

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Duane Peterson		2. Telephone No. 503-823-7141	3. Bureau/Office/Dept. BES
4a. To be filed (hearing date): Council Hearing 8/10/11	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst:
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Authorize Intergovernmental Agreement Regarding Construction of Sanitary Sewers and Cost-Sharing of Common Facilities.

2) Purpose of the Proposed Legislation:

Approve the intergovernmental agreement negotiated between the City and Clackamas Co. Service #1 to each build sewers that benefit the other, and provide for determination of cost-sharing for each.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|---|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT**4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

The City will receive approximately \$285,000 as reimbursement of the cost of the Lents Sewer Extension Project (#E06954) and the SE 83rd Pump Station project (#E08376), giving the District the right to connect 28 of District properties adjacent to the project. This amount is estimated at this time, pending final costs of a.) the recently completed collector sewer project (#E06954) and b.) the pump station project (#E08376) to be completed in August, 2011.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)

The City will reimburse the District approximately \$228,000 for the District to extend sewers into the City to serve 14 unsewered City properties. This figure has a high level of confidence as the District has completed the project and totaled the costs incurred.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*
- **Will positions be created or eliminated in future years as a result of this legislation?**

No to both questions.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES: Please proceed to Question #9.
- NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

There was no public involvement regarding the crafting of this intergovernmental agreement. But in regards to the construction projects which are at the core of the agreement, property owners were contacted and informed during the design of the projects so that appropriate number and location of sewer branches to serve each property.

 Dean Marriott



APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND ENVIRONMENTAL SERVICES



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

184816

City Council
Agenda Item
Staff Supplemental Report

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

FROM: Duane Peterson

DATE: July 20, 2011

RE: IGA with Clackamas Co. Service District #1 regarding cost-sharing of sanitary sewer construction benefitting both parties.

Requested Council Hearing Date: August 10, 2011

I. RECOMMENDATION

Authorize the intergovernmental agreement to allow payment between the jurisdictions for project work performed.

II. BACKGROUND

In the design of the Lents Sewer Extension Project (SEP) #E06954 in the vicinity of SE 82nd to I-205, it became apparent that the sewer line built to serve City properties on the north side of SE Clatsop St. would also serve 28 unsewered District properties on the south side of the street. So the Bureau approached the District to ask if they would like to cost share on this portion of the project so their customers could get sewer service.

Soon after, the District began designing a sewer extension project in the vicinity of SE 55th Ave to SE 58th Ave adjacent to the City/County boundary in this area, and approached the Bureau if it would like the District to extend sewers northerly into the City on three streets (SE 55th, 57th, and 58th) to serve 14 unsewered City properties.

III. FINANCIAL IMPACT

In short, the District will reimburse the City approximately \$285,000 of the Lents project, and the City will reimburse the District approximately \$228,000 for extending sewers to serve City properties.

IV. LEGAL ISSUES

None that are known.

V. CONTROVERSIAL ISSUES

Even though the two jurisdictions are cooperating to minimize the costs of each project and eliminate duplication of facilities, each jurisdiction has different requirements regarding mandatory connection and the payments by property owners when all are neighbors across or down the street from each other. For example, the City has a 3-year mandatory connection period once a sewer is available for use, while the District has no time requirement. And the City charges property owners via "Line and Branch" and SDC charges. But the District created a much larger Local Improvement District to build sewers within the North Clackamas Revitalization Area ("NCRA") urban renewal district. The implication of this are two-fold: 1.) the LID receives the economies of scale of a larger project to spread the costs to many more properties, and 2.) the urban renewal district is paying the SDC charges of residents through tax increment financing. So residents in the District will be charged less than a comparable residential property in the City. So City residents in the SE 55th – 58th area have complained that they are being forced into connecting to the sewer when their District neighbors are not and required to pay less for their sewer.

VI. LINK TO CURRENT CITY POLICIES

Efficient provision of urban services.

VII. CITIZEN PARTICIPATION

None in the preparation of the IGA, but plenty in designing and building the sewer systems at the core of the agreement.

VIII. OTHER GOVERNMENT PARTICIPATION

Clackamas County Water Environment Services

IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION

IF THIS ACTION IS CONTRACT-RELATED, PROVIDE INFORMATION ON M/W/ESB PARTICIPATION (NUMBER AND PERCENTAGE)

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? _____