

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

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Jonas Biery ^{JB}		2. Telephone No. X3-4222	3. Bureau/Office/Dept. OMF – Public Finance/Treasury
4a. To be filed (hearing date): May 27, 2014 (May 28, 2014)	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: 5/27/2014
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 a loan contract with the Oregon Infrastructure Finance Authority to assist in the financing of the Columbia River Levee Project engineering analysis (Ordinance)

2) Purpose of the Proposed Legislation:

The Ordinance authorizes a loan contract with the Oregon Infrastructure Finance Authority secured by City's legally available General Funds (the "Loan") in an amount of up to \$1.4 million to finance an engineering analysis related to the Columbia River Levee Project (the "Analysis").

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.

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

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 year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. 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 be responsible for repayment of up to \$600,000 of principal (plus accrued interest) of the Loan. While the final repayment schedule will not be finalized until the Loan closes in early July, the estimated annual debt service for which the City will be responsible (net of contributions from other partners as provided in an intergovernmental agreement for which authorization is being requested in a separate ordinance) is expected to be approximately \$110,000 annually in FY2016-17 through FY2022-23. General Fund resources will need to be appropriated for repayment prior to adoption of the FY2016-17 Budget.

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 positions will be created, eliminated or re-classified in the current year or in future years as a result of this legislation.

(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

PUBLIC INVOLVEMENT

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?

The Analysis will evaluate the condition of the levee system in Peninsula Drainage Districts #1 and #2 against levee accreditation standards under the National Flood Insurance Program, identify levee system components that do not meet accreditation standards, and, where applicable, develop preliminary engineering designs to remediate deficiencies.

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?

The Loan and the associated Analysis is being completed through cooperation among a large group of intergovernmental partners including the City, the State of Oregon, Metro, the Port of Portland, MCDD, Peninsula Drainage District #1 and Peninsula Drainage District #2, among others. Additionally, Oregon Solutions, with participation from the City, has facilitated a number of meetings and discussions over the past five months among public and private stakeholders including parties to the associated intergovernmental agreement (“IGA”), Multnomah County, property owners within the levee area, and other federal, State and regional agencies.

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

The parties to the IGA, including their collective authorizing bodies, participated in developing the IGA associated with the Loan.

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

Staff of the Office of Mayor Charlie Hales in conjunction with staff of Oregon Solutions.

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

Jackie Dingfelder, Policy Director, 503-823-4125,
Jackie.Dingfelder@portlandoregon.gov.

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

No future public involvement is anticipated or necessary. Once the Bonds are issued, proceeds will be used to fund the Analysis and the City will pay its share of the debt service on the Bonds in conformance with the intergovernmental agreement.



FRED MILLER, INTERIM CHIEF ADMINISTRATIVE OFFICER



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Charlie Hales, Mayor
Fred Miller, Interim Chief Administrative Officer

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DATE: May 27, 2014
TO: Mayor Charlie Hales
FROM: ^{JB} Jonas Biery, Debt Manager

FOR MAYOR'S OFFICE USE ONLY
Reviewed by Bureau Liaison _____

RE: * Authorize a loan contract with the Oregon Infrastructure Finance Authority to assist in the financing of the Columbia River Levee Project engineering analysis (Ordinance)

- 1. **INTENDED THURSDAY FILING DATE:** May 27, 2014
- 2. **REQUESTED COUNCIL AGENDA DATE:** May 28, 2014
- 3. **CONTACT NAME & NUMBER:** Jonas Biery, Debt Manager – x34222
- 4. **PLACE ON:** CONSENT REGULAR
- 5. **BUDGET IMPACT AND PUBLIC INVOLVEMENT STATEMENT ATTACHED:** Y N
 N/A
- 6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** Yes No N/A

7. BACKGROUND/ANALYSIS

Introduction and History – Attached is an emergency ordinance for consideration by the City Council on May 28, 2014. The Ordinance authorizes a loan contract with the Oregon Infrastructure Finance Authority secured by City’s legally available General Funds (the “Loan”) in an amount of up to \$1.4 million to finance an engineering analysis related to the Columbia River Levee Project (the “Analysis”).

The Analysis will evaluate the condition of the levee system in Peninsula Drainage Districts #1 and #2 against levee accreditation standards under the National Flood Insurance Program, identify levee system components that do not meet accreditation standards, and, where applicable, develop preliminary engineering designs to remediate deficiencies. Multnomah County Drainage District (“MCDD”) will be responsible for management of the Analysis.

The City expects to negotiate favorable terms and enter into a financing contract with the State of Oregon Infrastructure Finance Authority for a low-cost flexible Loan. Per an intergovernmental agreement that accompanies this financing authorization (the “IGA”), the Port of Portland will contribute a fixed sum to the City of \$300,000 prior to the first Loan payment date to help offset the costs of the Analysis, and responsibility for repayment of the remaining Loan balance (of up to \$1,100,000) will be divided among four jurisdictions with the following allocations:

City of Portland	54.5455%
Metro	27.2727%
Peninsula Drainage District #1	9.0909%
Peninsula Drainage District #2	9.0909%

Legal Issues – In accepting repayment responsibility for the Loan, the City will necessarily face the risk that one or more of the signatories of the IGA could default on their payments to the City. However, staff believe that the risk is very low and that the other parties are committed to helping the City repay the Loan as described above.

Link to Current City Policies – The Loan will be executed in conformance with the City’s debt policies.

Controversial Issues – None

Citizen Participation – Oregon Solutions, with participation from the City, has facilitated a number of meetings and discussions over the past five months among public and private stakeholders including parties to the IGA, Multnomah County, property owners within the levee area, and other federal, State and regional agencies.

Other Government Participation – This Analysis is being completed through cooperation among a large group of intergovernmental partners including the City, the State of Oregon, Metro, the Port of Portland, MCDD, Peninsula Drainage District #1 and Peninsula Drainage District #2, among others.

8. FINANCIAL IMPACT

Per the associated IGA, the City will be responsible for repayment of up to \$600,000 of principal (plus accrued interest) of the Loan. The final repayment schedule will not be finalized until the Loan closes in early July. However, the estimated annual debt service for which the City will be responsible (net of contributions from other contributing partners via the accompanying IGA) is expected to be approximately \$110,000 annually in FY2016-17 through FY2022-23. General Fund resources will need to be appropriated for repayment prior to adoption of the FY2016-17 Budget.

9. RECOMMENDATION/ACTION REQUESTED

It is recommended that the City Council approve this Ordinance in order to provide funding to complete the Analysis.