

Planning and Sustainability Commission Work Session
Update and Work Session on Terminal 6 Zoning Code Amendment
for Hazardous Substances in the Environmental Overlay Zone

Tuesday, March 17, 2015, 3:00 PM to 6:00 PM

Keith Leavitt, Port of Portland

Good afternoon Commissioners, I am Keith Leavitt, Chief Commercial Officer for the Port of Portland. I am here today to represent the Port's interest in the zoning code amendment that is before you. As Chief Commercial Officer, I have responsibility for development of the Port's marine, aviation and industrial lines of business as well as property management and lease administration, including the potential lease with Pembina. The majority of the Port's real property is located within the City of Portland and we own and have developed approximately 6,000 acres of land inside the city.

Overall, the Port manages approximately 10,000 acres of real property and has approximately 840 active agreements pertaining to our property. The Port is an active and engaged landlord with significant experience in aviation, marine and industrial development and property management. We have 11 full time property managers who are responsible for day-to-day management of our property assets, business relationships with our tenants and compliance with requirements in our agreements. When entering into agreements related to our property, we follow best business practices and require that all applicable laws be followed. We have a risk management team that performs risk analysis and determines insurance requirements for all agreements related to our property. Agreements are also reviewed and approved by our legal team and environmental and natural resources staff. Compliance is embedded in all of our agreements and Port staff performs periodic compliance audits throughout the term of all of our agreements. Again, we take this role very seriously and are very aware of our impact on the region when it comes to managing our real property.

Prior to entering into a lease with Pembina, the Port will contract with third party consultants to provide professional services which will include:

- Reviewing the data from the independent global Quantitative Risk Assessment consultant hired by Pembina;
- Reviewing all of Pembina's design, construction, and emergency response plans; and
- Identifying any risk gaps to be addressed in the lease terms.

Once a lease is executed and operations begin, the Port will require a third party independent contractor to complete a comprehensive review of Pembina's operations, including reviewing the emergency response plan and participating in an emergency response drill. This comprehensive review will occur periodically throughout the life of the lease with Pembina.

The Port would not be considering this lease unless we felt Pembina was committed to and had a record of safe operations. The Port is an operator of intensive aviation and marine activities and we have an excellent safety record at our three airports and four marine terminals. The Port has its own Public Safety and Security department with:

- A fully trained certified police department with 36 police officers, including detectives, K9 handlers, bomb technicians and 12 communications dispatchers; and

- Thirty six (36) firefighters.

Additionally, the Port participates in local and national emergency response drills and is always looking at best business practices in safety and emergency response.

Again, the Port would not be considering this lease unless we felt Pembina was committed to and has a record of safe operations. Pembina has shown the Port that safety is their number one priority. In that regard, Pembina hosted a Quantitative Risk Assessment workshop on March 10th, which was attended by Port technical staff. Eric Dyck from Pembina will discuss the details of the assessment performed by their consultant DNV GL- an international risk assessment expert. The assessment is based in science and includes multiple data points. As noted, while Port staff is satisfied that Pembina will design, build and operate a safe facility, the Port will have a third party independent consultant, with credentials in the safe transportation and storage of propane, review all data provided to the Port. In addition, the City of Portland Fire and Rescue Bureau is planning to conduct its own third party review of the proposal.

We appreciate your consideration of the code amendment and the supplemental information that will be provided to you today and in the coming weeks.