

November 14, 2012

Portland Planning & Sustainability Commission  
1900 SW Fourth Avenue  
Portland, OR 97201-5380**Re: West Hayden Island**

Dear Chair André Baugh and Commissioners:

I am writing in regard to Statewide Planning Goal 5 (Natural Resources) and Goal 9 (Economic Development) issues, related to the West Hayden Island matter before you today.

As you may recall, during the Metro Goal 5 process, documentation was provided to exempt the Port of Portland's marine terminal from Goal 5. All of the Port's marine terminals were exempted, except West Hayden Island. With regard to West Hayden Island, Metro instructed the City and the Port to develop a district plan for the entire island. In my view, the intent of the district plan was to embrace the policy foundation established by Metro, which was to balance the Regionally Significant Industrial Area (RSIA) designated on West Hayden Island, and the moderate habitat conservation area designation in that area.

In my view, the City's current natural resource proposal goes well beyond the contemplated policy objective of the district plan, which was to balance the industrial land and habitat designations in the district planning area. In my view, the current natural resource proposal for West Hayden Island goes well beyond anything proposed before, or required by Metro Title 13 or the City's new Tree Code, and results in even less land for industrial use.

The mitigation proposal for West Hayden Island translates into the need to find about 615 acres of land to mitigate for the loss of approximately 130 acres of forest habitat. If this occurs, the City will not have enough industrial land within its existing boundary to accommodate expected industrial growth, because much of the vacant industrial land within the City will be used for environmental mitigation purposes. Also, the mitigation proposal does not account for the 500 acre open space protection on West Hayden Island, and the open space values created by taking this land out of future employment use and placing it into an environmental protection zone.

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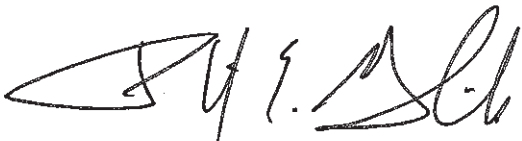
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The amount of mitigation proposed is unsustainable for the City and is in conflict with State Goal 9 requirements, because it will continue to consume the City's already insufficient supply of industrial land. One of the lessons learned from the recent River Plan appeals is that City has an industrial land shortage and that environmental mitigation can significantly increase this shortfall. This lesson was recently reinforced by the City's new Economic Opportunities Analysis, which shows that the City has an industrial land shortage of over 700 acres—mostly within the harbor.

I would urge the City to find a better balance that actually increases the City's net supply harbor-related industrial land. As you know, there is no longer a legitimate debate about whether there is a shortage of harbor related industrial land in the City. The City itself has confirmed this shortage. The question now is how to resolve it. I am sure you would agree that Hayden Island plays a critical role in how the City answers that question.

Sincerely,

Davis Wright Tremaine LLP

A handwritten signature in black ink, appearing to read "P. E. Grillo", written over a horizontal line.

Phillip E. Grillo

PEG/lkt

cc: Susie Lahsene, Port of Portland