

Senate Bill 431

Improving Flood Safety on the Lower Columbia



The Problem:

- A 27-mile levee system running from N. Portland through Gresham, Fairview, and Troutdale, protects people, property, and critical infrastructure from flooding along the Columbia River.
- Four individual drainage districts manage sections of the system under century-old governance and revenue structures that were adopted when the area was mostly farmland.
- Despite the infrastructure being old and in need of major repairs and upgrades the drainage districts have only been able to fund basic operations and maintenance with limited capital improvements.
- After Hurricane Katrina, the US Army Corps of Engineers (USACE) and Federal Emergency Management Agency (FEMA) completely overhauled federal safety standards for levees.
- As a result, the local system is no longer in compliance with federal standards. FEMA certification of the system has expired, and FEMA could revoke accreditation and remap the area as floodplain any time.
- Losing accreditation and being remapped as a floodplain means:
 - landowners behind the levee would no longer be eligible for affordable flood insurance through the National Flood Insurance Program (NFIP);
 - mortgage holders would be required to purchase flood insurance, just at higher rates;
 - the cities and county would have to implement new zoning and building codes to elevate buildings above flood levels or use other mitigation measures;
 - new development in the area would be restricted;
 - existing development would not be able to expand or renovate;
 - property values would fall; and
 - the region would lose access to a significant portion of the undeveloped industrial land and any associated jobs likely to result from development.
- A new governance structure is needed to ensure adequate flood protection and federal standards can be met now and in the future.

The Risk:

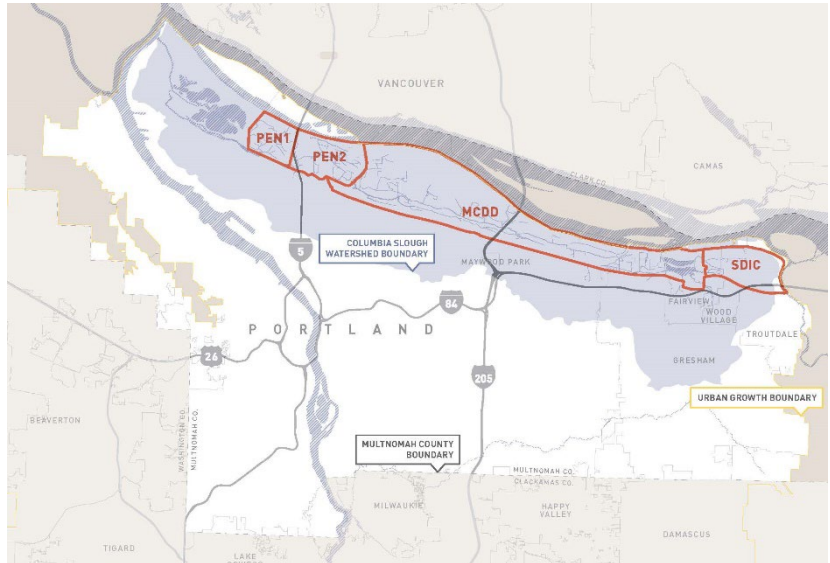
Today, the managed floodplain behind the levees is home to:

- 40% of the Port of Portland's facilities, including the Portland International Airport and Troutdale Airport – more than 19 million passengers per year and nearly 260,000 tons of annual air freight;
- Oregon's second largest source of drinking water – Columbia South Shore Well Field;
- More than 7,500 residents;
- Over 2,500 businesses and 59,000 jobs (10% of the jobs in Multnomah County);
- \$16 billion in annual economic activity;
- \$7.3 billion in assessed property value;
- Three interstate highways (I-5, I-205, and I-84) and two major rail lines;
- A major natural gas pipeline that serves two states;
- Oregon's Air National Guard base and the 142nd Fighter Wing of the Air National Guard;
- The NE Portland DEQ Emissions Testing Center and DMV;
- The State's Columbia River Correctional Institute and Multnomah County's Inverness Jail;
- USPS, FedEx, and Amazon regional distribution centers;
- Over 2,000 acres of parks and natural spaces; and
- shopping centers, stores, schools, training centers, a university campus, the Oregon Food Bank, and more.

The Solution:

- Multiple years of research, analysis, and discussion have gone into the development of an alternate governance structure that will reduce the risk of flooding and meet federal standards.

- SB 431 creates an Urban Flood & Water Quality District with the authority to construct, operate, and maintain flood management infrastructure, respond to flood emergencies, and contribute to water quality, habitat, and landscape resiliency in the managed floodplain.
- The district boundary is tied to the Multnomah County Urban Growth Boundary (UGB) as set by Metro, which reflects the area where the greatest economic benefit is experienced due to the activity and infrastructure made possible by the levee system.
- The district board can establish assessments and utility fees for operation costs and can issue revenue bonds and general obligation bonds (with voter approval) for capital improvements.
- Upon formation, a 17-member board appointed by the Governor is responsible for setting up the district and establishing a sustainable revenue structure.
- Once a revenue structure is in place, the board can call for the dissolution of the four existing drainage districts, which will continue to provide services up until this point.
- The district board will then transition to nine members responsible for ongoing oversight of the district. Five board members will be elected and four will be appointed by the Governor.
- This structure has been designed to meet long-term flood safety needs while allowing for a more equitable distribution of costs based on services and benefits received. It also allows for improved environmental stewardship along the levees and drainage canals in the managed floodplain, which is currently prohibited under the drainage district statute.



The Urgency:

- We have an important opportunity to secure significant federal funding for the levee system.
- In October 2018, the US Army Corps of Engineers began a federally-authorized and funded study of the levee system, which will culminate in Army Corps recommendations to Congress, potentially including requests to fund up to 65% of the recommendations.
- This is the only pathway identified to secure federal funds for levee improvements.
- If we move quickly to put a modernized governance structure in place, we will increase our ability to leverage this opportunity, thereby reducing the overall costs borne by Oregonians.

There is always some risk with change but doing nothing is a far greater risk to the state, the region, and all the people who rely on the levee system to protect their lives and livelihoods.

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