

## FINANCIAL IMPACT STATEMENT For Council Action Items

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

1. Name of Initiator Steve Manton	2. Telephone No. x3-6963	3. Bureau/Office/Dept. Office of Management and Finance
4a. To be filed (date) March 4, 2010	4b. Calendar (Check One) Regular      Consent      4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Date Submitted to FPD Budget Analyst: February 5, 2010

**1) Legislation Title:**

\* Approve an Intergovernmental Agreement with the Port of Portland related to retention of international air service to the Portland International Airport. (Ordinance)

**2) Purpose of the Proposed Legislation:**

To provide funding to the Port of Portland in support of the Port's International Air Service Retention program.

**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.**

This legislation does not impact revenues.

**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)**

This legislation will result in an expenditure of \$300,000 to pay the Port of Portland for this intergovernmental agreement. Funding for this action was approved in FY 2009-10 Fall BuMP.

**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 change in appropriation.

Kenneth L. Rust, CAO 
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APPROPRIATION UNIT HEAD (Typed name and signature)



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE

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**Kenneth L. Rust, Chief Administrative Officer**  
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**DATE:** February 5, 2010

**TO:** Mayor Sam Adams

**FROM:** Judy Tuttle, OMF Business Operations

**FOR MAYOR'S OFFICE USE  
ONLY**

Reviewed by Bureau Liaison

**RE:** \* Approve Intergovernmental Agreement with the Port of Portland related to retention of international air service to the Portland International Airport. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** March 4, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** March 10, 2010
3. **CONTACT NAME & NUMBER:** Judy Tuttle x3-4080
4. **PLACE ON:**  CONSENT  REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:**  Y  N  N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:**  Yes  No  N/A

**7. BACKGROUND/ANALYSIS**

International air service to Asia and Europe is critical to regional businesses and the economic vitality of the Portland-Vancouver region. PDX is the smallest of twelve markets in the United States with international service to Asia and Europe. The service provides an estimated 2000 regional jobs and has an estimated economic impact of \$150,000,000.

The City and the Port have worked together since 2000 to build and retain an international air service. Significant reductions in air travel and the severe economic downturn has led to the loss of one international air carrier and the potential loss of others.

The Port of Portland Commission has approved a \$3,500,000 service retention fee to Delta Airlines to sustain daily non-stop flights to Asia and Europe. The State of Oregon has joined the Port in providing funds for this service.

On September 30, 2009, the City passed Resolution No. 36736 allocating \$300,000 from the General Fund Contingency to support the Port's International Air Service Retention program. On November 18, 2009, the City appropriated these funds to the Port's International Air Service Retention program through the Fall 2009 Budget Monitoring Process.

**8. FINANCIAL IMPACT**

This legislation will result in an expenditure of \$300,000 to pay the Port of Portland for this intergovernmental agreement. Funding for this action was approved in FY 2009-10 Fall BuMP.

**9. RECOMMENDATION/ACTION REQUESTED**

Approve Intergovernmental Agreement with Port of Portland related to retention of internal air service to the Portland International Airport.

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