

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 <i>JB</i>	2. Telephone No. X3-4222	3. Bureau/Office/Dept. OMF – Public Finance/Treasury
4a. To be filed (hearing date): May 22, 2014 (May 28, 2014)	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> </div>	5. Date Submitted to Commissioner's office and CBO Budget Analyst: 5/22/2014
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 cost-sharing intergovernmental agreement for Columbia River Levee Project engineering analysis (Ordinance)

2) Purpose of the Proposed Legislation:

The Ordinance authorizes an intergovernmental agreement (“IGA”) related to the issuance of and repayment for bonds in an amount of up to \$1.4 million (the “Bonds”) to finance an engineering analysis related to the Columbia River Levee Project (the “Analysis”).

The IGA describes certain responsibilities of MCDD related to management of the Analysis, provides that the Port of Portland contribute a fixed sum to the City of \$300,000 prior to the first Bond payment date to help offset the costs of the Analysis, and assigns responsibility for repayment of the remaining Bonds (of up to \$1,100,000) 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%

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 IGA assigns responsibility for repayment of the Bonds. The City's share is up to \$600,000 of principal (plus accrued interest) on the Bonds, for which authorization is being requested in a separate ordinance. While the final repayment schedule will not be finalized until the financing closes in early July, the estimated annual debt service for which the City will be responsible (net of contributions from other partners of the IGA) is expected to be approximately \$110,000 annually in FY2016-17 through FY2022-23.

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?

This IGA and 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 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.

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 14, 2014

TO: Mayor Charlie Hales

FROM: Jonas Biery, Debt Manager

RE: * Authorize cost-sharing intergovernmental agreement for Columbia River Levee Project engineering analysis (Ordinance)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. **INTENDED THURSDAY FILING DATE:** May 22, 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 an intergovernmental agreement (“IGA”) related to the issuance of and repayment for bonds in an amount of up to \$1.4 million (the “Bonds”) 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 IGA describes certain responsibilities of MCDD related to management of the Analysis, provides that the Port of Portland contribute a fixed sum to the City of \$300,000 prior to the first Bond payment date to help offset the costs of the Analysis, and assigns responsibility for repayment of the remaining Bonds (of up to \$1,100,000) among four jurisdictions with the following allocations:

City of Portland	54.5455%
Metro	27.2727%
Peninsula Drainage District #1	9.0909%
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Legal Issues – In accepting repayment responsibility for the Bonds, 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 Bonds as described above.

Link to Current City Policies – The IGA is in conformance with City 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 IGA and 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.

8. FINANCIAL IMPACT

Per an associated ordinance authorizing the Bonds, the City will be responsible for repayment of up to \$600,000 of principal (plus accrued interest) on the Bonds. 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.

9. RECOMMENDATION/ACTION REQUESTED

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