

**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) September 29, 2010	4b. Calendar (Check One) Regular Consent 4/5ths [ ] [x] [ ]	5. Date Submitted to FPD Budget Analyst: September 23, 2010

**1) Legislation Title:**

\* Authorize the City to Provide Funds to the Natural Resource Trustees for the Funding and Participation Agreement for the Portland Harbor Injury Assessment Process. (Ordinance)

**2) Purpose of the Proposed Legislation:**

The purpose of the ordinance is to allow the City to enter into a Funding and Participation Agreement with the Portland Harbor Natural Resource Trustees for Phase 2 of the Portland Harbor Injury Assessment and to provide funding for injury assessment activities.

**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 approximately \$5.5 million. At this time, the City will be funding at the level of approximately \$195,000 to a maximum of \$360,000 if required for Phase 2 injury assessment activities.

Future costs beyond FY 10-11 will be determined by the scope and schedule of natural resource damage assessment work for which the Trustees request 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?**

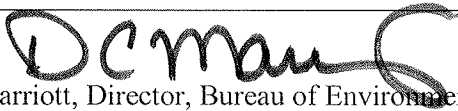
It is not anticipated that this legislation will create, eliminate or re-classify positions

**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

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TO: Commissioner Amanda Fritz  
THROUGH: Patti Howard & Matt Grumm  
  
FROM: Rick Applegate/Sara Gardner  
  
DATE: September 29, 2010

RE: Ordinance Title: \* Authorize the City to Provide Funds to the Natural Resource Trustees for the Funding and Participation Agreement for the Portland Harbor Injury Assessment Process. (Ordinance)

Requested Council Hearing Date: September 29, 2010

#### I. RECOMMENDATION

Due to an aggressive schedule, Council has previously authorized the City to provide funding to support Phase 1 of the Portland Harbor Natural Resource Damage Assessment, and this Ordinance requests authorization to provide funding for Phase 2 injury assessment activities.

#### 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 would be developed over several years, and the City would fund a portion of those costs. The Phase 2 Funding and Participation Agreement covers Natural Resource Trustee costs for injury assessment activities. Since June 2006, Council has authorized the City to enter into five Amendments to the Phase 1 Funding and Participation Agreement.

#### III. FINANCIAL IMPACT

The City's contribution for the scope of work attached to the Phase 2 Funding and Participation agreement is currently \$195,780.49 and up to \$360,000. These funds are available in the FY 2010-2011 Portland Harbor Budget, ESDR00004.

#### IV. LEGAL ISSUES

This Agreement 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 and Feasibility Study at 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 some 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. The government natural resource trustees (NOAA Fisheries, US Fish and Wildlife, Oregon Department of Fish and Wildlife) and Tribal natural resource trustees (Nez Perce, Umatilla, Warm Springs, Siletz and Grand Ronde) and the community are supportive of this work

#### VI. LINK TO CURRENT CITY POLICIES

The vision for the Portland Harbor cleanup supports the Office of Healthy Working Rivers 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

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 at any Superfund site. As part of the Environmental Protection Agency public process, the Portland Harbor Community 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 (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. The Yakama Nation, while a Natural Resource Trustee, is not a signatory to the agreement.

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?