

Urban Flood Safety and Water Quality District

Measure 26-243

BALLOT TITLE

Bonds to upgrade levees, floodwalls, water pumps, natural floodplain restoration.

Question: Shall Flood Safety District issue bonds to upgrade infrastructure, protect water quality, communities, businesses, environment from flooding; require independent oversight?

If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

Summary: If passed, bond proceeds would upgrade aging flood safety infrastructure along the Columbia River. The current system is over 100 years old. In a changing climate, the system does not meet federal requirements.

Congress authorized nearly \$100,000,000 for flood safety projects, which may be unlocked for a limited period with local match. This measure would authorize issuing up to \$150,000,000 in principal amount of general obligation bonds for Urban Flood Safety and Water Quality District.

Estimated annual tax rate for bonds would be \$0.11 per \$1,000 of assessed value. The owner of a home assessed at \$246,712 would pay approximately \$2.19 per month, \$26.27 annually. This is the average assessed home value in the District, according to County Assessor. Bonds may be issued in multiple series, each maturing within 20 years of issuance.

This measure would finance capital costs for District purposes to protect communities, businesses, PDX airport, and the environment, including by:

- Raising levees, upgrading floodwalls, pumps, pipes, drains.
- Supporting natural floodplain restoration and resilience projects.

District would establish bond oversight committee. Audits required.

EXPLANATORY STATEMENT

Background

A system of flood safety infrastructure along the Columbia River – including 27 miles of levees, pump stations, pipes, drains, and wetlands – protects the Portland region from floods. The managed floodplain extends 13,000 acres from North Portland in the west to the Sandy River in the east. The area includes residential neighborhoods, more than 2,000 acres of natural areas and habitat, and the Portland International Airport. It is the largest industrial employment area in Oregon.

The flood safety system is over 100 years old. Many sections have not been upgraded since the 1948 flood that destroyed the city of Vanport. Extreme weather events are increasing in a changing climate, and the system no longer meets federal standards. Flooding could release toxic

chemicals, raw sewage, and other hazardous materials into rivers and streams. Without infrastructure upgrades, the resulting cost of flood insurance could cause homeowners to move and small businesses to relocate or close.

Use of Funds

This measure would authorize the Flood Safety District to issue \$150 million in general obligation bonds if passed. The bonds would provide the required match to access nearly \$100 million in federal funds authorized by Congress for flood safety. The bonds would also provide funds needed to:

- Elevate and repair sections of the levees and floodwalls to address aging and under-built parts of the system, including raising portions of the levees, to provide consistent protection from flood events.
- Upgrade aging pump stations to increase pumping capacity and provide back-up power in case of electricity outages. Seven pump stations will undergo upgrades or full replacement, reducing the risk of local flooding during heavy rain.
- Integrate design features for climate resilience, environmental improvement, equity, cultural history, or other community values. Features would be tailored to the project location and opportunities, such as energy efficient design, fish and wildlife habitat, murals, or signage related to the cultural history of the floodplain.
- Provide natural protection from flooding through floodplain restoration. Approximately \$27 million of the funds will be dedicated to natural floodplain restoration and resilience projects to slow and store floodwaters and improve flood safety outcomes. These projects would contribute to improvements in water quality, fish and wildlife habitat. Floodplain restoration is a widespread practice in modern flood safety supported by federal agencies.

If passed, what would the bond cost?

The estimated annual tax rate for bonds would be \$0.11 per \$1,000 of assessed value. The owner of a home assessed at \$246,712 would pay approximately \$2.19 per month, or \$26.27 a year. This represents the average assessed property value in the District area, according to Multnomah County assessors.

Accountability and Oversight

An independent community oversight committee would review bond expenditure reports and provide annual reports. An independent public accounting firm would perform an annual audit of the District's financial statements, including expenditure of bond funds, and an elected Board of Directors will oversee projects and adopt annual budgets.

Submitted by:

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Urban Flood Safety and Water Quality District*

NO ARGUMENTS IN OPPOSITION WERE FILED.