

OREGON STREETCAR PROJECT FUND
ANNUAL DISCRETIONARY GRANT REPORT
ODOT PUBLIC TRANSIT DIVISION
CITY OF PORTLAND

Legislative History: Chapter 746, Oregon Laws 2007, passed by the Oregon Legislature and signed by the Governor on July 3, 2007, created the Oregon Streetcar Project Fund, allowing for the issuance of \$20,000,000 in lottery funds for the purpose of financing grants through the Oregon Department of Transportation (ODOT) to municipalities to provide for the purchase of streetcars from an Oregon-owned and Oregon-based manufacturer for use in public transit systems. By entering into and enhancing participation in the emerging streetcar vehicle market, Oregon manufacturers will create jobs for Oregon residents.

Administrative History: On April 23, 2008, the Oregon Transportation Commission (OTC) approved Oregon Administrative Rule 732-035-0010 through 732-035-0080 relating to the Oregon Streetcar Project Fund Program. The rules established the Oregon Streetcar Project Fund Program, definitions, eligibility standards and application requirements.

Grant History: On September 15, 2008, ODOT informed the City of Portland that their application for a grant to purchase streetcars using funds from the Oregon Streetcar Fund was approved. City of Portland/State Agreement No. 25414 was executed on July 28, 2009. Agreement No. 25414 calls for the procurement of up to seven fixed guideway, electric streetcars, as well as all necessary safety and accessible and street use equipment, spare parts, special tools and equipment for the streetcars, cost for consultant or staff inspection of the design and manufacture of the streetcars. It includes all related materials, services and equipment necessary to outfit the streetcars for City of Portland service.

Contract History: City of Portland authorized a contract with Oregon Iron Works, Inc. (OIW) for the production and delivery of six Portland Streetcar vehicles that are compatible with the existing Portland Streetcar fleet and able to be operated on the present Portland Streetcar system, as well as on the expanded system following completion of the Portland Streetcar Loop Project.

Progress: The first year of this complex project reports job activities that are primarily for manufacture set up. This project is on track, profession jobs have been created, the construction jobs multiplier has started. The next period report will show a much larger impact on job creation as production jobs and additional streetcar contracts begin to show multiplier effects for the area.

Schedule Revision: Progress has proceeded as expected except for the original propulsion system used for the streets did not meet Portland Streetcar test requirements. This issue was resolved by changing from the original propulsion system to the Austrian Elin propulsion system. This delayed the schedule for delivery of the streetcar vehicles approximately 6 months with the first car to be delivered in September 2012.

Jobs: Activities for the first year of this project involved testing and examining the prototype vehicle and developing detailed plans for establishing the physical production of the vehicles. Much of the work involved review, oversight to make sure safety, reliability and sustainability of the new cars is incorporated into the final product. Oregon Iron Works

(OIW) is accomplishing major facility set ups for painting, electrical work, test rail track that meets the standards being required.

OIW is currently in the design/engineering phase of the Portland Streetcar Loop vehicles. The streetcars are going through production redesign associated with the Elin propulsion system substitution and a vehicle structural analysis. This phase is heavy on engineering, management and purchasing. OIW has hired approximately 10 engineers during the first contract year that are participating in the redesign.

In the future, the number of production/shop workers hired will increase as the physical fabrication of the streetcars begins. The work will transition to more shop labor hours. After that, there will be more quality control and testing personnel as the streetcar project nears completion. There are five staff hired to provide clerical and administrative support to the project. This number also will increase as production advances.

Future Jobs Development: OIW has received an order for seven vehicles from the City of Tucson, Arizona using a grant from Federal Transit Administration (FTA). This new business brings FTA oversight and technical assistance to the OIW effort. FTA is interested in the success of the project as there are additional cities looking to see the outcome of the Portland and Tucson projects as they look to supply their streetcar needs.

###