

**Portland Streetcar Eastside Steering Committee Meeting
January 14, 2004, Lloyd Center Tower, 825 NE Multnomah, 2nd floor conference room,
2:00PM**

Members in Attendance: Hank Ashforth, chair; Mike Bolliger, Susan Pearce, Tom Markgraf, Rod McDowell, Rick Parker, Jeff Blosser, Dee Walsh

Others: Chris Smith, Wayne Kingsley, Lee Perlman

Staff Attendance: Kay Dannen, Peter Finley Fry, Rick Gustafson, Steve Iwata, Owen Ronchelli, Matt Larson, Dave Unsworth, Phil Selinger

1. Meeting called to order.

The meeting was called to order by Hank. Rick informed the group that Streetcar operations were closed down from mid-morning on Tuesday, January 6 through 3:00pm on January 9, 2004 due to inclement weather. A number of situations resulted because of the weather:

- Switches froze up – it took an employee continually at a switch to keep it thawed.
- Plowing was not done by the City on Northrup and Lovejoy. Snow built up and was packed down by car traffic, which resulted in a thick layer of ice.
- Plowing on 10th and 11th was done incorrectly with the snow pushed on our tracks – this was later changed.
- The deicer used by Bureau of Maintenance would corrode the steel and was not used.
- Because the flanges of the track were completely iced, operations were not possible.
- On Thursday, Streetcar attempted to pull out a vehicle unto the tracks – it went about 200 feet and pulled out of the rail making it impossible to operate.
- Platforms piled high with snow were cleared by City crews.
- The overhead wire did not seem to be impacted by the snow.

As a result of the storm several recommendations have been made:

- Establish priority plowing for Streetcar alignment.
- Coordinate with PSU who clears the Urban Center and the non-street between Lincoln and Cramer Halls.
- Make sure plowing is directed away from the track and platforms.
- Obtain deicer that will not corrode the rails.
- Clear switches and apply flame to resist freezing of critical switches.
- Identify procedure for work crew to clear flanges.
- Assure availability of backhoe & sweeper for snow removal.
- Obtain equipment to assure ability to clear wires from ice buildup.
- Establish communication procedures for closures.

Meetings are to be scheduled to review our snow preparedness plans.

Some discussion was held on Mike Powell suggestion at the last Steering Committee meeting to combine the current phase I & II into one phase. It is felt there would be some cost savings and timesaving with a combined phase I. Rick Parker made the motion to combine the current phase I from the Broadway Bridge, Broadway/Weidler, 7th Avenue/Grand Avenue; phase II MLK/Grand to OMSI into Phase I. This was seconded by Dee and approved by all. Phase II would now become the bridge crossing. Minimal operating segments would be developed along the alignment to ensure that if a shorter project were built, we would have a MOS where we could reverse direction. Rod felt it would be easier to sell a full project. Questions arise on how you do the turnaround at OMSI and handle the RR track crossing.

2. Finance Options:

Rick Parker, Hank met with Commissioner Francesconi and Congressman Blumenauer to discuss finance options for the Eastside Streetcar. Both indicated that this is a priority project and will do what is necessary to move this project forward. Blumenauer continues to work to push forward a small starts category of \$15 million for streetcar projects. Hank informed the committee that he has been meeting with the PDC commissioners over the past 6 months and most are very supportive of Eastside Streetcar. Hank also had lunch with Congressman Waldron who indicated he felt that the authorization bill TEA-21 has a good chance of passing this year. This bill is reauthorized about every 6 years and provides \$40-60 billion per year for land transportation projects throughout the country. Streetcars typically do not do well under Federal regulations. This attitude needs to change in Congress.

The Steering Committee is being asked to review the strategy, seek support from the appropriate public or private entities to assure financial support for Eastside Streetcar. Alternative sources of funding are discussed in each of the sections below. The purpose is to develop a set of recommendations that would be endorsed by the Eastside Steering Committee.

Conceptual Engineering (\$1.75 million) Phase 1

1. HUD Federal Funds: 03-04 budget includes \$200,000. A request for \$300,000 could be made for 04-05 funding to complete the engineering costs.
2. PDC Convention Center Urban Renewal: The 03-04 budget includes \$50,000 for eastside streetcar. PDC has been requested to budget \$600,000 in 04-05.
3. PDC Central Eastside Urban Renewal: The 03-04 budget includes \$50,000, which is in support of the operations analysis of MLK/Grand corridor. It is recommended that \$500,000 be requested spread over 04-05 and 05-06 fiscal years. Funds would be used to support the environmental assessment and conceptual engineering.
4. Lloyd BID: The 03-04 budget includes \$50,000 from the Lloyd BID with a request for a similar allocation in 04-05.
5. Federal Transportation Funds: \$300,000 of federal funds is needed with PDC budget approval to assure completion of the engineering work. An alternative to HUD funds would be to obtain a special appropriation through either the TEA-21 authorization, which is scheduled to be presented to Congress in the spring.

Construction (\$84.2 million) Phase 1

1. Federal Funds: The Federal Transit Administration is responsible for disbursing federal funds for transit capital construction. The current process through "new starts" requires a rating of each new project. The rating relies heavily on bus/rail comparison and travel timesavings. It is believed that streetcar would not score well on this criteria because new development and service ride quality are not included in the criteria. Congressman Blumenauer has introduced legislation called the "Streetcar Community Development Act". This legislation is critical to the funding of the eastside streetcar. Federal funds would be available for 50% of the capital cost if approved.
2. Local Improvement District: Other Portland Streetcar projects have included a LID on properties located within approx. 2 blocks of the alignment. All three LIDs that have been formed have paid 17% of the capital costs. If the eastside met that criteria, the total would be \$6.7 million in the Lloyd District and \$7.1 million in the Central Eastside. Is this a viable option?
3. PDC Convention Center Capital Funding: The Convention Center Urban Renewal area is nearing the end of its current increment period and there may not be sufficient funds in the current district to allocate to streetcar construction. It would appear that additional funds would have to be identified through either the extension of the current district to allocate to streetcar construction.

4. PDC Central Eastside Urban Renewal Funding: The Central Eastside tax increment district will face a decision with regard to its financial continuation in 2006. Capital funding for streetcar would be dependent on a decision to extend the district and increase the financing available.
5. Bond Measure: Does streetcar have strong enough Citywide support to past a bond?
6. Parking Bonds: Are there parking revenues that could be identified for a bond issue?
7. Transit Bonds: Would transit bond financing be available for a streetcar project?

Operations (\$2.9 million & \$1.3 million) Phase 1:

1. TriMet: TriMet currently provides \$1.6 million toward the \$2.6 million Portland Streetcar annual budget. TriMet has emended the agreement to provide \$2.0 million through 2006 to accommodate operations to RiverPlace. A long-term commitment to streetcar operations is needed from TriMet.
2. City of Portland, PDOT: PDOT has allocated meter revenues from the River District and increased parking fines to fund the operational costs. PDOT funding sources need to increase to assure funds for future streetcar operations.
3. Fares and Sponsorship: PSI secures funds through charging fares and seeking sponsorships with a total of \$250,000 per year equaling 9% of the operating cost. 4 cars and 6-8 stops could yield \$80,000 in new revenue through sponsorships. Current program for fares and sponsorships must be successful with extensions.
4. Parking Meters: Allocate the funding from meter revenues from the current Lloyd District receipts for streetcar operations.
5. BID: The ability of the BID is limited.
6. Increase Parking Fines: The current fines are \$16. An increase to \$20 would provide \$2 to PDOT, which would total \$300,000 per year, which could be used to support operations. This needs to be approved by the City.
7. Maintenance and Access Fee: The question is whether the City can successfully implement the fee.

3. Financing Plan:

It is recommended that the Steering Committee begin assessing the potential for various funding sources for conceptual engineering, capital and operations. Those that are regarded as possible will receive further investigation while those less feasible will not have further analysis at this time.

4. MLK/Grand Operations Study:

Steve Iwata reported that he expects to have a contract with DEA by the end of February 2004 with to start this work. Several members of the Eastside Steering group have volunteered to participate on this transportation work group including: Dee Walsh, Susan Lindsay, Mike Bolliger, Vern Rifer, Wayne Kingsley, Susan Pearce. Staff support include: Vicky Diede, Steve Iwata, Dave Unsworth, Phil Selinger and Denyse McGriff.

5. Streetcar Consortium:

The City of Portland and Lake Oswego have combined to seek the formation of a streetcar consortium of cities around the country that are interested in federal funds for streetcar development. A lobbyist is being retained to represent the consortium during the consideration of the transportation authorization that is before congress this spring. 10-15 cities are likely to be part of the consortium. So far, interest has been expressed by Charlotte, NC; Salem, OR; Seattle, WA; Champaign-Urbana, IL; Atlanta, GA; Dayton, OH; Little Rock, AK; Tucson, AZ; Corpus Christi, TX. The first meeting of this group is scheduled for Wednesday, January 21 in Washington, DC.

6. Metro TSUB Ranking:

Rick explained that TSUB (Transportation System User Benefit) is a measure by FTA to compare New Starts projects nationwide. The standard application of the TSUB measure is the cost per hour of user benefit. We prepared a sensitivity analysis where we estimated capital and O&M costs for the existing streetcar alignment. Using a travel timesavings of approximately 2 minutes per boarding ride (compared to the same trip on bus) we estimate that the cost per hour of transportation system user benefit (TSUB) would be over \$100 per hour. The FTA criteria ignores development benefit in their analysis.

7. Next Meeting.

The next meeting of the Steering Committee is to be held on Wednesday, February 18, 2004, at 2:00p.m. at the Lloyd Center Tower, 825 NE Multnomah, 2nd floor (next to Café Today).