



May 27, 2014

Mr. Stephen Posner  
Energy Facility Site Evaluation Council  
WA Utilities and Transportation Commission  
P.O. Box 43172  
Olympia, WA 98504-3172

Re: Tesoro/Savage Vancouver Energy Distribution Terminal EFSEC Application No.  
2013-01 – UTC Docket No. EF 131590

Dear Mr. Posner:

The Port of Vancouver USA (port) submits these written comments in support of the Tesoro Savage Vancouver Energy Distribution Terminal (Vancouver Terminal) and requests a finding of land use consistency. Please distribute these comments to the members of the Council and include a copy in the official record.

The port's mission, as outlined in its Charter and Strategic Plan, is to provide economic benefit to our community through leadership, stewardship and partnership in marine and industrial development. Our Strategic Plan also includes a commitment to environmental stewardship, including integrated decision making, sustainability and pollution prevention.

We operate our maritime facilities on property that is zoned heavy industrial. This zoning allows for handling of a wide variety of cargos, including grain, scrap metal, automobiles, wind energy, mineral bulks, liquid bulks and, for the past 29 years, petroleum products. There should be no doubt that the property's heavy industrial zoning allows heavy industrial uses, including petroleum.

The port's Strategic Plan policies and goals seek to maximize marine business, such as the Vancouver Terminal, for economic development, by taking advantage of the port's access to the efficient national rail network and deep water shipping via the Columbia River.

The port's West Vancouver Freight Access project (WVFA) is a component of our Strategic Plan to develop and maintain multi-modal transportation. The WVFA is served by the nation's Great Northern Rail Corridor and west coast rail service, which currently handle the same crude oil product as proposed by the Vancouver Terminal.

Counting the port's rail investment and private investment tied to rail, the port is bringing \$1.1 billion to the community. Our investment of \$275 million in the WVFA will reduce congestion on the BNSF Railway and Union Pacific mainlines by as much as 40 percent

and will provide efficient rail access to port marine terminals to support economic growth and jobs development. The Vancouver Terminal project meets the WVFA goals of supporting jobs development and economic growth through rail access and marine terminal redevelopment at the Port of Vancouver.

These rail tracks have existed on the waterfront for more than 100 years. Historically, the Vancouver waterfront was a heavy industrial area that was bisected by a rail track and was separated from the City's downtown by rail tracks. About the same time the port was in the early planning stages of the WVFA, the City of Vancouver was involved with its comprehensive planning effort to convert the waterfront from heavy industrial zoning to mixed use zoning.

The port worked cooperatively with the City to develop the City's comprehensive plan for the waterfront area. As part of that effort, the port designed the WVFA to facilitate the City's goals of waterfront redevelopment by realigning tracks to consolidate the waterfront's new mixed use areas and by providing overpasses needed to reconnect the City's waterfront with its downtown. The port made these investments in the City's waterfront planning by building \$16 million of new overcrossings and removing the rail line that bisected the property with the explicit understanding that these rail improvements would include the ability for the port to grow its rail served business.

The Vancouver Terminal is the type of project envisioned by the planning that went into the WVFA because it redevelops an existing brownfield site with Class 1 rail and deep water shipping access to provide economic development and generate public revenues that can be reinvested in our community.

The port's district is 111 square miles in size. The Vancouver Terminal could potentially provide the revenues needed for the port to make substantial infrastructure investments throughout the district to support large job producers that need better infrastructure than is currently available at those sites before moving their operations to Vancouver.

Put simply, the Vancouver Terminal will be one of the port's highest revenue projects, and will be a catalyst in our ability to not only grow jobs and development, but provide investment in the community and increase the City's tax base.

The port selected Tesoro Savage not just for the revenue-generating possibilities for our community, but we also evaluated their approach to protecting the environment, our citizens and operating safely and responsibly.

Tesoro is a longtime tenant of the port – they were a known entity to us and have a proven environmental safety record at their facility, including being given our Tenant Environmental Stewardship Award – twice. Their people in Vancouver are top notch and we enjoy a sound working relationship with them.

I've had the opportunity to meet with Savage and see their facilities in North Dakota. They are industry leaders, determined to set the bar in safety and clean facilities, and I was impressed by their automated controls, attention to detail, and focus on safety.

Industrial freight movement through the port, which has historically included petroleum, as well as a wide variety of other cargos, is consistent with the City's heavy industrial zoning for the site. Freight movement and railroads are permitted outright uses in the City's heavy industrial zone, and the Vancouver Terminal use is consistent with those provisions and meets all of the City's development standards, such as setbacks and lot coverage, applicable in the heavy industrial zone.

The Vancouver Terminal fulfills the economic vision of the WVFA and the port's Strategic Plan. For the reasons discussed above, the Vancouver Terminal is consistent with the economic development policies of the City of Vancouver Comprehensive Plan, including Policies EC-2 through EC-7.

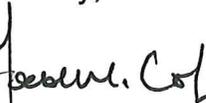
Specifically, the Vancouver Terminal supports Policy EC-2 (Family-wage employment) by promoting the formation and growth of a business that provide family-wage employment opportunities both at the Vancouver Terminal and at other job producers that will be made possible through leveraging the revenues generated by the Vancouver Terminal.

The Vancouver Terminal supports policy EC-3 (public revenue enhancement) by generating public revenues for the Port of Vancouver that can be reinvested in local economic development projects in areas throughout the port district to further boost our local economy.

Finally, the Vancouver Terminal supports policy EC-4 (Industrial and business park sanctuaries), policy EC-5 (No net loss of employment capacity), policy EC-6 (Efficient use of employment land), and policy EC-7 (Regional focus) by redeveloping this unique brownfield site in a marine industrial sanctuary for a marine industrial use that will leverage opportunities of regional importance and provide family wage jobs, while generating revenue for the port and economic development for the region.

The port urges the Council to approve land use consistency and move on to address the many other issues contained in the permit review process.

Sincerely,



Todd M. Coleman  
Chief Executive Officer