



March 18, 2013

Honorable Charlie Hales, Mayor
City of Portland
1221 SW 4th Avenue Room
Portland, Oregon 97204

Dear Mayor Hales,

In 2009, when former Mayor Mayor Adams invited the Port of Portland to consider annexation of West Hayden Island into the City of Portland as part of a broader planning effort for Hayden Island, we considered the proposal carefully. The Port of Portland Commission discussed the proposal and subsequently has had numerous discussions about the process, concept plan for development, and various versions of proposed intergovernmental agreements. The Bureau of Planning and Sustainability's current schedule anticipates a recommendation from the Planning and Sustainability Commission at the end of May 2013.

In anticipation of that discussion, the Port of Portland Commission established a set of principles, below, to guide the Port in final deliberations with the City of Portland in support of annexation and future development of West Hayden Island. We will be sharing those principles with the Bureau of Planning and Sustainability, the Planning and Sustainability Commission, and other interested parties. Because this ultimately is a matter that will be decided by the City Council, I wanted to bring them to your attention as well.

WEST HAYDEN ISLAND ANNEXATION PRINCIPLES

"The Annexation should memorialize a shared vision between the Port and the City that maximizes both the potential for marine industrial development on no less than 300 acres, and the opportunity for natural resource mitigation and enhancement on the remaining 500 acres on WHI. Both parts of the vision are essential. The shared vision should include intentions and obligations of both the City and Port and should achieve the following objectives:

- a. Adopt a joint vision for sustainable development that incorporates and balances social, environmental and financial aspects of future development.

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- b. Establish regulatory and legal certainty with regard to development of the 300 acre marine terminal area, allowing the Port to successfully market the property.
- c. Reflect the Port and City's mutual commitment to ensure that the 500 acre open space area remain zoned as open space in the future, while at the same time retain the value of the property for future mitigation and restoration opportunities.
- d. Identify a financially viable path to marine terminal development that acknowledges public and private funding sources required for successful development. The cost of development should not exceed reasonable expectations of financial return.
- e. Establish unambiguous mitigation measures that are based on sound impact analysis and uniformly applied standards, and that acknowledge and respect the significant role state and federal agencies will play in future development. Mitigation requirements should address actual impacts, when development has a high degree of certainty and the impacts are known."

I believe these principles reflect constructive responses to concerns and suggestions that have been initiated by the Planning and Sustainability Commission, BPS and Port staff; they are offered in the hope that clear Port principles will help us with future discussions on this important and unique site. I look forward to discussing these with you in the future.

Sincerely,



Bill Wyatt

Executive Director

c: City of Portland Commissioners
City of Portland Planning and Sustainability Commission
Susan Anderson, Director, Bureau of Planning and Sustainability
Dean Marriott, Director, Bureau of Environmental Services