

Date: March 24, 2021

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION NO. 21-03-12 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING AN AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT (IGA) WITH THE CITY OF PORTLAND FOR STREETCAR OPERATIONS

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute an Amendment No. 12 to the Intergovernmental Agreement (IGA) with the City of Portland (City) for Streetcar Operations.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Amendment to Intergovernmental Agreement

3. Reason for Board Action

Board approval is required for IGAs obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

On July 25, 2012, the Board approved Resolution 12-07-64 authorizing the General Manager to execute a Streetcar Master Agreement and a Streetcar Operating Agreement with the City of Portland.

The Streetcar Master Agreement covers understandings between TriMet and the City for their respective shares of annual funding for Streetcar operations. Actual amounts of TriMet funding provided to the City for Streetcar operations each fiscal year are specified in annual amendments to the Streetcar Operating Agreement, an IGA between TriMet and the City, effective each July 1 for the new fiscal year.

TriMet’s funding for Streetcar operations for FY2022 (July 1, 2021, through June 30, 2022) described in this Resolution was approved during the February 1, 2021, Streetcar Permanent Executive Group (PEG) annual meeting. The PEG consists of TriMet’s General Manager, Executive Director for Finance, other TriMet executives and managers, the Director of

Portland’s Bureau of Transportation (PBOT), PBOT Streetcar managers and the Executive Director of Portland Streetcar, Inc.

Consistent with the PEG’s decision, TriMet staff recommends that the Board approve this Resolution authorizing execution of Amendment No. 12 of the Streetcar Operating Agreement. As described below, Amendment No. 12 will provide TriMet funding to the City for Streetcar operations for FY2022 in the amount of \$8,873,981.

6. TriMet FY2022 Payment

TriMet’s share of Streetcar operating costs for FY2020, FY2021 and FY2022 are determined as shown in Table 1 below. This calculation of operating costs is based on an hourly cost per Streetcar hour of service, applied to TriMet’s share of annual operating costs in accordance with the 2012 Master Agreement, as updated by Amendment 7 of the Streetcar Operating Agreement.

Table 1: FY2020-2022 Cost Summary

	Fiscal Year		
	FY2020	FY2021	FY2022
NS Service Hours	32,020	32,773	31,450
A/B Service Hours	42,404	37,831	38,070
Total Service Hours	74,424	70,604	69,520
NS @ 85%	27,217	27,857	26,733
A/B @ 61.67%	26,151	23,330	23,478
Total Hours to TriMet	53,368	51,187	50,210
TriMet Rate	\$ 168.05	\$ 175.21	\$ 176.74
	Total Cost to TriMet		
NS	\$ 4,573,935	\$ 4,880,874	\$ 4,724,605
A/B	\$ 4,394,713	\$ 4,087,749	\$ 4,149,376
Total	\$ 8,968,647	\$ 8,968,623	\$ 8,873,981

Explanation of Table 1: FY2020-FY2022 Cost Summary

For FY2020, the Parties approved TriMet’s payment of \$8,968,647 to the City for Streetcar operations based on TriMet’s adjusted cost per hour of Streetcar service of \$168.05, which was applied to 85% of the City’s total cost of the NS Line, and 61.67% of the City’s total cost of the A/B Loops, for the planned 74,424 total hours of FY2020 service.

For FY2021, the Parties approved TriMet’s payment of \$8,968,623 to the City for Streetcar operations based on TriMet’s adjusted cost per hour of Streetcar service of \$175.21, which was applied to 85% of the City’s total cost of the NS Line, and 61.67% of the City’s total cost of the A/B loops, for the planned 70,604 total hours of FY2021 Service.

For FY2022, TriMet’s Cost per Hour of Streetcar service is \$176.74. During the PEG meeting, the parties agreed to continue to apply TriMet’s cost per hour to 85% of the cost for operation of the NS line, and 61.67% of the cost for the operation of the A/B Loops. These cost shares are applied to the 69,520 total hours of scheduled FY2022 service, with respect to the allocation of hours by line.

As a result, the PEG agreed that TriMet's payment to the City for FY2022 should be \$8,873,981, reflecting TriMet's share of Streetcar's operating costs. The Board's approval of this Resolution would authorize that payment, pursuant to the execution of Amendment No. 12 to the Streetcar Operating Agreement.

7. Description of Procurement Process

The IGA is processed through TriMet's Budgeting and Finance and the Legal Department.

8. Diversity

The Portland Streetcar is operated by TriMet operators and maintenance personnel, under the overall direction of the City. TriMet is an equal opportunity employer, committed to developing an organization that is reflective of and sensitive to the needs of the diverse community we serve, including minorities, women, veterans, the elderly and people with disabilities.

9. Financial/Budget Impact

Under proposed Amendment No. 12, the financial impact to TriMet for ongoing FY2022 Streetcar operations is \$8,873,981. This amount will be distributed to the City in twelve (12) monthly payments of \$739,498 each. The cost of this IGA has been included in Material and Services within the FY2022 Transportation Division's operating budget.

10. Impact if Not Approved

Under the Streetcar Operating Agreement, TriMet and the City share funding, personnel and other services for day-to-day operations of the Portland Streetcar system. Unless updated and renewed, the current Streetcar Operating Agreement will expire as of June 30, 2021. The arrangement between TriMet and the City has worked well since the 2012 inception of the Portland Streetcar system. Staff recommends that the Resolution be approved so that the Streetcar Operating Agreement may be renewed by Amendment No. 12.

RESOLUTION NO. 21-03-12

**RESOLUTION NO. 21-03-12 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING AN
AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT (IGA)
WITH THE CITY OF PORTLAND FOR STREETCAR OPERATIONS**

WHEREAS, on July 25, 2012, the TriMet Board of Directors (Board) approved Resolution 12-07-64 authorizing the General Manager to execute a Streetcar Master Agreement and an annual Streetcar Operating Agreement with the City of Portland (City); and

WHEREAS, the current Streetcar Operating Agreement, as amended, will expire on June 30, 2021, unless updated and renewed; and

WHEREAS, the Streetcar Permanent Executive Group (PEG) committed the City and TriMet to share the projected costs of funding Streetcar operations for FY2022 in accordance with an amended Streetcar Operating Agreement; and

WHEREAS, pursuant to Amendment No. 12 to the Streetcar Operating Agreement, the amount of \$8,873,9871 is TriMet's projected share of the FY2022 funding for Streetcar operations; and

WHEREAS, by Resolution dated October 25, 2017, the Board adopted a Statement of Policies requiring it to approve intergovernmental agreements obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, the proposed Amendment No. 12 to the Streetcar Operating Agreement obligates TriMet to FY2022 pay the City the amount of \$8,873,981;

NOW, THEREFORE, BE IT RESOLVED:

1. That Amendment No. 12 to the Streetcar Operating Agreement shall conform to applicable law.
2. That in accordance with Amendment No. 12 to the Streetcar Operating Agreement, TriMet's FY2022 payment to City for Streetcar operations shall not exceed the amount of \$8,873,981.
3. That the General Manager or his designee is authorized to execute Amendment No. 12 to the Streetcar Operating Agreement for FY 2022.

Dated: March 24, 2021

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department