

Recent trends in the Portland Harbor show different results, depending on the measure of efficiency used. These results are summarized in Exhibit 3-9.

**Exhibit 3-9. Measures of economic activity
per acre, Portland Harbor, 2002 and 2008**

	2002	2008	AAGR
Value Added	\$1,147,614	\$1,217,173	1.0%
Real Market Value	\$776,715	\$838,091	1.3%
Employment	6.21	5.75	-1.3%
Cargo Tonnage	3,873	4,928	4.1%

Calculated by ECONorthwest with data from:

Value Added: IMPLAN

Real Market Value: Metro RLIS

Employment: Oregon Employment Department, Quarterly Census of Employment and Wages

Cargo Tonnage: Port of Portland

Acreage: Metro RLIS and Multnomah County Office of Assessment and Taxation

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From 2002 to 2008, developed industrial land within the Portland Harbor increased from 2,757 acres to 2,863 acres, an average of 18 acres per year. Value added, real market value, and cargo tonnage all grew at a faster pace than developed industrial acres. By those measures, land was used more efficiently. Employment in the Portland Harbor, however, declined over that period (both in absolute terms, and per acre of developed industrial land). The measure of efficiency that is chosen makes a difference when evaluating trends in land use efficiency.

The next section explains each of these measures in more detail.

Employment

Employment density is a traditional measure of land-use efficiency. In fact, it is typically the basis for forecasting supply of and demand for employment land for all jurisdictions across the State, as they conduct periodic Economic Opportunity Analyses that are required by State law.

For our analysis, we obtained employment data from the Oregon Employment Department for all businesses in the City of Portland for 2002 and 2008. We used GIS software to isolate all employment located within the Portland Harbor for these two years. Total employment in the Portland Harbor declined from 17,134 to 16,466 over this period, a decline of roughly 111 jobs per year (or -0.7% per year). When adjusting for the number of developed acres in the Portland Harbor, the growth rate falls to -1.3% per year, as shown in Exhibit 3-9.

The Oregon Employment Department QCEW data do have limitations that are worth noting:

- Although the geocoding process OED uses produces accurate results, it is possible that the exact location of some employers could

implemented during construction and subsequent terminal operations; (d) provide an ongoing forum for discussion of neighborhood impacts associated with ongoing recreational and marine terminal uses on WHI; (e) review truck traffic volumes on a monthly basis (f) recommend projects for funding under the Community Benefit Grant Program, (g) review of the HIA(s); and (h) review and comment on implementation of and amendments to this Agreement, including the Port's annual report required by Section 10.3, as requested by the City and/or the Port.

8.3 Sponsorship. The Port and the City (represented by the Mayor) will collectively sponsor the WHI AC. The Port and the City will collaborate to coordinate the appointment of members, define the WHI AC parameters, provide administrative and technical resources, receive regular reports, evaluate performances and evaluate future structure. Sponsors will provide staff support and technical expertise and work with the WHI AC to resolve issues and navigate barriers.

8.4 Reevaluation. The membership, role and responsibilities of the WHI AC will be re-evaluated every 5 years. The WHI AC may be suspended or disbanded and/ or its purpose or operations may be amended by mutual agreement of the Port and City.

9. FUNDING

9.1 Contingent Obligations. The Port and City obligations within this section become effective when Milestone 1, as defined in Section 2.3, has been completed.

9.2 Funding Context. The Port and City are public agencies with the fiduciary duty to spend public funds in accordance with applicable law. The Port is subject to grant assurances, revenue use policies, and aviation land use constraints with respect to aviation-related operations. The City is restricted by state law and the City Charter regarding the use of General Fund monies for private purposes, as well as by other financial policies and limitations. The purpose of Sections 9.2 – 9.8 are to memorialize the Parties' understanding of their respective rights and limitations relating to funding obligations contained in this Agreement.

9.3 Nonappropriation of Funds. All specific funding obligations of the Port and City contained in this Agreement (summarized below) are contingent upon funding being available and appropriated by the Port Commission and City Council. The Parties acknowledge there are a variety of uncertainties, including future market conditions, that will affect the availability of funds, and these uncertainties may affect the parties unequally. The parties will work diligently to attain funding necessary to meet their respective obligations under this Agreement to the maximum extent possible. If, despite these efforts, the City and/or the Port determine that insufficient funds are available to meet their obligations under this Agreement, the City Council and/or the Port will adopt a written decision describing: (a) the efforts undertaken to identify funding to perform their obligations under this Agreement; (b) why sufficient funding is currently unavailable; and (c) when sufficient funding is anticipated to be available. The party adopting the decision will send a copy of this decision

to the other party within 7 days of the date the decision is adopted consistent with the notice provisions in Section 22 of this Agreement. Additionally, a copy of the decision will be sent to the City's Mayor and the Port's Executive Director. Following receipt of the decision, the City and Port will first initiate and complete the process to reprioritize funding pursuant to Section 9.6 before pursuing any other remedy permitted by this Agreement.

Obligation	Summary of Obligations		
	Amount	Partnerships	Timing
North Hayden Island Drive (Section 3.1)	TBD (estimated: \$12.35 million) City = limited to lesser of \$5.25 million or 25%.	Business Oregon, Oregon Dept. of Transportation, Metro, Federal Highway Administration	Milestone 1
Recreation Improvements (Section 3.2)	Port = \$2.4 million + O&M TBD City = \$1.0 million	Metro, State of Oregon	Milestone 2
Sewer and Water Improvements (Section 3.3)	TBD	Business Oregon, U.S. Environmental Protection Agency	Milestone 1
Open Space Strategy (Section 4.6.1)	Port = \$200,000		Milestone 1
Ecosystem Values and Functions (Section 5)	TBD (estimated: \$50 million)	Bureau of Environmental Services, Metro	Milestones 1 - 4
Community Fund (Section 6.4)	Port = minimum of \$5 million and a maximum of \$17.4 million	Multnomah County Health Dept., U.S. Environmental Protection Agency, Oregon Dept. of Environmental Quality	Milestone 3
Community Grant Program (Section 6.6)	Port = \$100,000 x 10 years + TBD ongoing		Milestone 3
Health Impact Assessment (to BPS and MCHD) (Section 6.3)	Port = \$95,000		Milestone 2

9.4 Business plan. A WHI project consultant (Worley Parsons) prepared a preliminary cost estimate of necessary public infrastructure associated with development of WHI as part of the Concept Plan final report. The City (Office of Management and Finance – OMF, PBOT and BPS) and the Port will work together, with the State of Oregon and Metro, to develop a business plan for WHI marine terminal development. The City and the Port will negotiate a Memorandum of Understanding with other entities including but not limited to the State of Oregon and Metro to seek additional funding. This plan will include refined project lists, cost estimates, and timelines; and will identify more specific financing tools and funding sources that could support the anticipated public investments. The City and the Port agree to develop this plan by July 1 2016. The Port will not seek permits to place fill outside the federally-designated Dredge Deposit Management Area until such time as this business plan is complete.

9.5 Additional Funding Sources. The preliminary cost estimate described in section 9.4 assumes funding from sources not wholly within the Parties' control, which the

Parties may use to meet their respective obligations in this Agreement. The City and Port, individually and collectively, agree to diligently pursue reasonable funding from non-local public sources, including federal, state and regional allocations and cost-share funds, private foundations, grant programs, donations and other appropriate and available funds or programs (External Funds). In particular, the transportation, recreation, and site preparation work identified in Sections 3.1 – 3.3 of this agreement may be eligible for External Funds. The Port does not intend to seek external funds for environmental restoration or natural resource actions. The City and the Port will jointly develop priorities for pursuing these External Funds, and set specific goals. The Parties agree to seek funding in a manner that that will not divert from (or compete with) the City's general transportation revenue sources including state gas tax revenues. The Port and City may use these External Funds to meet their respective obligations under this Agreement. The City's Regional Flexible Funds suballocation could be used to meet the City's obligation.

9.6 Reprioritization of Funding. If the Port Commission and/or City Council adopt a written decision that insufficient funds are available consistent with Section 9.3 of this Agreement, that party will initiate negotiations within 14 days of receipt of the written decision described in Section 9.3. The Port and City will negotiate in good faith an amendment to this Agreement that will identify : (a) a time frame within which sufficient funds may be available to meet the obligations specified in this Agreement; and/or (b) a reprioritization of the sources and uses of funding set forth in this Agreement. If the Port and City agree to amend this Agreement, the Port Commission and City Council will adopt the amendment within 30 days of the date agreement is reached. If after at least ninety (90) days of good faith negotiations the Parties are unable to agree on the terms of an amendment, then either Party may elect to terminate this Agreement in the manner specified in Section 21 of this Agreement.

9.7 Funding Index. All specific funding amounts identified in this Agreement are stated in 2012 dollars. At the time a specific project or action with a specifically stated dollar amount is implemented, the dollar amount will be converted to the current equivalent amount using the CPI-U. The term "CPI-U" means the most recent *Consumer Price Index for All Urban Consumers (1982-1984 equal to 100) Portland-Salem OR-WA* for All Items or a comparable index published by the United States Bureau of Labor Statistics if such Consumer Price Index is discontinued. For all transportation related costs identified in this Agreement, future costs will be adjusted based on the National Highway Construction Cost Index as documented by the Federal Highway Administration (FHWA). The City (PBOT) will also determine additional inflation factors, that are not accounted for by FHWA, such as City overhead rates.

9.8 Suspension and Resumption of Obligations. If no industrial development has occurred on WHI by July 1, 2027, or if the Port has been unsuccessful in securing permits, land use approvals or other necessary approvals for such development by that date, the City and Port's pre-development financial obligations will be suspended. The obligations will resume again when Milestone 2 as defined in Paragraph 2.3, has been completed. For purposes of this paragraph, the City and Port's predevelopment obligations are those summarized in Section 9.3.

10. ENVIRONMENTAL MANAGEMENT SYSTEM, REPORTING AND ADAPTIVE MANAGEMENT

10.1 Contingent Obligations. The Port and City obligations within this section become effective when Milestone 1, as defined in Section 2.3, has been completed.

10.2 Sustainability Policy and Best Management Practices for Marine Terminal. The Port will implement the “Vision for a Sustainable West Hayden Island”(Vision) described in Attachment H during marine terminal construction and operation, including the guiding principles and strategic goals therein. The Best Management Practices referenced in the Vision represent best management practices at this time, and are expected to be refined over time. The Port will maintain a process for monitoring progress toward the Vision using adaptive management as described in Section 2.4, and including implementation of an environmental management system.

10.3 Reporting by Port. Within 30 days of the beginning of each Port fiscal year, the Port will report in writing to the WHI AC established under Section 8 on the progress and status of the following:

10.3.1 The environmental activities described in Section 5;

10.3.2 Truck traffic volumes and truck age as referenced in Sections 3.1.3 and 6.3.4. and specifically, the number of heavy trucks that use Hayden Island Drive to enter or exit the marine terminal gate house each day. The total number of truck trips during the month will be divided by the number of days in the month to obtain the average. This truck data must be independently verifiable in the event that the WHI AC requests a 3rd party audit;

10.3.3 Sustainability Policy and Best Management Practices referenced in Section 10.2

10.3.4 Progress toward implementing the Open Space Strategy in Paragraph 4.6.1.

10.4 Contents of Reports. Each report required by Section 10 will describe specific projects completed during the previous year and anticipated to be accomplished during the next year, including relevant cost and budget information. Additionally, the report will describe whether the Port anticipates sufficient funds will be available to meet its obligations under this Agreement, and, if not, the Port’s actions to comply with Sections 9.3 and 9.6 of this Agreement.

11. CONTINUING OBLIGATIONS

11.1 Specific Continuing Obligations. The Port and City obligations within this section are contingent on reaching the specific milestones stated below, as defined in Section

PORTLAND CITY COUNCIL
COMMUNICATION REQUEST
Wednesday Council Meeting 9:30 AM

Council Meeting Date: October 23, 2013

Today's Date September 27, 2013


AUDITOR 09/27/13 PM 3:14

Name Bob Sallinger

Address 5151 NW Cornell Road Portland 97210

Telephone 503 380-9728 Email bsallinger@auditor.portland.org

Reason for the request: West Hayden Island


(signed)

- Give your request to the Council Clerk's office by Thursday at 5:00 pm to sign up for the following Wednesday Meeting. Holiday deadline schedule is Wednesday at 5:00 pm. (See contact information below.)
- You will be placed on the Wednesday Agenda as a "Communication." Communications are the first item on the Agenda and are taken promptly at 9:30 a.m. A total of five Communications may be scheduled. Individuals must schedule their own Communication.
- You will have 3 minutes to speak and may also submit written testimony before or at the meeting.

Thank you for being an active participant in your City government.

Contact Information:

Karla Moore-Love, City Council Clerk
1221 SW 4th Ave, Room 140
Portland, OR 97204-1900

(503) 823-4086 Fax (503) 823-4571

email: Karla.Moore-Love@portlandoregon.gov

Sue Parsons, Council Clerk Assistant
1221 SW 4th Ave., Room 140
Portland, OR 97204-1900

(503) 823-4085 Fax (503) 823-4571

email: Susan.Parsons@portlandoregon.gov

1003

Request of Bob Sallinger to address Council regarding West Hayden Island
(Communication)

OCT 23 2013

PLACED ON FILE

Filed OCT 18 2013

LaVonne Griffin-Valade
Auditor of the City of Portland

By 

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Novick		
Hales		