

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Mary Beth Henry		2. Telephone No. Ext. 3-5414	3. Bureau/Office/Dept. Revenue
4a. To be filed (date): January 23, 2013	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: January 8, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Grant a franchise to Lucid Energy, Inc. for a renewal energy project in conjunction with the Water Bureau for a period of 20 years. (Ordinance)

2) Purpose of the Proposed Legislation:

Portland Water Bureau (PWB) and Lucid Energy Inc (LEI) have negotiated a "final term sheet which describes an anticipated agreement" which will allow LEI access to PWB facilities to generate renewable electricity. PWB anticipates potentially receiving financial benefits by sharing in the proceeds from the electricity generation. The LEI project will be located on public property, and will use City renewable resources. The City is requesting a right of first refusal if the generation facility is sold. Since PWB facilities are located in the right of way and LEI will place facilities in PWB facilities, LEI needs a franchise agreement.

On November 14, 2012, the City of Portland granted a temporary revocable permit to allow Lucid to begin construction of its renewable energy project while the City proceeded with formal City Charter requirements, including publication of the ordinance. Those requirements have now been fulfilled, and Lucid is seeking a franchise agreement for a period of 20 years.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The City will receive \$1000 annually in franchise fees. This revenue is intended for the general fund and is new revenue, notwithstanding the temporary revocable permit which was granted to Lucid Energy on November 14, 2012.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

N/A- Cost of processing permit is in OCT budget.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)* No
- Will positions be created or eliminated in future years as a result of this legislation? No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)* N/A

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES: Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

Portland Water Bureau (PWB) and Lucid Energy Inc (LEI) have negotiated a "final term sheet which describes an anticipated agreement" which will allow LEI access to PWB facilities to generate renewable electricity. PWB anticipates potentially receiving financial benefits by sharing in the proceeds from the electricity generation. LEI needs authority to be in the right of way. This agreement provides that authority. This project supports the City's 2009 Climate Action Plan which had substantial public involvement. The franchise agreement was published pursuant to the formal City Charter requirements for franchises, which include publication of the agreement.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?


c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary as this project supports the City's 2009 Climate Action Plan which had substantial public involvement.


 BUREAU DIRECTOR (Typed name and signature) Thomas W. Lannom, Director



Office for Community Technology

Charlie Hales, Mayor
Jack D. Graham, CAO
Thomas W. Lannom, Director
Mary Beth Henry, Manager
111 SW Columbia, #600
Portland, OR 97201

▲ Broadband & Communications Policy Cable Regulation & Consumer Protection ▲ Utility Franchises, Licenses & Wireless

City Council
Agenda Item
Staff Supplemental Report

185951

TO: Thomas Lannom, Director
FROM: Mary Beth Henry, Manager
DATE: December 18, 2012
RE: Grant a franchise to Lucid Energy, Inc. for a renewal energy project in conjunction with the Water Bureau for a period of 20 years. (Ordinance)

Requested Placement Date: Consent Agenda on January 23, 2013

I. RECOMMENDATION. The Office for Community Technology recommends that Council approve the franchise agreement to Lucid Energy, Inc.

II. BACKGROUND.

Portland Water Bureau (PWB) and Lucid Energy Inc (LEI) have negotiated a “final term sheet which describes an anticipated agreement” which will allow LEI access to PWB facilities to generate renewable electricity. PWB anticipates potentially receiving financial benefits by sharing in the proceeds from the electricity generation. Since LEI will have facilities in the right of way a franchise is required.

In the Memorandum of Understanding separately entered into between the City of Portland, Portland Water Bureau, Portland Development Commission and LEI, the parties recognized Portland’s status as a global leader in clean energy and view their prospective partnership as an opportunity to leverage Portland’s leadership in clean and green innovation and extend Portland’s expertise in environmental technologies and advanced manufacturing, thereby addressing goals of the City’s economic development strategy.

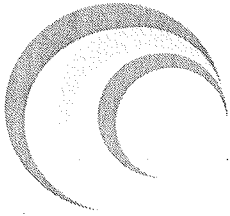
On November 14, 2012, the City of Portland granted a temporary revocable permit to allow Lucid to begin construction of its renewable energy project while the City



proceeded with formal City Charter requirements, including publication of the ordinance. The ordinance was published in the Daily Journal of Commerce on November 27, 2012, and a notice published in the Oregonian on November 24, 2012. The Bureau requests the first reading for this ordinance to be on January 23, 2013, and the second reading to be on February 27, 2013. Under this schedule, the effective date will be April 29, 2013.

III. FINANCIAL IMPACT. The City will receive \$1000 annually in franchise fees. This revenue is intended for the general fund and is new revenue, notwithstanding the temporary revocable permit which was granted to Lucid Energy on November 14, 2012.

IV. LEGAL ISSUES. None



Office for Community Technology

Charlie Hales, Mayor
Jack D. Graham, CAO
Thomas W. Lannom, Director
Mary Beth Henry, Manager
111 SW Columbia, #600
Portland, OR 97201

▲ Broadband & Communications Policy ◻ Cable Regulation & Consumer Protection ▲ Utility Franchises, Licenses & Wireless

185951

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

DATE: December 18, 2012
TO: Mayor Charlie Hales
FROM: Thomas W. Lannom, Revenue Bureau

SUBJECT: Grant a franchise to Lucid Energy, Inc. for a renewal energy project in conjunction with the Water Bureau for a period of 20 years. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** January 16, 2013
2. **REQUESTED COUNCIL AGENDA DATE:** January 23, 2013
3. **CONTACT NAME & NUMBER:** Mary Beth Henry 503-823-5515
4. **PLACE ON:** X CONSENT ___ REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** ___ X ___ Y ___ N ___ N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM:** ___ Y ___ N X ___ N/A

7. BACKGROUND / ANALYSIS

Portland Water Bureau (PWB) and Lucid Energy Inc (LEI) have negotiated a "final term sheet which describes an anticipated agreement" which will allow LEI access to PWB facilities to generate renewable electricity. PWB anticipates potentially receiving financial benefits by sharing in the proceeds from the electricity generation. Since LEI will have facilities in the right of way a franchise is required.

In the Memorandum of Understanding (MOU) separately entered into between the City of Portland, Portland Water Bureau, Portland Development Commission and LEI, the parties recognized Portland's status as a global leader in clean energy and view their prospective partnership as an opportunity to leverage Portland's leadership in clean and green innovation and extend Portland's expertise in environmental technologies and advanced manufacturing, thereby addressing goals of the City's economic development strategy. This project supports the MOU and the 2009 Climate Action Plan.

On November 14, 2012, the City of Portland granted a temporary revocable permit to allow Lucid to begin construction of its renewable energy project while the City proceeded with formal City Charter requirements, including publication of the ordinance.

The ordinance was published in the Daily Journal of Commerce on November 27, 2012, and a notice published in the Oregonian on November 24, 2012. The Bureau requests the first reading for this ordinance



to be on January 23, 2013, and the second reading to be on February 27, 2013. Under this schedule, the effective date will be April 29, 2013.

8. FINANCIAL IMPACT

The City will receive \$1000 annually in franchise fees. This revenue is intended for the general fund and is new revenue, notwithstanding the temporary revocable permit which was granted to Lucid Energy on November 14, 2012.

9. RECOMMENDATION / ACTION REQUESTED

The Office for Community Technology recommends that Council approve the franchise to Lucid Energy, Inc. for a renewal energy project in conjunction with the Water Bureau.