

Impact Statement

Legislation title: Settlement with the U.S. Environmental Protection Agency for Certain Portland Harbor Remedial Design Costs.

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PURPOSE OF PROPOSED LEGISLATION AND BACKGROUND INFORMATION

In December 2018, top EPA leadership visited Portland to announce an accelerated timeline for the next major phase of the Portland Harbor Superfund Site (Site). The EPA announced that it expects the entire 10-mile Site under order for remedy design by the end of 2019 or it will take enforcement action. To meet that deadline, EPA has asked that parties be in active negotiations for their sites by June of this year. The City is supportive of EPA's efforts to expedite this stage of the process.

Because the City has potential liability scattered throughout the 10-mile Site and has a broad interest in the cleanup moving forward quickly, we have partnered with the State of Oregon and developed a unique approach with EPA to address our legal obligation while protecting public dollars and encouraging site-wide action.

In this agreement with EPA, rather than enter into numerous agreements to perform remedial design, the City and State will combine funds and offer to pay \$80,000 dollars per acre at areas that have been assigned a cleanup in the Record of Decision, to parties that sign an agreement with EPA by EPA's deadlines. The City and State funds will be held in trust to fund the offer as specified in the agreement with EPA. This trust would be capped at \$24 million dollars with the City and State contributing equal shares.

This agreement increases the City's legal and financial certainty by providing a sum certain for remedial design in the areas where this offer is accepted, reduces the City's risk of enforcement action by EPA, reduces transaction costs that would be incurred during negotiating and performing numerous design agreements and encourages timely action by potentially responsible parties who have not yet stepped up to perform remedial design.

FINANCIAL AND BUDGETARY IMPACTS

Under this agreement with EPA, the City—alongside the State— will establish a trust and contribute a maximum total of \$12M over the next 3 fiscal years. The first transfer to the trust by the City in July of 2019 will be in the total amount of \$6M, the second transfer will be up to a total of \$3M in July 2020, and the final transfer up to a total of

