

Portland Streetcar Citizens Advisory Committee Meeting

Wednesday, June 5, 2013, 3:30-5:00 p.m., City Hall, Pettygrove Room

Members in Attendance: Owen Ronchelli, Chair; David Brandt; Carolyn Brock; Bill Danneman; Peter Kilbourne; Janet McGarrigle; Sue Pearce; Cora Potter; Zoe Presson; Vern Rifer; Richard Ross

Staff Attendance: Kay Dannen, Julie Gustafson, Rick Gustafson, Art Pearce

Guests: Ray Becich, Lee Pearlman

1. Meeting to Order:

Owen Ronchelli, chair, called the meeting to Order. The minutes from the April 3, 2013 meeting were approved.

2. Public Comment

Ray Becich commented that he had not heard back from Rick Gustafson on the cost of fare collection as was promised at the April meeting. Owen Ronchelli responded that he will follow up with staff and ensure that a response is sent to Becich.

3. PBOT Grant proposal – request for letter of support

Art Pearce reported that there is a station area planning meeting for the Portland Milwaukie Light Rail inner Portland stations which includes the Portland Streetcar station at OMSI. The meeting will be Thursday, June 6, 2013 from 5-8pm at St Philip Neri Church located on SE Division at 16th. There will be more meetings moving forward as well as walks of the impacted station areas.

Pearce presented to the committee that PBOT is seeking a grant from the State of Oregon to prepare a modal plan for transit. Transit is the only mode for which PBOT does not have a master plan. Transit is a major factor in achieving the goals of the Portland Plan and the Climate Action Plan. The proposal is that the City of Portland will work with TriMet, Metro and the Planning Bureau to integrate the existing knowledge around transit into a master plan to help link knowledge, policy and planning. Pearce requested a letter of support from the CAC for this project. David Brandt asked how much of this project would be new work and how much would be tying together existing reports. Pearce responded that some will highlight new priorities for the City but that a lot of the work will be tying the threads together of existing documents, studies and reports. This process would better tie expansion and investment into the land use goals set out in the Comprehensive Plan. Vern Rifer asked what the basis would be for where growth will occur in 5, 10 or 15 years. Pearce responded that the Comprehensive Plan is in the process of mapping potential growth. This would use that information and look at how transit can mold and support the growth. Rifer suggested that Pearce have a panel of people involved that can help predict where growth will go.

Ronchelli asked if Pearce has consulted with TriMet on this grant. Pearce responded that the co-authors of the Grant application are Denver Igarta who has been heavily involved in the Comprehensive Plan process and Eric Hesse and Alan Lehto of TriMet. Sue Pearce asked where the application will be submitted. Pearce responded that it is an ODOT grant and will be submitted to them. The grant will be funded by ODOT. Rifer made a motion to authorize the chair to draft a letter of support. Sue Pearce seconded the motion. The committee passed the motion unanimously.

4. Update on Mobile Ticketing

Julie Gustafson updated the committee on the Portland Streetcar Mobile Ticketing app. The design and all the behind the scenes pieces are in final approval process. A call for beta testers will be sent

out within 2 weeks with the beta test process beginning by the end of the month. The image will be streetcar specific with the marketing colors of purple and apple green. The goal is to have the app launch to the public at large with TriMet's later this summer. Ray Becich asked if there will be two apps. Gustafson replied that there will be two separate apps, TriMet and Streetcar, until the eFare system is put in place in 2-4 years. Gustafson asked if anyone on the committee would like to be included as a beta tester. Ronchelli asked for a refresher on how the credit card information will be stored. Gustafson responded that the credit card number will not be stored with Portland Streetcar or with GlobeSherpa but rather with a PCI compliant company that have all of the security and privacy certifications. Peter Kilbourne asked if it will be integrated with Passbook on iPhones. Gustafson responded that it will not be integrated at this time, but that she will pass the suggestion along to the design team.

5. Operations & Vehicle Update

Owen Ronchelli reported that April 30, 2013 there was an accident between a semi-truck and a streetcar which removed the streetcar from service for approximately six weeks. This has left operations down one vehicle since then which has left the CL line down one train. The good news is that Car 021 is likely to come on line next week. Rifer asked when Car 015 will be taken off line for the scheduled work. Rick Gustafson responded that when three trains come online we will proceed to take Car 015 out of service for the work as Car 002 is still out of service. We will insist that operations will have one spare available at all times. There is a series of things that need to occur over the next six months to maintain a 12 car fleet. When 002, 021 and 022 come online 015 will be removed from service. When 023 and 024 come online we will take 021 and 022 out of service to change out the insulation.

6. Convention Center Hotel Project – request for letter of support

Owen Ronchelli reported that there is new energy behind the Convention Center Hotel project. This attempt has more private money behind it with the public piece coming out of the Hotel/Motel tax with agreement from the county to have the tax from the hotel pay off the bonds for the hotel. Rifer asked if that will be enough to retire the bonds. Ronchelli responded that that remains to be seen. Bill Danneman asked what happens if they can't make their payments on the bonds. Is the City going to bail them out as they have done in the past. Ronchelli responded that he is not privy to the specifics but that the Hyatt Regency, the private operator, is taking on a lot of the financial risk associated with it and that they would be partially responsible for paying back the bonds. Lee Perlman stated that last time other hotel operators had a hard time with public financing for a competitor and asked what their opinion or by in is this time around. Ronchelli responded that the big difference is how the public outreach will occur. Peter Kilbourne added that another difference is that the last go around the hotel chain only put in \$10 Million whereas Hyatt is putting up \$100 Million and has more skin in the game. Danneman asked when this has to be done. Ronchelli stated that they are still trying to finalize the terms of the agreement with the developer and the hotel but are very close. After reaching an agreement they have to go Multnomah County, City of Portland and then Metro for final approval. Perlman added that the tentative date for presentation to the Metro Council is June 18th.

Danneman stated that he wished there was more information and detail so he could better understand the project before voting to support it. Rick Gustafson responded that there is a lot of detail available and that the request for support is for the continued effort to build a Convention Center Hotel rather than a vote to support the specific deal at hand. Danneman stated concerns about the fine line Gustafson laid out as in the past letters of support for an effort have been turned

around to be letters of support for a specific plan. David Brandt stated that he has similar concerns as Danneman and would like to see language added to the letter stating explicitly that the letter is in support of the effort. Rifer asked if the first sentence would be adequate. Danneman stated he would like to be more explicit. Pearce also asked for more explicit language as they have not been presented with all of the information on the project. Ronchelli stated that the letter can easily be rewritten to reflect the opinion of the committee members. Rifer made a motion that authorizes the chair to sign a letter based on the letter presented with two changes. The first would be to modify the first paragraph to reflect the comments made by the committee. The second change would be to delete the second paragraph. Pearce seconded the motion. Kilbourne asked why Rifer would like the second paragraph deleted. Rifer responded that the second paragraph lists facts and things that the committee is not knowledgeable about. The motion passed unanimously.

7. Fare & Sponsorship Program

Kay Dannen summarized the results from the PSI Board Subcommittee. The committee has been looking at the fare structure as well as the sponsorship program with the goal of securing additional operating funds. The committee recommended raising the annual pass to \$200 as of September 1, 2013 and an increase in the Streetcar Only fare on January 1, 2014 to \$2 for two hours. The delay in increasing the fare until January would allow a full Title VI evaluation including public outreach for the fare increase. The recommendations for the sponsorship program are to raise the rates for car sponsors from \$25,000 to \$30,000, for maintaining the current price for stop sponsors, raising the rate to be included in the Off the Rails guide from \$150 for 6 months to \$200. Recommendations were also made for the Ridership Benefits program to raise the rates that sponsors pay for the ridership benefits program from 1% to 2% for the employer ID program where large employers pay for all employees so that their staff ID badge is valid as a Streetcar Annual Pass, from 10% to 20% for residential buildings that sponsor Streetcar to provide annual passes to their new move-ins.

Ronchelli added that the basis for the subcommittee forming was the issue of how much fare revenue was being generated. Rick Gustafson added that the recommendation was to look at both the fares and the sponsorship program. Ronchelli stated that some of what drove this effort is the evaluation of the numbers that were provided prior to the removal of the Free Rail Zone and that some of the assumptions were not as accurate as the information we are gathering now. We are using the information from the fare surveys to evaluate changes in fare and how this will impact both riders and revenue.

Cora Potter stated concern for the burden on the low income residents and that TriMet LIFT may end up taking on the burden for those that can't afford the \$2 fare. Julie Gustafson responded that part of the reason for the delay is to give staff the opportunity to evaluate the impact and to actually go out and talk with people and reach out to the impacted segments of the population to better understand the impacts. Danneman asked if there will be an increase in inspections with the increase in fares as people who actually pay will not be happy with paying more money while others slide through. Rick Gustafson responded that there will be an increase in enforcement which will include issuing tickets. We are very close to that point and need to change the perception that we won't write tickets. Zoe Presson asked when the process of writing tickets will begin. Rick Gustafson responded that it could be as early as a few weeks. There have been some distractions and he apologized for not having a more specific response. Everyone at Streetcar is dedicated to trying to get streetcars on the street. Asking them to do work beyond that has been something Gustafson has been unwilling to do as the system is taxed to its limits. He added that to test the

new vehicles we have to send an operator and a supervisor on the trains which stretches our system even thinner than it already is.

Pearce first thanked Gustafson for the information about the organization as it helps to better inform the information given to the committee. Pearce then stated her concern that there was not representation from the CAC on the PSI Board's subcommittee and asked if they were being informed of the decision rather than being asked for input as she thought that is why the CAC exists. She asked for clarification on the increase in fare as bringing the fare closer to TriMet's will be less appealing to riders. She appreciates the delay in increasing the fare to allow for outreach but recommended getting the information out so that people understand that the increased Annual Pass cost would be covering an increased fare cost. Pearce added that at a recent Portland Milwaukie Light Rail CAC meeting with Neil McFarlane there were several people pushing back about the loss of Fareless Square and the Free Rail Zone in conjunction with a loss in service and recommended a lot of outreach. Rick Gustafson responded that it is essential that the CAC take a position on this issue and that a full presentation can be made at the next meeting. The CAC provides input and recommendations to not only PSI but also to the City. He added that the information and recommendations provided by the CAC have been essential to the success of streetcar as they have a greater sensitivity to the riders and to the service profile. He stated that the process can continue as long as the committee needs so that a recommendation can be made that the committee is comfortable with and can support. Ronchelli recommended that the committee looks at the types of fares but also the percentages of fares that are sold.

Rick Gustafson responded that the committee was a PSI committee charged with finding more revenue. The committee was originally looking at an increase to \$1.50 but there was an increasing concern about constantly stepping up the fare. They started looking at a stepped increase to \$1.50 and then \$2.00. The recommendation from the PSI Subcommittee is a recommendation that still has the opportunity for a lot of input as it not only the CAC that needs to weigh in and provide their opinion and expertise but also the Title VI and public outreach which had a large influence last year in this process. Gustafson stated that the PSI Board will most likely pass a resolution in July to support this effort but that the final recommendation will come after others have a chance to provide their input.

Gustafson stated that Streetcar predicts approximately 300,000 Streetcar Only tickets which is less than 8% of the total 3.8 million ridership. 50% of Streetcar riders have a valid TriMet fare. About 30% of our riders purchase something from us, but that includes the TriMet fares that we offer both on board and at the platforms. There are approximately 1,000 annual passes sold this past year. Potter asked if the mobile ticketing will impact the sales especially as some of the riders will purchase their fare on their phone rather than from our TVMs. Julie Gustafson responded that there may be an impact to our ticket sales with the release of the mobile ticketing app but that those numbers aren't in yet. Rick Gustafson added that the projections show that Streetcar will sell 36,000 TriMet all day passes from our TVMs based on the numbers from this year. Rick Gustafson added that we will make this issue a major discussion at the next CAC meeting and that there has not been a time when the input from the CAC hasn't added extraordinary value to the discussion and have always improved the final outcome.

8. Other Business

Bill Danneman asked if the streetcar tracks will be laid when TriMet lays their tracks to the bridge across our tracks on Moody. Rick Gustafson responded that there will be 4-6 shutdowns during this

construction and that the streetcar tracks on both sides of the bridge will be installed in conjunction with the MAX tracks.

Richard Ross gave a brief update to the CAC on the Oregon Passenger Rail discussion. He stated he would write up a report to present next month to the CAC.

The next meeting for the Streetcar Citizens Advisory Committee will be Wednesday, July 3, 2013, 3:30pm-5:00pm at City Hall, Pettygrove Room.

Please call Julie Gustafson at 503/242-0084 or email at julie@sojpdx.com if you have any questions regarding this committee.

The CAC meetings are open to the public.