

ORDINANCE No. 186599

* Authorize cost-sharing Intergovernmental Agreement for Columbia River Levee Project engineering analysis (Ordinance)

THE CITY OF PORTLAND ORDAINS:

Section 1. The Council finds:

1. Multnomah County Drainage District No. 1 ("MCDD"), Peninsula Drainage District No. 1 ("PEN 1"), and Peninsula Drainage District No. 2 ("PEN 2") operate and maintain levees and drainage facilities along and in the vicinity of the Columbia River that lie within their respective jurisdictional boundaries, among other duties. The levees were originally constructed around 1916 and have been periodically upgraded by the U.S. Army Corps of Engineers ("the Corps") since then. Through intergovernmental agreements, MCDD has general management authority of PEN 1 and PEN 2.
2. The Federal Emergency Management Agency ("FEMA") provides federal assistance in the form of flood insurance to property owners located within areas at risk of flooding, provided the communities in which those properties are located participate in the National Flood Insurance Program ("the NFIP"). FEMA recognizes levees as providing flood protection to a particular area only if they are "certified" by a qualified private engineer or an eligible federal agency (including the Corps), and then "accredited" by FEMA.
3. The Corps evaluated and certified the levees in PEN 1 and PEN 2 in 2007, which led to their accreditation by FEMA. In 2010, the Corps changed its certification standards and as a result invalidated the certification of the levees in both districts. This action could lead to de-accreditation by FEMA.
4. There are severe economic consequences if FEMA accreditation of a levee system is not maintained. Properties located within a flood zone that is protected by a non-accredited levee system lose access to the lower insurance rates made possible by FEMA. Without adequate flood insurance, those properties cannot access loans issued by federal agencies (e.g., Federal Housing Administration and Small Business Administration) and loans backed by the federal government (e.g., Veterans Administration, Fannie Mae, and Freddie Mac). In addition, local ordinances could severely restrict development in such areas.
5. To avoid the economic consequences of losing the federal assistance offered by the NFIP, the PEN 1 and PEN 2 levees must be certified and accredited. Before the levees can be re-certified, an engineering analysis must be performed to ascertain the levees' flood-control capacity. PEN 1 and PEN 2 have entered into contracts to complete a portion of this analysis ("the Analysis"). Budgetary and management oversight of the Analysis will be performed by MCDD.

6. MCDD, with the assistance of Oregon Solutions, has obtained assurances from Business Oregon's Infrastructure Finance Authority ("the IFA") that a loan in the amount of up to \$1.4 million may be provided to finance much of the cost of the Analysis ("the Loan").
7. The City has offered to apply for, receive, and manage the Loan and its repayment on MCDD's behalf. Metro, PEN 1, and PEN 2 have offered to reimburse the City for portions of the Loan repayment requirements, and the Port of Portland has offered to contribute a fixed sum to help offset the costs of the Analysis. The parties wish to enter into an agreement to effectuate these financial arrangements.
8. As currently drafted, the agreement would obligate the City to pay up to a maximum of \$600,000 in principal, plus accrued interest, if any.
9. The parties have stipulated that this agreement will in no way obligate the City to participate in any future funding arrangements for future work that may be performed on and around the levees.

NOW, THEREFORE, the Council directs:

- a. The Chief Administrative Officer of the Office of Management and Finance or designee is authorized to execute an intergovernmental agreement in a form substantially similar to the draft agreement attached as Exhibit A.

Section 2. The Council declares that an emergency exists because a delay in approving the agreement would interfere with the timelines established for receipt of the Loan and completion of the Analysis; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: **MAY 28 2014**

Mayor Charlie Hales

Prepared by: Eric Shaffner

Date Prepared: May 14, 2014

LaVonne Griffin-Valade

Auditor of the City of Portland

By


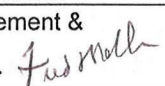
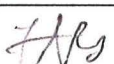
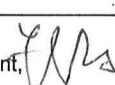
Gayla Jennings

Deputy

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Agenda No.
ORDINANCE NO. 186599
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Hales	CLERK USE: DATE FILED <u>MAY 23 2014</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	LaVonne Griffin-Valade Auditor of the City of Portland By:  Deputy
BUREAU APPROVAL Bureau: Office of Management & Finance Bureau Head: Fred Miller  Prepared by: Eric Shaffner  Date Prepared: 5/14/2014 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval:  required for contract, code, easement, franchise, comp plan, charter Council Meeting Date 5/28/2014	ACTION TAKEN:

AGENDA TIME CERTAIN <input checked="" type="checkbox"/> Start time: 10:45 am 2 of 2 Total amount of time needed: 30 min. (for presentation, testimony and discussion) CONSENT <input type="checkbox"/> REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Novick	4. Novick	<input checked="" type="checkbox"/>	
Hales	Hales	<input checked="" type="checkbox"/>	