

ORDINANCE No. 186703

Authorize the Director of the Bureau of Environmental Services or designee and the City Attorney to enter into tax liability reimbursement agreements with six settlement agreement recipients affected by the SW 86th Avenue Pump Station construction. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. On September 12, 2012 the Washington County Hearings Officer issued a conditional approval for the construction of the SW 86th Avenue Pump Station and Appurtenances (“the Project”), Washington County file no. 12-174-SU/D/FP.
2. One condition of the approval was that the City must “determine what additional measures are feasible to implement in order to reduce...impacts” to “any household [with] particular sensitivities to construction...”
3. In 2013, the Bureau of Environmental Services (“BES”) concluded that it was feasible and reasonable to pay a portion of the costs to retrofit five property owners’ residences, and to reimburse a portion of the purchase price of a new residential property of one property owner’s choosing, in order to mitigate the impacts of the project on the property owners or members of their households (Ordinance numbers 185975, 186031, 186047, 186174, 186175, and 186181).
4. BES has notified the Internal Revenue Service (“the IRS”) of the original compensation and provided the property owners with Forms 1099.
5. BES has decided it would be unreasonable to expect the property owners to set aside a portion of their original compensation in order to pay taxes thereon. However, the City cannot commit public funds to reimburse the property owners for their federal and state tax liability attributable to their original compensation until the owners demonstrate that their compensation is, in fact, taxable as income.
6. BES is willing to reimburse the property owners for their federal and state tax liability attributable to their compensation if they obtain formal private letter rulings from the IRS confirming that their compensation is taxable as income.
7. Upon Council approval of this ordinance, BES will reimburse the property owners for the fees for requesting a private letter ruling (currently \$2,000) after receiving copies of the property owners’ private letter ruling requests and checks or other methods of payment.

8. The established cost is \$12,000. Funds are available in the Sewer System Operating Fund, FY 2014 Budget, Bureau of Environmental Services, Project Number E09051.

NOW, THEREFORE, the Council directs:

- a. The Director of the Bureau of Environmental Services or designee and the City Attorney are authorized to enter into tax liability reimbursement agreements with the designated property owners in substantial conformance with the agreement attached as Exhibit A, subject to approval as to form by the City Attorney.
- b. The Mayor and Auditor are hereby authorized to draw and deliver warrants chargeable to the Sewer System Operating Fund, FY 2014 Budget, Bureau of Environmental Services, and Project Number E09051 when demand is presented and approved by the proper authority.

Passed by the Council,
Commissioner Nick Fish

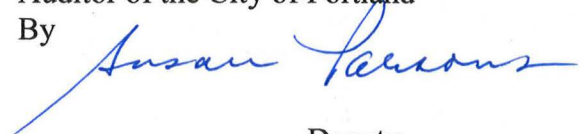
JUL 02 2014

[Debbie Caselton]
[June 6, 2014]

Cost object - ord

LaVonne Griffin-Valade
Auditor of the City of Portland

By



Deputy

687 728
Agenda No.
ORDINANCE NO. 186703

Title

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<p>INTRODUCED BY Commissioner/Auditor: FISH</p>	<p>CLERK USE: DATE FILED <u>JUN 20 2014</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish <i>cons for Nick Fritz</i></p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p style="text-align: center;"><i>[Signature]</i> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Environmental Services Bureau Head: Dean Marriott <i>[Signature]</i></p> <p>Prepared by: Debbie Caselton Date Prepared: June 6, 2014</p> <p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i></p> <p>Council Meeting Date 6/25/14</p>	<p>ACTION TAKEN:</p> <p>JUN 25 2014 PASSED TO SECOND READING JUL 02 2014 9:30 A.M.</p>

AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input checked="" type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	