

**Portland Planning and Sustainability Commission**  
**Tuesday, September 13, 2011**  
**12:30-3:00pm**  
**Meeting Minutes**

**Commissioners Present:** Andre' Baugh, Karen Gray, Don Hanson, Mike Houck, Gary Oxman (arrived 12:39pm), Lai-Lani Ovalles(arrived 12:42pm), Michelle Rudd, Howard Shapiro(arrived 12:42pm), Chris Smith, Irma Valdez

**Commissioners Absent:** Jill Sherman

**BPS Staff Present:** Joe Zehnder, Chief Planner; Julie Ocken, PSC Coordinator; Michelle Kunec, Management Analyst; Al Burns, Sr City Planner; Chris Scarzello, City Planner II; Eric Engstrom, Principal Planner

**Other City Staff Present:** Lester Lee, BES; Dan Hebert, BES

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

**Consideration of Minutes**

From 08/09/2011 PSC meeting

Chair Baugh asked for any comments or edits by Commission members.

*Commissioner Smith* moved to approve the minutes from August 9, 2011. The motion was seconded and passed unanimously with an aye vote.

(Y6 – Gray, Hanson, Houck, Rudd, Smith, Valdez)

**Public Facilities Plan and Project List**

Action: Hearing / Recommendation

Michelle Kunec; Al Burns; Dan Hebert, BES

Document:

- Public Facilities Plan - Amendment to the Public Facilities Plan, Sanitary Sewer Element: Proposed Draft

Presentation:

- Introduction - Public Facilities:  
<http://www.portlandonline.com/bps/index.cfm?c=41664&a=364828>
- Fanno Creek Basin - Proposed Sanitary Sewer Element Amendment:  
<http://www.portlandonline.com/bps/index.cfm?c=41664&a=364829>

Michelle Kunec provided an overview to the Public Facilities Plan and proposed amendments.

Today's amendment does not affect policies or map components.

The Public Facilities Plan (PFP) was adopted in 1989. It includes infrastructure systems and projects intended to serve the city for the upcoming 20 years.

The list of significant projects would be amended by proposal today.

**For further reference/background:**

**Statewide Planning Goal 11.** Public Facilities and Services, requires the development of a public facilities plan as a support document(s) to a comprehensive plan. The PFP should

describe the water, sewer and transportation facilities necessary to support the land uses designated in the comprehensive plan.

**Portland's Comprehensive Plan Goal 11: Public Facilities** addresses service responsibility for infrastructure services in the City and includes specific policies and standards related to sanitary sewer provision.

Project specifics include the title, description, written and mapped location, time period and anticipated cost and funding mechanism.

Today's amendment proposes changes to the Fanno Creek Basin section of the Sanitary Sewer Element.

The Sanitary Element's project list was adopted as a component of Portland's Comprehensive Plan. Since these documents were originally adopted as land use decisions, and since the proposed amendments involve the application of the Statewide Planning Goals, the City must observe the "Post Acknowledgement Plan Amendment" procedures described in the Oregon Revised Statutes. These procedures require public notification and hearings and an opportunity for public testimony.

The proposed Public Facilities Plan amendment is a legislative action and must be reviewed by the PSC prior to being submitted for adoption by City Council. After adoption by City Council, the amendment will be submitted to the Oregon Department of Land Conservation and Development as a post acknowledgement plan amendment. The City is following the public notification and procedural steps required for this type of amendment.

Dan Hebert described the sewer system and map of the Fanno Creek Basin including the area of where the pump station is currently located.

Fanno Creek flow projections are currently not sufficient during peak flow; they need to make up a 20 cubic feet per second discrepancy, which is what the project is proposing to address.

Capacity issues include:

- Peak storm flow includes infiltration & inflow of surface and groundwater
- Capacity deficiency results in:
  - Failure to manage flows as required by the City's NPDES permit and Agreement with CWS
  - Potential overflows to Fanno Creek
- Solution needed to manage sewer needs and address a public health risk

Proposed projects include:

- SW 86<sup>th</sup> Ave Pump Station and associated facilities
- SW 86<sup>th</sup> Ave Diversion / Flow Control Manhole
- SW 86<sup>th</sup> Ave Sewer Extension

Staff did review and evaluate other options before settling on these project options above.

- Another option staff looked at was to partner with Clean Water Services. The problem with this option is that the capital costs to make the improvements were \$44-45M, which would have required \$30M to provide additional capacity. Lifecycle costs were 50-60% for operations and initial work.

Public outreach for the project for the project began by BES staff in 2009, focusing on projects that address the need for increasing pumping capacity in the Fanno Creek Basin.

Neighborhood residents have expressed concern with respect to construction impacts, odor, noise and vibrations from the existing pump station.

Staff is addressing the community concerns via the improved new SW 86<sup>th</sup> Ave facility design, selected construction methods and by incorporating neighborhood feedback in design aesthetics and construction logistics.

Because the project is located in Washington County, staff also provided information about Washington County guidelines:

- The proposed amendment will make changes to the PFP and project list, to address an urgent need. Portland's BES intends to propose a complete update of the PFP during the City's periodic review of the Comprehensive Plan next year.
- Pump Station and appurtenances may be allowed through a Type III review.
- Approval is based on:
  - Present or future need;
  - How the facility fits into the utility's Master Plan;
  - Minimum area required;
  - Measures to minimize damage to paved roads, natural resources, or open space.
- Underground pipes and conduits are exempt from Type III, and subject to Type II review.

Washington County Comprehensive Plan requires that development not unduly conflict with area's character; to address this, the project will:

- Limit tree removal
- Provide effective screening
- Size buildings to be compatible with area
- The new pump station will not be located in natural resources areas

The proposed SW 86<sup>th</sup> Ave pump station and associated facilities will be subject to the Type III review process includes a public hearing before a formal Hearings Offices.

- Proposed SW 86th Avenue projects are not currently listed in the City's acknowledged Public Facilities Plan (adopted in 1989).
- Proposal would amend the City's Public Facilities Plan, project list and Sanitary Sewer Element to include these projects.
- Amendment required for project to proceed.

This project is unusual as the PSC is giving a recommendation on something outside the City. Our system is being used to cover the full watershed, even parts outside of Portland. Washington County has the land use component, and Portland has the system component. The processes in Washington County will be dealing with the design and compatibility issues.

There is not an impact on flooding within the floodplain if the project doesn't go through; this is a health/safety risk due to sewage flowing into Fanno Creek.

Regarding the objection about odor and citing issues of the pump station being close to residents, staff couldn't have found a more isolated place as a result of the natural flow by gravity.

### Testimony

- Michael J Lilly has a Portland address, but a Washington County location. He noted the criteria the PSC should be looking at is whether this change is being coordinated with other jurisdictions, noting he only received a notice people could respond to if they had comments. Washington County considered and turned down the project for 7

different reasons (in June 2010, and originally 12 years ago when they told the County it wouldn't have to be expanded), so there needs to be better coordination with Washington County. The problem is stormwater mixing with sewage. The current solution is to fix the West Hills' system. Nothing in the findings addresses this solution and/or why it is a bad idea. Other adverse impacts of the proposed project include not addressing the continuing leaks running through the park trails. The noise and leaks, as well as odors, may double with a second pump. An original promise was that County wouldn't expand when they installed the first pump.

#### **Other Testimony Received**

- Michael J Lilly

#### **Further Discussion and Evaluation by Commissioners and Staff**

BES staff noted they have been in regular conversations with the City Attorney office. The land use denial in 2010 was on a different project, which would have expanded the existing pump station on property City owned at the time. In this new project, staff will work on a new design with the intent to take into consideration issues from the original application.

In the packet staff provided, exhibit C notes relate to State Planning goals 1, 10 and 11 and the findings relative to the Comprehensive Plan goals.

Staff confirmed there is inflow from the West Hills during peak flow, which they haven't abandoned looking into. There is a 2-phase program (long-term) to address this. Without infiltration projects, we would be looking at peak flows 55-68 cubic feet per second versus 45 they are proposing. The pump station is not being proposed to replace projects in the PFP designed to correct infiltration problems, but rather is will supplement them. Both types of projects are necessary to address the correctly calculated flow.

The original pump's capacity shortfall is due in part to controversy of the flow modeling in 1996. We don't use these models any more; we have installed flow monitors to give a more precise model now, which are based on flow from individual parcels into the system. This fix is the appropriate fix coupled with the other infiltration projects in the basin.

Regarding the needs to be coordinated with other jurisdictions, the systems analysis section of BES (modeling, planning group) has worked with their counterparts at Clean Water Services to look at options for handling flows at this location. Their legal council has worked with City of Portland as well. Also staff has had pre-application meetings with Washington County staff to discuss criteria BES needs to show they meet when filing a project.

In the code, we are looking at the criteria for text changes to the Comprehensive Plan. There is nothing specific to the project list other than directive that all changes should be addressed as legislative change. This is typically about conformance with the Comprehensive Plan and State Planning goals.

Staff noted Mr Lilly has given a thoughtful letter. The City Attorney advised staff that a legislative procedure is the correct one, but staff will share Mr Lilly's letter with the Attorney to confirm. The big project (building the pump itself) is a quasi-judicial, but that is in Washington County for this project. Periodic review is not impacted by the recommendation the PSC makes today.

If the PSC recommends the project list update but Washington County doesn't approve, there is no affect; it would be harmless to have an authorized project that you don't build. A denial would send BES back to find another solution to the overflow issue.

The Commission noted the most critical coordination has been addressed with Clean Water Services. Regarding the location, this is a classic case of natural resources not recognizing jurisdictional boundaries.

BES will continue working with groups in the area to work with residents to allow residents to have more input into the design than they have in the past. As we develop new design, BES will better involve immediate neighbors in the proposal. Denial criteria didn't involve noise or odor issues.

*Chair Baugh* closed testimony.

*Commissioner Hanson* moved to:

- Recommend that City Council amend the adopted Public Facilities Plan, Sanitary Sewer Element and project list of the Comprehensive Plan as specified in the *Proposed Draft*.
- Recommend that City Council adopt the ordinance.

He noted that points of emphasis could be added that could go into letter to City Council. Those points should note the struggle regarding odor, citing in areas that involve people and residences and a compassion to those in the area. Portland needs to be a good neighbor; solely meeting land use criteria that is not the standard we should uphold ourselves to.

*Chair Baugh* restated the motion, and the motion passed.

(Y7 – Hanson, Houck, Ovalles, Rudd, Shapiro, Smith, Valdez; N1 – Oxman; A1 – Gray)

### **Natural Resources Management Plan Update - Smith and Bybee Lakes**

Action: Hearing / Recommendation

Chris Scarzello; Janet Bebb (Metro)

Document Distributed:

- Retirement of the Natural Resources Management Plan for Smith and Bybee Lakes  
Project: Proposed Draft

PowerPoint:

- <http://www.portlandonline.com/bps/index.cfm?c=41664&a=364830>

Today's project is to retire the Natural Resources Management Plan (NRMP) for Smith and Bybee lakes, located in north Portland.

Staff shared an updated ownership map with Commissioners, noting that it is mostly public ownership. The environmental overlay zones (protection) is limited and allows development only if public need and public development are confirmed. The boundary of the current NRMP has brought in little edges of properties that Metro is cleaning up.

The NRMP is a zoning tool that can provide long-term project guidance for large ecosystems. the plan provides the means to evaluate the cumulative effects of development and mitigation proposed to occur over time. It is approved by the PSC and City Council and also needs approval by both groups for major changes or repeal.

The Natural Resource Management Plan for Smith and Bybee Lakes was developed by a group of property owners in the mid-1980's and adopted by City Council in 1990. The NRMP has served it's purpose for Smith and Bybee: the identified projects are done. Metro and the Smith/Bybee Advisory Committee are ready to use a new zoning tool that provides similar long-term project review but is easier to update.

A Comprehensive Natural Resource Plan (CNRP) is the new zoning tool that can provide long-term project guidance for large ecosystems. The CNRP provides the means to evaluate the cumulative effects of development and mitigation proposed to occur over a 10-year time frame, similar to conditional use master plans, but for managing natural resource projects.

A CNRP is approved by the Hearings Officer because it is a land use review. It can take 4 months or longer to go through the process for approval.

The zoning code requires the CNRP to comply with existing plans, but because the NRMP for Smith and Bybee is so out of date, we don't want Metro to comply with it. That's why we're here, to request repeal of the NRMP. But if the NRMP is retired, there is a gap between the old management plan and adoption of the new, which has concerned some folks.

Metro would like to apply for a CNRP, but with the NRMP repealed and the CNRP in review for at least 4 months, there will not be a management plan in place even though the environmental overlay zones and environmental regulations are not changing and will still provide protection to the area.

Staff proposes that the NRMP repeal be delayed until the CNRP is approved, and that the zoning code be amended so the new plan doesn't have to comply with the old plan.

Another piece is the correction of an oversight from the Airport Futures project. City Council adopted the Airport Futures City Land Use Plan in April 2011. The project updated the city's natural resources program for Portland International Airport and the area surrounding the airport.

After adoption of Airport Futures, we realized several of the maps in Chapter 33.430 had not been updated to reflect the changes adopted by the Airport Futures project.

The maps show where natural resource inventories are complete and do not change any regulations. Notice was sent about this, but this part is not listed on the agenda for today's meeting. These maps were discussed and approved by the Planning Commission; they just didn't get in the ordinance, so this is correcting those as a house-keeping measure.

Metro is working with property owners at Smith and Bybee. There is an agreement among them to coordinate projects, with Metro as the lead, and coordination is continuing. Plans are formal processes, but there are also informal agreements as well. Over the past 1.5 years, there have also been meetings by the Advisory Committee, representing owners who chose to participate. Property owners get noticed prior to each meeting. Metro staff called all property owners who have more than a few square feet for this meeting. Some were excluded b/c only had a few square feet included in the NRMP. Most owners have chosen not to participate directly and say that it looks fine. Staff noted the joint management is extraordinary, and the key to that is the Advisory Committee, some of who are in today's audience. They play a big role.

Staff also confirmed the trail alignment is now on the south side of the slough, which was an original concern from *Commissioner Houck* at Smith/Bybee.

### **Testimony**

No testimony was received.

*Chair Baugh* closed testimony.

*Commissioner Valdez* moved that the PSC recommend City Council to take the following actions:

- Adopt memo titled *Retirement of the Natural Resources Management Plan for Smith and Bybee Lakes Project: Proposed Draft*;

- Amend Title 33 as shown in Attachment A and the amendments memo dated September 13, 2011;
- Adopt memo as further findings and legislative intent;
- Amend Official Zoning Maps, shown in memo Attachment B;
- Adopt ordinance with additional provision that ordinance not take effect until CNRP approved; and
- Direct staff to continue work on language in memo to refine and clarify.

The motion was seconded. The emphasis for the letter will be to keep current regulations in place until the new CRMP is adopted.

*Chair Baugh* restated the motion, and the motion passed.

(Y9 – Gray, Hanson, Houck, Ovalles, Oxman, Rudd, Shapiro, Smith, Valdez)

### **Portland Plan: Economic Opportunities Analysis**

Action: Briefing

Eric Engstrom

Documents Distributed:

- Economic Opportunities FAQ

The purpose of the Employment Opportunities Analysis is a land use system to plan for a 20-year supply for land. Goal 9 is the economic element.

There are 4 parts to the EOA:

- Analysis of community growth trends and opportunities
- Forecast of 20-year demand for employment land in the city
- Inventory of existing developable land supply with an estimate of any unmet 20-year needs
- Summary of policy choices to provide adequate employment land capacity

The draft EOA was published in 2009 as part of background reports for the Portland Plan. Based on feedback received to date, BPS has identified a number of refinements that should be made, so staff is working on an update of those maps.

Eric Hovee is the consultant working with staff; there is also an advisory committee working on the project. The next draft is expected to be released by November.

Staff is providing updates to the report to:

- Refine, translate methodology for the public to better understand
- Verify maps so the final EOA is as close to present-day as possible
- Clarify overlaps with housing reports. Some land in Portland is zoned for both employment and housing, so we don't want to double-count those areas as being available
- Be in synch with Metro regarding the overall regional forecasts for employment. Metro is refining their numbers now, so we will get numbers at end of fall to true-up numbers with the regional forecasts.

The PSC hearing for the EOA will be in January 2012. Staff will update the FAQ in next few days to reflect this new date.

The city needs to address jobs over the next years. The Port is the biggest employment center in the state, so the EOA is important in this effort. Land supply matters because we don't have

an easy way to create more land in Portland since we're mostly surrounded by other cities and water.

Portland plays a major role as a regional employment center. Even though the city has competitive advantages due to its location, past infrastructure investments and workforce capacity, recent trends show that Portland is capturing a declining share of the region's new jobs. At the same time, the city has captured an expanding share of the region's housing. The capture rate is the percentage of overall region job growth that Portland will capture. A letter from the Portland Business Alliance suggests a 30% capture rate for the city.

Jobs are broken down by geography and sector with both forecasts and supply numbers since different types of employment use different types of land.

The preliminary findings from the 2009 report show we are short industrial and campus/institutional land. Staff is refining these numbers now. In terms of the industrial geography, staff is breaking it down, distinguishing between marine and the larger industrial sector (especially for River Plan).

There is a variety of policy response to the findings in this report that the PSC will get testimony about. Expanding the UGB is not an option, so how can we increase efficiency of land supply? Also, rezoning is not realistically an option. The range of policy options may include a look at infrastructure investments; how to assemble lands; addressing constraints on land (e.g. brownfield clean-up); and industrial sanctuary lands.

The assumption about brownfields is that in the short-term (5 years), less than lower than 50% can be used; there are also long-term numbers that increase this opportunity. Acreage is substantial, as are often the environmental constraints on these lands.

### **Commissioner and Staff Discussion**

Statewide planning goals are, unfortunately, often treated as silos at times and that it is critical that Goal 9 not be addressed in a vacuum. The EOA study must be integrated with other state planning goals (for example, Goal, which addresses fish and wildlife habitat, and Goal 15, the Willamette Greenway goal). The point was also made that existing buildable industrial land be utilized more efficiently. For example, brownfield sites alone might result in significantly more industrial land if they are remediated and closer to 100% of brownfields were considered usable for industrial purposes; land assembly of smaller adjacent parcels into larger parcels; building vertically is another mechanism for more efficient use of remaining industrial land. All of these efficiencies should be used to calculate the amount of industrial land.

The broader economic view needs to be incorporated into the EOA analysis, including the positive contribution of natural resources, parks and green infrastructure to the city's economic health. Work by Joe Cortright and EcoNorthwest that demonstrates the economic value of parks, fish and wildlife, and other natural resource values should be included in the study. Eric Engstrom pointed out that EcoNorthwest is, in fact, involved in the analysis.

Economic opportunity also includes neighborhood upkeep. We need to talk to small businesses, the PBA, entrepreneurs and large conglomerate companies. Large and small jobs need to be in the plan.

80% of businesses in Portland are small ones. If we don't tackle the 80% "problem", it's really about neighborhoods and businesses in those areas. How do we create an environment for these businesses to grow as well as the large ones? Where are regions in city these small business can thrive? There is also the tie to PDC's Neighborhood Economic Development strategy and other policies that should influence/direct this.



The Portland Plan's strategies include economic development, and other neighborhood and city plans are built into this strategy. There is a commitment to that path with NED and supplemental elements about workforce training. Regarding land supply, the EOA addresses this; the action will be what we do with the land. The reality is the need to create more productivity in the land use. NED is a strategy the City has embarked on, but we need to continue to monitor it.

The EOA is only one step in the process. It is also part of other economic opportunity work coupled with other activities throughout plans in the city. We do need to make sure it is woven together and integrated.

Further discussion noted that other jurisdictions in the Portland region will also see potential job growth and major job centers built outside of the city proper. There is always the connecting to the region, so Washington and Clackamas counties are part of the discussion. There is also the multiplier effect since not all jobs are the same, and some create more opportunities at a secondary level. We need to keep this in mind and create opportunity for various types of jobs and sectors. Forecasts will break down by type of industry what type of land is required and the typical occupations in those groups. We want to be preparing as a city to capture a good mix.

### **Director's Report**

Joe Zehnder

- Thanked Commissioners for attending the retreat last week. Some ideas will be put into action in upcoming/future meetings.

### **Items of Interest from Commissioners**

*Commissioner Gray:* October 1 at 10am is the centennial celebration for Parkrose, beginning at 98<sup>th</sup> and Sandy. It will include the unveiling of the Immigrant Statue, speeches, celebrations and a parade to Parkrose High School's Saturday Market.

*Commissioner Hanson:* West Hayden Island staff will soon be presenting the concept plan alternatives. October 12 is a joint City Council and Port Commission meeting about the draft report from the project's consultant. Staff will share the precise time and location with PSC members.

Chair Baugh adjourned the meeting at 2:42pm.