

City of Portland, Oregon
FINANCIAL IMPACT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Art Pearce		2. Telephone No. 503-823-7791	3. Bureau/Office/Dept. PBOT/Development & Capital Program/PMD
5a. To be filed (hearing date): February 18, 2010 – 2pm	5b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		4. Date Submitted to Commissioner's office and FPD Budget Analyst: February 10, 2010

1) Legislation Title: Adopt Intergovernmental Grant Agreement with TriMet for City financial contributions to fund the preliminary engineering, final design, and construction of the South Corridor Phase II: Portland-Milwaukie Light Rail Project. (Ordinance)

2) Purpose of the Proposed Legislation: Adopt IGA with TriMet for \$30 million City of Portland contribution to the South Corridor Phase II: Portland-Milwaukie Light Rail Project

Revenue and/or Expense:

Is ALL the Revenue and/or Expense a part of the current year's budget? Yes _____ No _____
 SAP COST OBJECT No(s): _____ then go to Step #5.
 If NO, complete Steps 3 & 4. For modifications to budgets, identify/discuss only the changes to the budget.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source. Allocation existing revenue sources to the LRT project will reduce the amount of funding these sources can contribute to other projects and programs. Additional revenue generated by new TSDC sources created for the LRT match will be allocated to the LRT project so will not provide any increase in unallocated City revenue.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required) ("If there is a project estimate, please identify the level of confidence.") The IGA outlines a funding plan for the \$30 million City of Portland funding contribution to the Portland to Milwaukie LRT project from a variety of funding sources. Many of these revenue sources are newly established or revenues are committed in the near term to other projects. The City will need to secure interim financing backed by the City General Fund until full repayment. City financing costs are not included in the \$30 million local match calculation but represent an additional financial impact to the City.

PDC Tax Increment Financing:

Portland Development Commission has identified tax increment financing (TIF) in the amount of \$10 million to contribute toward the project from North Macadam Urban Renewal Area (NMAC URA). The NMAC URA TIF contribution is based the following assumptions: 1) Tax increment financing capacity in the URA meets or exceeds assumptions currently included in the PDC forecast; 2) Funds would be accessible after the South Waterfront Central District projects have been completed, currently assumed to be distributed between fiscal years 2011-12 and 2012-13; and 3) To allocate the full amount in 2011-12 the NMAC URA's contribution may require some reprioritization of projects currently included in the five year forecast.

PBOT Parking Revenue:

The PBOT Parking revenue contribution assumes utilizing a mix of potential parking rate increases and potential new off street parking surcharges to generate \$3.22 in LRT match. This allocation reduces the amount of GTR available for other transportation projects but could be backfilled by other Gas tax associated funding not eligible to fund transit improvements. PBOT will budget for this contribution in FY 11-12.

South Central City/University District/Science and Technology Triangle TSDC Overlay:

This proposed \$5 million dollar funding source would consist of a contribution from PSU and other properties within the University District and additional areas in the southern end of downtown and properties surrounding the inner eastside portion of the LRT alignment. The source has not yet been established at this time but an RFP is ready to hire

consultants to assist in preparing the rate study. This source will necessitate significant public process and requires formation by City Council. The TSDC Overlay would generate this funding as development occurs and as it has yet to formed would require interim financing.

Citywide TSDC:

The LRT project and eligible amount of \$1.78 million is included in the citywide TSDC project list. This amount has been programmed but not budgeted.

South Waterfront TSDC Overlay:

This new funding source was adopted by City council by Ordinance 182652 on April 8th 2009 and will go into effect July 1 2009. A \$10 million allocation out of a total of \$18 million projected to be generated from this fee will reduce and postpone funding for other projects eligible for this funding. It is also likely that LRT match payment will be required prior to adequate revenue generation requiring interim financing.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)* NO

6) Will positions be created or eliminated in future years as a result of this legislation? NO

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)* NO

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

KK 2-09-10 

APPROPRIATION UNIT HEAD SUSAN D. KEIL, Director, Bureau of Transportation

**Portland to Milwaukie Light Rail Funding IGA
2pm Council Session, February 18th, 2010**

The Portland to Milwaukie Light Rail line is an important component of the build-out of the region's high capacity transit system, and a central tenant of City of Portland land use and transportation policies.

To help fund the Portland to Milwaukie LRT project, the City of Portland has agreed to provide \$30 million contribution to the \$1.417 billion project.

On June 17, 2009 City Council accepted by Resolution the recommended conceptual funding plan for the \$30 million dollar City of Portland contribution to the Portland-Milwaukie Light Rail Project and directed the Portland Bureau of Transportation to work with the Office of Management and Finance, and the PDC to pursue the development of a final funding plan.

The team has prepared the final funding plan and before Council today is an Ordinance authorizing an IGA between the City of Portland and TriMet to formalize the contribution to the project.

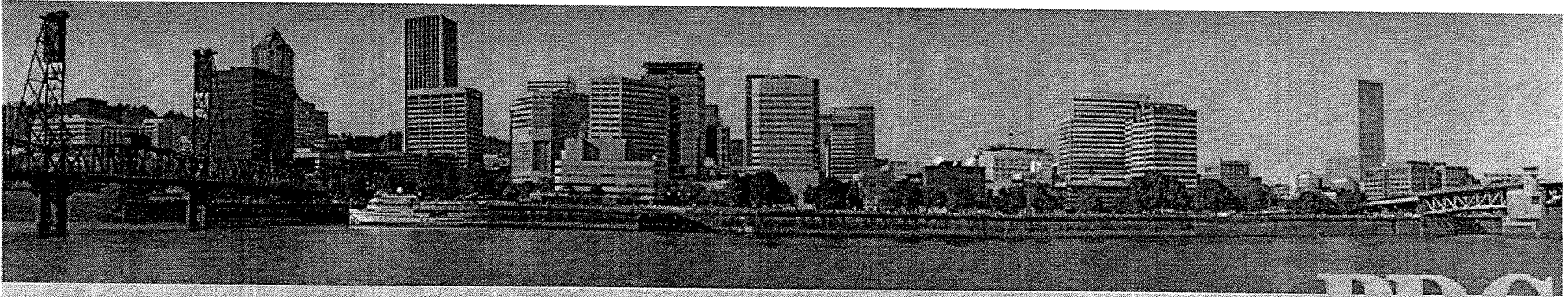
Fred Hansen from TriMet and Sue Keil and Art Pearce from PBOT are here to provide an update on the project, present the funding package and IGA, and answer any questions.

North Macadam URAC Testimony- Response to concerns

LRT is a district priority project, crucial to meeting district capacity needs and provides a development anchor in the north end

Council is supportive of numerous initiatives to design and fund improvements in the URA now and in the future- leveraging outside resources.

- North District Partnership and updated South Waterfront Street Plan- Complete
- Moody Ave TIGER Grant- \$23.2 Million Grant for Moody Ave street and streetcar reconstruction
- Central City Connector Grant- \$25 Million Grant application for Close the Loop Streetcar
- Lake Oswego Streetcar- Planning and alternatives analysis in process
- South Portal- \$300K Construction Excise Tax Grant submitted to prepare this area for Streetcar extension and future traffic improvements.



PDX

Comparison of URA Contribution to Light Rail

LRT Line	URA	Project Cost	TIF Contribution	% of TIF	Stations within URA	LF within URA
Portland Mall/I-205	Lents/DTWF	\$575.7M	\$20M (\$5M Lents/ \$15M DTWF)	3.5%	3/7	17,990 (10,944 / 7,046)
Interstate	Interstate	\$350M	\$30M	8.6%	9	26,951
PDX-Milwaukie	South Park Blocks/ North Macadam/ Central Eastside	\$1.5B	\$10M	0.7%	3	9,160 (395/ 5,255/3,510)

2 of 2

183554