




Board of Commissioners Workshop

*Tesoro-Savage
Joint Venture
Lease Overview*

July 22, 2013

 Port of Vancouver USA

THE PORT OF / *Possibility*

OUR VISION

A premier port that is globally recognized and well capitalized with state-of-the-art facilities, infrastructure and service providing accountable economic benefit

OUR MISSION

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

OUR GOALS

- Marine
- Industrial
- Transportation
- Diversification



OUR PROCESS

2005

West Vancouver Freight Access plan developed

2008

West Vancouver Freight Access construction begins

2010

BHP Billiton selects Terminal 5

2011

United Grain Corporation expansion begins

2012

U.S. crude oil market expands

OUR PROCESS

2012 – Nov.

Statements of interest requested

2013 – Feb.

Tesoro-Savage Joint Venture selected

2013 – April

Tesoro-Savage Joint Venture announcement

2013 – May through July

Workshop series

OUR ASSETS

- Location, location, location
- West Vancouver Freight Access



OUR STRATEGIC DECISION MAKING PROCESS

- Safety
- Timing
- Private investment
- Impacts to other tenants
- Market
- Space
- Social responsibility
- Stability

STATEMENT OF INTEREST CRITERIA

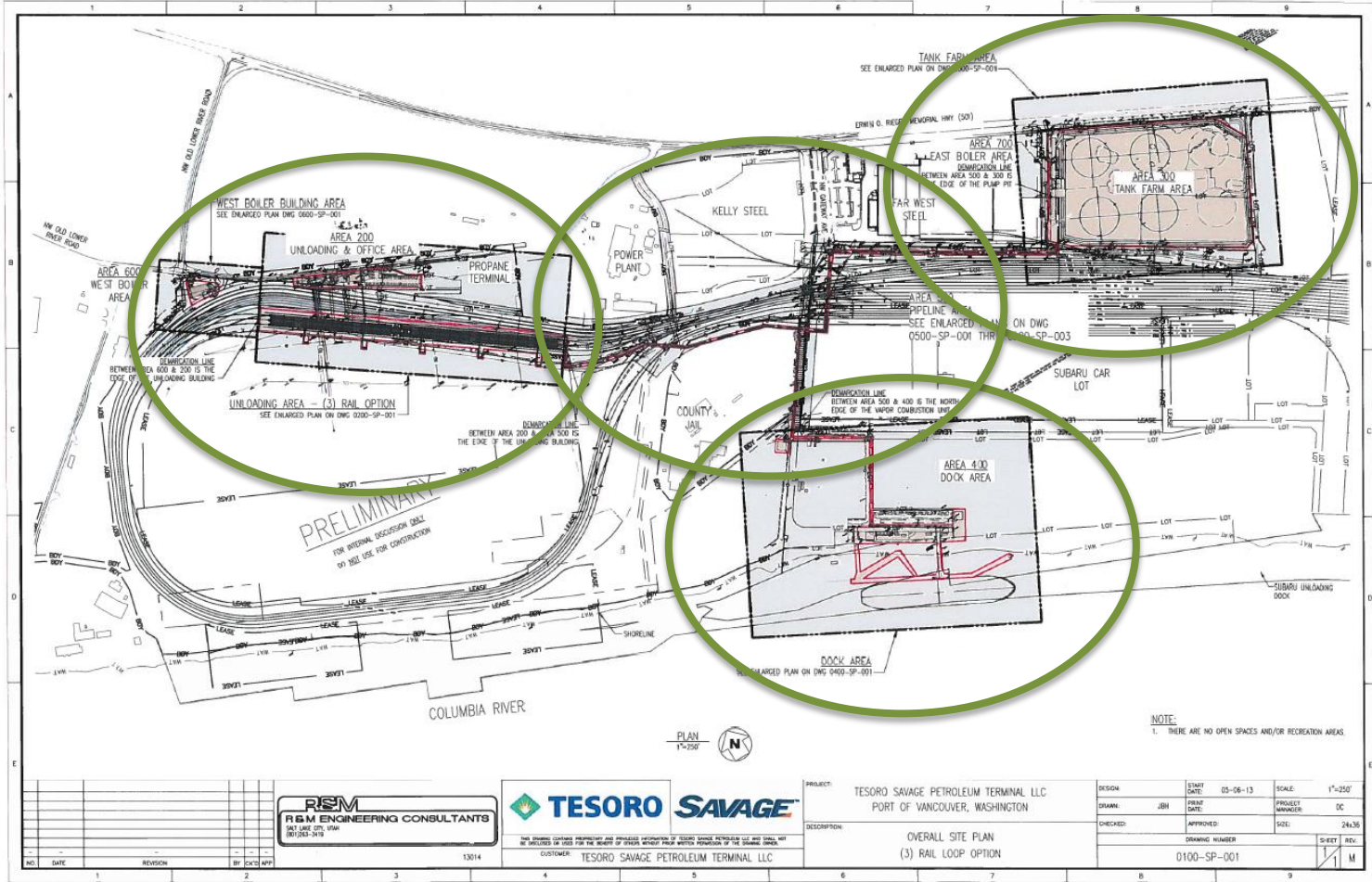
- Safety
- Environmental
- Community
- Financial
- Market
- Operations



PROJECT VISION

- Maximizes West Vancouver Freight Access asset
- Makes use of underutilized berths
- Revitalizes brownfield site
- Creates jobs; economic benefit

TESORO-SAVAGE JOINT VENTURE PROJECT DESCRIPTION



NO.	DATE	REVISION	BY	CHKD	APPD

RSM
RBM ENGINEERING CONSULTANTS
ONE LAKE DRIVE, SUITE 200
BOYD, WA 98005-3470

TESORO SAVAGE

THIS OFFICE OPERATES FOR THE BENEFIT OF THE CLIENT AND IS NOT A SEPARATE ENTITY FROM THE COMPANY. THE COMPANY IS NOT RESPONSIBLE FOR THE ACTIONS OF THIS OFFICE OR THE ACTIONS OF THE CLIENT.

CUSTOMER: TESORO SAVAGE PETROLEUM TERMINAL LLC

PROJECT: TESORO SAVAGE PETROLEUM TERMINAL LLC
PORT OF VANCOUVER, WASHINGTON

DESCRIPTION: OVERALL SITE PLAN
(3) RAIL LOOP OPTION

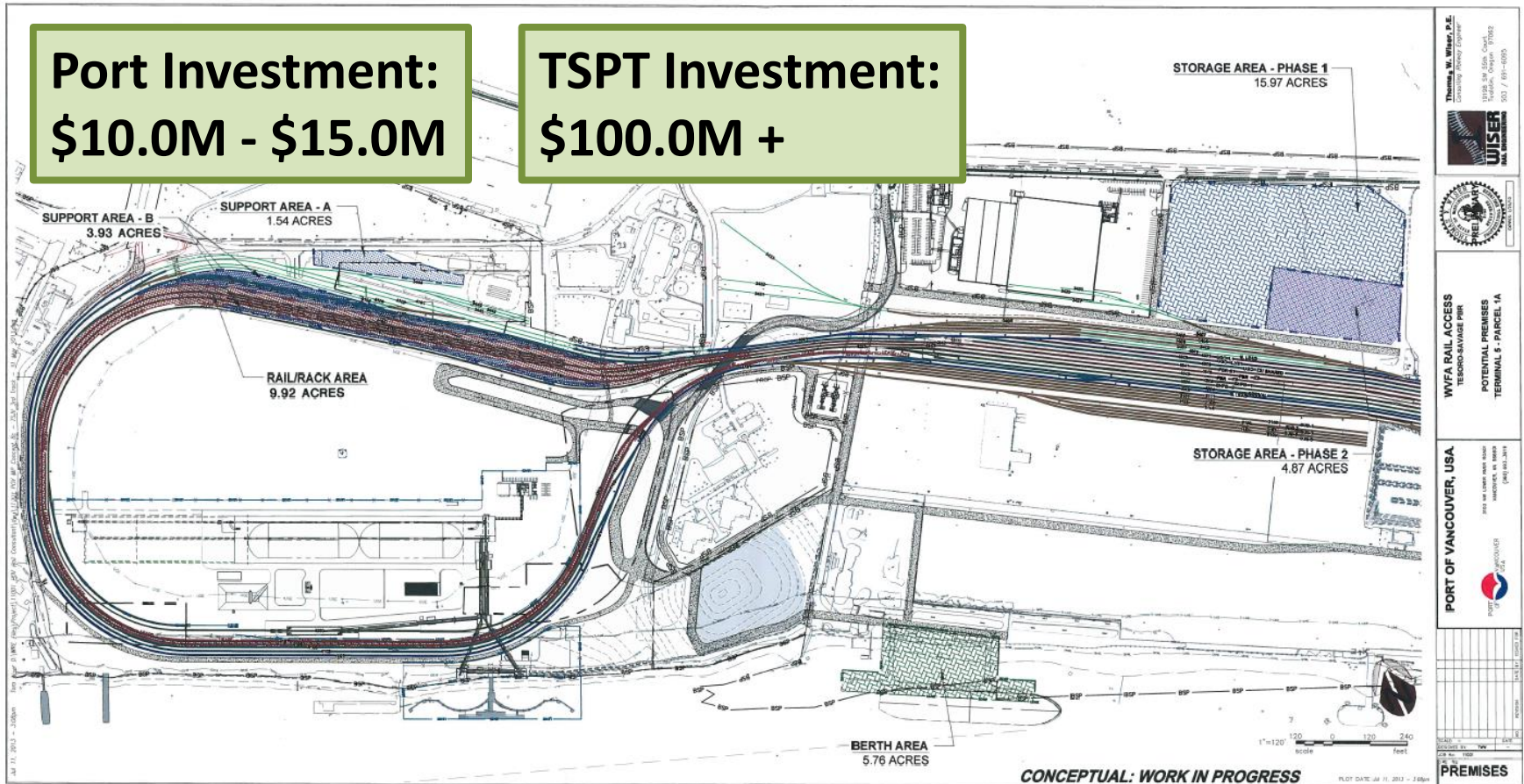
DESIGN:	START DATE:	05-06-13	SCALE:	1"=250'
DRAWN:	PROJECT NUMBER:	DC	DATE:	0100-SP-001
CHECKED:	APPROVED:		SIZE:	24x36
	DRAWING NUMBER:		SHEET:	11
			REV:	M

PROJECT DESCRIPTION

EXHIBIT A

Port Investment:
\$10.0M - \$15.0M

TSPT Investment:
\$100.0M +



Thomas W. Wisner, P.E.
Consulting Engineer

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PORT OF VANCOUVER, USA
2015 VANCOUVER PORT AUTHORITY
1000 WEST 10TH AVENUE
VANCOUVER, BC V6H 3K5
TEL: 604.681.9100 FAX: 604.681.9105

PREMISES

WFVA RAIL ACCESS
TERMINAL SAVAGE PIR
POTENTIAL PREMISES
TERMINAL 5 - PARCEL 1A

SCALE: 1"=120' scale feet

PLOT DATE: JUN 11, 2013 - J0804

PROJECT BENEFITS

JOB

Tesoro-Savage Petroleum Terminals

- 80 employees at 60,000 barrels per day
- 120 employees at 120,000+ barrels per day
- Approximately 250 construction jobs

COMMUNITY BENEFITS

Crude Oil Transport Facility Community Economic Benefits (ANNUAL)

JOBS

Direct	1,008
Jobs influenced by the project	1,702
TOTAL JOBS	2,709

PERSONAL INCOME

Direct employee income	\$47 million
Income from influenced jobs	\$36 million
Re-spending	\$117 million

TOTAL INCOME & RESPENDING \$200 Million

TOTAL LOCAL PURCHASES \$61.3 Million

STATE & LOCAL TAX REVENUE \$18.8 Million

Crude Oil Transport Facility Lease Term Benefits (10 YEARS)

JOBS

Direct	1,008
Jobs influenced by the project	1,702
TOTAL JOBS	2,709

**annual*

PERSONAL INCOME

Direct employee income	\$470 million
Income from influenced jobs	\$360 million
Re-spending	\$1.17 billion

TOTAL INCOME & RESPENDING \$2 Billion

TOTAL LOCAL PURCHASES \$613 Million

STATE & LOCAL TAX REVENUE \$188 Million

Based on Martin Associates Annual Forecasts 07/2013

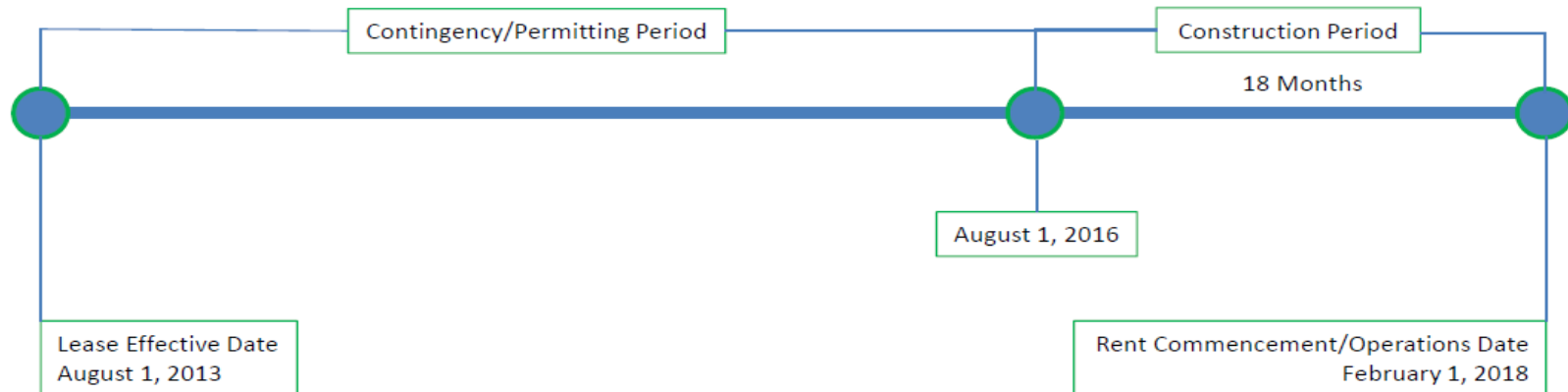
PROJECT DESCRIPTION

Terminal Layout and Design

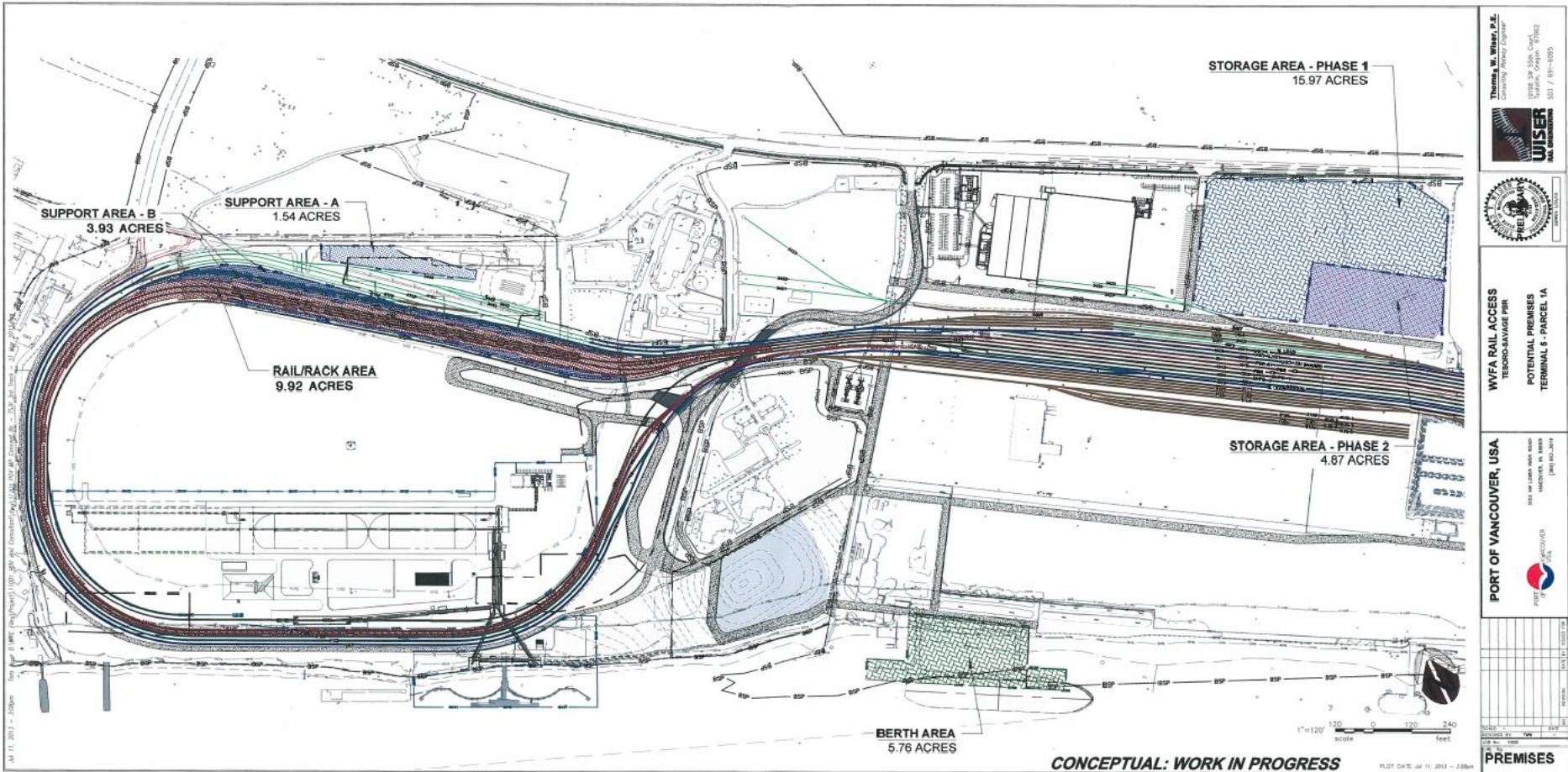


PROJECT DESCRIPTION

Tesoro Savage Petroleum Terminal Pre Operations Timeline



PERMITTED USE



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Licensed Professional Engineer
1838 SW 55th Court
Tualatin, Oregon 97062
503 / 681-8925

WISER
WATER INFRASTRUCTURE SOLUTIONS

POTENTIAL PREMISES

WYFA RAIL ACCESS
TELEPORT SERVICES PARK
POTENTIAL PREMISES
TERMINAL 4 - PARCEL 1A

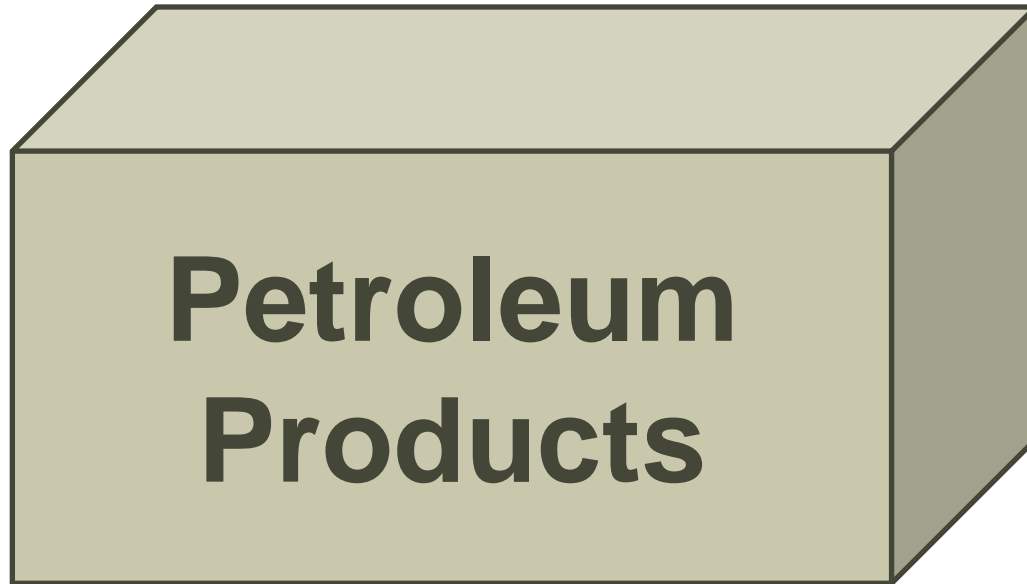
PORT OF VANCOUVER, USA
555 W. JEFFERSON STREET
VANCOUVER, WA 98601
(206) 463-3171

POTENTIAL PREMISES

PORT OF VANCOUVER, USA

POTENTIAL PREMISES

PERMITTED USE



Standard of Care

PERMITTED USE

Environmental Language

- Notifications
- Operational product approvals
- Baseline/exit surveys
- Insurance



PERMITTED USE

General Insurance Coverage

Liability

- \$10 million per occurrence
- \$15 million aggregate

Employer and Automobile

- \$1 million respectively

Pollution Legal Liability

- \$25 million



PERMITTED USE

Financial Security

Lease

- \$1 million per RCW 53.08.085

Commodity Payment & MAG

- \$33.7 million over seven (7) years

SAFETY Prevention

- Organizations involved are committed to preventing accidents
- BNSF continuously upgrades infrastructure to prevent accidents, including sensors and detectors to monitor train movement
- New railcars will incorporate improved safety features
- Just as in their facility in Anacortes, Tesoro will build into this facility significant precautions to prevent spills

SAFETY Planning

- Response plans are currently in place to address hazardous materials releases
- Northwest Area Contingency Plan (NWACP)
- Local Emergency Planning Committees
- Industry
- NWACP provides for access to considerable resources
- Covers all spills regardless of nature, cause or source
- BNSF is involved in local, state and federal planning and response

SAFETY Planning

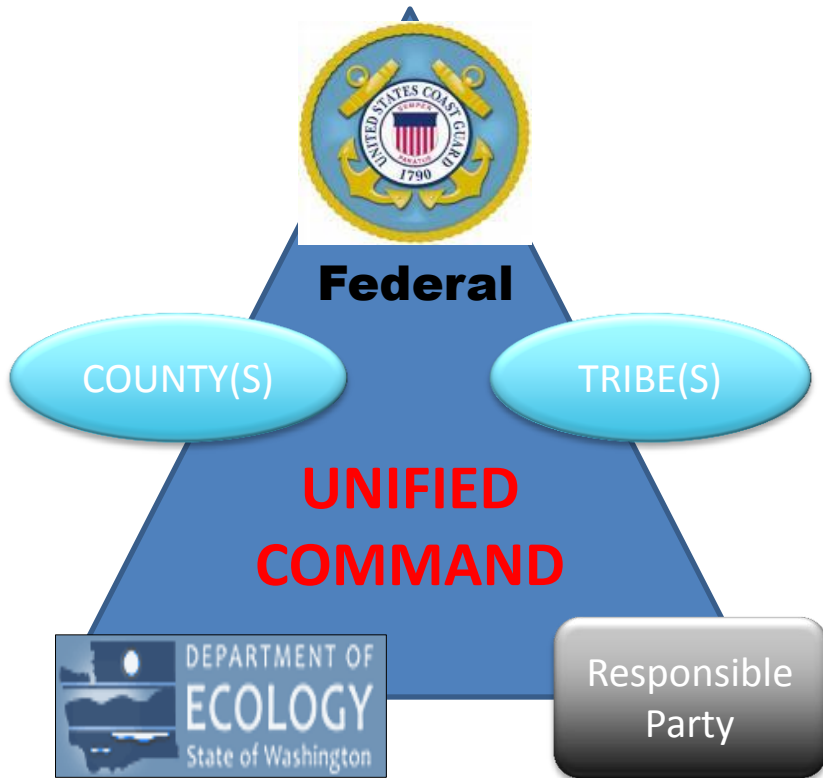
- BNSF provides local community training throughout their rail system
- Local training scheduled for this area by early August
- Annually up to 5,000 people are trained nationally
- Tesoro has participated in local planning since becoming a tenant

SAFETY Response

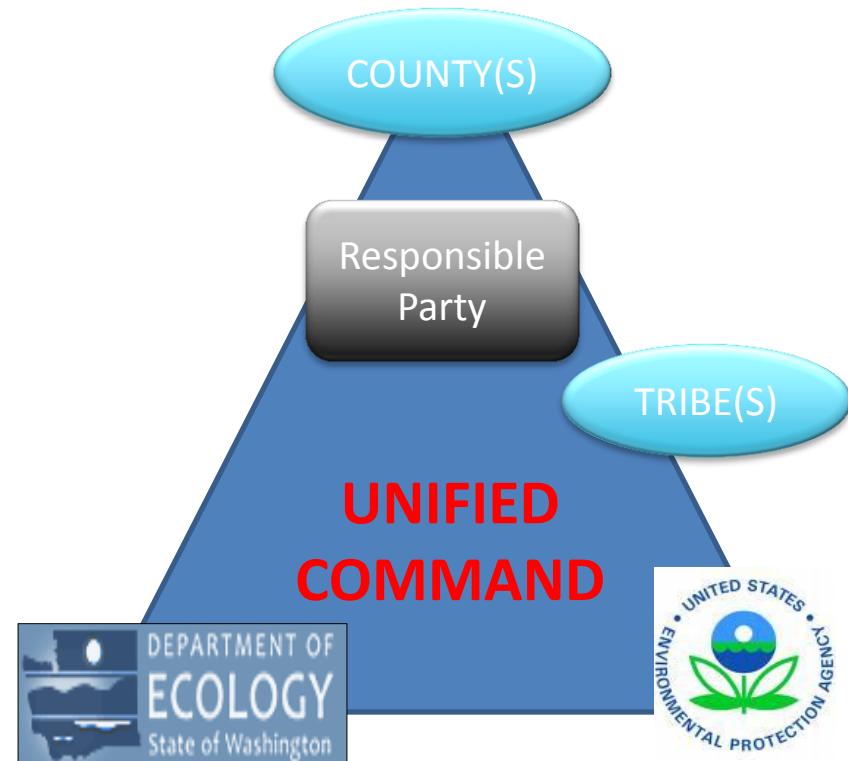
- BNSF has spill resources and oil spill response contractors located in region
- Other agencies and contractors have spill resources in the region
- Tesoro / Savage will have both land and water resources at facility to contain spills – this will supplement response from other agencies and contractors

What Happens During a Response?

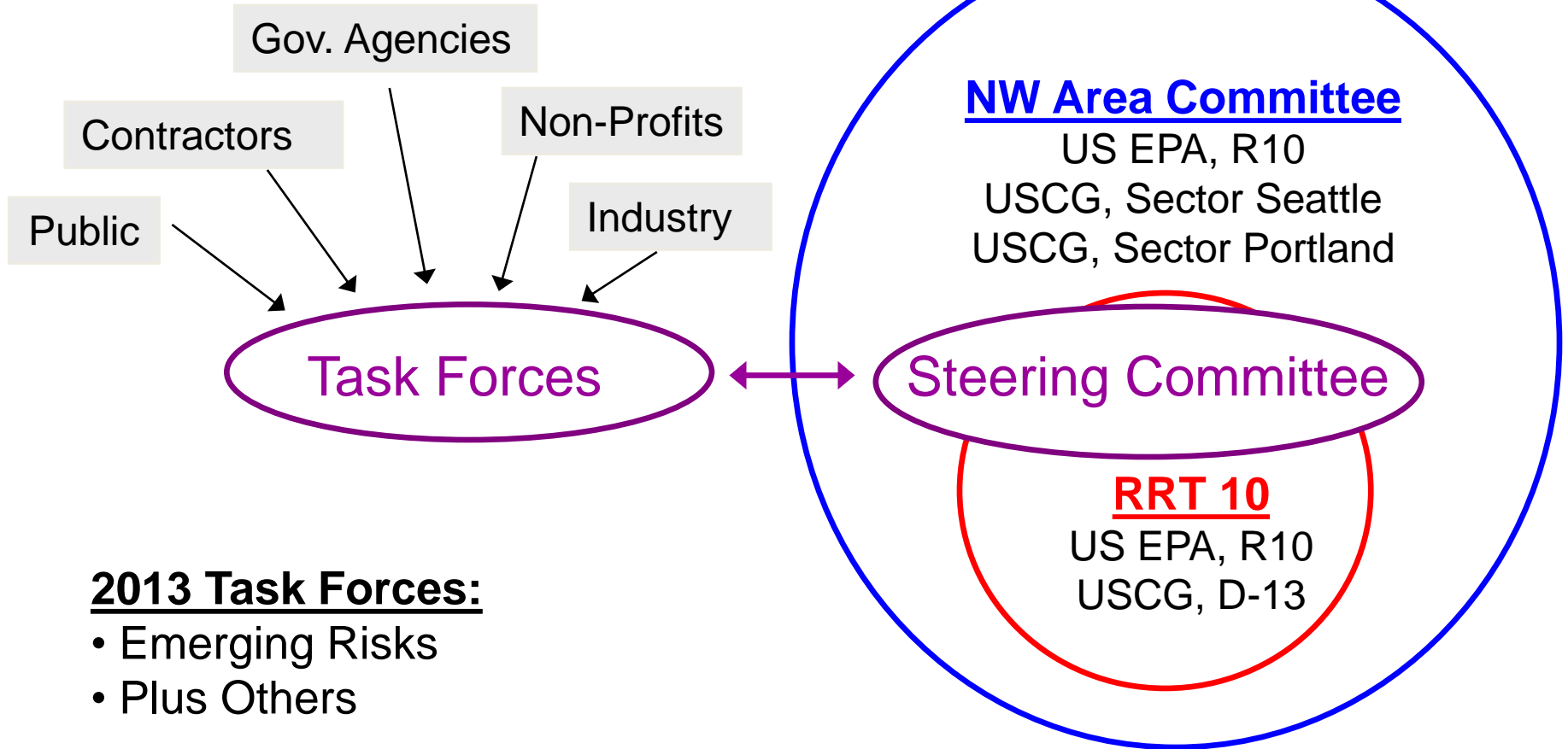
Marine Spills



Inland Spills



Direct input route:



2013 Task Forces:

- Emerging Risks
- Plus Others

<http://www.rrt10nwac.com/Default.aspx>

SAFETY

← Rail Operations and Safety Plan & Facility Operations and Safety Plan →



SAFETY

OSHA Safety Record for Savage Transloading (as facility operator)

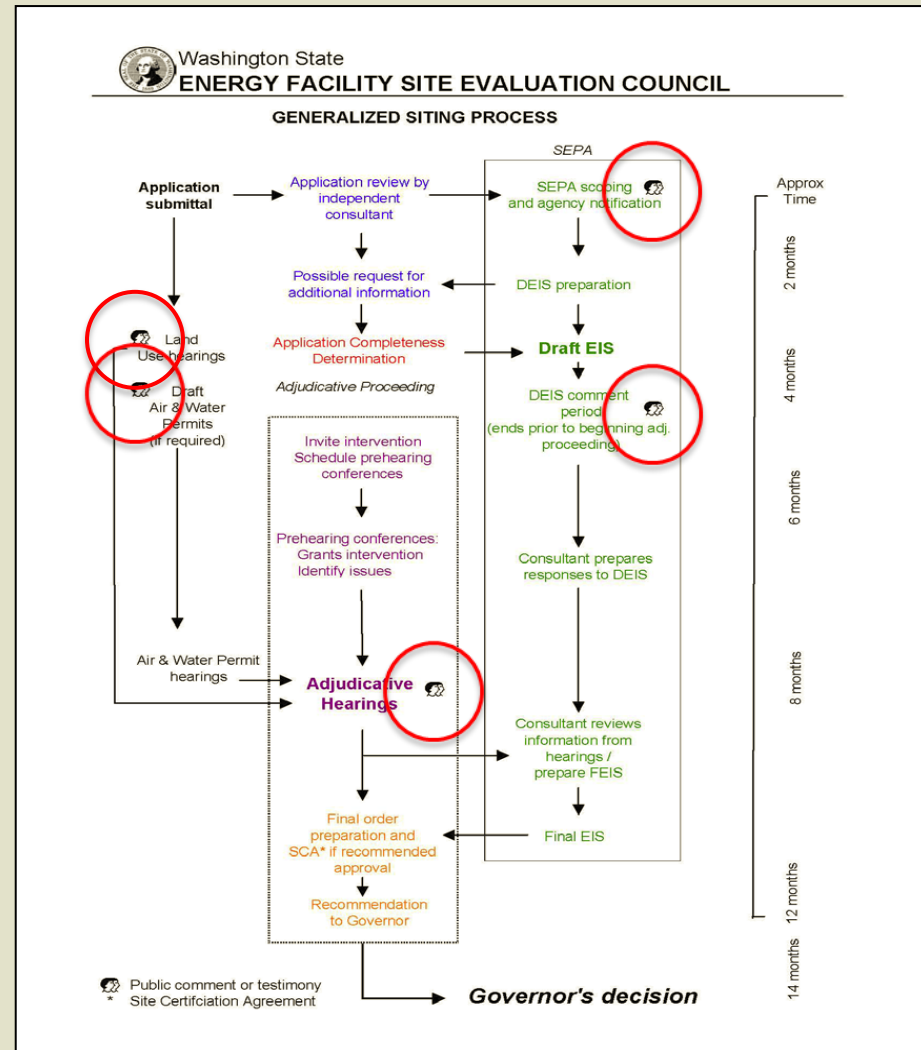


- Oil & Gas Transloading .93 TRIR (Total Recordable Injury Rate)
- Company-wide 1.7 TRIR

ACCOUNTABILITY

Permitting

- EFSEC
 - ✓ Local & state approvals
 - ✓ EIS
 - ✓ Public input
- Federal permits



ACCOUNTABILITY

Tenant Environmental Management

- Site visits
- Audits
- Outreach/education
- Tenant support

ACCOUNTABILITY

Operations

- Review and approve rail and facilities specific operations and safety plans
- Maintain industry leadership in all transloading operations
- Facilitate enhancements in regional transportation accident prevention programs and emergency response capabilities
- Ensure design, permitting, construction and operational compliance
- Port staffing commitment and periodic reporting

ACCOUNTABILITY

Financial Opportunity Over 10 Years

- Minimum \$45 million ground lease and marine agreement
- \$30 million available for reinvestment
- 2,700 jobs created*
- \$188 million tax revenue generated*

*Martin Associates 07/2013

SUMMARY

- Mission, Vision & Goals
- Maximization of assets/diversification
- Thoughtful, strategic process
- Staff recommendation to move forward

COMMUNICATING WITH THE COMMISSION

- Share your thoughts during the public comment periods that are part of all regularly scheduled commission board meetings.
- Fill out comment cards, which are available at the back of the room.
- Email the commissioners at povcommissioners@portvanusa.com.
- Speak to the commissioners by telephone by calling the port office at 360-693-3611 for specific contact information.
- Mail your comments to:
POV Board of Commissioners
3103 N.W. Lower River Road, Vancouver, WA 98660

For more information, visit the port's website, www.portvanusa.com

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