

FINANCIAL IMPACT STATEMENT
For Council Action Items
(Use this form for Ordinances and Resolutions)
(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Sara Gardner	2. Telephone Number 503-823-7025	3. Bureau/Office/Dept. BES
4a. To be filed (date) January 27, 2010	4b. Calendar (Check One) Regular Consent 4/5ths [] [X] []	5. Date Submitted to FPD Budget Analyst:

1) Legislation Title:

*Authorize the City to Continue to Provide Funds for the Portland Harbor Funding and Participation Agreement, Providing Resources for Natural Resource Trustees to Implement the Natural Resource Damage Assessment and Restoration Process. (Ordinance amend Contract No. 52429)

2) Purpose of the Proposed Legislation:

The purpose of the ordinance is to allow the City to enter into Amendment 6 and continue providing funds under a Funding and Participation Agreement that supports Natural Resource Trustee participation in identifying natural resource injury resulting from contamination at the Portland Harbor Superfund Site, and developing restoration opportunities.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated identify the source.

This legislation is not anticipated to generate or reduce current or future revenue coming to the City.

4) Expense:

What are the costs to the City as a result of this legislation? Include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract include the local contribution or match required.

Trustees have estimated the budget for the scope of work to be about \$2.4 million. At this time, the City will be providing up to \$360,000 and the Trustees will look to other funding sources for the balance.

Future costs beyond FY 10-11 will be determined by the scope and schedule of natural resource damage assessment work for which the Trustees requests funding from the City and other funding sources.

5) Staffing Requirements:

a) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?

It is not anticipated that this legislation will create, eliminate or re-classify positions

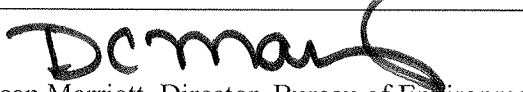
b) Will positions be created or eliminated in future years as a result of this legislation?

It is not anticipated that this legislation will create, eliminate or re-classify positions

6) Change in Appropriations: Budget changes for the current year must go through the BMP Process. This section may only be use with prior permission of your OMF analyst for exceptions.

Reflect the dollar amount to be appropriated by this legislation. Include the appropriate center codes and accounts to be used by Central Accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.

Fund	Center Code	Account	Amount	Project Fund	Project No.


Dean Marriott, Director, Bureau of Environmental Services
APPROPRIATION UNIT HEAD (Typed name and signature)

City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Amanda Fritz
THROUGH: Patti Howard & Matt Grumm

FROM: Rick Applegate/Sara Gardner

DATE: January 5, 2010

RE: Ordinance Title: *Authorize the City to Continue to Provide Funds for the Portland Harbor Funding and Participation Agreement, Providing Resources for Natural Resource Trustees to Implement the Natural Resource Damage Assessment and Restoration Process. (Ordinance amend Contract No. 52429)

Requested Council Hearing Date: January 27, 2010

I. RECOMMENDATION

Due to an aggressive schedule, Council has previously authorized the City to provide funding to support the Portland Harbor Natural Resource Damage Assessment, and this Ordinance requests authorization to provide funding for additional work.

II. BACKGROUND

On June 25, 2003, Council passed Ordinance No. 177627 authorizing the City to enter into the Funding and Participation Agreement with the Portland Harbor Natural Resource Trustees. The Ordinance indicated that costs for studies to assess the potential injury to resources and planning and implementing restoration opportunities will be developed over several years, and the City will fund a percentage of these costs. The Funding and Participation Agreement provides a process to establish future funding. Since June 2006, Council has authorized the City to enter into five Amendments to the Funding and Amendment Agreement.

III. FINANCIAL IMPACT

The City's contribution for the scope of work attached to Amendment 6 is up to \$360,000. These funds are available in the FY 2009-2010 Portland Harbor Budget, ESDR00004.

IV. LEGAL ISSUES

This amendment is entered into pursuant to the natural resource trustee provisions of Section 107(f) of CERCLA, as amended, and other federal and state statutes. At Superfund sites, PRPs have responsibilities to fund natural resource damage assessment work, including the participation of natural resource trustees. These assessments evaluate whether the contamination at a Superfund site has injured a natural resource, and develop options for compensation and/or restoration. As the CERCLA Remedial Investigation of Portland Harbor continues, additional parties responsible for the contamination, and potentially injury to natural resources, may be identified. These additional parties will be expected to contribute funding to this effort. The

natural resource damage assessments will determine what contaminants have contributed to resource damage, and the CERCLA Remedial Investigation will determine the source of those contaminants. These studies could determine that the City is partially responsible for damage to natural resources and therefore liable for costs associated with the loss of the resources or habitat, or both. At this time these potential costs are unknown.

V. CONTROVERSIAL ISSUES

It is unlikely that there would be any opposition to this ordinance. A Natural Resource Damage Assessment is a key part of a Superfund cleanup. Attempting to keep the NRDA process on track while the Superfund investigation is underway is an efficient approach to implementation. the City's commitment to funding this work will help determine the actual injury to the resource, and the potential financial liability for the responsible parties. It would be expected that the government team on this site :federal government (Environmental Protection Agency, NOAA Fisheries, US Fish and Wildlife,) Oregon state government (Department of Fish and Wildlife) and Tribal Governments (Nez Perce, Umatilla, Warm Springs, Siletz and Grand Ronde) and the community would be supportive of this work

VI. LINK TO CURRENT CITY POLICIES

The vision for the Portland Harbor Cleanup supports the River Renaissance vision of a clean and healthy river within the context of an urbanized area with a prosperous working harbor and vibrant waterfront districts and neighborhoods. Working closely with the Office of Healthy Working Rivers, many City efforts to improve river health are underway, including Superfund and the Combined Sewer Overflow project. There are direct links between the Portland Harbor NRDA work and restoration work implemented as part of the Portland Watershed Management Plan.

VII. CITIZEN PARTICIPATION

Language in the Agreement regarding public participation includes: "The Parties recognize and agree that public participation during the injury assessment and restoration planning process is both desirable and necessary. The Parties will work together to design and implement a public participation plan, including the processes and responsibilities for working together to communicate to the public. At a minimum, the Trustees shall ensure that public participation in the process shall meet all legal requirements".

There is no specific citizen participation event or process planned to address these actions, at this time. Communication about the Funding and Participation Agreement will be included in ongoing Portland Harbor communication efforts. Community involvement is a critical component of any Superfund site. As part of the Environmental Protection Agency public process, a Citizen Advisory Group (CAG) was formed in 2001, and will be tracking the progress of the Superfund cleanup. City staff are available to provide information to the CAG on any issue involved with the Superfund site, including natural resource issues.

VIII. OTHER GOVERNMENT PARTICIPATION

Many other governments are involved in the NRDA work for the Portland Harbor Superfund Site. They include the federal government (Environmental Protection Agency, NOAA Fisheries, US Fish and Wildlife,) Oregon state government (Department of Environmental Quality, Department of Fish and Wildlife) and Tribal Governments (Nez Perce, Umatilla, Warm Springs, Siletz and Grand Ronde). The City is meeting regularly with relevant federal, state, local and Tribal governments.

IX. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A
CURRENT BUSINESS LICENSE? No WHAT IS THEIR
BUSINESS LICENSE NUMBER? IS THEIR ACCOUNT
WITH THE CITY CURRENT? Yes IF NOT, HOW MUCH IS
OWING?