City of Gladstone
Staff Report

Report Date:	November 2nd, 2015
Meeting Date:	November 10th, 2015
To:	Gladstone City Council
From:	Ross Schultz

SUBJECT: Bulkhead/Dahl Beach Restoration Partnership Opportunity with the Port of Portland

PROJECT PROPOSAL

The Port of Portland (Port) Bulkhead/Dahl Beach restoration project at Meldrum Bar Park includes two restoration sites:

- Removal of the failed Bulkhead, stabilization and restoration of the adjacent riverbank, and
- Partial removal of the lower Dahl Beach parking lot asphalt and restoration of the riverbank.

The two restoration sites are part of a package proposed by the City of Gladstone (City) and Port designed to address City priorities and Port Terminal 4 clean-up mitigation requirements.

The Bulkhead was constructed as part of a logging operation sometime in the 1950s, fell out of use, and ultimately failed in 2005/2006, apparently due to the undermining of the sheet piles from the Willamette River. The bulkhead has created localized bank erosion and degraded channel habitat conditions. In addition, it is a public safety hazard. The restoration project would remove the existing failed bulkhead structure from City and Department of State Lands (DSL) property, including all riprap and sheet piles, lay back and grade the bank to a more natural and stable riverbank, and plant native trees and shrubs on the riverbank.

Development of the lower Dahl Beach parking lot appears to have begun in 1980. By 1998, the parking lot was paved and appeared much as it does today. The restoration project would remove part of the lower parking lot, including concrete and riprap. Approximately one-third of the lower parking lot would be retained with an estimated 8 to 10 spaces (9 feet by 18 feet). Parking space in the upper lot would remain. The bank would be graded to a more natural and stable riverbank and native trees and shrubs would be planted and established.

The Port would cover all restoration construction cost, including City direct staff costs and site access compensation. Removal of all debris would be off-site and included in the construction costs. The Port would be responsible for construction contingency costs and maintenance and monitoring until both sites are fully established.

The Port has completed a preliminary design (30% level) for the restoration project based on available information and a number of studies (i.e., topographic and bathymetric surveys, geotechnical analysis, geomorphic analysis, reference site reconnaissance, and historical aerial photo review). The Port design considers input from the City and public safety factors in addition to habitat restoration. For City Council's reference, a Port memorandum, *Dahl Beach –*

Bulkhead Mitigation Project: Technical Information and Basis for the Preliminary Design, October 30, 2015 providing details on the preliminary design and assessments conducted is attached.

BACKGROUND ON PROJECT PROPOSAL

Discussions with the City on the restoration project were first initiated in November 2014 with City Administrator Pete Boyce by Falling Springs, on behalf of the Port. The Port was working with a number of organizations such as Falling Springs to assist them in identifying restoration partnership opportunities. The original proposal assumed removal of the entire lower parking area at Dahl Beach and did not include the Bulkhead area.

The Bulkhead was identified as a City priority in restoration planning meetings held in March 2015 with Mayor Jacobellis, Planning Commission Chair Tammy Stempel, and other City staff (Info provided by Tammy Stempel - CITY confirmation through Scott Tabor/Tammy Stempel). Based on feedback from City staff in April 2015, the Port modified the project proposal to minimize parking impacts at Dahl Beach and include removal of the bulkhead and restoration of the riverbank. On June 9, 2015, City Council and the Parks and Recreation Advisory Committee reviewed the Port's conceptual proposal and directed City staff to work on next steps and provide more detail on the conceptual restoration plans.

PARTNERSHIP OPPORTUNITY

The Bulkhead/Dahl Beach restoration project is designed to address both City and Port priorities. The City needs to address public safety hazard and overall liability associated with the bulkhead and address stormwater and maintenance issues associated with the lower parking area at Dahl Beach. The partnership with the Port affords the City the opportunity to address City issues at no financial cost to the City. No alternative funding for removal of the bulkhead from City and Department of State Lands property has been identified. The project also provides the acreage and type of salmon habitat restoration required to address the Port's Terminal 4 clean-up regulatory requirements.

Under this partnership, the Port would:

- Conduct all project activities:
  - Bulkhead removal, regrade, replant;
  - Partial parking lot removal, regrade, replant, storm water improvements; and
  - Conduct maintenance, replanting, and other efforts necessary to ensure the project is performing as intended for a period of at least 5 years.
- Fund all associated restoration project costs, including direct City staff costs and site access compensation.

Under this partnership, the City would:

- Provide access and right of entry to both restoration sites;
- Support the permitting requirements for the project; and
- Agree to maintain the two sites as a natural area/park through a deed restriction for these sites. (Note: Since these sites flood during winter river flows, the areas are already regulated and protected by state and federal agencies.).

BENEFIT IMPACT ANALYSIS

Benefits

The benefits to the City are:

- Addresses the public safety hazard by removing the metal sheet pile bulkhead. The bulkhead is an attractive nuisance which creates potential liabilities for the City.
- Remedies steep, unstable riverbanks adjacent to the bulkhead that will continue to erode if not fixed; and could over time threaten the top of the bank.
    - A geotechnical assessment to evaluate the stability of bank as part of the Port's preliminary design Attached) found that "*The slopes are only marginally stable and a destabilizing event could trigger a slope failure which could worsen the public safety hazard, including impacting top of bank.*" An example of a *destabilizing event* would be a normal winter high flow. This assessment was conducted by a geotechnical firm Hart Crowser.
    - A slope failure could result in substantial loss of City property, including portions of the parking area at the top of bank.
- Resolves potential City liabilities as the City likely would be required by state or federal agencies to remove the bulkhead structure.
    - Scott Tabor and Tammy Stempel recently indicated that DSL requested the City address the bulkhead structure several years ago. We are working to confirm this directly with DSL staff and will provide more information at Council on November 10, if available.
    - In evaluating Oregon Administrative Rules related to structures on state-owned submerged and/or submersible DSL property, we have learned that DSL would look to the adjacent property owner to address this issue including the financial obligations (OAR 141-082-0310). Specifically, the rule states that "*The Department may require the owner of an unauthorized structure on state-owned submerged and/or submersible land to remove it at their own expense.*"
- To date, City staff has not identified an alternative funding source for removing the bulkhead and it generally does not qualify for typical habitat restoration grants.
- Removing a portion of the lower parking area will provide the City with a reduction in impervious surface and stormwater runoff that can help meet the City's Department of Environmental Quality stormwater management requirements, Reducing the parking area, which floods annually, will help to minimize City maintenance related to flooding.
- Other benefits:
    - The two restoration sites are located near the confluence of the Clackamas and Willamette Rivers. Restoration will provide critical fish and wildlife habitat and further demonstrates the City's environmental stewardship in the Park.
    - Improving habitat and native vegetation at the two sites will improve the environment, while also enhancing the Park's safety and reducing long-term maintenance.

Impacts

The impact to the City and its residents are:

- Loss of parking spaces at the lower parking lot at Dahl Beach. Fishing access would still be available with the remaining lower parking lot and parking spaces available in the upper parking lot.
- Approximately 2,900 square feet of asphalt will need to be removed from the parking lot above the Bulkhead structure with stabilization of the riverbank. As a result, a small amount of the upper parking area near the vertical riverbank also will be eliminated. This parking area is already in jeopardy and impacts are anticipated to be minimal.

FINANCIAL ANALYSIS

There is no financial obligation to the City under this partnership. The Port will be responsible for all the costs associated with the restoration project. This includes:

- $460,000 estimated for total construction cost assuming no contingencies, of which $325,000 is associated with the Bulkhead removal and $15,000 in Dahl Beach stormwater improvements.
- Payment to City for direct staff costs associated with project estimated at $15,000.
- Payment of $20,000 to City for right-of-entry to implement the project with City discretion on payment use. For example, the compensation could be used to cover a portion of the costs for a Parks Master Plan estimated by staff at $50,000-$60,000.
- The total cost for all project elements is $480,000 (not including construction contingency costs and maintenance and monitoring until both sites are fully established).

In addition, the Port's assumption of the City's liability associated with removal of the Bulkhead represents a direct savings to the City for planning, design, and construction costs associated with the Bulkhead removal and Dahl Beach stormwater improvements. These savings amount to $420,000 ($340,000 and a standard 20 percent contingency for a construction project of this scope and size).

It is worth noting that the Port's initial restoration project proposal for Dahl Beach would have construction cost at approximately $250,000. The new Bulkhead/Dahl Beach proposal represents nearly a 50% increase in the cost. According to Port staff, these project costs are approaching the upper bounds of a typical mitigation project on a percentage basis.

STAKEHOLDERS

- City of Gladstone and residents taxpayers
- Gladstone Parks and Recreation Committee and park users
- Fishing community (Staff is currently reviewing groups to participate)
- Environmental community (Clackamas River Basin Council)

PUBLIC OUTREACH

- June 9, 2015: Joint Council and Parks and Recreation Advisory Committee hearing
- October 7, 2015: Notice of upcoming public hearing in Clackamas Review
- October 13, 2015: City Council and public hearing – Testimony from public supportive of the project.
- October 26, 2015: Parks and Recreation Advisory Committee meeting – Voted 4-2 in support of the Bulkhead/Dahl Beach restoration project.
- November 4, 2015: Notice of upcoming public hearing in Clackamas Review
- Oct. 27th, 2015: Posting of upcoming public hearing in Meldrum Park.
- November 10, 2015: City Council and public hearing

OVERALL PROJECT TIMELINE

The following is an overall project timeframe to meet a 2016 construction for this project:

- October 2015: Complete relevant studies and 30 percent design
- November 2015: Decision by Council
- December 2016: Complete intergovernmental agreement between the City and Port formalizing the commitments outlined above
- January 2016: Complete 60 percent design and submit permit applications to local, state, and federal agencies to meet 2016 construction window
- February 2016: Complete 100 percent design

- March-June 2016: Construction planning
- July-August 2016: Construction and implementation
- August 2016 – December 2021 (or until performing as intended): Maintenance and monitoring

REQUEST FOR COUNCIL ACTION

Following the second public hearing on November 10, 2015 and third Council discussion, City staff requests that City Council vote on the resolution on the Bulkhead/Dahl Beach restoration project resolution presented by staff on October 27, 2015.

Attachment

- Port of Portland Memorandum, *Dahl Beach – Bulkhead Mitigation Project: Technical Information and Basis for the Preliminary Design*, October 30, 2015.
- Dahl Beach Mitigation Project, October 27th, 2015
- Dahl Beach Mitigation Project, October 12th, 2015

Ross E. Schultz 11/2/2015

RESOLUTION NO. 1067

CITY OF GLADSTONE, OREGON

A Resolution Authorizing the City Administrator to Negotiate an Intergovernmental Agreement with the Port of Portland for Restoration of the Dahl Beach and Bulkhead Sites in Meldrum Park

WHEREAS, the City of Gladstone has identified public benefits that may be achieved from the Port of Portland's proposal to restore two shoreline sites in Meldrum Park – Dahl Beach and Bulkhead.

WHEREAS, the Gladstone City Council held a joint work session with the Gladstone Parks and Recreation Advisory Committee on June 9, 2015 to discuss the Port of Portland's shoreline restoration project.

WHEREAS, restoration at these two sites is designed to address both City of Gladstone (City) and Port of Portland (Port) priorities.

WHEREAS, the partnership between the City and Port offers a unique opportunity to provide resources to implement Park infrastructure improvements and remove the bulkhead at no cost to the City. The Bulkhead removal is expensive and does not qualify for any typical habitat restoration grant funding sources.

WHEREAS, restoring the shoreline, habitat and native vegetation at the two sites in Meldrum Park will improve fish and wildlife habitat, enhance the Park's safety, and reduce City long-term liabilities and maintenance costs.

WHEREAS, the Bulkhead removal will stabilize an area that has steep, unstable slopes; will continue to erode if not fixed; and could over time threaten the top of bank area including the parking area. The current steep slopes and metal structures are an attractive nuisance which creates potential liabilities for the City. The project will address the public safety hazard by removing the metal structures and improving the steep, unstable slopes.

WHEREAS, ecological restoration at the Dahl Beach site will improve fish and wildlife habitat while still providing parking and recreational access. Removing a portion of the lower parking area will provide the City with a reduction in impervious surface and stormwater run-off that can help meet the City's Oregon Department of Environmental Quality stormwater management requirements. It will also help minimize City maintenance related to seasonal flooding of the parking area that potentially is at risk of long term erosion.

WHEREAS, the Port's restoration proposal to the City will fulfill the Port's habitat restoration requirements associated with the Terminal 4 cleanup in the Portland Harbor Superfund site, while supporting the City's goals and objectives. The two restoration sites combined provide the necessary area and type of habitat function required by regulatory requirements.

WHEREAS, the Gladstone Council directed City staff at their June 9, 2015 meeting to provide details and next steps associated with the restoration project.

WHEREAS, at a public meeting on October 13, 2015, and November 10th, the Port presented the cost and details associated with the restoration proposal and received feedback from the City Council and residents on the proposal.

WHEREAS, the Port will cover the full costs of the restoration. The current total construction cost of the project is estimated at $460,000 without contingencies. In addition, Port will cover direct City staff costs related to the project and compensation for site access, estimated at $35,000.

WHEREAS, the Port will be responsible for the maintenance and monitoring requirements of the sites until both sites meet agency regulatory approval.

WHEREAS, City of Gladstone will commit through a deed restriction to keeping the use of these sites consistent with their restoration as natural habitat.

NOW, THEREFORE, BE IT RESOLVED, the Gladstone City Council hereby determines that the Port's restoration proposal has merit and directs the City Administrator, or the Interim City Administrator, to act on behalf of the City under this resolution to negotiate an agreement with the Port based on the terms presented to Council on November 10, 2015.

Effective Date. This resolution is effective immediately upon adoption by the City Council.

ADOPTED this 10th day of November, 2015

City of Gladstone, Oregon

ATTEST:

Dominick Jacobellis, Mayor

Jolene Morishita, Assistant City Administrator