

Portland Planning and Sustainability Commission

Tuesday, January 13, 2015

12:30 p.m.

Meeting Minutes

Commissioners Present: Andre' Baugh, Karen Gray, Mike Houck, Gary Oxman, Michelle Rudd, Katherine Schultz, Howard Shapiro, Chris Smith, Teresa St Martin, Maggie Tallmadge

Commissioners Absent: Don Hanson

BPS Staff: Susan Anderson, Joe Zehnder, Alisa Kane, Eric Engstrom, Tom Armstrong, Julie Ocken

Other Presenters: Jillian Detweiler, Mayor's office; Shannon Callahan, Commissioner Saltzman's office; Branam, PDC; Traci Manning, PHB; Nate Takara, Fire Marshal

Chair Baugh called the meeting to order at 12:31 p.m. and gave an overview of the agenda.

Consent Agenda

- Consideration of Minutes from 12/9/14 PSC meeting

Chair Baugh asked for any comments for the consent agenda.

Commissioner Smith moved to approve the Consent Agenda. *Commissioner St Martin* seconded.

The Consent Agenda was approved with an aye vote.

(Y10 – Baugh, Gray, Houck, Oxman, Rudd, Schultz, Shapiro, Smith, St Martin, Tallmadge)

Vote for 2014 PSC Officer Slate

Decision: PSC members

Chair Baugh proposed the slate of officers through the PSC's work on Task 4 of the Comprehensive Plan as *Chair Baugh*, *Vice Chair Shapiro* and *Vice Chair Schultz*.

Commissioner Oxman moved to keep the PSC slate of officers through the Comp Plan.

Commissioner St Martin seconded and the vote passed unanimously.

(Y10 – Baugh, Gray, Hanson, Houck, Oxman, Rudd, Schultz, Shapiro, Smith, St Martin, Tallmadge)

Energy Performance in Portland's Commercial Buildings

Briefing: Alisa Kane

Documents:

- [Email](#) to potentially affected building owners and stakeholders
- [Project website](#)
- [Handout](#)

Presentation: <http://efiles.portlandoregon.gov/Record/7159749/File/Document>

Alisa gave an overview of the proposed policy. Scores, ratings and labels are how we often communicate as a society.

There are over 5000 commercial buildings in Portland. These buildings spend over \$330M every year on energy. About 60 percent of electricity resources come from fossil fuels, and commercial buildings are the second largest contributor to carbon emissions.

Energy STAR has an energy portfolio manager that many companies use to evaluate building performance. This is the system the City is proposing to use. Buildings that consistently track energy use save 2.4 percent in their expenditures every year. These buildings are often better managed and better maintained.

80 buildings in Portland are Energy STAR certified through the portfolio system. Others are using Energy STAR to track their use. But Portland is consistently falling in city rankings, and we're now lower than Detroit.

We want to change the conversation around energy in Portland. Today's proposal does this. We want to see commercial buildings over 20,000 square feet to use the Energy STAR tracking system; provide their score to the City on an annual basis; and report to the City, publicly. The proposed timing is for larger buildings (50,000+ square feet) to track this year and first report in April 2016, then smaller buildings (20-50,000 square feet) be required to report in 2017.

Slide 24 outlines which buildings will be covered by the policy and which will be exempt.

The City and partners will provide training and technical assistance to these buildings and operators. We will recognize high performers: some sort of award event and media campaign to recognize buildings that are doing well. We will publish all the scores in a database as well.

Portland would be the 11th city in the country to require benchmarking if we accomplish getting the policy through Council. Washington, DC, was the first city to have the requirement.

The City of Portland does track energy use in its own buildings, and it will continue to do so and make this information public.

Staff is getting the word out and getting feedback about the proposed policy in the next few months, with a Council date likely this April. See the [project website](#) for further details.

Discussion

Commissioner Schultz is supportive for the proposal. What about mixed-use buildings?

- At this point, if the building is predominantly a commercial use, it will be included. But this won't be for buildings that are predominantly residential that have storefronts on the first floor. It is the building overall that reports, not individual units.

Commissioner Smith asked about smart building management systems.

- There are 3rd party providers that can take information from utilities or other systems and put that into Energy STAR system. We are working closely with the utilities, and they will have products available to put info into Energy STAR as well.

Commissioner Houck noted the Columbia Green Technologies and Bureau of Environmental Services Green Infrastructure/Green Roof presentation documented how Portland was slipping behind other cities in those green features as well. Does the management system really account for a 31 percent increase in the value of the building?

- Yes, up to 31 percent. Buildings are better managed and retain asset value.

Commissioner Tallmadge: Can energy use in the buildings that report be tracked geographically?

- Yes, we will be able to map it for that so people can compare. We can then also will

see concentrations of where we need to do more outreach.

Commissioner Gray: Are the Energy Trust of Oregon (ETO) assistances for doing this work? What about incentives for people to work hard at it?

- Information can lead to operational and capital investments. ETO will provide incentives on improvements. ETO will also help to provide training for building owners/managers.

Commissioner Oxman asked about the buildings that are in the exclusions and how much they represent.

- Some buildings are not covered in the Energy STAR program, so they don't have the same reference. We've looked at some of the largest consumers of energy and are going for the biggest opportunity to reduce energy use.

Commissioner St Martin: Are some buildings already tracking their energy use and efficiency?

- A good percent of buildings are tracking their energy use. There is a bigger hole in the 20-28,000 square foot buildings.

Commissioner Rudd: What's the City staffing expectation for this work?

- We would reassign duties of current staff. The work will be done by the equivalent of 1 FTE. We certainly will leverage resources of our partners to make this work.

Chair Baugh asked about 3rd party partners. Are they partners or just identified resources?

- ETO has been at the table. Energy service providers are.

Staff asked PSC members to share the word about the proposal. Staff will ask the PSC to support this at Council and a letter to Council. The PSC confirmed they provide a letter as we approach the Council deadline.

Comprehensive Plan Update

Briefing: Eric Engstrom

Document:

- [Memo #6](#)

Presentation: <http://efiles.portlandoregon.gov/Record/7159748/File/Document>

Eric provided a brief update and reminders to the PSC about the Comp Plan and the work session schedule. As of last week we have had just over 2500 comments since publishing the draft in July 2014. We are accepting testimony through March 13, 2015.

We are in the PSC work session schedule. There will be a hearing on the TSP in February, one on Economic Opportunities Analysis (EOA) in April as well as the Scenario Report addendum in April. We expect a recommendation from the PSC to Council in May.

The work session schedule is provided on slide 7.

Staff will documents to PSC members tomorrow in preparation for the January 27 work session. Staff will ask PSC members to identify any consent list items they wish to discuss/remove from consent by Friday, January 23.

Commissioner Houck asked about receiving hard copies of the documents in addition

- Commissioners Houck, Smith, Tallmadge and Oxman all asked for hard copies.
- Staff will provide Word documents so PSC members can use track changes to note their

edits/requests.

Chair Baugh asked about the check-box for marking consent items.

- The documents will be available both electronic and hard copy. Commissioners will be asked to pull agenda items by Friday, January 23.

There are specific topics that will be addressed, but there are other topics that are outstanding. As we go, we will have a time period for PSC members to flag items. We are still getting testimony, so there could be letters we haven't yet addressed. We will give another consent list in about a month.

Eric reminded the public that testimony is open through March 13, 2015 at 5 p.m.

Amendments to Two Urban Renewal Areas

Work Session / Recommendation: Jillian Detweiler, Mayor's office; Traci Manning, PHB; Kimberly Branam, PDC; Shannon Callahan, Commissioner Saltzman's office

Documents:

- [Housing memo](#)

Presentation: <http://efiles.portlandoregon.gov/Record/7159751/File/Document>

Staff provided the memo as follow-up to the December 9, 2014 hearing to address PSC questions, specifically about affordable housing in the two URAs in question (North Macadam and the Central Eastside).

The action before the PSC today is to find that the recommended changes support and are in compliance with the Comprehensive Plan. Kimberly outlined the changes and how they provide additional resources and certainty through the development agreements.

Commissioner Smith noted a message he and some of the other commissioners received from a coalition of housing advocates and their proposed strategy framework to meet housing goals in North Macadam. These include:

- A requirement that Development Agreements entered into by the City (including the one with ZRZ Realty) include strong affordable housing requirements. (For example, in a development agreement, the City can require housing at 60%-120% of MFI be built without public subsidies, and can require that sites be sold to the city.)
- A plan/commitment to get site control over not just one or two, but three to six sites at a reasonable cost (e.g., assessed value prior to the City's environmental cleanup and infrastructure investments).

If we create an ability to buy units, will PHB be able to do that? Development agreements could get site control of property at pre-development costs and require ZRZ building units without subsidies as part of the agreement. Would that provide more affordable housing? I've heard uncertainty that this is how PHB wants to work.

- Shannon: We have not successfully achieved a model of buying into a provider market before, but we don't want to close that option. Being able to have a developer agree to that has merit to the agreement. With inclusion to buy a parcel from ZRZ, we have assurances to have the land to build more affordable units. Affordability and design: a subsidy would be similar to subsidies in other areas of the city.

Commissioner Smith: I certainly support mixed-income development. But I'd like to hear this from PHB directly.

- Traci Manning: PHB will buy the units if that is the best bang for the public dollar. Our strategy is to secure affordable housing in this area. If we can get more units at a cheaper cost, that's what we would do.

Commissioner Smith: This is my hang-up. I hear a disconnection.

Chair Baugh: If this were inclusionary zoning, housing would be required to be built. The City supports this. But why are we as a city through a TIF agreement, where we're investing money, we're not doing this?

- We are asking ZRZ to move forward with development to create property taxes to use to create affordable housing. ZRZ won't develop without this public-private partnership.
- We'll pay market rate for the land. For the units themselves, "typical subsidy for a similar unit" is the phrasing in the agreement.

The PDC Board will vote on the amendments at their meeting on January 21 at 1:30 p.m. The amendments then go to City Council on January 29 at 2 p.m. time certain.

Commissioner Shapiro asked if we are out of compliance with the Comp Plan right now.

- The staff recommendation shows that the changes are in compliance with the current Comp Plan.
- Joe noted Policy 4.7 "Income distribution of the district should be similar to that of distribution citywide". Application of this topic was addressed at Council, and we think this was addressed. Today, the citywide profiles would have about 44 percent at 80 percent MFI or less, which is more than double the fiscally-constrained model Council at the time thought could happen in South Waterfront. We believe it's in conformance based on the previous City Council action.
- 209 out of approximately 2250 total units in this proposal are affordable 0-60 percent MFI. Based on the memo from PHB/PDC, we can include language around the idea of when total housing production is over 3000 units, we will relook at the 30 percent affordable housing goal.
- The goal that we just forwarded to Council for the CC2035 West Quadrant Plan is less than this.

Commissioner Shapiro asked about the 30 percent TIF set-aside. Can we increase this to meet the goal?

- There is enough money, but it's not always the right kind of money. If ZRZ takes off, there is capacity to accelerate the affordable housing funding. Also, we see room to increase affordable housing allotment in the end. TIF could rise to over 30 percent.

Commissioner Tallmadge: What's the possibility of 50/50 split after the obligation is met? Could this be 70/30?

- We are looking at different scenarios to see what the limit would be, and we'll have that information by the time we're at Council.

Commissioner Houck: If we go above the 30 percent affordable set-aside, there is a trade-off to other things that wouldn't get funded. For example, in the first 3 years, there is no allocation of TIF funds for park-related infrastructure. What about the greenway that is being built now?

- The agreement with ZRZ is that infrastructure development is concurrent.

Commissioner Houck noted the distance between affordable housing advocates and what's being proposed. Does staff have issues with any recommendations they make in their letter? How do we proceed with these two different realities? I do appreciate responses that staff has provided thus far.

- We are in dialogue with housing advocates. Today's proposal brings a lot more

resources to the table. I would ask the PSC that if there are things the advocates letter that you recommend that you send that message to PDC Board and Council.

Commissioner Schultz: You believe that if all goes as planned, there will be enough TIF for 479 units, then we may look to change the split. A concern is that you might get housing (building) with the TIF, but then there is a potential operational gap?

- The gap is in the 0-30 percent MFI range. TIF is sufficient. We've identified other opportunities to meet the obligation though they are not fully committed.

Schultz: If the gap is covered, are you more committed to providing more affordable housing potential in North Macadam? Yes.

Commissioner St Martin: How are you addressing 60-100 percent MFI range?

- That is part of the planning. We are committed to try to meet this income range, but TIF is not allowed for 61-80 percent MFI. Local subsidy has to increase because there isn't as much leverage for this income level. We are committing to figuring out a better tool to try to meet this obligation.

Commissioner Tallmadge asked about the number of units in the North Macadam. The housing advocates' letter is about twice as much as the staff has noted.

- It's likely because we're using slightly different geographies.

Commissioner Shapiro asked about "affordable housing covenant".

- It's a defined term in the development agreement to attach a requirement on the owner on the land, and it travels with the land.

Chair Baugh noted the 30 percent Central City affordable housing goal for the CC2035 West Quad plan. Where do we pick up the slack if we're trying to get people to live downtown? Part of it is in the 0-60 percent range, which we have funding for. But the 61-80 percent range is a different set of tools. In numbers, we've created a deficit of affordable housing, so where do we build to account for this?

- Incentive zoning, which is a form of inclusionary zoning. Part of the work on the CC2035 Plan is to recalibrate the Central City bonus system. We are doing analysis to see what may be produced if we have an affordable housing bonus. This will come as part of the CC2035 code amendments next year. We need to run the numbers and will bring them back to the PSC with that project. We are hopeful it could be useful tool in the CC, possibly SoWa as well. There is already a SoWa bonus to dedicating greenway funding, so that is an example of tradeoffs we will consider.

Commissioner Schultz noted there is new housing being build, but what about purchasing already-built housing to get to the goals?

- That is front of mind for PHB too. The incentive zoning strategy came from this. We have been pushing for property tax exemptions and SDC exemption program is similar too.

Commissioner Houck would like to move forward, but we need to convey to PDC and Council some of our major concerns.

Commissioner Shapiro agrees with *Commissioner Houck*. We got a response, and we need to move it forward with a hope that some of the aspirations should be met with a strong letter.

Commissioner Smith is in general agreement. If there isn't development, there isn't funding for affordable housing. He's concerned that our strategy with development agreements doesn't implement our housing strategy; that is something Council should work on.

Commissioner St Martin noted the improvement from original proposal but we need to continue to push forward.

Commissioner Tallmadge noted the PSC's role is to approve based on compliance with the existing Comprehensive Plan, and it is.

Commissioner Schultz would like to include an annual reporting back to PSC from PHB/PDC on their efforts to help move affordable housing goals in the URAs forward.

Commissioner Oxman agrees with the ideas stated.

Commissioner Rudd is also in favor of moving forward. There are challenge of making aspirational goals work on the ground. We also need to be realistic.

Commissioner Houck noted that park advocates strongly supported 30 percent affordable housing set-aside, and this wasn't easy to do. But we recognized the importance of it.

Commissioner Gray relayed the Irish Moss project opening in East Portland, which is amazing and affordable. That was a great example for what affordable housing can and should be. It encompasses the philosophy of equity. I'm hoping our policies align with what we say about equity.

Commissioner St Martin: If we do over achieve, the TIF split should be weighted to housing.

Chair Baugh is concerned about not having specifics. It has been frustrating, but we should move on. Let's write a very strong letter to Council. We have a disagreement about numbers. We will be asking for 40 percent affordable as our proposed strategy. Information about the development agreements info should be in our letter. Having an annual review is a great suggestion. For the Central Eastside, we should ask for requirement for an affordable housing goal in that district too.

Chair Baugh will work with staff to draft a letter from the PSC to address the issues we've discussed. This will include points above as well as: delivery of the affordable housing commitment; openness to more than 30 percent set-aside; encouragement that operating funding will be needed, not just TIF funds; and moving forward with Lot 3.

Recommendation

Commissioner Shapiro moved approve the URA amendments as they are in conformance with the Comprehensive Plan. The PSC will write a letter to Council that outlines our concerns.

Commissioner Houck seconded.

(Y10 – Baugh, Gray, Houck, Oxman, Rudd, Schultz, Shapiro, Smith, St Martin, Tallmadge)

Terminal 6 Environmental Overlay Zone Code and Map Amendment

Hearing: Tom Armstrong

Documents:

- [Packet](#)
- [Issues Summary Table](#)
- [Environmental Overlay Zone Map](#)
- [Conceptual Site Plan](#)

Presentation: <http://efiles.portlandoregon.gov/Record/7159750/File/Document>

Commissioner Rudd recused herself from this agenda item.

Tom introduced the project and proposal for Terminal 6. Extending a pipeline to the dock across the environmental zone is what's at issue today. As the e-zone currently reads (applied citywide):

33.430.090 Prohibitions

The following items are prohibited in all environmental zones. Prohibitions apply to both transition areas and resource areas:

- A. The use, packaging, transportation, or storage of hazardous substances, except as follows:
1. Transportation of hazardous substances through environmental zones by rail or on designated truck routes is allowed;

There is nothing that mentions why pipes were not included in 1994 when this was written. The proposed exception, only for Terminal 6, is:

2. The transportation of propane through environmental zones is allowed on a site that is:
 - a. Zoned Heavy Industrial; and
 - b. Has a primary river-dependent industrial use; and

On the Willamette River, on the Portland Harbor, the prohibitions are not in place. Today's proposed amendments would put Terminal 6 on a similar footing the Portland Harbor by treating hazardous substances in a similar way.

The project needs the code amendment to enable it. Because we are going through a legislative project, we are also taking advantage of the process to change the map. The original map was made in 1989 based on inventories then. The 2012 Natural Resources Inventory (NRI) identified additional significant natural resources that are not covered by the current e-zones.

We are proposing to extend the c-zone (the areas in green on the map on slides 7 and 8) coverage over parts of the developed portions of the site, the BPA power corridor, and the 100-year floodplain on the vacant portion of the site.

If we followed previous e-zone decisions, we would have extend the c-zone over more of the vacant site. We are unable to do that at this time due to limits in Goal 9 and impacts on industrial land capacity. We can't do more right now without an adopted EOA, which is coming before the PSC in April.

Staff identified a number of the issues heard after they published the proposed amendments on December 12. These include: safety/risk, Portland's Climate Action Plan, GHG emissions, habitat impacts, boating access, jobs and tax revenue. We expect to hear testimony about these topics today.

This is a legislative project; the City is considering changing our own rules. The PSC is being asked to consider the code and map amendments and recommend these changes to City Council, who will make the final decision on these proposals.

Commissioner Smith asked that testifiers are about climate change, if they have ideas about the role of bridge fuels (such as propane) in decreasing GHG emissions, to share those ideas. For staff: why doesn't this trigger a NEPA process?

- No federal funds are being used as part of this process.

Commissioner Shapiro asked about the noted additional 100 train cars every day. What if more

cars arrive than ships?

- This is a scheduling question for Pembina.

Commissioner Houck noted the existing 100 year flood plain, but there are likely changes to those maps.

- As the 100-year flood plain map changes, we would make changes through follow-up projects and amendments. The proposal is based on our current map and Comp Plan.

I would like you to go through what we should be considering... e.g. we are working off the current Comp Plan. How narrow is our ultimate decision?

- This decision is about the current Comp Plan; we have to make findings against this. In the ESEE analysis, we have under Goal 5 a broad latitude to consider the impacts and have gotten into all of these issues. We will balance conflicts to determine the best way to protect natural resources.

Independent of the Pembina projects?

- Map proposal goes with the code amendment as a package.

Are the e-zone changes proposed independent of the Pembina Project?

- No the e- zone changes proposed on the map will be submitted with the code amendment as a package.

Nate Takara, Fire Marshal, explained the process for permitting and development review. We are early in the process for this project right now. If permit applications are submitted, Pembina would go through the standard BDS procedure, and Fire would be one of several bureaus reviewing the application. It's a complex issue, and with safety in mind, we will review the plans with an independent 3rd party reviewer.

Commissioner Shapiro asked who the 3rd party reviewer would be.

- We are working with the building department to do a proper review via a bid process to determine an appropriate 3rd party, knowing what type of expertise we're needing.

Commissioner Oxman is curious about experience with propane explosions will be part of the analysis.

- Yes, this is part of the fire risk analysis.

Port of Portland / Pembina Panel

Harry Andersen, VP Legal and General Counsel; Stu Taylor, Senior VP NGL and Natural Gas Facilities; Eric Dyck, VP Marine Terminals

The panel provided background about the project and what's currently allowed versus what's being asked to be amended.

Pembina agrees with the proposed code and map amendments and the staff recommendations to approve these amendments.

Pembina is committed to buying green power for the project. It will mitigate all local environmental impacts associated. They will employ a diverse workforce and use unionized labor for construction of project. We have a letter signed by Pembina leadership outlining these commitments.

This will be a \$500M investment by Pembina into Portland. It will create 600-800 construction jobs when the facility is being built and 30-40 permanent jobs. We expect about \$12M annually in property tax revenue and will purchase about \$250M in locally-sourced equipment for

construction. Workforce diversity and training and union participation for construction are key initiatives. No subsidies on any tax abatement are associated with the project. And there will be minimal environmental impacts; this is an existing industrial site.

Propane is a safe and clean product. The project is safe, and it is no different from other Pembina facilities aside from it is larger. There is no processing at the site – no chemicals or treating at the site.

Commissioner Smith appreciates the mitigation of local impacts but has concerns about global impacts. I did not find reference to climate change in Pembina's annual report. Does Pembina have a position on climate change?

- Propane is a transition fuel that enables countries to move from traditional fuels to cleaner. Portland and the school districts use propane because it is a cleaner option.
- Production of plastics and heating and cooking would be the main uses of the propane once exported. Between 50 and 100 percent of that would go to production of plastics, which would displace oil-based production sources.

Commissioner Tallmadge asked about the size of the project.

- This is the largest private investment in Portland's history (\$500M). It is Pembina's largest in Oregon, but not Pembina's largest investment ever.

Commissioner Shapiro asked why with good rail a Vancouver or other BC port wouldn't be used.

- We looked at a number of different sites and chose Portland as our first choice because the proximity to Asian markets is important. There is a good skilled labor force in Portland. This is already an operating and existing site. And there is convenient access to locally-sourced goods. Pembina has not been turned down in other locations.

Commissioner Schultz noted safety as a priority. What about catastrophic events that may happen? Do you know what the radius of the blast zone might be?

- Safety is our number one priority. We are aware of the risks. Double-walled storage tanks. Facility design and inspection. Tanks do not implode or explode on their own if built and maintained properly as Pembina does. Other sites with similar ships and equipment have a hazard zone of ~300 yards. Not specific to this site.

Commissioner Houck is (perhaps surprisingly) most interested in the jobs question. We have gone through conversations about Portland's lack of industrial land, and a way to address this challenge is to intensify use on the land we have. The figures are impressive, hiring locally and unionize labor, but this is a 40-60 acre footprint with 30-40 full time jobs to operate the site. I want to see the Port utilize this site but would like to see 100 or more jobs generated. I have a problem with this.

- This is a difficult site to put anything on. It's an infill site. The jobs are \$80-100k/year. Industrial jobs in the waterfront also create other jobs, probably about at a ratio of 3:1. We can get you these details. In the current Comprehensive Plan, there are no jobs designated on this site.

Commissioner Gray appreciates being able to go out to the site. I want to be sure the PSC has further time with the Port and Pembina for future conversations before making a recommendation. One of three Portland school districts will get a tax benefit, but Parkrose SD won't get this benefit.

- The \$12M referenced are the "big buckets" of tax revenue. We can get these details to share with the PSC.

Commissioner Oxman returned to the safety issue. Pembina has not has serious incidents with propane, but there have been other companies that have had explosions. As you go through the safety analysis, you should look at the other disasters to come up with information to describe

how they would or would not happen under Pembina leadership.

- We can't speak for others, but we have been safely operating for 40 years in 60 different communities. Pembina also reviews other companies' issues. These have predominantly been human error as the root cause of the issues.

Chair Baugh noted the Port is the landlord. The Port will be responsible to ensure Pembina does what they say they will do. How do you monitor this? We will have more trains and ships coming in to this site; how do you address emissions from these?

- The Port will participate and approve the site design. It is allowed to audit tenants at any time, including safety audits. Safety and environmental performance are key components.
- The Oregon Clean Fuels Action Plan defines propane as a clean fuel that can help displace other heavier fuel options. The Port walks our talk and are about 50 percent below 1990 emission levels, 9 years before our goal. We use 100 percent green fuel for our own energy use and have a 90 percent waste reduction goal. We believe propane is part of the global story in the battle against emissions.

Audubon / HiNoon Panel

Bob Sallinger, Portland Audubon; Ronald Ebersole, HiNoon; Lowen Berman, Climate Action Coalition

The PSC should reject this proposal as bad for commitment to safety and protecting our communities. This may be the only opportunity the community has to provide comment. We urge you to take a broad view of the ESEE analysis, not a narrow one. The ESEE is incomplete and not adequately addressed.

Carbon emissions from this proposed site will be measureable at a local and global scale. We believe Pembina should offset all impacts, globally, not just the local ones. The ESEE fails to address public health and safety adequately. We have asked Pembina to articulate the blast zone as well as impacts of the added trucks and trains, but they haven't yet as part of this process.

The City should do a health impact analysis from the diesel fumes, boats, trains and the potential blast zone as a matter of environmental justice.

Less than one job per acre isn't sufficient to help Portland and our limited of industrial land.

Recreational impacts would effectively shut down the slough when the ships come in a few times per month.

We also don't believe propane is a transitional fuel. This is a byproduct of fracking for natural gas. We are adding to the infrastructure network to allow fossil fuels to be extracted and used.

We do think the City does need to expand e-zones, but not solely for this project. This should be a public process, not just to accommodate a company.

The PSC should be courageous and not recommend this proposal to City Council.

Pembina has not provided information about blast zones or other concerns. We researched industrial and scientific papers about transporting propane and reviewed modeling examples in case of failure. Refrigerated tanks like Pembina proposed using are the safest, but the transfer containers are not as safe. They are susceptible to fire, earthquake and terrorist attacks. We are publishing a white paper with our findings that will be on the HiNoon website.

Commissioner Houck noted the flood plain regulation changes.

- We don't know what this will entail for this specific project. The City is protecting the floodplain on this site, but our biggest concern is that this is being done out of sequence with the EOA, so we're not mitigating all the lands that we should.

Commissioner Shapiro

In terms of jobs, Pembina said they would like to double the capacity of this facility by moving more trains and boats through.

Commissioner Smith keeping carbon sources in the ground is essential to the planet. But I'm sure if we turn this down, another port city would want this project.

- Cities in Canada and First Nations sovereignty issues are a concern. We have to stop increasing any fossil fuel extraction and movement and start going in the opposite direction.

Commissioner Oxman noted carbon emissions of various fuels. Displacement of coal is a noble goal. What is evidence that propane or other cleaner fuels do or don't displace coal?

- We haven't seen any evidence produced or demonstrated that propane will displace coal. It's easy to say, but we don't see evidence. The City needs to look at all the assumptions. We don't need to add to infrastructure to ship fuel products overseas.

Testimony

1. Michael Haynes, AmeriGas: Supports the Pembina proposal. Propane is safe and is not damaging to water ecosystems. *See written testimony.*
2. Mike Smith, Class Harbor Inc: 24 homes are just below the potential site area and 15 homes are just farther downstream. Concern about livability, especially with the 24/7 facility. Odors and residual downstream effects are a concern.
3. Rick Brown, 350 PDX: This organization is building a grassroots movement to work on climate crisis. Commend Portland for climate work and for being a Climate Action Champion. If the City continues to meet its reduced emission goals, if the terminal were built, the combustion of propane through the terminal would produce CO2 levels that approach and possibly exceed those of all of Multnomah County. Please deny the proposed amendments. *See written testimony.*
4. Rick Bryant: Lives on the floating home community closest to the facility, about 3000 feet from the southeast end of the facility and 2 miles from the container docks at T6. Any accidental release of propane could be devastating. Capacity of 8 tanks with 125,000 barrels each. A barrel is 42 gallons, so this is millions of gallons.
5. John Talberth, Center for Sustainable Economy: The propane dehydration process that would be used in China has high carbon emissions. The NRI and ESEE are required but don't have citizen involvement. What about job losses for exporting propane to Asia? *See written testimony.*
6. Baron Glassgow, Pacific Propane Gas Assn: Spent time (unrelated to this project) observing Pembina and other propane terminals. Pembina is a first-class operation. The propane industry takes safety very seriously and in the last 15 years has spent about \$7M to train fire emergency services.
7. Joe Westby, Ferrellgas: Portland Public Schools replaced 400+ busses with propane busses for a 20 percent less NO2 and CO and fewer particulates. Propane burns cleaner than diesel. Bus drivers don't complain about fumes. Propane is a good passenger vehicle fuel. Supports the project. *See written testimony.*

8. Lana Butterfield, Blue Star Gas: Highlighted written testimony of Darren Engle and facts about propane. Supports the proposal. *See written testimony.*
9. Sandra McDonough, Portland Business Alliance: Supports the amendments and proposed project. This is the kind of project we need to meet our job goals in Portland including indirect jobs that will be created. Pembina has a proven track record. *See written testimony.*
10. Bonnie McKinlay: Protect the environment. *See written testimony.*
11. Deane Funk, PGE: Commended staff on the report. Supports the amendments. \$500M is significant. 40 ongoing jobs plus indirect job increases are good. Tax revenue is important for Portland. Pembina has an impressive track record, and that's what Portland wants to attract.
12. John Mohlis, Oregon State Building Trades Council: The Council's membership supports the code changes for the project to move forward. Spoke with Pembina and understands their number one commitment is safety. We can provide them the safety and highly-skilled workforce to build the facility. Local MWESB contracting is included in the agreement for the workforce that will construct the plant. This project provides good opportunities for young people to learn a craft. Supports the goals of the Comprehensive Plan update.
13. Willy Myers, Columbia Pacific Building Trades: Represents high-skilled and well-trained workers. Supports the project that will create more opportunities.

Commissioner Houck asked about the particular use of this land versus other uses on this property.

Industrial projects always create more construction jobs because of the amount of mechanics that go into the development.

14. Corky Collier, CCA: 700 union construction jobs are great. 30-40 permanent jobs provide middle-wage incomes. These are traded sector dollars. I encourage and support the proposal.

Commissioner Smith asked about traded sector jobs. Aren't we just a pass through versus Intel developing a chip and exporting it?

Who pays for the jobs is the question. This is from out of state, so that's the traded sector value.

15. Cpt Steven Woods, Columbia River Pilots: Responsible for safe navigation of ocean-going ships. The Pilots take no position for or against this amendment or the Pembina facility. We give the ships the same service regardless of what they do or are. *See written testimony.*
16. Bob Carroll: This project will be built safely because the building trades craftsmen are highly skilled and supported. The 30-40 permanent jobs are significant along with the 700+ construction jobs. Industry is the backbone of our nation and the local economy. Supports the proposal.
17. Michael Horner: Propane has an emissions profile similar to other extracted fuels. It's not displacing coal and oil; it's creating a market where solar and wind are less economically viable replacements. *See written testimony.*

18. Jim Townley: Talked about capacity of channel to handle additional ships. *See written testimony.*
19. Ellen Wax, Working Waterfront Coalition (WWC): The harbor is an economic engine that provides jobs for Portlanders. Harbor businesses are important and provide middle-income jobs/wages. We urge approval of amendments that is consistent with businesses in the harbor that contribute positively to the local economy and jobs. Support the project.
20. Rob Mathers, WWC and Kinder Morgan: KM owns a number of terminals and pipelines that handle fuels including renewable fuels. No direct interest in the project, but on behalf of the WWC, I support the amendment of the e-zone. This isn't really a pipeline; it's a dock line that is secure and fixed. Supports the harbor and business development.
21. Al Roxburgh, Hayden Island: Opposes the proposal and amendments based on livability and health concerns. *See written testimony.*
22. Timme Helzer, Hayden Island: Opposes amendments. *See written testimony.*
23. David RedThunder: Opposes amendments. Concerned about livability and health. *See written testimony.*
24. Jeff Geisler, Hayden Island Neighborhood Network: HiNoon has not yet taken a vote, but why does this have to be here (in this location)? We have lower regulatory hurdles than in Canada. We have many questions about the safety and potential blast zone, area of devastation that is a possibility. We don't have enough services on the island to deal with a catastrophe. Get more information about safety and regulations before we approve any amendment.
25. Jim Plunkett: Information at the right time is what's important. Let's not make the effects of global warming worse. Propane as a replacement fuel: whatever its virtues, it is a byproduct of diesel and other fuels. Please deny this amendment. *See written testimony.*
26. Kristin Meira, PNWA: Supports proposal and job opportunities. The river has the capacity to handle increased traffic.
27. Liz Wainwright, Maritime Fire & Safety Assoc and Merchants Exchange: Supports amendments. The river has the capacity to handle increased traffic. *See written testimony.*
28. Pamela Allee: The Alberta tar sands are the some of the dirtiest, and that's where the propane is coming from as a byproduct. Health is not a concern for them. Please oppose the amendments for the sake of our planet and Portland. *See written testimony.*
29. Joe Esmonde, IBEW Local 48: Supports the amendments and Pembina. It's not unusual to have an omission in a bill. Income inequality is as big a problem as environmental challenges.

Commissioner Smith asked about income inequality and exports to China. The longshoremen union is concerned that the trains will displace other cargoes that provide more jobs.

“No comment.”

30. Peter Teneau: If we approve this, we are providing a Canadian company ability to ship from our land from a site that’s in a liquefaction zone. The product is a byproduct of fracking, which is hazardous and accelerates global warming. We should not be facilitating this proposal.
31. Travis Argue, UA Local 290: We would be the people putting the pipe in. We have a great track record for safety and an apprentice program. We support these amendments.
32. Dr Theodora Tsongas: Concerned about safety issues. Explosions and fire are key concerns. Reject the proposal. *See written testimony.*
33. Regna Merritt, Oregon Physicians for Social Responsibility: Concerns with risk of destabilization of climate. Long-term health issues with a warming climate. Public health and safety concerns. Please deny the code amendments. *See written testimony.*
34. Art Lewellan: Concern about the capacity of the rail bridge and the cumulative effect of trains including Amtrak on this bridge. We should be using fossil fuels sparingly and not be transporting fuels overseas.
35. John Bruce Liles: Supports unionized workers. But climate change is a major concern... and the indirect jobs being created will likely be more in the health realm. We need to improve these amendments so there won’t be any transport through the e-zone.
36. Rebekah Creswell: Health worker. Environmental justice and public health. Concerns about local impacts of the terminal. *See written testimony.*
37. Taizz Medalia: Respiratory therapy specialist. Fossil fuels are coming to an end and have already caused irreparable damage. An agreement without thought to conditions could leave residents dealing with problems and potential explosions. Reject this proposal and show leadership for climate change.

The Commissioners discussed the options to get through all the testifiers today. The next PSC meeting regarding this proposal will be on March 17 at 3 p.m. Written testimony will remain open through March 17.

Susan asked all PSC members to get questions to staff by the end of this week so we can put together a response for PSC members and for the public.

Commissioners Schultz suggested that we give time to testimony today so we can offer more time to testifiers instead of PSC members verbally sharing their thoughts at the end of the meeting.

Chair Baugh confirmed that testimony will remain open through March 17.

Chair Baugh asked the remaining audience who supports the amendments as proposed. About 40 people. Opposes: about 80 people.

Written Testimony Received

- Emerald Goldman
- Julia Harris
- Rob Neyer
- Barbara Pikus
- Howard Shapiro
- Ben Mendenhall
- Helen Hays
- Sarah Aaserude
- Kelly McConnell
- Linda Swanson-Davies
- Glenn Koehrsen
- Blaine Ackley

- Janet Stein
- Mark Wheeler
- Jeff Davies
- Heather Carver
- Carol Kline
- Laurence Eckman
- Barbara Bartschi
- Eric Schnell
- Jules Elias
- Roger Kofler
- Barbara Baltz-Shields
- Jonnel Covault
- Jon Jacklet
- Marguerite Hall
- Sharon Rickman
- David Sweet
- Lauren Patton
- Anaïs Tuepker
- Emily Herbert
- Barbara Krupnik-Goldman
- Michael Haynes, AmeriGas Propane
- Susan Haywood
- ICTSI
- Pembina
- Greater Portland Inc
- Laurie Dougherty
- Theodora Tsongas
- Rebekah Creswell
- Kelly O’Hanley
- Gregory Monahan
- Cpt Steven Woods, Columbia River Pilots
- Sandra McDonough, PBA
- Anna Fritz
- Sierra Club Oregon Chapter
- Regna Merritt
- David RedThunder
- Lowen Berman
- Marilyn Sewell
- Susan Haywood
- Jennifer Darling
- Rev Katherine Jesch
- Theodora Tsongas
- Pamela Allee
- David Spitsyn
- Marna Herrington
- Douglas Steves
- Adrienne Martin
- Dell Goldsmith and Robin McLeod
- Nancy Pfeiler
- James Tyree II
- Stephanie Rege
- Lucy Schneid
- Marvin Slifman
- Jim Conroy
- Jacob Scritsmier
- Dan Jaffee
- Center for Sustainable Economy
- Lisa Frank
- Mary Vogel
- Kate Schmitt
- Alice Shapiro
- PNWA
- Ann Faricy
- Joe Westby
- Darren Engle
- Angela van Patten
- Walt Mintkeski
- Heather Brunelle
- Walt Evans, PNITA
- Schnitzer Steel
- Nancy Crumpacker
- Mike Stanton, ILWU Local 8
- Marilee Dea
- Columbia Riverkeeper
- Peter Wilcox
- Scott Schroder
- Curtis Robinhold, Port of Portland
- John Talberth, CSE
- Rob Mathers
- James Townley
- Al Roxburgh
- Lorraine Heller
- Donald McKinlay
- Bryan Brumley
- Carolyn McDalen
- Ruth North
- Jim Plunkett
- Bonnie McKinlay
- Melly Scott
- Kyle Jensen
- Holly Blakeslee
- Mary Workman
- Judith Arcana
- Kelly Reece
- Claire Darling
- Karen Stolzberg
- Richard Turnock
- Dave & Laurie King
- Diane Rios
- Mark Darienzo
- Phillip Norman
- Port of Portland
- Paula Manley
- Linore Blackstone
- Catherine Arp
- Jennifer Fijii
- Scott & Heidi Trinkle
- Marian Drake
- Carol Sherman-Rogers
- Columbia River Yachting Association
- Joanna Kirchoff
- Pacific Propane Gas Assn
- Larry McAllister
- Bonny McKinlay
- Columbia River Pilots
- Jim Plunkett
- Pamela Allee
- Susan Haywood
- Sunnyside Environmental School students
- Walt Evans, PNITA
- Elizabeth Wainwright, Maritime Fire and Safety and Merchant Exchange
- Rebekah Creswell
- NAIOP
- Kelly O’Hanley
- Timme Helzer
- Andrew Murdoch
- Judith Gerry
- Barbara Walden
- Emily Herbert
- Rick Brown

Discussion

Susan offered that she and Tom will be available to talk with PSC members one-on-one or in

small groups prior to March 17.

Commissioner Tallmadge: How long would a full EIS take? Regarding future expansion, can the site handle it? What would that look like?

Commissioner Smith: Safety questions still need to be worked out. We need a view from Pembina and independent experts. The key issue for me is climate. Is this inalterably in conflict with our Climate Action Plan?

Commissioner Shapiro: This has been an engaging hearing. How does this project comport to the goals of the Portland Plan? Equity and economic impacts. I'm still unsettled about earthquakes and floods.

Commissioners Schultz noted the disparity in facts that have been shared. Also, we have heard about carbon emissions, but nothing about comparing these sources' emissions to renewables.

Commissioner Houck is concerned about climate implications, but also about jobs. Why can't this site be used for other purposes that create more jobs?

Commissioner St Martin also asked about alternative site uses.

Commissioner Oxman is concerned about climate issues and safety issues. He is particularly concerned about setting a policy precedent inadvertently for this case.

Chair Baugh noted we don't know if we can control drilling for natural gas or if we can be assured about what the propane will be used for. Transport of fuels through Portland is a big policy question. What can we affect? Jobs. What about public safety? I'm confused by the disparate facts we've heard today from credible sources. I would like us to create a fact sheet. Is it a pipeline or an above-ground line? I didn't hear specifically from tribes today, so I want to be sure we have engaged them and address their concerns. We heard from a number of communities today who may be affected. I would like that we have a process for the Port and Pembina work with the communities to be sure they are engaged (not just who get outreach). For wages, I heard \$50-\$100k for the long-term jobs; that's a big range. What's the Port's responsibility with the plan in terms of safety? The trains and ships that are coming in? How do we look at health issues jointly with the Port? We have to create a policy that works today and in the future. This shouldn't be a knee-jerk policy; it needs to be something we can use in the future. On the issue of trains, not specific to propane, what about the amount of traffic? We have a port that has minimal container shipping capacity, but we don't want to constrict train traffic from other parts of our state for the trains from Canada.

Commissioner Shapiro noted that Pembina is going to form an advisory committee. Does that help with the engagement concern?

- *Chair Baugh* noted he didn't hear this today. I would like the PSC to work with staff to ensure the communities are set up for success with Pembina and the Port around a Good Neighbor Agreement.

Tom noted that Pembina has proposed a community advisory group to help address items that would typically go into a Good Neighbor Agreement. A couple of PSC members could be included on this group.

Chair Baugh asked that staff and a couple of PSC members work with the Port to develop an overall policy to share with all PSC members. *Commissioner Smith* will work with this group.

Commissioner Smith commented on what we can control and what we can expect to control. What do we choose to participate in, even if there are things we can't control them?

- *Chair Baugh* noted you can buy offsets. We can't control what happens in China, but a policy could include things we can control and do.

Commissioner Houck noted the staff time that will be required on gathering responses and information. We also need others to help answer some of the more outstanding technical questions.

PSC members will share their others questions via email to Julie by this Friday, January 16.

We might want to consider asking tribes specifically to provide testimony at the March 17 meeting.

Chair Baugh thanked all of today's testifiers. Your input helps us make an informed decision.

Adjourn

Chair Baugh adjourned the meeting 6:02 p.m.

Submitted by Julie Ocken