



Agenda Item No. 2.0

**REVIEW OF WEST HAYDEN ISLAND  
PROPOSAL**

Metro Council Work Session  
Tuesday, July 17, 2012  
Metro, Council Chamber

# METRO COUNCIL

## Work Session Worksheet

Presentation Date: July 17, 2012 Time: 2:15 pm Length: 1 hour

Presentation Title: Review of West Hayden Island Proposal

Service, Office, or Center:

Office of COO

Presenters (include phone number/extension and alternative contact information):

Andy Cotugno (xt. 1763)

### ISSUE & BACKGROUND

The City of Portland and the Port of Portland are carrying out a process to define the development and natural resource conservation and mitigation plans for West Hayden Island to allow the City Council to consider and annexation proposal. The proposal is comprised of a comprehensive plan and zoning amendment to incorporate industrial and open space zoning, establish conservation and impact mitigation requirements and authorize an intergovernmental agreement between the City and Port defining implementation responsibilities.

The proposal is related to Metro's responsibilities and requirements related to:

1. Title 13, Nature in Neighborhoods requirements;
2. The Regional Transportation Plan;
3. Location of the urban growth boundary;
4. Adequacy of industrial land supply;
5. Parking requirements;
6. Use of Metro natural areas land on Government Island for mitigation.

Attached is a summary of the Port/City proposal as it is currently defined, including areas of disagreement.

The purpose of the Council work session is provide an overview of the proposal to provide guidance to staff participating on the Advisory Committee organized by the City of Portland to provide input. When the proposal is finalized and under consideration for adoption by the Portland City Council, the Metro Council may be interested in providing the city with comments.

### OPTIONS AVAILABLE

1. Receive information only.
2. Provide input to staff on conflicting proposals.

## **IMPLICATIONS AND SUGGESTIONS**

At this time, there is not a complete proposal. However, the Advisory Committee will provide their final input on July 20. Because there are a number of issues that relate to Metro's adopted requirements, input from the Metro Council to the Portland City Council when a final proposal is developed would be appropriate.

## **QUESTION(S) PRESENTED FOR CONSIDERATION**

What direction to staff is the Metro Council interested in providing prior to completion of the input from the Advisory Committee?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_Yes **X**No  
**DRAFT IS ATTACHED** \_\_\_Yes \_\_\_No

## West Hayden Island – Summary of Key Elements

DRAFT 070912

Note: Highlighted sections are areas of Metro interest on page 1 and areas in dispute on pages 2-10

### 1. Key dates

- June 15: Release Draft proposal to Advisory Committee
- June 20 and July 17: Open Houses on Draft proposal
- July 20: Final Advisory Committee recommendation
- July 27: Release Final Proposal to Planning and Sustainability Commission
- August 14 – September 25: Planning and Sustainability Commission deliberation
- October – November: City Council consideration

### 2. Adoption and implementation of the proposal will involve a number of key interfaces with Metro and adopted Metro plans, including:

- Acceptance of the proposal as meeting the requirements of Title 13 charging the City of Portland to reconcile Metro's designation of West Hayden Island as a "Moderate Conservation Area" and as part of the region's industrial land inventory.
- Amendment to the Regional Transportation Plan to delete the new bridge from Marine Drive to West Hayden Island and replace it with improvements to Hayden Island Drive connecting West Hayden Island to I-5 @ the Hayden Island Interchange.
- Acknowledgement of the need to extend the UGB to the stateline to accommodate the docks.
- Acceptance of the adequacy of this 300 acre proposal meeting the need documented in the "Urban Growth Report, 2009-2030, Employment and Residential, January 2010." Included in that report is 430 acres of buildable industrial land including two large lots (one in the 50-plus-acre category and one in the 100-plus-acre category).
- Waiver of the parking maximum requirements.
- Agreement to the use of Metro's property on Government Island for West Hayden Island mitigation.

3. Draft Annexation Package including Comprehensive Plan and Zoning Code amendments provides for the following:

- Proposed zoning is Heavy Industrial for the 300 acre terminal site area plus a 200' partially vegetated buffer to the west of the marine terminal site. Proposed zoning of the off-shore area to accommodate the docks as Heavy Industrial between the West Hayden Island shore and the stateline from the railroad bridge west to the BPA powerline (with the exception of a small strip in the northeast corner of the site. No environmental restrictions apply except in the water for the off-shore docks.
- Proposed zoning for the 500 acre protection area is Open Space with a "Limit" environmental overlay designation east of the BPA powerline corridor and "Strictly Limit" west of the BPA powerline corridor.
- Transportation Plan based upon removal of the new bridge from Marine Drive to West Hayden Island and replacement with improvements to West Hayden Island Drive west of the I-5 interchange. To be reopened if traffic impact studies demonstrate an impact higher than adopted traffic and truck caps and if CRC improvements don't occur. **Note:**  
**A new bridge is an essential requirement of the community.**

4. City/Port IGA provides for the following:

- The City and Port each committing \$5.25 million (for a total of \$10.5 million) toward the identified \$21.3 million transportation improvements.
- The Port agrees to contribute \$1 million and the City \$.75 million toward recreation improvements.
- The Port agrees to extend sewer (\$240,000) and water (\$100,000) lines to the site.
- The land zoned open space will be enhanced or restored through a combination of mitigation requirements associated with terminal development as well as a receiving site for other mitigation obligations, such as the Willamette River Superfund clean-up. After restoration, the Port will consider transfer of the open space property, providing permanent protection.
- The Port agrees to forest reestablishment of 150 acres on Government Island to supplement and fill out the existing 500+ acres of forest. Implementation will be in increments of 50 acres with the first 50 acres within one year, the second 50 acres within one year of marine terminal site preparation and the final 50 acres within one

year of substantial terminal construction. **Note: In addition to the Port proposal, the City staff is still seeking agreement to 103 acres of forest enhancement on West Hayden Island plus 736 acres of forest enhancement on Government Island or 253 acres of forest reestablishment within 10 miles of the Columbia/Willamette confluence plus 150 acres of grassland enhancement.**

- The Port agrees to pay \$70,000/year for increased security.
- The Port agrees to fund a Community Benefits Grant Program @ \$25,000 per year. **Note: there is a significant gap between this proposal and the community desires.**
- The Port agrees to conduct a Health Impact Assessment prior to or as part of federal permitting. **Note: the community would like to see the Health Impact Assessment as part of this annexation and zoning approval process.**
- The Port and the City agree to establish a West Hayden Island Advisory Committee to comment on the open space strategy, provide advice on recreation facility design and provide a forum for discussion of neighborhood impacts.

Final Reports have been published and released for comment on the following topics:

- a. Final Concept Plan – The City of Portland commissioned development of a concept plan with a consulting firm with broad experience in marine terminal development. The purpose was to test the feasibility of accommodating the desired marine terminals and associated railroad tracks and access roads on a more limited footprint of no more than 300 acres. In addition, it served to illustrate the types of impacts that might be anticipated and provided a basis for estimating costs. The concept plan is not intended to be an actual construction plan. Rather, development of a specific construction plan would be based upon the needs of an actual customer interested in building a marine terminal to meet their actual business needs. As documented in this report, it is feasible to build the desired marine terminals and incorporate a loop track to accommodate several up to 10,000 foot trains on site. This allows the City of Portland to proceed with consideration of the proposal based upon reducing the intended development footprint from 430 acres to 300 acres while accommodating the same industrial need.

Elements of the concept plan are as follows:

- i. The concept demonstrated feasibility based upon development of no more than 300 acres and preservation of at least 500 acres of natural areas.
  - ii. Allows construction of up to three marine terminals;
  - iii. Delineates railroad trackage to connect to the BNSF mainline allowing access north and south plus a loop storage track on-sight to accommodate 10,000 foot trains;
  - iv. Provision of a marine terminal related manufacturing site;
  - v. Construction of off-shore docks extending into the Columbia River (rather than a sea-wall that would be required for a container terminal);
  - vi. Accommodation of a new bridge allowing for a connection to Marine Drive;
  - vii. Definition of potential recreation facilities;
  - viii. Definition of possible habitat mitigation sites.
- 
- b. Hayden Island Natural Resource Inventory – The Hayden Island Natural Resource Inventory provides a detailed delineation of natural resources, including delineation of different types of resources (wetlands, forest, grassland, etc.), their significance and condition and the bird, reptile, fish, wildlife and plant species using the habitat. The inventory builds upon and refines the inventory developed by Metro that was used for development of Title 13 and provides the scientific basis for conducting the ESEE analysis of options for developing or preserving the habitat on the island.



c. Goal 5 Economic, Social, Environment, Energy (ESEE) Analysis and Recommendation

Metro's Title 13 assigned a "Moderate Habitat Conservation Area" designation to the entire West Hayden Island 800 acres and directed the City of Portland to develop a "District Plan" to reconcile the natural resource functions with the industrial development interests. The result of this process is an updated and more detailed natural resource inventory and a finer grained ESEE analysis leading to the following prohibit, limit or allow designations:

- i. For land zoned for Heavy Industrial (IH): Allow development without environmental restrictions in area more than 100' above ordinary high water;
  - ii. For the Columbia River below ordinary high water and zoned for Heavy Industrial (IH): Moderately limit development;
  - iii. For area zoned Open Space (OS), west of the BPA powerlines and the Oregon Slough and wetlands along the south side of the island: Strictly limit development;
  - iv. For the remaining area zoned Open Space (OS) generally surrounding the marine terminal area: Moderately limit development.
- Natural Resource Mitigation Plan

d. The marine terminal development area results in the following habitat areas being impacted:

- i. Shallow water habitat: .3 acres
- ii. Wetlands: 10 acres
- iii. Forest/Woodland: 158.5 acres
- iv. Shrub: 5 acres
- v. Grassland 123 acres (including about 100 acres of dredge spoils)

The City of Portland has developed a mitigation proposal that anticipates the requirements of the corps of Engineers and NOAA Fisheries who have regulatory authority over wetlands and shallow water habitat. In addition, they have proposed an approach to mitigating forest, shrub and grassland with an approach that defines a set of multiplier ratios based upon best practices being employed throughout the Pacific Northwest which emulates the approach taken by the Corps and NOAA Fisheries for wetlands and shallow water habitat. The ratios that would be applied are as follows:

- i. Shallow water habitat: 2:1 to 5:1 ratio; .6 to 1.5 acres of mitigation
- ii. Wetlands: 2:1 to 6:1 ratio; 20-30 acres of mitigation
- iii. **Grassland: 1.2:1 ratio; 150 acres of mitigation**

iv. Forest: 2:1 to 15:1 ratio as follows:

- Re-establishment: 2:1 ratio
- Rehabilitation: 4:1 ratio
- Enhancement: 8:1 ratio
- Preservation: 15:1 ratio
- On-site modifier: divide by 1.5
- Off-site > 5 miles: multiply by 1.5

These ratios result in the following acreage of forest mitigation (the first three bullets plus some combination of the fourth and fifth bullets):

- Preserve and legally protect forest on West Hayden Island: 294 acres
- Enhance forest on West Hayden Island: 103 acres
- Re-establish forest on Government Island: 150 acres (as proposed by the Port of Portland)
- Re-establish forest on an island within 10 miles: 253 acres; or
- Enhance forest on an island within 10 miles: 736 acres.

e. Cost Benefit Analysis

A Benefit/Cost analysis has been completed taking into account the costs and monetized value of impacts and benefits of the proposal on natural resources, recreation facilities and the cost of needed infrastructure. It concluded that the proposed port facilities would need to generate more than \$5.5 million per year in economic value (including wages, taxes and economic efficiency improvements) to produce a net positive benefit. It is expected that economic benefit of that magnitude can readily be accomplished.

However, the analysis was unable to monetize local community impacts from traffic, noise, light and air pollution due to the uncertainty of development type and timing. Recommendations were provided to mitigate these impacts, chief among them building the new bridge from Marine Drive to West Hayden Island and best practices in managing marine terminals to minimize impacts. The report also recommended carrying out a Health Impact Assessment as part of the permitting for a specific facility to better quantify community impacts. **Note: the community is calling for the Health Impact Assessment as part of this annexation and zoning decision.**

f. West Hayden Island Recreation Analysis

- i. The analysis found a shortage of park facilities for East Hayden Island residents and concluded that addition of recreation facilities with the development of West Hayden Island could meet a portion of those needs.
- ii. The analysis concluded that there can be a conflict between recreation and wildlife and called for limits on active recreation facilities, especially on the furthest west portions of the island.
- iii. It is recommended that active recreation facilities, including a non-motorized boat launch be located at the east end and limiting paved trails to the east end.
- iv. Further consider a motorized boat launch in conjunction with the Oregon State Marine Board triennial review.
- v. There can be conflicts between recreation facilities and port operations that can be mitigated with adequate signage and fencing.
- vi. If a new bridge is constructed to Marine Drive, include bike lanes and consider a small park and parking lot near the West Hayden Island touchdown point.

g. West Hayden Island Land Management Options – This white paper evaluates options for long-term management and operations of the natural area and recreation facilities which is complicated by the multiple ownership pattern, including the Port of Portland, Portland General Electric, Pacific Corp., the Bonneville Power Administration and the Oregon Department of State Lands. It is the intent of the Port to retain ownership and operation until all of their mitigation obligations on-site have been fulfilled, including mitigation to meet Willamette River Superfund clean-up obligations. Evaluation of management approaches was considered based upon consultation with organizations currently having similar responsibilities, including Metro, Oregon Parks and Recreation, Portland Parks and Recreation, Columbia River Land Trust and the Port of Portland. It is recommended that the Port contract with the city of Portland Parks and Recreation for recreation facilities but there is no conclusion on management responsibility of the natural areas once mitigation is complete.

h. Local Impacts of Industrial Development

Although the Benefit/Cost analysis did not monetize local impacts, this report provides a quite exhaustive description of the nature and severity of impacts of marine terminal construction and operation on surrounding neighborhoods, especially East Hayden Island. In addition, it provides a description of Best Management Practices for reducing or eliminating expected impacts. Included in the report are the following:

- i. Dust emissions from dry bulks such as grain and potash or soda ash which can be significantly reduced;

- ii. Diesel particulate emissions of the ship itself while docked, trucks queued up for loading and unloading and trucks accessing the terminal. Of these the most significant is related to trucks which, along with trucks statewide, will produce a lower rate of particulate emissions as newer technologies and fuels phase in. However, the only way to virtually eliminate diesel emissions from trucks is by construction of a new bridge from West Hayden Island to Marine Drive. On-site trucks can be cleaner technologies and ship and rail idling can be reduced through electric power hookups.
  - iii. Noise from truck movements accessing the terminal, freight trains, especially rail car banging during loading and unloading. Of these, most truck and train noises are in existing locations with the exception of trucks accessing the sight via Hayden Island Drive with the manufactured home community in very close proximity. This can only be fully mitigated with a new bridge to Marine Drive.
  - iv. Light pollution of the terminal itself which cannot be completely eliminated but can be reduced using International Dark Sky techniques.
  - v. Projected traffic impacts on surrounding communities were evaluated based upon with and without the maximum terminal development and with and without a new bridge from West Hayden Island to Marine Drive. Based upon the potential types of marine terminals under consideration (not a container terminal), most of the activity would take place between ships and barges or railroad cars. As such, expected traffic volumes would be limited to an estimated level of 2700 vehicles of which 700 would be trucks. This could be accommodated on East Hayden Island streets without causing undue congestion but could negatively impact the livability for the adjacent neighborhoods. The City of Portland proposal is to upgrade Hayden Island Drive to connect to I-5 at a cost of approximately \$21 million rather than build a new bridge at the cost of upwards of \$100 million.
  - vi. The residents of the area would benefit from availability of new park facilities, including hiking trails and a potential non-motorized boat launch.
- i. Portland Harbor Lands Report
- This report provides a detailed assessment of the land supply in the Portland harbor to meet the demand for industrial growth in the future, and particularly for marine terminal purposes, in the context of an updated assessment of the need for and land supply available citywide. The analysis determined that two sites in the Portland harbor could serve marine terminal purposes although they are smaller than desired, cannot accommodate a rail loop, would require land assembly of multiple owners and have contamination clean-up requirements. The two sites are the Autofina site (in the area surrounding the Metro Central Transfer Station) and the Time Oil site (next to Schnitzer Steel south of Rivergate). In addition, until the Willamette River Superfund site is cleaned up, there is a cloud over development of any kind in the Portland harbor due to unsettled financial responsibility.

The report also evaluates the potential to meet the need for marine terminals on Port of Vancouver land. Although it appears to the casual observer that the Port of Vancouver has a substantial land resource, when accounting for sites currently under development and those set aside for environmental protection and general industrial development, the available land supply for marine terminal purposes is 350 acres. Although forecasting future demand for marine terminal development is inherently difficult in a globally changing environment, the report notes that Columbia River cargo tonnage has been growing for a sustained period of time and especially in the recent past after completion of the channel deepening. Under most assumptions about the future, this land supply is either insufficient to meet the need for 2040 and potentially grossly insufficient. In addition, demand will continue to grow beyond 2040.

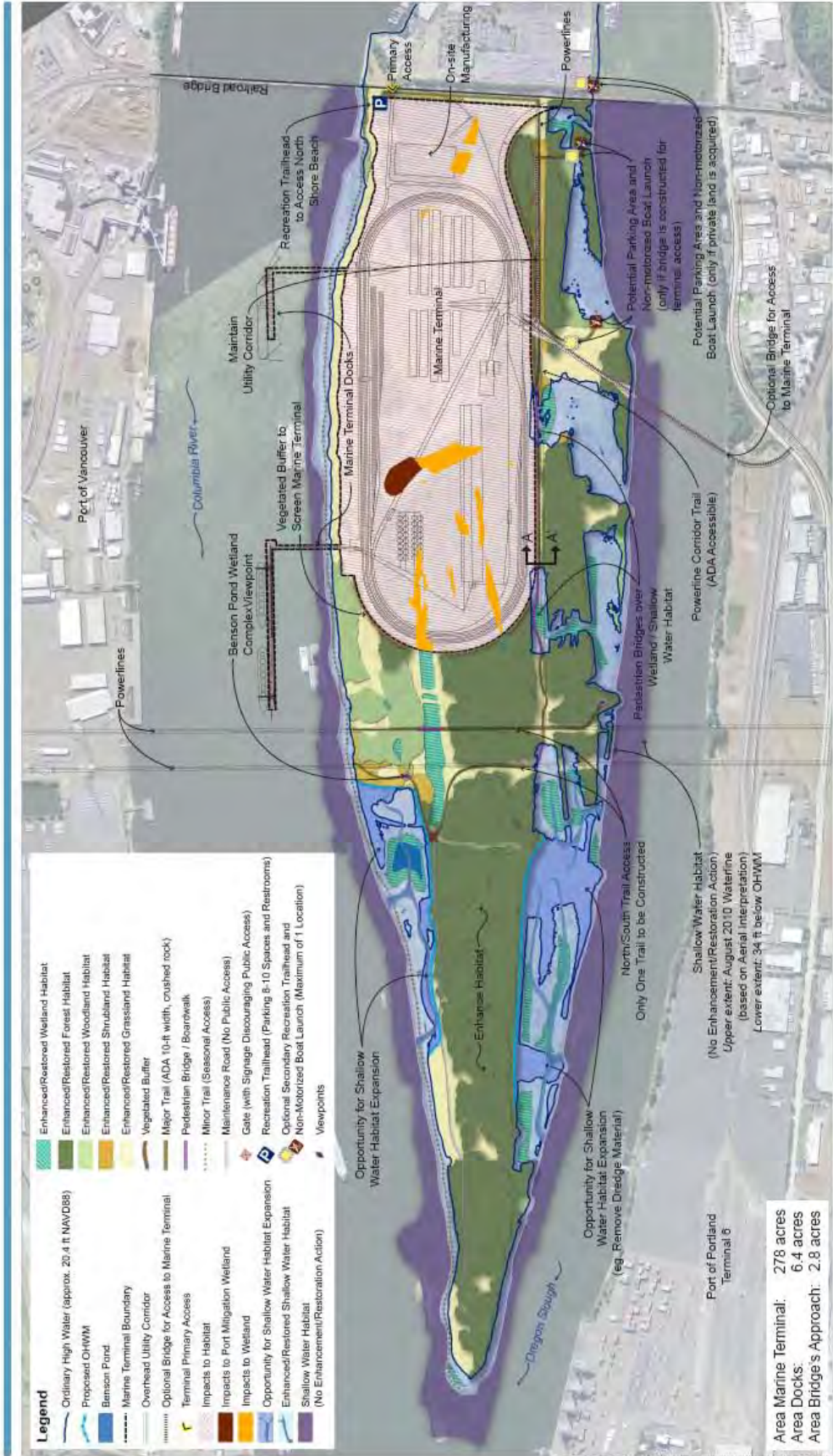
j. Port of Vancouver Coordination

This report presents existing and potential opportunities for coordination between the Ports of Portland and Vancouver. It provides an analysis of existing legal structures, coordination and consolidation experiences throughout the country and conditions that could lead to increased cooperation locally. In general, it concludes that mutually beneficial cooperation has occurred around issues of information sharing, joint marketing, sharing of equipment (including the use of a Port of Portland floating dock for the Port of Vancouver Subaru terminal), coordination of railroad improvements and joint sponsorship of the Columbia River channel deepening. It found very limited national experience in implementing bi-state ports and only when initiated in response to a controversy or benefit of mutual interest. They concluded that implementation of a bi-state port merging the Ports of Vancouver and Portland would only come about in response to the need to implement a bi-state construction project, to remedy a substantial legal dispute or to address a significant issue impact economic inefficiency. The report also describes the nature of the growth management programs implemented under separate state legislative authority, both of which include significant expectations for meeting employment land needs. Any merger would entail concurrence at the local, state and federal levels.

- k. North Portland Rail analysis – This paper summarizes 12 different studies that have evaluated the adequacy of the rail system to meet freight and passenger needs. It recognizes challenges with rail congestion in the vicinity of this very busy bridge across the Columbia River. The rail connection to/from West Hayden Island is designed to be fairly high speed (35 mph) to minimize problems with delay. However, growth in freight and passenger traffic will necessitate rail improvements regardless of expansion into West Hayden Island, especially to junctions approaching the bridge. Many of the rail improvements recommended in the studies reviewed have been implemented through

the Connect Oregon program funded by the Oregon Legislature. In addition, the Oregon Passenger Rail EIS Project will address the Columbia crossing and whether another track is needed across the river.

- I. Summary of Health Impacts – The City of Portland has compiled information about health risks of the proposal and is consulting with the Multnomah County Public Health Division to initiate a Health Impact Assessment (HIA). In addition, they are contracting to collect baseline information on noise and air pollution levels in residential areas near West Hayden Island. Their intent is to compile a preliminary HIA to inform the annexation and zoning decision and to require a project specific HIA in conjunction with the EIS that will be required for an actual marine terminal proposal.



Final Base Concept Plan

Source: Habitat and wetland locations provided by the City of Portland's Natural Resource Inventory (2011)



Materials following this page were distributed at the meeting.



# Metro | Agenda

Meeting: Metro Council  
Date: Thursday, July 19, 2012  
Time: 2 p.m.  
Place: Metro, Council Chamber

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## CALL TO ORDER AND ROLL CALL

1. **INTRODUCTIONS**
2. **CITIZEN COMMUNICATION**
3. **CONSIDERATION OF THE MINUTES FOR JULY 12, 2012**
4. **ORDINANCES - FIRST READ**
  - 4.1 **Ordinance No. 12-1281**, For the Purpose of Amending the FY 2012-13 Budget and Appropriations Schedule Recognizing New Grants and Appropriation for the Removal of a Derelict Barge.
5. **RESOLUTIONS**
  - 5.1 **Resolution No. 12-4357**, For the Purpose of Amending the 2012-15 Metropolitan Transportation Improvement Program (MTIP) to Add The Kellogg Lake Multi-Use Bridge Project. **Collette**
  - 5.2 **Resolution No. 12-4358**, For the Purpose of Amending the 2012-15 Metropolitan Transportation Improvement Program (MTIP) to Add The Construction Phase of the I-84 Eastbound to I-205 Northbound Auxiliary Lane Project. **Craddick**
  - 5.3 **Resolution No. 12-4359**, For the Purpose of Amending the 2012-15 Metropolitan Transportation Improvement Program (MTIP) to Add The Crescent Connection – Cedar Hills Boulevard to Denny Road Bicycle, Pedestrian and Transit Access Project. **Harrington**
6. **CHIEF OPERATING OFFICER COMMUNICATION**
7. **COUNCILOR COMMUNICATION**

**ADJOURN**

**Television schedule for July 19, 2012 Metro Council meeting**

<p><b>Clackamas, Multnomah and Washington counties, and Vancouver, WA</b>  Channel 30 – Community Access Network  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534  <i>Date:</i> Thursday, July 19</p>	<p><b>Portland</b>  Channel 30 – Portland Community Media  <i>Web site:</i> <a href="http://www.pcmtv.org">www.pcmtv.org</a>  <i>Ph:</i> 503-288-1515  <i>Date:</i> Sunday, July 22, 7:30 p.m.  <i>Date:</i> Monday, July 23, 9 a.m.</p>
<p><b>Gresham</b>  Channel 30 - MCTV  <i>Web site:</i> <a href="http://www.metroeast.org">www.metroeast.org</a>  <i>Ph:</i> 503-491-7636  <i>Date:</i> Monday, July 23, 2 p.m.</p>	<p><b>Washington County</b>  Channel 30– TVC TV  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534  <i>Date:</i> Saturday, July 21, 11 p.m.  <i>Date:</i> Sunday, July 22, 11 p.m.  <i>Date:</i> Tuesday, July 24, 6 a.m.  <i>Date:</i> Wednesday, July 25, 4 p.m.</p>
<p><b>Oregon City, Gladstone</b>  Channel 28 – Willamette Falls Television  <i>Web site:</i> <a href="http://www.wftvmedia.org/">http://www.wftvmedia.org/</a>  <i>Ph:</i> 503-650-0275  Call or visit web site for program times.</p>	<p><b>West Linn</b>  Channel 30 – Willamette Falls Television  <i>Web site:</i> <a href="http://www.wftvmedia.org/">http://www.wftvmedia.org/</a>  <i>Ph:</i> 503-650-0275  Call or visit web site for program times.</p>

**PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.**

Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement Coordinator to be included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site [www.oregonmetro.gov](http://www.oregonmetro.gov) and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 503-797-1804 or 503-797-1540 (Council Office).

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- Natural Resource Mitigation Plan

d. The marine terminal development area results in the following habitat areas being impacted:

- i. Shallow water habitat: .3 acres
- ii. Wetlands: 10 acres
- iii. Forest/Woodland: 158.5 acres
- iv. Shrub: 5 acres
- v. Grassland 123 acres (including about 100 acres of dredge spoils)

The City of Portland and the Port of Portland have developed a mitigation proposal that anticipates the requirements of the Corps of Engineers and NOAA Fisheries who have regulatory authority over wetlands and shallow water habitat. These federal requirements are well known and lead to a similar mitigation proposal by these two parties:

- i. City proposal:
  - Shallow water habitat: .6 to 1.5 acres of mitigation
  - Wetlands: 20-30 acres of mitigation
- ii. Port proposal:
  - Shallow water habitat: up to 1 acre of mitigation
  - Wetlands: 27.8 acres of mitigation

For mitigation of the displaced forest/woodland, shrub and grassland areas, the Port of Portland has developed a mitigation proposal using the Natural Resources Trustees Habitat Equivalency Analysis (HEA) established for the purpose of mitigating the impact on salmonids associated with the Portland harbor superfund site. The methodology provides a framework for establishing the relative habitat value of different natural resource conditions. Using this methodology, it is possible to establish the aggregate value of the different resources being displaced and the value of the mitigation being provided to establish whether the replacement is adequate.

- Using this methodology, the Port's proposal is to provide forest mitigation by planting 150 acres of forest to fill in voids on Government Island, including a portion on Metro owned property.
- In addition, the Port of Portland expects to enhance the habitat value of the remainder of West Hayden Island by implementing their mitigation obligations for the Superfund site on the island and using the island for other mitigation banking. Upon completion of these obligations, the Port is willing to transfer ownership or implement some other form of permanent protection.

The City of Portland has proposed an approach to mitigating forest, shrub and grassland with an approach that defines a set of multiplier ratios based upon best practices being employed throughout the Pacific Northwest which emulates the approach taken by the Corps and NOAA Fisheries for wetlands and shallow water habitat. The ratios that would be applied are as follows:

- i. Grassland: 1.2:1 ratio; 150 acres of mitigation
- ii. Forest: 2:1 to 15:1 ratio as follows:
  - Re-establishment: 2:1 ratio
  - Rehabilitation: 4:1 ratio
  - Enhancement: 8:1 ratio
  - Preservation: 15:1 ratio
  - On-site modifier: divide by 1.5
  - Off-site > 5 miles: multiply by 1.5

These ratios result in the following acreage of forest mitigation (the first three bullets plus some combination of the fourth and fifth bullets):

- Preserve and legally protect forest on West Hayden Island: 294 acres
- Enhance forest on West Hayden Island: 103 acres



- Re-establish forest on Government Island: 150 acres (as proposed by the Port of Portland)
- Re-establish forest on an island within 10 miles: 253 acres; or
- Enhance forest on an island within 10 miles: 736 acres.

The Audubon Society has developed a proposal based upon the holistic value of the existing 800 acre resource rather than each element of resource. Their proposal includes:

- i. Permanent protection of the remaining 500 acres;
- ii. Complete restoration of the remaining 500 acres as part of this West Hayden Island project without relying on other mitigation obligations;
- iii. Off-island enhancement by providing a financial contribution of \$30 million to a conservation group or land trust with a strong record in natural resources on the Lower Columbia River.

e. Cost Benefit Analysis

A Benefit/Cost analysis has been completed taking into account the costs and monetized value of impacts and benefits of the proposal on natural resources, recreation facilities and the cost of needed infrastructure. It concluded that the proposed port facilities would need to generate more than \$5.5 million per year in economic value (including wages, taxes and economic efficiency improvements) to produce a net positive benefit. It is expected that economic benefit of that magnitude can readily be accomplished.

However, the analysis was unable to monetize local community impacts from traffic, noise, light and air pollution due to the uncertainty of development type and timing. Recommendations were provided to mitigate these impacts, chief among them building the new bridge from Marine Drive to West Hayden Island and best practices in managing marine terminals to minimize impacts. The report also recommended carrying out a Health Impact Assessment as part of the permitting for a specific facility to better quantify community impacts. **Note: the community is calling for the Health Impact Assessment as part of this annexation and zoning decision.**

f. West Hayden Island Recreation Analysis

- i. The analysis found a shortage of park facilities for East Hayden Island residents and concluded that addition of recreation facilities with the development of West Hayden Island could meet a portion of those needs.

- ii. The analysis concluded that there can be a conflict between recreation and wildlife and called for limits on active recreation facilities, especially on the furthest west portions of the island.
  - iii. It is recommended that active recreation facilities, including a non-motorized boat launch be located at the east end and limiting paved trails to the east end.
  - iv. Further consider a motorized boat launch in conjunction with the Oregon State Marine Board triennial review.
  - v. There can be conflicts between recreation facilities and port operations that can be mitigated with adequate signage and fencing.
  - vi. If a new bridge is constructed to Marine Drive, include bike lanes and consider a small park and parking lot near the West Hayden Island touchdown point.
- g. West Hayden Island Land Management Options – This white paper evaluates options for long-term management and operations of the natural area and recreation facilities which is complicated by the multiple ownership pattern, including the Port of Portland, Portland General Electric, Pacific Corp., the Bonneville Power Administration and the Oregon Department of State Lands. It is the intent of the Port to retain ownership and operation until all of their mitigation obligations on-site have been fulfilled, including mitigation to meet Willamette River Superfund clean-up obligations. Evaluation of management approaches was considered based upon consultation with organizations currently having similar responsibilities, including Metro, Oregon Parks and Recreation, Portland Parks and Recreation, Columbia River Land Trust and the Port of Portland. It is recommended that the Port contract with the city of Portland Parks and Recreation for recreation facilities but there is no conclusion on management responsibility of the natural areas once mitigation is complete.
- h. Local Impacts of Industrial Development

Although the Benefit/Cost analysis did not monetize local impacts, this report provides a quite exhaustive description of the nature and severity of impacts of marine terminal construction and operation on surrounding neighborhoods, especially East Hayden Island. In addition, it provides a description of Best Management Practices for reducing or eliminating expected impacts. Included in the report are the following:

- i. Dust emissions from dry bulks such as grain and potash or soda ash which can be significantly reduced;
- ii. Diesel particulate emissions of the ship itself while docked, trucks queued up for loading and unloading and trucks accessing the terminal. Of these the most significant is related to trucks which, along with trucks statewide, will produce a lower rate of particulate emissions as newer technologies and fuels phase in. However, the only way to virtually eliminate diesel emissions from trucks is by construction of a new bridge from West Hayden Island to Marine Drive. On-site

trucks can be cleaner technologies and ship and rail idling can be reduced through electric power hookups.

- iii. Noise from truck movements accessing the terminal, freight trains, especially rail car banging during loading and unloading. Of these, most truck and train noises are in existing locations with the exception of trucks accessing the sight via Hayden Island Drive with the manufactured home community in very close proximity. This can only be fully mitigated with a new bridge to Marine Drive.
- iv. Light pollution of the terminal itself which cannot be completely eliminated but can be reduced using International Dark Sky techniques.
- v. Projected traffic impacts on surrounding communities were evaluated based upon with and without the maximum terminal development and with and without a new bridge from West Hayden Island to Marine Drive. Based upon the potential types of marine terminals under consideration (not a container terminal), most of the activity would take place between ships and barges or railroad cars. As such, expected traffic volumes would be limited to an estimated level of 2700 vehicles of which 700 would be trucks. This could be accommodated on East Hayden Island streets without causing undue congestion but could negatively impact the livability for the adjacent neighborhoods. The City of Portland proposal is to upgrade Hayden Island Drive to connect to I-5 at a cost of approximately \$21 million rather than build a new bridge at the cost of upwards of \$100 million.
- vi. The residents of the area would benefit from availability of new park facilities, including hiking trails and a potential non-motorized boat launch.

i. Portland Harbor Lands Report

This report provides a detailed assessment of the land supply in the Portland harbor to meet the demand for industrial growth in the future, and particularly for marine terminal purposes, in the context of an updated assessment of the need for and land supply available citywide. The analysis determined that two sites in the Portland harbor could serve marine terminal purposes although they are smaller than desired, cannot accommodate a rail loop, would require land assembly of multiple owners and have contamination clean-up requirements. The two sites are the Autofina site (in the area surrounding the Metro Central Transfer Station) and the Time Oil site (next to Schnitzer Steel south of Rivergate). In addition, until the Willamette River Superfund site is cleaned up, there is a cloud over development of any kind in the Portland harbor due to unsettled financial responsibility.

The report also evaluates the potential to meet the need for marine terminals on Port of Vancouver land. Although it appears to the casual observer that the Port of Vancouver has a substantial land resource, when accounting for sites currently under development and those set aside for environmental protection and general industrial development, the available land supply for marine terminal purposes is 350 acres. Although

forecasting future demand for marine terminal development is inherently difficult in a globally changing environment, the report notes that Columbia River cargo tonnage has been growing for a sustained period of time and especially in the recent past after completion of the channel deepening. Under most assumptions about the future, this land supply is either insufficient to meet the need for 2040 and potentially grossly insufficient. In addition, demand will continue to grow beyond 2040.

j. Port of Vancouver Coordination

This report presents existing and potential opportunities for coordination between the Ports of Portland and Vancouver. It provides an analysis of existing legal structures, coordination and consolidation experiences throughout the country and conditions that could lead to increased cooperation locally. In general, it concludes that mutually beneficial cooperation has occurred around issues of information sharing, joint marketing, sharing of equipment (including the use of a Port of Portland floating dock for the Port of Vancouver Subaru terminal), coordination of railroad improvements and joint sponsorship of the Columbia River channel deepening. It found very limited national experience in implementing bi-state ports and only when initiated in response to a controversy or benefit of mutual interest. They concluded that implementation of a bi-state port merging the Ports of Vancouver and Portland would only come about in response to the need to implement a bi-state construction project, to remedy a substantial legal dispute or to address a significant issue impact economic inefficiency. The report also describes the nature of the growth management programs implemented under separate state legislative authority, both of which include significant expectations for meeting employment land needs. Any merger would entail concurrence at the local, state and federal levels.

- k. North Portland Rail analysis – This paper summarizes 12 different studies that have evaluated the adequacy of the rail system to meet freight and passenger needs. It recognizes challenges with rail congestion in the vicinity of this very busy bridge across the Columbia River. The rail connection to/from West Hayden Island is designed to be fairly high speed (35 mph) to minimize problems with delay. However, growth in freight and passenger traffic will necessitate rail improvements regardless of expansion into West Hayden Island, especially to junctions approaching the bridge. Many of the rail improvements recommended in the studies reviewed have been implemented through the Connect Oregon program funded by the Oregon Legislature. In addition, the Oregon Passenger Rail EIS Project will address the Columbia crossing and whether another track is needed across the river.
- l. Summary of Health Impacts – The City of Portland has compiled information about health risks of the proposal and is consulting with the Multnomah County Public Health Division to initiate a Health Impact Assessment (HIA). In addition, they are contracting

to collect baseline information on noise and air pollution levels in residential areas near West Hayden Island. Their intent is to compile a preliminary HIA to inform the annexation and zoning decision and to require a project specific HIA in conjunction with the EIS that will be required for an actual marine terminal proposal.

