



WHI Mitigation and Enhancement Subcommittee
Meeting #3 - Meeting Minutes
2-7-12

Subcommittee Attendees:

Bob Sallinger, Audubon Society of Portland
Sam Ruda, Port of Portland
Andy Cotugno, Metro
Eric Engstrom, City of Portland, BPS
Mike Rosen, City of Portland, BES
Sam Imperati, Facilitator

Sam I: Got mitigation proposals last Wednesday and framed up four major underlying issues and the range of potential approaches to addressing the issues:

1. Mitigation
 - a. Restoration of the 500 acres to its fullest potential plus money to an independent third party purchase and restore offsite location(s)
 - b. Meet state and federal requirements for mitigation of impacts to shallow water habitat/wetlands and satisfy local mitigation requirements by setting aside the 500 acres as open space
2. Enhancement
 - a. \$30M to an independent third party to purchase/restore offsite location (s)
 - b. \$250K over 10 years
3. Using the 500 acres for Non-project Uses
 - a. No – all 500 acres restored as mitigation for project impacts
 - b. Yes – there is enough room to satisfy the project mitigation and other mitigation needs
4. Permanent Protection
 - a. Land transferred to a 3rd party via fee simple or conservation easement
 - b. Ownership stays with the Port (at least in the near-term)

Eric (to Bob): Define “full restoration”

Bob: Instead of deciding on X acres of each habitat type, define an “end state” for the island

Eric: Using the A2 environmental concept?

Bob: No, we still need to have a more detail discussion about the shallow water habitat and forest end state. But we need to avoid a piecemeal approach and figure the full deal now. The important thing to understand is that we need a holistic approach---the whole is more valuable than the sum of the individual parts. The agreement would include the entire 500 acres and there would not be any leftover for other mitigation obligations.

Sam I: How do you quantify to see what is the relationship? For example, removing invasive plants is cheap but restoring shallow water habitat is expensive (relatively speaking).

Eric: It could be \$10M - \$200M to do full restoration.



Bob: If the annexation agreement includes a full package then we believe that could be used to satisfy state/federal mitigation needs

Sam I: Clarify the state/federal process

Bob: Port would make a case to the feds and state that these actions are sufficient to meet mitigation needs. Do it now in the agreement and get rid of conflicts. Audubon would support that approach. The total cost would be \$30M - \$40M. \$30M would all go to one off-site purchase and restoration. The remaining would be spent on-island. We talked with a variety of NGO's and agencies and also looked at other local mitigation projects – Port of Vancouver, CRC, Airport Futures – to develop our proposal. We found both higher and lower. If the overall project costs would be \$1B - \$1.5B, then the mitigation cost over 20 years is a very small percentage. There also needs to be a community benefits package to address social concerns. Audubon would not agree to any package that did not adequately address community impacts as well as environmental impacts.

Mike: So in your scenario, if on-site costs more than expected, then the \$30M towards off-site goes down?

Bob: Yes, we were thinking that this would cost around \$40 million total.

Sam R: We agree that we are trying to get to a future state for the island and we want to look at it holistically. The Port didn't make a proposal on what that end state should be but we are looking at it now. The Port wants to preserve ownership of the 500 acres through development and through the NRDA process. We think there are ample options for NRDA and maybe some mitigation banking opportunities. We haven't cost out what the state/federal mitigation may be and we aren't sure how much NRDA will cost. The crux of the difference is what the end state should be, how much of that will be satisfied by the state/federal process and how will Goal 5 be addressed. The long-term protection/management could be flexible after NRDA is decided and development mitigation is finished. We are OK with 3rd party oversight.

Sam R: We expect the overall project costs to be \$200M - \$350M.

Eric: That is consistent with the emerging City costs projections, not including a bridge.

Sam I: The issue of proportionality is important. Since mitigation is part of the project costs, it's important to know what the project costs are expected to be.

Eric: Mitigation needs to be quantified based on functional impacts. This is true for the state and federal processes and somewhat for the city.

Bob: We're just saying you can make a case for a whole package and make that case now.

Sam R: We do know what the state/federal requirements may look like but we don't want to put a dollar on it yet.

Eric: On the issue of ownership vs permanent protection – We could resolve this over time based on when and how development mitigation happens. Are there some milestones we could set? There are three potential milestones: development, mitigation completion, then transfer of ownership or management.

Sam R: yes, that is the approach but we don't know what development will happen. We know a bit more about NRDA.



Sam I: We could set dates or we could state events as milestones. We are still stuck on what is a reasonable assumption for how much it will cost to develop the marine terminal.

Eric: WorleyParsons estimates \$100M for infrastructure and \$100M for the terminal and \$100 for the bridge.

Sam R: It should be noted that A.2 option on concept plan is a proof of concept, but is not what will actually get built. How does the city view the value of the 500 acres “set aside” and the approach that this satisfies the local mitigation requirements?

Eric: The city agrees that the “set aside” should be considered as part of the package. It could affect the mitigation ratios for example. But we are looking for on-site improvement in the 500 acres in the form of enhancements.

Bob: the Port only owns 380 acres of the 500 acres. Audubon also puts value on the OS but the acres are compromised because of the development. Simply setting land aside does not mitigate for the loss of 300 acres and the impacts from development on the remaining protected area. The goal is to get to a net increase in ecosystem function and you can't get there by simply not developing a portion of the property.

Sam R: We probably won't get agreement right now on this issue.

Bob: Net improvement is different from Goal 5.

Sam R: I recommend we have time to caucus with our staff and come back together to determine next steps.

Mike: I think we need a reference point (the WP concept plan) to start with.

Andy: The 1st question was about ratios and that was a good path. Audubon's ratios were a good place to start the discussion. Now we aren't on that path, we are on an ideological process. It's not a functional approach, but there is logic behind it. Going back to the ratios would give us an idea of how much mitigation might be needed and if there is room on-site or off-site. It would help us understand if there is room on-site for other obligations like NRDA.

Sam I: Yes, that is what I'd suggest we do. This could be an action item.

Eric: We agree with Andy's approach but there are three to four principle issues that influence how this plays out.

Bob: We agree but the risk is that we end up with lots of little enhancements all over and not one big chunk of improvement. We still want to look at the end state, the desired future outcomes.

Andy: Start with the ratios and then move to the bigger approach.

Bob (to Sam R): Do you have a target for where the enhancement money would go. Would it be a lump sum to a land trust or ?

Sam R: We looked at mitigation and enhancement and it could go on-site or off-site and start before development.

Bob: Port could restore the island and then buy land somewhere else but it would take a long time to find land to buy so giving that money to a land trust would satisfy that obligation.



There was discussion about preparing a continuum timeline of events. This could include: early mitigation, development, meeting mitigation requirements, recreation and property transfer or conservation easement.

BREAK

Sam R: What are the steps to move forward? For the Port, we'd like to look specifically at the A2 [Final Base Concept Plan] and model what we think the state/federal mitigation requirements may be and what projects might be associated with that. We like to look at other port projects, Longview and Vancouver, to see what they have done.

Andy: Requests that if we do apply a ratio to be explicit about it; forest/woodland need a ratio too. It is important to consider more than just the state/federal mitigation requirements, but the goal of net increase to ecosystem functions.

Sam R: We will be explicit.

Andy: Did the other port's have benchmarks? Also, we'll need to know what the impacts were to understand the mitigation.

Eric: The City's action items are to look at the Final Base Concept Plan impacts and assumptions for mitigation and costs.

Sam I: I feel like there isn't a meeting of the minds between Sam R and Andy on Goal 5/state/federal requirements. Will there be ratios for everything and what would that look like?

Andy: We should do an exercise that addresses all habitat impacts regardless of jurisdiction; do ratios for all habitats (forest, woodland, shallow water, wetlands, grasslands, etc.)

Marla: The Port will ask for credit for the Open Space designation therefore there won't be straight ratios for all habitat types.

Eric: We have done that exercise and there is a wide range of ratios that could be applied.

Andy: I need a way to calibrate it with the total package – is the total package high, low or in the ballpark?

Marla: The problem with the ratios approach is that we don't have the ESEE yet.

Bob: The Port goes to the ESEE and Audubon goes to net improvement. The ESEE isn't net improvement. If \$30M would make the project not economically feasible that is different than trying to meet a net increase in ecosystem services.

Sam R: I'm not sure right now about the total cost; we'll need to think about that. We will consider that approach and see what the gap is.

Eric: On the issue of if WHI can be used for other non-project mitigation, Bob can you explain your position and is that position negotiable?

Bob: We see full restoration of the 500 acres as part of a package deal to address the loss of 300 acres and the negative impacts that this development will have on the remaining protected area. We understand that the Port needs lands to mitigate for Superfund---however that is part of the fundamental challenge---we are running out of land to mitigate for all the environmental



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impacts we are having on the local ecosystem. We don't have enough land. Negotiable? Maybe, depending on the end state goal for WHI.