

Portland Planning and Sustainability Commission

Tuesday, May 8, 2012

12:30-3:45pm

Meeting Minutes

Commissioners Present: Andre' Baugh, Karen Gray, Mike Houck, Gary Oxman, Michelle Rudd, Howard Shapiro, Chris Smith, Irma Valdez

Commissioners Absent: Don Hanson, Lai-Lani Ovalles, Jill Sherman

BPS Staff Present: Joe Zehnder, Chief Planner; Deborah Stein, Principal Planner; Eric Engstrom, Principal Planner; Tom Armstrong, Supervising Planner; Rachael Hoy, Community Outreach; Roberta Jortner, Environmental Planner; Steve Kountz, Economic Planner; Julie Ocken, PSC Coordinator

Chair Baugh called the meeting to order at 12:33pm and provided an overview of the agenda.

Items of Interest from Commissioners

- *Commissioner Houck* introduced the [bird-friendly building guidelines](#) project. Roberta Jortner (BPS) and Mary Coolidge (Audubon Society of Portland) provided some context about the guidelines project and invited PSC members to the [June 14 forum](#) to discuss the building design. They will provide a full briefing to the PSC in July.

Director's Report

Joe Zehnder

- Reminder that the 05/22 PSC meeting will be held at Rigler School. Staff is willing to provide commissioners a tour of the area prior to the 6pm meeting time. If you are interested in being a part of the tour, please let Julie O know by the end of the week so staff can arrange (tour would be 5:15-5:45pm, leaving from Rigler).
- Julie O will be sending a poll to all commissioners to start confirming availability for the summer PSC meetings. We want to be sure a quorum won't become an issue for any scheduled meeting.
- The Mayor's budget came out last week. BPS has a 6.7% cut in our ongoing general funding, but we received some one-time funding - though not all we asked for - for Comp Plan, WHI and youth planning work. EPAP and Tree project implementation also received funding.

Consent Agenda

- Consideration of Minutes from [04/24/12](#) and [05/03/12](#) PSC meetings.

Chair Baugh asked for any comments or edits by Commission members. *Commissioner Smith* moved to approve the minutes. *Commissioner Houck* seconded.

The Consent Agenda was approved with an *aye* vote.

(Y8 – Baugh, Gray, Houck, Oxman, Rudd, Shapiro, Smith, Valdez)

Portland Plan: Schools Background Report

Hearing / Recommendation: Deborah Stein

Presentation: <http://efiles.portlandoregon.gov/webdrawer/rec/4900915/view/>

Documents:

- [Staff Memo](#)
- [Draft Background Report](#)

This is one of the set of background reports covering existing conditions, trends, issues and recommendations to support the Portland Plan and the foundations for the Comp Plan update.

The Planning Commission saw an earlier version of the report in 2009; this has been updated quite a bit since to incorporate issues that came up through discussions, especially the Thriving Educated Youth strategy in the Portland Plan.

Portland Public, David Douglas and Parkrose School Districts include facilities exclusively within Portland city limits; Centennial, Reynolds and Riverdale include schools inside and outside city limits. The report only looks at public schools, K-12.

There are a variety of issues the report addresses, including funding and zoning/regulatory challenges; diversity; distribution of poverty; student achievement; and special education. Of particular importance to Comp Plan update are:

- Impacts of local decisions on enrollment and revenue
- Population growth
- Zoning and regulatory challenges
- Distribution of poverty

3 recommendations are included in the report, which were clear components in the Portland Plan:

1. Strengthen the role of schools as centers of community.
2. Continue to build and sustain strong partnerships between school districts, City government and community partners.
3. Consider the fiscal and social effects of land use policies on schools.

Next steps include areas in both the Portland Plan implementation and Comprehensive Plan update.

Testimony

- Paul Cathcart, PPS: The district has been working on its long-range facility plan over past few months, with 2 city staff included in the planning process. The plan establishes goals and principles for facilities to meet educational requirements and approaches to modernize and update buildings. PPS looks forward to being a part of the Comp Plan process. In the schools report, the data is a couple years out of date - there has been some shifting of enrollment (increases in SE, SW especially), which has implications for schools. The need for stable enrollment is vital for planning. PPS is a strong advocate of multi-purpose use of school facilities, and PPS facilities are already used by other groups, civic events, etc. The zoning code prohibits many uses, or at least requires a conditional use permit, so there is an opportunity to update code to allow for further uses.
- Timme Helzer: Tualatin Park is regularly used by the public, including Beaverton School District. School districts would like to build broader relationships with community, so this could be a good connection to [the next project briefing on] West Hayden Island that could be a regional park, to be used by schools in both Portland and Vancouver.

Written Testimony Received

- Dixie Johnston

Discussion

The report itself only has data about K-12, but in the Comp Plan, we will be looking at all educational facilities (private schools, higher education - for institutional work).

All school districts will be involved in Comp Plan update:

- PPS and Parkrose are directly on the education PEG; and
- There is a consultant hired who will serve as the conduit to each of the east school districts.

We should look at opportunities for IGAs with the districts to ensure implementation going forward.

School closures mean buildings close to the community as well. Closed schools could still be used for the community, and this need is recognized. Districts can also look at those facilities for non-school uses.

Chair Baugh closed testimony.

Commissioner Shapiro moved to recommend the schools background report to City Council for adoption. *Commissioner Houck* seconded.

Chair Baugh restated the motion, and the motion passed.
(Y8 – Gray, Houck, Oxman, Rudd, Shapiro, Smith, Valdez, Baugh)

West Hayden Island Project Update

Briefing: Eric Engstrom, Rachael Hoy

Commissioner Rudd excused herself for this agenda item.

Presentation: <http://efiles.portlandoregon.gov/webdrawer/rec/4902302/view/>

Documents:

- [Briefing Packet](#)
- [Marine Terminal Forecasts and Capacity Summary](#)
- [Forecasts and Capacity data #2](#)

Staff shared an update on the progress on the WHI project, including members of advisory committee to highlight their perspectives.

The overall goal is to resolve the future use of the west side of Hayden Island. This is 800+ acres, which is within the UGB but not current part of the City of Portland. The City and Port are collaborating on a plan for the site. An annexation ordinance is a component of the package being brought forward.

The studies requested by Council in their resolution from summer 2010 have been completed. These include the concept Plan, transportation analysis, cost/benefit report and harbor lands inventory. Council's resolution directed staff to prepare a concept plan to protect at least 500 acres of open space and to identify no more than 300 acres for future deep water marine terminal as well as additional studies.

The concept plan was developed with the help of consultants, including the 300 acre marine terminal, recreational improvements and natural resource enhancement opportunities.

One fundamental choice is which direction access to the marine terminal would come from: either by building a new bridge across the slough or by making improvements to W Hayden

Island Drive. Infrastructure (if public road) would be a public facility. Additionally, shallow water habitat is a key environmental feature of the site.

Cost estimates in the concept plan include:

- Order of Magnitude (confidence +/- 50%).
- Base Public Infrastructure costs of \$100m +. W/bridge - additional \$100m).
- Private Terminal Developer - \$150m +.
- City participation possible in transportation, sewer, recreation, and community benefits - \$10-20m (~ 2025-2035).

There has been an extensive public involvement process so far, with open houses planned this summer for the public to comment on the draft plan, prior to the PSC's hearings.

The public benefit/cost analysis report offers a sense of the range of costs/impact estimates on various benefits offered in the report. The 100-year NPV of benefits and costs, excluding Port-derived benefits, translates to a cost of \$6.7-\$9M annually (with the bridge) or \$3.7-\$6.7M without.

An economic impact analysis has also been done recently. On the low end, there are scenarios that have costs exceeding benefits, but also the reverse. There is no wide-spread agreement at this point. The range of potential benefits does exceed costs, but there is no certainty of the future. Benefits from development will not exist unless demand for facility exists.

The Harbor Lands Inventory report includes land supply and forecasting. It looks at the land inventory included in the Buildable Lands Inventory (BLI) of vacant harbor land. Also looked at what specific areas of land are potentially not currently being used fully. There are some additional acres, but most are constrained as are vacant sites. Alternative sites issues include size and existing contamination issues.

Findings:

- Inventory methods are reasonable.
- Alternate sites are very constrained.
- Land efficiency is rising in terms of tonnage and total dollar value per acre, though direct job density dropping.
- Forecast shows growth in auto, grain, dry bulk; additional terminals are needed for these commodities at the mid-range or high-range forecast.
- Vancouver has new 200-acre Terminal 5 rail loop, intended for dry bulk growth, plus 350 more vacant acres available.

The presented data charts include forecast estimates and findings based on the regional (Portland and Vancouver) scale. At a low end, Portland and Vancouver can handle the growth; at a mid-range forecast, there is some question of capacity; and at the high end, we cannot accommodate the growth without WHI.

The zoning and Comp Plan package includes:

- Industrial designation on 300 acres, IH Zoning.
- Use limited: "Deep Water Marine Terminal".
- Open Space designation on 500+ acres.
- Limited parks/open space uses per concept plan (trails, trailhead, non-motorized boat launch.
- Natural area focus, future mitigation projects anticipated.
- Utility corridors allowed w/in existing easements, maintenance roads to serve utility corridors/uses.

WHI Plan District development standards include:

- Special setbacks and buffers
- Public recreational trails
- Maximum development threshold triggers further transportation impact review
- Special environmental standards

IGAs are in development with the Port to identify next steps and the “next generation” agreement. This includes an infrastructure development strategy; who would own and manage open space; transportation; community impacts mitigation; and natural resource mitigation.

Key issues include:

- Land supply studies and industry forecasts
- Interpretation of cost/benefit report
- WHI Bridge or North Hayden Island Drive access
- Infrastructure needs & strategies to pay for them
- Community impacts - noise, traffic, air quality
- Environmental impacts and mitigation plans
- Recreation/land management options

The target date for the draft code and agreements released to public is at end of June, with first PSC hearing at the end of July.

Members of the Advisory Committee shared their input about the project:

- Pam Ferguson, Hayden Island Livability Project - The project still needs a health impact study. N Portland and WHI residents already are live in a region with known poor air quality. Parts of the plan conflict with the Hayden Island Plan, and the marine development plan is in direct conflict. There is not enough evidence that there is a need for the new port/development. Affordable housing and natural areas will be lost.
- Sam Bruda, Officer of Port of Portland - This project is about land use; a balanced plan can come from it. The Port never contemplated industrial area on limited 300 acres, but the City’s concept plan confirms this is doable. The Port has been responsive to concerns from community, and there will not be any coal transfer at WHI. This is likely to be a future container terminal, which moderates concerns about truck traffic. One economic concern is that as we shrink the Port facility’s footprint, economic output is smaller. The Port does have a concern about costs the project can absorb and the need to balance community, economic viability and environmental mitigation.
- Bob Sallinger, Conservation Director Audubon Society of Portland - The first two WHI processes didn’t address community concerns, but there have been improvements in this process, making it more credible than in the past. Information has validated previous concerns including (1) that the Port facility will fit on 300 acres; (2) wildlife habitat across the island is high-value; and (3) an alternative site in Vancouver is sufficient to meet the mid-range forecast in 2040. Mitigation efforts being proposed are still negligent, and they do not include a flood plain analysis. The transportation assessment supposes the CRC will be developed, but that needs to be revised.

Commissioner Smith asked to ensure that, based on the Portland Plan’s equity principles, the PSC request the health impact assessment be done before project comes before commission for a hearing. Staff noted that health impact information is dispersed throughout the report, and that they will return to the PSC meeting for a briefing on these specific points, on June 26. PSC members will then judge if additional information or another assessment is needed.

Portland Plan: Buildable Lands Inventory and Employment Opportunity Analysis

Hearing: Tom Armstrong, Steve Kountz

Presentation: <http://efiles.portlandoregon.gov/webdrawer/rec/4902300/view/>

Documents:

- [BLI staff memo](#)
- [EOA staff memo](#)
- [BLI documents](#)
- [EOA documents](#)

Today is an update on the reports that the PSC has seen before on the Buildable Lands Inventory (BLI) and Employment Opportunity Analysis (EOA). It is a public hearing, to be continued at the June 12 meeting, with a desired outcome of that meeting to be a recommendation from the PSC to forward the reports to City Council.

BLI includes both employment and residential land supply.

2012 revisions include 4 major changes:

- Revised 2010-2035 Growth Forecast
- Minor adjustments to the estimated Residential Capacity
- Employment Development Capacity Analysis
- Revisions to the Constraint layers in response to June 2011 PSC hearing.

Previous versions of the BLI used Metro's range forecasts, in which had Portland projected to gain 105,000 to 136,000 new households by 2035. In October 2011, the Metro Council adopted the latest growth forecast that settled on a single point forecast for the region - nearly 1 million new residents and 540,000 new jobs in the greater Portland region. Based on the Metro allocation, Portland is expected to grow by 132,000 households and 147,000 jobs by 2035.

The city has plenty of residential-zoned capacity; employment zoning capacity is what is lacking.

The EOA work included changes to the employment land methodology such as:

- Inventory refinements to better fit specific employment geographies;
- Inventory refinements to incorporate the Airport Futures/PDX Master Plan;
- Detailed analysis of development constraints, including past development trends; and
- Coordinated residential and employment allocation of capacity in mixed-use areas.

The BLI is used to:

- Identify vacant land
- Identify land likely to redevelop
- Discount capacity based on physical constraints
- Adjust capacity for mixed use development and market factors

Only 50-70% of the development activity in Portland is taking place on totally vacant sites.

Staff looked at how different constraints impact how parcels can be developed. Each constraint is defined and mapped, and a discount factor is determined to reflect the degree of impact each constraint has on development.

Roughly one-third of the employment land supply is impacted by at least one kind of constraint. In the Columbia Harbor, 47% of the supply is affected by a constraint, with 93% of the supply in the Harbor Access subarea impacted by constraints.

When there are many overlapping constraints, those can affect parcels in various ways. The methodology used went by the what the highest constraint on a parcel is; where there were two overlapping constraints, another 10% was off the availability; more than two constraints equated to 20% off.

In most of the city's commercial land use zones residential uses are an allowed use, and over the last 15 years Portland has seen a significant amount of mixed use, residential development in these areas, especially in the Central City. In the capacity analysis, a certain amount of the development capacity is assumed to develop as residential space (not available for employment uses).

Assumptions reflect that the market supports building capacity for the commercial geographies. In the commercial areas outside the Central City, the commercial development capacity allowed by zoning regulations is greater than what the private market is expected to develop. For example, most town centers and commercial corridors allow for a 3:1 FAR. Even after some of the floor area is allocated to residential space, the commercial space is greater than what the private sector typically develops.

Gateway is a designated town center, and policy options include this as an office center. But we haven't yet found a way to help Gateway take off. The issues are not about zoning in this area.

Net buildable land depends on which methodology we use, and 2009 and 2011 had different approaches. At the broadest extreme, we look to have 400 acres more than before.

EOA included looking at:

- Recent Trends and Market Factors
- Employment Growth Forecast (Demand)
- Land Development Capacity (Supply) / Reconciliation - Surpluses and Shortfalls
- Policy Alternatives
- Development trends to inform supply assumptions
- Updated Metro employment forecast

Recent trends analysis shows:

- Portland is the regional job center - 39% of the jobs versus 26% of the population.
- Nearly flat job growth since 2000.
- Institutional and office are leading sectors
- Employment shift from manufacturing to services.
- Manufacturing remains a key sector with above-average wages and high multiplier effects.
- In the 2000s Portland's regional job capture rate was only 5%, compared to a historic rate of 25%.

The Metro regional employment forecast from November 2011 allocates 147,000 new jobs in the 2010-2035 period. The proposed Portland 27% capture rate is in line with historic trends.

The results of the employment forecast and resulting demand for development land are reported by nine summary employment land geographies, allowing development assumptions to vary across the City and provide more detail in describing job growth trends and forecasts together with associated building and anticipated land acreage needs.

We have a good balance of 4 major sectors (institutions, central city, industrial, commercial) plus a small percentage in residential. Traded sector facilities need about 580 acres; the total demand for employment land is about 3240 acres.

Employment land needs

- The Central City has a surplus of capacity, but the Central Eastside and Lower Albina districts have a shortfall, especially for cheaper, Class B office space that account for about 48% of the employment growth.

- In the Industrial areas, Portland only has about 60% of the land needed, with a shortfall of about 750 acres.
- The Commercial areas have a surplus of capacity, but specific areas may be underserved.
- Institutions have strong demand but current master plans and zoning accounts for only 80% of the demand.

Section 4 of the EOA highlights some policy alternatives, including industrial capacity, institutional campus capacity and central city incubator capacity. These are not policy decision points at this time (that will come in the Comp Plan).

Next steps

- Finish hearing and provide recommendation at June 12 PSC meeting.
- City Council in summer 2012.
- DLCD/LCDC - Periodic Review

Testimony

- Larry Harvey, Working Waterfront Coalition: There are 40,000 industrial jobs at the harbor. WCC is not convinced all evidence is available about the exact number of acres needed, are/were available but will continue to work with staff to determine what is best. Some industries need more than FAR to determine if inventory is being used effectively. Input/output/throughput versus total number of acres could be a more accurate way to assess.
- Scott Drumm, Port of Portland: The Port participated on the technical review committee for developing the EOA. We still need to do something different with freight facilities. We still need more work regarding constraints. An option would be to look at a parcel level to see if there are constraints that may make land unable to be developed. Talk about moving jobs to the Port of Vancouver is counter to the Portland Plan. We want land in both harbors so the Army Corps will continue to fund maintenance work. Number are only part of the story, and they should be used as a starting point. Items the Port would like added are how things could impact the forecast such as policies, Metro Export Initiative, and Portland Plan policies.
- Bob Sallinger, Audubon Society of Portland: We continue to ignore the challenge of being a land-locked city versus the Goal 9 requirement for industrial land needs. We are now close to the point of running out of industrial land - so how can we accomplish this without absorbing open space, environmental havens, etc. The BLI doesn't look at underutilized industrial lands, which could impact forecasts. We need to become more efficient like European and Asian ports. For industrial land processes, it seems to be only industrial stakeholders at the table, and we need to bring in different expertise and stakeholders.
- Peter Fry, Gunderson LLC: Portland is unique as a west coast city as it is the only large city that has the good access through the Cascades and Sierras. We can build from this asset. A concern is that assumptions could be wrong, and we could end up with much less land than we need. Portland job capture rate may actually be higher than forecasted since energy costs are causing a centralization to cities, and people want to live in the center.
[speaking on behalf of himself]: Land value doesn't have much to do with location; location has to do with location (e.g. central eastside). Urban industries are emerging around the country - companies are selling exclusively online, and they can use vertical buildings for space.

Written Testimony Received

- Metro Staff (Ted Reid, Senior Regional Planner)
- Bob Sallinger, Audubon Society of Portland
- Peter Fry, Gunderson LLC

- Larry Harvey, Working Waterfront Coalition
- Scott Drumm, Port of Portland

Discussion

Commissioners asked if institutions need to be full campuses; for example, PSU expansion is to be interspersed within the community. The ability for institutions to grow could encounter less opposition if there was more flexibility in growth. The Comp Plan is studying institutional growth and best practices to grow up, out or in satellite locations. Institutional development trends are also being reviewed.

Land use planning program is extremely silo-focused. Can the City address how we are going to deal with the fact that we're constrained by land area? How can we better integrate the goals? We are trying to move away from the silos in the Comp Plan update process. This should not be jobs versus environment question.

Analysis in Portland harbor industrial land looks at the value per acre and different ways to look at it. There are a variety of ways, not just FAR, which is why the cargo-derived forecast is broken out from employment forecast.

We can't confuse on-site jobs per acre with overall economic impact. On-site operations for industrial land have reduced employment density over time, but the multiplier has risen outside of industrial geographies.

More environmental advocates included in the process about what happens with industrial lands. Similarly, the discussion should also include people who need jobs or are looking for work.

The Comp Plan looks at policies to increase economic yield from the land we have; bring more acres on if that's the path (e.g. WHI); and challenge assumptions in analysis numbers. All will be scrutinized during Comp Plan update process.

The BLI/EOA hearing will stay open until June 12. Staff will address comments/letters at that time, and the commission expects to make a recommendation to City Council at that meeting.

Adjourn

Chair Baugh adjourned the meeting at 4:10pm.