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# 191241

Ordinance

## Authorize Intergovernmental Agreement with Peninsula Drainage District No. 1 for \$260,000 to fund operating expenses for flood risk reduction and drainage services

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Peninsula Drainage District #1 (PEN 1) provides flood risk reduction and drainage services for lands within its jurisdiction by operating and maintaining levees and drainage works as authorized under ORS Chapter 547. PEN 1 is one of four drainage districts responsible for operating and maintaining the 27 miles of levees; 45 miles of sloughs, canals, ditches, and culverts; and 12 pump stations that reduce the risk of flooding along the Columbia River and Columbia Slough in urban Multnomah County.
2. PEN 1 is the smallest of the four local drainage districts. Approximately 94% of PEN 1's 995 acres are public lands including the Portland International Raceway, Heron Lakes Golf Course, the Portland Expo Center, and the Vanport Wetland, with small businesses making up the remaining 6%. The City owns 77% of the land in the district.
3. PEN 1's primary source of revenue is property assessments levied on property owners based on property size. Between the land zoned as open space and the number of properties that are already under Measure 5 tax compression, PEN 1 is unable to assess enough revenue to support the basic operations of the district.
4. In 2019, and with support from the City (through the Levee Ready Columbia intergovernmental agreement), through the enactment of ORS Chapter 550, the Oregon Legislature established the Urban Flood Safety and Water Quality District (UFSWQD), a new special district tasked with modernizing the flood protection infrastructure and developing a new revenue model to replace that of the original drainage districts (including PEN 1, Peninsula Drainage District #2,

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Environmental Services](#)

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

April 19, 2023

Multnomah County Drainage District #1, and the Sandy Drainage Improvement Company).

5. In May of 2022, the Council set aside funding for future allocations for several identified projects in support of Levee Ready Columbia and the new UFSWQD. PEN 1 operating support, including local sponsorship for a US Army Corps of Engineers partnership, was one of the approved identified uses for the set-aside.
6. The City now desires to utilize the set-aside funding to allocate funds to PEN 1 for covering the ongoing operating deficit and to help maintain the financial sustainability of PEN 1 in an amount not to exceed \$260,000 for Fiscal Year 2022-23.

NOW, THEREFORE, the Council directs:

- A. The Director of the Bureau of Environmental Services is authorized to execute an intergovernmental agreement with PEN 1 in a form substantially similar to Exhibit A, provided the agreement has been approved as to form by the City Attorney's Office. The Director of the Bureau of Environmental Services may execute amendments to the agreement provided the changes do not increase the City's financial risk.

## Documents and Exhibits

 [Exhibit A](#) 527.33 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
April 19, 2023

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

This intergovernmental agreement is part of a long-term partnership between the City and Peninsula Drainage District #1 (PEN 1). PEN 1, a special district for flood control, manages flooding mostly on City land in the area of the historic Vanport Flood of 1948. PEN 1 is funded by landowner assessments on assessed land value. The Open Space Zoning of City land, combined with the effects of tax compression, result in an inadequate

funding situation for the district. For the past several years, the City has voluntarily provided additional funding to maintain PEN 1 operations. Without City funding, the district would dissolve and the City would lose the flood protection provided by the district. Additionally, the City would be required to purchase federal flood insurance and would have more restrictions on the development of City properties.

This annual IGA will be needed for 2-4 more years, until PEN 1 is dissolved into the new Urban Flood Safety and Water Quality District which will have a new and adequate funding stream for operations.

## Financial and Budgetary Impacts

This IGA was identified in the FY 2021-22 “set-aside” for City resources necessary to support Levee Ready Columbia. Also, the specific funding for this IGA was also approved in the current FY 2022-23 budget.

The agreement is an annual IGA, and it does not bind the City to future commitments. It only serves to assist with funding known and quantified operational needs this current fiscal year. Previous agreements with PEN 1 have not been amended, nor have they been subject to other cost overruns or other unanticipated expenses.

This action does not have or require:

- Long-term financial impacts for the City
- Budget impacts – does the action amend the budget
- Change in expenses or authorize additional spending
- A “project estimate,” –the IGA is the identified and final cost for services
- Change in current and future revenues, including dollar amounts and funding sources
- Current and future staffing
- Modify financial agreements or commit to future obligations

## Community Impacts and Community Involvement

The IGA and partnerships it supports will:

- Continue to reach out to culturally specific organizations that have an interest in the managed floodplain, including Vanport Mosaic and others.
- Provide for placemaking and historical recognition of Vanport.
- Continue to provide for events, festivals and jobs related to the lands in PEN 1.

There have been no objections to the Levee Ready Columbia effort. Many public and private partners have sponsored and participated in the effort, with the understanding that the managed floodplain is home to recreation, commerce, and vital community events.

## 100% Renewable Goal

Although this action is not directly related to the City's renewable energy goals, it will indirectly aid in energy efficiency. The assets owned and managed by PEN 1 will ultimately be upgraded for resiliency and energy efficiency. This IGA will lead to the PEN 1 partnerships with Army Corps of Engineers and others. These partnerships will:

- Manage flood control and waterways with a triple bottom line approach, including energy use.
- Replace and upgrade electric systems from the 1950s. This effort will endeavor to decrease the use of energy and also replace systems with more efficient assets, like pump stations and controllers.

## Budget Office Financial Impact Analysis

This action authorizes the Director of the Bureau of Environmental Services to execute an intergovernmental agreement with PEN 1 for an amount not to exceed \$260,000 for Fiscal Year 2022-23. There are sufficient resources allocated in Special Appropriations for the Portland Metropolitan Levee for this purpose in the current fiscal year.

## Agenda Items

### 281 Consent Agenda in [April 12, 2023 Council Agenda](#)

Passed to second reading

Passed to second reading April 19, 2023 at 9:30 a.m.

### 302 Consent Agenda in [April 19, 2023 Council Agenda](#)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea