

Community Report

A NEWS UPDATE FROM THE



Port of Vancouver USA

FALL 2013



Two Class 1 railroads, BNSF Railway and Union Pacific Railroad, serve the tenants and customers at the Port of Vancouver USA.

PORT TRANSPORTATION INVESTMENTS ATTRACT NEW JOBS & BUSINESS

Your public port, the Port of Vancouver USA, is growing. In the past three years companies have invested, or committed to invest, more than half a billion dollars at the port, creating hundreds of new jobs and adding millions to the local economy. This growth didn't happen on its own. It was prompted by two critical transportation investments. The first was the completion of the deepening of the Lower Columbia River channel from 40- to 43-feet, a multi-state effort that allows Columbia River ports to accommodate larger shipping fleets carrying grains, containers and other commodities.

The second critical transportation project has been the construction of the port's new, state-of-the-industry rail system. Since 2005 we have been planning and constructing a new rail entrance into the port that relieves rail congestion in the region by as much as 40 percent. Called the West Vancouver Freight Access project, this rail infrastructure improvement has added a rail loop and storage tracks, in addition to the new entrance, making the port's internal rail system one of the most efficient on the West Coast.

Transport of cargo by rail is fundamental to the port's longevity and ability to thrive. The Port of Vancouver relies on inland rail connections to ship products from across the country in order to achieve its mission of generating jobs and economic activity. By the time the West Vancouver Freight Access project is complete in 2017, the port will have invested \$275 million, generated from port revenues, private investment, federal and state grant funds, and local tax dollars. Already, the port has

experienced a two-to-one return on investment back to the community as new facilities have been built to ship corn, soybeans, wheat, wind energy components, as well as other cargoes.

Two of the newest additions to the port's diverse list of cargoes that are reliant on our improved rail system are potash, a component of fertilizer, and North American crude oil. Combined, more than \$300 million in new facilities will be built to handle these two commodities, creating well over 2,000 construction jobs and about 200 permanent jobs directly at the port. These projects, scheduled to come online during the next few years, will provide substantial benefit to the local economy.

See page two for specifics on the proposed oil handling facility at the port.



Construction crews at work on the port's rail project.



Todd Coleman,
Chief Executive Officer

SAFETY, OUR HIGHEST PRIORITY

The Port of Vancouver is in the business of moving products by river, road and rail. We have worked hard to build a thriving port with a diverse array of cargo and have taken great care that we do so safely and sustainably.

Our latest cargo comes from Tesoro, a longtime port tenant that has partnered with the logistics provider Savage Companies, to operate the Vancouver Energy Distribution Terminal at the port. Not to be confused with a refinery or coal terminal, they plan to transport North American crude oil by train on the Class 1 BNSF Railway, to U.S. vessels bound for refineries in Alaska, Washington and California.

We are not pursuing this new cargo lightly. The health and safety of our community is central to everything we do. We understand that the creation of jobs and economic benefit are not substitutes for keeping people and the environment safe, but we do believe those things can coexist. At the port, we are invested in helping build a community in which we all can live safe, healthy – and prosperous – lives with our families, friends and neighbors. Our aim is to act in a responsible manner that creates jobs and economic benefit for our community.

Safety and a healthy environment are also the focus of the federal permitting process the Vancouver Energy Distribution Terminal must complete before the facility can be built. An additional layer of oversight also will be required by the Energy Facility Siting Evaluation Council, the state agency charged with overseeing the local and state environmental review. Each process will include extensive public participation.

We understand that the movement of oil must be done with vigilance to safety and the environment throughout the transportation route. Our regional Marine Fire and Safety Association provides state-of-the-art spill and fire response on the Lower Columbia, and additional industry resources are available upriver, creating a comprehensive emergency

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THE PORT OF VANCOUVER

CREATES JOBS, JOBS, JOBS

The port's mission to provide economic development to our community means creating jobs is a big part of what we do. Here's an illustration of how business activities and revenue reinvestment at the port contribute to job creation in our community.



OIL TERMINAL ECONOMIC BENEFITS

continued from page 1

The port's longtime tenant Tesoro has teamed up with Savage, a logistics company, to transport North American crude oil by rail to the port, where it will then be loaded under the Jones Act onto U.S. flagged marine vessels, built in the U.S., manned by U.S. citizens, bound for U.S. refineries in Alaska, California and Washington. The addition of the new Vancouver Energy Distribution Terminal to the port's tenant roster will bring jobs and generate significant investment in the local and regional economy.

NEW JOBS HERE AND IN THE REGION

The new oil handling facility will provide approximately 250 construction jobs and a considerable number of permanent jobs in Vancouver and the region.

- **120 full time, direct permanent jobs**
These will be new jobs, with employees working directly for the Tesoro-Savage facility at the port.
- **Over 1,000 direct jobs in the transport and servicing of this facility**
Many employees will live and work in Southwest Washington, including rail, shipping and support services for the oil transload terminal itself.

- **2,700 total jobs related**

These are jobs created by providers of goods and services to the employees of the Vancouver Energy Distribution Terminal. Such workers include realtors, mechanics, coffee baristas, grocery clerks, doctors, dry cleaners, and many, many others.

LOCAL SPENDING AND FUNDING FOR PUBLIC SERVICES

Another advantage to adding a new, significant business at the port is the benefit to the surrounding community in the form of re-spending and the generation of tax revenue.

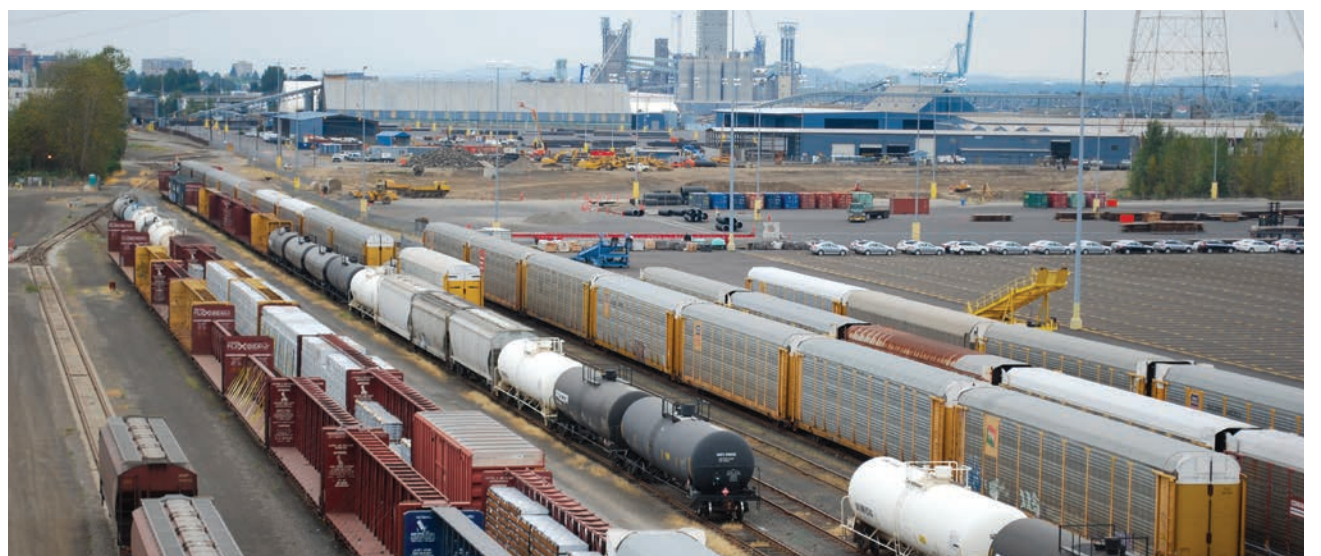
- **\$61 million spent annually on local purchases**

This is money spent by the company and its employees on supplies and services each year in Vancouver, Southwest Washington and the region.

- **\$19 million in annual tax revenue**

Each port tenant pays leasehold excise tax, the equivalent of property taxes, that is invested in the state and then distributed to local coffers, including Clark County and the city of Vancouver. These funds are spent on public facilities and services such as fire and police.

These investments in the community go well beyond employees on the port's marine terminals. "Every new potential commodity or lease at the port must pass muster," said Jerry Oliver, port commissioner. "They have to be solid financially, provide jobs and economic benefit to our community, and operate with the highest environmental safeguards. Our expectation and belief is that the Tesoro-Savage team will deliver in every way."



The port's expanding rail corridor.



Commissioner Nancy Baker visits with a community member at local coffee hotspot, Java House, on Evergreen Blvd.

COFFEE AND CONVERSATIONS BREW IN PORT DISTRICT

If you visited one of several coffee shops within the port district during this spring and early summer, you may have noticed the space bustling with activity as our three port commissioners took turns visiting with residents throughout April, May and June.

Since 2010, commissioners have held annual visits at Vancouver coffee shops in an effort to meet with community members, answer questions and share ideas related to port projects and plans. This year marked the largest turnout ever with 328 surveys completed over the course of nine coffee visits.

The commissioners, on behalf of the entire port, are grateful for those community members who took time to meet with them in person to share ideas, concerns, and plans for the future. We also truly appreciate the participating coffee shops for hosting these community engagement opportunities.

Of the feedback received, the comment stating that the port is “the backbone and front door to the world” summarizes the importance the port plays in job creation and economic benefit for Clark County. The coffee visits also allowed community members to find out more about new cargoes at the port, including North American crude oil.

Public feedback is an essential part of the commissioners’ decision making process, and commission coffee visits are perhaps one of the easiest ways to meet with your commissioners, but comments and questions are welcome throughout the year. Email the commissioners at povcommissioners@portvanusa.com or write them at Port of Vancouver, 3103 N.W. Lower River Rd., Vancouver, WA 98660.

Bike Paths Expand on Lower River Road

While the port’s West Vancouver Freight Access rail project and Centennial Industrial Park demonstrate our commitment to enhance economic benefit in our community, other port projects are focused on human-powered transportation.

Two grants from the Federal Transportation Program for more than \$350,000 will allow the port to design and build a bike and pedestrian path that begins at the convergence of Mill Plain, Fourth Plain and Lower River Road and continues west along Lower River Road for about a half mile to the entrance to the port’s administrative building.

The grant will also fund the design of a path that will eventually connect with the existing half mile multi-use path located between the port’s administrative building and Gateway Avenue, to the west on Lower River Road.

This is part of the port’s overall plan to construct about 3.7 miles of safe passage for bicyclists and pedestrians along Lower River Road. When complete, Clark County residents will have the option to walk, run or bike between downtown Vancouver and the Flushing Channel at Vancouver Lake.

PROJECT UPDATES

New Rail Entrance Begins Critical Phase

July 29 marked the beginning of construction on the second phase of one of the most innovative projects in the port’s 100-year-history, the construction of a piling-supported, watertight trench that will support a new rail entrance into the port. Considered the crown jewel of the West Vancouver Freight Access project, the new entrance will eliminate a chokepoint on the regional rail system and reduce congestion by as much as 40 percent. The project is being built in four phases, and is expected to be complete in 2015.

Because trains entering the port currently must cross several main rail lines, regional train movements often delay port-bound traffic. The new entrance will allow trains carrying millions of tons of cargo annually to bypass those main rail lines by traveling under the historic BNSF Railway Bridge that crosses the Columbia River between Portland and Vancouver.

To allow this unusual maneuver, nearly 1,400 feet of new rail track will be built within a concrete superstructure; that in turn, sits atop more than 410 pilings. Each piling, made of U.S. steel, is embedded 80 to 90 feet into the river’s northern bank and serves to support the trench above the riverbank and securely anchor the structure during periods of high water. Designed to be submerged, the watertight trench will withstand hydraulic forces from the river, ensuring safe and efficient movement of freight into and out of the port.

Green Light at Gateway Avenue

Part of the West Vancouver Freight Access rail improvement project, the Gateway Avenue Overpass project builds a bridge that separates vehicle traffic from the train traffic below. The new structure will allow cars and trucks to travel over the port’s growing internal rail corridor as they move cargo and serve customers at two of the port’s five marine terminals.

The port began building the overpass in December 2011 and the project was expected to take approximately one year to complete. Unfortunately, the project was put on hold in April of this year because the ground around the overpass was too wet to allow the soil to settle properly. For more than three months, crews have eagerly awaited the green light to proceed with final work on the project.

The call to resume work came on August 20, and local contractor Apollo, Inc. is expected to have the construction of security railing on both sides of the bridge and the final paving and striping of the bridge deck complete by October 17. Trucks carrying cargo, such as the wind energy components stored at Terminal 5, will be able to use the new overpass in September.

Visit our website at
www.portvanusa.com
for more details

WHAT'S INSIDE...

Investments Attract
New Jobs

Safety, Our Highest Priority

Coffee and Conversations



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3103 NW Lower River Road
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www.portvanusa.com

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LIGHTS ON AT CIP

Even though Centennial Industrial Park is the “new kid on the block” at the Port of Vancouver, the property is already receiving plenty of recognition. Completed in June, Centennial Industrial Park Infrastructure Project recently received the Top Project Award from the Vancouver Business Journal and the Building Industry Association.

The unique property, which is expected to generate more than 500 jobs for the community, is designated as a parcel of “county-wide significance” by the Columbia River Economic Development Council and is Clark County’s most development-ready light industrial site. Necessary infrastructure improvements on the park’s first 58 acres, such as streets, sidewalks, utilities, lighting and landscaping, were made possible thanks to a \$5.7 million grant from the Washington State Department of Commerce’s Jobs Now Act 2012.

Ideal for light industry, advanced manufacturing and supply chain support, Centennial Industrial Park includes a total of 108-acres, with 58 acres now shovel-ready and 50 adjacent acres available for future development. In addition to providing seven buildable lots ranging from five to 11.1 acres, the park features a 25-foot trail easement and a state-of-the-industry stormwater treatment facility.

SAFETY

continued from page 1

response system all along the Columbia River. On the water, the cargo will be carried by double-hulled vessels, all built in the U.S., with local pilots at the helm. Additionally, oil trains at the port will be attended at all times, and BNSF Railway employs a robust spill and safety program that covers the entire rail transport route.

Port cargoes reflect the nation’s energy use, and currently include wind energy components, mining equipment, jet fuel, diesel, and now North American crude oil. We understand and

appreciate the concerns that are being raised about global climate change, and we recognize the importance of continuing to develop new technologies on both a regional and national scale. As we work toward our nation’s energy future, our focus is to handle all of these important energy-related cargoes as safely and efficiently as possible.

For more information on the Vancouver Energy Distribution Terminal and the associated permitting process, please visit these websites:

- EFSEC: www.efsec.wa.gov
- Tesoro Savage Vancouver Energy Distribution Terminal: www.vancouverenergyterminal.com

It's Your Port. Get to Know Us Better.

Attend a Meeting

The Port of Vancouver USA has a three-member Board of Commissioners.

Port commission meetings are open to the public and are held on the second and fourth Tuesday of each month, 9:30 a.m., at the Port of Vancouver administrative office at 3103 NW Lower River Road, Vancouver, WA 98660.

Commission meetings are broadcast on Clark Vancouver Television (CVTV) cable channels 21 & 23. Air times can be found at: www.cvtv.org.

Tour Your Port

The port provides public tours of the marine and industrial facilities. For information on

how to join a tour, please call the Port of Vancouver at **360-693-3611** or email: info@portvanusa.com.

Visit us on the Web

Want to learn more about the Port of Vancouver USA? It’s as simple as typing www.portvanusa.com into your browser.

Title VI & ADA

The port complies with Americans with Disabilities Act (ADA) and the civil rights act. Those requiring reasonable accommodations may request written material in alternative formats and languages by contacting us at **360-693-3611** or info@portvanusa.com.

READY FOR BUSINESS.

Centennial Industrial Park at the Port of Vancouver: Clark County’s most development-ready property. Fifty-eight acres of shovel-ready opportunity, with an adjacent 50 acres available for future development.

For leasing information contact Kathy Holtby at 360-693-3611 or kholtby@portvanusa.com.



Captain Kidd's Corner

Transportation

Y R T F A R S R M A E S L K A
S R N R L Q E G U L L P W A I
Q C R C O T O T T O C A W Y R
V E H E O L O H R D Y C Y A P
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M N M O P E D G L W D L A O D
H R O Z O Q Q C M K A T S K H

The port’s handling of cargoes, such as wheat to make bread and giant wind turbines to generate electricity, depend on transportation by river, road and rail. See how many transportation related words you can find in the puzzle.

- | | |
|------------|--------------|
| AIRPLANE | JETSKI |
| AUTOMOBILE | KAYAK |
| BALLOON | MOPED |
| BICYCLE | MOTORCYCLE |
| BLIMP | RAFT |
| BOAT | SCHOOLBUS |
| CANOE | SCOOTER |
| CAR | SHIP |
| FERRY | SNOWMOBILE |
| GOLFCART | SPACESHUTTLE |
| GONDOLA | TRAIN |
| HELICOPTER | TROLLY |
| HOVERCRAFT | TRUCK |



IT'S YOUR PORT. GET TO KNOW US BETTER.
portvanusa.com