



# Multnomah County Agenda Placement Request Budget Modification

(Revised 9/23/13)

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # C-3 DATE 2/25/16  
MARINA BAKER, ASST BOARD CLERK

## Board Clerk Use Only

Meeting Date: 2/25/16  
Agenda Item #: C.3  
Est. Start Time: 9:30 am  
Date Submitted: 2/10/16

Agenda Title: **BUDGET MODIFICATION # DCS-10-16: Levee Ready Columbia IFA Loan and Grant Proceeds**

Requested Meeting Date: 2/25/16 Time Needed: Consent Calendar

Department: 91 - Community Services Division: Transportation

Contact(s): Tom Hansell

Phone: (503) 988-0223 Ext. 80223 I/O Address

Presenter Name(s) & Title(s): N/A

## General Information

### 1. What action are you requesting from the Board?

Approve budget appropriation of \$3,950,512 in loan financing from the Business Oregon's Infrastructure Finance Authority (IFA) and \$300,000 of grant funding from the Oregon Business Development Department (OBDD) to the Department of Community Services (DCS) to support analysis of potential deficiencies of the Columbia River Levee System which includes the Sauvie Island Drainage Improvement Company area of responsibility.

### 2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

On December 3, 2015 the Multnomah Board of County Commissioners (BCC) approved Resolution 2015-122 which authorized the Chair to enter into a series of agreements to support Levee Ready Columbia. These agreements have been signed and DCS now requires budget authority to fulfill the responsibilities identified in the following executed agreements:

Special Public Works Fund Development Project Financing Contract (J16002)  
Purpose: Enable the County to access a package of loans and grants up to a total of \$382,800 from the IFA to pay for the costs of conducting the engineering analysis of the levee system on

Sauvie Island.

Parties: County (as borrower), State of Oregon (as lender)

Special Public Works Fund Development Project Financing Contract (X16001)

Purpose: Enable the County to access a package of loans and grants up to a total of \$3,567,712 from the IFA to pay for the costs of conducting the engineering analysis of the MCDD and SDIC levee systems.

Parties: County (as borrower), State of Oregon (as lender)

Intergovernmental Agreement for Levee Analysis Cost-Sharing Phase II (SIDIC)

Purpose: Each party agrees it will pay a percentage of the County's repayment obligations under the IFA financing contract for the Sauvie Island work. SIDIC is responsible for ensuring funds are spent in accordance with requirements of the IFA financing contract, invoices being correct in all respects, and any costs that exceed the amount of the IFA financing contract. The County's net obligation under the SIDIC IFA financing contract is \$132,485.

Parties: County (44.33%), SIDIC (44.33%), Port of Portland (11.34%)

Intergovernmental Agreement for Levee Analysis Cost-Sharing Phase II (MCDD and SDIC)

Purpose: Each party agrees it will pay a percentage of the County's repayment obligations under the IFA financing contract for the MCDD and SDIC work. MCDD is responsible for ensuring funds are spent in accordance with requirements of the IFA financing contract, invoices being correct in all respects, and any costs that exceed the amount of the IFA financing contract. The County's net obligation under the MCDD/SIDIC IFA financing contract is \$21,285.

Parties: City of Fairview (3.75%), City of Gresham (1.49%), Metro (9.09%), MCDD (34.82%), Port of Portland (5.03%), City of Portland (30.26%), SDIC (8.12%), City of Troutdale (6.79%), County (0.64%)

Intergovernmental Agreement for Cost-Sharing of Levee Ready Columbia Expenses Not Covered by IFA Loans

Purpose: Each party agrees it will pay the amount indicated below of certain Levee Ready Columbia expenses for work such as public outreach and project facilitation that are not eligible project costs to be financed with funds from the IFA. The County will contribute an additional \$100,000 from the \$300,000 Regional Solutions grant that the County receives, described below.

Parties: City of Fairview (\$7,098), City of Gresham (\$2,748), MCDD (\$64,322), PEN 1 (\$15,151), PEN 2 (\$16,385), Port of Portland (\$100,000), City of Portland (\$87,435), SDIC (\$16,044), SIDIC (\$8,623), City of Troutdale (\$13,426), County (\$9,818)

Intergovernmental Grant Agreement No. RS1603

Purpose: Provide the County with a \$300,000 grant, as specifically authorized in the State's 2015 - 2017 adopted budget for Regional Solutions projects. \$33,915 of this grant will be used to reduce the total amount borrowed under the SIDIC IFA financing contract. \$166,085 will be used to reduce the total amount borrowed under the MCDD/SIDIC IFA financing contract. \$100,000 will be used to provide additional funding for expenses that are not eligible project costs to be financed with funds from the IFA.

Parties: County (recipient), State (grantor)

Intergovernmental Agreement among the County, the City of Fairview, the City of Troutdale, and Port of Portland

Purpose: The County and the Port of Portland agree to reduce the budgetary impact to the City of Fairview and the City of Troutdale by accepting financial responsibility for a portion of the cities' above Levee Ready Columbia financial obligations in order to further engage the cities in the Levee Ready Columbia process. The County will accept responsibility for 50% of the cities' obligations under the MCDD/SIDIC IGA and 50% of the cities' obligations under the IGA for non-IFA costs. The Port of Portland will accept 50% of the cities' obligations under the IGA for non-IFA costs.

Parties: County, City of Fairview, City of Troutdale, Port of Portland

**3. Explain the fiscal impact (current year and ongoing).**

These agreements will have no unbudgeted fiscal impact in the current year because DCS budget, as amended, contains funds for the cost of these agreements. In the FY 2016 budget, the BCC set aside \$500,000 for the Levee Ready Columbia project in the General Fund contingency, which was appropriated to DCS for this purpose on August 20, 2015, pursuant to Budget Modification DCS-04-16. Discharging the County's obligations under these agreements will have a total cost of \$347,943. In future years, the County's obligations to make payments under the IFA financing contracts will be offset completely by revenues to be received by the County from the Levee Ready Columbia partners. Thus, these agreements will result in no ongoing net fiscal impact to the County.

**4. Explain any legal and/or policy issues involved.**

Failure to achieve recertification and accreditation of the levees may result in a re-mapping of flood prone areas behind the levees as a "Significant Flood Hazard Area". Such a designation would severely impact the economic value and economic viability of protected properties, potentially decreasing property tax revenues and the level of services that the County would be able to provide.

**5. Explain any citizen or other government participation.**

The Levee Ready Columbia project team is comprised of Multnomah County, Federal Emergency Management Administration (FEMA), U.S. Army Corps of Engineers, the Governor's Office, the Oregon Department of Environmental Quality and Land Conservation and Development, METRO, Port of Portland, Cities of Portland, Gresham, Fairview, Troutdale, and Wood Village, the Audubon Society, Columbia Slough Watershed Council, Multnomah County Drainage District, Peninsula Drainage Districts Nos. 1 & 2, Sauvie Island Drainage Improvement Co., Sandy Drainage Improvement Co., Jubitz, Bridgeton Neighborhood Association, and East Columbia Neighborhood Association. Staff from these partner agencies serve on the project's Communications Committee, which prepares information for the project website, the news media and to share at public events. A new website and public outreach plan will be launched later this year.

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**Budget Modification**

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**6. What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**

The department's state appropriation increases by \$4,250,512, comprising of \$3,950,512 in loan financing and \$300,000 grant funding from the Oregon Business Development Department.

**7. What budgets are increased/decreased?**

This budget modification will increase the DCS Transportation Division budget by \$4,250,512 to allow for pass-through payments to the partner jurisdictions as they draw down loan and grant proceeds through the County from the State.

**8. What do the changes accomplish?**

The County as a regional partner in the Oregon Solutions Columbia River Levee Improvement Project supports the work necessary to ensure improvements are identified and addressed within several drainage districts along the Columbia River levee system in Multnomah County. Failure to address identified deficiencies puts communities at risk of flooding and poses a risk of loss of levee

accreditation under FEMA's National Flood Insurance program.

**9. Do any personnel actions result from this budget modification?**

None

**10. If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**

The funding does not allow indirect.

**11. Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

Loans and grant are limited to one-time only funding.

**12. If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (e.g. cash match, in kind match, reporting requirements, etc)?**

The commitment to this project is limited to \$3,950,512 of IFA loan proceeds and \$300,000 in grant proceeds from OBDD. No planned ongoing funding obligations are expected at this time.

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**Required Signature**

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**Elected Official or  
Dept. Director:** Kim Peoples /s/

**Date:** 2/9/16

**Budget Analyst:** Chris Yager /s/

**Date:** 2/10/16

**Department HR:** N/A

**Date:** \_\_\_\_\_

**Countywide HR:** N/A

**Date:** \_\_\_\_\_

## Exp/Rev/FTE - Budget Modification

Budget Year: 2016

Budget Modification: DCS-10-16

### Expenditures & Revenues

An increase in revenue is shown as a negative value and a decrease as a positive value for consistency with SAP.

Line No.	Program Offer Number	Fund Code	Fund Center	Func. Area	Cost Object	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal
1	91013-16	32723	91-50		LEVEEIGAL	50330 - Financing Proceeds	0	(3,950,512)	(3,950,512)	
2	91013-16	32723	91-50		LEVEEIGAL	60160 - Pass-Thru & Pgm Supt	0	3,950,512	3,950,512	
<b>32723 Total</b>										<b>0</b>
3	91013-16	32724	91-50		LEVEEIGAG	50180 - IG-OP-Direct St	0	(300,000)	(300,000)	
4	91013-16	32724	91-50		LEVEEIGAG	60160 - Pass-Thru & Pgm Supt	0	300,000	300,000	
<b>32724 Total</b>										<b>0</b>
<b>91-50 Total</b>										<b>0</b>
<b>Program Offer Number 91013-16 Total</b>										<b>0</b>

## **Exp/Rev/FTE - Budget Modification**

**Budget Year: 2016**

**Budget Modification: DCS-10-16**

### **Annualized Personnel Changes**

Change is shown on a full year basis even though this action affects only a part of the fiscal year (FY).

No positions were affected by this Budget Modification.

### **Current Year Personnel Changes**

Cost/savings that will take place in this FY; these explain the actual dollar amounts being changed by this BudMod.

No positions were affected by this Budget Modification.