



February 26, 2013

Andre Baugh, Chair  
Planning and Sustainability Commission  
1900 SW Fourth Avenue  
Portland, Oregon 97201

**Re: West Hayden Island - Comments regarding wetlands and shallow water habitat**

Dear Chair Baugh,

When the Port of Portland embarked on the WHI annexation evaluation at the city's request in 2009, we began with the need to provide for a marine terminal footprint that was about 420 acres, as reflected in Metro's Urban Growth report. While this was substantially less than the 800 acres we own and less than our 1999 development proposal, we believed it represented the amount of land needed to address future demand, rail geometrics and cost of property development. Through the first phase of the work and the resulting City Council resolution, a compromise evolved that would protect the most valuable resources and allow for development to proceed.

The potential solution was a much smaller footprint of 300 acres, which the Port was willing to consider, provided that we could make the rail geometry and the economics of the site work. The Final Base Concept Plan developed for the City by Worley Parsons represents the minimum feasible size for a marine terminal on West Hayden Island. The proposed configuration and location of the industrial zoning on WHI was specifically selected by the City in order to avoid natural resource impacts. Unfortunately, some impacts to shallow water habitat and wetlands are unavoidable with the development of any marine terminal on West Hayden Island or anywhere on the Columbia River.

At its January 29, 2013 meeting, the PSC expressed a desire to require discretionary review for the approximately ten acres of wetlands within the IH zoned portion of WHI. Proposed amendments to the Plan District would also require discretionary review for impacts to shallow water habitat. While the city has the authority for this change in direction, we believe that this approach fails to recognize the role of the initial 500/300 acre compromise and the extent to which wetland and shallow water habitat impacts have already been minimized. If WHI is annexed for marine terminal purposes, the City will have already made the policy decision that some impact to these resources must be allowed. We understand that staff is concerned that not having "local review" will set a precedent; however, the precedent being set is one where local concerns about natural resource protection and enhancement are addressed at the time of annexation rather than at the time of development.

Andre Baugh  
February 26, 2013  
Page 2

Further, any impact to wetlands and shallow water habitat will be subject to federal and state discretionary review processes that will result in required mitigation. The Port understands that the City has identified wetlands and shallow water habitat as important Goal 5 resources and wishes to have additional consideration given to mitigation. Our concern is the lack of specificity of what will be reviewed and the opportunity for redundancy of the state and federal processes. We understand some city staff are concerned about the adequacy of the state and federal reviews. However, we would like to sit down with city staff and state and federal regulators to identify potential gaps and then address specific concerns, both substantive and process-related, within the IGA.

We appreciate your on-going work on the West Hayden Island annexation effort and look forward to your consideration of our comments.

Sincerely,



Susie Lahsene  
Manager, Transportation and Land Use Policy

cc: Susan Anderson  
Eric Engstrom  
Mike Rosen  
Joe Zehnder