

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 Dawn Hottenroth Dan Vizzini	2. Telephone Number Hottenroth 37677 Vizzini 34038	3. Bureau/Office/Dept. Bureau of Environmental Services
4a. To be filed (date) November 10, 2010	4b. Calendar (Check One) Regular Consent 4/5ths [XX] [] []	5. Date Submitted to FPD Budget Analyst: November 1, 2010

1) **Legislation Title:** Authorize the development of rules for the River Restoration Program

2) **Purpose of the Proposed Legislation:** Establish City Code authority for the Director of Environmental Services to implement the River Restoration Program in support of River Plan/North Reach. The River Plan/North Reach code (adopted by Council on April 15, 2010) includes provisions in River Environmental review (33.865.100B.2.d) for off-site mitigation. Multiple options exist for off-site mitigation, including the creation of a mitigation bank for North Reach development activities. Until such a bank is created, Council authorized a two year in-lieu fee to be used by developers who can not mitigate their development impacts on-site. The proposed code authorizes BES to develop administrative rules for in-lieu of fee and other related development review and mitigation activities set forth in the River Plan/North Reach code. Administrative activities include, but are not limited to, calculating mitigation fees, determining the extent of required mitigation and restoration, and establishing procedures for the collection and appropriation of fee income.

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.

The Bureau does not expect any significant development activity in the North Reach during the next two to three years. It is probable that the Bureau will establish a mitigation bank, or certify private mitigation banking in the North Reach before any development projects trigger the mitigation and restoration requirements of the North Reach code.

4) **Expense:**

What are the costs to the City as a result of this legislation

The Bureau will continue to incur expenses to develop the River Restoration Program and North Reach mitigation bank. At this time, these costs are being born by existing appropriations for the BES Watershed Services Group. Once development activity returns to the North Reach, the Bureau expects to recover the costs of development review and off-site mitigation activities through the collection of fees and charges.

5) **Staffing Requirements:**


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

Not Applicable. Anticipated work will be performed by existing budgeted positions.

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

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.
 Not Applicable

Fund	Center Code	Account	Amount	Project Fund	Project No.
OMF USE ONLY					

EM

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



184277

— CITY OF PORTLAND —
ENVIRONMENTAL SERVICES



1120 SW Fifth Avenue, Room 1000, Portland, Oregon 97204 ■ Dan Saltzman, Commissioner ■ Dean Marriott, Director

City Council
Agenda Item
Staff Supplemental Report

TO: Commissioner Dan Saltzman
THROUGH: Matt Grumm and Amy Trieu

FROM: Dawn Hottenroth and Dan Vizzini

DATE: November 1, 2010

RE: Code for Rulemaking Authority for North Reach Mitigation

Requested Council Hearing Date: November 17, 2010

I. RECOMMENDATION

Adopt the proposed Code amendment authorizing the Director of Environmental Services and Manager of the Office of Healthy Working Rivers to establish rules to implement River Plan/North Reach

II. BACKGROUND

This code addition authorizes BES and the Office of Working Rivers to establish rules for the River Restoration Program, including rules to implement the in-lieu of fee mitigation program that Council directed in the North Reach River Plan in April 2010. BES was designated as the responsible bureau for collecting off-site mitigation fees and implementing related restoration activities.

BES is working on administrative rules to explain how these fees will be collected, managed and spent on restoration activities within the North Reach. These rules will be adopted as interim rules before January 1, 2011. After five months of use to identify unintended consequences, BES will establish permanent rules through its public rule making process by June 2011.

III. FINANCIAL IMPACT

This code addition will have no financial impact. BES and the Office of Healthy Working Rivers are incorporating River Plan/North Reach activities into existing program work plans. All related work will be performed by existing budgeted positions.

IV. LEGAL ISSUES

No legal issues have been identified or are expected as a result of the code addition.

V. CONTROVERSIAL ISSUES

While the River Plan and its fees are predicted to generate a number of controversial discussions, the proposed code change is not anticipated to generate community or stakeholder concern since it implements the direction laid out in River Plan/North Reach.

VI. LINK TO CURRENT CITY POLICIES

This proposed code addition supports implementation of River Plan/ North Reach, adopted by Council on April 15, 2010.

VII. CITIZEN PARTICIPATION

River Plan/North Reach is the most recent step in a public planning process that dates back more than a decade and has attracted the interest and involvement of thousands of Portland citizens, business owners and community stakeholders with strong interests in the future of the Willamette River. BPS, BDS and BES are organizing an open house on November 4, to gather public comment on the proposed code addition and other implementation proposals that are expected to come to Council on November 17.

VIII. OTHER GOVERNMENT PARTICIPATION

This code addition has been coordinated with staff from BPS, BDS and the City Attorney's Office. No outside agencies have been involved.

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

The proposed code additions have no direct financial impact on existing businesses. However, River Plan/North Reach authorizes new regulations, fees and charges that will impact new industrial development along the Willamette Rivers. These requirements are consistent with City polluter-pays principles and Constitutional limitations resulting from the Dolan suit. Their may be a significant impact to local businesses and utility ratepayers if the Council transfers mitigation and restoration requirements (and risks) from developers to the City's stormwater management utility.

Separate from the impacts to new development, River Plan/North Reach is expected to create opportunities for local economic development related to the planning, design and implementation of mitigation and restoration projects. The program itself may yield a variety of contract and labor service needs to be filled by local labor.

X. IF THIS IS A CONTRACT, DOES CONTRACTOR HAVE A CURRENT BUSINESS LICENSE? _____ WHAT IS THEIR BUSINESS LICENSE NUMBER? _____ IS THEIR ACCOUNT WITH THE CITY CURRENT? _____ IF NOT, HOW MUCH IS OWING? _____

Not Applicable.