

Policy Governing the PIR-North Portland Trust Fund

Recommended by the PIR-North Portland Trust Fund Policy Committee
November 1997

Committee members

Rufus Conner, Portsmouth Community School	Dale LaFollette, PIR
Tom Griffin-Valade, ONA	Alta Mitchoff, North Portland resident
Connie Hunt, North Portland resident	Helen Warbington, North Portland resident
Mark Kirchmeier, North Portland business representative	
Gordon Wilson, Portland Parks & Recreation management representative	

1 Introduction - Purpose of PIR-North Portland Trust Fund

The PIR-North Portland Trust Fund is a "mitigation fund" that began awarding grants to the North Portland community in 1993. It reflects a "Good Neighbor" policy for the Portland International Raceway (PIR) that as a City-owned facility operated by Portland Parks & Recreation (PP&R), PIR seeks to recognize and minimize the negative impacts that the racetrack has on adjacent neighborhoods--particularly from events that receive noise variances. In addition to noise, there are also traffic and air quality impacts. When those impacts cannot be directly reduced, PIR's goal is to offer a compensating benefit to those neighborhoods that will improve their livability and vitality.

In order to achieve this goal, PIR requires of its major event promoters (those who need noise variances) an annual payment to the PIR-North Portland Trust Fund commensurate with the size of the event. In addition, this Trust Fund should receive 5% of the gross revenue from any events produced on Memorial Day weekend. The Trust Fund then makes small grants available to sponsors of projects or improvements that provide a benefit to the North Portland community, with a special emphasis on the neighborhoods closest to the track. At least \$20,000 per year is expected to be available for grant awards, depending on the financial resources available in the fund.

2 Eligible to apply for grants

Any individuals or organizations with a proposal in mind that would benefit the North Portland community, with the exception of PIR or its race sponsors. Applicants may include but not be limited to neighborhood associations, business associations, schools or school districts, governments (including Portland Parks & Recreation programs other than PIR), businesses or groups of businesses, churches, or other community groups.

The proposers need not be based in the North Portland community but the benefit must be concentrated there. For example, Stop Oregon Litter and Vandalism (SOLV) could apply for a neighborhood cleanup in North Portland, even though the organization is based outside of North Portland.

3 *Mandatory criteria for grant award*

- ▶ *Geographic area* grants must provide benefits primarily within the Portsmouth, Kenton, Hayden Island, Piedmont, Arbor Lodge, University Park, Bridgeton, Cathedral Park, St Johns, or Overlook neighborhoods, or some combination of the above
- ▶ *Community benefit* the grants must improve the livability of these neighborhoods or the vitality of area businesses
- ▶ *Feasibility* the grant recipients must have sufficient organizational and fiscal capacity to carry out the proposal, and the grant proposal must include a realistic plan describing how the proposal will be carried out

4 *Optional criteria for grant award (positive factors)*

- ▶ Benefit to Portsmouth, Kenton, or Hayden Island neighborhoods
- ▶ Benefit to youth or disadvantaged populations
- ▶ Previously funded, with a successful track record
 - Multi-year proposals can be considered but must be annually re-approved The Selection Committee--upon initially funding a project--can choose to create a presumption of future funding for a defined number of years, contingent upon successful performance In such cases, a "short form" can be developed for the application process, focusing on the results of the previous year
- ▶ Broad-based community involvement in carrying out the project
- ▶ Leverages other dollars or in-kind contributions
- ▶ Improves environmental livability (i.e., neighborhood cleanliness, traffic safety, noise control, aesthetics, greenery)
- ▶ Fosters a positive relationship between PIR and the North Portland community

There are no particular weights or "points" attached to the optional criteria, the intent is for the Selection Committee to have flexibility in determining the proper size and nature of the awards

5 *Selection process*

- ▶ Competitive proposals with a Selection Committee
- ▶ Selection Committee chosen from applications, with blind screening by a group of neighborhood association officers coordinated by the Office of Neighborhood Associations and using criteria developed by ONA
- ▶ Committee membership 7 members, with 3-year staggered terms, not necessarily with geographic representation
- ▶ Pre-screening option Depending on the number of applications received, the Selection Committee may select a subset of Committee members or other individuals to pre-screen the applications, in order to narrow the Committee's choices to a manageable number and ensure that they meet the mandatory criteria
- ▶ Final approval authority the Commissioner-in-Charge over Portland Parks & Recreation
- ▶ Grant calendar Grants should be awarded annually In normal years, the competitive process should be carried out during the late fall or early winter, so that the grant projects can be carried out during the following calendar year ONA will determine the specific grant calendar each year and publicize it

6 *Use of income and creation of endowment*

There will be a goal of building a \$200,000 endowment in order to protect against revenue disruption (for example, in case the contract for the Indy-car race is terminated at some time in the future) and to add interest income to the revenue stream, allowing funding for grant administration and/or additional awards. As long as the fund has more than \$20,000 per year in current income but a fund balance of less than \$200,000, then \$20,000 each year will be available for distribution of grant awards and the remainder shall be used for grant administration or set aside to build the fund balance. If the fund receives less than \$20,000 as current income in a year, all of the following year's current income will be distributed in grant awards. ("Current income" includes racetrack income as well as interest earnings.) When the fund balance exceeds \$200,000, any amount available above the \$200,000--whether from current income or prior year's underexpenditures--will be available for distribution and grant administration. The determination of the Trust Fund's financial capacity will be made at the end of each City fiscal year, and that information will be used in setting financial parameters for the grant program's following calendar year.

If the Selection Committee determines that there are not enough viable candidates in any given year's selection process to award all of the money they are authorized to distribute, they may choose to add the remaining funds to the fund balance for use in the following year, or they may choose to leave the application process open in case more viable candidates are identified later in the year.

7 *Grant administration*

Up to \$6,000 per year from the Trust Fund's resources may be allocated to the ONA for grant administration costs. This may be used for staffing, supplies, and/or contractual services. "Grant administration" includes establishing and maintaining the Selection Advisory Committee membership, promoting the availability of the Trust Fund and developing the application procedures, providing staff support to Selection Advisory Committee, review and authorization of reimbursements to grant recipients, monitoring and technical assistance to grant recipients, and reporting of grant results to the community. The \$6,000 limit on the Trust Fund allocation for grant administration should be adjusted for inflation, and it should be reviewed annually to provide an up-to-date estimate of the actual cost of grant administration.

8 *Memorial Day weekend - neighborhood benefit, not necessarily neighborhood sponsorship*

PIR is a very large site, and the amount of time and energy it would take for the neighborhoods to directly organize an event would be considerable. For that reason, during the years it has been reserved for neighborhood sponsorship, that weekend has been underutilized. In the future, instead of reserving the facility on that weekend for the neighborhood to directly organize an event, the weekend should be available to PIR management to try to schedule an event, and 5% of the event's gross revenue should be dedicated to the PIR-North Portland Trust Fund.

The Memorial Day weekend is still designated as a "quiet weekend", however, rather than excluding all motor vehicles, "quiet weekend" is now defined to, at a minimum, exclude any motor vehicles that would not be legal on the streets, with a preference for events other than motor vehicle races (The PIR Manager's current interest is to try to schedule an "alternative-energy vehicles" event, and the Committee supports that effort) In addition, the PIR Manager will negotiate with event promoters so that, if the neighborhoods can supply volunteers for the Memorial Day event that will offset the promoter's costs, the Trust Fund can receive an additional share of the event revenue

9 Responsibilities of Office of Neighborhood Associations and Portland Parks & Recreation

ONA (specifically, the North Portland Neighborhood Office) will be responsible for

- ▶ Publicizing the grant program
- ▶ Development and training the Selection Committee
- ▶ Planning and administering the selection process
- ▶ Monitoring and providing technical assistance to the grantees
- ▶ Authorizing the reimbursements to grantees
- ▶ Reporting the results of the grants to the public and future applicants

Portland Parks & Recreation will be responsible for

- ▶ Negotiating and collecting the fee from varnanced event promoters (see guidelines below)
- ▶ Processing reimbursement payments and recording them in the City's accounting system
- ▶ Consulting with ONA about implementation questions
- ▶ Reviewing and deciding about any policy issues that arise during implementation
- ▶ Assessing the Trust Fund's financial capacity at the close of each City fiscal year

10 Guidelines for setting the fee paid to the Trust Fund from varnanced events

PIR is allowed up to four noise-varnanced events per year Some years there are fewer than four, some years all four slots may be used There are two varnanced events already paying a fee to the Trust Fund the Indy-car race and the historic auto race now pay \$30,000 and \$2,000, respectively Those fees are not expected to increase in the future unless the scale of the events themselves changes

When new events are added to the calendar, if they use one of the allowable noise variances they will be required to make a payment to the PIR-North Portland Trust Fund The size of the payment should be equivalent to the amounts now paid by the promoters of the existing varnanced events, after adjusting for the size of the event In adjusting for event size, PIR management may use any measure--such as ticketed attendance or gross revenue--that is practical and that roughly corresponds to the scale of the event and its financial capacity

*PIR/North Portland Trust Fund
Fund Projections - 1997-98 through 2003-2004*

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Beginning Fund Balance	135,540	149,672	164,413	179,788	195,826	212,556	200,000
Event Income	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Interest Income	8,132	8,980	9,865	10,787	11,750	12,753	12,000
Total Income	40,132	40,980	41,865	42,787	43,750	44,753	44,000
Grant Awards	20,000	20,000	20,000	20,000	20,000	50,010	36,408
Administrative Expenses	6,000	6,240	6,490	6,749	7,019	7,300	7,592
Total Expenses	26,000	26,240	26,490	26,749	27,019	57,310	44,000
Increase/(Decrease) in Fund Balance	14,132	14,740	15,375	16,038	16,730	(12,556)	0
Ending Fund Balance	149,672	164,413	179,788	195,826	212,556	200,000	200,000
Assumed Interest Rate	6%						
Assumed Inflation Rate	4%						

Assumption about distribution of grant awards If the beginning fund balance is less than \$200,000 and the income from the previous fiscal year is at least 20,000, then \$20,000 per year will be used for grant awards If the fund receives less than \$20,000 in current income in a fiscal year, then the following year's grant awards will be the income actually received When the beginning fund balance exceeds \$200,000, then any amount projected above that is assumed to be available for grant awards or administrative expenses

Note For simplify the timing of the flow of funds, the event income from the Indy-car race is assumed to be received in July of each year (\$30,000 per year) For 1997-98, the beginning balance and revenue are re-stated to reflect that assumption, even though the revenue was actually received in June 1997

23-Dec-97

RESOLUTION No.

35666

Adopt revised Policy Governing the PIR-North Portland Trust Fund
(Resolution)

WHEREAS, the City Council adopted Resolution No 34626 on October 25, 1989, regarding the Portland International Raceway (PIR) and its relationship with nearby neighborhoods, and

WHEREAS, part of that resolution called for the establishment of a PIR-North Portland Trust Fund to collect fees from noise-varianced racing events at PIR and--after the completion of a noise barrier study in the first two years--to use the funds for neighborhood improvement grants in North Portland, and

WHEREAS, that resolution also called for PIR to reserve the Memorial Day weekend for events to be organized by the neighborhoods, however, because of PIR's size and the complexity of organizing an event there, to date those weekends have been underutilized, and

WHEREAS, Resolution No 34626 also called for the establishment of a "pre-trust fund committee," more accurately described as a "policy committee," to determine the appropriate policies that should govern the Trust Fund, and

WHEREAS, Resolution No 34626, as amended by Resolution No 35548 (adopted September 18, 1996), called for this committee to be comprised of "four citizens including one business association representative chosen at large from North Portland in a process conducted by the Office of Neighborhood Associations, two representatives appointed by the Director of Parks and Recreation, and one representative appointed by the Director of the Office of Neighborhood Associations", and

WHEREAS, in June 1996, the North Portland Network of Neighborhood Association Chairs requested that the Trust Fund be reviewed by a policy committee in order to consider expanding the geographic scope of the grant proposals, and to address the underutilization of the allowed use of PIR for community events on the Memorial Day weekend,

WHEREAS, the PIR-North Portland Trust Fund Policy Committee was convened in August 1997, this Committee has met and reviewed the current Trust Fund policies and goals in light of actual experience since 1993, when the Trust Fund was first used to award neighborhood grants, and

WHEREAS, the Committee finds that the overall concept of a PIR mitigation fund dedicated to neighborhood improvement grants is sound, and

WHEREAS, the Committee finds also that the Trust Fund's purposes will be better met if there is more emphasis on attracting a broader pool of realistic grant proposals from groups who can carry out their intended projects, and that can accomplished by broadening the allowable geographic scope of the grant proposals, as well as by emphasizing feasibility as a selection criterion, and

WHEREAS, the Committee finds that the Trust Fund is not widely publicized in the North Portland community, and there has been no reporting to the community about the results of grant projects, and

WHEREAS, the Committee finds that the Trust Fund's income is highly dependent on a single large event--the Indy-car race--which in turn depends on the Portland Rose Festival Association's ability to renew or extend its contract for that race, for this reason, the Committee recommends that the fund be allowed to grow toward a non-expendable endowment level of \$200,000 to provide interest earnings for future years in the event of a revenue disruption, and

WHEREAS, the Committee finds that the Memorial Day weekend dates reserved for neighborhood-sponsored events are underutilized at present, and

WHEREAS, the Committee has developed a revised Policy Governing the PIR-North Portland Trust Fund document to address the above findings,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Portland, a municipal corporation in the State of Oregon, that

- 1 The recommended Policy Governing the PIR-North Portland Trust Fund (attached and incorporated into this resolution) is adopted by the Council to serve as policy guidance to Portland Parks & Recreation and the Office of Neighborhood Associations in the administration of the PIR-North Portland Trust Fund
- 2 The concept of a mitigation fund is affirmed, and the City Council supports a "Good Neighbor" policy for PIR that as a City-owned facility operated by Portland Parks & Recreation, PIR seeks to recognize and minimize the negative impacts that the racetrack has on nearby neighborhoods--particularly from events that receive noise variances. In addition to noise, there are also traffic and air quality impacts. When those impacts cannot be directly reduced, PIR's goal is to offer a compensating benefit to those neighborhoods that will improve their livability and vitality

- 3 The Director of Parks & Recreation shall have the authority to make minor modifications to the Policy document in order to keep its procedures relevant as future needs change
- 4 If the Director of Parks & Recreation determines that major changes should be considered, or if at any time it is requested by a majority of the North Portland Network of Neighborhood Association Chairs, Portland Parks & Recreation shall, in cooperation with the Office of Neighborhood Associations, reconvene the committee described in Resolution No 35548 This shall be called the PIR-North Portland Trust Fund Policy Committee, and it shall consider any requested changes as well as any other policy issues that are relevant to the administration of this Fund, advising the City Council on any recommended changes
- 5 As outlined in the attached Policy, the Commissioner-in-Charge over Portland Parks & Recreation shall have final approval authority over the selection of grant awards from the Trust Fund, after considering the recommendation of a Selection Committee

ADOPTED by the Council, **DEC 31 1997**
Commissioner Francesconi
Charles Jordan gw\inptfres wpd
December 31, 1997

BARBARA CLARK
Auditor of the City of Portland
By *Betta Olson*
Deputy

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Agenda No

RESOLUTION NO.

35666

Title

Adopt revised Policy Governing the PIR-North Portland Trust Fund (Resolution)

INTRODUCED BY	Filed	DEC 26 1997
Commissioner Francesconi	Barbara Clark Auditor of the City of Portland	
NOTED BY COMMISSIONER		
Affairs		
Finance and Administration	By <u>Ray Kershner</u> Deputy	
Safety	For Meeting of _____	
Utilities <i>jk/ky</i>	ACTION TAKEN	
Works		
BUREAU APPROVAL		
Bureau Parks & Recreation		
Prepared by Gordon Wilson	Date 12/23/97	
Budget Impact Review <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Not Required		
Bureau Head: Charles Jordan, Director <i>for</i>		

AGENDA		FOUR FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS		
				YEAS	NAYS
Consent	Regular <input checked="" type="checkbox"/>	Francesconi	Francesconi	✓	
NOTED BY		Hales	Hales	✓	
City Attorney		Kafoury	Kafoury	✓	
City Auditor		Sten	Sten	✓	
City Engineer		Katz	Katz	✓	