

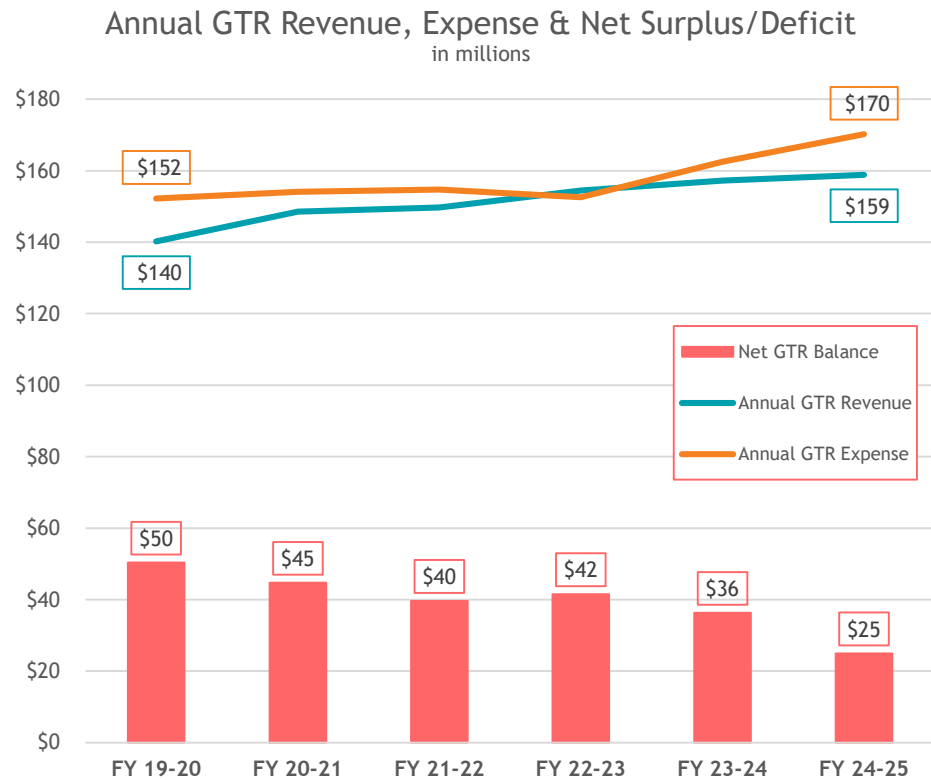
FY 2020-2021 Five-Year GTR Forecast

Preliminary Presentation to BBAC 12/19/2019



Forecast Overview

- 5-Year Net GTR Surplus: \$25.0M
- Long-term trend toward GTR deficit
- Revenue growth (CAGR): 1.5%/yr
- Program expense growth: 3.4%/yr



Key Themes

Major Challenges Outside of Bureau's Control

- Local and statewide headwinds for gas tax revenues
- Upcoming PERS employer contribution increases

Financial Levers at Bureau's Disposal

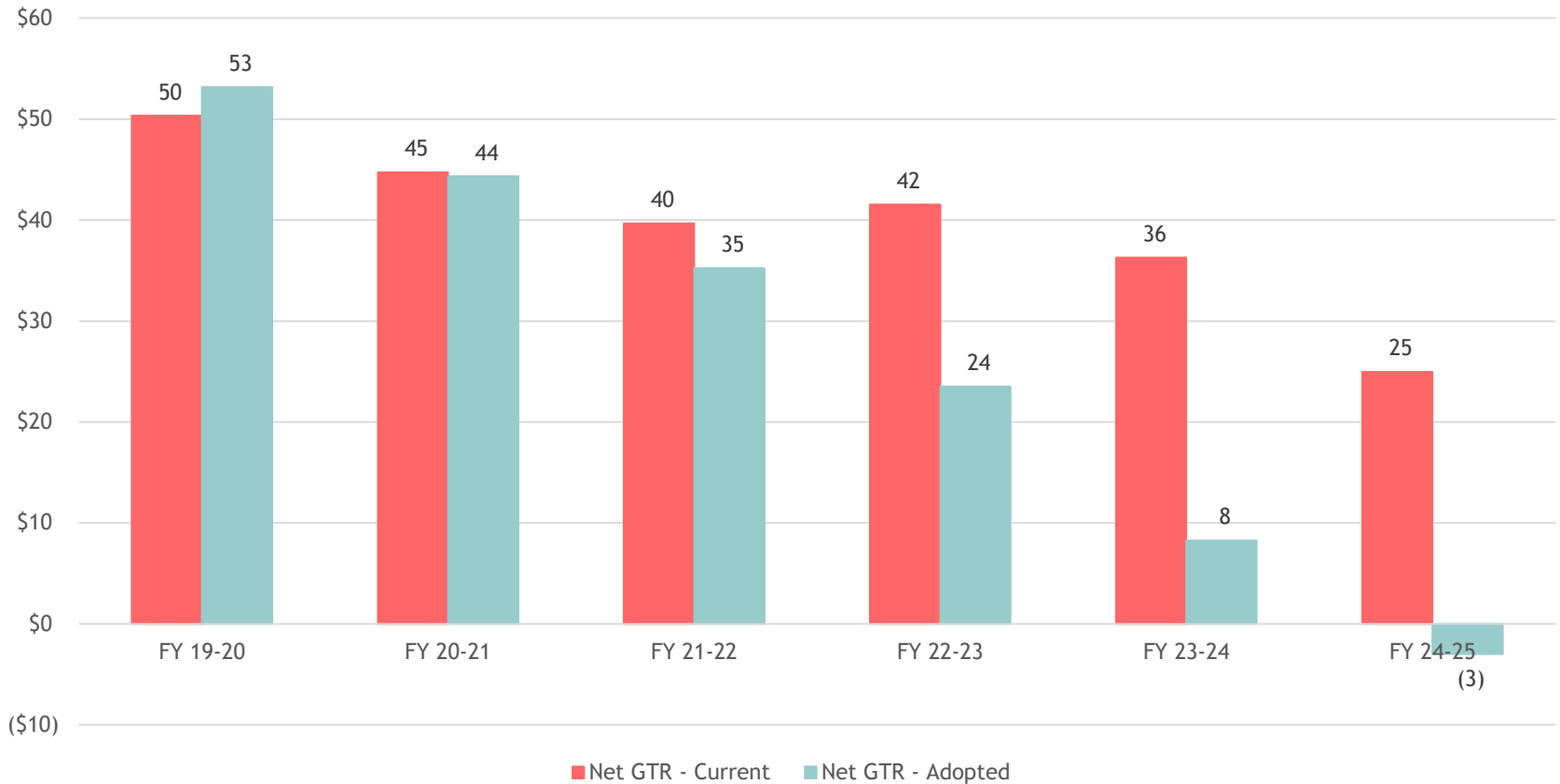
- Opportunity to capture existing fee policy and set expectations for future
- Long-term expenditure efficiency targets

Unfunded Liabilities

- Insufficient funding to address state of good repair backlog (pavement, streetcar, etc.)
- Undefined and potential liabilities (Portland Harbor remediation, SW Corridor Local Match, Youth Pass)

Comparison to Prior Forecast (Adopted Budget)

Net GTR Surplus/Deficit: Current Forecast vs Adopted Budget
(in millions)



Revenue Changes (in millions)

Expense	5-Year Impact	Notes
State Highway Fund	(\$ 12.3)	Updated ODOT forecast
On-Street Parking	\$ 14.3	Revenue baseline, CEID/NW expansion, new districts
Parking Citations	(\$ 0.4)	FY 19-20 vacancies
Reserved Parking	\$ 15.5	Volume baseline, rate assumptions
Permit Parking	\$ 1.9	Volume baseline, rate assumptions
Parking Facilities Fund Transfer	\$ 7.0	Includes \$2M for Naito & Davis expense
Interest on Investments	\$ 4.4	Using OMF interest rate forecast
Total	\$ 30.4	

State Highway Fund Revenue (Gas Taxes)

Forecast continues to include conditional HB 2017 increases (next: January 2020)

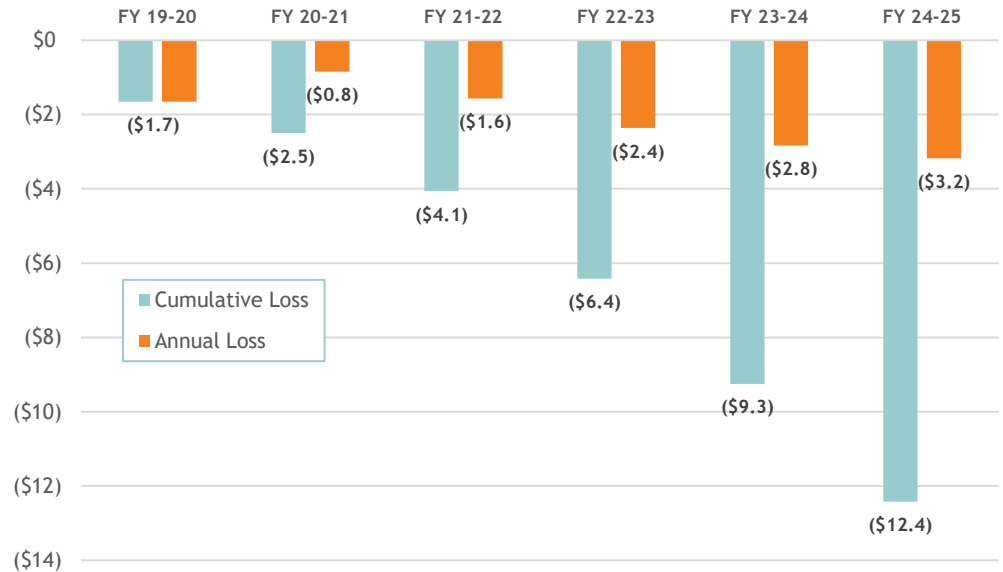
ODOT forecast update: \$12.4M lower over 5 years

Impacted by light vehicle sales, fuel sales, in-state migration and trucking activity

Includes impact from Multnomah County apportionment (\$3.4M)

- For every vehicle removed from the road, City loses \$45 in annual gas tax apportionment

Cumulative State Highway Fund Variance vs Prior Forecast (\$M)



On-Street Parking

Changes from Previous Forecast

Completed Changes

- Re-baselined revenue to FY 18-19
- Added new meters installed in FY 19-20 (+248 in CEID/NW)

Anticipated Changes

- Modest expansion of parking meters (+50/year through FY 24-25)
 - CEID infill
 - N Mississippi/Vancouver/Williams
 - SE Division pilot
- Revenue from new meters offset by higher NMR distributions (fund-level expense)

Risks/Opportunities (Not in Forecast)

- Performance-based parking management - anticipated rate changes (July 2020)
- Lloyd event district (Convention Center/Moda Center)
- Further expansion (up to 100 meters/year under contract amendment)

Reserved Parking (Temporary Street Use Permitting)

Prior Forecasts

- Built around total revenue only
- Lagged behind growth in annual revenue
 - \$1M to \$6M+ in 5 years
 - Regression to “historical levels” - revenue, not volume
- Minimal distinction between four permit types and underlying demand

Current Forecast

- Independently forecasts volume and rates for each permit type
- Baselines against recent volume trends *and* rate changes
 - Discounted from FY 18-19/19-20 volumes
 - Updated unit pricing
- More conservative volume assumption for Parking Operations Fee (linked to building permits)
- Current policy of building CPI increases into rates is incorporated into the forecast

Parking Permits

Changes from Previous Forecast

- Re-baselined volumes/revenues against FY 18-19 actuals (previously FY 17-18)
- Virtually eliminated carshare permit revenues (Car2go, ReachNow)
- Update rate assumptions to reflect existing policy for annual rate-setting process
 - Capture inflationary increases in fees
- Inflationary (~3%) rate increases incorporated for APPP and special permits

Risks/Opportunities (Not in Forecast)

- Additional APPP zones associated with new meter districts (North Portland, Division)

Other Revenues

Parking Facilities Fund

- Increase in net transfer assumptions
- Earlier transfer commencement
- Additional \$2M transfer for Naito & Davis improvements (no net impact)

Interest Income

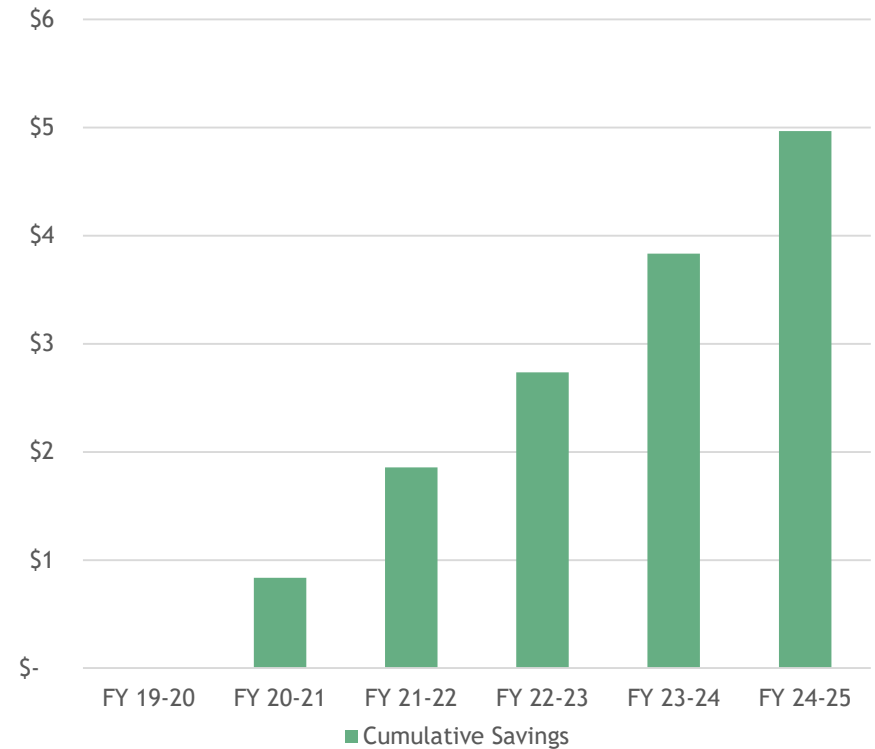
- First forecast to incorporate interest earnings
- OMF interest rates
- Interest only calculated on balancing reserve - no other GTR balances

Incremental Expenditures (in millions)

Expense	5-Year Impact	Notes
Parking Enforcement Move	\$ 3.5	Tenant improvements & rent
Fall BMP Additions	\$ 1.0	4 FTEs / 1 vehicle
Parking O&M, Expansion, Net Revenue Sharing	\$ 6.5	Flowbird amendment, new meter installation, O&M, 51% share for NMR districts
Streetcar SGR	\$ 1.3	Near-term SGR projects on oldest vehicles
CREEC Plan Update	(\$ 4.4)	Savings largely due to zeroing out double-win projects
Sellwood Provision	(\$ 1.8)	Funds set aside in Fall BMP
Portland Harbor	\$ 2.9	Remediation design only
Miscellaneous Adjustments & Inflation	(\$ 0.8)	
1% Efficiency Target	(\$ 5.0)	Target adjustment in FY 19-20 only
Total	\$ 3.2	

Inflationary Impacts: 1% Efficiency Target Scenario

- Annual “CAL -1%” target for GTR expenditures in FY 19-20
- Efficiency in FY 20-21 alone yields \$5.0M in 5-year savings



Deficit Reduction Options

Scenario	5-Year Balance	Notes
Baseline	\$ 16.9	No changes to fees; no additional meters
Proposed Forecast	\$ 25.0	Includes inflationary fee adjustments
+ 1% Expense Efficiency Target OR	\$ 36.9	Annual application of 1% efficiency target
+ Parking Meter 20-Cent Biennial Increase OR	\$ 47.5	Effective increase in each district
+ Parking Meter 20-Cent Annual Increase	\$ 61.7	Effective increase in each district

