

Exhibit 'A-1'

Recommendations for Forming a Local Improvement District (LID) to Fund Portland Streetcar Phase II Project Capital Improvements

Project Description. The Project includes the design and construction of tracks, overhead wiring, station stops and other capital improvements and the acquisition of streetcar vehicles, enabling streetcar service to be extended from the Phase I terminus at S.W. 10th and Mill on S.W. Market, Mill and 5th Avenue and through the PSU Urban Center to a new terminus on S.W. Montgomery between 4th and 5th Avenues.

LID Boundary. The LID should include all properties within an area bounded by S.W. Columbia, Hall, Broadway and 3rd Avenue (extended). The LID should be further broken down into Zone A which should include properties within 200 feet of a Streetcar street right-of-way, and Zone B which should include all other properties within the LID Boundary.

Capital and Operations Funding. The LID should not be formed until the City has funding available to cover the balance of the Project capital cost and all of the annual operating cost. Property owners within the LID should not be additionally assessed for these purposes.

Assessment Method. Assessments should be calculated based on frontage on the Streetcar alignment in public right-of-way (Frontage) and its land and improvement value (Value). An individual property within the LID should be assessed \$30 per foot of Frontage plus one of the following rates times the property's Value per thousand dollars, depending on the Principal Land Use and the location of the property within Zone A or Zone B:

<u>Principal Land Use</u>	<u>Zone A</u>	<u>Zone B</u>
Regional Institutional	\$11.00	\$11.00
Commercial	\$8.25	\$4.125
Local Institutional	\$5.50	\$2.75
Industrial	\$5.50	\$2.75
Residential	\$5.50	\$2.75

Regional Institutional should include Portland State University properties. Local Institutional should include churches, theaters, museums, libraries, parks and other publicly owned or non-profit places of public assembly. Industrial should include property within an IG zone or within an EX zone and designated "Industrial" by the Multnomah County Assessor. Residential should include property primarily in residential use or within an R1 zone. All other property should be considered Commercial. Owner occupied residences and federally owned property should be exempt.

The above formula and Frontage and Value rates are the same as those used on the Portland Streetcar Phase I LID, created by the City Council on September 23, 1998. The Phase II LID does not encompass any known Industrial properties or any IG, EX or R1 zones.

Estimate of Assessment. For example, a Commercial property in Zone A with a 100 foot of Frontage and a Value of \$1 million would be assessed \$11,250 or an average of about \$980 per year, if financed for 20 years @ 6% interest. A \$1 million Commercial property in Zone B would be assessed about \$4,125 or an average of about \$360 per year, if similarly financed.

Fixed Total Assessment Amount. Based on totals of 2,400 feet of Frontage and \$162 million of non-exempt Value within the LID (using 1998 Multnomah County appraised market values), the Total Assessment Amount would be \$1.288 million. The civil construction cost is estimated to be \$5.568 million, not including cost of vehicles or value of PSU right-of-way easement donations. The adopted Project Capital Finance Plan includes funds for the vehicles and \$4.28 million for design, management and construction of the Project which, together with the \$1.288 million LID proceeds, would cover the estimated civil construction cost. At the time of assessment, if total non-exempt Value within the LID has changed from \$162 million, the Frontage and Value rates set out above should be adjusted proportionately to maintain a fixed Total Assessment Amount of \$1.288 million.

Land and Improvement Value Determination. Values used in determining the assessments should be the true market value on record with the Multnomah County Assessor at the time that the district is assessed. If the Value is not contained in the county records, the Value should be established by independent appraisal. The district would be assessed when the Project is substantially completed presently scheduled in about March 2001.

Financing. The City should arrange long-term financing of the LID assessments and make such financing available to property owners. Such financing should be for a term of not less than 20 years at interest rates not to exceed 6 percent. The actual interest rate charged to property owners should be the interest rate at which municipal bonds for the LID are sold plus the percentage markup specified in the Portland City Code. Property owners should be offered the option of monthly, semi-annual or annual payment plans.

Portland Streetcar, Inc.
115 N.W. First Avenue, Suite #201
Portland, Oregon 97209



Portland Streetcar Phase II Local Improvement District

Exhibit 'B'

Portland Streetcar Phase II Project
 10th/Mill to 4th Harrison
 Civil Construction Work
 Preliminary Cost Estimate

<u>item</u>	<u>quantity</u>	<u>units</u>	<u>unit cost</u>	<u>total</u>
track slab				
tangent track	3120	tf	\$290	\$904,800
curved track	450	tf	\$350	\$157,500
CP measures	1	ls	\$180,000	\$180,000
special trackwork	1	ea	\$100,000	\$100,000
overhead electrification	3570	tf	\$125	\$446,250
substations	1	ea	\$310,000	\$310,000
stop platforms	6	ea	\$30,000	\$180,000
traffic signals	6	intrsctn	\$60,000	\$360,000
special train signals	2	intrsctn	\$50,000	\$100,000
street reconstruction	3570	tf	\$100	\$357,000
PSU special treatments	1	ls	\$63,000	\$63,000
quality control	3570	tf	\$30	<u>\$107,100</u>
subtotal				\$3,265,650
mobilization			10.0%	\$326,565
traffic control			6.2%	<u>\$202,470</u>
subtotal				\$3,794,685
estimating contingency			15%	\$569,203
subtotal (construction contract amount)				\$4,363,888
construction contingency			10%	<u>\$436,389</u>
subtotal				\$4,800,277
design			8%	\$384,022
construction management			8%	<u>\$384,022</u>
<u>total</u>				\$5,568,321

Exhibit 'C'

Portland Streetcar Phase II Project
Local Improvement District
Summary Description

Name of Project:	Portland Streetcar Phase II Project
Project Location:	S.W. Market between 5th and 11th; S.W. Mill between 6th and 10th including vacated rights-of-way; an easement diagonally through Block 162, Portland Addition, from the southeast corner to the northwest corner of the block; S.W. 5th between Market and Montgomery; and S.W. Montgomery between 4th and 5th.
Project Description:	An extension of the Portland Streetcar Phase I Project (formerly Central City Streetcar Phase I Project) from its terminus at S.W. 10th and Mill to S.W. 4th and Montgomery consisting of the construction of concrete track slab; overhead electrification wires, poles, substations and other electrical equipment; traffic signs, markings and signal devices, station stops; street paving and other related improvements similar in character to those being constructed for the Portland Streetcar Phase I Project.
Estimated Project Cost:	\$5,568,000, excluding the cost of the previously ordered fifth streetcar vehicle needed for the lengthened alignment and based on the construction being carried out under an amendment to the ongoing Streetcar construction contract between the City and Stacy and Witbeck, Inc. that is approved by about July 2000.
City Funding:	\$4,280,000 paid from funds allocated in the adopted January 2000 Revised Capital Finance Plan.
Total LID Assessment:	\$1,288,000 as a fixed amount paid from Portland Streetcar Phase II LID proceeds.
LID Boundaries:	All property partially or fully within an area bounded by S.W. Broadway, Columbia, Third and Hall.
Construction Timing:	Construction scheduled to commenced in about July 2000 and completed in about February 2001 with operations commencing in about July 2001.

RESOLUTION No. 35892

Initiate local improvement proceedings and adopt a Resolution of Intent regarding the Local Improvement District for the extension of streetcar service to Portland State University Urban Center, Portland Streetcar Phase II (Resolution)

WHEREAS, on January 13, 1999, the City Council adopted Resolution No. 35757, which among other things, acknowledged the availability of additional resources allowing the extension of the Streetcar from the initial terminus at S.W. 10th and Mill to the Portland State University Urban Center; and

WHEREAS, on March 17, 1999, the City Council adopted Resolution No. 35775, which among other things, adopted the Revised Capital Finance Plan allocating \$4.28 million to the extension of the Streetcar from the initial terminus at S.W. 10th and Mill to the Portland State University Urban Center; and

WHEREAS, on August 11, 1999, the City Council adopted Resolution No. 35815, which accepted the North Macadam Framework Plan describing a route for streetcar service through the North Macadam District and directed Commissioner Charlie Hales to appoint a Future Alignment Committee to reassess the streetcar alignment from its 10th and Mill terminus to RiverPlace and the proposed North Macadam terminus at S.W. Bancroft; and

WHEREAS, on August 27, 1999, Commissioner Charlie Hales appointed a Future Alignment Committee, chaired by Michael Powell, which met on September 9, September 30, October 28, November 17 and December 7, 1999, and adopted a series of recommendations regarding the route and design of the extension of the Streetcar from the 10th and Mill terminus to North Macadam; and

WHEREAS, on September 1, 1999, the City Council adopted Resolution No. 35818, which approved a revised track alignment at the south terminus at S.W. 10th and Mill and requested the parties to work together to resolve the alignment from the terminus at 10th and Mill to Portland State University Urban Center; and

WHEREAS, on January 19, 2000, the City Council received the Future Alignment Committee's recommendations and adopted Resolution No. 35856 approving the alignment for the Streetcar from the terminus at S.W. 10th and Mill to S.W. Bancroft in the North Macadam area including a route from the terminus to the Portland State University Urban Center; and

WHEREAS, on January 19, 2000, City Council adopted Ordinance No. 174089, which authorized Amendment No. 4 to Agreement No. 31428 between the City of Portland (City) and Portland Streetcar, Inc. (PSI), providing for the preparation of engineering drawings, specifications and cost estimates required for the Portland Streetcar Phase II Project and for technical assistance needed to establish a Local Improvement District to help fund the Portland Streetcar Phase II Project; and

WHEREAS, on January 19, 2000, the City Council adopted Ordinance No. 174092 authorizing Amendment No. 10 to Construction Contract No. 31987 between the City and Stacy and Witbeck, Inc. (SWI) and the expenditure of approximately \$205,465 for the advance purchase of track material for the Portland Streetcar Phase II Project; and

WHEREAS, PSI has prepared documents, including engineering drawings, specifications and a cost estimate for the construction of the Portland Streetcar Phase II Project as required by Amendment No. 4 to the City/PSI Agreement authorized by City Council Ordinance No. 174089, which documents have been filed with the Auditor's Office; and

WHEREAS, the plans and specifications for the Portland Streetcar Phase II Project are substantially in accordance with those for the Portland Streetcar Phase I Project (formerly referred to as the Central City Streetcar Phase I Project); and

WHEREAS, the preliminary finance plan prepared by PSI calls for a budget of \$5,568,000 for the management, design and construction of the Portland Streetcar Phase II Project, not including the previously approved purchase price of the fifth Streetcar vehicle needed for the lengthened alignment, to be funded by \$4,280,000 presently allocated in the Revised Capital Finance Plan plus proceeds from a Local Improvement District assessing properties fully or partially within a district bounded by S.W. Columbia, Hall, Broadway and Third the total amount of \$1,288,000 (Portland Streetcar Phase II LID); and

WHEREAS, PSI has recommended a formula for equitably assessing properties within the Portland Streetcar Phase II LID in accordance with their respective specific and peculiar benefit; said formula based on each property's frontage on a Streetcar street, land and improvement value times a rate based on use and proximity to a Streetcar street; said formula substantially in accordance with that used for the LID for the Portland Streetcar Phase I Project; and said formula and other recommended features of the Portland Streetcar Phase II LID set out in Exhibit 'A-1' and Exhibit 'A-2', attached to the original of this Resolution, and by reference made a part hereof; and

WHEREAS, PSI has mailed letters to all property owners that will be assessed under the proposed LID and has also met and/or talked on the telephone with many of them, advising them of the Portland Streetcar Phase II Project, the proposed Portland Streetcar Phase II LID, the recommended LID formula, the estimated amount that their property will be assessed and the probable schedule for City Council actions in initiating the LID process; and

WHEREAS, the PSI Board of Directors at its June 6, 2000, meeting will consider, and is expected to approve, a Resolution recommending that City Council institute local improvement district proceedings; and

WHEREAS, Section 17.08.040 of the City Code provides for the institution of local improvements district proceedings by the City Council if it determines that an improvement is necessary and should be constructed.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Portland, a municipal corporation of the State of Oregon, that it is in the public interest to extend the Streetcar approximately 1/3 mile to S.W. 4th and Harrison in order to provide improved transit service to south downtown properties, Portland State University and Tri-Met bus service on S.W. 5th and 6th Avenue; and that the Portland Streetcar Phase II Project is necessary and should be constructed; and

BE IT RESOLVED that the City Council accepts the Preliminary Cost Estimate for the Portland Streetcar Phase II Project as set forth in Exhibit 'B' attached to the original of this Resolution, and by reference made a part hereof; and

BE IT RESOLVED that City Council finds that the engineering drawings, specifications and cost estimate authorized under City Council Ordinance No. 174089 and on file in the City Auditor's office meet the requirements of the City Code sections 17.08.040 and 17.08.060, and that they are substantially in accordance with the plans and specifications for the Portland Streetcar Phase I Project, which previously have been approved by the City Council; and

BE IT RESOLVED a total maximum assessment amount of \$1,288,000, including administrative costs, shall be assessed as provided by the Charter and Ordinances of the City of Portland upon property specifically and peculiarly benefited thereby, which property is hereby determined and declared to be all lots, parts thereof and parcels of land, excepting federally-owned property and owner-occupied residences, partially or fully within the district of the City of Portland, as set forth on the map in Exhibit 'A-2' attached to the original of this Resolution, and also described as all properties within or partially within boundaries as described below:

Beginning at the intersection of S.W. Broadway and S.W. Hall; then north on the centerline of S.W. Broadway to the intersection of S.W. Broadway and S.W. Columbia; then east on the centerline of S.W. Columbia to the intersection of S.W. Columbia and S.W. Third, then south on the centerline of S.W. Third extended south to the intersection of S.W. Third and Hall; and then west on the centerline of S.W. Hall to the intersection of S.W. Hall and S.W. Broadway.

BE IT RESOLVED that the Council does hereby determine that the character of the said improvements to be made shall be in substantial accordance with the improvement described in the engineering drawings and specifications on file with the Auditor's office and in accordance with the general Program Description as set forth in Exhibit 'C'

attached to the original of this Resolution, and by reference made a part hereof; and shall include the design and construction of tracks, overhead wiring, station stops and other capital improvements enabling the Streetcar transit service to be extended from S.W. 10th and Mill to S.W. 4th and Montgomery; and

BE IT RESOLVED that, notwithstanding Section 17.08.080 of the City Code, the City Council directs the Portland Office of Transportation to give notice to property owners of the City's intention to form a Local Improvement District as described herein and as set forth in Exhibit 'A-1' and Exhibit 'A-2' attached to the original of this Resolution, said notice to include a description of the Portland Streetcar Phase II Project, an estimate of the assessment, the date of the last day for filing a remonstrance, the date, time and place of the public hearing to be conducted prior to the City Council taking final action to establish the LID and other requirements of the Charter and Ordinances of the City of Portland.

Adopted by the Council,

JUN 07 2000

Commissioner Charlie Hales
Vicky L. Diede: mpst
May 30, 2000

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GARY BLACKMER

AUDITOR OF THE CITY OF PORTLAND

BY



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RESOLUTION NO. 35892

Title

Initiate local improvement proceedings and adopt a Resolution of Intent regarding the Local Improvement District for the extension of streetcar service to Portland State University Urban Center, Portland Streetcar Phase II (Resolution)

INTRODUCED BY	Filed: JUN 02 2000
Commissioner Charlie Hales	Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER	
Affairs	
Finance and Administration	By: <u>Britta Olson</u> Deputy
Safety <i>Charlie Hales</i>	For Meeting of: _____
Utilities	
Works	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: Transportation Engineering & Development	
Prepared by Date Vicky L. Diede:slg May 30, 2000	
Budget Impact Review: <input checked="" type="checkbox"/> Completed <i>TR</i> <input type="checkbox"/> Not Required	
Bureau Head: <i>BRW</i> Brant Williams, P.E.	

AGENDA		FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
				YEAS	NAYS
Consent	Regular <input checked="" type="checkbox"/>	Francesconi	Francesconi	✓	
NOTED BY		Hales	Hales	✓	
City Attorney		Saltzman	Saltzman	✓	
City Auditor		Sten	Sten	—	
City Engineer: Brant Williams <i>BRW</i>		Katz	Katz	✓	
Approved By:					