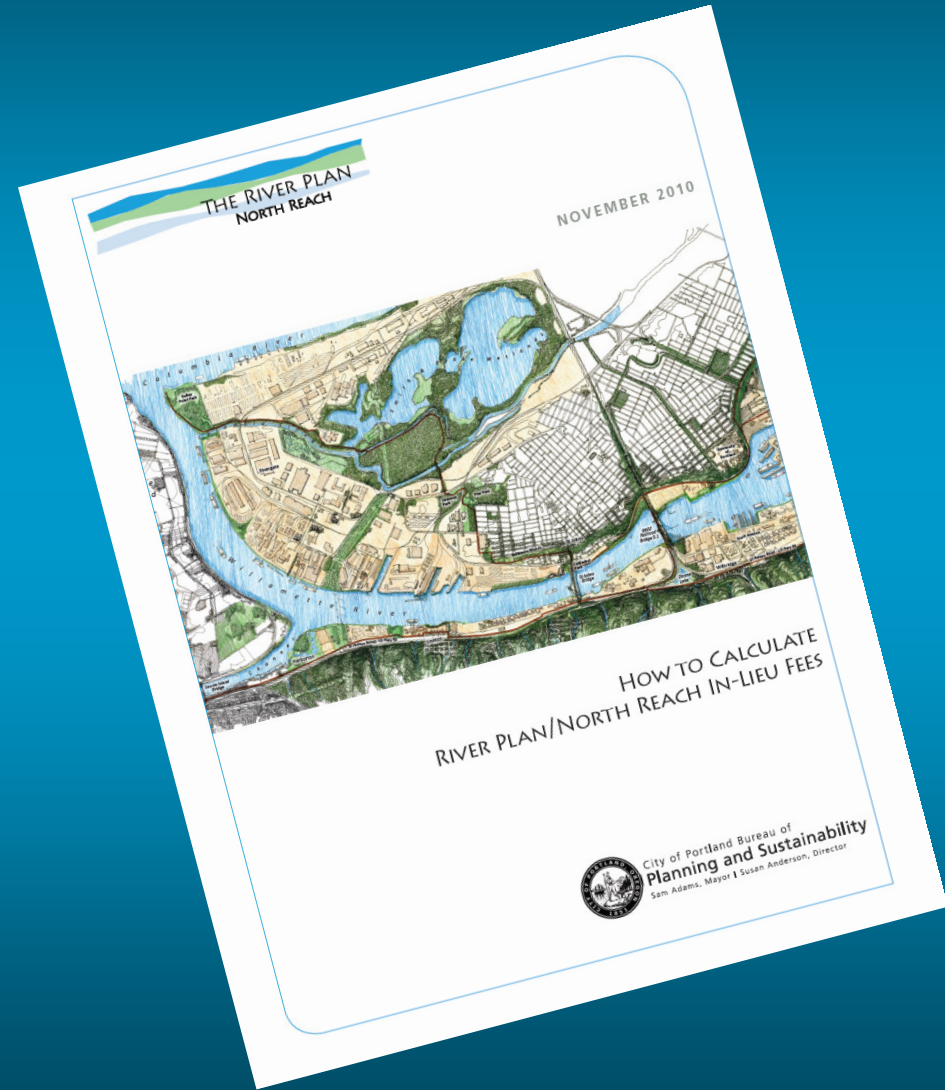


# City Council Hearing

## River Plan / North Reach related items

November 17, 2010



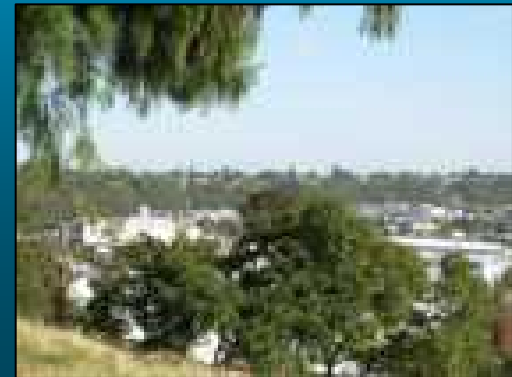
## Today's council items

1. In Lieu Fee Report
2. In Lieu Fee Schedule
3. Title 17 Ordinance
4. North Reach Advisory Committee
5. University of Portland Agreement
6. Siltronic Conservation Easement



## LUBA Appeal

- Oral arguments are scheduled for December 2<sup>nd</sup>.
- LUBA decision will follow in a few weeks or more.



## Greenway Boundary Amendment (LCDC Process)

- **The City is required to comply with a state law governing the Greenway Boundary.**
- **City initiated the process in April 2010.**
- **LCDC will not complete the City's request by January 2011**
- **Must postpone the River Plan / North Reach effective date**
- **December 1<sup>st</sup> hearing on the ordinance**

- The council resolution also asks us to work on
- a threshold under which the use of the model would not be required to calculate the mitigation
  - Additional standards.
  - Potential fee in lieu of meeting the mitigation standards.
  - ✓ River Environmental Overlay Zone map refinements (if necessary). (Task complete)



## Administrative Rules to complete the River Plan

- Mitigation- final rule complete by June 2011 (BES)
- Public Trails- final rule complete by January 2011 (BDS)

## The first three Council items are:

- Accept report on How to Calculate River Plan / North Reach In Lieu Fees as direction for the development of the administrative rules and the fee schedule to implement the River Plan / North Reach (Resolution).
- Authorize the development of rules for the River Restoration Program (Ordinance)
- Authorize River Plan/North Reach in-lieu fees and establish a North Reach Reinvestment Fee Credit. (Ordinance)



- Accounting and mitigating for environmental impacts in river overlay zone
- Accounting system goals:
  - open and transparent
  - represents the best available science - is well tested on multiple habitat types and suitable for the Willamette River
  - publicly available (nonproprietary)
  - allows for “in kind” tracking (ex: in water impacts are not mitigated by upland restoration)
  - is widely accepted by multiple state and federal agencies (to minimize doubling mitigation requirements); and
  - allows mitigation to stay in the North Reach service area



- All models have shortcomings; tool is as good as other available alternatives
- Transition from species-based to functional-based approach
- Incorporate context of Lower Willamette River
- Monitoring and adaptive management to ensure goals are met over time
- Additional considerations to be addressed in mitigation bank development

- Adapted from:
  - Habitat Evaluation Procedure (HEP - USFWS)
  - Habitat Equivalency Analysis (HEA - NOAA)
- Estimates habitat value before and after development (or restoration) to estimate losses (or gains)
- Credits used to offset losses – no net loss in habitat function

- Evaluates six habitat types:

- Riverine

- Riparian

- Tributary

- Wetlands

- Grasslands

- Upland Forest

Most development will  
occur in these habitats

- Floodplain Access
  - Percent Cover Shoreline Vegetation
  - Shoreline Vegetation Type
  - Proportion of Natural Shoreline
  - Proportion of Shallow Water
  - Shallow Water Habitat Depth (<20m from shore)
  - Slope of Active Channel Margin
  - Substrate
  - Large Wood
  - Number of Pilings/Dolphins
  - Proportion of Overwater Structure
  - Best Management and Green Design/ Construction Practices
- Special Case Variables*
- *Off-Channel Habitat*
  - *Substrate Depth*

- Width of Vegetated Riparian Zone
- Percent Tree Canopy Cover
- Species Composition of Woody Vegetation
- Land Use within 200 meters of the Waterbody Edge
- Percent Area with Emergent and/or Submergent Wetland/Aquatic
- Percent Cover Along Water's Edge
- Down Wood
- Percent of Trees in the 1 – 6 inch (2.5 to 15.2 cm) DBH Size Class
- Percent Shrub Crown Cover
- Average Height of Shrub Canopy
- Percent of Shrub Canopy Comprised of Hydrophytic Shrubs

- Developed by NOAA
- Used to calculate lost ecosystem services
- To make past and future losses and gains comparable, a *discount* factor is applied
- Units are *Discounted Service Acre Years; DSAYs*

## Habitat Equivalency Analysis Spreadsheet

### Port of Portland Terminal 6 Honda Dock--Riparian

Initial Value of Habitat:

0.27

Years to a Fully Functioning Habitat:

0.1

Base Year:

0

Discount Rate

0.03

# Years Project Exists:

300

Value of Restored or Degraded Habitat:

0.01

Total Beneficial Increase from Restoration or Decrease from Other Action:

-0.26

Acres of Habitat:

0.0535

**TOTAL DSAYS:**

**-0.585**

- Quantification of habitat lost to development (habitat value before and after development)
- Cost to restore an equivalent amount of habitat
- In Lieu fees to recoup costs



- Cost/area for restoration of 5 habitat types
- Includes all capital costs; real estate acquisition considered separately
- Includes hard / soft costs and contingency

Habitat Type	Total Capital Costs (\$/AC)	Acquisition Costs/AC	Total Cost per Acre	Total Cost per Sq. Ft.
Riverine	\$2,894,000	\$239,580	\$3,133,580	\$71.90
Riparian	\$1,985,000	\$239,580	\$2,224,580	\$51.10
Upland	\$462,000	\$239,580	\$701,580	\$16.10
Stream	\$3,385,000	\$239,580	\$3,624,580	\$83.20
Wetland	\$80,200	\$239,580	\$319,780	\$7.30

- Unit of currency for River Plan/North Reach In-Lieu Fee and Mitigation Bank
- Final product is Cost/DSAY

Habitat Type	DSAYs per Acre	Total Cost per Acre	Cost per DSAY
Riverine	13.33	\$3,133,580	\$235,100
Riparian	13.24	\$2,224,580	\$168,000
Upland	11.90	\$701,580	\$59,000
Stream	16.42	\$3,624,580	\$220,700
Wetland	12.57	\$319,780	\$25,400

- Evaluated two recent development examples:
  - Portland Fire Bureau's Boat House and Dock
  - Port of Portland's Terminal 6: Honda Dock expansion
- Assumed onsite mitigation not required by state or feds and not practicable by City requirements

Near Shore/Riverine

$$\$235,100 \times .383 = \$90,043.30$$

Riparian

$$\$168,000 \times .585 = \underline{\$98,280.00}$$

Total Fee **\$188,323.30**

**In-Lieu Fee  
Portland Fire Bureau Boat House and Dock**

Near Shore/Riverine

$$\$235,100 \times .055 = \mathbf{\$12,930.50}$$

Authorize the development of rules for the River  
Restoration Program (Ordinance)

## 17.38.055 River Restoration Program

The Director of Environmental Services is authorized to develop administrative rules for implementation of a River Restoration Program including but not limited to, a mitigation bank and in-lieu fee program for implementation of Title 33 River Plan / North Reach zoning code and accept and expend funds received from in-lieu fees, mitigation bank credits, donations, program administrative fees or other sources for environmental restoration, enhancement and improvement activities.

Authorize River Plan/North Reach in-lieu fees and establish a North Reach Reinvestment Fee Credit. (Ordinance)

## EXHIBIT A

### 1. Vegetation Enhancement

\$7.42 per square foot of enhancement area times the area equal to 15% of the development site within the River Overlay zone(s). The maximum amount to be collected by the City per project; in order to achieve conformance with the standard, is the lesser of (a) 1% of the project value; or (b) \$200,000.

### 2. Minimum Landscaping

\$7.42 per square foot of enhancement area times the area equal to 15% of the development site. Applies only to developments located in IG2 and EG2} zones.



### 3. River Environmental - Bulkhead Mitigation

\$71.90 per square foot of area filled in between an existing and new bulkhead. Applies only to developments located in River Environmental Overlay Zones.

### 4. Natural Resource Mitigation

Applies only to developments located in River Environmental Overlay Zones. DSAY refers to a Discounted Service Acre Year, a numerical value that represents the degree of impact on each of five classifications of habitat.

Habitat Type	Rate per DSAY
Riverine	\$235,100
Riparian	\$168,000
Upland	\$59,000
Stream	\$220,700
Wetland	\$25,400

## To stimulate development in the North Reach

- 50 percent North Reach Reinvestment Fee Credit on the new mitigation in lieu fees for two years
- Staff estimates the cost to the City to be around \$200,000/year.
- Staff will return to Council with a funding strategy in January 2011.



## KEY DATES

December 1st, 3:30

Spring 2011

July 1, 2011

Date change ordinance; 2<sup>nd</sup> readings

BES Administrative Rules for Mitigation

Proposed new effective date

