center. For FY1992-93, Council established \$4 million as an initial set-aside for General Fund capital requirements.

In FY1993-94 the set-aside was set at \$3 million. The Mayor's Proposed Budget included an additional \$1.8 million for the new Walnut Park Police Precinct, and \$500,000 to meet Federal ADA requirements. As a result, a total of \$5.3 million was included within the Adopted Budget for General Fund capital projects. This history of increased financial support recognizes the Council's commitment to maintaining the City's capital assets.

Because the FY1994-95 budget process was designed to produce a two-year budget authorization, commitment of General Fund capital monies had to address the two-year budgeting cycle. The initial General Fund commitment for each of the budget years totaled \$3 million. In developing the actual capital budget, the use of General Fund capital monies in FY1995-96 was limited to \$2 million, thus providing Council with some flexibility in adjusting funding and project priorities in the second year of the two-year budget cycle. In addition to General Fund capital set-aside monies, the General Fund's commitment to the bureaus in support of STC Program payments enabled an additional \$2.25 million of capital projects to be funded during each year of the two-year budget cycle.

As part of the FY1996-98 budget process, the City Council increased its commitment of General Fund support of on going capital projects to include improvements to City Hall, the Portland Building, Police Bureau precincts and the River District. Council also furthered its support of PDC in its development activities with a commitment of \$6 million in General Fund support for implementation PDC's men's shelter reconfiguration program. These improvements will be funded by General Fund secured financings.

During FY1992-93, Council adopted the Comprehensive Financial Management Policy, which includes a Capital Funding Policy. This policy is intended to provide Council direction on future capital priorities and the use of annual General Fund resources as well as debt to meet identified needs.

The Council, over the years, has also taken action to ensure that capital requirements are met through other sources other than the General Fund. Rates for the City's enterprise activities have been set at levels necessary to meet long-term capital needs. Additional gas tax revenues have been secured to help fund transportation projects. Long- and intermediate-term debt has been prudently used in a cost-effective manner.

The Council's commitment to maintaining the City's capital infrastructure is one of the reasons that the City has maintained a Aaa bond rating for the last 20 years, the highest level attainable by a municipality.

## CAPITAL REVIEW COMMITTEE (CRC) PROCESS

### OVERVIEW

The CRC is convened each year to develop recommendations on the capital budget for Council review. Historically, committee membership consisted of representatives from each of the bureaus regularly submitting capital requests. Beginning in FY1994-95 capital budget, the CRC did not include representatives from the Water Bureau or the Bureau of Environmental Services. These bureaus do not compete directly for General Fund set-aside monies to fund their capital projects, and their capital budgets are subject to independent review by the Bureau of Financial Planning's Utilities Review Team.

Traditionally, the CRC has been jointly staffed by the OF&A's Public Finance and Treasury Division and the Bureau of Financial Planning. The former acting as the facilitator with the Director of the Bureau of Financial Planning serving as both a convener and member of the committee.

The Committee completes the following tasks:

- Reviews all CIP submissions to identify priorities and ensure inter-bureau coordination of projects.
- Ensures technical compliance with capital definitions and capital manual requirements.
- Identifies for Council major issues arising from the capital requests. Issues typically arise from long-term financial and operating impact, competing requirements for resources, conflicts between projects, intergovernmental coordination problems, project prioritization, rate impacts, etc.
- Recommends allocation of the General Fund set-aside and STC Program funds to eligible bureau projects using clearly identified criteria.

Following its review process, the CRC prepares a report containing its recommendations, and submits the report to Council for review and discussion. Due to the limitations imposed by Measures 47 and 50, bureaus were required to resubmit their FY1997-98 requests for General Fund and STC Program funding even though funding had been originally approved with the FY1996-97 budget as part of the two-year budget process. The FY1997-98 capital budget process incorporated an extensive preliminary review of all projects by the Bureau of Financial Planning. As a result of this review process, only the highest priority projects were then referred to the CRC for funding consideration. The CRC convened in February of 1997 and developed its recommendations which were submitted to the Mayor for inclusion in the Proposed Budget.

During the budget hearings, public testimony regarding the operating and capital budget is heard by Council. The Council then modifies the budget recommendations as appropriate, and the Capital Improvement Budget is incorporated into the City's Adopted Budget.



## ***CAPITAL PRIORITIES***

The following define the categories in rank order which were used by the CRC to prioritize General Fund Capital projects in making its recommendations to Council:

1. Mandated - the project addresses a legal mandate.
2. Major Council Objective - the project meets one or more of the major Council objectives established at the Council retreat.
3. Decrease City's Unfunded Liability - the projects reduces the City's capital maintenance backlog identified in the public facility plans.
4. Return on Investment - the project shows a favorable return on investment or significantly reduces future costs.
5. Multi-Year Projects - the project addresses a prior-year commitment for funding.
6. Safety-Oriented - the project is oriented towards safety of employees and/or the public.
7. Labor Intensive/Economically Disadvantaged - the project provides for significant job creation, employment opportunities for minorities or impacts economically disadvantaged areas of the City.
8. Community Plan Priority - the project is shown as a high priority in a given community plan.

Projects were sorted into these categories to assist the CRC in reviewing priorities. In light of Measure 47, Council also recommended that in addition to the above evaluation criteria, bureaus should also consider the following in prioritizing their capital projects:

1. Results in increased assessed value or revenues to the City.
2. Represents a prior-year commitment for funding.
3. Responds to growth.
4. Leverages resources other than the General Fund.
5. Frees General Fund dollars for other programs.
6. Meets multiple objectives (such as transportation and growth management, etc.).
7. Serves a target population or area as determined by Council (e.g. creates jobs for economically disadvantaged groups or geographic areas)
8. Timeliness of the investment (mandated, cheaper, or other criteria)

As a result of utilizing these criteria some requested projects were not approved or funded in the FY1997-98 Capital Budget because they met fewer of the criteria than other projects.

## OVERVIEW OF THE FIVE-YEAR PROPOSED CAPITAL BUDGET

### *SUMMARY*

FY1997-98 capital expenditures will total \$203.5 million. Of this amount, \$6.7 million represents projects to be undertaken by the Portland Development Commission (PDC) and about \$2.1 million is for carryover funding of projects initiated in prior years. The CRC focused primarily on those projects that were competing for General Fund support, and did not directly review the capital budgets of the City's utilities and the Office of Transportation. Nevertheless, Council had thorough presentations regarding those projects, and the bureaus involved continue an active dialogue with other capital bureaus to ensure coordination of activities.

Summary details of the FY1997-98 capital budget is shown in the tables at the end of this section. Additional project detail and discussion of bureau capital budget submittals are presented in subsequent sections of this report. Project details for individual capital projects are contained in a separate report document.

### *CAPITAL PROCESS REVISIONS*

As part of the budget discussion in prior years, the City Council requested that the Office of Finance and Administration begin working with City bureaus to develop a more comprehensive assessment of the City's immediate and long-term capital needs, along with a plan for funding these needs. Specific areas for development that have been identified by the City Council include:

**Capital Financing Plan.** Development of a comprehensive plan for financing future capital projects in conformance with the City's Comprehensive Financial Policy. Part of this analysis will be the use of general obligation bonds and other debt obligations to meet these needs.

**Capital Budgeting Process.** Review and modify the existing capital budgeting process to accommodate the following changes:

- Converting to a true five year plan in which Council authorizes multi-year projects and annual adjustments to the plan. This will improve bureau planning and result in a more efficient process.
- Uniform direction to bureaus on the level and depth of cost-benefit analysis that must be performed in developing five year capital plans. This direction should be provided within the Capital Budget manual.
- The establishment of criteria for defining "legal mandates," which is often cited in justifying capital projects.
- Reinforcement of the policy that major capital projects should not be approved outside of the normal budget process. Such action makes it impossible to weigh priorities across programmatic lines for the allocation of limited resources.
- Changes in process based upon the needs of enterprise operations.

**Impact on Maintenance.** The Capital Review Committee should identify the expected increases and decreases in maintenance as a result of the capital improvement and use the information as a

consideration in selecting projects. Also, OF&A should adjust the base budgets accordingly following completion of the project.

In response to these budget notes, much work has been undertaken to revise the capital process to meet the goals set forth by the Council, including:

1. The role of the Capital Review Committee has been revised to focus specifically on the allocation of General Fund capital dollars.
2. Review of capital budgets and financing plans for City's water and sewer utilities is now undertaken by the City's Utility Review Team and the Public Utilities Review Board, a fifteen member citizens advisory board.
3. Revised debt management policies were adopted in October 1995 which explicitly identify debt ratios and limits that should be carefully considered in the development and implementation of a capital funding strategy.
4. An assessment of long-term capital needs has been undertaken by Commissioner Hale's office and has provided important information regarding the future capital and funding needs facing the City. This information has provided a platform for significant discussions at the Council level regarding capital needs and resulted in the adoption of Resolution No. 35526 in June 1996 which increases the General Fund capital set-aside by no less than \$1 million per year above current levels (\$3 million annually), beginning no later than FY1998-1999. The resolution further directs the Office of Finance and Administration (OFA) to begin working with the bureaus to identify the appropriate level of set-aside funding, inclusive of routine capital maintenance and asset replacement costs, required to meet the ongoing capital needs of City Bureaus supported by the General Fund.

As part of the FY1997-98 budget these efforts were set in motion. As part of the capital budget manual, bureaus were asked to assign "Project Categories" to all projects seeking General Fund support. Bureaus were asked to assign each project to one of the following categories in an effort to begin gathering data needed to assess nature and the magnitude of City's General Fund supported capital requirements. The categories are as follows:

- Category 1: Routine Repair and Replacement Expenditures.
- Category 2: Mandated and/or Safety Related Facility Modifications & Major Maintenance.
- Category 3: Facility Construction, Replacement, and Expansion & Property/Land Acquisition and Development.

In addition to the above, the Bureau of Financial Planning further identified the need for a comprehensive strategy to specifically address seismic repairs to City owned facilities. These projects were also identified and integrated into OFA's analysis. This effort marks an initial step forward in the City's attempt to reduce the existing gap between capital needs and funding sources. It will further assist the City in identifying the ongoing capital maintenance and replacement costs associated with General Fund Bureaus so that these costs may be distinguished from other capital needs and funded by means other than the General Fund set-aside. Due to the anticipated impacts of Measure 50, it is unclear what additional resources will be available for General Fund supported capital projects and consequently, as part of the FY1997-98 budget process, Council decided to maintain the General Fund setaside at existing levels providing much needed flexibility in preparing the FY1998-99 budget. Despite these recent efforts, it has become increasingly clear that narrowing the gap between capital needs and resources will be a multi-year process.



## ***CITY-WIDE ASSESSMENT OF CAPITAL NEEDS***

During the FY1994-95 budget year the City began taking steps towards developing a comprehensive assessment of the City's capital investment needs, and identifying options for funding these needs. Early efforts focused on the City's park system and the backlog of capital renovation and rehabilitation needs. This effort resulted in the development of a \$58.8 million G.O. bond measure that was approved by the voters in November 1994. The bonds were sold in March 1995 and the proceeds will fund the Park System improvements through FY1998-99.

After completing work on the Parks Bureau's need, the assessment effort was extended to all bureaus throughout the City. In preparing the assessment of City-wide capital needs, bureaus were instructed to submit capital lists based on capital needs that were linked to Public Facilities Plans, Master Plans, or other types of planning documents that resulted in the development of capital needs based on identified service level standards and objectives. Preparation of these capital lists was not constrained by the availability of funding resources.

### **City-Wide Capital Needs**

The results of the survey of capital needs showed that the City could expect to invest approximately \$972 million in capital projects over the next five years, subject to funding availability. Of this amount, approximately 70 percent could be accounted for by the Bureau of Environmental Services (\$392 million) and the Office of Transportation (\$294 million). Other significant capital programs include the Water Bureau, Parks Bureau and the Bureau of General Services.

### **Capital Funding Plan**

Capital costs submitted by the bureaus were analyzed and funding sources identified for all projects based on the type of project being undertaken, historical funding practices, self-supporting nature of the activity, etc. The funding status of each project was evaluated and to determine whether or not the project was likely to be funded or unfunded. Based on this information, more than \$151 million of capital projects do not have a secure source of funding. Furthermore, depending upon the certainty of transportation revenues, total unfunded projects over the next five years may be more than \$267 million.

The largest amount of unfunded capital projects was in the area of transportation projects, where in the latter years of the capital forecast as much as than \$200 million of capital projects could go unfunded. For these projects, receipt of pass-through grants from the State of Oregon and the Federal Highway Administration, future increases in the gas tax, or other revenue sources will be needed to fully fund expected capital needs. In the absence of these funds, capital projects will have to be reduced and/or deferred with an expected decrease in service levels and system performance.

Based on the revised debt policies that were adopted by Council in October 1995, limitations on the City's unlimited tax and general obligation bonds currently provide the City with approximately \$250 million in long term debt capacity. With the issuance of \$34.7 million Limited Tax Revenue Bonds in June 1996 to fund improvements to City Hall and other facilities and the use of the General Fund to secure portions of the long term financing for the Arena project, the City will still have approximately \$175-200 million of capacity available to fund needed capital over the next five years. Much of this capacity would be available only if voters approved additional property tax-supported G.O. bonds.



The assessment of City capital needs over the next five years identifies a funding gap that will need to be closed using several approaches including:

1. Reducing/eliminating projects by lowering service standards.
2. Seeking voter approval for additional G.O. bonds to fund activities that are not self supporting in nature.
3. Dedicating additional one-time monies to capital projects.
4. Increasing Bureau budget targets to accommodate routine capital needs.
5. Increasing the General Fund set-aside, bringing it more in line with current capital needs.
6. Continuing to look for ways to leverage funds by including the private sector in the City's capital investment program.

It should also be noted that a substantial portion of the City's capital needs over the next five years will be funded through the issuance self-supporting revenue bonds which are paid for and secured by rates, fees and charges. The financing costs of these future bond issues will need to be incorporated into the financial plans that are presented to City Council for approval.

## HIGHLIGHTS OF GENERAL FUND SUPPORTED FY1997-98 CAPITAL BUDGET

### GENERAL FUND SUPPORTED CAPITAL EXPENDITURES

A total of 13 Capital Improvement Budget requests were received by the Bureau of Financial Planning. Included with the 13 submissions was a request from the Portland Development Commission (PDC), the City's urban renewal organization. PDC submits a separate budget for inclusion within the City's budget. Because of the inter-relationship of its programs with other City capital projects, PDC fully participates in the annual capital budgeting process. The PDC capital budget as presented in this document does not include non General Fund supported PDC housing projects because the City's CIP guidelines require that only capital projects which increase the asset base of the City be included in the CIP. Such housing projects are not City assets and consequently, do not increase the City's asset base.

General Fund capital projects may be funded from the General Fund set aside, from new Short Term Capital Financing Program borrowings, from ordinary General Fund appropriation within the bureau budgets (this is the case with prior year master lease payments), or from additional General Fund allocations made by Council. If the source of funding is from any of the above categories, the project is considered a General Fund project. As a result, the total cost of General Fund capital projects is greater than the General Fund set-aside. The table below reconciles the General Fund capital expenditures to the various funding sources.

#### Summary of FY1997-98 General Fund Capital Support

TYPE OF FUNDING	AMOUNT
General Fund Set-Aside Projects:	
Bureau of General Services	\$918,000
Police Bureau	166,854
Bureau of Fire, Rescue & Emerg. Svcs.	1,049,000
Bureau of Parks and Recreation	797,219
Office of Transportation	65,000
Subtotal--General Fund Set-Aside	\$2,996,073
Master Lease Funding:	
New Master Lease Borrowings	\$2,358,144
Subtotal -- Master Lease	\$2,358,144
Carryover from Prior Years:	
Bureau of Parks and Recreation	\$1,803,934
Office of Finance & Administration	143,708
Police Bureau	482,681
Subtotal -- Carryovers	\$2,430,323
General Fund Debt Supported :	
Portland Development Commission	\$2,998,188
Subtotal -- General Fund Debt Supported	\$2,998,188

As is the case every year, submitted requests far exceeded General Fund allocation for capital. General Fund set aside and STC Program request for FY1997-98 totaled in excess of \$15.8 million, compared to available funds totaling \$5.3 million. A list of the projects which requested but did not receive General Fund support is provided at the end of this section. The following describes the projects which were approved for funding from General Fund set-aside and/or STC Program funds:

### **Office of Finance and Administration**

FY1997-98 capital outlays total \$543,705, representing two STC Program funded projects and funding of prior year carryover. The first project is the second year of OFA's Human Resource Management System while the second project, the Year 2000 compliance project, will ensure that all computer software applications, programs and hardware will continue to function properly through the Year 2000 millennium date change.

### **Bureau of Fire, Rescue, and Emergency Services**

The CRC recommended that 12 Fire Bureau projects be funded, totaling \$2,354,381. Of this amount, \$1,305,381 is supported by the STC Program and \$1,049,000 is supported by the General Fund set-aside

### **Bureau of General Services**

The following projects were approved by the CRC for funding from the General Fund set-aside:

- |  |           |
|--|-----------|
| 1. Seismic Upgrades to Fire Facilities | \$600,000 |
| 2. Move Personnel into Portland Bldg.  | \$318,000 |

In addition to General Fund supported projects, a number of other capital projects managed by the Bureau of General Services which are paid for through equipment usage rates and rental rates associated with various facilities managed by the Bureau. For projects such as the Portland Building and City Hall projects, General Fund supported debt has been issued and will be paid for through increases in rental rates. These projects, summarized by major category, are as follows:

- |                            |              |
|----------------------------|--------------|
| 1. Parking Garages         | \$10,073,000 |
| 2. Communications Services | \$248,000    |
| 3. Portland Building       | \$657,000    |
| 4. City Hall               | \$10,200,000 |
| 5. Police (Justice Ctr.)   | \$400,000    |

### **Bureau of Licenses**

FY1997-98 capital outlays for the Bureau of Licenses total \$25,700 to cover conference computer upgrades.

### **Bureau of Planning**

FY1997-98 capital outlays total \$59,800, representing second year costs of a multi-year computer system project totaling \$776,803. Funding for this project will be provided through the City's Short Term Capital Financing Program.

### **Bureau of Parks And Recreation**

The CRC recommended that 7 projects be funded through the General Fund set-aside, summarized as follows:

1. Columbia Pool Shell Repair	\$262,338
2. SE 136th Maintenance Headquarters	\$73,000
3. Pioneer Courthouse Square	\$100,000
4. Community Music Center Retrofit	\$175,000
5. Multnomah Art Center	\$50,000
6. Brush Grinder	\$36,881
7. Mainenance & Operations Fac. Master Plan	\$100,000

In addition, the CRC recommended \$58,763 in STC Program funding. General Fund support was provided for prior year capital carryover projects totaling \$1,803,934.



## **HIGHLIGHTS OF OTHER FUND CAPITAL PROJECTS**

### ***OFFICE OF THE CITY AUDITOR***

FY1997-98 capital outlays for the City Auditor's Office total \$9,972,043 and cover various types of public infrastructure built throughout the City via the local improvement district process. These outlays are funded entirely by property owner assessments and through the issuance of special assessment bonds.

### ***BUREAU OF ENVIRONMENTAL SERVICES***

The Bureau of Environmental Services submitted a capital improvement budget totaling \$77.3 million. Project totals by program area include:

Mid-County Sewer Project	\$3.9 million
Sewage Treatment Systems	18.7 million
Maintenance & Reliability	12.1 million
Surface Water Management	4.9 million
Combined Sewage Overflow	34.8 million
System Development	<u>2.9 million</u>
	\$77.3 million

### ***GOLF OPERATIONS***

Approximately \$1.1 million in projects will be funded through resources available in the Golf Operations Fund.

### ***PUBLIC SAFETY OUTLAYS***

Capital expenditures in FY1997-98 totaling \$1,118,000 will complete the upgrade to the City's emergency communications system. This project will be funded through expenditure of fund balances that resulted from the earlier levy of property taxes.

### ***OFFICE OF TRANSPORTATION***

The Office of Transportation submitted a Capital Improvement Budget Request totaling \$30.6 million. Project totals by program area include:

Pedestrian Program	\$1.7 million
Bicycle Program	0.8 million
Preservation/Rehabilitation	1.1 million
Street Improvement Program	18.0 million
Traffic Management Program	2.3 million
Transit Program	<u>6.7 million</u>
	\$30.6 million

## ***BUREAU OF WATER***

The Bureau of Water Works submitted a capital request totaling \$22.3 million. Project totals by program area include:

Customer Service Program	\$1.5 million
Distribution Program	10.2 million
Quality Program	1.5 million
Supply Program	<u>9.1million</u>
	\$22.3 million

## ***PORTLAND DEVELOPMENT COMMISSION***

PDC submitted a capital improvement budget totaling \$6.75 million. Project totals by program area include:

1. Central Eastside District	\$4,375,000
2. Airport Way/Columbia Corridor	\$443,000
3. Inner Northeast	\$572,000
4. North Macadam/South Waterfront	\$517,000
5. River District/Union Station	\$1,198,188

These projects are supported by several sources, including PDC resources, tax increment revenues, General Fund appropriations and General Fund supported debt. As previously mentioned, PDC housing projects, which are primarily supported by tax increment revenues, are not included because the City's CIP guidelines require that only capital projects which increase the asset base of the City be included in the CIP. Such housing projects are not City assets and consequently, do not increase the City's asset base.

## ***ARENA PROJECT***

The Oregon Arena project construction was completed in the fall of 1995. Although most of the project was financed through private funds, the City of Portland has contributed approximately \$36 million toward the capital construction costs of related public infrastructure and parking facilities. The City will continue to provide ongoing maintenance for all City owned parking facilities as well as any future capital improvements to the Memorial Coliseum. The FY1997-98 budget includes \$200,000 for improvements to the Memorial Coliseum facade.

**CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FY 1997-98 TO FY 2001-02 PROJECTS  
Total Cost by Year**

Bureau/Program/Project	Est. Prior Years	Fiscal Year 1997-98	Fiscal Year 1998-99	Fiscal Year 1999-00	Fiscal Year 2000-01	Fiscal Year 2001-02	Five-Year Project Total
<b>City Support Facilities</b>							
Office of City Auditor	11,082,817	9,972,043	0	0	0	0	9,972,043
Office of Finance & Administration	53,641	543,705	400,000	0	0	0	943,705
<b>Bureau of Fire, Rescue &amp; Emergency Svcs.</b>							
Emergency Response	0	1,071,794	1,178,973	1,296,871	1,426,558	1,569,071	6,543,267
Support for Emergency Response	3,660,778	1,282,587	605,266	597,505	315,000	125,000	2,925,358
Prior Year Carryover	0	0	0	0	0	0	0
Total Fire	3,660,778	2,354,381	1,784,239	1,894,376	1,741,558	1,694,071	9,468,625
<b>Bureau of General Services</b>							
City Hall Renovation	17,955,000	10,200,000	0	0	0	0	10,200,000
Police	296,000	400,000	715,000	3,727,000	4,434,000	134,000	9,410,000
Portland Building	2,545,000	657,000	2,735,000	648,000	1,625,000	6,594,000	12,259,000
Fire, Rescue and Emergency Services	389,000	600,000	5,800,000	1,500,000	2,025,000	2,793,000	12,718,000
Fleet Services	0	0	430,000	0	0	0	430,000
Parking Garages	642,000	10,073,000	254,000	4,994,000	220,000	0	15,541,000
City Downtown Space Requirements	0	318,000	352,000	4,826,000	0	0	5,496,000
Communications Services	401,000	248,000	1,000,000	0	0	0	1,248,000
Total General Services	22,228,000	22,496,000	11,286,000	15,695,000	8,304,000	9,521,000	67,302,000
Bureau of Licenses	201,303	25,700	0	0	0	0	25,700
Bureau of Planning	554,234	59,800	158,800	0	230,300	62,500	511,400
Police	1,244,286	799,535	629,523	30,851	31,931	0	1,491,840
Public Safety Outlays	9,445,706	1,118,000	0	0	0	0	1,118,000
Subtotal City Support Facilities	48,470,765	37,369,164	14,258,562	17,620,227	10,307,789	11,277,571	90,833,313
<b>Cultural and Recreation</b>							
<b>Bureau of Parks and Recreation</b>							
Acquisitions	2,600,000	5,473,000	310,000	430,000	505,000	100,000	6,818,000
ADA Requirements	3,262,082	784,499	345,790	0	0	0	1,130,289
Aquatics	309,250	262,338	0	60,000	0	0	322,338
Facilities	0	100,000	94,400	2,000,000	2,000,000	2,000,000	6,194,400
General Obligation Bond	30,200,456	19,402,539	12,860,301	4,484,480	0	0	36,747,320
Golf	56,000	1,100,927	0	0	0	0	1,100,927
Information Technology	170,000	161,000	136,000	143,000	150,000	158,000	748,000
Natural Areas	0	169,564	0	0	0	0	169,564
Parks	736,666	466,644	1,788,000	1,994,052	2,740,000	945,000	7,933,696
PIR	90,000	90,000	84,540	0	0	0	174,540
Seismic Safety/Life Safety	0	175,000	2,042,962	0	0	0	2,217,962
Prior Year Carryover	0	849,871	0	0	0	0	849,871
Total Parks	37,424,454	29,035,382	17,661,993	9,111,532	5,395,000	3,203,000	64,406,907
Arena Construction	36,192,330	200,000	0	0	0	0	200,000
Subtotal Cultural and Recreation	73,616,784	29,235,382	17,661,993	9,111,532	5,395,000	3,203,000	64,606,907
<b>Portland Development Commission</b>							
Central Eastside District	2,957,400	4,375,000	3,325,000	4,581,000	2,205,000	0	14,486,000
Airport Way/Columbia Corridor	443,000	93,000	60,000	0	0	0	153,000
Inner Northeast	550,000	572,000	619,000	696,000	814,000	0	2,701,000
North Macadam/South Waterfront	200,000	517,000	671,000	600,000	600,000	0	2,388,000
River District	4,036,993	1,198,188	1,707,371	3,544,041	0	0	6,449,500
Subtotal Portland Development Commission	8,187,393	6,755,188	6,382,371	9,421,041	3,619,000	0	26,177,600

**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FY 1997-98 TO FY 2001-02 PROJECTS**  
**Total Cost by Year**

Bureau/Program/Project	Est. Prior Years	Fiscal Year 1997-98	Fiscal Year 1998-99	Fiscal Year 1999-00	Fiscal Year 2000-01	Fiscal Year 2001-02	Five-Year Project Total
<b><u>Bureau of Environmental Services</u></b>							
Mid-County Sewer Project	47,718,886	3,862,501	0	0	0	0	3,862,501
Sewage Treatment Systems	80,897,201	18,731,477	8,910,577	7,706,018	8,755,704	9,382,105	53,485,881
Maintenance & Reliability	57,170,270	12,085,334	12,008,112	16,183,716	13,316,425	18,403,031	71,996,618
Surface Water Management	13,124,478	4,849,788	5,624,739	3,110,646	3,689,683	3,469,486	20,744,342
Combined Sewer Overflow	93,111,431	34,841,240	62,158,950	61,085,561	34,033,775	34,601,319	226,720,845
Systems Development	25,257,079	2,907,372	2,780,372	4,755,279	2,528,466	2,526,560	15,498,049
<b>Subtotal Environmental Services</b>	<b>317,279,345</b>	<b>77,277,712</b>	<b>91,482,750</b>	<b>92,841,220</b>	<b>62,324,053</b>	<b>68,382,501</b>	<b>392,308,236</b>
<b><u>Office of Transportation</u></b>							
Pedestrian Program	1,469,489	1,725,016	670,000	982,500	972,500	860,000	5,210,016
Bicycle Program	220,000	763,662	460,000	867,500	3,382,500	1,850,000	7,323,662
Facilities Program	0	0	0	1,274,000	1,036,000	1,152,000	3,462,000
Preservation/Rehabilitation	1,508,863	1,136,152	2,232,700	2,787,100	5,183,800	4,758,000	16,097,752
Street Improvement Program	16,622,618	18,037,773	26,334,084	18,129,294	54,989,381	55,472,024	172,962,556
Traffic Management Program	1,908,670	2,297,395	2,025,500	9,001,500	11,518,000	10,746,000	35,588,395
Transit Program	15,278,163	6,664,512	24,538,950	17,167,196	3,313,136	1,635,136	53,318,930
<b>Subtotal Transportation</b>	<b>37,007,803</b>	<b>30,624,510</b>	<b>56,261,234</b>	<b>50,209,090</b>	<b>80,395,317</b>	<b>76,473,160</b>	<b>293,963,311</b>
<b><u>Water Bureau</u></b>							
Customer Service Programs	321,763	1,450,000	1,700,000	200,000	100,000	100,000	3,550,000
Distribution Program	25,784,574	10,201,000	10,185,000	6,889,000	8,977,000	9,009,000	45,261,000
Quality Program	4,728,099	1,478,000	2,445,000	1,225,000	1,225,000	100,000	6,473,000
Supply Program	5,492,064	9,132,000	9,615,000	11,504,000	6,243,000	12,569,000	49,063,000
<b>Subtotal Water</b>	<b>36,326,500</b>	<b>22,261,000</b>	<b>23,945,000</b>	<b>19,818,000</b>	<b>16,545,000</b>	<b>21,778,000</b>	<b>104,347,000</b>
<b>TOTAL ALL PROJECTS</b>	<b>\$520,888,590</b>	<b>\$203,522,956</b>	<b>\$209,991,910</b>	<b>\$199,021,110</b>	<b>\$178,586,159</b>	<b>\$181,114,232</b>	<b>\$972,236,367</b>



**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1997-98 PROJECTS**  
**Funding Sources**

Bureau/Program/Project	General Fund	Transp.	Rates/Charges/Contracts	Federal/State/Local	Other	Total Budget
<b><u>City Support Facilities</u></b>						
Office of City Auditor	0	0	0	0	9,972,043	9,972,043
Office of Finance & Administration	543,705	0	0	0	0	543,705
<b><u>Bureau of Fire, Rescue &amp; Emergency Svcs.</u></b>						
Emergency Response	1,071,794	0	0	0	0	1,071,794
Support for Emergency Response	1,282,587	0	0	0	0	1,282,587
Prior Year Carryover	0	0	0	0	0	0
Total Fire	2,354,381	0	0	0	0	2,354,381
<b><u>Bureau of General Services</u></b>						0
City Hall Renovation	0	0	0	0	10,200,000	10,200,000
Police	0	0	400,000	0	0	400,000
Portland Building	0	0	657,000	0	0	657,000
Fire, Rescue and Emergency Services	600,000	0	0	0	0	600,000
Fleet Services	0	0	0	0	0	0
Parking Garages	0	0	598,000	0	9,475,000	10,073,000
City Downtown Space Requirements	318,000	0	0	0	0	318,000
Communications Services	0	0	0	0	248,000	248,000
Total General Services	918,000	0	1,655,000	0	19,923,000	22,496,000
<b><u>Bureau of Licenses</u></b>	25,700	0	0	0	0	25,700
<b><u>Bureau of Planning</u></b>	59,800	0	0	0	0	59,800
<b><u>Police</u></b>	799,535	0	0	0	0	799,535
<b><u>Public Safety Outlays</u></b>	0	0	0	0	1,118,000	1,118,000
<b>Subtotal City Support Facilities</b>	<b>4,701,121</b>	<b>0</b>	<b>1,655,000</b>	<b>0</b>	<b>31,013,043</b>	<b>37,369,164</b>
<b><u>Cultural and Recreation</u></b>						
<b><u>Bureau of Parks and Recreation</u></b>						
Acquisitions	123,000	0	0	2,350,000	3,000,000	5,473,000
ADA Requirements	784,499	0	0	0	0	784,499
Aquatics	262,338	0	0	0	0	262,338
Facilities	100,000	0	0	0	0	100,000
General Obligation Bond	0	0	0	19,402,539	0	19,402,539
Golf	0	0	0	0	1,100,927	1,100,927
Information Technology	161,000	0	0	0	0	161,000
Natural Areas	169,564	0	0	0	0	169,564
Parks	195,644	0	271,000	0	0	466,644
PIR	0	0	0	0	90,000	90,000
Seismic Safety/Life Safety	175,000	0	0	0	0	175,000
Prior Year Carryover	849,871	0	0	0	0	849,871
Total Parks	2,820,916	0	271,000	21,752,539	4,190,927	29,035,382
<b><u>Arena Construction</u></b>	0	0	200,000	0	0	200,000
<b>Subtotal Cultural and Recreation</b>	<b>2,820,916</b>	<b>0</b>	<b>471,000</b>	<b>21,752,539</b>	<b>4,190,927</b>	<b>29,235,382</b>
<b><u>Portland Development Commission</u></b>						
Central Eastside District	1,800,000	0	0	0	2,575,000	4,375,000
Airport Way/Columbia Corridor	0	0	0	0	93,000	93,000
Inner Northeast	0	0	0	0	572,000	572,000
North Macadam/South Waterfront	0	0	0	0	517,000	517,000
River District	1,198,188	0	0	0	0	1,198,188
<b>Subtotal Portland Development Commission</b>	<b>2,998,188</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,757,000</b>	<b>6,755,188</b>

**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1997-98 PROJECTS**  
**Funding Sources**

Bureau/Program/Project	General Fund	Transp.	Rates/Charges/Contracts	Federal/State/Local	Other	Total Budget
<b><u>Bureau of Environmental Services</u></b>						
Mid-County Sewer Project	0	0	3,862,501	0	0	3,862,501
Sewage Treatment Systems	0	0	18,731,477	0	0	18,731,477
Maintenance & Reliability	0	0	12,085,334	0	0	12,085,334
Surface Water Management	0	0	3,396,788	1,453,000	0	4,849,788
Combined Sewer Overflow	0	0	26,156,126	8,685,114	0	34,841,240
Systems Development	0	0	2,907,372	0	0	2,907,372
<b>Subtotal Environmental Services</b>	<b>0</b>	<b>0</b>	<b>67,139,598</b>	<b>10,138,114</b>	<b>0</b>	<b>77,277,712</b>
<b><u>Office of Transportation</u></b>						
Pedestrian Program	0	815,016	0	910,000	0	1,725,016
Bicycle Program	0	692,462	0	71,200	0	763,662
Facilities Program	0	0	0	0	0	0
Preservation/Rehabilitation	65,000	1,071,152	0	0	0	1,136,152
Street Improvement Program	197,500	5,178,428	734,847	7,822,522	4,104,476	18,037,773
Traffic Management Program	0	2,297,395	0	0	0	2,297,395
Transit Program	0	2,834,976	78,365	3,751,171	0	6,664,512
<b>Subtotal Transportation</b>	<b>262,500</b>	<b>12,889,429</b>	<b>813,212</b>	<b>12,554,893</b>	<b>4,104,476</b>	<b>30,624,510</b>
<b><u>Water Bureau</u></b>						
Customer Service Programs	0	0	1,050,000	400,000	0	1,450,000
Distribution Program	0	0	9,350,500	850,500	0	10,201,000
Quality Program	0	0	1,478,000	0	0	1,478,000
Supply Program	0	0	9,117,000	15,000	0	9,132,000
<b>Subtotal Water</b>	<b>0</b>	<b>0</b>	<b>20,995,500</b>	<b>1,265,500</b>	<b>0</b>	<b>22,261,000</b>
<b>TOTAL ALL PROJECTS</b>	<b>\$10,782,725</b>	<b>\$12,889,429</b>	<b>\$91,074,310</b>	<b>\$45,711,046</b>	<b>\$43,065,446</b>	<b>\$203,522,956</b>

**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1996-97 PROJECTS**  
**Operating and Maintenance Costs**

Bureau/Program/Project	Five-Year Costs	FY 97-98 Costs	ANNUAL			Net Financial Impact
			Revenue Generated (-)	Operating/Maint Costs (+)	Operating/Maint Savings (-)	
<b>City Support Facilities</b>						
Office of City Auditor	9,972,043	9,972,043	0	0	0	0
Office of Finance & Administration	943,705	543,705	0	0	0	0
<b>Bureau of Fire, Rescue &amp; Emergency Svcs.</b>						
Emergency Response	6,543,267	1,071,794	0	0	0	0
Support for Emergency Response	2,925,358	1,282,587	0	0	(140,000)	(140,000)
Prior Year Carryover	0	0	0	0	0	0
Total Fire	9,468,625	2,354,381	0	0	(140,000)	(140,000)
<b>Bureau of General Services</b>						
City Hall Renovation	10,200,000	10,200,000	0	400,000	0	400,000
Police	9,410,000	400,000	0	119,000	0	119,000
Portland Building	12,259,000	657,000	0	0	0	0
Fire, Rescue and Emergency Services	12,718,000	600,000	0	400,000	0	400,000
Fleet Services	430,000	0	0	0	0	0
Parking Garages	15,541,000	10,073,000	385,000	411,000	0	796,000
City Downtown Space Requirements	5,496,000	318,000	0	240,000	(70,000)	170,000
Communications Services	1,248,000	248,000	(86,700)	84,000	0	(2,700)
Total General Services	67,302,000	22,496,000	298,300	1,654,000	(70,000)	1,882,300
Bureau of Licenses	25,700	25,700	0	0	0	0
Bureau of Planning	511,400	59,800	0	0	0	0
Police	1,491,840	799,535	0	36,280	0	36,280
Public Safety Outlays	1,118,000	1,118,000	0	0	0	0
Subtotal City Support Facilities	90,833,313	37,369,164	298,300	1,690,280	(210,000)	1,778,580
<b>Cultural and Recreation</b>						
<b>Bureau of Parks and Recreation</b>						
Acquisitions	6,818,000	5,473,000	(18,000)	34,000	(21,000)	(5,000)
ADA Requirements	1,130,289	784,499	0	0	0	0
Aquatics	322,338	262,338	0	0	0	0
Facilities	6,194,400	100,000	0	0	0	0
General Obligation Bond	36,747,320	19,402,539	(1,106,905)	1,646,947	(86,519)	453,523
Golf	1,100,927	1,100,927	0	0	0	0
Information Technology	748,000	161,000	0	9,600	0	9,600
Natural Areas	169,564	169,564	0	18,000	0	18,000
Parks	7,933,696	466,644	(129,000)	70,000	(97,000)	(156,000)
PIR	174,540	90,000	0	0	0	0
Seismic Safety/Life Safety	2,217,962	175,000	0	0	0	0
Prior Year Carryover	849,871	849,871	0	0	0	0
Total Parks	64,406,907	29,035,382	(1,253,905)	1,778,547	(204,519)	320,123
Arena Construction	200,000	200,000	0	0	0	0
Subtotal Cultural and Recreation	64,606,907	29,235,382	(1,253,905)	1,778,547	(409,038)	640,246
<b>Portland Development Commission</b>						
Central Eastside District	14,486,000	4,375,000	0	0	0	0
Airport Way/Columbia Corridor	153,000	93,000	0	0	0	0
Inner Northeast	2,701,000	572,000	0	0	0	0
North Macadam/South Waterfront	2,388,000	517,000	0	0	0	0
River District	6,449,600	1,198,188	0	0	0	0
Subtotal Portland Development Commission	26,177,600	6,755,188	0	0	0	0

**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1996-97 PROJECTS**  
**Operating and Maintenance Costs**

Bureau/Program/Project	Five-Year Costs	FY 97-98 Costs	ANNUAL			Net Financial Impact
			Revenue Generated (-)	Operating/Maint Costs (+)	Operating/Maint Savings (-)	
<b><u>Bureau of Environmental Services</u></b>						
Mid-County Sewer Project	3,862,501	3,862,501	0	25,500	0	25,500
Sewage Treatment Systems	53,485,881	18,731,477	0	27,000	(382,000)	(355,000)
Maintenance & Reliability	71,996,618	12,085,334	0	33,910	(20,000)	13,910
Surface Water Management	20,744,342	4,849,788	0	123,900	0	123,900
Combined Sewer Overflow	226,720,845	34,841,240	0	1,116,605	0	1,116,605
Systems Development	15,498,049	2,907,372	0	41,150	0	41,150
<b>Subtotal Environmental Services</b>	<b>392,308,236</b>	<b>77,277,712</b>	<b>0</b>	<b>1,368,065</b>	<b>(402,000)</b>	<b>966,065</b>
<b><u>Office of Transportation</u></b>						
Pedestrian Program	5,210,016	1,725,016	0	0	0	0
Bicycle Program	7,323,662	763,662	76,833	0	0	76,833
Facilities Program	3,462,000	0	0	0	0	0
Preservation/Rehabilitation	16,097,752	1,136,152	0	0	(7,416)	(7,416)
Street Improvement Program	172,962,556	18,037,773	0	524,895	0	524,895
Traffic Management Program	35,588,395	2,297,395	0	5,802	0	5,802
Transit Program	53,318,930	6,664,512	0	11,194	0	11,194
<b>Subtotal Transportation</b>	<b>293,963,311</b>	<b>30,624,510</b>	<b>76,833</b>	<b>541,891</b>	<b>(7,416)</b>	<b>611,308</b>
<b><u>Water Bureau</u></b>						
Customer Service Programs	3,550,000	1,450,000	(20,000)	0	0	(20,000)
Distribution Program	45,261,000	10,201,000	0	0	0	0
Quality Program	6,473,000	1,478,000	0	0	0	0
Supply Program	49,063,000	9,132,000	(54,000)	10,000	0	(44,000)
<b>Subtotal Water</b>	<b>104,347,000</b>	<b>22,261,000</b>	<b>(74,000)</b>	<b>10,000</b>	<b>0</b>	<b>(64,000)</b>
<b>TOTAL ALL PROJECTS</b>	<b>\$972,236,367</b>	<b>\$203,522,956</b>	<b>(\$952,772)</b>	<b>\$5,388,783</b>	<b>(\$1,028,454)</b>	<b>\$3,407,557</b>



**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1997-98 PROJECTS**  
**Unfunded Requests**

Bureau/Program/Project	Project Categories	Fiscal Year 1997-98	Five-Year Project Costs
<b><u>Bureau of General Services</u></b>			
<b>POLICE</b>			
Relocate Police Mounted Patrol Unit	3	450,000	3,204,000
Justice Center - Paint Interiors	1	35,000	140,000
<b>FIRE, RESCUE, AND EMERGENCY SERVICES</b>			
Seismic Upgrades to Fire Facilities	2	2,000,000	7,100,000
Skyline Fire Station	3	1,400,000	1,400,000
Barnes Road Fire Station	3	1,000,000	1,000,000
<b>COMMUNICATIONS SERVICES</b>			
Prune Hill Simulcast Site	3	1,000,000	1,000,000
<b>Total Bureau of General Services</b>		<b>5,885,000</b>	<b>13,844,000</b>
<b><u>Police Bureau</u></b>			
Fleet Requirements	1	454,050	904,050
<b>Total Police Bureau</b>		<b>454,050</b>	<b>904,050</b>
<b><u>Bureau of Parks &amp; Recreation</u></b>			
Park Acquisition Fund	3	100,000	500,000
Multnomah Art Center Acquisition	3	129,000	179,000
ADA Improvements	2	508,210	1,638,499
Wading Pool Renovation	1	85,000	365,000
Whirllys Soft Surface	2	214,000	214,000
Pier Pool & Bathhouse Reconstruct	3	1,082,500	1,082,500
Springwater Trailhead Development	1	70,000	169,564
Log Loader	1	100,000	100,000
Irrigation Systems Cross Connection Control	1	137,000	137,000
Brush Grinder	1	90,356	186,000
Irrigation Well	1	542,000	542,000
Hillsdale Community Center	2	32,000	32,000
Seismic Study	2	75,000	150,000
Pittock Mansion	2	621,000	621,000
Registration System Upgrade	1	107,000	107,000
Database Server	1	92,500	92,500
<b>Total Parks Bureau</b>		<b>3,985,566</b>	<b>6,116,063</b>
<b>TOTAL UNFUNDED REQUESTS</b>		<b>10,324,616</b>	<b>20,864,113</b>

## **City Support Facilities System**



## Capital Improvement Program Overview

### CITY SUPPORT FACILITIES SYSTEM

Fiscal Year 1997-98 to 2001-02

#### **OFFICE OF THE CITY AUDITOR**

FY1997-98 capital outlays for the City Auditor's Office total \$9,972,043 and cover various types of public infrastructure built throughout the City via the local improvement district process. These outlays are funded entirely by property owner assessments and through the issuance of special assessment bonds.

#### **OFFICE OF FINANCE AND ADMINISTRATION**

FY1997-98 capital outlays total \$543,705, representing two STC Program funded projects and funding of prior year carryover. The first project is the second year of OFA's Human Resource Management System while the second project, the Year 2000 compliance project, will ensure that all computer software applications, programs and hardware will continue to function properly through the Year 2000 millennium date change.

#### **BUREAU OF FIRE, RESCUE AND EMERGENCY SERVICES**

The Bureau of Fire, Rescue and Emergency Services five-year CIP contains 12 projects totaling \$9.5 million. Capital projects are broken into two program areas; Emergency Response and Support for Emergency Response. Capital projects in FY1997-98 total \$2.35 million. All of the Bureau's capital costs are funded either by the City's STC Program (FY1997-98 STC Program projects total \$1,305,381) or through an allocation of General Fund capital set-aside monies (FY1997-98 projects total \$1,049,000).

Emergency Response projects are those projects necessary to maintain, improve, and/or expand Bureau services in order to eliminate existing deficiencies or to provide for development of peripheral areas of the City. Specific projects included in the area of Emergency Response for FY1997-98, in order of priority, are as follows:

- |                          |             |
|--------------------------|-------------|
| 1. Apparatus Replacement | \$1,071,794 |
|--------------------------|-------------|

Support for Emergency Response includes projects that are necessary to maintain and/or upgrade existing Bureau facilities and equipment costing over \$50,000. The projects receiving FY1997-98 funding are summarized as follows:

- |                                       |           |
|---------------------------------------|-----------|
| 1. Emergency Generators               | \$223,587 |
| 2. Apparatus Bay Ventilation          | \$105,000 |
| 3. Firefighter Privacy Accommodations | \$75,000  |
| 4. Fire Sprinkler Systems             | \$106,000 |
| 5. Plumbing/Sewer Upgrades            | \$75,000  |
| 6. Radio Tap-Out System               | \$275,000 |
| 7. HVAC Upgrades-LOG                  | \$65,000  |
| 8. Roof Replacements                  | \$85,000  |
| 9. Paving at Stations                 | \$90,000  |
| 10. Station 6 Ground Remediation      | \$200,000 |
| 11. Energy Upgrades -Lighting         | \$10,000  |



## ***BUREAU OF GENERAL SERVICES***

The Bureau of General Services (BGS) Capital Improvement Program (CIP) responds to the needs and requirements of all City buildings, with the exception of buildings owned and operated by the utility bureaus (Water and BES) and the Parks Bureau. These requirements are driven by changing needs of City programs, changing building standards and major maintenance required to protect the City's building assets.

The CIP projects were developed from several sources: from BGS client agencies, from the direction and advice of the City Council and from the needs identified by the Bureau's Facilities Maintenance and Project Management staff. BGS is responsible in whole or in part for 54 Facilities and is responsible for managing the maintenance at 41 of these buildings. BGS also prepares the CIP for a total of 21 facilities. These 21 buildings include the Portland Building, City Hall, the Justice Center, six downtown parking garages, police facilities and several other city-owned buildings.

### **Program Summary**

The proposed projects were developed from several sources: from our client bureaus, from the direction and advice of the City Council and from needs identified by the Bureau's Facilities Maintenance and Project Management staff. Because many current projects respond to a developing understanding of Portland's seismic risk and changes in related building codes, BGS has also worked carefully with the Bureau of Buildings to jointly assess and understand code requirements.

The BGS CIP reflects several important shifts.

First, it reflects our increased knowledge and experience in dealing with seismic issues associated with protecting facilities and their occupants from earthquakes. Based on work concluded this year, BGS has proposed a program to upgrade fire stations to effectively permit emergency response in case of an earthquake, while at the same time looking at re-locating and constructing stations to meet new program requirements and serve new areas of the City.

Second, the BGS CIP proposes both basic major maintenance and extraordinary seismic repairs to the Portland Building. The proposed seismic work is extensive and will be challenging to fund, but improvements to the Portland Building will ultimately extend the useful life of an extremely valuable City asset.

Third, this plan includes the investments necessary to improve the use of the Portland Building and reduce the City's dependence on leased space. As BGS prepares for the 1999 termination of its lease contracts, preliminary estimates have been incorporated into this CIP in order to provide funding for the selection and creation of a development services location to house the Permit Center, the Bureau of Buildings, the Planning Bureau and the Hearings Officer. This permits all outside leased space to return to the Portland Building and adjusts space allocations within the building to serve bureau efficiency and citizen access.

These shifts are consistent with the Bureau's policy-driven approach to keep up with facility needs in order to protect the public's investment. This approach has proved successful with past projects and further implementation will undoubtedly assist the City in its effort to address the balance of its deferred maintenance needs.

### **Coordination with the Public Facilities Plan (PFP)**

The Public Facilities Plan (PFP) was completed in 1991 and represents an important step toward implementing an effective planning process for the City's capital resources. It reinforced the transition from emergency repair of failed building components or systems to coordinated long term capital asset management programs. This approach extends the useful life of the facilities and produces significant long term savings. With the completion of the City Hall project, the City will have made significant progress towards addressing the backlog of deferred maintenance needs.

### **System Need Ranking**

Capital projects have been prioritized according to the following scale and explanation.

1. Life threatening, safety, health or code violation issues.
2. Repair of serious damage or building deterioration where delay would cause significant increases in cost.
3. Preventative maintenance items where delay would cause significant increase in risk or damage.
4. Projects that are economically advantageous to do at this time.
5. Projects that will improve internal operations and service to the public.

### **Annual Project Revenue, Operation and Maintenance Costs or Savings, and Net Financial Impact**

This information, referred to as Asset Management, is vital to decision making for Capital Improvement Programs. This is especially important in the City's building analysis because most City facilities involve long-term occupancy and ownership.

Since BGS is a service provider to other government agencies, BGS projects are frequently requests to accommodate others. Therefore, the financial impact of some of these projects is reflected in the programs of those other agencies.

### **Fiscal Overview**

The Public Facilities Plan emphasizes the need to look at funding as part of a more stable, long range plan. It recommends the establishment of a City-wide capital funding program to meet deferred and continuing maintenance needs as well as provide for replacement growth. By moving forward, BGS can provide the stable funding base to consistently improve the City of Portland's facilities, reduce maintenance and repair costs, and provide for changes and growth in a timely manner.

The adopted CIP totals \$67.3 million over the five-year period from FY1997-98 through FY2001-2002. Of this amount, \$22.5 million has been appropriated in the FY1997-98 budget.

Appropriation was allocated to the following programs:

### **Communications Services**

Communications Services provides for the communication needs of the City. This Division designs, purchases, installs and maintains all communication and electronic systems including radios, pagers, and telephones. Communications Services is utilizing new technologies to improve efficiency and service for both internal and



external customers. The 800 MHz Trunked Radio system has provided effective and interconnected radio communications for City bureaus and non-City agencies. The City's new voice mail system has further provided effective telephone communication services for City personnel.

Projects included in the CIP expand on the successful 800 MHz trunking system, and the planned introduction of a new technology to further increase the City's capacity to effectively serve the public. The 800 MHz system will be improved by the addition of new communications sites located at: Dixie Mountain in northern Multnomah County, Troutdale, Arrowood in the southwest Multnomah County - Lake Oswego area, and downtown Portland.

### **City Hall**

Portland City Hall was built in 1894. Since then, City Hall has undergone numerous small scale renovations to accommodate changes in safety codes and regulations. Although efforts have been made to update City Hall facilities, the building suffers from inadequate ventilation and various other structural problems including seismic instability, inadequate HVAC and fire sprinkler systems and an aging plumbing system.

Based on City Council direction in May 1994, plans to address these problems have been implemented and reconstruction is underway. The renovation will enable the City to continue using City Hall as an office for City government and continue its second century as the historic seat of local government.

The renovation is scheduled to be completed in spring 1998.

### **Police**

After five years of intense planning and construction, police precinct facilities are significantly improved and poised to respond to the program needs of the Police Bureau for many years. With the completion of the new East and NE Community Policing Facilities and renovated facilities for the SE and North precincts, police operations are located in seismically sound facilities, and sited and organized to support the Community Policing Program. Because these facilities are so new, no major maintenance projects are planned at this time.

Maintenance and repair activities are required, however, at the Justice Center and major projects are planned for the two police locations that remain in inappropriate locations: The Mounted Patrol Unit and the Police Property Warehouse.

### **Portland Building**

The projects for the Portland Building consist of maintenance, adaptations and extraordinary repairs which protect the City's investment in this asset and meet changing conditions, standards and needs. The projects are only those which can be funded through rental rates charged to the tenants.

Re-roofing, painting interiors, renovating restrooms and replacing carpeting are all ongoing maintenance projects which effectively protect and maintain the asset at its maximum value. The maintenance program for the Portland Building is designed to distribute and minimize costs over time.

In addition to ongoing maintenance needs, The Portland Building needs to adapt to changes in users requirements and external circumstances over time. Electrical capacity must be expanded to accommodate the growing number of computers and variety of electronic office equipment. The chillers must be renovated to utilize new environmentally acceptable refrigerants and meet current standards. HVAC work is needed to

improve internal air quality, meet revised fresh air standards and adequately handle the changing office environment. ADA adaptations previously identified will be completed.

Currently, there is a significant amount of seismic repair facing the Portland Building. The building code of the City of Portland requires the chief building official to order building owners to correct deficiencies in a building whose construction does not meet the codes under which it should have been built.

Several in-depth engineering and cost analyses have been conducted on the building. Based on the analyses to date, it has been determined that the building can be upgraded sufficiently to improve its seismic performance enabling it to meet the building official's requirements. The cost of this type upgrade has been estimated at \$8.7 million.

The nature of these improvements is such that they can be phased in over time to mitigate financial impacts to the Portland Building tenants and meet the requirement to show progress towards the ultimate upgrade. The nature of the improvements is also such that they will have impacts upon other programmed major maintenance and repairs to the building.

### **Fire, Rescue and Emergency Services**

These projects represent joint efforts between the Portland Fire Bureau (PFB) and BGS to identify, organize and present to the City Council a long term (20 year) capital facilities needs assessment and implementation plan for making required changes to PFB facilities. There are two major factors driving the need to develop a long term capital program. First, the fire stations of the PFB need to be upgraded seismically which will enable City firefighters to respond effectively to an earthquake in the metropolitan area. Secondly, the PFB has established and maintained a benchmark of a four minute response time to emergency calls. As the Portland metropolitan area continues to place greater demands on the PFB, it will be necessary to site new stations and potentially relocate existing stations to continue meeting their benchmark goal. In addition, certain PFB facilities are approaching obsolescence and need to be upgraded to accommodate changes in PFB staff and to make them more accessible to the handicapped. All of these factors are creating a situation in which careful planning and budgeting for long term facility use is critical to the continued success of the bureau.

### **Parking Garages**

The Bureau of General Services is responsible for managing and maintaining the City-owned Parking Garages. Currently the City has seven garages in the "Smart Park" system: Third and Alder; Tenth and Yamhill; Fourth and Yamhill; First and Jefferson; Front and Davis; O'Bryant Square; and The Portland Building. The CIP for the parking garages includes a maintenance program and an expansion program.

BGS recently completed a long term (20 year) major maintenance plan for the garages. BGS identified all major subsystems of the garages, researched the maintenance history of each, determined when each would need to be replaced or repaired, and calculated the cost of doing so over the 20 year period.

The long-term maintenance program for the garages spreads and minimizes costs in an effort to protect the City's investment in these assets. The Five-year CIP calls for the cleaning, sealing, painting and ongoing maintenance of all exterior surfaces of the garages. Upgrades to the revenue control equipment and attendant booths are also included. Other maintenance projects include: relamping and rebalasting the high pressure sodium lights within the garages and repairing the concrete deterioration at the O'Bryant Square garage.



As part of the expansion/new construction program, BGS has two projects that will add short-term parking spaces to the City's downtown. These projects include the construction of two new floors at First and Jefferson and the construction of a new garage in the Fox Block.

### **City Downtown Space Requirements**

BGS is also responsible for providing appropriate and efficient facilities for City bureaus. Meeting these demands is increasingly challenging: bureaus are restructuring their work to achieve greater efficiencies; seismic renovations have required relocating bureaus into temporary offices; the development bureaus continue to struggle to improve their access and availability to customers, and technology offers both opportunities and obstacles. In 1995, the Council recognized these challenges and authorized the preparation of a plan to make it possible to responsibly address the demands of our client bureaus for more or different space at a reasonable cost in appropriate locations.

The City currently leases 89,000 sq. ft. of space in the downtown (not including the space for offices returning to renovated City Hall) at a cost of \$1.5 million annually. Seventy five percent of the space in these leases will expire in the Fall of 1999. At least two years is required to identify, secure and renovate space to accommodate bureaus coming out of this leased space.

Planning for this anticipated requirement began in 1995, was revised in 1996 and revised again after Ballot Measure 47. Several options have been developed and evaluated by managers of the bureaus most effected by this plan and Council representatives. In whatever option is selected, it is estimated that the City of Portland requires 81,000 to 120,000 square feet of space in 1999.

To meet this requirements, the City can lease additional space, buy a building or build a building. Owning a building offers the best long term financial advantage to the City, but leasing offers flexibility. To meet the Fall of 1999 occupancy requirement, it may be possible to purchase a building or enter into a lease/purchase arrangement.

This program includes four projects. Beginning in FY 1997-98, BGS intends to complete the move of the Personnel Bureau into the Portland Building after their lease expires in the Spring of 1998. The remaining three are project estimates based on what is now believed the most likely and short-term cost effective scenario to accommodate these space requirements.

### ***BUREAU OF LICENSES***

FY1997-98 capital outlays for the Bureau of Licenses total \$25,700 to cover conference computer upgrades.

### ***BUREAU OF PLANNING***

FY1997-98 capital outlays total \$59,800, representing second year costs of a multi-year computer system project totaling \$1,065,634. Funding for this project will be provided through the City's Short Term Capital Financing Program.

## ***BUREAU OF POLICE***

In addition to Police-related facilities projects undertaken by the Bureau of General Services, FY1997-98 capital projects total \$799,535. The CRC recommended funding for three projects through General Fund set-aside and/or STC Program funds. These projects are summarized below.

- |                                 |           |
|---------------------------------|-----------|
| 1. Bureau Wide Computer Network | \$116,854 |
| 2. Investigative Equipment      | \$150,000 |
| 3. Handgun Acquisitions         | \$50,000  |

In addition, prior year capital carryovers totaling \$482,681 will be supported by the General Fund.

## ***PUBLIC SAFETY OUTLAYS***

Voters in 1989 approved a special three-year tax levy to fund capital improvements to the City's emergency communications system. FY1991-92 was the third and final year of the levy. Expenditures in FY1997-98 totaling \$1,118,000 will fund the communications upgrade program, and will be paid through an expenditure of fund balances that resulted from the earlier levy of property taxes.

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 TO 2001-02 PROJECTS  
Total Cost by Year**

Capital System: City Support

Bureau/Program/Project	Geo. Area	Project Category	Est. Prior Years	Fiscal Year 1997-98	Fiscal Year 1998-99	Fiscal Year 1999-00	Fiscal Year 2000-01	Fiscal Year 2001-02	Five-Year Project Total
<b>Office of the City Auditor</b>									
LID Construction	CW	3	11,082,817	9,972,043	0	0	0	0	9,972,043
<b>Total Office of the City Auditor</b>			11,082,817	9,972,043	0	0	0	0	9,972,043
<b>Office of Finance &amp; Administration</b>									
HR Management Information Systems	CC	1	53,641	200,000	200,000	0	0	0	400,000
Year of 2000 Compliance	CC	2	0	200,000	200,000	0	0	0	400,000
Prior Year Carryover			0	143,705	0	0	0	0	143,705
<b>Total Office of Finance &amp; Administration</b>			53,641	543,705	400,000	0	0	0	943,705
<b>Bureau of Fire, Rescue &amp; Emerg. Services</b>									
Apparatus Replacement	CW	1		1,071,794	1,178,973	1,296,871	1,426,558	1,569,071	6,543,267
Emergency Generators	CW	2	463,505	223,587	134,766	106,505	0	0	464,858
Apparatus Bay Ventilation	CW	2	469,019	105,000	98,000	101,000	0	0	304,000
Firefighter Privacy Accommodations	SE	2	65,000	75,000	85,000	78,000	78,000	0	316,000
Fire Sprinkler Systems	CW	2	589,060	106,000	99,000	129,000	110,000	0	444,000
Plumbing/Sewer Upgrades	CW	2	377,286	48,000	33,500	47,000	51,000	55,000	234,500
Radio Tap-Out System	CW	1	0	275,000	0	0	0	0	275,000
HVAC Upgrades - LOG	CW	2	583,408	65,000	0	0	0	0	65,000
Roof Replacements	CW	2	0	85,000	86,000	68,000	76,000	70,000	385,000
Paving at Stations	CW	2	0	90,000	60,000	60,000	0	0	210,000
Station 6 Ground Remediation	NW	2	0	200,000	0	0	0	0	200,000
Energy Upgrades - Lighting	CW	2	0	10,000	9,000	8,000	0	0	27,000
Prior Year Carryover	N/A	NA	1,113,500	0	0	0	0	0	0
<b>Total Bureau of Fire, Rescue &amp; Emerg. Services</b>			3,660,778	2,354,381	1,784,239	1,894,376	1,741,558	1,694,071	9,468,625
<b>Bureau of General Services</b>									
<b>CITY HALL</b>									
Renovation	CC	2	17,955,000	10,200,000	0	0	0	0	10,200,000
<b>POLICE</b>									
Relocate Police Property Warehouse	N/A	3	0	0	70,000	732,000	4,300,000	0	5,102,000
Relocate Police Mounted Patrol Unit	N/A	3	50,000	0	450,000	2,754,000	0	0	3,204,000
Justice Center - Paint Interiors	CC	1	54,000	0	35,000	35,000	35,000	35,000	140,000
Justice Center - Partition Replacement	CC	1	192,000	0	99,000	99,000	99,000	99,000	396,000
Justice Center - Replace Main Roof	CC	1	0	400,000	0	0	0	0	400,000
Justice Center - Seal Exterior	CC	1	0	0	61,000	0	0	0	61,000
Justice Center - Renovate Chiller	CC	1	0	0	0	107,000	0	0	107,000
<b>PORTLAND BUILDING</b>									
Seismic Repairs	CC	2	0	0	0	0	700,000	5,950,000	6,650,000
Replace Loggia Roofs	CC	1	672,000	0	828,000	0	0	0	828,000
Expand Electrical Capacity	CC	2	0	0	1,250,000	0	0	0	1,250,000
ADA Requirements	CC	2	0	0	0	0	129,000	0	129,000
Paint Interiors	CC	1	152,000	48,000	48,000	48,000	48,000	48,000	240,000
Rest Room Renovations	CC	1	90,000	27,000	27,000	27,000	27,000	27,000	135,000
Carpet Replacement	CC	1	642,000	114,000	114,000	114,000	114,000	114,000	570,000
Renovate Chillers	CC	2	205,000	0	0	219,000	0	0	219,000
HVAC Improvements	CC	1	15,000	0	0	240,000	254,000	0	494,000
Eliminate Exterior Wall Leaks	CC	1	397,000	468,000	468,000	0	0	0	936,000
Upgrade Second Floor Meeting Rooms	CC	1	372,000	0	0	0	353,000	455,000	808,000
Replace Main Roof	CC	1	0	0	0	0	0	0	0
<b>FIRE, RESCUE, AND EMERGENCY SERVICES</b>									
Seismic Upgrades to Fire Facilities	CW	2	133,000	600,000	2,000,000	1,500,000	1,500,000	1,500,000	7,100,000
Skyline Fire Station	NW	3	256,000	0	1,400,000	0	0	0	1,400,000
Barnes Road Fire Station	SW	3	0	0	1,000,000	0	0	0	1,000,000
Shattuck Road Fire Station	SW	3	0	0	0	0	525,000	1,293,000	1,818,000
Capital Highway Fire Station-PCC	SW	3	0	0	1,400,000	0	0	0	1,400,000
<b>FLEET SERVICES</b>									
Kerby Garage - Replace Roof	N	1	0	0	430,000	0	0	0	430,000



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 TO 2001-02 PROJECTS  
Total Cost by Year**

Capital System: City Support

Bureau/Program/Project	Geo. Area	Project Category	Est. Prior Years	Fiscal Year 1997-98	Fiscal Year 1998-99	Fiscal Year 1999-00	Fiscal Year 2000-01	Fiscal Year 2001-02	Five-Year Project Total
<b>PARKING GARAGES</b>									
Relamp and Reballast HPS System	CC	1	0	0	49,000	25,000	73,000	0	147,000
Maintain Exteriors	CC	1	259,000	55,000	157,000	147,000	147,000	0	506,000
Replace Revenue Control Equipment	CC	1	212,000	128,000	0	0	0	0	128,000
Replace Attendant Booths	CC	1	171,000	188,000	0	0	0	0	188,000
Repair Concrete Deterioration at O'Bryant Square	CC	1	0	227,000	0	0	0	0	227,000
Upgrade Elevators at Front and Davis	CC	2	0	0	48,000	0	0	0	48,000
Add Two Floors Parking at First and Jefferson	CC	3	0	0	0	4,822,000	0	0	4,822,000
Smart Park Garage at Fox Block	CC	3	0	9,475,000	0	0	0	0	9,475,000
<b>CITY DOWNTOWN SPACE REQUIREMENTS</b>									
Move Personnel into Portland Building	CC	1	0	318,000	0	0	0	0	318,000
Move Bureaus Within Portland Building	CC	1	0	0	352,000	0	0	0	352,000
Move Bureaus to New Facility	CC	3	0	0	0	3,753,000	0	0	3,753,000
Move Bureaus Back into Portland Building	CC	1	0	0	0	1,073,000	0	0	1,073,000
<b>COMMUNICATIONS SERVICES</b>									
Arrowood IR Site	SW	2	200,000	81,000	0	0	0	0	81,000
Engine 22 IR Site	NW	2	146,000	127,000	0	0	0	0	127,000
Prune Hill Simulcast Site	N/NE	3	0	0	1,000,000	0	0	0	1,000,000
Remote Site Alarm Project	NA	2	55,000	40,000	0	0	0	0	40,000
<b>Total Bureau of General Services</b>			22,228,000	22,496,000	11,286,000	15,695,000	8,304,000	9,521,000	67,302,000
<b><u>Bureau of Licenses</u></b>									
Computer System Upgrades	CC	1	201,303	25,700	0	0	0	0	25,700
<b>Total Bureau of Licenses</b>			201,303	25,700	0	0	0	0	25,700
<b><u>Bureau of Planning</u></b>									
Computer System Upgrades	CC	1	554,234	59,800	158,800	0	230,300	62,500	511,400
<b>Total Bureau of Planning</b>			554,234	59,800	158,800	0	230,300	62,500	511,400
<b><u>Police Bureau</u></b>									
Fleet Requirements	CW	1	945,000	0	450,000	0	0	0	450,000
Investigative Equipment	CW	1	0	150,000	150,892	30,851	31,931	0	363,674
Handguns	CW	1	150,000	50,000	0	0	0	0	50,000
Bureau Wide Computer Network	CW	1	149,286	116,854	28,631	0	0	0	145,485
Prior Year Carryover	NA	NA	0	482,681	0	0	0	0	482,681
<b>Total Police Bureau</b>			1,244,286	799,535	629,523	30,851	31,931	0	1,491,840
<b><u>Public Safety Outlays</u></b>									
Public Safety Communications	CC	2	9,445,706	1,118,000	0	0	0	0	1,118,000
<b>Total Public Safety Outlays</b>			9,445,706	1,118,000	0	0	0	0	1,118,000
<b>TOTAL CITY SUPPORT</b>			\$48,470,765	\$37,369,164	\$14,258,562	\$17,620,227	\$10,307,789	\$11,277,571	\$90,833,313



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources**

Capital System: City Support

Bureau/Program/Project	General Fund	Bureau Specific	Rate/Charge/ Contracts	Federal/State/ Other Local	Other/ROI	Unfunded	Total Budget	Non-Budget
<b>Office of the City Auditor</b>								
LID Construction	0	0	0	0	9,972,043	0	9,972,043	0
<b>Total Office of the City Auditor</b>	0	0	0	0	9,972,043	0	9,972,043	0
<b>Office of Finance &amp; Administration</b>								
HR Management Information Systems	200,000	0	0	0	0	0	200,000	0
Year of 2000 Compliance	200,000	0	0	0	0	0	200,000	0
Prior Year Carryover	143,705	0	0	0	0	0	143,705	0
<b>Total Office of Finance &amp; Administration</b>	543,705	0	0	0	0	0	543,705	0
<b>Bureau of Fire, Rescue &amp; Emerg. Services</b>								
Apparatus Replacement	1,071,794	0	0	0	0	0	1,071,794	0
Emergency Generators	223,587	0	0	0	0	0	223,587	0
Apparatus Bay Ventilation	105,000	0	0	0	0	0	105,000	0
Firefighter Privacy Accommodations	75,000	0	0	0	0	0	75,000	0
Fire Sprinkler Systems	106,000	0	0	0	0	0	106,000	0
Plumbing/Sewer Upgrades	48,000	0	0	0	0	0	48,000	0
Radio Tap-Out System	275,000	0	0	0	0	0	275,000	0
HVAC Upgrades - LOG	65,000	0	0	0	0	0	65,000	0
Roof Replacements	85,000	0	0	0	0	0	85,000	0
Paving at Stations	90,000	0	0	0	0	0	90,000	0
Station 6 Ground Remediation	200,000	0	0	0	0	0	200,000	0
Energy Upgrades - Lighting	10,000	0	0	0	0	0	10,000	0
Prior Year Carryover	0	0	0	0	0	0	0	0
<b>Total Bureau of Fire, Rescue &amp; Emerg. Services</b>	2,354,381	0	0	0	0	0	2,354,381	0
<b>Bureau of General Services</b>								
<b>CITY HALL</b>								
Renovation	0	0	0	0	10,200,000	0	10,200,000	0
<b>POLICE</b>								
Relocate Police Property Warehouse	0	0	0	0	0	0	0	0
Relocate Police Mounted Patrol Unit	0	0	0	0	0	450,000	0	0
Justice Center - Paint Interiors	0	0	0	0	0	35,000	0	0
Justice Center - Partition Replacement	0	0	0	0	0	0	0	0
Justice Center - Replace Main Roof	0	0	400,000	0	0	0	400,000	0
Justice Center - Seal Exterior	0	0	0	0	0	0	0	0
Justice Center - Renovate Chiller	0	0	0	0	0	0	0	0
<b>PORTLAND BUILDING</b>								
Seismic Repairs	0	0	0	0	0	0	0	0
Replace Loggia Roofs	0	0	0	0	0	0	0	0
Expand Electrical Capacity	0	0	0	0	0	0	0	0
ADA Requirements	0	0	0	0	0	0	0	0
Paint Interiors	0	0	48,000	0	0	0	48,000	0
Rest Room Renovations	0	0	27,000	0	0	0	27,000	0
Carpet Replacement	0	0	114,000	0	0	0	114,000	0
Renovate Chillers	0	0	0	0	0	0	0	0
HVAC Improvements	0	0	0	0	0	0	0	0
Eliminate Exterior Wall Leaks	0	0	468,000	0	0	0	468,000	0
Upgrade Second Floor Meeting Rooms	0	0	0	0	0	0	0	0
Replace Main Roof	0	0	0	0	0	0	0	0
<b>FIRE, RESCUE, AND EMERGENCY SERVICES</b>								
Seismic Upgrades to Fire Facilities	600,000	0	0	0	0	2,000,000	600,000	0
Skyline Fire Station	0	0	0	0	0	1,400,000	0	0
Barnes Road Fire Station	0	0	0	0	0	1,000,000	0	0
Shattuck Road Fire Station	0	0	0	0	0	0	0	0
Capital Highway Fire Station-PCC	0	0	0	0	0	0	0	0
<b>FLEET SERVICES</b>								
Kerby Garage - Replace Roof	0	0	0	0	0	0	0	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources**

Capital System: City Support

Bureau/Program/Project	General Fund	Bureau Specific	Rate/Charge/Contracts	Federal/State/Other Local	Other/ROI	Unfunded	Total Budget	Non-Budget
<b>PARKING GARAGES</b>								
Relamp and Reballast HPS System	0	0	0	0	0	0	0	0
Maintain Exteriors	0	0	55,000	0	0	0	55,000	0
Replace Revenue Control Equipment	0	0	128,000	0	0	0	128,000	0
Replace Attendant Booths	0	0	188,000	0	0	0	188,000	0
Repair Concrete Deterioration at O'Bryant Square	0	0	227,000	0	0	0	227,000	0
Upgrade Elevators at Front and Davis	0	0	0	0	0	0	0	0
Add Two Floors Parking at First and Jefferson	0	0	0	0	0	0	0	0
Smart Park Garage at Fox Block	0	0	0	0	9,475,000	0	9,475,000	0
<b>CITY DOWNTOWN SPACE REQUIREMENTS</b>								
Move Personnel into Portland Building	318,000	0	0	0	0	0	318,000	0
Move Bureaus Within Portland Building	0	0	0	0	0	0	0	0
Move Bureaus to New Facility	0	0	0	0	0	0	0	0
Move Bureaus Back into Portland Building	0	0	0	0	0	0	0	0
<b>COMMUNICATIONS SERVICES</b>								
Arrowood IR Site	0	0	0	0	81,000	0	81,000	0
Engine 22 IR Site	0	0	0	0	127,000	0	127,000	0
Prune Hill Simulcast Site	0	0	0	0	0	1,000,000	0	0
Remote Site Alarm Project	0	0	0	0	40,000	0	40,000	0
<b>Total Bureau of General Services</b>	<b>918,000</b>	<b>0</b>	<b>1,655,000</b>	<b>0</b>	<b>19,923,000</b>	<b>5,885,000</b>	<b>22,496,000</b>	<b>0</b>
<b>Bureau of Licenses</b>								
Computer System Upgrades	25,700	0	0	0	0	0	25,700	0
<b>Total Bureau of Licenses</b>	<b>25,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,700</b>	<b>0</b>
<b>Bureau of Planning</b>								
Computer System Upgrades	59,800	0	0	0	0	0	59,800	0
<b>Total Bureau of Planning</b>	<b>59,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59,800</b>	<b>0</b>
<b>Police Bureau</b>								
Fleet Requirements	0	0	0	0	0	454,050	0	0
Investigative Equipment	150,000	0	0	0	0	0	150,000	0
Handguns	50,000	0	0	0	0	0	50,000	0
Bureau Wide Computer Network	116,854	0	0	0	0	0	116,854	0
Prior Year Carryover	482,681	0	0	0	0	0	482,681	0
<b>Total Police Bureau</b>	<b>799,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>454,050</b>	<b>799,535</b>	<b>0</b>
<b>Public Safety Outlays</b>								
Public Safety Communications	0	0	0	0	1,118,000	0	1,118,000	0
<b>Total Public Safety Outlays</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,118,000</b>	<b>0</b>	<b>1,118,000</b>	<b>0</b>
<b>TOTAL CITY SUPPORT</b>	<b>\$4,701,121</b>	<b>\$0</b>	<b>\$1,655,000</b>	<b>\$0</b>	<b>\$31,013,043</b>	<b>\$6,339,050</b>	<b>\$37,369,164</b>	<b>\$0</b>

**CAPITAL SYSTEM**  
**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1997-98 PROJECTS**  
**Operating and Maintenance Costs**

Capital System: City Support

Bureau/Program/Project	Five-Year Costs	FY1997-98 Costs	ANNUAL			Net Financial Impact
			Revenue Generated (-)	Operating/Maint. Costs (+)	Operating/Maint. Savings (-)	
<b>Office of the City Auditor</b>						
LID Construction	9,972,043	9,972,043	0	0	0	0
<b>Total Office of the City Auditor</b>	9,972,043	9,972,043	0	0	0	0
<b>Office of Finance &amp; Administration</b>						
HR Management Information Systems	400,000	200,000	0	0	0	0
Year of 2000 Compliance	400,000	200,000	0	0	0	0
Prior Year Carryover	143,705	143,705	0	0	0	0
<b>Total Office of Finance &amp; Administration</b>	943,705	543,705	0	0	0	0
<b>Bureau of Fire, Rescue &amp; Emerg. Services</b>						
Apparatus Replacement	6,543,267	1,071,794	0	0	0	0
Emergency Generators	464,858	223,587	0	0	0	0
Apparatus Bay Ventilation	304,000	105,000	0	0	0	0
Firefighter Privacy Accommodations	316,000	75,000	0	0	0	0
Fire Sprinkler Systems	444,000	106,000	0	0	0	0
Plumbing/Sewer Upgrades	234,500	48,000	0	0	(28,000)	(28,000)
Radio Tap-Out System	275,000	275,000	0	0	0	0
HVAC Upgrades - LOG	65,000	65,000	0	0	(5,000)	(5,000)
Roof Replacements	385,000	85,000	0	0	(60,000)	(60,000)
Paving at Stations	210,000	90,000	0	0	(47,000)	(47,000)
Station 6 Ground Remediation	200,000	200,000	0	0	0	0
Energy Upgrades - Lighting	27,000	10,000	0	0	0	0
Prior Year Carryover	0	0	0	0	0	0
<b>Total Bureau of Fire, Rescue &amp; Emerg. Services</b>	9,468,625	2,354,381	0	0	(140,000)	(140,000)
<b>Bureau of General Services</b>						
<b>CITY HALL</b>						
Renovation	10,200,000	10,200,000	0	400,000	0	400,000
<b>POLICE</b>						
Relocate Police Property Warehouse	5,102,000	0	0	102,000	0	102,000
Relocate Police Mounted Patrol Unit	3,204,000	0	0	17,000	0	17,000
Justice Center - Paint Interiors	140,000	0	0	0	0	0
Justice Center - Partition Replacement	396,000	0	0	0	0	0
Justice Center - Replace Main Roof	400,000	400,000	0	0	0	0
Justice Center - Seal Exterior	61,000	0	0	0	0	0
Justice Center - Renovate Chiller	107,000	0	0	0	0	0
<b>PORTLAND BUILDING</b>						
Seismic Repairs	6,650,000	0	0	0	0	0
Replace Loggia Roofs	828,000	0	0	0	0	0
Expand Electrical Capacity	1,250,000	0	0	0	0	0
ADA Requirements	129,000	0	0	0	0	0
Paint Interiors	240,000	48,000	0	0	0	0
Rest Room Renovations	135,000	27,000	0	0	0	0
Carpet Replacement	570,000	114,000	0	0	0	0
Renovate Chillers	219,000	0	0	0	0	0
HVAC Improvements	494,000	0	0	0	0	0
Eliminate Exterior Wall Leaks	936,000	468,000	0	0	0	0
Upgrade Second Floor Meeting Rooms	808,000	0	0	0	0	0
Replace Main Roof	0	0	0	0	0	0
<b>FIRE, RESCUE, AND EMERGENCY SERVICES</b>						
Seismic Upgrades to Fire Facilities	7,100,000	600,000	0	0	0	0
Skyline Fire Station	1,400,000	0	0	100,000	0	100,000
Barnes Road Fire Station	1,000,000	0	0	100,000	0	100,000
Shattuck Road Fire Station	1,818,000	0	0	100,000	0	100,000
Capital Highway Fire Station-PCC	1,400,000	0	0	100,000	0	100,000
<b>FLEET SERVICES</b>						
Kerby Garage - Replace Roof	430,000	0	0	0	0	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Operating and Maintenance Costs**

Capital System: City Support

Bureau/Program/Project	Five-Year Costs	FY1997-98 Costs	ANNUAL			Net Financial Impact
			Revenue Generated (-)	Operating/Maint. Costs (+)	Operating/Maint. Savings (-)	
<b>PARKING GARAGES</b>						
Relamp and Reballast HPS System	147,000	0	0	0	0	0
Maintain Exteriors	506,000	55,000	0	0	0	0
Replace Revenue Control Equipment	128,000	128,000	0	0	0	0
Replace Attendant Booths	188,000	188,000	0	0	0	0
Repair Concrete Deterioration at O'Bryant Square	227,000	227,000	0	0	0	0
Upgrade Elevators at Front and Davis	48,000	0	0	0	0	0
Add Two Floors Parking at First and Jefferson	4,822,000	0	(260,000)	90,000	0	(170,000)
Smart Park Garage at Fox Block	9,475,000	9,475,000	645,000	321,000	0	966,000
<b>CITY DOWNTOWN SPACE REQUIREMENTS</b>						
Move Personnel into Portland Building	318,000	318,000	0	0	(70,000)	(70,000)
Move Bureaus Within Portland Building	352,000	0	0	0	0	0
Move Bureaus to New Facility	3,753,000	0	0	240,000	0	240,000
Move Bureaus Back into Portland Building	1,073,000	0	0	0	0	0
<b>COMMUNICATIONS SERVICES</b>						
Arrowood IR Site	81,000	81,000	(14,450)	24,000	0	9,550
Engine 22 IR Site	127,000	127,000	(14,450)	24,000	0	9,550
Prune Hill Simulcast Site	1,000,000	0	(57,800)	35,000	0	(22,800)
Remote Site Alarm Project	40,000	40,000	0	1,000	0	1,000
<b>Total Bureau of General Services</b>	<b>67,302,000</b>	<b>22,496,000</b>	<b>298,300</b>	<b>1,654,000</b>	<b>(70,000)</b>	<b>1,882,300</b>
<b>Bureau of Licenses</b>						
Computer System Upgrades	25,700	25,700	0	0	0	0
<b>Total Bureau of Licenses</b>	<b>25,700</b>	<b>25,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bureau of Planning</b>						
Computer System Upgrades	511,400	59,800	8,500	0	0	8,500
<b>Total Bureau of Planning</b>	<b>511,400</b>	<b>59,800</b>	<b>8,500</b>	<b>0</b>	<b>0</b>	<b>8,500</b>
<b>Police Bureau</b>						
Fleet Requirements	450,000	0	0	0	0	0
Investigative Equipment	363,674	150,000	0	2,700	0	2,700
Handguns	50,000	50,000	0	0	0	0
Bureau Wide Computer Network	145,485	116,854	0	33,580	0	33,580
Prior Year Carryover	482,681	482,681	0	0	0	0
<b>Total Police Bureau</b>	<b>1,491,840</b>	<b>799,535</b>	<b>0</b>	<b>36,280</b>	<b>0</b>	<b>36,280</b>
<b>Public Safety Outlays</b>						
Public Safety Communications	1,118,000	1,118,000	0	0	0	0
<b>Total Public Safety Outlays</b>	<b>1,118,000</b>	<b>1,118,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CITY SUPPORT</b>	<b>\$90,833,313</b>	<b>\$37,369,164</b>	<b>\$306,800</b>	<b>\$1,690,280</b>	<b>(\$210,000)</b>	<b>\$1,787,080</b>





## **Cultural and Recreation System**



**Capital Improvement Program Overview**  
**CULTURAL AND RECREATION SYSTEM**

**Fiscal Year 1997-98 to 2001-02**

***BUREAU OF PARKS AND RECREATION***

The Bureau of Parks and Recreation's Capital Improvements Program is directed towards: 1) restoring and maintaining the existing park and recreation system; 2) promoting recreational opportunities; 3) adding to the City's beauty and economic well being; and 4) preserving and enhancing natural areas.

The Parks Bureau manages a large inventory of land and facilities including approximately 9,500 acres of land (about half of this within Forest park); 195 parks; 11 community centers; 13 swimming pools (owned or maintained by the Parks Bureau); two tennis centers; three specialty gardens; the Hoyt Arboretum; seven special are, theater, and museum buildings; four golf courses; the Portland International Raceway.

The Bureau of Parks and Recreation's FY1997-98 capital budget includes 19 projects totaling \$29.2 million exclusive of prior year capital carryovers. Of this amount, \$1,016,982 will be funded by the General Fund. The balance of the of Park's Bureau's CIP will be funded through golf fees, other outside funds and the proceeds of the 1995 Parks System General Obligation bond issue. Prior year capital carryovers total \$1,803,934. In preparing the five-year Capital Improvement Program, four objectives were followed:

- Make better use of existing resources
- Initiate a major park and facilities renovation program
- Replace outdated and inadequate recreational facilities to meet today and tomorrow's needs
- Establish an integrated network of parks, natural areas, trails, and recreation corridors

In establishing its lists of capital projects, the Parks Bureau relied on various sources of information including Park Futures, the Public Facilities Plan, the Parks Assessment Summary, and the Facilities Assessment Summary.

The Portland park system is a reasonably large and aging system. The average age of the community centers is 60 years, with the majority of them built prior to the 1940's. Due to system's increasing age and limited funds available to maintain, improve, or expand the park system, the demand for improvements have far outweighed the available resources. Because of the existing gap between

requirements and available resources, the Bureau of Parks and Recreation established priorities for CIP project rankings based on the following criteria:

- Safety - compliance with code requirements, other regulations and mandates, and correction of hazardous conditions within parks and facilities.
- Resource Preservation - evaluation of life cycle and determination whether preventative maintenance investments would offset future replacement costs.
- Compliance - compliance with bureau plans, neighborhood plans, and applicable plans of the Bureau of Planning.
- Public Benefit - service to projected users, year-round use.
- Financial - examination of whether a project generates revenues and/or increase or decreases maintenance requirements, or if the project can be leveraged or funded by a source other than the General Fund.

Listed below are Bureau of Parks and Recreation FY1997-98 capital program areas and projects included within the Cultural and Recreation System.

#### **Acquisitions**

The FY1997-98 budget includes costs totaling \$5,473,000 for facility and land acquisitions. There are four acquisition related projects which include the Flood and Landslide acquisition, the Greenspaces Land acquisition, the SE Maintenance Headquarters and the Multnomah Art Center acquisition. The SE Maintenance Headquarters and the Multnomah Art Center projects will be funded through the General Fund set aside while the Greenspaces and Landslide acquisition projects will be funded through other local funds.

#### **Aquatics**

The FY1997-98 budget includes project costs totaling \$262,338 for improvements to the Columbia pool. This project will be funded through General Fund set-aside monies.

#### **Facilities**

The FY1997-98 Capital Budget includes \$100,000 for the Maintenance and Operations Facilities Masterplan. Funding for this project will be provided from General Fund capital set-aside monies.

#### **Golf**

The Golf program includes capital improvements to several golf facilities including: Progress Downs, Eastmoreland, Heron Lakes and dike improvements to preserve Great Blue and Green Back golf courses. Golf operations is a self-supporting activity which pays for all costs through fees charged to users. The FY1997-98 Capital Budget includes a total of \$1,100,927 for these projects.

### **Information Technology**

The FY1997-98 Capital Budget provides \$161,000 for improvements to the Parks Bureau's information systems. It will provide funds for a Bureau wide computer replacement schedule which will bring much needed compatibility to the Bureau wide computer system. Funding for these project will be provided from STC Program funding.

### **Parks**

The Bureau of Parks and Recreation administers a park system of approximately 200 parks, over 120 of which are fully developed. As a result of the age of the system and a lack of capital investment, many of these parks need to be completely rehabilitated. Although the Parks System G.O. bond has provided much needed funding to address the system's rehabilitation needs, several projects still require funding in order to bring them to completion. FY1997-98 capital outlays for parks total \$466,644 as detailed below:

Pioneer Courthouse Square Improvements	\$100,000
Bruce Street Improvement	\$271,000
Brush Grinder	\$95,644

Funding for these projects will be provided from General Fund capital set-aside monies or other available local funds.

### **Seismic Safety/Life Safety**

The Parks Bureau is undertaking several projects which will bring several facilities up to current seismic safety standards. The FY1997-98 Budget includes \$175,000 for the Community Music Center Seismic Retrofit.

### **Prior Year Carryover**

As previously mentioned, spending authority in the amount of \$1,803,934 associated with capital projects initiated in prior years is also included in the Bureau's FY1997-98 capital budget. This figure includes carryover funding for prior year ADA expenditures and expenditures relating to the Springwater Trailhead Development.

### **ARENA PROJECT**

In the fall of 1995, construction was completed on the new Rose Garden Arena located adjacent to the Memorial Coliseum. Although most of the project was financed through private funds, the City of Portland has contributed approximately \$36 million toward the capital construction costs of related public infrastructure and parking facilities. These facilities have been substantially completed. The City will continue to provide ongoing maintenance for all City owned parking facilities as well as any future capital improvements to the Memorial Coliseum. The FY1997-98 budget includes \$200,000 for improvements to the facade of the Memorial Coliseum.



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FY 1997-98 TO FY 2001-02 PROJECTS  
Total Cost by Year**

**Capital System:**

**Cultural/Recreation**

Bureau/Program/Project	Geo. Area	Project Category	Est. Prior Years	Fiscal Year 1997-98	Fiscal Year 1998-99	Fiscal Year 1999-00	Fiscal Year 2000-01	Fiscal Year 2001-02	Five-Year Project Total
<b>PORTLAND PARKS &amp; RECREATION</b>									
<b>ACQUISITIONS</b>									
Parks Acquisition Fund	ALL	3	100,000	0	100,000	100,000	100,000	100,000	400,000
Greenspaces Land Acquisition/Trail Development	ALL	3	2,500,000	3,000,000	210,000	330,000	405,000	0	3,945,000
Flood and Landslide Acquisition	ALL	2	0	2,350,000	0	0	0	0	2,350,000
SE Maintenance Headquarters	SE	2	0	73,000	0	0	0	0	73,000
Multnomah Art Center Acquisition	SW	3	0	50,000	0	0	0	0	50,000
<b>AMERICANS WITH DISABILITIES</b>									
ADA Improvements FY 97-98	ALL	2	3,262,082	784,499	345,790	0	0	0	1,130,289
<b>AQUATICS</b>									
Columbia Pool Shell Repair, Deep End Shallowing	N	2	309,250	262,338	0	0	0	0	262,338
Pier Pool & Bathhouse	N	3	0	0	0	0	0	0	0
Dishman Therapy Pool	NE	3	0	0	0	60,000	0	0	60,000
<b>FACILITIES</b>									
University Community Center Ext Rep	N	2	0	0	94,400	0	0	0	94,400
Maintenance & Operations Facilities Master Plan	ALL	2	0	100,000	0	0	0	0	100,000
Facilities Master Plan Implementation	ALL	2	0	0	0	2,000,000	2,000,000	2,000,000	6,000,000
<b>GENERAL OBLIGATION BOND</b>									
General Obligation Bond Projects for FY 97-98	ALL	1, 2, 3	30,200,456	19,402,539	12,860,301	4,484,480	0	0	36,747,320
<b>GOLF</b>									
Progress Downs Remodel	SW	3	0	298,687	0	0	0	0	298,687
Heron Lakes Clubhouse Design	N	3	0	0	0	0	0	0	0
Eastmoreland Parking Lot Improvements	SE	3	0	250,000	0	0	0	0	250,000
Fill for 15 & 16 Fairways at Eastmoreland	SE	3	0	75,000	0	0	0	0	75,000
West Delta, Heron Lakes Dike Improvement	N	2	56,000	477,240	0	0	0	0	477,240
<b>INFORMATION TECHNOLOGY</b>									
Computer Replacement and Upgrade	ALL	1	170,000	161,000	136,000	143,000	150,000	158,000	748,000
Registration System Upgrade	ALL	1	0	0	0	0	0	0	0
Database Server	CC	1	0	0	0	0	0	0	0
<b>NATURAL AREAS</b>									
Springwater Trailhead Development (Carryover)	SE	3	0	169,564	0	0	0	0	169,564
Flood Damage Repair	ALL	2	0	0	0	0	0	0	0
<b>PARKS</b>									
Pioneer Courthouse Square Improvements	CC	2	666,666	100,000	0	0	0	0	100,000
Irrigation Cross Connection Control	ALL	1	0	0	0	0	0	0	0
Wading Pool Renovation	ALL	1	70,000	0	90,000	95,000	95,000	0	280,000
Bruce Street Improvement	N	3	0	271,000	0	0	0	0	271,000
Whirllys Soft Surface	ALL	2	0	0	0	0	0	0	0
Radio Systems	ALL	1	0	0	0	0	0	0	0
Log Loader	ALL	1	0	0	0	0	0	0	0
Brush Grinder	ALL	1	0	95,644	0	0	0	0	95,644
Well for Irrigation	ALL	1	0	0	0	0	0	0	0
Hort Prod Facility	SE	2	0	0	186,000	0	0	0	186,000
New Soccer Fields	ALL	3	0	0	1,010,000	500,000	350,000	750,000	2,610,000
Forest Heights Park Development	NW	3	0	0	237,000	0	0	0	237,000
Community Gardens	ALL	3	0	0	195,000	195,000	195,000	195,000	780,000
Grant Park Track	NE	2	0	0	70,000	0	0	0	70,000
NE Park Land Acquisition & Development	NE	3	0	0	0	1,000,000	0	0	1,000,000
SW Park Land Acquisition & Development	SW	3	0	0	0	0	1,000,000	0	1,000,000
Sewallcrest Playground, Irrigation & Paths	SE	1	0	0	0	91,787	0	0	91,787
Lillis Albina Playground, Irrigation & Paths	N	1	0	0	0	112,265	0	0	112,265
Mill Park Development	SE	3	0	0	0	0	500,000	0	500,000
Merriemfield Park Playground, Irrigation & Paths	NE	1	0	0	0	0	400,000	0	400,000
Richmond Mini-Park Development	SE	3	0	0	0	0	200,000	0	200,000
<b>PORTLAND INTERNATIONAL RACEWAY</b>									
Sanitary Sewer Connection	N	2	90,000	90,000	84,540	0	0	0	174,540
<b>SEISMIC SAFETY/LIFE SAFETY</b>									
Hillsdale Community Center	SW	2	0	0	0	0	0	0	0
Community Music Center	SE	2	0	175,000	0	0	0	0	175,000
Seismic Study	ALL	2	0	0	75,000	0	0	0	75,000
Pittock Mansion	NW	2	0	0	0	0	0	0	0
Children's Museum	SW	2	0	0	1,967,962	0	0	0	1,967,962
<b>PRIOR YEAR CARRYOVER</b>	NA	NA	0	849,871	0	0	0	0	849,871
<b>SUBTOTAL PARKS &amp; RECREATION</b>				29,035,382	17,661,993	9,111,532	5,395,000	3,203,000	64,406,907
<b>ARENA PROJECT</b>	NE	3	37,492,330	200,000	0	0	0	0	200,000
<b>TOTAL</b>			37,492,330	29,235,382	17,661,993	9,111,532	5,395,000	3,203,000	64,606,907

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources**

Capital System:		Cultural/Recreation					Total Budget	Non-Budget
Bureau/Program/Project	General Fund	Bureau Specific	Rate/Charge/ Contracts	Federal/State/ Other Local	Other	Unfunded		
<b>PORTLAND PARKS &amp; RECREATION</b>								
<b>ACQUISITIONS</b>								
Parks Acquisition Fund	0	0	0	0	0	100,000	0	0
Greenspaces Land Acquisition/Trail Development	0	0	0	0	3,000,000	0	3,000,000	0
Flood and Landslide Acquisition	0	0	0	2,350,000	0	0	2,350,000	0
SE Maintenance Headquarters	73,000	0	0	0	0	0	73,000	0
Multnomah Art Center Acquisition	50,000	0	0	0	0	129,000	50,000	0
<b>AMERICANS WITH DISABILITIES</b>								
ADA Improvements FY 97-98	784,499	0	0	0	0	508,210	784,499	0
<b>AQUATICS</b>								
Columbia Pool Shell Repair, Deep End Shallowing	262,338	0	0	0	0	0	262,338	0
Pier Pool & Bathhouse	0	0	0	0	0	1,082,500	0	0
Dishman Therapy Pool	0	0	0	0	0	0	0	0
<b>FACILITIES</b>								
University Community Center Ext Rep	0	0	0	0	0	0	0	0
Maintenance & Operations Facilities Master Plan	100,000	0	0	0	0	0	100,000	0
Facilities Master Plan Implementation	0	0	0	0	0	0	0	0
<b>GENERAL OBLIGATION BOND</b>								
General Obligation Bond Projects for FY 97-98	0	0	0	0	19,402,539	0	19,402,539	0
<b>GOLF</b>								
Progress Downs Remodel	0	0	298,687	0	0	0	298,687	0
Heron Lakes Clubhouse Design	0	0	0	0	0	0	0	0
Eastmoreland Parking Lot Improvements	0	0	250,000	0	0	0	250,000	0
Fill for 15 & 16 Fairways at Eastmoreland	0	0	75,000	0	0	0	75,000	0
West Delta, Heron Lakes Dike Improvement	0	0	477,240	0	0	0	477,240	0
<b>INFORMATION TECHNOLOGY</b>								
Computer Replacement and Upgrade	161,000	0	0	0	0	0	161,000	0
Registration System Upgrade	0	0	0	0	0	107,000	0	0
Database Server	0	0	0	0	0	92,500	0	0
<b>NATURAL AREAS</b>								
Springwater Trailhead Development (Carryover)	169,564	0	0	0	0	0	169,564	0
Flood Damage Repair	0	0	0	0	0	0	0	0
<b>PARKS</b>								
Pioneer Courthouse Square Improvements	100,000	0	0	0	0	0	100,000	0
Irrigation Cross Connection Control	0	0	0	0	0	137,000	0	0
Wading Pool Renovation	0	0	0	0	0	85,000	0	0
Bruce Street Improvement	0	0	271,000	0	0	0	271,000	0
Whirllys Soft Surface	0	0	0	0	0	214,000	0	0
Radio Systems	0	0	0	0	0	0	0	0
Log Loader	0	0	0	0	0	100,000	0	0
Brush Grinder	95,644	0	0	0	0	90,356	95,644	0
Well for Irrigation	0	0	0	0	0	542,000	0	0
Hort Prod Facility	0	0	0	0	0	0	0	0
New Soccer Fields	0	0	0	0	0	0	0	0
Forest Heights Park Development	0	0	0	0	0	0	0	0
Community Gardens	0	0	0	0	0	0	0	0
Grant Park Track	0	0	0	0	0	0	0	0
NE Park Land Acquisition & Development	0	0	0	0	0	0	0	0
SW Park Land Acquisition & Development	0	0	0	0	0	0	0	0
Sewallcrest Playground, Irrigation & Paths	0	0	0	0	0	0	0	0
Lillis Albina Playground, Irrigation & Paths	0	0	0	0	0	0	0	0
Mill Park Development	0	0	0	0	0	0	0	0
Memiefield Park Playground, Irrigation & Paths	0	0	0	0	0	0	0	0
Richmond Mini-Park Development	0	0	0	0	0	0	0	0
<b>PORTLAND INTERNATIONAL RACEWAY</b>								
Sanitary Sewer Connection	0	0	0	0	90,000	0	90,000	0
<b>SEISMIC SAFETY/LIFE SAFETY</b>								
Hillsdale Community Center	0	0	0	0	0	32,000	0	0
Community Music Center	175,000	0	0	0	0	0	175,000	0
Seismic Study	0	0	0	0	0	75,000	0	0
Pittock Mansion	0	0	0	0	0	621,000	0	0
Children's Museum	0	0	0	0	0	0	0	0
<b>PRIOR YEAR CARRYOVER</b>	268,871	0	0	581,000	0	0	849,871	0
<b>SUBTOTAL PARKS &amp; RECREATION</b>	2,239,916	0	1,371,927	2,931,000	22,492,539	3,915,566	29,035,382	0
<b>ARENA PROJECT</b>	0	0	0	0	200,000	0	200,000	0
<b>TOTAL</b>	2,239,916	0	1,371,927	2,931,000	22,692,539	3,915,566	29,235,382	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Operating and Maintenance Costs**

**Capital System:**

**Cultural/Recreation**

Bureau/Program/Project	Five-Year Costs	FY 1997-98 Costs	ANNUAL			
			Revenue Generated (-)	Operating/Maint Costs (+)	Operating/Maint Savings (-)	Net Financial Impact
PORTLAND PARKS & RECREATION						
ACQUISITIONS						
Parks Acquisition Fund	400,000	0	0	5,000	0	5,000
Greenspaces Land Acquisition/Trail Development	3,945,000	3,000,000	0	20,000	0	20,000
Flood and Landslide Acquisition	2,350,000	2,350,000	0	9,000	18,000	(9,000)
SE Maintenance Headquarters	73,000	73,000	0	0	3,000	(3,000)
Multnomah Art Center Acquisition	50,000	50,000	18,000	0	0	(18,000)
AMERICANS WITH DISABILITIES						
ADA Improvements FY 97-98	1,130,289	784,499	0	0	0	0
AQUATICS						
Columbia Pool Shell Repair, Deep End Shallowing	262,338	262,338	0	0	0	0
Pier Pool & Bathhouse	0	0	0	0	0	0
Dishman Therapy Pool	60,000	0	0	0	0	0
FACILITIES						
University Community Center Ext Rep	94,400	0	0	0	0	0
Maintenance & Operations Facilities Master Plan	100,000	100,000	0	0	0	0
Facilities MasterPlan Implementation	6,000,000	0	0	0	0	0
GENERAL OBLIGATION BOND						
General Obligation Bond Projects for FY 97-98	36,747,320	19,402,539	1,106,905	1,646,947	86,519	453,523
GOLF						
Progress Downs Remodel	298,687	298,687	0	0	0	0
Heron Lakes Clubhouse Design	0	0	0	0	0	0
Eastmoreland Parking Lot Improvements	250,000	250,000	0	0	0	0
Fill for 15 & 16 Fairways at Eastmoreland	75,000	75,000	0	0	0	0
West Delta, Heron Lakes Dike Improvement	477,240	477,240	0	0	0	0
INFORMATION TECHNOLOGY						
Computer Replacement and Upgrade	748,000	161,000	0	9,600	0	9,600
Registration System Upgrade	0	0	0	0	0	0
Database Server	0	0	0	0	0	0
NATURAL AREAS						
Springwater Trailhead Development (Carryover)	169,564	169,564	0	18,000	0	18,000
Flood Damage Repair	0	0	0	0	0	0
PARKS						
Pioneer Courthouse Square Improvements	100,000	100,000	0	0	0	0
Irrigation Cross Connection Control	0	0	0	0	0	0
Wading Pool Renovation	280,000	0	0	0	0	0
Bruce Street Improvement	271,000	271,000	0	0	0	0
Whirllys Soft Surface	0	0	0	1,000	0	1,000
Radio Systems	0	0	0	0	0	0
Log Loader	0	0	7,000	0	20,000	(27,000)
Brush Grinder	95,644	95,644	18,000	0	60,000	(78,000)
Well for Irrigation	0	0	0	0	0	0
Hort Prod Facility	186,000	0	0	0	10,000	(10,000)
New Soccer Fields	2,610,000	0	100,000	20,000	7,000	(87,000)
Forest Heights Park Development	237,000	0	0	25,000	0	25,000
Community Gardens	780,000	0	4,000	24,000	0	20,000
Grant Park Track	70,000	0	0	0	0	0
NE Park Land Acquisition & Development	1,000,000	0	0	0	0	0
SW Park Land Acquisition & Development	1,000,000	0	0	0	0	0
Sewallcrest Playground, Irrigation & Paths	91,787	0	0	0	0	0
Lillis Albina Playground, Irrigation & Paths	112,265	0	0	0	0	0
Mill Park Development	500,000	0	0	0	0	0
Merriemfield Park Playground, Irrigation & Paths	400,000	0	0	0	0	0
Richmond Mini-Park Development	200,000	0	0	0	0	0
PORTLAND INTERNATIONAL RACEWAY						
Sanitary Sewer Connection	174,540	90,000	0	0	0	0
SEISMIC SAFETY/LIFE SAFETY						
Hillsdale Community Center	175,000	0	0	0	0	0
Community Music Center	0	175,000	0	0	0	0
Seismic Study	75,000	0	0	0	0	0
Pittock Mansion	0	0	0	0	0	0
Children's Museum	1,967,962	0	0	0	0	0
PRIOR YEAR CARRYOVER	849,871	849,871				
SUBTOTAL PARKS & RECREATION	64,406,907	29,035,382	1,253,905	1,778,547	204,519	320,123
ARENA PROJECT	200,000	200,000	0	0	0	0
TOTAL	64,606,907	29,235,382	1,253,905	1,778,547	204,519	320,123

## **Economic Development System**





## **Capital Improvement Program Overview**

### **ECONOMIC DEVELOPMENT SYSTEM**

**Fiscal Year 1997-98 to 2001-02**

#### **PORTLAND DEVELOPMENT COMMISSION**

##### ***OVERVIEW***

The Portland Development Commission (PDC) proposed a five-year CIP totaling \$26.2 million. This CIP is largely funded by the reintroduction of tax increment revenues and the City's commitment of General Fund dollars for various PDC activities and requirements. The funding for the five year CIP assumes the realization of tax increment revenues which are dependent on the rate of growth in assessed value throughout the City. Tax increment revenues are earmarked for various projects including: the development of commercial sites in Northeast Portland, revitalization of the Central Eastside target area and the extension of Waterfront Park to the Marquam Bridge.

PDC's CIP is broken down into five program areas. These program areas and their FY1997-98 capital project outlays are summarized as follows:

1. Central Eastside District	\$4,375,000
2. Airport Way/Columbia Corridor	\$93,000
3. Inner Northeast	\$572,000
4. North Macadam/South Waterfront	\$517,000
5. River District	\$1,198,188

Funding for the \$6.75 million of capital outlays in FY1997-98 will come from several sources, including PDC resources (\$517,000), tax increment revenues (\$2,286,000), the Tax Increment Revenues (\$3,240,000) and General Fund appropriations (\$2,998,188) and General Fund supported debt (\$6,200,000). The PDC capital budget as presented in this document does not include PDC housing projects (with the exception of the General Fund supported Men's Shelter facility) because the City's CIP guidelines require that only capital projects which increase the asset base of the City be included in the CIP. Such housing projects are not City assets and consequently, do not increase the City's asset base.

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FY 1997-98 TO FY 2001-02 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System: Economic Development**

Portland Development Commission Bureau/Program/Project	Geo. Area	Project Category	Est. Prior Years	Fiscal Year 1997-98	Fiscal Year 1998-99	Fiscal Year 1999-00	Fiscal Year 2000-01	Fiscal Year 2000-02	Five-Year Project Total
<b>CENTRAL EASTSIDE DISTRICT</b>									
MLK/Grand Improvements	SE	3	558,400	575,000	125,000	181,000	205,000	0	1,086,000
Eastbank Riverfront Park	SE	3	1,539,000	2,000,000	2,000,000	2,000,000	2,000,000	0	8,000,000
Shelter Reconfiguration - Men's Housing	SE	3	860,000	1,800,000	1,200,000	2,400,000	0	0	5,400,000
Subtotal Central Eastside District			2,957,400	4,375,000	3,325,000	4,581,000	2,205,000	0	14,486,000
<b>AIRPORT WAY/COLUMBIA CORRIDOR</b>									
40-Mile Loop Trail	NE	3	443,000	93,000	60,000	0	0	0	153,000
Subtotal Airport Way/Columbia Corridor			443,000	93,000	60,000	0	0	0	153,000
<b>INNER NORTHEAST</b>									
MLK Retail Site Development	NE	3	550,000	572,000	619,000	696,000	814,000	0	2,701,000
Subtotal Inner Northeast			550,000	572,000	619,000	696,000	814,000	0	2,701,000
<b>NORTH MACADAM/SOUTH WATERFRONT</b>									
Greenway Development	SW	3	200,000	517,000	671,000	600,000	600,000	0	2,388,000
Subtotal North Macadam/South Waterfront			200,000	517,000	671,000	600,000	600,000	0	2,388,000
<b>RIVER DISTRICT</b>									
River District - Public Infrastructure	NW	3	4,036,993	1,198,188	1,707,371	3,544,041	0	0	6,449,600
Subtotal River District			4,036,993	1,198,188	1,707,371	3,544,041	0	0	6,449,600
<b>Total Portland Development Commission</b>			8,187,393	6,755,188	6,382,371	9,421,041	3,619,000	0	26,177,600

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System: Economic Development**

<b>Portland Development Commission</b> Bureau/Program/Project	<b>General Fund</b>	<b>PDC Resources</b>	<b>Return on Investment Tax Inc.</b>	<b>Federal/ State/ Other</b>	<b>Unfunded</b>	<b>Total Budget</b>
<b>CENTRAL EASTSIDE DISTRICT</b>						
MLK/Grand Improvements	0	0	575,000	0	0	575,000
Eastbank Riverfront Park	0	0	2,000,000	0	0	2,000,000
Shelter Reconfiguration - Men's Housing	1,800,000	0		0	0	1,800,000
Subtotal Central Eastside District	1,800,000	0	2,575,000	0	0	4,375,000
<b>AIRPORT WAY/COLUMBIA CORRIDOR</b>						
40-Mile Loop Trail	0	0	93,000	0	0	93,000
Subtotal Airport Way/Columbia Corridor	0	0	93,000	0	0	93,000
<b>INNER NORTHEAST</b>						
MLK Retail Site Development	0	0	572,000	0	0	572,000
Subtotal Inner Northeast	0	0	572,000	0	0	572,000
<b>NORTH MACADAM/SOUTH WATERFRONT</b>						
Greenway Development	0	517,000	0			517,000
Subtotal North Macadam/South Waterfront	0	517,000	0	0	0	517,000
<b>RIVER DISTRICT</b>						
River District - Public Infrastructure	1,198,188	0	0			1,198,188
Subtotal River District	1,198,188	0	0	0	0	1,198,188
<b>Total Portland Development Commission</b>	<b>2,998,188</b>	<b>517,000</b>	<b>3,240,000</b>	<b>0</b>	<b>0</b>	<b>6,755,188</b>



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
OPERATING AND MAINTENANCE COSTS (CB Table 3)**

**Capital System: Economic Development**

Portland Development Commission Bureau/Program/Project	Five -Year Costs	FY 1997-98 Costs	ANNUAL			
			Revenue Generated (-)	Operating/Maintenance Costs (+)	Operating/Maintenance Savings (+)	Net Financial Impact
<b>CENTRAL EASTSIDE DISTRICT</b>						
MLK/Grand Improvements	1,086,000	575,000				
Eastbank Riverfront Park	8,000,000	2,000,000				
Shelter Reconfiguration - Men's Housing	5,400,000	1,800,000				
Subtotal Central Eastside District	14,486,000	4,375,000	0	0	0	0
<b>AIRPORT WAY/COLUMBIA CORRIDOR</b>						
40-Mile Loop Trail	153,000	93,000				
Subtotal Airport Way/Columbia Corridor	153,000	93,000	0	0	0	0
<b>INNER NORTHEAST</b>						
MLK Retail Site Development	2,701,000	572,000				
Subtotal Inner Northeast	2,701,000	572,000	0	0	0	0
<b>NORTH MACADAM/SOUTH WATERFRONT</b>						
Greenway Development	2,388,000	517,000				
Subtotal North Macadam/South Waterfront	2,388,000	517,000	0	0	0	0
<b>RIVER DISTRICT</b>						
River District - Public Infrastructure	6,449,600	1,198,188				
Subtotal River District	6,449,600	1,198,188	0	0	0	0
<b>Total Portland Development Commission</b>	<b>26,177,600</b>	<b>6,755,188</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **Sewer System**



## **Capital Improvement Program Overview**

### **SEWER SYSTEM**

**Fiscal Year 1997-98 to 2001-02**

#### **BUREAU OF ENVIRONMENTAL SERVICES**

##### ***INTRODUCTION***

The Bureau's 1998-2002 capital improvement program (CIP) reduces funding requirements below previous years. This reduction is due primarily to CSO value-engineered savings, the completion of the Mid-County Sewer Project along with a general decrease in most other major capital programs. Fifty-seven percent (57%) of the total 5-year CIP budget is allocated to meet our CSO regulatory requirements, while thirty-four (34%) is provided to maintain and improve our existing sewerage system.

The 5-year CIP has a funding allocation of \$392,308,236 spread over six major program areas as follows:

##### **Mid-County Sewer Project**

This program will connect 53,400 new Mid-County properties to the sewer system. Next fiscal years expenditure of \$3.9 Million completes installation of the 400 miles of mainline sanitary sewer pipes needed to serve the area. Most properties are expected to be connected to the system by the year 2000.

##### **Sewage Treatment Systems**

This program receives average annual expenditures of \$10.7 Million to maintain and improve two sewage treatment plants and 100 pump stations (with their force mains) that serve over 128,000 residential accounts and 12,000 commercial accounts in Portland. Major emphasis in this CIP is the continued replacement of major treatment plant and pump station components, completion of the Inverness force main (in lieu of construction of a new treatment plant), sewage lagoon reconstruction and continued odor-control projects at Columbia Blvd. Treatment Plant.

##### **Maintenance and Reliability Program**

This program receives average annual spending levels of \$14.4 Million to address major maintenance and improvements projects to the existing 2,000 mile sewerage collection system. Major emphasis in this CIP is the continued reconstruction of the Alder Basin sewerage system, reconstruction of deteriorating pipelines, reconstruction of pipelines that contribute to basement flooding, and reconstruction of the Fanno Creek sewerage system to replace several aging pump stations.

##### **Surface Water Management**

This program receives average annual expenditures of \$4.1 Million to fund projects to correct water quality and stream hydrology problems. Major projects in this CIP are the Lents Flood Mitigation project on Johnson Creek to help control property flooding and several pollution reduction facilities (PRF) along the Columbia Slough to reduce pollutants from entering the Columbia Slough through existing storm drainage systems.



### **Combined Sewer Overflow (CSO) Program**

This is the largest program with average annual spending levels of \$45.3 Million over the next 5-years. Major emphasis in this CIP is controlling CSO discharges to the Columbia Slough to meet regulatory requirements by December 2000. Major CSO projects include construction of a wet-weather treatment plant, a 12-foot diameter consolidation pipeline, pump stations, a new outfall and neighborhood separation projects.

### **System Development Program**

This program receives average annual expenditures of \$3.1 Million for expansion of the sewerage system collection system. Major projects in this CIP include the Residential Sewer Extension program and South Airport Sanitary Sewer project that will provide sanitary sewer service to existing developed and underdeveloped areas of our service area.

The proposed CIP has been incorporated into the Bureau's financial planning model to determine resource requirements over the 5-year forecast interval. The forecast of inflation, investment earning rates, and debt issuance costs are consistent with financial planning guidelines developed by the City's Office of Finance and Administration. The current FY1998-02 CIP of \$392 Million compares to FY1997-01 CIP projection of \$505 Million and a FY1996-00 CIP projection of \$532 Million. This trend is expected to continue (with fluctuating annual expenditures) over the next five annual CIP budget cycles unless additional major needs develop during this time.

### ***THE SEWER SYSTEM***

The City owns, operates and maintains the wastewater collection, transport, treatment and disposal systems within its boundaries, including stormwater drainage systems. The drainage area served by these systems encompasses approximately 85,000 acres. The City also provides sanitary sewer and treatment services to approximately 9,000 acres outside the City corporate limits. The City's sanitary sewer and stormwater utilities serve approximately 450,000 people, numerous commercial and industrial facilities, and several wholesale contract customers located adjacent to Portland.

The existing sewer system consists of a network of piping in excess of 2,000 miles, ranging in diameter from 4 inches to 12 feet. There are storm and sanitary sewers, each dedicated to carrying separate waste streams, and combined sewer lines that carry both stormwater runoff and sanitary waste. The sewer system is served by 105 pumping stations and two sewage treatment plants, which have a combined secondary treatment capacity of 108 million gallons per day (mgd). The replacement cost of existing assets in current dollars is estimated to be approximately \$1.5 billion.

### ***STRATEGIC PLAN***

The Bureau's limited resources do not allow all potentially worthwhile projects to be included in the capital budget. To help guide the project selection process, the Bureau adopted strategic objectives for the CIP.

These guide capital project proposals toward those areas that best serve the Bureau's mission. The list of strategic objectives is updated annually. Current strategic objectives are as follows:

- Maintain acceleration of sewer construction within the Mid County Sewer Project, completing installation of the collection system in FY1997-98.
- Comply fully with regulatory requirements imposed by permits, state and federal directives and orders, memoranda of agreement, and other agreements entered into by the City in response to regulatory requirements.
- Using findings and recommendations of drainage, collection, and treatment system maintenance studies, implement a maintenance program that ensures compliance with regulatory requirements and preserves the City's investment in sewer and drainage system infrastructure.
- Give priority to capital improvements that conserve or reduce operating and maintenance costs and that create significant water quality benefits.
- Design sewer system facilities to be compatible with the surrounding community,
- Accommodate economic and residential growth within the City.

#### ***CIP DEVELOPMENT REVIEW PROCESS***

This year, the bureau made significant changes to its CIP development review process.

The CIP was developed utilizing a multi-step process to identify, develop, review, score and rank projects for funding and scheduling priority. This process was implemented to insure that the core identified needs of the sewerage, drainage and surface water system and the community it serves would be effectively funded and scheduled.

A bureau-wide stakeholder review team was formed to investigate, score and rank all CIP projects in accordance with identified CIP criteria. An independent CIP development review team was created to review lower-ranked and controversial projects and provide additional perspective to each projects' benefits. CIP weighted criteria, scoring instructions, scheduling guidelines, estimating procedures and project request forms were created to ensure each project was developed, reviewed and scored based on detailed and consistent information throughout the bureau. A CIP program strategy was developed based on previously identified needs while taking into account future uncertainties to guide project selection and scheduling. Each of the projects were reviewed by the bureau's financial managers, program managers, operations managers and engineering managers to ensure the bureau was expending financial resources as effectively and appropriately as possible. The CIP management team evaluated all of the information from the process, met with selected bureau project and program managers to further reduce costs where appropriate and submitted their final recommendation to the bureau leadership team. The bureau leadership team reviewed the findings and adopted this CIP plan.

#### ***SOURCES AND USES OF CONSTRUCTION FUNDING***

Planned CIP outlays total \$392 million (FY1998 constant dollars) over the five-year forecast interval. Based on current planning assumptions, the Bureau's five-year CIP request will require \$262.8 million (nominal dollars) in additional borrowings over the five-year forecast interval. A brief description of the resources required to finance these requirements follows:

- Fees, Charges, and Permits - This source of funding includes an estimate of reimbursements for engineering, administration, and construction management services charged for permit sewer construction.
- Line and Branch Charges - Charges in lieu of assessment will be used to fund CIP outlays. Line and branch charge revenues which are projected to total \$8.9 million over the current and five-year forecast interval, are an offset to future borrowing requirements.
- Cash Transfers from the Sewer System Operating Fund - Current sewer system net income from service fees and charges will also be used to fund CIP outlays. The availability of current income to fund CIP expenditures is the result of meeting debt service coverage requirements on outstanding bonds. For planning purposes, the Bureau maintains a 1.50 coverage ratio and an ongoing reserve of ten percent of operating expenses for unforeseen financial needs. After making debt service payments, funds in excess of those required for the ten percent operating reserve are available to fund capital improvements. Cash transfers from the Operating Fund to the Construction Fund are projected to total \$114.7 million over the current and five-year forecast interval.
- Bond Proceeds - Proceeds from the sale of Sewer System Revenue Bonds will be necessary to support the CIP. In general, debt service requirements for future bond sales have been calculated assuming level debt service (principal and interest payments payable semiannually on July 1st and January 1st). The forecast assumes average annualized coupon rates of 6.50% from FY1998 to FY2002 with a 1.20 coverage requirement. As noted above, the Bureau uses a 1.50 coverage ratio for planning purposes.
- Investment Income - Investment or interest income is earned on all Sewer System Funds administered by the City Treasurer. Any investment income earned on balances within Sewer System Funds helps offset future borrowing requirements.
- Beginning Fund Balances - The last source of working capital in support of the CIP is the balance within the Sewer System Funds forecast to be available at the beginning of each fiscal year. Initial balances in all years are forecast to be relatively small.



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FY 1997-98 TO FY 2001-02 PROJECTS  
TOTAL COSTS BY YEAR (CB Table 1)**

**Capital System: Sewerage**

Bureau/Program/Project	Geo. Area	Year 1 1997-98	Year 2 1998-99	Year 3 1999-00	Year 4 2000-01	Year 5 2001-02	5 Year Total
<b>Bureau of Environmental Services</b>							
<b>MID COUNTY SEWER PROJECT</b> 1996-1997 Sewer Projects	SE	3,862,501					3,862,501
<b>Total Mid County Project</b>		<b>3,862,501</b>					<b>3,862,501</b>
<b>SEWAGE TREATMENT SYSTEMS</b>							
Pump Station Improvement Prog.	NA	2,500,000	2,250,000	2,250,000	2,250,000	2,250,000	11,500,000
Inverness Force Main	NA	9,942,889	1,988,577				11,931,466
Repair, Rehab., & Maintenance	NA	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000
CBWTP Lagoon Renovation	N	2,504,348					2,504,348
TCWTP Improvements	SE				865,958	1,000,000	1,865,958
CBWTP Seismic Improvements	N				103,500	1,098,250	1,201,750
CBWTP Outfall Line Repair	N	800,000	800,000				1,600,000
CBWTP Odor Control Projects	N	190,000	762,500	572,500	737,500	1,237,500	3,500,000
CBWTP Lagoon Reconstruction	N		758,000	1,904,409	1,889,355	1,889,355	6,441,119
CBWTP Automation	N		161,500	779,109	9,391		950,000
Methane Utilization	N	50,000					50,000
CBWTP Digester Modifications	N	924,240					924,240
TCWTP Aeration Basin Modifications	SE					65,000	65,000
CBWTP Land Purchase	N	100,000	250,000	500,000	1,200,000		2,050,000
CBWTP Solids Mgmt. & Dewatering	N					142,000	142,000
Tryon Creek Automation Imp.	SE	20,000	240,000				260,000
<b>Total Sewage Treatment Systems</b>		<b>18,731,477</b>	<b>8,910,577</b>	<b>7,706,018</b>	<b>8,755,704</b>	<b>9,382,105</b>	<b>53,485,881</b>
<b>MAINTENANCE &amp; RELIABILITY</b>							
Alder Basin Relief & Reconstruction		3,901,398	3,046,659	5,179,472	4,950,000		17,077,529
Fanno Pump Stat. & Pressure Line	SW	1,600,000	1,600,000	3,965,581			7,165,581
NW CBD Sewer Reconstruction	CC	713,000	493,000	502,000			1,708,000
Vermont Gravity Sewer Ph 1 & 2	SW	116,293	1,236,887	614,682			1,967,862
Maintenance Capital - Construction	NA	700,000	700,000	700,000	700,000	700,000	3,500,000
Maintenance Capital - Contract	NA	2,159,643	2,159,643	2,159,643	2,159,643	2,159,642	10,798,214
Sediment Processing & Recycling	NA	75,000					75,000
Sump Reconstruction & Upgrade	NA	1,000,000	500,000				1,500,000
Hayden Is Sanitary System Recons	N					41,760	41,760
Hayden Is Storm System Recons	N					61,020	61,020
Basement Flooding Relief		1,820,000	2,271,923	3,062,338	5,506,782	15,440,609	28,101,652
<b>Total Maintenance &amp; Reliability</b>		<b>12,085,334</b>	<b>12,008,112</b>	<b>16,183,716</b>	<b>13,316,425</b>	<b>18,403,031</b>	<b>71,996,618</b>
<b>SURFACE WATER MANAGEMENT</b>							
Brookside Wetland & Stream Enhanc.	SE	1,188,233					1,188,233
Johnson Creek Projects	SE	1,000,000	1,850,000	1,350,000	2,750,000	2,750,000	9,700,000
Fanno Ck at SW 45th & Shattuck	SW	71,786	19,231				91,017
Fanno Creek/Tareen	SW	124,066	135,934	1,000			261,000
PRF - Whitaker Pond	NE	25,000	110,000	10,000			145,000
Riparian Restoration Project	NE	112,521	112,521	112,968	112,074	92,983	543,067
PRF - NE 138th	NE	1,520,000					1,520,000
Tryon Creek Channel Restoration	SW	43,431	238,412	148,379	125,609	503	556,334
Fanno Creek/Birkland - Alpenrose	SW	22,766	71,905	83,674			178,345
Fanno Creek/ SW 58th & Hamilton	SW	30,000	132,063	169,937			332,000
Parkrose Pilot Project	NE	42,872	7,439	3,720			54,031
Slough Infrastructure	NE		250,000	250,000	600,000	600,000	1,700,000
PRF - NE 148th Ave.	NE	100,000	1,516,484	26,000	26,000		1,668,484
PRF - NE 158th & 162nd	NE	469,113	1,080,750	79,968	26,000	26,000	1,681,831
NPDES Stormwater BMPs	NA	100,000	100,000	50,000	50,000		300,000
Lower Slough Enhancements	NE			825,000			825,000
<b>Total Surface Water Management</b>		<b>4,849,788</b>	<b>5,624,739</b>	<b>3,110,646</b>	<b>3,689,683</b>	<b>3,469,486</b>	<b>20,744,342</b>



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FY 1997-98 TO FY 2001-02 PROJECTS  
TOTAL COSTS BY YEAR (CB Table 1)**

**Capital System: Sewerage**

Bureau/Program/Project	Geo. Area	Year 1 1997-98	Year 2 1998-99	Year 3 1999-00	Year 4 2000-01	Year 5 2001-02	5 Year Total
<b>COMBINED SEWER OVERFLOW</b>							
Ankeny Pump Station Upgrade	CC			1,144,524	1,390,476	6,425,688	8,960,688
Oswego Basin Separation	N	5,100,000	2,000,000				7,100,000
Oregonian Basin Separation	N	400,000					400,000
Columbia Blvd. WWTF	N	1,754,694	15,554,273	22,624,939	4,870,761	279,500	45,084,167
Willamette Predesign	NA	1,889,824	1,874,825				3,764,649
CB WWTF Outfall	N	1,338,494	7,763,549	6,505,215	989,907		16,597,165
Columbia Slough Cons. Conduit	N	18,682,208	23,193,523	13,202,112	3,718,781		58,796,624
Downspout Disconnection-Grant	NA	679,764					679,764
Ramsey Lake Constructed Wetlands	N	34,807	10,000				44,807
CB WWTF Influent Pump Station	N	763,013	680,480	4,865,380	1,214,262		7,523,135
Tanner Creek Sewer Relief	N	475,000	4,350,000	4,300,000	7,000,000		16,125,000
Downspout Disco-Economic Dev.	NA	5,350					5,350
Downspout Disconnection Program	NA	1,800,000	2,700,000	1,270,529	1,440,000	1,800,000	9,010,529
Ankeny/Balch Cons. Conduit	CC			1,430,655	1,738,095	2,047,837	5,216,587
Ankeny Force Main	SW				316,875	185,294	502,169
Balch Pump Station	SW			665,000	1,967,500	5,000,000	7,632,500
Stormwater Infiltration Sumps	NA	935,000	1,850,000	1,371,500	1,509,500		5,666,000
Balch River Crossing	N				444,600	1,500,000	1,944,600
Sheridan Stream Diversion	SW			545,341	1,100,811	4,000,000	5,646,152
Woods Stream Diversion	SW			109,250	242,725	1,800,000	2,151,975
Carolina Basin Stream Diversion	SW			109,250	242,725	1,863,000	2,214,975
Sellwood Basin: Local Separation	SE	733,086	990,300	1,149,440	800,561		3,673,387
Willamette River Water Treatment	N			1,424,631	1,413,369	4,000,000	6,838,000
Willamette River WWTF Outfall	N				1,413,000	1,000,000	2,413,000
Western Half Lents 1 Separation	SE			115,000	280,000	2,000,000	2,395,000
California Consolidation Conduit	SW			57,000	122,400	1,200,000	1,379,400
Woods/Sheridan/Mill Cons. Conduit	SW			195,795	487,427	1,500,000	2,183,222
California Street Storage	SW				1,330,000		1,330,000
NW 110th Ave CSO Control	N	150,000	1,192,000				1,342,000
Fiske B Basin Local Separation	N	100,000					100,000
<b>Total Combined Sewer Overflow</b>		<b>34,841,240</b>	<b>62,158,950</b>	<b>61,085,561</b>	<b>34,033,775</b>	<b>34,601,319</b>	<b>226,720,845</b>
<b>SYSTEMS DEVELOPMENT</b>							
Local Improvement District Program	NA	29,657	29,657	29,775	29,539	29,422	148,050
South Airport Sanitary Trunk Sewer	NE	327,000	1,000,000	2,473,000			3,800,000
Permits	NA	450,715	450,715	452,504	448,927	447,138	2,249,999
Comm./Indust. Sewer Ext. Program	NA	50,000	50,000	550,000	750,000	750,000	2,150,000
Residential Sewer Extension Prog.	NA	850,000	850,000	850,000	900,000	900,000	4,350,000
BTE Interagency	NA	200,000	200,000	200,000	200,000	200,000	1,000,000
Permit Reimbursement	NA	100,000	100,000	100,000	100,000	100,000	500,000
Drainage Improvement Program	NA	100,000	100,000	100,000	100,000	100,000	500,000
As-Built Update	NA	200,000					200,000
NE 63rd Avenue PS	NE	600,000					600,000
<b>Total Systems Development</b>		<b>2,907,372</b>	<b>2,780,372</b>	<b>4,755,279</b>	<b>2,528,466</b>	<b>2,526,560</b>	<b>15,498,049</b>
<b>BUREAU TOTAL</b>		<b>77,277,712</b>	<b>91,482,750</b>	<b>92,841,220</b>	<b>62,324,053</b>	<b>68,382,501</b>	<b>392,308,236</b>

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System: Sewerage**

Bureau/Program/Project	General Fund	Service Reimbursements	Rates/Charges Contracts	Federal/State Other Local	Other	Unfunded	Total Budget	Non-Budget
Bureau of Environmental Services MID COUNTY SEWER PROJECT 1996-1997 Sewer Projects			3,862,501				3,862,501	
<b>Total Mid County Project</b>	<b>0</b>	<b>0</b>	<b>3,862,501</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,862,501</b>	<b>0</b>
<b>SEWAGE TREATMENT SYSTEMS</b>								
Pump Station Improvement Prog.			11,500,000				11,500,000	
Inverness Force Main			11,931,466				11,931,466	
Repair, Rehab., & Maintenance			8,500,000				8,500,000	
CBWTP Lagoon Renovation			2,504,348				2,504,348	
TCWTP Improvements			1,865,958				1,865,958	
CBWTP Seismic Improvements			1,201,750				1,201,750	
CBWTP Outfall Line Repair			1,600,000				1,600,000	
CBWTP Odor Control Projects			3,500,000				3,500,000	
CBWTP Lagoon Reconstruction			6,441,119				6,441,119	
CBWTP Automation			950,000				950,000	
Methane Utilization			50,000				50,000	
CBWTP Digester Modifications			924,240				924,240	
TCWTP Aeration Basin Modifications			65,000				65,000	
CBWTP Land Purchase			2,050,000				2,050,000	
CBWTP Solids Mgmt. & Dewatering			142,000				142,000	
Tryon Creek Automation Imp.			260,000				260,000	
<b>Total Sewage Treatment Systems</b>	<b>0</b>	<b>0</b>	<b>53,485,881</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,485,881</b>	<b>0</b>
<b>MAINTENANCE &amp; RELIABILITY</b>								
Alder Basin Relief & Reconstruction			17,077,529				17,077,529	
Fanno Pump Stat. & Pressure Line			7,165,581				7,165,581	
NW CBD Sewer Reconstruction			1,708,000				1,708,000	
Vermont Gravity Sewer Ph 1 & 2			1,967,862				1,967,862	
Maintenance Capital - Construction			3,500,000				3,500,000	
Maintenance Capital - Contract			10,798,214				10,798,214	
Sediment Processing & Recycling			75,000				75,000	
Sump Reconstruction & Upgrade			1,500,000				1,500,000	
Hayden Is Sanitary System Recons			41,760				41,760	
Hayden Is Storm System Recons			61,020				61,020	
Basement Flooding Relief			28,101,652				28,101,652	
<b>Total Maintenance &amp; Reliability</b>	<b>0</b>	<b>0</b>	<b>71,996,618</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71,996,618</b>	<b>0</b>
<b>SURFACE WATER MANAGEMENT</b>								
Brookside Wetland & Stream Enhan.			1,188,233				1,188,233	
Johnson Creek Projects			9,700,000				9,700,000	
Fanno Ck at SW 45th & Shattuck			91,017				91,017	
Fanno Creek/Tareen			261,000				261,000	
PRF - Whitaker Pond			0	145,000			145,000	
Riparian Restoration Project			543,067				543,067	
PRF - NE 138th			1,037,000	483,000			1,520,000	
Tryon Creek Channel Restoration			556,334				556,334	
Fanno Creek/Birkland - Alpenrose			178,345				178,345	
Fanno Creek/ SW 58th & Hamilton			332,000				332,000	
Parkrose Pilot Project			54,031				54,031	
Slough Infrastructure			1,700,000				1,700,000	
PRF - NE 148th Ave.			1,668,484				1,668,484	
PRF - NE 158th & 162nd			1,681,831				1,681,831	
NPDES Stormwater BMPs			300,000				300,000	
Lower Slough Enhancements			0	825,000			825,000	
<b>Total Surface Water Management</b>	<b>0</b>	<b>0</b>	<b>19,291,342</b>	<b>1,453,000</b>	<b>0</b>	<b>0</b>	<b>20,744,342</b>	<b>0</b>

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System: Sewerage**

Bureau/Program/Project	General Fund	Service Reimbursements	Rates/Charges Contracts	Federal/State Other Local	Other	Unfunded	Total Budget	Non-Budget
<b>COMBINED SEWER OVERFLOW</b>								
Ankeny Pump Station Upgrade			8,960,688				8,960,688	
Oswego Basin Separation			7,100,000				7,100,000	
Oregonian Basin Separation			400,000				400,000	
Columbia Blvd. WWTF			45,084,167				45,084,167	
Willamette Predesign			3,764,649				3,764,649	
CB WWTF Outfall			16,597,165				16,597,165	
Columbia Slough Cons. Conduit			58,796,624				58,796,624	
Downspout Disconnection-Grant			0	679,764			679,764	
Ramsey Lake Constructed Wetlands			44,807				44,807	
CB WWTF Influent Pump Station			7,523,135				7,523,135	
Tanner Creek Sewer Relief			8,125,000	8,000,000			16,125,000	
Downspout Disco-Economic Dev.			0	5,350			5,350	
Downspout Disconnection Program			9,010,529				9,010,529	
Ankeny/Balch Cons. Conduit			5,216,587				5,216,587	
Ankeny Force Main			502,169				502,169	
Balch Pump Station			7,632,500				7,632,500	
Stormwater Infiltration Sumps			5,666,000				5,666,000	
Balch River Crossing			1,944,600				1,944,600	
Sheridan Stream Diversion			5,646,152				5,646,152	
Woods Stream Diversion			2,151,975				2,151,975	
Carolina Basin Stream Diversion			2,214,975				2,214,975	
Sellwood Basin: Local Separation			3,673,387				3,673,387	
Willamette River Water Treatment			6,838,000				6,838,000	
Willamette River WWTF Outfall			2,413,000				2,413,000	
Western Half Lents 1 Separation			2,395,000				2,395,000	
California Consolidation Conduit			1,379,400				1,379,400	
Woods/Sheridan/Mill Cons. Conduit			2,183,222				2,183,222	
California Street Storage			1,330,000				1,330,000	
NW 110th Ave CSO Control			1,342,000				1,342,000	
Fiske B Basin Local Separation			100,000				100,000	
<b>Total Combined Sewer Overflow</b>	<b>0</b>	<b>0</b>	<b>218,035,731</b>	<b>8,685,114</b>	<b>0</b>	<b>0</b>	<b>226,720,845</b>	<b>0</b>
<b>SYSTEMS DEVELOPMENT</b>								
Local Improvement District Program			148,050				148,050	
South Airport Sanitary Trunk Sewer			3,800,000				3,800,000	
Permits			2,249,999				2,249,999	
Comm./Indust. Sewer Ext. Program			2,150,000				2,150,000	
Residential Sewer Extension Prog.			4,350,000				4,350,000	
BTE Interagency		1,000,000	0				1,000,000	
Permit Reimbursement			500,000				500,000	
Drainage Improvement Program			500,000				500,000	
As-Built Update			200,000				200,000	
NE 63rd Avenue PS			600,000				600,000	
<b>Total Systems Development</b>	<b>0</b>	<b>1,000,000</b>	<b>14,498,049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,498,049</b>	<b>0</b>
<b>BUREAU TOTAL</b>	<b>0</b>	<b>1,000,000</b>	<b>381,170,122</b>	<b>10,138,114</b>	<b>0</b>	<b>0</b>	<b>392,308,236</b>	<b>0</b>

**CAPITAL SYSTEM**  
**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1997-98 PROJECTS**  
**Operating and Maintenance Costs (CB Table 3)**

**Capital System: Sewerage**

Bureau/Program/Project	Five-Year Costs	FY 1997-98 Costs	ANNUAL			
			Revenue Generated (-)	Operating/Maint Costs (+)	Operating/Maint Savings (-)	Net Financial Impact
<b>Bureau of Environmental Services</b>						
<b>MID COUNTY SEWER PROJECT</b>						
1996-1997 Sewer Projects	3,862,501	3,862,501		25,500		25,500
<b>Total Mid County Project</b>	<b>3,862,501</b>	<b>3,862,501</b>	<b>0</b>	<b>25,500</b>	<b>0</b>	<b>25,500</b>
<b>SEWAGE TREATMENT SYSTEMS</b>						
Inverness Force Main	11,931,466	9,942,889		5,000		5,000
Repair, Rehab., & Maintenance	8,500,000	1,700,000		2,000		2,000
CBWTP Lagoon Renovation	2,504,348	2,504,348			(234,000)	(234,000)
CBWTP Odor Control Projects	3,500,000	190,000		20,000		20,000
Tryon Creek Automation Imp.	260,000	20,000			(148,000)	(148,000)
<b>Total Sewage Treatment Systems</b>	<b>26,695,814</b>	<b>14,357,237</b>	<b>0</b>	<b>27,000</b>	<b>(382,000)</b>	<b>(355,000)</b>
<b>MAINTENANCE &amp; RELIABILITY</b>						
Fanno Pump Stat. & Pressure Line	7,165,581	1,600,000			(20,000)	(20,000)
Vermont Gravity Sewer Ph 1 & 2	1,967,862	116,293		3,910		3,910
Sump Reconstruction & Upgrade	1,500,000	1,000,000		17,500		17,500
Basement Flooding Relief	28,101,652	1,820,000		12,500		12,500
<b>Total Maintenance &amp; Reliability</b>	<b>38,735,095</b>	<b>4,536,293</b>	<b>0</b>	<b>33,910</b>	<b>(20,000)</b>	<b>13,910</b>
<b>SURFACE WATER MANAGEMENT</b>						
Brookside Wetland & Stream Enhanc.	1,188,233	1,188,233		12,000		12,000
Johnson Creek Projects	9,700,000	1,000,000		40,000		40,000
Fanno Ck at SW 45th & Shattuck	91,017	71,786		5,000		5,000
Fanno Creek/Tareen	261,000	124,066		7,000		7,000
PRF - Whitaker Pond	145,000	25,000		3,000		3,000
Riparian Restoration Project	543,067	112,521		6,400		6,400
PRF - NE 138th	1,520,000	1,520,000		5,000		5,000
Tryon Creek Channel Restoration	556,334	43,431		2,000		2,000
Fanno Creek/Birkland - Alpenrose	178,345	22,766		3,000		3,000
Fanno Creek/ SW 58th & Hamilton	332,000	30,000		5,000		5,000
Parkrose Pilot Project	54,031	42,872		3,500		3,500
PRF - NE 148th Ave.	1,668,484	100,000		15,000		15,000
PRF - NE 158th & 162nd	1,681,831	469,113		15,000		15,000
NPDES Stormwater BMPs	300,000	100,000		2,000		2,000
<b>Total Surface Water Management</b>	<b>18,219,342</b>	<b>4,849,788</b>	<b>0</b>	<b>123,900</b>	<b>0</b>	<b>123,900</b>
<b>COMBINED SEWER OVERFLOW</b>						
Oswego Basin Separation	7,100,000	5,100,000		36,000		36,000
Oregonian Basin Separation	400,000	400,000		12,775		12,775
Columbia Blvd. WWTF	45,084,167	1,754,694		950,000		950,000
CB WWTF Outfall	16,597,165	1,338,494		10,000		10,000
Columbia Slough Cons. Conduit	58,796,624	18,682,208		10,000		10,000
CB WWTF Influent Pump Station	7,523,135	763,013		54,000		54,000
Tanner Creek Sewer Relief	16,125,000	475,000		10,750		10,750
Stormwater Infiltration Sumps	5,666,000	935,000		13,300		13,300
Sellwood Basin: Local Separation	3,673,387	733,086		15,250		15,250
NW 110th Ave CSO Control	1,342,000	150,000		4,530		4,530
<b>Total Combined Sewer Overflow</b>	<b>155,207,478</b>	<b>25,231,495</b>	<b>0</b>	<b>1,116,605</b>	<b>0</b>	<b>1,116,605</b>
<b>SYSTEMS DEVELOPMENT</b>						
South Airport Sanitary Trunk Sewer	3,800,000	327,000		2,400		2,400
Permits	2,249,999	450,715		17,000		17,000
Comm./Indust. Sewer Ext. Program	2,150,000	50,000		2,250		2,250
Residential Sewer Extension Prog.	4,350,000	850,000		3,750		3,750
BTE Interagency	1,000,000	200,000		10,750		10,750
NE 63rd Avenue PS	600,000	600,000		5,000		5,000
<b>Total Systems Development</b>	<b>14,149,999</b>	<b>2,477,715</b>	<b>0</b>	<b>41,150</b>	<b>0</b>	<b>41,150</b>
<b>BUREAU TOTAL</b>	<b>260,420,229</b>	<b>57,865,029</b>	<b>0</b>	<b>1,368,065</b>	<b>(402,000)</b>	<b>966,065</b>







## **Transportation System**



## **Capital Improvement Program Overview**

### **TRANSPORTATION SYSTEM**

**Fiscal Year 1997-98 to 2001-02**

### **OFFICE OF TRANSPORTATION**

#### ***INTRODUCTION***

Transportation's Capital Improvement Program (CIP) identifies improvements to be considered for FY1997-98 through FY2001-02, consistent with its mission:

"The Office of Transportation is a community partner in shaping a livable city. We plan, build, manage and maintain an effective and safe transportation system that provides access and mobility."

The CIP includes capital projects undertaken by the Office of Transportation in City rights-of-way. It also includes some Tri-Met and the Oregon Department of Transportation improvements within the City of Portland.

#### ***CIP DEVELOPMENT PROCESS***

The Capital Improvement Program process starts with bureau staff. Staff presents projects to an internal CIP committee in the fall of each year. Staff proposes projects that correspond to City-sponsored transportation planning projects or that address system deficiencies. There is a public notification process associated with all planning projects and citizens are encouraged to contact bureau representatives year-round regarding specific problems.

The CIP Committee reviews new projects, ranks the projects, and prepares the CIP information. Projects are ranked for the entire Capital Improvement Program. Once the CIP project ranked list is developed, bureau managers from the Office of Transportation review the list, cutting and adding projects to stay within the funding targets in order to create a Proposed CIP.

For the second consecutive year, public hearings were held this year to give citizens an opportunity to comment on Transportation's proposed CIP before it was submitted to City Council. The hearing dates were November 12 and November 14 of 1996. Testimony was also accepted through the mail.

Prior to the hearings, the proposed Five-Year CIP draft, with FY1997-98 and FY1998-99 balanced according to projected revenues, was distributed to the public. Copies were sent directly to all neighborhood associations and all business associations. The draft CIP was also sent to transportation-related advocacy groups and interested parties.

After considering the public testimony, the Office of Transportation management team finalized the Proposed CIP and submitted it to its Citizens Bureau Advisory Committee and the Commissioner of Public Works. The Commissioner then forwarded the document to the Office of Finance and Administration and to the Mayor.

Total transportation capital outlays over the five-year CIP planning period total nearly of \$294 million. The majority of these costs, more than 58 percent, are planned for the Street Improvements program area.

## ***SUBMISSION STATUS***

Projects included in this program are consistent with the City of Portland's definition of capital projects. The Capital Improvement Program is also consistent with the Transportation Public Facilities Plan and Portland Transportation System: Status and Condition Report. The Preservation/Rehabilitation Program of the CIP begins to address the needs identified in the Status and Condition Report.

## ***ORGANIZATION***

The CIP document is organized into six program areas that address the City's goals for transportation, economic development, public safety and neighborhood revitalization: The CIP submittal is broken down into five program areas, each of which contain varying numbers of subprograms. A summary of these program areas and their FY1997-98 CIP outlay is as follows:

The six program areas are arranged as follows:

1. Pedestrian:	\$1,725,016
2. Bicycle:	\$763,662
3. Preservation/Rehabilitation:	\$1,136,152
4. Street Improvement:	\$18,037,773
5. Traffic Management:	\$2,297,395
6. Transit:	\$6,664,512

The six program areas are arranged as follows:

### **Pedestrian Program**

The Pedestrian Program was started in 1992 to make Portland more walkable. To do this, Transportation uses three approaches: planning and building a safe, accessible and convenient network of walkways throughout the city; promoting walking as a viable transportation mode; and educating people about pedestrian safety.

### **Bicycle Program**

The Bicycle Program works to make cycling a more attractive transportation option. To accomplish this, Transportation employs three main approaches: planning, constructing and maintaining a comprehensive network of bikeways; providing secure bicycle parking; and educating people about the benefits of bicycling as a transportation mode.

### **Preservation/Rehabilitation Program**

The Preservation Program identifies and eliminates structural deficiencies and restores transportation facilities to their original condition. Road rehabilitation; restoration of walls and bridges; and signal and street lighting replacements are included in this program. These needs are identified in Portland's Transportation System: Status and Condition Report, 1995, an annual assessment of transportation infrastructure.

### **Street Improvement Program**

The Street Improvement Program consists of six subprograms: Regional Trafficways, Major Traffic Streets, Neighborhood Collectors, Local Neighborhood Streets, Local Commercial/Industrial Streets, and Street Lighting System. These projects involve the construction, reconstruction or improvement of the city's street system.

These improvements are designed to consider all modes, including automobiles, transit, bicycles and pedestrians.

### **Traffic Management Program**

The Traffic Management Program consists of four subprograms: Intelligent Transportation Systems, Traffic Calming, Traffic Safety and the Traffic Signal System. The four subprograms are intended to make the most efficient use of Portland's street network while improving safety within public rights-of-way and improving livability within residential neighborhoods.

### **Transit Program**

The Transit Program consists of two subprograms: Regional Transitways and the Major Transit Streets. They both include transit-related capital projects on City rights-of-way. Examples are the Westside Light Rail Project, the Regional Rail Program, a Central City Streetcar, Transit Preferential Streets, Transit Signal Priority, Tri-Met Fast Link, and Transit Mall Restoration.

### ***PUBLIC FACILITIES PLAN COORDINATION***

The proposed Capital Improvement Program (CIP) identifies transportation capital improvements to be considered over the next five years. The CIP is consistent with the projects outlined in the Transportation Public Facilities Plan and the Portland Transportation System: Status and Conditions Report.

The Office of Transportation is in the process of developing Portland's Transportation System Plan (TSP). The TSP will become part of the Transportation Element of the Comprehensive Plan and replace the current Transportation Public Facilities Plan. Portland's TSP will be consistent with Metro's 2040 Growth Concept. Our TSP will be done in two phases. The first phase will address transportation policies and street classifications. The second will develop a series of land use and transportation alternatives for the City, out of which a "preferred" alternative will be selected. Upon implementation, the TSP will become a primary tool in developing the annual Capital Improvement Program for the Office of Transportation.

### ***SERVICE STANDARDS***

The Office of Transportation sets service standards by subprogram area. Many of the projects the Office of Transportation addresses are regional in nature. Service standards for regional projects are set by the lead agency such as Metro/Tri-Met for Westside-Light Rail, or ODOT for the Sunset Highway improvements. Service standards for Portland's transportation system are, in part, documented in the Transportation System: Status and Condition Report. There are also specific policy directions in the Transportation Element of the Comprehensive Plan.

### ***FISCAL OVERVIEW***

The primary funding source for the Office of Transportation's Capital Improvement Program is General Transportation Revenue (GTR). These dollars represent the City's share of gas tax revenues combined with local parking revenues. The bureau uses these funds to leverage additional money from the federal government, other jurisdictions and the private sector. In addition, some revenues are derived from permit fees. From time-to-time, GTR dollars are used to support revenue bonds such as the one used to construct roads for the Oregon Arena Project (Rose Garden).



Consistent with a balanced two-year budget approach, the proposed five-year CIP is balanced for FY1997-98 and FY 1998/99. The General Transportation Revenue (GTR) funding level is \$8 million for FY1997-98 and \$8.2 million for FY1998-99.

Historically, a major expenditure of the CIP has been the road rehabilitation program. This program allows us to fully reconstruct streets within the city. The last completed project was Beaverton/Hillsdale Highway. Currently Transportation has a backlog of \$16.8 million of capital street work in this category. In previous years, this program was supported with federal funds, but they disappeared with the approval of the Intermodal Surface Transportation Efficiency Act (ISTEA).

In 1994-95, the Office of Transportation cut GTR funding of this program in order to fund the Westside Light Rail local match. Therefore, there are no funds available to fund the Road Rehabilitation program at this time. The last year of the Westside Light Rail match requirement is FY1997-98. The proposed CIP includes \$1 million in FY1998-99 for the road rehabilitation program.

The Office of Transportation is currently exploring, with other city partners, the possibility of creating a system development charge. System development charges (SDCs) are one-time fees paid by new development. The transportation projects targeted for system development charge funding are intended to offset the impact of growth by improving access, convenience, efficiency, and reducing congestion. The projects selected will improve the City's transportation system for all modes of travel -- car, truck, transit, bike, and pedestrian.

The primary funding source for the Office of Transportation's Capital Improvement Program is General Transportation Revenue (GTR). These dollars represent the City's share of gas tax revenues combined with local parking revenues. The bureau uses these funds to leverage additional money from the federal government, other jurisdictions and private developers. In addition, some revenues are derived from permit fees. From time-to-time, GTR dollars are used to support revenue bonds such as the one used to construct roads for the Oregon Arena Project (Rose Garden).

### ***FINANCIAL ANALYSIS***

As a part of the process for inclusion of projects within for the regional Metro Transportation Improvement Program, the Office of Transportation must demonstrate that proposed projects are efficient and effective. Financial analysis is done at various stages of project development. The environmental impact process is usually when costs and benefits are reviewed.

On local projects the individual programs have service standards, and a financial analysis is undertaken during project development.

### ***ASSET MANAGEMENT***

Each year, the Office of Transportation publishes Portland's Transportation System: Status and Conditions Report. The 1996 report estimates that the total replacement cost of the City's transportation facilities is approximately \$4.5 billion. Maintaining the system is a high priority. The report also notes that many of the transportation systems are in good or very good condition. However, traffic signal hardware and bridges (none over the Willamette) are mostly in fair, poor, or very poor condition, while street pavement is deteriorating due to inadequate funding.

The Office of Transportation uses a separate committee and process to identify Computer and Automation/Information System Needs. This process occurs outside the CIP because computers are operating

expenditures. The Office of Transportation's Information System Plan is used to identify the priority projects needed within Transportation Bureaus.

### ***OPERATIONS AND MAINTENANCE COSTS***

The Office of Transportation has prepared estimates for future Operating and Maintenance (O & M) costs for projects that are maintained by the City of Portland. It is important to note that these costs are average annual costs, based on the anticipated life of the improvement. Estimates were prepared for only those projects that added new elements to the transportation system. Projects maintained by other jurisdictions, or those that are in the preliminary design stage, do not have estimated O & M costs.

Two methods, as shown in the work sheets, were used to calculate O & M costs. The first method for new improvements uses a lane mile multiplier to determine the cost. The second method, for projects on existing streets where new elements are added to the system, uses a work sheet with unit cost multipliers. Both procedures produce an estimated cost that suggests a relative change in operations and maintenance. These costs should not be used to estimate a budget increase in any one year.

### ***URBAN SERVICES***

The Office of Transportation does not track capital projects as they relate to annexations. Improvements are constructed based on need and not geographical area. However, as in past years, the City is continuing to fund the purchase of annexed street lights and the conversion of street light fixtures in annexed areas.

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Bicycle Program</b>								
<u>Bicycle Program</u>								
102ND/CHERRY BLOSSOM, NE/SE	NA	0	0	0	10,000	90,000	0	100,000
11TH/12TH BIKE LANES, SE	SE	0	0	0	0	0	85,000	85,000
136TH BIKE LANES, SE	SE	0	0	0	0	0	150,000	150,000
47TH/42ND BIKE LANES, NE	NE	0	0	0	0	0	160,000	160,000
92ND AVE BIKEWAY, NE	NE	0	0	0	0	0	25,000	25,000
ALDERWOOD BIKEWAY, NE	NE	0	0	0	0	40,000	360,000	400,000
BERTHA BIKE LANES, SW	SW	0	0	0	40,000	360,000	0	400,000
BIKEWAY SPOT IMPROVEMENTS, CW	NA	100,000	100,000	100,000	100,000	100,000	100,000	600,000
BRIDGE RD BIKE LANES, NW	NW	0	0	0	0	0	200,000	200,000
BURNSIDE BIKE LANES, E	NA	0	0	0	25,000	100,000	0	125,000
CAPITOL HWY, WPTLD-MULT, SW	SW	0	0	0	87,500	287,500	0	375,000
CULLY/57TH BIKE LANES, NE	NE	0	0	0	0	0	90,000	90,000
EUROPEAN DEMO/MATCH, CW	NA	0	89,000	0	0	0	0	89,000
FIFTIES BIKEWAY, NE/SE	NA	0	0	0	0	0	25,000	25,000
FORTIES N-S BIKEWAY, NE/SE	NA	0	90,000	110,000	0	0	0	200,000
GOING ST BIKE LANES, N	N	0	0	0	50,000	0	0	50,000
GREELEY CORRIDOR BIKEWAY, N	N	20,000	85,000	0	0	0	0	105,000
GREELEY/INTERSTATE BIKEWAY	N	0	0	0	0	0	100,000	100,000
HALSEY BIKE LANES, NE	NE	0	0	0	10,000	90,000	0	100,000
HOLGATE BIKE LANES, SE	SE	0	0	0	10,000	90,000	0	100,000
KLICKITAT/SISKIYOU BIKEWAY, NE	NE	0	0	0	0	0	65,000	65,000
KNOTT ST BIKEWAY, NE	NE	0	0	0	0	0	35,000	35,000
PRESCOTT BIKE/PED, NE	NE	0	0	0	60,000	240,000	0	300,000
SEVENTIES BIKEWAY, NE/SE	NA	0	0	0	150,000	300,000	0	450,000
SKIDMORE BIKEWAY, N/NE	NA	0	0	0	0	0	65,000	65,000
TAYLORS FERRY, CAPL-65TH, SW	SW	0	0	0	0	0	150,000	150,000
TAYLORS FERRY, MAC-TERWILL, SW	SW	0	0	0	300,000	1,500,000	0	1,800,000
TILLAMOOK BIKEWAY, NE	NE	0	200,000	50,000	0	0	0	250,000
TWENTIES BIKEWAY, NE/SE	NA	0	0	0	25,000	125,000	0	150,000
VANCOUVER/WILLIAMS BIKEWAY, N	N	0	20,000	80,000	0	0	0	100,000
VAUGHN BIKE LANES, NW	NW	0	0	0	0	60,000	240,000	300,000
WEST BIKEWAYS, SW/NW	NW	100,000	149,662	0	0	0	0	249,662
WOODWARD/CLINTON BIKEWAY, SE	SE	0	30,000	120,000	0	0	0	150,000
<i>Subtotal</i>		220,000	763,662	460,000	867,500	3,382,500	1,850,000	7,543,662
<b>Total Bicycle Program</b>		220,000	763,662	460,000	867,500	3,382,500	1,850,000	7,543,662



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Pedestrian Program</b>								
<u>Pedestrian Program</u>								
102 AVE: BRAZEE-SANDY, NE	NE	0	0	0	80,000	0	0	80,000
35TH: LURADEL-DICKINSON, SW	SW	0	0	0	0	0	0	0
82 AVE: DUKE-CLATSOP, SE	SE	0	0	0	0	0	90,000	90,000
B-H HWY: CAPITOL-60TH, SW	SW	0	0	0	0	90,000	0	90,000
BARBUR: SHERIDAN-FRONT SW	SW	0	0	0	75,000	0	0	75,000
BELMONT SE	SE	0	0	0	75,000	65,000	0	140,000
BURNSIDE: TICHNER TO SKY,NW	NW	0	0	0	0	0	0	0
CAPITOL HWY TRANS. IMP., SW	SW	254,795	305,000	300,000	237,500	287,500	0	1,384,795
CENTRAL CITY PED ENHANCEMT.,CC	CC	0	0	0	50,000	0	0	50,000
CULLY:KILLINGSWORTH-PRESCOTT,N	N	0	0	0	0	0	0	0
DIVISION ST: I-205 - 136TH, SE	SE	0	0	0	90,000	0	0	90,000
DIVISION: 30TH-60TH SE	SE	0	0	0	0	75,000	65,000	140,000
FREMONT: 42ND-52ND,NE	NE	0	0	0	75,000	65,000	0	140,000
GATEWAY PED DISTRICT, NE	NE	0	95,000	95,000	0	0	0	190,000
HALSEY: 122ND TO 162ND PED, NE	NE	0	0	0	0	0	0	0
HAWTHORNE: GRAND-55TH, SE	SE	138,200	90,000	0	0	0	0	228,200
HILLSDALE PED DISTRICT, SW	SW	0	210,000	0	0	0	0	210,000
HOLLYWOOD PED DISTRICT NE	NE	0	0	0	0	90,000	90,000	180,000
KILLINGSWORTH PED DIST NE	NE	0	0	0	0	0	75,000	75,000
KILLINGSWORTH: 42ND-CULLY, NE	NE	0	0	0	0	0	90,000	90,000
PED ACCESS TO TRANSIT, 3&4, CW	NA	655,586	550,000	0	0	0	0	1,205,586
PED CAP PROJ DEVEL CW	NA	0	0	0	25,000	25,000	25,000	75,000
PED CROSSING PROJECTS, CW	NA	269,291	175,000	175,000	175,000	175,000	175,000	1,144,291
PED DEFICIENCY SPOT IMPROV,CW	NA	100,696	100,016	100,000	100,000	100,000	100,000	600,712
ST JOHNS PED DISTRICT N	N	0	0	0	0	0	75,000	75,000
VENTURA PARK PED DIST NE/SE	NA	0	0	0	0	0	75,000	75,000
WOODSTOCK: 39TH-49TH, SE	SE	50,921	200,000	0	0	0	0	250,921
<i>Subtotal</i>		1,469,489	1,725,016	670,000	982,500	972,500	860,000	6,679,505
<b>Total Pedestrian Program</b>		1,469,489	1,725,016	670,000	982,500	972,500	860,000	6,679,505

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Facilities Program</b>								
<u>Facilities Program</u>								
KERBY/ALBINA FACILITY, N	N	0	0	0	301,000	63,000	179,000	543,000
MAJOR NEW EQUIPMENT, CW	NA	0	0	0	389,000	389,000	389,000	1,167,000
RECYCLING EQUIPMENT REPLACE, NE	NE	0	0	0	250,000	250,000	250,000	750,000
SATELLITE FACILITIES, CW	NA	0	0	0	334,000	334,000	334,000	1,002,000
<i>Subtotal</i>		0	0	0	1,274,000	1,036,000	1,152,000	3,462,000
<b>Total Facilities Program</b>		0	0	0	1,274,000	1,036,000	1,152,000	3,462,000
<b>Preservation &amp; Rehab Program</b>								
<u>Street Lighting</u>								
CONVERSION TO H.P. SODIUM, NI	NA	124,560	65,000	65,000	40,000	25,000	25,000	344,560
M.L.KING VIADUCT LIGHTING, SE	SE	0	0	140,000	0	0	0	140,000
<i>Subtotal</i>		124,560	65,000	205,000	40,000	25,000	25,000	484,560
<u>Streets</u>								
ROAD REHABILITATION	NA	0	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<i>Subtotal</i>		0	0	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
<u>Structures</u>								
BURGARD BRIDGE REMOVAL, N	N	0	0	0	0	0	0	0
BYBEE BLVD OVER MCLOUGHLIN, SE	SE	0	0	0	0	187,500	1,875,000	2,062,500
SEISMIC RETROFIT - 33RD AVE NE	NE	0	0	0	0	0	213,000	213,000
SEISMIC RETROFIT - HALSEY NE	NE	0	350,952	160,700	0	0	0	511,652
SEISMIC RETROFIT -33RD AVE, NE	NE	0	275,200	0	0	0	0	275,200
SEISMIC RETROFIT-47TH NE	NE	0	0	0	0	403,600	0	403,600
SEISMIC RETROFIT-CAPITOL HW SW	SW	0	0	50,000	233,300	0	0	283,300
SEISMIC RETROFIT-COL BLVD E, N	N	0	0	0	50,000	167,700	0	217,700
SEISMIC RETROFIT-COL BLVD W, N	N	0	0	0	0	0	172,000	172,000
SEISMIC RETROFIT-INTERSTATE N	N	0	0	0	343,800	70,000	0	413,800
SEISMIC RETROFIT-KITTRIDGE NW	NW	0	0	397,000	0	0	0	397,000
SEISMIC RETROFIT-33RD A RAMP N	NE	0	0	0	0	0	248,500	248,500
THURMAN ST BRIDGE, NW	NW	0	0	0	0	0	275,000	275,000
VANCOUVER AT COLUMBIA SL, N	N	0	0	0	270,000	2,430,000	0	2,700,000
<i>Subtotal</i>		0	626,152	607,700	897,100	3,258,800	2,783,500	8,173,252
<u>Traffic Signals</u>								
CORRECT NONSTANDARD SIGNALS, NI	NA	0	0	0	150,000	150,000	150,000	450,000
SIGNAL REMODELS FOR MAINT., NI	NA	1,222,190	270,000	270,000	400,000	450,000	500,000	3,112,190
SIGNAL SAFETY REMODELS, NI	NA	161,933	175,000	150,000	300,000	300,000	300,000	1,386,933
<i>Subtotal</i>		1,384,123	445,000	420,000	850,000	900,000	950,000	4,949,123
<b>Total Preservation &amp; Rehab Program</b>		1,508,683	1,136,152	2,232,700	2,787,100	5,183,800	4,758,500	17,606,935



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Street Improvement Program</b>								
<u>Regional Trafficway</u>								
I-5 FREIGHT MOBILITY, N	N	0	0	0	0	0	10,000	10,000
I-5 GREELEY BANFIELD PH 2,NE	NE	20,000	53,344	53,344	53,344	27,900,000	3,000,000	31,080,032
MCLOUGHLIN/GRAND/KING STR.,SE	SE	0	0	0	0	0	22,000,000	22,000,000
SUNSET HWY SUPPORT	SW	0	47,091	20,000	15,000	10,000	0	92,091
<i>Subtotal</i>		20,000	100,435	73,344	68,344	27,910,000	25,010,000	53,182,123
<u>Major Traffic Streets</u>								
122ND: SANDY-MARINE DR, NE	NE	0	0	0	0	0	10,000	10,000
148TH: SANDY-MARINE, NE	NE	399,794	39,931	100,000	81,600	656,000	1,688,224	2,965,549
14TH/16 BURNSIDE TO VAUGHN, NW	NW	0	0	0	50,000	0	0	50,000
158TH:SANDY-COLUMBIA SLOUGH,NE	NE	179,287	0	50,000	0	0	0	229,287
82: WEBSTER-HOLMAN, NE	NE	0	0	0	100,000	100,000	100,000	300,000
82ND AVE: SCHILLER-CRYS SPG,SE	SE	0	0	0	0	0	10,000	10,000
92ND: HALSEY-FREMONT, NE	NE	0	0	0	0	0	10,000	10,000
AIRPORT WAY, NE	NE	7,859,121	53,833	50,000	25,000	15,000	5,000	8,007,954
ALDERWOOD/COLUMBIA UPGRADE, NE	NE	0	0	25,000	225,000	0	0	250,000
BARBUR-HAMILTON-CAPITAL,SW	SW	0	0	0	0	0	3,000,000	3,000,000
BARBUR: NAITO PKWY-HAMILTON,SW	SW	200,000	233,785	0	0	0	0	433,785
BELMONT RAMP/CLAY-KING INT, SE	SE	0	0	0	0	220,000	1,230,000	1,450,000
BROADWAY/WEIDLER AT ARENA, N	N	0	0	40,000	400,000	0	0	440,000
BROADWAY/WEIDLER II,15-24TH NE	NE	0	501,035	60,000	0	0	0	561,035
BROADWAY/WEIDLER PHASE I, NE	NE	465,048	85,181	0	0	0	0	550,229
BURNSIDE AT 5TH/6TH AVE, W	CC	0	0	0	0	0	100,000	100,000
BURNSIDE REDEV: PARK-23RD, DTN	CC	0	0	0	0	50,000	50,000	100,000
CEID TRUCK ACCESS STUDY,SE	SE	0	0	0	110,000	0	0	110,000
CHERRY ST. MODIFICATIONS, N	N	0	0	0	300,000	0	0	300,000
CITY-WIDE SDC	NA	140,096	51,384	70,000	70,000	70,000	70,000	471,480
CLAY/KING INT. IMPROVEMTS.,SE	SE	0	0	0	250,000	0	0	250,000
COLUMBIA/LOMB: RVGT. SO. ENTR.	NE	351,787	128,160	0	0	0	0	479,947
COLUMBIA/LOMBARD AT 33RD, NE	NE	0	0	0	0	0	10,000	10,000
DIVISION REDEV: 6TH-40TH, SE	SE	0	0	0	0	0	10,000	10,000
DIVISION/11TH/12TH RR XING	SE	0	0	0	50,000	350,000	0	400,000
FLINT ST ARENA ACCESS, N	N	0	0	0	44,000	256,000	0	300,000
FOSTER AT 162ND, SE	SE	30,000	543,679	0	0	0	0	573,679
FOSTER AT BARBARA WELCH, SE	SE	0	25,710	25,000	50,000	25,000	0	125,710
FOSTER AT JENNE, SE	SE	125,000	449,417	50,000	0	0	0	624,417
FOSTER RD FASTLINK, SE	SE	0	0	0	200,000	1,340,000	0	1,540,000
FOSTER: 136TH-BARBARA WELCH,SE	SE	0	0	25,000	50,000	25,000	0	100,000
FOSTER: BARBARA WELCH-162ND,SE	SE	0	0	0	0	0	100,000	100,000
GATEWAY REGIONAL CENTER, NE	NE	0	0	0	0	0	10,000	10,000
GRAND AVE. BRIDGEHEADS,SE	SE	0	0	500,000	3,500,000	0	0	4,000,000
HAYDEN ISLAND BRIDGE, N	N	0	0	1,000,000	1,000,000	8,800,000	8,800,000	19,600,000
INNER E. BURNSIDE,SE	SE	0	0	0	50,000	150,000	0	200,000
JOHNSON CR: 32ND-45TH, PH 2,SE	SE	0	0	50,000	1,967,000	0	0	2,017,000

City of Portland, Oregon - FY 1997-98 Adopted Budget

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
LENTS PED/BICYCLE ENHANCE, SE	SE	0	0	0	631,000	369,000	0	1,000,000
LOMBARD: RIVERGATE - RAMSEY, N	N	0	0	0	0	0	60,000	60,000
LOMBARD: ST. JOHNS-COLUMBIA, N	N	0	0	0	1,500,000	4,250,000	4,250,000	10,000,000
LOVEJOY RAMP-NW	NW	0	5,944,000	6,000,000	0	0	0	11,944,000
MACADAM AVE ACCESS PLAN, SW	SW	0	0	0	75,000	0	0	75,000
MACADAM: BANCROFT-ROSS IS, SW	SW	0	0	0	0	750,000	750,000	1,500,000
MARINE DR: COL SL-2.5 MI E, N	N	973,000	334,831	0	0	0	0	1,307,831
MLK AT COLUMBIA BLVD, NE	NE	0	0	0	50,000	250,000	381,100	681,100
MLK Corridor Study/Const. NE	NE	0	300,000	700,000	0	0	0	1,000,000
MLK: LOMBARD-COLUMBIA, NE	NE	0	0	0	0	40,000	40,000	80,000
MULTNOMAH BL: BARBUR-45TH, SW	SW	0	0	0	0	0	10,000	10,000
NAITO PARKWAY: DAVIS-MARKET, SW	SW	580,212	695,869	629,000	0	0	0	1,905,081
NE SANDY BLVD: 102ND - 121ST	NE	0	81,907	0	0	0	0	81,907
NORTH MACADAM INF. DEV., SW	SW	0	0	0	0	300,000	500,000	800,000
NW FRONT: 9TH TO STEEL - NW	NW	0	2,195,091	0	0	0	0	2,195,091
OCC/LLOYD DEV LIGHTS NE	NE	0	0	0	200,000	200,000	200,000	600,000
OCC/LLOYD DIST DEV, NE	NE	50,322	50,000	50,000	50,000	50,000	50,000	300,322
POWELL/8th INTERSECTION, SE	SE	0	0	0	200,000	0	0	200,000
RIGHT OF WAY OPPORTUNITIES, CW	NA	0	0	0	100,000	100,000	100,000	300,000
RIVER ACCESS PHASE I, NE/SW	NA	439,040	292,761	0	0	0	0	731,801
RIVER ACCESS PHASE IIA, NE/SW	NA	0	743,365	0	0	0	0	743,365
RIVER DISTRICT - NW	NW	1,588,310	100,000	100,000	100,000	1,210,000	100,000	3,198,310
S RVGT. RRO-PASS: LOM, BUR, COL, N	N	58,422	62,596	200,000	200,000	200,000	200,000	921,018
SANDY BV. 101ST-185TH, NE	NE	0	0	4,870,000	0	0	0	4,870,000
SANDY BV.-STARK-BURNSIDE, SE/NE	NA	0	0	0	35,000	0	0	35,000
SOUTH PORTLAND CIRC STUDY, SW	SW	430,404	393,000	393,000	350,000	0	0	1,566,404
STARK/WASHINGTON 4R: 82-108, SE	SE	0	0	0	0	50,000	50,000	100,000
WESTERN EDGE, SE	SE	0	0	0	0	50,000	0	50,000
WILLAMETTE R. BR. ACCESS, DTN	CC	55,000	99,271	0	0	0	0	154,271
<b>Subtotal</b>		13,924,843	13,404,806	14,987,000	12,013,600	19,876,000	21,894,324	96,100,573
<b>Neighborhood Collectors</b>								
102ND: SANDY-KILLINGSWORTH, NE	NE	0	0	0	50,000	70,000	480,000	600,000
109th: SANDY-KILLINGSWORTH, NE	NE	0	0	0	20,000	44,000	256,000	320,000
11TH-13TH AVE CONNECTION, NE	NE	0	0	0	0	100,000	801,500	901,500
158TH: MARINE DR.-SLOUGH BR, NE	NE	225,000	153,528	0	0	0	0	378,528
33RD AVE TRAFFIC CALMING, NE	NE	0	0	0	300,000	0	0	300,000
47TH/COLUMBIA-CORNFOOT, NE	NE	0	0	175,000	175,000	0	0	350,000
57TH & CULLY, NE	NE	0	0	0	0	10,000	10,000	20,000
ALDERWOOD ST: 82ND-CLARK, NE	NE	0	351,905	6,000,000	0	0	0	6,351,905
ALDERWOOD/CORNFOOT, NE	NE	0	0	0	0	120,000	480,000	600,000
ARGYLE: MLK-13RD, NE	NE	0	0	0	0	0	10,000	10,000
BELMONT MORRISON DECOUPLE, SE	SE	0	40,000	0	0	500,000	0	540,000
CORNFOOT: 47TH-AIRTRANS WY, NE	NE	0	0	25,000	410,000	0	0	435,000
DOSCH RD: PATTON TO B/H, SW	SW	0	0	0	0	0	10,000	10,000
GARDEN HOME OLESON-MULT., SW	SW	0	0	0	50,000	50,000	400,000	500,000
GARDEN HOME: MULT-74TH, SW	SW	0	0	0	0	0	10,000	10,000

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
GATEWAY TRANSPORTATION PLAN, NE	NE	0	0	0	50,000	50,000	0	100,000
HAWTHORNE FASTLINK, SE	SE	0	0	100,000	150,000	1,700,000	0	1,950,000
HAYDEN ISLAND DR/JANTZEN, N	N	0	0	0	50,000	285,381	0	335,381
HOLGATE: 28TH-82ND AVE, SE	SE	0	0	0	0	0	10,000	10,000
JENNE: 174TH-FOSTER-POWELL, SE	SE	0	0	0	0	0	50,000	50,000
KILLINGSWORTH ST: 102-109, NE	NE	0	48,989	200,000	150,000	0	0	398,989
LENTS TRANSPORTATION PLAN, SE	SE	0	0	0	50,000	0	0	50,000
MARINE DR TRUCK TRAPS, NE	NE	0	0	0	0	0	0	0
MARX DR: 82ND-87TH, NE	NE	0	0	0	0	0	10,000	10,000
MCLOUGHLIN NEIGHBORHOOD, SE	SE	77,531	20,000	20,000	20,000	20,000	20,000	177,531
MOODY/BOND: S WFRONT-BANCRO, SW	SW	0	0	100,000	500,000	750,000	2,250,000	3,600,000
NW 3RD AVE CROSSING - NW	NW	0	0	1,400,000	0	0	0	1,400,000
NW TRAFFIC CIRC. PH 2, NW	NW	0	0	0	29,850	0	0	29,850
PALATINE ST: 27-LANCASTER, SW	SW	0	0	0	50,000	100,000	525,000	675,000
POWELL BUTTE/MT SCOTT COL, SE	SE	0	0	0	0	0	50,000	50,000
SE 17TH AVE AT OCHOCO	SE	0	38,797	0	0	0	0	38,797
SE RAIL CROSS'G IMPROVEMTS., SE	SE	0	0	0	125,000	250,000	875,000	1,250,000
SOUTHERN TRIANGLE CIRC IMP., SE	SE	0	0	0	800,000	800,000	0	1,600,000
TACOMA: 28TH-32ND, SE	SE	113,026	0	511,000	0	0	0	624,026
TAYLORS FY: TERW-SPG GDN, SW	SW	0	0	0	0	0	10,000	10,000
THURMAN-VAUGHN CORRIDOR, NW	NW	0	0	0	0	75,000	425,000	500,000
UNION STATION MULTI-MODAL CTR	NW	0	0	0	100,000	0	0	100,000
WATER AVENUE EXTENSION, SE	SE	0	155,934	0	0	0	0	155,934
<i>Subtotal</i>		415,557	809,153	8,531,000	3,079,850	4,924,381	6,682,500	24,442,441
<b>Local Neighborhood Streets</b>								
47TH PL: ALBERTA-SUMNER, NE	NE	0	21,685	0	0	0	0	21,685
48TH: MITCHELL-RAYMOND, SE	SE	0	16,293	0	0	0	0	16,293
55TH: AINSWORTH, NE	NE	0	25,153	0	0	0	0	25,153
BRUCE: LOMBARD-JAMES, N	N	0	60,260	0	0	0	0	60,260
EVANS/19TH, SW	SW	0	43,855	0	0	0	0	43,855
HCD - STREET DESIGN, NI	NA	33,890	61,700	82,100	86,200	90,500	95,100	449,490
HCD REPLACEMENT CAPITAL, NI	NA	20,093	23,218	24,000	26,000	28,400	30,900	152,611
I&D SUBSIDY, NI	NA	60,000	60,000	60,000	60,000	60,000	60,000	360,000
LID - STREET DESIGN, NI	NA	341,499	387,510	384,940	404,300	424,500	445,700	2,388,449
MINOR PERMIT STREETS PRGM, CW	NA	179,552	94,548	85,000	88,000	91,000	94,000	632,100
NEIGHBORHOOD ENHANCEMENT, S.E.	SE	0	1,214,286	940,000	0	0	0	2,154,286
NW 18TH/19TH DECOUPLE, NW	NW	0	0	0	180,000	0	0	180,000
NW EVERETT GLISAN DECOUPLE	NW	0	0	0	680,000	0	0	680,000
PALATINE: 43RD-45TH, SW	SW	0	52,173	0	0	0	0	52,173
PERFORMANCE/SUBSTANDARD ST, NI	NA	116,614	124,710	125,700	132,000	138,600	145,500	783,124
SUBDIVISION STREET PROGRAM, CW	NA	485,230	306,777	242,000	249,000	256,000	264,000	1,803,007
TEXAS/26-29TH, SW	SW	0	74,558	0	0	0	0	74,558
VESTA/37TH, SW	SW	0	15,339	0	0	0	0	15,339
<i>Subtotal</i>		1,236,878	2,582,065	1,943,740	1,905,500	1,089,000	1,135,200	9,892,383



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<u>Local Commercial-Industrial Streets</u>								
COMM/INDUSTRIAL PRGM, CW	NA	517,915	331,063	320,000	330,000	340,000	350,000	2,188,978
DEFICIENCY CORRECTIONS PRGM,CW	NA	35,000	100,000	100,000	100,000	100,000	100,000	535,000
DEVELOPMENT RESPONSE FUND	NA	250,000	0	0	250,000	250,000	250,000	1,000,000
LOWER ALBINA OVERCROSSING, NE	NE	222,425	315,251	89,000	0	0	0	626,676
MAIN ST REDEV: 1ST-BDWY, SW	SW	0	0	0	10,000	50,000	50,000	110,000
<i>Subtotal</i>		1,025,340	746,314	509,000	690,000	740,000	750,000	4,460,654
<u>Street Lighting System</u>								
3RD AV TWINS, WASH-MADISON, SW	SW	0	0	0	0	450,000	0	450,000
3RD AV. TWINS, BURNS.-WASH, SW	SW	0	0	0	372,000	0	0	372,000
3RD AVE TWINS, N/O BURNSIDE,NW	NW	0	250,000	0	0	0	0	250,000
9TH & PARK: BURNSIDE-MORR., SW	SW	0	0	290,000	0	0	0	290,000
FRONT AVE. TWIN INSTALL, SW	SW	0	145,000	0	0	0	0	145,000
<i>Subtotal</i>		0	395,000	290,000	372,000	450,000	0	1,507,000
<b>Total Street Improvement Program</b>		16,622,618	18,037,773	26,334,084	18,129,294	54,989,381	55,472,024	189,585,174



**CAPITAL SYSTEM**  
**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1997-1998 PROJECTS**  
**Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Traffic Management Program</b>								
<u>Intelligent Transportation Systems</u>								
82ND ITS CORRIDOR, NE/SE	NA	0	0	0	0	0	350,000	350,000
ATMS INTEGRATION, CW	NA	0	0	0	150,000	300,000	300,000	750,000
BARBUR BLVD ITS CORRIDOR, SW	SW	0	0	0	195,000	200,000	150,000	545,000
EXPAND CITYWIDE SIG SYS, CW	NA	382,839	200,000	200,000	300,000	300,000	0	1,382,839
MLK/INTERSTATE ITS CORRIDOR, NE	NE	0	0	0	335,000	205,000	0	540,000
PDX SIGNAL RETIMING, CW	NA	70,542	72,802	75,000	77,000	79,000	81,000	455,344
SAFER BOND (ITS PACKAGE), CW	NA	0	0	0	890,000	890,000	890,000	2,670,000
SAFER BOND (OPTICOM), CW	NA	0	0	0	1,300,000	1,300,000	1,300,000	3,900,000
SANDY ITS CORRIDOR, NE	NE	0	0	0	0	90,000	250,000	340,000
TRANSIT SIGNAL PRIORITY, NI	NA	0	50,000	50,000	50,000	50,000	50,000	250,000
<i>Subtotal</i>		453,381	322,802	325,000	3,297,000	3,414,000	3,371,000	11,183,183
<u>Traffic Calming</u>								
17TH: MCLGHLIN-MLWKIE TCP, SE	SE	100,318	250,000	0	0	0	0	350,318
32ND/33RD: SNDY-BRNSDE TCP, NE	NE	0	0	61,000	107,500	0	0	168,500
35TH: VERMONT-MLTNMAH TCP, SW	SW	37,852	50,000	0	0	0	0	87,852
42ND: KLNGSWTH-LMBRD TCP, NE	NE	0	0	0	0	125,000	385,000	510,000
45TH: WDSTOCK-HARNEY TCP, SE	SE	0	0	0	0	125,000	385,000	510,000
92ND: DIVISION-POWELL TCP, SE	SE	0	0	0	320,000	400,000	535,000	1,255,000
92ND: POWELL-HOLGATE TCP, SE	SE	0	0	0	320,000	400,000	535,000	1,255,000
AINSWORTH: INTSTTE-VANC TCP, N	N	0	0	59,500	134,000	0	0	193,500
ALBINA: KILSWRTH-LMBRD TCP, NE	NE	0	0	41,000	124,000	0	0	165,000
ELEMENTARY SCHOOL BEACONS	NA	0	49,435	50,000	50,000	50,000	50,000	249,435
FREMONT: 102ND-112TH TCP, NE	NE	0	0	0	0	60,000	240,000	300,000
FREMONT: 112TH-122ND TCP, NE	NE	0	0	0	0	90,000	0	90,000
MIDDLE SCHOOL SAFETY, NI	NA	0	0	0	100,000	100,000	100,000	300,000
NEW TCP DEVICES, NI	NA	35,149	50,000	50,000	100,000	100,000	100,000	435,149
NEW TCP PROJECT, CW	NE	52,566	67,568	364,000	1,615,000	1,070,000	1,010,000	4,179,134
SCHOOL SAFETY PROJECTS, NI	NA	660,188	517,000	425,000	425,000	425,000	425,000	2,877,188
STREAMLINED BUMP PROJECTS, NI	NA	369,216	226,997	140,000	140,000	140,000	140,000	1,156,213
SW 57TH SAFETY PROJECT	SW	0	50,000	0	0	0	0	50,000
TRANSPORTATION ELEMENT, CW	NA	50,000	50,000	0	0	0	0	100,000
VANCOUVER/WILLIAMS DECOUPLE, N	N	0	0	0	152,000	0	0	152,000
VERMONT: 30TH-45TH TCP, SW	SW	0	0	0	0	0	150,000	150,000
WILLAMETTE BLVD TCP, N	N	0	0	80,000	16,000	0	0	96,000
<i>Subtotal</i>		1,305,289	1,311,000	1,270,500	3,603,500	3,085,000	4,055,000	14,630,289
<u>Traffic Safety</u>								
102ND AVE CORR SAFETY, NE/SE	NA	0	0	0	0	75,000	235,000	310,000
39TH AVE CORRIDOR SAFETY NE/SE	NA	0	0	0	165,000	535,000	0	700,000
60TH AVE CORRIDOR SAFETY NE/SE	NA	0	0	0	100,000	280,000	0	380,000
82ND AVE HEP MATCH, NE/SE	NA	0	0	0	0	50,000	0	50,000
BURNSIDE/SKYLINE INTERSECT, W	NA	0	0	0	0	75,000	750,000	825,000
EVERETT ST CORR SAFETY, NW	NW	0	0	0	0	40,000	135,000	175,000

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
FUTURE HEP MATCH	NA	0	0	0	0	0	50,000	50,000
GARDEN HOME RD/MULT SIGNAL, SW	SW	0	0	0	131,000	744,000	0	875,000
INTERSECTION SAFETY IMPROV, NI	NA	0	0	0	450,000	300,000	400,000	1,150,000
LOMBARD(STJHNS-MLK)HEP MATCH,N	N	0	0	0	50,000	0	0	50,000
LOMBARD/PENINSULAR INTERS, N	N	0	0	0	15,000	135,000	0	150,000
LOMBARD/PORTSMOUTH INTERS, N	N	0	0	0	25,000	155,000	0	180,000
MARINE DR/122ND AVE, NE	NE	0	0	0	50,000	1,450,000	0	1,500,000
MARINE DR/33RD AVE, NE	NE	0	0	0	0	50,000	700,000	750,000
MARKET/1ST INTERS, SW	SW	0	0	25,000	100,000	0	0	125,000
SANDY/BRNSD-33RD HEP MATCH, NE	NE	0	0	0	50,000	0	0	50,000
STARK/WASH CORRIDOR SAFETY, SE	SE	50,000	92,000	405,000	0	0	0	547,000
TRAFFIC OPERATIONS IMPROV, CW	NA	0	0	0	315,000	580,000	500,000	1,395,000
<i>Subtotal</i>		50,000	92,000	430,000	1,451,000	4,469,000	2,770,000	9,262,000
<u>Traffic Signal System</u>								
AUDIBLE PEDESTRIAN SIGNALS,CW	NA	0	0	0	50,000	50,000	50,000	150,000
BROADWAY/DAVIS, NW	NW	0	125,000	0	0	0	0	125,000
CLAY/2ND NEW PED/VEH SIGNAL,SW	SW	0	0	0	100,000	0	0	100,000
OVERHEAD STREET NAME SIGNS, CW	NA	0	0	0	50,000	50,000	50,000	150,000
RETROFIT LED SIGNAL HEADS, CW	NA	0	0	0	450,000	450,000	450,000	1,350,000
SE COMMUNITY CENTER, SE	SE	100,000	446,593	0	0	0	0	546,593
<i>Subtotal</i>		100,000	571,593	0	650,000	550,000	550,000	2,421,593
<b>Total Traffic Management Program</b>		1,908,670	2,297,395	2,025,500	9,001,500	11,518,000	10,746,000	37,497,065

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Total Cost by Year (CB Table 1)**

**Capital System - Transportation**

Program / Subprogram / Project	Geo. Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Transit Program</b>								
<u>Regional Transitways</u>								
AIRPORT LIGHT RAIL,NE	NE	0	0	0	70,000	100,000	100,000	270,000
CASCADIA INTERCITY RAIL,SE/NE	NE	0	0	3,952,062	0	0	0	3,952,062
REGIONAL RAIL PROGRAM,CW	NA	2,064,065	100,000	100,000	339,864	0	0	2,603,929
S/N TRAFFIC MITIGATION	NA	0	0	0	100,000	1,000,000	0	1,100,000
S/NTCS COORDINATION	NA	1,525,126	515,136	325,136	385,136	385,136	385,136	3,520,806
SOUTH/NORTH LRT PE/FEIS,NE/SW	SW	44,293	98,021	500,000	500,000	500,000	500,000	2,142,314
WESTSIDE LIGHT RAIL-DWTN, SW	SW	8,465,977	643,150	510,000	0	0	0	9,619,127
WESTSIDE LIGHT RAIL-TUNNEL, SW	SW	176,291	28,288	2,000	0	0	0	206,579
<i>Subtotal</i>		12,275,752	1,384,595	5,389,198	1,395,000	1,985,136	985,136	23,414,817
<u>Major Transit Streets</u>								
BARBUR BV TSM,SW	SW	0	0	0	0	0	100,000	100,000
C.C. STREETCAR - SE,SW,NE,NW	NA	2,455,032	4,405,915	18,988,536	15,500,000	0	0	41,349,483
MORRISON ST. BUS LANE,SW	SW	0	11,216	11,216	22,196	978,000	0	1,022,628
NORTH MALL REHAB	NW	0	50,077	0	0	0	0	50,077
SE 17TH/MILWAUKIE CONNECTOR,SE	SE	0	0	0	100,000	100,000	300,000	500,000
TRANSIT MALL RESTORATION, SW	SW	475,074	662,709	0	0	0	0	1,137,783
TRANSIT PREFERENTIAL STS.,CW	NA	72,305	150,000	150,000	150,000	250,000	250,000	1,022,305
<i>Subtotal</i>		3,002,411	5,279,917	19,149,752	15,772,196	1,328,000	650,000	45,182,276
<b>Total Transit Program</b>		15,278,163	6,664,512	24,538,950	17,167,196	3,313,136	1,635,136	68,597,093
<b><u>Grand Total Office of Transportation</u></b>		37,007,623	30,624,510	56,261,234	50,209,090	80,395,317	76,473,660	330,971,434

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
<b>Bicycle Program</b>								
<u>Bicycle Program</u>								
102ND/CHERRY BLOSSOM, NE/SE	0	0	0	0	0		0	0
11TH/12TH BIKE LANES, SE	0	0	0	0	0		0	0
136TH BIKE LANES, SE	0	0	0	0	0		0	0
47TH/42ND BIKE LANES, NE	0	0	0	0	0		0	0
92ND AVE BIKEWAY, NE	0	0	0	0	0		0	0
ALDERWOOD BIKEWAY, NE	0	0	0	0	0		0	0
BERTHA BIKE LANES, SW	0	0	0	0	0		0	0
BIKEWAY SPOT IMPROVEMENTS, CW	0	100,000	0	0	0		100,000	0
BRIDGE RD BIKE LANES, NW	0	0	0	0	0		0	0
BURNSIDE BIKE LANES, E	0	0	0	0	0		0	0
CAPITOL HWY, WPTLD-MULT, SW	0	0	0	0	0		0	0
CULLY/57TH BIKE LANES, NE	0	0	0	0	0		0	0
EUROPEAN DEMO/MATCH, CW	0	17,800	0	71,200	0		89,000	0
FIFTIES BIKEWAY, NE/SE	0	0	0	0	0		0	0
FORTIES N-S BIKEWAY, NE/SE	0	90,000	0	0	0		90,000	0
GOING ST BIKE LANES, N	0	0	0	0	0		0	0
GREELEY CORRIDOR BIKEWAY, N	0	85,000	0	0	0		85,000	0
GREELEY/INTERSTATE BIKEWAY	0	0	0	0	0		0	0
HALSEY BIKE LANES, NE	0	0	0	0	0		0	0
HOLGATE BIKE LANES, SE	0	0	0	0	0		0	0
KLICKITAT/SISKIYOU BIKEWAY, NE	0	0	0	0	0		0	0
KNOTT ST BIKEWAY, NE	0	0	0	0	0		0	0
PRESCOTT BIKE/PED, NE	0	0	0	0	0		0	0
SEVENTIES BIKEWAY, NE/SE	0	0	0	0	0		0	0
SKIDMORE BIKEWAY, N/NE	0	0	0	0	0		0	0
TAYLORS FERRY, CAPL-65TH, SW	0	0	0	0	0		0	0
TAYLORS FERRY, MAC-TERWILL, SW	0	0	0	0	0		0	0
TILLAMOOK BIKEWAY, NE	0	200,000	0	0	0		200,000	0
TWENTIES BIKEWAY, NE/SE	0	0	0	0	0		0	0
VANCOUVER/WILLIAMS BIKEWAY, N	0	20,000	0	0	0		20,000	0
VAUGHN BIKE LANES, NW	0	0	0	0	0		0	0
WEST BIKEWAYS, SW/NW	0	149,662	0	0	0		149,662	0
WOODWARD/CLINTON BIKEWAY, SE	0	30,000	0	0	0		30,000	0
<i>Subtotal</i>	0	692,462	0	71,200	0		763,662	0
<b>Total Bicycle Program</b>	0	692,462	0	71,200	0		763,662	0



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
<b>Pedestrian Program</b>								
<u>Pedestrian Program</u>								
102 AVE: BRAZEE-SANDY, NE	0	0	0	0	0		0	0
35TH: LURADEL-DICKINSON, SW	0	0	0	0	0		0	0
82 AVE: DUKE-CLATSOP, SE	0	0	0	0	0		0	0
B-H HWY: CAPITOL-60TH, SW	0	0	0	0	0		0	0
BARBUR: SHERIDAN-FRONT SW	0	0	0	0	0		0	0
BELMONT SE	0	0	0	0	0		0	0
BURNSIDE: TICHNER TO SKY,NW	0	0	0	0	0		0	0
CAPITOL HWY TRANS. IMP., SW	0	305,000	0	0	0		305,000	0
CENTRAL CITY PED ENHANCEMT.,CC	0	0	0	0	0		0	0
CULLY:KILLINGSWORTH-PRESCOTT,N	0	0	0	0	0		0	0
DIVISION ST: I-205 - 136TH, SE	0	0	0	0	0		0	0
DIVISION: 30TH-60TH SE	0	0	0	0	0		0	0
FREMONT: 42ND-52ND,NE	0	0	0	0	0		0	0
GATEWAY PED DISTRICT, NE	0	95,000	0	0	0		95,000	0
HALSEY: 122ND TO 162ND PED, NE	0	0	0	0	0		0	0
HAWTHORNE: GRAND-55TH, SE	0	90,000	0	0	0		90,000	0
HILLSDALE PED DISTRICT, SW	0	0	0	210,000	0		210,000	0
HOLLYWOOD PED DISTRICT NE	0	0	0	0	0		0	0
KILLINGSWORTH PED DIST NE	0	0	0	0	0		0	0
KILLINGSWORTH: 42ND-CULLY, NE	0	0	0	0	0		0	0
PED ACCESS TO TRANSIT, 3&4, CW	0	50,000	0	500,000	0		550,000	0
PED CAP PROJ DEVEL CW	0	0	0	0	0		0	0
PED CROSSING PROJECTS, CW	0	175,000	0	0	0		175,000	0
PED DEFICIENCY SPOT IMPROV,CW	0	100,016	0	0	0		100,016	0
ST JOHNS PED DISTRICT N	0	0	0	0	0		0	0
VENTURA PARK PED DIST NE/SE	0	0	0	0	0		0	0
WOODSTOCK: 39TH-49TH, SE	0	0	0	200,000	0		200,000	0
<i>Subtotal</i>	0	815,016	0	910,000	0		1,725,016	0
<b>Total Pedestrian Program</b>	0	815,016	0	910,000	0		1,725,016	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
<b>Facilities Program</b>								
<u>Facilities Program</u>								
KERBY/ALBINA FACILITY, N	0	0	0	0	0		0	0
MAJOR NEW EQUIPMENT, CW	0	0	0	0	0		0	0
RECYCLING EQUIPMENT REPLACE, NE	0	0	0	0	0		0	0
SATELLITE FACILITIES, CW	0	0	0	0	0		0	0
<i>Subtotal</i>	0	0	0	0	0		0	0
<b>Total Facilities Program</b>	0	0	0	0	0		0	0
<b>Preservation &amp; Rehab Program</b>								
<u>Street Lighting</u>								
CONVERSION TO H.P. SODIUM, NI	65,000	0	0	0	0		65,000	0
M.L.KING VIADUCT LIGHTING, SE	0	0	0	0	0		0	0
<i>Subtotal</i>	65,000	0	0	0	0		65,000	0
<u>Streets</u>								
ROAD REHABILITATION	0	0	0	0	0		0	0
<i>Subtotal</i>	0	0	0	0	0		0	0
<u>Structures</u>								
BURGARD BRIDGE REMOVAL, N	0	0	0	0	0		0	0
BYBEE BLVD OVER MCLOUGHLIN, SE	0	0	0	0	0		0	0
SEISMIC RETROFIT - 33RD AVE NE	0	0	0	0	0		0	0
SEISMIC RETROFIT - HALSEY NE	0	350,952	0	0	0		350,952	0
SEISMIC RETROFIT -33RD AVE, NE	0	275,200	0	0	0		275,200	0
SEISMIC RETROFIT-47TH NE	0	0	0	0	0		0	0
SEISMIC RETROFIT-CAPITOL HW SW	0	0	0	0	0		0	0
SEISMIC RETROFIT-COL BLVD E, N	0	0	0	0	0		0	0
SEISMIC RETROFIT-COL BLVD W, N	0	0	0	0	0		0	0
SEISMIC RETROFIT-INTERSTATE N	0	0	0	0	0		0	0
SEISMIC RETROFIT-KITTRIDGE NW	0	0	0	0	0		0	0
SEISMIC RETROFIT-33RD A RAMP N	0	0	0	0	0		0	0
THURMAN ST BRIDGE, NW	0	0	0	0	0		0	0
VANCOUVER AT COLUMBIA SL, N	0	0	0	0	0		0	0
<i>Subtotal</i>	0	626,152	0	0	0		626,152	0
<u>Traffic Signals</u>								
CORRECT NONSTANDARD SIGNALS, NI	0	0	0	0	0		0	0
SIGNAL REMODELS FOR MAINT., NI	0	270,000	0	0	0		270,000	0
SIGNAL SAFETY REMODELS, NI	0	175,000	0	0	0		175,000	0
<i>Subtotal</i>	0	445,000	0	0	0		445,000	0
<b>Total Preservation &amp; Rehab Program</b>	65,000	1,071,152	0	0	0		1,136,152	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
<b>Street Improvement Program</b>								
<u>Regional Trafficway</u>								
I-5 FREIGHT MOBILITY, N	0	0	0	0	0		0	0
I-5 GREELEY BANFIELD PH 2,NE	0	0	0	53,344	0		53,344	0
MCLOUGHLIN/GRAND/KING STR.,SE	0	0	0	0	0		0	0
SUNSET HWY SUPPORT	0	0	0	47,091	0		47,091	0
<i>Subtotal</i>	0	0	0	100,435	0		100,435	0
<u>Major Traffic Streets</u>								
122ND: SANDY-MARINE DR, NE	0	0	0	0	0		0	0
148TH: SANDY-MARINE, NE	0	0	0	0	39,931		39,931	0
14TH/16 BURNSIDE TO VAUGHN, NW	0	0	0	0	0		0	0
158TH:SANDY-COLUMBIA SLOUGH,NE	0	0	0	0	0		0	0
82: WEBSTER-HOLMAN, NE	0	0	0	0	0		0	0
82ND AVE: SCHILLER-CRYS SPG,SE	0	0	0	0	0		0	0
92ND: HALSEY-FREMONT, NE	0	0	0	0	0		0	0
AIRPORT WAY, NE	0	0	0	0	53,833		53,833	0
ALDERWOOD/COLUMBIA UPGRADE, NE	0	0	0	0	0		0	0
BARBUR-HAMILTON-CAPITAL,SW	0	0	0	0	0		0	0
BARBUR: NAITO PKWY-HAMILTON,SW	0	0	0	233,785	0		233,785	1,000,000
BELMONT RAMP/CLAY-KING INT, SE	0	0	0	0	0		0	0
BROADWAY/WEIDLER AT ARENA, N	0	0	0	0	0		0	0
BROADWAY/WEIDLER II,15-24TH NE	0	0	0	200,414	300,621		501,035	3,890,000
BROADWAY/WEIDLER PHASE I, NE	0	0	0	0	85,181		85,181	0
BURNSIDE AT 5TH/6TH AVE, W	0	0	0	0	0		0	0
BURNSIDE REDEV: PARK-23RD, DTN	0	0	0	0	0		0	0
CEID TRUCK ACCESS STUDY,SE	0	0	0	0	0		0	0
CHERRY ST. MODIFICATIONS, N	0	0	0	0	0		0	0
CITY-WIDE SDC	0	0	51,384	0	0		51,384	0
CLAY/KING INT. IMPROVEMTS.,SE	0	0	0	0	0		0	0
COLUMBIA/LOMB: RVGT. SO. ENTR.	0	0	14,098	114,062	0		128,160	1,102,539
COLUMBIA/LOMBARD AT 33RD, NE	0	0	0	0	0		0	0
DIVISION REDEV: 6TH-40TH, SE	0	0	0	0	0		0	0
DIVISION/11TH/12TH RR XING	0	0	0	0	0		0	0
FLINT ST ARENA ACCESS, N	0	0	0	0	0		0	0
FOSTER AT 162ND, SE	0	400,000	25,000	0	118,679		543,679	0
FOSTER AT BARBARA WELCH, SE	0	0	25,710	0	0		25,710	0
FOSTER AT JENNE, SE	0	325,000	25,000	89,475	9,942		449,417	187,500
FOSTER RD FASTLINK, SE	0	0	0	0	0		0	0
FOSTER: 136TH-BARBARA WELCH,SE	0	0	0	0	0		0	0
FOSTER: BARBARA WELCH-162ND,SE	0	0	0	0	0		0	0
GATEWAY REGIONAL CENTER, NE	0	0	0	0	0		0	0
GRAND AVE. BRIDGEHEADS,SE	0	0	0	0	0		0	0
HAYDEN ISLAND BRIDGE, N	0	0	0	0	0		0	0
INNER E. BURNSIDE,SE	0	0	0	0	0		0	0
JOHNSON CR: 32ND-45TH, PH 2,SE	0	0	0	0	0		0	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
LENTS PED/BICYCLE ENHANCE, SE	0	0	0	0	0		0	0
LOMBARD: RIVERGATE - RAMSEY, N	0	0	0	0	0		0	0
LOMBARD: ST. JOHNS-COLUMBIA,N	0	0	0	0	0		0	0
LOVEJOY RAMP-NW	0	2,944,000	0	3,000,000	0		5,944,000	0
MACADAM AVE ACCESS PLAN,SW	0	0	0	0	0		0	0
MACADAM: BANCROFT-ROSS IS, SW	0	0	0	0	0		0	0
MARINE DR: COL SL-2.5 MI E, N	0	0	0	334,831	0		334,831	2,982,000
MLK AT COLUMBIA BLVD, NE	0	0	0	0	0		0	0
MLK Corridor StudY/Const.NE	0	0	0	300,000	0		300,000	0
MLK: LOMBARD-COLUMBIA, NE	0	0	0	0	0		0	0
MULTNOMAH BL: BARBUR-45TH, SW	0	0	0	0	0		0	0
NAITO PARKWAY: DAVIS-MARKET,SW	0	399,466	0	296,403	0		695,869	1,494,000
NE SANDY BLVD: 102ND - 121ST	0	0	0	81,907	0		81,907	0
NORTH MACADAM INF. DEV., SW	0	0	0	0	0		0	0
NW FRONT:9TH TO STEEL - NW	0	0	0	1,495,091	700,000		2,195,091	0
OCC/LLOYD DEV LIGHTS NE	0	0	0	0	0		0	0
OCC/LLOYD DIST DEV, NE	0	50,000	0	0	0		50,000	0
POWELL/8th INTERSECTION,SE	0	0	0	0	0		0	0
RIGHT OF WAY OPPORTUNITIES,CW	0	0	0	0	0		0	0
RIVER ACCESS PHASE I, NE/SW	0	0	0	0	292,761		292,761	2,080,000
RIVER ACCESS PHASE IIA, NE/SW	0	0	0	660,000	83,365		743,365	35,000
RIVER DISTRICT - NW	0	100,000	0	0	0		100,000	0
S RVGT.RRO-PASS:LOM,BUR,COL, N	0	0	0	62,596	0		62,596	0
SANDY BV. 101ST-185TH,NE	0	0	0	0	0		0	0
SANDY BV.-STARK-BURNSIDE,SE/NE	0	0	0	0	0		0	0
SOUTH PORTLAND CIRC STUDY,SW	0	73,000	0	320,000	0		393,000	0
STARK/WASHINGTON 4R: 82-108,SE	0	0	0	0	0		0	0
WESTERN EDGE, SE	0	0	0	0	0		0	0
WILLAMETTE R. BR. ACCESS, DTN	0	53,683	0	45,588	0		99,271	249,000
<b>Subtotal</b>	0	4,345,149	141,192	7,234,152	1,684,313		13,404,806	13,020,039
<b>Neighborhood Collectors</b>								
102ND: SANDY-KILLINGSWORTH, NE	0	0	0	0	0		0	0
109th: SANDY-KILLINGSWORTH, NE	0	0	0	0	0		0	0
11TH-13TH AVE CONNECTION, NE	0	0	0	0	0		0	0
158TH: MARINE DR.-SLOUGH BR,NE	0	0	0	0	153,528		153,528	940,000
33RD AVE TRAFFIC CALMING, NE	0	0	0	0	0		0	0
47TH/COLUMBIA-CORNFOOT, NE	0	0	0	0	0		0	0
57TH & CULLY, NE	0	0	0	0	0		0	0
ALDERWOOD ST: 82ND-CLARK, NE	0	0	0	351,905	0		351,905	0
ALDERWOOD/CORNFOOT, NE	0	0	0	0	0		0	0
ARGYLE: MLK-13RD, NE	0	0	0	0	0		0	0
BELMONT MORRISON DECOUPLE, SE	0	40,000	0	0	0		40,000	0
CORNFOOT: 47TH-AIRTRANS WY, NE	0	0	0	0	0		0	0
DOSCH RD: PATTON TO B/H, SW	0	0	0	0	0		0	0
GARDEN HOME OLESON-MULT.,SW	0	0	0	0	0		0	0
GARDEN HOME: MULT-74TH, SW	0	0	0	0	0		0	0



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
GATEWAY TRANSPORTATION PLAN,NE	0	0	0	0	0		0	0
HAWTHORNE FASTLINK, SE	0	0	0	0	0		0	0
HAYDEN ISLAND DR/JANTZEN, N	0	0	0	0	0		0	0
HOLGATE: 28TH-82ND AVE, SE	0	0	0	0	0		0	0
JENNE: 174TH-FOSTER-POWELL, SE	0	0	0	0	0		0	0
KILLINGSWORTH ST: 102-109, NE	0	0	0	0	48,989		48,989	0
LENTS TRANSPORTATION PLAN,SE	0	0	0	0	0		0	0
MARINE DR TRUCK TRAPS, NE	0	0	0	0	0		0	0
MARX DR: 82ND-87TH, NE	0	0	0	0	0		0	0
MCLOUGHLIN NEIGHBORHOOD, SE	0	20,000	0	0	0		20,000	0
MOODY/BOND: S WFRONT-BANCRO,SW	0	0	0	0	0		0	0
NW 3RD AVE CROSSING - NW	0	0	0	0	0		0	0
NW TRAFFIC CIRC. PH 2,NW	0	0	0	0	0		0	0
PALATINE ST: 27-LANCASTER, SW	0	0	0	0	0		0	0
POWELL BUTTE/MT SCOTT COL, SE	0	0	0	0	0		0	0
SE 17TH AVE AT OCHOCO	0	0	0	38,797	0		38,797	207,000
SE RAIL CROSS'G IMPROVEMTS.,SE	0	0	0	0	0		0	0
SOUTHERN TRIANGLE CIRC IMP.,SE	0	0	0	0	0		0	0
TACOMA: 28TH-32ND, SE	0	0	0	0	0		0	0
TAYLORS FY: TERW-SPG GDN, SW	0	0	0	0	0		0	0
THURMAN-VAUGHN CORRIDOR, NW	0	0	0	0	0		0	0
UNION STATION MULTI-MODAL CTR	0	0	0	0	0		0	0
WATER AVENUE EXTENSION, SE	0	0	0	0	155,934		155,934	1,758,000
<i>Subtotal</i>	0	60,000	0	390,702	358,451		809,153	2,905,000
<b>Local Neighborhood Streets</b>								
47TH PL: ALBERTA-SUMNER, NE	0	0	0	0	21,685		21,685	0
48TH:MITCHELL-RAYMOND, SE	0	0	0	0	16,293		16,293	0
55TH/AINSWORTH, NE	0	0	0	0	25,153		25,153	0
BRUCE: LOMBARD-JAMES, N	0	0	0	0	60,260		60,260	0
EVANS/19TH, SW	0	0	0	0	43,855		43,855	0
HCD - STREET DESIGN, NI	0	0	0	0	61,700		61,700	0
HCD REPLACEMENT CAPITAL, NI	0	23,218	0	0	0		23,218	0
I&D SUBSIDY, NI	0	60,000	0	0	0		60,000	0
LID - STREET DESIGN, NI	0	27,100	0	0	360,410		387,510	0
MINOR PERMIT STREETS PRGM, CW	0	25,528	69,020	0	0		94,548	275,000
NEIGHBORHOOD ENHANCEMENT,S.E.	0	90,000	0	0	1,124,286		1,214,286	0
NW 18TH/19TH DECOUPLE,NW	0	0	0	0	0		0	0
NW EVERETT GLISAN DECOUPLE	0	0	0	0	0		0	0
PALATINE: 43RD-45TH, SW	0	0	0	0	52,173		52,173	0
PERFORMANCE/SUBSTANDARD ST, NI	0	124,710	0	0	0		124,710	0
SUBDIVISION STREET PROGRAM, CW	0	42,949	263,828	0	0		306,777	2,010,000
TEXAS/26-29TH, SW	0	0	0	0	74,558		74,558	0
VESTA/37TH, SW	0	0	0	0	15,339		15,339	0
<i>Subtotal</i>	0	393,505	332,848	0	1,855,712		2,582,065	2,285,000

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

<b>Program / Subprogram / Project</b>	<b>General Fund</b>	<b>Transp.</b>	<b>Rate / Charges</b>	<b>Fed/State Other Local</b>	<b>Other</b>	<b>Unfnd</b>	<b>Total Budget</b>	<b>Non-Budget</b>
<b>Local Commercial-Industrial Streets</b>								
COMM/INDUSTRIAL PRGM, CW	0	70,256	260,807	0	0		331,063	2,080,000
DEFICIENCY CORRECTIONS PRGM,CW	0	100,000	0	0	0		100,000	0
DEVELOPMENT RESPONSE FUND	0	0	0	0	0		0	0
LOWER ALBINA OVERCROSSING, NE	0	12,018	0	97,233	206,000		315,251	2,033,000
MAIN ST REDEV: 1ST-BDWY, SW	0	0	0	0	0		0	0
<b>Subtotal</b>	0	182,274	260,807	97,233	206,000		746,314	4,113,000
<b>Street Lighting System</b>								
3RD AV TWINS, WASH-MADISON, SW	0	0	0	0	0		0	0
3RD AV. TWINS, BURNS.-WASH, SW	0	0	0	0	0		0	0
3RD AVE TWINS, N/O BURNSIDE,NW	125,000	125,000	0	0	0		250,000	0
9TH & PARK: BURNSIDE-MORR., SW	0	0	0	0	0		0	0
FRONT AVE. TWIN INSTALL, SW	72,500	72,500	0	0	0		145,000	0
<b>Subtotal</b>	197,500	197,500	0	0	0		395,000	0
<b>Total Street Improvement Program</b>	197,500	5,178,428	734,847	7,822,522	4,104,476		18,037,773	22,323,039

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
<b>Traffic Management Program</b>								
<u>Intelligent Transportation Systems</u>								
82ND ITS CORRIDOR, NE/SE	0	0	0	0	0		0	0
ATMS INTEGRATION, CW	0	0	0	0	0		0	0
BARBUR BLVD ITS CORRIDOR, SW	0	0	0	0	0		0	0
EXPAND CITYWIDE SIG SYS, CW	0	200,000	0	0	0		200,000	0
MLK/INTERSTATE ITS CORRIDOR, NE	0	0	0	0	0		0	0
PDX SIGNAL RETIMING, CW	0	72,802	0	0	0		72,802	0
SAFER BOND (ITS PACKAGE), CW	0	0	0	0	0		0	0
SAFER BOND (OPTICOM), CW	0	0	0	0	0		0	0
SANDY ITS CORRIDOR, NE	0	0	0	0	0		0	0
TRANSIT SIGNAL PRIORITY, NI	0	50,000	0	0	0		50,000	100,000
<i>Subtotal</i>	0	322,802	0	0	0		322,802	100,000
<u>Traffic Calming</u>								
17TH: MCLGHLIN-MLWKIE TCP, SE	0	250,000	0	0	0		250,000	0
32ND/33RD: SNDY-BRNSDE TCP, NE	0	0	0	0	0		0	0
35TH: VERMONT-MLTNMAH TCP, SW	0	50,000	0	0	0		50,000	0
42ND: KLNGSWTH-LMBRD TCP, NE	0	0	0	0	0		0	0
45TH: WDSTOCK-HARNEY TCP, SE	0	0	0	0	0		0	0
92ND: DIVISION-POWELL TCP, SE	0	0	0	0	0		0	0
92ND: POWELL-HOLGATE TCP, SE	0	0	0	0	0		0	0
AINSWORTH: INTSTTE-VANC TCP, N	0	0	0	0	0		0	0
ALBINA: KILSWRTH-LMBRD TCP, NE	0	0	0	0	0		0	0
ELEMENTARY SCHOOL BEACONS	0	49,435	0	0	0		49,435	0
FREMONT: 102ND-112TH TCP, NE	0	0	0	0	0		0	0
FREMONT: 112TH-122ND TCP, NE	0	0	0	0	0		0	0
MIDDLE SCHOOL SAFETY, NI	0	0	0	0	0		0	0
NEW TCP DEVICES, NI	0	50,000	0	0	0		50,000	0
NEW TCP PROJECT, CW	0	67,568	0	0	0		67,568	0
SCHOOL SAFETY PROJECTS, NI	0	517,000	0	0	0		517,000	0
STREAMLINED BUMP PROJECTS, NI	0	226,997	0	0	0		226,997	0
SW 57TH SAFETY PROJECT	0	50,000	0	0	0		50,000	0
TRANSPORTATION ELEMENT, CW	0	50,000	0	0	0		50,000	0
VANCOUVER/WILLIAMS DECOUPLE, N	0	0	0	0	0		0	0
VERMONT: 30TH-45TH TCP, SW	0	0	0	0	0		0	0
WILLAMETTE BLVD TCP, N	0	0	0	0	0		0	0
<i>Subtotal</i>	0	1,311,000	0	0	0		1,311,000	0
<u>Traffic Safety</u>								
102ND AVE CORR SAFETY, NE/SE	0	0	0	0	0		0	0
39TH AVE CORRIDOR SAFETY NE/SE	0	0	0	0	0		0	0
60TH AVE CORRIDOR SAFETY NE/SE	0	0	0	0	0		0	0
82ND AVE HEP MATCH, NE/SE	0	0	0	0	0		0	0
BURNSIDE/SKYLINE INTERSECT, W	0	0	0	0	0		0	0
EVERETT ST CORR SAFETY, NW	0	0	0	0	0		0	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
FUTURE HEP MATCH	0	0	0	0	0		0	0
GARDEN HOME RD/MULT SIGNAL, SW	0	0	0	0	0		0	0
INTERSECTION SAFETY IMPROV, NI	0	0	0	0	0		0	0
LOMBARD(SUJHNS-MLK)HEP MATCH,N	0	0	0	0	0		0	0
LOMBARD/PENINSULAR INTERS, N	0	0	0	0	0		0	0
LOMBARD/PORTSMOUTH INTERS, N	0	0	0	0	0		0	0
MARINE DR/122ND AVE, NE	0	0	0	0	0		0	0
MARINE DR/33RD AVE, NE	0	0	0	0	0		0	0
MARKET/1ST INTERS, SW	0	0	0	0	0		0	0
SANDY/BRNSD-33RD HEP MATCH, NE	0	0	0	0	0		0	0
STARK/WASH CORRIDOR SAFETY, SE	0	92,000	0	0	0		92,000	0
TRAFFIC OPERATIONS IMPROV, CW	0	0	0	0	0		0	0
<i>Subtotal</i>	0	92,000	0	0	0		92,000	0
<u>Traffic Signal System</u>								
AUDIBLE PEDESTRIAN SIGNALS,CW	0	0	0	0	0		0	0
BROADWAY/DAVIS, NW	0	125,000	0	0	0		125,000	0
CLAY/2ND NEW PED/VEH SIGNAL,SW	0	0	0	0	0		0	0
OVERHEAD STREET NAME SIGNS, CW	0	0	0	0	0		0	0
RETROFIT LED SIGNAL HEADS, CW	0	0	0	0	0		0	0
SE COMMUNITY CENTER, SE	0	446,593	0	0	0		446,593	0
<i>Subtotal</i>	0	571,593	0	0	0		571,593	0
<b>Total Traffic Management Program</b>	0	2,297,395	0	0	0		2,297,395	100,000



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Funding Sources (CB Table 2)**

**Capital System - Transportation**

Program / Subprogram / Project	General Fund	Transp.	Rate / Charges	Fed/State Other Local	Other	Unfnd	Total Budget	Non-Budget
<b>Transit Program</b>								
<u>Regional Transitways</u>								
AIRPORT LIGHT RAIL,NE	0	0	0	0	0		0	0
CASCADIA INTERCITY RAIL,SE/NE	0	0	0	0	0		0	0
REGIONAL RAIL PROGRAM,CW	0	100,000	0	0	0		100,000	0
S/N TRAFFIC MITIGATION	0	0	0	0	0		0	0
S/NTCS COORDINATION	0	325,136	0	190,000	0		515,136	0
SOUTH/NORTH LRT PE/FEIS,NE/SW	0	0	0	98,021	0		98,021	0
WESTSIDE LIGHT RAIL-DWTN, SW	0	500,000	0	143,150	0		643,150	0
WESTSIDE LIGHT RAIL-TUNNEL, SW	0	0	28,288	0	0		28,288	0
<i>Subtotal</i>	0	925,136	28,288	431,171	0		1,384,595	0
<u>Major Transit Streets</u>								
BARBUR BV TSM,SW	0	0	0	0	0		0	0
C.C. STREETCAR - SE,SW,NE,NW	0	1,205,915	0	3,200,000	0		4,405,915	0
MORRISON ST. BUS LANE,SW	0	11,216	0	0	0		11,216	0
NORTH MALL REHAB	0	0	50,077	0	0		50,077	0
SE 17TH/MILWAUKIE CONNECTOR,SE	0	0	0	0	0		0	0
TRANSIT MALL RESTORATION, SW	0	662,709	0	0	0		662,709	500,000
TRANSIT PREFERENTIAL STS.,CW	0	30,000	0	120,000	0		150,000	0
<i>Subtotal</i>	0	1,909,840	50,077	3,320,000	0		5,279,917	500,000
<b>Total Transit Program</b>	0	2,834,976	78,365	3,751,171	0		6,664,512	500,000
<b><u>Grand Total Office of Transportation</u></b>	262,500	12,889,429	813,212	12,554,893	4,104,476		30,624,510	22,923,039

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
<b>Bicycle Program</b>						
<u>Bicycle Program</u>						
102ND/CHERRY BLOSSOM, NE/SE	100,000	0	0	0	0	0
11TH/12TH BIKE LANES, SE	85,000	0	0	0	0	0
136TH BIKE LANES, SE	150,000	0	0	0	0	0
47TH/42ND BIKE LANES, NE	160,000	0	0	0	0	0
92ND AVE BIKEWAY, NE	25,000	0	0	0	0	0
ALDERWOOD BIKEWAY, NE	400,000	0	0	0	0	0
BERTHA BIKE LANES, SW	400,000	0	0	0	0	0
BIKEWAY SPOT IMPROVEMENTS, CW	500,000	200,000	0	0	0	0
BRIDGE RD BIKE LANES, NW	200,000	0	0	0	0	0
BURNSIDE BIKE LANES, E	125,000	0	0	0	0	0
CAPITOL HWY, WPTLD-MULT, SW	375,000	0	0	0	0	0
CULLY/57TH BIKE LANES, NE	90,000	0	0	0	0	0
EUROPEAN DEMO/MATCH, CW	89,000	89,000	0	0	0	0
FIFTIES BIKEWAY, NE/SE	25,000	0	0	0	0	0
FORTIES N-S BIKEWAY, NE/SE	200,000	200,000	23,278	0	0	23,278
GOING ST BIKE LANES, N	50,000	0	0	0	0	0
GREELEY CORRIDOR BIKEWAY, N	85,000	85,000	7,000	0	0	7,000
GREELEY/INTERSTATE BIKEWAY	100,000	0	0	0	0	0
HALSEY BIKE LANES, NE	100,000	0	0	0	0	0
HOLGATE BIKE LANES, SE	100,000	0	0	0	0	0
KLICKITAT/SISKIYOU BIKEWAY, NE	65,000	0	0	0	0	0
KNOTT ST BIKEWAY, NE	35,000	0	0	0	0	0
PRESCOTT BIKE/PED, NE	300,000	0	0	0	0	0
SEVENTIES BIKEWAY, NE/SE	450,000	0	0	0	0	0
SKIDMORE BIKEWAY, N/NE	65,000	0	0	0	0	0
TAYLORS FERRY, CAPL-65TH, SW	150,000	0	0	0	0	0
TAYLORS FERRY, MAC-TERWILL, SW	1,800,000	0	0	0	0	0
TILLAMOOK BIKEWAY, NE	250,000	250,000	4,655	0	0	4,655
TWENTIES BIKEWAY, NE/SE	150,000	0	0	0	0	0
VANCOUVER/WILLIAMS BIKEWAY, N	100,000	100,000	18,622	0	0	18,622
VAUGHN BIKE LANES, NW	300,000	0	0	0	0	0
WEST BIKEWAYS, SW/NW	149,662	149,662	23,278	0	0	23,278
WOODWARD/CLINTON BIKEWAY, SE	150,000	150,000	0	0	0	0
<i>Subtotal</i>	7,323,662	1,223,662	76,833	0	0	76,833
<b>Total Bicycle Program</b>	7,323,662	1,223,662	76,833	0	0	76,833

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
<b>Pedestrian Program</b>						
<u>Pedestrian Program</u>						
102 AVE: BRAZEE-SANDY, NE	80,000	0	0	0	0	0
35TH: LURADEL-DICKINSON, SW	0	0	0	0	0	0
82 AVE: DUKE-CLATSOP, SE	90,000	0	0	0	0	0
B-H HWY: CAPITOL-60TH, SW	90,000	0	0	0	0	0
BARBUR: SHERIDAN-FRONT SW	75,000	0	0	0	0	0
BELMONT SE	140,000	0	0	0	0	0
BURNSIDE: TICHNER TO SKY,NW	0	0	0	0	0	0
CAPITOL HWY TRANS. IMP., SW	1,130,000	605,000	0	0	0	0
CENTRAL CITY PED ENHANCEMT.,CC	50,000	0	0	0	0	0
CULLY:KILLINGSWORTH-PRESCOTT,N	0	0	0	0	0	0
DIVISION ST: I-205 - 136TH, SE	90,000	0	0	0	0	0
DIVISION: 30TH-60TH SE	140,000	0	0	0	0	0
FREMONT: 42ND-52ND,NE	140,000	0	0	0	0	0
GATEWAY PED DISTRICT, NE	190,000	190,000	0	0	0	0
HALSEY: 122ND TO 162ND PED, NE	0	0	0	0	0	0
HAWTHORNE: GRAND-55TH, SE	90,000	90,000	0	0	0	0
HILLSDALE PED DISTRICT, SW	210,000	210,000	0	0	0	0
HOLLYWOOD PED DISTRICT NE	180,000	0	0	0	0	0
KILLINGSWORTH PED DIST NE	75,000	0	0	0	0	0
KILLINGSWORTH: 42ND-CULLY, NE	90,000	0	0	0	0	0
PED ACCESS TO TRANSIT, 3&4, CW	550,000	550,000	0	0	0	0
PED CAP PROJ DEVEL CW	75,000	0	0	0	0	0
PED CROSSING PROJECTS, CW	875,000	350,000	0	0	0	0
PED DEFICIENCY SPOT IMPROV,CW	500,016	200,016	0	0	0	0
ST JOHNS PED DISTRICT N	75,000	0	0	0	0	0
VENTURA PARK PED DIST NE/SE	75,000	0	0	0	0	0
WOODSTOCK: 39TH-49TH, SE	200,000	200,000	0	0	0	0
<i>Subtotal</i>	5,210,016	2,395,016	0	0	0	0
<b>Total Pedestrian Program</b>	5,210,016	2,395,016	0	0	0	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
<b>Facilities Program</b>						
<u>Facilities Program</u>						
KERBY/ALBINA FACILITY, N	543,000	0	0	0	0	0
MAJOR NEW EQUIPMENT, CW	1,167,000	0	0	0	0	0
RECYCLING EQUIPMENT REPLACE, NE	750,000	0	0	0	0	0
SATELLITE FACILITIES, CW	1,002,000	0	0	0	0	0
<i>Subtotal</i>	3,462,000	0	0	0	0	0
<b>Total Facilities Program</b>	3,462,000	0	0	0	0	0
<b>Preservation &amp; Rehab Program</b>						
<u>Street Lighting</u>						
CONVERSION TO H.P. SODIUM, NI	220,000	130,000	0	0	-7,416	-7,416
M.L.KING VIADUCT LIGHTING, SE	140,000	140,000	0	0	0	0
<i>Subtotal</i>	360,000	270,000	0	0	-7,416	-7,416
<u>Streets</u>						
ROAD REHABILITATION	4,000,000	1,000,000	0	0	0	0
<i>Subtotal</i>	4,000,000	1,000,000	0	0	0	0
<u>Structures</u>						
BURGARD BRIDGE REMOVAL, N	0	0	0	0	0	0
BYBEE BLVD OVER MCLOUGHLIN, SE	2,062,500	0	0	0	0	0
SEISMIC RETROFIT - 33RD AVE NE	213,000	0	0	0	0	0
SEISMIC RETROFIT - HALSEY NE	511,652	511,652	0	0	0	0
SEISMIC RETROFIT - 33RD AVE, NE	275,200	275,200	0	0	0	0
SEISMIC RETROFIT - 47TH NE	403,600	0	0	0	0	0
SEISMIC RETROFIT - CAPITOL HW SW	283,300	50,000	0	0	0	0
SEISMIC RETROFIT - COL BLVD E, N	217,700	0	0	0	0	0
SEISMIC RETROFIT - COL BLVD W, N	172,000	0	0	0	0	0
SEISMIC RETROFIT - INTERSTATE N	413,800	0	0	0	0	0
SEISMIC RETROFIT - KITTRIDGE NW	397,000	397,000	0	0	0	0
SEISMIC RETROFIT - 33RD A RAMP N	248,500	0	0	0	0	0
THURMAN ST BRIDGE, NW	275,000	0	0	0	0	0
VANCOUVER AT COLUMBIA SL, N	2,700,000	0	0	0	0	0
<i>Subtotal</i>	8,173,252	1,233,852	0	0	0	0
<u>Traffic Signals</u>						
CORRECT NONSTANDARD SIGNALS, NI	450,000	0	0	0	0	0
SIGNAL REMODELS FOR MAINT., NI	1,890,000	540,000	0	0	0	0
SIGNAL SAFETY REMODELS, NI	1,225,000	325,000	0	0	0	0
<i>Subtotal</i>	3,565,000	865,000	0	0	0	0
<b>Total Preservation &amp; Rehab Program</b>	16,098,252	3,368,852	0	0	-7,416	-7,416



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
Street Improvement Program						
Regional Trafficway						
I-5 FREIGHT MOBILITY, N	10,000	0	0	0	0	0
I-5 GREELEY BANFIELD PH 2,NE	31,060,032	106,688	0	0	0	0
MCLOUGHLIN/GRAND/KING STR.,SE	22,000,000	0	0	0	0	0
SUNSET HWY SUPPORT	92,091	67,091	0	0	0	0
Subtotal	53,162,123	173,779	0	0	0	0
Major Traffic Streets						
122ND: SANDY-MARINE DR, NE	10,000	0	0	0	0	0
148TH: SANDY-MARINE, NE	2,565,755	139,931	0	13,897	0	13,897
14TH/16 BURNSIDE TO VAUGHN, NW	50,000	0	0	0	0	0
158TH:SANDY-COLUMBIA SLOUGH,NE	50,000	50,000	0	14,567	0	14,567
82: WEBSTER-HOLMAN, NE	300,000	0	0	0	0	0
82ND AVE: SCHILLER-CRYS SPG,SE	10,000	0	0	0	0	0
92ND: HALSEY-FREMONT, NE	10,000	0	0	0	0	0
AIRPORT WAY, NE	148,833	103,833	0	50,000	0	50,000
ALDERWOOD/COLUMBIA UPGRADE, NE	250,000	25,000	0	2,203	0	2,203
BARBUR-HAMILTON-CAPITAL,SW	3,000,000	0	0	0	0	0
BARBUR: NAITO PKWY-HAMILTON,SW	233,785	233,785	0	7,059	0	7,059
BELMONT RAMP/CLAY-KING INT, SE	1,450,000	0	0	0	0	0
BROADWAY/WEIDLER AT ARENA, N	440,000	40,000	0	0	0	0
BROADWAY/WEIDLER II,15-24TH NE	561,035	561,035	0	0	0	0
BROADWAY/WEIDLER PHASE I, NE	85,181	85,181	0	0	0	0
BURNSIDE AT 5TH/6TH AVE, W	100,000	0	0	0	0	0
BURNSIDE REDEV: PARK-23RD, DTN	100,000	0	0	0	0	0
CEID TRUCK ACCESS STUDY,SE	110,000	0	0	0	0	0
CHERRY ST. MODIFICATIONS, N	300,000	0	0	0	0	0
CITY-WIDE SDC	331,384	121,384	0	0	0	0
CLAY/KING INT. IMPROVEMTS.,SE	250,000	0	0	0	0	0
COLUMBIA/LOMB: RVGT. SO. ENTR.	128,160	128,160	0	0	0	0
COLUMBIA/LOMBARD AT 33RD, NE	10,000	0	0	0	0	0
DIVISION REDEV: 6TH-40TH, SE	10,000	0	0	0	0	0
DIVISION/11TH/12TH RR XING	400,000	0	0	0	0	0
FLINT ST ARENA ACCESS, N	300,000	0	0	0	0	0
FOSTER AT 162ND, SE	543,679	543,679	0	10,486	0	10,486
FOSTER AT BARBARA WELCH, SE	125,710	50,710	0	7,619	0	7,619
FOSTER AT JENNE, SE	499,417	499,417	0	7,315	0	7,315
FOSTER RD FASTLINK, SE	1,540,000	0	0	0	0	0
FOSTER: 136TH-BARBARA WELCH,SE	100,000	25,000	0	9,187	0	9,187
FOSTER: BARBARA WELCH-162ND,SE	100,000	0	0	0	0	0
GATEWAY REGIONAL CENTER, NE	10,000	0	0	0	0	0
GRAND AVE. BRIDGEHEADS,SE	4,000,000	500,000	0	0	0	0
HAYDEN ISLAND BRIDGE, N	19,600,000	1,000,000	0	11,478	0	11,478
INNER E. BURNSIDE,SE	200,000	0	0	0	0	0
JOHNSON CR: 32ND-45TH, PH 2,SE	2,017,000	50,000	0	9,743	0	9,743

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
LENTS PED/BICYCLE ENHANCE, SE	1,000,000	0	0	0	0	0
LOMBARD: RIVERGATE - RAMSEY, N	60,000	0	0	0	0	0
LOMBARD: ST. JOHNS-COLUMBIA, N	10,000,000	0	0	0	0	0
LOVEJOY RAMP-NW	11,944,000	11,944,000	0	127,259	0	127,259
MACADAM AVE ACCESS PLAN, SW	75,000	0	0	0	0	0
MACADAM: BANCROFT-ROSS IS, SW	1,500,000	0	0	0	0	0
MARINE DR: COL SL-2.5 MI E, N	334,831	334,831	0	48,295	0	48,295
MLK AT COLUMBIA BLVD, NE	681,100	0	0	0	0	0
MLK Corridor Study/Const. NE	1,000,000	1,000,000	0	0	0	0
MLK: LOMBARD-COLUMBIA, NE	80,000	0	0	0	0	0
MULTNOMAH BL: BARBUR-45TH, SW	10,000	0	0	0	0	0
NAITO PARKWAY: DAVIS-MARKET, SW	1,324,869	1,324,869	0	15,529	0	15,529
NE SANDY BLVD: 102ND - 121ST	81,907	81,907	0	0	0	0
NORTH MACADAM INF. DEV., SW	800,000	0	0	0	0	0
NW FRONT: 9TH TO STEEL - NW	2,195,091	2,195,091	0	0	0	0
OCC/LLOYD DEV LIGHTS NE	600,000	0	0	0	0	0
OCC/LLOYD DIST DEV, NE	250,000	100,000	0	0	0	0
POWELL/8th INTERSECTION, SE	200,000	0	0	0	0	0
RIGHT OF WAY OPPORTUNITIES, CW	300,000	0	0	0	0	0
RIVER ACCESS PHASE I, NE/SW	292,761	292,761	0	0	0	0
RIVER ACCESS PHASE IIA, NE/SW	743,365	743,365	0	0	0	0
RIVER DISTRICT - NW	1,610,000	200,000	0	26,012	0	26,012
S RVGT. RRO-PASS: LOM, BUR, COL, N	862,596	262,596	0	9,656	0	9,656
SANDY BV. 101ST-185TH, NE	4,870,000	4,870,000	0	0	0	0
SANDY BV.-STARK-BURNSIDE, SE/NE	35,000	0	0	0	0	0
SOUTH PORTLAND CIRC STUDY, SW	1,136,000	786,000	0	0	0	0
STARK/WASHINGTON 4R: 82-108, SE	100,000	0	0	0	0	0
WESTERN EDGE, SE	50,000	0	0	0	0	0
WILLAMETTE R. BR. ACCESS, DTN	99,271	99,271	0	2,483	0	2,483
<b>Subtotal</b>	<b>82,175,730</b>	<b>28,391,806</b>	<b>0</b>	<b>372,788</b>	<b>0</b>	<b>372,788</b>
<b>Neighborhood Collectors</b>						
102ND: SANDY-KILLINGSWORTH, NE	600,000	0	0	0	0	0
109th: SANDY-KILLINGSWORTH, NE	320,000	0	0	0	0	0
11TH-13TH AVE CONNECTION, NE	901,500	0	0	0	0	0
158TH: MARINE DR.-SLOUGH BR, NE	153,528	153,528	0	6,947	0	6,947
33RD AVE TRAFFIC CALMING, NE	300,000	0	0	0	0	0
47TH/COLUMBIA-CORNFOOT, NE	350,000	175,000	0	8,156	0	8,156
57TH & CULLY, NE	20,000	0	0	0	0	0
ALDERWOOD ST: 82ND-CLARK, NE	6,351,905	6,351,905	0	27,007	0	27,007
ALDERWOOD/CORNFOOT, NE	600,000	0	0	0	0	0
ARGYLE: MLK-13RD, NE	10,000	0	0	0	0	0
BELMONT MORRISON DECOUPLE, SE	540,000	40,000	0	0	0	0
CORNFOOT: 47TH-AIRTRANS WY, NE	435,000	25,000	0	2,203	0	2,203
DOSCH RD: PATTON TO B/H, SW	10,000	0	0	0	0	0
GARDEN HOME OLESON-MULT., SW	500,000	0	0	0	0	0
GARDEN HOME: MULT-74TH, SW	10,000	0	0	0	0	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
GATEWAY TRANSPORTATION PLAN,NE	100,000	0	0	0	0	0
HAWTHORNE FASTLINK, SE	1,950,000	100,000	0	5,714	0	5,714
HAYDEN ISLAND DR/JANTZEN, N	335,381	0	0	0	0	0
HOLGATE: 28TH-82ND AVE, SE	10,000	0	0	0	0	0
JENNE: 174TH-FOSTER-POWELL, SE	50,000	0	0	0	0	0
KILLINGSWORTH ST: 102-109, NE	398,989	248,989	0	5,461	0	5,461
LENTS TRANSPORTATION PLAN,SE	50,000	0	0	0	0	0
MARINE DR TRUCK TRAPS, NE	0	0	0	0	0	0
MARX DR: 82ND-87TH, NE	10,000	0	0	0	0	0
MCLOUGHLIN NEIGHBORHOOD, SE	100,000	40,000	0	0	0	0
MOODY/BOND: S WFRONT-BANCRO,SW	3,600,000	100,000	0	0	0	0
NW 3RD AVE CROSSING - NW	1,400,000	1,400,000	0	6,484	0	6,484
NW TRAFFIC CIRC. PH 2,NW	29,850	0	0	0	0	0
PALATINE ST: 27-LANCASTER, SW	675,000	0	0	0	0	0
POWELL BUTTE/MT SCOTT COL, SE	50,000	0	0	0	0	0
SE 17TH AVE AT OCHOCO	38,797	38,797	0	0	0	0
SE RAIL CROSS'G IMPROVEMTS.,SE	1,250,000	0	0	0	0	0
SOUTHERN TRIANGLE CIRC IMP.,SE	1,600,000	0	0	0	0	0
TACOMA: 28TH-32ND, SE	511,000	511,000	0	2,842	0	2,842
TAYLORS FY: TERW-SPG GDN, SW	10,000	0	0	0	0	0
THURMAN-VAUGHN CORRIDOR, NW	500,000	0	0	0	0	0
UNION STATION MULTI-MODAL CTR	100,000	0	0	0	0	0
WATER AVENUE EXTENSION, SE	155,934	155,934	0	30,024	0	30,024
<i>Subtotal</i>	24,026,884	9,340,153	0	94,838	0	94,838
<u>Local Neighborhood Streets</u>						
47TH PL: ALBERTA-SUMNER, NE	21,685	21,685	0	900	0	900
48TH:MITCHELL-RAYMOND, SE	16,293	16,293	0	600	0	600
55TH/AINSWORTH, NE	25,153	25,153	0	1,100	0	1,100
BRUCE: LOMBARD-JAMES, N	60,260	60,260	0	2,600	0	2,600
EVANS/19TH, SW	43,855	43,855	0	1,300	0	1,300
HCD - STREET DESIGN, NI	415,600	143,800	0	0	0	0
HCD REPLACEMENT CAPITAL, NI	132,518	47,218	0	0	0	0
I&D SUBSIDY, NI	300,000	120,000	0	0	0	0
LID - STREET DESIGN, NI	2,046,950	772,450	0	0	0	0
MINOR PERMIT STREETS PRGM, CW	452,548	179,548	0	0	0	0
NEIGHBORHOOD ENHANCEMENT,S.E.	2,154,286	2,154,286	0	8,024	0	8,024
NW 18TH/19TH DECOUPLE,NW	180,000	0	0	0	0	0
NW EVERETT GLISAN DECOUPLE	680,000	0	0	0	0	0
PALATINE: 43RD-45TH, SW	52,173	52,173	0	800	0	800
PERFORMANCE/SUBSTANDARD ST, NI	666,510	250,410	0	0	0	0
SUBDIVISION STREET PROGRAM, CW	1,317,777	548,777	0	0	0	0
TEXAS/26-29TH, SW	74,558	74,558	0	3,000	0	3,000
VESTA/37TH, SW	15,339	15,339	0	1,800	0	1,800
<i>Subtotal</i>	8,655,505	4,525,805	0	20,124	0	20,124

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
<u>Local Commercial-Industrial Streets</u>						
COMM/INDUSTRIAL PRGM, CW	1,671,063	651,063	0	0	0	0
DEFICIENCY CORRECTIONS PRGM,CW	500,000	200,000	0	0	0	0
DEVELOPMENT RESPONSE FUND	750,000	0	0	0	0	0
LOWER ALBINA OVERCROSSING, NE	404,251	404,251	0	26,433	0	26,433
MAIN ST REDEV: 1ST-BDWY, SW	110,000	0	0	0	0	0
<i>Subtotal</i>	3,435,314	1,255,314	0	26,433	0	26,433
<u>Street Lighting System</u>						
3RD AV TWINS, WASH-MADISON, SW	450,000	0	0	0	0	0
3RD AV. TWINS, BURNS.-WASH, SW	372,000	0	0	0	0	0
3RD AVE TWINS, N/O BURNSIDE,NW	250,000	250,000	0	4,532	0	4,532
9TH & PARK: BURNSIDE-MORR., SW	290,000	290,000	0	0	0	0
FRONT AVE. TWIN INSTALL, SW	145,000	145,000	0	6,180	0	6,180
<i>Subtotal</i>	1,507,000	685,000	0	10,712	0	10,712
<b>Total Street Improvement Program</b>	172,962,556	44,371,857	0	524,895	0	524,895



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A	N	N	U	A	L
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact		
Traffic Management Program								
Intelligent Transportation Systems								
82ND ITS CORRIDOR, NE/SE	350,000	0	0	0	0	0	0	0
ATMS INTEGRATION, CW	750,000	0	0	0	0	0	0	0
BARBUR BLVD ITS CORRIDOR,SW	545,000	0	0	0	0	0	0	0
EXPAND CITYWIDE SIG SYS, CW	1,000,000	400,000	0	2,000	0	2,000	0	0
MLK/INTERSTATE ITS CORRIDOR,NE	540,000	0	0	0	0	0	0	0
PDX SIGNAL RETIMING, CW	384,802	147,802	0	0	0	0	0	0
SAFER BOND (ITS PACKAGE), CW	2,670,000	0	0	0	0	0	0	0
SAFER BOND (OPTICOM), CW	3,900,000	0	0	0	0	0	0	0
SANDY ITS CORRIDOR, NE	340,000	0	0	0	0	0	0	0
TRANSIT SIGNAL PRIORITY, NI	250,000	100,000	0	1,000	0	1,000	0	0
Subtotal	10,729,802	647,802	0	3,000	0	3,000	0	0
Traffic Calming								
17TH: MCLGHLIN-MLWKIE TCP, SE	250,000	250,000	0	0	0	0	0	0
32ND/33RD: SNDY-BRNSDE TCP, NE	168,500	61,000	0	0	0	0	0	0
35TH: VERMONT-MLTNMAH TCP, SW	50,000	50,000	0	0	0	0	0	0
42ND: KLNGSWTH-LMBRD TCP, NE	510,000	0	0	0	0	0	0	0
45TH: WDSTOCK-HARNEY TCP, SE	510,000	0	0	0	0	0	0	0
92ND: DIVISION-POWELL TCP, SE	1,255,000	0	0	0	0	0	0	0
92ND: POWELL-HOLGATE TCP, SE	1,255,000	0	0	0	0	0	0	0
AINSWORTH: INTSTTE-VANC TCP, N	193,500	59,500	0	0	0	0	0	0
ALBINA: KILSWRTH-LMBRD TCP, NE	165,000	41,000	0	0	0	0	0	0
ELEMENTARY SCHOOL BEACONS	249,435	99,435	0	0	0	0	0	0
FREMONT: 102ND-112TH TCP, NE	300,000	0	0	0	0	0	0	0
FREMONT: 112TH-122ND TCP, NE	90,000	0	0	0	0	0	0	0
MIDDLE SCHOOL SAFETY, NI	300,000	0	0	0	0	0	0	0
NEW TCP DEVICES, NI	400,000	100,000	0	0	0	0	0	0
NEW TCP PROJECT, CW	4,126,568	431,568	0	0	0	0	0	0
SCHOOL SAFETY PROJECTS, NI	2,217,000	942,000	0	0	0	0	0	0
STREAMLINED BUMP PROJECTS, NI	786,997	366,997	0	0	0	0	0	0
SW 57TH SAFETY PROJECT	50,000	50,000	0	0	0	0	0	0
TRANSPORTATION ELEMENT, CW	50,000	50,000	0	0	0	0	0	0
VANCOUVER/WILLIAMS DECOUPLE,N	152,000	0	0	0	0	0	0	0
VERMONT: 30TH-45TH TCP, SW	150,000	0	0	0	0	0	0	0
WILLAMETTE BLVD TCP, N	96,000	80,000	0	0	0	0	0	0
Subtotal	13,325,000	2,581,500	0	0	0	0	0	0
Traffic Safety								
102ND AVE CORR SAFETY, NE/SE	310,000	0	0	0	0	0	0	0
39TH AVE CORRIDOR SAFETY NE/SE	700,000	0	0	0	0	0	0	0
60TH AVE CORRIDOR SAFETY NE/SE	380,000	0	0	0	0	0	0	0
82ND AVE HEP MATCH, NE/SE	50,000	0	0	0	0	0	0	0
BURNSIDE/SKYLINE INTERSECT, W	825,000	0	0	0	0	0	0	0
EVERETT ST CORR SAFETY, NW	175,000	0	0	0	0	0	0	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
FUTURE HEP MATCH	50,000	0	0	0	0	0
GARDEN HOME RD/MULT SIGNAL, SW	875,000	0	0	0	0	0
INTERSECTION SAFETY IMPROV, NI	1,150,000	0	0	0	0	0
LOMBARD(STJHNS-MLK)HEP MATCH,N	50,000	0	0	0	0	0
LOMBARD/PENINSULAR INTERS, N	150,000	0	0	0	0	0
LOMBARD/PORTSMOUTH INTERS, N	180,000	0	0	0	0	0
MARINE DR/122ND AVE, NE	1,500,000	0	0	0	0	0
MARINE DR/33RD AVE, NE	750,000	0	0	0	0	0
MARKET/1ST INTERS, SW	125,000	25,000	0	2	0	2
SANDY/BRNSD-33RD HEP MATCH, NE	50,000	0	0	0	0	0
STARK/WASH CORRIDOR SAFETY, SE	497,000	497,000	0	0	0	0
TRAFFIC OPERATIONS IMPROV, CW	1,395,000	0	0	0	0	0
<i>Subtotal</i>	9,212,000	522,000	0	2	0	2
<u>Traffic Signal System</u>						
AUDIBLE PEDESTRIAN SIGNALS,CW	150,000	0	0	0	0	0
BROADWAY/DAVIS, NW	125,000	125,000	0	2,800	0	2,800
CLAY/2ND NEW PED/VEH SIGNAL,SW	100,000	0	0	0	0	0
OVERHEAD STREET NAME SIGNS, CW	150,000	0	0	0	0	0
RETROFIT LED SIGNAL HEADS, CW	1,350,000	0	0	0	0	0
SE COMMUNITY CENTER, SE	446,593	446,593	0	0	0	0
<i>Subtotal</i>	2,321,593	571,593	0	2,800	0	2,800
<b>Total Traffic Management Program</b>	<b>35,588,395</b>	<b>4,322,895</b>	<b>0</b>	<b>5,802</b>	<b>0</b>	<b>5,802</b>

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-1998 PROJECTS  
Operating and Maintenance (CB Table 3)**

**Capital System - Transportation**

Program / Subprogram / Project	Five-Year Costs	Fiscal Years 97-99	A N N U A L			
			Revenue Generated (-)	Oper / Maint Costs (+)	Oper / Maint Savings (-)	Net Finan. Impact
<b>Transit Program</b>						
<u>Regional Transitways</u>						
AIRPORT LIGHT RAIL, NE	270,000	0	0	0	0	0
CASCADIA INTERCITY RAIL, SE/NE	3,952,062	3,952,062	0	0	0	0
REGIONAL RAIL PROGRAM, CW	539,864	200,000	0	0	0	0
S/N TRAFFIC MITIGATION	1,100,000	0	0	0	0	0
S/NTCS COORDINATION	1,995,680	840,272	0	0	0	0
SOUTH/NORTH LRT PE/FEIS, NE/SW	2,098,021	598,021	0	0	0	0
WESTSIDE LIGHT RAIL-DWTN, SW	1,153,150	1,153,150	0	0	0	0
WESTSIDE LIGHT RAIL-TUNNEL, SW	30,288	30,288	0	0	0	0
<i>Subtotal</i>	11,139,065	6,773,793	0	0	0	0
<u>Major Transit Streets</u>						
BARBUR BV TSM, SW	100,000	0	0	0	0	0
C.C. STREETCAR - SE, SW, NE, NW	38,894,451	23,394,451	0	11,194	0	11,194
MORRISON ST. BUS LANE, SW	1,022,628	22,432	0	0	0	0
NORTH MALL REHAB	50,077	50,077	0	0	0	0
SE 17TH/MILWAUKIE CONNECTOR, SE	500,000	0	0	0	0	0
TRANSIT MALL RESTORATION, SW	662,709	662,709	0	0	0	0
TRANSIT PREFERENTIAL STS., CW	950,000	300,000	0	0	0	0
<i>Subtotal</i>	42,179,865	24,429,669	0	11,194	0	11,194
<b>Total Transit Program</b>	53,318,930	31,203,462	0	11,194	0	11,194
<b><u>Grand Total Office of Transportation</u></b>	293,963,811	86,885,744	76,833	541,891	-7,416	611,308





## **Water System**



## Capital Improvement Program Overview

### WATER SYSTEM

Fiscal Year 1997-98 to 2001-02

### BUREAU OF WATER WORKS

#### **INTRODUCTION**

The FY1997-98 CIP continues the past history of the Bureau in placing emphasis on maintaining and improving the water system to better serve our citizens while planning for future system growth. Fifty-six percent (56%) of the total 10-year CIP budget is allocated to maintaining the water system, while 20% is assigned to projects that expand or enhance service to existing customers. Projects which expand the water system's water supply sources are listed in the CIP but are not funded because their timing and need will not be determined until after the regional water supply plan is adopted in 1996.

The Bureau of Water Works manages its CIP to meet the City's need for a safe, reliable and affordable supply of water. This goal underlies several other City and Bureau goals: public safety, economic development activities, energy conservation and protection of the environment. Meeting these goals not only means providing a safe and reliable supply 365 days a year, but it also means maintaining the system of dams, conduits, reservoirs, mains and treatment facilities for the long run. The CIP addresses itself beyond today's operations -- to prolong the life of the system and prevent breakdown, to replace obsolete facilities, to forecast future needs, and to plan and implement projects to meet those needs.

The 10-year plan contains nearly 128 identified projects with 83 of those receiving funding in the FY1997-98 budget. The majority of these projects are relatively small and address a specific maintenance problem or deficiency in the water system. The most significant projects are:

**Mains Program** - By far the largest project with an average annual funding of \$5,075,000 the Mains Program maintains, renews and extends the 1,900 miles of distribution piping system that serve customers within the City. The project installs nearly 12 miles of main each year.

**Powell Butte Reservoir 2** - This \$21.7 million project will construct a second 50 million gallon reservoir on Powell Butte. The reservoir is needed to allow major maintenance, on or replacement of, the 100 year old reservoirs on Mt. Tabor & Washington Park while still maintaining storage capacity to safely operate the water system and provide fire protection.

**Transportation Related Construction** - The CIP funds the water system adjustments required for construction of transportation projects. These mandatory, but often reimbursable, projects include ODOT adjustments, North-South Light Rail, and Conduit Relocations - Mt. Hood Expressway. Over the 10 year period of this CIP, they will total \$16,260,000.

**Supply Mains** - Supply Mains provide for the maintenance, renewal and extension of mains larger than 12 inches. Because of the level of expenditure, the individual mains are shown in the CIP. Construction of the supply mains will provide for increased fire flow, reduction of pressure problems,

and increased reliability for the system. Certain supply mains, such as the Northeast Supply have been constructed in phases over the past fifteen years. Other supply mains are being constructed as the result of commitments made at the time of annexation. Finally, growth in certain areas (like the West Hills) has made it necessary to increase the supply to those areas. Among the projects included in this CIP are: Parkrose Supply Mains, \$3,682,000, West Side Supply Main, \$8,662,000; East Boundary Main, \$238,000 of a \$1,250,000 total; and River Crossing Replacements, \$3,380,000. This ten year CIP provides more than \$20,000,000 for the Supply Mains.

**Conduit Isolations and Improvements** - This new \$10.7 million project will add operational reliability and flexibility and increase the capacity of the existing three Bull Run conduits. This project implements the recommendations of the Conduit Hydraulics and Structural Analysis Study completed in 1996. Most construction will occur in the last five years of the CIP with completion scheduled in 2007.

**System Vulnerability Reduction** - This \$4.3 million project (2005 completion date) will implement a number of improvements to Bureau facilities to better withstand earthquakes and other natural disasters. The Bureau's current System Vulnerability Assessments Study has and will continue to identify needed improvements to ensure that the water system will remain operational after major disasters.

A significant component of the CIP is to fund studies that define future capital construction needs of the water system. The 1997-07 CIP includes several projects that will play a key roll in determining the future of the Water Bureau's CIP. These studies include:

**Infrastructure Master Plan** - This \$450,000 study is the first phase of developing a revised 20-year Public Facility Plan to update the prior plan developed in the mid 1980's. The results of this study are expected to play a significant roll in drafting the Bureau's future CIP plans.

**Open Reservoir Study** - The Water Bureau maintains five large open reservoirs in two major parks in the City. These reservoirs were built around 1900 and are major storage facilities for the distribution system. Due to the age of these facilities, more rigid seismic standards, slope stability problems, and possible future state regulations directed at open distribution reservoirs, the Bureau has budgeted \$780,000 to complete this study to assess the current condition of these facilities. This study will identify maintenance and/or enhancement measures, and make recommendations for their long term utility. This study is being conducted in three phases. The first phase began in 1996, and this study is expected to be completed in 1999.

**Conduit 5 Predesign** - Currently the Bureau operates three supply conduits from the Bull Run Watershed into the City. It is envisioned that over the next 20 years a new supply conduit (Conduit 5) could be needed. This new conduit would be used to replace one of the aging conduits and/or to increase the Bull Run system's delivery capacity. In the early 1970's a study was conducted to select a future route for Conduit 5. Property and easements have been secured since then for this conduit. However, since the original study was completed, significant changes have occurred in the area of environmental permitting that may not allow use of segments of the existing route. The Bureau has budgeted \$900,000 to complete this study to review the existing selected route to ensure its feasibility, or to identify an alternate route when the need for the new conduit arises. The study will also determine the remaining life of the existing conduits so that a time when Conduit 5 will be needed as a replacement can be determined. This study began in 1997 and will be completed in 1999. The estimated construction cost of Conduit 5 is \$110 million, but is not currently funded in the CIP.



**System Vulnerability Study** - The CIP includes \$100,000 to complete a comprehensive study for the purpose of evaluating critical Water Bureau structures that should remain operational during the maximum credible earthquake (MCE) and other natural disasters. Reports received to date indicate several facilities can and should be strengthened to withstand the MCE. The total estimated mitigation cost to upgrade these structures is \$8.0 to \$14.0 million, \$4.3 million of which is funded in the FY 1997-07 CIP.

The 10-year CIP increases funding requirements over previous years. This increase is due primarily to improvements required to upgrade key water facilities to meet new seismic standards, increasing maintenance/replacement costs of the Bureau's aging water system, and increasing regulatory requirements for water quality studies and improvements. The 10-year CIP contains funding for projects totaling \$22,261,000 in FY 97-98 and \$104,347,000 for FY1997-98 to FY2001-02.

### ***PROJECT RATING SYSTEM***

In order to identify those capital projects which contribute most to its mission, the Water Bureau established a method of ranking projects for funding and scheduling priority using a multi-step process to fulfill identified needs of the water system and the community it serves while taking project costs into consideration. A Bureau-wide review committee rated all projects against seven identified water system needs, with the exception of those mandatory projects for which the Bureau had no option but to fund. (Mandatory projects are either required by State or Federal regulations or are obligations by contract from prior year projects.) These mandatory projects are placed in a separate "Mandatory" category and given the highest priority for funding. The remaining projects are divided into two groups for funding, "Allocated" and "Non-Allocated", and ranked for priority within each of those groups. The second priority Allocated group includes those projects which best meet each of the Bureau's identified needs and those projects that emphasize system maintenance, health, and safety. The third priority Non-Allocated group includes the remaining projects that as a group generally improve or expand service to existing customers.

### ***WATER SUPPLY PLANNING AND EXPANSION***

Projects which are primarily intended to significantly expand the system's water supply have been removed and are not included in the funded CIP. The need and timing for these projects are dependent upon decisions to be made by the City and 26 other regional water providers based on the findings provided by the Regional Water Supply Plan Phase 2 in 1996.

### ***CONSERVATION***

The sizing of all projects was reviewed in light of recent conservation and demand reduction experience of the Water Bureau and its wholesale customers. Projects included in the funded CIP are intended primarily to address transmission and distribution problems within Portland, usually in areas recently annexed to the City. Sizing for those projects is normally determined by fire protection and system reliability criteria, not customer water use criteria that is reduced by conservation measures. The biggest impact of conservation efforts on the Bureau's CIP needs will come in reductions in size or delay in timing of supply expansion projects that are being considered in the Regional Water Supply Plan Phase 2.

The Water Bureau places a high priority on conservation and environmental ideals and projects. The 10-year CIP allocates \$3,879,000 to projects supporting those ideals. That total represents a small percentage of the total CIP project due to most of the Bureau's conservation efforts being funded from the Bureau Base Budget. Most of the Bureau's conservation measures cannot be capitalized and are therefore not included in the CIP.

## ***PROJECT REPORTING***

The Water Bureau has developed an internal project tracking and reporting system to compliment the City Trimester reporting process. The Bureau reporting system consists of at least the following elements:

- Before the start of each fiscal year, objectives for the project for the coming year are prepared along with a detailed expenditure projection by Trimester, by line items, and by City & Bureau organizational units.
- The Bureau generates an individual project expenditure analysis each accounting period. This is a detailed analysis showing charges made to each project and allows rapid identification of schedule and funding variances and/or billing errors.
- At each Trimester, a report is prepared detailing progress toward the project objectives. This report also includes a report on how actual expenditures compare to budgeted expenditures and explains requested budget changes that are to be requested in the Bureau's Trimester Report.

## ***APPROVED PROJECTS***

The Bureau of Water Works submitted a FY1997-98 capital request totaling \$22,261,000. Project totals by program area include:

Customer Service Program	\$1,450,000
Distribution Program	\$10,201,000
Quality Program	\$1,478,000
Supply Program	<u>\$9,132,000</u>
	\$22,261,000

Funding for the FY1997-98 capital projects will be predominantly through water system revenues or the proceeds of revenue bonds which were issued in November 1995.

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 THROUGH 2001-02 PROJECTS  
Total Cost by Year**

**Capital System: Water**

Bureau/Program/Project	Geographic Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Bureau of Water Works</b>								
<b>Customer Service</b>								
Customer Billing & Information System	ALL		850,000	600,000	100,000			1,550,000
Information Technology Implementation #1	ALL		500,000	1,000,000				1,500,000
AMR	ALL	11,763	100,000	100,000	100,000	100,000	100,000	500,000
Total Customer Service Program		11,763	1,450,000	1,700,000	200,000	100,000	100,000	3,550,000
<b>Distribution</b>								
Underground Tank Removal/Compliance	ALL		25,000	25,000	25,000	25,000	25,000	125,000
North/South LRT	CC	1,304	20,000	20,000	200,000	3,000,000	3,000,000	6,240,000
Central City Streetcar	CC		190,000	1,500,000	10,000			1,700,000
ODOT Adjustments	ALL		675,000	675,000	675,000	675,000	675,000	3,375,000
System Vulnerability Assessment	ALL	86,054	100,000					100,000
Infrastructure Master Plans	ALL		200,000	150,000	100,000			450,000
West Side Maint/Operations Study and Facility	SW		210,000	435,000				645,000
Hazardous Spoils Disposal	ALL		10,000	10,000	10,000	10,000	10,000	50,000
Project Management System	ALL		200,000					200,000
Interstate Security System	CC		10,000	200,000				210,000
GIS Water Bureau	ALL		551,000	620,000	250,000			1,421,000
Mains Program	ALL		5,075,000	5,075,000	5,075,000	4,933,000	5,075,000	25,233,000
Standards for Facility Design	ALL		65,000	50,000	30,000	20,000	15,000	180,000
Rocky Butte Fire Protection	NE		200,000					200,000
Hayden Island Master Metering East of I-5	N		100,000	104,000				204,000
Emergency Pumps	ALL	2,829	105,000					105,000
Maintenance Management System	ALL		100,000	400,000	200,000			700,000
Fountain Improvements	CC		105,000	105,000	105,000	105,000		420,000
Control Systems Improvement	NE		27,000	27,000	27,000	27,000	27,000	135,000
Downtown Improvements	CC		120,000	120,000				240,000
Electronic Mapping	ALL		331,000					331,000
Large Valve Program	ALL		57,000	57,000	57,000	57,000	57,000	285,000
Parkrose Supply Mains	NE	74,829	1,400,000					1,400,000
West Side Header	SW	373,763	150,000	437,000				587,000
Pump & Control Maintenance	ALL		125,000	125,000	125,000	125,000	125,000	625,000
Corrosion Control External	ALL		50,000	50,000				100,000
Total Distribution Program		538,779	10,201,000	10,185,000	6,889,000	8,977,000	9,009,000	45,261,000
<b>Quality</b>								
Regulatory Compliance Studies	ALL	8,113	200,000	200,000				400,000
Wellfield Remediation-East Mult County	NE	1,784,857	295,000	125,000	125,000	125,000		670,000
Chlorine Control Improvements	ALL		127,000	240,000				367,000
Dam 1 Outlet Works	ALL		130,000	100,000	1,000,000	1,000,000		2,230,000
Tank Overflow Evaluation/Improvement	ALL		45,000	200,000	100,000	100,000	100,000	545,000
Groundwater Disinfection Improvements	ALL	6,242	240,000	1,150,000				1,390,000
Bull Run Lake Maintenance	ALL	84,961	361,000	355,000				716,000
Bear Creek Water Supply	ALL		5,000					5,000
Water Quality Sample Upgrade	ALL	132,060	75,000	75,000				150,000
Total Quality Program		223,263	1,478,000	2,445,000	1,225,000	1,225,000	100,000	6,473,000

(CONTINUED)

**CAPITAL SYSTEM**  
**CAPITAL IMPROVEMENT PROGRAM SUMMARY**  
**FISCAL YEAR 1997-98 THROUGH 2001-02 PROJECTS**  
**Total Cost by Year**

**Capital System: Water**

Bureau/Program/Project	Geographic Area	Est. Prior Years	Fiscal Year 97-98	Fiscal Year 98-99	Fiscal Year 99-00	Fiscal Year 00-01	Fiscal Year 01-02	Project Total
<b>Supply</b>								
Conduit Relocations-Mt. Hood Expressway	ALL		30,000	100,000	440,000			570,000
Bull Run Lake Mitigation	ALL		50,000	50,000	50,000	50,000	50,000	250,000
Wellfield Sustained Yield	NE		100,000					100,000
Conduit Slides	ALL		651,000					651,000
Monitoring Well Installation	NE		225,000	225,000				450,000
Marquam Hill Pump Main Realignment	SW		15,000		55,000	260,000		330,000
Water Control Center Maintenance	ALL		890,000	50,000	26,000	26,000	26,000	1,018,000
Conduit 5 - Preliminary Design	ALL		500,000	400,000				900,000
Upper Whitwood Tank Replace.	NW		45,000	345,000				390,000
Parkrose Wells	NE		410,000					410,000
East Wellfield Collection System Upsize	NE		10,000			200,000	2,210,000	2,420,000
Conduit Blowoff and Access Maintenance	ALL		240,000	390,000	390,000	250,000	100,000	1,370,000
Bull Run Bridge Maintenance	ALL	153,621	240,000	52,000	231,000	86,000	52,000	661,000
Wellfield Maintenance	NE		800,000	500,000	500,000	500,000	500,000	2,800,000
Reservoir Maintenance	ALL		347,000	312,000	312,000	312,000	312,000	1,595,000
Dam 2 Tower Imp/WQ Inlet	ALL		220,000	400,000	850,000			1,470,000
Water District Connections	SE	7,561	100,000	100,000	1,000,000	150,000		1,350,000
Conduit Relocation - Sandy River	ALL		562,000	1,676,000	4,630,000			6,868,000
Conduit Isolation & Improvements	ALL		250,000	1,600,000				1,850,000
Powell Butte Reservoir #2	SE		150,000	150,000	800,000	4,000,000	9,000,000	14,100,000
River Crossing Replacements	CC		20,000					20,000
System Metering	ALL		79,000	79,000	27,000	27,000	27,000	239,000
Sandy & Bull Run Rivers Fisheries Study	ALL	23,006	50,000	50,000	50,000			150,000
Saltzman Tank Replacement	NW	5,212	25,000					25,000
Washington Park 30" Pipelines Rehab	NW		100,000					100,000
Powell Butte Master Plan	SE	67,702	20,000					20,000
Design Process Productivity Enhancement	ALL		80,000	20,000				100,000
Conduit 5 Right Of Way	ALL		10,000	10,000	50,000	100,000	10,000	180,000
USFS/COP Land Exchange	ALL		100,000					100,000
Fountain Control	ALL		31,000					31,000
Industrial Conservation	ALL		5,000	5,000	90,000	30,000	30,000	160,000
Watershed Dams Maintenance	ALL		92,000	52,000	52,000	52,000	52,000	300,000
Burlingame/ WCSL & Westwood Interties	SW		100,000	910,000	850,000			1,860,000
Microwave Communications System	ALL		290,000	250,000	250,000			790,000
Open Reservoirs Study	ALL	24,222	550,000	230,000				780,000
Interstate Site Plan Implementation	N	651	200,000					200,000
Stephenson Pump Station Analysis	SW		55,000					55,000
Building Maintenance - General	ALL		490,000	250,000	200,000	200,000	200,000	1,340,000
Headworks Screenhouse #2 & Intake	ALL	18,904	1,000,000	1,409,000	651,000			3,060,000
			300,879	9,132,000	9,615,000	11,504,000	6,243,000	49,063,000
<b>TOTAL</b>			1,074,684	22,261,000	23,945,000	19,818,000	16,545,000	104,347,000



**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources**

**Capital System: Water**

Bureau/Program/Project	General Fund	Bureau Specific	Rates/Chrgs Contracts	Fed/State/ Other Local	Other	Unfunded	Total Budget	Non-Budget
<b>Bureau of Water Works</b>								
<b>Customer Service</b>								
Customer Billing & Information System			450,000	400,000			850,000	
Information Technology Implementation #1			500,000				500,000	
AMR			100,000				100,000	
<b>Total Customer Service Program</b>			1,050,000	400,000	0	0	1,450,000	0
<b>Distribution</b>								
Underground Tank Removal/Compliance			25,000				25,000	
North/South LRT			17,000	3,000			20,000	
Central City Streetcar			180,000	10,000			190,000	
ODOT Adjustments			337,500	337,500			675,000	
System Vulnerability Assessment			100,000				100,000	
Infrastructure Master Plans			200,000				200,000	
West Side Maint/Operations Study and Facility			210,000				210,000	
Hazardous Spoils Disposal			10,000				10,000	
Project Management System			200,000				200,000	
Interstate Security System			10,000				10,000	
GIS Water Bureau			551,000				551,000	
Mains Program			4,575,000	500,000			5,075,000	
Standards for Facility Design			65,000				65,000	
Rocky Butte Fire Protection			200,000				200,000	
Hayden Island Master Metering East of I-5			100,000				100,000	
Emergency Pumps			105,000				105,000	
Maintenance Management System			100,000				100,000	
Fountain Improvements			105,000				105,000	
Control Systems Improvement			27,000				27,000	
Downtown Improvements			120,000				120,000	
Electronic Mapping			331,000				331,000	
Large Valve Program			57,000				57,000	
Parkrose Supply Mains			1,400,000				1,400,000	
West Side Header			150,000				150,000	
Pump & Control Maintenance			125,000				125,000	
Corrosion Control External			50,000				50,000	
<b>Total Distribution Program</b>			9,350,500	850,500	0	0	10,201,000	0
<b>Quality</b>								
Regulatory Compliance Studies			200,000				200,000	
Wellfield Remediation-East Mult County			295,000				295,000	
Chlorine Control Improvements			127,000				127,000	
Dam 1 Outlet Works			130,000				130,000	
Tank Overflow Evaluation/Improvement			45,000				45,000	
Groundwater Disinfection Improvements			240,000				240,000	
Bull Run Lake Maintenance			361,000				361,000	
Bear Creek Water Supply			5,000				5,000	
Water Quality Sample Upgrade			75,000				75,000	
<b>Total Quality Program</b>			1,478,000	0	0	0	1,478,000	0

(CONTINUED)

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Funding Sources**

**Capital System: Water**

Bureau/Program/Project	General Fund	Bureau Specific	Rates/Chrgs Contracts	Fed/State/ Other Local	Other	Unfunded	Total Budget	Non-Budget
<b>Supply</b>								
Conduit Relocations-Mt. Hood Expressway			15,000	15,000			30,000	
Bull Run Lake Mitigation			50,000				50,000	
Wellfield Sustained Yield			100,000				100,000	
Conduit Slides			651,000				651,000	
Monitoring Well Installation			225,000				225,000	
Marquam Hill Pump Main Realignment			15,000				15,000	
Water Control Center Maintenance			890,000				890,000	
Conduit 5 - Preliminary Design			500,000				500,000	
Upper Whitwood Tank Replace.			45,000				45,000	
Parkrose Wells			410,000				410,000	
East Wellfield Collection System Upsize			10,000				10,000	
Conduit Blowoff and Access Maintenance			240,000				240,000	
Bull Run Bridge Maintenance			240,000				240,000	
Wellfield Maintenance			800,000				800,000	
Reservoir Maintenance			347,000				347,000	
Dam 2 Tower Imp/WQ Inlet			220,000				220,000	
Water District Connections			100,000				100,000	
Conduit Relocation - Sandy River			562,000				562,000	
Conduit Isolation & Improvements			250,000				250,000	
Powell Butte Reservoir #2			150,000				150,000	
River Crossing Replacements			20,000				20,000	
System Metering			79,000				79,000	
Sandy & Bull Run Rivers Fisheries Study			50,000				50,000	
Saltzman Tank Replacement			25,000				25,000	
Washington Park 30" Pipelines Rehab			100,000				100,000	
Powell Butte Master Plan			20,000				20,000	
Design Process Productivity Enhancement			80,000				80,000	
Conduit 5 Right Of Way			10,000				10,000	
USFS/COP Land Exchange			100,000				100,000	
Fountain Control			31,000				31,000	
Industrial Conservation			5,000				5,000	
Watershed Dams Maintenance			92,000				92,000	
Burlingame/ WCSL & Westwood Interties			100,000				100,000	
Microwave Communications System			290,000				290,000	
Open Reservoirs Study			550,000				550,000	
Interstate Site Plan Implementation			200,000				200,000	
Stephenson Pump Station Analysis			55,000				55,000	
Building Maintenance - General			490,000				490,000	
Headworks Screenhouse #2 & Intake			1,000,000				1,000,000	
			9,117,000	15,000	0	0	9,132,000	0
<b>TOTAL</b>			20,995,500	1,265,500	0	0	22,261,000	0

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Operating and Maintenance Costs**

**Capital System: Water**

	Five-Year	FY 1997-98	ANNUAL			
			Revenue	Oper/Maint	Oper/Maint	Net Financial
<b>Bureau of Water Works</b>						
<b>Customer Service</b>						
Customer Billing & Information System	1,550,000	850,000				
Information Technology Implementation #1	1,500,000	500,000				
AMR	500,000	100,000	(20,000)			(20,000)
<b>Total Customer Service Program</b>	<b>3,550,000</b>	<b>1,450,000</b>	<b>(20,000)</b>			<b>(20,000)</b>

<b>Distribution</b>						
Underground Tank Removal/Compliance	125,000	25,000				
North/South LRT	6,240,000	20,000				
Central City Streetcar	1,700,000	190,000				
ODOT Adjustments	3,375,000	675,000				
System Vulnerability Assessment	100,000	100,000				
Infrastructure Master Plans	450,000	200,000				
West Side Maint/Operations Study and Facility	645,000	210,000				
Hazardous Spoils Disposal	50,000	10,000				
Project Management System	200,000	200,000				
Interstate Security System	210,000	10,000				
GIS Water Bureau	1,421,000	551,000				
Mains Program	25,233,000	5,075,000				
Standards for Facility Design	180,000	65,000				
Rocky Butte Fire Protection	200,000	200,000				
Hayden Island Master Metering East of I-5	204,000	100,000				
Emergency Pumps	105,000	105,000				
Maintenance Management System	700,000	100,000				
Fountain Improvements	420,000	105,000				
Control Systems Improvement	135,000	27,000				
Downtown Improvements	240,000	120,000				
Electronic Mapping	331,000	331,000				
Large Valve Program	285,000	57,000				
Parkrose Supply Mains	1,400,000	1,400,000				
West Side Header	587,000	150,000				
Pump & Control Maintenance	625,000	125,000				
Corrosion Control External	100,000	50,000				
<b>Total Distribution Program</b>	<b>45,261,000</b>	<b>10,201,000</b>				

<b>Quality</b>						
Regulatory Compliance Studies	400,000	200,000				
Wellfield Remediation-East Mult County	670,000	295,000				
Chlorine Control Improvements	367,000	127,000				
Dam 1 Outlet Works	2,230,000	130,000				
Tank Overflow Evaluation/Improvement	545,000	45,000				
Groundwater Disinfection Improvements	1,390,000	240,000				
Bull Run Lake Maintenance	716,000	361,000				
Bear Creek Water Supply	5,000	5,000				
Water Quality Sample Upgrade	150,000	75,000				
<b>Total Quality Program</b>	<b>6,473,000</b>	<b>1,478,000</b>				

(CONTINUED)

**CAPITAL SYSTEM  
CAPITAL IMPROVEMENT PROGRAM SUMMARY  
FISCAL YEAR 1997-98 PROJECTS  
Operating and Maintenance Costs**

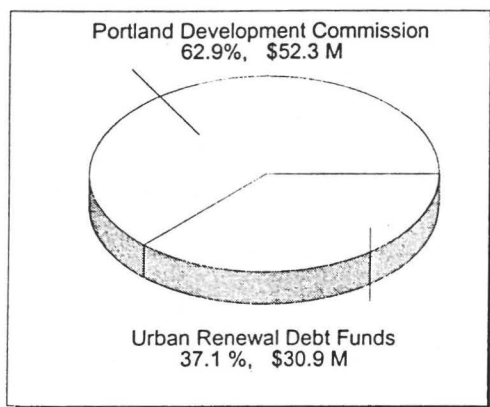
**Capital System: Water**

	Five-Year	FY 1997-98	ANNUAL			
			Revenue	Oper/Maint	Oper/Maint	Net Financial
<b>Supply</b>						
Conduit Relocations-Mt. Hood Expressway	570,000	30,000				
Bull Run Lake Mitigation	250,000	50,000				
Wellfield Sustained Yield	100,000	100,000				
Conduit Slides	651,000	651,000				
Monitoring Well Installation	450,000	225,000				
Marquam Hill Pump Main Realignment	330,000	15,000				
Water Control Center Maintenance	1,018,000	890,000				
Conduit 5 - Preliminary Design	900,000	500,000				
Upper Whitwood Tank Replace.	390,000	45,000				
Parkrose Wells	410,000	410,000				
East Wellfield Collection System Upsize	2,420,000	10,000				
Conduit Blowoff and Access Maintenance	1,370,000	240,000				
Bull Run Bridge Maintenance	661,000	240,000				
Wellfield Maintenance	2,800,000	800,000				
Reservoir Maintenance	1,595,000	347,000				
Dam 2 Tower Imp/WQ Inlet	1,470,000	220,000				
Water District Connections	1,350,000	100,000				
Conduit Relocation - Sandy River	6,868,000	562,000				
Conduit Isolation & Improvements	1,850,000	250,000				
Powell Butte Reservoir #2	14,100,000	150,000				
River Crossing Replacements	20,000	20,000				
System Metering	239,000	79,000	(54,000)			(54,000)
Sandy & Bull Run Rivers Fisheries Study	150,000	50,000				
Saltzman Tank Replacement	25,000	25,000				
Washington Park 30" Pipelines Rehab	100,000	100,000				
Powell Butte Master Plan	20,000	20,000				
Design Process Productivity Enhancement	100,000	80,000				
Conduit 5 Right Of Way	180,000	10,000				
USFS/COP Land Exchange	100,000	100,000				
Fountain Control	31,000	31,000				
Industrial Conservation	160,000	5,000				
Watershed Dams Maintenance	300,000	92,000				
Burlingame/ WCSL & Westwood Interties	1,860,000	100,000				
Microwave Communications System	790,000	290,000		10,000		10,000
Open Reservoirs Study	780,000	550,000				
Interstate Site Plan Implementation	200,000	200,000				
Stephenson Pump Station Analysis	55,000	55,000				
Building Maintenance - General	1,340,000	490,000				
Headworks Screenhouse #2 & Intake	3,060,000	1,000,000				
	49,063,000	9,132,000	(54,000)	10,000		(44,000)
<b>TOTAL</b>	<b>104,347,000</b>	<b>22,261,000</b>	<b>(74,000)</b>	<b>10,000</b>		<b>(64,000)</b>



## Portland Development Commission & Tax Increment Debt Funds

## PROGRAM AREA OVERVIEW



### BUDGET DATA

FY 1997-98 Budget:	\$83.2 M
Change from FY1996-97:	+ \$8.9 M
Change per Capita:	11.2%
FY 1997-98 Positions:	97
Change from FY 1996-97:	-28 FTE
Change per Thousand:	-22.9%

### SIGNIFICANT BUDGET ISSUES

- ◆ Portland Development Commission's operating budget is focused on three program areas which encompass the Tax Increment Areas as well as other locations throughout the City.
 

Housing	\$26,965,473
Redevelopment	\$18,608,841
Economic Development/Jobs/ Workforce	\$5,891,382
- ◆ The FY 1997-98 Budget includes the following General Fund allocations to PDC:
 

Business Development	\$418,036	<b>Project Funding</b>	
NE Workforce Center	\$94,763	River District	\$1,198,188
Business Districts	\$47,756	Homeless Shelter Debt	\$182,000
Targeted Industry - Jobs	\$106,773	<b>Housing Investment Fund</b>	\$1,666,672
Waterfront Development	\$428,719		
Outer SE Develop fund	\$476,793	<b>Total City General Fund</b>	<b>\$4,619,700</b>
	<b>\$1,572,840</b>		
- ◆ PDC has been very successful in its management of the Housing Investment Fund. Project commitments will be completed in a 3 year period, rather than the originally planned 4 year period. This will accelerate the construction of affordable housing units in Portland.

#### Budget Notes

- ◆ The Workforce program of the PDC will be transferred to the newly formed Workforce Development Board by January 1, 1998. Council shall receive a status report on this transfer effort from PDC and the Development Board by September, 1997. Council shall receive monthly reports on expenditures and programs until the transfer is completed.
- ◆ City Council set aside funds from the Housing Investment Fund (HIF) to fund fee waivers for affordable housing projects in FY 1996-97 and FY 1997-98. Unless the HIF is permanently funded, it will be necessary for Council to identify an alternative source of funds for the Development Fee Waiver program in FY 1998-99 and subsequent years. The program is an effective, low cost program which leverages significant amounts of other resources for the development of affordable housing.



**PDC ADOPTED BUDGET**

**PDC**  
**Portland**  
**Development**  
**Commission**

FY 1997-98

**JULY 1, 1997**





# Portland Development Commission

## FY 1997-98 Adopted Budget

### Table of Contents

	<u>Page</u>
Executive Director's Budget Message.....	121
Guide To PDC's 1997- 98 Budget.....	125
General Fund.....	137
Urban Redevelopment Fund .....	138
Capital Funds .....	143
Airport Way .....	144
Central Eastside Industrial .....	148
Convention Center Area .....	153
South Park Urban Renewal Bond Redevelopment .....	157
Waterfront Renewal Bond Redevelopment .....	161
St. Johns Capital (closed).....	168
Grant Funds.....	169
Housing and Community Development Contract.....	170
Other Federal Grants.....	172
Enterprise Loans .....	174
Regional Strategies .....	176
South Auditorium .....	178
Other Funds.....	179
Oregon Arena.....	180
Debt Service Fund.....	182
Statement of Bonded Indebtedness.....	185
Other Information .....	188
Financial Assistance and Capital Outlay Detail.....	189
Organizational Chart.....	193
Schedule of Authorized Positions and Salary Levels .....	194



# PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

---

## EXECUTIVE DIRECTOR'S BUDGET MESSAGE

### Introduction

I am pleased to present the Portland Development Commission's 1997-98 Adopted Budget. The preparation of this year's budget has been particularly challenging. We remain strongly committed to helping the City achieve its housing, neighborhood revitalization and quality jobs goals. At the same time, the passage of Measure 47 and Measure 50 have brought significant changes to Oregon's property tax system which affect the availability of public funds to carry out these efforts. Along with other City funded agencies, we have reduced our general fund request by 17.8% in most cases and have scaled back our tax increment funded projects by 40% to match current resources.

In addition, the region has decided to consolidate its employment and training programs and shift funding formerly provided to PDC for Workforce Development to a new entity. This transition will be taking place during the upcoming budget year.

Our approach in addressing the challenge of how to accomplish an ambitious agenda with fewer resources was to first identify the critical areas where we can make the greatest contribution. On the basis of discussions with our community partners, we believe that our unique contribution to the City will be to deliver services and products in three areas:

- **Housing that enhances the community.** We will use all available tools to assist in the development and preservation of more affordable housing units throughout the City and work with developers to finance model projects which integrate density, affordability and transit goals. We will work with for-profit and non-profit partners to achieve the greatest possible leverage and to deliver on the priorities set forth by the City.
- **Quality redevelopment to revitalize neighborhoods and areas.** We will continue redevelopment efforts in targeted areas, working to determine the critical needs of each major area to bring the right set of tools and public-private partnerships to ensure quality redevelopment with jobs, housing and neighborhood amenities for area residents. We have reduced our target areas and will focus on Inner Northeast, Outer Southeast, Central Eastside, the River District, Downtown, Lloyd District and RiverPlace/North Macadam.
- **Quality jobs and access to employment.** We will undertake community economic development activities to encourage new investment linked with our neighborhood revitalization efforts in Northeast and Outer Southeast. We will work with target industry employers to create and deliver quality jobs to the neighborhoods. Our workforce development effort will focus on training and placement strategies that connect jobs to neighborhood residents.

## **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

- **An Integrated Approach to Service Delivery**

Recognizing that each of our three service areas is important to the achievement of City goals, we believe the impact of these efforts on neighborhood livability is greatly enhanced if they are delivered together in support of community plans. We believe that if these services are integrated and delivered as a comprehensive system, we will increase the effectiveness of each individual program or project. For this reason, we have formed target area teams with representation from program areas. The team's role is to work closely with the community to ensure that housing, redevelopment and jobs efforts are delivered as a system in coordination with other public, private and non-profit partners. For example, businesses in target industries can actively contribute to wealth building in communities if linked to training resources and unemployed workers in the neighborhoods. Quality housing projects can be a catalyst for needed neighborhood commercial services and vice versa. By integrating efforts through strategic partnerships in the community, we can be far more successful in linking all citizens to our strategies and the prosperity of our City and region.

### **Steps to Achieve Greater Agency Efficiency**

Our budget process has involved not only reviewing all programs and projects to identify the community's highest priorities and bring greater focus to our effort, but has continued to work toward achieving greater agency efficiencies through a reduction in staff and operating costs. Over the past year, we have implemented a new organizational approach to service delivery in two departments. In housing, we completely redesigned our rental housing delivery system, achieving a four-fold increase in production. In economic development and workforce, we have integrated staff to work with target industries, increasing our ability to work in a more comprehensive way with specialized industries and to put in place new training strategies to better link jobs into targeted neighborhoods. We have continued to work to foster service delivery through integrated teams who work directly with community partners.

We are continuing efforts to base our compensation on performance and keep salaries in line with the market. Two years ago we implemented a pay for performance system and eliminated cost of living raises. To compensate for the increase in retirement benefits received last fall, we froze salaries for one year. Our management team designed a program to move to a system of fixed base pay with an opportunity for an annual performance pay based on a combination of individual and team based effort. The program is currently being implemented and we plan to move this system agency-wide in the coming year.

Through our budget process we propose to reduce staff in all departments. This will require that we focus on projects which are the highest priority and reduce service delivery in some areas. We undertook a detailed analysis of support functions and will outsource a number of functions which can be contracted to private or public organizations. As a result, we will reduce staff by 22%. This will allow us to increase the amount of direct funding for programs. Potential

**PORTLAND DEVELOPMENT COMMISSION**  
**Commissioner-in-Charge: Mayor Vera Katz**

---

reductions in Workforce Development will further reduce PDC staff.

**Partnership**

Our effectiveness in the next year will be largely dependent on our success in working with our public and private sector partners. We will actively strive to strengthen our partnerships to achieve better leverage of our efforts and financial resources.

It will be critical that we work in concert with our public partners at the City, County, and State levels. We need to take full advantage of federal resources. At the community level, the work of our target area and program teams will be critical in communicating and coordinating with partners to take full advantage of their resources. We will be asking our private sector partners to step forward and assist us with our agenda and to help us achieve the greatest possible leverage of our resources.

Portland has benefited from strong civic and political leadership and a legacy of investment in amenities that contribute to our citizens' quality of life. Despite the challenges we face, our current robust economy gives us an opportunity to create a city in which economic prosperity, quality housing and employment opportunities are available to all neighborhoods and all citizens.

Sincerely,

Janet S. Burreson  
Executive Director





# PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

## GUIDE TO PDC's 1997- 98 BUDGET

### Five Year Business Plan

PDC activities are guided by a Five Year Business Plan. Developed in conjunction with public and private community partners, the Five Year Business Plan is the Commission's multi-year resource allocation plan and allows us to prudently project revenues and expenditures. The plan is updated annually in conjunction with community partners and is adopted by the Commission each Fall. The Commission then prepares its annual budget as the implementation tool for the expenditure of funds on programs and projects.

### Summary of Budgeted Expenditures

PDC expenditures are appropriated under the following major categories: Personal Services, Materials and Services, Capital Outlay, Financial Assistance (loans and grants), Debt Service, Cash Transfers In, Cash Transfers Out, and Contingency. As shown below, total budgeted expenditures for FY 1997-98 are \$58,283,147. We are experiencing significant decreases in Personal Services and Materials and Services with slight increases in Capital Outlay and Financial Assistance, and a minor change in Debt Service. The increase in Capital Outlay is primarily attributable to the construction of the Men's Homeless Shelter.

	<b>FY 1995-96 Actual</b>	<b>Amended FY 1996-97 Budget</b>	<b>Approved FY 1997-98 Budget</b>	<b>Adopted FY 1997-98 Budget</b>	<b>Difference 1997-98 to 1996-97</b>
Personal Services	\$ 6,565,432	\$ 7,688,669	\$ 6,321,250	\$ 6,567,245	\$ (1,121,424)
Materials & Services	4,967,208	6,986,910	5,329,568	6,230,926	(755,984)
Capital Outlay	3,176,065	11,216,915	12,413,062	11,406,039	189,124
Financial Assistance	12,421,365	33,770,921	32,327,827	32,495,720	(1,275,201)
Debt Service	1,478,797	1,574,774	1,583,217	1,583,217	8,443
<b>TOTAL</b>	<b>\$ 28,608,867</b>	<b>\$ 61,238,189</b>	<b>\$ 57,974,924</b>	<b>\$ 58,283,147</b>	<b>\$ (2,955,042)</b>

### Expenditure Trends

The table on the next page shows the percentage that each appropriation unit comprises of total expenditures. As shown, in the last two years we have significantly reduced the percentage of expenditures attributable to Personal Services from 23% to 11%. Our ability to continue the delivery of quality services with reduced resources will be a function of our willingness to make the organizational adjustments necessary to increase our staff capacity while reducing the FTE per budget dollar. This practice is a continuation of our work in FY 1992-93 to reduce our administrative budget and retain only those services necessary for success. Changes in the development environment have prompted us to continually adjust our approach to service delivery and internal staff and stimulated this fiscal year's 22% reduction to 97.7 FTE.

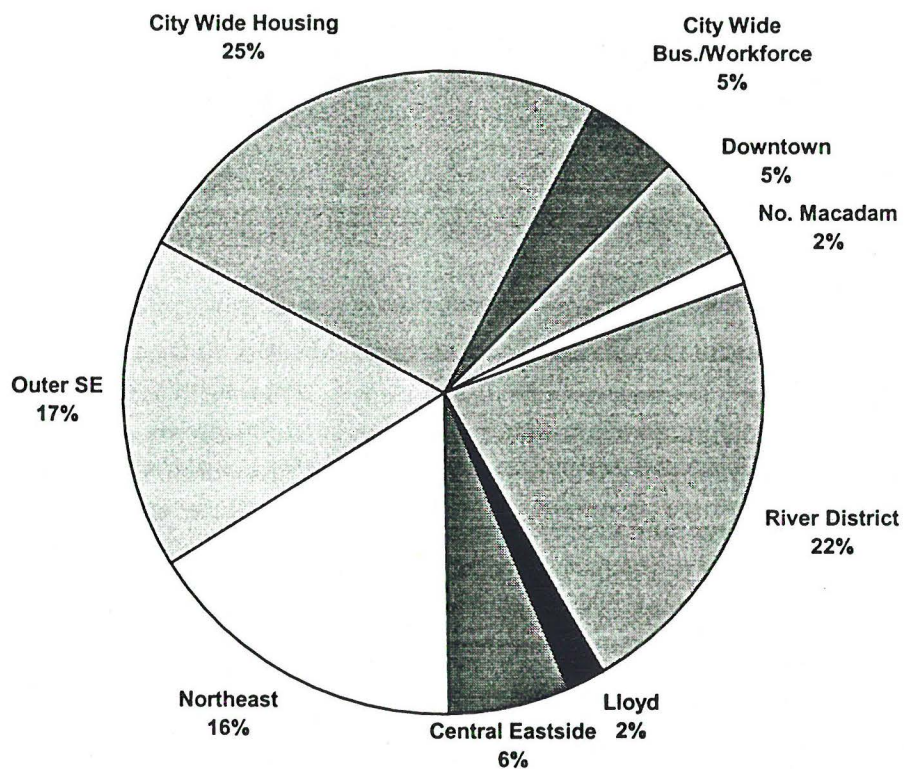
## PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

	1995-96 % of Total	1996-97 % of Total	1997-98 % of Total
Personal Services	23%	13%	11%
Materials and Services	17%	11%	11%
Capital Outlay	11%	18%	20%
Financial Assistance	43%	55%	56%
Debt Service	5%	3%	3%
	100%	100%	100%

### Distribution of Expenditures

The chart below shows the distribution of PDC expenditures by geographic area. We have reduced the number of PDC target areas to enable us to better focus our limited resources. Amounts shown for Housing and the Business/Workforce program areas do not include expenditures for housing, jobs programs and projects occurring in the target areas.



# PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

---

## Project and Program Summaries

### Housing That Enhances the Community

#### Critical Challenges:

- Incomes are not keeping pace with escalating housing prices. As a result, residents of the City, particularly low and moderate income individuals, are finding it increasingly difficult to obtain affordable housing. At the same time, federal assistance to many housing projects is expiring, resulting in a further loss of affordable housing.

**PDC's Role:** To assist in the development and preservation of affordable housing throughout the City and to make home ownership available to families to preserve and revitalize the character of our neighborhoods.

- The Region's 2040 plan sets aggressive goals for density and transit-oriented housing. However, the economics of these projects are not attractive to private developers and the market feasibility is unknown. As a result, sites sit vacant and housing opportunities are lost.

**PDC's Role:** To proactively work with developers to finance density projects and transit-oriented housing which integrate density and affordability goals and will serve as a model to encourage more private sector development of these types of projects.

The FY 1997-98 budget provides continued significant increases in housing production throughout the City. Funding sources include federal grants, Housing Investment Fund, and tax increment. This is the second year of City funding of the Housing Investment Fund. The PDC has committed Housing Investment Funds according to guidelines established by the City Council and, to date, have committed most of the funds to projects and programs. We expect to spend the next two years working with the development community on project financing.

Total resources allocated to housing fund a mix of housing programs and projects, including home repair and rehabilitation, rental rehabilitation, home ownership programs, land assembly for housing, and construction of multi-family housing projects. Tax increment expenditures will be for multi-family housing projects and occur within urban renewal areas, including the downtown Waterfront and South Park Blocks areas, MLK Boulevard and the Lloyd District, and the Central Eastside.

Our performance objectives for FY 1997-98 include rehabilitation of 200 owner-occupied units, home buying assistance or rehabilitation on 80 units, and completion of 1,600 rental housing units. Increases in Capital Outlay are attributable to expenditures on the Men's Homeless Shelter. Increases in Financial Assistance are attributable to increased lending from the Housing Investment Fund. Budgeted staff and expenditures are as follows.



## PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

	FY 1995-96 Actual	Amended FY 1996-97 Budget	Approved FY 1997-98 Budget	Adopted FY 1997-98 Budget	Difference 1997-98 to 1996-97
FTE Positions	31.0	35.3	29.0	29.0	(6.3)
Personal Services	1,460,261	1,888,053	1,876,662	1,876,656	(11,397)
Materials & Services	324,342	826,067	809,156	586,151	(239,916)
Capital Outlay	210,214	740,830	1,741,179	1,752,179	1,011,349
Financial Assistance	10,147,077	18,538,795	22,685,573	22,750,487	4,211,692
<b>TOTAL</b>	<b>12,141,894</b>	<b>21,993,745</b>	<b>27,112,570</b>	<b>26,965,473</b>	<b>4,971,728</b>

### Quality Redevelopment to Revitalize Neighborhoods

#### Critical Challenge:

- Undeveloped and blighted property is vacant and underutilized within the City. As a result, development of these sites which could contribute to the City's livability, housing and jobs goals is not occurring.

#### PDC's Role:

The FY 1997-98 Budget contains projects throughout the City that utilize PDC's expertise in urban renewal area planning and redevelopment. These projects are in support of City and community plans, including Central City 2000, the Albina Community Plan, Prosperous Portland, the Outer Southeast Community Plan, the Central City Plan, Future Focus, the River District Plan, and the Livable City Housing Plan. PDC works with its public and private partners to plan for and implement improvements that directly contribute to the creation of housing and jobs and provide Portland area residents with the community amenities that make Portland one of America's most livable cities. Our redevelopment agenda is organized by target area as follows:

**Central Eastside.** Our objective in Central Eastside is to maintain the area's vitality and facilitate its continued growth as a major employment center. To support that objective, FY 1997-98's budget contains funding to renovate sidewalk areas, add ornamental lighting, and undertake storefront improvements along Grand Avenue and Martin Luther King, Jr. Boulevard. In addition, we expect to make progress toward the creation of the Eastbank Park on the banks of the Willamette River. This park is expected to provide pedestrian connections on both sides of the river and be a key amenity supporting the businesses and residents of the Central Eastside and Lloyd District areas. Other important Central Eastside projects include the extension of Water Avenue beyond OMSI to the industrial property at the southern end of the district, redevelopment of selected sites for business location, and pre-development of multi-family housing sites.

**Downtown.** This target area serves as a regional center for finance, trade, education, culture, retail, professional and governmental services. It is also a thriving residential neighborhood with more than 10,000 residents. Our role in this area is to support the health and vitality of the area



## **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

through projects that result in increased jobs and housing. FY 1997-98 redevelopment activities in the downtown include continuing support for the construction of Pioneer Place II, participation in downtown parking planning, and work with downtown property owners to ensure that planned projects are consistent with City objectives and development plans. We will also work with partners to develop and implement a plan to facilitate the redevelopment of older office buildings to attract more employment to downtown.

**Inner Northeast.** PDC continues its vital role in assisting the community to achieve its vision for the Northeast area as defined in the Albina Community Plan. The redevelopment agenda for Northeast is focused along Martin Luther King, Jr. Boulevard and Alberta Street and includes financing of commercial site development to create jobs for local residents and provide services to the community. We will also be contributing to the City's effort to reconfigure and remove certain portions of the median strip along MLK.

**North Macadam/RiverPlace.** The RiverPlace area has been transformed during the last ten years from industrial use to a primary extension of Portland's downtown—adding to the mix of housing and commercial capacity within the City. We intend to continue our work in this redevelopment area by developing parcels remaining under PDC's ownership into office space, thereby creating jobs for Portland residents and extending the Waterfront Park south to the Marquam Bridge.

We will continue to work with property owners and other City bureaus on North Macadam redevelopment planning efforts to produce a plan providing for a new street system, mixed-income multi-family housing, new office buildings, and necessary neighborhood amenities.

**Outer Southeast.** In Outer Southeast, we are assisting the community in the redevelopment and improvement of commercial and residential areas. We hope to provide the community with the resources and services necessary to stimulate business investment and provide opportunities for residents to compete for quality jobs; as well as increase the supply of quality housing. During FY 1997-98 the Development Opportunity Strategy currently underway in Outer Southeast will be completed allowing work to begin on a few opportunity sites in the area. We expect that revitalization projects will be in support of commercial site development and mixed use housing. In addition, our Storefront program will continue to assist businesses in district revitalization.

**River District.** PDC is the lead agency in implementing the River District vision of new neighborhoods with high density uses created by an aggressive development community partnership with the City of Portland. The area will be a vital mix of multi-family housing, major office facilities, regional attractions, and supporting service and retail businesses. In FY 1997-98, we will continue to manage the City's infrastructure work on Front Avenue to add sidewalks and riverfront access in support of planned housing and office building projects. We hope to have both Phase I and II of the Union Station housing project underway in the fiscal year.

## PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

	FY 1995-96 Actual	Amended FY 1996-97 Budget	Approved FY 1997-98 Budget	Adopted FY 1997-98 Budget	Difference 1997-98 to 1996-97
FTE Positions	15.0	17.9	13.0	13.0	(4.9)
Personal Services	966,456	1,224,775	988,493	988,493	(236,282)
Materials & Services	568,375	1,227,120	1,137,250	1,869,250	642,130
Capital Outlay	1,885,447	8,772,812	9,264,398	8,532,398	(240,414)
Financial Assistance	860,489	6,615,122	7,218,700	7,218,700	603,578
<b>TOTAL</b>	<b>4,280,767</b>	<b>17,839,829</b>	<b>18,608,841</b>	<b>18,608,841</b>	<b>769,012</b>

### Quality Jobs and Access to Employment

#### Critical Challenges

- The job base in the region is changing and the City is not capturing a proportionate share of jobs. As a result, residents now and in the future will be left with a choice of long commutes or a growing proportion of low wage jobs. Without a broad base of jobs, City residents could be seriously impacted by future economic downturns.

**PDC's Role:** To identify target industries that will provide quality jobs in the future and encourage their expansion and growth within the City and directly connect the resulting jobs to City residents.

- City residents often lack the skills to succeed in good jobs in today's economy. As a result residents, particularly in North/Northeast and Outer Southeast, are not able to share in the wealth of our region and find housing increasingly unaffordable. At the same time, businesses cannot find enough skilled workers locally and are inhibited from expanding or recruiting employees from outside the region.

**PDC's Role:** We have established a system lining our work with groups of companies that have quality jobs to the creation training and advancement opportunities and to directly link these jobs to residents through a network of community organizations and public agencies who work with low income residents. As the region examines its approach to employment and training and restructures its workforce development programs, PDC will have the opportunity to redefine its role in linking jobs to community residents.

PDC's business and workforce development programs work directly with businesses to assist in their retention and expansion and to support their efforts to retain existing jobs and create new jobs. Current plans provide that we will develop workforce strategies within the City's target industries to ensure local residents have the necessary skills and capabilities to take advantage of these employment opportunities. Additionally, we provide support to emerging small businesses in Northeast and Outer Southeast Portland providing business ownership potential and supporting the revitalization of neighborhood business districts.

## PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

The Quality Jobs Initiative represents the City's effort to develop and implement strategies to lower unemployment rates and to increase the number of households with income above the poverty level in target communities. When there is a shortage of workers in the neighborhoods for entry and mid-level jobs, PDC works with businesses, community residents, community agencies, and schools to create training strategies. Under the Quality Jobs Initiative, PDC will work with industry groups to ascertain the basic skills needed in target industries and provide financial support to community and school basic skills programs to align their curricula and approaches with industry requirements.

The FY 1997-98 budget continues work in business and workforce development through funding of the Northeast Workforce Center; target industry workforce development strategies for information services, health services industries, and biotech and creative services targeted in the central City; and support of the JobNet program and business district programs. New efforts in this budget include the addition of resources for revitalization projects in Outer Southeast Portland (the Lents Development Fund). Regional business development formerly supported by City General Fund in combination with private resources will be fully funded with private investment during this fiscal year.

Performance measures for FY 1997-98 include creation or retention of 903 jobs; 800 jobs filled through JobNet, including 500 city residents (of which 350 will be target area residents); and siting, retaining, or expanding 34 businesses.

	<b>FY 1995-96 Actual</b>	<b>Amended FY 1996-97 Budget</b>	<b>Approved FY 1997-98 Budget</b>	<b>Adopted FY 1997-98 Budget</b>	<b>Difference 1997-98 to 1996-97</b>
<b>FTE Positions</b>	22.5	29.2	21.8	22.6	(6.6)
<b>Personal Services</b>	1,538,024	1,886,324	1,415,799	1,478,005	(408,319)
<b>Materials &amp; Services</b>	1,836,912	2,843,526	1,284,595	1,087,417	(1,756,109)
<b>Capital Outlay</b>	10,478	312,435	935,450	799,427	486,992
<b>Financial Assistance</b>	1,413,799	8,617,004	2,423,554	2,526,533	(6,090,471)
<b>TOTAL</b>	<b>4,799,213</b>	<b>13,659,289</b>	<b>6,059,398</b>	<b>5,891,382</b>	<b>(7,767,907)</b>

### Budgeted Resources

PDC's operating and capital expenditures are supported by resources derived from a variety of tax, enterprise, private, and grant sources. Resources for tax increment and General Fund have been affected by Measure 47 and are budgeted at lower amounts than anticipated in our Five-Year Business Plan for FY 1997-98 and thereafter. As shown on the table on the next page, total resources, including beginning fund balance for FY 1997-98 are budgeted at about \$83,246,359. Below is a discussion of each of the primary resources supporting PDC activities.



# PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

## Summary of Resources

	Actual 1995-96	Budget 1996-97	Approved 1997-98	Adopted 1997-98
<b>Beginning Fund Balance</b>	\$ 17,178,853	\$ 21,416,404	\$ 32,559,550	\$ 31,792,550
<b>Tax Increment Proceeds</b>	-	8,464,750	8,960,000	8,960,000
<b>General Fund</b>	1,892,486	4,789,042	4,059,305	4,059,305
<b>Housing Investment Fund</b>	-	7,658,194	12,751,908	11,610,780
<b>Federal and Other Grants</b>				
Community Development Block Grant	\$ 5,471,070	\$ 4,050,615	\$ 3,812,298	\$ 4,213,281
Other Federal Grants	3,269,472	7,496,223	1,434,536	2,153,172
<b>Loan Repayments</b>				
Interest	482,162	664,700	519,950	609,950
Principal	3,931,120	3,538,700	3,507,300	3,659,235
Other	29,743	-	-	-
State Grants	766,131	217,476	627,473	658,164
<b>Total grants</b>	<u>\$ 13,949,698</u>	<u>\$ 15,967,714</u>	<u>\$ 9,901,557</u>	<u>\$ 11,293,802</u>
<b>Program Income</b>				
Contracts	\$ 3,958,948	\$ 2,409,166	\$ 1,083,671	\$ 1,080,138
Loan repayments	7,025,206	3,622,427	5,252,403	5,010,468
Rent payments	1,467,879	1,477,500	1,331,400	1,331,400
Interest income	1,202,650	661,127	882,687	882,687
Sale of Real Property	1,126,317	1,983,000	3,869,370	4,229,370
Reimbursements	727,516	394,750	350,140	350,140
Other	340,494	1,090,000	-	-
<b>Total program income</b>	<u>\$ 15,849,010</u>	<u>\$ 11,637,970</u>	<u>\$ 12,769,671</u>	<u>\$ 12,884,203</u>
<b>Private Funding</b>				
Private Grants	\$ 22,250	\$ 180,946	\$ 261,947	\$ 261,947
Private Lender Agreements	1,827,050	4,254,616	2,383,772	2,383,772
<b>Total Private Funding</b>	<u>\$ 1,849,300</u>	<u>\$ 4,435,562</u>	<u>\$ 2,645,719</u>	<u>\$ 2,645,719</u>
<b>Current Year Resources</b>	\$ 33,540,494	\$ 52,953,232	\$ 51,088,160	\$ 51,453,809
<b>Total Resources (including beginning fund balance)</b>	\$ 50,719,347	\$ 74,369,636	\$ 83,647,710	\$ 83,246,359



## **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

**Fund Balance:** Several of PDC's capital funds carry balances resulting from tax increment funded loan repayments, remaining tax increment bond proceeds, and program income receipts. These balances are programmed over the next five years to fund critical housing and redevelopment projects and provide reserves for loan accounts. Certain fund balances totaling \$10.6 million are federal grant funds and restricted in their use. The total budgeted beginning fund balance for FY 1997-98 is approximately \$31.8 million.

**City of Portland General Fund:** In recent years, PDC has relied on General Fund allocations from the City of Portland to fund certain on-going program activities and special capital projects. Examples in this year's budget include business development, the Northeast Workforce Center, River District projects, and Lents Development Fund. City General Fund proceeds also finance the Housing Investment Fund. Budgeted General Fund allocations for FY 1997-98 are approximately \$2.4 million excluding the Men's Homeless Shelter and Housing Investment Fund, a 38% reduction from last year's budget. PDC has budgeted \$1.7 million for the Men's Homeless Shelter and \$12.6 million for Housing Investment Fund expenditures in FY 1997-98.

**Tax Increment:** Tax increment receipts are received in urban renewal areas. Receipts are used to fund urban redevelopment activities within designated urban renewal areas. In 1996, the City issued \$47 million in tax increment bonds to be drawn down over a five-year period. Budgeted tax increment proceeds for FY 1997-98 are approximately \$9 million.

### **Federal Grants:**

**Community Development Block Grant (CDBG):** Administered and allocated through the Bureau of Housing and Community Development, the CDBG program funds PDC's housing rehabilitation and repair programs, community business development, and community workforce development. Funds are received through an annual allocation and from program income earned on a large CDBG loan portfolio. PDC's CDBG budget for FY 1997-98 is approximately \$7.9 million. This figure includes \$216,000 for the Quality Jobs Initiative, and excludes \$2.4 million in private lender funds which are described later.

**HOME program:** HOME funds, also administered by BHCD, are used to support new multi-family housing projects. The FY 1997-98 budget is \$2.6 million.

**Economic Development Administration (EDA):** PDC's annual EDA grants consist entirely of program income derived from previous economic development loans. Loans are to be for creation of new jobs. The FY 1997-98 budget for EDA is about \$483,900.

**North/Northeast Business Assistance Fund:** Commonly referred to as the Hatfield Grant, this resource funds community economic development and workforce efforts in North/Northeast Portland. The original proceeds under this grant were fully drawn down during FY 1996-97, although program income related to lending under this grant will continue for many years thereafter. The FY 1997-98 budget is approximately \$342,100.

**Other Grants:** PDC is the administrator for the Regional Strategies money received by a consortium of Multnomah and Washington counties. This money is derived from lottery proceeds and is operated under State guidelines. A substantial portion of these funds are "passed

## PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

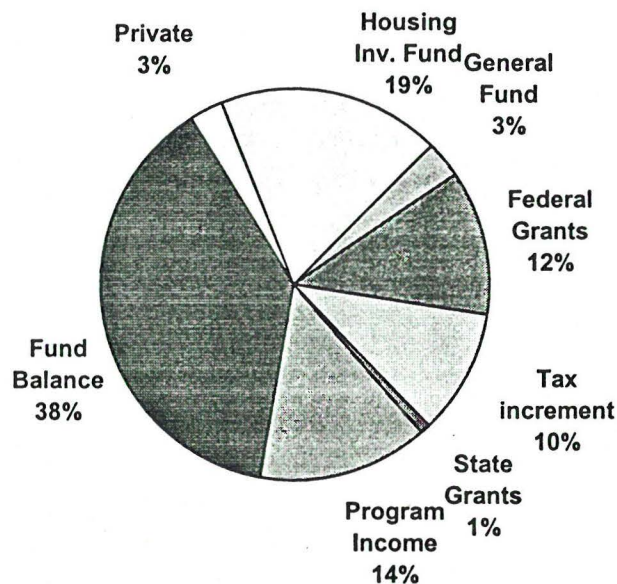
---

through” to other organizations. The FY 1997-98 budget for Regional Strategies (the second year of this two-year program) is approximately \$658,200.

**Program Income:** PDC receives program income from a variety of sources including rents, sale of assets, loan repayments, and interest income. These funds are used to support predevelopment efforts; to provide loans for capital projects; to fund program management in urban renewal areas; and other activities included in the Five-Year Business Plan. Program income received in urban renewal areas is retained within that urban renewal area and expended on projects in accordance with the City’s adopted urban renewal plans. Certain program income is restricted in expenditure by law. The FY 1997-98 budget for these funds totals approximately \$13 million.

**Contracts:** Certain PDC activities are carried out under contracts with other governmental and non-governmental organizations. Work in FY 1997-98 includes and target industry and training work under the state’s Strategic Investment Program contracts with Multnomah and Washington Counties. The total contract budget for this year is about \$1.1 million.

**Private Funding:** PDC currently has agreements with several local banks whereby block grant funds are used together with bank funds to finance certain single and multi-family housing projects. We also have agreements with local banks to use bank funds to fund single family mortgage loans. In addition, PDC receives funds from private businesses to support regional business development efforts. The total private funding budget for FY 1997-98 is about \$2.6 million.



**Distribution of PDC Resources**

As shown on the prior graph, PDC’s resources are primarily distributed among available fund balance, General Fund, federal grants, and tax increment. PDC continues to strive towards the receipt of a balanced and diverse number of resources to guard against over reliance on a single

City of Portland, Oregon - FY 1997-98 Adopted budget

## PORTLAND DEVELOPMENT COMMISSION

Commissioner-in-Charge: Mayor Vera Katz

---

source of income. In this next year and future years, we will continue to emphasize increasing our private funding resources.

### Agency Efficiencies

#### Reduction In Force

PDC is proposing a reduction in force of 27.4 FTE or 22% of current staff. These reductions are necessary to (1) absorb the effect of decreased General Fund and tax increment funding, and (2) continue implementation of efficiencies in PDC's approach to overhead and administrative support. We believe that these staff reductions will make us better able to respond to shifts in available resources consistent with those that we have experienced in recent years and expect to see in the future. As was mentioned earlier, Workforce staff may be reduced later in the fiscal year.

As we continue to try and accomplish more numerous and complex projects with reduced resources, it is our intention to make use of other private and public service providers to acquire many services formerly provided by internal staff, including construction management, property appraisal, accounting, and property management. The chart below shows the number of staff reductions by department.

Department	FY 1996-97 FTE	Planned Reduction	FY 1997-98 FTE
Housing	35.3	6.3	29
Development	17.9	4.9	13
Economic Development	16.5	4.5	12
Workforce and Target Industries	12.7	2.1	10.6
Executive	9.5	2.5	7
Finance	9	0	9
Professional Services	24.2	7.1	17.1
Total all Departments	125.1	27.4	97.7

### Organizational Changes

**Roles and Responsibilities.** PDC recognizes the need to create an organizational design that provides optimum effectiveness, flexibility in the delivery of service, and internal function. During the upcoming months, we intend to analyze our current structure for opportunities for flattening the organization, reducing layers of management, and removing administrative barriers to productivity.

**Compensation.** As PDC moves to deliver an aggressive work program with a down-sized organization, we will be configured to grow and shrink consistent with funding of community requests. We intend to migrate to a performance-based compensation system that limits annual



## **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

budget growth in personal services costs while rewarding employees for the value their performance brings to the City.

The new compensation system would be similar to systems commonly in use in the private sector. Our intention is to control costs while attracting and maintaining a productive and motivated workforce.

### **Budget Process**

#### **Oregon Local Budget Law**

Local Budget Law requires the PDC to appropriate its budget by funding source and major line item category. Resources and requirements for each fund are balanced. The budget is appropriated by fund in the following categories: Personal Services, Materials and Services, Capital Outlay, Financial Assistance, Debt Service, Cash Transfers Out, Service Reimbursements, and Contingency.

After approval, the Approved Budget is submitted to the Tax Supervising and Conservation Commission (TSCC) which reviews the budget and holds a public hearing with the PDC Board. Subsequent to TSCC certification, the Commission adopts the budget in late June.

Amendments to the Adopted Budget may be made during the fiscal year by action of the Commission. Amendments recognizing and appropriating additional revenues and amendments utilizing more than 15 percent of the Contingency require preparation of a supplemental budget. A supplemental budget requires a public notice and a hearing before the TSCC.

### **Budget Organization**

PDC's budget is organized according to the funds under which it accounts for its activities. Prior to the specific fund information, we have included a summary of PDC resources and a summary of expenditures.

Funds include PDC's general fund—the Urban Redevelopment Fund; the capital funds—Airport Way, Central Eastside, Convention Center, South Park Urban Renewal, and Waterfront Renewal Bond Redevelopment; the state and federal grant funds—Enterprise Loan, Housing and Community Development Contract, Other Federal Grants, Regional Strategies, and South Auditorium; the Arena Fund; and the Economic Development Revenue Bond Debt Service Fund. The St. Johns Capital Fund is no longer in use, but is included to show the historical revenues and expenditures.



# **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

## **General Fund**

### **Urban Redevelopment Fund**

PDC's Urban Redevelopment Fund functions as its general fund. Administrative activities, including indirect costs, and all personal services costs are paid out of the Urban Redevelopment Fund. In addition, certain programs and projects funded with City General Fund moneys are budgeted out of the Urban Redevelopment Fund.

Projects and programs funded from the Urban Redevelopment Fund for FY 1997-98 include:

- Business Development
- Quality Jobs Initiative
- JobNet and other community workforce projects
- Targeted Industry Development
- Lents Development Fund
- Contracts
  - ◆ Transit Oriented Development
  - ◆ Strategic Investment Program
  - ◆ Regional Strategies (Target Industry Development)
- Men's Homeless Shelter Reconfiguration Plan

**PORTLAND DEVELOPMENT COMMISSION**  
**URBAN REDEVELOPMENT (GENERAL) FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Sales of Publications	\$ 30	\$ 570	\$ -	\$ -	\$ -
Loan Fees - EDRB's	33,857	47,222	-	-	-
Rent - Portland Building	37,519	-	-	-	-
Rent - Walnut Park	-	-	150,000	150,000	150,000
Rent - St. Johns	-	-	2,400	-	-
<b>Contract Services</b>					
Transit Oriented Development Contract	52,374	338,332	87,000	-	-
Tri-Met Civic Stadium LRT Station Plan	6,029	36,249	50,000	-	-
Goose Hollow LRT	12,139	252	-	-	-
South - North Light Rail	-	37,239	93,000	-	-
60th and Glisan Housing	-	38,000	-	-	-
Multnomah County - Emergency Repair Loans	24,840	69,165	-	-	-
U.S. General Services Administration- PCRI Loan Servicing	4,550	1,778	-	-	-
Winmar Right-of-Way Acquisition	63,979	-	-	-	-
CHDI, Inc.	4,346	7,819	4,375	4,375	4,375
Others-Regional Agreements	70,509	63,000	90,400	245,000	245,000
Old Town Building Lighting	-	90,000	120,000	-	-
Multnomah County - 102nd/Burnside LRT	(14,551)	-	-	-	-
Parking Group Contract CCTMP	-	-	13,500	15,000	15,000
Multnomah Hotel Revenue Bonds	-	17,379	-	-	-
Belmont Dairy Bonds	-	85,382	-	-	-
Community Center Workforce	-	45,450	-	-	-
Semiconductor Workforce Dev.	-	29,388	-	-	-
Jobnet General	-	111,318	-	-	-
HAP - Hamilton Hotel Contract	(10,306)	8,790	-	-	-
Multnomah County SIP	-	180,000	120,000	120,000	120,000
Non-Profit Facility Rehabilitation Outer SE	-	337,500	-	-	-
Albina Plan-Mixed Use Handbook	-	-	62,000	-	-
Washington County SIP	23,008	-	85,597	155,887	155,887
Miscellaneous Contract Work	25,652	30,579	-	-	-
City School Liaison	5,734	6,843	6,957	-	-
Kennedy School	66,705	-	49,164	-	-

**PORTLAND DEVELOPMENT COMMISSION**  
**URBAN REDEVELOPMENT (GENERAL) FUND, Cont.**  
**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>Local Government Sources</b>					
State of Oregon-Regional Strategies	289,990	-	412,476	213,500	213,500
State of Oregon - Regional Workforce Quality	78,587	-	-	-	-
City of Portland General Fund-					
Business Development	-	514,653	505,440	418,036	418,036
Men's Homeless Shelter	-	55,729	858,821	1,741,179	1,741,179
Target Industry Development	-	-	130,000	106,773	106,773
Quality Jobs Initiative	-	-	225,000	-	-
NE Workforce Center	99,216	101,638	109,895	94,763	94,763
Central Eastside Eastbank Park	54,000	-	-	-	-
Business District Program	50,000	51,221	55,382	47,756	47,756
Outer SE Development Fund	-	-	-	452,610	452,610
Targeted Investment Program	-	322,353	500,000	-	-
Liveable City Housing	34,000	-	-	-	-
City of Portland Facilities Fund-					
Walnut Park Commercial	373,138	48,000	-	-	-
Multnomah County - Rental Housing	328,730	-	-	-	-
<b>Miscellaneous Revenues</b>					
Interest on Investments	103,456	85,296	69,005	53,869	53,869
Other Interest	2,100	4,840	-	-	-
Sale of Personal Property	1,800	2,615	-	-	-
Reimbursements	49,471	79,244	2,700	40,140	40,140
Miscellaneous	2,913	71,559	1,025,000	-	-
<b>Private Grants &amp; Donations</b>					
Convention Center	-	20,000	-	-	-
Ambassador Program	89,800	72,500	180,946	261,947	261,947
<b>Revenue Subtotal</b>	<b>\$ 1,963,616</b>	<b>\$ 3,011,903</b>	<b>\$ 5,009,058</b>	<b>\$ 4,120,835</b>	<b>\$ 4,120,835</b>

**RESOURCES**

**Transfers From Other Funds-**

**Cash-Interfund Loan Repayments**

St Johns Project	\$ 3,646,628	\$ -	\$ -	\$ -	\$ -
Convention Center	5,427	-	-	-	-

**Service Reimbursements**

Airport Way	236,773	293,569	315,653	52,824	56,497
Central Eastside Ind. District	85,304	135,418	279,925	399,902	481,915
Convention Center Area	3,434	40,815	396,444	544,528	681,417
St Johns Project	11,120	983,237	-	-	-
South Park Urban Renewal	111,854	64,006	271,870	447,943	623,828
Waterfront Renewal Bond	707,751	1,040,386	1,523,498	979,992	1,150,030
Enterprise Loans	84,764	84,603	962,123	979,804	1,004,101
HCD Contract	3,143,032	3,430,612	3,350,707	3,093,147	3,309,387
Other Federal Grants	284,464	154,083	173,961	132,334	131,970
Regional Strategies	60,634	64,692	80,220	5,917	36,608
Arena Fund	118,269	95,736	29,192	2,239	1,157

<b>Service Reimbursements Subtotal</b>	<b>4,847,399</b>	<b>6,387,157</b>	<b>7,383,593</b>	<b>6,638,630</b>	<b>7,476,910</b>
--	------------------	------------------	------------------	------------------	------------------

<b>Beginning Fund Balance</b>	<b>2,995,160</b>	<b>1,626,867</b>	<b>1,733,320</b>	<b>1,893,478</b>	<b>1,893,478</b>
-------------------------------	------------------	------------------	------------------	------------------	------------------

<b>Total Resources</b>	<b>\$13,458,230</b>	<b>\$11,025,927</b>	<b>\$ 14,125,971</b>	<b>\$12,652,943</b>	<b>\$13,491,223</b>
------------------------	---------------------	---------------------	----------------------	---------------------	---------------------

City of Portland, Oregon - FY 1997-98 Adopted Budget

**PORTLAND DEVELOPMENT COMMISSION  
URBAN REDEVELOPMENT (GENERAL) FUND, Cont.**

**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Personal Services	\$ 5,840,598	\$ 6,565,431	\$ 7,688,669	\$ 6,321,250	\$ 6,567,245
Materials and Services	1,696,151	1,951,171	2,747,551	2,117,523	2,662,786
Capital Outlay	872,313	356,574	1,905,066	2,459,529	2,173,506
Financial Assistance	22,304	419,431	750,315	296,481	296,481
<b>Transfers to Other Funds-Cash</b>					
St. Johns Project	3,400,000	-	-	-	-
<b>General Operating Contingency</b>	-	-	1,034,370	1,458,160	1,791,205
<b>Unappropriated Ending Balance</b>	1,626,863	1,733,320	-	-	-
<b>Total Requirements</b>	<u>\$13,458,230</u>	<u>\$11,025,927</u>	<u>\$14,125,971</u>	<u>\$12,652,943</u>	<u>\$13,491,223</u>

The Urban Redevelopment Fund is PDC's general fund. A one-time \$2 million tax levy provided the original working capital. This is the primary resource that is available for start-up costs during the planning and development phases of new target areas.

All PDC personnel and overhead costs are budgeted in this fund, and recovered from various other funds through service reimbursements. Contracts to provide services to other local governments are also budgeted in this fund.



**PORTLAND DEVELOPMENT COMMISSION**  
**URBAN REDEVELOPMENT (GENERAL) FUND, Cont.**  
**Commissioner-in-Charge: Mayor Vera Katz**

Expenditure Classification	LINE ITEM DETAIL				
	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>PERSONAL SERVICES</b>					
Full-time	\$ 3,410,211	\$ 4,466,156	\$ 5,557,148	\$ 4,524,030	\$ 4,662,803
Part-time	367,426	437,506	346,258	50,912	95,786
Benefits	2,062,961	1,661,770	1,785,263	1,746,308	1,808,656
<b>TOTAL PERSONAL SERVICES</b>	<b>\$ 5,840,598</b>	<b>\$ 6,565,431</b>	<b>\$ 7,688,669</b>	<b>\$ 6,321,250</b>	<b>\$ 6,567,245</b>
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	413,670	355,965	1,074,025	630,139	630,139
Legal Fees	7,038	131,428	5,000	26,300	26,300
City of Portland Overhead Charges	150,816	153,720	210,908	129,679	119,264
Temporary Services	77,168	118,278	62,400	83,200	83,200
Printing & Graphics	48,103	84,138	105,362	84,712	84,612
Technical Assistance Contracts	196,096	266,350	125,952	2,500	152,500
General Office Expense	131,089	169,860	218,933	182,805	182,805
Software Applications	23,889	24,544	104,780	85,510	85,510
Postage & Delivery	35,666	43,656	54,075	39,875	39,870
Advertising	30,526	20,646	46,500	19,300	19,300
Publications & Dues	23,491	17,338	15,375	17,143	17,143
Education	62,604	44,180	129,610	100,080	99,980
Out of Town Travel	26,483	33,318	41,950	22,250	22,150
Mileage Reimbursements	1,814	3,828	4,406	2,775	2,775
Parking	8,277	9,558	10,210	46,565	46,565
Occupancy Costs	151,998	204,653	251,834	337,667	657,420
Telephone Services	49,957	71,997	60,320	65,923	152,153
Repairs & Maintenance	116,644	101,272	80,925	110,160	110,160
Leases & Rentals	59	3	12,800	11,940	11,940
Vehicle Maintenance	4,506	5,579	7,500	9,000	9,000
Loan Document Costs	734	4,331	1,550	-	-
Appraisals	3,308	3,412	16,000	-	-
Insurance	92,523	82,748	105,000	110,000	110,000
Miscellaneous	39,693	369	2,136	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 1,696,151</b>	<b>\$ 1,951,171</b>	<b>\$ 2,747,551</b>	<b>\$ 2,117,523</b>	<b>\$ 2,662,786</b>
<b>CAPITAL OUTLAY</b>					
Land	77,867	200,400	1,136,326	933,179	647,156
Improvements	667,703	25,674	415,900	1,400,000	1,400,000
Furniture & Equipment	126,742	130,500	254,590	126,350	126,350
Relocation	-	-	98,250	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 872,313</b>	<b>\$ 356,574</b>	<b>\$ 1,905,066</b>	<b>\$ 2,459,529</b>	<b>\$ 2,173,506</b>
<b>OTHER</b>					
Loans to Borrowers	-	-	413,170	-	-
Grants	22,304	419,431	337,145	296,481	296,481
<b>TOTAL OTHER</b>	<b>\$ 22,304</b>	<b>\$ 419,431</b>	<b>\$ 750,315</b>	<b>\$ 296,481</b>	<b>\$ 296,481</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,431,366</b>	<b>\$ 9,292,606</b>	<b>\$ 13,091,601</b>	<b>\$ 11,194,783</b>	<b>\$ 11,700,018</b>

**PORTLAND DEVELOPMENT COMMISSION**  
**URBAN REDEVELOPMENT (GENERAL) FUND, Cont.**  
**Commissioner-in-Charge: Mayor Vera Katz**

**LINE ITEM DETAIL**

<b>Expenditure Classification</b>	<b>Actual FY 1994-95</b>	<b>Actual FY 1995-96</b>	<b>Revised FY 1996-97</b>	<b>Approved FY 1997-98</b>	<b>Adopted FY 1997-98</b>
Cash-St. Johns Project	3,400,000	-	-	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 3,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$11,831,366</b>	<b>\$ 9,292,606</b>	<b>\$ 13,091,601</b>	<b>\$11,194,783</b>	<b>\$11,700,018</b>

# **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

## **Capital Funds**

**Airport Way Fund**

**Central Eastside Industrial District Fund**

**Convention Center Area Fund**

**South Park Urban Renewal Fund**

**Waterfront Renewal Bond Development Fund**

**St. Johns Project Fund (closed)**

The capital funds are used to manage the finances of PDC's urban renewal areas. The primary funding source for Capital Funds has been tax increment proceeds and program income derived from the investment of tax increment.

Projects and programs funded in the Capital Funds for FY 1997-98 include:

- Business Development in the Central City
- Eastbank Park
- Multifamily Housing
- Central Eastside Redevelopment
- Storefront Program
- MLK/Grand/Burnside Revitalization
- MLK Commercial Site Development
- Union Station Housing
- Union Station Pedestrian Improvements
- River District Infrastructure Improvements
- Waterfront Park Extension
- Biotech/Health Services and Creative Services Predevelopment
- Older Building Preservation

**PORTLAND DEVELOPMENT COMMISSION****AIRPORT WAY FUND**

Commissioner-in-Charge: Mayor Vera Katz

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Rent-Thrift Car Rental	\$ 24,000	\$ 22,000	\$ 12,000	\$ -	\$ -
Interest on Investments	53,241	32,147	9,335	2,739	2,739
Interest on Loans	6,620	19,198	-	-	-
Other Contracts	817	97,183	120,000	110,000	110,000
Loan Principal Collections	288,519	-	-	-	-
Reimbursements	52	3,839	132,000	-	-
Publication Sales	227	60	-	-	-
Real Property Sales	22,620	39,049	-	-	-
Tax Increment Proceeds	-	-	66,379	-	-
<b>Revenue Subtotal</b>	<b>\$ 396,096</b>	<b>\$ 213,475</b>	<b>\$ 339,714</b>	<b>\$ 112,739</b>	<b>\$ 112,739</b>
<b>Beginning Fund Balance</b>	<b>1,961,457</b>	<b>688,143</b>	<b>445,662</b>	<b>96,275</b>	<b>96,275</b>
<b>Total Resources</b>	<b>\$ 2,357,553</b>	<b>\$ 901,618</b>	<b>\$ 785,376</b>	<b>\$ 209,014</b>	<b>\$ 209,014</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	\$ 132,724	\$ 62,288	\$ 146,802	\$ 69,450	\$ 63,300
Capital Outlay	1,299,910	100,099	84,691	86,200	86,200
<b>Transfers to Other Funds-</b>					
URF-General	236,773	293,569	315,653	52,824	56,497
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>238,230</b>	<b>540</b>	<b>3,017</b>
<b>Unappropriated Ending Balance</b>	<b>688,146</b>	<b>445,662</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 2,357,553</b>	<b>\$ 901,618</b>	<b>\$ 785,376</b>	<b>\$ 209,014</b>	<b>\$ 209,014</b>

This fund accounts for redevelopment activities in the Airport Way (formerly Columbia South Shore) urban renewal district.



**PORTLAND DEVELOPMENT COMMISSION  
AIRPORT WAY FUND**

**Commissioner-in-Charge: Mayor Vera Katz**

**LINE ITEM DETAIL**

<b>Expenditure Classification</b>	<b>Actual FY 1994-95</b>	<b>Actual FY 1995-96</b>	<b>Revised FY 1996-97</b>	<b>Approved FY 1997-98</b>	<b>Adopted FY 1997-98</b>
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 58,787	\$ 23,576	\$ 59,208	\$ 62,800	\$ 62,800
Legal Fees	50,179	-	11,000	-	-
Temporary Services	1,266	1,372	-	-	-
Printing & Graphics	2,489	3,014	9,550	200	200
General Office Expense	824	288	-	-	-
Postage & Delivery	84	264	2,650	200	200
Advertising	20	11,848	17,500	-	-
Meeting Costs	-	3,070	2,000	-	-
Special Event Costs	-	-	13,000	-	-
Publications & Dues	394	896	-	-	-
Education	284	225	1,500	-	-
Out of Town Travel	492	989	12,000	-	-
Mileage Reimbursements	78	62	150	50	50
Parking	15	28	150	50	50
Occupancy Costs	13,172	12,925	11,944	-	-
Telephone Services	2,120	3,726	6,150	6,150	-
Loan Documents	23	-	-	-	-
Appraisals	2,496	5	-	-	-
Miscellaneous	2	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 132,724</b>	<b>\$ 62,288</b>	<b>\$ 146,802</b>	<b>\$ 69,450</b>	<b>\$ 63,300</b>
<b>CAPITAL OUTLAY</b>					
Land	167,438	12,440	20,829	21,200	21,200
Improvements	1,132,472	87,659	63,862	65,000	65,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,299,910</b>	<b>100,099</b>	<b>84,691</b>	<b>86,200</b>	<b>86,200</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,432,634</b>	<b>\$ 162,387</b>	<b>\$ 231,493</b>	<b>\$ 155,650</b>	<b>\$ 149,500</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services - URF-General	150,197	157,531	207,770	24,606	24,455
Overhead - URF-General	84,876	134,338	107,883	28,218	32,042
Equipment Recovery - URF - General	1,700	1,700	-	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 236,773</b>	<b>\$ 293,569</b>	<b>\$ 315,653</b>	<b>\$ 52,824</b>	<b>\$ 56,497</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 1,669,407</b>	<b>\$ 455,956</b>	<b>\$ 547,146</b>	<b>\$ 208,474</b>	<b>\$ 205,997</b>

**AIRPORT WAY DEBT FUND (307)****FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised Budget FY 1996-97	Yr End Estimate FY 1996-97	Proposed FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>						
<b>External Revenues</b>						
Property Taxes						
Current Year	\$0	\$0	\$1,432,005	\$1,432,005	\$1,639,330	\$1,639,330
Prior Year	44,902	1,845	1,425	1,425	1,500	1,500
Total Property Taxes	44,902	1,845	1,433,430	1,433,430	1,640,830	1,640,830
Miscellaneous Revenue						
Interest on Investment	90,791	77,907	20,000	38,548	20,000	20,000
Other Miscellaneous Revenues	0	0	0	0	0	0
Total Miscellaneous Revenue	90,791	77,907	20,000	38,548	20,000	20,000
<b>Total External Revenues</b>	<b>135,693</b>	<b>79,752</b>	<b>1,453,430</b>	<b>1,471,978</b>	<b>1,660,830</b>	<b>1,660,830</b>
<b>Other Financing Sources</b>						
Cash Transfers from Other Funds						
General Fund	0	1,527,336	0	0	0	0
<b>Beginning Fund Balance</b>	<b>1,931,197</b>	<b>940,528</b>	<b>820,460</b>	<b>820,460</b>	<b>537,956</b>	<b>537,956</b>
<b>TOTAL RESOURCES</b>	<b>\$2,066,890</b>	<b>\$2,547,616</b>	<b>\$2,273,890</b>	<b>\$2,292,438</b>	<b>\$2,198,786</b>	<b>\$2,198,786</b>
<b>REQUIREMENTS</b>						
<b>Other Requirements</b>						
Debt Retirement						
Tax Exempt Indebtedness						
Principal	\$100,000	\$680,000	\$710,000	\$710,000	\$735,000	\$735,000
Interest	1,026,362	1,008,703	978,103	978,103	944,378	944,378
Taxable Indebtedness						
Principal	0	0	66,379	66,379	0	0
Interest	0	0	0	0	0	0
<b>Total Other Requirements</b>	<b>1,126,362</b>	<b>1,688,703</b>	<b>1,754,482</b>	<b>1,754,482</b>	<b>1,679,378</b>	<b>1,679,378</b>
<b>Ending Fund Balance</b>						
Unappropriated	940,528	858,913	0	0	0	0
Unexpendable Reserve	0	0	519,408	537,956	519,408	519,408
<b>Total Ending Fund Balance</b>	<b>940,528</b>	<b>858,913</b>	<b>519,408</b>	<b>537,956</b>	<b>519,408</b>	<b>519,408</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$2,066,890</b>	<b>\$2,547,616</b>	<b>\$2,273,890</b>	<b>\$2,292,438</b>	<b>\$2,198,786</b>	<b>\$2,198,786</b>

**GENERAL DESCRIPTION and CHANGES FROM PRIOR YEAR**

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Airport Way Urban Renewal District. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agency for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas are tax increment proceeds and program income derived from the investment of tax increment.

# AIRPORT WAY DEBT SERVICE FUND (307)

# DEBT REDEMPTION SCHEDULE

This fund accounts for principal and interest on tax increment bond indebtedness issued to finance public improvements in the Airport Way Urban Renewal District. Debt service is paid from tax revenues attributable to an increase in assessed valuation of taxable properties within this district.

This schedule shows the remaining payments for principal and interest that the City owes to holders of these bonds.

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Interest	Total P+i
Series 1994 C	\$17,805,000	1997/98	\$735,000	5.000%	\$472,189	\$472,189	\$1,679,378
Tax Increment		1998/99	775,000	5.200%	453,814	453,814	1,682,628
05/01/94		1999/00	815,000	5.300%	433,664	433,664	1,682,328
Due 6/1		2000/01	860,000	5.400%	412,066	412,066	1,684,133
		2001/02	905,000	5.500%	388,846	388,846	1,682,693
		2002/03	955,000	5.600%	363,959	363,959	1,682,918
		2003/04	1,005,000	5.700%	337,219	337,219	1,679,438
		2004/05	1,065,000	5.800%	308,576	308,576	1,682,153
		2005/06	1,630,000	5.900%	277,691	277,691	2,185,383
		2006/07	1,725,000	6.000%	229,606	229,606	2,184,213
		2007/08	1,835,000	6.000%	177,856	177,856	2,190,713
		2008/09	1,945,000	6.125%	122,806	122,806	2,190,613
		2009/10	2,065,000	6.125%	63,241	63,241	2,191,481
TOTAL			\$16,315,000		\$4,041,533	\$4,041,533	\$24,398,066

**PORTLAND DEVELOPMENT COMMISSION**  
**CENTRAL EASTSIDE INDUSTRIAL DISTRICT FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Rent Income-Glacier Park Property	\$ 27,696	\$ -	\$ -	\$ -	\$ -
Land Sale Proceeds	621,540	6,375	533,000	-	-
Interest on Investments	7,725	9,766	8,064	19,847	19,847
Other Contracts	-	7,500	-	-	-
Tax Increment Proceeds/Bond Sales	-	-	2,125,000	2,333,000	2,333,000
Reimbursements	17,584	7,776	260,000	295,000	295,000
<b>Revenue Subtotal</b>	<b>\$ 674,545</b>	<b>\$ 31,418</b>	<b>\$ 2,926,064</b>	<b>\$ 2,647,847</b>	<b>\$ 2,647,847</b>
<b>Beginning Fund Balance</b>	<b>264,388</b>	<b>359,262</b>	<b>10,507</b>	<b>697,601</b>	<b>697,601</b>
<b>Total Resources</b>	<b>\$ 938,934</b>	<b>\$ 390,680</b>	<b>\$ 2,936,571</b>	<b>\$ 3,345,448</b>	<b>\$ 3,345,448</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	10,891	12,973	105,057	180,075	179,050
Capital Outlay	450,260	198,565	2,429,793	2,230,000	2,230,000
Financial Assistance	-	-	73,687	73,700	73,700
Debt Service	33,216	33,216	33,218	33,217	33,217
<b>Transfers to Other Funds-</b>					
URF-General	85,304	135,418	279,925	399,902	481,915
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>14,891</b>	<b>428,554</b>	<b>347,566</b>
<b>Unappropriated Ending Balance</b>	<b>359,261</b>	<b>10,507</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 938,934</b>	<b>\$ 390,680</b>	<b>\$ 2,936,571</b>	<b>\$ 3,345,448</b>	<b>\$ 3,345,448</b>

This fund accounts for redevelopment activities in the Central Eastside Industrial District.



**PORTLAND DEVELOPMENT COMMISSION**  
**CENTRAL EASTSIDE INDUSTRIAL DISTRICT FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

Expenditure Classification	LINE ITEM DETAIL				
	Actual FY 1994-95	Actual FY 1994-95	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 624	\$ -	\$ 84,370	\$ 156,500	\$ 156,500
Temporary Services	-	-	100	-	-
Printing & Graphics	388	1,756	2,700	4,500	4,500
Publications and Dues	-	226	-	-	-
General Office Expense	-	-	500	2,000	2,000
Postage & Delivery	33	83	2,200	2,200	2,200
Advertising	-	633	2,200	2,200	2,200
Special Events Costs	-	-	500	1,000	1,000
Education	-	2,484	3,000	9,500	9,500
Out of Town Travel	-	138	-	-	-
Mileage Reimbursements	3	2	200	150	150
Parking	7	24	200	300	300
Meeting Costs	73	8	1,300	700	700
Occupancy Costs	3,180	6,679	7,237	-	-
Telephone Services	1,206	898	550	1,025	-
Loan Documents	118	43	-	-	-
Appraisals	5,260	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 10,891</b>	<b>\$ 12,973</b>	<b>\$ 105,057</b>	<b>\$ 180,075</b>	<b>\$ 179,050</b>
<b>CAPITAL OUTLAY</b>					
Land	448,940	168,500	1,354,938	780,000	780,000
Improvements	1,320	30,065	1,074,855	1,450,000	1,450,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 450,260</b>	<b>\$ 198,565</b>	<b>\$ 2,429,793</b>	<b>\$ 2,230,000</b>	<b>\$ 2,230,000</b>
<b>OTHER</b>					
Financial Assistance	-	-	73,687	73,700	73,700
Debt Service - Principal	11,387	12,127	12,128	13,755	13,755
Debt Service - Interest	21,829	21,089	21,090	19,462	19,462
<b>TOTAL OTHER</b>	<b>\$ 33,216</b>	<b>\$ 33,216</b>	<b>\$ 106,905</b>	<b>\$ 106,917</b>	<b>\$ 106,917</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 494,368</b>	<b>\$ 244,755</b>	<b>\$ 2,641,755</b>	<b>\$ 2,516,992</b>	<b>\$ 2,515,967</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services - URF-General	61,567	77,889	156,782	266,061	265,562
Overhead - URF-General	21,737	55,529	123,143	133,841	216,353
Equipment Recovery Charge - URF - General	2,000	2,000	-	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 85,304</b>	<b>\$ 135,418</b>	<b>\$ 279,925</b>	<b>\$ 399,902</b>	<b>\$ 481,915</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 579,672</b>	<b>\$ 380,173</b>	<b>\$ 2,921,680</b>	<b>\$ 2,916,894</b>	<b>\$ 2,997,882</b>

**OMSI Debt Service****DEBT REDEMPTION SCHEDULE**

The following principal and interest schedule is related to financing infrastructure improvements in the Central Eastside Urban Renewal District. The City received a State of Oregon Economic Development Department Special Public Works Fund Loan to construct a street, and finance sewer, water, and lighting improvements to allow public access to a new museum facility, the Oregon Museum of Science and Industry (OMSI) and access to adjacent parcels.

This schedule shows the remaining payments for principal and interest that the City owes to the State for this loan.

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Total P+I
Series 1991 A	\$621,033	1997/98	\$13,755	6.500%	\$19,461	\$33,216
Ltd Tax GO Note		1998/99	14,649	6.500%	18,567	33,216
07/01/91		1999/00	15,601	6.500%	17,615	33,216
Due 12/1		2000/01	16,615	6.500%	16,601	33,216
		2001/02	17,695	6.500%	20,103	37,799
		2002/03	41,388	6.500%	31,561	72,949
		2003/04	44,078	6.500%	28,871	72,949
		2004/05	46,943	6.500%	26,006	72,949
		2005/06	49,995	6.500%	22,955	72,949
		2006/07	53,244	6.500%	19,705	72,949
		2007/08	56,705	6.500%	16,244	72,949
		2008/09	60,391	6.500%	12,558	72,949
		2009/10	64,316	6.500%	8,633	72,949
		2010/11	68,497	6.500%	4,452	72,949
TOTAL			\$563,872		\$263,333	\$827,205

**CENTRAL EASTSIDE DEBT FUND (310)****FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised Budget FY 1996-97	Yr End Estimate FY 1996-97	Proposed FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>						
<b>External Revenues</b>						
Property Taxes						
Current Year	\$0	\$0	\$2,125,000	\$2,125,000	\$3,065,900	\$3,065,900
Prior Year	26,110	917	5,000	136	5,000	5,000
Total Property Taxes	26,110	917	2,130,000	2,125,136	3,070,900	3,070,900
Miscellaneous Revenue						
Interest on Investment	15,257	18,830	10,000	18,000	5,000	5,000
Other Miscellaneous Revenues	0	0	0	0	0	0
Total Miscellaneous Revenue	15,257	18,830	10,000	18,000	5,000	5,000
<b>Total External Revenues</b>	<b>41,367</b>	<b>19,747</b>	<b>2,140,000</b>	<b>2,143,136</b>	<b>3,075,900</b>	<b>3,075,900</b>
<b>Beginning Fund Balance</b>	<b>263,954</b>	<b>305,321</b>	<b>305,323</b>	<b>325,068</b>	<b>133,204</b>	<b>133,204</b>
<b>TOTAL RESOURCES</b>	<b>\$305,321</b>	<b>\$325,068</b>	<b>\$2,445,323</b>	<b>\$2,468,204</b>	<b>\$3,209,104</b>	<b>\$3,209,104</b>
<b>REQUIREMENTS</b>						
<b>Other Requirements</b>						
Debt Retirement						
Tax Exempt Indebtedness						
Principal	\$0	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0	0
Taxable Indebtedness						
Principal	0	0	2,125,000	2,125,000	2,333,000	2,333,000
Interest	0	0	0	300,000	842,900	842,900
<b>Total Other Requirements</b>	<b>0</b>	<b>0</b>	<b>2,125,000</b>	<b>2,425,000</b>	<b>3,175,900</b>	<b>3,175,900</b>
<b>Ending Fund Balance</b>	<b>305,321</b>	<b>325,068</b>	<b>320,323</b>	<b>43,204</b>	<b>33,204</b>	<b>33,204</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$305,321</b>	<b>\$325,068</b>	<b>\$2,445,323</b>	<b>\$2,468,204</b>	<b>\$3,209,104</b>	<b>\$3,209,104</b>

**GENERAL DESCRIPTION and CHANGES FROM PRIOR YEAR**

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Central Eastside Development Area. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing improvements in this district.

The Portland Development Commission (PDC) serves as the City's agency for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas are tax increment proceeds and program income derived from the investment of tax increment.

**CENTRAL EASTSIDE DEBT FUND (310)****DEBT REDEMPTION SCHEDULE**

This fund accounts for principal and interest on tax increment bond indebtedness issued to finance public improvements in the Central Eastside Urban Renewal District. Debt service is paid from tax revenues attributable to an increase in assessed valuation of taxable properties within this district. This schedule shows the remaining payments for principal and interest that the City owes to holders of these bonds.

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Interest	Total P+I
Series 1996		1997/98	\$2,333,000	Variable	\$547,732	\$295,168	\$3,175,900
Tax Increment		1998/99	1,014,500	Variable	295,168	261,245	1,570,913
11/15/96		1999/00	1,014,500	Variable	261,245	227,323	1,503,068
Due 12/15		2000/01	1,014,500	Variable	227,323	193,401	1,435,223
		2001/02	4,465,441	Variable	193,401	0	4,658,842
TOTAL			\$9,841,941		\$1,524,869	\$977,136	\$12,343,946



**PORTLAND DEVELOPMENT COMMISSION**  
**CONVENTION CENTER AREA FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Rent-Holladay Investors	\$ 100	\$ 11,035	\$ -	\$ -	\$ -
Interest on Investments	6,191	4,219	-	72,693	72,693
Tax Increment Proceeds/Bond Sales	-	-	4,784,267	5,251,000	5,251,000
Miscellaneous	9	300	-	-	-
<b>Revenue Subtotal</b>	<b>\$ 6,300</b>	<b>\$ 15,554</b>	<b>\$ 4,784,267</b>	<b>\$ 5,323,693</b>	<b>\$ 5,323,693</b>
<b>Transfers From Other Funds-</b>					
URF-General	-	-	-	-	-
Waterfront Renewal	4,381,498	4,381,498	1,806,979	-	-
<b>Beginning Fund Balance</b>	<b>126,809</b>	<b>99,803</b>	<b>11,708</b>	<b>2,555,127</b>	<b>2,555,127</b>
<b>Total Resources</b>	<b>\$ 4,514,607</b>	<b>\$ 4,496,855</b>	<b>\$ 6,602,954</b>	<b>\$ 7,878,820</b>	<b>\$ 7,878,820</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	41	39,156	420,760	726,103	724,753
Capital Outlay	24,405	23,677	642,770	1,990,310	1,990,310
Financial Assistance	-	-	741,787	125,000	125,000
<b>Transfers to Other Funds-</b>					
URF-General	3,434	40,815	396,444	544,528	681,417
<b>Transfers to Other Funds-Cash/</b>					
Loan Repayment-Waterfront Renewal	4,386,925	4,381,498	4,381,498	1,806,979	1,806,979
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>19,695</b>	<b>2,685,900</b>	<b>2,550,361</b>
<b>Unappropriated Ending Balance</b>	<b>99,803</b>	<b>11,709</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 4,514,607</b>	<b>\$ 4,496,855</b>	<b>\$ 6,602,954</b>	<b>\$ 7,878,820</b>	<b>\$ 7,878,820</b>

This fund accounts for redevelopment activities in the Convention Center urban renewal area.

**PORTLAND DEVELOPMENT COMMISSION  
CONVENTION CENTER AREA FUND**

Commissioner-in-Charge: Mayor Vera Katz

**LINE ITEM DETAIL**

Expenditure Classification	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>MATERIALS &amp; SERVICES</b>					
Professional Service Contracts	\$ -	\$ 18,468	\$ 370,143	\$ 684,753	\$ 684,753
Legal Fees	-	-	10,000	-	-
Temporary Services	-	-	600	-	-
Printing & Graphics	-	303	16,650	25,450	25,450
General Office Expense	-	-	1,850	1,750	400
Postage & Delivery	6	-	3,500	3,700	3,700
Advertising	-	-	3,200	5,400	5,400
Meeting Costs	-	500	700	600	600
Publications & Dues	-	-	500	500	500
Special Events Costs	-	-	900	1,500	1,500
Education	-	-	1,150	1,650	1,650
Mileage Reimbursement	-	16	550	325	325
Parking	7	65	175	475	475
Occupancy Costs	-	19,804	2,842	-	-
Loan Documents	-	-	2,000	-	-
Appraisals	-	-	5,000	-	-
Miscellaneous	28	-	1,000	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 41</b>	<b>\$ 39,156</b>	<b>\$ 420,760</b>	<b>\$ 726,103</b>	<b>\$ 724,753</b>
<b>CAPITAL OUTLAY</b>					
Land	17,993	17,678	540,099	378,210	378,210
Improvements	6,412	5,999	102,671	1,612,100	1,612,100
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 24,405</b>	<b>\$ 23,677</b>	<b>\$ 642,770</b>	<b>\$ 1,990,310</b>	<b>\$ 1,990,310</b>
<b>OTHER</b>					
Financial Assistance	-	-	741,787	125,000	125,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 24,446</b>	<b>\$ 62,833</b>	<b>\$ 1,805,317</b>	<b>\$ 2,841,413</b>	<b>\$ 2,840,063</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services - URF-General	2,632	10,481	188,886	251,303	254,787
Overhead - URF-General	802	30,334	207,558	293,225	426,630
Cash/Loan Repayment-Waterfront Renewal	4,386,925	4,381,498	4,381,498	1,806,979	1,806,979
<b>TOTAL TRANSFERS</b>	<b>\$ 4,390,359</b>	<b>\$ 4,422,313</b>	<b>\$ 4,777,942</b>	<b>\$ 2,351,507</b>	<b>\$ 2,488,396</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 4,414,804</b>	<b>\$ 4,485,146</b>	<b>\$ 6,583,259</b>	<b>\$ 5,192,920</b>	<b>\$ 5,328,459</b>

**CONVENTION CENTER AREA DEBT FUND (312)****FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised Budget FY 1996-97	Yr End Estimate FY 1996-97	Proposed FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>						
<b>External Revenues</b>						
Property Taxes						
Current Year	\$0	\$0	\$4,784,267	\$4,784,267	\$7,203,217	\$7,203,217
Prior Year	15,759	1	0	0	0	0
Total Property Taxes	15,759	1	4,784,267	4,784,267	7,203,217	7,203,217
Miscellaneous Revenue						
Interest on Investment	3,088	4,303	3,606	3,606	0	0
Other Miscellaneous Revenues	0	97	0	0	0	0
Total Miscellaneous Revenue	3,088	4,400	3,606	3,606	0	0
<b>Total External Revenues</b>	<b>18,847</b>	<b>4,401</b>	<b>4,787,873</b>	<b>4,787,873</b>	<b>7,203,217</b>	<b>7,203,217</b>
<b>Beginning Fund Balance</b>	<b>51,346</b>	<b>70,193</b>	<b>65,562</b>	<b>65,562</b>	<b>69,168</b>	<b>69,168</b>
<b>TOTAL RESOURCES</b>	<b>\$70,193</b>	<b>\$74,594</b>	<b>\$4,853,435</b>	<b>\$4,853,435</b>	<b>\$7,272,385</b>	<b>\$7,272,385</b>
<b>REQUIREMENTS</b>						
<b>Other Requirements</b>						
Debt Retirement						
Tax Exempt Indebtedness						
Principal	\$0	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0	0
Taxable Indebtedness						
Principal	0	0	4,401,526	4,401,526	5,251,000	5,251,000
Interest	0	0	382,741	382,741	1,952,217	1,952,217
<b>Total Other Requirements</b>	<b>0</b>	<b>0</b>	<b>4,784,267</b>	<b>4,784,267</b>	<b>7,203,217</b>	<b>7,203,217</b>
<b>Ending Fund Balance</b>	<b>70,193</b>	<b>74,497</b>	<b>69,168</b>	<b>69,168</b>	<b>69,168</b>	<b>69,168</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$70,193</b>	<b>\$74,497</b>	<b>\$4,853,435</b>	<b>\$4,853,435</b>	<b>\$7,272,385</b>	<b>\$7,272,385</b>

**GENERAL DESCRIPTION and CHANGES FROM PRIOR YEAR**

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Convention Center Development Area. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing improvements in this district.

The Portland Development Commission (PDC) serves as the City's agency for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas are tax increment proceeds and program income derived from the investment of tax increment.

**CONVENTION CENTER AREA DEBT FUND (312)****DEBT REDEMPTION SCHEDULE**

This fund accounts for principal and interest on tax increment bond indebtedness issued to finance public improvements in the Convention Center Urban Renewal District. Debt service is paid from tax revenues attributable to an increase in assessed valuation of taxable properties within this district. This schedule shows the remaining payments for principal and interest that the City owes to holders of these bonds.

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Interest	Total P+I
Series 1996		1997/98	\$5,251,000	Variable	\$1,265,313	\$686,904	\$7,203,217
Tax Increment		1998/99	2,284,000	Variable	686,904	610,533	3,581,438
11/15/96		1999/00	2,284,000	Variable	610,533	534,162	3,428,695
Due 12/15		2000/01	2,284,000	Variable	534,162	457,791	3,275,953
		2001/02	10,723,937	Variable	457,791	0	11,181,728
TOTAL			\$22,826,937		\$3,554,703	\$2,289,390	\$28,671,031



**PORTLAND DEVELOPMENT COMMISSION**  
**SOUTH PARK URBAN RENEWAL FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Loan Principal Collections	\$ 2,576,588	\$ 2,746,752	\$ 528,216	\$ 1,522,492	\$ 1,522,492
Interest on Loans	635,059	150,036	101,514	20,000	20,000
Interest on Investments	110,995	305,303	187,506	228,837	228,837
Reimbursements	-	7,500	-	-	-
Tax Increment Proceeds/Bond Sales	-	-	1,253,000	1,376,000	1,376,000
Miscellaneous	177	-	-	-	-
Publications and Other Sales	-	63	-	-	-
Other Contracts	-	68,206	-	-	-
<b>Revenue Subtotal</b>	<b>\$ 3,322,819</b>	<b>\$ 3,277,860</b>	<b>\$ 2,070,236</b>	<b>\$ 3,147,329</b>	<b>\$ 3,147,329</b>
<b>Beginning Fund Balance</b>	<b>690,610</b>	<b>2,871,592</b>	<b>6,070,109</b>	<b>8,043,473</b>	<b>8,043,473</b>
<b>Total Resources</b>	<b>\$ 4,013,429</b>	<b>\$ 6,149,452</b>	<b>\$ 8,140,345</b>	<b>\$ 11,190,802</b>	<b>\$ 11,190,802</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	\$ 104,901	\$ 15,337	\$ 82,333	\$ 227,750	\$ 226,400
Capital Outlay	-	-	470,028	-	-
Financial Assistance	870,000	-	2,957,325	1,694,000	1,694,000
<b>Transfers to Other Funds-</b>					
URF-General	111,854	64,006	271,870	447,943	623,828
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>4,358,789</b>	<b>8,821,109</b>	<b>8,646,574</b>
<b>Unappropriated Ending Balance</b>	<b>2,926,674</b>	<b>6,070,109</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 4,013,429</b>	<b>\$ 6,149,452</b>	<b>\$ 8,140,345</b>	<b>\$ 11,190,803</b>	<b>\$ 11,190,803</b>

This fund accounts for redevelopment activities in the South Park urban renewal district.

**PORTLAND DEVELOPMENT COMMISSION**  
**SOUTH PARK URBAN RENEWAL FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

Expenditure Classification	LINE ITEM DETAIL				
	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 62,095	\$ 7,520	\$ 44,500	\$ 213,000	\$ 213,000
Legal Fees	17,951	-	10,000	-	-
Temporary Services	5,090	2,656	1,700	-	-
Printing & Graphics	393	375	3,500	800	800
General Office Expense	-	212	100	200	200
Postage & Delivery	23	417	1,000	700	700
Advertising	-	1,533	500	900	900
Publications & Dues	-	-	300	-	-
Special Event Costs	-	-	600	500	500
Education	2,038	916	3,500	3,500	3,500
Out of Town Travel	1,083	-	-	2,000	2,000
Mileage Reimbursement	-	-	144	-	-
Occupancy Costs	15,081	309	6,039	-	-
Telephone Services	1,106	1,363	1,350	1,350	-
Loan Document Costs	40	36	500	-	-
Appraisals	-	-	8,600	4,800	4,800
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 104,901</b>	<b>\$ 15,337</b>	<b>\$ 82,333</b>	<b>\$ 227,750</b>	<b>\$ 226,400</b>
<b>CAPITAL OUTLAY</b>					
Land	-	-	470,028	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 470,028</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER</b>					
Financial Assistance	870,000	-	2,957,325	1,694,000	1,694,000
<b>TOTAL OTHER</b>	<b>870,000</b>	<b>-</b>	<b>2,957,325</b>	<b>1,694,000</b>	<b>1,694,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 974,901</b>	<b>\$ 15,337</b>	<b>\$ 3,509,686</b>	<b>\$ 1,921,750</b>	<b>\$ 1,920,400</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services - URF-General	61,449	33,600	143,169	292,014	291,857
Overhead - URF-General	49,905	29,906	128,701	155,929	331,971
Equipment Recovery Charge - URF-General	500	500	-	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 111,854</b>	<b>\$ 64,006</b>	<b>\$ 271,870</b>	<b>\$ 447,943</b>	<b>\$ 623,828</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 1,086,754</b>	<b>\$ 79,343</b>	<b>\$ 3,781,556</b>	<b>\$ 2,369,693</b>	<b>\$ 2,544,228</b>

**S. PARK BLOCKS BOND REDEMPTION FUND (306)****FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised Budget FY 1996-97	Yr End Estimate FY 1996-97	Proposed FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>						
<b>External Revenues</b>						
Property Taxes						
Current Year	\$0	\$592,342	\$2,179,566	\$2,179,566	\$2,486,230	\$2,486,230
Prior Year	60,640	3,944	3,155	5,980	15,000	15,000
Total Property Taxes	60,640	596,286	2,182,721	2,185,546	2,501,230	2,501,230
Miscellaneous Revenue						
Interest on Investment	109,606	101,468	60,002	60,002	60,000	60,000
Other Miscellaneous Revenues	0	0	0	0	0	0
Total Miscellaneous Revenue	109,606	101,468	60,002	60,002	60,000	60,000
<b>Total External Revenues</b>	<b>170,246</b>	<b>697,754</b>	<b>2,242,723</b>	<b>2,245,548</b>	<b>2,561,230</b>	<b>2,561,230</b>
<b>Other Financing Sources</b>						
Cash Transfer from Other Funds						
General Fund	0	1,029,170	0	0	0	0
<b>Beginning Fund Balance</b>	<b>2,496,871</b>	<b>1,493,209</b>	<b>1,406,026</b>	<b>1,485,881</b>	<b>1,503,551</b>	<b>1,503,551</b>
<b>TOTAL RESOURCES</b>	<b>\$2,667,117</b>	<b>\$3,220,133</b>	<b>\$3,648,749</b>	<b>\$3,731,429</b>	<b>\$4,064,781</b>	<b>\$4,064,781</b>
<b>REQUIREMENTS</b>						
<b>Other Requirements</b>						
Cash Transfers to Other Funds						
General Fund	\$0	\$680,079	\$0	\$0	\$0	\$0
Debt Retirement						
Tax Exempt Indebtedness						
Principal	575,000	495,000	450,000	450,000	465,000	465,000
Interest	598,908	559,173	524,878	524,878	495,119	495,119
Taxable Indebtedness						
Principal	0	0	1,133,000	1,133,000	1,376,000	1,376,000
Interest	0	0	120,000	120,000	256,756	256,756
Total Debt Retirement	1,173,908	1,054,173	2,227,878	2,227,878	2,592,875	2,592,875
<b>Total Other Requirements</b>	<b>1,173,908</b>	<b>1,734,252</b>	<b>2,227,878</b>	<b>2,227,878</b>	<b>2,592,875</b>	<b>2,592,875</b>
<b>Ending Fund Balance</b>						
Unappropriated	313,408	306,080	241,070	323,750	292,105	292,105
Unexpendable Reserve	1,179,801	1,179,801	1,179,801	1,179,801	1,179,801	1,179,801
<b>Total Ending Fund Balance</b>	<b>1,493,209</b>	<b>1,485,881</b>	<b>1,420,871</b>	<b>1,503,551</b>	<b>1,471,906</b>	<b>1,471,906</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$2,667,117</b>	<b>\$3,220,133</b>	<b>\$3,648,749</b>	<b>\$3,731,429</b>	<b>\$4,064,781</b>	<b>\$4,064,781</b>

**GENERAL DESCRIPTION and CHANGES FROM PRIOR YEAR**

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the South Park Blocks Urban Renewal District. Specifically, this fund accounts for resources and the allocation thereof to pay principal and interest on tax increment bonded indebtedness associated with financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agency for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas are tax increment proceeds and program income derived from the investment of tax increment.

# SOUTH PARK BLOCKS REDEMPTION FUND (306)

# DEBT REDEMPTION SCHEDULE

This fund accounts for principal and interest on tax increment bond indebtedness issued to finance public improvements in the South Park Blocks Urban Renewal District. Debt service is paid from tax revenues attributable to an increase in assessed valuation of taxable properties within this district.

This schedule shows the remaining payments for principal and interest that the City owes to holders of these bonds.

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Interest	Total P+I
Series B	\$5,600,000	1997/98	\$275,000	8.500%	\$161,238	\$149,550	\$585,788
Tax Increment		1998/99	300,000	8.600%	149,550	136,650	586,200
Due 12/1		1999/00	330,000	8.700%	136,650	122,295	588,945
		2000/01	360,000	8.800%	122,295	106,455	588,750
		2001/02	390,000	8.900%	106,455	89,100	585,555
		2002/03	430,000	9.000%	89,100	69,750	588,850
		2003/04	470,000	9.000%	69,750	48,600	588,350
		2004/05	515,000	9.000%	48,600	25,425	589,025
		2005/06	565,000	9.000%	25,425	0	590,425
		TOTAL	\$3,635,000		\$909,063	\$747,825	\$5,291,888
Series C	\$4,625,000	1997/98	\$190,000	3.900%	\$94,018	\$90,313	\$374,331
Tax Increment		1998/99	410,000	4.100%	90,313	81,908	582,221
08/01/93		1999/00	430,000	4.300%	81,908	72,663	584,570
Due 12/1		2000/01	450,000	4.450%	72,663	62,650	585,313
		2001/02	470,000	4.600%	62,650	51,840	584,490
		2002/03	495,000	4.700%	51,840	40,208	587,048
		2003/04	520,000	4.800%	40,208	27,728	587,935
		2004/05	545,000	4.900%	27,728	14,375	587,103
		2005/06	575,000	5.000%	14,375	0	589,375
		TOTAL	\$4,085,000		\$535,701	\$441,683	\$5,062,384
Series 1996	\$4,625,000	1997/98	\$1,376,000	Variable	\$85,644	\$171,112	\$1,632,756
Tax Increment		1998/99	598,167	Variable	171,112	151,111	920,390
11/15/96		1999/00	598,167	Variable	151,111	131,110	880,388
Due 12/15		2000/01	598,167	Variable	131,110	111,109	840,386
		2001/02	2,545,043	Variable	111,109	0	2,656,152
			\$5,715,543		\$650,086	\$564,442	\$6,930,071
FUND TOTAL	\$10,225,000	1997/98	\$1,841,000		\$340,900	\$410,975	\$2,592,875
		1998/99	1,308,167		410,975	369,669	2,088,810
		1999/00	1,358,167		369,669	326,068	2,053,903
		2000/01	1,408,167		326,067	280,214	2,014,448
		2001/02	3,405,043		280,214	140,940	3,826,197
		2002/03	925,000		140,940	109,958	1,175,898
		2003/04	990,000		109,958	76,328	1,176,285
		2004/05	1,060,000		76,328	39,800	1,176,128
		2005/06	1,140,000		39,800	0	1,179,800
		TOTAL	\$13,435,543		\$2,094,850	\$1,753,950	\$17,284,343



**PORTLAND DEVELOPMENT COMMISSION**  
**WATERFRONT RENEWAL BOND REDEVELOPMENT FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Rent-Amtrak/Union Station Tenants	\$ 1,049,585	\$ 920,871	\$ 880,000	\$ 918,000	\$ 918,000
Rent - Block 50 Parking Lot	421,920	430,527	360,000	180,000	180,000
Rent - Trailways Block	36,702	43,371	40,000	40,000	40,000
Lease - Cornerstone/PGT	8,001	8,001	8,100	16,000	16,000
Rent - Old Post Office Lot	-	-	25,000	25,000	25,000
Sales of Publications	3,908	668	-	-	-
Contract Services	554	20,683	10,000	-	-
Contract Services - ODOT	53,979	310,021	-	-	-
City General Fund - River District	-	709,106	2,629,504	1,198,188	1,198,188
Loan Fees	11,490	388	-	-	-
Loan Late Charges	499	484	-	-	-
Interest on Loans	786,354	424,741	50,000	50,000	50,000
Interest on Investments	299,579	236,732	145,112	142,250	142,250
Loan Principal Collections	1,266,410	172,829	750,000	641,500	641,500
Reimbursements-PDOT	22,151	-	50,000	-	-
Reimbursements-4th/Yamhill	434,663	430,620	522,064	428,719	428,719
Reimbursements-DHPP Program	19,523	-	-	-	-
Reimbursements - AWA Landscaping	24,151	-	-	-	-
Other Reimbursements	13,785	9,767	-	15,000	15,000
Sale of Real Property - Ag Center	-	-	1,450,000	60,000	60,000
Sale of Personal Property	-	-	-	3,809,370	4,169,370
Grants - State and Local	-	-	-	120,000	120,000
Private Grants & Donations	-	2,250	-	-	-
Tax Increment Proceeds	-	-	236,104	-	-
Miscellaneous	4,003	249,591	65,000	-	-
<b>Revenue Subtotal</b>	<b>\$ 4,457,258</b>	<b>\$ 3,970,650</b>	<b>\$ 7,220,884</b>	<b>\$ 7,644,027</b>	<b>\$ 8,004,027</b>
<b>Transfers From Other Funds-</b>					
Loan Repayment-Convention Center	4,381,498	4,381,498	4,381,498	1,806,979	1,806,979
<b>Beginning Fund Balance</b>	<b>4,151,153</b>	<b>4,448,994</b>	<b>3,907,097</b>	<b>7,500,000</b>	<b>7,500,000</b>
<b>Total Resources</b>	<b>\$ 12,989,909</b>	<b>\$ 12,801,142</b>	<b>\$ 15,509,479</b>	<b>\$ 16,951,006</b>	<b>\$ 17,311,006</b>



**PORTLAND DEVELOPMENT COMMISSION**  
**WATERFRONT RENEWAL BOND REDEVELOPMENT FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	\$ 296,895	\$ 841,171	\$ 917,427	\$ 639,698	1,351,845
Capital Outlay	1,304,281	1,959,537	5,125,309	5,644,523	4,912,523
Financial Assistance	483,815	671,454	4,212,910	8,760,000	8,760,000
<b>Transfers to Other Funds-</b>					
URF-General	707,751	1,040,386	1,523,498	979,992	1,150,030
<b>Transfers to Other Funds-Cash</b>					
Convention Center	4,381,498	4,381,498	1,806,979	-	-
<b>General Operating Contingency</b>	-	-	1,923,356	926,793	1,136,608
<b>Unappropriated Ending Balance</b>	5,815,669	3,907,095	-	-	-
<b>Total Requirements</b>	<b>\$ 12,989,909</b>	<b>\$ 12,801,142</b>	<b>\$ 15,509,479</b>	<b>\$ 16,951,006</b>	<b>\$ 17,311,006</b>

This fund supports redevelopment activities to enhance the Portland waterfront and stimulate active use and private development of designated riverfront areas. Other goals include stabilizing and expanding the retail core and supporting off-hour use of the downtown; providing incentives for rehabilitation of historic structures and districts; and undertaking activities in the North Downtown that enhance the Union Station/Transportation Center areas.

**PORTLAND DEVELOPMENT COMMISSION**  
**WATERFRONT RENEWAL BOND REDEVELOPMENT FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**LINE ITEM DETAIL**

<b>Expenditure Classification</b>	<b>Actual FY 1994-95</b>	<b>Actual FY 1995-96</b>	<b>Revised FY 1996-97</b>	<b>Approved FY 1997-98</b>	<b>Adopted FY 1997-98</b>
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 196,807	\$ 231,950	\$ 781,270	\$ 537,523	\$ 527,645
Legal Fees	14,447	30,501	22,000	63,400	63,400
Temporary Services	15,486	9,019	2,000	1,000	1,000
Printing & Graphics	3,071	6,056	17,600	5,250	5,250
Technical Assistance Contract	4,103	36	-	-	732,000
General Office Expense	1,823	2,494	3,000	1,000	1,000
Postage & Delivery	1,876	1,867	6,850	2,000	2,000
Advertising	2,940	2,807	9,400	2,525	2,525
Meeting Costs	-	1,114	2,900	600	600
Publications & Dues	1,300	1,510	850	825	825
Special Events Costs	-	1,805	4,000	1,500	1,500
Education	4,481	6,217	7,300	8,500	8,500
Out of Town Travel	1,274	4,010	9,500	5,000	5,000
Mileage Reimbursements	121	267	650	450	450
Parking	428	372	450	150	150
Occupancy Costs	36,601	34,345	40,272	-	-
Telephone Services	7,890	10,368	9,385	9,975	-
Repairs & Maintenance	36	29	-	-	-
Loan Document Costs	291	341	-	-	-
Appraisals	3,900	225	-	-	-
Loan Foreclosure Costs	-	895	-	-	-
Miscellaneous	18	494,943	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 296,895</b>	<b>\$ 841,171</b>	<b>\$ 917,427</b>	<b>\$ 639,698</b>	<b>\$ 1,351,845</b>
<b>CAPITAL OUTLAY</b>					
Land	1,029,148	912,360	1,608,699	2,213,200	1,481,200
Improvements	275,133	1,018,590	3,496,125	3,410,473	3,410,473
Furniture & Equipment	-	15,285	-	-	-
LTD Special Assessments	-	13,302	20,485	20,850	20,850
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 1,304,281</b>	<b>\$ 1,959,537</b>	<b>\$ 5,125,309</b>	<b>\$ 5,644,523</b>	<b>\$ 4,912,523</b>
<b>OTHER</b>					
Financial Assistance	483,815	671,454	4,212,910	8,760,000	8,760,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,084,992</b>	<b>\$ 3,472,162</b>	<b>\$ 10,255,646</b>	<b>\$ 15,044,221</b>	<b>\$ 15,024,368</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services-URF-General	472,678	503,718	868,280	606,215	609,181
Overhead-URF-General	230,872	532,468	655,218	373,777	540,849
Equipment Recovery Charge-URF-General	4,200	4,200	-	-	-
Cash/Loan-Convention Center	4,381,498	4,381,498	1,806,979	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 5,089,249</b>	<b>\$ 5,421,884</b>	<b>\$ 3,330,477</b>	<b>\$ 979,992</b>	<b>\$ 1,150,030</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 7,174,240</b>	<b>\$ 8,894,046</b>	<b>\$ 13,586,123</b>	<b>\$ 16,024,213</b>	<b>\$ 16,174,398</b>

**WATERFRONT RENEWAL BOND SINKING FUND (303)**
**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised Budget FY 1996-97	Yr End Estimate FY 1996-97	Proposed FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>						
<b>External Revenues</b>						
Property Taxes						
Current Year	\$0	\$1,777,025	\$6,397,021	\$6,397,021	\$5,073,572	\$5,073,572
Prior Year	235,697	14,736	10,000	10,000	10,000	10,000
Total Property Taxes	235,697	1,791,761	6,407,021	6,407,021	5,083,572	5,083,572
Miscellaneous Revenue						
Interest on Investment	509,507	348,658	200,001	200,001	200,000	200,000
Other Miscellaneous Revenues	10,580	8,136	0	10,224	0	0
Total Miscellaneous Revenue	520,087	356,794	200,001	210,225	200,000	200,000
<b>Total External Revenues</b>	<b>755,784</b>	<b>2,148,555</b>	<b>6,607,022</b>	<b>6,617,246</b>	<b>5,283,572</b>	<b>5,283,572</b>
<b>Other Financing Sources</b>						
Cash Transfers from Other Funds						
Parking Facilities Fund	812,780	690,000	690,000	690,000	690,000	690,000
General Fund	0	1,049,137	0	0	0	0
<b>Total Other Financing Sources</b>	<b>812,780</b>	<b>1,739,137</b>	<b>690,000</b>	<b>690,000</b>	<b>690,000</b>	<b>690,000</b>
<b>Beginning Fund Balance</b>	<b>10,704,006</b>	<b>6,246,919</b>	<b>3,923,256</b>	<b>4,134,891</b>	<b>5,006,468</b>	<b>5,006,468</b>
<b>TOTAL RESOURCES</b>	<b>\$12,272,570</b>	<b>\$10,134,611</b>	<b>\$11,220,278</b>	<b>\$11,442,137</b>	<b>\$10,980,040</b>	<b>\$10,980,040</b>
<b>REQUIREMENTS</b>						
<b>Bureau Expenses</b>						
External Materials & Services	\$41,301	\$13,220	\$15,000	\$15,000	\$15,000	\$15,000
Internal Materials & Services	0	0	0	0	0	0
<b>Total Bureau Expenses</b>	<b>41,301</b>	<b>13,220</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Other Requirements</b>						
Debt Retirement						
Tax Exempt Indebtedness						
Principal	3,229,576	3,369,598	3,520,485	3,520,485	3,687,240	3,687,240
Interest	2,754,774	2,616,902	2,464,079	2,464,079	2,293,190	2,293,190
Taxable Indebtedness						
Principal	0	0	217,216	217,216	0	0
Interest	0	0	18,888	18,888	0	0
<b>Total Other Requirements</b>	<b>5,984,350</b>	<b>5,986,500</b>	<b>6,220,668</b>	<b>6,220,668</b>	<b>5,980,430</b>	<b>5,980,430</b>
<b>Ending Fund Balance</b>						
Unappropriated	6,246,919	784,891	1,634,610	1,856,469	1,634,610	1,634,610
Unexpendable Reserve	0	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000
<b>Total Ending Fund Balance</b>	<b>6,246,919</b>	<b>4,134,891</b>	<b>4,984,610</b>	<b>5,206,469</b>	<b>4,984,610</b>	<b>4,984,610</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$12,272,570</b>	<b>\$10,134,611</b>	<b>\$11,220,278</b>	<b>\$11,442,137</b>	<b>\$10,980,040</b>	<b>\$10,980,040</b>
<b>Line Item Detail - AU 281</b>						
<b>External Materials and Services</b>						
5490 Other Miscellaneous	\$41,301	\$13,220	\$15,000	\$15,000	\$15,000	\$15,000
<b>TOTAL Bureau Expenses</b>	<b>\$41,301</b>	<b>\$13,220</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$15,000</b>

**GENERAL DESCRIPTION and CHANGES FROM PRIOR YEAR**

This fund is used to achieve a proper matching of revenues and expenditures related to financing public improvements in the Downtown Waterfront Urban Renewal District. Specifically, this fund accounts for the allocation of resources to pay principal and interest on tax increment bonded indebtedness related to financing and refinancing of improvements in this district.

The Portland Development Commission (PDC) serves as the City's agency for developing and managing urban renewal plans that have played a major role in keeping Portland one of America's most livable and vital cities. The primary funding source for improvements to urban renewal areas are tax increment proceeds and program income derived from the investment of tax increment.



# WATERFRONT RENEWAL BOND SINKING FUND (303)

# DEBT REDEMPTION SCHEDULE

This fund accounts for principal and interest on tax increment bond indebtedness issued to finance public improvements in the Downtown Waterfront Urban Renewal District. Debt service is paid from tax revenues attributable to an increase in assessed valuation of taxable properties within this district.

This schedule shows the remaining payments for principal and interest that the City owes to holders of these bonds.

Bond Description	Amount Issued	Fiscal Year	Principal	Coupon	Interest	Interest	Total P+I
Series J	\$13,196,453	1997/98	\$1,165,000	6.800%	\$39,610	\$0	\$1,204,610
Tax Increment		1998/99	633,556	CABs	611,444	0	1,245,000
Due 11/1		1999/00	588,873	CABs	656,127	0	1,245,000
		2000/01	546,816	CABs	698,184	0	1,245,000
		2001/02	507,275	CABs	737,725	0	1,245,000
		2002/03	470,137	CABs	774,863	0	1,245,000
		2003/04	435,302	CABs	809,698	0	1,245,000
		2004/05	402,658	CABs	842,342	0	1,245,000
		2005/06	372,093	CABs	872,907	0	1,245,000
		2006/07	346,521	CABs	898,479	0	1,245,000
		2007/08	322,704	CABs	922,296	0	1,245,000
		2008/09	300,518	CABs	944,482	0	1,245,000
		TOTAL	\$6,091,453		\$8,808,157	\$0	\$14,899,610
Series K	\$4,597,251	1997/98	\$237,240	CABs	\$192,760	\$0	\$430,000
Tax Increment		1998/99	219,872	CABs	210,128	0	430,000
Due 11/1		1999/00	203,386	CABs	226,614	0	430,000
		2000/01	187,772	CABs	242,228	0	430,000
		2001/02	174,111	CABs	255,889	0	430,000
		2002/03	162,377	CABs	267,623	0	430,000
		2003/04	149,262	CABs	280,738	0	430,000
		2004/05	139,071	CABs	290,929	0	430,000
		2005/06	129,572	CABs	300,428	0	430,000
		2006/07	119,682	CABs	310,318	0	430,000
		2007/08	111,456	CABs	318,544	0	430,000
		2008/09	103,793	CABs	326,207	0	430,000
		TOTAL	\$1,937,594		\$3,222,406	\$0	\$5,160,000
Series L	\$45,010,000	1997/98	\$2,285,000	5.350%	\$1,030,410	\$1,030,410	\$4,345,820
Tax Increment		1998/99	2,405,000	5.500%	969,286	969,286	4,343,572
Due 6/1		1999/00	2,540,000	5.650%	902,548	902,548	4,345,096
		2000/01	2,680,000	5.900%	830,793	830,793	4,341,586
		2001/02	2,840,000	6.000%	751,733	751,733	4,343,466
		2002/03	3,010,000	6.100%	666,533	666,533	4,343,066
		2003/04	3,195,000	6.100%	574,728	574,728	4,344,456
		2004/05	3,390,000	6.400%	477,280	477,280	4,344,560
		2005/06	3,605,000	6.400%	368,800	368,800	4,342,600
		2006/07	3,835,000	6.400%	253,440	253,440	4,341,880
		2007/08	4,085,000	6.400%	130,720	130,720	4,346,440
		TOTAL	\$33,870,000		\$6,956,271	\$6,956,271	\$47,782,542



# WATERFRONT RENEWAL BOND SINKING FUND (303)

# DEBT REDEMPTION SCHEDULE

Bond Description	Amount Issued	Fiscal Year	Principal	Interest	Interest	Total P+I
FUND TOTAL	\$62,803,704	1997/98	\$3,687,240	\$1,262,780	\$1,030,410	\$5,980,430
		1998/99	3,258,428	1,790,858	969,286	6,018,572
		1999/00	3,332,259	1,785,289	902,548	6,020,096
		2000/01	3,414,588	1,771,205	830,793	6,016,586
		2001/02	3,521,386	1,745,347	751,733	6,018,466
		2002/03	3,642,514	1,709,019	666,533	6,018,066
		2003/04	3,779,564	1,665,164	574,728	6,019,456
		2004/05	3,931,729	1,610,551	477,280	6,019,560
		2005/06	4,106,665	1,542,135	368,800	6,017,600
		2006/07	4,301,203	1,462,237	253,440	6,016,880
		2007/08	4,519,160	1,371,560	130,720	6,021,440
		2008/09	404,311	1,270,689	0	1,675,000
		TOTAL	\$41,899,047	\$18,986,834	\$6,956,271	\$67,842,152

**PORTLAND DEVELOPMENT CO**  
**ST. JOHNS PROJECT FUND - Closed**  
**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Interest on Investments	\$ 14,493	\$ 8,576	\$ -	\$ -	
Publications Sales	50	-	-	-	
Real Property Sales	93,784	813,950	-	-	
Rent - Parking Lot	2,615	2,225	-	-	
<b>Revenue Subtotal</b>	<b>\$ 110,942</b>	<b>\$ 824,751</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers From Other Funds-Cash</b>					
URF-General-Interfund Loan	3,400,000	-	-	-	
<b>Beginning Fund Balance</b>	<b>306,218</b>	<b>158,512</b>	<b>-</b>	<b>-</b>	
<b>Total Resources</b>	<b>\$ 3,817,160</b>	<b>\$ 983,263</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	\$ 366	\$ 26	\$ -	\$ -	\$ -
Capital Outlay	534	-	-	-	-
<b>Transfers to Other Funds-</b>					
URF-General	11,120	5,776	-	-	-
<b>Transfers to Other Funds-Cash/</b>					
Loan Repayment-URF-General	3,646,628	977,461	-	-	-
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unappropriated Ending Balance</b>	<b>158,512</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 3,817,160</b>	<b>\$ 983,263</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

This fund supported the efforts to sell the St. Johns site. The balance in this fund was transferred to the Urban Redevelopment Fund and the fund was closed in FY 1995-96.

## **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

### **Grant Funds**

**Housing and Community Development Contract Fund**

**Other Federal Grants Fund**

**Enterprise Loans Fund**

**Regional Strategies Fund**

**South Auditorium Fund**

The Grants Funds account for federal and state grant activities in the funds listed above. The Housing and Community Development Fund provides for all Community Development Block Grant housing and economic development activities performed under contract with the Bureau of Housing and Community Development. The Other Federal Grants Fund includes the housing activities performed under the HOME contract, economic development and workforce activities under the Northeast Business Assistance Fund, economic development lending under the EDA grant, and other smaller federal grants. The Enterprise Loan Fund accounts for two CDBG-funded housing revolving loan funds, the Private Lender Agreement Program, and other smaller grant-funded loan funds.

The Regional Strategies Fund accounts for PDC's management of the Regional Strategies state grant of lottery proceeds to Multnomah and Washington Counties for target industries, workforce and economic development. The South Auditorium Fund accounts for the proceeds from the sale of properties acquired with U.S. Department of Housing and Urban Development grant funds.

**PORTLAND DEVELOPMENT COMMISSION**  
**HOUSING AND COMMUNITY DEVELOPMENT CONTRACT FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

	<b>FUND SUMMARY</b>				
	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Rent Income	\$ 14,626	\$ 27,849	\$ -	\$ 2,400	\$ 2,400
Sales of Publications	660	95	-	-	-
Loan Fees	14,600	21,885	-	-	-
Loan Late Charges	10,913	7,858	-	-	-
Interest on Loans	577,441	482,162	579,700	469,950	469,950
Interest on Investments	83,419	129,623	44,412	49,554	49,554
Other Interest	2,648	2,089	-	-	-
Loan Principal Collections	3,663,899	3,931,120	3,430,700	3,432,300	3,432,300
Other Contracts	-	3,420	-	-	-
Reimbursements	115,815	46,016	-	-	-
Sale of Real Property	141,647	247,636	-	-	-
New Debt - Private Lenders	1,256,920	1,827,050	4,254,616	2,383,772	2,383,772
Miscellaneous	384	25,150	-	-	-
<b>Revenue Subtotal</b>	<b>\$ 5,882,971</b>	<b>\$ 6,751,952</b>	<b>\$ 8,309,428</b>	<b>\$ 6,337,976</b>	<b>\$ 6,337,976</b>
<b>Local Government Sources</b>					
HCD Contract (net of program income)	5,313,025	5,467,175	4,050,615	3,812,298	4,213,281
<b>Transfers from Other Funds-</b>					
Cash Transfers In	572,452	-	-	-	-
<b>Beginning Fund Balance</b>	<b>454,439</b>	<b>1,020,161</b>	<b>1,495,897</b>	<b>1,741,784</b>	<b>974,784</b>
<b>Total Resources</b>	<b>\$ 12,222,887</b>	<b>\$ 13,239,288</b>	<b>\$ 13,855,940</b>	<b>\$ 11,892,058</b>	<b>\$ 11,526,041</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	754,870	926,252	1,167,253	1,110,343	766,616
Capital Outlay	1,472,702	303,022	57,319	2,500	13,500
Financial Assistance	5,259,670	7,083,506	7,526,152	5,663,930	6,181,400
<b>Transfers to Other Funds-</b>					
URF-General	3,143,032	3,430,612	3,350,707	3,093,147	3,309,387
Cash Transfers Out	572,452	-	-	-	-
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>1,754,509</b>	<b>2,022,138</b>	<b>1,255,138</b>
<b>Unappropriated Ending Balance</b>	<b>1,020,160</b>	<b>1,495,897</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 12,222,887</b>	<b>\$ 13,239,288</b>	<b>\$ 13,855,940</b>	<b>\$ 11,892,058</b>	<b>\$ 11,526,041</b>

This fund accounts for PDC's contract with the Bureau of Housing and Community Development to administer a portion of the City's Housing and Community Development Block Grant Program.



**PORTLAND DEVELOPMENT COMMISSION**  
**HOUSING AND COMMUNITY DEVELOPMENT CONTRACT FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

Expenditure Classification	LINE ITEM DETAIL				
	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 155,823	\$ 238,541	\$ 477,810	\$ 446,931	\$ 471,773
COP Overhead Charges	-	91,552	-	9,565	22,129
Legal Fees	50,397	1,519	26,250	5,000	5,000
Temporary Services	49,161	44,991	23,434	21,500	19,500
Technical Assistance Contracts	19,775	12,592	5,816	-	-
Printing & Graphics	24,318	22,199	52,150	20,750	20,750
General Office Expense	12,936	19,482	12,350	8,650	7,016
Software Applications	11,415	4,089	2,000	7,800	6,800
Postage & Delivery	10,670	11,049	18,257	11,958	13,158
Advertising	12,204	7,777	14,350	10,575	10,975
Meeting Costs	-	6,248	1,400	6,000	6,000
Publications & Dues	7,078	5,051	7,366	4,465	3,465
Special Events Costs	-	7,978	5,000	5,000	5,000
Education	19,014	14,316	40,950	41,500	31,500
Out of Town Travel	458	4,542	7,200	9,480	9,480
Mileage Reimbursements	6,253	5,742	5,320	6,250	6,865
Parking	8,790	8,875	13,650	10,150	10,618
Occupancy Costs	243,418	234,841	218,423	319,754	-
Telephone Services	49,342	68,852	62,580	63,930	-
Repairs & Maintenance	9,100	7,871	-	300	300
Leases & Rentals	71	-	-	-	-
Vehicle Maintenance	168	-	150	-	-
Loan Document Costs	35,353	44,587	83,447	49,850	55,252
Appraisals	22,231	23,810	85,550	47,135	57,235
Loan Foreclosure Costs	2,836	15,838	1,000	1,000	1,000
Insurance	2,960	-	2,800	2,800	2,800
Miscellaneous	1,098	23,912	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 754,870</b>	<b>\$ 926,252</b>	<b>\$ 1,167,253</b>	<b>\$ 1,110,343</b>	<b>\$ 766,616</b>
<b>CAPITAL OUTLAY</b>					
Land	324,880	184,916	2,440	2,500	3,500
Improvements	1,147,823	85,099	44,459	-	-
Furniture & Equipment	-	14,069	420	-	10,000
LTD Special Assessments	-	11,673	-	-	-
Relocation	-	7,265	10,000	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 1,472,702</b>	<b>\$ 303,022</b>	<b>\$ 57,319</b>	<b>\$ 2,500</b>	<b>\$ 13,500</b>
<b>OTHER</b>					
Financial Assistance	5,178,355	6,905,700	6,922,573	5,399,437	5,913,928
Grants	81,315	177,806	603,579	264,493	267,472
<b>TOTAL OTHER</b>	<b>\$ 5,259,670</b>	<b>\$ 7,083,506</b>	<b>\$ 7,526,152</b>	<b>\$ 5,663,930</b>	<b>\$ 6,181,400</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,487,243</b>	<b>\$ 8,312,779</b>	<b>\$ 8,750,724</b>	<b>\$ 6,776,773</b>	<b>\$ 6,961,516</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services - URF-General	2,377,049	2,671,224	2,523,893	2,282,294	2,115,190
Overhead-URF-General	736,883	730,288	826,814	810,853	1,194,197
Equipment Recovery Charges-URF-General	29,100	29,100	-	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 3,143,032</b>	<b>\$ 3,430,612</b>	<b>\$ 3,350,707</b>	<b>\$ 3,093,147</b>	<b>\$ 3,309,387</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 10,630,275</b>	<b>\$ 11,743,391</b>	<b>\$ 12,101,431</b>	<b>\$ 9,869,920</b>	<b>\$ 10,270,903</b>

City of Portland, Oregon - FY 1997-98 Adopted Budget

**PORTLAND DEVELOPMENT COMMISSION  
OTHER FEDERAL GRANTS FUND**

Commissioner-in-Charge: Mayor Vera Katz

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
N/NE Business Assistance Fund	\$ 440,693	\$ 592,070	\$ 3,453,541	\$ -	\$ -
EDA Planning Grant	45,372	-	-	-	-
HOME Grant	2,391,120	3,232,061	1,915,000	1,434,536	2,153,172
DHPP Special Projects Grant	18,046	2,953	-	-	-
Loan Fees	11,522	5,195	-	-	-
Loan Late Charges	6,015	5,344	-	-	-
Loan Principal Collections	70,595	17,554	108,000	226,935	226,935
Interest on Loans	137,864	243,194	85,000	140,000	140,000
Interest on Investments	-	3,070	1,740	24,480	24,480
Reimbursements	143	132,120	-	-	-
<b>Revenue Subtotal</b>	<b>\$ 3,121,370</b>	<b>\$ 4,233,560</b>	<b>\$ 5,563,281</b>	<b>\$ 1,825,951</b>	<b>\$ 2,544,587</b>
<b>Beginning Fund Balance</b>	<b>138,160</b>	<b>26,094</b>	<b>304,967</b>	<b>860,467</b>	<b>860,467</b>
<b>Total Resources</b>	<b>\$ 3,259,530</b>	<b>\$ 4,259,654</b>	<b>\$ 5,868,248</b>	<b>\$ 2,686,418</b>	<b>\$ 3,405,054</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	\$ 176,509	\$ 145,894	\$ 163,860	\$ 114,084	\$ 114,084
Financial Assistance	2,759,148	3,654,710	5,180,720	2,440,000	3,159,000
<b>Transfers to Other Funds-</b>					
URF-General	284,464	154,083	173,961	132,334	131,970
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>349,707</b>	<b>-</b>	<b>-</b>
<b>Unappropriated Ending Balance</b>	<b>39,409</b>	<b>304,967</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 3,259,530</b>	<b>\$ 4,259,654</b>	<b>\$ 5,868,248</b>	<b>\$ 2,686,418</b>	<b>\$ 3,405,054</b>

This fund accounts for the HUD Rental Rehabilitation grant, the HUD N/NE Business Assistance Fund, the EDA Planning grant, the HOME grant, and the Downtown Housing Preservation Program (DHPP) Special Projects grant.

**PORTLAND DEVELOPMENT COMMISSION**  
**OTHER FEDERAL GRANTS FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**LINE ITEM DETAIL**

<b>Expenditure Classification</b>	<b>Actual FY 1994-95</b>	<b>Actual FY 1995-96</b>	<b>Revised FY 1996-97</b>	<b>Approved FY 1997-98</b>	<b>Adopted FY 1997-98</b>
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 113,296	\$ 83,142	\$ 139,589	\$ 36,234	\$ 36,234
Legal	10,210	-	-	-	-
Temporary Services	10,739	27,254	1,000	6,500	6,500
Printing & Graphics	202	1,056	2,200	1,700	1,700
General Office Expense	205	177	450	450	450
Technical Assistance Contract	33,873	2,039	-	50,000	50,000
Postage & Delivery	51	228	800	800	800
Advertising	467	3,519	1,700	2,200	2,200
Meeting Costs	-	67	450	950	950
Publications & Dues	-	50	200	150	150
Education	141	250	2,000	250	250
Out of Town Travel	2,716	991	3,000	1,000	1,000
Mileage Reimbursements	105	152	550	550	550
Parking	12	5	50	50	50
Occupancy Costs	3,514	16,667	7,371	-	-
Telephone Services	397	-	-	-	-
Leases & Rentals	45	-	-	-	-
Loan Document Costs	537	268	500	500	500
Appraisals	-	-	4,000	4,000	4,000
Loan Foreclosure Costs	-	10,030	-	8,750	8,750
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 176,509</b>	<b>\$ 145,894</b>	<b>\$ 163,860</b>	<b>\$ 114,084</b>	<b>\$ 114,084</b>
<b>FINANCIAL ASSISTANCE</b>					
Loans to Borrowers	2,742,988	3,191,707	4,805,720	2,140,000	2,859,000
Grants	16,160	463,003	375,000	300,000	300,000
<b>TOTAL FINANCIAL ASSISTANCE</b>	<b>\$ 2,759,148</b>	<b>\$ 3,654,710</b>	<b>\$ 5,180,720</b>	<b>\$ 2,440,000</b>	<b>\$ 3,159,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,935,657</b>	<b>\$ 3,800,604</b>	<b>\$ 5,344,580</b>	<b>\$ 2,554,084</b>	<b>\$ 3,273,084</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services-URF-General	204,897	102,965	112,137	84,797	83,430
Overhead - URF-General	78,967	50,518	61,824	47,537	48,540
Equipment Recovery Charge-URF-General	600	600	-	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 284,464</b>	<b>\$ 154,083</b>	<b>\$ 173,961</b>	<b>\$ 132,334</b>	<b>\$ 131,970</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 3,220,121</b>	<b>\$ 3,954,687</b>	<b>\$ 5,518,541</b>	<b>\$ 2,686,418</b>	<b>\$ 3,405,054</b>

**PORTLAND DEVELOPMENT COMMISSION**
**ENTERPRISE LOANS FUND**
**Commissioner-in-Charge: Mayor Vera Katz**
**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Rent Income	\$ -	\$ 2,000	\$ -	\$ -	\$ -
Loan Fees	10,234	12,191	109,197	-	-
Loan Late Charges	9,511	6,332	-	-	-
Interest on Loans	994,655	913,759	827,000	866,549	866,549
Interest on Investments	269,947	269,351	167,035	256,156	256,156
Loan Principal Collections	3,287,189	1,624,057	1,226,500	1,909,927	1,909,927
Real Property Sales	-	16,693	-	-	-
Reimbursements	1,797	5,634	50	-	-
Private Lender Agreements (PLIP)	-	-	1,500,000	-	-
Other Contracts	193,923	-	219,232	-	-
HIF Note Revenue	-	-	7,658,194	12,751,908	11,610,780
<b>Revenue Subtotal</b>	<b>\$ 4,767,255</b>	<b>\$ 2,850,018</b>	<b>\$ 11,707,208</b>	<b>\$ 15,784,540</b>	<b>\$ 14,643,412</b>
<b>Beginning Fund Balance</b>	<b>4,181,895</b>	<b>4,972,598</b>	<b>5,681,904</b>	<b>8,053,814</b>	<b>8,053,814</b>
<b>Total Resources</b>	<b>\$ 8,949,150</b>	<b>\$ 7,822,615</b>	<b>\$ 17,389,112</b>	<b>\$ 23,838,354</b>	<b>\$ 22,697,226</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	18,231	18,261	325,234	122,631	122,631
Capital Outlay	-	-	26,940	-	-
Financial Assistance	1,000,172	592,265	8,753,000	12,777,801	11,709,224
Debt Service	2,873,385	1,445,581	1,541,556	1,550,000	1,550,000
<b>Transfers to Other Funds-</b>					
URF-General	84,764	84,603	962,123	979,804	1,004,101
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>5,780,259</b>	<b>8,408,118</b>	<b>8,311,270</b>
<b>Unappropriated Ending Balance</b>	<b>4,972,598</b>	<b>5,681,906</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 8,949,150</b>	<b>\$ 7,822,615</b>	<b>\$ 17,389,112</b>	<b>\$ 23,838,354</b>	<b>\$ 22,697,226</b>

This fund accounts for the Housing Investment Fund, Private Lender Participation, Public Interest Lender, Rental Rehabilitation reloan, EDA Revolving, EDA Industrial Sites, and Urban Development Action Grant loan programs.

**PORTLAND DEVELOPMENT COMMISSION**  
**ENTERPRISE LOANS FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

Expenditure Classification	LINE ITEM DETAIL				
	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 2,020	\$ -	\$ 58,500	\$ 116,931	\$ 116,931
Legal	188	3,578	20,000	-	-
Temporary Services	88	-	38,000	-	-
Printing & Graphics	243	-	13,500	2,000	2,000
General Office Expense	9	-	11,100	500	500
Postage & Delivery	37	74	5,650	150	150
Advertising	83	-	15,500	1,100	1,100
Publications & Dues	25	100	1,250	-	-
Education	655	5	7,070	500	500
Out of Town Travel	472	-	8,500	-	-
Mileage Reimbursement	3	-	2,300	150	150
Occupancy Costs	7,371	12,300	38,780	-	-
Telephone Services	205	-	9,140	-	-
Parking	27	-	144	-	-
Loan Document Costs	1,310	1,609	83,300	1,300	1,300
Appraisals	-	-	6,000	-	-
Loan Foreclosure Costs	-	596	6,500	-	-
Insurance	5,470	-	-	-	-
Miscellaneous	25	-	-	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 18,231</b>	<b>\$ 18,261</b>	<b>\$ 325,234</b>	<b>\$ 122,631</b>	<b>\$ 122,631</b>
<b>CAPITAL OUTLAY</b>					
Furniture and Equipment	-	-	26,940	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,940</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER</b>					
Debt Service - Principal	2,210,864	857,553	849,628	850,000	850,000
Debt Service - Interest	662,521	588,027	691,928	700,000	700,000
Financial Assistance	1,000,172	592,265	8,753,000	12,777,801	11,709,224
<b>TOTAL OTHER</b>	<b>\$ 3,873,557</b>	<b>\$ 2,037,846</b>	<b>\$ 10,294,556</b>	<b>\$ 14,327,801</b>	<b>\$ 13,259,224</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,891,788</b>	<b>\$ 2,056,106</b>	<b>\$ 10,619,790</b>	<b>\$ 14,450,432</b>	<b>\$ 13,381,855</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services-URF-General	64,194	65,436	559,069	497,800	601,806
Overhead-URF-General	19,720	18,317	403,054	482,004	402,295
Equipment Recovery Charge-URF-General	850	850	-	-	-
<b>TOTAL TRANSFERS</b>	<b>\$ 84,764</b>	<b>\$ 84,603</b>	<b>\$ 962,123</b>	<b>\$ 979,804</b>	<b>\$ 1,004,101</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 3,976,552</b>	<b>\$ 2,140,709</b>	<b>\$ 11,608,853</b>	<b>\$ 15,430,236</b>	<b>\$ 14,385,956</b>



**PORTLAND DEVELOPMENT COMMISSION**  
**REGIONAL STRATEGIES FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
State of Oregon Grant	\$ 95,000	\$ -	\$ 2,065,682	\$ 293,973	\$ 324,664
Interest on Investments	40,390	46,405	-	6,771	6,771
Reimbursements	-	5,000	-	-	-
Other Contracts	906,127	1,672,969	-	-	-
<b>Revenue Subtotal</b>	<b>\$ 1,041,517</b>	<b>\$ 1,724,374</b>	<b>\$ 2,065,682</b>	<b>\$ 300,744</b>	<b>\$ 331,435</b>
<b>Beginning Fund Balance</b>	<b>-</b>	<b>-</b>	<b>831,511</b>	<b>221,549</b>	<b>221,549</b>
<b>Total Resources</b>	<b>\$ 1,041,517</b>	<b>\$ 1,724,374</b>	<b>\$ 2,897,193</b>	<b>\$ 522,293</b>	<b>\$ 552,984</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
Materials and Services	980,884	828,170	841,948	19,461	19,461
Financial Assistance	-	-	1,975,025	496,915	496,915
<b>Transfers to Other Funds-</b>					
URF-General	60,634	64,692	80,220	5,917	36,608
<b>Contingency</b>					
General Operating Contingency	-	-	-	-	-
<b>Unappropriated Ending Balance</b>	<b>-</b>	<b>831,511</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 1,041,517</b>	<b>\$ 1,724,374</b>	<b>\$ 2,897,193</b>	<b>\$ 522,293</b>	<b>\$ 552,984</b>

This fund was created during fiscal year 1994-95 to account for PDC's participation as regional clearinghouse for the Regional Strategies Board, which distributes funds to organizations working to further the regional target industries agenda. Funding is from the State of Oregon.

**PORTLAND DEVELOPMENT COMMISSION**  
**REGIONAL STRATEGIES FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**LINE ITEM DETAIL**

<b>Expenditure Classification</b>	<b>Actual FY 1994-95</b>	<b>Actual FY 1995-96</b>	<b>Revised FY 1996-97</b>	<b>Approved FY 1997-98</b>	<b>Adopted FY 1997-98</b>
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 965,944	\$ -	\$ 500	\$ 18,111	\$ 18,111
Temporary Services	388	226	-	-	-
Printing & Graphics	737	192	300	300	300
Technical Assistance Contracts	-	820,649	833,500	-	-
General Office Expense	447	528	75	-	-
Postage & Delivery	343	228	200	250	250
Education	-	238	-	-	-
Advertising	12,937	1,423	200	400	400
Out of Town Travel	-	-	-	200	200
Mileage Reimbursement	81	193	200	200	200
Parking	7	4	-	-	-
Occupancy Costs	-	4,490	4,973	-	-
Miscellaneous	-	-	2,000	-	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 980,884</b>	<b>\$ 828,170</b>	<b>\$ 841,948</b>	<b>\$ 19,461</b>	<b>\$ 19,461</b>
<b>OTHER</b>					
Financial Assistance	\$ -	\$ -	\$ 1,975,025	\$ 496,915	\$ 496,915
<b>TOTAL EXPENDITURES</b>	<b>\$ 980,884</b>	<b>\$ 828,170</b>	<b>\$ 2,816,973</b>	<b>\$ 516,376</b>	<b>\$ 516,376</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services - URF-General	44,772	48,028	59,758	5,917	19,906
Overhead - URF - General	15,862	16,664	20,462	-	16,702
<b>TOTAL TRANSFERS</b>	<b>\$ 60,634</b>	<b>\$ 64,692</b>	<b>\$ 80,220</b>	<b>\$ 5,917</b>	<b>\$ 36,608</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 1,041,517</b>	<b>\$ 892,862</b>	<b>\$ 2,897,193</b>	<b>\$ 522,293</b>	<b>\$ 552,984</b>

**PORTLAND DEVELOPMENT COMMISSION****SOUTH AUDITORIUM FUND**

Commissioner-in-Charge: Mayor Vera Katz

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<b>Revenues</b>					
Interest on Investments	\$ 11,961	\$ 3,036	\$ 28,918	\$ 25,491	\$ 25,491
Loan Principal Collections	800,000	-	-	-	-
Interest on Loans	31,964	-	30,000	-	-
<b>Revenue Subtotal</b>	<b>\$ 843,925</b>	<b>\$ 3,036</b>	<b>\$ 58,918</b>	<b>\$ 25,491</b>	<b>\$ 25,491</b>
<b>Transfers From Other Funds-Cash</b>					
URF-General	-	-	-	-	-
<b>Beginning Fund Balance</b>	<b>25,182</b>	<b>869,107</b>	<b>872,143</b>	<b>895,982</b>	<b>895,982</b>
<b>Total Resources</b>	<b>\$ 869,107</b>	<b>\$ 872,143</b>	<b>\$ 931,061</b>	<b>\$ 921,473</b>	<b>\$ 921,473</b>
<b>REQUIREMENTS</b>					
<b>Expenditures</b>					
	-	-	-	-	-
<b>Transfers to Other Funds-</b>					
URF-General	-	-	-	-	-
<b>Transfers to Other Funds-Cash</b>					
URF-General	-	-	-	-	-
<b>Contingency</b>	<b>-</b>	<b>-</b>	<b>931,061</b>	<b>921,473</b>	<b>921,473</b>
<b>Unappropriated Ending Balance</b>	<b>869,107</b>	<b>872,143</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 869,107</b>	<b>\$ 872,143</b>	<b>\$ 931,061</b>	<b>\$ 921,473</b>	<b>\$ 921,473</b>

This fund supports activities in the South Auditorium redevelopment district and accounts for proceeds from the sale of properties acquired with U.S. Department of Housing and Urban Development (HUD) grant monies.

# **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

## **Other Funds**

### **Oregon Arena Fund**

#### **Debt Service Fund**

- **Economic Development Revenue Bonds**
  - **Debt Service Fund**
  - **Statement of Bonded Indebtedness**

The Oregon Arena Fund was established to account for the activities performed under PDC's contract with the City of Portland to manage the public improvements constructed in conjunction with the Oregon Arena Project, including improvements to the Memorial Coliseum, road and street improvements and parking garage construction.

The Debt Service Fund accounts for the repayment of debt service on Economic Development Revenue Bonds issued by the City.

**PORTLAND DEVELOPMENT COMMISSION****OREGON ARENA FUND**

Commissioner-in-Charge: Mayor Vera Katz

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
Contract - City of Portland	\$ 289,864	\$ 400,309	\$ 572,877	\$ 4,689	\$ 1,157
Interest on Investments	2,188	384	-	-	-
<b>Revenue Subtotal</b>	<b>\$ 292,051</b>	<b>\$ 400,693</b>	<b>\$ 572,877</b>	<b>\$ 4,689</b>	<b>\$ 1,157</b>
<b>Beginning Fund Balance</b>	<b>6,206</b>	<b>37,721</b>	<b>51,578</b>	<b>-</b>	<b>-</b>
<b>Total Resources</b>	<b>\$ 298,257</b>	<b>\$ 438,414</b>	<b>\$ 624,455</b>	<b>\$ 4,689</b>	<b>\$ 1,157</b>
<b>REQUIREMENTS</b>					
Materials and Services	32,899	56,300	68,685	2,450	-
Capital Outlay	109,367	234,800	475,000	-	-
<b>Transfers to Other Funds-</b> URF - General	<b>118,269</b>	<b>95,736</b>	<b>29,192</b>	<b>2,239</b>	<b>1,157</b>
<b>General Operating Contingency</b>	<b>-</b>	<b>-</b>	<b>51,578</b>	<b>-</b>	<b>-</b>
<b>Unappropriated Ending Balance</b>	<b>37,722</b>	<b>51,578</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Requirements</b>	<b>\$ 298,257</b>	<b>\$ 438,414</b>	<b>\$ 624,455</b>	<b>\$ 4,689</b>	<b>\$ 1,157</b>

This fund accounts for the contract with the City of Portland to manage implementation of the Oregon Arena, and to construct seismic and other improvements to the Memorial Coliseum.



**PORTLAND DEVELOPMENT COMMISSION**  
**OREGON ARENA FUND**  
**Commissioner-in-Charge: Mayor Vera Katz**

**LINE ITEM DETAIL**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>MATERIALS &amp; SERVICES</b>					
Professional Services	\$ 11,080	\$ 43,094	\$ 65,436	\$ -	\$ -
Legal Fees	1,098	1,721	-	-	-
Temporary Services	4,918	310	-	-	-
Printing & Graphics	819	2,299	-	-	-
General Office Expense	159	-	-	-	-
Postage & Delivery	17	56	-	-	-
Advertising	17	-	-	-	-
Meeting Costs	-	255	-	-	-
Education	-	191	-	-	-
Out of Town Travel	694	68	-	-	-
Mileage Reimbursements	127	252	-	-	-
Parking	554	-	-	-	-
Occupancy Costs	10,366	5,855	799	-	-
Telephone Services	3,050	2,199	2,450	2,450	-
<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>\$ 32,899</b>	<b>\$ 56,300</b>	<b>\$ 68,685</b>	<b>\$ 2,450</b>	<b>\$ -</b>
<b>CAPITAL OUTLAY</b>					
Land	108,856	234,800	-	-	-
Improvements	511	-	475,000	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 109,367</b>	<b>\$ 234,800</b>	<b>\$ 475,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 142,266</b>	<b>\$ 291,100</b>	<b>\$ 543,685</b>	<b>\$ 2,450</b>	<b>\$ -</b>
<b>INTERFUND TRANSFERS</b>					
Personal Services - URF-General	93,920	71,139	13,427	1,157	1,157
Overhead - URF-General	24,349	24,597	15,765	1,082	-
<b>TOTAL TRANSFERS</b>	<b>\$ 118,269</b>	<b>\$ 95,736</b>	<b>\$ 29,192</b>	<b>\$ 2,239</b>	<b>\$ 1,157</b>
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 260,536</b>	<b>\$ 386,836</b>	<b>\$ 572,877</b>	<b>\$ 4,689</b>	<b>\$ 1,157</b>

**PORTLAND DEVELOPMENT COMMISSION**  
**ECONOMIC DEVELOPMENT REVENUE BONDS**  
**DEBT SERVICE FUND**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
<b>RESOURCES</b>					
<i>Revenues</i>					
<i>Interest on Investments</i>					
Columbia Aluminum	104	158	0	0	0
Oregon Public Broadcasting	1	1	0	0	0
Police Block Associates	1,617	1,934	0	0	0
St. James Project	1,169	2,591	0	0	0
Westwood Corporation	5,941	7,343	0	0	0
<i>Total Interest</i>	8,832	12,026	0	0	0
<i>Lease Receipts</i>					
Columbia Aluminum	492,862	458,573	0	0	0
Columbia Wire & Iron	157,245	0	0	0	0
Landa, Inc.	218,188	218,189	0	0	0
Norcrest China Company	1,097,784	1,132,750	0	0	0
Oregon Public Broadcasting	1,329,200	163,800	0	0	0
Police Block Associates	272,704	406,955	0	0	0
Randolph L. Miller Project	219,780	219,780	0	0	0
REACH Laurelhurst (Retired)	0	0	0	0	0
Rose City Village	609,771	611,028	0	0	0
South Park Block Project	450,067	473,945	0	0	0
South Park Block Apts. II	0	0	0	0	0
St. James Project	103,842	222,488	0	0	0
University Park Apts.	257,568	555,783	0	0	0
Westwood Corporation	306,972	306,644	0	0	0
<i>Total Lease Receipts</i>	5,515,983	4,769,934	0	0	0
<i>Revenue Subtotal</i>	5,524,815	4,781,960	0	0	0
<i>Beginning Fund Balance</i>					
Columbia Aluminum		45,368	0	0	0
Columbia Wire & Iron	1	0	0	0	0
Landa, Inc.	2	2	0	0	0
Oregon Public Broadcasting	19	20	0	0	0
Police Block Associates	48,821	44,464	0	0	0
Rose City Village	8	0	0	0	0
St. James Project	64,969	79,117	0	0	0
Westwood Corporation	136,730	147,017	0	0	0
<i>Total Beginning Fund Balance</i>	250,550	315,989	0	0	0
<b>Total Resources</b>	5,775,365	5,097,949	0	0	0

**REQUIREMENTS**

*Expenditures*

*Debt Service*

Columbia Aluminum	447,599	466,098	0	0	0
Columbia Wire & Iron	157,245	0	0	0	0
Landa, Inc.	218,188	218,189	0	0	0
Norcrest China Company	1,097,784	1,132,750	0	0	0
Oregon Public Broadcasting	1,329,200	163,800	0	0	0
Police Block Associates	273,997	408,980	0	0	0
Randolph L. Miller Project	219,780	219,780	0	0	0
REACH Laurelhurst (Retired)	0	0	0	0	0
Rose City Village	609,780	611,028	0	0	0

**PORTLAND DEVELOPMENT COMMISSION**  
**ECONOMIC DEVELOPMENT REVENUE BONDS**  
**DEBT SERVICE FUND**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
South Park Block Project	450,067	473,945	0	0	0
South Park Block Apts. II	0	0	0	0	0
St. James Project	95,529	200,763	0	0	0
University Park Apts.	257,568	555,783	0	0	0
Westwood Corporation	299,625	304,281	0	0	0
<i>Total Debt Service</i>	<i>5,456,362</i>	<i>4,755,396</i>	<i>0</i>	<i>0</i>	<i>0</i>
Unappropriated Ending Fund Balance	319,003	342,553	0	0	0
<b>Total Requirements</b>	<b>5,775,365</b>	<b>5,097,949</b>	<b>0</b>	<b>0</b>	<b>0</b>

**EXPENDITURES BY CLASSIFICATION**

**Columbia Aluminum Recycling Corp.**

Principal	300,000	300,000	0	0	0
Interest	147,599	166,098	0	0	0

Total Appropriation	447,599	466,098	0	0	0
---------------------	---------	---------	---	---	---

**Columbia Wire & Iron**

Principal	68,450	0	0	0	0
Interest	88,795	0	0	0	0

Total Appropriation	157,245	0	0	0	0
---------------------	---------	---	---	---	---

**Landa, Inc.**

Principal	53,108	57,492	0	0	0
Interest	165,080	160,697	0	0	0

Total Appropriation	218,188	218,189	0	0	0
---------------------	---------	---------	---	---	---

**Norcrest China Company**

Principal	465,815	498,036	0	0	0
Interest	631,969	634,714	0	0	0

Total Appropriation	1,097,784	1,132,750	0	0	0
---------------------	-----------	-----------	---	---	---

**Oregon Public Broadcasting**

Principal	1,250,000	135,000	0	0	0
Interest	79,200	28,800	0	0	0

Total Appropriation	1,329,200	163,800	0	0	0
---------------------	-----------	---------	---	---	---

**Police Block Associates**

Principal	77,096	213,125	0	0	0
Interest	196,901	195,855	0	0	0

Total Appropriation	273,997	408,980	0	0	0
---------------------	---------	---------	---	---	---

**Randolph L. Miller**

Principal	121,065	126,479	0	0	0
Interest	98,715	93,301	0	0	0

Total Appropriation	219,780	219,780	0	0	0
---------------------	---------	---------	---	---	---

**REACH Laurelhurst (Retired)**

**PORTLAND DEVELOPMENT COMMISSION**  
**ECONOMIC DEVELOPMENT REVENUE BONDS**  
**DEBT SERVICE FUND**

**FUND SUMMARY**

	Actual FY 1994-95	Actual FY 1995-96	Revised FY 1996-97	Approved FY 1997-98	Adopted FY 1997-98
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Appropriation	0	0	0	0	0
<b>Rose City Village</b>					
Principal	135,000	145,000	0	0	0
Interest	474,780	466,028	0	0	0
Total Appropriation	609,780	611,028	0	0	0
<b>South Park Block (EDOM)</b>					
Principal	0	0	0	0	0
Interest	450,067	473,945	0	0	0
Total Appropriation	450,067	473,945	0	0	0
<b>South Park Block Apartments II (Refinanced)</b>					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Appropriation	0	0	0	0	0
<b>St. James Project</b>					
Principal	0	45,000	0	0	0
Interest	95,529	155,763	0	0	0
Total Appropriation	95,529	200,763	0	0	0
<b>University Park Apartments (formerly South Park II)</b>					
Principal	0	0	0	0	0
Interest	257,568	555,783	0	0	0
Total Appropriation	257,568	555,783	0	0	0
<b>Westwood Corporation</b>					
Principal	220,000	245,000	0	0	0
Interest	79,625	59,281	0	0	0
Total Appropriation	299,625	304,281	0	0	0
<b>Total Expenditures by Classification</b>	<b>5,456,362</b>	<b>4,755,396</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PORTLAND DEVELOPMENT COMMISSION  
ECONOMIC DEVELOPMENT REVENUE BOND FUNDS  
STATEMENT OF BONDED INDEBTEDNESS**

DESCRIPTION	MATURITY DATES (FY TOTALS)	INTEREST RATE	AMOUNT OUTSTANDING JULY 1, 1997	MATURITIES DURING 1997-1998	INTEREST FOR 1997-1998	
<b>COLUMBIA ALUMINUM RECYCLING CORPORATION (CARC)</b> <i>Variable-estimated</i>						
<i>Issue amount:</i>	\$4,900,000	<i>based on current rate</i>				
<i>Redemption date:</i>	October 1, 2011	2001-02	4.000%	600,000	0	24,000
<i>Issue date:</i>	October 1, 1991	2006-07	4.000%	1,500,000	0	60,000
<i>Payment terms:*</i>	Interest monthly	2011-12	4.000%	1,900,000	0	76,000
TOTAL COLUMBIA ALUMINUM			\$ 4,000,000	\$ -	\$ 160,000	
<b>COLUMBIA WIRE &amp; IRON WORKS, INC. PROJECT</b> <i>Fixed</i>						
<i>Issue amount:</i>	\$2,300,000					
<i>Redemption date:</i>	October 1, 2006	1997-98	7.520%	164,280	164,280	12,354
<i>Issue date:</i>	October 1, 1991	1998-99	7.520%	164,280	0	12,354
<i>Payment terms:*</i>	Principal & interest mo	1999-00	7.520%	164,280	0	12,354
		2000-01	7.520%	164,280	0	12,354
		2001-02	7.520%	164,280	0	12,354
		2002-03	7.520%	164,280	0	12,354
		2003-04	7.520%	164,280	0	12,354
		2004-05	7.520%	164,280	0	12,354
		2005-06	7.520%	164,280	0	12,354
		2006-07	7.520%	164,360	0	12,360
TOTAL COLUMBIA WIRE & IRON WORKS, INC.			\$ 1,642,880	\$ 164,280	\$ 123,545	
<b>LANDA, INC.</b> <i>Fixed</i>						
<i>Issue amount:</i>	\$2,300,000	<i>Variable</i>				
<i>Redemption date:</i>	May 15, 2012	1997-98	7.982%	68,039	68,039	5,431
<i>Issue date:</i>	May 15, 1987	1998-99	7.982%	73,754	0	5,887
<i>Payment terms:*</i>	Principal & interest mo	1999-00	7.982%	79,566	0	6,351
		2000-01	7.982%	86,633	0	6,915
		2001-02	7.982%	93,910	0	7,496
		2002-03	7.982%	101,798	0	8,126
		2003-04	7.982%	110,052	0	8,784
		2004-05	7.982%	119,593	0	9,546
		2005-06	7.982%	129,639	0	10,348
		2006-07	7.982%	140,528	0	11,217
		2007-08	7.982%	152,155	0	12,145
		2008-09	7.982%	165,113	0	13,179
		2009-10	7.982%	178,982	0	14,286
		2010-11	7.982%	194,017	0	15,486
		2011-12	7.982%	192,119	0	16,463
TOTAL LANDA, INC.			\$ 1,885,898	\$ 68,039	\$ 151,660	



**PORTLAND DEVELOPMENT COMMISSION  
ECONOMIC DEVELOPMENT REVENUE BOND FUNDS  
STATEMENT OF BONDED INDEBTEDNESS**

DESCRIPTION	MATURITY DATES (FY TOTALS)	INTEREST RATE	AMOUNT OUTSTANDING JULY 1, 1997	MATURITIES DURING 1997-1998	INTEREST FOR 1997-1998
<b>NORCREST CHINA COMPANY</b>					
		<i>Varies 73.78% of Prime</i>			
Issue amount:	\$13,000,000				
Redemption date:	January 2, 2001	1997-98	6.407%	589,231	37,752
Issue date:	December 30, 1985	1998-99	6.407%	634,411	40,647
Payment terms:*	Principal & interest mo	1999-00	6.407%	684,608	43,863
		2000-01	6.407%	7,303,406	467,929
TOTAL NORCREST CHINA COMPANY			\$ 9,211,656	\$ 589,231	\$ 590,191
<b>OREGON PUBLIC BROADCASTING</b>					
		<i>Fixed</i>			
Issue amount:	\$3,150,000	2004-05	7.200%	230,000	16,560
Redemption date:	June 1, 2009	2005-06	7.200%	265,000	19,080
Issue date:	August 1, 1989	2006-07	7.200%	280,000	20,160
Payment terms:*	Interest semi-annually	2007-08	7.200%	300,000	21,600
		2008-09	7.200%	325,000	23,400
TOTAL OREGON PUBLIC BROADCASTING			\$ 1,400,000	\$ -	\$ 100,800
<b>POLICE BLOCK ASSOCIATES - Series A</b>					
		<i>Varies, 65% of Prime</i>			
Issue amount:	\$3,600,000				
Redemption date:	November 15, 2015	1997-98	5.688%	75,000	4,266
Issue date:	November 15, 1985	1998-99	5.688%	100,000	5,688
Payment terms:*	Interest monthly	1999-00	5.688%	100,000	5,688
		2000-01	5.688%	100,000	5,688
		2001-02	5.688%	100,000	5,688
		2002-03	5.688%	125,000	7,110
		2003-04	5.688%	125,000	7,110
		2004-05	5.688%	125,000	7,110
		2005-06	5.688%	125,000	7,110
		2006-07	5.688%	150,000	8,532
		2007-08	5.688%	150,000	8,532
		2008-09	5.688%	175,000	9,954
		2009-10	5.688%	175,000	9,954
		2010-11	5.688%	200,000	11,376
		2011-12	5.688%	200,000	11,376
		2012-13	5.688%	200,000	11,376
		2013-14	5.688%	225,000	12,798
		2014-15	5.688%	250,000	14,220
		2015-16	5.688%	250,000	14,220
TOTAL POLICE BLOCK ASSOCIATES - Series A			\$ 2,950,000	\$ 75,000	\$ 167,796
<b>RANDOLPH L. MILLER</b>					
		<i>Varies, 75% of Prime</i>			
Issue amount:	\$2,500,000				
Redemption date:	December 31, 1999	1997-98	6.563%	145,626	9,557
Issue date:	December 28, 1984	1998-99	6.563%	155,051	10,175
Payment terms:*	Principal & interest mo	1999-00	6.563%	863,427	56,662
TOTAL RANDOLPH L MILLER			\$ 1,164,104	\$ 145,626	\$ 76,394
City of Portland, Oregon - FY 1997-98 Adopted Budget					

**PORTLAND DEVELOPMENT COMMISSION  
ECONOMIC DEVELOPMENT REVENUE BOND FUNDS  
STATEMENT OF BONDED INDEBTEDNESS**

		MATURITY DATES	INTEREST	AMOUNT	MATURITIES	INTEREST
DESCRIPTION		(FY TOTALS)	RATE	OUTSTANDING JULY 1, 1997	DURING 1997-1998	FOR 1997-1998
<hr/>						
ROSE CITY VILLAGE LTD PARTNERSHIP			Fixed			
Issue amount:	\$7,000,000		Variable			
Redemption date:	December 15, 2015	1997-98	6.500%	165,000	165,000	10,725
Issue date:	December 15, 1990	1998-99	6.650%	175,000	0	11,638
Payment terms:*	Interest semi-annually	1999-00	6.800%	190,000	0	12,920
		2000-01	6.900%	205,000	0	14,145
		2001-02	7.000%	1,265,000	0	88,550
		2002-03	7.250%	4,325,000	0	310,113
TOTAL ROSE CITY VILLAGE				\$ 6,325,000	\$ 165,000	\$ 448,090
<hr/>						
SOUTH PARK BLOCKS (EDOM)			Variable - estimated			
Issue amount:	\$12,750,000		based on current rate			
Redemption date:	December 1, 2011	2011-12	3.500%	12,750,000	0	446,250
Issue date:	December 23, 1985					
Payment terms:*	Interest monthly					
TOTAL SOUTH PARK BLOCKS				\$ 12,750,000	\$ -	\$ 446,250
<hr/>						
ST. JAMES PROJECT			Fixed			
Issue amount:	\$3,000,000		Variable			
Redemption date:	December 1, 1993	1997-98	4.050%	50,000	50,000	2,025
Issue date:	January 1, 2010	1998-99	4.250%	50,000		2,125
Payment terms:*	Interest annually	1999-00	4.500%	55,000		2,475
		2000-01	4.600%	55,000		2,530
		2001-02	4.700%	60,000		2,820
		2002-03	4.800%	60,000		2,880
		2003-04	4.900%	65,000		3,185
		2004-05	5.000%	65,000		3,250
		2009-10	5.350%	2,450,000		131,075
TOTAL ST. JAMES PROJECT				\$ 2,910,000	\$ 50,000	\$ 152,365
<hr/>						
UNIVERSITY PARK APARTMENTS			Variable - estimated			
Issue amount:	\$7,345,000		based on current rate			
Redemption date:	October 1, 2011	2011-12	3.800%	7,345,000	0	279,110
Issue date:	October 1, 1993					
Payment terms:*	Interest monthly					
TOTAL UNIVERSITY PARK APARTMENTS				\$ 7,345,000	\$ -	\$ 279,110
<hr/>						
TOTAL ECONOMIC DEVELOPMENT REVENUE BOND FUNDS				51,584,538	1,257,176	2,696,201

\* Unless otherwise stated, principal is paid annually when due.

## **PORTLAND DEVELOPMENT COMMISSION**

**Commissioner-in-Charge: Mayor Vera Katz**

---

### **Other Information**

**Financial Assistance and Capital Outlay Detail**

**Organization Chart**

**Schedule of Authorized Positions and Salary Levels**

## PORTLAND DEVELOPMENT COMMISSION

### Financial Assistance Project Detail By Fund

Adopted FY 1997-98

	FINANCIAL ASSISTANCE
<b>Urban Redevelopment Fund</b>	
Old Town Lighting Enhancement	75,000
Semiconductor Multi-Regional	79,783
NE Workforce Center	94,763
Business District	46,935
<b>Total Urban Redevelopment Fund</b>	<u>296,481</u>
<b>HCD Contract</b>	
Quality Jobs Initiative	182,472
OSE Small Bus Lending Program	150,665
N/NE Projects/E-Zone Loans	165,000
N/NE Storefront Program	35,000
Outer SE Storefront Program	50,000
Refinance	320,000
Home Rehabilitation Loans	976,609
Neighborhood Improvement Incentive	122,500
LID Subsidy to Homeowners	88,000
Affordable Rental Housing	3,042,154
Non-Profit Facility Rehabilitation	200,000
Home Ownership Program	720,000
Urban Homestead Program	129,000
<b>Total HCD Contract</b>	<u>6,181,400</u>
<b>Other Federal Grants</b>	
N/NE Bus. Asst. Fnd. Job Training	300,000
N/NE Business Asst. Fund Loans	300,000
Affordable Rental Housing	2,334,000
Home Ownership Program	225,000
<b>Total Other Federal Grants</b>	<u>3,159,000</u>
<b>Regional Strategies Fund</b>	
Regional Strategies	390,000
Regional Strategies-Multimedia	18,750
Reg. Strat. Metals Competitive	88,165
<b>Total Regional Strategies Fund</b>	<u>496,915</u>
<b>WF Renewal Bond Redevelopment</b>	
Multi Family Housing	2,440,000
Union Station Housing	6,295,000
N. Downtown Facade Loans	25,000
<b>Total WF Renewal Bond Redevelopment</b>	<u>8,760,000</u>

# PORTLAND DEVELOPMENT COMMISSION

## Financial Assistance Project Detail By Fund

Adopted FY 1997-98

	FINANCIAL ASSISTANCE
<b>South Park Blocks</b>	
Multi Family Housing	944,000
PSU University District Hsg.	750,000
<b>Total South Park Blocks</b>	<u>1,694,000</u>
<b>Convention Center</b>	
MLK Storefront Program	125,000
<b>Total Convention Center</b>	<u>125,000</u>
<b>Central Eastside</b>	
MLK/Grand Storefront	73,700
<b>Total Central Eastside</b>	<u>73,700</u>
<b>Enterprise Loans</b>	
EDA Real Estate Development Revolving Loan Fund	200,000
Targeted Investment Program	100,000
EDA Business Development Revolving Loan Fund	200,000
Affordable Rental Housing	10,009,224
Home Ownership Program	1,200,000
<b>Total Enterprise Loans</b>	<u>11,709,224</u>
<b>Grand Totals</b>	<u><u>32,495,720</u></u>



# **PORTLAND DEVELOPMENT COMMISSION**

## **Capital Outlay Project Detail by Fund**

**Adopted FY 1997-98**

	<b>CAPITAL OUTLAY</b>
<b>Urban Redevelopment Fund</b>	
OSE/Lents Development Fund	298,977
Men's Homeless Shelter	1,741,179
Local Projects	35,000
REO Property Management	1,500
Administrative Services	5,500
Computer Services	90,900
Business Development	450
<b>Total Urban Redevelopment Fund</b>	<b>2,173,506</b>
<b>HCD Fund</b>	
Home Rehabilitation Loans	1,000
Affordable Rental Housing	10,000
Portland Homestead	1,000
REO Property Management	1,500
<b>Total HCD Fund</b>	<b>13,500</b>
<b>Waterfront Renewal Bond Redev Fund</b>	
Block 50 Development - Pioneer Place II	64,550
South Waterfront Pgt Streets/ODOT	200,000
South Waterfront- Environmental Site Preparation	50,000
South Waterfront Parcels 6,6c,4&5 Dev	50,175
South Waterfront	219,800
Union Station Public Site Improvements	2,496,798
Union Station Housing	620,000
Union Station - Agricultural Center	270,000
Trailways/Post Office Block	75,300
River District Land Acq./McCormick Peer Access	640,000
Old Post Office Bldg.	25,900
South Waterfront Greenway Development	200,000
<b>Total Waterfront Renewal Bond Redev</b>	<b>4,912,523</b>
<b>Airport Way Fund</b>	
Airport Way Landscaping/Signage	15,000
Airport Way Trail Development	65,000
Airport Way Holman Land Disp. Prop. Mgmt.	6,200
<b>Total Airport Way Fund</b>	<b>86,200</b>

City of Portland,. Oregon - FY 1997-98 Adopted Budget

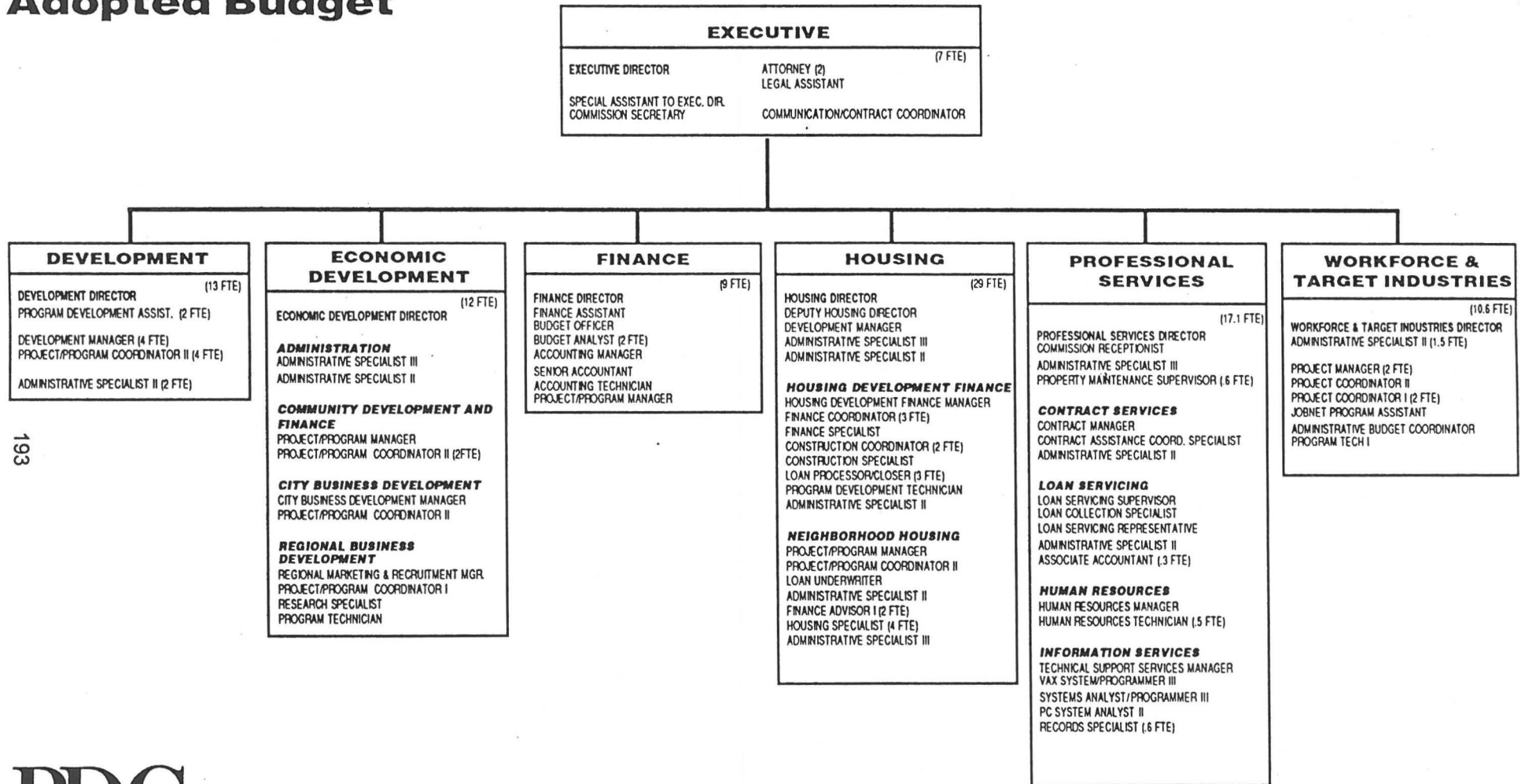
## **PORLTAND DEVELOPMENT COMMISSION**

### **Capital Outlay Project Detail by Fund**

**Adopted FY 1997-98**

	<b>CAPITAL OUTLAY</b>
<b>Convention Center Fund</b>	
Central Eastside Eastbank Park	955,600
Convention Center - Headquarters Hotel Development	34,710
Broadway Weidler Street Improvements	500,000
MLK Blvd Improvements	150,000
MLK Retail Site Development	350,000
<b>Total Convention Center Fund</b>	<b>1,990,310</b>
<b>Central Eastside Fund</b>	
Multi Family Housing	20,000
MLK Street Improvements	400,000
Central Eastside Redevelopment	10,000
Central Eastside Eastbank Park	1,250,000
Water Avenue Phase 2 LID	550,000
<b>Total Central Eastside</b>	<b>2,230,000</b>
<b>Grand Totals</b>	<b>11,406,039</b>

# PDC Staff 1997-98 Adopted Budget



**PDC**  
PORTLAND  
DEVELOPMENT  
COMMISSION

**PORTLAND DEVELOPMENT COMMISSION**
**FULL-TIME POSITIONS**

POSITION TITLE	Actual FY 1994-95	Actual FY 1995-96	Revised Budget FY 1996-97		Approved Budget FY 1997-98		Adopted Budget FY 1997-98	
	No.	No.	No.	Amount	No.	Amount	No.	Amount
Accounting Assistant	1	0	0	0	0	0	0	0
Accounting Manager	1	1	1	48,884	1	52,380	1	52,380
Acquisition/Appraisal Specialist	0	0	0.5	17,995	0	0	0	0
Administrative Budget Coordinator	2	1.9	2.9	95,733	0.7	34,432	1	34,224
Administrative Coordinator	1	1	1	33,772	0	0	1	30,132
Administrative Specialist I	1	1	1	25,316	0	0	0	0
Administrative Specialist II	8.8	11	11.8	291,073	10	271,060	9.5	252,360
Administrative Specialist III	3.6	3.6	4.6	119,968	4	122,156	4	123,230
Appraisal/Acquisition Specialist	1	1	1	44,203	0	0	0	0
Associate Accountant	2	3	3	90,390	0.3	10,908	0.3	10,908
Attorney	2	2	2	147,253	2	127,520	2	127,520
Budget Analyst	0	0	0	0	2	81,108	2	81,108
Budget Officer	1	1	1	48,500	1	52,332	1	52,332
Business Finance Specialist	1	1	1	36,615	0	0	0	0
City Business Development Mgr.	0	1	2	95,664	0	0	0	0
Commission Receptionist	2	2	2	44,887	1	20,620	1	20,620
Commission Secretary	1	1	1	41,484	1	47,988	1	47,988
Communications/Contract Coordinator	0	0	0	0	1	50,556	1	50,556
Const. Mgmt. Services Manager	1	1	1	72,553	0	0	0	0
Contract Assistance Coordinator	0	0	0	0	1	64,248	1	58,512
Deputy Housing Director	0	0	0	0	1	69,312	1	68,872
Development Director	1	1	1	83,182	1	90,151	1	93,308
Development Manager	2	3	3	202,739	5	369,224	5	369,224
Economic Development Director	1	1	1	67,233	1	75,666	1	78,824
Emergency Repair Loan Officer	1	1	1	40,946	0	0	0	0
Environmental Coordinator	1	1	1	53,670	0	0	0	0
Executive Director	1	1	1	82,927	1	89,675	1	93,020
Finance Director	0	0	0	0	1	76,774	1	79,928
Financial Analyst	1	1	1	40,582	0	0	0	0
Financial Services Manager	1	1	1	72,748	0	0	0	0
Graphic Designer	1	1	1	41,037	0	0	0	0
Hsg. Construction Management Coordinato	1	1	0.8	35,077	2	109,304	2	109,304
Housing Construction Specialist	2	2	2	92,496	1	53,972	1	53,972
Housing Development Finance Manager	0	0	0	0	1	68,316	1	68,316
Housing Director	1	1	0.8	53,005	1	72,000	1	82,016
Housing Finance Advisor I	1	2.5	2	77,317	2	77,308	2	71,782
Housing Finance Coordinator	0	0	0	0	3	178,356	3	178,356
Housing Finance Specialist	0	0	0	0	1	50,096	1	50,096
Housing Specialist	3	5.5	5	216,933	4	187,588	4	187,588
Human Resources Manager	1	1	1	55,896	1	59,544	1	59,544
Human Resources Technician	0.6	0.6	0.8	25,012	0.5	33,260	0.6	19,956
Information Systems Manager	0	0	1	52,501	1	58,680	1	58,680
JobNet Program Assistant	1	1	1	32,686	1	35,740	1	35,740
Legal Assistant	1	1	1	32,949	1	38,332	1	38,332
Loan Closing Technician	1	1	2	62,999	0	0	0	0
Loan Collection Specialist	1	1	1	32,712	1	36,000	1	36,000
Loan Officer II	0	1	2	85,461	0	0	0	0
Loan Processor/Closer	0	0	0	0	3	106,944	3	106,944
Loan Servicing Representative	1	1	1	36,615	1	39,912	1	39,912

**PORTLAND DEVELOPMENT COMMISSION**
**FULL-TIME POSITIONS**

POSITION TITLE	Actual FY 1994-95	Actual FY 1995-96	Revised Budget FY 1996-97		Approved Budget FY 1997-98		Adopted Budget FY 1997-98	
	No.	No.	No.	Amount	No.	Amount	No.	Amount
Loan Servicing Supervisor	1	1	1	46,248	1	51,176	1	51,176
Loan Underwriter	1	1	1	39,668	1	44,332	1	44,332
Outsource Contract Manager	0	0	0	0	1	68,316	1	58,512
Part-Time Workers	0	0	0.08	1,639	0.08	2,376	0.08	1,744
PC Systems Analyst II	0	1	1	31,005	1	36,532	1	36,532
Professional Services Director	1	1	1	71,643	1	81,768	1	84,920
Program Development Assistant	0	0	0	0	3	104,388	3	104,388
Program Development Specialist	1	1	1	37,581	0	0	0	0
Program Development Technician	1	2	2	64,852	2	63,656	2	63,656
Program Technician	0	0	0	0	1	26,872	1	26,872
Program/Project Manager	3	1	2	123,392	0	0	0	0
Project Coordinator I	5	4	5.6	217,950	3	131,368	3	131,368
Project Coordinator II	14	15	19	926,667	9	471,672	9	471,672
Project Manager	5.9	5	8	458,917	7	426,764	7	435,056
Property Maintenance Supervisor	1	1	1	40,946	0.6	23,892	0.6	23,892
Property Mgmt. /Relocation Specialist	1	1	1	40,860	0	0	0	0
Property Transactions Manager	1	1	1	71,929	0	0	0	0
Public Affairs Coordinator	0.9	0.9	0.9	46,229	0	0	0	0
Manager, Public Affairs	1	1	1	63,217	0	0	0	0
Records Management Coordinator	0	0.8	0.8	32,129	0.6	28,588	0	0
Records Specialist	0.8	0	0	0	0	0	0.6	20,982
Regional Marketing & Recruitment Mgr.	0	1	0	0	0	0	0	0
Research Specialist	1	1	1.5	58,684	1	44,640	1	44,640
RHP Technician	1	0	2	55,656	0	0	0	0
Senior Accountant	1	1	1	32,171	1	30,864	1	30,864
Special Assistant to the Executive Director	0	0	0	0	1	71,280	1	71,280
Special Projects Manager	1	1	1	64,864	0	0	0	0
Systems Analyst/Programmer III	1	1	1	41,856	1	45,928	1	45,928
Technical Support Services Manager	0	1	0	0	0	0	0	0
Underwriter/Income Property	0	1	0	0	0	0	0	0
VAX System/Programmer III	1	1	1	46,248	1	51,320	1	51,320
Workforce and Target Industries Director	1	1	1	65,732	1	76,113	1	79,268
<b>TOTAL</b>	<b>99.60</b>	<b>109.80</b>	<b>125.08</b>	<b>5,509,458</b>	<b>96.78</b>	<b>4,793,307</b>	<b>97.68</b>	<b>4,799,986</b>





# Table of Contents

## Appendices

---

### Financial Plans

General Fund 5-Year Financial Forecast .....	199
Bureau of Buildings .....	209
Bureau of Environmental Services .....	213
Office of Transportation .....	243
Water Bureau .....	245
Portland Development Commission .....	253

### Financial Policy Resolutions

Comprehensive Financial Policy .....	267
General Fund Revenue Policy .....	281
Issuance of Debt Policy .....	285
Investment Policy .....	295
General Fund Reserve Fund Policy .....	303
Interagency Agreement Policy .....	315
Local Improvement District Financing .....	325

### FY 1997-98 Budget Adoption Ordinances

Budget Adoption with Appropriation Schedule .....	333
Tax Levy .....	343
Creation & Closure of Funds .....	349

### Tax Supervising and Conservation Commission

Letter of Certification .....	351
-------------------------------	-----

### List of City Funds

City Funds by Type of Fund .....	361
----------------------------------	-----

### Your City - Your County

Executive Summary of Comments from Public Meeting .....	369
---	-----



# Office of Finance & Administration

## Current 5-Year Financial Forecast

### City Of Portland-General Fund

As Of... 27-Jun-97

Resource Outlook

#### Adopted Budget and Financial Forecast

#### Continue to Reflect State's Measure 50 Estimates

Item	June 6th Forecast	Adopted Budget	Change From June 6th
Resources Available For FY1997-98.....	\$239,527,904	\$239,527,904	\$0
Requirements:			
Capital Set-Aside.....	\$2,996,073	\$2,996,073	\$0
Council Set-Asides.....	\$27,359,826	\$32,156,309	\$4,796,483
One-Time/Bridge Funds	\$4,868,873	\$1,837,684	(\$3,031,189)
Bureaus, On Going.....	\$189,145,970	\$195,017,722	\$5,871,752
Resources Less Re-quirements EQUALS.....	\$15,157,162	\$7,520,116	(\$7,637,046)
Estimated Allocation			
Available, Programs.....	\$8,300,000	\$2,820,647	(\$5,479,353)
Increased One-Time.....	\$6,857,162	\$4,699,469	(\$2,157,693)

#### Revised June Forecast Continues To Reflect Measure 50

#### Council's Adopted Budget Takes "Wait & See" Approach To Measure 50

- ◆ The Measure 50 resource forecast is unchanged and continues to rely on Legislative Revenue Office's (LRO) May 16th Measure 50 levy estimates published for Portland.
- ◆ The previous Measure 50 financial forecast showed that Council had added on-going resources above Approved Budget levels of \$8.3 million. An additional \$6.8 million in one-time resources were also available.
- ◆ Council's Adopted Budget takes a "wait and see" approach to budgeting the additional resources available under Measure 50. Council's Adopted Budget restores about \$5.87 million to programs for Police, Fire, Parks, and Planning. Approved Budget, two-year one-time "bridge budgets" for these bureaus have been returned to fund contingency.
- ◆ If the Measure 50 property tax revenues "prove out" it is estimated that Council has \$2.8 million on-going and \$4.7 million one-time left to budget either late next fall or during the FY1998-99 budget process.

#### Voters Replace Measure 47 With Measure 50

On May 20th voters approved the Legislature's Measure 47 rewrite: Measure 50. Measure 50 calls for a 17% state-wide reduction in FY1997-98 property tax levy authority. Unlike Measure 47, the City's FPD&R levy is mostly exempt. The first year General Fund revenue loss is \$26.4 million. Measure 5 rolls back assessed values to FY1995-96 less 10% on a property by property basis. The rolled back assessed value and lower levy authority will result in a fixed General Fund tax rate "forever".

#### Forecast Uses Legislative Revenue Office Estimates

General Fund Measure 50 tax base levy authority will result from a set of state-wide calculations done in Salem. The property tax revenue forecast uses LRO's May 16th estimates of City levy authority in Multnomah County to generate an FY1997-98 property tax revenue estimate. Measure 50 mechanics preclude any other approach.

Some Key Forecast Assump- tions	Assessed Value Growth.....		8.1%	State Cigarette & Liquor		
	FY98 Legal Tax Base.....		\$141,145,497	Tax Revenues To City.....		\$7,706,062
	LEVY LOSS, Measure 50.....		(\$28,008,684)	CPI-W Increase (December '95		
	Est. Measure 50 Levy.....		\$113,136,813	To December '96).....		3.8%
	Delinquency/Discount (%)...		-5.5650%	Measure 50 FPD&R Levy.....		\$53,712,161
	General Fund Revenues.....		\$106,840,356	Beginning General Fund		
	Pension Bond Revenues..		\$0	FY1997-98 Balance.....		\$16,999,228
	Taxbase Levy-County.....		\$95,150,751	Estimated Measure 50 Tax Base		
	Library & Jails-County.....		\$36,680,851	Revenue Loss FY1997-98.....		(\$26,450,000)
	Total-County Levies.....		\$131,831,601	Current Forecast: FY1997-98 to FY2001-02		



**Forecast FY1997-98 resources remain up by \$15.156 million (6.76%) compared to previous Measure 47 forecasts.** Property tax revenue estimates have been revised using Legislative Revenue Office Measure 50 levy estimates dated May 16, 1997. Actual General Fund FY1997-98 levy authority will result from a set of state-wide calculations to be done in Salem next fall. Using LRO's levy estimates increases property taxes by \$12.054 million over the April Measure 47 estimate. This is offset by reduced US West and PGE franchise fee revenues estimates. The Oregon Public Utilities Commission (OPUC) recently ordered

US West to refund \$88 million in local phone charges. This will result in a one time revenue loss of \$800,000. The PGE/ENRON merger received approval during June. The OPUC ordered a \$141 revenue reduction that will take place over the next several years. This is expected to reduce PGE franchise fee revenues by another \$0.47 million over the next 18 months

JUNE Revenue Forecast RECAP			
General Fund Revenue Category	FY1997-98		
	April 23rd(*)	Revised	Difference
Property Taxes.....	\$98,671,064	\$110,725,133	\$12,054,069
Transient Lodgings.....	\$9,619,243	\$9,619,243	\$0
Business Licenses.....	\$49,470,952	\$49,461,633	(\$9,319)
Utility License/Franchise.....	\$40,420,055	\$39,142,330	(\$1,277,725)
State Revenues.....	\$7,706,062	\$7,706,062	\$0
Interest Income.....	\$2,125,062	\$2,210,131	\$85,069
Transfers.....	\$708,557	\$708,557	\$0
Miscellaneous.....	\$2,955,588	\$2,955,588	\$0
Revenue Forecast.....	\$211,676,582	\$222,528,676	\$10,852,094
Beginning FUND Balance....	\$12,694,715	\$16,999,228	\$4,304,513
Forecast Resources.....	\$224,371,297	\$239,527,904	\$15,156,607
% Change In Revenues.....		5.13%	
% Change In Resources.....		6.76%	

(\*)Table shows changes from Measure 47 to Measure 50 estimates

In addition, both PGE and Pacific are going ahead with "PILOT" programs that will allow large industrial customers to purchase energy directly from a supplier, thus short-circuiting Portland's franchise fee on gross retail energy sales.

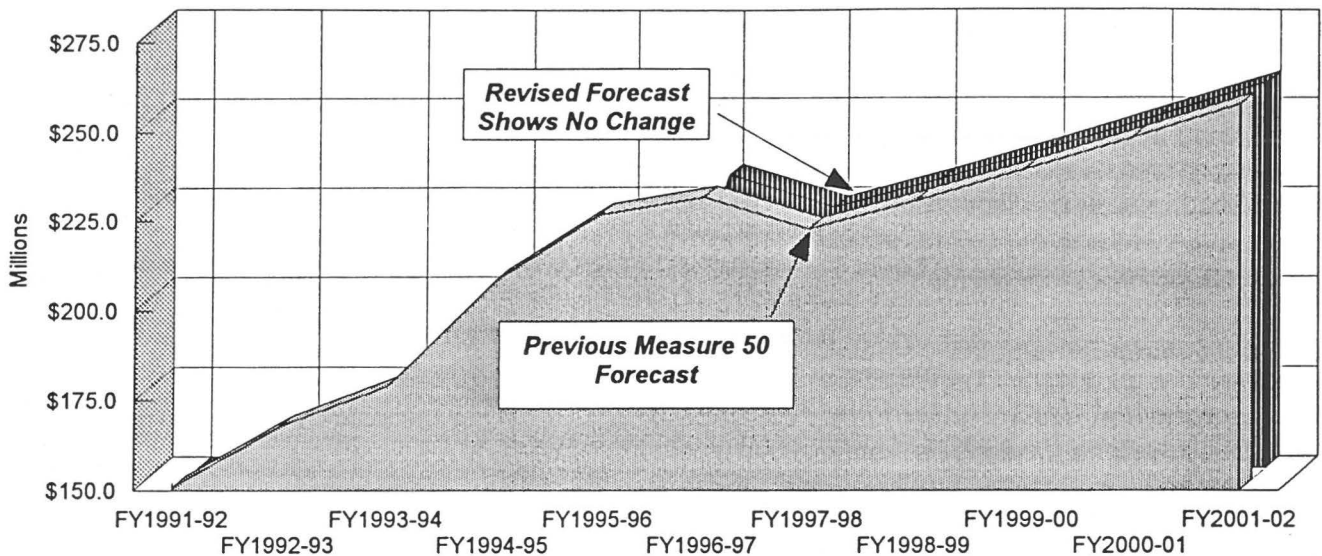
**Some key revenue forecast assumptions are** a Measure 50 General Fund tax base levy of \$113.14 million. The Pension Obligation Bonds are collapsed. Estimated General Fund property tax revenues are increased by \$12.054 million. This estimate should continue to be viewed as a "place holder" pending actual Measure 50 implementing legislation (House Bill 3710). In addition, the estimated impact of new construction has been inferred using regularly published construction permit data. Actual General Fund tax base revenues for FY1997-98 depend critically on HB3710's final form and a complicated set of state-wide property tax calculations that will be done by the Department of Revenue in Salem sometime late next fall. As noted above, Bureau of Financial staff cannot independently generate Measure 50 property tax revenue estimates because implementing legislation specifies that a set of state-wide calculations will be done to ensure a 17% state-wide reduction in local government and school levies.

Revenue Forecast ASSUMPTIONS	
Revenue Category	FY1997-98
Property Tax Levies.....	
Measure 50 Taxbase Levy.....	\$113,136,813
Pension Bonds Levy.....	\$0
Measure 50 F&PD&R Levy.....	\$53,712,161
FPD&R, General Fund Total.	\$166,848,974
Urban Renewal Debt Levy.....	\$20,615,502
Statutory City Levy Authority	\$194,857,658
% Local Government.....	60.9%
Mult. County Serial Levies.....	\$36,680,851
Assessed Value Growth.....	8.1%
Percent of FY1997-98 levies	
Received First Year.....	-5.565%
Meas. 5 Compression.....	-0.0%
Est. Portland Population.....	506,303
GDP Growth (WEFA).....	2.2%
Revenue Sharing (State).....	\$7,706,062

**THE BOTTOM LINE:-The financial forecast continues to show that property tax limitation changes Portland's financial outlook in two ways. First, property tax revenues are estimated to decline steeply and will grow more slowly. Second, although Measure 50 exempts Portland's public safety retirement system from this round of property tax limitation (for the most part), the pay-as-you-go property tax supported FPD&R system in its present configuration remains vulnerable to any future constitutional tax limitation measures.**



## Current (JUNE) 5-Year REVENUE Forecast General Fund Financial Model



**Figure 1-Current General Fund 5-Year Revenue Forecast**

The City's levy authority will continue to total about 60% of local government levy authority on Portland assessed values. The key environmental assumption, continues to be national and regional economic growth. The forecast assumes that the State continues to share cigarette and liquor taxes with cities.

**Figure 1 summarizes 5 years of revenue history,** shows budgeted FY1996-97 revenues, and graphs the 5-year revenue forecast for FY1997-98 through FY2001-02. Revenues, for the "Most Likely" case are forecast to grow by about 4.1% per year over the 5-year period off of a lower FY1997-98 base. This revenue growth rate now depends critically on the regional economic growth engine which has been growing strongly for several years. Slower regional growth or a recession will quickly translate into slower overall revenue growth because of the increased importance of business license revenues and sensitivity of property tax revenues to real estate market cycles.

**Estimated FY1997-98 General Fund Adopted Budget** service level (CSL) costs are \$232.007 million and include a \$3 million capital set-aside, \$32.1 million in other Council set-asides, \$1.837 million in one-time budgets, and bureau program recurring program requirements of \$195.02 million. Available resources under Measure 50 may total \$239.53 million, possibly leaving \$7.52 million for appropriation either next fall when Measure 50 property tax revenues are known with more certainty or during the FY1998-99 budget process. Current estimates put \$2.82 million of the \$7.44 million available on an on-going basis.

Estimated Current Service Level Assumptions		FY1997-98
<b>Estimated Current Service Level, Adopted Budget.....</b>		<b>\$195,017,722</b>
<b>Previous FY97-98 Estimate.....</b>		<b>\$189,145,970</b>
<b>Difference In Estimates.....</b>		<b>\$5,871,752</b>
<b>General Inflation Rates.....</b>		
GDP Price Deflator.....		2.1%
CPI-% (Dec.'95-Dec.'96).....		3.8%
Benefits Inflation.....		3.8%
Producer Price Index.....		2.0%
CPI-Services.....		3.0%
<b>External M&amp;S.....</b>		
General-Overall.....		2.9%
Energy-Electricity.....		-3.0%
Energy-Gas.....		0.7%
Sewer.....		13.0%
Water.....		5.1%
Utilities-Overall.....		3.6%
<b>Internal M&amp;S.....</b>		
General-Overall.....		2.5%
Risk/Workers' Comp.....		-1.4%
<b>Wage &amp; Salary % Increase.....</b>		
Public Safety.....		3.8%
All Other.....		3.8%



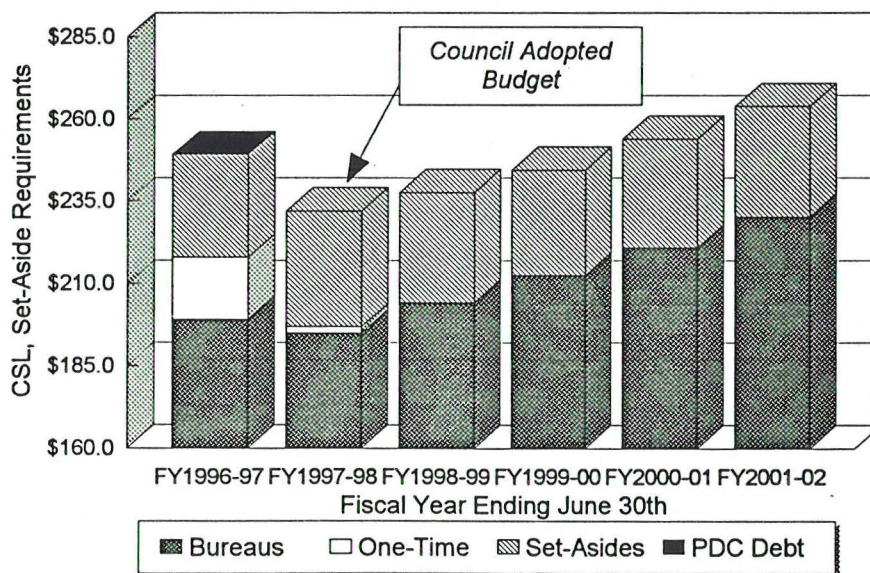
**COUNCIL set-asides, FY1997-98, as currently adopted are summarized in the table to the right.** Council's Adopted Budget allocates about \$1.6 million of discretionary resources to the Housing Investment Fund with \$1.2 million earmarked for River District. The last Coliseum debt payment is set at \$979,049. Council also allocated several hundred thousand to cover Parks Local Improvement District (LID) costs.

Council's Adopted Budget set-asides also include a \$7.1 million compensation set-aside that results from a December-to-December Portland CPI-W increase of 3.8%. Expected Homeless Shelter debt service is estimated by debt management at \$182,000.

Second year General Fund support for PDOT is set at \$671,000 plus \$4.772 million for Street Light operations. Business license refunds remain at \$2.95 million, reflecting a higher business license revenue stream and recent experience with higher tax refund requests. A miscellaneous transfer to General Services covers annual Christmas Tree costs of \$12,825.

Adopted Budget Set-Asides		
Set-Aside Item	Budget	FY1997-98
	FY1996-97	Adopted
Transfer-F&PD&R	\$0	\$0
Compensation Set-Aside	\$5,971,593	\$7,114,303
Other Set-Asides		
General Contingency	\$2,570,799	\$6,155,757
Unforeseen & Inventory	\$2,000,000	\$2,000,000
<b>Subtotal-Contingency</b>	<b>\$4,570,799</b>	<b>\$8,155,757</b>
Capital Set-Aside	\$2,990,020	\$2,996,073
Precincts/City Hall Projects	\$2,384,478	\$2,385,000
Existing Master Lease	\$1,123,285	\$1,247,333
<b>Subtotal-Capital Set-Aside</b>	<b>\$6,497,783</b>	<b>\$6,628,406</b>
PDOT-CSL Support	\$470,000	\$671,000
Street Light O&M Transfer	\$5,661,914	\$4,772,095
River Dist./2040 Improvements	\$2,554,504	\$1,198,188
Unemployment Insurance	\$200,000	\$400,000
Business License Refunds	\$2,535,668	\$2,955,889
Coliseum Debt	\$930,810	\$979,048
Parks LID Assessments	\$0	\$205,031
Transfer To General Reserve	\$1,048,445	\$0
Homeless-Debt Service	\$0	\$182,000
Housing Investment Fund	\$0	\$1,666,668
Miscellaneous Transfers	\$504,914	\$23,997
Cultural Tourism (Art Museum)	\$200,000	\$200,000
<b>Total Budgeted/Council</b>		
<b>Adopted Budget Set-Asides</b>	<b>\$31,146,430</b>	<b>\$35,152,382</b>
<b>Previous Forecast/Budgeted Set-Asides.....</b>		<b>\$30,356,453</b>
<b>Difference: Adopted vs Approved Budget...</b>		<b>\$4,795,929</b>

#### Adopted Budget Current Service Level (CSL) Requirements General Fund Financial Model



Other set-asides assumed in the forecast include \$400,000 for unemployment insurance. This set-aside cannot be determined until actual number of layoffs are known. If layoffs occur, each 25 layoffs on average reduces labor costs \$1.65 million and the compensation set-aside is reduced by about \$67,115. Unemployment insurance creases by \$212,765. So each 25 layoffs increases discretionary costs, net, by about \$145,650.

Return of Approved Budget, bridge budgets to contingency, pending Measure 50 results, increases contingency to about \$6.155 million.

**Figure 2-Current Service Level (CSL) Requirements**



The table to the right combines the FY1997-98 resource forecast with bureau requirements and Adopted Budget Council set-asides. Total resources under Measure 50 are \$239.53 million. Deducting proposed set-asides of \$35.15 million leaves about \$204.37 million against bureau programs and one-time budgets of about \$196.85 million. Resources exceed budgeted requirements by \$7.520 million with an estimated \$2.820 million available for on-going and \$4.699 million available for one-time purposes, FY1997-98.

Sources & Uses of Funds: Approved vs. Adopted		
Item	Approved	FY1997-98
	FY1997-98	Adopted
Forecast FUND Revenues.....	\$222,528,676	\$222,528,676
Beginning FUND Balance.....	\$16,999,228	\$16,999,228
<b>Total FUND RESOURCES</b>	<b>\$239,527,904</b>	<b>\$239,527,904</b>
Less: Assumed Set-Asides.....	(\$27,359,826)	(\$32,156,309)
Less: Capital Set-Aside.....	(\$2,996,073)	(\$2,996,073)
<b>EQUALS: AVAILABLE TO BUREAUS-PROGRAMS.....</b>	<b>\$209,172,005</b>	<b>\$204,375,522</b>
Bureaus CSL Requirement.(*)....	\$194,014,843	\$196,855,406
<b>EST. GAP, DIFFERENCE.....</b>	<b>\$15,157,162</b>	<b>\$7,520,116</b>
ON-GOING PROGRAMS.....	<b>\$8,300,000</b>	<b>\$2,820,647</b>
Bridge/One-Time.....FY1997-9	<b>\$6,857,162</b>	<b>\$4,699,469</b>
Bridge/One-Time.....FY1998-9	<b>\$4,194,261</b>	<b>\$3,722,189</b>

The "Adopted" column, above (\*) FY1997-98 column "TO BUREAU PROGRAMS" includes one-time budget authority compared to Council's Approved Budget shows that Measure 50 improves the General Fund's financial condition. Under Measure 50 all of the General Fund levy is available (after delinquency and discounts) as revenues to the General Fund as compared to the Measure 47 case which required that \$20 million of General Fund levy authority be used to pay debt service on Pension Obligation Bonds. This, in turn allowed use of bond proceeds to meet the FPD&R Measure 47 property tax revenue shortfall. Under Measure 50, FPD&R is essentially exempt (there may be a small first year reduction under current versions of Measure 50 implementing legislation) relieving the General Fund of the financial obligation of meeting FPD&R's Measure 47 shortfall. Council now has the option of modifying the Adopted Budget and further restoring a portion of current service level reductions. This, however, assumes that the Measure 50 property tax revenue estimates are about right as derived from Legislative Revenue Office estimates published May 16th. Council's Adopted Budget "banks" some of the revenue increase until fall.

#### Forecast Difference Between Resources And Current Financial Plan Requirements General Fund Financial Model

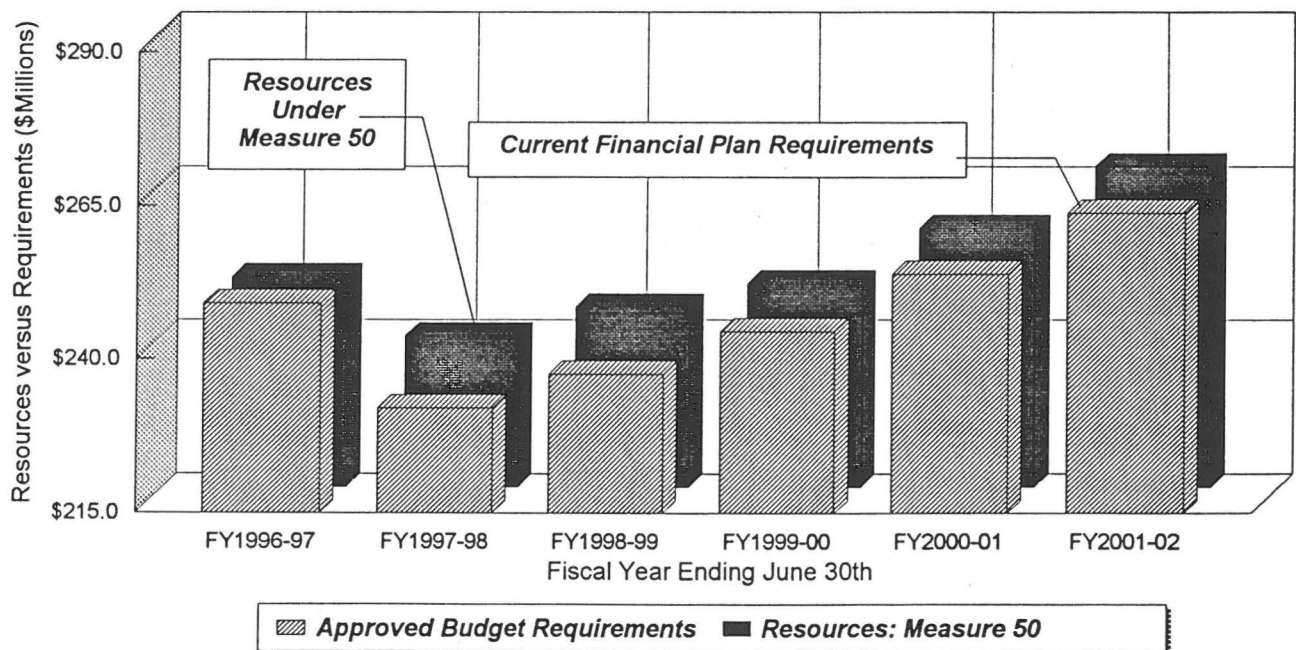


Figure 3-Financial Forecast Resources Compared To Requirements

## 2-YEAR FINANCIAL FORECAST RESOURCES & REQUIREMENTS DETAIL

The table below summarizes the full two-year financial forecast General Fund resources and requirements under a Measure 50 property tax regime:

- Resources totaling \$483.754 million over two years.....
- Adopted Budget Requirements totaling \$472.511 million over two years.....
- The General Fund is balanced for the next five year forecast period with up to \$2.820 million available for programs and at least \$8.421 million put into one-time budgets over two years.

Item-Category	RESOURCES	Budget FY1996-97	Two Year Financial Forecast		
			FY1997-98	FY1998-99	Total
		\$249,118,929	\$239,527,904	\$244,225,999	\$483,753,903
<b>Less: Assumed Set-Asides</b>					
Transfer For F&PD&R Reserve		\$0	\$0	\$0	\$0
Compensation Set-Aside		\$5,971,593	\$7,114,303	\$5,981,727	\$13,096,030
Other Set-Asides					
Contingency		\$2,570,799	\$6,155,757	\$1,400,000	\$7,555,757
Unforeseen & Inventory		\$2,000,000	\$2,000,000	\$2,000,000	\$4,000,000
Subtotal-Contingency		\$4,570,799	\$8,155,757	\$3,400,000	\$11,555,757
Capital Set-Aside		\$2,990,020	\$2,996,073	\$3,000,000	\$5,996,073
Unused Line		\$0	\$0	\$0	\$0
Master Lease		\$1,123,285	\$1,247,333	\$1,359,091	\$2,606,424
Subtotal-Capital		\$4,113,305	\$4,243,406	\$4,359,091	\$8,602,497
City Hall/Precincts-Debt Service		\$2,384,478	\$2,385,000	\$2,479,350	\$4,864,350
Street Light O&M Transfer		\$5,661,914	\$4,772,095	\$4,846,195	\$9,618,290
River District/2040 beginning FY99.....		\$2,554,504	\$1,198,188	\$1,090,981	\$2,289,169
Unemployment Insurance		\$200,000	\$400,000	\$200,000	\$600,000
Business License Refunds		\$2,535,668	\$2,955,889	\$3,112,353	\$6,068,242
Coliseum Debt		\$930,810	\$979,048	\$0	\$979,048
PDOT Support, One-Time/LID Costs		\$250,000	\$205,031	\$0	\$205,031
PDOT Support, Programs		\$220,000	\$671,000	\$691,320	\$1,362,320
Homeless Shelter Debt Service		\$0	\$182,000	\$594,884	\$776,884
Housing Investment Initiative		\$0	\$1,666,668	\$6,257,502	\$7,924,170
Misc. Transfers/Transfer To Reserve		\$1,553,359	\$23,997	\$12,825	\$36,822
Cultural Tourism		\$200,000	\$200,000	\$200,000	\$400,000
Subtotal, Assumed Set-Asides		\$31,146,430	\$35,152,382	\$33,226,228	\$68,378,610
<b>LESS: Estimated Bureau Requirements.....</b>		\$199,052,670	\$196,855,406	\$207,277,581	\$404,132,987
<b>Difference: Fund Resources Less Bureau Requirements, Set-Asides</b>		\$18,919,829	<b>\$7,520,116</b>	<b>\$3,722,189</b>	\$11,242,306
<b>Assumed, On-Going Programs</b>		\$0	\$2,820,647	\$0	\$2,820,647
<b>Assumed, One-Time Projects</b>		\$18,919,829	\$4,699,469	\$3,722,189	\$8,421,658



### **FY1997-98 Through FY2001-02 Forecast versus Council's Adopted Budget**

- Voter approval of Measure 50 improves General Fund financials in two ways. First, passage of the measure, given current information, essentially exempts the FPD&R levy from tax limitation. For now, the General Fund is "off the hook" and will not be required to backfill an FPD&R revenue shortfall. Second, this limits the impact of tax limitation to the General Fund. Council's previous financial plan set the General Fund up for this contingency because the FY1996-97 budget includes \$18.92 million of one-time budgets that do not have to be rebudgeted with allowance for inflation for FY1997-98.
- The financial forecast assumes the use of about \$4.773 million of reserves during FY1998-99. Reserve levels continue at or above the 10% level, albeit at lower absolute levels consistent with the new lower revenue forecast that results from property tax limitation.
- The scenario used for the 5-year plan is realistic. Legislative action that reduces revenues, either property tax revenues, state shared cigarette and liquor revenues, or franchise fees upsets the forecast. An adverse Supreme Court decision on the Airline property tax case now on appeal before the Court could result in a one-time \$6 to \$7 million property tax revenue loss.

### **Out-Year Detail Of June 5-Year Financial Forecast**

The revised June financial forecast shows that under Measure 50 the General Fund's financial outlook improves. Unlike Measure 47, Measure 50 exempts, for the most part, the City property tax supported public safety retirement system, the FPD&R, from property tax limitation. With FPD&R's tax levy again supporting the retirement system, all of the Measure 50 General Fund tax base (net of delinquency and discount) comes to the General Fund to support bureau budgets. The table below summarizes a revised five year General Fund financial outlook under Measure 50 property tax limitation. On-going bureau program budgets are increased from Approved Budget levels of \$189.15 million to about \$195.03 million. Added on going of about \$2.82 million may become available next fall. This scenario envisions the use of about \$4.77 million of reserves during FY1998-99 to help adjust to a rampup in the Housing Investment Fund budget. The reserve fund remains funded at the 10% level.

Item	Forecast	Out-Year Of Forecast			
	1998	1999	2000	2001	2002
<b>Total Resources.....</b>	\$239,527,904	\$239,452,881	\$248,067,977	\$256,915,808	\$266,029,649
<b>Transfer In From General Reserve.....</b>	\$0	\$4,773,118	\$0	\$145,226	\$1,159,968
Bureaus-Programs.....	\$195,017,722	\$204,322,356	\$212,496,665	\$220,852,235	\$230,200,383
Est. New On-Going.....	<b>\$2,820,647</b>	\$2,955,225	\$3,073,455	\$3,194,306	\$3,329,513
One-Time Projects	<b>\$6,537,153</b>	\$3,722,189	\$535,547	\$0	\$0
Council Set-Asides.....	\$35,152,382	\$33,226,228	\$31,962,310	\$33,014,493	\$33,659,720
<b>Total Requirements</b>	\$239,527,905	\$244,225,998	\$248,067,977	\$257,061,033	\$267,189,617
<b>Difference</b>	(\$0)	\$0	\$0	\$0	\$0
Reserve Fund As A Percent Net Revenues	12.0%	10.4%	10.7%	10.7%	10.5%
Transfer To FPD&R	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **Risks To The Financial Forecast**

The June forecast continues to assume moderate State and regional economic growth. All indications, both from the State and WEFA suggest that the national economy will continue to grow moderately and that the prospects for the regional economy are as bright as last Spring given on-going construction of several new wafer fabrication plants in the region. There are two major uncertainties:

- The property tax revenue forecast uses a Legislative Revenue Office FY 1997-98 levy estimates to generate a General Fund property tax revenue estimate.
- The Supreme Court has under consideration a property tax dispute with the airlines. An adverse decision could require property tax refunds costing the City \$6 to \$7 million.



<b>2-Year Forecast Resources-By Budget Category Detail</b>			
<i>Category</i>	<i>FY1997-98</i>		<i>FY1998-99</i>
<b>RESOURCES</b>	<b>@6-11-97</b>	<b>Adopted</b>	<b>Forecast</b>
<b>Property Taxes</b>			
Current Year Taxes	\$106,840,357	\$100,786,225	\$110,492,969
Prior Year Taxes	\$3,431,914	\$3,431,914	\$3,264,714
Payment in Lieu of Taxes	\$452,862	\$452,862	\$452,862
<b>Total Property Taxes</b>	<b>\$110,725,133</b>	<b>\$104,671,001</b>	<b>\$114,210,545</b>
<b>Other Taxes</b>			
Lodging Tax	\$9,619,243	\$9,619,243	\$10,276,435
<b>Licenses &amp; Permits</b>			
Business Licenses	\$49,461,633	\$49,470,952	\$52,087,718
Utility License-External	\$28,281,236	\$29,558,961	\$28,009,173
<b>State Sources(*)</b>			
State Shared Revenue	\$7,706,062	\$7,706,062	\$7,847,738
<b>Local Government</b>			
Local Shared Revenue	\$799,811	\$799,811	\$799,811
<b>Miscellaneous Revenues</b>			
Refunds	\$15,000	\$15,000	\$15,000
Interest on Investments	\$2,210,131	\$2,125,062	\$2,041,015
<b>Other Misc. Revenues</b>			
Other Misc. Revenues	\$140,777	\$140,777	\$140,777
Unforeseen Reimbursable	\$2,000,000	\$2,000,000	\$2,000,000
<b>Transfers, Other Funds</b>			
Utility License-Internal			
Water Operating	\$3,330,014	\$3,329,228	\$3,554,000
Sewer Operating	\$7,531,080	\$7,531,080	\$8,867,982
<b>Miscellaneous</b>			
Parking Facil-Tax Offset	\$145,790	\$145,790	\$147,722
Hyro-Fund Transfer	\$250,000	\$250,000	\$150,000
Auto Port-Tax Offset	\$38,598	\$38,598	\$38,598
Refuse Disposal	\$50,000	\$50,000	\$50,000
HCD-Indirect	\$166,905	\$166,905	\$166,905
Federal Grants-Indirect	\$57,264	\$57,264	\$57,264
Transfer-General Reserve	\$0	\$0	\$4,773,118
Supplemental Retire.....	\$0	\$0	\$0
<b>Subtotal-Transfers, Misc.</b>	<b>\$708,557</b>	<b>\$708,557</b>	<b>\$5,383,607</b>
<b>Beginning Fund Balance</b>			
Unencumbered	\$16,999,228	\$14,332,048	\$8,992,198
<b>TOTAL DISCRETIONARY</b>	<b>\$239,527,904</b>	<b>\$232,007,782</b>	<b>\$244,225,999</b>
<b>Checksum Total-Page 2</b>	<b>\$239,527,904</b>	<b>\$232,007,781</b>	<b>\$244,225,999</b>
Checksum Difference	\$0	\$1	(\$0)

(\*) Cigarette & liquor tax distributions to General Fund from State of Oregon

**This table shows the resource forecast by budget categories as they appear in City's budget document. The italicized categories are identical to line items on the summary on page 2. Local Shared Revenues and Miscellaneous Revenues are collapsed into one simplified category on page 2 (Misc. & Local Shared) but are shown here in budget detail.**

### **Measure 50 Property Tax LEVY Estimate**

The table below summarizes the development of the General Fund FY1997-98 Measure 50 property tax levy estimate as derived from Legislative Revenue Office's May 16th Measure 50 levy estimates. As shown in the table below LRO estimates Measure 5 levy authority of \$195.6 million

FY1997-98				
County	Measure 5 Levy Estimates		Measure 50 Levy Estimates	
Multnomah Co	LRO(*)	Approved	LRO	June Forecast
General Fund	\$141,860,627	\$140,572,187	\$114,962,043	\$111,962,855
FPD&R Levy	\$53,712,161	\$53,493,991	\$52,906,479	\$53,712,161
Subtotal	\$195,572,788	\$194,066,178	\$167,868,522	\$165,675,016
Other Counties				
General Fund	NA	\$573,310	NA	\$461,191
FPD&R Levy	NA	\$218,170	NA	\$218,170
Total	NA	\$194,857,658	NA	\$166,354,378

(\*) Oregon Legislative Revenue Office (LRO) May 16, 1997

Note: Other Counties are Clackamas and Washington counties.

for the City in Multnomah County. Actual Adopted Budget levy authority for FY1997-98 is \$2.4 million lower in Multnomah County. The June forecast simply "ratios down" LRO's levy estimates for Portland's actual Council adopted FY1997-98 levy authority for FPD&R and the General Fund. This results in a \$165.68 million Portland Measure 50 levy estimate and translates into a \$166.35 million levy estimate in all three counties. The \$112,675,016 plus \$461,797 totals to the \$113,186,813 levy estimate shown on page 1. After allowance for delinquency and discount this translates into a \$106.84 million General Fund revenue estimate for FY1997-98, versus Adopted Budget revenues of \$100.786 million.

#### **Estimated Fixed Tax Rate Under Measure 50, Local Government & Schools, Non-Debt**

Local Government	Real Market Value (RMV)	Assessed Value-M50(*)	Measure 50 Levy(**)	Tax Rate \$/\$1,000	Tax Rate IS:
City of Portland	\$35,799,184	\$26,469,482			
General Fund.....			\$113,136,813	<b>\$4.2742</b>	Fixed
FPD&R Levy.....			\$52,658,981	\$1.9894	Floats
Urban Renewal(***).....			\$3,440,643	\$0.0924	Floats
Mult. County (3 Levies)...	\$41,576,274	\$31,128,802	\$107,389,913	<b>\$4.0571</b>	Fixed
PORT-Tax Base.....	\$41,576,274	\$31,074,791	\$1,841,036	<b>\$0.0696</b>	Fixed
METRO-Zoo Levy.....	\$41,018,270	\$30,647,015	\$2,525,796	<b>\$0.0954</b>	Fixed
Schools.....	NA	\$26,469,482	\$158,815,662	<b>\$6.0000</b>	Fixed
Column Total	NA	NA	\$439,808,844	<b>\$16.5781</b>	

Note: RMV is Multnomah County only (\*) 90% of certified FY1995-96 assessed value excluding urban renewal increment

(\*\*) Apportioned to and on City assessed values only (\*\*\*) Estimated special levy authority in excess of divide-the-taxes revenues. This tax rate is expressed as a rate per thousand over all values including \$1.47 billion increment.

The table above computes estimated first year tax rates for local government and schools derived from LRO levy estimates. For the City's General Fund and other local governments and schools the tax rate shown above becomes the fixed permanent tax rate. The FPD&R tax rate "floats," that is the tax rate is simply the outcome of the levy divided by Measure 50 assessed value.

The Financial Forecast is written and produced by D.S. Barden, City Economist, Kourosh Ghaemmaghami, Economist, Bureau of Financial Planning

dbarden@ci.portland.or.us and kmaghami@ci.portland.or.us



# **Bureau of Buildings City of Portland**

## **Five-Year Financial Plan Fiscal Years 1997-98 through 2001-02**

June 5, 1997

### **Background**

The Bureau of Buildings' mission is to ensure the life safety of the public through the enforcement of construction code requirements and to assist in the maintenance of neighborhood quality through the enforcement of zoning, housing maintenance, nuisance, and noise control regulations.

The Bureau has the traditional "building department" functions of inspections, permit issuance, and review of architectural plans. These functions are funded through permit fees and charges. In addition, the Bureau enforces the City's housing, nuisance, and noise control codes. The City's general fund and the solid waste fund partially finance these programs.

In fiscal year 1988-89, the City Council established an operating fund for the Bureau of Buildings. At that time, the Bureau was charged with fully supporting its construction functions through fees and charges. In addition the Bureau was to set up a reserve account which would supplement the Bureau's budget when the economy was on a downturn and revenues did not meet expenses. Due to a booming construction industry and some long over-due fee increases in FY 88-89, the Bureau succeeded in meeting the 100% cost recovery goal in just two years.

Beginning in FY 88-89, the Bureau has made five-year projections annually to assist in fiscal planning.

### **Financial Planning Process**

Each fall, Bureau staff prepare preliminary revenue forecasts for the current and five subsequent years. Projections for expenditures are made at the same time. Revenue and expenditures are



compared to determine annual cost recovery rates and whether or not the Bureau's reserve will be drawn down or increased. The Bureau's Bureau Advisory Committee (BAC) reviews the level of service to customers and makes recommendations on the budget for the subsequent fiscal year. They also review the revenue estimates and make recommendations on whether or not fees should be increased and by how much. Fee increases are set each year to maintain the Bureau's financial integrity.

## **Reserve Policy**

In FY 88-89 the City Council established the Bureau of Buildings as an Operating Fund with the goal of the fund eventually being 100% supported by permit fees and charges. The need to be self-supporting, combined with the difficulty in accurately predicting construction activity and fee revenues makes it important for the Bureau to maintain a reserve of funds that can be used to ensure a stable and adequate level of service during times when revenues fall below expectations. During periods of strong construction activity, the reserve would be built up to provide a funding source for times when revenues drop. In this way, the fund will be able to weather the ups and downs of construction activity, to remain stable and efficient, and to maintain the staff necessary to provide services on work that has been paid for but not completed. The reserve is not intended to maintain existing budget levels in spite of reduced construction activity and Bureau workloads, but rather to allow the Bureau time to recognize and respond to such downturns.

For the larger programs which are more affected by the construction economy (building/mechanical, electrical, and plumbing) the reserve goal is set at 40-45% of their annual budget. Smaller programs (environmental soils, signs, and zoning) have reserve goals of 20% of their annual budget.

It is important to remember that the goal of the reserve is to allow the Bureau time to recognize and respond to unanticipated declines in revenues and to maintain the staffing needed to carry out its obligation to provide services on permits that have already been paid. The size of the reserve determines how much time the Bureau will have to adjust to change and still provide necessary services. A 40-45% reserve will not insulate the programs from making significant budget adjustments in response to lower revenues and reduced workloads over the long term. But it will allow the Bureau to remain stable, meet its prepaid obligations, provide time to respond, and reduce the severity of the budget cuts in the short term.

## **Expenditure Projections**

Each fiscal year, the Bureau strives for realistic expenditure projections to use in the financial analysis. Projections for FY 1997-98 are based upon the proposed budget. Projections for FY 1998-99 through FY 2001-02 are based upon an average 4% overall increase in costs. This growth rate mirrors the estimate prepared by the City's Office of Finance and Administration.

## **Revenue Projections**

For the five-year forecast, the Bureau expects current trends to continue. The number of permits continues to be strong. There is nothing in the Portland area or the regional/national economic outlooks which would indicate that the Bureau revenue forecasts should be different from the revenue forecasts for the City as a whole. Overall the buildings fund will continue to meet expenses and maintain a healthy reserve.

Over the next five years, the Bureau expects revenues to increase. The financial plan assumes revenue increases of 7% in FY 1997-98 and FY 1998-99. This rate of increase is, in most cases, lower than the actual increases of recent years. For FY 1999-2000 through FY 2001-2, revenue increases are estimated at only 5% a year since the more distant years are more difficult to predict. The Bureau deliberately takes a conservative approach to setting revenue estimates, especially for a five-year forecast.

## **Fee Increase Policy**

The Bureau's fee increase policy was adopted by the Bureau and the Bureau Advisory Committee in 1992. The policy is to increase fees on an annual basis to cover increases in personnel and interagency costs. This policy of increasing fees slowly and steadily assists permit applicants. It is very difficult for customers to absorb large fee increases, because their operations are based on a fairly stable cost of doing business. They have a much easier time absorbing smaller and more predictable increases. Although the general policy is to increase fees on an annual basis, fee increases may not be necessary every year if a program's revenues are strong and its reserves are at an acceptable level. Fee increases should be avoided only when the Bureau has enough excess reserves to operate through two fiscal years without depleting the program's reserves below the target set in the Bureau's reserve policy.

Fee increases should be set at a rate which covers the Bureau's increased operating costs. The Bureau's cost of doing business increases each year. The labor agreements all contain provisions for cost of living increases based upon the Consumer Price Index for Urban Wage Earners and Clerical Workers for the City of Portland. Generally the Bureau estimates that overall costs will increase by 4% each year. Fee increases above this figure would be necessary if reserves are below acceptable levels, a large capital project is on the horizon (such as improvement to information systems or a major site relocation), or the Bureau is confronted with other major unforeseen events.

## **Fee Increases**

Electrical, environmental soils, and plumbing fees are proposed to be increased in FY 1997-98.



However, prior to implementing any of these fee increases, the Bureau will carefully review current and expected revenues and expenditures to verify the need for an increase.

The electrical program has not been 100% cost recovery since FY 1991-92 and has had a healthy reserve to draw on. However, reserves are projected to be totally expended by the end of FY 1996-97. Fee increases of 8% are being recommended for FY 97-98 and FY 98-99.

The plumbing program has been near 100% cost recovery for the past four years (FY 93-94 through FY 96-97). However this program is projected to overspend its reserve by \$175,000 by the end of FY 1996-97. Fee increases are needed for at least two years to assure that the program is 100% cost recovery and the reserve is brought up to reasonable levels. A 4% fee increase is proposed for FY 1997-98 and FY 1998-99.

A fee increase of at least 10% is recommended for the environmental soils program in FY 97-98. This program has had a very large reserve since FY 90-91 when the Bureau assumed the program from Multnomah County. Since FY 93-94, the program has been 90% cost recover or less and has relied on reserves to meet costs. Fee increases are needed to bring the program back to full cost recovery. In some cases the current fees are set at only half of the rates allowed by the State of Oregon.

### **Limitations of Use of Revenues from Permit Fees**

Since the adoption of the operating fund, the Bureau has analyzed expenses and revenues by program. These programs are building/mechanical, electrical, plumbing, sign, soils, zoning, and General Fund. Revenues collected for each program stay within that program and are not used for any other program. State statute dictates this for the electrical program. ORS 479.845 (3) states that "fees collected by a city or county for the enforcement or administration of the electrical specialty code and rules under ORS 479.730 (1) shall be used only for the enforcement and administration of those laws."

Although there are no statutory limitations on the other programs, construction industry representatives believe that they should pay for the services that they receive and should not subsidize other programs. In addition the BAC has been vigilant in protecting the integrity of each program's funding.

**City of Portland**  
**Bureau of Environmental Services**  
**Preliminary Five Year Financial Plan**

**Submitted January 10, 1997**







## **Table of Contents**

<b>Executive Summary</b>	<b>217</b>
<b>Funding Structure</b>	<b>219</b>
<b>Sewer System Costs and Resources</b>	<b>222</b>
<b>Sewer System Financial Resources</b>	<b>224</b>
<b>Historical Expenditures by Major Category</b>	<b>228</b>
<b>Forecast Expenditures by Major Category</b>	<b>230</b>
<b>Historical Expenditures by Program</b>	<b>232</b>
<b>Forecast Expenditures by Program</b>	<b>235</b>
<b>Glossary of Terms</b>	<b>240</b>

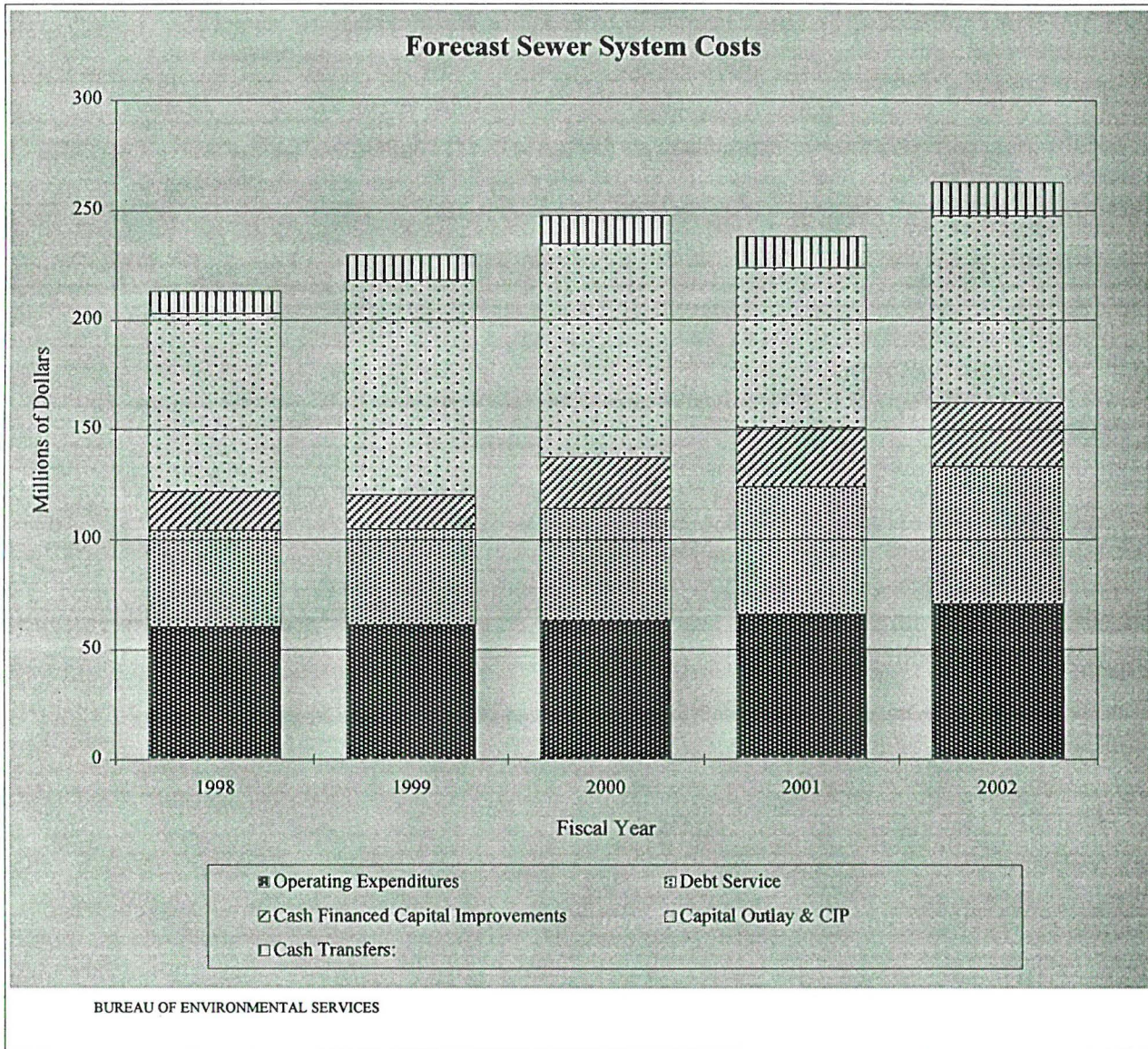


## **Executive Summary**

- The Bureau of Environmental Services is responsible for providing sanitary sewage and stormwater drainage services to residential, commercial, and wholesale customers. It also manages the City's solid waste and recycling functions.
- Total Capital Improvement Program expenditures are forecast to be \$433 million over the five year interval. \$326 million of this total is required for the two largest capital program areas: implementing CSO controls, and repair and replacement of portions of the aging sewer system.
- Bonded debt is the principal source of funds for the Bureau's Capital Improvement Program. Debt service costs, forecast at almost \$259 million over the five year interval, are a primary cause of upward pressure on sanitary sewer and stormwater drainage user charges.
- The Bureau has forecast a rate of increase in average customer bills at or below 12.1% per year over the forecast interval.
- The increase in debt service necessary to support the Capital Improvement Program (CIP) will put increasing pressure on the Bureau's operating program. Operating expenditures in the Financial Plan increase by approximately 4.9% annually over the forecast interval. This leaves little room for new operating requirements despite the forecast 12.1% annual increases in average customer bills. Any significant new operating initiatives will require offsetting cuts in operating expenditures if rate increases are to remain at or below forecast levels.
- The chart on the following page shows system costs by major component over the five year forecast interval.



## Executive Summary (Cont.)



## **Funding Structure**

- The Bureau of Environmental Services is responsible for providing sanitary sewage and stormwater drainage services to residential, commercial, and wholesale customers. It also manages the City's solid waste and recycling functions.
- The Bureau's activities are supported through sewer and drainage charges, wholesale contract revenues from jurisdictions, reimbursements for services provided to other bureaus, and reimbursements from the Sewer Construction Fund for capital expenses incurred directly by the Sewer Operating Fund.
- The funds managed by the Bureau are described below:
  - **Sewer System Operating Fund**

Accounts for revenues and expenses associated with the development, maintenance, and operation of the City's sanitary sewer and storm drainage system.
  - **Sewer System Construction Fund**

Receives revenues that are dedicated to sewer system capital projects. Since FY 1990-91, direct expenditures for capital projects have been budgeted within the Sewer System Operating Fund and are reimbursed from the Sewer System Construction Fund.
  - **Sewer System Debt Redemption Fund**

Pays the principal and interest on revenue bonds, notes, and State loans issued to finance sewer system improvements.
  - **Sewer System Rate Stabilization Fund**

Created in 1987 to enable the Bureau to smooth forecast rate increases by offsetting fluctuations in sewer system costs over several years.
  - **Sewer System Revolving Loan Fund**

Established in FY 1993 for the purpose of administering the private plumbing loan program contained in the Mid County Financial Assistance Program passed by the City Council in March 1992.
  - **Sewer System Safety Net Fund**

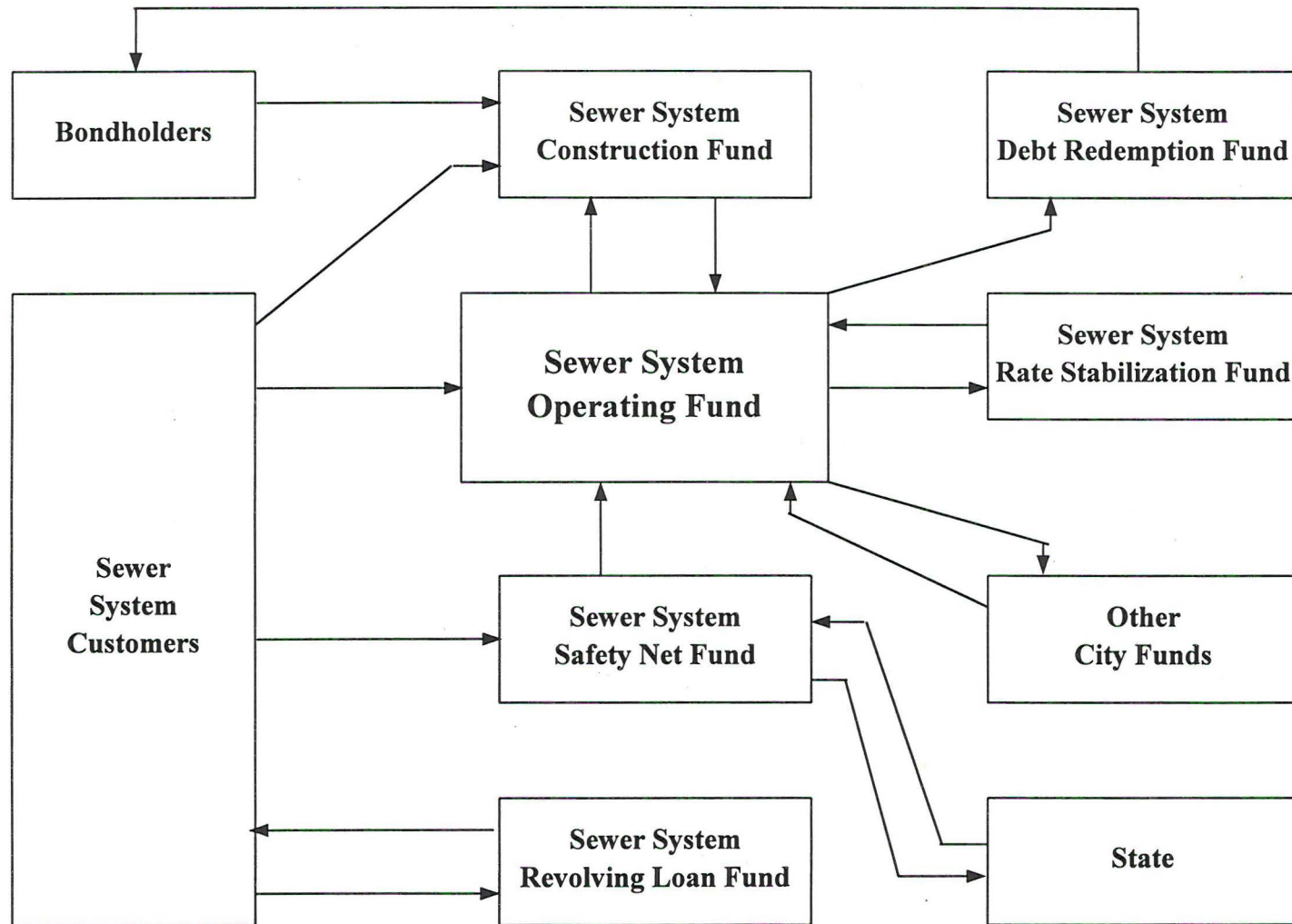
Established in 1987 for the deposit of monies from the State Assessment Deferral Loan Fund, managed by the Department of Environmental Quality. Monies in this fund are used to make loans to low-income homeowners within the boundaries of the Mid County Sewer Project who qualify for participation in the Safety Net Program.
- The Bureau also manages the following two funds relating to solid waste activities:
  - **Environmental Remediation Fund**

Established by Council action in FY 1993-94 to provide a funding vehicle for conducting remediation of former solid waste disposal sites for which the City is liable under law.
  - **Refuse Disposal Fund**

Accounts for expenses and revenues associated with the City's oversight of solid waste collection activities in Portland as well as efforts to reduce the amount of solid waste through recycling and waste reduction.
- The Bureau's financial structure is viewed graphically on the following page (the two funds related to solid waste are depicted separately in the solid waste portion of the financial plan).



## Funding Structure (Cont.)



## **Funding Structure (Cont.)**

### **Legally Required Spending**

#### ■ **Mid County Program**

The City continues to meet the obligations of the 1986 Environmental Quality Commission Order to install sanitary sewers in mid Multnomah County. The capital project cost for the remaining public portion of the sewer collection system is approximately \$3.9 million for FY 1997-98.

#### ■ **Combined Sewer Overflow (CSO)**

The City is subject to three administrative orders issued by the Department of Environmental Quality relating to overflows from the combined sewer portion of the collection system. The City has agreed to eliminate discharges that violate applicable water quality standards by December 1, 2011. The estimated capital cost over the life of the project is approximately \$700 million in 1993 dollars.

#### ■ **National Pollutant Discharge Elimination System (NPDES) Stormwater permit**

The City is obligated to meet the terms of the NPDES stormwater permit through a combination of best management practices and water quality facilities. The current operating cost impact of these requirements exceeds \$500,000 per year, and is expected to increase in future years. Capital cost impacts are approximately \$5 million over the five year forecast interval, but are expected to increase in subsequent years.

#### ■ **Bond Covenants**

The City has covenanted with bondholders to operate the system in a safe, sound, efficient, and economic manner, and to "cause the System to be maintained, preserved, reconstructed, expanded and kept, with all appurtenances and every part thereof, in good repair, working order and condition."



## Sewer System Costs and Resources

- Annual system costs increase by \$50.1 million over the forecast interval, representing an average annual increase of 5.4%.
- The largest two components of this increase are debt service, which increases by \$18.9 million over the forecast interval (excluding State Revolving Fund loans, for which reserves have already been accumulated), and cash financing of capital improvements, which increases by \$11.5 million over the interval.
- Total Operations and Maintenance and Capital Improvement Program expenditures increase by \$15.9 million over the forecast interval, an average annual rate of increase of 2.7% .
- Other system resources (including Capital Improvement Program (CIP) reimbursements from the Construction Fund) decrease by \$12.9 million over the forecast interval.
- The largest decrease in other system resources is the decrease in transfers from the Rate Stabilization Fund to the Operating Fund, falling from \$11.4 million in FY 1997-98 to \$0.3 million in FY 2001-02. This reflects the planned drawing down of Rate Stabilization Fund balances over the forecast interval to offset near-term cost increases, allowing for more gradual rate increases than would otherwise be necessary.
- Accordingly, annual revenue requirements from rates must increase by \$62.6 million over the interval, an annual average percentage increase of approximately 13.1%.
- Under the current forecast of interest rates, per customer water use, and growth in customer accounts, these required increases can be accommodated with annual rate increases of 12.1% through FY 2000-01, and 8.7% in FY 2001-02. Actual rate changes for various customer classes will deviate from this average depending on class flows, sewage strengths, and other factors.
- Significant changes in any of these variables introduces significant risk to the forecast, however, which could either require larger increases in rates or reductions in service levels, or afford opportunities for smaller rate increases.
- Last year's 5 year financial plan assumed the Utility License Fee (ULF) would be decreased over the planning horizon from 8% to 6%, with a corresponding reduction in forecast rate increases for an average residential customer from 12.5% per year to 12.1% per year. The current 5 year financial forecast assumes the ULF will remain at 8%, but leaves forecast rate increases at the level associated with last year's forecast. This change to forecast assumptions required the Bureau to make reductions to forecast expenditures by \$10.6 million over 5 years, to offset the change in forecast ULF payments. Keeping the ULF reduction would reduce the rate of increase in average single family residential monthly bills to 11.5% annually through FY 2000-01.
- The table on the following page shows system costs and resources in more detail.

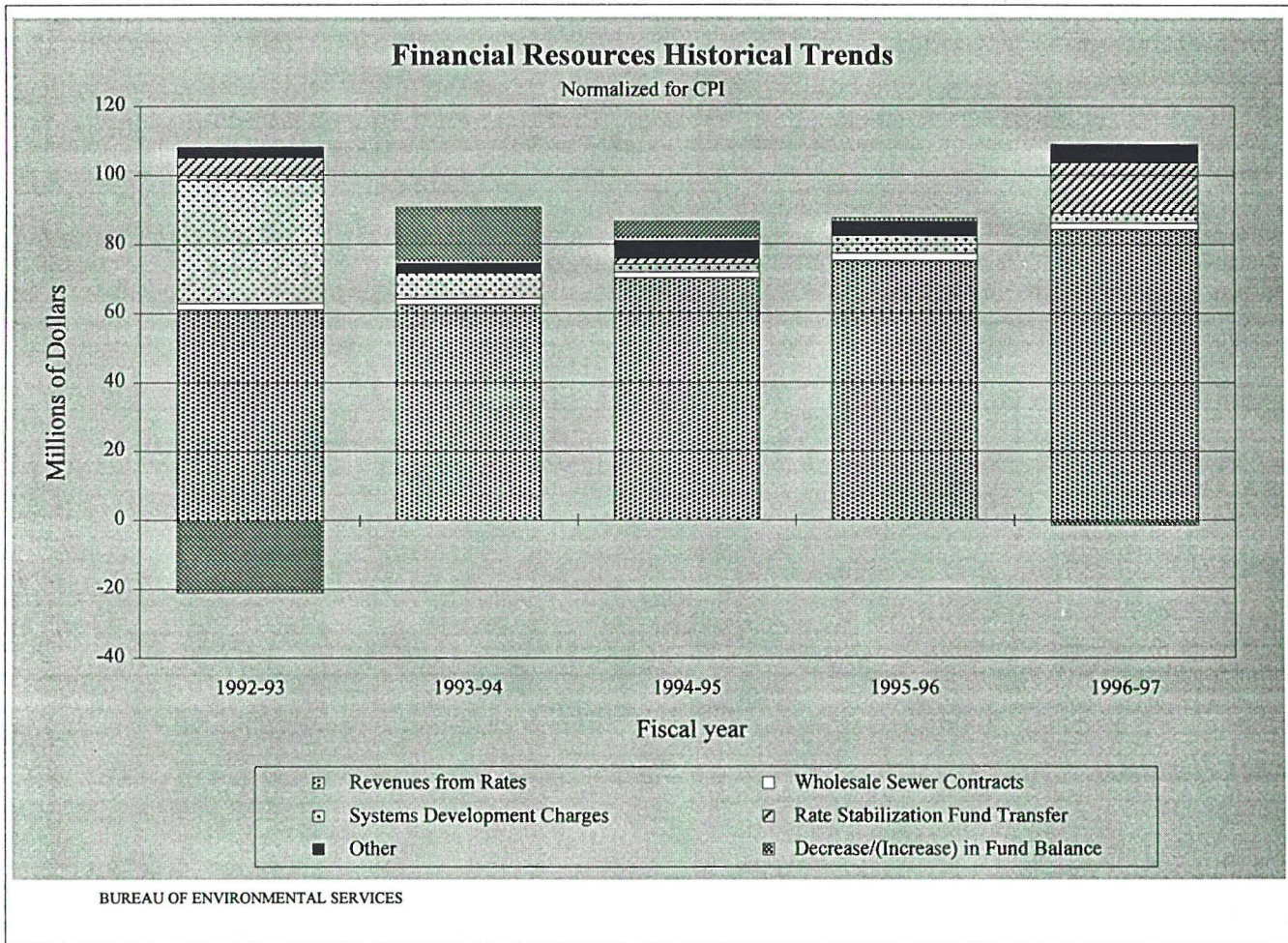
## Sewer System Costs and Resources (Cont.)

	Forecast 1998	Forecast 1999	Forecast 2000	Forecast 2001	Forecast 2002
<b>O&amp;M and CIP Expenses</b>					
Personal Services	\$22,956,255	\$23,415,446	\$24,499,583	\$25,633,914	\$26,820,765
Materials & Services - External	16,949,266	18,045,529	18,681,538	19,351,413	21,993,678
Materials & Services - Internal	18,697,533	19,445,373	20,223,255	21,032,390	21,874,035
Capital Outlay & CIP	81,294,048	97,921,245	96,966,974	72,684,778	85,136,782
Cash Transfers:					
General Fund Overhead	2,391,793	2,478,929	2,569,240	2,662,841	2,759,852
Utility Franchise Fees	7,597,903	8,867,982	10,119,141	11,364,938	12,417,060
Rate Stabilization Fund	0	0	0	0	0
Sewer Revolving Loan Fund	0	0	0	0	0
Other Funds	245,668	245,668	245,668	245,668	245,668
Col. Slough Grant Oper. Exps.	1,923,144	476,000	0	0	0
<b>Total O&amp;M and CIP Expenses</b>	<b>\$152,055,609</b>	<b>\$170,896,172</b>	<b>\$173,305,399</b>	<b>\$152,975,942</b>	<b>\$171,247,840</b>
<b>Cash Transfers to Debt Redemption Fund :</b>					
Existing Debt Service	44,126,826	35,230,289	35,347,079	35,347,419	35,344,391
Projected New Debt Service	7,059,131	8,176,956	15,486,390	22,701,907	27,390,518
less Capitalized Interest Offset	0	0	0	0	0
Reserve for SRF Loan Repayments	(7,357,609)	(771)	(770)	(771)	(770)
<b>Cash Transfers to Constr. Fund :</b>					
Cash Financed Capital Improvements	17,397,166	15,422,749	23,291,684	26,913,128	28,932,278
<b>Annual System Costs</b>	<b>\$213,281,123</b>	<b>\$229,725,395</b>	<b>\$247,429,781</b>	<b>\$237,937,624</b>	<b>\$262,914,256</b>
<b>Less: Other System Resources</b>					
CIP Reimb. from Constr. Fund	\$88,092,586	\$106,654,860	\$106,436,835	\$82,595,467	\$94,825,078
Systems Development Charges	\$4,067,511	\$3,840,341	\$2,416,447	\$2,325,629	\$2,465,167
Wholesale Sewer Contracts	\$1,868,234	\$1,950,433	\$2,036,248	\$2,125,838	\$2,219,371
Other Service Charges	\$77,770	\$80,912	\$84,180	\$87,581	\$91,119
Service Reimbursements	\$839,543	\$873,460	\$908,747	\$945,459	\$983,655
Rate Stabilization Fund Transfer	\$11,400,000	\$1,950,000	\$2,925,000	\$1,400,000	\$365,489
Other Cash Transfers	\$5,531,745	\$559,529	\$129,508	\$134,740	\$140,184
Product Sales	\$39,853	\$36,261	\$37,726	\$39,250	\$40,836
Rents	\$68,666	\$71,440	\$74,327	\$77,329	\$80,453
Licenses and Permits	\$296,514	\$308,493	\$320,955	\$333,922	\$347,412
Interest on Investments	\$415,574	\$429,704	\$511,887	\$518,436	\$547,106
Miscellaneous	\$95,197	\$99,042	\$103,044	\$107,207	\$111,538
Decrease/(Increase) in Oper. Fund Balance	\$1,867,680	(\$2,234,868)	\$99,131	(\$269,334)	(\$475,727)
<b>Total Other Resources</b>	<b>\$114,660,873</b>	<b>\$114,619,607</b>	<b>\$116,084,035</b>	<b>\$90,421,525</b>	<b>\$101,741,680</b>
<b>Required Revenues from Rates</b>	<b>\$98,620,250</b>	<b>\$115,105,787</b>	<b>\$131,345,746</b>	<b>\$147,516,099</b>	<b>\$161,172,576</b>
 Avg SFR Monthly Bill Increases Required	 12.10%	 12.10%	 12.10%	 12.10%	 8.70%
Percent Increase in Revenue Requirements	17.24%	16.96%	14.10%	12.31%	9.26%

NOTES : (1) Includes use of Debt Redemption Fund balances in-lieu-of cash transfers from the Sewer Operating Fund.



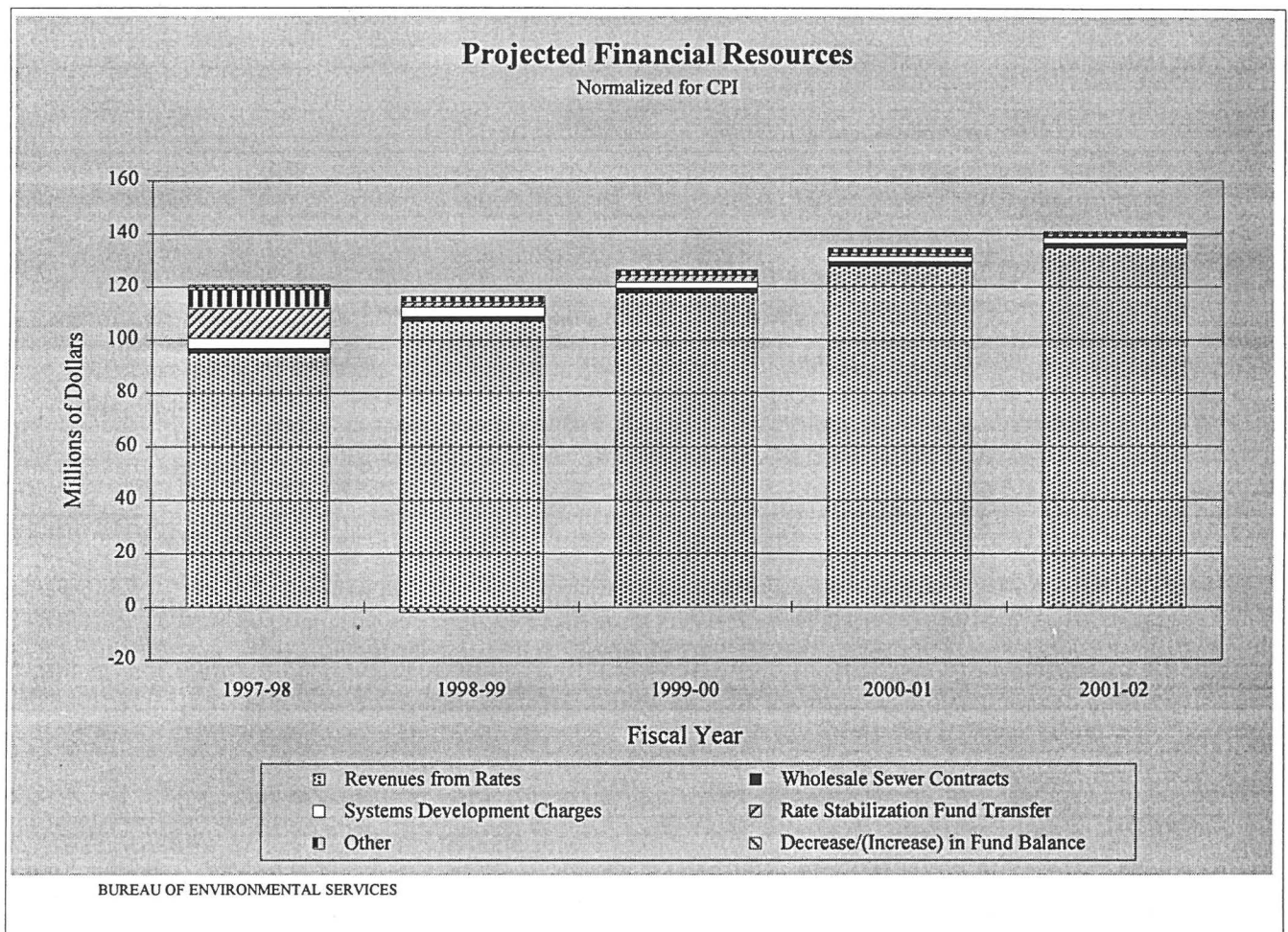
## Sewer System Financial Resources



- Revenues from rates have increased at an average of 8.4% per year in excess of inflation from FY 1992-93 through FY 1996-97. The average annual growth rate in the number of customer accounts over this interval has been 2.6%, and the monthly bill for an average single family residential customer grown at an average of 6.1% annually in excess of inflation.
- Revenues from rates for FY 1996-97 assume a projected \$2.0 million shortfall for the fiscal year, based on Accounting Period Six revenue data, primarily due to lower than forecast water use.
- The relatively small increase in rate revenues for FY 1993-94 reflects lower than expected water use for residential customers, coinciding with the first year of metered billing for those customers.
- System Development Charge revenues (normalized for inflation) averaged \$4.5 million per year for years other than FY 1992-93. The \$35.9 million figure for that year is because the Window of Savings program encouraged customers in the Mid County area to prepay Line and Branch and Connection Charges.
- The cash transfers from the Rate Stabilization Fund to the Operating Fund in FYs 1992-93 and 1994-95 reflect use of the Rate Stabilization Fund for cash flow management. Transfers for the current fiscal year reflect planned drawing down of fund balance for rate smoothing over the forecast interval.
- Changes in ending fund balances for FYs 1992-93 and 1993-94 show the effects of line and branch and connection charge prepayments in Mid County. Sizable revenues from the prepayments in the Operating Fund at fiscal year end were transferred to the Construction Fund the following fiscal year.



## Sewer System Financial Resources (Cont.)



- Revenues from rates are projected to increase by 9.1% per year in excess of inflation over the forecast interval, given forecast annual rate increases of 12.1% for FY 1997-98 through FY 2000-01, 8.7% in FY 2001-02, and a 3.3% average annual rate of growth in the number of customer accounts.
- Customer account growth is driven primarily by new connections to the sewer system in the Mid County area. After project completion, account growth is expected to fall toward the "infill" rate of 0.5% per year.
- Rate Stabilization Fund transfers in all years reflect a drawing down of Fund Balance to reduce revenue requirements from rates.
- The major risk to the forecast is unanticipated changes in water use for all customer classes. Roughly 70% of the Bureau's rate revenues vary directly with flow, so a 10% reduction in flow implies an approximate 7% reduction in revenues. Metered billing prevents a corresponding increase in revenues for residential customers, however.
- The forecast assumes a 1% annual reduction in usage per customer to account for increased water conservation and pollution prevention efforts, the effects of block pricing for water, and increases in the number of customers who use less than their winter average during non-winter months.
- The five year financial plan assumes an enhanced level of Low Income Assistance. Program enhancements are assumed to increase the number of participants to 4,000 by the end of FY 1996-97, and to 10,000 by the end of FY 1997-98 and thereafter. The level of assistance is assumed to remain at one quarter of the bill for an average low-income household (currently \$5.55 per month). This reduces



## Sewer System Financial Resources (Cont.)

forecast rate revenues by \$2.5 million over the five year interval relative to the base program.

### ■ Additional Financial Resources Issues

#### ● Stormwater Systems Development Charge Credit

New development is charged a system development charge (SDC) for drainage and stormwater quality services, based upon the amount of impervious area. Bureau staff have been investigating whether there are sufficient reasons to offer a credit against the stormwater SDC when properties install on-site stormwater facilities that meet certain construction and performance standards. This issue has also been discussed with the PURB.

Staff have concluded that a system for offering credits is desirable, for reasons of improving equity and in furthering policy goals of encouraging private property efforts to mitigate stormwater pollution. The Bureau is anticipating bringing a proposal for City Council review in January or February that would offer stormwater SDC credits, including proposed eligibility criteria.

#### ● Industrial Waste Discharge Permits

In response to state and federal requirements, the Bureau of Environmental Services monitors and regulates sanitary sewer discharges from 162 industrial customers at an annual costs of about \$785,000. These costs are recovered through sanitary sewer user fees. (A nominal amount is recovered through permit fees charged to permitted industries. This current fee is \$75/year.)

It would be more equitable to recover most if not all of these costs through permit fees paid by permitted industries and make corresponding reductions to user fees for all other customers. Options for accomplishing this are being developed by the Bureau and a proposal will be brought forward this spring for City Council review. The current financial plan does not reflect this proposal, though the Bureau will provide information on the effect on sewer system rates and charges if it were implemented.

#### ● Extra-Strength Sewer Discharge Rates

The Bureau currently charges 78 commercial/industrial customers for extra strength sanitary sewage discharges, based upon samples taken and laboratory analysis of their sewage discharges. In lieu of focussing only on these very high strength dischargers, the Bureau is developing a low/medium/high strength designation for commercial customers who generate higher than domestic strength sewage and is designing a corresponding system of rates and charges. This would improve customer equity and send clearer pricing signals to commercial/industrial customers relative to the strength of their wastewater discharges. A proposal for implementation will be brought forward for PURB and City Council review in the spring. The current 5 year financial forecast assumes the current rate structure remains in place.

#### ● Fees for Development Review

The Bureau of Environmental Services provides a variety of engineering and technical reviews of proposed developments for which it is not reimbursed. For example, new construction applications for plan review and building permits are submitted to the Bureau of Buildings, where a permit fee is collected. Construction documents are then routed to other bureaus for their review. BES performs the required review, ensuring proposed plans conform to sanitary, drainage, and stormwater quality, but does not charge for this service. There are other development related services for which no BES fee is charged.

The Bureau estimates that these review services cost approximately \$250,000 each year. If a system of fees and charges were in place to recover these costs directly from the beneficiaries of the review,

## **Sewer System Financial Resources (Cont.)**

rates to all customers could be adjusted downward by a similar amount. The 5 year financial forecast does not incorporate this fee proposal, but the Bureau is developing a proposal for submission to City Council later this spring.

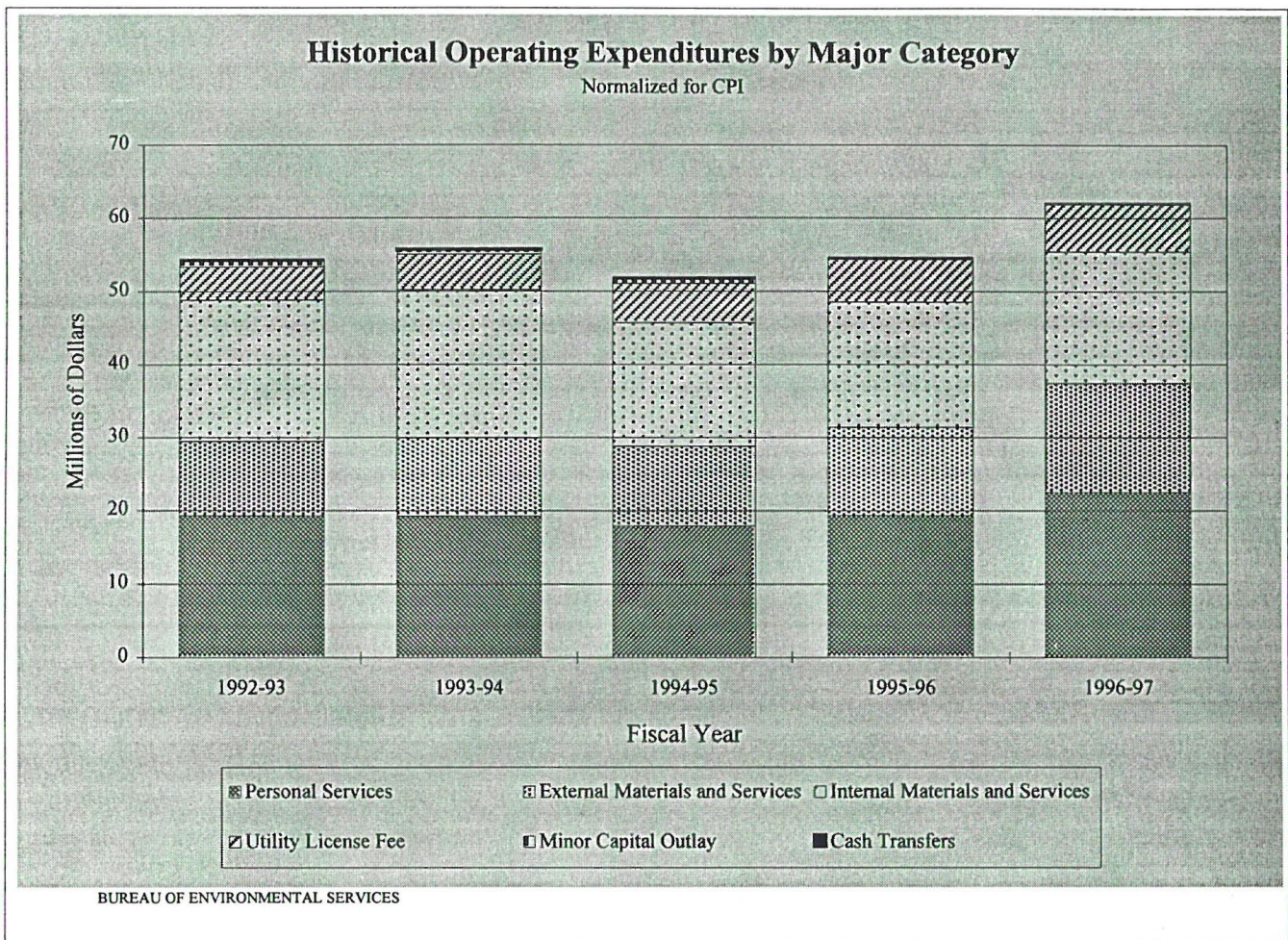
- **Stormwater Services/New Fees**

Bureau staff have been reviewing whether there should be a new system of fees to recover costs of specific stormwater management activities, including fees for monitoring erosion control facilities and fees for inspecting stormwater passive treatment facilities. There are also policy and cost of service issues surrounding the City's current methodology for charging for drainage services and whether new techniques should be considered. For example, would front footage be a more equitable method for charging for drainage services in certain cases, over the current practice of using the amount of impervious area?

The current 5 year financial plan reflects the current system for charging for stormwater services, and does not include any new system of fees and charges. However, there are sufficient policy and equity issues to warrant a review of the current practices, and this could affect financial forecasts in future years.



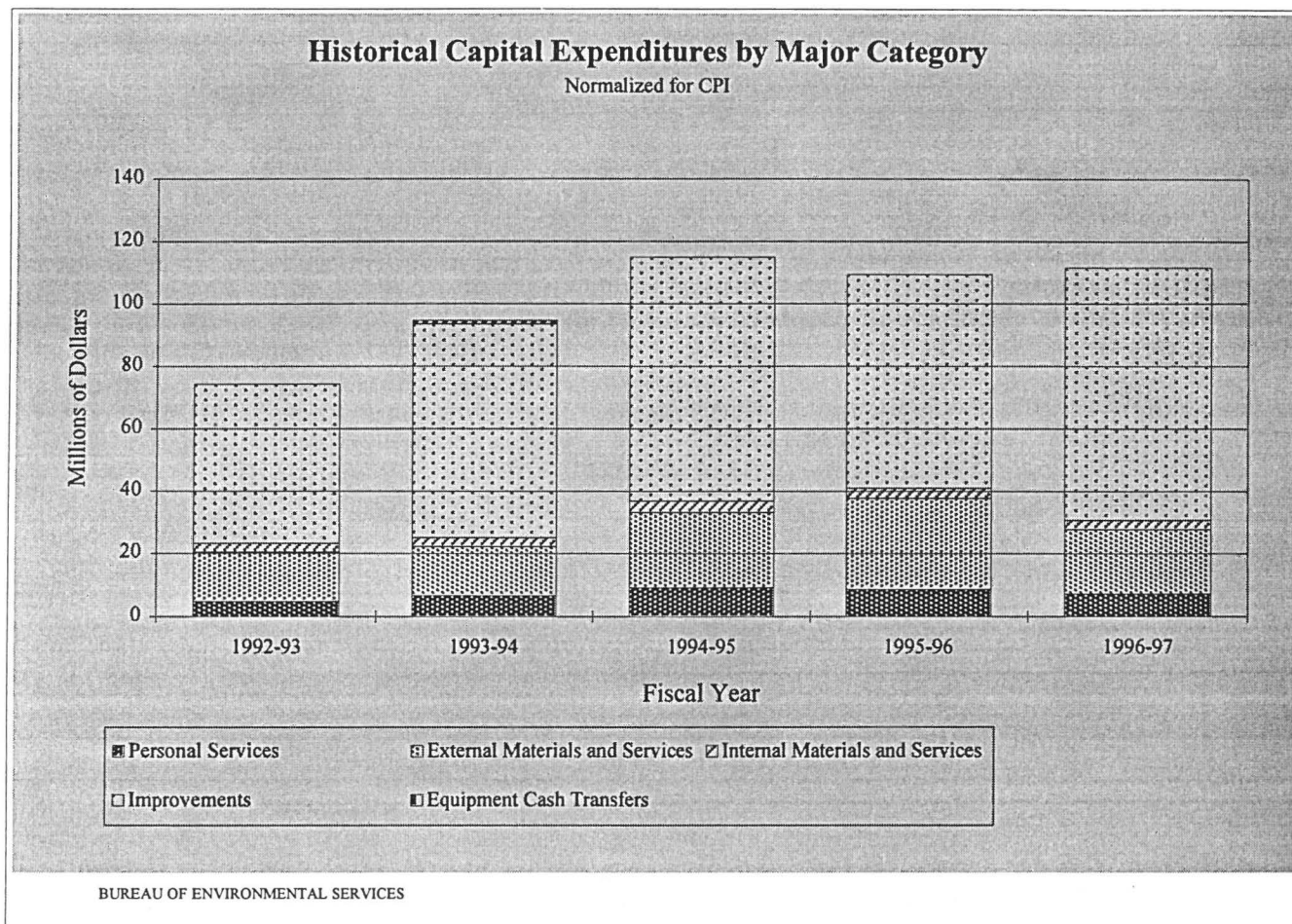
## Historical Expenditures by Major Category



- Total operating expenditures adjusted for inflation have been relatively stable over the interval. The increase for the current year in part reflects the Bureau's recent reorganization.
  - Personal Services and expenditures for the current year reflect \$1.3 million of costs formerly budgeted in capital projects, which are now budgeted as operating expenditures and reimbursed as overhead expenses by the capital program.
  - External Materials and Services expenditures for the current year reflect \$1.9 million of costs formerly budgeted in capital projects, which are now budgeted as operating expenditures and reimbursed as overhead expenses by the capital program.
  - Operating expenditures for the current year also include \$2.4 million of expenditures on Columbia Slough projects, which will be fully reimbursed by grant funds.
- The decreases in Personal Services and Internal Materials and Services from FY 1993-94 to FY 1994-95 were due to the capitalization of the Mid County program and CSO Program administration costs. These costs were shifted to the Capital Improvement Program.
- Utility License Fee expenditures when adjusted for inflation have risen by approximately 9.8% annually over the interval as a result of rate increases, customer growth, and other factors.



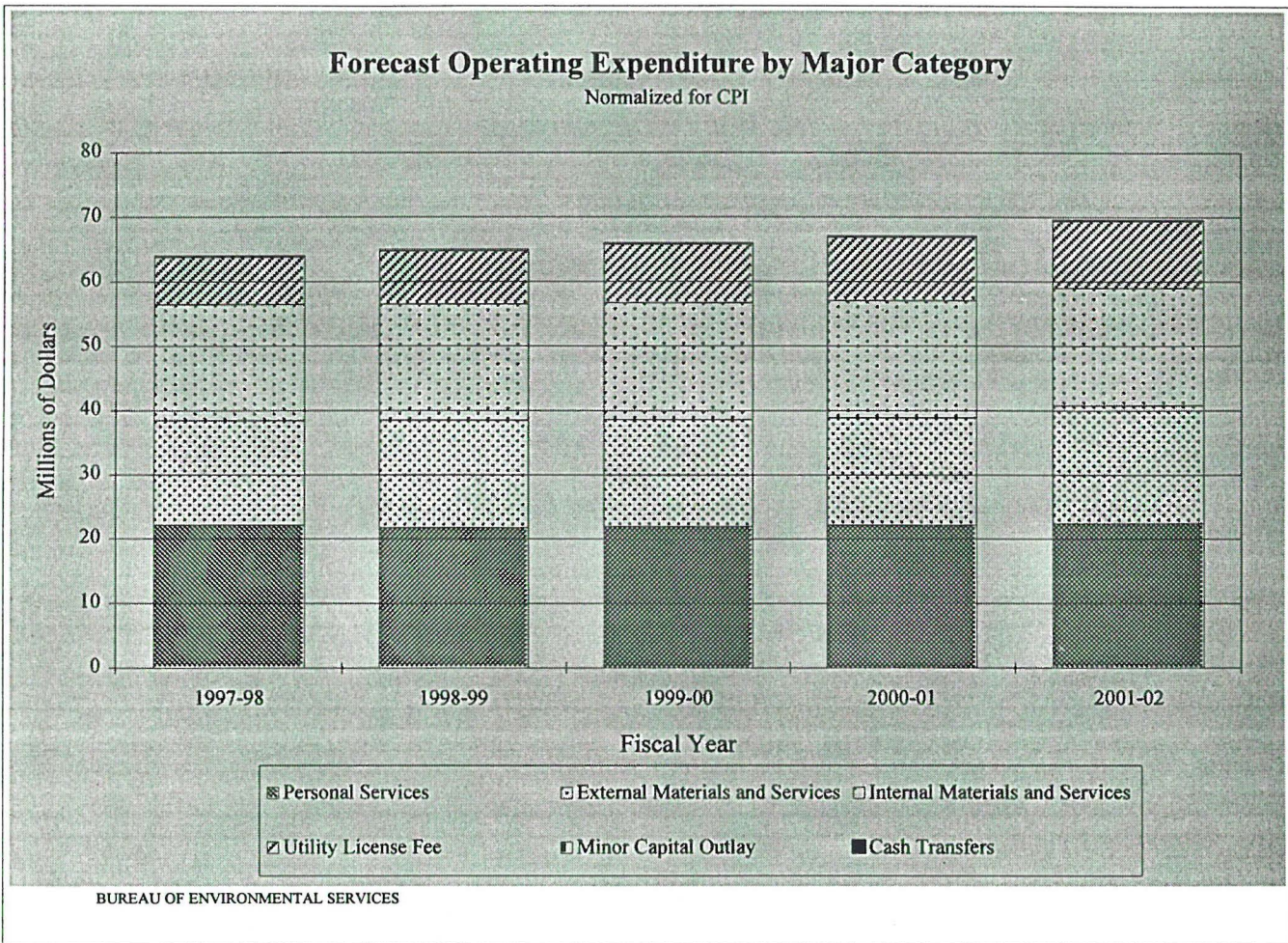
## Historical Expenditures by Major Category (Cont.)



- Given the current year forecast, capital expenditures adjusted for inflation will have increased at an annual average rate of about 10.7% annually over the interval.
- The increase in Personal Services and External Materials and Services between FY 1993-94 and FY 1994-95 reflects the capitalization of Mid County Program costs and Combined Sewer Overflow Program administration costs, as well as significant CIP growth over time.
- Capital expenditures for FY 1996-97 are forecast to be 97.5% of budgeted capital improvement costs.



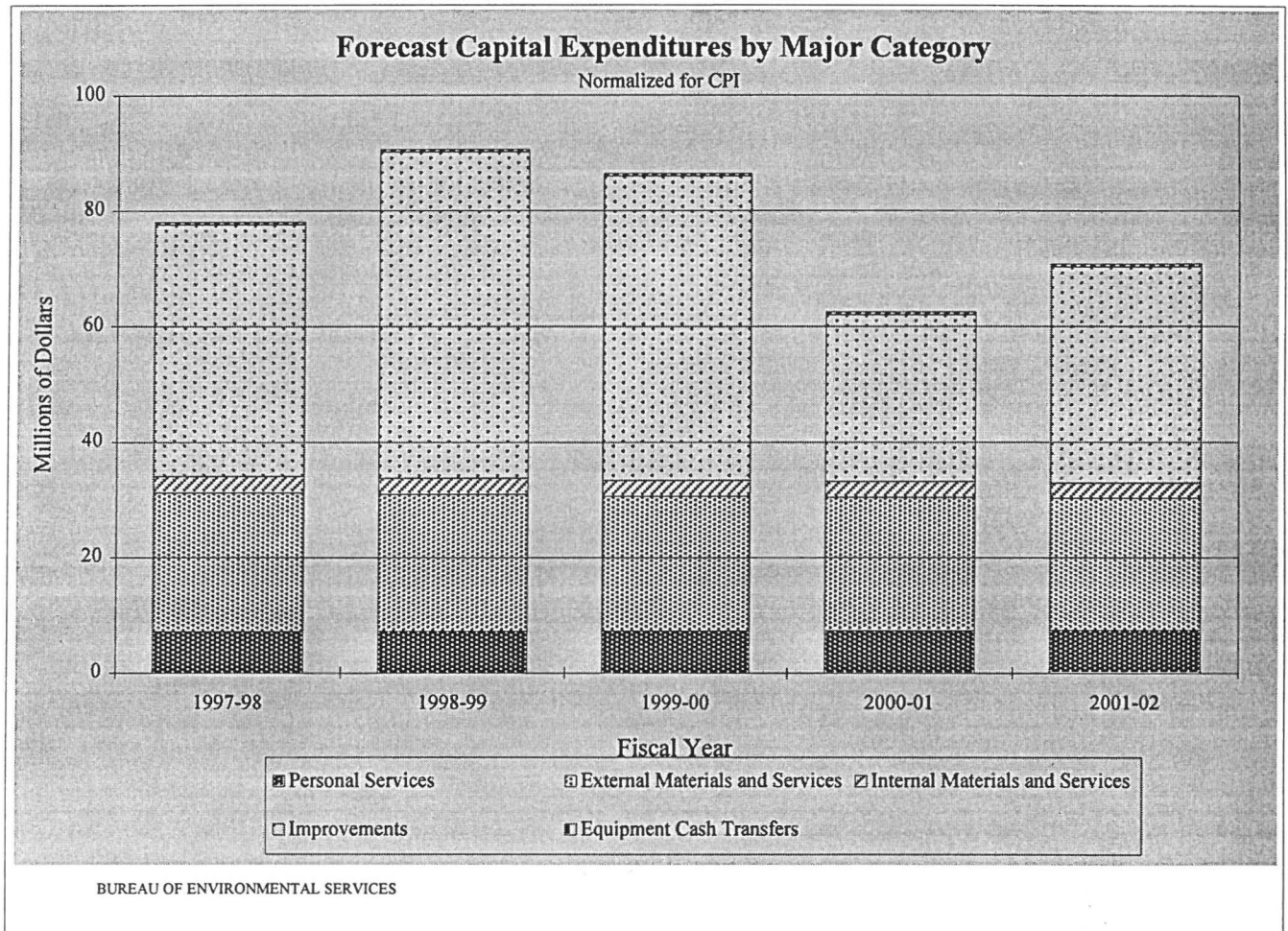
## Forecast Expenditures by Major Category



- Operating expenditures, when adjusted for inflation, are forecast to increase by approximately 2.1% per year over the planning interval. About half of this increase is in the Utility License Fee, expected to increase at approximately 9.4% per year. License fee revenues grow more rapidly than inflation due to the effect of customer account growth on rate revenues.
- Operating expenditures other than license fees are forecast to increase by approximately 1.1% annually in excess of inflation. This forecast includes a reduction of 20 operating positions, 10 in each of the next two fiscal years. The growth in operating expenditures over that interval occurs primarily in Internal Services (increased drainage system maintenance).



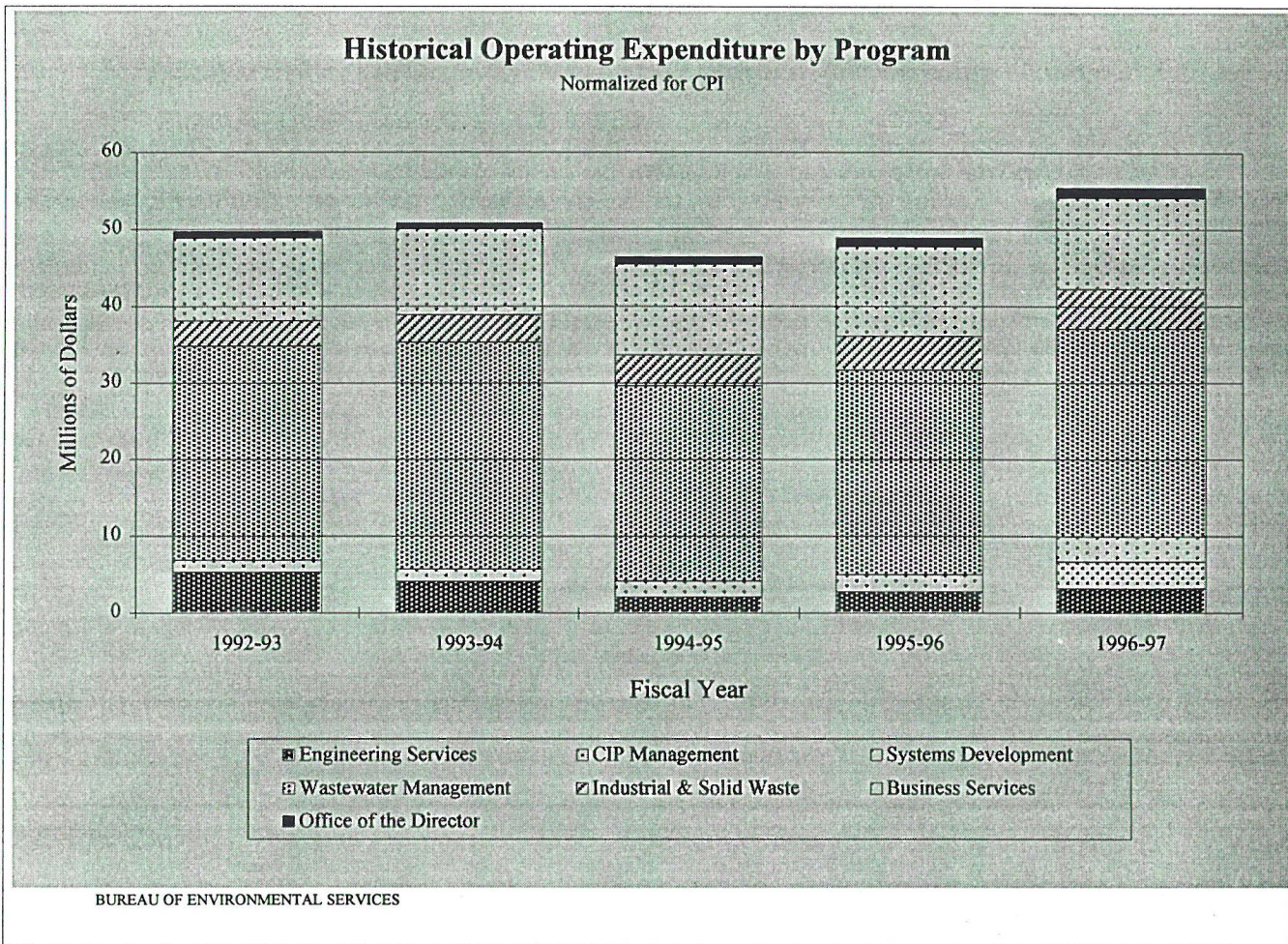
### Forecast Expenditures by Major Category (Cont.)



- Capital expenditures, when adjusted for inflation, are forecast to decrease at an average annual rate of approximately 9.6% over the five year interval.
- Most of the variation in forecast expenditures on improvements reflects the timing of several major CSO-related projects during the forecast interval, including treatment plant capacity expansion and the Columbia Slough consolidation conduit.



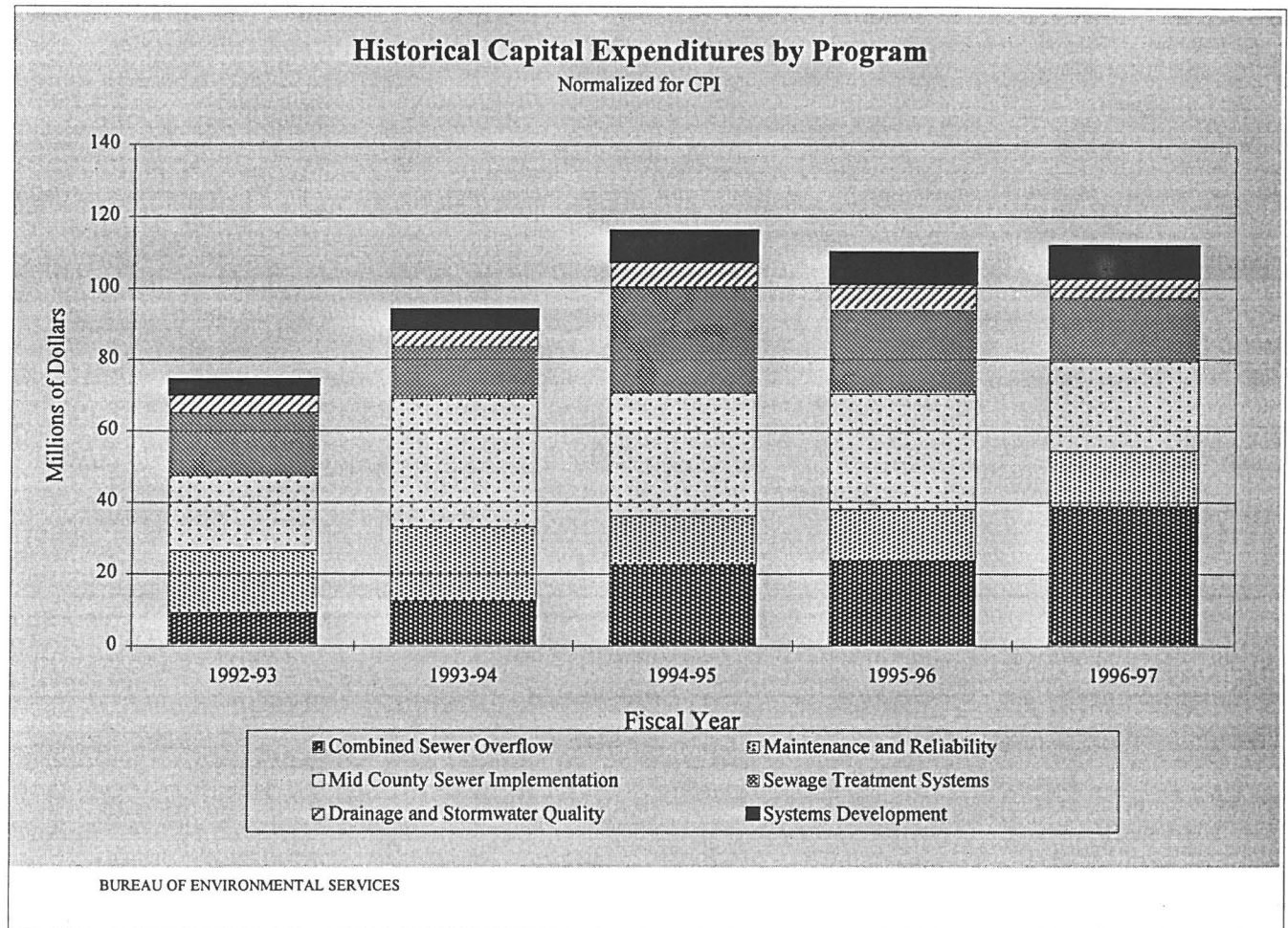
## Historical Expenditures by Program



- The decrease for Engineering Services between FY 1993-94 and FY 1994-95 reflects the capitalization of Mid County program costs beginning in FY 1994-95.
- Growth within Industrial and Solid Waste is a result of intra-Bureau responsibility for water quality monitoring activities. Increases in total program costs reflect increasing demand for these services by other Bureau programs.
- Operating expenditures on Wastewater Treatment have declined slightly over the interval, after adjusting for inflation, reflecting gains in operating efficiency.
- CIP Management in the current fiscal year reflects the recent Bureau reorganization.



## Historical Expenditures by Program (Cont.)

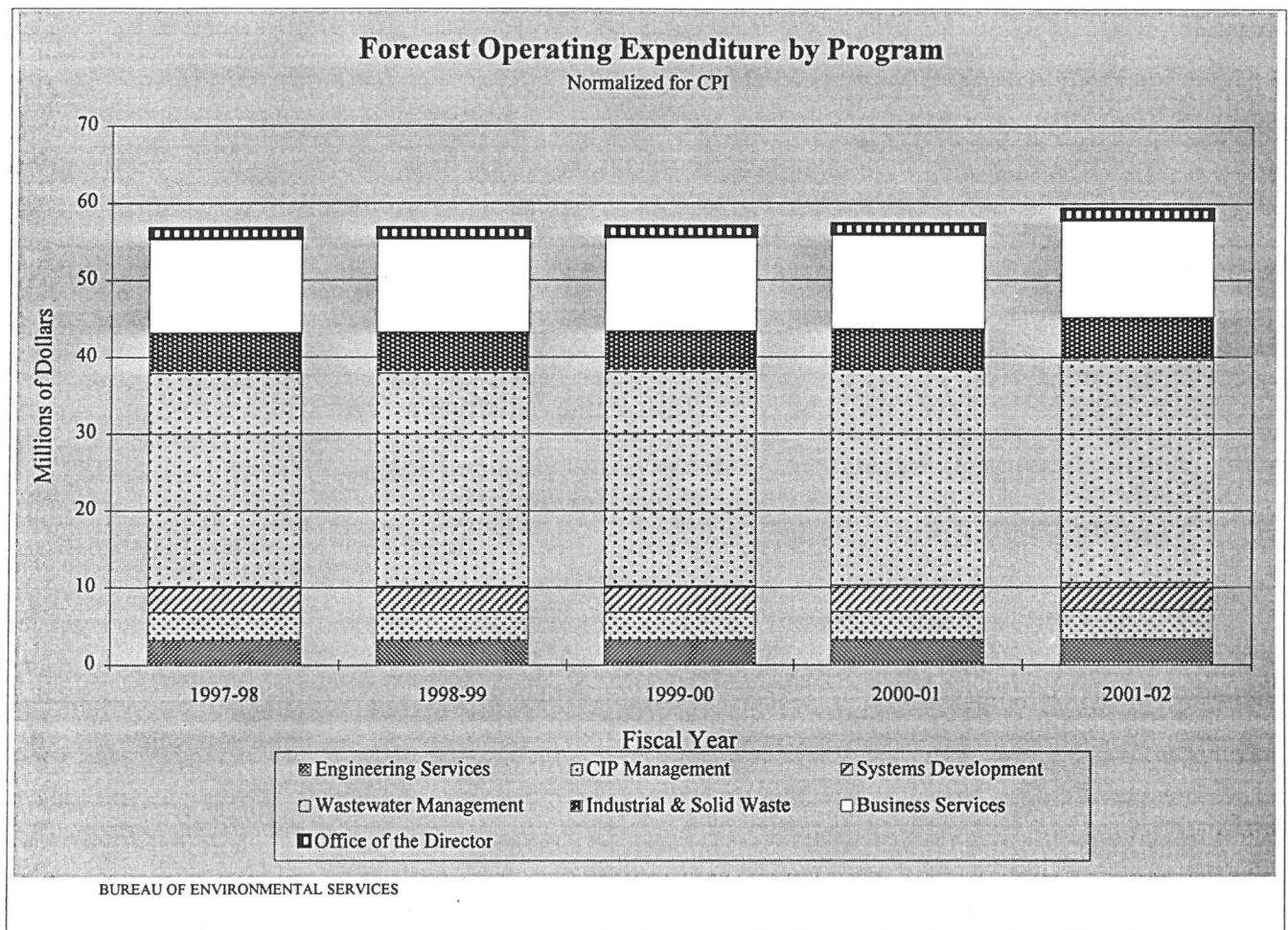


- The Mid County program accounted for the largest share of capital improvement expenditures over the interval at \$148 million, adjusted for inflation. The relatively large increases in expenditures for this program in FY 1992-93 and FY 1993-94 reflect the decision to accelerate the program in order to level resource requirements over time.
- CSO program expenditures were \$107 million over the interval, adjusted for inflation. Major expenditures included stormwater infiltration sumps, sewer separation projects, and the CSO management plan.
- Inflation-adjusted expenditures for Sewage Treatment Systems totaled \$104 million over the interval. The relatively large increase in FY 1994-95 reflects expenditures to replace the headworks at the Columbia Boulevard Wastewater Treatment Plant for improved screening, grit removal, and enhanced capacity. The new facility can handle wastewater flows of up to 300 million gallons per day, and is the first phase of the planned expansion of overall treatment capacity at the plant. Other major expenditures include the renovation of the sludge lagoon at the Columbia Boulevard plant and construction of a new force main to serve the Inverness basin.
- Maintenance and Reliability program expenditures were \$81 million over the interval, adjusted for inflation. Major expenditures included sanitary relief and reconstruction projects and stormwater infiltration sump reconstruction and upgrades.
- Increases for Systems Development were for construction of the Water Pollution Control Laboratory.
- Most of these capital expenditures have been debt financed. Outstanding debt has grown from \$163 million in FY 1992-93 to \$496 million in FY 1996-97. As a result, annual debt service requirements have



grown from \$14 million to \$39 million over the same interval.

## Forecast Expenditures by Program



- Operating expenditures adjusted for inflation are forecast to increase at approximately 1.1% annually. This increase includes:

- Forecast expenditures for additional drainage system maintenance totaling \$9.7 million over the five year interval.
- Forecast operations and maintenance expenditures from new capital facilities totaling \$5.7 million over the five year interval.
- Additional operations and maintenance expenditures totaling \$3.1 million over the five year forecast interval, including the Bureau's share of the Water Bureau's acquisition of a new billing system, operations and maintenance expenditures for the Water Pollution Control Laboratory, and shifts in expenditures from the capital to operating resulting from the Bureau's recent reorganization.

- Additional Operating Program Issues:

- Operation and Maintenance Costs Related to the Proposed CIP

The Bureau has made special efforts to identify and document operation and maintenance costs associated with capital improvements included within the 5 year CIP forecast. These forecast O&M costs are imbedded within operating costs in the 5 year financial forecast.

Operation and maintenance costs in years beyond the current 5 year forecast horizon are expected to increase by a significant amount, for 3 primary reasons: 1) completion and operation of treatment

## Forecast Expenditures by Program (Cont.)

and storage facilities on the Willamette river associated with the CSO program, 2) completion and full

- Operation and Maintenance Costs Related to the Proposed CIP (Cont.)

operation of collection and sewage transportation facilities within the mid county sewer project, and 3) expanded drainage maintenance activities reflecting recommendations of recently completed maintenance management studies and an increase in the number and variety of surface water passive treatment facilities. As suggested above, next year's update of the 5 year financial plan will begin displaying these costs.

- Columbia Slough Sediments

On October 7, 1993, the City entered into a consent order with DEQ to conduct a remedial investigation and feasibility study of contaminated sediments in the Columbia Slough. The main purposes of the study were to determine what contaminants are present and at what levels, the types of risks posed, to identify hot spots of sediment contamination, and to propose types of cleanup actions. The City has begun a feasibility study of potential cleanup options for Buffalo Slough, a side channel of the Middle Columbia Slough.

Costs of environmental remediation of Columbia Slough sediments could exceed \$10 million. Because they cannot be treated as capital costs, they are not eligible for revenue bond financing. Without the ability to debt finance these costs, they pose a significant financial liability on the City's sewer utility. Alternative financing methods are being studied, but at this point, the costs of sediment remediation are not within the 5 year financial plan forecast and if included, would require rate increases higher than those being proposed.

- Drainage Districts

There are three drainage districts within City boundaries, all located along the Columbia South Shore. These districts maintain the flood plain within the Columbia South Shore by operating pumping facilities that move water from the Columbia Slough to the Columbia River. The districts also maintain area levees and dikes. They charge properties within their boundaries for this service, based upon the amount of impervious area they have and their elevation, relative to the flood plain.

Historically, the City has not charged its drainage fees to properties within the drainage districts on the premise the districts are the primary drainage service providers. However, with the advent of stormwater quality programs and requirements, the City is now providing drainage services within the districts. The City is also expanding other basic drainage services, such as roadside drainage maintenance, as the area continues to develop.

There is a fundamental equity issue whether the City should begin charging its drainage fees within the drainage districts. There are other issues as well. District pumping facilities need to be upgraded and expanded and the drainage districts may not have the financial capability to acquire necessary financing. The City would be capable of funding and financing these improvements. A key issue is the fact that failure to maintain the flood plain would affect properties within the City. It would also affect the potential for further development within the area, which has been designated as one of Portland's major commercial/industrial development reserves.

OFA and the Bureau are studying these service and finance issues. The current 5 year financial forecast presumes no change in the current service and funding arrangement.

- "303 List"

The state is required by the Federal Clean Water Act (Section 303) to periodically publish a list of water quality limited streams and rivers. The current 303 list includes Johnson Creek, Balch Creek,

## Forecast Expenditures by Program (Cont.)

Fanno Creek, and the Columbia Slough and Willamette River. Being included on the 303 list is the first step in setting regulatory standards that limit the amount of pollutants discharged

- "303 List" (Cont.)

to the waterway. These have already be set for Fanno Creek and the City is taking steps to reduce discharges of phosphorus to Fanno Creek and its tributaries.

It is expected that regulatory standards (called "Total Maximum Daily Loadings," or TMDLs) will be set for the other streams on the 303 list as specific pollutant loadings are identified. The first surface waterway to be affected will likely be the Columbia Slough. Based on previous studies, the City and DEQ have prepared draft TMDLs for temperature and bacteria for the Columbia Slough and these have been submitted to EPA for approval. Additional TMDLs for toxic metal and organic contaminants are anticipated.

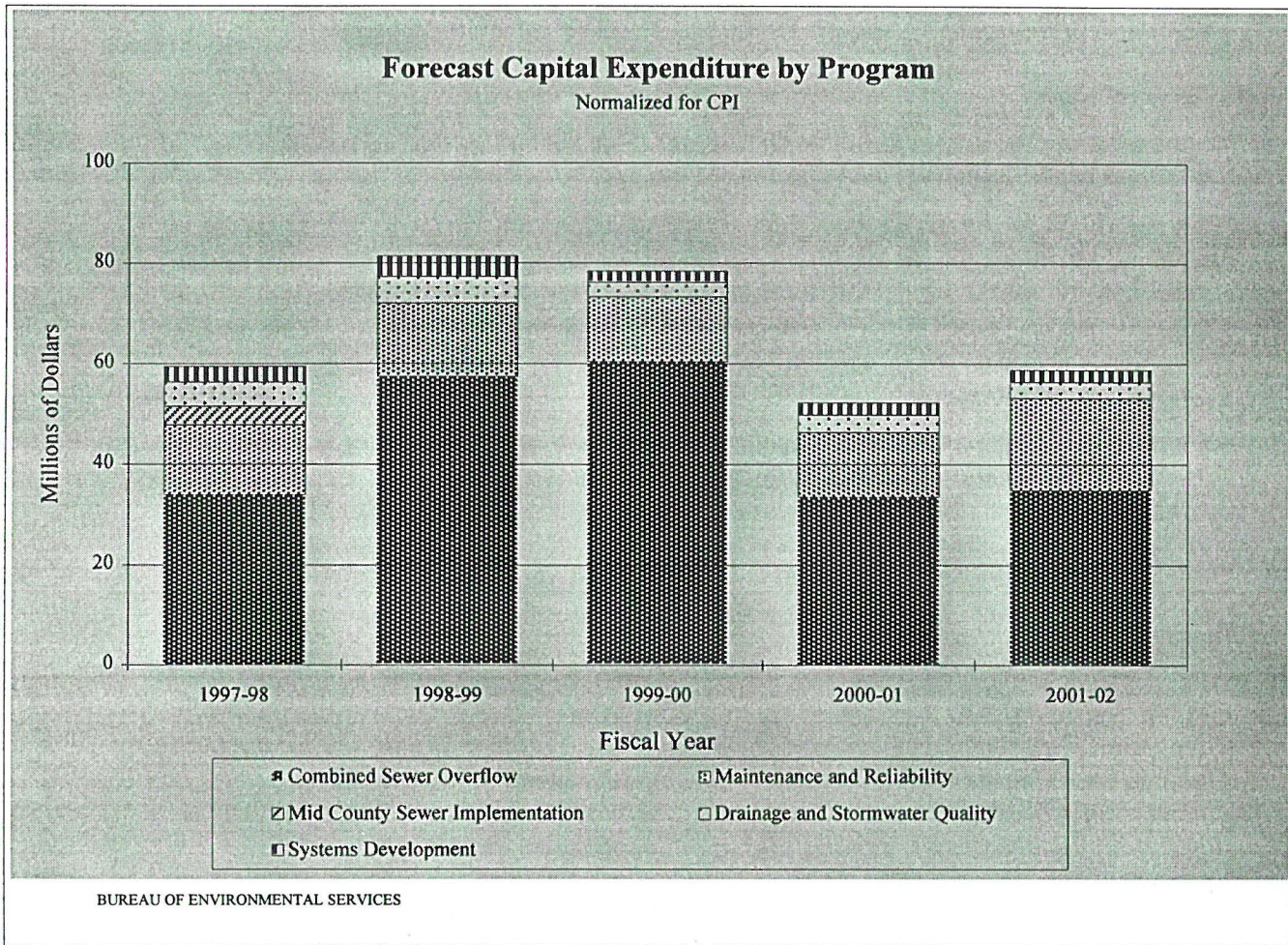
It is difficult to predict what all of the requirements will be once regulatory standards are set, or what the costs of meeting those standards will be. The current financial plan assumes that the costs of meeting future TMDLs for all of the streams on the 303 list will be accommodated within existing funding levels of existing stormwater or watershed programs. If future requirements exceed current funding levels, corresponding adjustments to other Bureau programs or forecast rate increases would have to be made. The current 5 year financial forecast assumes all costs associated with TMDLs are accommodated within current stormwater and watershed program funding levels.

- Johnson Creek Flooding

The current 5 year financial plan includes funding for continued study of flooding problems within the Johnson Creek watershed, and some minor flood mitigation projects. Permanent solutions to Johnson Creek flooding, however, will require cooperation and financial investment of jurisdictions outside Portland's boundaries, including Clackamas County and the City of Gresham. There are policy and related financial issues regarding the level of commitment the City of Portland should make towards solving Johnson Creek flooding problems without formal agreements with other affected jurisdictions. Resolution of these issues could impact the current 5 year financial forecast, particularly in years 3 through 5.



## Forecast Expenditures by Program (Cont.)



- Mid County program capital expenditures end in FY 1997-98, as Combined Sewer Overflow program expenditures are nearing their peak.
- Combined Sewer Overflow program expenditures reach their peak in FY 1999-00. The lower CIP requirements in FY 2000-01 primarily reflect lower CSO capital requirements.
- Lower Sewage Treatment Systems requirements after FY 1998 reflect completion of both the sludge lagoon renovation project and of construction of the force main serving the Inverness basin.
- Additional Capital Program Issues
  - Tryon Creek Treatment and Transportation Capacity

Weather patterns in the past few years have increased the amount of surface and groundwater entering the sewage collection system within the Tryon Creek sewer system, creating very high peak wet weather flows at the Tryon Creek treatment facility. Infiltration of groundwater into sanitary sewers typically increases with the age of collection facilities. Inflow of surface water occurs when stormwater collection facilities are connected to sanitary sewers.

Absent corrective action, peak wet weather flows may begin to routinely exceed the treatment capacity of the Tryon Creek sewage treatment plant. Either infiltration and inflow will need to be significantly reduced, or wet weather treatment capacity at the Tryon Creek facility will have to be increased. If treatment capacity is increased, the Tryon Creek facility's discharge permit would

## **Forecast Expenditures by Program (Cont.)**

undergo full review by DEQ and it is likely that treatment standards would be increased. (Treatment

- **Tryon Creek Treatment and Transportation Capacity (Cont.)**

capacity expansion precipitates review of treatment standards, often resulting in higher treatment requirements.)

Correcting infiltration and inflow problems would require a significant investment by Portland and Lake Oswego. Though the economic analysis has not yet been done, it is possible that the most cost effective solution would be a combination of collection system repair and treatment capacity expansion. It may also be possible to divert more of Portland's sewage flows from the Tryon Creek collection system to the Columbia Boulevard treatment plant, though this has implications on capacities of intervening sewage interceptors and impact on CSOs.

The current 5 year financial plan includes funding for study of these issues but does not presume a specific amount of funding for Tryon Creek expansion or for infiltration and inflow correction, above levels for routine capital repair and replacement. Discussions are underway with representatives of the Lake Oswego Public Works Department on the appropriate level of effort to correct these problems within Lake Oswego. Updates of the 5 year financial plan next year or the year after may show considerably higher costs related to infiltration and inflow correction within the Tryon Creek basin than are shown in the current plan.



## Glossary of Terms

- **Capital Expenditures:** Expenditures to acquire system assets. In general, these assets must be used for the benefit of and be owned or controlled by the Bureau, and these benefits must extend over multiple years.
- **Connection Charges (System Development Charges):** Charges to recover the costs of major sanitary and stormwater facilities that serve larger areas of the City and which were constructed with excess capacity to meet future growth and development. As growth occurs, new customers reimburse existing ratepayers for the investment made in the system. Charges for both sanitary sewer and stormwater are reimbursement fees, and do not have an improvement fee component.
- **External Materials and Services:** Expenditures for purchasing materials and services from vendors who do not represent other City bureaus.
- **Fiscal Year (FY):** July 1 to June 30. The Fiscal Year ending June 30, 1997 is written "FY 1996-97."
- **Forecast Interval:** Fiscal Years 1997-98 through 2001-02.
- **Internal Materials and Services:** Expenditures for purchasing materials and services from other City Bureaus.
- **Line and Branch Charges:** charges which recover the costs of providing local collector sewers from the properties adjacent to these sewer lines. These charges are typically paid at the time of connection to the sewer system. These are not rate revenues.
- **Metered Billing:** Residential customers are billed on the basis of measured (metered) winter average water use. During the winter quarter, residential bills reflect actual water use, on the theory that water consumed during winter months is discharged to the sanitary sewer system. During spring, summer, and fall, however, water used for irrigation does not necessarily represent sanitary sewer use. Therefore, sanitary sewer bills during those months are based on the measured winter average use. If actual use falls below winter average, however, the customer is billed on the lesser amount.
- **Minor Capital Outlay:** Includes expenditures for land purchases, buildings, improvements other than buildings, or equipment and furniture with unit cost in excess of \$5,000.
- **National Pollutant Discharge Elimination System (NPDES):** The mechanism for enforcing wastewater quality standards under the Clean Water Act. The City discharges treated wastewater under a NPDES permit. The 1987 revisions to the Clean Water Act brought stormwater under NPDES, and the City recently obtained a NPDES stormwater permit.
- **Normalized for CPI:** Revenue and expenditure numbers have been adjusted to make data for all years comparable in terms of purchasing power, as represented by the Consumer Price Index (CPI). In general, this adjustment increases expenditure numbers for prior years and decreases them for future years, thereby removing inflationary trends.
- **Personal Services:** The cost of Bureau employees engaged in operating and capital activities. It includes overtime and benefits cost.
- **Revenues from Rates:** Revenues from monthly charges for sanitary sewer service, stormwater drainage service, and customer account service.
- **Wholesale Contracts:** Agreements between the City and adjacent jurisdictions to provide or receive sanitary sewer service and treatment.
- **Window of Savings Program:** Part of the Mid County Financial Assistance Program adopted by Council in 1992. This program allowed Mid County residents to take advantage of a cap on sewer assessment costs by paying on or before December 31, 1993. Many customers opted to pay line and

branch and connection charges in advance of connecting to the sewer system.





Portland Office of Transportation (PDOT)  
Financial Plan  
1997-2002

The Office of Transportation's mission is to provide for the safe and efficient movement of people, goods, and services while enhancing the economic vitality and livability of the people of Portland.

PDOT maintains and operates a transportation system that has a replacement value of more than \$7.6 billion and includes over 3,700 lane miles of improved streets, 47,000 street lights and 923 traffic signals.

The demand for transportation improvements considerably exceeds the resource capacity of PDOT. Growth is adding significantly to the complexity of the system and to damage from increased use. In addition, transportation revenues have not kept pace with inflation since FY 91-92. The state gas tax revenue is the city's primary source of general transportation revenue (GTR). It does not keep pace with the cost of inflation unless it is increased at each session of the Legislature. The last increase came in the 1991 session.

PDOT has dealt with these revenue shortfalls by 1) instituting over four million in efficiencies and cost savings measures including \$1.1 million for FY 97-98, 2) annual updates of cost recovery fee schedules to Council, 3) assistance from the General Fund and 4) program cuts.

However, despite these efforts, the condition of the Portland transportation system is in decline. In 1987, 87% of the road system was in fair or better condition. In 1996, this figure drops to 78%. The miles of pavement needing treatment (backlog) grew from 406 miles in 1993 to 467 miles in 1996.

The current financial plan incorporates a cut of \$2,046,794 in General Fund support and a Council directed use of \$4.54 million of Transportation reserves to finance PDOT capital and current service level requirements. It assumes the current level of gas tax.

	<u>FY 97/98</u>	<u>FY 98/99</u>	<u>FY 99/2000</u>	<u>FY 2000/01</u>	<u>FY 2001/02</u>
Annual Revenue					
Gap (in millions)	\$0.0	(\$3.7)	(\$4.0)	(\$5.5)	(\$7.4)

There are indications that the 1997 Legislature will address the state-wide need for an increase to the gas tax. If approved, the additional monies will go to preserving current services (annual revenue gap). Additional revenues will be used to enhance existing services:

- pavement maintenance,
- arterial and collector preservation & rehabilitation,
- signal maintenance,
- bridge maintenance,
- other maintenance,
- City contribution to system development charge,
- City's share of neighborhood street improvement, and
- other unfunded capital projects.

In the coming year PDOT will continue as a community partner to focus on the priority issues set forth in PDOT's Strategic Plan. Specifically, growth and livability; maintenance and preservation of the transportation system; external communication; staff development and organizational efficiency and effectiveness; and funding.

## **BUREAU OF WATER WORKS**

### **Five Year Financial Plan - FY 1998-2002**

The Bureau of Water Works is a major public water utility owned by the people of the City of Portland, serving over 800,000 people. As an enterprise fund, the Bureau operates on a self sustaining basis, and is required to operate the water system within available resources and budget approved by the City Council. Water rates are established annually to ensure the collection of adequate revenues for the support of the water system as provided for in the City Charter.

Overall, the Bureau's mission is to act as a steward of our resource, our water system, our personnel, and the values of the community. Our operating goal is to ensure that a reliable and adequate system is available to provide sufficient quantities of high quality water, at standard pressures which satisfy the existing and future needs of the community on an equitable, efficient and self-sustaining basis.

#### **Financial Planning Process**

The Water Bureau faces the unique challenge of operating like a private enterprise while remaining a governmental agency, and providing an essential service at an affordable cost. Almost all of the Bureau's costs are recovered through user charges. Considering the massive capital investment and years of planning and construction necessary to create and deliver additional water supply, it is a formidable task to keep those user charges low.

The objective of the financial forecasting effort is to provide a multi-year framework within which the revenues, expenditures, and capital financing options of the Portland water system may be managed. Each year a new 5 year Financial Forecast is prepared for the active funds under the Bureau's care to reflect changing economic conditions as well as changes to the operating environment. The forecast is monitored closely throughout the year to address budgetary constraints, capital decisions, and cash flow requirements.

The Bureau's approach has been to create an interactive process which examines the large planning issues within the framework of the financial realities of the utility business. The utility financial planning/rate making process is complex and dynamic, requiring a variety of inputs ranging from hard accounting data to strategic planning goals and policy decisions.



The following set of requirements shape our financial planning process and the objectives we emphasize each year:

- The need to preserve a sound fiscal position as measured by the presence of adequate capital investment, fund balances, operating income, and credit ratios.
- The need, as a governmental agency, to comply with City Charter mandates, and to be responsive to City Council direction and the Office of Finance & Administration budgetary requirements.
- The need to be financially self-sustaining by covering virtually all costs through user charges.
- The need to allocate equitable user charges between inside-City (retail) and outside-City (wholesale) customers, in accordance with wholesale contract terms.
- The need to accurately predict and meet demand, both through demand-side and supply-side management.
- The need to plan, construct, and finance massive and expensive capital facilities which take years to complete and must meet changing federal and state regulations.

### **Annual Financial Planning Process**

As a result of the unique nature of the utility environment, the Bureau employs a fairly rigorous year-round financial planning process. The annual planning process has been summarized below to highlight the key financial activities of the Bureau and to provide the context from which this planning document was derived. The Bureau's financial planning process addresses both the governmental budgetary perspective as well as the utility rate setting/financial planning environment.

The basic elements of the Bureau's financial planning process include:

- Establishment of goals and program priorities by upper management
- Development of an internal budget manual and process
- Development of the Capital Improvement Program (CIP)
- Preparation of the cost-of-service rate model
- Development of Operating and Maintenance (O&M) and Capital requirements for

each Bureau Work Group

- Evaluation of new program requests and available funding including efficiencies in existing operations
- Forecast/rate scenarios to determine fiscal impacts of budget decisions
- Preliminary financial forecast analysis and plan publication
- Budget request publication
- Development and presentation of rate ordinance
- Final Financial Plan publication
- Development of Bureau quarterly financial plans and status reports
- Ongoing monitoring, analysis and reporting of utility and budgetary fiscal/operating performance
- Implement financial adjustments, as appropriate, to ensure the Bureau's financial plan is achieved.

## Forecast Results

### Revenue Requirements, Rates, And Residential Bill

Fiscal Year	Revenue Req.	In-city Rates	Wholesale Rates	Residential Monthly Bill
1997-98	2.5%	0.0%	5.0%	\$12.35 (8 ccf) (no change)
1998-02*	4.7%	3.9%	4.6%	NA

\*Represents average annual projected increases over the 5 year forecast period.

The Bureau's total revenue requirement is forecast to increase from \$51.6 million in FY 1996-97 to \$52.9 million in FY 1997-98. That's an increase of approximately 2.5% which reflects increases in both O&M (inflation) and Capital (debt service and cash) requirements. Total revenue requirements are projected to rise on average 4.7% over the 5 year forecast period.

The percentage change in the total revenue requirement is an aggregate figure, which cannot be interpreted as a rate increase. The revenue requirement is the total dollar amount collected from both wholesale and retail customers, without regard to the rate structure under which it must be collected. To determine the rate impacts of a revenue requirement increase, the revenue requirement must be allocated between wholesale

and retail customers. The method of allocating costs to wholesale customers is mandated and limited by contractual provisions, and because of this the proportion of the total revenue requirement recoverable from them varies each year. Retail rates are set on what might be thought of as a "cash-residual" basis to recover whatever portion of the total revenue requirement is not allocable to wholesale customers. Also, wholesale and retail rate changes take into account changes in estimated water demand. For FY 1997-98, retail and wholesale demand are forecast to increase 0.4 percent and 5.2 percent respectively. The wholesale demand increase includes a significant change in the amount of water supplied to the City of Tigard.

#### FY 1997-98 Average Retail Rate Increases

The adopted FY 1997-98 average retail rate remained unchanged. Status quo was a result of the following:

Economic & Demand Adjustments (including reserve adj.)	-1.5%
Utility License Fee Adjustment (returned to 8.0%)	0.8%
Existing Program Enhancements	1.0%
Bull Run Road Maintenance (USFS Roads)	0.4%
City Disparity Program	0.4%
Enhanced Low Income Program	0.3%
Measure 47 Impacts	-1.4%
	-----
	<u>0.0%</u>

#### Retail Bills

On May 28, 1997, FY 1997-98 water rates and charges were adopted with the passage of city ordinance 171223. The resulting average monthly residential bill (8 ccf usage) remained unchanged at \$12.35. Due to the zero rate increase, the retail water rate schedule remained unchanged, and delayed the second year phase in of cost of service adjustments as recommended by the Portland Utilities Review Board and the Comprehensive Service Charge Review Report. At full implementation, the additional monthly cost for the average residential customer will be under a dollar. Primarily, fire line accounts will benefit from this change.

An enhanced comprehensive Low Income Utility Relief Program was approved by City Council. In addition to the current program, the program now includes financial assistance for line leak repairs, an aggressive marketing program, and an enhanced accessibility component. The program continues to provide a fixed low income discount to qualified water customers at 25 percent of a typical low income bill (5 ccf per month usage) for a total of \$29.40 per year.

#### Wholesale Water Rates

About \$11.5 million of the total \$52.9 million in FY 1997-98 revenue requirements is planned to come from wholesale customers. FY 1997-98 revenue to be generated from wholesale customers is up 11.1% or \$1.1 million from FY 1996-97, with an effective overall wholesale rate increase of 5.0%.

The less favorable wholesale rates (on average as compared to retail) have occurred because they are calculated using different methodologies from inside-City retail rates, and as such are subject to different influences. Wholesale rates are set on the Utility-Enterprise basis (as required by their various contracts) and fluctuate from year to year according to the allowable rate of return, and plant replacement indexes.

These wholesale contracts do continue to benefit the retail ratepayers as well as the wholesale purveyors. As well as providing our wholesale customers the ability to purchase inexpensive, high quality water, the wholesale contracts remain a very valuable supplemental income source to city rate payers. Without these contracts, retail rates would continue to be over 20% higher than those proposed.

Capital Investment: Historically, the Bureau's goal had been to cash-finance a level of capital investment approximately equal to depreciation on fixed assets to ensure adequate maintenance of the existing system. However, this policy was modified in the FY 1994-95 plan to take into account actual cash needs with capital cash financing now set equal to estimated annual repair and replacement capital costs. This new policy is consistently applied across the 5 year forecast, and does not jeopardize the Bureau's Aa1 revenue bond rating. For FY 1997-98, almost one-third of the total capital expenditures will be financed with current water sales.



Debt Service Coverage: Debt Service Coverage measures the Bureau's ability to meet its current debt service payments.

Before July 1993, the Water Bureau had issued only "double-barreled" (revenue-backed) General Obligation (G.O.) bonds, which carry no coverage requirement since they are backed by the full faith and credit of the City. Because the debt service on these bonds was wholly paid out of water revenues, the Bureau had made it a practice to target a minimum overall coverage of only 1.2. For reasons related to State Ballot Measure 5, new debt beginning with the 1993 bond sale, and future bond sales would be in the form of revenue issues. Unlike the G.O. debt, the Bureau's new revenue issues were required by bond ordinance to dedicate net water revenues to the payment of revenue bond debt service, and pass a debt service coverage test. Given the likelihood the Bureau will no longer sell G.O. debt, it has adopted the more conservative assumption that all future debt will be supported solely by net revenues of the water system. Since revenue bonds do carry a coverage requirement, and the Bureau desires as a policy to maintain its Aa1 revenue bond rating, the Bureau's minimum target coverage for overall (G.O. plus revenue) debt service was increased to 1.9. The Bureau's overall target coverage is met or exceeded each year of the forecast.

Dear Citizen:

The Portland Development Commission is pleased to present you with our Five Year Business Plan Interim Update. First started in 1993, the five year planning process allows for an expanded process every other year, involving our community and business partners in developing programs and priorities. In the interim years, PDC staff works to align existing plans and strategies with the City-approved biennium budgets and adjust projects as required by the funding available.

Due to the recent passage of Ballot Measure 47, this Interim Update will serve as a baseline from which we will refocus our efforts and change priorities to assure we can accomplish our goals within the newly established financial constraints.

I want to emphasize that our overall goals will not change. These goals are to:

- work with partners to provide a full range of housing
- Assist in creating quality projects in neighborhood and business districts;
- help build a stable economic base with healthy businesses that provide a range of jobs for people of all skill and knowledge levels; and
- Link citizens to jobs.

Although we expect that the adoption of Measure 47 will make public funding of needed projects more difficult, we are confident that much of our Five Year Plan will remain funded through innovative private sector leverage, thoughtful financial planning and re-examination of priority activities.

As we begin rethinking our priorities, I ask for your support, understanding and involvement. We welcome your comments and hope this plan provides you with a useful framework for understanding PDC's strategies to reach the City's goals. Our staff remains committed to working toward goals mutually established with our community and regional partners.

Very truly yours,

Carl B. Talton



## ABOUT PDC

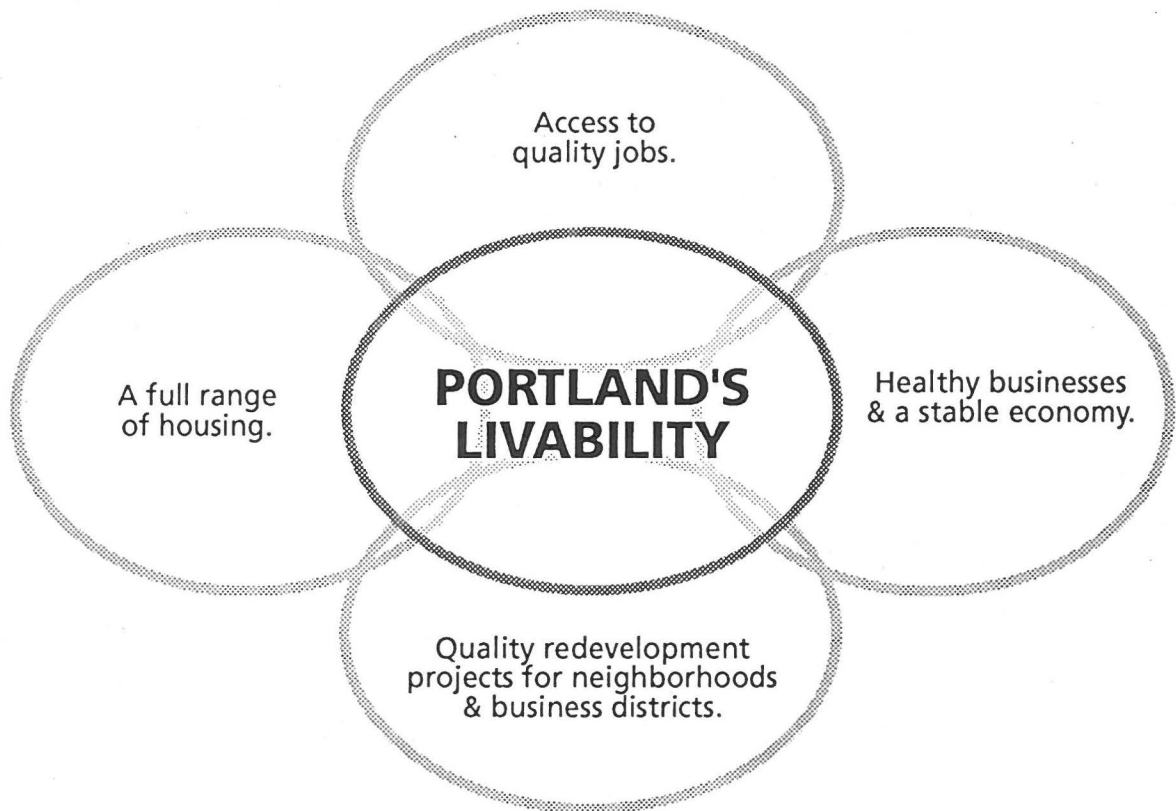
---

In 1958 Portland voters created the Portland Development Commission (PDC) as a city agency to deliver projects and programs which achieve the city's housing, economic development and redevelopment priorities and link citizens to jobs.

Specifically, PDC is the City agency that helps provide sustained livability for our City and region. Our mission is to bring together community resources to achieve Portland's vision of a vital economy with healthy neighborhoods and quality jobs for all citizens.

In carrying out City policy, PDC has developed and managed projects and programs which have played a major role in keeping Portland one of America's most livable cities. During the past 37 years, PDC has taken forward sixteen urban renewal plans, has worked extensively in Portland's neighborhoods to deliver a broad range of housing and neighborhood improvement programs and has carried out a comprehensive range of economic development programs aimed at creating jobs for City residents. It is the linkages among these efforts, the integration of services that sets PDC apart and assures true efficiencies are achieved.

PDC works with partners to provide:







## SUMMARY OF FIVE YEAR PLAN FINANCES

---

This presentation of PDC's five-year finances reflects a projection of financial resources and the fiscal requirements necessary to fund the many community requests we received in developing this five-year business plan. **Assumptions underlying the determination of which activities are In Plan and Funded do not reflect potential change resulting from adoption of Measure 47.**

PDC is funded by a variety of governmental and private sector sources to accomplish its goals in housing, economic development, workforce, and redevelopment. In addition to the resources shown in Table 1, the Commission has been successful at using its funds to leverage significant amounts of private investment into the City's economic and physical infrastructure. PDC's stewardship of public funds can best be demonstrated through appropriate and prudent leverage of private capital. We believe that the Commission's contribution to Portland's future livability is dependent on continuing and expanding its success in this area.

### RESOURCES

#### Summary

PDC's resources consist of City of Portland General Fund allocations, federal and other grants, program income earned on asset management, contracts for service, and private sector donations and lending agreements. Over the next five years, the Commission intends to broaden its financial base to decrease its reliance on community development block grants and increase the proportion of funds from banking and other financial institutions. Projected resources from fiscal years 1997 to 2001 are shown on Table 1. **Allocation of General Fund proceeds are likely to decrease as a result of Measure 47.**

#### Key Resource Assumptions

**General Fund.** We have assumed that programs funded in past years will be continued at current levels with modest increases for inflation. We have also projected General Fund support for those projects that the City Council has committed to by resolution, for example River District. In addition, we include \$23.4 million in General Fund proceeds allocated to the Housing Investment Fund in 1996-97 and 1997-98.

**Tax Increment.** FY 1996-97 marks the first year since the adoption of Measure 5 in 1990 that tax increment proceeds have been available to fund new projects. For FY 1996-97, the City has budgeted tax increment levies sufficient to pay \$8.5 million in existing debt service and provide about \$8.5 million to fund new projects. PDC and the City recently issued approximately \$47 million in new bonds to fund projects in the Central City and Inner Northeast

**Federal Grant.** Community Development Block Grant (CDBG) receipts are divided into two categories; new allocations and program income (primarily principal and interest received on loans). CDBG amounts are received by PDC through a contract with the City's Bureau of Housing and Community Development. CDBG assumptions provide for a level funding throughout the projection period.

Federal grants received from Economic Development Administration are exclusively program income received on PDC loans for job creation. Other federal grants include the HOME grant and the North/Northeast Business Assistance Fund program. The HOME grant is assumed to total approximately \$1.8 million throughout the projection period. The North/Northeast Business Assistance Grant expires in 1998. Amounts received under this grant beyond this period are limited to program income on loans.

**Program Income.** PDC receives program income from a variety of sources including repayment of tax increment and other non-federal grant loans, sales and management of real estate, and investment income. Projections reflect (1) assumptions regarding the timing and expected revenue of land sales which may affect collection of rental on certain properties; (2) expected repayment of certain outstanding tax increment loans; and (3) the potential for decreasing interest rates on bank balances.

Projections of land sales are formulated on the basis of market value of land owned by PDC and intended for sale for development projects. For the purposes of this analysis, the expected revenue has been reduced by 25% to account for the potential of land write-downs and other unforeseen factors. Principal and interest due on certain loans is subject to positive cash flow from projects. Projections of amounts due have been adjusted by 25% to account for the uncertainty of this cash flow.

Projections of interest income assume generally level interest rates on decreasing fund balances.

### **Key Resource Strategies**

**Tax Increment.** A tax increment levy is budgeted for FY 1996-97 sufficient to pay existing debt service and provide \$8.5 million for debt service on bonds for new project funds. New project funds are assumed to increase to \$15 million in FY 1997-98 and gradually increase thereafter. **This assumption is likely to change as a result of Measure 47's adoption.**

**Private Funding.** PDC will continue to use its funds to leverage investment capital from banks and other financial institutions. A major resource development priority will be to improve our private lender agreements to allow for increased use of private funds. The Commission will also increase its efforts to market multifamily housing revenue bonds as a way to increase the production of low-income housing in critical areas of need. Financing tools such as credit enhancement and expanded bond programs are also under study for implementation.

The Private Lender Participation Agreements (PLPA) provide partial bank financing for certain PDC single and multi-family loans. Under these agreements, PDC receives bank funds secured by cash flows derived from underlying PDC loans. It is assumed that changes in the terms and conditions of our agreements will cause activity under these agreements to substantially increase during the projection period. If such an increase in activity does not occur, PDC's loan funds will not be extended to as many projects as currently projected.

PDC currently has agreements with banks to participate in the Private Lender Investment Program to provide funding for certain home mortgages. Because a secondary market for the loans under this program has not been identified, this program has not been implemented. It is assumed in this analysis that such a market will be created and the program will be implemented during the projection period.

PDC also participates in the Advance Committee Loan Program with the Community Reinvestment Fund whereby private capital is accessed to provide business loan monies for job creation. This has created the potential of an additional \$3 million in business loan funds over the next two years.

Realization of the City's housing and economic development goals is dependent on increased private investment. PDC's success in making greater use of private leverage is critical to meeting these goals.

**Federal and Other Grants.** As community development block grants fall under greater budget-cutting scrutiny, it is important for the Commission to look to other sources to augment and potentially replace current grant resources. We hope to broaden PDC's federal grant base to include other Housing and Urban Development, Economic Development Agency, and other agency grants. As control of grant funds shifts from the federal government to the state level, PDC and the City will be required to develop the relationships and influence necessary to secure new an emerging resource from this sector. During the next several years, PDC intends to apply for and secure a broad variety of federal and state funding for housing and economic and workforce development.

**Housing Investment Fund.** In 1995, the City Council created the Housing Investment Fund (HIF) to spur investment in affordable and market rate housing. In 1996, allocation on \$24 million was budgeted for fiscal years 1996-97 and 1997-98. At that time, PDC was appointed to implement programs funded under HIF and administer the fund. **Measure 47 may affect the General Fund appropriation for HIF in 1997-98.**



HIF proceeds will be used for a variety of housing programs including multi-family housing, home ownership, home rehabilitation, and special needs housing.

## **REQUIREMENTS**

Requirements have been divided between Funded and In Plan and Not Funded and Proposed and are shown on Tables 2 and 3. Table 2 shows the total expenditures necessary to support those activities that the Commission can undertake with identified resources by program and target area. Table 3 shows the financial requirements for activities for which the Commission has not yet identified funding. The resource development efforts referred to in Key Resource Strategies are currently underway to close this funding gap. **As discussed, the effects of Measure 47 will likely widen this gap.**

As shown on the Tables, activities that are In Plan and Funded total \$242,345,783 for the five-year period. Activities that are Not Funded and Proposed total \$71,659,660.

The totals by target and program area are indicative of PDC's commitment to focus a substantial portion of its activities and effort in neighborhood areas. As shown, 19% of the resources are intended for allocation to Inner Northeast and Outer Southeast target areas, the neighborhood areas of the City that PDC has identified as most in need of revitalization assistance. These efforts will be augmented by planned expenditures in other areas of the City, including Airport Way and Downtown, intended to create job opportunities to residents of these neighborhood communities.

## **FUND BALANCE**

PDC's budgeted beginning fund balance for FY 1996-97 is approximately \$20.9 million. Table 2 shows that we intend to use a portion of this resource to undertake important programs throughout the projection period. Our current plan shows that the fund balance is projected to be about \$10 million in FY 2001. The City's General Fund ending fund balance policy calls for maintenance of an amount equal to 10% of annual fund revenues. Because of the more speculative nature of PDC's revenue sources and expenditures, maintenance of a balance of approximately 20% of annual revenues is an appropriate goal. It is assumed for the purpose of this analysis that PDC's combined ending fund balance will be reduced to an amount approximately equal to 20% of average annual revenues by FY 2001 and maintained at that amount thereafter.

## **RISKS AND SENSITIVITIES**

Fulfillment of PDC's Five-Year Business Plan is dependent on the outcome of certain financial projections that may or may not materialize. Differences between projected and actual results are likely and these differences could be material. Described below is an assessment of the key areas of risk included in the projection of financial resources and requirements and potential consequences of any unexpected shortfall of revenue or increase in expenditure.

- General Fund support for business development, the NE Workforce Center, the business district program is critical. There are no other known resources that could fund these programs at current levels. Achievement of the City's economic development and job creation goals are dependent on continued funding of these and similar programs. **If reductions associated with Measure 47 affect funding of these programs, uncovering new resources will be critical to program success.**
- To fulfill the first phase of the River District plan, the City Council must follow through on its commitment of funds for the projects included in this plan. Alternative financing for these activities has not been identified. This phase of the River District Plan focuses on the creation of affordable housing. **This project could be affected by Measure 47.**
- Under PDC's agreement with the City to contribute \$5.9 million towards the refinancing of the Airport Way Bonds, the City Council committed \$500,000 annually towards the establishment of a business loan fund. This resource is being used as a source for leverage in our Advance Loan Commitment Program. Any



decrease of these funds will reduce the effect of our loan program on job retention in the City and have a negative impact on our ability to fulfill the City's job creation goals. **This is another area that could be affected by Measure 47.**

- Federal grants comprise nearly half of PDC's annual resources. Reduction of the federal budget could impact allocations under these programs to a greater degree than contemplated in the projections. Reduction of federal grant funds in amounts greater than projected will effect PDC's ability to deliver on the City's housing, jobs, and economic development goals.
- Program income assumptions include estimates for loan repayments that are contingent on the borrower's available cash flow. The loan repayment projections assume that certain loans will be repaid within the projection period. If performance in this area is worse than projected, PDC would be forced to reallocate resources and certain redevelopment and housing projects would be postponed.
- Programs under the Private Lender Participation Agreements have not realized their full potential because of certain structural limitations in the agreements. It assumed for the purposes of this analysis that these limitations will be overcome in new restructured agreements. If this is not possible, private participation in the single and multifamily lending programs will be reduced and performance indicators for housing production will not be reached.

# PROJECTED REVENUES

TABLE 1

	FY1996-97	FY1997-98	FY1998-99	FY1999-00	FY2000-2001	TOTAL
<b>Beginning Fund Balances</b>	\$20,859,000	\$15,842,00	\$14,667,000	\$11,351,000	\$12,561,000	
<b>General Fund</b>	5,537,000	9,706,000	3,780,000	5,304,000	1,801,000	\$26,128,000
<b>Tax Increment</b>	8,465,000	\$15,062,000	\$15,659,000	\$16,277,000	\$16,917,000	72,380,000
<b>Federal Grants</b>						
CDBG	\$8,827,000	\$8,827,000	\$8,827,000	\$8,827,000	\$8,827,000	\$44,135,000
HOME	1,840,000	1,840,000	1,840,000	1,840,000	1,840,000	9,200,000
EDA400,000	345,000	353,000	362,000	371,000	380,000	1,811,000
Other	2,527,000	1,662,000	1,387,000	1,406,000	1,362,000	8,344,000
Total Federal Grants	\$13,539,000	\$12,682,000	\$12,416,000	\$12,444,000	\$12,409,000	\$63,490,000
<b>Other Grants</b>						
Regional Strategies	\$937,000	896,000	770,000	808,000	864,000	\$4,275,000
Housing Investment						
Fund	7,658,000	16,942,000	65,000	500,000	1,000,000	26,165,000
Total Other Grants	8,595,000	17,838,000	835,000	1,308,000	1,864,000	\$30,440,000
<b>Program Income</b>						
Loan principal and						
interest	\$1,095,000	\$2,525,000	\$1,286,000	\$1,607,000	\$985,000	\$7,498,000
Contracts	1,227,000	866,000	910,000	1,319,000	897,000	5,219,000
Asset Sales	3,057,000	1,003,000	1,003,000	6,537,000	300,000	11,900,000
Rents	162,000	147,000	147,000	147,000	147,000	750,000
Loan Fees	85,000	100,000	150,000	150,000	150,000	635,000
Other	1,081,000	321,000	297,000	230,000	255,000	\$2,184,000
Total Program Income	\$6,707,000	\$4,962,000	\$3,793,000	\$9,990,000	\$2,734,000	\$28,186,000
<b>Private Funding</b>						
Grants & Donations	\$239,000	\$247,000	\$256,000	\$265,000	\$274,000	\$1,281,000
Private Lender						
Agreements	1,907,000	3,136,000	1,568,000	1,734,000	1,592,000	9,937,000
Total Private Funding	\$2,146,000	\$3,383,000	\$1,824,000	\$1,999,000	\$1,866,000	\$11,218,000
<b>Current Year Revenues</b>	\$44,989,000	\$63,633,000	\$38,307,000	\$47,322,000	\$37,591,000	\$231,842,000
<b>Total Resources</b>	\$65,484,000	\$79,475,000	\$52,974,000	\$58,673,000	\$50,152,000	\$231,842,000

# SUMMARY REVENUES AND REQUIREMENTS, FUNDED REQUESTS

TABLE 2

	FY1996-97	FY1997-98	FY1998-99	FY1999-00	FY2000-2001	TOTAL
<b>Resources</b>						
Beginning Fund Balance	\$20,859,000	\$15,842,000	\$14,667,000	\$11,351,000	\$12,561,000	
General Fund	\$5,537,000	\$9,706,000	\$3,780,000	\$5,304,000	\$1,801,000	\$26,128,000
Tax increment	8,465,000	15,062,000	15,659,000	16,277,000	16,917,000	72,380,000
Federal Grants	13,539,000	12,682,000	12,416,000	12,444,000	12,409,000	63,490,000
Other Grants	937,000	896,000	770,000	808,000	864,000	4,275,000
Housing Investment Fund	7,658,000	16,942,000	65,000	500,000	1,000,000	26,165,000
Program Income	6,707,000	4,962,000	3,793,000	9,990,000	2,734,000	28,186,000
Private funds	2,146,000	3,383,000	1,824,000	1,999,000	1,866,000	11,218,000
<b>Total Resources</b>	\$65,848,000	\$79,475,000	\$52,974,000	\$58,673,000	\$50,152,000	\$231,842,000
<b>Requirements</b>						
Airport Way/Columbia Corridor	\$480,000	\$618,000	\$520,000	\$520,000	\$516,000	\$2,654,000
Business and Workforce Development	5,364,000	5,770,000	5,788,000	6,442,000	5,259,000	28,654,000
Central Eastside	2,940,000	3,707,000	2,917,000	4,594,000	3,266,000	17,424,000
Downtown/Old Town	3,798,000	7,968,000	8,144,000	9,325,000	10,286,000	39,521,000
Housing	16,414,000	28,473,000	5,408,000	5,148,000	4,876,000	60,319,000
Lloyd District	748,000	1,162,000	1,288,000	195,000	205,000	3,598,000
No. Macadam/Riverplace	934,000	1,363,000	2,292,000	2,302,000	1,991,000	8,882,000
Inner Northeast	5,564,000	5,828,000	5,326,000	5,890,000	6,159,000	28,767,000
Outer Southeast	3,692,000	3,200,000	3,454,000	3,862,000	3,792,000	18,000,000
River District/Union Station	10,072,000	6,719,000	6,486,000	7,834,000	3,442,000	34,553,000
<b>Total Requirements</b>	\$50,006,000	\$64,808,000	\$41,623,000	\$46,112,000	\$39,792,000	\$242,341,000
<b>Ending Fund Balance</b>						
	\$15,842,000	\$14,667,000	\$11,351,000	\$12,561,000	\$10,360,000	

# UNFUNDED COMMUNITY REQUESTS

TABLE 3

	FY1996-97	FY1997-98	FY1998-99	FY1999-00	FY2000-2001	TOTAL
<b>Requirements</b>						
Airport Way	\$0	325,333	342,358	360,305	370,571	1,398,567
Business and Workforce Development	0	898,378	1,119,162	1,228,282	1,322,362	4,568,184
Central Eastside	0	641,025	0	0	0	641,025
Downtown/Old Town	0	240,344	0	64,878	46,253	351,474
Housing	0	2,927,107	7,123,042	10,877,086	8,691,319	29,618,554
Lloyd District	0	1,218,770	367,311	671,045	455,409	2,712,534
No.Macadam/RiverPlace	0	0	1,653,750	1,736,438	1,823,259	5,213,447
Northeast	0	1,483,003	1,481,059	1,386,077	702,696	5,052,834
Outer Southeast	0	95,073	0	0	0	95,073
River District/Union Station	0	4,592,213	8,488,453	4,200,167	4,727,135	22,007,968
<b>Unfunded Requests</b>	\$0	\$24,087,000	\$44,705,000	\$44,347,000	\$36,854,000	\$149,993,000



## Performance Measures for Funded Programs

<b>Jobs</b>		<b>FY1996-97</b>	<b>FY1997-98</b>	<b>FY1998-99</b>	<b>FY1999-00</b>	<b>FY2000-2001</b>	<b>TOTAL</b>
Number of jobs created/retained		888	903	927	911	916	4,545
Number of jobs filled through JobNet		800	800	800	800	750	3,950
Number of target area residents placed through JobNet		344	367	397	436	487	2,031
Number of target industry training or education programs instituted with partners		2	2	2	2	2	10
<b>Housing</b>							
Number of owner occupied units rehabbed		280	150	150	150	3	733
Home ownership							
•New or rehabbed units committed		70	60	85	60	60	335
•First-time home buyers assisted		50	20	20	15	20	125
Rental housing units committed		1,289	1,225	635	608	390	4,147
Predevelopment activities/projects assisted		36	9	9	9	9	72
<b>Commercial/Industrial Investment</b>							
Number of businesses sited, expanded or retained		33	34	36	35	34	172
Number of businesses financially assisted		131	134	129	130	131	655
Amount of financial assistance to businesses		\$2,367,178	\$2,422,900	\$2,461,900	\$2,506,980	\$2,338,123	\$12,097,081
Number of sites developed or improved		8	13	13	14	16	64
Square feet of commercial space developed/improved		332,500	163,500	223,500	278,500	148,500	1,146,500
Amount of new private investment		\$73,407,020	\$59,587,020	\$61,897,020	\$68,897,020	\$61,997,020	\$325,785,100
Infrastructure Development - Public \$		\$1,670,000	\$1,600,000	\$2,900,000	\$2,900,000	\$4,000,000	\$13,070,000

# PROGRAM AND TARGET AREA PLANS

What follows are detailed descriptions of the projects and activities we will implement through our programs and in each of our target areas. Also shown are Performance Indicators developed to measure our organizational performance and progress toward our goals and financial summaries for each target area.

First, we will present our program descriptions for Housing and Business and Workforce Development. These programs exist in target area boundaries and are also offered city or region-wide according to need. Following the program areas are detailed descriptions of how we plan to deliver our customer services into each of our ten target areas. Development activities all occur within our geographic target areas. Program and target areas described are as follows:

- Housing Programs
- Business and Workforce Development
- Airport Way/Columbia Corridor
- Central Eastside
- Downtown
- Inner Northeast
- Lloyd District
- North Macadam/RiverPlace
- Outer Southeast
- River District/Union Station

Activities planned for the next five years are divided into Funded and In Plan and Not Funded and Proposed. Funded and In Plan Activities are activities for which resources have been committed or for which a reasonable expectation exists for the development of resources necessary to support the activity. Not Funded and Proposed activities are activities which have been requested by our community partners and for which PDC is actively seeking but has not yet identified resources. **Reallocation of city resources resulting from the adoption of Measure 47 may affect PDC's decisions on project funding.**



## **Financial Policies**





## **COMPREHENSIVE FINANCIAL MANAGEMENT POLICY**

### **RELATION TO OVERALL CITY GOALS AND OBJECTIVES**

The City's development of a mission statement and conforming goals and objectives are critical elements in the successful development, maintenance and operation of a Comprehensive Financial Management Policy (CFMP). Rather than driving the goals and objectives of the City, the finances are simply tools which are used to accomplish the City's mission.

The Comprehensive Financial Management Policy is a mechanism to ensure that the City is financially able to meet its immediate and long term service objectives. These policies also enhance financial planning and internal financial management of the City.

In addition, the City as an institution has multiple partners, including citizens, taxpayers, businesses, employees and other governments. As a major institutional, economic and service force in the region, it is important that the City strengthen its relationships with its partners by adopting clear and comprehensive financial policies.

### **PURPOSE**

The City of Portland is accountable to its citizens for the use of public dollars. Municipal resources should be used wisely to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. The CFMP is intended to serve as a blueprint to achieve the fiscal stability required to achieve the City's policy goals and objectives.

### **OBJECTIVES**

In order to achieve the above purpose, the Comprehensive Financial Management Policy has the following objectives for the City's fiscal performance.

1. To guide Council and management policy decisions that have significant fiscal impact.
2. To set forth operating principles that minimize the cost of government and reduce financial risk.
3. To employ balanced and fair revenue policies that provide adequate funding for desired programs.
4. To maintain appropriate financial capacity for present and future needs.
5. To promote sound financial management by providing accurate and timely information on financial condition.

6. To protect and enhance the City's credit rating and prevent default on any municipal debts.
7. To ensure the legal use of financial resources through an effective system of internal controls.
8. To promote cooperation and coordination with other governments and the private sector in financing and delivery of services.

To achieve these objectives, the Comprehensive Financial Management Policy consists of twelve major sections:

- I. FINANCIAL PLANNING POLICIES
- II. BUDGET POLICIES
- III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES
- IV. REVENUE POLICIES
- V. OPERATING POLICIES
- VI. EMPLOYEE COMPENSATION AND SUPPORT POLICIES
- VII. CAPITAL PLANNING AND FINANCING POLICIES
- VIII. INTERGOVERNMENTAL REVENUES AND RELATIONS POLICIES
- IX. ACCOUNTING STRUCTURE POLICIES
- X. AFFILIATED AGENCIES
- XI. OTHER FINANCIAL POLICIES
- XII. APPENDICES

#### I. FINANCIAL PLANNING POLICIES

INTRODUCTION: A long range plan that estimates revenue and expenditure behavior of the City and regional and national economies is necessary to support the Council and community in decisions that they make about City services. This planning must recognize the effects of economic cycles on the demand for services and the City's revenues.

City financial planning should ensure the delivery of needed services ( many of which become more critical during economic downturns) by increasing reserves during periods of a strong economy in order to support continued City services during economic downturns.

The City is a major force in a complex regional economic system. The City must understand how it affects and is affected by that system in order to maximize its positive contributions. The City must have the capacity to understand and anticipate changes in both regional and national economic systems in order to engage in strategic financial and management planning.

#### GENERAL FUND:

1. The City will prepare annually a five year financial plan for General Fund operations based on current service levels and current funding sources. If appropriate, needed

additional resources to continue current service levels or identified service adjustments will be made.

2. The City will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to users throughout the City.
3. General Fund Bureaus will forecast and monitor their own revenues and expenditures. OF&A will assist bureaus in developing appropriate systems for such monitoring. OF&A will retain overall fiscal oversight responsibility for the General Fund.
4. The Office of Finance and Administration will publish regular General fund status reports on revenues and expenditures during the course of each budget year.

ENTERPRISE FUNDS: Just as a forecasting effort is made for the City's General Fund, similar efforts will be made for Enterprise and major Special Revenue activities. Examples of such operations are Water, Environmental Services, and Transportation. The purpose of these forecasts will be to allow the Council and Citizens to evaluate the impact of the financial needs of these programs on both the local and metropolitan regional economies; and to coordinate funding needs with those of the General Fund.

1. Enterprise/ Special Revenue activities will prepare annually, a five year financial forecast for operations and capital needs based on current service levels and current revenue sources.
2. The forecasts should rely on the same basic economic assumptions as the General Fund forecast. These forecasts will also identify other assumptions used in their preparation and the risks associated with them.
3. The forecasts must identify how they will impact rate structures.
4. The forecasts will discuss how standards for debt service coverage and operating reserves are established.
5. Enterprise and major Special Revenue activities will coordinate periodic status reports on expenditures and revenues within a fiscal year with the Office of Finance & Administration.

ALL FUNDS: The financial planning and subsequent budgeting for all funds will be based on the following principles:

1. Revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the upcoming budget year.



2. Expenditure estimates should anticipate contingencies that are reasonably predictable.

## II. BUDGET POLICIES

INTRODUCTION: The Bureau of Financial Planning under the Office of Finance and Administration is responsible for coordinating the overall preparation and administration of the City's annual budget. This function is fulfilled in compliance with applicable State of Oregon Statutes governing local government budgeting practices.

1. BUDGET PREPARATION: Each year the Mayor will provide direction to the Office of Finance and Administration on the process for the development of the annual budget. The Office of Finance and Administration translates this direction into guidelines and rules for the preparation and review of bureau budget request. The budget request format will be designed to identify major financial and service issues. It will include detailed budget and performance information for all City organizations, including the Portland Development Commission. This information will be compiled from Bureau submittal by the Office of Finance and Administration for inclusion in the budget document. The City will prepare and present its budget consistent with the criteria developed by GFOA for distinguished budget presentations.

Unless otherwise directed by the Mayor, the annual budget process will consist of the following phases:

- Issuance of budget preparation guidelines and schedules. The budget process will provide for the full participation of the City's budget advisory committees and ensure opportunities for public testimony and participation.
- Presentation to Council of five-year financial forecasts for the General and other major City funds.
- Presentation of bureau budget requests in a manner consistent with budget directives.
- The issuance of OFA reviews, summarizing each budget request and as necessary identifying related issues for Council consideration.
- Development of a proposed budget as required by ORS for presentation to the Council, sitting as the budget committee.
- Council budget hearings for the purpose of receiving public testimony and reaching final decisions necessary to balance the City's budget.

- Submission of the Council approved budget to the Multnomah County Tax Supervising and Conservation Commission for review.
  - Adoption of the budget in accordance with Council directives, and Local Budget Law, and certification from the Tax Supervising and Conservation Commission.
2. BUDGET MONITORING: The Office of Finance and Administration will maintain a system for monitoring the City's budget during the fiscal year. This system will provide the Council with quarterly information on expenditures and performance at both the bureau and fund level. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of Oregon budgetary statutes. Budget adjustments requiring Council approval will occur through a process coordinated by the Bureau of Financial Planning.
  3. REVIEW OF COUNCIL ACTIONS: The Office of Finance and Administration will review ordinances and significant administrative decisions submitted for Council actions. The objective of these reviews will be to ensure compliance with the budget and to identify for the Council financial and service issues. The Bureau of Financial Planning will distribute procedures and guidelines for the submission of fiscal impact statements on proposed ordinances.

### III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

INTRODUCTION: The City must maintain a system of financial monitoring, control and reporting for all operations, funds and agencies in order to provide effective means of ensuring that overall City goals and objectives will be met and to assure the City's partners and investors that the City is well managed and fiscally sound.

1. The City will maintain its accounting records and report on its financial condition and results of operations in accordance with state and federal law and regulations. And Generally Accepted Accounting Principles (GAAP). And standards established by the Governmental Accounting Standard Board (GASB). Budgetary reporting will be in accordance with the State Local Budget Law.
2. An independent firm of certified public accountants will annually perform a financial and compliance audit of the City's financial statements. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR), and the Report on Compliance with the Single Audit Act of 1984.
3. As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The



CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.

4. The City's elected Auditor will supervise and conduct a full range of performance and financial audits of City programs. In addition, the City's elected Auditor will prepare an annual report on service efforts and accomplishments.

#### IV. REVENUE POLICY

INTRODUCTION: The City must consider its General Fund discretionary revenues as defined in operating policies on page 7 as a group rather than in isolation. Both individual revenues and the total package must be viewed in the context of broader City goals. The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges and taxes to support City services. As much as is possible and feasible, City services that provide private benefits should be paid by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit.

1. Charges for services that benefit specific users should recover full costs, including all direct costs and bureau overhead, loss of interest, depreciation on capital plant and equipment, and general fund overhead. Bureaus that impose fees or services charges should prepare and periodically update cost-of-service studies for such service. When consistent with legal requirements, other City interest such as remaining competitive within the region or meeting other City objectives, may dictate a subsidy of a portion of the costs of such services. However, all services will be presumed to be 100% cost reimbursable unless the Council makes a specific exception in the ordinance adopting the charge. In some cases, with Council approval, it will be appropriate to meet this test on a program-wide basis in order to achieve administrative efficiencies and service equity. Current charges not meeting this standard will be reviewed within two years of the adoption of this policy.
2. The City should strive to diversify its revenues in order to maintain needed services during periods of declining economic activity. A base of property taxes and other stable revenues provide a reliable base of revenues during periods of economic downturn. Elastic revenues will allow the building of reserves during periods of strong economic performance. If the proportion of elastic City revenues increases, adjustments to reserve policies may be necessary as greater "swings" in resources may occur from year to year.
3. The City's overall revenue structure should be designed to recapture for the City some of the financial benefits resulting from City economic and community development investments.
4. The City will observe the following priorities in utilizing existing and obtaining additional resources:

- A. The City will use as efficiently as possible the resources that it already collects.
  - B. The City will collect as efficiently as possible the resources to which it is already entitled.
  - C. The City will seek new resources, consistent with the policies in this document and other City goals.
5. The City will strive to keep a total revenue mix that encourages growth and keeps Portland competitive in the metropolitan area.
- A. As part of the annual Financial Forecast or budget process, the revenue mix will be analyzed with an evaluation of the impact on the competitiveness of Portland within the metropolitan area, including Clark County. This comparison of costs for services will be used as baseline data for Council budget discussions.
  - B. The evaluation should include all local taxation and fees including those of overlapping jurisdictions.

## V. OPERATING POLICIES

INTRODUCTION: The City should accommodate both one-time and on-going expenditures to current revenues, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review City services for appropriateness and effectiveness. For purposes of this document, the City's General Fund "discretionary revenues" are defined as the property taxes within the tax base as may be compressed, 5 percentage points of lodging taxes, business license fees, utility license fees, interest income, state shared revenues, and beginning cash balances.

- 1. On-going revenues should be equal to or exceed on-going expenditures. Each City fund budget must identify on-going resources that at least match expected on-going annual requirements. One-time cash transfers and non-recurring ending balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund on-going programs. Each year OF&A will provide Council with the amount of ending balance that is estimated to be non-recurring for the General Fund.
- 2. Unless otherwise stated explicitly by the Council, the City will not earmark discretionary revenues for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.
- 3. The City will maintain a system of financial monitoring and control. The major components of this system include:



- A. Financial Accounting System and periodic Status Reports: Each Accounting Period the Office of Finance and Administration will publish a General Fund financial status report on the revenues and expenditures to date and estimated year end balance.
  - B. Quarterly budget review: Each quarter the Office of Finance and Administration will review all City financial operations, report to Council on financial results, and recommend financial management actions necessary to meet the adopted budget's financial planning goals.
- 4. The City will seek to optimize the efficiency and effectiveness of its services to reduce costs and improve service quality.
  - 5. City operations will be run on an enterprise basis if doing so will increase efficiency of service delivery or recover the cost of providing the service by a user fee or charge.
  - 6. The City will attempt to maintain cash reserves in order to reduce borrowing needed for General Fund operating purposes.
  - 7. The City will not increase accruals and non-cash enhancements to revenues as a means to influence fund balances at year end.
  - 8. All city agencies will maintain accurate inventories of physical assets, their condition, lifespan and cost. The Office of Finance and Administration will coordinate the master inventory of assets for the city.
  - 9. The Treasury Division in the Office of Finance and Administration will develop, maintain and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security to all cash assets. All cash received by City agencies will be deposited to Treasury accounts within twenty-four hours of receipt.
  - 10. The City shall endeavor to reduce needless competition with other public and private providers and to ensure the most cost-effective and efficient provision of services.
  - 11. General Fund overhead costs will be allocated according to consistent methodology developed in consultation between the Office of Finance and Administration and other fund managing bureaus.
  - 12. The City will strive to ensure the City service priorities keep pace with the dynamic needs of the community by incorporating a service needs review as part of the budget process.

## VI. EMPLOYEE COMPENSATION AND SUPPORT

INTRODUCTION: Personal services costs comprise a significant percentage of the City's Operating Funds budget. The City of Portland is fortunate to have employees who are dedicated to the City and to public service. These employees are vital to the City's ability to meet its services demands. The City expects its workers to be highly productive. In return, the City must fairly compensate, train and equip its employees in order to attract and keep high quality, productive employees. Subject to collective bargaining law, as appropriate, it is the City's "Total Compensation Policy" that

1. Direct and indirect compensation (wages, premiums, health benefits, vacations, holidays, and other leaves, pensions, etc.) are to be considered collectively in determining appropriate levels of compensation for employees.
2. Wage and benefits packages are considered "externally competitive" if they approximate the average of the total compensation offered in applicable labor markets for similar work.
3. Other factors such as compression between classes and the ease or difficulty of recruitment of qualified employees may also be considered in establishing wages and benefits.
4. Annual adjustment to the compensation plan may be based upon a formula that considers the consumer price index and that is consistent with the cost of living formulas found in collective bargaining agreements.

## VII. CAPITAL PLANNING AND FINANCING POLICIES

INTRODUCTION: The City must preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating costs associated with new capital improvements or major equipment budgeted as part of the CIP process.

The City must make the capital investment needed to support and enhance the delivery of basic services. This commitment is important because the demands for basic services (police officers on the street and fire fighters in the stations) often receive priority over infrastructure improvements (streets and fire stations and apparatus).

1. The City will maintain a strong bond rating that is consistent with other City goals.
2. Each bureau with major capital assets will develop and maintain five year capital plans. The actual bureau planning horizon for capital programs should relate to the useful life of capital assets, the term of financing, and industry standards for the particular type of asset. Since adopted citywide plans contain capital expenditure needs, bureaus will include projects from such plans in their capital plans. Capital

plans will display proposed projects in a map format that can be included in the annual CIP.

3. The City will prepare, adopt and update annually a City five year Capital Improvement Plan that includes and prioritizes bureau needs for capital replacement and additions. The plan will include estimated projects costs and identify funding sources.
4. The City will prepare an annual Capital Budget which will include current year capital expenditures based on the first year of the current Capital Improvement Plan.
5. As part of the annual Capital Budget, the City will identify and include full costs of future maintenance needs and operating costs of new capital improvements and equipment prior to funding as part of the annual Capital Budget.
6. In general, all assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs. The City will maintain accurate information on the condition, lifespan and estimated replacement cost of its major physical assets to assist in long term planning.
7. The budget will provide sufficient funding for adequate operations, maintenance and scheduled replacement and enhancements of capital plant and equipment. Whenever bureaus identify that there is a significant discrepancy between the need to maintain / modernize City infrastructure or facilities and the funds available for such improvements, the fund manager will prepare and present to Council a strategy for meeting such needs.
8. In general, maintenance and operations of capital facilities should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. In addition, State or federal mandates or new service demands may require acquisition of new facilities even when maintenance needs are not fully met.
9. A high priority should be placed on maintenance where deferring maintenance will result in greater costs to restore or replace neglected facilities.
10. The City may finance the improvement of transportation, water, wastewater, and other public improvements through creation of Local Improvements Districts (LIDs). Unless otherwise directed by Council, LID assessments will include all costs associated with the project, including but not limited to financing, and administrative costs. The City will take actions to ensure that financial risk to the City is minimized.



## VIII. INTERGOVERNMENTAL REVENUES AND RELATIONS

INTRODUCTION: Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by State and Federal governments. The City must take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues and grants while aggressively opposing mandates that distort local service priorities.

1. The City will avoid using grants to meet on-going service delivery needs. In the City's financial planning, grants will be treated in the same manner as all temporary and uncertain resources and should not fund on-going, basic service needs.
2. All grant applications will be reviewed by the Grants Division of OF&A to ensure compliance with State, Federal and City regulations. This review must occur before a grant application submittal, or acceptance in cases of no application.
3. The City will budget expenditures for grant-funded programs only after grant award or letter of commitment, and only for the amount of grant award. Entitlement programs will be budgeted based on expected revenues. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted.
4. The City will aggressively oppose State or Federal actions that mandate expenditures which the Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
5. The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. When the City cannot simply transfer responsibility for service deliver, it will consider intergovernmental agreements and contract for service delivery.

## IX. ACCOUNTING STRUCTURE POLICIES

INTRODUCTION: The City is a complex financial and service organization. Its financial operations are organized into three types of funds (Governmental, Proprietary, and Fiduciary). All funds and City operations must work to achieve the City's mission and goals.

1. The City manages all funds to meet the objectives of a single comprehensive long range financial plan.
2. Funds
  - A. The City will minimize the number of funds. The funds will be categorized by standard GAAP functional classifications but may also be referred to by City of Portland fund types.



B. Appendix A of this policy lists current Funds and their standard GAAP functional classification as well as their City fund type.

3. Purpose Statement for Funds

A. Each fund in the City will have a Statement of Purpose which includes the following items:

- 1.) Purpose(s) of the fund
- 2.) Source(s) of revenues to the fund
- 3.) A method of establishing annual contributions to the fund, if any
- 4.) The Bureau responsible for managing the fund.
- 5.) Size and use of contingency, if any. Contingency levels will be based on the uncertainties associated with the purposes of the fund
- 6.) Size, purpose and alternative means of meeting required reserves, if any  
Required reserve levels will be based on long term operating needs of the fund and prudent management requirements.

B. The Internal Service funds will include additional information in the Statement of Purpose, as follows, if appropriate:

- 1.) For purchase of capital items, a method for periodically testing the cost-effectiveness of prefunding capital replacement vs. leasing or lease purchasing. Each fund statement will indicate what level of purchases are suitable for either direct cash payment or financing.
- 2.) Clear equipment replacement policies and identifiable equipment reserves, where appropriate.
- 3.) A method of clearly accounting for equipment reserves from and purchases for each bureau.
- 4.) A policy and procedure for protecting capital reserves from being used for operating purposes.
- 5.) A method for periodically testing the cost-effectiveness of internal provision of services vs. contracting out or direct purchase of all or part of the services provided by the fund. For insurance type funds this will mean a method for periodically testing the cost-effectiveness of self-insurance vs. purchase of all or part of the City's insurance needs; and internal or contracted claims and loss control services.

C. Funds that receive a General Fund subsidy in addition to fees and charges or dedicated revenues will include a rationale for General Fund subsidy and a means for determining the annual level of that subsidy or conditions under which the subsidy should be eliminated.

D. Enterprise Funds will include:

- 1.) Required level of debt service coverage for the fund.
- 2.) Relationship between operating and construction funds.

E. Existing funds will be so described by fund managers, and adopted by Council resolution, within one year of the adoption of this policy.

4. The Office of Finance and Administration will do annual review of all funds to determine if each is still serving a useful purpose and is needed.
5. New funds must be created by resolution of Council containing the above required descriptions. A review and report by OF&A will be required precedent to Council action.

#### X. AFFILIATED AGENCIES

INTRODUCTION: City Charter, Council action, inter-governmental agreements and state and federal laws have created a number of agencies which are affiliated with the City and which can have an adverse effect on the City if not managed to the same financial standards as direct City agencies. It is necessary to spell out standards of financial operations for these organizations in order to protect the City's fiscal status.

1. Affiliated Agencies will be accountable for financial compliance and reporting standards as established in this document.
2. The Criteria for defining Affiliated Agencies will include any of the following:
  - a. Created by City Charter or Council action
  - b. Leadership appointed by the City Council
  - c. A majority of funds are received from the City

#### XI. OTHER FINANCIAL POLICIES

INTRODUCTION: The City has adopted several other financial policies that guide City operations. It is necessary to recognize them as elements of this Comprehensive Financial Management Policy. The following City financial policies are incorporated as part of this policy:

1. Investment Policy
2. Debt Management Policy
3. Urban Services Policy
4. Transportation Funding Policy
5. Revenue Allocation Policy
6. Interagency Agreement Policy
7. Local Improvement District Financing Policy
8. Reserve Policy



# GENERAL FUND REVENUE ALLOCATION POLICY

## OFFICE OF FINANCE AND ADMINISTRATION

June 1996

### POLICY OVERVIEW

The following principles underlay the City's General Fund Revenue Policy:

- City services that provide private benefit should be paid for by fees and charges. A "private benefit" should be viewed as one which benefits the user and whose quantity, quality, and/or number of units may be specified. Examples would include parks usage fees, plans review fees, site rental fees, etc. The will maximize flexibility in the use of general city taxes to meet the cost of broader public services.
- All bureaus charging fees are required to complete and present for review by OF&A and subsequently for action by Council fee studies based upon cost-of-service principles. These studies are to be updated at a minimum every two years.
- In performing fee studies and developing fee structures, bureaus shall take into account:
  - The degree to which a service provides a general benefit or public good in addition to the private good provided to a specific business, property, or individual;
  - The economic impact of new or expanded fees, especially in terms of comparability with other governmental jurisdictions within the metropolitan area;
  - The true or comprehensive cost of providing a service.
  - The impact of imposing or increasing the fee upon populations at risk and the achievement of other city goals.
- All fee revenues are dedicated to the Bureau in which they are generated.



## SCOPE OF POLICY

This Policy applies to General Fund Bureaus. Because of their financial structure, both Enterprise and Operating Funds automatically dedicate revenues to their respective services. The methodology utilized by these funds in establishing fees and charges will continue to be reviewed in their respective financial plans the initial step in the annual budget process. For General Fund bureaus, all bureau-specific revenues are dedicated to the bureaus through which they are generated. This means that bureaus are responsible for the preparation of revenue forecasts, the tracking of receipts, and the administration of all related changes during the fiscal year. Each Bureau is responsible for attaining revenue estimates. These are reported in the quarterly budget process, and adjustments are made to appropriations accordingly.

Revenue categories covered by this policy are permits, service charges and fees, and sales. Contracts and inter-agency agreements which result in surplus may also be included, provided that such surplus does not violate the conditions imposed under the contract or inter-agency agreement.

Excluded are the major non-Bureau specific General Fund revenue categories of Property Taxes, Utility License Fees, Franchise Fees, business License Fees, Lodging Tax, Interest earnings, Local Government Sources, and State Sources. These resources will continue to be categorized as discretionary and be allocated to Bureaus as part of the annual budget process. Also excluded are donations and grants.

## GUIDELINES

The following guidelines will be followed by bureaus in developing and updating fees:

### Bureau Responsibilities

Each Bureau which produces revenues (as identified above) responsible for:

- Preparing annual revenue estimates as part of the annual budget request. These estimates should be developed after completion of a cost-of-service study. Annual review of fee schedules should include necessary adjustments to cover inflation.
- Monitoring actual revenue receipts throughout the fiscal year. Report on status within the quarterly budget reports.
- Adjusting budgets as necessary in response to total revenue shortfalls and surpluses occurring during the fiscal year. These adjustments will occur in conjunction with the quarterly review process. Bureaus will need to decrease appropriation when total Bureau specific resources are projected to be less than budgeted.

### Bureau of Financial Planning Responsibilities

It is the responsibility of the Bureau of Financial Planning to work with the bureaus in developing, implementing, and monitoring fees in the following ways:

- The Bureau of Financial Planning is responsible for reviewing bureau rates and revenue estimates as well as monitoring the receipt of bureau revenues. Variances between planned and actual revenues are reported to Council in the Quarterly budget Report along with recommended actions.
- All Bureau request for adjustments related to revenues will require the review of the Office of Finance and Administration prior to Council action in accordance with procedures for the Council Calendar or Quarterly review process.
- Bureau of Financial Planning staff provide assistance to bureaus in completing fee studies.

### Revenue Surpluses

- Current year surplus revenues above the budgeted revenue estimate shall be available to the Bureau for appropriation through the quarterly ordinance process. Additional appropriation shall be used for activities supporting the sources generating the additional fees.
- Bureaus recognizing a revenue surplus may elect to establish a reserve or "rainy day fund" with all or part of the surplus. The Bureau will develop a policy for the creation and use of the fund. Use of funds from the reserve will be identified and justified in the quarterly or annual budget process, in accordance with the policy adopted by the bureau. Such reserve accounts will be budgeted as special appropriations.
- Year-end surpluses and shortfalls shall be treated in accordance with the ratio outlined in the bureau's cost of service study. In the absence of a cost of service study, the surplus shall be available or the shortfall absorbed at a level of 50% to the bureau and 50% to the General Fund.

### Revenue Shortfalls

- It is the responsibility of each Bureau to achieve budgeted revenues. In the event of a projected total revenue shortfall, the Bureau is required to document other offsetting revenues, or reduce its budget within the quarterly budget report.
- Additional General Fund discretionary appropriation will not be transferred to cover revenue shortfalls without Council authorization.
- A five percent (5%) margin of error is established as acceptable for fee projection and

collection. Bureaus will share any amount of surplus in the manner outlined in the section above. In the event of a shortfall, this policy shall take effect when the shortfall exceeds 5% of the total non-discretionary revenue. In such case, the bureau will reduce expenditures in non-discretionary funded programs by the same percentage identified in the cost of service study, or 50-50 in the absence of a cost of service study.

## *City of Portland, Oregon--Debt Management Policies*

### **I. SELECTION OF FINANCE CONSULTANTS AND SERVICE PROVIDERS**

The City's Debt Manager shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement the City's debt program. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and national, and securing services at competitive prices.

**A. Bond Counsel.** As part of its responsibility to oversee and coordinate the marketing of all City indebtedness, the City Attorney, with advice of the Debt Manager and a committee representing City Bureaus, Agencies, and Commissions with capital financing needs, shall make recommendations to the City Council regarding the selection of Bond Counsel to be employed and the duration of the employment for individual or a series of financings. The solicitation and selection process for such services will comply with City Code requirements for Professional, Technical, and Expert Services. The Council shall make such selection, taking into consideration these recommendations.

**B. Underwriters.** The Debt Manager shall solicit proposals for underwriting services for all debt issued in a negotiated or private placement sale mode. The solicitation process used for these services shall comply fully with City Code requirements for Professional, Technical, and Expert Services, and shall include formation of a review committee to evaluate written proposals and, if deemed necessary, conduct oral interviews. In addition, the proposal solicitation and selection process for negotiated sales as developed by the Debt Manager, and amended from time to time, shall also be followed. The selection of underwriters may be for an individual or series of financings or a specified time period. The Council shall make such selections taking into consideration the recommendations of the review committee.

**C. Financial Advisor.** The Debt Manager, with advice of a committee representing City Bureaus, Agencies, and Commissions with capital financing needs, shall make recommendations to the City Council regarding the selection of financial advisors to be employed and the duration of such employment. The solicitation and selection process for such services will comply with City Code requirements for Professional, Technical, and Expert Services. The time period for employment may relate to an individual or a series of financings, or for a specified period of time.

**D. Paying Agent.** The Debt Manager, in consultation with the City Treasurer, shall solicit periodically for paying agent services from qualified commercial and trustee banks. The cost of providing such services shall be used by the Debt Manager, along with other qualitative measurements, in developing a Paying Agent recommendation to City Council, along with the term of such agreement.

**E. Other Service Providers.** The Debt Manager shall periodically solicit for other service providers (escrow agents, verification agents, trustees, etc.). The cost of providing such services shall be used by the Debt Manager in developing a recommendation to City Council, along with the term of such agreement.



## **II. COMPREHENSIVE CAPITAL PLANNING AND FINANCING SYSTEM**

**A. Capital Planning and Financing System.** The City shall develop a capital planning and financing system for use in preparing a multi-year Capital Improvement Plan for consideration and adoption by the City Council as part of the City's budget process. Individual bureaus and agencies shall prepare multi-year capital plans and coordination and preparation of the City-wide Capital Improvement Plan shall reside with the Office of Finance and Administration. This Plan shall be for the coming five fiscal years and shall be updated periodically. The Plan shall contain a comprehensive description of the sources of funds and the timing of capital projects for future operating and capital budgets, effect of the projects on future debt sales, debt outstanding, and debt service requirements, and the impact on future debt burdens and current revenue requirements. In this latter regard, the Plan shall, analyze the conformance of the planned financings with policy targets regarding the (1) magnitude and composition of the City's indebtedness, and (2) the economic and fiscal resources of the City to bear such indebtedness over the next five years. Affordability impacts of the Plan shall be evaluated in consultation with the various City Bureaus.

**B. Debt Calendar and Financing Priorities.** It shall be the responsibility of the Debt Manager, within the context of the Capital Improvement Plan, to oversee and coordinate the timing, process of issuance, and marketing of the City's borrowing and capital funding activities required in support of the Plan. In this capacity, the Debt Manager shall make recommendations to the City Council regarding necessary and desirable actions and shall keep it informed through regular and special reports as to the progress and results of current-year activities under the Plan.

**C. Funding of Capital Outlays.** As part of its capital financing philosophy, the City shall make contributions from its own current revenues, or from outside funding sources such as state or federal grants, to each capital project or program equal to at least 5% of its total capital cost.

**D. Maintenance, Replacement and Renewal.** Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize the capital stock's useful life, the City should set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal.

**E. Debt Authorization.** No City debt issued for the purpose of funding capital projects shall be authorized by the City Council unless it has been included in the Capital Improvement Plan or until the Council has modified the Plan. Such modification shall occur only after the Council has received a report of the impact of the contemplated borrowing on the existing Capital Improvement Plan and recommendations as to the financing arrangements from the Debt Manager and the Office of Finance and Administration.

### **III. LIMITATIONS ON CITY INDEBTEDNESS**

**A. Target Limitations on Non-Self-Supporting Unlimited Tax General Obligation Indebtedness.** The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, unlimited tax general obligation ("UTGO") debt outstanding at any time that is subject to approval by the voters (excluding long-term, non-self-supporting leases) does not exceed 0.75% of the City's taxable assessed valuation.

**B. Target Limitations on Non-Self-Supporting Limited Tax General Obligation Indebtedness and Full Faith and Credit Lease-Purchase Obligations.** The City shall, as a matter of policy, conduct its finances so that the amount of direct, non-self-supporting, limited tax general obligation ("LTGO") debt and full faith and credit lease purchase obligations outstanding at any time that are not subject to approval by the voters does not exceed 1.0% of the City's taxable assessed valuation. Furthermore, the City shall strive to limit the annual debt service requirements on these obligations to an amount that is not greater than 10% of annual General Fund revenues.

These limitations apply to debt obligations issued with a specific LTGO pledge, obligations secured by a pledge of the City's full faith and credit, and obligations that are in effect secured by a LTGO pledge and are not self-supporting, or which are paid for from General Fund monies. Also included within this limitation are any other loan agreements entered into directly by the City or secured indirectly by a pledge of the City's General Fund.

**C. Target Limitations on Lease-Purchase Financing of Equipment and Furnishings.** The City may enter into short-term lease-purchase obligations to finance the acquisition of capital equipment and furnishings with estimated useful lives of less than ten years. Outstanding lease-purchase obligations issued to finance capital equipment and furnishings shall not exceed 0.125% of the City's taxable assessed valuation. Repayment of these lease-purchase obligations shall occur over a period not to exceed the useful life of the underlying asset or in any case no longer than five years from the dated date of such obligations. The Debt Management Group of the Office of Finance and Administration shall be responsible for developing procedures for use by City Bureaus interested in participating in the lease-purchase program, and for setting repayment terms and amortization schedules, in consultation with participating Bureaus.

**D. Limitations on General Fund Loan Guarantees and Credit Support.** As part of the City's financing activities, General Fund resources may be used to provide credit support or loan guarantees for public or private developments that meet high priority City needs. Before such General Fund commitments are made, specific policy goals and objectives that determine the nature and type of projects qualifying for such support, and specific limitations to be placed on the maximum amount of General Fund resources pledged to such projects shall be developed. The Office of Finance and Administration shall be responsible for coordinating the development of such policies and goals, which shall not take effect until approved by the City Council. General Fund loan guarantees shall be subject to the overall debt limitations set forth in B, above.

Recognizing the limited capacity of the City's General Fund to support both ongoing operating programs and secure long-term debt obligations, use of the General Fund to secure such obligations must first be approved by the Debt Manager and the Director of the Office of Finance and Administration. Key factors that will be considered in determining whether or not the General Fund should be used to secure a particular debt obligation will include the following:

1. Demonstration of underlying self-support, thus limiting potential General Fund financial exposure.



## *City of Portland, Oregon--Debt Management Policies*

2. Use of General Fund support as a transition to a fully stand alone credit structure, where interim use of General Fund credit support reduces borrowing costs and provides a credit history for new or hard to establish credits.
3. General Fund support is determined by the City Council to be in the City's overall best interest.

**E. Target Limitations on the Issuance of Revenue-Secured Debt Obligations.** The City shall seek to finance the capital needs of its revenue producing enterprise activities through the issuance of revenue-secured debt obligations. Prior to issuing revenue-secured debt obligations, City Bureaus, in consultation with the Debt Manager, will develop financial plans and projections showing the feasibility of the planned financing, required rates and charges needed to support the planned financing, and the impact of the planned financing on ratepayers, property owners, City Bureaus, and other affected parties. The amount of revenue-secured debt obligations issued by a City Bureau will be limited by the feasibility of the overall financing plan as determined by the Debt Manager.

Revenue-secured debt obligations must first be reviewed and approved by the Debt Manager and the Director of the Office of Finance and Administration before being issued.

### **IV. STRUCTURE AND TERM OF CITY INDEBTEDNESS**

**A. Rapidity of Debt Repayment.** Generally, borrowings by the City should be of a duration that does not exceed the economic life of the improvement that it finances and where feasible should be shorter than the projected economic life. Moreover, to the extent possible, the City should design the repayment of debt so as to recapture rapidly its credit capacity for future use. The City shall strive to repay the principal amount of its long-term general obligation debt (both voter and non-voter approved) according to the following schedule: at least 20% in five years and 40% in ten years. The City may choose to structure debt repayment so as to wraparound existing obligations or to achieve other financial planning goals. Such alternative structures shall be subject to the approval of the Debt Manager and Director of the Office of Finance and Administration, in consultation with the involved Bureaus, before being recommended to the City Council.

**B. Use of Variable-Rate Securities.** When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. The decision to issue such securities must be reviewed and approved by the Debt Manager and the Director of the Office of Finance and Administration, in consultation with the City Treasurer, before Council is requested to approve their issuance.

**C. Pledge of Restricted Funds to Secure Debt.** The City has the power to make an irrevocable pledge of a security interest in an account created exclusively for the security of holders of City obligations. Before such funds are used to secure a prospective financing, policies regarding the use of such restricted funds shall be developed by the affected Bureau and the Debt Manager, subject to approval by the Director of the Office of Finance and Administration, to ensure that the use of such funds to secure bonds does not violate restrictions on such funds and that underlying program commitments can be maintained in addition to meeting debt service obligations on debt secured by the restricted funds. These policies shall be presented as recommendations to Council prior to or at the time issuance of the secured debt is to be authorized.

## *City of Portland, Oregon--Debt Management Policies*

**D. Use of Subordinate Lien Obligations.** Creation of a subordinate lien financing structure, if appropriate, shall be based on the overall financing needs of a particular bureau, expected credit ratings, relative cost of a subordinate lien structure, and impacts on the City as determined by the Debt Manager and the Director of the Office of Finance and Administration, in consultation with the involved Bureau. The results of this review shall be presented in the form of recommendations to Council for consideration prior to or at the time such bonds are being authorized.

### **V. METHOD OF SALE**

**A. Competitive Sale.** The City, as a matter of policy, shall seek to issue its debt obligations in a competitive sale unless it is determined by the Debt Manager that such a sale method will not produce the best results for the City. In such instances where the City in a competitive bidding for its debt securities (whether general obligation or non-general obligation debt) deems the bids received as unsatisfactory or does not receive bids, it may, at the election of the City Council, enter into negotiation for sale of the securities.

**B. Negotiated Sale.** When determined appropriate by the Debt Manager and approved by the Director of the Office of Finance and Administration, the City may elect to sell its debt obligations through a negotiated sale. Such determination may be made on an issue by issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriting team shall be made pursuant to selection procedures set forth in these Debt Policies, consistent with City Code.

**C. Private Placement.** When determined appropriate by the Debt Manager and approved by the Director of the Office of Finance and Administration, the City may elect to sell its debt obligations through a private placement or limited public offering. Selection of a placement agent shall be made pursuant to selection procedures developed by the Debt Manager, consistent with City Code.

**D. Official Bid Form.** The City shall design an official bid form to be made part of each official notice of sale published in conjunction with the sale of debt securities in a competitive sale by the City.

### **VI. SHORT-TERM DEBT AND INTERIM FINANCING**

**A. Lines and Letters of Credit.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City has the power to enter into agreements with commercial banks or other financial entities for purposes of acquiring lines or letters of credit that shall provide the City with access to credit under terms and conditions as specified in such agreements. Before entering into any such agreements, takeout financing for such lines or letters of credit must be planned for and determined to be feasible by the Debt Manager. Any agreements with financial institutions for the acquisition of lines or letters of credit shall be approved by the City Council. Lines and letters of credit entered into by the City shall be in support of projects contained in the approved Capital Improvement Plan.

**B. Bond Anticipation Notes.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, takeout financing for such notes must be planned for and determined to be feasible by the Debt Manager. Bond Anticipation Notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the City Council.



## *City of Portland, Oregon--Debt Management Policies*

**C. Tax and Revenue Anticipation Notes.** Where their use is judged by the Debt Manager to be prudent and advantageous to the City, the City may choose to issue Tax and Revenue Anticipation Notes to fund internal working capital cashflow needs. Before issuing such notes, cashflow projections will be prepared by the appropriate City Bureaus and reviewed by the Debt Manager. Tax and Revenue Anticipation Notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the City Council.

**D. Tax Exempt Commercial Paper.** The City may choose to issue Tax Exempt Commercial Paper as a source of interim construction financing for projects contained in the City's approved Capital Improvement Plan only after the Debt Manager, in consultation with the City Treasurer, determines that such a financing represents the least cost interim financing option for the City. Furthermore, Tax Exempt Commercial Paper shall not be issued for City capital programs unless it is of sufficient economic size as determined by the Debt Manager. A report recommending the issuance of Tax Exempt Commercial Paper must first be approved by the Director of the Office of Finance and Administration, before recommendations are made to City Council authorizing the establishment of such a program.

### **VII. IMPROVEMENT DISTRICT AND ASSESSMENT CONTRACT FINANCING**

**A. Financing Policies.** The policies guiding the City's improvement district and assessment contract financing program shall be guided by City Council Resolution No. 34847, as amended.

**B. Interest Rates on Improvement Assessment Loans.** The contract interest rate on loans made from the proceeds of Improvement Assessment Bonds shall be equal to the effective interest rate paid on the bonds sold to finance such loans plus an additional percentage markup to cover self-insurance and loan servicing costs. The self-insurance and servicing charge markup shall be adjusted annually based upon the historical Improvement Assessment Bond collection history and consultation among the Auditor's Office, the Debt Manager, and the City Treasurer. The contract interest rate shall be determined on the day of the sale of Improvement Assessment Bonds for those assessment contracts financed with proceeds of the sale.

**C. Interim Assessment Contract Interest Rates.** The interim assessment contract interest rate is the interest rate set on contracts that precede the sale of Improvement Assessment Bonds. This rate shall be set at a level deemed reasonable and prudent by the Debt Manager and the Auditor's Office to insure that funds collected through assessment contract payments are sufficient to meet that portion of future debt service requirements on Improvement Assessment Bonds attributable to such contracts.

**D. Commitment to Self-Supporting Improvement District Financings.** Consistent with the concept of Improvement Assessment financing, all of the City's Improvement Assessment indebtedness shall be self-supporting. Prior to the issuance of Improvement Assessment Bonds, the Auditor's Office shall review projected cash flows which incorporate scheduled assessment contract payments, prepayments, delinquencies, and non-payments with the Debt Manager to ensure that the proposed Bonds shall meet the City's self-support requirement.

## **VIII. REFUNDING OF CITY INDEBTEDNESS**

**A. Debt Service Savings--Advance Refundings.** The City may issue advance refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings, expressed as a percentage of the par amount of the refunding bonds, equal or exceed 5 percent. Exceptions to this requirement shall be made only upon the approval of the Debt Manager and the Director of the Office of Finance and Administration.

**B. Debt Service Savings--Current Refundings.** The City may issue current refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, prudent, and net present value savings equal or exceed \$100,000.

**C. Restructuring of Debt.** The City may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Debt Manager and the Director of the Office of Finance Administration upon a finding that such a restructuring is in the City's overall best financial interests.

**D. Open Market Purchase of City Securities.** The City may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible. The Debt Manager and the City Treasurer shall be responsible for developing procedures for executing open market purchases and the savings objectives to be achieved by undertaking such actions.

## **IX. USE OF CREDIT ENHANCEMENT**

The City shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancement proves cost-effective. Selection of credit enhancement providers shall be subject to a competitive bid process developed by the Debt Manager. Credit enhancement may be used to improve or establish a credit rating on a City debt obligation even if such credit enhancement is not cost effective if, in the opinion of the Debt Manager, the use of such credit enhancement meets the City's debt financing goals and objectives.

## **X. REBATE REPORTING AND COVENANT COMPLIANCE**

The Debt Management Group in the Office of Finance and Administration shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the City's outstanding debt issues. Additionally, general financial reporting and certification requirements embodied in bond covenants shall be monitored to ensure that all covenants are complied with.



## *City of Portland, Oregon--Debt Management Policies*

### **XI. CONDUIT FINANCINGS**

The City may sponsor conduit financings for those activities (i.e., economic development, housing, health facilities, etc.) that have a general public purpose and are consistent with the City's overall service and policy objectives as determined by the Portland Development Commission. All conduit financings must insulate the City completely from any credit risk or exposure and must first be approved by the Debt Manager and the Director of the Office of Finance and Administration before being submitted to City Council for authorization and implementation.

### **XII. FINANCING PROPOSALS**

Any capital financing proposal made to a City Bureau, Agency, or Commission involving a pledge or other extension of the City's credit through the sale of securities, execution of loans or leases, or making of guarantees or otherwise involving directly or indirectly the lending or pledging of the City's credit shall be referred to the Debt Manager, who in a timely manner shall be responsible for analyzing the proposal, responding to the proposal, and recommending to the Director of the Office of Finance and Administration the required action to be taken.

### **XIII. DERIVATIVE PRODUCTS**

The City may in the future choose to enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities, or other forms of debt bearing synthetically determined interest rates as authorized under Oregon statutes. Before entering into such contracts or agreements, a review team consisting of the Debt Manager, the City Treasurer, and appropriate bureau staff and outside consultants shall be formed to review the risks and benefits of such financing techniques and expected impacts on the City's long-term financial operations and credit ratings. The report, when completed, shall be presented to the Director of the Office of Finance and Administration for review and approval before any recommendations are submitted to the City Council for authorization and implementation.

### **XIV. OTHER POLICIES AND REQUIREMENTS**

**A. Annual Audit of City.** The annual audit of the City shall describe in detail all funds and fund balances established as part of any direct debt financing of the City. The audit may also contain a report detailing any material or rate covenants contained in any direct offering of the City and whether or not such covenants have been satisfied.

### **XV. CREDIT RATINGS**

**A. Rating Agency Relationships.** The Debt Manager shall be responsible for maintaining relationships with the rating agencies that currently assign ratings to the City's various debt obligations. This effort shall include providing periodic updates on the City's general financial condition along with coordinating meetings and presentations in conjunction with a new debt issuance.

**B. Use of Rating Agencies.** The Debt Manager shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

## *City of Portland, Oregon--Debt Management Policies*

**C. Minimum Long-Term Rating Requirements.** The City's minimum rating requirement for its direct, long-term, debt obligations is a rating of "A" or higher. If such a debt obligation cannot meet this requirement based on its underlying credit strength, then credit enhancement shall be sought to ensure that the minimum rating is achieved. If credit enhancement is unavailable or is determined by the Debt Manager to be uneconomic, then the obligations may be issued without a rating.

A lower rating standard may be accepted for indirect or conduit obligations, subject to the approval of the Debt Manager.

### **XVI. ONGOING DISCLOSURE**

The Debt Manager shall be responsible for providing ongoing disclosure information to established national information repositories and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies.





Adopt City of Portland Investment Policy.(Resolution)

WHEREAS, the City of Portland is allowed under State of Oregon law to invest its idle funds in United States Government or United States Agency securities; time deposits and bankers' acceptances of financial institutions located within Oregon; in commercial paper of financial institutions and corporations; and in the Local Government Investment Pool; and

WHEREAS, State of Oregon law (ORS 294.135) requires that the City of Portland annually adopt a formal Investment Policy; and

WHEREAS, there is a need to clearly define the criteria for operation of the City's investment portfolio; and

WHEREAS, the primary objective of the Investment Policy is to establish a conservative set of investment criteria that will prudently protect the City's principal sums and enable the City to generate a fair rate of return; and

WHEREAS, the Public Finance and Treasury Division of the Office of Finance and Administration is charged with responsibility for managing the City's investments; and

WHEREAS, the Office of Finance and Administration has developed a formal Investment Policy after seeking the advice of the City's Investment Advisory Committee; and

WHEREAS, the City of Portland is required under State of Oregon law (ORS 294.135) to submit the Investment Policy for review by the State of Oregon Short-Term Fund Board;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland, Oregon that:

1. The Investment Policy, attached hereto as Exhibit I, fulfills all State of Oregon, City Charter and Code mandated requirements, and is hereby adopted as the City of Portland's Investment Policy.
2. The City Treasurer shall submit the adopted Investment Policy to the State of Oregon Short-Term Fund Board for their review.
3. The City Treasurer shall be responsible for the implementation of the Investment Policy.
4. Amendments to the Investment Policy must be approved by the City Council.
5. This resolution shall remain in effect from the date of adoption unless a change is directed by Council.

## **INVESTMENT POLICY**

### **CITY OF PORTLAND, OREGON**

#### **PURPOSE**

This Policy sets forth current criteria for the operation of the investment portfolio. As economic conditions change, the Policy may need to be amended to reflect new trends and opportunities within the framework of this Policy. It will be recognized that the primary objective of the Investment Policy is to establish a conservative set of investment criteria that will prudently protect the City's principal sums and enable the City to generate a fair rate of return from its investment activities. This Policy applies to all funds on deposit at the City's Treasury.

#### **RESPONSIBILITY**

The City Treasurer will be responsible for the implementation of this Policy. In the absence of the City Treasurer, the City's Debt Manager shall perform the investment duties. Any amendments to this Policy must be approved by the City Council after seeking the advice of the Director of the Office of Finance and Administration, the City Treasurer, and the City's Investment Advisory Committee. The Director of the Office of Finance and Administration (or designee) will establish the maximum investment level with each Oregon financial institution after consulting with the Investment Advisory Committee. The City Council will adopt a City Investment Policy annually.

#### **TYPES OF INVESTMENT AND DIVERSIFICATION**

The following types of investments will be permitted in the City's investment portfolio:

##### **◆ United States Treasury Debt Obligations**

- Maximum % of Portfolio 100%
- Maximum Maturity 7 Years
- Securities held for safekeeping at the City's custodian Bank or successor.

◆ **United States Agency Debt Obligations**

- Maximum % of Portfolio 100%
- Maximum Maturity 2 Years
- Maximum % of Portfolio Per Issuer 25%
- Securities held for safekeeping at the City's custodian Bank or successor.

◆ **Repurchase Agreements Secured by United States Treasury Debt Obligations**

- Maximum % of Portfolio 30%
- Maximum Maturity 30 days
- Repurchase agreements with brokerage firms will only be executed with dealers from the list of Government Security Dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York
- Repurchase agreements cannot exceed 2% of brokerage firm's liabilities.
- A signed repurchase agreement will be obtained in advance of the initial execution of an investment.
- Securities which serve as collateral for repurchase agreements must be delivered to the City's Trust Account at the City's custodian bank or successor on a delivery versus payment basis.
- Only United States Treasury Securities shall be used in conjunction with the repurchase agreement and such securities shall have a maturity of not longer than three years.
- The price paid by the Treasurer for United States Treasury Securities in the repurchase agreement shall not exceed amounts or percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short-Term Fund Board created by ORS 294.885.



◆ **Time Deposits in State of Oregon Financial Institutions Collateralized 25% by Securities as Required by Oregon Revised Statutes**

- Maximum % of Portfolio 50%
- Maximum Maturity 1 Year
- Maximum % of Portfolio Per Issuer 25%
- Securities held in vault at the City's Treasury

◆ **Bankers' Acceptance Issued by Financial Institutions in Compliance With the Provisions of ORS 294.035**

- Maximum Percent of Portfolio 50%
- Maximum Maturity 6 Months
- Maximum Percent of Portfolio Per Issuer 25%
- Securities held for safekeeping at the City's custodian Bank or successor Bank.

◆ **State of Oregon Local Government Investment Pool**

\$30.63 million maximum, with the exception of pass-through funds which must be withdrawn within ten (10) business days

◆ **Commercial Paper Issued by United States Corporations in Compliance With the Provisions of ORS 294.035**

- Investment Rating A-1, P-1
- Maximum Percent of Portfolio 25%
- Maximum Maturity 90 Days
- Maximum Percent of Portfolio Per Issuer 5%
- Securities held for safekeeping through the City's custodian Bank or successor

## **DISTRIBUTION OF PORTFOLIO MATURITIES**

Distribution, by maturity, of the investments is illustrated below:

<u>Maturity</u>	<u>Percentage of Funds</u>
0-2 Years	50-100%
2-7 Years	0- 50%

This maturity structure applies to the Treasury's estimate of the lowest cash balance that the portfolio will reach during the next seven years. If, for example, the projected lowest cash balance is \$200 million, then up to \$100 million may be invested in the two to seven-year maturity range. All other funds must be invested in less than two year maturities and must meet the City's cash flow requirements. The City's Investment Advisory Committee will be consulted prior to implementing a strategy of purchasing securities with maturities beyond two years. The weighted average maturity shall never exceed eighteen (18) months.

## **BROKERAGE ALLOCATION**

The Treasury will maintain a current list of all brokerage firms that have been approved by the Director of the Office of Finance and Administration (or designee) to conduct investment business with the City. The Treasury will obtain a minimum of three quotes from different brokers before it executes a government securities transaction, or purchases commercial paper issued by a corporation outside of Oregon on the national market. The allocation of brokerage business will be based upon which brokerage firm offers the best price to the City on each particular transaction. Where two or more brokers have offered the same best price, allocation will go to the investment firm that has provided the best service to the City.

When purchasing bankers' acceptances or commercial paper, the Treasury will compare interest rates on similar investments from other investment dealers. The Treasury will also determine that the rates being offered the city are rates comparable to those available for similar investments in the national market.

When purchasing time deposits, the Treasury will obtain interest rate bids from all Oregon financial institutions approved to do business with the City. The time deposits will be allocated to the highest interest rate offered the City, consistent with the maximum deposit levels set for each financial institution by the Director of the Office of Finance and Administration (or designee).

## **METHOD OF ACCOUNTING**

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

## **REPORTING REQUIREMENTS**

The City Treasurer will provide the following reports on a monthly basis to the City's Investment Advisory Committee and the Director of the Office of Finance and Administration (or designee):

- ◆ A list of securities owned, with all maturities over one year priced at both cost and market value.
- ◆ A list of all investment transactions showing the net gain or loss on each investment.

## **PERFORMANCE EVALUATION**

The City's investment performance shall be reviewed monthly by the Director of the Office of Finance and Administration.

## **ANALYSIS OF INVESTMENT RISKS**

In analyzing the City's Investment Portfolio, there are three major risks that the City incurs through its investment activities. The first risk that the City faces is the interest rate risk. This risk is the uncertainty of the size of future incomes from securities caused by fluctuations in the general level of interest rates in the capital markets. Interest rates have fluctuated dramatically over the last ten years and, therefore, the City's Investment Policy is designed to minimize the interest rate risk. This is accomplished by limiting investments to a maximum maturity of seven years, and by investing to meet the City's cash flow requirements.

The second risk that the City faces can be termed the purchasing power risk. This risk can be defined as the uncertainty of the purchasing power of interest and principal to be received in the future. It can be easily recognized that if the amount of income from a security in current dollars remains unchanged over a period of time while the price index is rising, then the amount of income in constant dollars declines and the constant value of the principal to be received also declines.

The final risk is the financial risk of not receiving principal and interest when due from an issuer. The design of the types of investments permitted by the Investment Policy seeks to minimize this risk by the conservative nature of the permissible investments and by establishing safe limits on the level of investments with Oregon financial institutions and issuers of commercial paper. A portfolio policy stressing a relatively short maturity serves to additionally minimize the financial risk.

Thus, it is the conclusion that the shorter the portfolio is in maturity, the less risk the City is incurring with regard to the three major risks that it faces. The policy of keeping 100% of the funds in seven year or less maturities leaves open the flexibility to earn capital gains on the City's investments by shifting funds out to longer maturity when interest rates are falling, yet avoids the extreme amount of exposure to the interest rate risk and purchasing power risk that we would incur in an even longer-term portfolio.





Adopt a General Reserve Fund Use Policy. (Resolution)

WHEREAS, over the past three years, and continuing with the approved FY 1990-91 budget the City Council has endeavored to rebuild General Fund reserves; and

WHEREAS, as a result of annual transfers and one-time unexpected revenues Council was able to achieve a five percent General Reserve in just three years; and

WHEREAS, the Auditor's Annual Financial Condition Report has recommended establishment of reserve levels equal to 10 to 15 percent of annual General Fund operating revenues, and a written financial management policy that includes policies on reserve requirement; and

WHEREAS, an increase in the City's reserves decreases the City's need for short-term borrowing which is an indication of the City's financial health; and

WHEREAS, actions taken in the FY 1990-91 Approved Budget transfer \$2 million toward a second five percent reserve; and

WHEREAS, it is important for Council to adopt a policy governing Council's use of the General Reserve Fund;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Portland, Oregon that the attached General Fund Reserve Fund Use Policy (summarized below) be adopted:

1. The first five percent reserve is defined as an emergency reserve available to fund one-time, emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year.
2. The emergency reserve will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would likely result in a negative ending fund balance for the General Fund.
3. Emergency reserve resources must begin to be restored in the fiscal year following their use. Restoration will be consistent with Council's past practice of budgeting transfers totalling a minimum of \$1 million dollars a year to the General Reserve Fund.
4. The second five percent reserve is defined as a countercyclical reserve available to either maintain General Fund current service level programs or transition expenditure growth to match slower revenue growth during the first 18 to 24 months of a recession.
5. The countercyclical reserve may be used when basic revenue growth (where "basic revenue" is defined as the sum of General Fund property tax, business license, utility license/franchise fees, cigarette and liquor taxes, transient lodging taxes, and interest income) falls to below 5.5 percent for two consecutive quarters or the Financial Forecast estimates basic revenue growth will be below 5.5 percent for the next fiscal year, and one or more of the following conditions occurs in conjunction with slower revenue growth:

\* The Portland Metropolitan Area unemployment rate is reported above 6.5 percent for two consecutive quarters or the Financial Forecast estimates

City of Portland, Oregon - FY 1997-98 Adopted Budget

**RESOLUTION No.**

unemployment will average in excess of 6.5 percent for the next fiscal year.

- \* The property tax delinquency rate exceeds 8 percent.
  - \* Actual business license year-to-year revenue growth falls below 5.5 percent for two consecutive quarters or the Financial Forecast estimates Business License revenue growth at less than 5.5 percent for the next fiscal year.
6. The Council should begin to restore countercyclical reserves within 24 months of their first use.
  7. Revenue shortfalls associated with bureau service reimbursement income, contract income, or cost recovery income may not be offset by a transfer of resources from the General Reserve Fund.

Adopted by the Council, **MAY 03 1990**

Mayor J.E. Bud Clark  
April 26, 1990  
SCB:TG:RR

**BARBARA CLARK**  
Auditor of the City of Portland  
By *Mary Ellen* Deputy

## *General Reserve Fund Use Policy*

---

### INTRODUCTION

Over the past three years and continuing with the proposed FY1990-91 budget the Council has endeavored to rebuild General Fund reserves. The Council, through past actions, established the General Reserve Fund to house and clearly identify the discretionary reserve within the budget. As a result of annual transfers and one-time unexpected revenues Council was able to achieve a 5 percent reserve in just three years. A General Fund reserve is needed for two reasons:

- \* To insulate General Fund programs and current service levels from a large and unanticipated one-time expenditure requirement, a revenue reduction due to a change in state or federal legislation, resulting from adverse litigation, or similar unforeseen action.
- \* To temporarily insulate General Fund programs and current service levels from slower revenue growth that typically occurs during an economic recession.

This reserve is not intended to be used because General Fund expenditure growth exceeds normal revenue growth.

The level of the reserve fund is measured as a percentage of budgeted General Fund revenues net of short-term borrowing receipts. Analysis attached as Appendix A of the December 1989 Financial Forecast shows that a 10 percent reserve level is required.

The following paragraphs set out policy guidelines that could govern Council's use of reserve funds.

### EMERGENCY RESERVE

The Council reserves the first 5 percent, or one half of the overall reserve as an **Emergency Reserve**. The emergency reserve is available to fund one-time, emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year. The reserve avoids the need to make budget adjustments outside of the normal budget hearing process. The Council can withdraw funds from the emergency reserve after the General Fund's budgeted contingency is exhausted. The emergency reserve will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would be that the General Fund would likely end the fiscal year with a negative ending fund balance.



Revenue shortfalls associated with bureau service reimbursement income, contract income, or cost recovery revenues may not be offset by a transfer of resources from the General Reserve Fund.

Restoration of the Emergency Reserves will begin in the fiscal year following their use. Restoration will be consistent with Council's past practice of budgeting transfers totalling a minimum of \$1 million dollars a year to the General Reserve Fund.

#### USE OF THE COUNTERCYCLICAL RESERVE

The second 5 percent of the reserve is designated as a **countercyclical reserve**. The Council will use this half of the reserve to either maintain General Fund current service level programs or transition expenditure growth to match slower revenue growth during the first 18 to 24 months of a recession. The countercyclical reserve is designated for use as "bridge financing" necessary to offset slower revenue growth during a recession.

For purposes of this policy, slower or recessionary revenue growth triggers Council's assessment of use of the reserve when:

- \* Basic revenue growth falls to below 5.5 percent for two (2) consecutive quarters or the Financial Forecast estimates basic revenue growth will be below 5.5 percent for the next fiscal year. Basic Revenue is defined as the sum of General Fund property tax, business license, utility license/franchise fees, cigarette and liquor taxes, transient lodging taxes, and interest income.

In addition, one or more of the following conditions must occur in conjunction with slower basic revenue growth:

- \* The Portland Metropolitan Area (PMSA) unemployment rate is reported above 6.5 percent for two (2) consecutive quarters or the Financial Forecast estimates PMSA unemployment will average in excess of 6.5 percent for the next fiscal year.
- \* The property tax delinquency rate exceeds 8 percent.
- \* Business license year-to-year revenue growth falls below 5.5 percent for two (2) consecutive quarters or the Financial Forecast estimates Business License revenue growth at less than 5.5 percent for the next fiscal year.

Exhibit A summarizes these indicators on an annual fiscal year basis for the period FY1969-70 through FY1988-89. Exhibit A shows that basic revenue growth below 5.5

percent occurred three times in the past two decades. Exhibit A should not be construed to suggest that use of reserves would avoid the need to reduce expenditure growth or possibly the absolute level of expenditures over a multi-year period.

Declines in Bureau specific cost recovery revenues, contract income, or service reimbursement income may not be offset by transfer of countercyclical reserve resources.

The Council should begin to restore Countercyclical Reserves used under the guidelines within 24 months after their first use.



## EXHIBIT A

City Of Portland  
History Of Countercyclical Reserve Use Indicators

Fiscal Year	Basic Revenues		PMSA Unemployment Rate		Property Tax Delinquency Rate		Business License Revenues	
	Growth (%)	Below 5.5%	Rate (%)	Over 6.5%	Rate (%)	Over 8.0%	Growth (%)	Below 5.5%
1971	4.9%	Below 5.5%	7.6%	Over 6.5%	8.2%	Over 8.0%	0.6%	Below 5.5%
1972	9.1%	NA	6.9%	Over 6.5%	7.1%	NA	5.4%	Below 5.5%
1973	9.3%	NA	5.6%	NA	6.8%	NA	14.9%	NA
1974	7.0%	NA	5.8%	NA	12.2%	Over 8.0%	33.4%	NA
1975	4.9%	Below 5.5%	7.8%	Over 6.5%	10.7%	Over 8.0%	-11.9%	Below 5.5%
1976	13.6%	NA	9.6%	Over 6.5%	9.7%	Over 8.0%	24.8%	NA
1977	8.5%	NA	7.7%	Over 6.5%	8.6%	Over 8.0%	42.9%	NA
1978	7.1%	NA	5.7%	NA	8.9%	Over 8.0%	10.9%	NA
1979	10.6%	NA	5.3%	NA	7.9%	NA	19.4%	NA
1980	7.1%	NA	5.7%	NA	11.7%	Over 8.0%	5.3%	Below 5.5%
1981	10.6%	NA	7.1%	Over 6.5%	5.9%	NA	4.8%	Below 5.5%
1982	2.3%	Below 5.5%	9.1%	Over 6.5%	6.7%	NA	-10.9%	Below 5.5%
1983	-0.1%	Below 5.5%	10.4%	Over 6.5%	8.6%	Over 8.0%	-0.8%	Below 5.5%
1984	8.9%	NA	8.7%	Over 6.5%	8.3%	Over 8.0%	5.4%	Below 5.5%
1985	12.1%	NA	7.6%	Over 6.5%	7.6%	NA	24.4%	NA
1986	8.5%	NA	7.4%	Over 6.5%	8.4%	Over 8.0%	1.7%	Below 5.5%
1987	14.3%	NA	6.2%	NA	7.5%	NA	16.7%	NA
1988	9.2%	NA	5.0%	NA	7.1%	NA	19.3%	NA
1989	7.9%	NA	4.4%	NA	6.5%	NA	11.4%	NA

Note: "Basic Revenues" include General Fund property taxes, business licenses, utility licenses, transient lodging taxes, cigarette and liquor taxes, and interest income revenues.

NA: Not Applicable

Table 1-Countercyclical Reserve Use Indicators

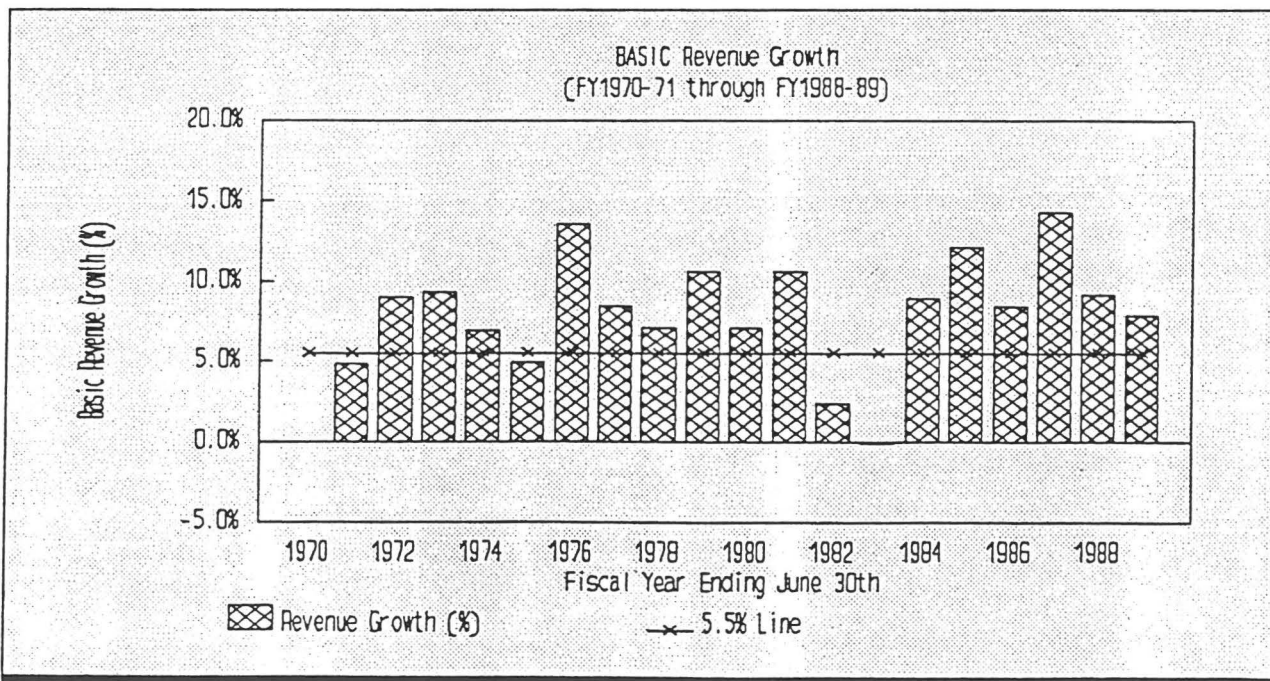


Figure 1-Basic Revenue Growth vs. 5.5%



## APPENDIX A A DISCUSSION OF REQUIRED GENERAL FUND RESERVE LEVEL

### General

The Council, at present, is operating with a goal of funding the General Reserve Fund at 5 percent of General Fund revenues net of short-term borrowing proceeds. As noted in the Financial Forecast, the General Reserve Fund will probably end FY1989-90 at or very close to the desired 5 percent goal. Table 1 shows that estimated year-end balance in the General Reserve Fund will be somewhere around 4.9 percent. The forecast for the fund currently

City Of Portland General Fund Reserve Fund				
Item	Audit FY1987-88	Actual FY1988-89	Adopted Budget FY1989-90	Estimated Year-End FY1989-90
GENERAL RESERVE FUND DETAIL				
Beginning Fund Balance	\$0	\$1,000,000	\$2,433,894	\$2,434,967
Transfers-IN	\$4,950,000	\$1,340,283	\$1,000,000	\$9,667,952
Transfers-OUT	(\$3,950,000)	\$0	\$0	(\$4,000,000)
Interest Income	\$0	\$94,684	\$103,017	\$472,481
Ending Fund Balance	\$1,000,000	\$2,434,967	\$3,536,911	\$8,575,400
Ending Balance As Percent				
Of Net Revenues	0.623%	1.409%	2.034%	4.926%
Net Revenues (*)	\$160,591,017	\$172,784,494	\$173,926,367	\$174,087,688
5% Reserve Level (5.000%)	\$8,029,551	\$8,639,225	\$8,696,318	\$8,704,384
Over (Under)	(\$7,029,551)	(\$6,204,258)	(\$5,159,407)	(\$128,984)
(*) Total General Fund revenues less short-term borrowing proceeds.				

Table 1-General Reserve Fund Status

assumes that \$3 million will be needed to fund Police and Fire retirements expected to result from recent voter approval of Fire and Police, Disability and Retirement pension reform. Another \$1 million of possible expenditures, requiring a transfer from the reserve to the General Fund, were outlined in the FY1988-89 Fourth Quarter Report.

The are two principal reasons for building a reserve;

- \* First, large unexpected one-time expenditures are more easily funded from a reserve. Temporary or permanent reductions in programs are avoided. For example, the current reserve allows funding of Fire and Police retirement related personal services expenses without disruption of General Fund programs.
- \* Second, a "counter-cyclical" reserve is required to ameliorate the effects of an economic downturn on General Fund revenue

growth. A slower regional economy will slow revenue growth relative to expenses. The result is a resource gap that, in the absence of a reserve, can probably only be eliminated by expenditure reductions. In addition it should be noted that actions by the State Legislature or the Public Utilities Commission (PUC) can also adversely affect revenue growth.

The General Reserve Fund is now at a level that allows the Council to use reserves to counteract one-time fluctuations in revenues and expenditures or meet large unexpected one-time expenditures. The 5 percent level is not adequate to offset the combination of slower revenue growth and fund large unexpected expenditures. That is it would not provide any insulation against the effects of an economic downturn. The following paragraphs develop alternative estimates of General Reserve Fund levels that would provide a reserve capable of funding extraordinary one-time expenditure requirements and ameliorate the effects of an economic downturn, adverse legislation, or adverse PUC decisions.

### Reserve Calculation Formula

The General Reserve Fund level is calculated as a percentage of annual General Fund revenues net of short-term borrowing proceeds or receipts. As shown in Table 1 estimated FY1989-90 annual revenues net of short-term borrowing total about \$174.1 million. The estimated year-end reserve balance is currently \$8.6 million. Dividing \$8.6 million by \$174.1 million results in an estimated Reserve Percentage of 4.9 percent at year-end FY1989-90.

### Revenue History FY1974-75 To FY1988-89

Table 2 summarizes historical General Fund discretionary revenue growth characteristics. In Table 2 revenue growth is summarized for the "Big Four" revenues and "All Other" discretionary revenues. Two discretionary revenue streams are shown in Table 2. The top line of Table 2 represents "unadjusted" discretionary revenues, i.e., total revenues less short-term borrowing, contracts, service reimbursements, and grants and donations. The "adjusted" line, at the bottom of Table 2 nets out Federal Revenue Sharing transfers to the General Fund, other irregular or one-time transfers, and construction permit revenues.

City Of Portland General Fund Revenue Growth Characteristics, FY1974-75 to FY1988-89			
Item	Growth Rates (%)		
	Compound	Annual Maximum	Minimum
General Fund Discretionary	5.5%	12.2%	0.6%
Big Four Revenues	9.2%	14.4%	2.1%
Property Taxes 811-814	7.7%	13.2%	2.4%
Transient Lodgings 821	12.0%	31.4%	-9.2%
Business Licenses 831	11.7%	42.9%	-10.9%
Utility License 832	13.3%	22.1%	2.9%
All Other Discretionary (**)	-2.8%	16.9%	-7.4%
Adjusted Discretionary (*)	8.5%	14.5%	-0.0%
(*) Net of Federal Revenue Sharing, one-time or irregular transfers and construction permits.			
(**) Average of 6 negative changes			

Table 2-General Fund Revenue Growth



This line more accurately reflects the General Fund's current organizational make-up and revenue mix.

Table 2 shows that overall, General Fund discretionary revenues have at worst gone flat or grown only marginally during periods of slower regional growth. The compound annual growth rate over the past 15 years has been about 5.5 percent. The worst year of growth for the "unadjusted" discretionary revenue stream was apparently FY1976-77 at the tail end of a recession. The "adjusted" discretionary revenue stream showed no growth during FY1982-83. A larger Federal Revenue Sharing transfer (up \$1.4 million) and other onetime transfers (up about \$3.4 million) totaling an estimated \$4.8 million, allowed the City to temporarily support higher expenditure levels.

The Big Four revenues have never failed to grow and the lowest overall year-to-year growth appears to be about 2.1 percent. It is interesting to note the difference in growth characteristics. Property Taxes and Utility Franchise/License Fees appear to have a growth floor in the 2 to 2.5 percent range. Transient Lodging and Business License Taxes both declined during the last re-cession. Transient Lodging taxes declined by about 9 percent between FY1979-80 and FY1980-81. This decline occurred at the onset of the last recession. Business Licenses peaked during FY1980-81 (at \$10.03 million) and did not reach a new high until FY1984-85 (at \$11.5 million). All Other discretionary revenues appears to be more volatile but the longrun trend appears to be downward. This probably reflects the fact that miscellaneous fees and charges are not indexed to a price index and are not regularly reviewed to reflect rising costs.

#### Alternative Reserve Level Calculations

Table 2 seems to show that during an economic downturn revenue growth will at best slow considerably. How much depends on the nature, severity, timing, and length of the downturn. Tables 3 and 4 use the information above and other Financial Forecast information to develop three cases or alternative reserve level calculations.

#### CASE 1

Case 1 uses the Lower Bound revenue forecast shown in Figures 4 and 5 of the Financial Forecast.

The onset of an economic downturn during late FY1989-90 creates an estimated gap, during FY1990-91 of about \$2.8 million between expenditures and revenues. During the second year (FY1991-92) the estimated gap widens to \$5.6 million. Creation of a reserve large enough to get through the first year translates into a General Reserve Fund totaling about \$11.5 million. This would be composed of a 5 percent element for unexpected expenses plus a \$2.8 million counter-cyclical element. This works out to a total reserve level that is 6.6 percent of Net Revenues as defined above.

Adding the insurance of a second year raises the required reserve level to about \$17.1 million. This works out to a total reserve level of just under 10 percent. A conservative approach argues for the 10 percent level. The reason for this is timing. A recession is likely to result

in slower revenue growth during or within a fiscal year. This requires some initial use of the counter-cyclical reserve element to get through part of a year. Adding the second year, really the first full year, would give Council the opportunity to make revenue and expenditure adjustments with implementation of a new budget. Thus, under the two-year column in Table 3, the \$8.35 million countercyclical reserve would be used to adjust to slower revenue growth over an 18 to 24 month period. The other reserve element, the "unexpected expense" reserve would still be available for extraordinary one-time expenditure requirements.

#### CASE 1

#### Cyclical Reserve Calculation

Use Lower Bound Revenue forecast

FY1990-91 General Fund

Net Revenues..... \$174,087,688

Item	Required Reserve	
	One-Year	Two-Year
Unexpected Expense..5.00%..	\$8,704,384	\$8,704,384
Countercyclical Reserve....	\$2,760,871	\$8,348,950
Required Reserve Level	\$11,465,255	\$17,053,335
Reserve Level Percentage	6.6%	9.8%

Table 3-Case 1 Reserve Calculation

The "Case 1" calculations are attractive because they "fall out" of the annual Financial Forecast. This calculation can be replicated from year to year. The major drawback associated with the approach is that it depends on a specific (DRI) recession forecast. The specifics and details of the recession forecast that produces the lower bound revenue forecast are different every forecast cycle. Calculations from year-to-year may result in variations in the required reserve level.

#### CASE 2

Case 2 uses the lowest overall historical year-to-year growth rate of 0.6 percent to compute a counter-cyclical reserve element. Under this alternative the difference between the "Most Likely" forecast and lower 0.6 percent discretionary revenue growth translates into about \$7.7 million gap between revenues and expenditures. As shown at the top of Table 4, the required reserve level amounts to about \$16.4 million or about 9.4 percent of revenues. The counter-cyclical reserve element would total about \$7.7 million. Comparison with Case 1, suggests that this would be large enough to get through a 12 to 18 month period of slower revenue growth.

#### CASE 3

Case 3 uses the lowest growth rate for each major revenue category shown in Table 2 and estimated year-end FY1989-90 revenues to compute an overall lower bound revenue estimate for FY1990-91. For example, Transient Lodging Taxes are forecast to increase by about 7 percent during FY1990-91. Table 2 shows a worst case growth of -9.2 percent. The



difference between the forecast and negative growth results in a revenue gap. Doing this for other major categories yields an estimated shortfall of about \$9.9 million. The required reserve level for this case is \$18.6 million. This equates to about 10.7 percent of forecast FY1990-91 General Fund revenues net of short-term borrowing. A counter-cyclical reserve totaling \$9.9 million would, judging from Case 1, probably be sufficient to offset slower revenue growth over an 18 to 24 month period.

### Conclusion

The three different reserve level calculations shown above suggest that the desired General Reserve Fund level is about 10 percent of total annual General Fund Revenues net of short-term borrowing receipts. About 5 percentage points constitutes a reserve for large unexpected one-time expenditures. An additional

5 percentage points would provide a counter-cyclical reserve. A 10 percent General Reserve Fund level would give Council the flexibility to contend with the combination of large one-time unexpected expenditures and slower revenue growth due to an economic downturn. The analysis above suggest that the 5 percent counter-cyclical reserve element would provide about 12 to 24 months of leeway in adjusting to the effects of slower revenue growth due to an economic slowdown.

#### CASE 2

##### Cyclical Reserve Calculation

Use Lowest Year-to-Year Overall Growth

Item	Required Reserve
Unexpected Expense.. (5.00%)...	\$8,704,384
Countercyclical Reserve.....	\$7,699,782
Required Reserve Fund Level	\$16,404,167
Reserve Level Percentage.....	9.4%

#### CASE 3

##### Cyclical Reserve Calculation

Use Lowest Year-to-Year Growth Rates  
By Revenue type

Item	Required Reserve
Unexpected Expense.. (5.00%)...	\$8,704,384
Countercyclical Reserve.....	\$9,912,685
Required Reserve Fund Level...	\$18,617,070
Reserve Level Percentage.....	10.7%

Table 4-Cases 2 and 3 Reserve Levels

# RESOLUTION No. 35089

Revise Interagency Agreement Policy for the City of Portland. (Resolution)

WHEREAS, an Interagency Agreement Policy was adopted by Council (Resolution No. 34580), effective July 1, 1989 upon acknowledging the need for such a policy, consisting of a set of standards and guidelines governing the Interagency Agreement process throughout each fiscal year.

WHEREAS, the IBIS Interagency Agreement Committee, in conjunction with the Bureau of Financial Planning, proposes updates to the policy and revisions to the billing dispute resolution process described under **Guideline V** of the City's policy.

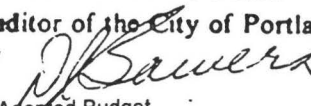
WHEREAS, the Council of the City of Portland acknowledges a need to revise the Interagency Agreement Policy.

NOW, THEREFORE, BE IT RESOLVED by Council of the City of Portland, Oregon that:

1. The Revised Interagency Agreement Policy (Exhibit I) shall be adopted by Council and shall be in full force and effect, beginning December 9, 1992.
2. All Interagency Agreements entered into by the bureaus/agencies of the City of Portland after December 8, 1992, shall follow the revised policy standards and guidelines set forth therein.

Adopted by the Council, DEC 16 1992

Mayor Bud Clark  
JEC:LMS  
December 4, 1992

**BARBARA CLARK**  
Auditor of the City of Portland  
By   
Deputy





## EXHIBIT I

### *INTERAGENCY AGREEMENT POLICY*

*Revised November 2, 1992*

#### INTRODUCTION

The City of Portland has a budgeting process that establishes controls at organizational and programmatic levels called appropriation units. These units are cost centers that collect all the appropriate costs associated with the organization or program. Frequently, one organizational unit is better equipped either logistically or economically to provide services that fulfill the organizational or programmatic need of another organizational unit. Due to specific funding requirements and in order to hold managers responsible for the budgets, programs and organizations that they control, there is a need to insure that costs are allocated among appropriate cost centers. The method of assigning these costs is called an Interagency Agreement.

#### BACKGROUND

The Interagency Agreement (I/A) was first implemented by the City of Portland during FY 1974-75. In its current form, an Interagency Agreement is akin to a contractual agreement between two city agencies/bureaus for either the provision of services or the purchase or replacement of equipment from any of the internal service funds. The receiver is a bureau of the City receiving specific services from another City bureau through an Interagency Agreement. The provider is a bureau of the City which provides specific services to another bureau of the City through an Interagency Agreement.

In theory, the receiver agency requests a specific level of service from a provider agency. Upon reaching a tentative agreement, the provider offers a cost estimate to the receiver. If the receiver agency is in agreement with the cost estimate of the provider agency for the services requested, the bureau manager signs and returns the Interagency Service Agreement (BUD 5) to the provider agency. Also, the fact that rates periodically change to reflect increased/decreased costs in materials and labor must be taken into consideration when providers/receivers are entering into new agreements. BUD 5's should provide a clear and detailed description of the services to be provided and received.

Further, most of the internal service funds were established by ordinance during FY 1974-75. Internal service fund interagencies are unique in that the internal service bureaus (ie., Communications Services, Printing and Distribution Services, Fleet Services, Insurance and Claims, Worker's Compensation, Computer Services, Justice Center) furnish receiver bureaus with a BUD 5 indicating the budgeted amount of service for the current fiscal year and an estimate based on the current level of service for the subsequent fiscal year.



## INTERAGENCY AGREEMENT POLICY

An internal service fund, the Intermediate Debt Service Fund, has been established for the acquisition of equipment under the Master Lease program. This fund is managed by the Office of Finance and Administration (OF&A) and used to collect lease payments from bureaus financing acquisitions through this program. OF&A's Debt Management Division is responsible for preparing BUD 5's for bureaus acquiring equipment and/or facilities under an existing Master Lease or the 1984 Facilities Lease Purchase.

Sometimes the receiver bureau wishes to obtain additional services or to delete existing services with the provider, generally after consultation. When this occurs, the receiver bureau makes the necessary changes on the BUD 5 and returns a copy to the provider bureau for its approval. After the provider bureau has agreed to these service changes and both bureaus have signed the agreement, the receiver bureau may then include the revised figure in its budget request. If the receiver agency does not agree with the provider agency's cost estimate, it must resolve the disagreement with the provider agency. In terms of the calendar for the Budget Process, a three-week turnaround is provided for the receiver bureaus to notify the provider bureaus of any changes in service level requests.

In practice, because of the short time frame involved, the I/A process can break down due to:

1. the lateness of the Bud 5's to the receivers,
2. the bureaus not signing their interagency agreements,
3. disagreements as to the content of the agreement,
4. bureaus not informing each other when changes have occurred, etc.

When there are requests for new or replacement equipment from Fleet Services, Printing and Distribution Services, or Communications Services, the receiver agency includes only the additional rental or replacement charges for that equipment in its interagency agreement for services. In addition, the Bud 6 Form allows bureaus to provide a description of any equipment to be purchased and the purchase amount. This form is a Cash Transfer (Bud 6). The cost of purchasing the equipment is also listed on the Line Item Worksheet (BUD 1), Line Item 573000 (Equipment Cash Transfers).

In summary, the Interagency Agreement (Bud 5) establishes a mutually-agreed upon budget amount for anticipated services to be provided or received. The Cash Transfer (BUD 6) establishes the amount of equipment purchases in much the same manner.

Due to the numerous problems incurred in recent years and the ever-increasing usage of Interagency Agreements, it became necessary to establish a formal policy citing standards and guidelines to allow for a more efficient and effective Interagency Agreement process and to provide a method for conflict resolution. The process was first introduced in FY 1989-90.

## *INTERAGENCY AGREEMENT POLICY*

### GUIDELINE I: FORMAT OF THE INTERAGENCY AGREEMENT

The format of a completed Interagency Agreement (IA) will include the following:

1. The IA will be written, not verbal, and will be completed on the BUD 5 form provided by OF&A or its equivalent.
2. The IA will reasonably define the service to be provided in quantitative terms and whenever possible, qualitative terms.
3. The IA will clearly state the price and quantity or elements of the service(s) to be provided so that any necessary amendments/adjustments may be made easily. This will also assist bureaus in reducing or increasing services to meet their program needs. This requirement may be fulfilled by making reference to procedures manuals or an indication that documentation is available upon request.
4. The IA will define the process by which amendments/adjustments may be made to the original agreement.
5. In the case of an unanticipated mid-year amendment, the proper supporting documentation with respect to the changes will be provided. The Interagency Service/Cash Transfer Agreement form includes columns labeled "original", "revised", and "adjustment" to accommodate this policy requirements.
6. The IA will define the billing process and schedule.

Interagency Agreements will only be accepted by the Office of Finance and Administration, Bureau of Financial Planning, if they have been completed according to the above requirements and if they have been signed by both the provider's and the receiver's authorized bureau representative, thus indicating they have entered into an agreement. **If a completed Interagency Agreement is not received by OF&A, it will not be put in the budget.**

Copies of any subsequent signed IA Change Forms to amend an agreement shall be sent to all parties involved, ie., the provider, receiver, budget analyst, etc.



## *INTERAGENCY AGREEMENT POLICY*

### GUIDELINE II: RATE SETTING

Brief summary of RATE METHODOLOGY -- Since there are typically no General Fund or other subsidies built into provider budgets, Interagency providers must charge the full cost of services provided. This includes not only current services, but also the planning for future provision of services.

Rates will be developed based on cost-of-services data. Each service category must be identified at a level which can be measured (in terms of cost and quantity) and, if possible, comparable to similar externally-provided services. Cost must include both direct and indirect costs. Indirect costs may include elements of both General Fund and bureau administrative overhead.

As a result, every rate structure must be composed of two or more elements, with the elements dependent on the type of associated costs (fixed or variable) involved. The computation will also include direct and indirect administrative costs which are part of the rates. Direct costs cover the supervisory functions (ie., personnel and related materials and supplies) directly associated with managing work production. Indirect costs include administrative support functions like accounting, budgeting, payroll, billing, rental space, personnel and the like. These tasks are performed by a central administrative staff within the providing bureau. (The Office of Finance and Administration is nearing the completion of the **Cost of Service Manual** that describes rate setting methodologies and procedures. The anticipated distribution date is December, 1992.)

In the case of General Services, the Interagency Agreement (BUD 5) separately identifies a charge for General Fund Overhead which has not been included as part of the service rate computations. The General Fund Overhead is a cost to an internal service fund for certain centralized services not covered under Interagency Agreements. Services of this kind include central accounting, treasury, purchasing, payroll, legal services and personnel. General Fund Overhead will continue to be included, in some way, as part of the rate computations, denoting the true cost of all services provided to the receivers.

The basic premise of the rate development philosophy is that the rates of Interagency providers will reflect the true cost of operations.

Each year, prior to the development of bureau budgets and in conformance with the budget calendar, providers will contact receiving bureaus and present estimates of service costs. This contact will include the following:

1. Notification to receivers of any major changes in their rate methodology. Rate development by provider bureaus will be timed to meet the requirements of the fiscal year budget calendar considering the availability of overhead targets and budget costs.

**INTERAGENCY AGREEMENT POLICY**

2. An estimate of service quantity and quality that is to be provided in the subsequent year.
3. Providers will make available to receivers information concerning the development of their interagency rates. This includes detail concerning the methodology of rate construction and cost basis of rates. Upon request by receiver bureaus, other providers will also make this information available.
4. This information will provide the basis of discussions between the provider and receiver to arrive at a mutually agreeable level of service and associated costs.

Annually, after bureau budget submissions to OF&A, providers will hold work sessions with receivers to review and explore modifications to rate methodologies for implementation in the following budget process. This rate methodology review will involve:

1. Notice of work sessions regarding the development of their rate methodology annually after submittal of the budget. Any agreed upon changes in methodology will apply to the following year's budget process.
2. Providers must develop rates in any one of several ways consistent with the provider's service: flat rates, fixed plus variable rates, rates based on prior experience, etc. Whatever the methodology chosen, the objective of the rate setting process must be a fair allocation of the provider's costs among all receivers of a service.

**GUIDELINE III: RATE APPLICATION**

For each class of IA receivers, rates will be uniformly applied. Special arrangements or any sort of exception from standard rates or components of rates for the provision of services by provider bureaus will not be made unless otherwise directed by Council.



**INTERAGENCY AGREEMENT POLICY****GUIDELINE IV: BILLING PROCEDURES**

Billing documents and supporting data will be submitted to the Accounting Division in a timely manner and in conformance with the processing schedules set forth by the Office of Finance and Administration. There will be a full description of the type of service provided, reference made to authorizing work order numbers, as well as a breakdown of either the quantity and rate being charged or the actual costs being billed. Billings will indicate the period of time during which the services were provided and the date of the billing transaction (within the current accounting period). All billings must have an appropriate authorized signature along with the name, position and telephone number of the person preparing the billing.

Billings for interagency services fall into three categories: premium/dedicated/cash transfers, charges driven by inventories, and charges based upon specific services or usage. The first category includes insurance premiums and dedicated interagency appropriation. The second category includes billings for assigned equipment (vehicles, telephones, radios), rent and lease financing charges. The third category covers work order charges and other variable cost services like fuel, motor pool, and long distance. In addition, equipment cash transfers would fall into the third category. (These examples are not exhaustive.)

Documents submitted to record direct billings for a service, ie., printing service, telephone service, etc., must include the following:

1. Description of the service which was provided.
2. The price elements of the service(s) which was(were) provided including quantity and rates and any other direct and indirect charges applied.

The Accounting Division of the Office of Finance and Administration will only accept and process billings which are billed in the same FY for which the services/purchases were provided/made. Therefore, the final billing of all internal services must be complete and submitted to the Accounting Division in time to be included in **Period 13, Run 1**. If actual amounts are not known in time for Run 1, then estimates may be substituted and adjusted to actuals in Run 2. If a receiver wants to challenge a billed amount, it must be filed and resolved prior to Run 2.

**GUIDELINE V: DISPUTE RESOLUTION PROCESS**

There are two separate types of dispute resolution processes:

- A. Policy disputes - including rate methodology; and,
- B. Billing disputes - involving the application of set rates, and/or service provision within an existing Interagency Agreement.

## *INTERAGENCY AGREEMENT POLICY*

In both cases, parties are encouraged to resolve disputes between themselves. However, experience has shown the need for a dispute resolution process.

### A. Policy Dispute Resolution

In cases of disputes relating to policy issues such as rate methodology, either party may submit issues to the Interagency Review Board (IARB), comprised of non-involved Bureau Managers appointed by the OF&A Director on a case-by-case basis for resolution. The IARB will issue a report of its findings and recommendations. Parties to the dispute will have ten (10) days to accept its recommendations. If not, the report and issues will be placed on the Council agenda for final resolution.

### B. Billing Dispute Resolution

In the case of billing disputes, the following procedure will be utilized:

#### **Step I - Receiver Agency:**

1. Formally objects to billings in dispute by writing to provider describing the billings and why receiver believes they are incorrect.

#### **Step II - Provider Agency:**

1. Receives written description of disputed billings from receiver. Provider and receiver agencies then have 20 working days to resolve the dispute. To the degree the dispute is resolved in the receiver's favor, provider will return the cash plus interest.

#### **Step III - Provider and Receiver Agencies:**

1. If the dispute is not resolved within 20 working days as noted above, provider and receiver shall submit written justification for their positions to the Office of Finance and Administration in conformance with the following process:
  - a. *Position papers must be submitted within 10 working days which clearly:*
    1. *Defines the dispute.*
    2. *Provides relevant information in support of the Bureau's position.*

**INTERAGENCY AGREEMENT POLICY**

3. *States the steps that were taken in an attempt to resolve the disputed issues.*

**Step IV - Office of Finance and Administration:**

1. Issues a decision on the dispute within 10 working days after receiving the request. (During the budget season, from January 1 through March 31, this 10-day period may need to be extended indefinitely, dependent upon available staff within OF&A.) If provider and receiver agencies do not accept the decision of OF&A, OF&A will submit its report to the Commissioners-in-Charge of the respective bureaus, with a copy to the rest of the Council. When the dispute is finally resolved, to the degree the resolution is in the receiver's favor, provider will make cash restitution plus interest.

**NOTE:** Again, it must be determined by the Office of Finance and Administration that the bureaus in dispute have taken all possible steps to resolve the disputed issues. Also, bureaus are encouraged to settle any and all apparent IA disputes prior to the beginning of the Budget Process, either by stipulation or arbitration. Arbitration prior to the submission of the bureaus' budgets will yield a maximum level of agreement. However, once the Budget Process begins, time for arbitration of disputes will be very, very limited, if not non-existent.

RESOLUTION NO. 34847

Establish a Local Improvement District Financing Policy for evaluating, forming and financing local improvement projects. (Resolution)

THE COUNCIL OF THE CITY OF PORTLAND FINDS THAT

1. WHEREAS, the City of Portland forms, finances and constructs more than \$1 million in voluntary local improvement district projects, annually; and
2. WHEREAS, the City of Portland has provided financial security for local improvement projects by pledging the City's taxing authority; and
3. WHEREAS, Ballot Measure 5 imposes new restrictions and conditions on the use of the City's taxing authority by requiring City-wide voter approval of unlimited tax general obligation improvement bonds; and
4. WHEREAS, existing local improvement district financing policies do not address the changing requirements of Ballot Measure 5; and
5. WHEREAS, it is critical to the long-term financial health of the City to have financial policies which protect City resources, and provide adequate security for City bondholders; and
6. WHEREAS, the local improvement district program is an important method for financing local transportation, sewer, water and other capital improvements; and
7. WHEREAS, the City's local improvement district financing policy must be responsive to the varied financial requirements of each local improvement district; and
8. WHEREAS, the Auditor's Office convened a Policy Committee consisting of the Auditor's Office, Office of Transportation, Bureau of Environmental Services, Water Bureau, Office of Finance and Administration, and Public Financial Management, the City's financial advisor; and
9. WHEREAS, the Policy Committee reviewed the issues affecting the City's LID Program and developed recommendations to be included in the LID Financing Policy; and
10. WHEREAS, the Auditor's Office presented the Policy Committee recommendations to the Auditor's Office Budget Advisory Committee on April 23, 1991, and to City Council in informal session on April 30, 1991;

NOW, THEREFORE, BE IT RESOLVED THAT

1. The City of Portland adopts the Local Improvement District Financing Policy, as set forth in Attachment A; and
2. The Local Improvement District Financing Policy governs all future local improvement projects, including projects which City Council has formed by ordinance, and for which City Council has not awarded a construction contract; and
3. The Local Improvement District Financing Policy supplements all existing City policies related to local improvement districts, assessments and assessment financing; and
4. The Auditor's Office is directed to work with participants on the Policy Committee, existing advisory bodies, property owners and other interested citizens to obtain public review and comment; and
5. The Auditor's Office is directed to prepare City Charter and Code amendments, as needed, to codify this policy after receiving public review and comment.





**City of Portland  
Local Improvement District Financing Policy**

**A. Purpose and Intent.**

The LID Financing Policy is intended to facilitate the use of the local improvement district process in a manner which protects the City's financial condition. The Policy prescribes a process to (1) evaluate the financial feasibility of local improvement projects, (2) measure financial risk of project default, and (3) identify sources of financial security for long-term assessment financing. Through this process, the City will be able to make reasoned policy decisions about the purpose of the local improvement, the responsibilities of property owners, the contributions (if any) of City resources, and the means of responding to financial risk.

**B. Findings.**

1. The City of Portland forms, finances and constructs more than \$1 million in voluntary local improvement district projects, annually.
2. The City of Portland has provided financial security for local improvement projects by pledging the City's taxing authority.
3. Ballot Measure 5 imposes new restrictions and conditions on the use of the City's taxing authority by requiring City-wide voter approval of general obligation improvement bonds.
4. Existing local improvement district financing policies do not address the changing requirements of Ballot Measure 5.
5. It is critical to the long-term financial health of the City to have financial policies which protect City resources, and provide adequate security for City bondholders.
6. The local improvement district program is an important method for financing local transportation, sewer, water and other capital improvements.
7. The City's local improvement district financing policy must be responsive to the varied financial requirements of each local improvement district.

**C. Responsibilities.**

The following general responsibilities will govern the evaluation of a proposed local improvement project prior to City Council adoption of an ordinance to form a local improvement district:

1. The chief petitioners shall be responsible for responding to any financial concerns or conditions raised by the City as a result of a technical or financial evaluation of the proposed local improvement project.

2. The lead public works bureau shall be responsible for assisting property owners with the procedures to file a petition to form a local improvement district. To the greatest extent possible, the bureau should attempt to identify financing issues early in the petition process, and include the Auditor's Office in a review of possible financial options.
3. The Auditor's Office shall be responsible for evaluating the financial feasibility and measuring the financial risk of a proposed local improvement project based on this Policy.

#### D. Feasibility Tests.

The City Auditor shall use the following tests when evaluating the financial feasibility of a local improvement project. These tests, and any resulting financial security issues, shall be completed and addressed before the Auditor's Office prepares and files an ordinance to form a local improvement district. The Auditor's Office will perform the financial evaluation with assistance and involvement from public works bureaus, the Office of Finance and Administration, the Portland Development Commission, petitioners and other interested parties.

Feasibility Test	Standard or Condition
Value to Assessment Ratio	Individual properties must have a value to assessment ratio of 2:1 or greater. Exceptions to this standard will be accepted for aberrant ratios as noted under Waiver Criteria.
Aberrant Value to Assessment Ratio	Ratios below 2:1 will be accepted on properties representing no more than 5% of estimated assessments. No individual aberrant property may represent more than 2% of estimated assessments. No individual aberrant property may have a ratio less than 1.5:1.
Diversity of Ownership	The City will require additional security for projects where 3 or less property owners represent more than 50% of estimated assessments.
Diversity of Development	The City may require additional security for projects involving vacant property which represents more than 25% of total assessments.
Bankruptcy	The City will require additional security for properties which are involved in a bankruptcy proceeding.
Waiver Criteria	<ul style="list-style-type: none"> <li>•Project involving less than 12 properties, and for which more than 75% of assessment estimates are on residential property.</li> <li>•The value to assessment and aberrant ratio standards may be waived if affected property owners file financial statements demonstrating ability to pay assessments, and if total real market property value exceeds total taxes and assessment liens.</li> <li>•Publicly owned property is exempt from all feasibility tests.</li> <li>•The project advances expressed City goals or objectives, and adequate security is identified by City Council.</li> <li>•The project is included in an urban renewal area, and is secured by the Portland Development Commission.</li> </ul>
Conditions for Developer LIDs	<ul style="list-style-type: none"> <li>•Developer/chief petitioner files current financial statements.</li> <li>•No delinquent property taxes or assessments.</li> <li>•Bond, letter of credit or other security equal to total project costs.</li> </ul>

## E. Improvement Bond Program Security and Structure

The City Council shall use the following security arrangements and bonding structure when approving long-term financing of local improvement assessments. These guidelines are intended to provide adequate financial securities to market limited general obligation improvement bonds at the lowest possible interest cost to property owners. In addition, the guidelines set forth the order of security to be provided in the event that a property owner defaults on a local improvement assessment loan.

Security or Structural Consideration	Standard or Condition
Lien Enforcement	The City shall use active collection and foreclosure practices to collect delinquent local improvement assessments.
Primary Security	The City places a municipal lien on property to secure local improvement assessments. Additional security is pledged by developers based on the value to lien ratio test of 2:1.
Secondary Security	The City shall adjust the interest rate on local improvement assessment loans to provide for insurance for improvement bonds. The adjustment shall be determined by City Council, based on a recommendation of the Office of Finance and Administration, the Auditor's Office and the City's financial advisor. The interest rate adjustment shall be fixed at the time the Auditor's Office sets the permanent interest rate on assessment loans, following a bond sale. Proceeds shall be deposited in a dedicated reserve account to be used to cover debt service payments in the event of an assessment loan default.
Ultimate Security	The General Fund shall be ultimately responsible for securing improvement bonds. In the event that a property owner default of an assessment loan requires debt service payments beyond the coverage established in improvement bond reserve account, City enterprise funds shall make payments on behalf of the General Fund as set forth in the bond sale ordinance. Participation by each enterprise fund shall be proportionate based on the types of local improvement projects involved in the bond sale.
Interest Rate Bump	The Auditor's Office and Office of Finance and Administration shall provide that the interest rate adjustment authorized by City Code is sufficient to administrative costs, cash flow requirements and the reserve requirements set forth in City Code and this Policy.
Contract versus Bond Length	The City shall structure improvement bonds to mature at least 2 years following the last scheduled installment payment of an assessment loan financed by the bond sale.
Bond Amortization Schedule	The City shall offer monthly and semi-annual installment plans for the convenience of property owners. The City shall encourage early payoff and prepayment of assessment loans and use of 10 year loan terms wherever possible.



## E. Definitions

The following definitions are used for the purposes of this Policy:

Aberrant Value	Exceptions to set criteria.
Assessment	Share of public improvement costs apportioned to LID property based on the total Actual Cost (defined in HB 2550) less any project subsidy.
Bare Land LID	An LID which includes predominantly unimproved land.
Bond Reserve Fee	A separate fee (distinct from Financing Fees) charged to property owners to provide a separate reserve fund as additional security for the bonds issued to finance assessment contracts.
Contingent Liability	Potential debt service payments (including unrecovered principal repayment after the foreclosure and sale of property) to be paid if assessment payments are not made on a timely basis.
Developer LID	Local Improvement District formed to install public improvements (streets, sidewalks, lighting, sewers, or water) <u>before</u> private improvements are constructed or completed.
Financing Fees	Charges to LID participants who elect to finance assessments which cover the cost incurred by the City in the provision of such financing. These costs include, but are not limited to, fees to consultants, bond counsel, underwriters and paying agents, and the cost of preparing and printing the official statement.
Letters of Credit	An irrevocable commitment by a credit worthy bank or financial institution to make payments upon demand. Generally required by a developer wishing to proceed with an LID which does not conform to financial criteria established by the City. The Letter of Credit (LC) is generally posted for the estimated total cost of the improvements and subject to draw by the City without further approval.
Lien	Legally enforceable claim on the property second only to taxes and superior to other mortgage liens.
Property	Land, identified by a discrete tax lot number, plus any existing improvements to the land.
Property Value	Real Market Value as determined by Assessor in conformance with HB 2550 or an appraisal by a certified (MAI) appraiser of the market value of the property as of the completion of the public improvements.
Total Liens	All taxes due (current, deferred and delinquent), existing and proposed City assessments, mortgage, and any other legal claim on the property, regardless of lien position.
Value to Lien Ratio	The value of the property, less any taxes or co-equal liens, compared to the estimated LID assessment.

## **Budget Ordinances**



OFFICE OF  
**AUDITOR OF THE CITY OF PORTLAND**

Room 202 City Hall  
1220 SW 5th Avenue  
Portland, Oregon 97204

**COPY CERTIFICATE**

STATE OF OREGON                    }  
COUNTY OF MULTNOMAH, }ss  
CITY OF PORTLAND,                }

I, **BARBARA CLARK**, Auditor of the City of Portland, do hereby certify that I have compared the following copy of Ordinance No. 171265, passed by the Portland City Council on June 18, 1997, adopting the annual budget of the City of Portland and establishing appropriations for the fiscal year beginning July 1, 1997, with the original thereof and that the same is a full, true and correct copy of such original Ordinance No. 171265 and of the whole thereof as the same appears on file and of record in my office and in my care and custody.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the City of Portland affixed this 18th day of June, 1997.



**BARBARA CLARK**  
Auditor of the City of Portland

By *B. Olson*  
Deputy





## **SUBSTITUTE**

**17 1 2 6 5**

### **ORDINANCE No.**

\*Adopt the annual budget of the City of Portland and establish appropriations for the fiscal year beginning July 1, 1997. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. The Multnomah County Tax Supervising and Conservation Commission (TSCC) held its public hearing on the City of Portland's FY 1997-98 budget on June 12, 1997 and certified the City's FY 1997-98 budget and proposed levies on that date.
2. The FY 1997-98 Adopted Budget document presents the second of a two year financial plan and budget which responds to the passage of Measure 50. For FY1997-98 the document provides specific position authorization and line item expenditure and revenue detail for all City bureaus and funds.
3. After the preparation, approval, public notice, and presentation to the TSCC of the City's Approved Budget, it is advisable to update the estimates of resources and requirements contained in the FY1997-98 Budget prior to final adoption as allowed under Oregon State budget statutes.
4. The changes to be incorporated in the Adopted Budget include:
  - a. The carryover of appropriations for certain activities or projects previously authorized in the FY 1996-97 Budget but not expected to be expended by June 30, 1997;
  - b. Technical adjustments including program revenue adjustments; updated estimates for interagency agreements; and numerous minor adjustments needed in order to make the resource and requirement estimates as up-to-date and technically accurate as possible prior to adoption of the FY1997-98 Budget.
  - c. Decisions by the Mayor and Commissioners on program changes as of June 16, 1997. These changes were the result of additional property tax revenues available due to the passage of Measure 50.
5. The budget should be adopted so that there is no delay in establishing budget authority for conducting City business on July 1, 1997.

NOW, THEREFORE, the Council directs:

- a. The Fiscal Year 1997-98 budget of the City of Portland is hereby adopted.
- b. To authorize expenditures in accordance with the annual budget adopted in Section 1.a of this Ordinance, amounts are hereby appropriated for the fiscal year beginning July 1, 1997, from the funds and for the purposes listed in Table 10, attached hereto, and summarized below. This schedule of appropriations incorporates the changes referred to in the Findings of this ordinance.

**TO TAL EXPENSES - All Funds**

**Bureau Expenses**

Personal Services	318,776,869
External Materials & Services	271,707,850
Internal Materials & Services	105,909,846
Capital Outlay	153,586,300
Equipment Cash Transfers	650,559
<b>Total Bureau Expenses</b>	<b>850,631,424</b>

**Fund-Level Expenses**

Debt Service	181,215,342
Fund Level Cash Transfers	281,609,726
Contingency	273,511,572
Inventory Increases	140,000

<b>Total Fund-Level Expenses</b>	<b>736,476,640</b>
----------------------------------	--------------------

<b>TO TAL APPROPRIATED BUDGET</b>	<b>1,587,108,064</b>
-----------------------------------	----------------------

Unappropriated Ending Balance	55,336,468
-------------------------------	------------

<b>TO TAL BUDGET</b>	<b>1,642,444,532</b>
----------------------	----------------------

Less Interfund Transfers and Tax Anticipation Notes	(408,170,131)
---	---------------

<b>NET BUDGET</b>	<b>1,234,274,401</b>
-------------------	----------------------

- c. The Mayor and the Auditor are hereby authorized to draw warrants on the appropriations made in Section 1.b of this Ordinance as provided in Section 2-508 of the City Charter.

- d. The number of authorized full-time positions is hereby limited to the number of such positions listed for each fund and bureau in the FY 1997-98 Adopted Budget unless otherwise authorized by Council.

The Mayor, the Commissioners and the Auditor, within their respective jurisdictions, are authorized to fill vacant positions in accordance with Chapter 4.04 of the Code of the City of Portland unless otherwise directed by Council. Salaries for each appointee shall be set in accordance with the Compensation Plan of the City of Portland unless otherwise directed by the Council.

- e. Special expenditure limitations are hereby established as follows:
  - i. Expenditures may not exceed the amounts listed for the major object categories in the FY 1997-98 Adopted Budget, as amended throughout the fiscal year by the appropriate authority. The "major object categories" include personal services, external materials and services, internal materials and services, capital outlay, equipment cash transfers, contingency, fund-level cash transfers, debt retirement, and inventory increases.
  - ii. Bureau managers may adjust their line item budgets as needed, subject to the limitations described below.
    - (a) Line item budget adjustments may not change the appropriation amounts shown in Table 10 except with approval from the City Council as provided for in ORS 294.450, 294.326, or 294.455 or through the Supplemental Budget process provided for in ORS 294.455 and ORS 294.480.
    - (b) Line item budget adjustments may only change the totals for the major object categories of the bureau program budget with written authorization from the Commissioner-in-Charge and subsequent reporting in the trimester Budget Monitoring Reports that bureaus submit to the Office of Finance and Administration.
  - iii. Expenditures for internal materials & services (line items 551000 through 559000) may only be used to obtain services from City of Portland agencies. Any line item budget adjustment that changes an internal materials & services amount must be agreed to by both the bureau providing the service and the bureau receiving the service, in accordance with the City's policy on interagency agreements adopted by the City Council on June 21, 1989 and revised on December 4, 1992.
  - iv. Fund-level cash transfers may not exceed the amounts detailed in the FY1997-98 Adopted Budget without approval from the City Council.



- v. The capital outlay category is to be used for the purchase of "fixed assets," which are defined as tangible assets having a unit cost of at least \$5,000 and an expected life of at least one year. The capital outlay category is subdivided into land, buildings, improvements, and equipment/furniture. "Improvements" are fixed assets other than buildings that add value to land, cost at least \$10,000, and have an expected life of at least 10 years. "Equipment and furniture" (line item 564000) is defined as fixed assets other than land, buildings, and improvements.
- vi. Expenditures on Federal and State grant projects are limited to those grants which have been accepted and approved by the City Council.
- f. Special budget monitoring provisions are hereby authorized for FY 1997-98:  
  
The Bureau of Financial Planning is directed to prepare a trimester report to Council regarding budgetary performance and fiscal status and is authorized to require City bureaus to submit such information as is necessary to prepare this report, including the status of budget notes included in the FY1997-98 Adopted Budget.
- g. The FY1997-98 Adopted Budget will be prepared in accordance with Council policy directions and state budget law.

Section 2. The Council declares that an emergency exists, as it necessary to adopt the Fiscal Year 1997-98 Budget and establish appropriation without delay in order to provide authority to transact the financial affairs of the City of Portland for the 1997-98 Fiscal Year; therefore, this ordinance shall be in force and effect from and after the start of the Fiscal Year beginning July 1, 1997.

Passed by the Council, JUN 18 1997  
 Mayor Vera Katz  
 Office of Finance and Administration  
 TG:DA:MM  
 June 17, 1997

Barbara Clark

Auditor of the City of Portland

By

*Bette Olson*  
 Deputy

## APPROPRIATION SCHEDULE - FY 1997-98

Table 10

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
<b>GENERAL FUND</b>						
Office of the City Attorney	3,998,963	0	0	0	0	3,998,963
Office of the City Auditor	4,351,985	0	0	0	0	4,351,985
Office of Cable Communications	1,390,450	0	0	0	0	1,390,450
Commissioner #1-Public Utilities	555,543	0	0	0	0	555,543
Commissioner #2-Public Works	555,556	0	0	0	0	555,556
Commissioner #3-Public Affairs	555,581	0	0	0	0	555,581
Commissioner #4-Public Safety	555,752	0	0	0	0	555,752
Bureau of Community Development	4,718,996	0	0	0	0	4,718,996
Energy Office	892,550	0	0	0	0	892,550
Office of Finance and Administration	17,232,813	0	0	0	0	17,232,813
Bureau of Fire, Rescue & Emrg Svcs	58,950,730	0	0	0	0	58,950,730
Bureau of General Services	1,285,765	0	0	0	0	1,285,765
Governmental Relations	535,767	0	0	0	0	535,767
Bureau of Licenses	2,818,248	0	0	0	0	2,818,248
Office of the Mayor	1,237,146	0	0	0	0	1,237,146
Office of Neighborhood Associations	3,169,265	0	0	0	0	3,169,265
Bureau of Parks	38,091,622	0	0	0	0	38,091,622
Bureau of Planning	8,280,460	0	0	0	0	8,280,460
Bureau of Police	98,167,425	0	0	0	0	98,167,425
Bureau of Purchases and Stores	2,162,886	0	0	0	0	2,162,886
	249,507,503	0	0	0	0	249,507,503
<b>Special Appropriations</b>						
Public Safety						
Graffiti Removal	150,000	0	0	0	0	150,000
Public Safety Coordinating Council	25,000	0	0	0	0	25,000
Regional Drug Initiative - GF	25,650	0	0	0	0	25,650
Reg. Drug Initiative - '88 Grant	165,592	0	0	0	0	165,592
Community Development						
Block by Block Weatherization	182,573	0	0	0	0	182,573
Business Districts Development	47,756	0	0	0	0	47,756
Civil Rights Ordinance Enforcement	40,701	0	0	0	0	40,701
Downtown Services	629,457	0	0	0	0	629,457
EID Assessment	11,172	0	0	0	0	11,172
NE Workforce Center	94,763	0	0	0	0	94,763
MERC	600,000	0	0	0	0	600,000
PDC/Business Development	418,036	0	0	0	0	418,036
PDC Economic Development	476,793	0	0	0	0	476,793
Quality Jobs Initiative	106,773	0	0	0	0	106,773
River District	1,198,188	0	0	0	0	1,198,188
Waterfront Development Activities	428,719	0	0	0	0	428,719
Legislative/Administrative						
Business License Refunds	2,955,889	0	0	0	0	2,955,889
City Memberships and Dues	276,624	0	0	0	0	276,624
Council Emergency Fund	7,000	0	0	0	0	7,000
Compensation Adjustment	7,114,303	0	0	0	0	7,114,303
Employee Suggestions	30,000	0	0	0	0	30,000
Innovations Loan Fund	123,695	0	0	0	0	123,695
IRS Rebate	68,600	0	0	0	0	68,600
Leaders Roundtable	10,298	0	0	0	0	10,298
Management Council	5,275	0	0	0	0	5,275
Unemployment Insurance	400,000	0	0	0	0	400,000

## APPROPRIATION SCHEDULE - FY 1997-98

Table 10

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
Cultural Tourism	200,000	0	0	0	0	200,000
Oregon Historical Society	18810	0	0	0	0	18,810
Regional Arts Funding/RACC	1,465,526	0	0	0	0	1,465,526
Transportation						
Employee Transit Program	125,257	0	0	0	0	125,257
Total Special Appropriations	17,402,450	0	0	0	0	17,402,450
Fund Requirements		12,755,757	13,034,693			25,790,450
<b>TOTAL GENERAL FUND</b>	<b>266,909,953</b>	<b>12,755,757</b>	<b>13,034,693</b>	<b>0</b>	<b>0</b>	<b>292,700,403</b>
<b>OTHER FUNDS</b>						
<i>Operating Funds</i>						
Arena Operating	710,429	0	1,147,970	2,688,580	0	4,546,979
Assessment Collections	58,200	151,437	747	0	0	210,384
Auto Port	766,592	533,432	1,569,680	0	0	2,869,704
Buildings	18,854,180	1,554,672	632,311	0	0	21,041,163
Cable	2,938,943	18,497	9,737	0	0	2,967,177
Emergency Communications	10,703,424	559,660	252,066	0	0	11,515,150
Golf	5,239,695	340,996	434,682	0	0	6,015,373
Hydropower Operating	591,813	287,489	297,498	0	0	1,176,800
P I R	769,734	171,776	40,042	0	0	981,552
Parking Facilities	13,060,952	4,535,196	3,515,582	1,500	0	21,113,230
Property Management	2,482,723	10,000	0	0	0	2,492,723
Public Safety	1,331,736	0	8,489	0	0	1,340,225
Refuse Disposal	1,676,780	3,125,302	547,846	0	0	5,349,928
Sewer Operating	137,429,417	6,668,070	70,926,467	0	0	215,023,954
Transportation	98,430,618	10,268,430	2,530,781	0	100,000	111,329,829
Water	68,392,475	13,857,140	26,696,504	578,769	40,000	109,564,888
<i>Internal Service Funds</i>						
Communication Operating	7,181,705	4,276,507	221,650	498,000	0	12,177,862
Computer Services	3,711,260	745,589	136,833	237,333	0	4,831,015
Facilities Service Fund	20,320,655	3,583,757	627,097	7,582,609	0	32,114,118
Fleet Services Oprtng	18,446,616	1,378,187	564,165	0	0	20,388,968
Health Insurance	18,325,293	30,295,306	90,338	0	0	48,710,937
Insurance and Claims	4,742,318	8,619,932	107,346	0	0	13,469,596
Printing and Distribution	5,682,241	813,083	194,070	0	0	6,689,394
Workers' Compensation	4,459,346	11,522,576	84,307	0	0	16,066,229
<i>Agency and Trust Funds</i>						
Environmental Remediation	599,008	243,087	20,808	832,849	0	1,695,752
Housing Investment Fund	11,848,389	0	0	0	0	11,848,389
Hydro Renew & Replace	0	7,412,500	250,000	0	0	7,662,500
Parks Memorial Trust	1,396,569	2,319,450	0	0	0	3,716,019
Sewer Rate Stabilization	0	6,409,628	11,450,000	0	0	17,859,628
Sewer Revolving Loan	490,000	200,000	750,000	0	0	1,440,000
Sewer Safety Net	820,000	150,000	0	0	0	970,000
Water Growth Impact	0	0	0	0	0	0
<i>Construction Funds</i>						
Capital Improvemnt Fund	1,903,954	0	3,029,850	0	0	4,933,804
L I D Construction	11,348,378	648,689	5,119,203	13,845,000	0	30,961,270
Parks Bond Construction	19,402,539	12,438,662	0	0	0	31,841,201
Sewer Construction	67,548	3,139,201	81,673,380	0	0	84,880,129
Water Construction	0	4,289,108	28,594,050	0	0	32,883,158

## APPROPRIATION SCHEDULE - FY 1997-98

Table 10

	Bureau Program Expenses	Fund Requirements				Total Appropriation
		Contingency	Interfund Cash Transfers	Debt Retirement	Inventory Increase	
<i>Debt Service Funds</i>						
Airport Way Debt	0	0	0	1,679,378	0	1,679,378
Bancroft Bond	0	0	0	11,858,710	0	11,858,710
Bonded Debt	0	0	0	5,978,822	0	5,978,822
Central Eastside	0	0	0	3,175,900	0	3,175,900
Convention Center	0	0	0	7,203,217	0	7,203,217
FPD&R Suppl Debt	228,720	0	2,514,360	19,200,000	0	21,943,080
Fourth & Yamhill Debt	0	0	0	267,298	0	267,298
Golf Revenue	0	0	0	304,765	0	304,765
Governmental Bond	106,419	0	0	6,805,520	0	6,911,939
Hydropower Debt	0	0	0	3,727,071	0	3,727,071
Morrison Park East	0	0	0	402,551	0	402,551
Morrison Park West	0	0	0	341,019	0	341,019
Old Town Parking	0	0	0	664,288	0	664,288
Sewer Debt	0	0	0	51,185,957	0	51,185,957
South Park Debt	0	0	0	2,592,875	0	2,592,875
Wash Co Supply	0	0	0	1,690,849	0	1,690,849
Water Bond Sinking	0	0	0	11,195,152	0	11,195,152
Waterfront Renewal	15,000	0	0	5,980,430	0	5,995,430
<i>Federal funds</i>						
Federal Grants	0	0	17,967,389	0	0	17,967,389
HOME Grant Fund	3,851,373	35,627	0	0	0	3,887,000
Housng & Community Develop	18,504,882	125,844	321,574	0	0	18,952,300
<i>Retirements Funds</i>						
Fire & Police Disability & Retirement	65,001,326	3,338,169	53,800	20,696,900	0	89,090,195
FPD&R Reserve	0	0	750,000	0	0	750,000
FPD&R Supplemental	12,000	0	0	0	0	12,000
<i>Revenue and Reserve Funds</i>						
Convention and Tourism	1,818,221	52,271	4,823	0	0	1,875,315
FPD&R Supplemental	0	83,191,072	2,514,360	0	0	85,705,432
General Reserve Fund	0	32,881,475	0	0	0	32,881,475
Transportation Reserve	0	563,998	2,925,228	0	0	3,489,226
<i>Historical Funds</i>						
<b>TOTAL APPROPRIATIONS - ALL FUNDS</b>	<b>850,631,424</b>	<b>273,511,572</b>	<b>281,609,726</b>	<b>181,215,342</b>	<b>140,000</b>	<b>1,587,108,064</b>





OFFICE OF  
AUDITOR OF THE CITY OF PORTLAND

Room 202 City Hall  
1220 SW 5th Avenue  
Portland, Oregon 97204

COPY CERTIFICATE

STATE OF OREGON                    }  
COUNTY OF MULTNOMAH,        }ss  
CITY OF PORTLAND,                }

I, **BARBARA CLARK**, Auditor of the City of Portland, do hereby certify that I have compared the following copy of Ordinance No. 171263, passed by the Portland City Council on June 18, 1997, levying taxes for the City of Portland for the fiscal year beginning July 1, 1997 and directing the Director of Financial Planning to submit said tax levy and other certifications to the County Assessors of Multnomah, Clackamas and Washington counties, with the original thereof and that the same is a full, true and correct copy of such original Ordinance No. 171263 and of the whole thereof as the same appears on file and of record in my office and in my care and custody.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the City of Portland affixed this 18th day of June, 1997.

**BARBARA CLARK**  
Auditor of the City of Portland

By *Bette Olson*  
Deputy





17 1263

**ORDINANCE No.**

\*Levy taxes for the City of Portland for the fiscal year beginning July 1, 1997, and directing the Director of Financial Planning to submit said tax levy and other certifications to the County Assessors of Multnomah, Clackamas, and Washington Counties. (Ordinance)

The City of Portland ordains:

Section 1. The City Council finds that:

1. The FY 1997-98 Budget for the City of Portland was adopted and appropriations made by the City Council on June 18, 1997 by Ordinance.
2. The City has approved a \$32,629,105 tax increment collection. This tax increment collection is contingent upon actual, assessed value growth. The collection will be used to pay existing urban renewal debt service requirements and other urban renewal indebtedness.
3. The Department of Revenue has issued a Form "M-5 Certification to Assessor" in addition to the Notice of Property Tax Levy (Form LB-50), on which the City is required to categorize its levies as "Exclusive School," "General Government," or "Not Subject to Measure 5 Limits." The Form M-5 also requires the City to certify any special assessments, fees, or charges imposed on property that would be subject to Measure 5 limits. Finally, the Form M-5 requires the City Council to certify for each urban renewal district the amount of tax increment revenue to be excluded from the limitation, the amount subject to the General Government limitation, and the amount not to be collected. In no case will an urban renewal district receive more than the amount of increment revenue allowed under the statutory formula outlined in ORS 457.440.

NOW, THEREFORE, the Council directs:

- a. In accordance with the FY 1997-98 annual budget of the City of Portland and the June 12, 1997 certification by the Multnomah County Tax Supervising and Conservation Commission, taxes are hereby levied for municipal purposes for the fiscal year beginning July 1, 1997, on all taxable property, both real and personal, within the corporate limits of the City of Portland as follows:

For the payment of the general expenses of the City of Portland not otherwise provided for, to be categorized on Form M-5 as "General Government," to be credited to the GENERAL FUND, *the sum of one hundred forty one million, one hundred forty five thousand, four hundred ninety four dollars* *\$141,145,494*



For the purchase, payment or redemption of the bonded indebtedness of the City of Portland, not otherwise provided for, and for the payment of interest, not otherwise provided for, accruing on the bonded indebtedness of the City of Portland, to be categorized on Form M-5 as "Not Subject to Measure 5 Limits," to be credited to the BONDED DEBT INTEREST AND SINKING FUND, *the sum of five million, one hundred seventy six thousand, forty eight dollars* \$5,176,048

For the benefit of sworn firefighting personnel and their families authorized under the provisions of the Charter of the City of Portland now in force, to be levied for the FIREMEN'S RELIEF AND PENSION FUND and to be credited to the FIRE AND POLICE DISABILITY AND RETIREMENT FUND, the amount of thirty cents per one thousand dollars shall be levied on the assessed valuation of the property in the City of Portland not exempt from taxation. (This amount shall be computed by the Multnomah County Assessor.)

For the benefit of sworn firefighting personnel and sworn police personnel for the payment of pensions and to provide for members eligible for retirement in the Bureau of Fire, Rescue, and Emergency Services and the Bureau of Police authorized under the provisions of the Charter of the City of Portland now in force, to be credited to the FIRE AND POLICE DISABILITY AND RETIREMENT FUND, the amount which when added to the levy for FIREMEN'S RELIEF AND PENSION FUND will total *fifty three million, seven hundred twelve thousand, one hundred sixty one dollars. (This amount shall be computed by the Multnomah County Assessor.)*

*Total of the two levies, to be categorized on Form M-5 as "General Government," to be credited to the FIRE AND POLICE DISABILITY AND RETIREMENT FUND.*

\$53,712,161

**TOTAL LEVIES:** *Two hundred million, thirty three thousand, seven hundred three dollars* \$200,033,703

- b. The Director of Financial Planning is hereby directed to certify on the Form LB-50 the tax levies made in Section 1.a hereof to the Assessors of Multnomah, Clackamas, and Washington Counties.
- c. In order to continue the City's active urban renewal districts and provide for potential future tax revenue for obligations of the Waterfront Renewal Bond Sinking Fund, the Central Eastside Industrial District Debt Fund, the Airport Way Debt Service Fund, the St. Johns Riverfront Bond Redemption Fund, the South Park Renewal Debt Service Fund, and the Oregon Convention Center Area Debt Service Fund, the Assessors of Multnomah, Clackamas, and Washington Counties are hereby instructed to implement the procedures specified by ORS 457.420 to ORS 457.440 and other applicable state law

relative to tax increment financing of urban renewal indebtedness, subject to the certifications contained in section 1.e.

- d. The Director of Financial Planning is hereby directed to certify on Form M-5 that the City of Portland will not be imposing any special assessments, fees, and charges on property that would be subject to *Measure 5 and Measure 50 limits during FY 1997-98*.
- e. The Director of Financial Planning is hereby directed to certify that the City of Portland requests that tax increment revenue be collected for urban renewal bonded indebtedness and other indebtedness in FY1997-98 for *Airport Way, Central Eastside, Convention Center, St. John's Riverfront, South Park Blocks and Downtown Waterfront debt service requirements as outlined below*. This means that on Form M-5, the following amounts will be certified for urban renewal collections:

Urban Renewal District	Tax Increment Available for Urban Renewal Debt		Amount Certified	Amount Estimated to be Collected
Airport Way	\$	0	\$ 5,114,734	\$ 4,830,099
Central Eastside	\$	0	\$ 3,246,572	\$ 3,065,900
Convention Center	\$	0	\$ 7,627,698	\$ 7,203,217
St. Johns Riverfront	\$	0	\$ 0	\$ 0
South Park Blocks	\$	0	\$ 5,591,284	\$ 5,280,129
Downtown Waterfront	\$	0	\$ 11,048,817	\$ 104,332,950
Totals	\$	0	\$ 32,629,105	\$ 30,813,295

*Collection of the tax increment revenues is contingent on the actual assessed value growth. The City will certify and collect the tax increment revenues only if the increase in assessed value is sufficient to allow the tax increment collection without forcing the City's other levies into compression under the \$10 limit.*

- f. The Multnomah County Assessor is hereby instructed, with respect to the tax code area defined in Ordinance 163210 as the "Ash Grove Cement West Property," to calculate for FY1997-98 a tax for city purposes at a rate that is 40% of the highest rate for city purposes elsewhere in the City, as provided for in ORS 222.111 and the associated Administrative Rules of the Oregon Department of Revenue, as agreed to at the time of annexation by the City Council in Resolution 34692.

<u>Tax Year</u>	<u>Ratio</u>
FY 1990-1991	5%
FY 1991-1992	10%
FY 1992-1993	15%
FY 1993-1994	20%
FY 1994-1995	25%
FY 1995-1996	30%
FY 1996-1997	35%
FY 1997-1998	40%
FY 1998-1999	45%
FY 1999-2000	100%

Section 2. The Council declares that an emergency exists inasmuch as it is necessary to certify the above amounts to the County Assessors by July 15, 1997; therefore, this Ordinance shall be in force and effect from and after its passage.

Passed by the Council, **JUN 18 1997**  
 Mayor Vera Katz  
 Office of Finance and Administration  
 TG:DA:MM  
 June 11, 1997

**Barbara Clark**  
 Auditor of the City of Portland  
 By  
*Bette Olson* Deputy

171262

**ORDINANCE No.**

\*Close *one City fund* and transfer the remaining balances effective June 30, 1997. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City's independent auditors have consistently recommended that the City reduce the number of funds in order to streamline its financial management, and the closure of the fund listed in 2, below moves the City in the direction of that recommendation.
2. One fund is to be closed in FY 1996-97 and will have no resources or requirements included in the FY 1997-98 Adopted Budget.

A. St. Johns Riverfront Bond Redemption Fund. This fund accounts for the payment of principle and interest on the urban renewal bond sale.

NOW, THEREFORE, the Council directs:

- a. Effective June 30, 1997, the St. Johns Riverfront Bond Redemption Fund is to be closed. Any remaining balances or prior year taxes to be received will be transferred to the General Fund.

Section 2. The Council declares that an emergency exists inasmuch as it is necessary to close the above City fund on the designated effective dates in order to properly transact the financial affairs of the City of Portland as budgeted for the 1997-98 fiscal year and to close the 1996-97 fiscal year; therefore, this ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, **JUN 18 1997**  
Mayor Vera Katz  
Office of Finance and Administration  
DA:MM  
June 11, 1997

**Barbara Clark**  
Auditor of the City of Portland  
By

*Bertie Olson*  
Deputy





**TAX SUPERVISING & CONSERVATION COMMISSION**  
**MULTNOMAH COUNTY, OREGON**

June 12, 1997

724 Mead Building

421 S.W. Fifth Avenue

Portland, Oregon 97204-2189 Voice (503) 248-3054

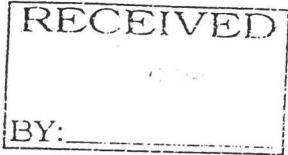
FAX (503) 248-3053 E Mail TSCC@aol.com

Mayor and Council

City of Portland

1220 SW 5th

Portland, Oregon 97204



Dear Mayor and Council Members:

The Tax Supervising and Conservation Commission met on June 12, 1997 to review, discuss, and conduct a public hearing on the City of Portland 1997-98 Annual Budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the city.

The 1997-98 budget, filed May 27, 1997, is hereby certified with the following objections and recommendations. Aside from the exceptions noted, estimates were judged to be reasonable for the purposes shown and the document was found to be in substantial compliance with the law.

***Objections:***

***1. Adjustments to Urban Renewal / PFD&R Property Tax Levies / Impositions***

We have certified higher amounts than were originally budgeted for the below detailed impositions - based upon your written request. The adjustments are due to possible changes in the mechanics of the Measure 50 loss allocation and / or tax increment calculation.

<u>Plan Area</u>	<u>Budgeted</u>	<u>Sequestered</u>	<u>Certified Special Levy</u>	<u>Total</u>
Airport Way	\$1,735,935	\$5,114,734	-	\$5,114,734
Central Eastside	3,246,572	1,951,296	\$1,295,276	3,246,572
Convention Center	7,627,698	5,479,638	<u>2,148,061</u>	7,627,699
South Park Blocks	2,632,742	5,591,284	"	5,591,284
Downtown Waterfront	<u>5,372,555</u>	<u>11,048,817</u>		<u>11,048,817</u>
Total	\$20,615,502	\$29,185,769	\$3,443,337	\$32,629,106

Fire and Police Disability and Retirement System -Continuing Levy:

<u>Budgeted</u>	<u>Certified</u>
\$52,658,981	\$53,712,161

---

***Commissioners***

Richard Anderson, Anthony Jankans, Roger McDowell,  
Charles Rosenthal, Ann Sherman

## *2. Fire and Police Disability and Retirement Fund*

Fund resource and requirement levels assumed that remedies mandated by the Oregon Legislature to fully compensate retirees whose pensions prior to 1991 had been tax free would be effected in fiscal 96/97. Staff indicate that the payment will likely not be made until next year. Therefore, the fund's estimated beginning balance and external materials and service should be increased by the total of the estimated settlement -roughly \$15m as noted on page 107 of the proposed budget document.

### *Recommendations:*

#### *1. Property Tax Revenue Estimates:*

As you're well aware, budgeted tax base revenue is likely understated. State estimates of next year's property tax totals, however, seem to change daily depending upon the Legislature's Measure 50 implementation approach. We recommend you simply continue to closely monitor these revenues and make budget adjustments as necessary.

#### *2. Health Insurance Fund Reserves*

The Health Insurance fund's beginning balance is estimated at \$27.58m. This is approximately \$22m in excess of the various claims reserves identified on page 341 of the proposed budget. We recommend the city establish a formal policy guiding the use and control of these resources.

#### *3. Use of Dedicated Revenues*

The approved budget includes a \$1m transfer from the Parking Facilities fund to the Transportation Operating fund. The proposed budget indicates that the transfer will finance Central City Streetcar capital / debt service costs. It's our understanding that state law allows the city a fair return on its investment in its parking facility for the purpose of making additional parking and traffic improvements. Care should be taken to ensure that transfers out of the fund are at a level not in excess of that deemed fair, and that improvements financed with these revenues are consistent with the above noted limitations.

Also, it's our understanding that in 1989 the city agreed to reimburse PDC for certain tax increment money used in financing the 4<sup>th</sup> and Yamhill Garage -over a period of time based upon the facility's annual net revenues. If this agreement is still in effect, then the city should ensure that transfers to the Waterfront Renewal fund are, in fact, consistent with facility net revenue.

*4. Tax Coordination / Necessity of Property Tax Form Extension*

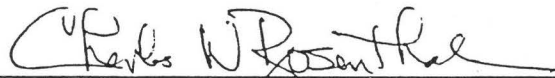
The combination of significantly higher budgeted urban renewal and Multnomah County public safety and library serial levy impositions could result in initial Measure 5 compression - prior to when the city's operating levies are certified by the assessor for Measure 50 loss allocation. The compression would likely result in additional property tax losses within the city's General and Fire and Police Disability funds. The city should request an extension of time to file its LB-50 and M-5 forms. The city should also analyze options available to reduce urban renewal impositions this coming September -if in fact such reductions are necessary to protect essential service levies.

We appreciate the open and candid discussion at our hearing.

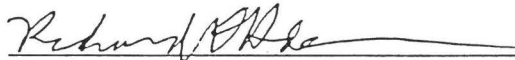
The certified budget estimates and tax levies are identified on the attached schedule.

Yours very truly,


TAX SUPERVISING & CONSERVATION COMMISSION



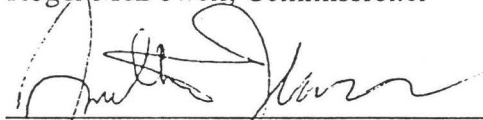
Charles W. Rosenthal, Commissioner



Richard Anderson, Commissioner



Roger McDowell, Commissioner



Anthony Jankans, Commissioner





City of Portland 1997-98 Budget Certification  
Schedule of Funds and Budget Estimates

	Unappropriated <u>Balances</u>	Fund Totals <u>Certified</u>
Budget Estimates:		
<i>Operating Funds:</i>		
General Fund		283,528,359
Water Fund		109,577,417
Sewer Operating Fund		216,863,381
Unappropriated Balance	(1,598,230)	
Transportation Fund		111,239,829
Assessment Collection Fund		210,384
Arena Operating Fund		7,682,847
Unappropriated Balance	(3,063,370)	
Auto Port Fund		2,756,477
Buildings Operating Fund		22,117,730
Unappropriated Balance	(1,870,157)	
Cable TV Fund		3,301,970
Unappropriated Balance	(334,630)	
Business Property Management Fund		2,492,723
Emergency Communications Fund		12,953,875
Unappropriated Balance	(1,438,725)	
Golf Fund		6,015,373
Hydroelectric Power Fund		1,176,800
Parking Facilities Fund		20,200,202
Portland International Raceway Fund		981,552
Public Safety Capital Fund		1,340,225
Refuse Disposal Fund		5,349,928
<i>Sub-Total Operating Funds</i>	<u>(8,305,112)</u>	<u>807,789,072</u>
<i>Internal Service Funds:</i>		
Communications Fund		12,291,871
Information Systems Services Fund		4,804,921
Facilities Services Fund		32,340,710
Fleet Services Fund		27,008,437
Unappropriated Balance	(7,087,028)	
Health Insurance Fund		48,710,937
Insurance and Claims Fund		13,469,596
Printing & Distribution Fund		6,767,909
Workers' Compensation Fund		16,066,229
<i>Sub-Total Internal Service Funds</i>	<u>(7,087,028)</u>	<u>161,460,610</u>
<i>Agency &amp; Trust Funds:</i>		
Environmental Remediation Fund		2,295,752
Unappropriated Balance	(600,000)	

	Unappropriated <u>Balances</u>	Fund Totals <u>Certified</u>
Housing Investment Fund		11,848,389
Hydro Power Renewal & Replacement Fund		7,662,500
Portland Parks Trusts Fund		3,713,463
Unappropriated Balance	(23,958)	
Sewer Rate Stabilization Fund		17,775,903
Sewer Revolving Loan Fund		1,735,392
Unappropriated Balance	(295,392)	
Sewer Safety Net Fund		2,334,308
Unappropriated Balance	(1,364,308)	
Water Growth Impact Fund		1,307,731
Unappropriated Balance	(1,307,731)	
<i>Sub-Total Agency &amp; Trust Funds</i>	(3,591,389)	48,673,438
<i>Construction Funds:</i>		
Capital Improvement Construction Fund		4,498,164
Unappropriated Balance	(190,746)	
LID Construction Fund		30,961,270
Parks Bond Construction Fund		31,841,201
Sewer System Construction Fund		84,880,129
Water Construction Fund		53,968,251
Unappropriated Balance	(21,085,093)	
<i>Sub-Total Construction Funds</i>	(21,275,839)	206,149,015
<i>Debt Service Funds:</i>		
Airport Way Debt Fund		2,198,786
Unappropriated Balance	(519,408)	
Bancroft Bond Interest & Sinking Fund		12,620,967
Unappropriated Balance	(762,257)	
Bonded Debt Interest & Sinking Fund		6,320,106
Unappropriated Balance	(341,284)	
Central Eastside Debt Fund		3,209,104
Unappropriated Balance	(33,204)	
Convention Center Area Debt Fund		7,272,385
Unappropriated Balance	(69,168)	
Fourth & Yamhill Bond Redemption Fund		272,250
Unappropriated Balance	(4,952)	
Golf Revenue Bond Redemption Fund		535,827
Unappropriated Balance	(231,062)	

City of Portland 1996-97 Budget Certification  
Schedule of Funds and Budget Estimates

Page 3

	Unappropriated <u>Balances</u>	Fund Totals <u>Certified</u>
Hydropower Bond Redemption Fund		7,875,100
Unappropriated Balance	(4,128,805)	
Government Bond Redemption Fund		6,927,076
Unappropriated Balance	(15,137)	
Morrison Park East Bond Redemption Fund		807,887
Unappropriated Balance	(405,336)	
Morrison Park West Bond Redemption Fund		687,944
Unappropriated Balance	(346,925)	
Old Town Parking Bond Redemption Fund		667,656
Unappropriated Balance	(3,368)	
Sewer System Debt Redemption Fund		51,185,957
South Park Block Bond Redemption Fund		4,064,781
Unappropriated Balance	(1,471,906)	
Fire & Police Disability and Retirement Supp. Debt Fund		21,943,080
Washington County Supply Bond Redemption Fund		2,956,695
Unappropriated Balance	(1,265,846)	
Water Bond Sinking Fund		11,195,152
Waterfront Renewal Bond Sinking Fund		10,980,040
Unappropriated Balance	(4,984,610)	
<i>Sub-Total Debt Service Funds</i>	(14,583,268)	151,720,793
<i>Federal Funds:</i>		
Federal and State Grants Fund		17,386,389
Home Grant		3,887,000
Housing and Community Development Fund		18,952,300
<i>Sub-Total Federal Funds</i>	-	40,225,689
<i>Retirement Funds:</i>		
Fire & Police Disability & Retirement Fund		75,448,682
Fire & Police Disability & Retirement Supplement Fund		85,705,432
Fire & Police Disability & Retirement Reserve Fund		750,000
Supplemental Retirement Program Trust Fund		322,885
Unappropriated Balance	(310,885)	
<i>Sub-Total Retirement Funds</i>	(310,885)	162,226,999
<i>Revenue &amp; Reserves:</i>		
Convention & Tourism Fund		1,875,315
General Reserve Fund		32,881,475
Transportation Reserve Fund		3,489,226
<i>Sub-Total Revenue &amp; Reserves</i>	-	38,246,016
Totals - City of Portland	(55,153,521)	1,616,491,632



City of Portland 1996-97 Budget Certification  
Schedule of Funds and Budget Estimates

Page 4

	Unappropriated <u>Balances</u>	Fund Totals <u>Certified</u>
Portland Development Commission:		
Airport Way Fund		209,014
Central Eastside Industrial District Fund		3,345,448
Convention Center Area Fund		7,878,820
South Park Urban Renewal Fund		11,190,802
Waterfront Renewal Bond Redevelopment Fund		16,951,006
Enterprise Loans Fund		23,838,354
Housing and Community Development Contract Fund		11,892,058
Other Federal Grants Fund		2,686,418
South Auditorium Fund		921,473
Oregon Arena Fund		4,689
Regional Strategies Fund		522,293
Urban Redevelopment Fund		12,652,943
Total	-	<u>92,093,318</u>
Grand Total	<u>(55,153,521)</u>	<u>1,708,584,950</u>
Tax Levy:		
General Fund - Tax Base		141,145,494 *
Bonded Debt Fund - Not Subject to Limit		5,176,048
Fire & Police Disability & Retirement - Outside Tax		
Base - Continuing Levy		53,712,161
Urban Renewal Sequestered Taxes:		
Airport Way		5,114,734 *
Central Eastside		1,951,296 *
Convention Center		5,479,638 *
South Park Blocks		5,591,284 *
Downtown Waterfront		<u>11,048,817 *</u>
Subtotal - Sequestered Taxes		29,185,769
Urban Renewal Special Levies:		
Central Eastside		1,295,276 *
Convention Center		<u>2,148,061 *</u>
Subtotal - Special Levy		3,443,337
Total (All Property Tax Levies)		232,662,809

\* Amounts certified are the maximum that can be levied. Actual tax base and urban renewal levy totals will be finalized once 96/97 annexation values and 97/98 assessed valuation growth are known. TSCC will certify final levy amounts in September, once the city files its LB-50 and M-5 forms.

## **List of City Funds**



## Funds listed by type

Fund	Name	Service Area
<u>Agency and Trust Funds</u>		
161	Environmental Remediation	Public Utilities
209	Housing Investment Fund	Community Development
602	Portland Parks Memorial Trust	Parks, Recreation and Culture
631	Water Growth Impact Charge	Public Utilities
632	Sewer System Rate Stabilization	Public Utilities
633	Sewer System Safety Net	Public Utilities
635	Hydropower Renewal and Replacement	Public Utilities
636	Sewer Revolving Loan Fund	Public Utilities
<u>Construction Funds</u>		
502	L I D Construction	Community Development
503	Capital Improvement Fund	Legislative/Admin/Support Services
504	Parks Bond Construction	Parks, Recreation and Culture
552	Sewer System Construction	Public Utilities
554	Water Construction	Public Utilities
<u>Debt Service Funds</u>		
302	Bonded Debt Interest and Sinking	Parks, Recreation and Culture
303	Waterfront Renewal Bond Sinking	PDC
304	FPD&R Supplemental Debt Redemption	Public Safety
306	South Park Renewal Debt	PDC
307	Airport Way Debt	PDC
308	Gas Tax Bond Redemption	Transportation and Parking
310	Central Eastside Industrial District	PDC
311	Bancroft Bond Interest and Sinking	Community Development
312	Convention Center Area Debt	PDC
351	Sewer System Debt Redemption	Public Utilities
353	Golf Revenue Bond Redemption	Parks, Recreation and Culture
354	Hydropower Bond Redemption	Public Utilities
355	Water Bond Sinking	Public Utilities
356	Washington County Supply Bond	Public Utilities
357	Morrison Park West Bond Redemption	Transportation and Parking
358	Morrison Park East Bond Redemption	Transportation and Parking
359	Parking Facilities Bond Redemption	Transportation and Parking
360	Fourth & Yamhill Debt Redemption	Transportation and Parking
362	Old Town Parking Bond Redemption	Transportation and Parking
702	Governmental Bond Redemption Fund	Legislative/Admin/Support Services
<u>Federal Funds</u>		
252	Federal Grants	Distributed
254	Housing and Community Development	Community Development
255	HOME Grant Fund	Community Development
<u>Historical Funds</u>		
111	Northwest I-405 Recreation	Parks, Recreation and Culture
113	Street Lighting	Transportation and Parking
119	Parks System Improvement	Parks, Recreation and Culture
192	Exposition/Recreation Commission	Parks, Recreation and Culture
204	Parking Meter Fund	Transportation and Parking
205	State Revenue Sharing Fund	Revenue and Reserves
207	Street Light Replacement Fund	Transportation and Parking
251	Federal Revenue Sharing Fund	Revenue and Reserves
253	CETA Fund	Community Development
301	Short Term Interest and Sinking	Revenue and Reserves
305	St Johns Riverfront Bond Redemption	PDC
309	System Development Interest & Sink	Public Utilities



## Funds listed by type

Fund	Name	Service Area
------	------	--------------

### Historical Funds

352	Tennis Facilities Bond Redemption	Parks, Recreation and Culture
361	P I R Bond Redemption	Parks, Recreation and Culture
363	Arena Debt Service	Parks, Recreation and Culture
501	Transportation Construction	Transportation and Parking
551	Performing Arts Center Construction	Parks, Recreation and Culture
555	Washington County Supply	Public Utilities
556	Arena Construction	Public Utilities
601	M C Economic Development Trust	Community Development
603	Sundry Trust Fund	Parks, Recreation and Culture
628	Public Arts Trust Fund	Parks, Recreation and Culture
634	St Johns Landfill End Use	Public Utilities
703	City Facilities Acquisition Fund	Legislative/Admin/Support Services
710	Justice Center Operating	Legislative/Admin/Support Services
712	DCTU Benefits	Legislative/Admin/Support Services

### Internal Service Funds

701	Health Insurance	Distributed
704	Facilities Service Fund	Legislative/Admin/Support Services
705	Fleet Services Operating	Legislative/Admin/Support Services
706	Printing and Distribution Services O	Legislative/Admin/Support Services
707	Communication Services Operating	Legislative/Admin/Support Services
708	Insurance and Claims Operating	Legislative/Admin/Support Services
709	Workers' Compensation Operating	Legislative/Admin/Support Services
711	Computer Services	Legislative/Admin/Support Services

### Operating Funds

101	General Fund	Distributed
112	Transportation Operating	Transportation and Parking
114	Assessment Collection	Community Development
115	Emergency Communications	Public Safety
116	Buildings Fund	Community Development
117	Property Management License Fund	Community Development
118	Public Safety	Public Safety
120	Cable	Community Development
151	Sewage System Operating	Public Utilities
152	Hydropower Operating	Public Utilities
153	Water	Public Utilities
154	Golf	Parks, Recreation and Culture
156	Portland International Raceway	Parks, Recreation and Culture
157	Refuse Disposal	Public Utilities
158	Auto Port	Transportation and Parking
159	Parking Facilities	Transportation and Parking
160	Arena/Coliseum Operating	Parks, Recreation and Culture

### Retirement Funds

651	Fire & Police Disability and Retirem	Public Safety
652	FPD&R Reserve	Public Safety
654	Supplemental Retirement Program Trus	Public Safety

### Revenue & Reserve Funds

201	Convention and Tourism	Community Development
202	General Reserve Fund	Revenue and Reserves
203	FPD&R Supplemental Fund	Public Safety
206	Sewer System Debt Proceeds	Public Utilities
208	Transportation Reserve	Transportation and Parking

## Funds listed by name

Fund	Name	Service Area
307	Airport Way Debt	PDC
556	Arena Construction	Public Utilities
363	Arena Debt Service	Parks, Recreation and Culture
160	Arena/Coliseum Operating	Parks, Recreation and Culture
114	Assessment Collection	Community Development
158	Auto Port	Transportation and Parking
311	Bancroft Bond Interest and Sinking	Community Development
302	Bonded Debt Interest and Sinking	Parks, Recreation and Culture
116	Buildings Fund	Community Development
253	CETA Fund	Community Development
120	Cable	Community Development
503	Capital Improvement Fund	Legislative/Admin/Support Services
310	Central Eastside Industrial District	PDC
703	City Facilities Acquisition Fund	Legislative/Admin/Support Services
707	Communication Services Operating	Legislative/Admin/Support Services
711	Computer Services	Legislative/Admin/Support Services
312	Convention Center Area Debt	PDC
201	Convention and Tourism	Community Development
712	CTU Benefits	Legislative/Admin/Support Services
115	Emergency Communications	Public Safety
161	Environmental Remediation	Public Utilities
192	Exposition/Recreation Commission	Parks, Recreation and Culture
652	FPD&R Reserve	Public Safety
304	FPD&R Supplemental Debt Redemption	Public Safety
203	FPD&R Supplemental Fund	Public Safety
704	Facilities Service Fund	Legislative/Admin/Support Services
252	Federal Grants	Distributed
251	Federal Revenue Sharing Fund	Revenue and Reserves
651	Fire & Police Disability and Retirem	Public Safety
705	Fleet Services Operating	Legislative/Admin/Support Services
360	Fourth & Yamhill Debt Redemption	Transportation and Parking
308	Gas Tax Bond Redemption	Transportation and Parking
101	General Fund	Distributed
202	General Reserve Fund	Revenue and Reserves
154	Golf	Parks, Recreation and Culture
353	Golf Revenue Bond Redemption	Parks, Recreation and Culture
702	Governmental Bond Redemption Fund	Legislative/Admin/Support Services
255	HOME Grant Fund	Community Development
701	Health Insurance	Distributed
209	Housing Investment Fund	Community Development
254	Housing and Community Development	Community Development
354	Hydropower Bond Redemption	Public Utilities
152	Hydropower Operating	Public Utilities
635	Hydropower Renewal and Replacement	Public Utilities
708	Insurance and Claims Operating	Legislative/Admin/Support Services
710	Justice Center Operating	Legislative/Admin/Support Services
502	L I D Construction	Community Development
601	M C Economic Development Trust	Community Development
358	Morrison Park East Bond Redemption	Transportation and Parking
357	Morrison Park West Bond Redemption	Transportation and Parking
111	Northwest I-405 Recreation	Parks, Recreation and Culture
362	Old Town Parking Bond Redemption	Transportation and Parking
361	P I R Bond Redemption	Parks, Recreation and Culture
159	Parking Facilities	Transportation and Parking
359	Parking Facilities Bond Redemption	Transportation and Parking
204	Parking Meter Fund	Transportation and Parking
504	Parks Bond Construction	Parks, Recreation and Culture
119	Parks System Improvement	Parks, Recreation and Culture
551	Performing Arts Center Construction	Parks, Recreation and Culture
156	Portland International Raceway	Parks, Recreation and Culture
602	Portland Parks Memorial Trust	Parks, Recreation and Culture
706	Printing and Distribution Services O	Legislative/Admin/Support Services
117	Property Management License Fund	Community Development

## Funds listed by name

Fund	Name	Service Area
628	Public Arts Trust Fund	Parks, Recreation and Culture
118	Public Safety	Public Safety
157	Refuse Disposal	Public Utilities
151	Sewage System Operating	Public Utilities
636	Sewer Revolving Loan Fund	Public Utilities
552	Sewer System Construction	Public Utilities
206	Sewer System Debt Proceeds	Public Utilities
351	Sewer System Debt Redemption	Public Utilities
632	Sewer System Rate Stabilization	Public Utilities
633	Sewer System Safety Net	Public Utilities
301	Short Term Interest and Sinking	Revenue and Reserves
306	South Park Renewal Debt	PDC
634	St Johns Landfill End Use	Public Utilities
305	St Johns Riverfront Bond Redemption	PDC
205	State Revenue Sharing Fund	Revenue and Reserves
207	Street Light Replacement Fund	Transportation and Parking
113	Street Lighting	Transportation and Parking
603	Sundry Trust Fund	Parks, Recreation and Culture
654	Supplemental Retirement Program Trus	Public Safety
309	System Development Interest & Sink	Public Utilities
352	Tennis Facilities Bond Redemption	Parks, Recreation and Culture
501	Transportation Construction	Transportation and Parking
112	Transportation Operating	Transportation and Parking
208	Transportation Reserve	Transportation and Parking
555	Washington County Supply	Public Utilities
356	Washington County Supply Bond	Public Utilities
153	Water	Public Utilities
355	Water Bond Sinking	Public Utilities
554	Water Construction	Public Utilities
631	Water Growth Impact Charge	Public Utilities
303	Waterfront Renewal Bond Sinking	PDC
709	Workers' Compensation Operating	Legislative/Admin/Support Services



## Funds listed by number

Fund	Name	Service Area
101	General Fund	Distributed
111	Northwest I-405 Recreation	Parks, Recreation and Culture
112	Transportation Operating	Transportation and Parking
113	Street Lighting	Transportation and Parking
114	Assessment Collection	Community Development
115	Emergency Communications	Public Safety
116	Buildings Fund	Community Development
117	Property Management License Fund	Community Development
118	Public Safety	Public Safety
119	Parks System Improvement	Parks, Recreation and Culture
120	Cable	Community Development
151	Sewage System Operating	Public Utilities
152	Hydropower Operating	Public Utilities
153	Water	Public Utilities
154	Golf	Parks, Recreation and Culture
156	Portland International Raceway	Parks, Recreation and Culture
157	Refuse Disposal	Public Utilities
158	Auto Port	Transportation and Parking
159	Parking Facilities	Transportation and Parking
160	Arena/Coliseum Operating	Parks, Recreation and Culture
161	Environmental Remediation	Public Utilities
192	Exposition/Recreation Commission	Parks, Recreation and Culture
201	Convention and Tourism	Community Development
202	General Reserve Fund	Revenue and Reserves
203	FPD&R Supplemental Fund	Public Safety
204	Parking Meter Fund	Transportation and Parking
205	State Revenue Sharing Fund	Revenue and Reserves
206	Sewer System Debt Proceeds	Public Utilities
207	Street Light Replacement Fund	Transportation and Parking
208	Transportation Reserve	Transportation and Parking
209	Housing Investment Fund	Community Development
251	Federal Revenue Sharing Fund	Revenue and Reserves
252	Federal Grants	Distributed
253	CETA Fund	Community Development
254	Housing and Community Development	Community Development
255	HOME Grant Fund	Community Development
301	Short Term Interest and Sinking	Revenue and Reserves
302	Bonded Debt Interest and Sinking	Parks, Recreation and Culture
303	Waterfront Renewal Bond Sinking	PDC
304	FPD&R Supplemental Debt Redemption	Public Safety
305	St Johns Riverfront Bond Redemption	PDC
306	South Park Renewal Debt	PDC
307	Airport Way Debt	PDC
308	Gas Tax Bond Redemption	Transportation and Parking
309	System Development Interest & Sink	Public Utilities
310	Central Eastside Industrial District	PDC
311	Bancroft Bond Interest and Sinking	Community Development
312	Convention Center Area Debt	PDC
351	Sewer System Debt Redemption	Public Utilities
352	Tennis Facilities Bond Redemption	Parks, Recreation and Culture
353	Golf Revenue Bond Redemption	Parks, Recreation and Culture
354	Hydropower Bond Redemption	Public Utilities
355	Water Bond Sinking	Public Utilities
356	Washington County Supply Bond	Public Utilities
357	Morrison Park West Bond Redemption	Transportation and Parking
358	Morrison Park East Bond Redemption	Transportation and Parking
359	Parking Facilities Bond Redemption	Transportation and Parking
360	Fourth & Yamhill Debt Redemption	Transportation and Parking
361	P I R Bond Redemption	Parks, Recreation and Culture
362	Old Town Parking Bond Redemption	Transportation and Parking
363	Arena Debt Service	Parks, Recreation and Culture
501	Transportation Construction	Transportation and Parking
502	L I D Construction	Community Development



## Funds listed by number

Fund	Name	Service Area
503	Capital Improvement Fund	Legislative/Admin/Support Services
504	Parks Bond Construction	Parks, Recreation and Culture
551	Performing Arts Center Construction	Parks, Recreation and Culture
552	Sewer System Construction	Public Utilities
554	Water Construction	Public Utilities
555	Washington County Supply	Public Utilities
556	Arena Construction	Public Utilities
601	M C Economic Development Trust	Community Development
602	Portland Parks Memorial Trust	Parks, Recreation and Culture
603	Sundry Trust Fund	Parks, Recreation and Culture
628	Public Arts Trust Fund	Parks, Recreation and Culture
631	Water Growth Impact Charge	Public Utilities
632	Sewer System Rate Stabilization	Public Utilities
633	Sewer System Safety Net	Public Utilities
634	St Johns Landfill End Use	Public Utilities
635	Hydropower Renewal and Replacement	Public Utilities
636	Sewer Revolving Loan Fund	Public Utilities
651	Fire & Police Disability and Retirem	Public Safety
652	FPD&R Reserve	Public Safety
654	Supplemental Retirement Program Trus	Public Safety
701	Health Insurance	Distributed
702	Governmental Bond Redemption Fund	Legislative/Admin/Support Services
703	City Facilities Acquisition Fund	Legislative/Admin/Support Services
704	Facilities Service Fund	Legislative/Admin/Support Services
705	Fleet Services Operating	Legislative/Admin/Support Services
706	Printing and Distribution Services O	Legislative/Admin/Support Services
707	Communication Services Operating	Legislative/Admin/Support Services
708	Insurance and Claims Operating	Legislative/Admin/Support Services
709	Workers' Compensation Operating	Legislative/Admin/Support Services
710	Justice Center Operating	Legislative/Admin/Support Services
711	Computer Services	Legislative/Admin/Support Services
712	DCTU Benefits	Legislative/Admin/Support Services

**Your City - Your County**



## SUMMARY OF 1997 JOINT CITY/COUNTY COMMUNITY BUDGET WORKSHOPS

The City of Portland and Multnomah County held eight joint community budget workshops January 23 through February 5. Participants were asked to give City Council direction on where they would like to look first for budget cuts as a result of Measure 47.

This was the first time the City went out to the public to ask where to cut services. In past budget forums, citizens have listed neighborhood needs to be targeted for increased funding. This was also the first time the City held budget workshops jointly with Multnomah County.

### ATTENDANCE

Public participation doubled over previous years. Success of the workshops can be attributed to a variety of factors. An informational mailer was sent to every household within the city limits publicizing the dates and locations. Media coverage prior and during the workshops was much greater than previous years and included regular postings of the dates/locations in *The Oregonian* and news stories on all four television stations, four radio stations, *City Net*, and in *The Oregonian*.

Success can also be attributed to the serious nature of the current budget situation for both the City and County. People concerned about the loss of services turned out to make sure their favorite programs did not fall under the budget ax.

Attendance figures were:

Downtown	119
Central Northeast Neighbors	113
Northeast	128
East	131
Southeast	233
Northwest	53
North	236
Southwest	<u>103</u>
CITYWIDE	1,116

### WORKSHOP PROCESS

Each community workshop started with an overview of both the County and City budgets. Information was given about dedicated and discretionary budgets and where local governments are required to look for revenue reductions. Impacts of Measure 47 were also explained, along with the uncertainties that would have an effect on local government budgets.



Citizens were assigned to a table when they arrived and handed a packet of materials to work from. Following the brief summary of budgets, participants were instructed to turn their attention to their table, introduce themselves, and share with their group what service or services they were interested in retaining. Participants then spent one-half hour each discussing where they would look first for cuts in the City and County budgets. Following discussion at the tables, citizens then voted on their top three areas for cuts in both the City and County budgets. City and County resource staff were available to answer questions. The discussion was followed by each table reporting the results of their discussion with details as to why they made the decisions they did.

As a result of the comments received at the first several meetings, informational handouts were modified to provide additional detailed budget information.

## **THEMES**

As a result of frequency of mention, it was possible to identify several overall themes that emerged in both individual workshops as well as citywide. These themes were also reflected in the comment cards turned in following the meetings.

One of the predominant themes to emerge was **tax reform**. Citizens at every meeting asked for a more equitable tax system and to look for new revenue sources. Many respondents indicated they did not vote for Measure 47 and did not want to see any local government services cut. Fees for specific services as well as an override of Measure 47 to restore services was applauded at almost every community workshop. This strongly supports the scientific data acquired through telephone surveys in December where 59% of respondents said they would be willing to pay more in additional taxes or fees for specific services.

**Economic Development:** Economic development stood out as the highest priority for cuts, with 18.5% of mentions falling into this category. Within this category, there was strong consensus for reductions in economic development activities including:

- reduced assistance to new and existing businesses
- eliminating tax abatements
- reduced support for business districts
- reduced support for job development and training

There was strong sentiment citywide that businesses should be paying more for economic development activities, particularly in light of the tax shift in proportion between residential and commercial property tax brought about by both Measure 5 and the assumed reductions under Measure 47.

Recent attention on tax abatements perceived by citizens as unfair may have also contributed to the large number of participants looking to economic development for reductions.

**City/County Consolidation:** In every meeting, at almost every table, whether it was actually listed as one of the top three service areas for cuts, the idea of City/County consolidation was

mentioned. Overall this category was rated as highest priority by 7.6% of participants. Areas for consolidations specifically called out were:

- police and sheriff's office
- administration and support services
- transportation
- planning and permit issuance functions
- housing
- parks (regional as well)
- community services
- purchasing

Most comments reflected the perception that there was much duplication and overlap between City and County services. Most believed efficiencies could be realized through consolidation.

**Police:** This service area received the second highest number of mentions, or 12.7%. Police was often mentioned primarily because of the understanding of the size of the Police Bureau budget and the realization that if the City were to cut between \$19 and \$32 million from the budget, Police must take a share of the reduction. Areas specifically mentioned included:

- reduced response to property crimes, auto theft
- reduce enforcement of speeding violations
- don't buy "state-of-the art" equipment
- reduce response to street level drug dealers/eliminate the marijuana task force
- use more civilians
- reduce the number of units responding to an incident
- reduce overtime

**City Council and Administration:** Support services, administration, and City Council were called out at almost every meeting. Together these categories were rated as highest priority for reductions by 15.5% of participants. (Admin = 8.6%; City Council = 4.8%) In addition to looking for efficiencies, these ideas also surfaced:

- organizational review/reorganization for efficiencies and cost savings
- consolidate functions
- reduce management layers
- reduce salaries and budgets of City Council
- outsourcing: if the private sector can do it more cost-effectively, let them

**Fire:** Specific areas were identified for cuts in the Fire Bureau aside from the idea that a large portion of the General Fund supports this service. Ideas included:

- eliminate duplicate emergency response
- reduce disaster planning
- reduce hazardous materials response
- reduce code enforcement and fire prevention efforts
- reduce arson investigation
- institute fees for emergency medical response

Detailed information for each of the community meetings can be found in the pie charts attached.

## COMPARISON WITH SCIENTIFIC SURVEY

The priorities for reduction identified by citizens at the Community Forums had several marked differences with the priorities identified by citizens in the scientific survey conducted by Davis and Hibbits.

At the Forums, citizens were first given an overview of Measure 47 and its impact upon the City of Portland budget before being asked to rank service areas for reduction. Their ranking was informed by a budget worksheet which clearly showed the percentage of general purpose dollars each service area received. With that information in front of them, participants ranked the following four areas as their highest priorities for reduction:

- Economic Development 18.5%
- Police 12.7%
- Fire 9.3%
- Administration & Support 8.6%

Economic Development and Administration and Support clearly struck a chord with Forum participants as logical places to look for cuts even though their overall "piece of the pie" was not large.

Police and Fire were identified by many Forum participants as high priorities for reduction due to the fact that those bureaus received such a large percentage of overall general purpose dollars. Participants often clearly articulated that without cuts in Police and Fire, the required \$19 to \$32 million reduction could not be attained.

In the Davis and Hibbits survey, respondents were told that the City of Portland would likely have to cut services as a result of the passage of Measure 47. The City of Portland would first look to reducing administrative costs and operating more efficiently, but then would have to consider actual service cuts. Participants were read a list of eleven service areas and asked which should be considered first, second and third for reduction. No specific information was provided to participants about the relative size of each of the service area's budget.

In the Davis and Hibbits scientific survey, citizens identified the following as their four highest priorities for reduction:

- Arts 22.3%
- Economic Development 14.2%
- Planning 11.3%
- Citizen & Neighborhood Svcs. 10.7%

Police and Fire were ranked lowest for reductions at 2.9% and 2.6% respectively in the scientific survey.



It seems reasonable to conclude that in the scientific survey, priorities for reduction largely reflected respondents' assessments of the value of the service without consideration of the size or percentage of budget. On the other hand, at the Community Forums, priorities for reduction reflected a judgement both of the value of the service, and the need for reductions in certain areas given their overall proportion of the budget. Thus in the scientific survey, Police and Fire ranked the lowest for reduction, whereas in the Community Forums, they ranked in the top four.

#### **COMMENTS CARDS AND EVALUATIONS**

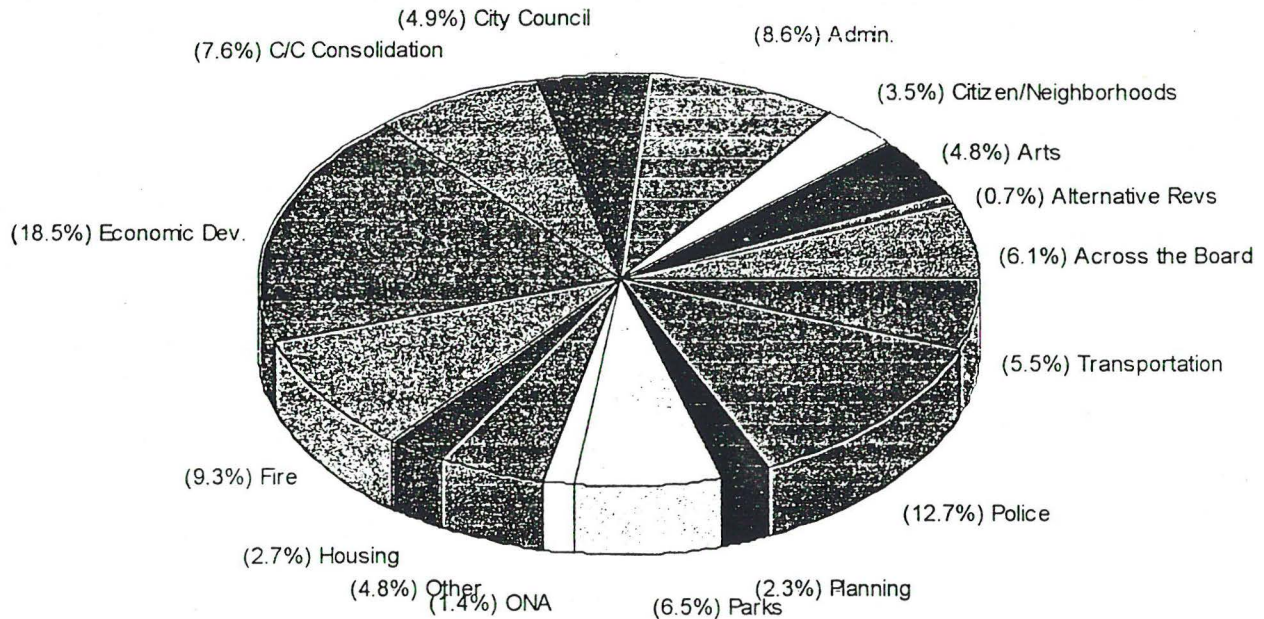
An overwhelming number of comment cards and evaluations were turned in. Many new ideas have surfaced through their input. All citizen comments are included in Appendix A. Evaluations responses are located in Appendix B.



## Your City-Your County-Your Choice:

Combined "City" Results

Budget Forums January - February 1997



### Question:

Where would you advise the City Council to look for budget reductions?

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This pie chart reports overall City of Portland result, by percentage. Raw scores are included below:*

Economic Dev.	131	City Council	35
Police	90	Other	34
Fire	66	Arts	34
Admin.	61	Citizen/Neighborhoods	25
C/C Consolidation	54	Housing	19
Parks	46	Planning	16
Across the Board	43	ONA	10
Transportation	39	Alternative Revs	5

## Priorities for City of Portland Budget Reductions:

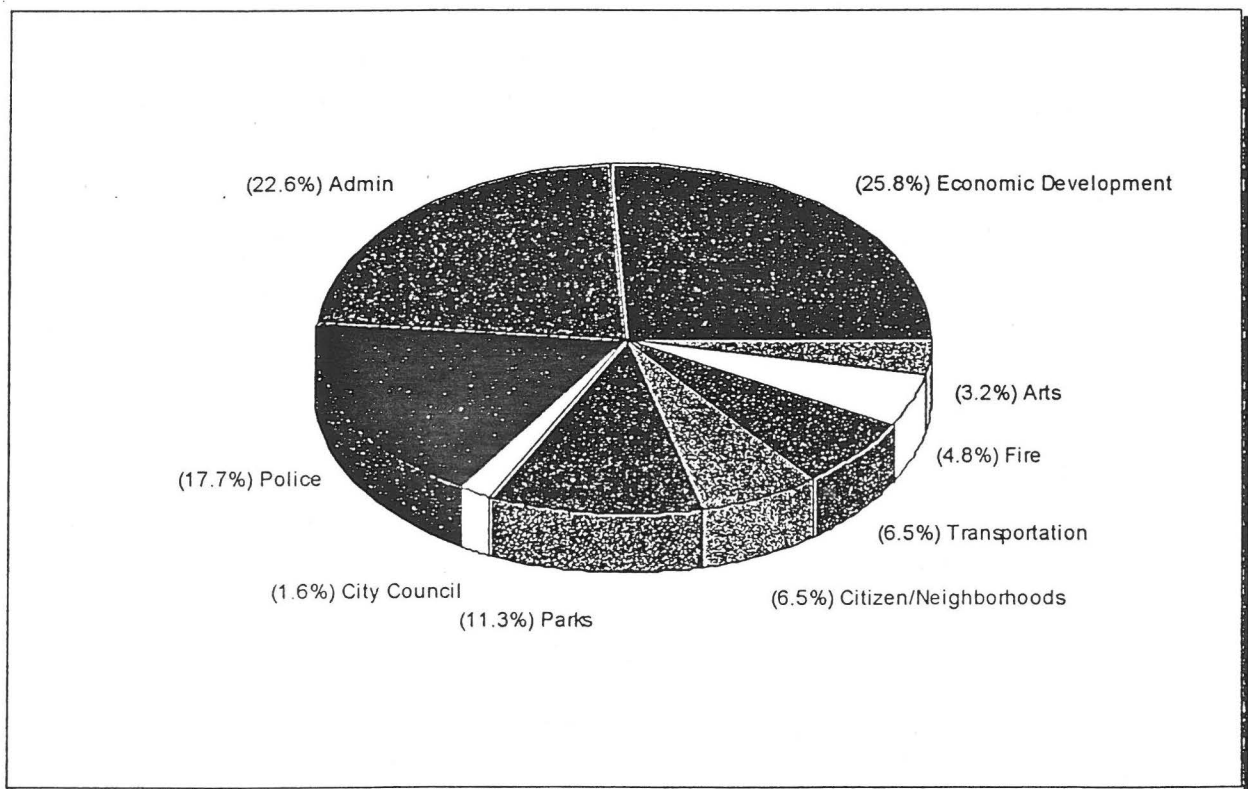
### Downtown Portland

January 23, 1997

(119 Citizens Attended)

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.*

*The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service area.*



**Economic Development (16)**: reduce assistance to new and existing businesses; reduce assistance for job development; eliminate tax abatements for economic development; eliminate tax abatements for corporations.

**Downtown - continued**

**Admin. & Support( 14) :** overall organization review; across the board admin. and support cuts in all bureaus; reduce General Services.

**Police (11):** decrease response to property crimes, auto theft; too many officers responding to scenes; decriminalize marijuana; general reduction required because police is such a large budget.

**Parks (7):** reduce adult recreation programs; reduce support for natural areas; don't build new community centers to save operating costs.

**Citizen & Neighborhood Services (4):**

**Transportation (4):**

**Fire (3):**

**Arts (2):**

**City Council (1):**

## Priorities for City of Portland Budget Reductions:

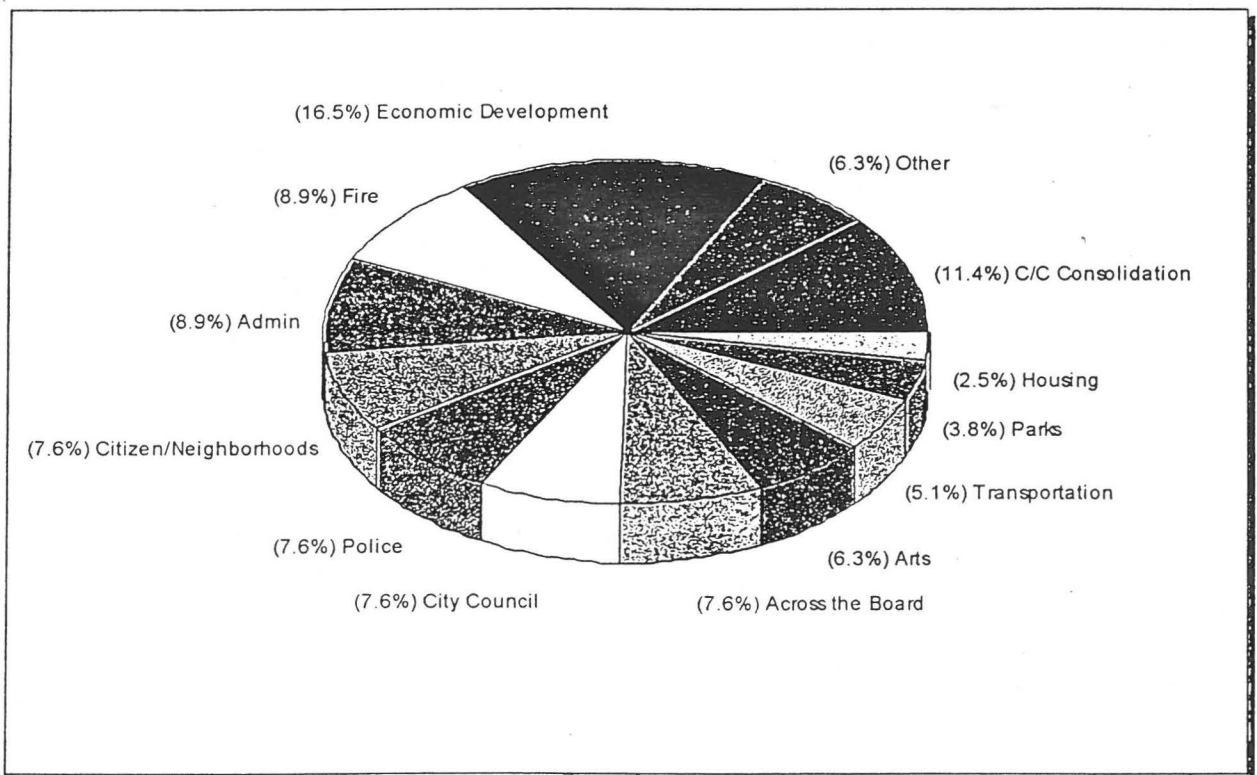
### Central North East Portland

January 25, 1997

(113 Citizens Attended)

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.*

*The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service area.*



**Economic Development (13):** reduce support for business districts; eliminate support for new and existing large businesses; eliminate incentives for new business;

**City/County Consolidation (9):** consolidate Police and Sheriff; consolidate support services; reduce duplication and overlap via consolidation.



**CNN - *continued***

**Fire (7):** eliminate redundancies of emergency services; reduce disaster planning; reduce hazardous materials response.

**Administration and Support (7):**

**Citizen and Neighborhood Services (6):**

**Police (6):**

**Across the Board (6):**

**Arts (5):**

**Transportation (4):** reduce support for the bike program; reduce neighborhood traffic calming projects.

**Parks (3):**

**Housing (2):**

## Priorities for City of Portland Budget Reductions:

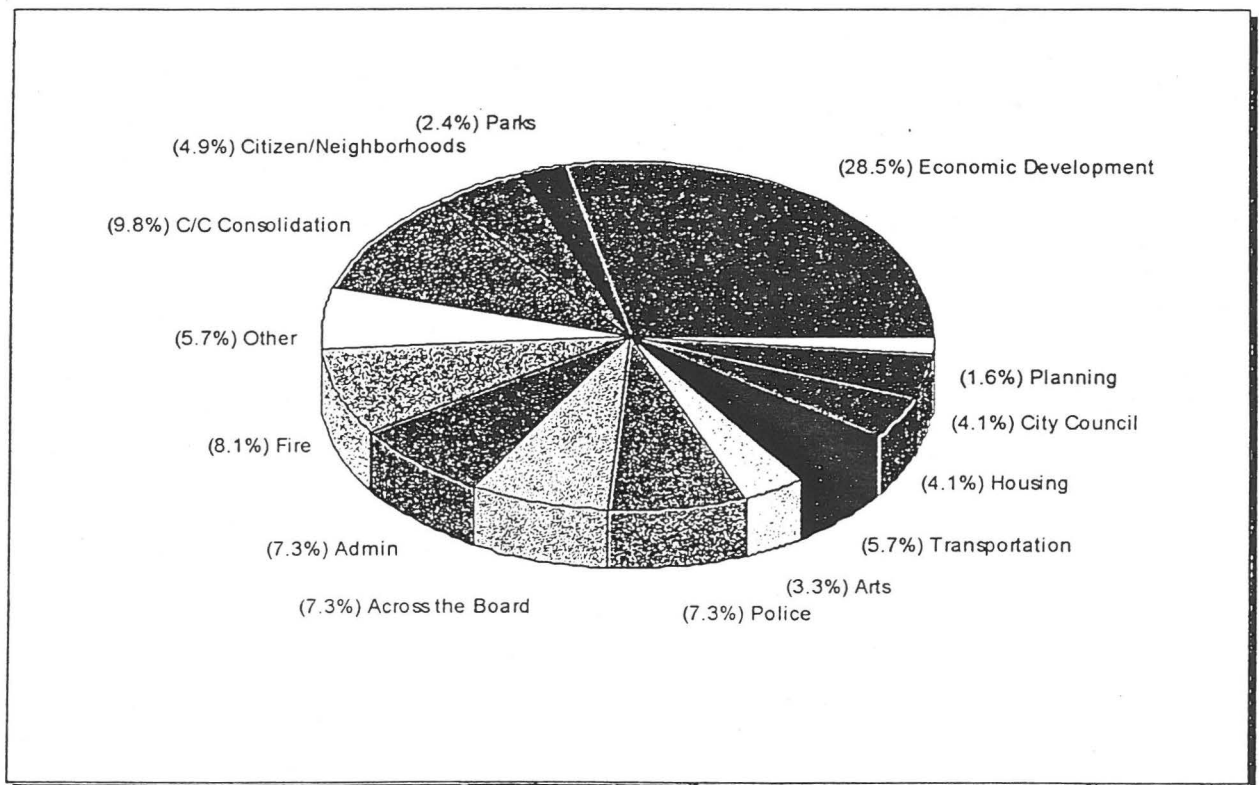
### Northeast Portland

January 25, 1997

(128 Citizens Attended)

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.*

*The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service areas.*



**Police (16):** cut back on enforcement of speeding; cut back on arresting street level drug dealers; eliminate marijuana task force; across the board cuts to entire Police budget; don't buy "state of the art" equipment.; emphasize enforcement of "serious" crimes.

**Northeast - *continued***

**Fire (13):** eliminate duplicate emergency services response; look for efficiencies in emergency services response; reduce the number of vehicles that respond to emergency calls; don't buy "state of the art" equipment.

**Administration & Support (12):** streamline and consolidate functions; 30% across the board cut in admin. & support functions; reduce management layers.

**Across the Board (9):**

**Economic Development (7):** eliminate help to new and existing businesses; eliminate tax breaks for businesses.

**Citizen and Neighborhood Services (7):**

**Other (6):** Replace city employees with volunteers; pursue new fees; more gas tax.

**Parks (6):** reduce support for adult activities; reduce support for specific facilities such as the Children's Museum; encourage citizens to provide maintenance for their neighborhood parks.

**Planning (5):** streamline and/or consolidate planning.

**Transportation (4):**

**City/County Consolidation (1):**

## Priorities for City of Portland Budget Reductions:

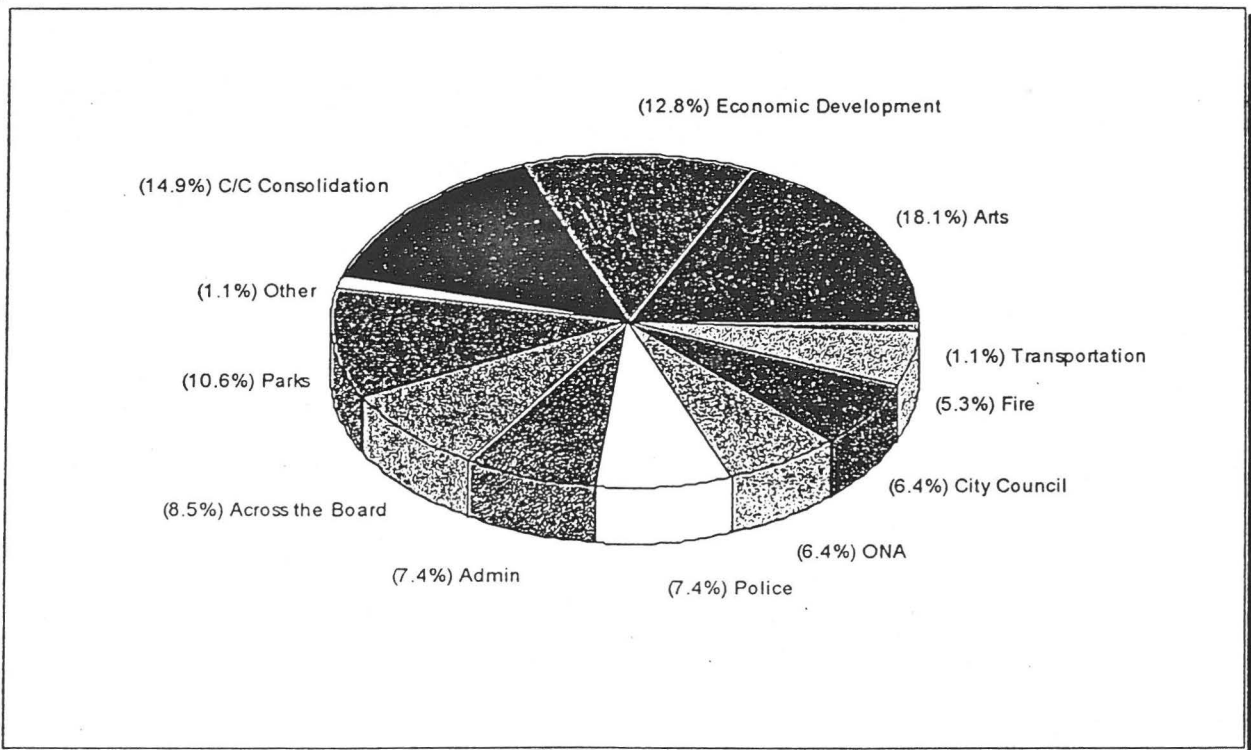
### East Portland

January 29, 1997

( 131 Citizens Attended )

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.*

*The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service area.*



**Arts (17):** eliminate support for cultural tourism; reduce support for neighborhood arts; look to schools and other groups to provide art programs; reduce support for affordable family activities like plays, exhibits and concerts.



**East - continued**

**City/County Consolidation (14):** eliminate duplication between City and County services (IE. public safety, planning, parks purchasing and other support services); consider a vote to consolidate the City and the County; consolidate City and County administrative services; consolidate Police and Sheriff; examine duplication of City and County housing programs and streamline and consolidate; consolidate City and County community services..

**Economic Development (12):** economy is hot so we don't need to support business growth and development; cut business assistance and revitalization; provide only on a limited basis; eliminate tax abatements; no public money for private gain.

**Parks (10):** Reduce/eliminate urban forestry program; reduce adult programs.; utilize more neighborhood volunteers in lieu of paid staff; don't build new community centers..

**Police (7):** Reduce the number of non-sworn positions; reduce the number of units responding to an incident; reduce the Traffic Division; reduce the number of command positions.

**Citizen/Neighborhood Services (6):** Reduce/eliminate citywide information and referral; rely more on volunteers than paid staff for neighborhood offices; reduce support for neighborhood associations; crime prevention overlaps with community policing.

**City Council (6)**

**Fire (5)**

**Transportation (1)**

**Other (1):** Pursue alternative revenue sources.

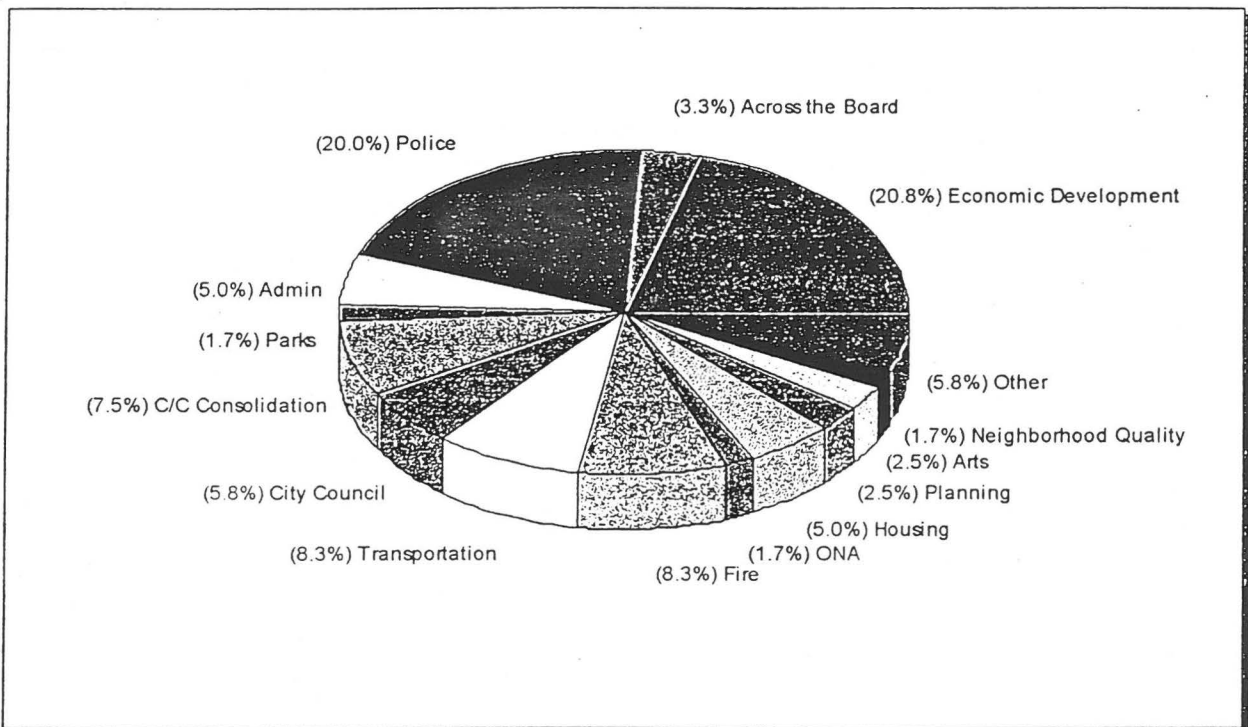
## Priorities for City of Portland Budget Reductions:

### Southeast Portland

January 30, 1997  
(233 Citizens Attended)

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.*

*The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service areas.*



**Economic Development (25):** Don't subsidize business; don't encourage growth; let businesses pay for keeping downtown safe and attractive; reduce business retention programs; cut support for new and existing businesses; economic development costs should be paid for by the private sector; business should carry more of the load; reduce support for employment and job training.

***Southeast - continued***

**Police (24):** Reduce duplications and redundancies; use more civilians instead of higher cost sworn personnel; eliminate the marijuana task force; eliminate investigation of less serious crimes like prostitution and low level drug possession; reduce traffic/speeding enforcement; focus on violent crime not victimless crime; reduce crime scene coverage; reduce traffic enforcement officers by deputizing parking patrol; reduce investigation of property crimes.

**Fire (10):** streamline fire and medical response; eliminate duplicative services in emergency response; reduce code enforcement and fire prevention efforts; reduce arson investigation; institute fees for emergency medical response.

**Transportation (10):** Reduce downtown street cleaning to 3 nights per week; coordinate paving work more effectively with utility cuts in roadway; shift transportation costs out of the General Fund to gas tax;

**City/County Consolidation (9):** Consolidate the Police and Sheriff; consolidate city and county admin. and support functions; consolidate planning and permit issuance functions; consolidate housing programs; look for overlaps and duplications.

**City Council (7):**

**Other (7):** Alternative taxes and fees in lieu of reductions; privatize/out source services.

**Housing (6):** Reduce/eliminate assistance to first time home buyers; cut support for housing for a range of income levels.

**Administration & Support (6):**

**Across the Board (4):**

**Planning (3):**

**Arts (2)**

**Neighborhood Quality (2)**

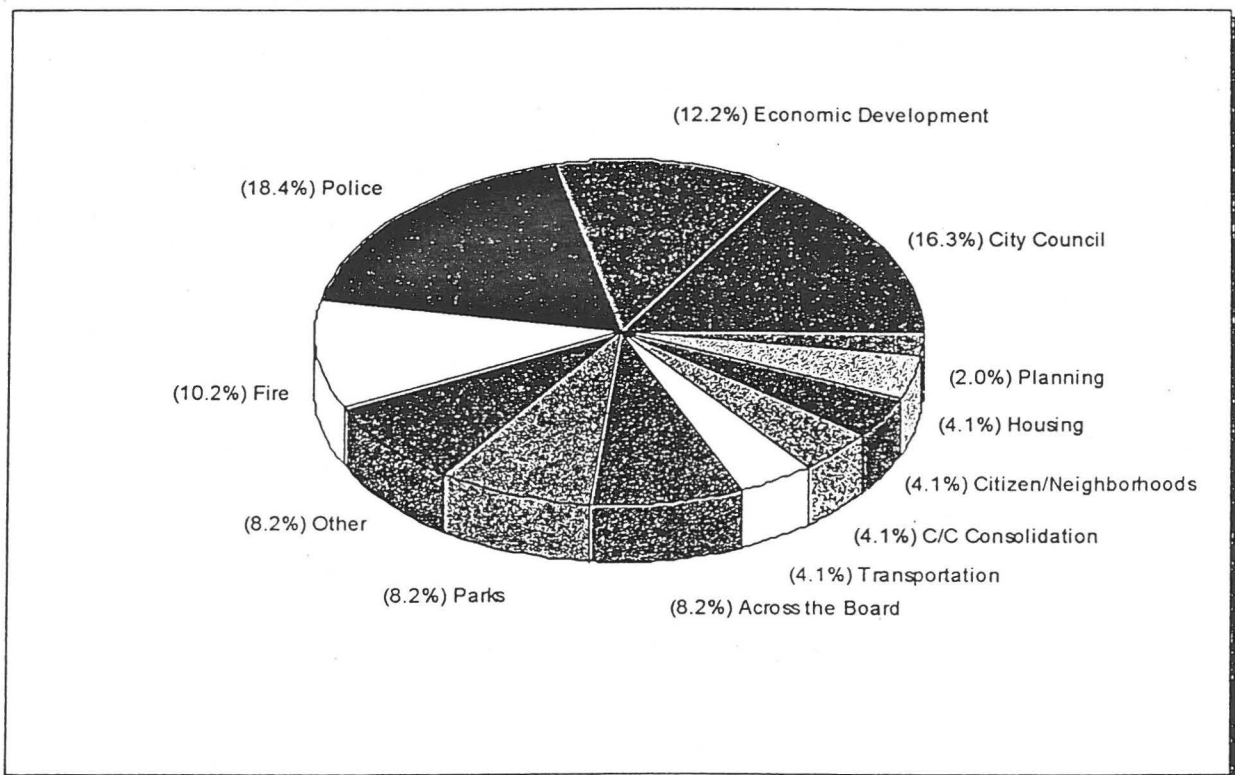
## Priorities for City of Portland Budget Reductions:

### Northwest Portland

February 1, 1997  
(53 Citizens Attended)

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.*

*The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service areas.*



**Police (9):** Reduce number of units responding to incidents; reduce response to victimless crimes; eliminate marijuana task force; work for efficiencies in community policing.

**City Council (8):** Reduce City Council budgets; cut administrative costs of City Council.



**Northwest - *continued***

**Economic Development (6):** Turn to private sector for economic development support rather than the public sector; prioritize and work for efficiencies within this service area.

**Fire (5):** Reduce the number of vehicles responding to emergency medical calls.

**Other (4):** Pursue alternative revenues, fees; modify existing tax structure.

**Parks (4):**

**Transportation (2)**

**City/County Consolidation (2):**

**Citizen & Neighborhood Services (2):**

**Housing (2):**

**Planning (1):**

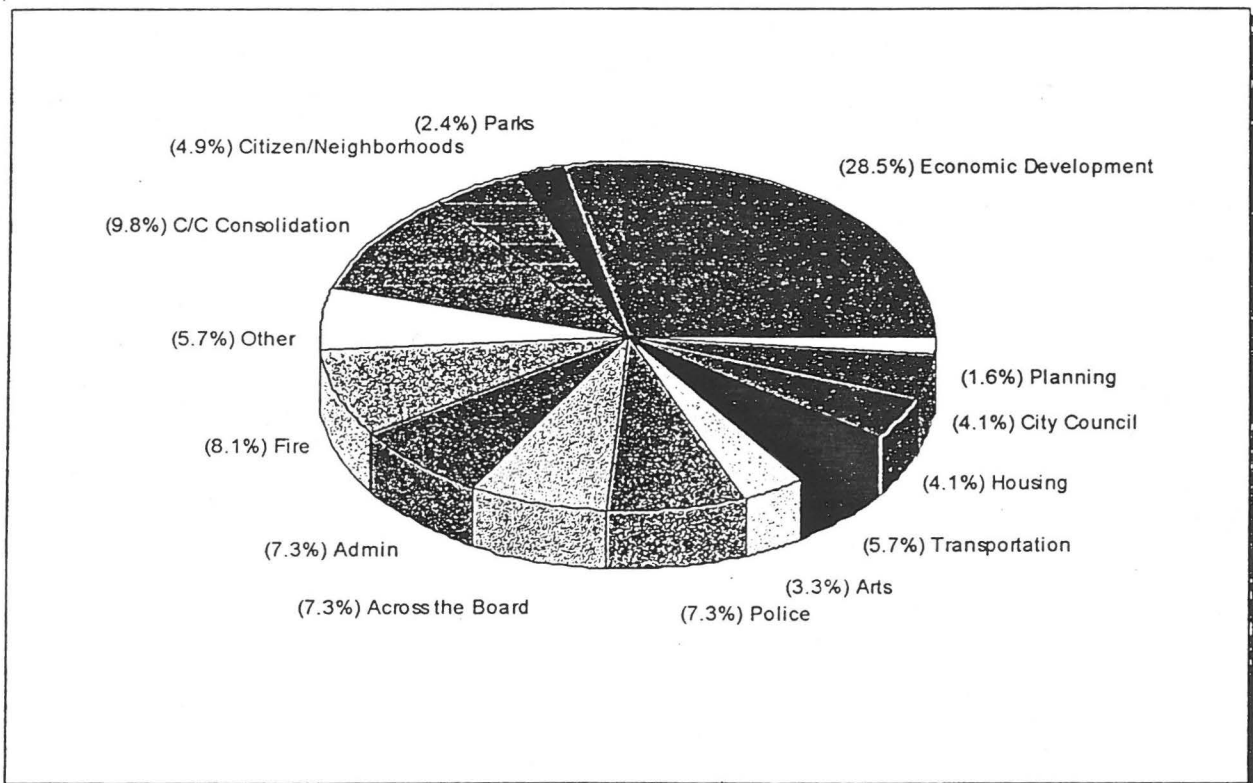
## Priorities for City of Portland Budget Reductions:

### North Portland

February 1, 1997  
(236 Citizens Attended)

*Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.*

*The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service areas.*



**Economic Development (35):** Replace public dollars supporting economic development with business dollars; limit support for job creation; reduce support for all economic development programs except support for small businesses; cut city support for the funding of private sector infrastructure; reduce subsidy for new construction; privatize economic development activities; stop tax abatements, tax breaks for big business; no subsidy for growth..

**North - continued**

**City/County Consolidation (12):** Merge the City and the County; consolidate admin services; eliminate duplication of services between the jurisdictions; consolidate Police and Sheriff; target reductions to areas of redundancy..

**Fire (10):** Reduce emergency response, number of vehicles responding to a call.

**Administration & Support (9):** compare cost of services with private bids; reduce administrative and support salaries;

**Police (9):** Reduce overtime; use more non-sworn personnel; across the board cuts in Police but no precinct closures.

**Across the Board (9):**

**Other (7):** Pursue alternative revenues; out source/privatize

**Transportation (7):** Less frequent street cleaning.

**Citizen and Neighborhood Services (6):** Focus on use of volunteers rather than paid staff for neighborhood offices; eliminate ONA and do it all with volunteers.

**City Council (5):** Reduce salaries.

**Housing (5):** Eliminate assistance to first time home buyers; eliminate tax abatements for housing.

**Arts (4):**

**Parks (3):** Make use of more volunteers in lieu of paid staff;

**Planning (2):**

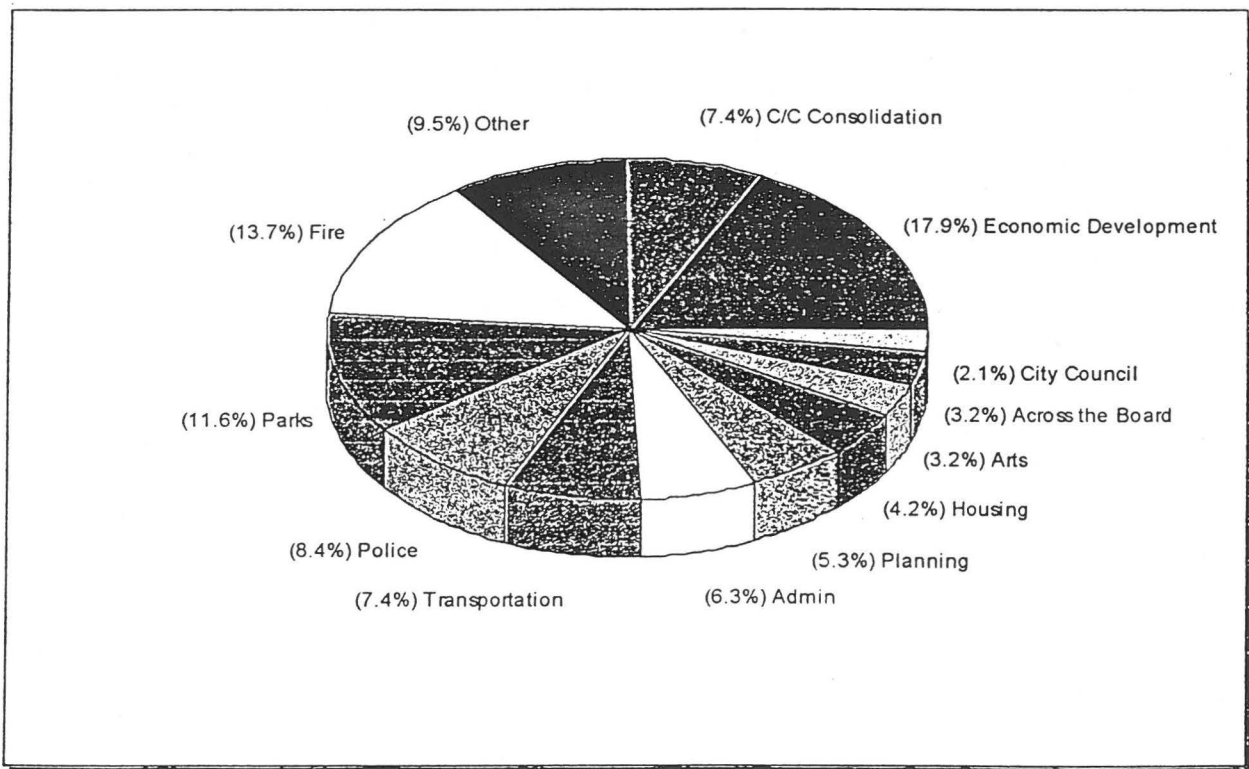
## Priorities for City of Portland Budget Reductions:

### Southwest Portland

February 5, 1997  
(103 Citizens Attended)

Citizens were asked to identify their top priorities for budget reductions in the upcoming FY 97-98 budget. In small groups, they selected the "Top 3" areas for City of Portland reduction and Multnomah County reduction. The top priority was scored 3, second highest was scored 2, and third highest was scored 1. This document reports City of Portland results.

The pie charts reflect priorities for cutting services by major area on the basis of the scoring. Often, no specific sub-areas within a bureau or service area were identified by participants. Where specific services or programs were called out for reductions, they are summarized below. The number in parenthesis indicates the total number of points received by the service areas.



**Economic Development (17):** Business does not need subsidies; eliminate tax benefits/ tax abatements for business.

**Fire (13):** Let private ambulances provide emergency medical response; level of fire response is too high (emergency medical); fewer fires are occurring so reductions are in order; decrease disaster planning efforts



**Southwest Portland - *continued*...**

**Parks (11):** Don't build new community centers to save operating costs; rely more heavily on use of volunteers; reduce park maintenance.

**Other (9):** Pursue alternative revenue sources, fees, etc; modify existing tax structure.

**Police (8):** Eliminate/reduce response to victimless crimes and property crimes.

**City/County Consolidation (7):** Merge the City and County; consolidate Police and Sheriff; eliminate overlaps.

**Transportation (7):** Reduce the frequency of downtown street cleaning; have businesses pay for downtown street cleaning.

**Administration & Support (6):** Review span of control and trim; consolidate units within the city that provide similar services; consider outsourcing to save dollars.

**Planning (5):** Reduce support for neighborhood/community planning; reduce the "aesthetic" part of planning.

**Housing (4):**

**Arts (4):**

**Across the Board (3):**

**City Council (2):**