

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

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

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.

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 of 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.

What are the costs to the City as a result of this legislation? What is the source of funding for the expense?
The IGA outlines funding for each of the \$55 million

The IGA outlines a funding plan for the \$55 million City of Portland funding contribution to the Portland to Milwaukie LRT project from a variety of funding sources, including the following:

PDC North Macadam Tax Increment Financing	\$10,000,000
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Limited Tax Revenue Bonds Paid From:

PBOT Parking Revenues	\$3,220,000
Innovation Quadrant Transportation SDC Overlay	\$5,000,000
Citywide Transportation SDCs	\$1,780,000
North Macadam Transportation SDC Overlay	\$10,000,000
In-Kind Property Contribution/General Transportation Revenues	<u>\$25,000,000</u>
TOTAL	\$55,000,000

Because the SDC-related revenues sources are volatile and completely dependent upon development activity, it will be likely be necessary to secure the \$45 million of non-PDC resources with the City's full faith and credit and available General Funds. In the event that the SDC revenues or other pledged revenues are not sufficient to pay the bonds, PBOT expects to fill the shortfall from other legally available PBOT revenues.

The appraisals of the city owned properties are not complete so their exact value has not been established. It is expected that gas tax revenues will make up the remainder of that \$25 million contribution.

City financing costs are not included in the \$55 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). It is expected that the \$10 million of North Macadam URA resources will be made available in fiscal year 2012-13.

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 million in LRT match. This allocation reduces the amount of PBOT revenues 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 years 2011-2012 and 2012-13.

Portland Innovation Quadrant TSDC Overlay:

This proposed \$5 million dollar funding source would consist of a contribution from the University District and properties surrounding the inner eastside portion of the LRT alignment. A resolution stating Council's intention to form the Innovation Quadrant TSDC Overlay is anticipated to be adopted concurrent with this IGA. The TSDC Overlay would generate this funding as development occurs and 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 went 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.

In-Kind Property Contributions, Future Gas Tax Revenues

The Bureau of Transportation, Bureau of Parks and Recreation, Bureau of Environmental Services, Bureau of Water Works and Portland Development Commission have agreed to in-kind property contributions of properties controlled by the bureaus (initially estimated to be valued at \$6 million dollars). The Bureau of Transportation has agreed to increase its contribution, after in-kind property has been appraised, to remainder of the \$25 million increase through future Gas Tax Revenues.

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 if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) **Change in Appropriations** NO

Susan D. Keil

KK 3-30-11

APPROPRIATION UNIT HEAD

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