

Portland Planning and Sustainability Commission

Tuesday, February 12, 2013

12:30 – 4:00 p.m.

Meeting Minutes

Commissioners Present: Andre' Baugh, Don Hanson, Mike Houck (arrived 2:20 p.m.), Gary Oxman, Michelle Rudd, Katherine Schultz, Howard Shapiro, Chris Smith, Irma Valdez

Commissioners Absent: Karen Gray, Lai-Lani Ovalles

BPS Staff Present: Susan Anderson, Eric Engstrom, Rachael Hoy, Mindy Brooks Tyler Bump, Tom Armstrong, John Gillam, Julie Ocken

Other experts/presenters: Susie Lahsene, Port; Dorothy Sperry, Port; Victor Viets, Hayden Island Community; Bob Sallinger, Portland Audubon

Chair Baugh called the meeting to order at 12:34 p.m. and provided an overview of the agenda.

Items of Interest from Commissioners

Commissioner Smith: *Chair Baugh, Commissioner Shapiro* and I met with members of the community on WHI during one of their check-in meetings. We heard their concerns, which include: viability of the Port facility; impacts to community health; impacts to environment; how the Port works with the community; and health of the mobile home park.

Director's Report

Susan Anderson

1. The Historic Resources Code Improvement Project is going to City Council on 02/27 at 9:30 a.m. time certain.

2. CC2035 Plan updates/events:

- March 11: First meeting of the West Quadrant Stakeholder Advisory Committee. Co-Chairs: Kathryn Schultz and Karen Williams
- Related to the West Q process, two Old Town/Chinatown events have been scheduled: Forum is intended to be a discussion on the future of the of the Old Town/Chinatown area. Charrette is intended to develop alternative land use, urban design, and transportation concepts based on the Forum.
 - March 8: Old Town Chinatown Forum at University of Oregon, 8:30 a.m. to 12:30 p.m.
 - March 15: Old Town Chinatown Charrette at University of Oregon: Tentative schedule 9:00 a.m. to 5:00 p.m.
- Staff is current preparing a work scope for the Southeast Quadrant and Portland-Milwaukie LRT Station Plans for OMSI, Clinton, Rhine and Holgate station. We hope to start the process late spring.

3. We are continuing to consult and coordinate with all 6 of our school districts, as we did through the Portland Plan in the Comp Plan update in coordination with school districts: Deborah attended the 02/08 Superintendents' meeting for a briefing and to enlist them in the review of draft policies and upcoming map changes as they relate to issues of interest to different school districts.

4. We're planning to invite participants to serve on the steering committee for the Climate Action Plan update in the next few weeks, and we'll invite someone from the PSC. This is a 6-9 month commitment for a new 3-year workplan.

5. Parking Proposal - all commissioners received the packet via e-mail last week. Please send any comments you have about the proposal to Julie O by March 1 to allow time for staff to respond in preparation for the March 12 hearing. *Vice Chair Rudd* will chair the March 12 meeting since *Chair Baugh* is out of town.

6. The PSC letter about the BPS budget is drafted. The first BPS budget session is on Wednesday 02/21, and we'll send in the PSC letter with our final budget documents this Friday.

Consent Agenda

- Consideration of Minutes from January 22 and January 29, 2013 PSC meetings

Chair Baugh asked for any comments for the consent agenda.

The Consent Agenda was approved with an *aye* vote.
(Y8 – Baugh, Hanson, Oxman, Rudd, Schultz, Shapiro, Smith, Valdez)

Election of PSC Officers

Action: Decision
PSC members

Chair Baugh proposed the same slate of officers for 2013.

Commissioner Hanson nominated the slate of *Chair Baugh* and *Commissioner Shapiro* and *Commissioner Rudd* as Vice Chairs. *Commissioner Valdez* seconded and the vote passed unanimously.

(Y8 – Baugh, Hanson, Oxman, Rudd, Schultz, Shapiro, Smith, Valdez)

Brownfields Study

Briefing: Tyler Bump

Presentation: <http://efiles.portlandoregon.gov/webdrawer.dll/webdrawer/rec/5554606>

Documents:

- [Memo](#)
- [Brownfields Assessment Final Report](#)

Brownfields are in nearly every neighborhood throughout the city. BPS received a CET grant last year to conduct this study with the basic question: what would it take to get to 100 percent brownfield remediation and development by 2035?

The term “brownfield” refers to real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of hazardous substances.

Brownfields impact and, if developed, can aid in

- Economic development
- Environmental health
- Public health
- Preserving agricultural land
- Industrial land supply

How can we use/redevelop brownfields to reduce the land deficit over 25 years? 100 percent brownfield redevelopment would create an additional 335 acres of industrial land capacity, reducing the expected deficit for industrial land by 45 percent.

There are a number of barriers to brownfield development, including financial, uncertainty in extent of contamination (risk) and the lack of predictability in the regulatory process.

The project looked at underutilized and vacant lands with an overlay of the DEQ contaminated property map to find the city's full brownfield inventory.

The majority of parcels impacted by potential contamination are located in commercial typologies, while the majority total acreage is attributed to industrial typologies. 40 percent of the sites in the brownfield inventory are also impacted by other constraints such as inadequate infrastructure or other physical site constraints. Other constraints include infrastructure, physical site like slope, wetlands and overlay zones that decrease development capacity. There are 910 brownfield acres on commercial industrial sites citywide, mostly in standard industrial zoned areas.

DEQ mapping shows very few records of brownfields in East Portland. BES is doing site investigations specifically in East Portland to update these records.

Generally, environmental cleanup costs have a stronger overall influence on feasibility than the costs associated with market variables (i.e. rents, development costs, location).

The total feasibility gap (amount by which properties are financially underwater) is estimated at \$214 million across all employment brownfield typologies, or \$307 million when Superfund costs are included for affected properties.

High value locations with high allowed density development are much more likely to be market feasible.

Mixed use developments in some typologies are often financially infeasible because construction costs outweigh potential rents achievable with the current market conditions.

Industrial brownfields are generally challenging to redevelopment because cleanup costs often exceed the redeveloped value which is limited by the lower density of development and land prices.

The financial gap for the Harbor Waterfront is nearly \$67 million. Taken together, industrial properties account for a combined 77 percent of the overall feasibility gap associated with on-site remediation.

Redevelopment of the full inventory of brownfield properties has the potential to gross over 31,000 jobs:

- 45 percent of the job potential in downtown high density.
- 27 percent of the job potential in main street commercial and mixed use hubs.
- Industrial accounts for 30 percent of potential jobs but account for a higher percentage of projected payroll due to relatively high wage rates.

Full redevelopment of the entire brownfield inventory also has the potential to generate approximately \$240 million per year in potential State and local income via property and business tax revenues.

Brownfield incentives have the potential to reduce the projected industrial land supply shortfall, but they will require significant investment with relatively low increase in City tax

revenues. However, the tax revenues generated to Multnomah County and the State for industrial redevelopment are substantial and support a rationale for shared investment in Portland industrial lands as a regional economic asset.

How long would it take for the payback? Less than 1 year to over 43 years, depending on the typology. In terms of State and local tax revenue, the return would likely be seen within 4 years.

Policy tools include statewide tax incentives; citywide institutional options; and superfund policies. These are described in detail in the brownfields study.

The Remediation Tax Credit, Job Creation Tax Credit, Pooled Environmental Insurance and Public Land Bank appear to have the largest potential impact with each accounting for about 150 acres of brownfield redevelopment. This is still far from the total acres of brownfields in Portland.

Much of the employment and tax revenue benefit of brownfields is focused in office, commercial and mixed use development in strong markets. These areas are also the most likely to redevelop with little to no public investment.

Who bears the cost of remediation? This is always first in people's minds. The end user drives value and level of clean-up. For each typology, there is a different development type.

Sometimes the community will object to the plan in a specific location, so how realistic are some of the incentives? Large industrial areas are some of the biggest issues – this is different from the smaller more neighborhood sites. Part of the question for the public is the question of if it's worth public investment to change the land. The competitive real estate market makes redevelopment costs often not worth it.

Redevelopment of brownfields needs legislative support. Industrial land holders have much in common with many of the goals of brownfield redevelopment.

There are a few ideas at the State that are pending relative to brownfield redevelopment tax credits.

In the Comprehensive Plan update, there has been discussion about the role brownfields can play in advancing multiple goals. In the current draft, two proposed policies relate directly to brownfields:

- Policy 3.10 Brownfield redevelopment. Increase public investment and establish approaches to substantially overcome financial-feasibility gaps of brownfield redevelopment and strive for cleanup and redevelopment on 80 percent or more of brownfield acreage by 2035.
- Policy 3.40 Brownfield redevelopment. Prioritize brownfield redevelopment resources and approaches to encourage remediation and redevelopment for industrial use and accommodate industrial growth.

PDC's brownfield program in the late 1990s could be complimentary work and background for further brownfield studies.

There is no clear direction in terms of which City bureau should be leading brownfield efforts. What role does the PSC want to take in this issue? What do you want to push forward to Council in terms of leadership on the issue?

Next steps

- City Council Presentation to accept the report.
- Continued coordination between City bureaus (BES, PDC with DEQ and PBA).
- State Legislative Coordination with regional partners.
- State Legislative Agenda for Tax Credits and Loan Funds.
- Continue community development efforts of the Portland Brownfields Program.

We will schedule an update presentation about the legislative process at the PSC, likely in late spring or at the PSC retreat.

Comprehensive Plan - Growth Scenarios Report

Briefing: Tom Armstrong

Presentation: <http://efiles.portlandoregon.gov/webdrawer.dll/webdrawer/rec/5554611>

The Growth Scenarios report is part of the technical review to help determine what our final Comprehensive Plan map looks like in the future. It explores how growth and public infrastructure investment can help meet our goals. It is a model for growth (and eventually investments) to see what Portland will be like in the future.

The four alternatives show what the various impacts are about each option depending how the city ultimately will grow.

We are dealing with a legacy development pattern of development; Portland is a largely built-out city. In 2035, the growth forecast shows two-thirds of households that will be here are already on the ground today.

Dual investment priorities:

- Support growth in the right places.
- Create more “right places” to bring performance of areas up (e.g. neighborhood centers, complete neighborhoods).

The basis of the work is the 2035 growth forecast (Metro Regional Forecast), which shows 132,000 new households and 147,000 new jobs in Portland. We have less choice about where employment lands since much of those large facilities and locations don’t move over time (e.g. Central City, campus institutions, industrial). Only about a quarter of the jobs float with where neighborhood development occurs (e.g. neighborhood centers, retail).

From the Buildable Lands Inventory, we know we have lots of housing capacity in current plans and zoning. The potential there is for 230,000 units, so we have choice about where residential growth will occur.

Scenarios are a conservative approach to where growth will occur. Interstate, Lents, Central City are key areas, with subtle differences in the different scenarios.

There are 4 scenarios for the growth patterns

- Default
- Hubs
- Corridors
- Central City

The default scenario takes the last 15 years’ development trends and runs them for the next 25 years. This is a more dispersed growth pattern. The other scenarios focus the growth more intentionally, trying to get 80 percent of multi-family growth in selected corridors or centers.

Evaluation is based on the total of current households and what we're planning for on top of that, looking at how the total number of households perform in 2035.

Increasing transportation choices has multiple benefits beyond the transportation system. There are multiple benefits to increasing alternative transportation system. They ripple through the other evaluation measures. About 47 percent of existing households are in quarter mile walk to frequent transit. The goal from Portland Plan is 70 percent.

Centers and transit in the Comp Plan draft don't yet relate to the Bike Master Plan for 2035. We need to make these come together in the Comp Plan.

The Central City plays a critical role in the city's growth, even in a non-Central City focused plan. 25 percent of growth is in the Central City regardless of the strategy, and 35 percent would be in the Central City scenario.

East Portland lacks access to jobs. We need to have access to jobs where housing is being built (within 60 minute transit trip). In East Portland, we could create more jobs there and we can improve access to transit. Bike access can be a connector to transit too. If we can help Gateway perform on its jobs goals, that can help with jobs in East Portland. The challenge is wages and qualifications for the jobs. Commercial areas are often missing the middle-range of jobs/salaries. Light manufacturing in commercial areas would bring this middle-range proximate to where workers live.

Direct employer options could help serve areas/jobs. Intel has a shuttle to the Max sites in Hillsboro. There is a Swan Island TMA.

Portland may have enough zoned capacity to meet housing needs, but there will be a continued need for more affordable housing. Currently we have 60 percent single family housing, which will shift to 47 in the future as multi-family housing increases. In terms of housing type distribution across scenarios, there is not a lot of difference between 3 scenarios, but for the Central City scenario there are many more high-rise towers required to accommodate growth, which will take a greater subsidy to be affordable.

Looking at the gentrification risk identification study, overall the scenarios generally don't impact the at-risk areas, but we still have 23 percent of households in these at-risk areas.

Capitalizing on the development trends: the default is based on 15 years of growth trends. In the more recent past, we are seeing the shift to centers and inner neighborhoods (market wants to build in these areas right now). This could allow up to work on plans to invest in East Portland (e.g. through East Portland in Motion) simultaneously.

Natural environment measures: locations we're building in have good access to parks. Growth can help improve tree canopy and watershed health for example by building with impervious pavement and using the city's stormwater management guidelines. Access to nature is where we slip – locating growth in redevelopment areas make them farther from natural area locations. We need to continue to look to expand access to river.

We have choices about where we grow with capacity shown in existing plans. We need to focus on our legacy landscape, and dual-investment priorities will be key.

Commissioner Smith: There is not a huge difference in how the scenarios perform against goals aside from Central City scenario. What does this tell us about how we'll grow?

- Public investment choices may determine and show bigger differences. Similarities allow for a broader public conversation about urban form and what people want their neighborhoods to be.

At the upcoming Comp Plan workshops, this will be information/education provided to get people familiar with the concepts and opportunities. Part 2 of the Comp Plan workshops in the summer and fall will focus more on specific scenario options and tools.

Chair Baugh: As you look at choices and investments, one thing that would be interesting to know is what scenario will get us to the household capacity ahead of costs.

If we're not focusing growth in an area, it may not see the investment it needs. We need to make a closer connection to needs and investment choices.

There is a tension between investment and efficiency and equity. We need to address all to achieve our goals.

Staff is working on publishing the Scenarios report in next few weeks and will share with the PSC then. They will return to PSC as part of Part 2 in the Comp Plan process.

Susan: Speaking of the workshops, we may want to have a PSC table at some of them. We can ask to see what commissioners are available for the various meetings.

West Hayden Island

Work Session: Eric Engstrom, Rachael Hoy, Mindy Brooks, John Gillam

Presentations:

- [BPS presentation](#)
- [Port presentation](#)

Documents:

- [WHI Packet](#)
- [Construction Impacts Memo](#)
- [NEPA Process flow](#)
- [Attachment A: Q&A](#)
- Port's Sustainable Natural Resources Policy

This is the third worksession since the beginning of the year, addressing community health and transportation.

Eric provided an overview of today's session and what is in the [Packet](#). As a reminder, the timing chart relates to today's question:

- Housing Fund current begins soon after IGA is ratified. Is this the best timing?
- Federal / State permit timing

Phase 2 HIA - sequencing of permits and timing of study (staff recommendation)

- Clear trigger for HIA based on likely permitting sequence and trigger for supplemental HIAs with additional facility permits.
- Mandate a baseline health study as part of HIA.
- HIA practitioner is lead author of HIA.

Having an HIA practitioner lead the effort to produce the study is the likely case. BPS and the Port will consult with Multnomah County Health Department (MCHD) to determine the lead author.

Mindy gave an overview of the [NEPA process](#), and how it would play out on WHI. This is not a City or Port decision, most likely a decision made by the Army Corps of Engineers. There are lots of variables that the PSC should think about to where the HIA is triggered. A no-build option must be considered in both scenarios (based on purpose and need).

Commissioner Smith: The sequencing confirms the community's concern. We don't know how to trigger the HIA. Should the HIA have multiple phases as terminals are defined?

- We have thought of 3 possible blue prints: (a) prelim and threshold for addendums; (b) one at beginning (programmatic) do HIA with certain parameters, then define a specific item to link a trigger to; (c) define a deadline for the HIA.

Commissioner Schultz: Do you baseline noise and air quality today? If we see noise today is at one level, and if the Port goes in and the noise level is the same, why would we spend funds to improve this? Is there a mechanism to see what makes sense to invest in?

- We have noise data today.
- The HIA will build on what's collected in the EIS process, including some health information.

Commissioner Hanson: We know there is a basic sequence of events and construction. Relevant to the sound issue, you should seek to put sound buffering with rail line construction and possibly along road construction.

We need an HIA going in to have a benchmark. The previous HIA identified scale and categories of risk. The Stage 2 will be in conjunction with the federal permitting process, so this information could lead to a no-go. From the City perspective, the decision is being made at the decision of annexation. Our recommendation is based on the first HIA but not measured results data.

Purpose and need regarding the NEPA process: The IGA could require the Port development be in "consistency with City land use and zoning requirements". *Commissioner Smith:* Does the purpose and need include just the 300 acres or the full west side of the island? We would want to look at the entire site.

From the Port's perspective, an issue with a health baseline is HIPPA: how much information would individuals be willing to share? There are implications for insurance if we're talking about securing this information from individuals.

Commissioner Smith: The path for NEPA processes – how do we shape a health analysis process around that?

Victor Viets: The community has been concerned about the permitting process and how the HIA fits. The permit depends on the development process, and we haven't seen that yet because there are too many unknowns right now. Programmatic is the way to go about it, and the EIS must include impacts of the full build-out. There needs to be terminal-specific HIAs. We would want the baseline assessment now to make a go/no-go decision.

Commissioner Oxman: What is the social status? An HIA has to do with economic instability and stress that causes (long-term health outcomes). We have basic information about the demographics of people on WHI. We should continue to talk about air quality concerns. Are presumptions about fuel technology included? We need to have more certainty. Housing mitigation is valuable to address social impacts and indoor air quality concerns; what does this

do for infiltration of air from the outside? These are the issues that can be addressed more fully.

Elizabeth Clapp, MCHD: HIA in the U.S. is a relatively new practice. There is not a lot of HIA with specific health data right now, so it's difficult to say what we can do differently. In general, baseline data is a difficult thing to collect; much is at a county level, so this is a challenge. We drilled down into the existing data as much as we could for the initial HIA, unless we were to interview every person.

Commissioner Houck noted that, the HIA process aside, the very uncertainty of the NEPA process is exactly why the Commission recommended the city maintain authority over wetlands at the last work session on environmental issues.

The Port will have an advisory board for the development process, which will include stakeholders from the island. It will be modeled largely after the existing Airport Futures Advisory Committee.

Bob Sallinger, Portland Audubon

- NEPA is a consideration process, but it doesn't necessarily require environmental outcomes. We can't rely on it to protect the community. The local process is the best way to protect. SB 766 could preclude the kinds of hearings about public impacts if it's applied to WHI.
- Regarding Airport Future principles, the committee meetings don't necessarily accomplish much. Three guiding principles that appeared in the Airport Futures document were deleted and noted these sections appeared where there were missing numbers in the document the Port handed out today, which we had not had an opportunity to review prior to the work session. The missing sections included the community, environment and the economy.

Commissioner Hanson noted the first thing we want to do for base data is enhance what we've already done if there is additional available information. There could be a more specific HIA towards the end of the process.

Commissioner Smith: Since we don't know what NEPA path will be followed, the recommendation needs to work with both. There should be a supplemental evaluation for each terminal.

Commission recommendations:

- Do an enhanced baseline study immediately to add a clear sense of magnitude about how the current population would be impacted. We should not halt the PSC decision, but as part of the PSC recommendation to Council, we include the need to make further findings around health with specifics.
- Mandate a baseline health study as part of the HIA.
- An HIA practitioner is lead author of the HIA.

Housing Fund Timing (staff recommendation)

- Change timeline for the planning and disbursement of funds to align with completion of the Stage 2 HIA.

BPS is recommending this approach because the HIA will define health impacts based on a specific terminal development. BPS, PHB and the HIA practitioner can then more definitively suggest the uses for the housing fund.

Mike Connors, representing the manufactured home park owner, has indicated to BPS that his client is supportive of a fund that is holistically useful for the park as a whole, hopefully to include noise barriers. They (park owner) are opposed to the fund being used for relocation.

Sustainability Policy and BMPs (staff recommendations)

- Incorporate Port policy document in IGA
- Including performance standards and non-compliance clauses
- Existing BMP document to be noted as a working document representing best practices at this time. The BMP addresses 75 percent of the actions in the initial health report, but they should be refined as science improves and the evaluation of progress continues.

Dorothy Sperry and Susie Lahsene provided an overview of the [Port's sustainability initiatives](#). ISO14000 is the environmental standard the Port follows. WHI guiding principles are consistent with those adopted for the Airport Futures plan, which was approved by the Planning Commission and City Council in 2010.

The Port of Portland is considered a leader concerning marine environmental and sustainability initiatives. The Port has been involved in industry wide programs, initiatives and environmental guidance document preparation since the 1990s.

The Port goals for WHI are organized by the three legs of the sustainability stool. There are critical elements to these goals, which reflect some of the concerns raised by stakeholders and the PSC.

The Port is committed to Best Management Practices (BMPs) to improve its facilities with the notion of sustainability as the driving agenda.

Truck Cap – as part of the IGA and the zoning code (staff recommendations)

- 205 heavy trucks per day maximum (City code definition of heavy truck is 3 axels or more).
- The daily cap is based on average over one month; most traffic analysis is based on one month time spans.
- Truck data should be independently verifiable.
- Truck cap is subject to the City code compliance process, administered by BDS.

The CRC is assumed for WHI and the Hayden Island Plan from 2009. It has a federal record of decision and is part of the Regional Transportation Plan (RTP). Analysis done as part of WHI work is consistent with the RTP. Funding is currently being considered in the legislative session, so funding for the project needs to be considered with WHI planning. N Hayden Island Drive will be used by trucks for access to the CRC ramps.

Commissioner Smith: re: side under-run bars. Would some sort of regulation be a feasible option to enforce these on trucks going to the Port facility?

- Susie: That would be difficult to enforce and would be a cost to the trucking companies themselves, which could be a hindrance. We might look to encourage this for Portland as a whole as opposed to specific to WHI.
- John: The truck characteristics to/from the Port are mostly straight forward as opposed to the risk factor for right hook incidents. The speed limit is 25 mph on the road.

North Hayden Island Drive Improvement (staff recommendations)

- TSP amendments to support NHID role and improvements
- Concept design developed by PBOT
- Street must be reconstructed to support truck traffic

- Street design includes pedestrian and bicycle improvements
- Cost estimate is \$9.7 million; \$12 million recommended for TSP

Commissioner Houck: How does the \$12 million fit into overall list of priorities for City?

- Through money that relates to economic development is state-wide, we are looking at bringing sites closer to shovel-ready. This is something the legislature would have to do for the future.
- The WHI bridge is in the RTP at a higher cost right now, so N Hayden Island Dr definitely fits within this.

Construction impacts on the local community: What we know now

If there is development, there is site prep (fill) that would need to take place. In discussions with the Port, fill would come by barge for the most part with limited additional traffic on the island. There would be clearing and excavation within the 300 acres. Rail improvements would be made to connect the main line to interior loop tracks at the facility. Upgrades would also be made to N Hayden Island Dr. from WHI to I-5.

We don't yet know what type of terminal will be constructed, but regardless of the type of terminal, there will be construction impacts. Many have BMPs that a contractor would have to choose a series of practices from. As the IGA states, BPS recommends a Good Neighbor Agreement with the Port and contractor, which could go above and beyond some of the BMPs.

Timing of Housing Funds; Sustainability Policy and BMPs; Truck Cap; CRC and NHID improvements; and Construction impacts recommendations will be confirmed at a follow-up PSC work session.

Commissioner Houck reminded the PSC that no decision has been made about annexing WHI. Several times various commissioners have referenced "after annexation" or "when WHI is annexed". *Commissioner Houck* expressed concern that annexation is still an open question. While it's important that the "i's" be dotted and "t's" be crossed on items covered in these worksessions, it's also important to keep in mind annexation is not a fait accompli.

Adjourn

Chair Baugh adjourned the meeting at 4:45 p.m.