

Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT**  
**For Council Action Items**

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

1. Name of Initiator Kim Cox/Sara Gardner		2. Telephone No. 35313/37025	3. Bureau/Office/Dept. BES
4a. To be filed (hearing date):  5/09/12	4b. Calendar (Check One)  Regular    Consent    4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst:
6a. Financial Impact Section: x <input type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: x <input type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**

Amend Feasibility Cost Sharing Agreement with the U.S. Army Corps of Engineers to finalize a feasibility study of ecosystem restoration and environmental dredging options in the Lower Willamette River under the Water Resources Development Act. (Ordinance; Amend Contract No. 52070)

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

The City is amending a Feasibility Cost Sharing Agreement with the U.S. Army Corps of Engineers (Corps) to provide in-kind services to finalize an ecosystem restoration and environmental dredging feasibility study in the Lower Willamette River. The amendment increases the local in-kind 50/50 match by \$330,000 to a new total of \$2.30 million. The Port of Portland and the City will split the local sponsor portion of 330,000 on a 50/50 basis, resulting in a City share of \$ 165,000.

**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 checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast             | <input 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.

No additional costs associated with amending this agreement.

**5) Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

It is not anticipated that this legislation will incur costs to the City. The agreement requires that the City and the Port of Portland contribute at least fifty percent of the additional costs of completing the feasibility study. The

City share will be providing in-kind services that are already planned and budgeted for in various City programs such as ESA and Superfund.

**6) Staffing Requirements:**

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?  
No
- Will positions be created or eliminated in *future years* as a result of this legislation?  
No

*(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]**

PUBLIC INVOLVEMENT

185310

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.

X NO: Please, explain why below; and proceed to Question #10.

This ordinance allows the City to continue working with the Corps to complete ongoing work. To date, the analysis of potential restoration and environmental dredging sites has been an ongoing, iterative process. A Corps-led process for seeking public input on the choice of sites and proposed work at those sites is tentatively scheduled for June 2012.

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.

The WRDA process includes a formal public notification and involvement process when a draft feasibility study is available. This public process is tentatively scheduled for June 2012. City staff will be working with Corps staff to identify interested stakeholders and attend public meetings.

  
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

FROM: Kim Cox/Sara Gardner

DATE: 4/23/2012

RE: \*Amend Feasibility Cost Sharing Agreement with the U.S. Army Corps of Engineers to finalize a feasibility study of ecosystem restoration and environmental dredging options in the Lower Willamette River under the Water Resources Development Act. (Ordinance; Amend Contract No. 52070)

Requested Council Hearing Date: 5/9/12

I. RECOMMENDATION

The Ordinance allows the City to amend the existing cost-shared feasibility study with the U.S. Army Corps of Engineers (Corps) to complete a feasibility study of ecosystem restoration and environmental dredging options in the Lower Willamette River under WRDA and increase the local in-kind match by \$660,000. This additional amount will be shared equally between the Port of Portland and the City.

II. BACKGROUND

Historically, the Willamette River in the Portland area comprised an extensive system of active channels, emergent wetlands, riparian forest, and adjacent upland forests. Urban and industrial development has created relatively steep, stable shoreline areas through construction of docks, bulkheads, and piers, reducing natural habitat. The Corps has authorities and funding under the Water Resources Development Act (WRDA) that could be used for extensive ecosystem restoration. In 2002, at the City's request, the Corps obtained authority to broaden its existing WRDA environmental dredging feasibility study to encompass the City's broader ecological restoration objectives. The City agreed to become the local sponsor of this project. The Congressionally authorized study area is from the confluence of the Willamette River with the Columbia River (WRM 0) up to the Willamette Falls (WRM 26.5).

As a local co-sponsor along with the Port, the City is working to complete a feasibility study that will provide initial engineering and environmental background for restoration sites and three environmental dredging sites throughout the Lower Willamette River. Currently, the Corps anticipates completing a draft feasibility study by late summer/early fall 2012. The document

will then be vetted through the Corps internal review process, which is estimated to be completed by the end of 2013.

### III. FINANCIAL IMPACT

We expect to rely on existing Corps appropriations and in-kind City work to complete Phase 1 and Phase 2 of the feasibility study. The City's and Port's share totals 50 percent, and will be covered with in-kind work the City is already doing in the Superfund, ESA or Watershed programs. There will be no additional financial impact. Based on the estimated cost of City's efforts, the in-kind work so far for Phase 1 was \$639,806.90. As described in the Study's revised Project Management Plan (Jan. 2008), increased costs are expected to be incurred in connection with implementing Phase 2 activities. It is anticipated that the City's and Port's shares for Phase 2 will also be 50 percent, unless another local government entity becomes a local sponsor or partners with the City. This two-phase planning work will set the stage to seek a congressional authorization for more substantial project work contemplated in the future. This authorization could make in excess of a hundred million dollars of federal money available for future ecosystem restoration projects. In the project phase, the local sponsor's financial share is 35%.

### IV. LEGAL ISSUES

Agency and Tribal coordination as it relates to specific laws or regulations (ESA, National Historic Preservation Act, and Water Quality Certification) will be an important part of this effort. Coordination will be needed with the broad range of other activities already being conducted in the Lower Willamette under the federal Clean Water Act (CWA), ESA, CERCLA, and related state laws.

As a potentially responsible party in the Portland Harbor Superfund Site, the City may be liable for damages to natural resources caused by sediment contamination in Portland Harbor, as determined by a Natural Resources Damage Assessment (NRDA). The ecosystem restoration work envisioned under WRDA is not intended to address potential liabilities under NRDA, but may inform the future NRDA work.

### V. CONTROVERSIAL ISSUES

Very little, if any, opposition would be expected. This ordinance does not have any additional fiscal impact – ongoing and planned City activities will constitute the City's in-kind contribution. The work supports ongoing City efforts in improving watershed health and natural resource restoration, and has the potential for the City to secure significant federal funding for these types of efforts on the Lower Willamette River.

### VI. LINK TO CURRENT CITY POLICIES

The vision for this project provides for a diverse array of fish and wildlife habitat in the Lower Willamette River within the context of an urbanized area with a prosperous working harbor and with vibrant waterfront districts and neighborhoods – directly supporting the vision set out in the City's River Renaissance work. Numerous City activities are ongoing in the Lower Willamette River relative to fish habitat analysis, remediation and ecosystem restoration. Work under WRDA has the opportunity to augment ongoing ecosystem restoration projects in the Lower Willamette River.

## VII. CITIZEN PARTICIPATION

The success of this project will require coordination with local, state, and federal programs and stakeholders. Interested stakeholders will include, but are not limited to federal, state, and local agencies, Tribal governments, neighborhood associations, and community, environmental and business groups. The WRDA process includes a formal public notification and involvement process when a draft feasibility study is available, providing an opportunity for public input on the choice of sites and proposed work at those sites. This public process is tentatively scheduled for June 2012. City staff will be working with Corps staff to identify interested stakeholders and attend public meetings.

## VIII OTHER GOVERNMENT PARTICIPATION

The natural resource trustees – at the federal, state and Tribal government level - through the Portland Harbor Natural Resource Trustee Council - have been part of the process to date, and we expect and welcome their further involvement and participation. We will also be coordinating the work with the U.S EPA, in light of the ongoing Superfund cleanup in Portland Harbor.

## IX. FINANCIAL IMPACT ON LOCAL ECONOMY

IF APPLICABLE, PROVIDE INFORMATION ON ESTIMATED NUMBER OF JOBS CREATED BY THIS ACTION. N/A

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

- 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? \_\_\_\_ N/A