



Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

MEMO

DATE: March 31, 2015

TO: Planning and Sustainability Commission

FROM: Tom Armstrong Supervising Planner

CC: Susan Anderson, Director

SUBJECT: Terminal 6 Environmental Zoning Code and Map Amendments
City - Port IGA Framework

The City of Portland - Port of Portland intergovernmental agreement (IGA) is proposed as a companion document to the proposed zoning code and map amendments as a way to formalize the commitments that the Port and Pembina have made during the hearings. In turn, the Port will incorporate these terms into their lease agreement with Pembina. The intent is the IGA will be agreed to by both parties prior to or contingent upon the effective date of the code change.

IGA Framework

1. **Community Advisory Committee (CAC).** The Port will establish a CAC to:
 - a. provide a forum for public dialogue and engagement on operations of the terminal that may impact the surrounding community;
 - b. provide an opportunity for the community to inform staff of the Port, Pembina and the City; and
 - c. raise public knowledge regarding the propane terminal and impacted communities.

A key focus of the CAC will be to address any noise or nuisance issues.

2. **Safety.** The Port will :
 - a. ensure that the operator of the terminal will implement all of the safety recommendations that are:



City of Portland, Oregon | Bureau of Planning and Sustainability | www.portlandoregon.gov/bps
1900 SW 4th Avenue, Suite 7100, Portland, OR 97201 | phone: 503-823-7700 | fax: 503-823-7800 | tty: 503-823-6868

Printed on 100% post-consumer waste recycled paper.

- i. identified in the Quantitative Risk Assessment (QRA) or the Emergency Response Plan (ERP) or Rail Management Plan;
 - ii. identified by the Port’s third-party expert to review the development permits;
 - iii. identified by the City’s third- party expert to review the development permits; and
 - iv. identified in safety inspections conducted by the State Fire Marshal, the Portland Fire Marshal, or other public agency with the authority to inspection the facility during construction or operation.
 - b. provide the Portland Bureau of Fire and Rescue any specialized equipment or training necessary to respond to an incident at the facility;
 - c. provide an annual report demonstrating compliance with all state and federal regulations;
 - d. provide the Risk Management Plan, Emergency Response Plan and any safety inspection reports to the Community Advisory Committee; and
 - e. re-evaluate the facility design when building codes are updated to ensure that the facility continues to comply with current code.
3. **On-site energy use.** The Port will ensure that the operator of the terminal meets 100% of its energy needs for on-site operations from one of the following renewable energy sources:
- a. On-site renewable electricity, such as solar;
 - b. Renewable electricity purchased from Portland General Electric;
 - c. Green-e certified renewable electricity purchased from an Electricity Service Supplier;
 - d. Green-e certified renewable energy certificates from Oregon, Washington, Idaho or Montana resources; and/or
 - e. “Smart Energy” or comparable carbon-neutral natural gas offering from NW Natural.
4. **Environmental Impact Mitigation.** To mitigate the impacts of the terminal on environmental quality, the Port will:
- a. Mitigate impacts on grassland habitat. Fully replace the natural resource features and functions of the grassland special habitat area impacted both directly and indirectly by marine terminal development. The project will create or enhance habitat for grassland birds and maintain it in perpetuity.
 - b. Contribute \$_____ annually to the Portland Environmental Health Fund. The City will establish the Environmental Investment Fund as a separately managed fund administered by the City. [See attached memo, “Options to mitigate carbon impacts of propane export terminal,” for discussion of what may be incorporated into this provision.]

- c. The draft 2015 Climate Action Plan calls for the City to establish a local policy addressing fossil fuel exports. If this results in a fee or other financial impact on fossil fuel export facilities, the propane terminal will not be subject to this fee for the duration of the IGA.
 - d. Ships transporting propane will minimize use of a ship's on-board diesel power by using shore power while docked to reduce air pollution.
5. **No coal.** The Port will not lease to or otherwise enable a coal export terminal in Portland.