

RESOLUTION No. **3 6 8 0 5** *As Amended*

Direct 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 (Resolution)

WHEREAS, West Hayden Island (WHI) is located on the south shore of the Columbia River approximately nine miles north of downtown Portland and includes approximately 814 acres of land (measured landward of the ordinary high water mark, 15' NGVD) abutting approximately 240 acres of shallow water habitat; and

WHEREAS, WHI is located within Multnomah County outside of the City boundary and is zoned by Multnomah County as Multiple Use Forest 19 with a Significant Environmental Concern overlay zone; and

WHEREAS, most of WHI, above the ordinary high water line, is owned by the Port of Portland and is bisected by several utility corridor rights of way; and

WHEREAS, WHI contains approximately 165 acres of existing development, including a sewer treatment outfall facility, BPA, PPL, and PGE utility corridors, a Port of Portland dredge material placement site, and several Division of State Lands leases for barge and log staging; and

WHEREAS, WHI was brought into the Metro Urban Growth Boundary in 1983 to "satisfy a long term regional need for water-dependent, deep water marine terminal and industrial facilities." (Metro Ordinance No. 83-151); and

WHEREAS, WHI was designated by Metro in 2004 as a Regionally Significant Industrial Area, an area "with site characteristics that are relatively rare in the region that render them especially suitable for industrial use" (Metro Ordinance 04-104B; MC 3.07.130); and

WHEREAS, Metro has completed a draft Urban Growth Report: 2009-2030 Employment and Residential, January 2010 that assumes approximately 380 acres on WHI is available for large lot future industrial development; and

WHEREAS, the City has completed a draft Economic Opportunities Analysis that indicates by 2035, the expected demand for industrial land in the City will exceed the supply by approximately 600 acres for the mid-range employment forecast; and

WHEREAS, in 2005, Metro adopted the "Nature in the Neighborhoods" program as a regional approach to meeting the requirements of Statewide Land Use Goal 5; and

WHEREAS, because WHI had both high riparian habitat values (Class I Riparian Habitat) and high development value, Metro designated WHI as a moderate Habitat

Conservation Area and required that the City develop a District Plan for WHI in cooperation with the owner, the Port of Portland, to establish site-specific habitat conservation measures that protect natural resources and mitigate the environmental impacts of industrial development (Metro Code § 307.1330.B.4.b); and

WHEREAS, anticipating eventual annexation of WHI, since 1996 the City of Portland has provided planning and zoning services to West Hayden Island through an Intergovernmental Agreement with Multnomah County (Ordinance No. 170585); and

WHEREAS, the City and the Port of Portland entered into an agreement (IGA) on May 29, 2009, to prepare a long-term vision for West Hayden Island, which included establishment of a Community Working Group (CWG) (Ordinances No. 182856 and No. 183884); and

WHEREAS, the Mayor charged the CWG “to advise City Council on how marine industrial, habitat, and recreational uses might be reconciled on WHI; and, if the CWG determines that a mix of uses is possible on WHI, to recommend a preferred concept plan” (CWG Charter); and

WHEREAS, the Bureau of Planning and Sustainability and Bureau of Environmental Services have worked with a consultant (ENTRIX, Inc.) to prepare several Foundation Studies, and supporting technical memorandums, outlining relevant economic and environmental factors for the Council’s consideration; and

WHEREAS, the Economic Foundation Studies found that water-dependent industries are linked to other industries in the harbor and elsewhere throughout the metro region; and

WHEREAS, the Economic Foundation Studies found that cargo and manufacturing activities dependent on waterborne transportation contribute significantly to the metro region’s economy; and

WHEREAS, the Economic Foundation Studies found that marine-related economic activity generates approximately 20,000 direct, indirect, and induced jobs and \$1.4 billion in income, while economic activity in the overall harbor area may support approximately 100,000 direct, indirect, and induced jobs and \$3.5 billion in regional income annually; and

WHEREAS, the Economic Foundation Studies found that the most recent and conservative forecasts estimate marine cargo growth rates varying from 0.2 percent to 3.7 percent annually (2007-2040); and

WHEREAS, the Economic Foundation Studies found that ship size is increasing for most cargo types, resulting in larger desired berth lengths and deeper river depth; and

- WHEREAS, the Economic Foundation Studies found that the trend towards larger trains for grain and international/national dry bulk cargoes means that larger sites (100+ acres) are expected to be necessary for future competitiveness and many of Portland's existing marine facilities do not have these characteristics; and
- WHEREAS, the Economic Foundation Studies found that to capture economic growth opportunities in marine-industrial cargo, Portland will need to have large parcels for marine industrial growth; and
- WHEREAS, the Economic Foundation Studies found that without larger development-ready sites, it is expected that Portland would lose opportunities to expand marine-related economic activity and would forfeit a portion of the associated jobs and income; and
- WHEREAS, preliminary estimates indicate that a 300 acre deep water marine terminal on WHI would create over 1,000 jobs in the region (including on-terminal jobs, as well as related and induced jobs that directly serve the terminal), generating over and generate up to \$20 million in additional tax revenue for the state; and
- WHEREAS, WHI is uniquely located close to many significant transportation facilities, including a deep water 43-foot federally maintained navigation channel at the confluence of the Willamette and Columbia Rivers, rail lines, and Interstate 5; and
- WHEREAS, the Economic Foundation Studies found that the economic value of WHI is increased by proximity to other deep water marine terminal infrastructure in the Portland/Vancouver Harbor; and
- WHEREAS, the Environmental Foundation Studies found that WHI provides high quality habitat for a diversity of wildlife, in a unique location at the Columbia River/Willamette River confluence; and
- WHEREAS, the Environmental Foundation Studies found that the value of the habitat on WHI is increased by its size, diversity of habitats, proximity to other natural areas, and location at the confluence of the Willamette and Columbia Rivers; and
- WHEREAS, the Environmental Foundation Studies found that WHI includes mature cottonwood ash stands, wetlands, grasslands, and 5.8 miles of critical habitat shoreline for threatened and endangered salmonid species; and
- WHEREAS, the Environmental Foundation Studies found that in larger rivers such as the Columbia, that serve as migratory corridors for salmon, the continuity of habitats and presence of shallow water along the shoreline is very important; and
- WHEREAS, the Environmental Foundation Studies found that WHI is a large undeveloped tract amidst a fragmented urban landscape that provides nesting and stopover opportunities for migratory birds using the Pacific Flyway; and

WHEREAS, the Environmental Foundation Studies found that habitat patch size, habitat diversity, and disturbance from human activity are the key limiting factors for wildlife; and

WHEREAS, the Environmental Foundation Studies found that, given its size and unique location, WHI environmental resources cannot readily be replaced through mitigation; and

WHEREAS, the Environmental Foundation Studies found that, in general, the quality of habitat on WHI is due to the large size of the natural area, the diversity of vegetation, and the connectivity to water; and

WHEREAS, the Environmental Foundation Studies found that total ecosystem service benefits of WHI under current conditions are estimated to be valued (conservatively) from \$613,000 to \$4.7 million annually, with the majority of that value attributed to shallow water habitat; and

WHEREAS, the Environmental Foundation Studies found that there is opportunity on WHI for ecosystem services gains through restoration activities such as increasing off channel habitat connections, revegetation of forest and grassland areas, and increasing or enhancing wetlands; and

WHEREAS, the Hayden Island Community Plan found deficiencies in recreation for area residents, and portions of WHI are well suited to provide nature-based recreation and stewardship activities for Hayden Island residents and the larger Portland community; and

WHEREAS, the CWG issued its Report to the City Council dated July 29, 2010; and

WHEREAS, the CWG Report indicates that the CWG was unable to reach a consensus (requiring 75% approval under the CWG's procedures) on a recommendation to the City Council; and

WHEREAS, eight of the CWG members agreed that it was possible to reconcile a mix of meaningful Port development and habitat values, six members voted that it was not possible, one member abstained, and one member was not present; and

WHEREAS, the CWG Report outlined points of agreement, and articulated a set of evaluation principles to guide further planning; and

WHEREAS, the City and the Port agreed in the IGA that "the City Council, through resolution in July 2010, will direct staff on whether to continue planning for a mix of land uses on West Hayden Island" (IGA, Sect. 1).

NOW, THEREFORE, BE IT RESOLVED:

1. The City Council directs the Bureau of Planning and Sustainability, in coordination with

other City agencies, to take the next steps toward addressing the future of West Hayden Island, including the following:

- a. Develop a legislative proposal for annexation of WHI to the City, and bring that draft proposal to the Council for consideration by December 2011;
- b. The legislative proposal should include Comprehensive Plan and zoning designations, and Plan District regulations;
- c. The proposal should include documentation of compliance with state Goal 5 and Metro Title 13, including an ESEE Analysis, and a process to determine appropriate mitigation requirements for future development impacts to significant natural resources;
- d. The proposal should include an analysis of the infrastructure needs and a cost/benefit analysis to the public associated with those needs after annexation, and an analysis of the financial tools available to facilitate infrastructure development;
- e. The proposal should include a thorough analysis/explanation of existing marine industrial land supply, marine industrial needs in the future and the feasibility of consolidation and/or expansion of existing sites to meet those needs.
- f. Develop alternatives for how natural resource lands could be managed over the long term, including proposals for long term land ownership, and strategies to pay for land management activities;
- g. Include the industrial lands immediately east of WHI in the study area, to determine how the future use of those lands will relate to the use of WHI;
- h. Develop an access plan to serve the existing development, a 300-acre deep water marine terminal site, and anticipated nature-based recreation and habitat management areas;
- i. Supplement the recently completed Foundation Studies with an update of the cargo forecasts, additional analysis of the expected cost/benefits to the City, analysis of operational efficiencies that allow more compact deep water marine terminal facilities, and an evaluation of opportunities for increased coordination with the Port of Vancouver;
- j. Develop a public involvement plan to keep the public, regional partners, and residents of Hayden Island informed and meaningfully involved. Mayor Adams will evaluate the continued role, structure, and membership of the CWG, by September 1, 2010; and
- k. If necessary, bring amendments to the City/Port IGA, consistent with this resolution, to Council by September 15, 2010.

BE IT FURTHER RESOLVED, The City Council intends that the following parameters should guide development of the legislative proposal:

- a. The evaluation principles developed by the CWG should serve as core values to inform the proposal;
- b. The primary feature of the proposal should be permanent protection and enhancement of at least 500 acres as open space, to be managed primarily for the benefit of the regional ecosystem;
- c. The proposal should also include zoning no more than 300 acres of land in an industrial designation for future deep water marine terminal development. The deep water marine terminal footprint should be located, to the extent feasible, over the existing dredge disposal site area. All development associated with Port Marine Terminal Facilities including but not limited to the terminal area, docks, railroad tracks, access roads, bridges and multi-use utility corridors must be included within the 300 acre footprint. The terminal should be east of the north/south PPL/PGE powerline easement, north of the east/west PGE powerline easement, and west of the City of Portland's sewer outfall corridor;
- d. The existing utility corridors, which occupy approximately 55 acres, should remain and continue to serve multiple purposes. To the extent compatible with the existing utilities, these areas should be considered for open space use, and be managed for natural resource benefits, and may contain multiple use access roads, trailheads, and maintenance roads;
- e. Any docks should be designed to avoid shallow water impacts. The proposal should not include a vertical sea wall or similar structure. The proposal will include a report on ESA, CWA, EPA (Strategic Plan—Columbia River Watershed) and the State's Estuary Partnership Management Plan along with FEMA requirements and how they may or may not be met.
- f. The proposal should include allowances for operationally viable rail access, sufficient to serve a 7,500 to 10,000-foot-long unit train;
- g. Nature based recreational uses should be evaluated in more detail. Any significant recreational structures or development footprints should be located primarily at the eastern edge of the site, and should minimize impacts on the highest value habitat areas. Within the 500 acres of open space, low impact recreational facilities may be considered as a means to direct and manage human access in ways that support habitat objectives. Options for placing more active recreational facilities east of the railroad bridge should be considered;
- h. Traffic impacts should be examined in light of the most up-to-date Columbia Crossing design options. Access plans should be designed to avoid and minimize any adverse impacts on East Hayden Island residents. The need for a dedicated

West Hayden Island access bridge should be investigated as to public cost/benefits and, if needed and determined to be feasible, integrated into planning for the Columbia Crossing project;

- i. The Plan District should incorporate and build on information from the Local Impacts report prepared by the Bureau of Planning and Sustainability. The plan should consider air quality impacts (dust and emissions), noise, light and traffic impacts; and
- j. The Plan District proposal should include a framework for consideration of mitigation actions associated with future development of less than 300 acres, developed in coordination with federal and state agencies.
- k. The proposal should include analysis of options for restoration and long-term care of the proposed natural areas, including models for financing both. This analysis includes but is not limited to, ownership of the natural area, remediation and mitigation opportunities, and the creation of an endowment for operations and maintenance of the land.

BE IT FURTHER RESOLVED, this resolution sets forth the City Council's preliminary intentions and interim directions to the Bureau of Planning and Sustainability, based on the information available at this time, and nothing in this resolution constitutes a final decision concerning any land use planning action with respect to West Hayden Island. The City Council intends that any land use planning actions for West Hayden Island will be adopted in the future as required by the statewide planning goals, state law, the City's comprehensive plan, and the City's zoning code and may include the adoption of an annexation ordinance, zoning designations and a Plan District.

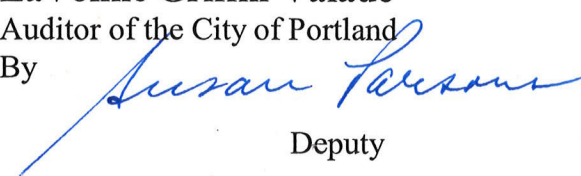
Adopted by the Council: JUL 29 2010

Mayor Sam Adams
Prepared by: Eric Engstrom
Date Prepared: July 22, 2010

LaVonne Griffin-Valade

Auditor of the City of Portland

By



Deputy

1101

Agenda No.
RESOLUTION NO.
 Title

36805
As Amended

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INTRODUCED BY Commissioner/Auditor: Adams	CLERK USE: DATE FILED <u>JUL 23 2010</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy
BUREAU APPROVAL Bureau: Planning & Sustainability Bureau Head: Susan Anderson <u>[Signature]</u> Prepared by: Eric Engstrom Date Prepared: July 21, 2010 Financial Impact Statement Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input checked="" type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/> Council Meeting Date July 29, 2010 City Attorney Approval	ACTION TAKEN:

AGENDA TIME CERTAIN <input checked="" type="checkbox"/> 2 of 2 Start time: 6:00p.m. Total amount of time needed: 3 hrs (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	