

Tenant Environmental Management Program



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Tenant Environmental Management Program Project Summary

Project Description

The Port of Vancouver's Tenant Environmental Management Program (TEMP) is a comprehensive approach to minimizing the environmental impacts associated with the port's 50-plus industrial tenants. The processes developed for the TEMP manage tenant's environmental needs prior to entering into a lease with the port and follow through to the end of their lease term. Elements of the program that have made it successful include pre-screening of potential tenants and their practices before entering into a lease with the port; periodic audits of port tenant environmental protection practices; outreach and communication with tenants; sharing best management practices discovered and put into place by other tenants across the port; rewarding tenants for environmental excellence; and inspecting leaseholds prior to tenants vacating the port. By developing and implementing the TEMP, the port has positioned itself to be a leader in environmental care and avoidance of environmental contamination.

Award Criteria

1. **Benefits to Environmental Quality:** Through the TEMP, the port has taken a proactive management approach to tenant environmental management instead of a costly reactive approach. The program minimizes tenant impacts to the environment through its elements.
2. **Independent Involvement and Effort:** The successful implementation of the TEMP is through an independent but integrated effort that involves participation by port employees in various departments (public affairs, facilities, property, and environmental services). Carrying out the program's elements is performed by port personnel, not contractors. The port feels strongly about keeping this program in-house due to the great value it has in building relationships between port employees and tenants that are so valuable in keeping the lines of communication open in order to address issues proactively.
3. **Program Creativity:** By developing an environmental program that is dedicated to tenant management and ensuring implementation of procedures that span the length of involvement with our tenants, the TEMP has addressed tenant management creatively and holistically. Expanded involvement and participation of key port departments creates port-wide ownership of environmental responsibility that is continuously communicated to tenants.
4. **Program Results:** Implementation of the TEMP enhances tenant-to-tenant and tenant-to-port relationships, increases tenant understanding of environmental policies and regulations, addresses community expectations of the port's environmental commitments, and has resulted in no new major cleanups since its implementation.
5. **Program Cost Effectiveness:** By dealing with tenant environmental issues proactively, the port has experienced a decrease in effort of reactive-type responses to environmental issues. This proactive style is a better use of time and public resources and better for the environment than handling environmental stewardship retroactively. The program has been designed to be easily managed in-house which saves money on consultant fees.
6. **Transferability of the Program to the Port Industry:** The TEMP can serve as a model for use by other landlord ports to manage tenant environmental impacts. The program and its components can be easily scaled for use by larger or smaller ports to accommodate staff time and nature of tenant operations. The Port of Vancouver's team is willing to share the programs and templates developed for the TEMP.

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Tenant Environmental Management Program

2009 AAPA Comprehensive Environmental Management Award

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I. Introduction – Paper Highlights

The Port of Vancouver USA is proud to enter its Tenant Environmental Management Program (TEMP) into consideration for the 2009 AAPA Environmental Awards for the Comprehensive Environmental Management category. By developing and implementing the program, the port has positioned itself to be a leader in environmental care and avoidance of environmental contamination.

The TEMP has provided the port with the opportunity to educate the port's 50+ industrial tenants on current environmental regulations, provide technical expertise on ecosystem protection, and save money that might have otherwise been spent on remediation from poor environmental practices. Our community expects us to be good stewards of public money and land and to take care when selecting and managing our tenants. The TEMP helps us meet and exceed those community expectations.

Elements of the program that have made it successful include pre-screening of potential tenants and their practices before entering into a lease with the port; periodic audits of port tenant environmental protection practices; outreach and communication with tenants; sharing best management practices discovered and put into place by other tenants across the port; rewarding tenants for environmental innovation and excellence; and inspecting leaseholds prior to tenants leaving the port.

This document provides an outline of our program and explains why it is successful, and how implementation of similar programs at other ports might be helpful and just as effective.

II. Goals and Objectives

The primary environmental goals (numbers) and objectives (letters) of the Tenant Environmental Management Program are to:

- 1) Goal #1 – Collect pertinent information from potential tenants regarding their operations to:
 - a. Ensure proper fit with port values and current tenant/cargo mix
 - b. Assess proper placement of tenant at port to reduce impact to environment, neighbors, and surrounding community
 - c. Establish baseline of product usage/storage and operations to assess proper amount of pollution legal liability insurance.
- 2) Goal #2 – Perform tenant environmental audits in order to:
 - a. Establish relationships and encourage environmental stewardship among tenant and port environmental personnel
 - b. Identify potential environmental hazards/opportunities through observation of current practices
 - c. Share environmental information with tenants (i.e. regulatory updates, new Best Management Practices (BMPs)/products, port programs)
 - d. Evaluate property conditions including any necessary cleanup prior to releasing tenant from lease.
- 3) Goal #3 – Provide environment outreach to tenants through the following efforts:

- a. Offer an annual, hands-on workshop for tenants to learn from invited experts and port employees on environmental topics that apply to port tenants while providing tenants a forum to exchange ideas and develop synergies among each other
- b. Provide updates on the port's environmental programs and projects as well as tenant efforts and how these programs might benefit their operations and environmental performance.

III. Discussion

A. Background

The TEMP was developed from a need to avoid future environmental contamination to port property. Like many ports, the Port of Vancouver has inherited contamination from historic industrial uses at several older sites. The port has worked closely with state environmental regulators to remediate these sites for redevelopment. To date, over 55 acres of land have been remediated and returned to productive industrial use. However, the port recognizes that remediating environmental contamination on port property is not a beneficial way to responsibly manage port tenant's impacts. Developing the proactive management methods incorporated into the TEMP to handle environmental stewardship responsibly and proactively leads to a healthier environment with reduced financial and physical impacts.

TEMP and its elements have been developed and refined over the past decade to be diligent and thorough to address the port's concerns for environmental responsibility, yet intended to be fair and helpful to the port's tenants. All elements of the TEMP are routinely examined to identify challenges and opportunities that could be

incorporated into the program. The program's objectives and methodology explain the value and effectiveness of the program, which is widely accepted and supported by employees of the tenant businesses at the port.

B. Objectives and Methodology

To make the TEMP project a success we have implemented the following measures for each of our program goals:

1. Goal #1 – Collect pertinent environmental information from potential tenants:
 - a. Tenant Environmental Questionnaire – Prospective tenants provide information about their business and operational practices that are proposed at the port. This questionnaire was developed to provide consistency in tenant information gathered from prospective tenants and provide a baseline of current product usage and handling. The information is used by the port to perform the New Tenant Environmental Review (below). The completed questionnaire becomes an exhibit to the lease and serves as a baseline for the tenant's operation. Changes in operations must be submitted to the port for prior approval and reevaluation.
 - b. New Tenant Environmental Review – The environmental department uses the information provided by the potential tenant in the Tenant Environmental Questionnaire to evaluate if the tenant is a proper fit with port values and with existing tenants and cargos. Evaluating the

proper placement within the port is also a part of the Tenant Environmental Review. Tenants are carefully placed within the port in order to reduce environment risk and avoid incompatibility with other neighboring tenants. Additionally, by evaluating the potential tenant's operation with the information collected in the Tenant Environmental Questionnaire the port is able to determine the proper amount of pollution legal liability insurance the tenant shall carry as a condition of their lease. If appropriate, port staff may also visit the current operating location of the potential tenant to further investigate environmental practices.

c. Environmental Department Lease Review – The environmental department is an active part of the lease review team along with the port's property and legal professionals. The standard lease form is adjusted as needed to ensure each tenant's specific environmental characteristics are addressed. The port has found that addressing environmental aspects up front leaves less room for operational error and lets the tenant know the importance and commitment the port has to environmental stewardship.

2. Goal #2 – Perform environmental audits:

a. By performing visual environmental audits of each of the port tenant's leaseholds, Port of Vancouver environmental staff members establish important relationships with tenants that are valuable for

information sharing and encouraging the partnership necessary to be proactive environmental stewards of port property.

b. Port environmental staff uses environmental audits to identify potential environmental hazards and opportunities. Viewing tenant's day to day operating practices provide port staff with the information necessary to identify potential issues and provide solutions or opportunities through modification of current practices. The results of the audit are discussed with the tenant on site and then followed up with a written report of findings. If action items are identified, the tenant is allowed sufficient time to remedy the situation. A follow-up visit is scheduled to confirm action items have been addressed.

c. During environmental audits, port staff shares relevant environmental information with tenants that may affect their business. Some tenants do not have a dedicated environmental staff and may not have the resources to keep up on subjects such as regulatory issues, new Best Management Practices (BMPs) or products that could help them maintain or achieve compliance. The port auditors routinely identify information and/or products that may be useful to tenants and provide resources during or as a follow-up to the audit. Alternatively, the port auditors learn useful information from tenants that may be of value to other tenants with similar business characteristics. The sharing of information is mutually beneficial. Auditors also take advantage of this

time with tenants to inform them of applicable port policies and tailor the explanation of these policies to their leasehold and operation.

d. Prior to releasing vacating tenants from their lease, the environmental, facilities and property departments perform exit audits on tenant leaseholds. The focus of the environmental exit audit is to identify any areas that may need to be cleaned or further investigated prior to releasing the tenant from their responsibilities of their lease. By performing exit audits, the port is identifying additional work that needs to be done and putting the responsibility in the hands of the accountable party and reducing the liability and financial burden of the port.

3. Goal #3 – Provide environmental outreach to tenants:

a. Annual Tenant Environmental Workshop – realizing that knowledge of environmental regulations and opportunities go a long way towards prevention of unnecessary mistakes, the port's environmental department organizes an annual lunchtime workshop for its tenants. Professionals and regulators from different environmental disciplines are invited to present useful information to port tenants. For example, topics may include: stormwater regulation changes and permit challenges, opportunities for recycling support, sustainability, and spill response. Inviting regulators to speak at port workshops also demonstrates the port's respect and cooperation for the regulatory agencies.

b. In order to provide tenants with information and updates on port projects and activities and encourage tenant synergies, several methods of communication have been developed with the port's public affairs and environmental departments, including:

- i. Semi-annual *Solstice Update*, an email newsletter on the port environmental programs and activities
- ii. Quarterly tenant newsletter to tenants alerting them to timely environmental topics
- iii. Periodic Tenant Services Breakfasts and annual Port Re:Port Breakfast which provide environmental project updates and tenant networking opportunities. An environmental award is presented at the Port Re:Port event highlighting and honoring the environmental commitments of a selected tenant and their operation at the port.
- iv. Periodic emails to tenants to highlight environmental opportunities such as grant funding, permit workshops, pollution reduction practices, and information on public comment periods for various permits that affect tenants.

C. Fulfillment of Award Criteria

1. Benefits to Environmental Quality

- a) Minimize impacts to the environment by port tenants through education (waste reduction/recycling opportunities, BMPs, regulations,

etc), proper placement/fit at port, and provide insurance requirements for proper cleanup.

b) By instituting the TEMP, the port has taken a proactive management approach to tenant environmental management instead of a costly reactive approach (i.e. cleanups).

c) A benefit is also the synergy between port tenants as well as the synergy between the port and tenants. The port currently engages industrial tenants in conversations to explore the business & marketing opportunities, environmental engagements, and communication to share relevant information about best management practices between tenants. We work with our tenants to learn about such issues as air regulations and inventories, and help them with waste audits and recycling information to promote sustainability and efficiencies across port properties. Providing an opportunity to share tenant successes has been beneficial for other tenants to see what works. For example, through the outreach efforts, port tenants are aware of metal and computer recycling opportunities provided by neighboring port tenants.

2. Independent Involvement and Effort

a) The successful implementation of the Tenant Environmental Management Program is through an independent but integrated effort of the port that involves participation by port employees in various departments (public affairs, facilities, property, and environmental services). Carrying out program elements is performed by port personnel

and not contractors. We feel strongly about keeping this program as an in-house program due to the great value it has in building relationships between port employees and tenants that are so valuable in keeping the lines of communication open in order to address issues proactively. Our system is based on a tiered approach that ranks tenant by risk which allows us to focus our limited staff resources on tenants with the highest environmental risk. This creates a more efficient program and eliminates excessive time spent on low risk tenants enabling the port to keep the program manageable and in-house.

3. Program Creativity

a) By developing an environmental program that is dedicated to tenant management and ensuring implementation of procedures that span the length of involvement with that tenant, the TEMP has addressed tenant management creatively and holistically. The following demonstrates how the program applies to the tenant from beginning to end:

Potential Tenant: Tenant Environmental Questionnaire – provides information to environmental staff for review, assess if operation is a good mix for the port, and documents baseline.

Prior to Lease: New Tenant Environmental Review – documents port evaluation of tenant environmental aspects, assess pollution legal liability insurance requirements, and proper port placement. Environmental

department review of lease language – provide input and make necessary changes to lease template to accommodate specific tenant risks.

During Lease: Tenant Environmental Audit Program – onsite tenant audits performed during the tenant's time at port, creates relationships.

Outreach – Each year one tenant is chosen to receive an environmental award honoring their environmental practices, written media is used as a way to get information to tenants, and face-to-face tools for outreach include tenant workshops, breakfasts and conversations during visits.

Prior to Exit: Exit Audits – performed by both facilities and environmental departments to identify tenant liabilities to address action items prior to releasing tenant from lease obligations.

b) Involvement of facilities, property, and public affairs departments. With expanded participation, the creation and ownership of environmental responsibility has expanded the program and made it successful port-wide.

c) Using the buddy system approach on audits of higher risk tenants allows auditors to engage in meaningful conversations and information gathering/sharing efforts with tenants. Tenants also appreciate the reduced time out of their day necessary to conduct audits that utilize two auditors.

4. Program Results

- a) No new major cleanups have been necessary since development of Tenant Environmental Management Program.
- b) Tenant relationships are enhanced. Open dialogue is effective and is showing positive results. Tenants are aware of the port's environmental commitment that spans their interaction with our organization. These values are evident and demonstrated during lease negotiations, prior to lease signing, and throughout the term of the lease.
- c) Outreach informs tenants of new regulations and port activities that may affect their operations. Helps tenants stay informed. Outreach brings environmental issues to their attention.
- d) Community expectations of the port's responsibility to be good stewards of public land and public dollars are addressed with the TEMP.

5. Program Cost Effectiveness

- a) By dealing with tenant environmental issues proactively, the port has experienced a decrease in effort of reactive-type responses to environmental issues. This proactive style of approaching tenant environmental issues is a better use of time and public resources than reactive efforts (cleanups, compliance issues, etc).
- b) This is a perfect program to keep in house (i.e. do not need to hire consultants) as great relationship builder and is structured in a tiered system so it is manageable as in-house program.

6. Transferability of the Program to the Port Industry

The port's Tenant Environmental Management Program and the processes used to create and manage its elements can serve as a model for use by other landlord ports. The program and its components can be easily scaled for use by larger or smaller ports that have tenants located at their port. Port of Vancouver's team is willing to share programs and templates developed for the TEMP.

IV. Conclusion

Results cited above prove the effectiveness and success of the Port of Vancouver's Tenant Environmental Management Program (TEMP). Through the thoughtful development and implementation of the program, the port has become a leader in environmental care and avoidance of future environmental contamination.

The program has shown financial savings through the continued care for the environment, the easily manageable structure of the program that avoids unnecessary costs, and through creative and thoughtful outreach to tenants, providing them with assistance in attaining the high standards of environmental responsibility that are of utmost value to the port and the surrounding community.

Citing the results of the proven practices outlined above, the Port of Vancouver is proud to present this submission for the AAPA Comprehensive Environmental Management Award.