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New Commissioner

Community Report

A NEWS UPDATE FROM THE



Port of Vancouver USA

FEBRUARY 2018



Julianna Marler
CEO/Executive Director

DELIVERING ON JOBS, QUALITY OF LIFE

Whatever it is, ports deliver it. Whether it's raw materials, like the Port of Vancouver's steel, pulp and minerals, or consumer goods like those moved by the Seaport Alliance or the Port of Portland, we bring the products that build homes, manufacture vehicles, fertilize crops and stock store shelves. And we rely on waterways, roads and rail lines to make it happen.

The Columbia River, Puget Sound, national rail network and state and local highways are absolutely critical to our ability to move the things our world uses every day from those who produce them to those who need them. Forty-six U.S. states use Washington ports to export more than \$90 billion in commodities, including products like wine, hay, grain, technology, logs, paper, coffee and clothing.

The Port of Vancouver moved more than 7 million tons of cargo into and out of our state in 2017. Some of the products you'll see coming in are steel, fertilizer, Subaru vehicles and wind energy components. Wheat, corn, soybeans, copper, bentonite clay and fuels are commodities that are regularly exported at the port.

All this activity produces jobs and economic benefit for our communities. The Port of Vancouver brings \$2.9 billion in annual economic benefit and supports more than 20,000 jobs. More than 325,000 jobs across the state, including farmers, timber workers, truckers, rail workers, tech and aerospace manufacturers and retail providers, are directly sustained by exports; another 108,000 jobs are sustained by imports. This provides economic vitality as people collect their paychecks, buy food and other necessities, and pay taxes that support schools, parks, police, fire and other services.

These jobs and economic vibrancy are possible in part because of our state's unique location on the Pacific Rim and our deep waterways, available land and quality infrastructure—

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The Vancouver Energy project proposes to lease 42 acres at Terminals 4 and 5 for a crude oil transload facility

GOV. INSLEE REJECTS VANCOUVER ENERGY PROJECT APPLICATION

Gov. Jay Inslee rejected the site certification application for the Vancouver Energy project at the Port of Vancouver USA on Jan. 29.

"After considering the record in this proceeding, I concur with the Council's unanimous recommendation to reject the application," the Governor wrote in a letter to Energy Facility Site Evaluation Council (EFSEC) Chair Kathleen Drew. "After considering all of the evidence in the record,

the Council found that the risks of siting the proposed project at the Port of Vancouver exceeded the project's potential benefits and determined that the application is not in the public interest."

"Based on EFSEC's recommendation, we aren't surprised by the Governor's decision to reject the Vancouver Energy project," said port

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2018 A BIG YEAR FOR TERMINAL 1 WATERFRONT PROJECT

With successful progress made toward waterfront redevelopment in 2017, including the completion and adoption of the Concept Development Plan, partial demolition of the former Red Lion hotel and signing of a hotel lease with Vesta Hospitality, the Port of Vancouver USA is developing an ambitious work plan for Terminal 1 in 2018.

Demolition of the Columbia Shores building



is scheduled for this spring. The small, two-story office building must come down to make way for construction of the new AC by Marriott Hotel, slated to break ground in late 2018. Crews will abate and remove asbestos, demolish the building, clean up debris and reroute utilities that serve the river side of the development.

The port also plans to begin construction on our portion of the Renaissance Trail in midsummer. The Terminal 1 segment of this popular city trail will link the entire waterfront to the existing Renaissance Trail segment to the east. Work includes geotechnical shoring of property closest to the river, which will provide ground stabilization in a seismic event, new utility infrastructure atop the seismic stabilization and trail construction.

We also have plans this year for design and

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CONSTRUCTION PROJECTS PAVE THE WAY FOR FUTURE GROWTH

We accomplished a lot at the Port of Vancouver USA in 2017. From formally hiring Julianna Marler as the port's new CEO in January to announcing plans for an AC by Marriott hotel for our Terminal 1 waterfront project, the year was full of milestones. It was also an important year for construction as we move toward completion of our West Vancouver Freight Access (WVFA) Project and Centennial Industrial Building (CIB) and began new projects that help us plan for a successful future.

WVFA PROJECT 7 – KINDER MORGAN BULK UNLOADING FACILITY

Crews working on WVFA Project 7 wrapped up construction work in July 2017. This project relocated Kinder Morgan's rail unloading operation by moving them into a new enclosed facility just south of their old facility. The previous facility was taken offline in May 2017 and deconstructed as part of the subsequent WVFA Project 11B. The relocation project included a new conveyor system that connects the new facility to the existing Kinder Morgan storage buildings and a new supporting rail yard. Completion of this project ties into the next one—WVFA Project 11B—by allowing the port to widen its rail corridor from Terminal 2 west to Terminal 5.

WVFA PROJECT 11B – GRAIN TRACK UNIT TRAIN IMPROVEMENTS

The 11B project includes the construction of more than 74,000 track feet of new and realigned rail, installation of 56 switches, 80,000 cubic yards of excavation and the deconstruction of the old Kinder Morgan rail unloading facility. The new rail infrastructure includes a new south lead, three new load tracks to accommodate full unit grain trains and additional yard tracks

which increases the port's rail capacity and efficiency. Construction started in early 2017 and is about 65 percent complete. In addition to the rail improvements, crews will also add additional high mast LED lighting along the expanded rail corridor. Completion of Project 11B will increase capacity and efficiency and make way for future growth within the port.

BUILDING 3125

Building 3125 will be a new storage building for marine customers. Work on the first phase was completed in 2016 and crews just completed Phase 2, which constructs a dock, dock ties and rail tracks that will be connected to serve the dock. Phase 3—construction of the building itself—will provide a new marine storage facility with much larger interior clearance. This allows for efficient loading and unloading between ship and rail, saving our customers time and money.

WATER SYSTEM IMPROVEMENTS – HIGH TANK REPLACEMENT

The port has an extensive water system that serves tenants, public restrooms, vessels, and provides warehouse fire suppression. The system is served by three major wells that fill two large water storage tanks. One of these tanks, referred to as the high tank, is 95 years old and will be replaced this year. In preparation for this phase of work, crews last year constructed a new booster-pump station and integrated it into the current water infrastructure. Later this year, crews will remove the old, 120-foot-tall, 75,000-gallon high tank. They will replace it with a more easily maintained, ground-level system that can hold 250,000 gallons of water. Work is expected to be complete this fall.



WELCOME, COMMISSIONER DON ORANGE!

Commissioner Don Orange was elected in 2017 and took office Jan. 1, 2018. He represents the port's District 1, which includes Minnehaha, Orchards, Sifton, Heritage and Proebstel.

Mr. Orange has owned and operated small businesses nearly his entire career, including a regional trucking company that received shipments at the Port of Vancouver. Mr. Orange currently owns Hoesley Eco Automotive, a full-service auto maintenance business in Vancouver. His background gives him a unique perspective as commissioner of a port that is home to more than 50 tenant companies whose business ranges from injection-molded plastics and welded truck boxes to malt roasting and ready-mix concrete production.

Mr. Orange is active with the Salmon Creek Kiwanis and Martha's Pantry Food Bank, and is president of the Battle Ground School District Auto Advisory Council. He is also past president of the Columbia Pastoral Counseling Center.

Mr. Orange is a Pacific Northwest native. He and his wife Mary have a son, Alex, who is earning his graduate degree in electrical engineering at the University of Utah. When he's not working, volunteering or serving on the Port of Vancouver's board, Mr. Orange enjoys visiting our country's national parks.

We're pleased to welcome Commissioner Orange to the Port of Vancouver family!

CENTENNIAL INDUSTRIAL BUILDING NEARING COMPLETION

The Port of Vancouver USA's Centennial Industrial Building (CIB) is just a few weeks away from completion and welcoming new tenants.

The 125,000-square-foot light-industrial building is a cold shell, meaning it has an unfinished interior so it can be customized for tenants through a lease agreement with the port.

Crews with contractor Corp Inc. performed some fascinating work last year, including tilting up massive concrete wall panels to construct the outside structure of the building. Crews spent the spring and summer forming wall panels on top of the already-poured concrete floor, using a special coating to keep the walls from adhering to the floor while they cured. Then they used cranes and rigging to erect the more than 40-foot-tall, 8.5-inch-thick walls.

Once the walls were secured, crews installed steel columns, girders and roof joists. Steel decking was secured on top of the girders and topped with thick layers of rigid foam insulation. Crews then laid a cover board and a fully adhered, PVC membrane to protect the roof, which is designed to be solar-ready for up to five panel arrays.

BUILT-IN SUSTAINABILITY

The way CIB was designed and constructed allows the port to apply for Green Globes



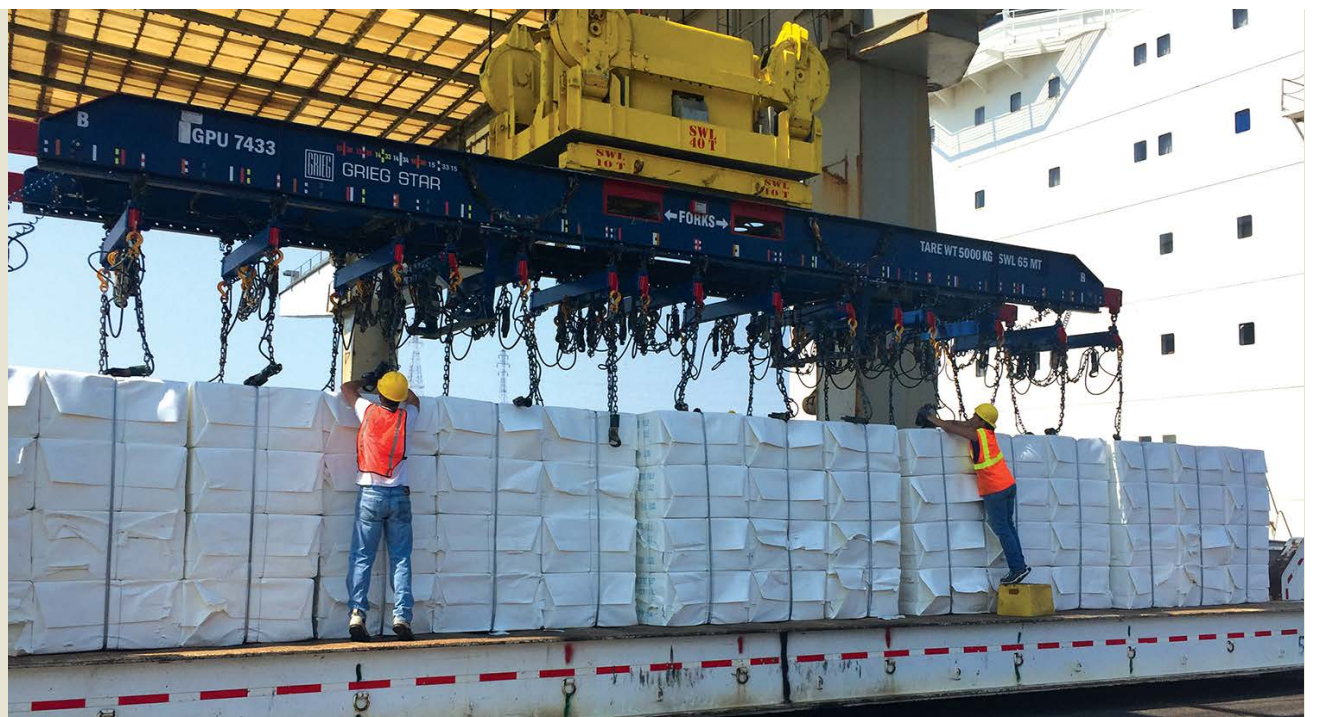
certification. Green Globes is a third-party certification program that recognizes sustainable building design and construction that conserve resources and enhance customer well-being.

Some of the features that will help CIB achieve Green Globes Certification are the electrical

system; LED lighting; solar-ready roof; bird-safe windows and lighting; low-maintenance landscaping; enhanced stormwater treatment facilities; and utility infrastructure for electric vehicle charging stations. Additional Green Globes could be awarded through sustainable tenant improvements.

PULP NON-FICTION

Your paper towels, facial tissue and home siding may very well be made from wood pulp that's exported through the Port of Vancouver USA. The wood pulp we move comes from a manufacturer in Central Oregon. The manufacturer crushes and processes wood chips to make flat, white sheets of pulp that are wrapped and shipped to Indonesia and China. There, the pulp is used to make products like paper, tissue and cement fiber board. We export about 7,000 metric tons of wood pulp—roughly 30 million rolls of paper towels—every month. And that's no sea story!



VANCOUVER ENERGY

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CEO Julianna Marler. "Our mission continues to be providing economic benefit to our community through leadership, stewardship and partnership in marine, industrial and waterfront development. We appreciate the Governor's recognition of our important role in regional trade and we will continue to fulfill that role."

On Jan. 9, 2018, the Port of Vancouver Board of Commissioners voted unanimously to provide notice to Vancouver Energy that its project must receive the necessary licenses, permits and approvals required to operate by March

31, 2018, or its lease with the port will not be renewed. The Governor's decision means that the project so far has not been able to obtain its approvals; Vancouver Energy has 30 days to appeal the decision in Thurston County Superior Court.

The Vancouver Energy project is a joint venture between Andeavor (formerly Tesoro Corp.) and Savage Companies. The project proposes to bring up to 360,000 barrels of North American crude oil by rail to the port daily, where it would be loaded into U.S.-built, U.S.-flagged, and U.S.-staffed marine vessels for shipment to refineries in Alaska, California and Washington.

WATERFRONT PROJECT

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community outreach around development of a public market at Terminal 1. Activities in 2018 include preliminary design for the market and surrounding landscape, public charrettes to gather community input, and the development of final plans, specifications and costs for replacement of the century-old Terminal 1 dock with a new structure.

We look forward to the work ahead and hope you'll join us at commission meetings and open houses to learn more about how we're revitalizing the waterfront and preserving public access to the Columbia River.

ANNUAL CHRISTMAS SHIPS EVENT DRAWS HUNDREDS TO TERMINAL 1



More than 400 people came to WareHouse '23 to learn more about the port's waterfront project and watch the Christmas Ships on the Columbia River

A light fog hung in the air on Dec. 21, but that did not stop a crowd of 400 people from gathering at the WareHouse '23 event space at Terminal 1 to view the annual Christmas Ships parade on the Columbia River.

The Christmas Ships event at Terminal 1 has become an annual Port of Vancouver tradition since the Red Lion Hotel closed its doors in October 2015. Hosting this free event in the former hotel lobby and ballrooms provides a warm, dry location for the public to watch the Christmas Ships. The event also features

holiday festivities and a waterfront project open house staffed by the port; its hotelier, Vesta Hospitality; and representatives from Columbia Waterfront LLC, which is building an adjacent development known as The Waterfront Vancouver just west of Terminal 1.

This year the crowd was entertained by the Vancouver Community Concert Band, face painters and a balloon artist. Thanks to the generous support of port tenants NuStar Energy and Food Express Inc., the Fort Vancouver Regional Library Foundation gave

200 free books to children. And WareHouse '23 provided delicious cookies, macaroni and cheese, and warm beverages.

The Christmas Ships made their appearance around 8 p.m. Once they were spotted by alert onlookers, most everyone headed outside for a closer view from the deck. With beautiful, creative lights and music, the ships did not disappoint. It's clear why they remain a holiday favorite, year after year!

DELIVERING ON JOBS, QUALITY OF LIFE

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assets that attract employers and trade. We must protect these advantages—and thereby protect hundreds of thousands of jobs—by caring for our waterways and land, and continuing to invest in infrastructure to safely move freight by rail, river and road.

Washington state has a unique position and opportunity to strike a balance that will reap rewards for many generations: the balance between industry and environment. We are just the place to offer access to growing markets and unmatched livability while protecting our natural resources. We can and must show we are a place of stewardship that is open for business, so future generations can live, work and play right here in the Evergreen State and the Pacific Northwest.

We're proud to be part of this community and a Washington state port. We wish you a happy and prosperous 2018!

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 Facebook, Twitter and LinkedIn (@portvanusa).

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