

## 12. Why did the Port stop the 1999 process?

In order to answer this question fully, it is important to back up and review the genesis and evolution of the previous process. In 1983 Metro brought West Hayden Island into the urban growth boundary. The Port acquired West Hayden Island in 1994 and spent the next three years developing a program for development and open space protection, consistent with Metro's comprehensive plan.

In late 1996, a prime grain customer, interested in new grain capacity on the river, heightened the Port's interest in moving forward quickly on federal, state and local permitting processes in order to serve the customer.

Permitting needs included federal and state approvals to fill about 20 acres of wetlands, consultation with the federal government regarding the impacts of the project on endangered fish, approvals to construct a vehicular bridge serving the marine facilities and local zoning approval and annexation of the 825 acres to the City of Portland. (The current process includes only the latter item.)

The project changed significantly when in early 1998 the Asian financial crisis eliminated the prospect of the customer and a subsequent market analysis showed that the need for future marine terminals was more distant than originally anticipated. The sense of urgency internally at the Port for completing the work declined as did staffing and resources applied to the project. However, the permitting efforts proceeded until the Commission's decision to suspend the process in November of 2000.

The underlying rationale for that decision was based on a lack of predictable market demand for the facilities being planned within the next five to seven years and the shelf life of some of the state and federal permits being pursued (some as short as one to three years.) Ultimately the Port decided its resources would be better utilized on other efforts.

The Port Commission voted to maintain the property as marine strategic reserve affirming the trade and transportation potential and importance of West Hayden Island for future job and transportation infrastructure growth.

Also factoring into the Commission's decision to suspend the process were concerns raised by neighbors, environmental groups and some elected officials regarding the potential impact on natural resource values, the real need for expansion and for more cooperative planning with the Port of Vancouver.

Since the suspension of the project, the Port completed a Marine Terminal Master Plan in 2002 and has been working to ensure that existing facilities are used to their full capacity and potential. As part of this plan a new Toyota facility, built to Leadership in Energy Efficient Design Gold standards, was developed at Terminal 4; additional rail facilities and infrastructure were built at Terminal 5 that have doubled capacity there and two new post-Panamax cranes have been installed at Terminal 6. The Port has also cleared 7 acres at Terminal 4 for future use and has begun another extensive upgrade at its Ramsey Rail Yard to increase rail capacity and efficiency serving grain and mineral bulk exports at Terminal 5.

Perhaps most significantly, an unprecedented bi-state, multi-regional effort has led to the near completion of a project to deepen the Columbia River Channel to 43 feet.

Also as a result of input received during the first process, the Port has been working with Metro, the Port of Vancouver USA and others to further analyze the economic need by looking at cargo growth and the regional supply of marine industrial property. The Port has completed several extensive studies regarding the growth of trade and transportation in our region including the Trade Capacity Study, the Freight Analysis Framework, the Commodity Flow Analysis, the Airport

Master Plan and Wildlife Hazard Plan, and the Port's own Strategic Plan. Working with the Port of Vancouver USA, the Port continues to assess the region's long-term maritime needs and develop solutions that incorporate both sides of the river.

It is important to highlight the fact that the former process and the current process differ significantly. During the earlier process the Port had a potential customer and the scope of the planning process included a more specific development plan including federal and state permits.

The current process is aimed strictly at annexation and zoning for the island which will provide the Port with needed clarity regarding this asset and its potential to generate revenue and jobs in line with the Port's mission. In the case of West Hayden Island, this work has been delayed for 26 years since Metro incorporated West Hayden Island into the Urban Growth Boundary for marine industrial purposes, and no rezoning to effect this purpose has yet occurred at the local level.

The current lack of clarity about West Hayden Island makes short and long term planning on a regional basis very difficult as well. When the current process was initiated there were several other processes underway or about to begin including:

- The City of Portland's "area plan" for Hayden Island, east of the rail bridge. This opportunity provides a means of connecting the planning for the eastern part of the island with the west. Both plans will coordinate land use, transportation and natural resource planning activities.
- Planning and development efforts associated with the Columbia River Crossing (CRC) project. This provides an opportunity to address how WHI traffic will be served and how additional access to the island will be coordinated with the overall CRC planning effort.
- City Comprehensive planning and City industrial land need: There is a limited amount of waterfront industrial land within the City of Portland according to the city's industrial atlas and inventory. This will need to be taken into account as the city works to prepare its Comprehensive Plan. Having additional Urban Growth Boundary--designated industrial land in the city will help address this need.

In addition, the current process will greatly assist in reconciling the two uses identified for the island (marine industrial and natural resource) in various past city and Metro planning efforts (Metro UGB decision, Metro 2040, RSIA, Goal 5 and the current UGB expansion studies) and will bring clarity as to how much land can be included in areas set aside for industrial growth in future planning reports.