

Portland-Milwaukie Light Rail Project
Portland, Oregon
Preliminary Engineering
(Based upon information received by FTA in December 2010)

Summary Description	
Proposed Project:	Light Rail Transit 7.3 Miles, 10 Stations
Total Capital Cost (\$YOE):	\$1,490.35 Million (incl. \$262.1 million in finance charges)
Section 5309 New Starts Share (\$YOE):	\$745.18 Million (50.0%)
Annual Forecast Year Operating Cost:	\$13.04 Million
Ridership Forecast (2030):	22,800 Average Weekday Boardings 9,300 Daily New Riders
Opening Year Ridership Forecast (2015):	17,000 Average Weekday Boardings
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium

Project Description: The Tri-County Metropolitan Transportation District of Oregon (TriMet) proposes to construct a double-track light rail transit (LRT) extension of the existing Yellow Line from the downtown Portland transit mall across the Willamette River, to southeast Portland, the city of Milwaukie, and urbanized areas of Clackamas County. The project includes construction of a new multimodal bridge across the Willamette River, one surface park-and-ride lot facility with 320 spaces, one park-and-ride garage with 355 spaces, expansion of an existing maintenance facility, bike and pedestrian improvements and the acquisition of 18 light rail vehicles. Service would operate at 10-minute peak period frequencies.

Project Purpose: The project would link downtown Portland with educational institutions, dense urban neighborhoods, and emerging growth areas in East Portland and Milwaukie. The project is Phase II of a major transit investment strategy for the North/South Corridor. The South Corridor I-205/Portland Mall LRT, which opened for service in 2009, represents Phase I. The Willamette River separates most of the corridor from downtown Portland and the South Waterfront. The corridor's only highway (Highway 99E), which provides access to downtown Portland via the existing Ross Island, Hawthorne, Morrison, and Burnside bridges, is limited to two through-lanes in each direction for much of the segment between Milwaukie and central Portland, most of which is congested. Existing buses have slow operating speeds due to congestion, narrow clearances and frequent lift span openings. None of the existing river crossings provide easy access to key markets such as the South Waterfront and the Oregon Museum of Science and Industry. The project, via the new bridge, would provide more direct access to key markets and provide faster and more reliable travel times than bus service.

Project Development History, Status and Next Steps: TriMet included the Milwaukie LRT line in the North Corridor/South Corridor Draft Environmental Impact Statement (EIS) that was published in 1998 and updated as the South Corridor supplemental Draft EIS in December 2002. FTA approved the project into preliminary engineering in March 2009. FTA published the Final EIS in October 2010, and issued a Record of Decision in November 2010. TriMet

anticipates final design approval in March 2011, receipt of a Full Funding Grant Agreement during 2012, and start of revenue operations in September 2015.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$745.18	50.0%
FHWA Flexible Funds (STP & CMAQ)- GARVEE Bonds	\$109.75	7.4%
State:		
Oregon Department of Transportation Lottery Bond Proceeds	\$250.00	16.8%
Local:		
City of Portland	\$30.00	2.0%
Clackamas County	\$25.00	1.7%
City of Milwaukie	\$5.00	0.3%
TriMet Payroll Tax Bonds	\$40.00	2.7%
Combined Interest Income from Project Contributors	\$174.25	11.7%
Portland Metro Nature in Neighborhoods Grant Program	\$0.35	0.0%
Unspecified Local Match	\$54.17	3.6%
In-Kind Contributions	\$56.66	3.7%
Total:	\$1,490.35	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**OR Portland, Portland-Milwaukie Light Rail Project
FY2012 Financial Assessment Summary prepared October 2010**

Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 New Starts Share (20% of summary financial rating)	Medium	The New Starts share of the project is 50.0 percent.
Project Capital Financial Plan (50% of summary financial rating)	Medium	
Capital Condition (25% of capital plan rating)	Medium-Low	The average age of Tri-County Metropolitan Transportation District of Oregon (TriMet's) bus fleet is 12.2 years, which is older than the industry average. The most recent bond ratings, issued in 2009, are as follows: Moody's Investors Service Aa3 and Standard & Poor's Corporation AAA.
Commitment of Funds (25% of capital plan rating)	Medium-High	Nearly 92 percent of the non-Section 5309 New Starts funds are committed. Sources of funds include GARVEE bond proceeds, Congestion Mitigation and Air Quality Improvement (CMAQ) funds, Surface Transportation Program (STP) funds, Oregon Department of Transportation (ODOT) lottery bond funds, in-kind property donations, TriMet payroll tax bonds, City of Milwaukie funds, City of Portland funds, Clackamas County funds, Combined Interest Income from Project Contributors, Portland Metro Nature in Neighborhoods Grant Program, and other to-be-determined state and local funds
Capital Cost Estimates, Assumptions and Financial Capacity (50% of capital plan rating)	Medium-Low	Revenue assumptions from the 5309 New Starts funds, GARVEE bond proceeds, Congestion Mitigation and Air Quality Improvement (CMAQ) funds, Surface Transportation Program (STP) funds, Oregon Department of Transportation (ODOT) lottery bond funds, in-kind property donations, TriMet payroll tax bonds, City of Milwaukie funds, City of Portland funds, Clackamas County funds, Combined Interest Income from Project Contributors, Portland Metro Nature in Neighborhoods Grant Program, are comparable to historical experience. The capital cost is considered reasonable for this stage of project development. The financial plan does not adequately address how capital cost overruns or funding shortfalls could be addressed.

Project Operating Financial Plan (30% of summary financial rating)	Medium-High	
Operating Condition (25% of operating plan rating)	Medium-High	TriMet's current ratio of assets to liabilities as reported in its most recent audited financial statement is 1.44.
Commitment of Funds (25% of operating plan rating)	High	All operating funding is committed. Funding sources include passenger revenue, local payroll and self-employment taxes, state payments in-lieu-of payroll tax receipts, advertising revenues, cigarette tax revenues, Section 5307 Formula funds, Section 5309 Fixed Guideway Modernization funds, CMAQ funds, Job Access and Reverse Commute funds, and New Freedom funds.
O&M Cost Estimates, Assumptions, and Financial Capacity (50% of operating plan rating)	Medium	Assumed growth in operating expenses is appropriate or conservative compared to historical experience. Assumed farebox collections and sales tax revenues are in line with historical experience. Projected cash balances and reserve account equal 16.4 percent of annual system-wide operating expenses.

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(Land Use and Economic Development Rating based upon Information accepted by FTA in November 2009)

LAND USE RATING: *Medium*

The land use rating reflects the population and employment densities within ½-mile of proposed station areas:

- Population density in proposed station areas averages 4,900 persons per square mile. Including LRT segments already completed or under construction, the proposed extension would provide a one-seat ride connecting 60,000 residents and 160,000 jobs.
- The majority of the corridor's downtown section is already built out at high densities and includes a pedestrian-friendly environment, a 200-foot grid street pattern, and wide sidewalks. The eastside station areas feature a mix of older medium-density single-family neighborhoods, pedestrian-friendly commercial development along several north-south streets (including some recent infill development), and a number of large industrial areas, some of which are directly adjacent to proposed station areas. Other auto-oriented uses, represented by a mix of industrial, warehouse, and commercial establishments, exists around two stations.

ECONOMIC DEVELOPMENT RATING: *High*

Transit-Supportive Plans and Policies: High

(50 percent of Economic Development Rating)

- Oregon's comprehensive planning system has been in place for more than 30 years. Land use laws play a major role in determining how cities and regions grow. Metro's Urban Growth Management Functional Plan requires that cities and counties define minimum densities for all residential zones, with typical policy targets of 45 to 60 persons per acre in transit station areas designated as growth centers. All of the jurisdictions within the corridor have adopted minimum densities (typically 80 percent of maximum allowed densities, consistent with policy targets).
- A number of area plans, neighborhood plans, and district plans explicitly incorporate the proposed Portland-Milwaukie LRT project as a central component of local areas' overall transportation and land use concepts. The proposed South Waterfront and Milwaukie stations serve designated local or regional centers, where a mix of land uses and transit-oriented development (TOD) are specified.
- Zoning in downtown Milwaukie allows maximum floor area ratios (FAR) of up to 4:1. Higher densities are allowed in the South Waterfront area. In Portland east of the Willamette River, maximum permitted residential densities along the main commercial corridors range from 40 to 125 dwelling units per acre. In the surrounding neighborhoods permitted residential densities range from approximately nine to 17 units per acre. Commercial development is permitted at FARs up to 3:1.
- Oregon legislation allows local jurisdictions to adopt ordinances that provide tax abatement for transit-supportive developments, and Portland has done this. Three of the proposed stations are in Urban Renewal Areas, entitling developers to additional financing tools such as tax-increment financing.

Performance and Impacts of Policies: High

(50 percent of Economic Development Rating)

- The region's urban growth boundary has helped protect open space from rapid, low-density development, while new LRT stations combined with supportive land use policies have spurred a variety of infill projects and new TODs. TriMet estimates that LRT in the region has spurred over \$6 billion in investment along transit corridors. The Metro Council's TOD Program has assisted 29 development projects currently under construction or completed.
- Although the project will connect a number of residential areas, it will also pass directly through several major redevelopment areas. TriMet estimates that an additional five million square feet of development may occur over 20 years. Strong regional growth is also forecast.

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