

**Portland Planning and Sustainability Commission**  
**Tuesday, May 28, 2013**  
**6:00 – 9:00 p.m.**  
**Meeting Minutes**

**Commissioners Present:** Andre' Baugh, Karen Gray (arrived 6:36 p.m.), Don Hanson, Mike Houck, Gary Oxman, Katherine Schultz, Howard Shapiro, Chris Smith  
**Commissioners Absent:** Lai-Lani Ovalles, Michelle Rudd (recused), Irma Valdez  
**BPS Staff Present:** Susan Anderson, Eric Engstrom, Mindy Brooks, Phil Nameny, Julie Ocken  
**Other City Staff:** David Helzer, BES

*Chair Baugh* called the meeting to order at 6:01 p.m. and provided an overview of the agenda.

**Consent Agenda**

- Consideration of [Minutes from the May 7, 2013 PSC meeting](#).
- [R/W #7561](#): Request for Street Vacation of SW Grover St west of SW Moody Ave

*Chair Baugh* asked for any comments to the consent agenda. *Commissioner Smith* moved to approve. *Commissioner Shapiro* seconded.

The Consent Agenda was approved with an *aye* vote.  
(Y8 – Baugh, Hanson, Houck, Oxman, Schultz, Shapiro, Smith)

**West Hayden Island Plan**

Work Session: Eric Engstrom

**Documents**

- [WHI Packet for May 28 worksession](#)
- [WHI Budget Summary](#)

The intent for this session is for the PSC to give staff information to a prepare final draft plan, as amended, for PSC consideration at the July 9 meeting. There will be discussion around intent/clarification that is separate from making amendments.

There are 4 components to today's session:

1. Staff recommendations (a "consent list" for consideration)
2. Forest proposal
3. Floodplain
4. Additional proposed amendments and discussion from PSC members

**Items in Attachment A (staff recommendations) that commissioners requested to move to agenda item #4.**

- #41 (clarification)
- #69 (and other connections)
- #73 (off-ramp language)
- #75
- Park and location of facility

PSC members confirmed they are comfortable with other items in Attachment A.

**Attachment B (Forest Proposal: Establish performance standard to measure benchmark for increase in “net ecological function”, related to the forest actions, in IGA Section 5.5.3. See Attachment E to the IGA for a more complete description of this methodology.)**

- Option 2A: Set performance standard at 101 percent
- Option 2B: Set performance standard at 110 percent

The new language (2B) aims for 110 percent. This will require an additional (third) site to accommodate this consideration.

*Commissioner Houck* moved to adopt Option 2B. *Commissioner Smith* seconded.

*Commissioner Houck*: We had an abbreviated discussion at one of the work sessions, and I believe we did not discuss this in sufficient depth. We want net ecological gain. Staff has provided the difference between 101 and 110 percent to make an informed decision, as has the testimony we heard.

*Commissioner Smith*: 101 is cutting it close to increasing habitat. Is there something in-between, or are these the only two choices?

- At about 104 percent you shift to needing the third site. The cost then is uncertainty about the price of the other (new) property. It could be a minimal difference if the site/land is already owned, but we won't know until there is a defined site.
- Staff used a proxy using a site on Sauvie Island, and other options/sites using City property, but nothing has been confirmed for a possible mitigation site.

*Commissioner Oxman*: To what extent do the metrics incorporate the breaking up of a single cohesive site into smaller sites?

- A set of ratios is applied to represent different mitigation factors. These factors include time lag; distance from WHI site; and restoration versus new plantings. The area is limited in the IGA that it will be no more than 3 sites for this.
- Government Island provides a large, contiguous piece of land, which is part of why it's appealing.

*Commissioner Houck*: The most central point in both the floodplain and forest mitigation is that we're going from one in-tact site to smaller sites, which is why so many people testified about WHI being an irreplaceable resource. The sum of the parts is not equal to the whole.

*Commissioner Hanson* agrees with the 101 percent option. It provides habitat in a coherent way, in two cohesive locations.

- *Commissioner Smith*: 101 is only an estimate; the overall achievement could be slightly more or less, so if we're targeting 101 with some error margin, how can we be confident in achieving a net increase?

*Chair Baugh*: Is a third site needed at all to reach 101 percent?

- You could use an additional site, but it is not necessary to meet the 101 target. If your methodology is to include a 25 percent margin needed to overshoot the target, you would need to look at a third site in either scenario.
- Susan: If you want to be 100 percent sure, you will go with the 125 percent. But 110 is more than adequate but not cost-prohibitive. If you did 125, you could end up the other way, at 150 percent. We need to weigh the science with cost/benefits.

*Commissioner Houck*: The reality is that we went with the staff and experts recommendations, but that wasn't a rigorous analysis. We're bumping it back to where we started at 110 percent.

*Commissioner Schultz:* Noted she is leaning to 101 because we've now added floodplain mitigation, which wasn't included before. It's a different system, but it is better than the zero mitigation for floodplains we had initially.

*Commissioner Shapiro* would like to err on the side of doing things better, so 110 sounds like a reasonable compromise. We should do this in a way that will have a positive impact.

*Commissioner Smith* will be looking for things the PSC can agree on to ensure a stronger vote. 104 is achievable if we boost up a few things. Do we know the cost versus adding a third site?

- This is getting into margin of error of the estimate. Staff is not totally sure on how much can happen on WHI and Government Island.

*Commissioner Houck* asked about conversion of habitat on Government Island.

- The concept would be to convert patches within the forest that are grass or blackberry areas to close the gaps in the forest. This would be changing from something that is functioning to a higher function. Site prep would have to be done to control invasive species and add new plantings.

The PSC voted on Option 2B: Set performance standard for forest mitigation at 110 percent. (Y5 – Baugh, Houck, Oxman, Shapiro, Smith; N2 – Hanson, Schultz)

### Attachment C (Floodplain)

Add more detailed performance standards to the proposed floodplain actions (IGA Section 5.5.4.1).

- Option 3A: Leave floodplain proposal as written (no change from April 9 draft)
- Option 3B: Refine the total floodplain restoration acres and add specific recipe for levels of flooding the floodplain project should accommodate:
  - 2-year event = 16 acres;
  - 10-year event = 96 acres;
  - 30-year event = 135 acres;
  - 100-year event = 179 acres.

*Commissioner Houck* moved to recommend Option 3B. *Commissioner Shapiro* seconded.

*Commissioner Houck:* We are only talking about ecological floodplain function, not balance cut-and-fill. This is trying to get to a net increase in ecological function. I want to be very clear that we are not talking about ignoring Metro's exemption on balance cut and fill, which would require 200-300 acres of cut to make up for the fill on WHI. We are talking about a much lesser degree of mitigation which relates solely to the range of ecological functions for 2 yr to 100 year flood events.

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You can achieve this by a couple different means; it depends on the site. If you can find a similar site where you'd just need to remove a structure, that gets to the lower end of the cost range. Cost depend lots on the specific site and what preparations/changes need to be made.

We need to prepare for the full range of functions from 2- to 100-year flood events. Lower Columbia River Estuary Partnership has done a lot of this on the Lower Columbia. If the Port can accomplish 179 acres and achieve the ecological function, that is great.

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*Commissioner Smith* is sympathetic to the ecological function but sensitive to costs too. Would there be a way to account for the uncertainty with cost caps?

- The cost range is a staff estimate and not part of the IGA. This would be in addition to what the PSC is voting on in this section.

*Commissioner Houck* would like to go with the staff proposal and figure out how to do this in a cost-effective manner.

*Commissioner Smith*: Some people will want to look at costs using maximum estimates and then will say it is too expensive. If we can find a way to talk about the price range, especially for the press, we would be in good shape. I like the policy, but there is a concern with how the numbers show.

*Chair Baugh* supports the policy but is concerned about costs. \$32M is a big number, and the range is quite large. He proposed to put a cap on costs.

*Commissioner Houck*: If we are going that direction (a cost cap), we want to know what we're cutting. Can staff provide information/result about what we'll get at specific costs?

- This is not possible to do without knowing the specific site to look at. We are looking far into the future and trying to put a cost on it. Staff has given cost ranges, but we need to look and say if we can't get there at "\$X," that is a concern.

*Commissioner Oxman* is hesitant to be overly precise about costs for mitigation efforts when the economics of the full project are still hazy.

*Commissioner Hanson*: From a policy perspective, I agree with this approach but am worried about specifics. If anyone wants to oppose this, they would just write a huge check to cover the possible costs. There needs to be a degree of flexibility: 179 acres, but could some of this be within the Port area -- for example breaching the levee to accommodate and make a more condensed rail loop?

*Commissioner Houck* has concern for flexibility if we have too many sites (2 sites versus a much more fragmented option). The policy contained within 3B seems to work for commissioners. Why not set a cap of \$18M with Option 3B?

Option 3A is 200 acres with just the 100-year event being captured. This does not accomplish what the range of events is.

The PSC voted to recommend Policy 3B.  
(Y6 – Gray, Houck, Oxman, Schultz, Shapiro, Smith; N2 – Baugh, Hanson)

*Commissioner Shapiro* moved amend 3B with cap of \$20M. *Houck* seconded.

*Commissioner Smith* asked about what the commission is trying to optimize within a cap.

*Commissioner Houck*: Is the 2-year floodplain accommodation too much? It is important from an ecological perspective.

- There are different functions at different flooding events. 2-year is an area that floods frequently. 10-year is important for food cycle, leaf litter exchanges on the bank; 30- and 100-year are habitat-forming and habitat-changing events that include sediment deposits and seed banks. These are the ranges happening right now on WHI that we're trying to replicate.
- Floodplain mitigation should replicate the existing area on WHI. This is equally, if not more, important than inundation levels for 100-year floods.

*Commissioner Hanson* asked about vegetative improvements: To achieve the right environments, do we need to recontour land?

- This is site-dependent. When you change the mix of vegetation, those will have a functional change.

- In terms of cost estimates, it is possible to comply with provisions and have a layering of the mitigation efforts. A third site could be coincident with some of the mitigation work, which would blend costs and change.

Cost estimates are per acre for a range of projects with a range of grading. \$24k-313k/acre.

*Commissioner Houck* noted that staff has done a great job to narrow the range from where we started to a better range of \$16-32M.

*Commissioner Smith* noted synergies are important for cost-effectiveness. For a cap on the floodplain, is it better to have a cap on overall mitigation costs instead?

*Chair Baugh* likes a cap on certain activities to drive whoever is responsible for doing them to think about how to combine actions and leverage the money. We need to push implementers to look at how they can work together with other agencies to leverage the costs. An upper limit doesn't do this necessarily. We should look to amend 3B with the cap language.

*Commissioner Houck*: There is an incentive for the Port to look to achieve the objectives for a lower cost.

If we change the lower end (\$18M) to \$20M, what is the intent?

*Commissioner Houck*: We have a range from \$16-32M for Option 3B. We've had a robust conversation, and \$20M seems like a reasonable number.

*Chair Baugh*: The intent is within 3B. \$20M is above minimum and gives some flexibility to achieve the intent for full compliance for floodplain mitigation.

*Commissioner Oxman*: What is the added value of the cap? If \$20M is cap, and you don't get to the different levels of coverage for flood events, what happens? Does this go against our intent? A cap gives an option to not achieve what the PSC thinks is good policy.

With the exemption for balance cut-and-fill there needs to be a no net rise (per FEMA). Staff is still waiting to hear if there will be NOAA requirements above the volume exempt from Metro requirements.

If we only go on science, there shouldn't be a cap. But this is a policy discussion.

*Chair Baugh* moved to recommend Option 3B, amended with a \$20M cap in place of the range of \$16-32M.

(Y7 – Baugh, Gray, Hanson, Houck, Schultz, Shapiro, Smith; N1 – Oxman)

**Items from Attachment A for further discussion:**

#41. Plan page 95, A1 and A4.

Staff noted the order is slightly off. The minimization language should go first followed by the no net loss statement. This only applies if something is undergoing a resource review; it applies to the dock construction or other unforeseen improvements in the open space. It represents the approval criteria the applicant needs to meet.

#69. Included on the staff errata sheet from May 7. Plan page 135, IGA section 8.3.

Staff trying to clarify language around sponsorship of the advisory committee and how it is set up. The intent is that both the Mayor and the Port Director (staff assumption for the Port's recommending person) need to approve appointments to the committee. This also includes the various constituencies that need to be represented on the new advisory committee. The advisory committee is the universal check-in-with group, but it's not a voting body.

#73. Proposed amendments in section 9.3. Plan pages 135-136.

Working with the City Attorney, this provides detail on the documentation if we reach a time of insufficient funds. It documents next steps, but it doesn't solve how the additional funds would be created. This effectively prevents rapid-fire amendments to ensure deliberation.

*Commissioner Houck* commented on how this is the same as #75: We've heard testimony that there was a much tighter, less flexible arrangement on Airport Futures project that dealt with legal concerns.

- The language here is modeled after Airport Futures project advisory group, but that didn't have financial commitments like this project.

#75. This spells out the next step beyond the finding of insufficient funds, and what to do to document it if this becomes the case.

*Chair Baugh*: In 9.4 we have the business milestone conversation. If the business plan doesn't move ahead, how does this get triggered?

- In 9.4, staff suggests you make the business plan part of the first milestone, so that would be the first hurdle – from the beginning you either have a coherent business plan or not. One outcome is that if a business plan doesn't pan out, the parties could propose an amendment to the IGA.

*Commissioner Houck*: This also has an option to terminate the agreement by either party.

- This is just spelled-out more clearly here; that has always been the intent.

Parks. Plan pages 122-135. Section 3.2 of the IGA – recreational improvements; section 4 about further open space and planning.

*Commissioner Smith*: We've had lots of testimony about a boat launch park near the rail line, but the IGA only specifies a 3-acre park east of the rail line. PP&R doesn't get to approve if the site is appropriate or not.

- We assume there is discussion during the open space planning process. PP&R improvements described by staff do not include a boat ramp as part of this package; that's not a staff recommendation.

*Commissioner Smith*: The park should be for active recreation opportunities, which partially off-sets health implications of the project. A boat ramp is a nice-to-have but not necessary. The Thunderbird site could be optimal. Giving people opportunities for walking is more important than launching boats.

*Commissioner Hanson*: West of the rail has a connection to the project. I don't see a connection to the project impacts and a neighborhood park to the east. The mobile home park has good amenities on-site, so I don't know why we're building a park in conjunction with this project in terms of the port development impacts. There should be a park, but it might not be this project that pays for it. A continuous sidewalk, away from moving traffic, is another recreation opportunity idea.

*Commissioner Smith*: The health assessment showed that activities are a potential way to off-set some of the health impacts. Hayden Island is under-parked. Placement on the island is a benefit to the larger community.

- Staff perspective: Both sites are noted in the Hayden Island Plan. The strategy to how we get there is what we're discussing... how, not if.

*Commissioner Oxman*: The principle of the park is good, but how it happens and what the population it serves does make a difference. If it is neighborhood-specific, it should be part of the WHI funds.

*Chair Baugh:* Trails should be the first obligation. There is a nexus between the park and the plan – we’re not sure what the next HIA will say is needed for mitigation, but the park is likely part of that mitigation. I’m not sure if the 3 acre size is what we need to include. If the CRC happens, could we get into a park opportunity with that project? That would likely give more flexibility to PP&R to build a robust facility.

*Commissioner Schultz:* If sound, for example, becomes a bigger issue than air pollution (e.g. with the CRC), are we tying a mitigation effort to the wrong project?

*Commissioner Hanson* moved to strike 3.22. The language should not commit the Port to building a park. It should commit the Port to doing mitigation on their site. We should remove intent of the park and funding for 3 acres, capital improvements and 10 years O&M. This, based on staff calculations, is \$12.8M. *Commissioner Gray* seconded.

The PSC voted to strike 3.22.  
(Y8 – Baugh, Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith)

*Chair Baugh* wants to provide flexibility for the proposed park money in the future. We don’t know if the funding could be leveraged or if the HIA will provide details about usage. The park seems very prescriptive at this point, even in reference to the HIA.

*Commissioner Smith* proposed to amend to add to 3.22: If the next HIA suggest another (not park-related) set of mitigation efforts, funds should be directed to those options.

*Commissioner Hanson* noted this would be easy to challenge if there is no nexus between the project and the park. We don’t want this issue to be challenged later as a weak connection to actual Port development.

*Commissioner Houck* does not agree. There are community impacts that result in trying to enhance the neighborhood, so this doesn’t seem like much of a stretch.

*Commissioner Gray* likes the idea of putting aside some money, not necessarily for a park, because that might not be the best answer. With further HIA study, we could look at what the best option is for mitigating.

*Commissioner Hanson* noted the budget to purchase the land (\$3M for site acquisition) could be applied to recreation facilities with waterfront access on the island and address park deficiencies on the island.

*Commissioner Smith:* “active recreation and river access” could be the phrasing. Propose \$10M.

*Commissioner Schultz:* Funds should be moved to HIA follow-up line item so it responds directly to the HIA recommendations.

*Commissioner Oxman:* The policy choice to link to the HIA is a good idea. The challenge is that we don’t know what that will look like, so at some point we need to just do an estimate. In a practical sense, some mitigation has to be large structures (e.g. sound barrier walls). He advocates leaving the full bundle of \$12.8M together and add to the HIA follow-up line.

*Commissioner Schultz:* Can we say “up to \$12.8M?” This is what the funding was designated for the park work.

*Commissioner Hanson:* Do we leave the \$3M to purchase property for more active community park?

There is a range of \$4.1M to \$13.9M to review.

*Commissioner Smith* noted we don't have enough capability to deal with human health impacts, so I would prefer the higher end of the range.

*Commissioner Smith* moved to increase the HIA follow-up fund to \$13.8M. *Commissioner Houck* seconded.

*Commissioner Gray* noted "up to \$13.8M" should be the phrasing. *Commissioner Houck* seconded.

(Y8 – Baugh, Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith)

#### **Additional Proposed Amendments and Questions from PSC members:**

*Commissioner Smith:*

- (a) What happens if the CRC dies in the Washington legislature between now and the PSC's vote on July 9?
- (b) Staff notes a 3<sup>rd</sup> party for the IGA "is premature." Why?
- (e) Discussion about what the structure of votes on July 9 will be.

*Chair Baugh:*

- (c) Air Quality
  - (d) A proposed MOU of funding requirements: partnerships to fund the project, making appeals for funding at multiple levels. This is linked to the business-planning process.
- (a) If Washington doesn't fund the CRC, what happens to this process?
- The question goes to the timing of when Council wants to vote. Council may not vote until after the CRC is resolved.
  - How the City would resolve planning issues that arise without having a CRC would be through the TSP update that PBOT is leading and in the Comprehensive Plan process.
  - The traffic system failure on Hayden Island is not related to the proposed Port development.

(b) Staff comments on a 3<sup>rd</sup> party IGA: The 3<sup>rd</sup> party is relating to the open space language in 11.1.2 (page 138). This is inherently negotiated, so it would be difficult for the PSC to name a party.

*Commissioner Smith:* Audubon has volunteered; the tribes might be a good fit if they are willing. Should the PSC recommend those be two options for the 3<sup>rd</sup> party, or should we leave that to City Council? This could be done as a "such as."

The PSC will include this recommendation in the transmittal letter to City Council.

(c) Air Quality

*Chair Baugh's* concern is that part of the HIA will look at the trucks and pollutions from transport vehicles. We know with certain standards in place these vehicles can be close to zero emissions through current technology that is available or that will be EPA-mandated in 2015.

In the current agreement, this is the part that references Attachment G (Port sustainability statement and green policy goals). We should get to the lower emission engines from the outset.

*Commissioner Schultz:* We should see if the Port will voluntarily comply before mandating anything. This will be covered in the HIA regardless.



*Chair Baugh* requests the Port to achieve the low-emission numbers before getting to the HIA. Vehicles should be plug-in or no emission with the lowest possible emissions for ships.

(d) MOU

*Chair Baugh* moved to add a provision in the IGA that the City and Port will enter into an MOU to seek additional funding with Metro, Multnomah County and the State development agency. PBA could be a partner too. This would add a sentence to the business plan clause.

*Commissioner Smith*: The Port says they can't afford to do everything. We should create the partnership via the MOU to make a project like this.

The PSC voted on the addition of a statement about an MOU into the IGA.  
(Y8 – Baugh, Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith)

#### **Next Steps**

Staff will take the amendment list from this evening and will return actual language to the PSC prior to the July 9 meeting.

Commission leadership proposed a two-vote process for July 9:

- Yes/No on annexation question (“Is it a good idea to annex WHI?”)
- IGA and WHI Plan (“If annexed, this is how to do it well.”)

The “how” portion has sub-components:

- Zoning Code Updates
- WHI Plan
- IGA - PSC makes a recommendation that is beyond the normal PSC role.

*Commissioner Smith* noted the statutory recommendation for zoning. Council defined the 300/500 acre split and asked for the PSC's recommendation for that. It would help to have the two motions framed in advance: “Yes” with best options for why we should and “no” with best rationale for why we shouldn't.

*Chair Baugh* wants to frame the yes/no question. The IGA and code are bundled because it responds to “if you're going to annex, here's how and why we think is the best way to do so.”

Staff will draft a script of what the motion could be and will share with PSC members. If members have language about how to frame the annexation question, send that input to Julie O for staff to review and incorporate.

June 18 is the target for a clean version from staff.

*Chair Baugh*: The July 9 meeting will include time for commissioners' comments on the full process for WHI as well as the vote.

#### **Adjourn**

*Chair Baugh* adjourned the meeting at 9:00 p.m.

Submitted by Julie Ocken, PSC Coordinator