

Date: June 25, 2025

To: Board of Directors

From: Sam Desue, Jr.



Subject: RESOLUTION NO. 25-06-35 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING AMENDMENT NO. 16 TO THE INTERGOVERNMENTAL AGREEMENT 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 Amendment No. 16 to the Intergovernmental Agreement (IGA) with the City of Portland (City) for Operation and Maintenance of the Portland Streetcar System (Streetcar Operating Agreement).

2. Type of Agenda Item

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

3. Reason for Board Action

Board approval is required for any IGA that obligates TriMet to pay in excess of \$1,000,000.

4. Type of Action

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

5. Background

The Portland Streetcar provides circulation within the central City, connects to MAX and bus service to allow easy transfers, and supports housing and urban development. The North/South (NS) Line provides service to the City's downtown core, and the A and B (A/B) Loops connect the East and West sides of the City.

TriMet and the City have operated the Streetcar jointly since its inception in 2001. On July 25, 2012, the Board approved Resolution No. 12-07-64 authorizing the General Manager to execute a Streetcar Master Agreement and a Streetcar Operating Agreement with the City, whereby the Parties' agreements pertaining to Streetcar were restructured and formalized. The Streetcar Master Agreement is an overarching IGA covering the policy, coordination and decision-making structure of Streetcar. The Streetcar Operating Agreement is a supporting annual IGA that governs operations, personnel, and related details of operating and maintaining the Streetcar system.

Pursuant to the annual IGAs amending the Streetcar Operating Agreement, the City pays for all Streetcar rolling stock, equipment and maintenance, provides managers and supervisors, and reimburses the wages and part of the benefits of Streetcar Operators and maintenance personnel. TriMet provides unionized employees who bid to work as Streetcar operators and maintenance personnel.

For each fiscal year, TriMet pays the City a share of annual Streetcar operating costs, with the specific amount of funding determined in annual amendments to the Streetcar Operating Agreement. The amount TriMet pays the City each fiscal year is determined by the Streetcar Planning Group (SPG) with final approval from the Permanent Executive Group (PEG). In the SPG, TriMet is represented by the Executive Director of Transportation and the Director of Procurement & Supply Chain Management. For the PEG, TriMet is represented by the Chief Financial Officer and the Chief Strategy & Planning Officer. Other members of the SPG and PEG include representatives from the City, Portland's Bureau of Transportation (PBOT), and an employee and a Board member of Portland Streetcar, Inc., a private entity under contract to the City to manage the Streetcar.

The proposed Amendment No. 16 describes TriMet's share of Streetcar operating costs for FY2026 (July 1, 2025 through June 30, 2026) as \$10,141,766, which is included in TriMet's adopted FY2026 budget. Although the PEG still must vote on the amendment, TriMet staff recommends that the Board approve this Resolution authorizing the execution of Amendment No. 16 to the Streetcar Operating Agreement.

FY2026 operating costs for Streetcar are determined as set forth in Table 1 below. This method of calculating operating funding is based on an hourly cost per Streetcar hour of service, applied to TriMet's share of annual operating costs per the 2012 Master Agreement between the City of Portland and TriMet, as updated by Amendments Nos. 7 through 16 of the Agreement.

Table 1. FY2026 Cost Summary

FY2026 Service Hours	
N/S Service Hours	31,367
A/B Service Hours	34,421
Total Service Hours	65,788

FY2026 TriMet Cost Share by Line	
North/South	85%
A/B Loops	61.67%

FY2026 TriMet Contribution Calculation	
TriMet Funding/Hour basis (prior year)	\$ 200.49
TriMet WWA Adjust./Hour	103.00%
Other Adjustments/Hour	2.63%
Total Adjustment Factor	105.63%
Adjusted TriMet Funding/Hour	\$ 211.78
TriMet Partner Contribution to Streetcar	\$ 10,141,766

For FY2026, the City is scheduled to operate 65,788 revenue hours of service. Per the Working Wage Agreement with the Amalgamated Transit Union Local No. 757 (ATU), the FY2026 hourly rate is increased by 3.0% from the FY2025 cost per hour. Additionally, resulting from the assignment of additional operators, the FY2026 hour rate is increased by an additional 2.63%. Therefore, TriMet's new cost per hour of Streetcar service for FY2026 is \$211.78.

As shown in Table 1, TriMet will cover the cost for operation of the NS line at 85%, and the A/B loops at 61.67%, of the City's cost. This cost share is applied to the 65,788 total hours of scheduled FY2026 service, with respect to the allocation of hours by line. Based on this cost sharing, TriMet will pay \$10,141,766 to the City for FY2026, reflecting TriMet's share of Streetcar's operating costs. This Amount will be disbursed in twelve (12) equal monthly payments in the amount of \$845,147.

Except for the changes made by Amendment No. 16, all aspects of the Streetcar Operating Agreement remain unchanged.

The Board's approval of this Resolution will allow the General Manager to execute Amendment No. 16 of the Streetcar Operating Agreement, under the assumption of its final approval by the PEG. A copy of Amendment No. 16 is attached as Exhibit A.

6. Description of Procurement Process

The Portland Streetcar IGA is developed annually through TriMet's Finance, Legal and Transportation Divisions, in cooperation with the City of Portland Bureau of Transportation (PBOT).

7. Financial/Budget Impact

The \$10,141,766 cost to TriMet for FY2026 Streetcar operations is included in the Transportation Division's approved FY2026 budget.

8. Impact if Not Approved

Pursuant to the 2012 Streetcar Operating Agreement, TriMet and the City share funding, personnel, and other services for day-to-day operations of the Portland Streetcar system. On June 30, 2025, the current Amendment No. 15 to the Streetcar Operating Agreement will expire. Approval of this Resolution is required in order to allow the Streetcar Operating Agreement to be updated and renewed for FY2026, pursuant to Amendment No. 16.

RESOLUTION NO. 25-06-35

**RESOLUTION NO. 25-06-35 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING
AMENDMENT NO. 16 TO THE INTERGOVERNMENTAL AGREEMENT
WITH THE CITY OF PORTLAND FOR STREETCAR OPERATIONS**

WHEREAS, on July 25, 2012, the TriMet Board of Directors (Board) approved Resolution No. 12-07-64 authorizing the General Manager to execute intergovernmental agreements (IGAs) with the City of Portland (City) for Portland Streetcar Operations; and

WHEREAS, the Streetcar Master Agreement and the annual amendments to the Streetcar Operating Agreement provide for the City and TriMet's shared operation and funding of the Streetcar; and

WHEREAS, the current Amendment No. 15 to the Streetcar Operating Agreement will expire on June 30, 2025, and Amendment No. 16 must be adopted in order to update and renew the Streetcar Operating Agreement for FY2026; and

WHEREAS, TriMet's approved FY2026 Transportation Division budget includes the FY2026 funding for Streetcar operations in the amount of \$10,141,766, as set forth in Amendment No. 16 to the Streetcar Operating Agreement, attached hereto as Exhibit A; and

WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the Board adopted a Statement of Policies requiring it to approve IGAs obligating TriMet to pay amounts in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That Amendment No. 16 to the Streetcar Operating Agreement shall conform with applicable law.
2. That pursuant to Amendment No. 16 to the Streetcar Operating Agreement, the FY2026 amount of TriMet funding to City for Streetcar operations shall not exceed \$10,141,766.
3. That the General Manager or his designee is authorized to execute Amendment No. 16 to the Streetcar Operating Agreement for FY2026.

Dated: June 25, 2025

Attest:

Recording Secretary

Presiding Officer

Approved as to Legal Sufficiency:



Legal Department