

## **Agenda No. 308**

### **ORDINANCE NO. 190385**

\*Authorize Intergovernmental Agreement with the Urban Flood Safety and Water Quality District not to exceed \$6 million to develop an organizational structure and a method to fund operations of the district (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Multnomah County Drainage District No. 1 ("MCDD"), Peninsula Drainage District No. 1 ("PEN 1"), Peninsula Drainage District No. 2 ("PEN 2"), and Sandy Drainage Improvement Company ("SDIC") (collectively, the "Drainage Districts") each manage a portion of the Columbia River levee system and stormwater management system (the "System") in Multnomah County within their respective jurisdictional boundaries. The System has been managed as a single system through IGAs in which MCDD provides administration and staffing for PEN 1, PEN 2, and SDIC.
2. Levee Ready Columbia is a partnership of over twenty public, private, nonprofit, and community-based organizations, including the City, committed to reducing the risk of flooding for an area critical to the region's future and supporting the environment and recreational value of the lands along the Columbia River in the Portland metro region. The Drainage Districts and Levee Ready Columbia partners recognize that the existing Drainage District structure would not adequately provide for the long-term capital and operational needs of the

#### **Introduced by**

Mayor Ted Wheeler &  
Commissioner Mapps

#### **Bureau**

Environmental Services,  
Revenue & Financial  
Services

#### **Prepared by**

Matt Gierach

#### **Date Prepared**

April 26, 2021

#### **Requested Council Date**

May 5, 2021

#### **Requested Agenda Type**

Regular 10 minutes

#### **Date Filed with Clerk**

April 27, 2021

System. Accordingly, they proposed, and the 2019 legislature enacted, ORS Chapter 550, creating the Urban Flood Safety and Water Quality District (the "UFSWQD"). ORS 550.190 creates an initial UFSWQD board of directors tasked with organizing the new district and with developing and approving, or seeking approval from the electors, of a method or methods of funding the operations of the new district (the "Organization Phase"). ORS 550.360 provides that once the UFSWQD has funding in place sufficient to assume operations of the Drainage Districts, the Drainage Districts will be dissolved and merged into the UFSWQD, and the Organization Phase will end.

3. In order to successfully complete the Organization Phase, the UFSWQD needs a stable and reliable interim source of operational funding until it can put its own funding mechanisms in place and begin to generate revenue. Given the substantial public safety, environmental, and economic importance to the Portland metropolitan region of providing for the long-term health of the System, the City is willing to lend funds to the UFSWQD for this purpose.
4. The Bureau of Environmental Services ("BES") coordinates with the Drainage Districts to provide funding and services related to stormwater management and has a stake in ensuring the successful completion of the Operational Phase.
5. BES has sufficient financial resources over the next ten years, and has agreed to lend monies to the UFSWQD through a non-revolving drawdown loan (the "Loan") in an amount not to exceed \$6,000,000 to be drawn until June 1, 2026, at which time the Organization Phase is expected to be complete and the UFSWQD will have a dedicated revenue stream to support its operations and repay the Loan by June 1, 2031.
6. The City and UFSWQD wish to enter into an intergovernmental agreement to effectuate the terms of the Loan.

NOW, THEREFORE, the Council directs:

- A. The Director of the Bureau of Environmental Services or designee is authorized to execute an intergovernmental agreement in a form substantially similar to the draft agreement attached as Exhibit A.

Section 2. The Council declares that an emergency exists because a delay in approving the agreement would interfere with the timelines established for receipt of Loan proceeds and payment of costs related to establishing a long-term organizational and funding structure; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by Council: May 5, 2021

**MARY HULL CABALLERO**

Auditor of the City of Portland

Action Taken:

By *Christina Thomas*

Deputy

Commissioners voted as follows (Yea or Nay)

Rubio - Yea

Ryan - Yea

Hardesty - Yea

Mapps - Yea

Wheeler - Yea