

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Eric Engstrom		2. Telephone No. 503-823-3329	3. Bureau/Office/Dept. Planning and Sustainability
4a. To be filed (date): August 31, 2011	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: August 25, 2011
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Authorize a third amendment and extension of an Intergovernmental Agreement with the Port of Portland for planning services to prepare a West Hayden Island plan and possible annexation proposal and provide for payment. (Ordinance)

2) Purpose of the Proposed Legislation:

The proposed ordinance extends an Intergovernmental Agreement (IGA) with the Port of Portland, and authorizes the Mayor to accept additional funding for planning activities on West Hayden Island.

The City of Portland is developing a long-range land use plan for West Hayden Island (WHI) and considering potential annexation into the City of Portland. The 800+ acre area is owned by the Port of Portland. In 2009 the City and the Port entered into an Intergovernmental Agreement (IGA) that funded City staff and consultant contracts for one year. This IGA was extended for a second year on June 9, 2010. The first year of work focused on preparation of background studies (with ENTRIX Inc. as a consultant). The City and the Port of Portland amended and extended the terms of the current agreement, per Resolution (No 36805) approved by City Council on July 29, 2010, and expanded the work plan to incorporate additional responsibilities and funding required by Resolution No. 36805 under Ordinance No. 184211 through December 2011. The current work is focusing on the completion of additional technical reports, developing a concept plan, annexation agreement, and proposed City zoning (and a Plan District). As a result, the IGA approved by City Council in November, 2010, needs to be further amended and extended. A third amendment is necessary due to the cost of the additional studies, specifically the concept planning and cost benefit analysis, are higher than originally budgeted for under IGA amendment no. 2 and Ordinance No. 18411. The extension is necessary due to increased time to select advisory committee members, select and hire consultants and increased staff time to complete the project by July 30, 2012.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- ☐ City-wide/Regional ☒ Northeast ☐ Northwest ☒ North
☐ Central Northeast ☐ Southeast ☐ Southwest ☐ East
☐ Central City
☐ Internal City Government Services

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This amended agreement, if adopted, will authorize the City to accept an additional \$190,000 from the Port of Portland to pay for planning services, including staff (described below) and external contracts through July, 2012. This supersedes the previous agreement, approved by City Council on November 3, 2010 under Ordinance No.184211 which authorized the City to accept \$491,000 from the Port of Portland to pay for planning services, including staff and external contracts through December, 2011. Staff would be housed in the Bureau of Planning and Sustainability. With this amendment, the IGA will now allocate \$153,500 for external contracts and \$141,000 for staff. A one-time General Fund appropriation is also covering a portion of staffing costs for the West Hayden Island Project. Those staff resources were included in the Bureau's adopted budget for FY 2011/12, and the additional consultant money provided with this amendment will be added during the fall budget adjustment. The total funding under the IGA will now be \$1,121,000, including \$440,000 approved for the 2009-2010 fiscal year, and \$386,500 approved for the 2010-2011 fiscal year. The summary table shows the breakdown of previous fiscal year funding and the amount of the request for this amendment:

	Existing IGA FY09/10 and earlier	Existing IGA FY 10/11	Existing IGA FY 11/12	<i>Additional FY 11/12</i>
Staff	\$245,000	\$195,500	\$67,000	<i>\$74,000</i>
Consultants	\$195,000	\$191,000	\$37,500	<i>\$116,000</i>
TOTAL	\$440,000	\$386,500	\$104,500	<i>\$190,000</i>

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the *level of confidence*.)

The City is committing \$250,000 to fund staff and consultant costs associated with the time extension and additional consultant tasks requested by the Advisory Committee. Approximately \$97,000 of that is from a one time general appropriation already included in the FY 2011/12 budget. The remainder will be provided by re-allocating money now encumbered by the bureau in flexible service contracts. In addition, the city will be contributing the participation of a Bureau of Planning and Sustainability Principal Planner and the Bureau of Environmental Services Watershed Division Manager, to supervise and oversee the process and attend Community Working Group public meetings. The amount of time that these managers will spend on the project is estimated at 0.1 FTE. These managers are funded as part of the ongoing core budget in both Bureaus. Supervision of the project will continue through July, 2012.

The annexation of West Hayden Island may bring additional future revenue or costs to the City. One

purpose of this IGA is to identify those possible costs and benefits.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No. All staffing was approved in the adopted budget for FY 2011/12.

- **Will positions be created or eliminated in future years as a result of this legislation?**

Not directly. No positions will be created or eliminated in future years as a result of this IGA. Annexation of West Hayden Island may lead to future City review of specific development proposals, with associated permit fee revenues and staffing needs (not quantifiable at this time).

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Adjustment for the FY 11-12 budget will be made in the Fall BuMP.

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☒ **YES:** Please proceed to Question #9.
- ☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

This amendment amends and extends the long-range land use planning process for West Hayden Island (WHI) and consideration of potential annexation into the City of Portland. Public Involvement is an integral part of the planning process. BPS produced a public involvement plan and held a stakeholder summit to get guidance from the public on the planning process and the best ways to encourage participation and input. Through the extension of this project, BPS staff will continue to provide project updates and solicit input from project Advisory Committee members and stakeholders and define key opportunities for public input on concept plans and technical reports that are required per City Council resolution (No 36805). This fall there will be key public involvement opportunities to comment on draft concept plans through open houses, staff office hours, Advisory Committee meetings, neighborhood meetings and other stakeholder presentations.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

The City has created a Public Involvement Plan for Planning for West Hayden Island. This plan includes the formation of an Advisory Committee, technical review groups, ongoing neighborhood and business outreach, design workshops and open houses, check-ins with City Council and the Port Commission, and will include additional public participation that is a part of any legislative project, including hearings in front of the Planning and Sustainability Commission and City Council. The proposed IGA is with the Port of Portland. Metro has also participated as a member of the previous community working group and is participating this phase on the Advisory Committee, and will continue to be involved through the future public involvement plan and technical panels. Several State and Federal regulatory agencies have been, and will continue to be involved as part of the technical review panels.

Some of the key audiences in this long range planning project have been and will continue to include:

- WHI Advisory Committee (*meets monthly*)
- Technical Advisory Panels (*will meet 4 times, as draft reports are ready for review*)
- Interest groups (Audubon and other environmental groups, Working Waterfront Coalition, Columbia Corridor, business associations and leaders, freight interests, organized labor, LCREP, churches, CLF, Port of Portland, Environmental Justice Groups) – (*targeted presentations upon request*)
- Neighborhood associations, district coalitions, land-use/green chairs (*Hayden Island associations: monthly, all others are quarterly or upon request*)
- The general public

- Governments and policy makers
 - City Council (*hearings and work sessions*)
 - Planning & Sustainability Commission (*briefings and hearings*)
 - Tribal Government Representatives (*quarterly check ins*)
 - Partner agencies (Metro, PDC) – (*membership on Advisory Committee and/or technical review panels*)
 - State and Federal Agencies (*technical review panels*)
- Other City of Portland bureaus (BES, PBOT, Parks, Office of Healthy Working Rivers)
- Media

c) How did public involvement shape the outcome of this Council item?

This Council item requests authorization of a third amendment and extension of an Intergovernmental Agreement with the Port of Portland for planning services to prepare a West Hayden Island plan and possible annexation proposal. This amendment is the direct result of advisory committee input to several consultant scopes of work. Advisory committee input to those scopes resulted in additional or expanded work tasks, which will be funded by this amendment. Due to the increased time it took to select advisory committee members and select and hire consultants, an extension to the project is being requested through July 2012 to complete the necessary studies and concept planning.

d) Who designed and implemented the public involvement related to this Council item?

BPS created and is implementing the public involvement plan for the project which was produced in November 2010, as directed by Council Resolution No. 36805.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Rachael Hoy, Community Outreach and Information Representative, 503-823-9715,
Rachael.hoy@portlandoregon.gov

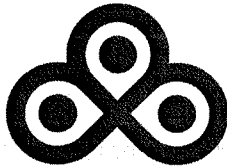
10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

BPS has hired Worley Parsons to produce the concept plans and related studies. As part of their contract, they have subcontracted with Cogan Owens Cogan to produce a public involvement strategy for the concept planning process, which will occur in October 2011.

Susan Anderson/Michael Armstrong



BUREAU DIRECTOR (Typed name and signature)



Bureau of Planning and Sustainability
Innovation. Collaboration. Practical Solutions.

184846

MEMO

DATE: August 24, 2011
TO: Mayor Sam Adams
FROM: Susan Anderson, Director

1. **Ordinance Title:** Authorize a third amendment and extension of an Intergovernmental Agreement with the Port of Portland for planning services to prepare a West Hayden Island plan and possible annexation proposal and provide for payment (Ordinance)
2. **Contact Name:** Eric Engstrom, BPS, 823-3329
3. **Requested Council Date:**
4. ☒ **Consent Agenda Item** ☐ **Regular Agenda Item**
☐ **Emergency Item (explain below)** ☒ **Non-Emergency Item**
5. **Purpose of Agenda Item:** To accept a revised funding agreement with the Port of Portland for City staff and contracts to develop a legislative proposal for possible annexation of West Hayden Island, which will apply to the 2011/12 Fiscal Year. This amendment adds \$190,000 to the City/Port IGA, for a new total of \$1,121,000.
6. **History of Agenda Item/Background:** West Hayden Island is currently located in unincorporated Multnomah County, zoned Multiple Use Forest 19 (MUF19). Since 1996, the City of Portland, through intergovernmental planning agreements with Multnomah County, has regulatory authority over planning activities related to the property. In order to determine the urban status for the property and establish use and development regulations to guide future development, the City of Portland is preparing a concept plan to guide consideration of possible Comprehensive Plan and Zoning designations for the property. These designations would be effective if annexation is approved by the City Council (consideration is anticipated in 2012).



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As part of all planning processes the City of Portland must evaluate potential future uses against the Oregon Statewide Planning Goals, the Metro Urban Growth Management Functional Plan (UGMFP), and the City of Portland Comprehensive Plan Goals and Policies. In 1983, West Hayden Island was brought into the Urban Growth Boundary for marine industrial land use purposes. WHI is designated as Marine Industrial Land on the Metro 2040 Growth Concept Map and as a Regionally Significant Industrial Area on the Title 4 map. WHI is also identified by Metro as a high value riparian area and a Habitat of Concern in the regional inventory, and as a Moderate Habitat Conservation Area in Title 13

In 2009 the City and the Port entered into an Intergovernmental Agreement (IGA) to prepare a long-term vision for West Hayden Island. That agreement funded City staff and consultant contracts for one year. The first year focused on the preparation of foundation studies (with ENTRIX Inc. consultant), in determining whether a mix of industrial, open space, and natural resources can occur on WHI. As part of that phase, a Community Working Group (CWG) was created to help review the studies and provide a recommendation. While the CWG was deliberating, the original IGA was amended and extended on June 9, 2010 to allow staff to continue working on the project in the 2010-11 Fiscal Year. On July 29, 2010, the CWG presented their findings in front of City Council. At the conclusion of the hearing, the Council directed the Bureau of Planning and Sustainability "to develop a legislative proposal for annexation of West Hayden Island to the City with the intent to protect at least 500 acres as open space, and identify no more than 300 acres for future deep water marine terminal development". Council requested that the proposal come back for their consideration by December 2011. As part of this proposal, which includes a concept plan, annexation agreement, and City zoning, the Council requested that further analysis and study be done on many topics. The additional items, time frame and additional funding were approved through amendment no 2 (Ordinance No. 18411) in November 2010.

BPS is requesting a third amendment and time extension. The time extension reflects the time it took to select the new advisory committee, and the time to select and hire concept plan and cost/benefit consultants. The cost of the additional studies requested under Council Resolution (No 36805) are higher than originally budgeted for under IGA amendment no. 2. Costs are also reflecting continuation of staff funding to the new completion date of July 30, 2012.

7. **Legal Issues:** City and Port Attorneys have reviewed documents.
8. **What individuals or groups are or would be supportive or opposed to this action?** The Port and Labor Unions are supportive. Portland Audubon and some Hayden Island Residents have concerns about possible development of West Hayden Island. All of these groups have participated in the Community Working Group (CWG), and the more recent advisory committee.



9. **How does this relate to current City policies?** This planning project will help us resolve how to integrate environmental policy and industrial land supply policy on Hayden Island (address Metro Title 4 and Metro Title 13). If annexation is approved, up to 300 acres could be added to the City's inventory of industrial land.

