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November 3, 2016

Mayor Hales
Commissioner Saltzman
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RE: Restricting Bulk Fossil Fuel Terminals

Mayor Hales and City Commissioners:

The Portland Planning and Sustainability Commission (PSC) is pleased to forward our unanimous recommendation to amend the Zoning Code to restrict bulk fossil fuel terminals in the City of Portland. This recommendation is consistent with the policy direction in the 2015 Climate Action Plan, City Council Resolution 37168 and the 2035 Comprehensive Plan. As Portland, the state of Oregon, and other public agencies and private firms continue to work to reduce greenhouse gas emissions, we expect statewide demand for fossil fuels to decline. More generally, to stabilize the climate, we anticipate that nations around the world will shift away from fossil fuels.

The recommended amendments will prohibit new fossil fuel terminals and limit the expansion of the existing terminals. One of our primary concerns is the safety risk associated with these facilities because most of Portland's industrial areas are located in areas with moderate to high levels of liquefaction susceptibility.

In our deliberations, the PSC made four key changes to the BPS staff proposal:

1. The storage capacity threshold size for defining a bulk fossil fuel terminal was lowered to 2 million gallons. This level is slightly less than the volume of one unit-train, which is a good benchmark. We also are concerned about the throughput of a facility and the possibility that a relatively small amount of storage could move a large volume of fossil fuel through our community.
2. The PSC added language to prevent companies from using subsidiaries to aggregate or link smaller facilities as a means to circumvent the storage capacity threshold limits.



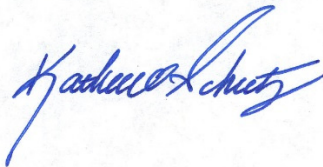
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3. Existing terminals are designated as a limited use. Future expansion is limited to 10 percent of the current terminal capacity and must be done in conjunction with the replacement of existing tanks in order to improve seismic safety. The 10 percent expansion is a way to incentivize seismic upgrades and to provide some flexibility with complying with the State of Oregon's Clean Fuel Standards.
4. In a related recommendation, the PSC decided to not require a land use review for the replacement tanks. We wanted to create a clear permitting path for the seismic upgrades. At the same time, we believe it is important that the public know what is going on with these facilities. Therefore, we added a neighborhood notice and meeting requirement that is to take place prior to submitting development permit applications.

While these bulk fossil fuel terminals provide 90 percent of the transportation fuel that supports our economy and mobility, these facilities represent a tremendous risk to community safety. We hope that these zoning code amendments are the first step in a process to replace the old storage tanks and improve our seismic resilience.

Sincerely,



Katherine Schultz
Chair

