INTERGOVERNMENTAL AGREEMENT FOR NATURAL RESOURCES RELATED TO THE AIRPORT FUTURES PROJECT

This INTERGOVERNMENTAL AGREEMENT FOR NATURAL RESOURCES RELATED TO THE AIRPORT FUTURES PROJECT ("Agreement") effective May 13, 2011 ("Effective Date") is between **THE PORT OF PORTLAND**, a port district of the State of Oregon ("Port"), and **THE CITY OF PORTLAND**, OREGON, a municipal corporation ("City").

RECITALS

A. The Port and the City are authorized to enter into intergovernmental agreements with other local governments pursuant to the terms of ORS 190.003 to 190.010.

B. The Port and the City are also parties to an Intergovernmental Agreement Portland International Airport Land Use Approvals Work Program and Tasks, effective December 3, 2004 as adopted by the Portland City Council pursuant to Ordinance No. 178814 ("2004 IGA"), as amended by Reimbursement Agreement Amendment No. 1 to Intergovernmental Agreement, effective October 1, 2006; Detailed City Workplan Amendment No. 2 to Intergovernmental Agreement, effective June 27, 2007; Detailed City Workplan Amendment No. 3 to Intergovernmental Agreement, effective August 5, 2008; Detailed City Workplan Amendment No. 4 to Intergovernmental Agreement, effective June 30, 2010; and Detailed City Workplan Amendment No. 5 to Intergovernmental Agreement, effective December 29, 2010.

C. "Airport Futures" is a collaborative effort between the Port, City, and the Portland-Vancouver metropolitan community to create an integrated long-range development plan for Portland International Airport ("Airport"). Through analysis of information, discussion, and many questions asked, the Airport Futures Planning Advisory Group ("PAG") advanced several conclusions and recommendations involving the Airport's long range plan during a three (3) year process ending in 2010. The Port and City appreciate the importance of the work of the PAG as captured through the PAG Report, the City Land Use Plan, and the Port's Airport Master Plan Update. This Agreement is unique to the Airport Futures process, and does not establish a precedent with respect to mitigation obligations for any other Port operation or activity, whether aviation-related or not.

D. The Airport is situated on land designated and zoned as industrial and open space and as such, is not an outright permitted use within the zone. The Airport has been allowed to lawfully exist only through an approved Conditional Use Master Plan ("CUMP"), which the Port is required to renew at no greater than ten year intervals. Airport Futures is a cooperative process established by the Port and City to examine, in part, options for replacing the CUMP with land use regulations intended to accomplish a number of economic, social, and environmental objectives, consistent with City policies and regulations and the Port's statutory mission and objectives. On the basis of the Airport Futures process, a plan district was selected as the preferred regulatory approach, and an Airport Plan District is being implemented concurrently with this Agreement.

E. The Airport is a unique and multi-faceted land use that is subject to a complex hierarchy of federal, state, and local regulations. The Port-owned and operated properties that together comprise the Airport reflect two (2) types of operations or land uses: airside and

landside. The airside portion of the Airport includes the airfield and all related development, including runways, taxiways, and security fencing. Airside land uses, with the exception of the City's future legislative approval of the third parallel runway, are not subject to the development regulations of the City Code's *Title 33, Planning and Zoning*, nor does the City review or issue building permits within the airfield. Landside activities, by contrast, are subject to the City Code's *Title 33, Planning and Zoning*.

F. The purpose of this Agreement is to: (a) document the specific land use designations (zoning and environmental overlays) to be incorporated in the City Land Use Plan, as well as newly revised City Zoning Code ("Code") related to natural resources; and (b) describe the mitigation and enhancement projects which will justify and support those designations.

G. The Port and City have worked in cooperation to develop information necessary to support the City's natural resources program update. The City has performed a Natural Resources Inventory ("NRI") and an Economic, Social, Environmental, and Energy Analysis ("ESEE") of Airport area properties, including Port-owned properties, which will constitute a part of the City Land Use Plan. In consideration for City approval of the overall Land Use Plan for the Airport, and the Port's natural resource commitments contained herein, the Port and City agree that the land use designations, mitigation measures, watershed enhancement activities, and related obligations set forth in this Agreement: (a) accomplish the Sustainability Guidelines and Goals of the PAG; (b) address the City's Comprehensive Plan Goals and Policies which include Statewide Planning Goal 5 and all other applicable land use laws and regulations; (c) are consistent with the Port Commission's mission statement, policies, and goals; (d) provide the Port with regulatory certainty regarding Airport operations and development on properties at the Airport, and; (e) provide the City and the metropolitan community with certainty regarding natural resource mitigation and enhancement efforts contained in this Agreement.

NOW, THEREFORE, in consideration of the promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Port and the City agree as follows.

AGREEMENT

1. **RECITALS**

The Recitals above are true and are incorporated into and are a part of this Agreement.

2. TERM

This Agreement shall be effective for twenty five (25) years following the Effective Date which is defined as the date of execution by the Port and the City, unless extended by mutual agreement as provided herein. The Port's obligations set forth herein are contingent upon: (a) acceptance by the Port Commission; (b) adoption by City Council of Plan District, Zoning, and Comprehensive Plan amendments consistent with this Agreement; and (c) Department of Land Conservation and Development acknowledgment of the City Land Use Plan.

2.1 Review of Agreement on Expiration; Possible Extension

The Port and the City agree to meet within the month following the expiration of this Agreement in 2035 to comprehensively review accomplishments, and to discuss whether the term of the Agreement should be extended, revised on mutually agreeable terms, or allowed to terminate.

2.2 **Port's Obligation at Termination**

The Port's obligation to maintain mitigation sites, described in Section 3, will survive the termination of this Agreement and continue in perpetuity, unless modified with the City's consent. The Port will record a maintenance agreement, this Agreement, or some other instrument acceptable to the City, to reflect its continuing obligation. Any rights to develop property that has already been mitigated for and accrued under Section 3 will also survive the termination of this Agreement.

2.3 Early Termination

In the event termination occurs prior to the completion of three hundred (300) acres of mitigation as provided for in Section 3, the City shall apply a conservation overlay zone to all portions of the subject properties that have not been developed, excepting any rights to develop which have accrued under Section 3.

3. ZONING AND MITIGATION OF UPLAND GRASSLANDS

3.1 Natural Resources and City Goal 5 Recommendation

Four (4) properties designated as Special Habitat Area in the City's Middle Columbia Corridor/Airport Natural Resources Inventory ("MCCANRI") have been identified by the Port as candidates for development during the term of this Agreement. These properties, identified in **Exhibit A** attached hereto, are known respectively as: (a) 33rd Field; (b) S.W. Quad; (c) Deicing Field; and (d) Fuel Farm Field (collectively, "Four Properties"). The City's MCCANRI designated approximately two hundred sixty eight (268) acres of land within the Four Properties as Special Habitat Areas because, the City concludes, these areas are uplands that: (a) support grassland-associated species; (b) provide important breeding and foraging habitat and connectivity on an otherwise highly developed landscape; and (c) at some locations support species identified as at risk by the City. Based upon the ESEE, the City recommends a *limit* decision for the Four Properties. The *limit* decision is intended to balance the natural resource values and economic values of the Four Properties and would typically be implemented through application of an Environmental Conservation ("c") overlay zone. The City may also implement the *limit* decision through an Agreement that achieves the intent of the decision, specifically mitigation for impacts to natural resource functions. In exchange for the mitigation commitments described in this Section, the City agrees to implement the *limit* decision through this Agreement, instead of applying environmental overlay designations for the Four Properties, including the wetlands and drainageways located on Port properties.

3.2 Zoning

As of the Effective Date, the City's Bureau of Planning and Sustainability shall remove the environmental overlay zoning for the Four Properties of the Airport, as shown in **Exhibit B**.

3.3 Mitigation for the Four Properties; Acreage

To implement the *limit* decision for the upland grasslands on the Four Properties, subject to Section 2, the Port agrees to mitigate for three hundred (300) acres of upland grassland resources as follows.

3.3.1 Purpose

Mitigation will be provided for upland grassland resource values currently represented on the Four Properties which may be lost or degraded as a result of aeronautical or industrial development. Such mitigation or any other requirement set forth within this Agreement shall not preclude the Port from implementing its Wildlife Hazard Management Plan for the Airport. The general framework for creating, implementing and monitoring mitigation is described in the Mitigation Framework attached hereto as **Exhibit C**.

3.3.2 Mitigation Plans

The Port will prepare a site specific mitigation plan for each phase of mitigation, described below, to be agreed upon by the City and Port in advance of initiation of mitigation. The mitigation plan shall: (a) be consistent with the Mitigation Framework; (b) science-based; (c) contain all the information the City and Port believe is appropriate to guide implementation; and (d) will include at a minimum the following elements: (i) description of mitigation site location and existing natural resource features and functions; (ii) ecological goals (habitat types, resource functions, etc.) to be achieved; (iii) management strategies to address the ecological goals; (iv) maintenance and monitoring plans; and (v) metrics for measuring success. Mitigation plans may contain additional information, such as how a mitigation phase might relate to a subsequent phase, how mitigation under this Agreement might relate to other, independent mitigation work performed by the Port or other parties, or descriptions of experimental or adaptive management strategies. Given the seasonal nature of site preparation work, the optimum target window for initiation of onsite work is during the early growing season. Work on the plan for the first phase of mitigation will begin within one (1) month of the Effective Date, with a goal of plan completion in advance of the 2011 growing season to allow onsite work to begin in 2011. If this goal cannot be achieved, onsite work will begin no later than the 2012 growing season.

3.3.3 Mitigation Location

Mitigation shall be provided on Government Island, located outside City boundaries north of the Airport. Government Island is owned by the Port and managed by the Oregon Parks and Recreation Department. The Port and the City acknowledge that there is in excess of five hundred (500) acres of unimproved natural resources currently available on Government Island which might be used for upland grassland mitigation purposes. The Port will reserve three hundred (300) acres of land for mitigation required by this Agreement, though the location of specific mitigation site within this acreage need not be specified in advance. The Port and the City agree that mitigation objectives can best be achieved on larger, contiguous parcels, and the Port will designate both the initial reserve of three hundred (300) total acres and subsequent mitigation sites within the reserve with this concept in mind to the extent practicable given landscape constraints and the goals of the Mitigation Framework.

3.3.4 Phased Mitigation

The mitigation will be phased in fifty (50) acre allotments through 2035. The mitigation will be phased such that for every twenty five (25) acres of development, the Port agrees to perform fifty (50) acres of mitigation. The Port agrees to initiate the first (1^{st}) fifty (50) acre phase of mitigation, in advance of any development. The first (1^{st}) phase will be initiated consistently with Section 3.3 (b) through (e). The Port and the City expect the work on the initial fifty (50) acres to be completed no later than seven (7) years after commencement. The Port will be entitled to begin development - up to twenty five (25) acres total - on upland grasslands on any of the Four Properties concurrently with the initiation of work on the first (1^{st}) fifty (50) acre phase.

3.3.5 Subsequent Mitigation Phases

The Port agrees that upon the twenty sixth (26th) acre of development, the Port will construct the next fifty (50) acre phase of mitigation. The phases will continue in increments of fifty (50) acres of mitigation for each twenty five (25) acres of development proposed on the Four Properties. Through this phase, when the Port has developed one hundred fifty (150) acres of the Four Properties, three hundred (300) acres of mitigation will be completed. When all three hundred (300) acres of mitigation are complete, the Port will have achieved its full mitigation obligation and be entitled to develop the remaining one hundred eighteen (118) acres of the Four Properties. The Port will be entitled to begin development on the upland grasslands on any of the Four Properties concurrently with the initiation of work on the corresponding mitigation phase as shown in the following table:

Acres of Mitigation	Total Acres of Development Allowed			
50	25			
100	50			
150	75			
200	100			
250	125			
300	268			

3.3.6 Certainty for Development

Having established an entitlement to develop lands by performing mitigation in the manner described above, the Port will not be required to perform any further or additional mitigation for development on the Four Properties during the term of this Agreement. For example, having established an entitlement to develop twenty five (25) acres on the upland grasslands on any of the Four Properties by constructing the first (1st) fifty (50) acres of mitigation, the City will not require the Port to perform any further mitigation intended to offset loss of natural resources, in any form, as a prerequisite to that development. The City may be required to impose additional or different mitigation requirements if compelled to do so by provisions in federal, state, or regional law adopted after the Effective Date.

3.3.7 Certainty for Mitigation

The City and Port agree to the principle of mitigation in advance of development as described here and in the Mitigation Framework, attached hereto as **Exhibit C**. If development does not occur on the Four Properties at the expiration or earlier termination of this Agreement, the City will apply the Conservation Overlay Zone on undeveloped areas as described in Section 2.3. The Port agrees that none of the three hundred (300) acres of mitigation will be used, or sold as credits, for mitigation required outside the Four Properties.

3.4 Mitigation for Four Properties; Other Terms

Apart from the initial fifty (50) acre mitigation phase, the Port will not be obligated to perform mitigation except in response to development on the Four Properties. This Agreement applies only to the three hundred (300) acres identified for mitigation on Government Island and not to other parts of the island. The City agrees that the Port may pursue a candidate conservation agreement or other similar type of agreement related to threatened or endangered species under state or federal law, applicable to lands covered by this Agreement. Such agreement may incorporate the terms of this Agreement as a conservation measure. The mitigation approach described in Section 3.3 is based on the assumption that mitigation will cost approximately SIX HUNDRED THOUSAND DOLLARS AND NO CENTS (\$600,000.00) per fifty (50) acre parcel, or ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$100,000.00) for permitting and design, and TEN THOUSAND DOLLARS AND NO CENTS (\$10,000) per acre for construction and maintenance over a twenty five (25) year period (based on 2010 costs). The Port's total estimated financial commitment, if all three hundred (300) acres of mitigation were to be constructed in 2010, would be approximately THREE MILLION ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$3,100,000.00) over a twenty five (25) year period. The mitigation obligations established under this Agreement address resource loss, not wildlife species diversity or abundance. In no event will the Port be held responsible for establishing or maintaining any wildlife species at a particular level of diversity or abundance. The Port may perform mitigation construction and maintenance using its own staff and resources, or by arrangement with third parties. At the expiration or earlier termination of this Agreement, the Port will be entitled to develop land in the amount of 0.89 times the amount of mitigation land actually constructed at the time of termination, not to exceed two hundred sixty eight (268) acres for three hundred (300) acres of mitigation. The City will apply the Conservation Overlay Zone on the balance of the land as described in Section 2.3.

4. WATERSHED ENHANCEMENT MEASURES

4.1 Purpose

Based upon the ESEE, the City recommends an *allow* decision for upland wildlife resources located in the Airport's airfield and in the Portland International Center ("PIC"). However, the City recommends *strictly limit* and *limit* decisions on other areas in PIC as described in the ESEE. The City and Port acknowledge that the *allow* decision for the upland wildlife resources could result in impacts to natural resources. The monetary contributions described in Section 4.2 to watershed enhancement measures are intended to accommodate the Port's, City's, and PAG representatives' desire to achieve no net loss of natural resources as a consequence of Airport operations and permitted development at PIC, and to achieve some level of enhancement of existing natural resource functions at the Airport. The Port and City agree that these measures are consistent with Airport Futures goals and objectives and further the Port and the City's mutual goal of implementing the City Land Use Plan for the Airport.

4.2 Monetary Contributions

The Port and City agree to work cooperatively in the selection of projects for funding under this Section and will solicit advice from the Airport's Community Advisory Committee.

4.2.1 Enhancements to the Urban Tree Canopy

Subject to Section 2, the Port will fund enhancements to the urban tree canopy for twenty five (25) years, starting at TWENTY THOUSAND DOLLARS AND NO CENTS (\$20,000.00) in the first (1st) year of this Agreement and escalating at a rate of three percent (3%) per year for a total of SEVEN HUNDRED TWENTY NINE THOUSAND ONE HUNDRED EIGHTY-FIVE DOLLARS AND NO CENTS (\$729,185.00). Enhancements under this Section may take the form of donations to appropriate conservation groups or entities specifically for tree planting projects in the Columbia Slough Watershed (e.g. Friends of Trees, Audubon/Three Rivers Backyard Habitat Certification Program, etc.), or work undertaken directly by the Port or the Multnomah County Drainage District ("MCDD") for improvements to tree canopy in the Columbia Slough watershed. In recognition that tree planting can be incompatible with Airport operations, these funds are intended for off-Airport planting to help further the City and PAG goal of fifteen percent (15%) tree canopy in industrial areas. Tree planting in close proximity to the Airport must be compatible with Federal Aviation Administration Part 77 to allow trees to reach full height at maturity. Tree planting paid for or done by the Port to comply with this Agreement may not be counted towards other mitigation obligations.

4.2.2 Enhancements to the Columbia Slough Watershed

As Airport operations have an effect on the health of the Columbia Slough, subject to Section 2, the Port will fund habitat enhancements to the Columbia Slough watershed for twenty five (25) years starting at THIRTY THOUSAND DOLLARS AND NO CENTS (\$30,000) in the first (1st) year of this Agreement and escalating at a rate of three percent (3%) per year for a total of ONE MILLION NINETY THREE THOUSAND SEVEN HUNDRED SEVENTY-EIGHT DOLLARS AND NO CENTS (\$1,093,778). Enhancements under this Section may take the form of donations to appropriate conservation groups or entities (such as the MCDD, the City, or the Columbia Slough Watershed Council), or work undertaken directly by the Port for Columbia Slough watershed enhancement. The donation or Columbia Slough watershed enhancement shall result in a specific habitat enhancement activity on the ground with preference given to projects that achieve multiple natural resources objectives and/or leverage additional money for enhancements. The Port shall consult with the City of Portland Bureau of Environmental Services and other stakeholders (e.g. Columbia Slough Watershed Council, Audubon Society of Portland, etc.) to identify priority enhancement activities. Appropriate use of the funds includes, but is not limited to, the acquisition of property for the purpose of natural resource restoration, riparian corridor resource restoration (e.g. invasive removal and native vegetation plantings), wetland benching, and replacement of slough culverts with bridges. Watershed enhancement projects paid for or performed by the Port to comply with this Agreement may not be counted towards other mitigation obligations. The Port's obligations under sections 4.2.1 (urban tree canopy) and 4.2.2 (slough watershed) include but are not limited to activities that satisfy or support the Port's obligations as a Designated Management Agency for the Columbia Slough.

4.2.3 Enhancements to PIC Wetland

The Port will undertake the conversion of a 6.2 acre site referred to as the "PIC Wetland" from its present state into a native scrub-shrub wetland, as described more fully in a forthcoming document entitled *PIC Wetland Conversion Project Plan*. The Port's total estimated financial commitment is ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$150,000.00). The Port and the City will collaborate to produce the *PIC Wetland Conversion Project Plan* within nine (9) months of the Effective Date and will solicit input on the plan from the Airport's Community Advisory Committee prior to implementation. The conversion will be substantially underway within two (2) years of the Effective Date. The Port agrees to maintain the wetlands in perpetuity, recording an appropriate instrument consistent with Section 2.2.

5. **REPORTING AND ADAPTIVE MANAGEMENT**

5.1 Reporting

At least annually, the Port will report on the progress and status of mitigation activities (as described in Section 3) and watershed enhancement activities (as described in Section 4). Reports will be made to the Airport's Community Advisory Committee established under the *Intergovernmental Agreement for the Airport's Community Advisory Committee*, effective May 13, 2011 (Port Agreement No. 2011-067) which will be a companion agreement to this Agreement, and to such other stakeholders as the Port and City may designate. The reports will include descriptions of specific projects with relevant cost and budget information. Reports will make reference to success criteria established in applicable design documents. In addition to annual reports, the Port and City will undertake comprehensive reviews of activity under this Agreement every five (5) years, reporting on those reviews as provided in this Section.

5.2 Adaptive Management

The Port and City agree to apply principles of adaptive management in the implementation of this Agreement. Among other things, the City may, in its discretion, approve variations in timing, location, and amount of mitigation under Section 3, and contributions or activities under Section 4, without waiving its right to enforce the terms of this Agreement, provided the City finds that doing so will achieve the overall objectives of this Agreement. The Port and City agree to comprehensively review the work performed and funded under this Agreement at least every five (5) years.

6. **DISPUTE RESOLUTION**

In the event a dispute arises between the Port and the City, the Port and the City shall use their best efforts to settle such disputes, questions, or disagreement. To this effect, the Port and the City shall consult and negotiate with one another in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both the Port and the City.

7. AVAILABILITY AND APPROPRIATION OF FUNDS

It is understood that the Port and the City are public agencies with the fiduciary duty to expend public funds in accordance with the law and, furthermore, the Port is subject to federal grant assurances directing the expenditure of Airport revenue, and as such the Port and the City must protect that public interest and practice good stewardship with public funds. The Port is also subject to grant assurances, revenue use policies and aviation land use constraints with respect to aviation related operations. All obligations of the Port and City are contingent upon funding being available and appropriated.

The land use designations and zoning provided for in this Agreement directly benefit airport operations. For this reason the Port intends to use airport revenues to fund its obligations to the fullest extent allowed by FAA law and policy. To the extent that it is not possible to use airport revenue the Port will use other unrestricted Port funds. The Port will not seek competitive grant funding for the purpose of implementing any element of this Agreement. The Port will meet its obligations under this Agreement.

8. CAPACITY TO EXECUTE

The Port and the City each warrant and represent to one another that this Agreement constitutes a legal, valid and binding obligation of that party. The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the party for whom they purport to be acting.

9. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

10. DEFINED TERMS

Capitalized terms shall have the meaning given them in the text herein.

11. ENTIRE AGREEMENT

This Agreement represents the entire agreement between the Port and the City relating to natural resources in the Airport Plan District. This Agreement has been thoroughly negotiated between the Port and the City; therefore, in the event of ambiguity, there shall be no presumption that such ambiguity should be construed against the drafter.

12. GOVERNING LAW

This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Oregon. Jurisdiction shall be with Multnomah County Courts or the Federal Court located in Portland, Oregon.

13. HEADINGS

The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.

14. MODIFICATION

Except as specifically set forth herein, this Agreement may not be modified or amended except by a written instrument duly executed by the authorized signatories for the Port and the City.

IN WITNESS HEREOF, the Port and the City have subscribed their names hereto effective as of the year and date first written above.

THE CITY OF PORTLAND

By:

Sam Adams, Mayor

Date:

5.12.1

By LaVonne Griffin-Valade, Auditor

5/13/11 Date:

APPROVED AS TO FORM FOR THE CITY:

VED AS TO FORM 1050 APPRO By: Counsel for t CITY AI

THE PORT OF PORTLAND

By: Bill Wyatt, Executive Director

Date:

APPROVED FOR LEGAL SUFFICIENCY FOR THE PORT:

By:

Counsel for The Port of Portland

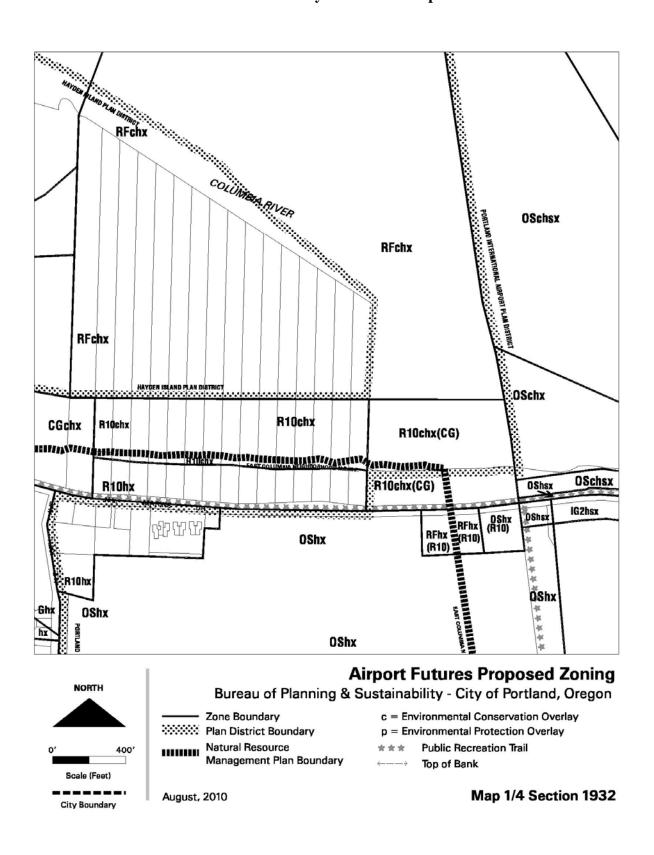
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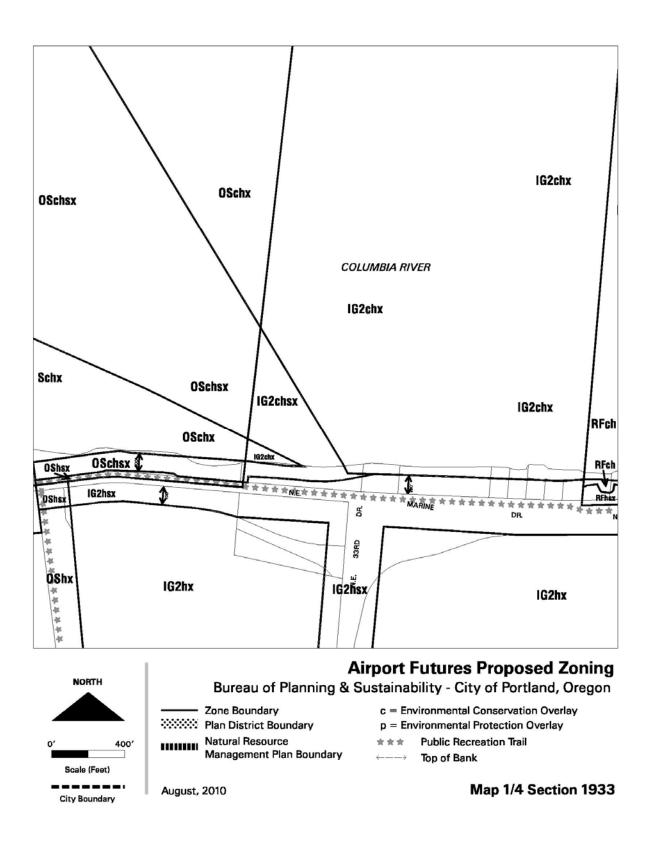
EXHIBIT "A" depicting the four properties

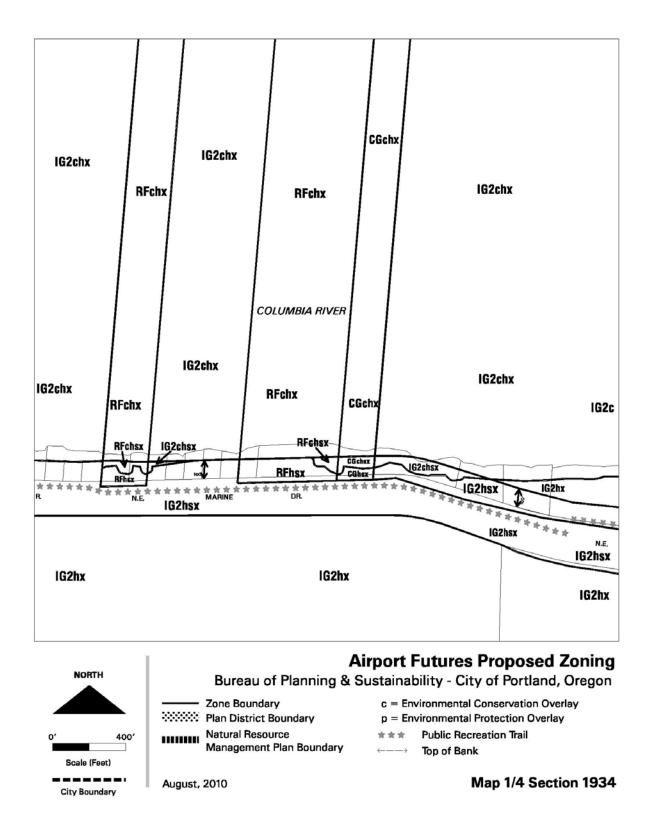
EXHIBIT "B" City 1/4 Section Maps showing zoning to be applied on the effective date of the Agreement

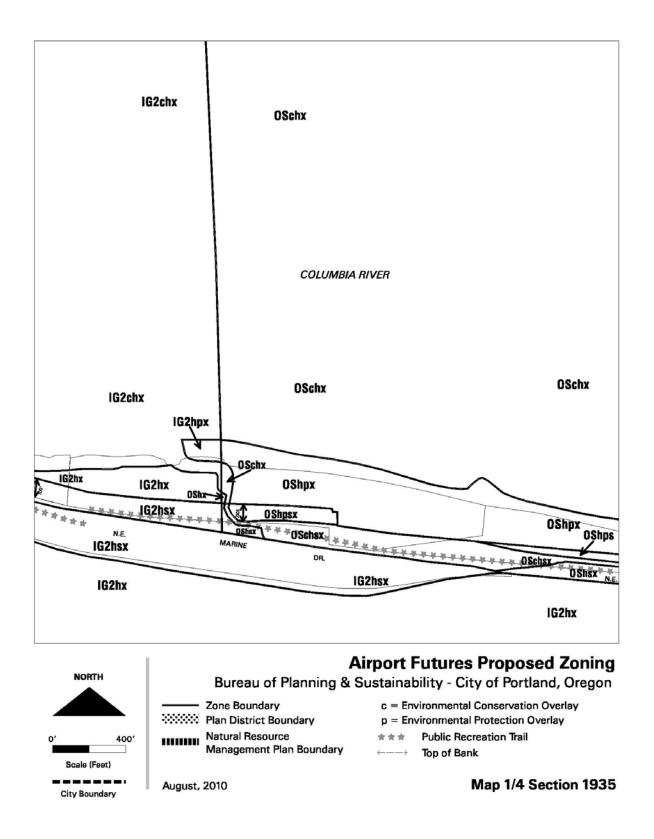
EXHIBIT "C" outlining the framework for the detailed mitigation to occur on Government Island

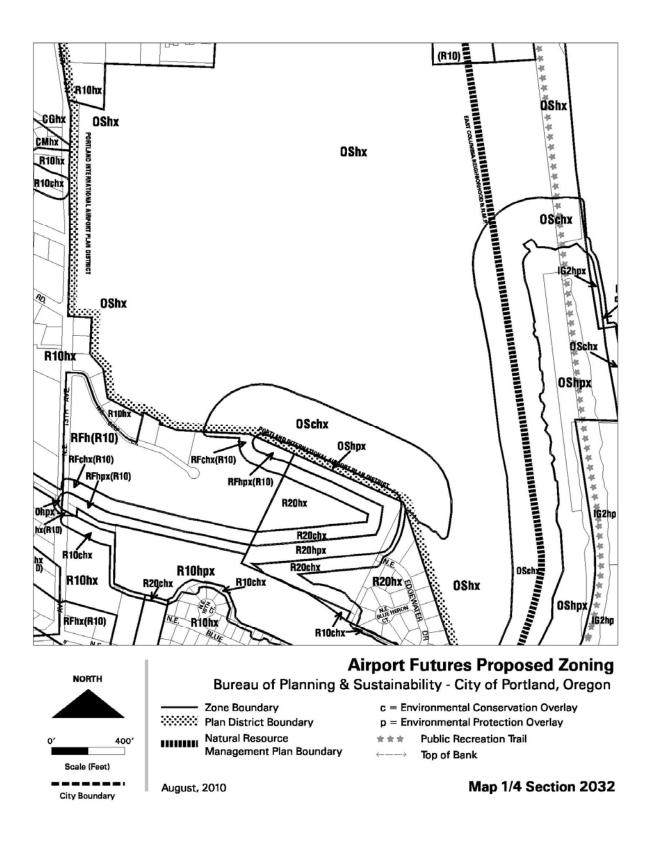


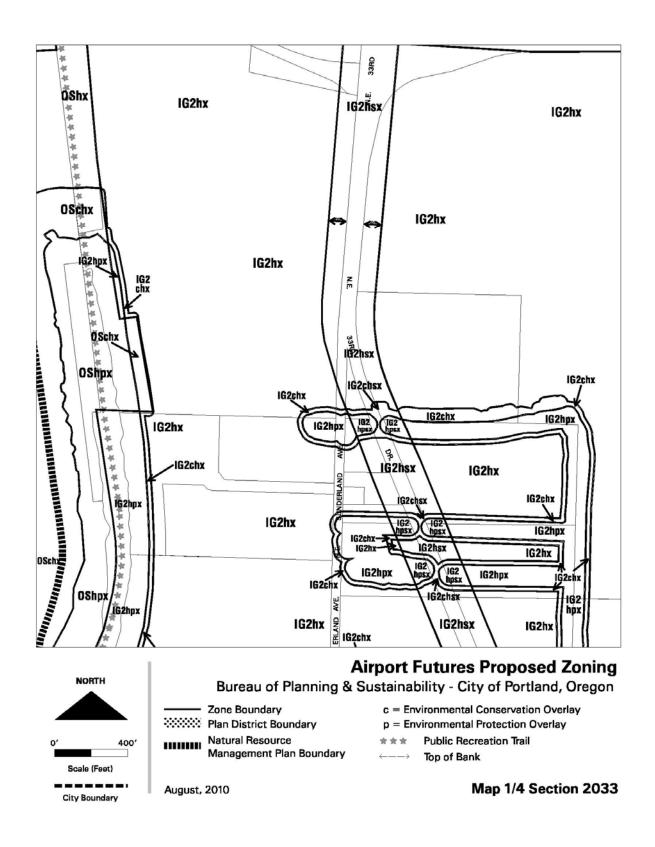


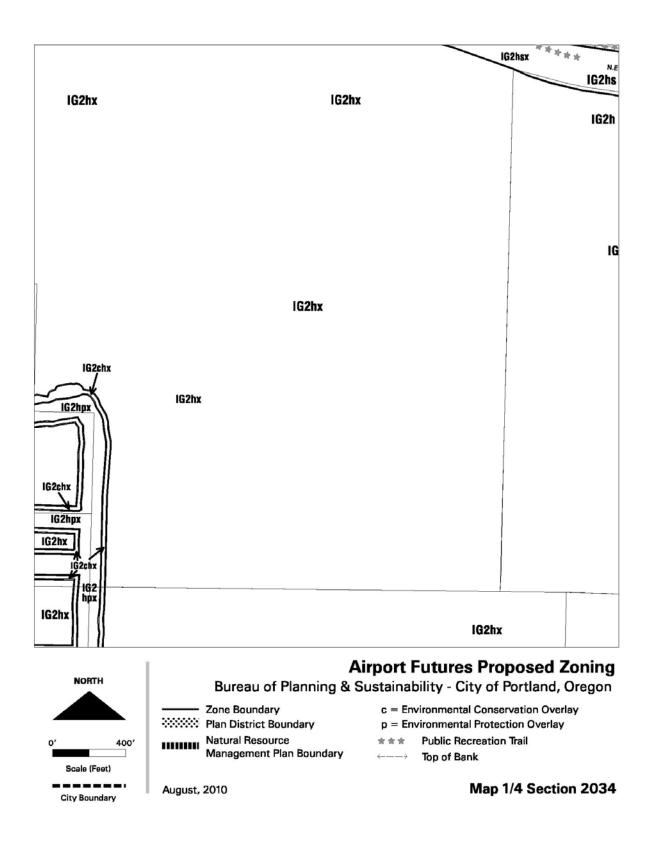


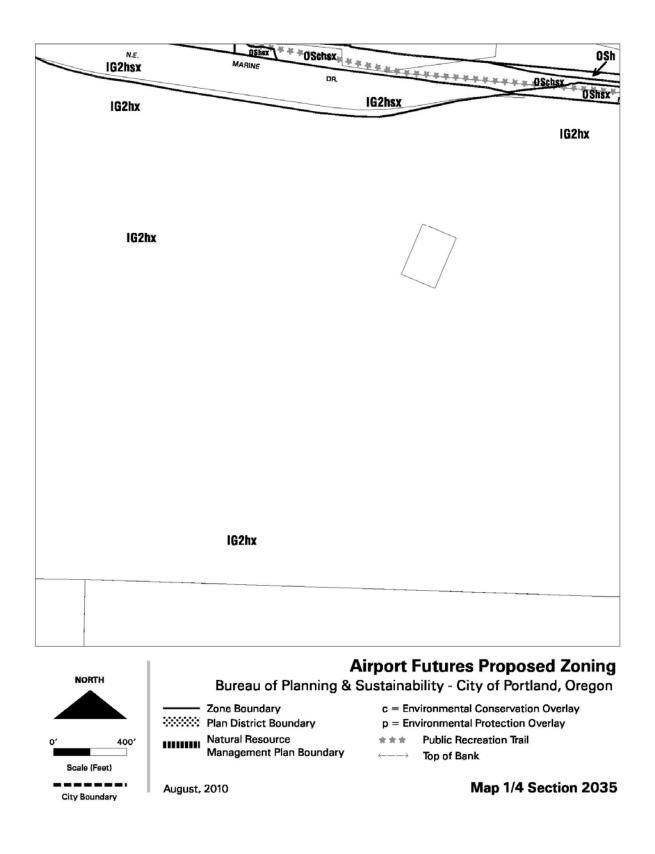


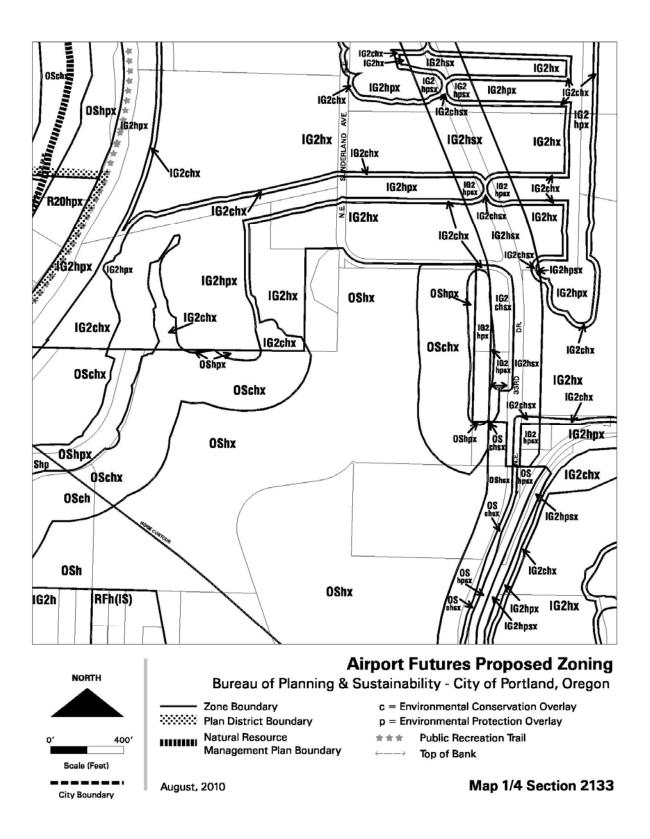


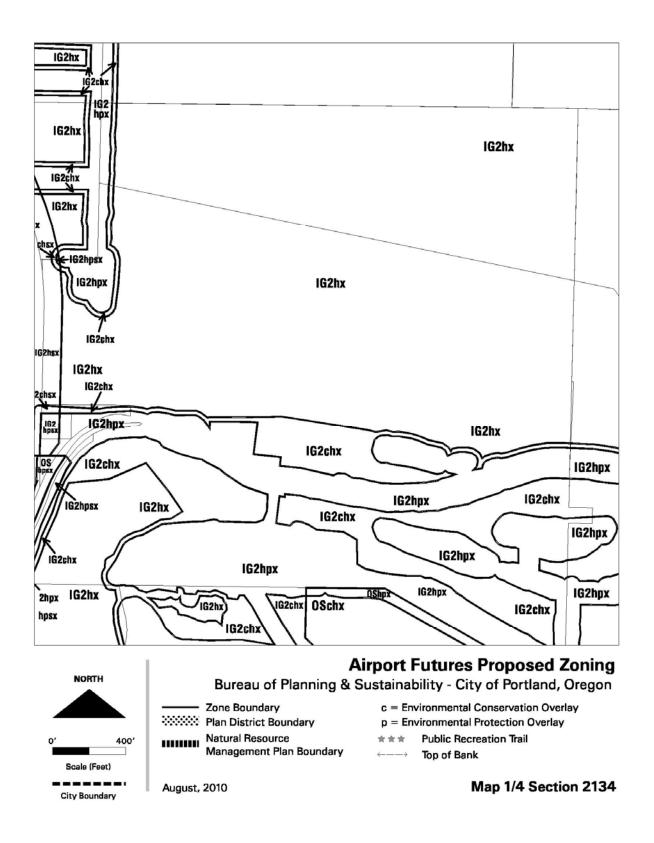












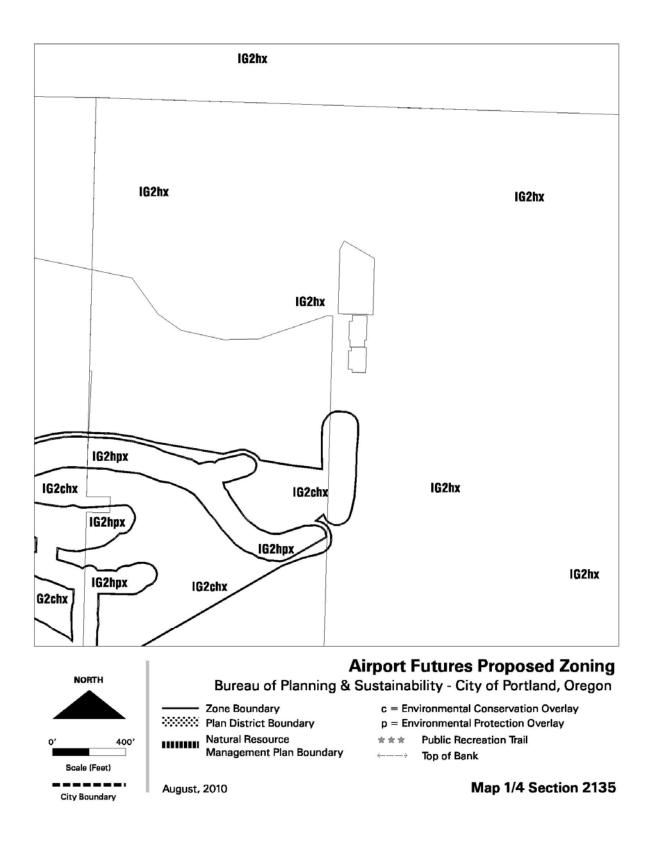
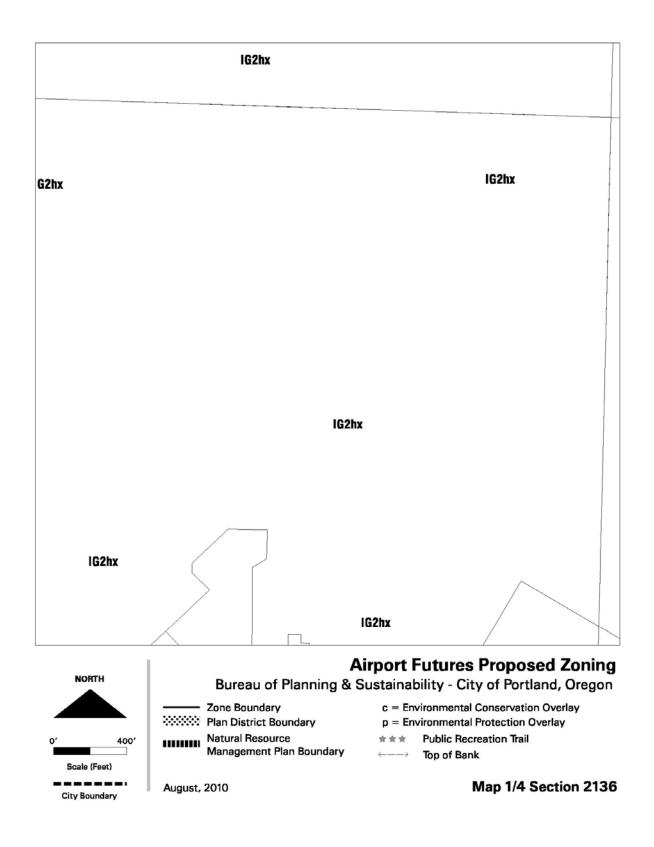
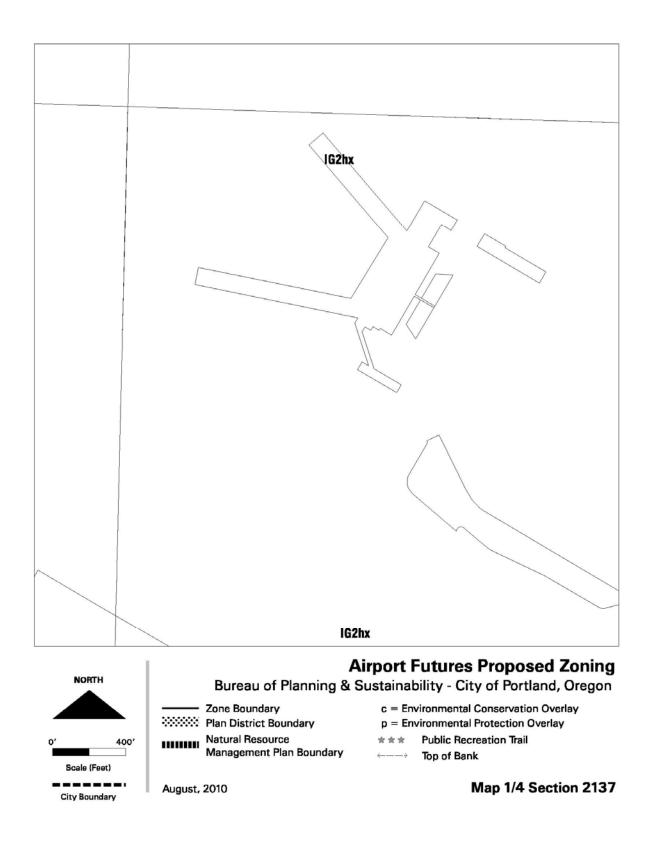
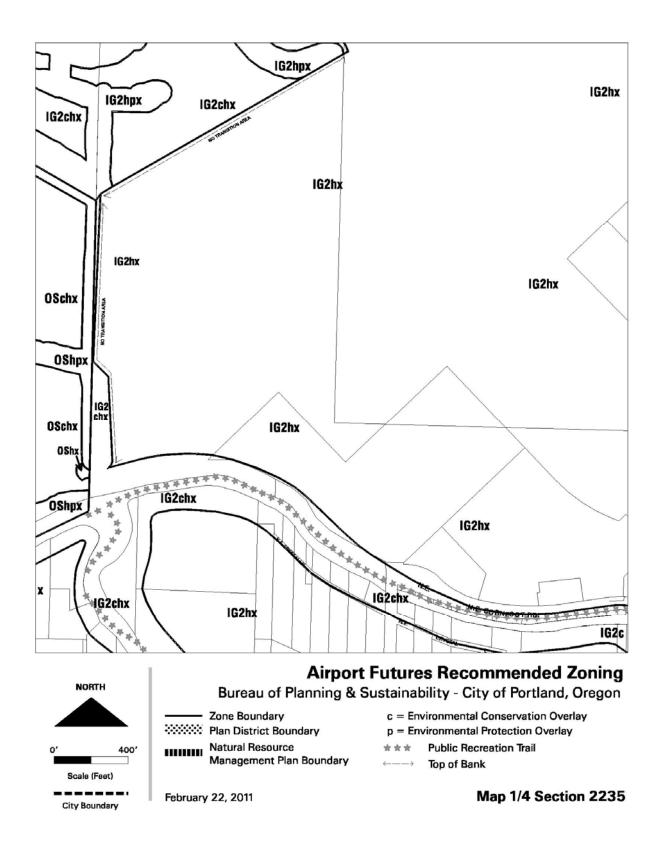
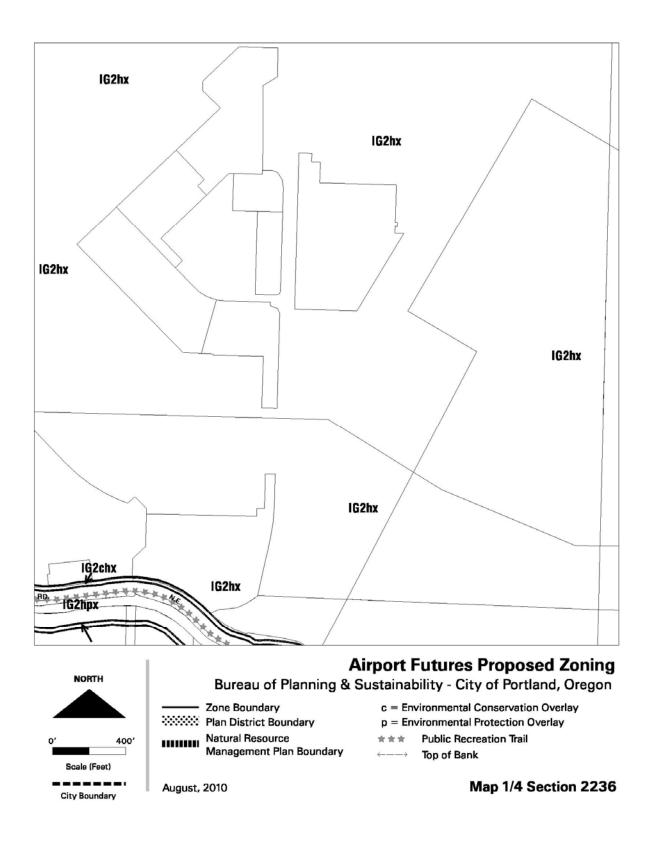


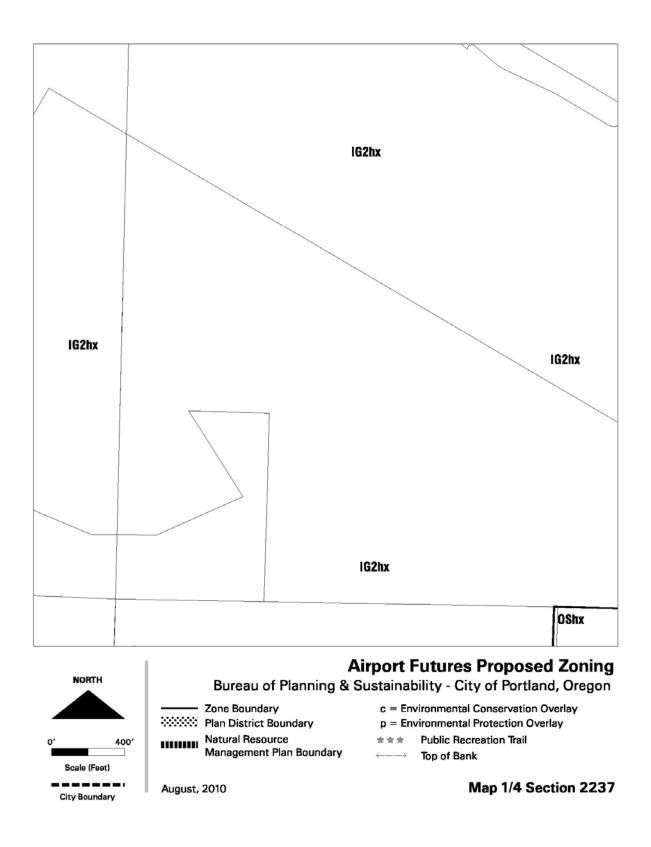
Exhibit B – City 1/4 Section Maps

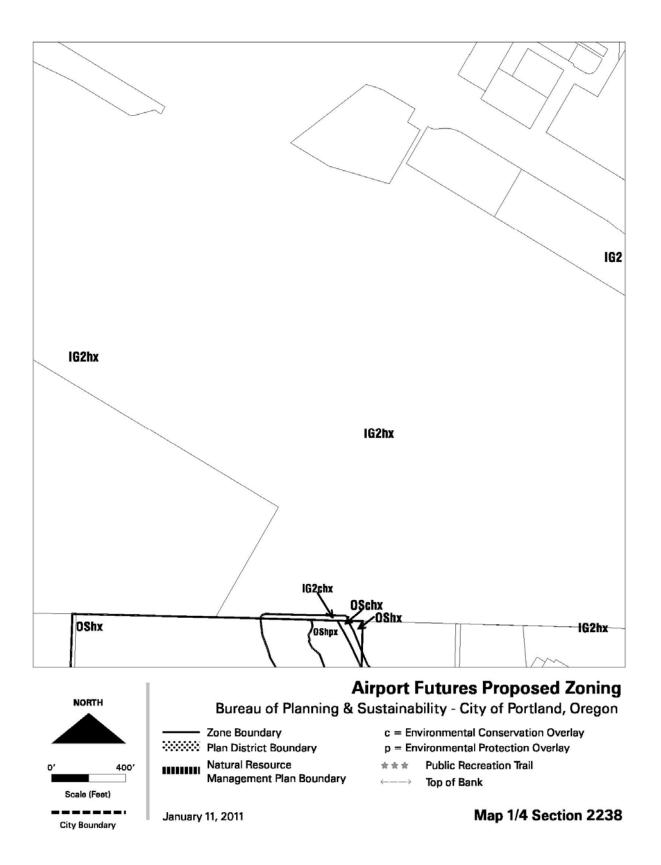












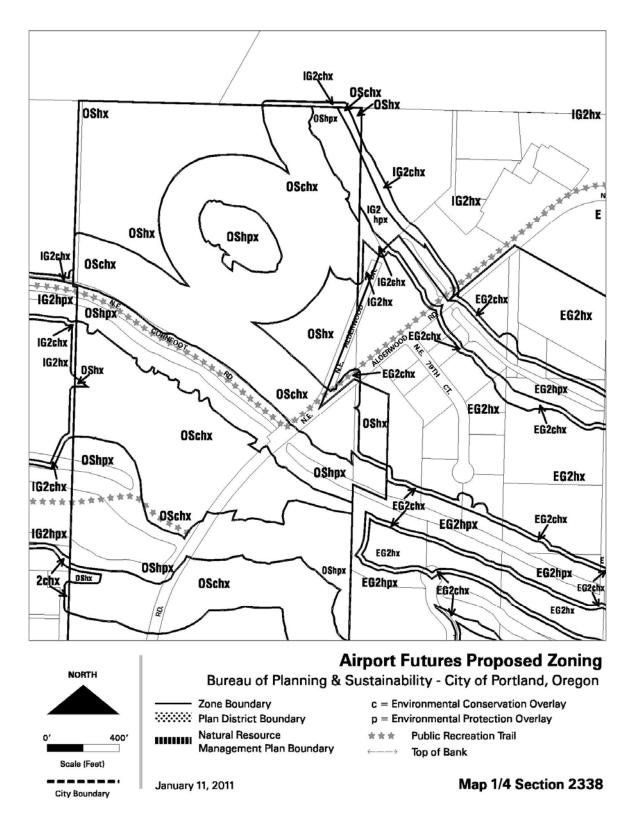


EXHIBIT C

MITIGATION FRAMEWORK

1. PURPOSE

To create a framework for the mitigation of impacts to upland grassland habitat on Portland International Airport properties by enhancing upland grassland habitat on Government Island. A site plan of Government Island is attached to this Exhibit at page 4.

2. BACKGROUND

The Intergovernmental Agreement for Natural Resources Related to the Airport Futures Project calls for upland grassland mitigation to be constructed on Government Island in phases, keyed to Airport development (as described in Section 3.3.7).

Upon execution of this Agreement, the Port will prepare a draft planning document which will establish the overarching objectives for the entire three hundred (300) acres of grassland mitigation on Government Island. The Port will work closely with the City to review and refine the planning document. Within this context, the Port and City will develop a site specific Mitigation Plan for the initial fifty (50) acres of upland grassland mitigation (as described in Section3.3.6). Additional mitigation plans for each subsequent phase of upland grassland mitigation will be develop at the time of development and mitigation.

The Port and City will collaborate with technical experts to develop the mitigation plans. The intent of the mitigation plan is to describe: (a) the mitigation site; (b) existing conditions; (c) intended future condition of the site; (d) management strategies designed to achieve that condition; and (e) realistic measures of success.

The first(1st) fifty (50) acres of mitigation is being proposed as a field trial to establish the most effective and sustainable method for enhancing grasslands on Government Island. It is expected that management strategies and success criteria will likely be modified as more site specific information is discovered through the field trials in an adaptive management process.

The upland grassland mitigation being proposed on Government Island would address upland grassland resource loss, not specific wildlife species diversity or abundance. The success criteria of the mitigation site will be based on soil, habitat structure, and vegetative standards. It is assumed that once grassland habitat on the island is enhanced, target grassland animal species will utilize the habitat. However, usage by these species is not a requirement for the success of this mitigation effort.

3. MITIGATION GOALS

The following is a list of general draft goals to guide the creation of the Mitigation Plan that can be used by the Port and the City, the Airport's Community Advisory Committee, and others to evaluate the mitigation plans:

(a) Enhance, create and maintain site conditions that support grassland-associated wildlife species.

(b) Enhance, create and maintain expansive, contiguous grassland habitats with recognition that ecological function increases with size in grasslands.

(c) Promote a grassland mosaic with forbs, grasses, and varied vegetation density and successional stages.

(d) Promote landscape conditions with no tree cover and minimal woody stemmed shrubs.

(e) Consider ecological context of Government Island as a riverine island in the Mitigation Plan.

(f) Promote or introduce natural processes or management actions that maintain disturbance regimes.

(g) Establish native species to the extent practicable.

(h) Use appropriate sites within region for reference conditions.

(i) Promote and support the Airport and regional aviation safety and risk management strategies, such as those in the Airport's Wildlife Hazard Management Program.

4. MITIGATION PLANS

The Port, in close consultation with the City, will develop a mitigation plan for each phase. The plan will include the following information:

(a) Mitigation site location (shown on map).

(b) Description of existing site conditions (baseline information), such as existing plant communities and their distribution including the abundance of exotic species (non-native and invasive species).

(c) Description of intended future condition of the site, including ecological goals and objectives, such as habitat types, resource functions, target plant associations, and target wildlife species.

(d) Description of management strategies designed to achieve the future conditions, such as maintenance activities, monitoring protocols, and the application of adaptive management techniques.

(e) Performance standards to be used to measure success and timing for achieving the standards, such as percent cover of native plant species, percent cover of invasive plant species, and type and function of other habitat features.

(f) Progress reporting, including elements such as monitoring data, description of progress made toward meeting goals and objectives, lessons learned, maintenance and monitoring actions planned for the next year.

(g) Description of mitigation site management program to exclude potentially detrimental human activities that would undermine restoration efforts (eg fencing, informational signage, enforcement)

5. COLLABORATION

The Port will collaborate with the City for each phase in the creation of the Mitigation Plan.

(a) At the beginning of each phase, the Port and City will meet to discuss general goals and agree upon a process to finalize the plan.

(b) The Port will draft a plan for the City to review and comment. Upon receipt of comments from the City, the Port will address the comments as appropriate.

(c) If the City provides comments on the plan that the Port does not agree with, the Port and the City will meet to discuss points of disagreement and will work in good faith to reach a mutually acceptable resolution. Either the Port or the City, or both together, may consult national, regional, and/or local experts to solicit opinions on the issues under debate. If the City and Port representatives are unable to reach agreement after good faith negotiation and consultation, the matter will be elevated for final decision by the Director of Aviation at the Port and the Director of the Bureau of Environmental Services at the City.

(d) The Port and the City must reach agreement on the elements of the Mitigation Plan and share the contents with the Airport's Community Advisory Committee ("PDX CAC") prior to implementation.

6. ANNUAL PROGRESS REPORT

The Port will monitor the mitigation site conditions and submit an annual progress report to the City and PDX CAC. The progress report will address issues such as:

(a) A summary of maintenance/management activities undertaken on the site over the year.

- (b) A description of how well the site is meeting the performance standards.
- (c) How site management will be adapted to lessons learned during the previous year.
- (d) A summary of the actions planned for the next year.

7. COMMUNITY OUTREACH PLAN

In recognition of the broader community interest in upland grassland habitat, the Port will implement a community outreach effort to inform and educate stakeholders about the Airport's upland grassland mitigation efforts.

(a) The Port and City will identify key external stakeholders, such as the Columbia Slough Watershed Council, Audubon Society of Portland, Columbia Corridor Association, U.S. Army Corps of Engineers, among others, that may have an interest in the mitigation project at Government Island.

(b) The Port will prepare an action plan that informs and educates the stakeholders about the Port's mitigation plans and annual progress toward meeting mitigation goals.

(c) The Port will submit the initial plan to the City for comment, and will seek the City's perspective on the outreach plan at least annually and in conjunction with the PDX CAC planning.

(d) The Port will work with interested stakeholders to develop outreach strategies to educate the public about restoration efforts (e.g. site tours, monitoring programs, etc.).

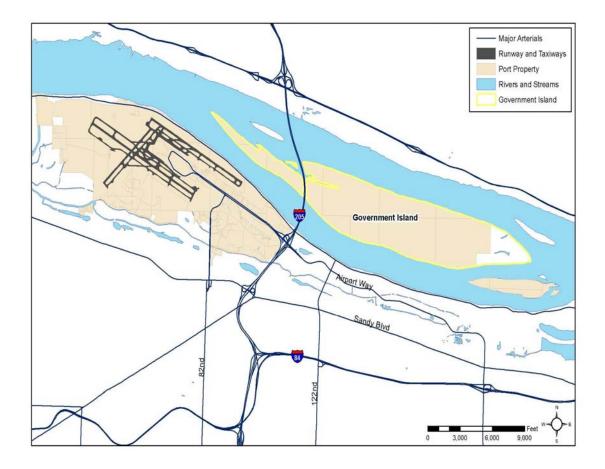
For purposes of the review and comment process, the City and Port will communicate through the following points of contact:

for the Port:

Sean Loughran Senior Aviation Planner 7200 NE Airport Way Portland, OR 97218 Phone: (503) 415-6067 E-mail: <u>sean.loughran@portofportland.com</u>

For the City:

Nancy Hendrickson Columbia Slough Watershed Manager City of Portland Bureau of Environmental Services 1120 SW 5th Avenue, Room 1000 Portland, OR 97204 Phone: (503) 823-6001 E-mail: nancy.hendrickson@portlandoregon.gov



ORDINANCE No. 184521

Adopt and implement the Airport Futures City Land Use Plan and authorize implementing intergovernmental agreements related to airport planning. (Ordinance; Amend the Portland Comprehensive Plan, Amend Title 33, Planning and Zoning)

The City of Portland Ordains:

Section 1. The Council finds:

- 1. In the fall of 2000, the City began discussions on an alternative land use approval process for Portland International Airport (PDX). In the spring of 2001, the City Council and Port of Portland (Port) representatives held a work session and agreed to develop an agreement outlining future planning efforts for PDX.
- 2. In the summer of 2001, the City and the Port adopted similar resolutions agreeing to work collaboratively on future planning for PDX (Resolution No. 36018). The City and the Port agreed that the Port would submit a conditional use permit for the approximate uses permitted under the 1993 permit, specifically excluding a third runway and decentralized terminal. The Port and City also agreed to initiate a legislative process to develop appropriate land use regulations.
- 3. In the winter of 2002, the City and the Port signed an Intergovernmental Agreement (IGA) specifying a general timeline for short term and long term planning efforts that would culminate in an adopted legislative land use process and designation for PDX (Ordinance No. 176250).
- 4. In 2004, the Bureau of Planning, together with the Port, City bureaus, and a group of citizens representing the Air Traffic Issues Roundtable (AIR) and other interests groups, developed a second Agreement over a 12-month period.
- 5. The 2004 Agreement clarified the process and associated costs for the development of an integrated airport planning effort between the City and Port. Specifically, it identified work tasks, timelines, expected products, and funding mechanisms with the objective of beginning the joint City legislative process and Port master planning process.
- 6. The 2004 Agreement included specific provisions to fund a Senior Planner position with the Planning Bureau to develop a detailed work program for the joint planning process. The work program included a consultant contract and initiating the public involvement process prior to project start date (Ordinance No. 52355).
- 7. In 2006 and 2007, the City and Port developed detailed consultants' scopes of work, the City's scope of work, and a comprehensive public involvement program. City and Port staff received input on these products from the Land Use Advisory Committee, public involvement experts, neighborhood associations, and many other stakeholders' groups.
- 8. In the fall of 2007, the City and Port convened a 30-member Planning Advisory Group with broad representation from the bi-state region to collaborate on the creation of an integrated airport and land use plan. The three year planning process, known as Airport Futures, addressed community concerns and issues related to PDX, including noise,

transportation and natural resources. The three main products of this process include a Port master plan update, a City land use plan, and a series of intergovernmental agreements.

- 9. Between September 2007 and March 2010, the Airport Futures Planning Advisory Group deliberated on the complex issues associated with airport growth and the potential impacts on the surrounding communities. The group achieved a consensus recommendation documented in the *Airport Futures Planning Advisory Group Final Report*, dated May 25, 2010. This document summarizes the Port's 2010 Master Plan Update and the City of *Portland Land Use Plan*.
- 10. On March 25, 2010, the Airport Futures Planning Advisory Group also recommended the City and Port enter into a series of intergovernmental agreements to address issues related to ongoing public involvement, transportation, natural resources, noise, and sustainability. The agreements are a key component of the Airport Futures process and final documents.
- 11. The provisions of the *Airport Futures City Land Use Plan* implement or are consistent with the Statewide Planning Goals, the Oregon Transportation Planning Rule, the Region 2040 Plan, the Metro Urban Growth Management Functional Plan, and the Portland Comprehensive Plan, as explained in the *Recommended Airport Futures City Land Use Plan: Findings Report* attached as Exhibit G and incorporated as part of this ordinance.
- 12. On May 21, 2009, notice of a June 4 and June 10, 2009 open house was mailed to all property owners with natural resources mapped as part of the Natural Resources Inventory.
- 13. On May 3, 2010, notice of a May 11 and 13, 2010 open house was mailed to all property owners with natural resources mapped as part of the Natural Resources Inventory.
- 14. On May 17, 2010, notice of the proposed action was mailed to the Department of Land Conservation and Development in compliance with the post-acknowledgement review process required by OAR 660-18-020.
- 15. On May 19, 2010, notice of the proposal as required by ORS 227.186 was sent to all property owners potentially affected by proposed zoning map and code changes.
- 16. On June 7, 2010, notice of the Planning Commission hearing was sent to the project mailing list and the bureau's legislative mailing list
- 17. On June 22, 2010, the Planning Commission held a hearing on the proposal. Staff from the Bureau of Planning and Sustainability and the Port of Portland presented the proposal and public testimony was received.
- 18. On July 13, 2010, the Planning Commission held a second hearing on the proposal. Staff from the Bureau of Planning and Sustainability clarified issues related to the proposal and public testimony was received.
- 19. On August 6, 2010, notice of the continued Planning Commission hearing was sent to all property owners potentially affected by the proposed zoning map and code changes, the project mailing list, and the bureau's legislative mailing list.
- 20. On August 24, 2010 the Planning Commission held a third hearing / work session to discuss the proposal and consider public testimony. The Commission voted to forward the *Recommended Airport Futures City of Portland Land Use Plan* to City Council.

- 21. In the fall of 2010, City Council consideration of *Recommended Airport Futures City of Portland Land Use Plan* was deferred to resolve issues raised by the Federal Aviation Administration related to the expenditure of airport funds off airport as part of the Agreements between the City and Port.
- 22. On January 21, 2011 the State of Oregon Land Use Board of Appeals remanded the City of Portland's *River Plan* (amendments to its Comprehensive Plan and Zoning Code) in *Gunderson, LLC et. al. v. City of Portland*, LUBA Nos. 2010-039-04 concluding the evidence supporting the City's Goal 9 analysis and findings was insufficient. As a result, the City Council is deferring the natural resource program update for industrially zoned properties (not owned by the Port of Portland) that were included in the *Airport Futures City of Portland Recommended Land Use Plan* for further analysis and review.
- 23. On February 22, 2011, notice of the March 16, 2011 City Council public hearing was mailed to those who presented oral and written testimony at the Planning Commission public hearing or requested to be on the City's legislative mailing list. In addition, the Port emailed notice of the hearing to its Airport Futures email list.
- 24. It is in the public interest that the recommendations contained in the *Plan* be adopted to serve as a guide to public and private decision-making and investment in the Airport district.

NOW, THEREFORE, the Council directs:

- a. Accept the *Airport Futures Planning Advisory Group Final Report* as shown in Exhibit A, dated May 25, 2010.
- b. Amend Portland's *Comprehensive Plan, A Vision of Portland's Future*, as shown in pages 14-17 in Exhibit B, *Airport Futures City of Portland Recommended Land Use Plan: Summary Report*, dated February 22, 2011;
- c. Amend Portland's *Comprehensive Plan* Map, as shown on page 131 in Exhibit C, *Airport Futures City of Portland Recommended Land Use Plan: City Zoning Code and Map Amendments Volume 1*, dated February 22, 2011;
- d. Amend *Title 33, Planning and Zoning*, as shown in Exhibit C, *Airport Futures City of Portland Recommended Land Use Plan: City Zoning Code and Map Amendments Volume 1*, dated February 22, 2011;
- e. Adopt the commentary in Exhibit C, *Airport Futures City of Portland Recommended Land Use Plan: City Zoning Code and Map Amendments Volume 1*, dated February 22, 2011, as legislative intent and as further findings;
- f. Amend the *Portland Plant List*, as shown in Exhibit C, *Airport Futures City of Portland Recommended Land Use Plan: City Zoning Code and Map Amendments Volume 1*, dated February 22, 2011;
- g. Adopt the *Proposed Update of City of Portland Height Overlay* map and *City of Portland Noise Impact Overlay* map as Comprehensive Plan background documents as shown in Exhibit C, *Airport Futures City of Portland Recommended Land Use Plan: City Zoning Code and Map Amendments Volume 1*, dated February 22, 2011;

- h. Amend the Official Portland Zoning Map as shown in Exhibit D, *Airport Futures City of Portland Recommended Land Use Plan: City Zoning Code and Map Amendments Volume* 2, dated February 22, 2011;
- i. Adopt Exhibit E, Airport Futures City of Portland Recommended Land Use Plan: Appendix B - Middle Columbia Corridor/Airport Natural Resources Inventory: Riparian Corridors and Wildlife Habitat, dated September 24, 2010;
- j. Adopt Exhibit F, Airport Futures City of Portland Recommended Land Use Plan: Appendix C – Middle Columbia Corridor/Airport Economic, Social, Environmental and Energy (ESEE) Analysis: Riparian Corridors and Wildlife Habitat, dated February 22, 2011;
- k. Adopt Exhibit G, *Airport Futures City of Portland Recommended Land Use Plan: Findings Report*, dated February 2010, as findings for this ordinance;
- 1. Authorize the Mayor and Auditor to execute three Intergovernmental Agreements titled as Intergovernmental Agreement for Ongoing Agreements Related to the Airport Futures Project, Intergovernmental Agreement for PDX Community Advisory Committee, and Intergovernmental Agreement for Natural Resources Related to the Airport Futures Project described in a form substantially in accordance with the attached Exhibit H;
- m. The zoning map 1/4 sections contained in Exhibit H shall become effective on the effective date of the *Intergovernmental Agreement for Natural Resources Related to the Airport Futures Project* and shall replace zoning map 1/4 sections 1932-1935, 2032-2035, 2133-2137, 2235-2238, and 2338 contained in Exhibit D; and

Section 2. If any section, subsection, sentence, clause, phrase, diagram, designation, or drawing contained in this Ordinance, or the plan, map or code it adopts or amends, is held to be deficient, invalid or unconstitutional, that shall not affect the validity of the remaining portions. The Council declares that it would have adopted the plan, map, or code and each section, subsection, sentence, clause, phrase, diagram, designation, and drawing thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, phrases, diagrams, designations, or drawings contained in this Ordinance, may be found to be deficient, invalid or unconstitutional.

Passed by the Council: April 13, 2011

Mayor Sam Adams Prepared by: J. Sugnet Date Prepared: March 1, 2011 LaVonne Griffin-Valade Auditor of the City of Portland

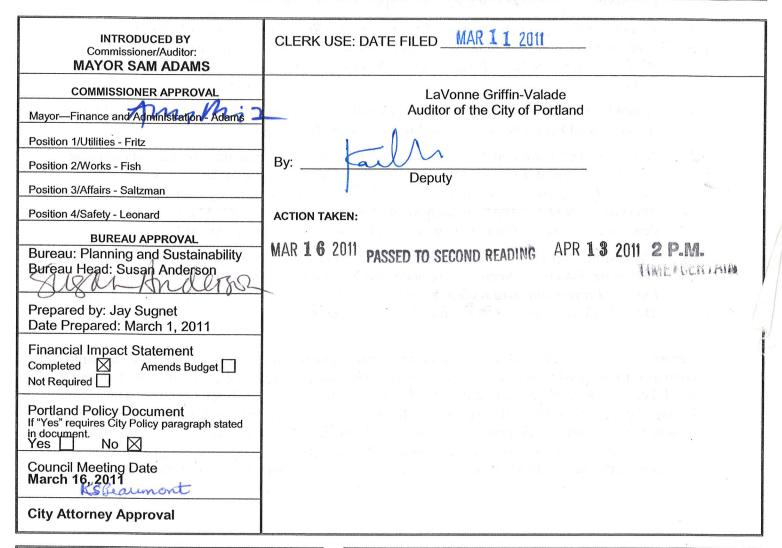
Susan Pausens Deputy By

Agenda No. ORDINANCE NO. 184521

2 359

Title

Adopt and implement the Airport Futures City Land Use Plan and authorize implementing intergovernmental agreements related to airport planning. (Ordinance; Amend the Portland Comprehensive Plan, Amend Title 33, Planning and Zoning)



AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
<u>TIME CERTAIN</u> ⊠ Start time: <u>6:00 p.m.</u>	10 <u>19</u> 90	<u>.</u>	YEAS	NAYS
Total amount of time needed: <u>2 hours</u> (for presentation, testimony and discussion)	1. Fritz	1. Fritz	\checkmark	
	2. Fish	2. Fish	\checkmark	
CONSENT	 3. Saltzman	3. Saltzman	\sim	
REGULAR	4. Leonard	4. Leonard	\checkmark	
	Adams	Adams	\checkmark	