



DATE: November 18, 2020

TO: Board of Commissioners

FROM: Kimberly Branam, Executive Director

SUBJECT: Report Number 20-48

Authorizing an Intergovernmental Agreement with the City of Portland to Provide Funds for Portland Harbor-Related Costs to be Placed into the Citywide Obligations Reserve Fund

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7402

This action by the Prosper Portland Board of Commissioners (Board) will authorize the Executive Director to enter into an intergovernmental agreement (IGA) with the City of Portland (City) transferring approximately \$1,443,200 for Prosper Portland's contribution for some limited Portland Harbor-related costs to be placed in the Citywide Obligations Reserve Fund over the next three years.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action aligns with Prosper Portland's Strategic Plan by i.) creating healthy, complete neighborhoods by assisting in environmental remediation of the Willamette River and its shorelands, and by ii.) creating high-quality employment opportunities in both the remediation work and on future development opportunities adjacent to the river.

BACKGROUND AND CONTEXT

The Portland Harbor Superfund site has progressed from the investigation phase to cleanup design and implementation with the release of Record of Decision. The City has established a Citywide Obligations Reserve Fund to collect funds to address some of the City's (including Prosper Portland's) future long-term obligations for the Remedy Design phase of the Portland Harbor Superfund process. Applicable City bureaus and Prosper Portland are contributing to the Citywide Obligation Reserve Fund to meet the City's obligations to the U.S. Environmental Protection Agency to perform remedial design of the Portland Harbor Superfund site. Based on its past and current property ownership within the Portland Harbor Superfund Site, Prosper Portland has agreed to provide eight percent of the total estimated budget for the City's remedial design obligations to EPA to this Citywide Obligations Reserve Fund based on claimed remedial obligations for properties owned or operated by Prosper Portland. The amount for fiscal year (FY) 2020-21 is \$729,200; the current estimates for FY 2021-22 is \$637,200 and \$76,800 for FY 2022-23. Actual transfer amounts will be based on an annual estimated budget for remedial design prepared by the Bureau of Environmental Services and discussed at an annual meeting with Prosper Portland. The IGA provides that such costs must be appropriated in the adopted budget before Prosper Portland funds are disbursed to the City. The City's FY 2020-21 Adopted Budget includes Prosper Portland's contribution. The remainder of the authorized amount must be included in the City's Adopted Budgets before Prosper Portland funds are transferred to the City.

EQUITY IMPACT

The work funded by this IGA may be subject to federal business and workforce equity contracting guidelines, which would prevail over Prosper Portland's goals.

COMMUNITY PARTICIPATION AND FEEDBACK

Staff discussed Prosper Portland's Superfund contribution with the agency's Community Budget Committee, which acknowledged the agency's obligations and supported the budget commitment. No other public outreach has occurred specific to Prosper Portland's contribution of funds for the project.

BUDGET AND FINANCIAL INFORMATION

The total estimated transfer amounts through FY 2022-23 is \$1,443,200, although the IGA authorizes that actual transfer amounts will be based on an annual estimated budget for remedial design prepared by the Bureau of Environmental Services and discussed at an annual meeting with Prosper Portland. Prosper Portland's internal accounting allocation has been split 60 percent to the River District Tax Increment Finance (TIF) District fund and 40 percent funded by program income from across all Prosper Portland TIF districts. Total funding over the three-year period of the IGA is anticipated to be:

- FY 2020-21: \$729,200
- FY 2021-22: \$637,200
- FY 2022-23: \$76,800

The \$729,200 has been included in the River District TIF District budget (see Attachment A) and General Fund (Indirect Fund) in the FY 2020-21 Adopted Budget. Actual transfer amounts will be based on an annual estimated budget for remedial design prepared by the Bureau of Environmental Services and discussed at an annual meeting with Prosper Portland. The City's (including Prosper Portland's) remedial design obligations are expected to continue through at least FY 2024-25.

RISK ASSESSMENT

The Portland Harbor Superfund site is an exceedingly complex site and legal liabilities have not yet been determined regarding any of the site, including any properties owned or previously owned by Prosper Portland. Contribution to this fund does not preclude third-party suits nor is it a limitation on liability with respect to the EPA.

ATTACHMENTS

- A. Fiscal Year 2020-21 River District TIF Fund
- B. Indirect Fund

Financial Summary Five-Year Forecast

River District TIF Fund	Revised 5 FY 2019-20	Adopted FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24	Forecast FY 2024-25
Resources						
Beginning Fund Balance	68,182,544	59,782,707	35,522,740	-37,291,442	-42,725,175	-47,941,572
Revenue						
Fees and Charges	3,380	3,578	3,616	2,110	-	-
Grants - Federal except HCD	50,000	400,000	50,000	-	-	-
Interest on Investments	1,901,620	1,457,528	620,771	562,174	562,174	-
Loan Collections	448,926	279,730	444,589	535,117	524,644	5,145,378
TIF - Short Term Debt	12,987,000	11,140,985	-	-	-	-
Property Sales	0	-	10,000,000	-	-	-
Rent and Property Income	1,577,974	1,658,382	2,844,374	2,842,797	3,063,744	3,304,109
Reimbursements	90,000	90,000	90,000	90,000	90,000	90,000
Total Revenue	17,058,900	15,030,203	14,053,350	4,032,198	4,240,562	8,539,487
Total Resources	85,241,444	74,812,910	49,576,090	-33,259,244	-38,484,613	-39,402,085
Requirements						
Administration						
A00025-Debt Management-RVD	1,054,764	1,060,797	34,803,577	33,098	33,098	33,098
Administration Total	1,054,764	1,060,797	34,803,577	33,098	33,098	33,098
Economic Development						
Traded Sector						
A00110-Business Development-RVD	5,000	-	-	-	-	-
Business Lending						
A00204-BL -General-RVD	100,000	-	-	-	-	-
Economic Development Total	105,000	-	-	-	-	-
Housing						
A00166-Affordable Housing-RVD	1,231,690	1,517,214	16,359,994	-	-	-
Housing Total	1,231,690	1,517,214	16,359,994	-	-	-
Infrastructure						
Public Facilities						
A00483-Union Station Grant-RVD	381,674	-	-	-	-	3,500,000
Infrastructure Total	381,674	-	-	-	-	3,500,000
Property Redevelopment						
Real Estate Management						
A00276-Post Office-RVD	1,044,000	1,301,034	909,367	798,367	771,700	716,700
A00278-4th and Burnside-RVD	33,980	27,725	28,489	-	-	-
A00285-Block Y-RVD	83,239	84,586	86,566	88,645	90,826	92,760
A00286-Union Station-RVD	1,661,571	1,527,947	1,607,550	1,687,929	1,772,326	1,860,941
A00288-Centennial Mills-RVD	67,200	185,830	187,531	189,303	-	-
A00289-Station Place Lot 5-RVD	1,000	-	-	-	-	-
A00290-Station Place Prkng-RVD	649,088	735,832	762,475	790,448	819,819	726,435
A00291-Block R-RVD	29,000	22,550	23,128	23,734	24,371	-
A00292-One Waterfront North-RVD	0	-	-	-	-	10,652
A00293-Old Fire Station Mgmt-RVD	280,700	146,695	146,685	-	-	-
A00558-RD Small Lots - 9th & Naito-RVD	7,500	7,875	8,269	8,682	9,116	9,572
A00587-Block 25-RVD	59,600	26,400	26,400	-	-	-
Real Estate Predevelopment						
A00276-Post Office-RVD	5,835,000	20,145,000	15,785,000	20,000	20,000	-
A00278-4th and Burnside-RVD	100,000	5,000	5,000	5,000	5,000	-
A00286-Union Station-RVD	2,050,320	-	-	-	-	-
A00290-Station Place Prkng-RVD	175,000	-	-	-	-	-
A00293-Old Fire Station Mgmt-RVD	300,000	5,000	5,000	5,000	5,000	-
A00587-Block 25-RVD	205,000	50,000	-	-	-	-
A00620-Post Office Grant-RVD	60,000	480,000	60,000	-	-	-
Real Estate Disposition						
A00288-Centennial Mills-RVD	1,100,000	1,050,000	1,102,500	-	-	-
Redevelopment Strategy						
A00038-Superfund-RVD	0	436,360	-	-	-	-
A00279-Broadway Corridor-RVD	2,756,696	-	-	-	-	-
A00280-10th & Yamhill Redevelop-RVD	205,154	-	-	-	-	-
A00517-OT/CT Investment & Parking-RVD	0	5,000,000	9,576,177	-	-	-

River District TIF Fund	Revised 5 FY 2019-20	Adopted FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24	Forecast FY 2024-25
Redevelopment Grants						
A00390-CLG-General-RVD	150,000	100,000	100,000	100,000	100,000	-
A00497-Prosperity Investment Program (PIP) Grant-RVD	200,000	250,000	250,000	250,000	250,000	-
Property Redevelopment Total	17,054,048	31,587,834	30,670,137	3,967,108	3,868,158	3,417,060
Total Program Expenditures	19,827,176	34,165,845	81,833,708	4,000,206	3,901,256	6,950,158
Personnel Services	750,191	758,491	842,677	854,935	865,078	899,264
Total Fund Expenditures	20,577,367	34,924,336	82,676,385	4,855,141	4,766,334	7,849,422
Interfund Transfers - Indirect Charges	4,881,370	4,365,834	4,191,147	4,610,790	4,690,625	4,858,472
Contingency	59,782,707	35,522,740	-37,291,442	-42,725,175	-47,941,572	-52,109,979
Total Fund Requirements	85,241,444	74,812,910	49,576,090	-33,259,244	-38,484,613	-39,402,085

Financial Summary Five-Year Forecast

General Fund	Revised 5 FY 2019-20	Adopted FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24	Forecast FY 2024-25
Resources						
Beginning Fund Balance	1,386,543	1,278,821	1,572,691	1,873,044	2,179,793	2,491,835
Revenue						
City General Fund	8,105,620	6,689,120	6,048,131	5,745,724	5,458,438	5,185,516
Fees and Charges	174,560	190,000	130,000	130,000	130,000	130,000
Grants - Federal except HCD	0	63,000	-	-	-	-
Miscellaneous	58,000	40,000	-	-	-	-
Property Sales	351	-	-	-	-	-
Rent and Property Income	600	-	-	-	-	-
Transfers In	14,413,373	13,828,772	14,633,483	14,828,976	14,996,944	15,444,586
Total Revenue	22,752,504	20,810,892	20,811,614	20,704,700	20,585,382	20,760,102
Total Resources	24,139,047	22,089,713	22,384,305	22,577,744	22,765,175	23,251,937
Requirements						
Administration						
A00005-Administration-ADM	3,416,626	3,214,015	3,214,015	3,214,015	3,214,015	3,214,015
A00011-Equity Council-ADM	60,000	30,000	30,000	30,000	30,000	30,000
A00039-NED Leadership Group-ADM	50,000	25,000	25,000	25,000	25,000	25,000
A00041-Labor Relations-ADM	5,000	5,000	5,000	5,000	5,000	5,000
A00042-Employee Education Fund-ADM	20,000	20,000	20,000	20,000	20,000	20,000
A00543-Non-Rep Edu Fund-ADM	10,000	10,000	10,000	10,000	10,000	10,000
A00549-Yardi Asset Mgmt-ADM	71,250	3,500	-	-	-	-
A00564-Mason-Ehrman Bldg-ADM	13,375	13,375	13,375	13,375	13,375	13,375
A00592-Internal Equity-ADM	10,000	10,000	10,000	10,000	10,000	10,000
A00612-Office Move-ADM	434,290	212,254	159,359	159,359	159,359	159,359
Administration Total	4,090,541	3,543,144	3,486,749	3,486,749	3,486,749	3,486,749
Economic Development						
Traded Sector						
A00454-Adv Mfg - Cluster Dev-GEN	105,000	-	-	-	-	-
A00455-Cluster Development-GEN	78,475	531,902	444,611	417,380	391,511	366,935
A00457-International Business Dev-GEN	25,500	-	-	-	-	-
A00458-Green & Clean -Cluster Dev-GEN	105,000	-	-	-	-	-
A00459-Athletic - Cluster Dev-GEN	105,000	-	-	-	-	-
A00461-Greater Portland-GEN	25,000	-	-	-	-	-
A00462-Software - Cluster Dev -GEN	105,000	-	-	-	-	-
A00460-Film/Video-GEN	18,256	-	-	-	-	-
A00577-Inspiring Diversity Grant-GEN	8,000	-	-	-	-	-
A00581-Cluster Development-EOG	71,877	50,000	-	-	-	-
A00605-Portland Means Progress-GEN	161,990	-	-	-	-	-
Community Economic Development						
A00126-Technical Assist Contracts-EOG	44,000	50,000	-	-	-	-
A00467-NPI & Main St Network-GEN	591,778	556,845	391,183	364,124	338,418	313,997
A00469-Incl Business Resource Network-GEN	1,138,013	1,122,817	1,484,229	1,278,385	1,117,374	1,378,837
A00471-Venture Portland-GEN	550,478	523,347	523,726	497,540	472,663	449,030
A00472-Workforce Development-GEN	1,169,079	1,006,823	883,380	829,211	777,750	728,863
A00538-Coordinated Community Plan&Dev-GEN	1,827	-	-	-	-	-
A00539-Small Business & Community Dev-GEN	47,402	-	-	-	-	-
A00566-Mercatus-GEN	100,000	101,300	48,735	46,298	43,983	41,784
A00569-Mercatus-EOG	29,726	20,000	-	-	-	-
A00573-Cannabis-GEN	210,000	210,000	-	-	-	-
A00604-Cully Neighborhood Engagement-GEN	50,000	-	-	-	-	-
A00608-My People's Market MPM-EOG	18,000	20,000	-	-	-	-
A00616-IBRN Cannabis Tax	556,926	547,140	-	-	-	-
A00638-Small Business Relief Fund	1,000,000	-	-	-	-	-
Economic Development Total	6,316,327	4,740,174	3,775,864	3,432,938	3,141,699	3,279,446
Property Redevelopment						
Commercial Property Lending						
A00414-C-PACE-ADM	176,000	156,750	163,500	163,500	163,500	163,500
Redevelopment Strategy						
A00571-Brownfield Program Admin-GEN	1,000	-	-	-	-	-
A00596-Albina Vision-GEN	0	75,000	-	-	-	-

Financial Summary Five-Year Forecast

General Fund	Revised 5 FY 2019-20	Adopted FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24	Forecast FY 2024-25
A00617-NW Streetcar-EOG	6,238	63,000	-	-	-	-
A00643-Superfund-ADM	0	291,600	-	-	-	-
Property Redevelopment Total	183,238	586,350	163,500	163,500	163,500	163,500
Total Program Expenditures	10,590,106	8,869,668	7,426,113	7,083,187	6,791,948	6,929,695
Personnel Services	11,703,734	11,391,162	12,599,005	12,814,088	12,998,257	13,500,524
Total Fund Expenditures	22,293,840	20,260,830	20,025,118	19,897,275	19,790,205	20,430,219
Interfund Transfers - Indirect Charges	318,270	256,192	486,143	500,676	483,135	-
Interfund Transfers - Cash Transfers	248,116	-	-	-	-	-
Contingency	1,278,821	1,572,691	1,873,044	2,179,793	2,491,835	2,821,718
Total Fund Requirements	24,139,047	22,089,713	22,384,305	22,577,744	22,765,175	23,251,937