


WHAT'S INSIDE...

Vancouver Energy update

2015 another record-breaking year

Tenant spotlight

 Port of Vancouver USA

Port of Vancouver USA
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Vancouver, WA 98660
www.portvanusa.com

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VANCOUVER ENERGY LEASE

continued from page 1

Next steps in the EFSEC process

The project concluded five weeks of adjudication on July 29. During this process, which is similar to a courtroom proceeding, the Council heard from official parties on all sides of the project – including expert witnesses with the port and Vancouver Energy. The Council will use testimony and exhibits provided during adjudication as the

basis for its recommendation to the governor.

Once the Council issues its recommendation, the governor has 60 days to consider it and issue a decision. The governor may approve the Council's recommendation, reject the application, or direct the Council to reconsider certain aspects of the project. The governor's decision may be appealed to the Supreme Court.

The EFSEC process is complex and robust for good reason. Our communities, environment and economy all depend on ensuring energy projects are carefully analyzed, and if approved, sited and operated safely. The Port of Vancouver USA is committed to seeing our tenant through this critical process while continuing to provide economic benefit to our community.

LOOKING BACK, LOOKING FORWARD

continued from page 1

to Clark County and create jobs today and for the future. And we're also continuing to invest in a wonderful community asset: Terminal 1, our original marine terminal and the home of a future waterfront destination on the Columbia River.

There's a lot happening at the Port of Vancouver USA, and it's because of the vision and dedication of our commissioners and staff that I can proudly share these accomplishments with you. But we also share these successes with our community partners, including our sister ports in Camas-Washougal and Ridgefield; the Columbia River Economic Development

Council; Greater Vancouver Chamber of Commerce; Southwest Washington Workforce Development Council; and many more. Their willingness to share our vision and work alongside us has helped generate hundreds of jobs and millions of dollars in economic benefit for our region.

As Vancouver and Clark County continue to grow and our economy changes, these partnerships will be even more important. It takes all of us, working together despite our differences, to move our community forward in a collective and progressive manner. We must rise above the divisiveness that seems to

be impacting society on so many layers and be the community we are meant to be: One with a healthy economy, good livability and strong partners working together for the future.

It's been my honor to serve the port and community for the last 15 years. I look forward to seeing where our partnerships and vision take us in the decades to come.

Editors note: Todd Coleman's last day with the Port of Vancouver was May 19. In July, he started work in his new position as Port Sector Manager with Portland, Oregon-based PBS Engineering and Environmental.

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

ATTEND A MEETING

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

VISIT US ON THE WEB

Learn more about the port at portvanusa.com, and follow us on Twitter (@portvanusa), LinkedIn and Facebook.

OUR MISSION

The port's mission is to provide economic benefit to our community through leadership, stewardship and partnership in marine, industrial and waterfront development.

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 Port of Vancouver USA

Community Report

A NEWS UPDATE FROM THE  Port of Vancouver USA SUMMER 2016



The proposed Vancouver Energy facility (highlighted in blue) consists of a covered transload area on the railroad tracks at Terminal 5, six storage tanks to the east and a loading area at two of the port's cargo berths.

CHANGES TO VANCOUVER ENERGY LEASE HELP MOVE PROJECT THROUGH SITING PROCESS

Vancouver Energy – the proposed crude oil transload facility at the Port of Vancouver USA – is continuing to move through the Energy Facility Site Evaluation Council (EFSEC) process. EFSEC provides a “one-stop” siting process for major energy facilities in Washington state by coordinating all evaluation and licensing steps and specifying the conditions of construction and operation.

Recent changes to Vancouver Energy's lease

A one-year process by statute, the EFSEC process for Vancouver Energy has now taken nearly three years, with a Council recommendation and gubernatorial decision on the project likely several months away.

This summer, Vancouver Energy had a critical date in its lease with the port that conflicted with this timeline: the Conditions Precedent Outside Date (CPOD), which was originally set for Aug. 1, 2016. The CPOD is the date by which both the port and Vancouver Energy must be satisfied that conditions such as permits to operate and environmental baseline work are met. If either party was not satisfied that these conditions were met on or before Aug. 1, 2016, the lease could have been terminated.

In light of the EFSEC timeline and lease requirements, Vancouver Energy proposed a lease amendment in April that would provide additional time to move the project through the EFSEC process. The port's Board of Commissioners held two public meetings in April to receive public comment and discuss the amendment. On April 15, the commissioners

unanimously approved an amendment to Vancouver Energy's lease that extended the CPOD to March 31, 2017.

The amendment also:

- Increased the Contingency Period fee from \$50,000 to \$100,000 per month, starting May 1, 2016.
- Eliminated the opportunity for Vancouver Energy to operate a second petroleum-by-rail facility at the port.
- Provided Vancouver Energy 30 months to resolve any appeals if licenses, permits or approvals are granted and appealed.
- Allowed the port to use the premises during the extended contingency period.
- Stipulated that oil moved through the facility must be “pipeline grade” and destined for domestic ports.

continued on back



The April 15 public meeting to consider Vancouver Energy's lease amendment was well-attended by citizens, labor and maritime representatives, and port and project staff.



Todd Coleman,
Former Chief Executive Officer

LOOKING BACK, LOOKING FORWARD

It's a little strange writing this column; by the time this newsletter is in your mailbox, I will no longer be the Port of Vancouver's CEO. But it's very important to me that I have the chance to share what's happening at the port and some thoughts on the future.

First, some business: In April, I made the decision to leave the port after 15 years, including four as CEO, to enjoy some time with my family before seeking a new opportunity. Our Board of Commissioners appointed Chief Financial and Administrative Officer Julianna Marler as interim CEO while the port moves through the process to hire a permanent replacement. Julianna is a very talented and well-respected leader, and I'm confident she will keep the port stable and productive until the board appoints a permanent CEO, likely late this year.

We've achieved some incredible things in my time at the Port of Vancouver. From completing the decade-long West Vancouver Freight Access project and constructing new industrial facilities in Centennial Industrial Park, to supporting the Columbia River channel deepening and beginning revitalization of the waterfront, we've held fast to our vision of a world-class port and have worked hard at being the economic engine and community asset Clark County counts on us to be.

We've expanded the depth and breadth of cargoes and logged record years for tonnage and revenue. We're now moving nearly 7 million metric tons of cargo per year, including grains, automobiles, minerals, fertilizer, steel, wood pulp and wind energy components. We're trading with more than a dozen global partners, including Brazil, Denmark, Japan, South Korea and Taiwan.

Because of all of these projects, relationships and advantages, we are well-positioned to continue growing and investing in facilities and infrastructure that will attract employers

continued on back



An artist's rendering of Terminal 1, showing the mixed-use development and pedestrian plaza in the foreground, and the public market in the background.

TERMINAL 1 TAKING SHAPE AT DOWNTOWN VANCOUVER WATERFRONT

The weather's heating up and so are activities at Terminal 1, the port's waterfront redevelopment in downtown Vancouver.

In June, local restaurateur Mark Matthias signed an agreement with the port to open a new restaurant in the former Quay Restaurant. Matthias, who owns Beaches Restaurant & Bar on the Columbia River and at the Portland International Airport, opened WareHouse '23 on July 19. The restaurant features seasonal Northwest cuisine, 20 local small brews on tap, regional wines and handcrafted cocktails.

WareHouse '23 also offers catering, event and meeting space in the former Red Lion ballroom adjacent to the restaurant. The space can handle groups of up to 450 people. It has the same incredible views of the Columbia River as the restaurant and opens to an outside viewing deck.

While the port works on opportunities for today, we're also looking to the future. In May we selected preferred developers for a hotel and mixed-use building. Vesta Hospitality of Vancouver was chosen to bring their vision for an AC by Marriott hotel to Terminal 1. Holland Partner Group, also of Vancouver, was selected

as the preferred developer for a mixed-use development that could include office, commercial and retail space.

Together with our developers and consultant, NBBJ, we'll complete the Concept Development Plan (CDP) and Development Agreement with the City of Vancouver this fall. In addition to collaborating on the CDP, we'll also negotiate a development agreement that will be considered by our Board of Commissioners at a future meeting.

Our development is part of a larger effort at the waterfront, and we've been working for many years with the City of Vancouver and its developer, Columbia Waterfront LLC, as they've moved forward with construction on a 32-acre development adjacent to ours.

The City is making great progress on its development. Construction on a 7.3-acre public park began in March and the City broke ground for its landmark waterfront pier in July.

We're pleased to be part of this exciting time on the Vancouver waterfront and look forward to the future of Terminal 1 as a public asset and local treasure.

TENANT SPOTLIGHT

The Port of Vancouver is home to more than 50 tenant businesses bringing thousands of family wage jobs to Clark County. We are excited to announce that the following tenants were eligible for lease extensions this year and extended their leases with the port:

- Andersen Dairy – 5-year extension
- Boise Cascade – 12-year extension
- Cadet Manufacturing Co. – 5-year extension
- Commodities Plus Inc. – 5-year extension
- Food Express Inc. – 10-year extension
- Foss Maritime Co. – 3-year extension
- Plastics Northwest Inc. – 10-year extension
- Trimac Panel Products – 5-year extension
- Tristar Transload PNW Inc. – 15-year extension



Employees with Cadet Manufacturing Co. assemble the company's innovative and efficient heaters at their facility on Lower River Road.

Welcome Aboard, Commissioner LaBrant

There have been a lot of exciting things happening at the Port of Vancouver in 2016. One of the biggest changes is the arrival of a new port commissioner: Eric LaBrant.

Commissioner LaBrant was elected in 2015 to represent the port's District 2, the closest neighbors to port property on Northwest Lower River Road. He is a graduate of Fort Vancouver High School and earned his Bachelor of Science in Business Management from Western Governors University in 2015.

Commissioner LaBrant is the president of the Fruit Valley Neighborhood Association. He has volunteered with the Vancouver Lake Watershed Partnership and mentors student teams with the Washington State University Vancouver Business Growth Mentor and Analysis Program. Commissioner LaBrant strongly supports infrastructure investments and sustainable policies that promote our community's competitive advantages, including livability, education and environmental stewardship.

A native of the Vancouver/Portland area, Commissioner LaBrant enjoys hiking with his two children in the Gifford Pinchot National Forest and Columbia Gorge, and rowing on Vancouver Lake. His term runs through Dec. 31, 2021.

We're proud to welcome Commissioner LaBrant to the port family!



Commissioner Eric LaBrant was elected in 2015 to represent the port's District 2, which encompasses the northwest third of the port district.

CENTENNIAL INDUSTRIAL PARK CREATING NEW POSSIBILITIES FOR INDUSTRY, LOCAL WORKERS

When the port completed Centennial Industrial Park (CIP) on Northwest Lower River Road in 2012, we envisioned a ready-to-build site that made it easy for light-industrial businesses to site their operations and bring family-wage jobs to our community.

That vision is becoming a reality as we watch two new facilities take shape at CIP.

In January, Sunlight Supply Inc./National Garden Wholesale broke ground on a new 306,000-square-foot world headquarters in the heart of CIP. By June, contractor crews raised the massive concrete walls for this exciting facility, which sits on 15.5 acres Sunlight purchased from the port in 2015.

Sunlight Supply, a locally owned gardening manufacturer and distributor, has been a port tenant since 2010. Like many growing companies in our region, Sunlight struggled to find space as they expanded. Their space at the port was one of many facilities that they used in Southwest Washington.

As Sunlight expanded, owner and Clark County native Craig Hargreaves searched for a location in the community that could meet his company's needs. He found it with CIP, keeping his company close to home and 265

people employed in our community.

Centennial Industrial Building

The port is preparing to build our own 125,000-square-foot light-industrial facility on 7.3 acres in CIP. The Centennial Industrial Building will be a state-of-the-industry building, and can be customized for one to five tenants. Features will include dock and

grade doors, on-site office space, extra access for tractors and trailer turn around, and ample electrical supply.

The port and its consultants are moving through design and the City of Vancouver permitting process this summer. Construction is expected to begin this fall and finish in April 2017.



The port's 125,000-square-foot Centennial Industrial Building, ideal for manufacturing and distribution businesses, is slated for completion in April 2017.

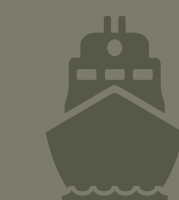
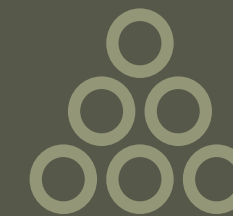
THE NUMBERS ARE IN!

2015 ANOTHER RECORD-BREAKING YEAR AT THE PORT OF VANCOUVER

55,874
TOTAL RAILCARS



770K
METRIC TONS OF
STEEL IMPORTED



424
VESSEL
CALLS

99%
INDUSTRIAL
OCCUPANCY



6.9 MIL



METRIC
TONS OF
CARGO
HANDLED



4.56 MIL
METRIC TONS OF
GRAIN EXPORTED

90,183



TOTAL SUBARUS IMPORTED