

MEMORANDUM

Integrated Summary of WHI Environmental and Economic Foundation Studies

FINAL

JUNE, 2010

PREPARED BY



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Technical Memorandum

Date: June 2, 2010
To: Community Working Group
cc: City of Portland, Port of Portland
From: Barbara Wyse
RE: **Integrated Summary of Environmental and Economic Foundation Studies**

1.0 INTRODUCTION

For over a year, members of the Community Working Group (CWG) have been considering reconciling a mix of land uses on WHI, and the implications and tradeoffs inherent in annexing the property and developing a long-range land use plan. Currently, the property is in the Portland Urban Growth Boundary, but is not within the City of Portland limits. For the past ten months, the ENTRIX team has been analyzing data and compiling information with the purpose of answering key questions raised by the CWG. The purpose of this document is to summarize for the CWG some key findings and points to consider as you deliberate on the viability of mixed uses on WHI.

WHI is located at the nexus of the primary ecological, economic, and recreation arterials in the region. It sits at the confluence of the Willamette and Columbia Rivers, which are key to all of these purposes as these rivers: a) provide deepwater navigation channels for marine transport, b) are the most used rivers by recreational boaters in the State of Oregon, and c) support highly diverse species populations and serve as a fish and wildlife movement corridor. The extensive shoreline and relatively large acreage of undeveloped land on WHI presents significant opportunities for all three of these uses.

The purpose of this memorandum is to integrate in one document the findings related to:

1. Benefits of marine-related economic activity, habitat preservation, and recreation uses on WHI,
2. Relationship between land acreage allocation and benefits by use, and
3. Potential compatibility of mixed use on WHI.

The final section summarizes additional resources that have been provided to the CWG that supplement the environmental, economic, and recreation studies that have been completed.

2.0 TYPES AND LEVELS OF LAND USE BENEFITS

This section summarizes the opportunities and land use benefits of the three analyzed land uses on WHI.

2.1 Marine-Related Economic Development

Findings from the economic foundation study indicate that over the next 40 years, demand for lands suitable for marine-related economic activity will exceed the available, suitable land supply by hundreds of acres. The shortage will particularly affect those uses that require parcels larger than 60 acres, such as large marine industrial facilities or marine terminals. WHI, owned by the Port of Portland, is the only large parcel of this size currently available for marine-related economic development in Portland Harbor. WHI's location at the confluence of the deepwater navigation channels in the Columbia and Willamette Rivers as well as its proximity to rail, highway, and airport infrastructure make it a desirable site for marine-related economic development. Metro has designated the site as a Regionally Significant Industrial Area on the Title 4 map in the Urban Growth Functional Plan.

If forecasted growth opportunities for both marine industrial and marine cargo uses are realized, marine-related land use on WHI will benefit the local economy by enabling the region to capitalize on these opportunities to increase employment, income, and tax revenues. Based on a previous study (Martin, 2005) conducted for the Port of Portland (and corroborated by findings in the Economic Foundation Study), each acre at existing marine terminal facilities in Portland directly supports 3.9 jobs and \$213,000 in personal income in the metro area. There are additional job and economic benefits that include income from indirect and induced jobs as well as taxes generated by marine facilities. Though employment would vary depending on the type of facility developed, it is expected that the impact on jobs and income would be of similar magnitude.

There is some uncertainty inherent in forecasts regarding the timing, composition, and magnitude of cargo and industrial growth opportunities and the competitiveness of Portland to attract these opportunities. Certainty associated with marine-related economic development benefits could be increased by:

- Further examination of potential (assumed small in the Economic Foundation Study based on available evidence) to significantly reconfigure and redevelop existing lands in Portland Harbor to create large parcels (60 to 150 acres) suitable for marine-related use.
- Research regarding the economic benefits that will accrue to Portland if marine-related economic development occurs elsewhere in the Lower Columbia River.

2.2 Recreation Use

Several attributes of WHI indicate that recreation land use has significant potential value. The attributes include its location and its natural resources. WHI's location increases its recreation potential as it is on rivers used extensively for boating and fishing, it has potential to provide a connection on regional trail systems such as the 40-mile loop and the Columbia River and Willamette River water trails, and it can serve to bring open space and recreation facilities to an area of Portland that is classified by Portland Parks and Recreation as underserved by parks (based on parks acreage per capita). The natural resources on WHI also enhance its potential as a recreation site, particularly for nature-based activities that are growing in popularity such as wildlife viewing, hiking, and environmental education. The extensive shoreline of WHI also provides opportunities for waterfront trails, boat launch areas, and beach access.

Development of recreation facilities on WHI would increase the proximity, availability, and diversity of recreation areas in the Portland metro area, and would therefore have economic benefit to recreational users and potentially to recreation-related businesses (assuming WHI recreation leads to more people recreating in the local area rather than elsewhere).

Certainty associated with recreation benefits could be increased by:

- Comprehensive recreation needs analysis that considers in detail the local and regional supply and demand for recreation activities.
- Research on the range of possible recreation developments that could meet the needs of the local and regional populations, and associated uncertainty in levels of potential use and benefit

2.3 Natural Resources

WHI is designated as a high value riparian area, a Habitat of Concern in the regional inventory, and a Moderate Habitat Conservation Area in Title 13. Natural resources on WHI are currently providing habitat benefits to wildlife species, and economic benefits to society in the form of ecosystem service flows related to carbon sequestration, air purification, water purification, flood regulation, and habitat and biodiversity. As discussed in the restoration analysis provided by Parametrix, these benefits could be enhanced through restoration actions. In particular, benefits related to biodiversity, water purification by wetlands, and carbon sequestration could be enhanced. The economic value of current benefits is conservatively estimated to range between \$550,000 to more than \$4.7 million annually, of which shallow water habitat is expected to comprise much of the value (40 percent in the low estimate to 75 percent in the high estimate). Ecosystem service values are expected to increase with restoration by up to approximately \$2 million annually. The economic benefits of WHI are less than many other natural areas as there is very limited access and use of the site; this enhances the intrinsic ecological value of the site as there is limited disturbance.

In addition to economic benefits, there are intrinsic benefits associated with the habitat on WHI. Many fish and wildlife species rely on WHI as a migration corridor and area for nesting, breeding, foraging, and rearing young. Species associated with habitats on WHI include fish, amphibians, reptiles, birds, plants, and mammals. Benefits of WHI are primarily related to its location, positioned at an aquatic and terrestrial intersection at the Columbia River/Willamette River confluence and floodplain area in the midst of a fragmented urban landscape. WHI habitat also has greater ecological benefits due to its diverse habitat types located in close proximity and its connectivity through its wetlands and shoreline areas to water.

There is inherent uncertainty in natural resource benefits of WHI due to the complexity of relationships between island processes and habitats and landscape-level features and biodiversity. Certainty associated with natural resource benefits can be increased by:

- Comprehensive documentation of species use, diversity, and abundance on WHI, and
- Additional research regarding the ecological importance and specific role of WHI for migratory species.

3.0 LAND USE ALLOCATION CONSIDERATIONS FOR VIABILITY OF MIXED USES

This section summarizes how the viability of each of the three land uses would depend on land allocation.

3.1 Marine-Related Economic Development

There is a minimum size of land allocation required for most marine-related use to viably occur on WHI. As discussed in the Economic Foundation Study, on-site access to rail transportation infrastructure and efficient access to truck freight routes is very important for most marine cargo terminals and large marine industrial facilities. WHI is well-situated close to all of these transportation infrastructure elements, but requires investment in an access bridge for freight trucks (and other users) as well as construction of rail infrastructure on the island. Furthermore, while growth is forecasted for marine-related uses, the exact composition of marine cargo growth or marine industrial growth is not known with certainty, so flexibility in site size will increase long-term flexibility to meet changing demands.

There are thus three primary reasons for a minimum acreage allocation for marine-related uses to be viable on WHI:

- 1) To procure funding and support the costs of necessary infrastructure development, there needs to be sufficient economic activity on WHI and use of the infrastructure. The costs to construct a vehicular bridge on the south side of WHI to Marine Drive, as well as many of the costs to develop rail and on-site road infrastructure for marine-related operations will be fixed regardless of the level of economic activity and acreage used on WHI. Thus, economic benefits relative to costs rise as more land is developed and the per acre costs decline. The Port of Portland has estimated site development costs *excluding* the vehicular bridge costs and costs expected to be borne by any proposed development. Based on these estimates, the per acre site development cost falls from \$10 per acre to \$6 per acre as marine-related development size increases from 190 to 350 acres. This per acre cost difference can markedly affect the marketability and competitiveness of the site.
- 2) To ensure space for rail infrastructure and terminal operations, there needs to be adequate land available for development. Based on vessel size and rail slope and curvature restrictions, there are certain acreage configuration and size requirements that must be met for viable marine cargo operations. Required site dimensions are largely driven by the need to accommodate trains of 8,000 to 10,000 feet within the development area. Shoreline access and berth lengths must be sized from 1,000 to 1,500 feet to accommodate increasingly larger vessels, and due to draft depth would need to be located on the main channel of the Columbia River on the north side of WHI. The exact rail infrastructure alignment may vary based on different cargo needs, as will site requirements, but according to concept design plans developed for the Port of Portland, is likely on the order of 30 acres for an intermodal rail yard and 125 to 150 acres for a loop track (with terminal operations located in the interior of the loop).
- 3) To ensure long-term viability of operations, site size needs to be adequately large to ensure flexibility in facilities and site configuration to meet changing market needs. Marine cargo and marine industrial uses require substantial initial investments, so for adequate return on investment, facilities need to remain viable for decades into the future. General growth forecasts are much more accurate than cargo-specific or industry-specific forecasts, as technological

change and unforeseen economic shifts can alter the production and trade of commodities. Facilities thus need adequate size to ensure flexibility to shift between different cargo types.

Certainty regarding marine-related land need on WHI can be increased by:

- Additional information on specific site needs associated with potential future site uses, including acreage size and configuration requirements,
- Additional data on costs of WHI development and comparative costs of developing alternative sites. Development costs to prospective site users will partly determine the competitiveness and marketability of the site.

3.2 Habitat

Similar to marine-related economic uses, there is a minimum size of land required from an ecological standpoint. As discussed in the Environmental Foundation Study, many species have minimum habitat patch size as well as habitat diversity requirements to meet their life history needs. Species with larger and more diverse habitat requirements need to move freely between habitat types and access water. Additionally, many species need habitat that is separated from developed areas as proximity to development is associated with disturbance (such as noise, vibration, artificial lighting, human activity, changes in surface and ground water hydrology, and other non-natural disturbances) that negatively affects the productivity and abundance of many species. Due to limited food and shelter resources as well as predator/prey relationships, large parcels are also necessary to reduce inter- and intra-species competition for resources.

There are thus three primary reasons for a minimum acreage allocation for the viability of natural resource areas on WHI:

- 1) To meet species minimum habitat size and diversity requirements, there needs to be maintenance of diverse habitat types and sufficient land allocated to support species diversity and abundance. There is limited data available to indicate a specific threshold at which overall species population or diversity dramatically changes due to the amount of habitat. Specific species needs per breeding pair can vary from very small acreage areas to areas larger than several hundred acres, but this does not indicate acreage necessary for population viability. As habitat in the Lower Columbia River is already fragmented, small reductions of habitat in an increasingly small habitat inventory have greater ecological significance. In general, loss of habitat area would result in an overall decrease in the population size and diversity of animals and plants on WHI. With greater loss of any particular habitat type, a decline in use by species adapted to that habitat would be expected.
- 2) To maintain interior habitat areas free from disturbance there needs to be adequate land available that the ratio of habitat edge near development is low relative to interior habitat areas. While all species may be affected by human disturbance, it has been identified as a key limiting factor for many birds, mammals, and reptiles associated with WHI habitats. For example, potential road infrastructure could contribute to road mortality or hinder migration, and recreational activities could disrupt behaviors, particularly breeding and nesting. To limit disturbance, habitat areas need to be configured such that interior habitat is maximized and adequate buffers and separation from human activity and disturbance are maintained.

- 3) To maintain species diversity, there needs to be maintenance of healthy riparian, wetland, and shoreline areas. Of the species types on WHI, many are most dependent on riparian, shoreline, and shallow water areas. In particular, amphibians, reptiles, and fish are all most dependent on these habitat types located in or near the Columbia River and wetlands. Mammal and bird species are also dependent on riparian areas, in addition to often requiring significant upland habitat areas. Although all of WHI can function as riparian habitat, most riparian functions are concentrated in the riparian fringe within 150 feet of the Columbia River and wetlands. Again, acreage requirements differ by species, but examples of minimum requirements include: northern red-legged frog needs 20 acres of riparian and wetland habitat per breeding pair, a breeding pair of turtles may require 55 acres, and the scientific literature indicates that fish require functional, complex shoreline habitat every one-quarter mile or so along the migration corridor.

Certainty regarding species habitat land needs on WHI can be increased by:

- Additional research regarding the potential adaptation of WHI species to disturbance and edge effects near mixed use areas,
- Information regarding the potential effectiveness of mitigation to compensate for reduced habitat acreage. The restoration analysis indicates that natural functions can be restored and biodiversity enhanced through management actions on the island. It is not known to what degree this habitat quality enhancement can offset a habitat quantity change on WHI.

3.3 Recreation Use

Recreation use is the most flexible land use in terms of site size, as indicated by the range of acreage in parks in the City and the region. Sellwood Riverfront Park is under nine acres while Kelly Point Park is nearly 100 acres. Site facilities, design, and location determine benefits associated with many recreation activities as much or more than site size. However, as many of the benefits of a recreation site on WHI is related to the natural resources on the site, there are several important land use considerations for potential recreation sites on WHI. These include:

- 1) To meet high demand for waterfront trails, boat launches, and/or beach access, recreation sites on WHI need to be located in shoreline areas. Hayden Island residents have specifically noted their desire for increased access to the river and the beach for a variety of activities including public boat launches. Due to bank hardening on the Willamette River, there are few opportunities on the Willamette River in Portland for beach access, and WHI has the setting to provide this opportunity.
- 2) To provide recreation opportunities in natural areas, recreation sites could include trails and/or wildlife viewing areas that provide access to nature. Trails are Portland's most popular recreation resource, and enhancing the Portland trail system is an objective both for the City and the Hayden Island community. There is increased demand for nature-based recreation, and WHI could help meet this demand with walking trails, mountain biking trails, and/or nature trails with interpretive signs.
- 3) To enhance trail systems in the City, recreation sites on WHI could be designed to connect into regional trails. With development of a bridge to WHI from Marine Drive, paved trails on WHI

could be connected to the 40-mile loop trail system. This connection would enhance the loop and add an additional destination for recreationists. Additionally, WHI could be a destination on the Columbia River and Willamette River water trails.

Certainty regarding recreation land needs on WHI can be increased by:

- Comprehensive study of the scope and range of recreation possibilities and associated demand on WHI.
- Site analyses to assess the feasibility or design of potential recreation areas.

4.0 SUMMARY AND COMPATIBILITY OF A MIX OF USES

As described above, all three uses of natural resource conservation, recreation, and marine-related economic development have the potential to provide significant benefits. All three uses also have the potential to provide greater benefits with increased allocation of land. Given the inherent tradeoffs associated with allocating land to one use versus another, what are the elements of compatibility, and what are the elements of conflict? This section attempts to identify some of these key elements.

It is important to first recognize that there are existing examples, including Rivergate and the Smith and Bybee Lakes, of areas with a viable mix of marine-related economic uses, habitat preservation, and recreation. There are several features of this area that provide insight into compatibilities between these uses. First, recreation areas, together with appropriate vegetation screening, can serve as a buffer between marine-related economic development activities and habitat areas. As described in the recreation analysis, **recreation can be compatible with marine-related economic use if there are appropriate buffers and restrictions** to prevent safety and security hazards. Due to its relatively small footprint requirements for most activities, and as indicated by the dual purpose of the National Wildlife Refuge system, **recreation can also be compatible with habitat conservation, but must be managed in such a way to minimize disturbance from humans and habitat modification**. Management actions include concentrating recreation use in certain areas and providing habitat sanctuaries separated from human use.

Potential incompatibility centers on the acreage requirements for viable marine-related economic use and habitat conservation, and the potential impacts on species of habitat reductions. In particular, shoreline areas are highly valuable for both uses. Functioning riparian, wetland, and shallow water habitats are identified as potentially the most limiting factors for many species associated with WHI. Likewise, marine vessels require use of shoreline areas for berthing. However, **there is potential for increased compatibility with marine-related site designs that minimize the footprint in the riparian, upper beach, and shallow water habitat areas.** Preliminary designs conducted for the Port of Portland indicate that an offset extending 300 feet inland from the edge of shallow water habitat is feasible. Terminal activities can be largely consolidated in upland areas. Also as identified in the quality/quantity evaluation and the restoration analysis in the Environmental Foundation Study, the upland areas on the north side of the island have generally low to medium habitat quality, and there may be opportunities to enhance other areas to offset impacts to these upland areas.

5.0 ADDITIONAL RESOURCES

While the ENTRIX foundation studies and supplemental reports on Ecosystem Services, Recreation, and Restoration Opportunities (Parametrix) are reviewed through this Integrated Summary, there are a number of other reports and memos that have been generated over the course of this project to support the CWG's work. Below is a list of the additional work produced. All of these pieces can be found on the City's project web site: <http://www.portlandonline.com/bps/whi>.

Additional Reports Produced:

- Mitigation Requirements (Enviroissues)
- Mitigation Evaluation for Development (SWCA)
- Black Cottonwood White Paper (SWCA)
- Local impacts of Industrial Development (City)
- Marine Cargo Forecast for Portland (BST Associates)
- Terminal Site Requirements (HDR Engineering)
- Environmental Initiatives at Seaports Worldwide (I2S2)

Memos that have been produced to respond to Community Working Group questions include:

- Port Cost Estimates for Terminal Development (Port)
- Ports & Recreational Amenities (Port)
- Regulatory Framework Information (City)
- Port Stoppage of 1999 process (Port)
- Port of Portland in the Global Market place (Port)
- Transportation related memo (DEA)
- Mitigation opportunities on Gov't island (Port)
- Mitigation mapping based on one development concept (City)
- Balancing Natural Resource and Industrial Development- case studies (City/Port)
- Sample marine terminal development footprints from other NW Ports (Port)

**West Hayden Island Community Working Group
Report to Portland City Council
July 29, 2010**

Summary: Your Community Working Group could not agree that it is possible to reconcile marine industrial, habitat and recreational uses on West Hayden Island.

I. In the opinion of the Chair, the West Hayden Island Community Working Group (CWG) comprises a remarkable group of citizens who hung together through 17 months and 76 hours of actual meeting and tour time, despite serious frustrations due to delays in contracting resulting from the shift from Port to City processes, and to issues surrounding review and revision of economic and environmental foundation studies. As such, members of the group deserve the gratitude of everyone who is concerned about the ultimate uses of West Hayden Island (WHI). *See Appendix A for a summary of the timeline and activities of the CWG.*

II. CWG's commitment to see the matter through is remarkable also because of the general level of tension created by the charge to the CWG, which asked the group to determine whether competing planning designations can be reconciled toward the City's existing policy for WHI to be "a significant asset for both its industrial and natural resource values." It is worth repeating the core charge word for word:

"The charge of the CWG is 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.

"The City is seeking the advice of a Community Working Group to determine how these diverse designations and policies might be reconciled to achieve both marine industrial and natural resources benefits."

Throughout its work, the CWG wrestled individually and collectively with the fact that it was not our charge to determine whether the mix of uses should be accommodated, but whether they could be accommodated given the existing competing policies for WHI. The CWG's charge was not simply to come up with the best configuration for port development, habitat values and recreation, treating the mix of uses being a foregone conclusion.

III. CWG worked within the framework of operating procedures adopted at an early meeting. *See Appendix B.* Under those procedures:

- If $\frac{3}{4}$ or more of the group present at the discussion concur with a proposal, the proposal will be adopted. Dissenting perspectives will be documented.
- If less than $\frac{3}{4}$ of the group present at the discussion concurs with a proposal, the issue will be deferred for later consideration in the CWG process, or as a last resort, to another forum for resolution, keeping all options on the table.

IV. Several months into its work, the CWG developed and adopted a set of **principles** to guide its ultimate decisions: "A good multiple use option will provide for:

1. **A net increase in ecosystem function.***
2. **A positive contribution to regional economic health (e.g. jobs, wealth).**
3. **An economically-viable port facility.**
4. A positive contribution to the local community (e.g. health, transportation, property value, recreation facilities and opportunities)
5. An addition to, not competition with, the regional port system.
6. Public access opportunities to West Hayden Island.
7. **Sustainable scale for any use included as part of the option.**
8. Flexibility to accommodate the unknown future.
9. Taking advantage of the unique aspects and opportunities of the site.
10. Consideration of impacts on multiple time periods i.e. current, mid-range and future.
11. Consideration of impacts on multiple geographies, i.e. local, sub-regional and regional levels."

**Those most pertinent to the current decision are bolded above.*

V. **The Decision:** Fifteen of sixteen voting members were present on June 15th. (Note: City of Portland has two representatives but share a single vote and are counted here as a single voting member). After hearing comment from nine members of the public, and after discussing various issues, CWG members worked in three small groups (with technical assistance from a few members of the WHI Technical Advisory Pool) to attempt to answer the following questions:

- What is the minimum footprint necessary to support ecologically-viable habitat and ecosystem services on WHI?
- What is the minimum footprint available to support and economically-viable port facility and infrastructure?
- Is there the potential for a multi-use concept that can accommodate both footprints and respond to CWG Principles?
- If "yes", can the habitat and ecosystem values be mitigated?

At the end of this process each subgroup presented its overall findings (not necessarily agreements) and discussion continued as a whole until the group reached a point where it was appropriate to decide "whether a mix of marine industrial and habitat uses can be reconciled on WHI," as a predicate for any further work.

- Upon a straw vote (later confirmed) and then articulation of positions by each member, **8 members of the CWG felt that it was possible to reconcile a mix of meaningful port development and habitat values; 6 members felt that it was not possible to do so, and one member abstained. Under CWG's adopted procedures (see III. above) 11 from among the 15 votes possible would need to concur with a proposal for it to become a recommendation to the City Council. See Appendix C for a list of CWG members, their affiliations, and their positions on the question.**
- Because the CWG could not conclude it would be possible to reconcile the two major uses, the CWG felt it should clearly articulate the points of commonality and most critical

differences in perspective or rationales to aid the City Council in deciding how next to proceed.

VI. Points of commonality:

- Absent consideration of other uses and values, WHI is ideal for marine terminal development, because it offers a large unencumbered site with deep water and rail access nearby.
- All habitat types represented on WHI are of high regional importance.
- WHI's location at the confluence of the Willamette and Columbia Rivers, as well as its size and complexity of habitat types, increases its habitat values.
- Port studies conclude that an economically-viable port facility would require a minimum of 350-400 acres (2 terminals, rail track to accommodate a 10,000 foot train, not including acreage necessary for a bridge or local road access).
- The core of success for Port development on WHI will be adequate rail service.
- The in-water facilities concept in Port studies appears to minimize impacts on shallow water habitat and functions.
- Any workable rail layout under the above constraints would remove about half of the existing forest habitat on WHI, and would create more edge habitat and less interior habitat on the remaining lands.
- Edge habitat does not support the needs of many species as well as does interior habitat.
- Mature cottonwood-ash stands are a finite resource in the Lower Columbia and cannot be readily replaced through mitigation.
- According to studies and Metro documents, there is a shortage of large lot undeveloped industrial sites in the Portland area UGB. WHI was brought into the Metro UGB in 1983 for marine industrial uses.
- Since 1983 much has been learned about decline of species supported by WHI, particularly salmonids, neotropical bird migrants, turtles, and frogs.
- In 2004 Metro designated WHI as a Regionally Significant Industrial Area; in 2005 as a regionally significant Habitat Conservation Area. In 2009, Metro included a portion of WHI in the 20-year land supply for future industrial use.
- It is desirable to emphasize train and ship transportation as a matter of sustainability.

VII. Fundamental differences:

The CWG was not able to define a minimum footprint necessary to support ecologically-viable habitat and ecosystem services on WHI. The foundational studies established that the ecosystem values of WHI lie in its size, location and complex mosaic of high value habitat types. Studies also established that interior habitat is higher value than edge habitat. Mitigation would be required for many of the habitat losses due to development.

Members differ in their views of what is necessary for an economically viable (sustainable scale) port facility on WHI. Some agree with Port study conclusions that an economically-viable port facility would require a minimum of 350-400 acres (2 terminals, rail track to accommodate a

10,000 foot train) not including acreage necessary for a bridge or local road access. Others sought more information on new techniques to shrink port footprints and other options for fulfilling projected port activity growth.

Members also differ in their views of the likelihood of a mixed use scenario making a positive contribution to regional economic health. A full 2-terminal development would generate several hundred new family wage jobs and associated state and local benefits as well as the substantial indirect economic benefits and jobs that accrue when new port jobs are created. However these benefits would need to be balanced against losses in ecosystem function, costs of infrastructure, and similar items. Projections of the value for ecosystem function on the high side are \$4.7 million annually, but the figures do not include the value of WHI for recreation, mitigation, or other uses should development not occur. CWG does not have data quantifying the monetary value of ecosystem services that would be lost if marine terminal development proceeds on acreage such as has been estimated. Finally, CWG does not have information on the regional economic benefits of additional marine terminal activity in Vancouver or elsewhere in the near vicinity of Portland.

NOTE: The bullets below do not represent consensus positions but the views of one or more individuals who relied on a point as part of their rationale for voting. *See Appendix D for full statements of participants' rationales.*

Principle: net increase in ecosystem function.

Those who believe that port and habitat uses can be reconciled think an adequate portion of the island can be developed in a way that protects almost all shoreline and shallow water areas and preserves a large amount of interior area:

- It has not been shown that reducing the habitat by even up to 50% would result in the complete demise of any species.
- Natural space has high value, but should not be (as some thought was being done) intentionally overvalued.
- Much of the development can be mitigated on and off-site, and any deficiency in mitigation can be kept relatively small, e.g. "I think we can develop a portion of the island in a way that protects almost all shoreline and shallow water areas, and preserve a large amount of interior area."
- Accommodating multi-uses is a question of finding the right balance.
- If left alone, the habitat value of the interior island is naturally degrading. A good way to provide active management to combat that is by allowing development on part of the island to fund the necessary actions on the other.
- Terminal 6 and its relation to the river, its retention and restoration of the riparian edge (wherever operationally feasible) and its adjacency and compatibility to Kelley Point Park is an example where the Port has achieved a successful mix of uses.

Those who do not believe that port and habitat uses can be reconciled were compelled by the highly valuable habitat complex that WHI brings to the Lower Columbia Region

and by study findings that specific habitats could not be 100% replaced via mitigation either on or off site:

- 80% of the Willamette shoreline has been developed; WHI is a very rare thing at an important confluence location. Its value should not be compromised in service to the mantra of finding "balance."
- Federal and state agencies are looking to preserve and enhance parcels like WHI to save species that are now on the brink and need such parcels to satisfy recovery and other plans for the Lower Columbia.
- WHI is a critical piece of an already heavily fragmented corridor of which it is part.
- The whole is far greater than the sum of the divided, relocated and fragmented parts and no available areas can mitigate for that whole.
- The hardwood interior forest on WHI is a type in diminishing supply which cannot be replaced once lost.
- Even with mitigation and possible restoration actions, marine terminal development on WHI would result in a net loss of habitat function.

Principle: An economically-viable port facility.

Principle: Sustainable scale for any use included as part of the option.

Those who believe that port and habitat uses can be reconciled:

- An economically viable marine facility will require two terminals (most likely auto and dry bulk, with a rail layout taking up a minimum of 350-380 acres (2 terminals, rail track to accommodate a 10,000 foot train), extending beyond the BPA power lines on the west.
- Consider benefits to the state from creating 1300 jobs and associated personal income resulting in 6 million in state income tax. Not a reason to develop in and of itself but an advantage. A lot of good will come from additional port development as well as bad to be mitigated for.
- Development has to be economically viable enough to support the cost of mitigation.
- Only with the large undeveloped area of WHI can Portland have the world class facility that has been talked about to prepare it for the future while retaining sufficient habitat.
- The City acknowledges the trade-off between Port flexibility and environmental footprint. Without compromising the rail access geometry, which is a core feature of the site, it seems possible to trade some future design flexibility to get a smaller footprint.

Those who do not believe that port and habitat uses can be reconciled:

- At least 2 of the small groups struggled with finding ways to shrink the necessary footprint to something in the 200-250 acre range, in order to protect critical high-value wildlife habitat, particularly avoiding creating a higher ratio of edge to interior habitats.
- Squeezing the development footprint down to this size appears to undermine the economic viability for port operations and for the extensive public infrastructure port development would require.
- Consolidating the two uses comes down to splitting the baby, leaving neither use viable.

- Studies failed to look at ways to maximize the efficient use of the existing industrial land base such as consolidation and redevelopment of existing sites in Portland Harbor, or at strategies successfully employed in Europe and Asia to reduce facility footprint.

Principle: A positive contribution to regional economic health (e.g. jobs, wealth).

Those who believe that port and habitat uses can be reconciled:

- We need to provide suitable land for port facilities of the future if we are to have a vital and thriving seaport as a sustainable foundation of Portland's economic base.
- The lack of adequate (large footprint) land supply will constrain economic growth without some action to allow use of WHI for Port development.
- If we don't develop WHI the Port of Portland will lose family wage jobs as it did when new grain facility located in Longview.
- The economic value of the ecosystem services provided by WHI natural areas are minor when compared to the economic value of port development.
- Development of a portion of WHI would provide roughly 1300 jobs, worth far more to working families and the local tax base than the total value of ecosystem services lost. Some CWG members consider that not getting to the step of determining and recommending a configuration for reconciling these uses is a lost opportunity.

Those who do not believe that port and habitat uses can be reconciled:

- The economic analysis does not clearly articulate need for WHI within a reasonable margin of error.
- Long range projections do not demonstrate a short or mid forecast need for anything other than autos, and given the advanced stage of permitting of auto facilities in Vancouver (which was never addressed in the studies); it is unlikely that this need will materialize.
- Benefits to the Portland metropolitan area from marine terminal growth elsewhere in the Lower Columbia area have been ignored or discounted.
- Studies failed to look at opportunities for great collaboration and coordination with the Port of Vancouver, which has extensive available land suitable for marine terminal use.
- There is economic benefit from the land by selling it for mitigation, e.g. to the federal power system – BPA and Corps of Engineers are seeking ways to mitigate for the dams, up and down the river.
- The Lower Columbia River Estuary Partnership has considered WHI a priority habitat since 2005 when it (with a handful of other conservation organizations) offered to purchase WHI from the Port of Portland. The Partnership would gladly work with others and the Port of Portland to find an agreeable price that would allow the Port of Portland to sell WHI for conservation purposes.
- WHI offers the potential to protect a critical natural area and create a world class urban nature park. WHI has significant economic value to meet natural resource requirement such as NRDA and ESA. It also offers the potential to bring access to nature to one of the most park deficient communities in the region

APPENDIX A

WHI CWG Process History

Date	Time	Activity
2/23/09	2 hours	CWG meeting in Council Chambers with Mayor Sam Adams and Port Director Bill Wyatt
3/17/09	2 ½ hours	CWG Charter, Calendar and Working Agreements discussion
4/21/09	2 ½ hours	Working Agreements discussion and adoption Briefing: West Hayden Island Policy Framework and Chronology of Events Initial brainstorm on possible study questions to be included in the foundation studies Request for Proposal
5/19/09	2 ½ hours	Establish calendar of CWG events Refine draft RFP scope of work Begin preparation for June workshop
6/16/09	5 hours	Establish principles for evaluating multi-use options
7/09	5 hours	Site tours of WHI conducted by the Port of Portland
8/09	5 hours	Marine Industrial Facility tour of WHI Conducted by Port of Portland
8/09	5 hours	Terrestrial site tour, conducted by Audubon and City of Portland
9/15/09	2 ½ hours	Refine scope of work
10/09	6 hours	Aquatic site tour, conducted by City of Portland BES
10/20/09	4 hours	Briefing and Discussion: Climate Change Briefing and Discussion: History of the Harbor Finalize RFP scope of work
11/3/09	4 hours	Briefing and Discussion: Environmental Evaluation Framework Briefing and Discussion: Economic History of the Harbor
11/17/09	3 hours	Briefing and Discussion: Forecasting in Practice
1/19/10	4 hours	Foundation Studies Briefings and Discussion: <ul style="list-style-type: none"> • Evaluation Framework; • History /Economics of the Harbor; • 30-Year Job Forecast
2/16/10	4 hours	Foundation Studies Briefings and Discussion <ul style="list-style-type: none"> • Site Suitability Analysis • Inventory of Suitable Sites • Land Absorption Forecast
3/16/09	4 hours	Foundation Studies Briefings and Discussion <ul style="list-style-type: none"> • Natural Conditions • Limiting Factors
4/20/10	4 hours	Briefings and Discussion <ul style="list-style-type: none"> • Recreation Analysis • Environmental Initiatives of Ports • Local Impacts of Industrial Development
5/18/10	3 hours	Briefing and Discussion: <ul style="list-style-type: none"> • Mitigation • Eco-System Services • Restoration
6/15/10	5 hours	Workshop: Deliberation on threshold question: Can multiple uses be accommodated on WHI?
6/22/10	3 hours	Refine CWG Report

Total per-participant hours (meetings and tours only): 76 hours

APPENDIX B

West Hayden Island Community Working Group WORKING AGREEMENTS AND PROTOCOLS Adopted 4/21/09

The role of members

- Members play an important role in surfacing diverse perspectives, but it is anticipated that CWG members will seek approaches and solutions that can be broadly supported and that represent the public interest and the "good of the order."

CWG Chairperson

- A Chair will be appointed by the Mayor.

Arriving at an outcome

- The goal is to identify alternatives and solutions that all CWG members can support. Members will carefully and respectfully consider the perspectives of all members.
 - If full agreement on components of CWG recommendations can't be reached, the group can move forward:
 - If $\frac{3}{4}$ or more of the group present at the discussion concur with a proposal, the proposal will be adopted. Dissenting perspectives will be documented in meeting notes and in the final report.
 - If less than $\frac{3}{4}$ of the group present at the discussion concur with a proposal, the issue will be deferred for later consideration in the CWG process keeping all options on the table or, as a last resort, to another forum for resolution,.
 - If a member is not present during discussion of an item and has specific suggestions about that item, they can make a request to the Chair via the facilitator for time on the next agenda to reopen the discussion.

Process agreements

1. Agendas and any materials requiring advance review will be distributed 5 days in advance of each meeting.
2. Notes will be kept by the facilitator and distributed electronically 7 days after each meeting. Notes will be approved by the group at the following meeting, and will serve as the formal record of the work of the group. "Minutes" will not be kept. Notes will identify the topics, proposals and alternatives discussed, key discussion points, and meeting outcomes.
3. Members can propose an agenda item for an upcoming meeting by submitting the item to the Chair via the facilitator two weeks before the meeting.
4. Meetings will start and end on time.
5. Organizations that have appointed a CWG member may also appoint an alternate for that member. It is expected that both regular members and the alternates will attend all meetings whenever possible. When both members are present, only the regular member participates at the table. Alternate members must be identified at the start of the CWG process, i.e. before the April CWG meeting. Proxy participation (i.e. one time participation by a person that was not appointed as an alternate at the beginning of the process) is not allowed.

- a. The City of Portland will have two representatives at the table so that the perspectives of the Bureau of Planning & Sustainability and the Bureau of Environmental Services are represented in the discussion. During polling for a decision of the CWG, the City of Portland will have only one "vote", i.e. the City representatives will "speak with one voice".
6. If a member drops out of the process, the organization that nominated that member may propose a replacement, subject to review by the City.
7. There will be a 15 minute period at the start of each meeting when non-members can provide comment. Individuals will have 3 minutes to make their comment, unless there is a large number wishing to comment, in which case the amount of time for individual comments may be adjusted by the Chair.
8. Meetings are led and facilitated by the Chair, who may call on the CWG facilitator at any time to run the discussion. The facilitator will maintain focus on agenda topics and adherence to these working agreements, and may at points in the meeting frame issues or broker agreements, but may not participate in discussion.
- The following rules of order will be used to facilitate discussion:
 - Members signal when they want to participate in discussion and will be recognized in order.
 - Focus will be maintained on specific proposals regarding specific agenda items.

Group Ethics

- Members with a financial stake in the outcome of an issue being discussed on the CWG may participate in the discussion so long as that stake is disclosed. Members who will have a financial stake in all or most discussions (e.g. the Port of Portland as property owner) need only disclose that stake at the beginning of the CWG process.
- Members are free to discuss their own experience on the group, but only the Chair is empowered to speak for the group.
- Members are free to circulate information within the group, e.g. articles, attachments, or web links, as long as they include all members.

Standards of participation, conduct and courtesy

- Communicate with civility of tone and content when speaking and emailing.
- Value diverse points of view, and the right of others to express differing points of view.
- Avoid adherence to a fixed position or ideology. Seek solutions that can be broadly supported.
- Speak to issues, not individuals – don't make, or take, discussion personally.
- Arrive for meetings on time.
- Strive for brevity, avoiding restatement or speech-making.
- Avoid side conversations and distractions during meetings.
- Turn off electronics: ☐ cell phones, ☐ pagers, and ☐ lap tops.
- Commit to attend during the entire term of the group.

APPENDIX C

West Hayden Island Community Working Group: Members, Source of Appointment, and Response to the Question*: "Are multiple uses** possible on West Hayden Island?"

CWG MEMBER	APPOINTED BY		RESPONSE TO QUESTION
Bob Akers	• 40-Mile Loop		<i>Not in attendance</i>
Richard Carhart	Hayden Island Neighborhood Network (HINooN)		<i>Abstained</i>
Corky Collier	Columbia Corridor Association		YES
Tom Dana	Hayden Island Manufactured Home Park Residents Association		NO
Sebastian Degens	Port of Portland		YES
Eric Engstrom	City of Portland	Bureau of Planning & Sustainability	YES
Mike Rosen		Bureau of Environmental Services	
Chris Hathaway	• Lower Columbia River Estuary Partnership		NO
Bruce Halperin	Oregon Trucking Association		YES
Timme Helzer	• Friends of West Hayden Island		NO
Bruce Holte	International Longshore and Warehouse Union (ILWU)		YES
Brad Howton	Columbia Crossings		YES
Bob Sallinger	• Audubon Society of Portland.		NO
Anne Squier, Chair	Appointed by Mayor Adams		NO
Ray Valone	METRO		YES
Victor Viets	At-Large. Local Hayden Island business owner		YES
Travis Williams	Willamette Riverkeeper.		NO

*Charge of the CWG: To advise City Council on how marine industrial, habitat, and recreational uses might be reconciled on West Hayden Island; and, if the CWG determines that a mix of uses is possible, to recommend a preferred concept plan.

** Habitat/natural resources and marine industrial uses only were considered in this initial question.

APPENDIX D

Individual statements from West Hayden Island Community Working Group members on the rationale for their vote on whether marine industrial and habitat uses can be reconciled on West Hayden Island. Statements are the verbatim rationales contributed after the vote taken on June 15, 2010, unless noted that clarifications or additional comments were subsequently submitted.

Rationales of 8 CWG members finding that marine industrial and habitat uses can be reconciled

Collier: (Includes clarifications and additional comments submitted subsequent to the 6/15 statement)

It's appropriate to consider the economic benefit of maintaining the contiguous natural space: up to \$4.7 million annually (75% of which was shallow water habitat that was not at risk of being lost). This is a substantial sum, but it is a fraction of the value of a marine facility to working families and our local tax base. It's worth asking why we would prefer to maintain a natural space that is worth \$1.5 million annually and would have no public access when the alternative would include a small amount of public access, preserve the most valuable habitat, mitigate for all lost habitat and provide roughly 1300 jobs with all the income that accompanies that. Natural space has high value, but to intentionally overvalue it would be the most perfidious way of undermining the work so many of us have done to demonstrate why it needs preserving.

Degens: (Includes clarifications and additional comments submitted subsequent to the 6/15 statement)

- In my view, it was demonstrated that a mix of uses could be possible on West Hayden Island.
- This site has unique proximity to key public investments in transportation infrastructure such as the deep-draft navigation channel, the inland waterways, and the interstate railroads and highways.
- The site also has the size to support several water-dependant facilities as part of a flexible, efficient, and competitive marine terminal complex, similar to Terminal 6 in scale and significance.
- A mix is possible because the Port of Portland has a long history of developing and operating its public marine terminals in an environmentally responsible manner, a history of continuous improvement and leadership, and I have no expectation that this would change in the future.
- Further, the Port has a demonstrated record in riverbank restoration and successful mitigation, both of which are essential elements which would enable a mix of uses to occur compatibly. One need only look at our Terminal 6 and its relation to the river, its retention and restoration of the riparian edge (wherever operationally feasible) and its adjacency and compatibility to Kelley Point Park, to judge that a mix of uses has been achieved. Our facilities stand out within Portland, within the region, and are often cited as examples of progressive and green marine terminal development within North America.
- Another factor in my thinking that mix of uses would be feasible is that a mix of uses is already occurring, including City sewer facilities, regional power corridors and a federal dredge material placement site.
- Finally, while no port terminal or marine industrial use can be developed without a footprint, the actual footprint under consideration on the site has been reduced substantially and has been focused on the least vegetated northern shoreline.
- Metro brought in 825 acres into the urban growth boundary, the terminal site envisioned by the Port in the 1990s was 550 acres, and this was reduced during the CWG process to 350-380 acres for marine industrial development.
- I also mentioned at the meeting that many CWG members appeared to be answering a different question - not whether a mix of uses could be accommodated but whether such a mix should be accommodated. I understand why this question of public policy and personal values is important to the CWG members, but it is a separate issue.
- On this matter of values & policy, I share the opinion expressed by several other CWG members that, while I recognize that the importance and significance of the natural resources on the island are high, I also believe that we need to provide suitable land for the port facilities of the future if we are to have a vital and thriving seaport as a sustainable foundation of Portland's economic base. I also feel

strongly that such land is best provided within the urban growth boundary in Portland where land use and environmental approvals must meet the highest standards in the state. It is difficult balancing the environmental and economic functions of a gateway city, but I believe this is achievable at WHI.

Engstrom and Rosen (City): *(Includes clarifications and additional comments submitted subsequent to the 6/15 statement)*

- The ENTRIX reports make a reasonable case that industrial land supply will become constrained in the future without some additional land area being made available. This is consistent with other City studies. Freight and distribution is a major sector of the Portland economy. The lack of adequate land supply will constrain economic growth without some action.
- The City acknowledges the trade-off between Port flexibility and environmental footprint. Without compromising the rail access geometry, which is a core feature of the site, it seems possible to trade some future design flexibility to get a smaller footprint.
- State land use law requires us to make land available for projected growth. Without West Hayden Island being available, further expansion of the UGB to satisfy the region's industrial land supply shortage is likely. The City agrees with Audubon that there is room for improvement to the ENTRIX work, particularly in section 4 of the environmental study. That said, the reports provide a solid footing for further discussion. We would also call attention to the ecosystem services and environmental restoration opportunities work. Past studies of this site did not provide that level of environmental analysis.
- The controversy over Section 4 of the Environmental Foundation Study is misplaced. In general, some readers appear to be misinterpreting that section and using the data in ways that was not intended.

Halperin: *(Includes clarifications and additional comments submitted subsequent to the 6/15 statement)*

- I do believe that WHI has a very high environmental value.
- I don't believe that it is all or none or the future of the area.
- I think we can develop a portion of the island in a way that protects almost all shoreline and shallow water areas, and preserve a large amount of interior area.
- I think a development in the 300 to 400 acre range will allow for functional and efficient use of the land, and allow a functional habitat area to remain.
- I think that much of the development can be mitigated - some on the island and some off. I acknowledge that it is likely that the overall value of the mitigation will not be as good as the lands lost, but think this deficiency can be kept relatively small.
- Based on the environmental report, if left alone, the habitat value of the interior island is naturally degrading. A good way to provide the suggested, active management is by allowing development on part of the island to fund the necessary active management on the other.
- WHI is inside the UGB and was brought in with the intent of marine oriented development. Giving up SOME habitat value for economic development is consistent with the state's and region's purpose for the overall use of UGBs. If this site was outside the UGB, the emphasis and burden of proof would be different.
- The UGB system will sometimes produce results that some people don't like - inside and outside of the boundary - but the people have decided that overall this is the best system to plan and regulate our growth.

Houton:

I am vexed about the question as to whether the conflicting uses can exist in one parcel, but am not at the point where I can throw the concept out. There is a legitimate expectation that we can have enough land to grow conservation value to the community while setting aside land for economic growth in region. I have been involved in large economic development projects for 30 years and have never been in a spot where we had all of our goals met. I guess that will be the outcome for the Port and environmental groups as well. I still think we can find a balance point.

Holte:

What if we don't develop WHI in the future? Our citizens will lose work like we did to the Port of Longview. I just got back from Oregon's trade mission to China and the work is coming. Many have forgotten the family wage jobs that can be created on the island, which are so important to the future of our city. I believe it can be a mixed use site using the original HDR plan. I have learned through this process that we can mitigate for all species either on or off-site. When the Port leases it is a 10, 15 or 30 year lease, and they will have a long term commitment to the good management of this site and to the community. Even if a future developed terminal is not in use, it is still generating tax money. I care about the environment and animals, but I believe we can pull it off and if we don't it is an injustice to the state and city. We need this parcel.

Valone:

This didn't come easy for me. There are still a lot of unknowns: "Welcome to the planning process." Very diverse functions are competing for a very unique site for both functions. Regarding the mitigation issue, this project cannot go forward without mitigation. Regarding whether there is a need, for a planning decision we are too hung up on that and it could be sliced many ways. In addition I don't think the Port is going to build a facility like this on spec and it will have to unfold that there is the need for this deepwater site, the only one left. In the mean time - what happens? Are there opportunities for the Port to step up and improve the site before development? In planning work there is always balancing. This is a unique site environmentally but it is close in, we need industrial land and especially important because of marine industrial. Environmental habitat-wise it hasn't been shown to me that even loss of half of the island to a project will be the death knell for species in the region. I can't take this off the table yet and would like to still see it play out further.

Viets: (Includes clarifications and additional comments submitted subsequent to the 6/15 statement)

1. The entire 800+ acres of WHI have been rated of High Value from a regional perspective. This uniform High value seems to be largely based on the large patch size and on the diversity of habitats within the patch. A minimum footprint for a commercially viable port facility seems to be about 300 acres but no one has been able to say whether that would significantly reduce the regional value of the remaining 500 acres. Saying everything has high value leaves no basis for evaluating multiple uses. The economic value of the ecosystem services provided by WHI natural areas are minor when compared to the economic value of port development.
2. The long range marine cargo forecasts show a future need for new terminal facilities in the Lower Columbia Region. Evaluation of Portland properties, including greenfield and brownfield sites and consolidation of smaller parcels, shows that there are no sites available to meet future needs for large, efficient terminals. If Portland wants to capture a share of future marine cargo handling with its associated economic and employment benefits, we must annex the necessary acreage on WHI. We have no other current options. But even though we reserve the marine terminal space on WHI, we must continue to explore ways to protect and reuse our existing port areas. WHI should be used as a last resort, not as our first choice.

Rationales of 6 CWG members finding that marine industrial and habitat uses cannot be reconciled

Dana:

80% of Willamette shoreline has been developed and if we keep chipping away we will have nothing. If we don't develop WHI Portland will continue very well. We are grateful we have Forest Park and other parks in Oregon and no one is saying we should develop Forest Park even though it would contribute economically. The same can be said for WHI. It is a very rare thing. North and south banks are already developed. Let's keep WHI in the middle.

Hathaway: (Includes clarifications and additional comments submitted subsequent to the 6/15 statement)

The Lower Columbia River Estuary Partnership's scope goes from Bonneville Dam to the Pacific Ocean – 146 river miles. Our Board of Directors includes a wide variety of stakeholder interests in the lower Columbia River, including the Port of Portland, industry, governors' offices, state and local agencies and others. The Board of Directors, and thus the organization rarely comments on projects. When deciding

what direction to give staff with regard to West Hayden Island they had a long and lively discussion and they did not easily come to a decision. They consider the Port of Portland a great partner and understand that marine industrial land is in short supply. However, the organization's mission is to protect and restore the lower Columbia River, which means protecting and restoring the habitats that the river's species depend on. Since 1870 well more than 50% of the important fish and wildlife habitat has been lost in the lower Columbia River as a result of human activities. Our Board of Directors feels that West Hayden Islands' highest and best purpose is an intact, protected habitat that is providing a wide variety of important ecosystem functions to lower Columbia River fish and wildlife. The Board also believes that protecting West Hayden Island can provide the Port of Portland with significant economic benefit – either by selling the island for conservation purposes or using the island for mitigation purposes. There are significant mitigation needs in the area already (2008 Biological Opinion, Portland Harbor Superfund Site, as well as potential future ones such as the Columbia River Crossing). Other plans, such as the NOAA Estuary Recovery Module, and the Oregon Recovery Plan, in addition to the Estuary Partnership's Management Plan for the lower Columbia River, call for the protection and restoration of key large scale habitats such as West Hayden Island. Given all these points, we feel that marine industrial development and habitat protection are not compatible uses on West Hayden Island.

Helzer: *(Includes clarifications and additional comments submitted subsequent to the 6/15 statement)*

Using the rational measure of minimum sustainable physical foot prints of marine-based industrial development, urban natural wildlife habitat, and river-accessible recreational activity, any permutation of these three interests, considered as multiple or mixed use, are mutually exclusive of one another on West Hayden Island now and in the future.

Sallinger: *(Includes clarifications and additional comments submitted subsequent to the 6/15 statement)*

1) The Port has not made the case for development. Long range projections do not demonstrate a short or mid forecast need for anything other than autos, and given the advanced stage of permitting of auto facilities in Vancouver (which was never addressed in the studies) it is unlikely that this need will materialize.

2) The studies failed to look at opportunities to maximize the efficient use of the existing industrial land base. First the studies failed to look at consolidation, redevelopment of existing sites in Portland Harbor. Second the studies failed to look at strategies that have successfully been employed in Europe and Asia to reduce facility footprint, instead simply dismissing these opportunities as potentially cost prohibitive. Third the study failed to look at opportunities for great collaboration and coordination with the Port of Vancouver.

3) The integrity and credibility of the Natural Resource Study was undermined by significant last minute reductions in habitat valuations that occurred without citation, reference, explanation, peer review or technical advisory committee review.

4) Despite these last minute changes, the natural resource study was consistent with many prior studies which show that the value of West Hayden Island lies in its size, location and complex mosaic of habitat types. These values are not replaceable via mitigation on a highly urbanized landscape. Developing large portions of the island significantly undermine not only the integrity of West Hayden Island but viability of the already heavily fragmented corridor of which it is part. There foundational studies failed to demonstrate that this loss could be mitigated either on or off site. Given that the primary value of the island is size, location and complexity of habitat types we do not believe that it would be possible to mitigate for these losses. The whole is far greater than the sum of the divided, relocated and fragmented parts.

5) The minimum footprint put forth by the Port plus auxiliary development (roads, utility corridors, bridges etc) would leave nothing but fragmented edge habitat in one of the few locations that still retains interior habitat.

6) West Hayden Island offers the potential to protect a critical natural area and create a world class urban nature park. WHI has significant economic value to meet natural resource requirement such as NRDA and ESA. It also offers the potential to bring access to nature to one of the most park deficient communities in the region.

Squier: This has been difficult for me. The bottom line for me is twofold. We do have tremendous habitat values, and the "footprint" we have been looking for as viable is one that retains functionality and

undisturbed interior habitat. When we overlay the smallest development footprint that the Port is comfortable with, it increases edge habitat and significantly reduces the protected forest interior that is so important to many species. This site is unique, at the confluence of two rivers. A lot of what will be lost will not be replaced anywhere, particularly in terms of the interior hardwood forest habitat.

This morning at least two of the small tables kept trying to squeeze the footprint down to save interior habitat, to the point where we were not seeing economic viability for the Port or for the public infrastructure costs that would be required for development. Couple that with the fact that given our restrictive purview we have not fully explored other options that may not have as big a downside, where there is existing rail and room to accommodate larger parcels, i.e. existing waterfront industrial sites or brownfields. It does go to the compelling need question. On the information we have, I believe that consolidating development and habitat uses on WHI will "split the baby" and leave Portland with neither a viable WHI port facility nor the valuable haven for many species reliant on WHI's location, complexity, and size.

Williams: I am an environmentalist. My grandfather was a teamster and worked for Oregon Transfer for many years, so I get the need for industrial jobs and the economic place they have in our society. But my sense is that throughout the process we have not clearly articulated the need with reliable projections within an acceptable level of probability – important given the tradeoffs. There is also great value in habitat left in its natural state that could be made better over time. Type of habitat, confluence location, it is unique and critical and in lower Columbia, where that opportunity doesn't often exist. Sometimes something is talked about so long it becomes a foregone conclusion. This piece of the island matters because it is a good sized piece in riverine environment that has high payoff for a broad range of species. Federal and state agencies are looking to preserve and enhance these types of parcels to save species that have been here for 10s of thousands of years that are now on the brink.

Abstaining

Carhart:

I have a personal opinion, but I represent a neighborhood constituency. We had discussion and the people there felt they did not have enough information to make an informed decision. Today is not the end of the process but the start of the next step. We decided that I would abstain. But I would recommend that they register an opinion through the appropriate entities.

West Hayden Island Community Working Group
Report to Portland City Council
July 29, 2010

With your indulgence I want open by thanking all of the members of the Working Group who persevered through 17 months of meetings and numerous frustrations, in an effort to come to a meaningful recommendation. They have my gratitude, and I hope that of all citizens who care about the future of West Hayden Island.

Your charge to the Community Working Group (CWG hereafter) was to determine whether competing planning designations can be reconciled toward the City's existing policy which is for West Hayden Island to be "a significant asset for both its industrial and natural resource values."

It is worth repeating our core charge word for word:

"The charge of the CWG is to advise City Council on how marine industrial, habitat, and recreational uses might be reconciled on West Hayden Island; and, if the CWG determines that a mix of uses is possible on West Hayden Island, to recommend a preferred concept plan.

Thus, it was not our charge to determine whether the mix of uses should be accommodated, but whether they could be accommodated given the existing competing policies for West Hayden Island.

The Short Answer: Your Community Working Group could not agree that it is possible to reconcile marine industrial, habitat, and recreational uses on West Hayden Island.

At an early meeting CWG adopted a modified consensus framework to govern its deliberations. Under those operating procedures a recommendation to the City Council requires 75% or more of the group present at the discussion to concur with a proposal. Otherwise the issue was to be deferred for later consideration in the CWG process, or as a last resort, deferred to another forum for resolution, keeping all options on the table. That other forum is where we are this evening.

The CWG agreed to a set of principles: A good multiple use option would need to provide for:

1. A net increase in ecosystem function.
2. A positive contribution to regional economic health (jobs, wealth).
3. An economically-viable port facility.

Remarks to City Council

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4. A positive contribution to the local community (e.g. health, transportation, property value, recreation facilities and opportunities)
5. An addition to, not competition with, the regional port system.
6. Public access opportunities to West Hayden Island.
7. Sustainable scale for any use included as part of the option.
8. Flexibility to accommodate the unknown future.
9. Taking advantage of the unique aspects and opportunities of the site.
10. Consideration of impacts on current, mid-range and future time periods.
11. Consideration of impacts on local, sub-regional and regional geographies."

V. The Decision: Fifteen of sixteen voting members were present at our decision meeting on June 15th.

After hearing comment from nine members of the public, and after discussing various issues, CWG members worked in three small groups (with technical assistance from a few members of the West Hayden Island Technical Advisory Pool) to attempt to answer the following questions:

- What is the minimum footprint necessary to support ecologically-viable habitat and ecosystem services on West Hayden Island?
- What is the minimum footprint available to support and economically-viable port facility and infrastructure?
- Is there the potential for a multi-use concept that can accommodate both footprints and respond to CWG Principles?
- If "yes", can the habitat and ecosystem values be mitigated?

At the end of this process each subgroup presented its overall findings (which were not necessarily agreements). Discussion continued as a whole until the group reached a point where it was appropriate to decide the core question, as a predicate for any further work, to wit: "whether a mix of marine industrial and habitat uses can be reconciled on West Hayden Island."

OUTCOME: 8 CWG members felt that it was possible to reconcile a mix of meaningful port development and habitat values; 6 members felt that it was not possible to do so, and one member abstained. Under CWG's adopted procedures 11 from among the 15 votes possible would need to concur with a proposal for it to become a recommendation to this body.

VI. Points of commonality:

- Absent consideration of other uses and values, West Hayden Island is ideal for marine terminal development, because it offers a large unencumbered site with deep water and rail access nearby.

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- All habitat types represented on West Hayden Island are of high regional importance.
- West Hayden Island's location at the confluence of the Willamette and Columbia Rivers, as well as its size and complexity of habitat types, increases its habitat values.
- Port studies conclude that an economically-viable port facility would require a minimum of 350-400 acres (2 terminals, rail track to accommodate a 10,000 foot train, not including acreage necessary for a bridge or local road access).
- The core of success for Port development on West Hayden Island will be adequate rail service.
- The in-water facilities concept in Port studies appears to minimize impacts on shallow water habitat and functions.
- Any workable rail layout under the above constraints would remove about half of the existing forest habitat on West Hayden Island, and would create more edge habitat and less interior habitat on the remaining lands.
- Edge habitat does not support the needs of many species as well as does interior habitat.
- Mature cottonwood-ash stands are a finite resource in the Lower Columbia and cannot be readily replaced through mitigation.
- According to studies and Metro documents, there is a shortage of large lot undeveloped industrial sites in the Portland area UGB. West Hayden Island was brought into the Metro UGB in 1983 for marine industrial uses.
- Since 1983 much has been learned about decline of species supported by West Hayden Island, particularly salmonids, neotropical bird migrants, turtles, and frogs.
- In 2004 Metro designated West Hayden Island as a Regionally Significant Industrial Area; in 2005 as a regionally significant Habitat Conservation Area. In 2009, Metro included a portion of West Hayden Island in the 20-year land supply for future industrial use.
- It is desirable to emphasize train and ship transportation as a matter of sustainability.

VII. Fundamental differences:

The CWG was not able to define a minimum footprint necessary to support ecologically-viable habitat and ecosystem services on West Hayden Island. The foundational studies established that the ecosystem values of West Hayden Island lie in its size, location and its complex mosaic of high value habitat types. Studies also established that interior habitat is higher value than edge habitat. Mitigation would be required for many of the habitat losses due to development.

Members differ in their views of what is necessary for an economically viable (sustainable scale) port facility on West Hayden Island. Some agree with Port study conclusions that an economically-viable port facility would require a minimum of 350-400 acres (2 terminals, rail track to accommodate a 10,000 foot train) not including acreage necessary for a bridge or

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local road access. Others sought more information on new techniques to shrink port footprints and other options for fulfilling projected port activity growth.

Members also differ in their views of the likelihood of a mixed use scenario making a positive contribution to regional economic health. A full 2-terminal development would generate several hundred new family wage jobs and associated state and local benefits as well as the substantial indirect economic benefits and jobs that accrue when new port jobs are created. However these benefits would need to be balanced against losses in ecosystem function, costs of infrastructure, and similar items.

Projections of the value for ecosystem function on the high side are \$4.7 million annually, but the figures do not include the value of West Hayden Island for recreation, mitigation, or other uses should development not occur. CWG does not have data quantifying the monetary value of ecosystem services that would be lost if marine terminal development proceeds on acreage such as has been estimated. Finally, CWG does not have information on the regional economic benefits of additional marine terminal activity in Vancouver or elsewhere in the near vicinity of Portland.