

Port Of Portland's Experience With Connect Oregon



Phil Healy
Port of Portland

PORT OF PORTLAND

Creating Possibilities and

Opportunities



The Mission of the Port of Portland

“To enhance the region’s economy and quality of life by providing efficient cargo and air passenger access to national and global markets.”



The Mission of the Port of Portland



The Commission of Public Docks

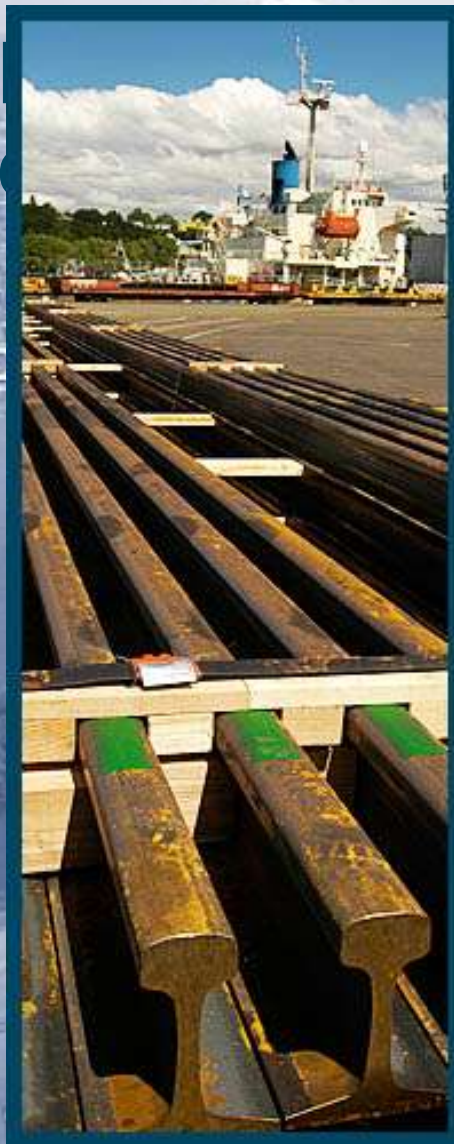
Terminal 6 conceptual rendering - 1974



Marine and Industrial Lands – Business Lines

Terminal 2

- 49 acres located in the Portland Harbor on the Willamette River



Marine and Industrial Lands – Business Lines

Terminal 4

- 280 acres on the Willamette River
- Largest auto importer on the West Coast
- Handles mineral and liquid bulks



Marine and Industrial Lands – Business Lines

Terminal 5

- 200 acres on the Willamette River
- Handles grain and mineral bulks



Marine and Industrial Lands – Business Lines



Marine and Industrial Lands – Business Lines

Terminal 6



Marine and Industrial Lands – Business Lines

Industrial Lands



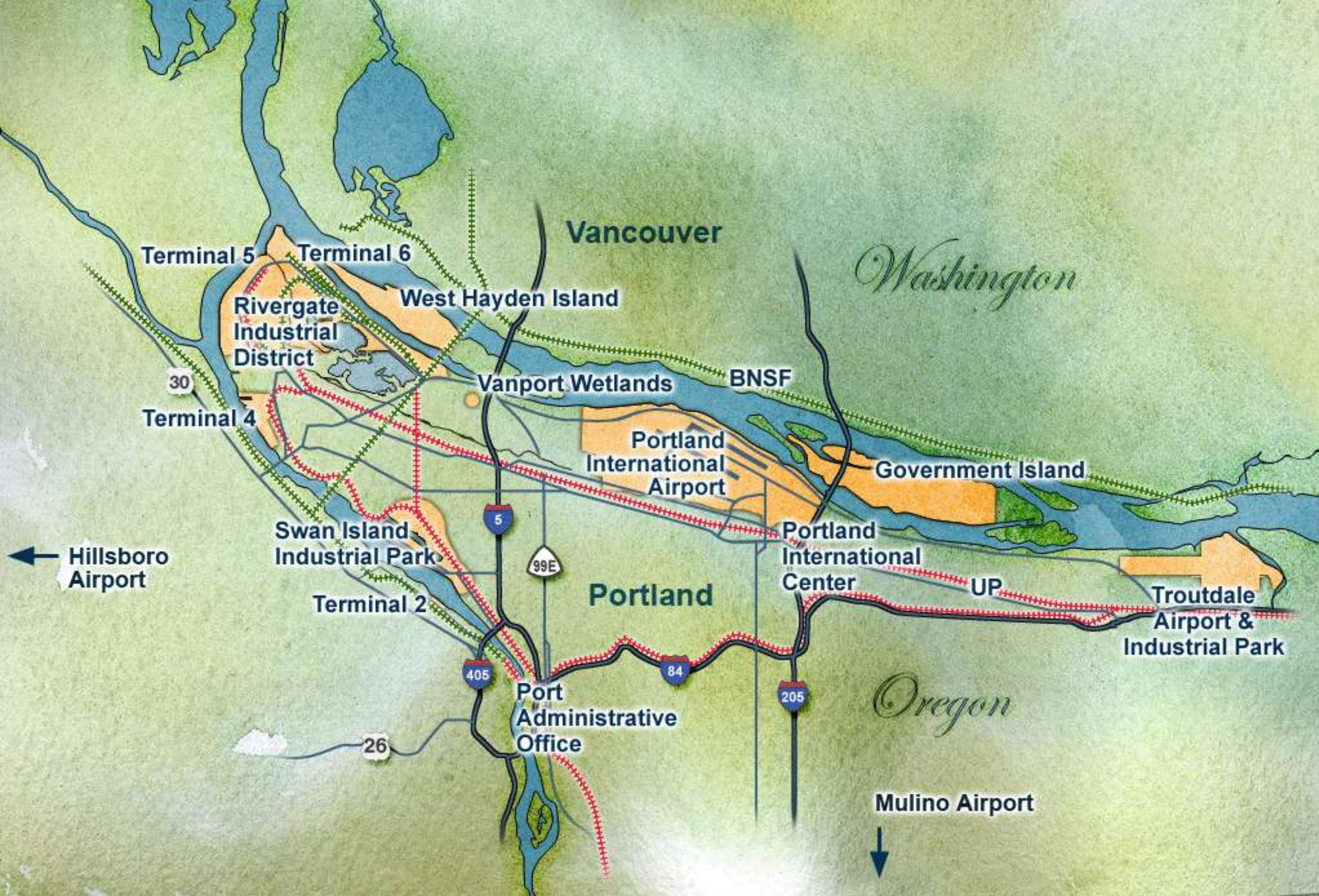
The Port as a Community Citizen

The Port of Portland is planning for the future of the region's total transportation system – a system that provides a competitive edge for local business, good jobs and quality of life



Critical National and International Crossroad

- Our community benefits from the unique geographic and infrastructure advantages:
 - Union Pacific and Burlington Northern Santa Fe
 - Deep-water channel, seaport and upriver barge system
 - International Airport
 - Confluence of two Interstate highways



Need for Investment

- Efficient freight mobility is a competitive requirement of the national and global economy
- It is increasingly important with growing freight volumes
- Market size dictates that we invest in transportation to remain competitive
- Other state's have begun to seriously address investment in other modes of freight
- Other ports on west coast have a more substantial tax base- putting Oregon at a disadvantage for marine related capital needs

Key Financial Facts

Port Revenues:

2010

- 96.5% enterprise revenue
- 3.5% property tax-- approximately \$9 million a year
- \$ 250 million annual budget

2004

- 97% enterprise revenue
- 3% property tax- \$7 million
- \$215 million annual budget



Connect Oregon- Port of Portland Role

- Seeing a need to find a funding mechanism for multi-modal projects.
- Pulling people together.
- Making sure there was continued stakeholder support for the effort.

Freight Rail and the Oregon Economy

A Background Paper

presented to

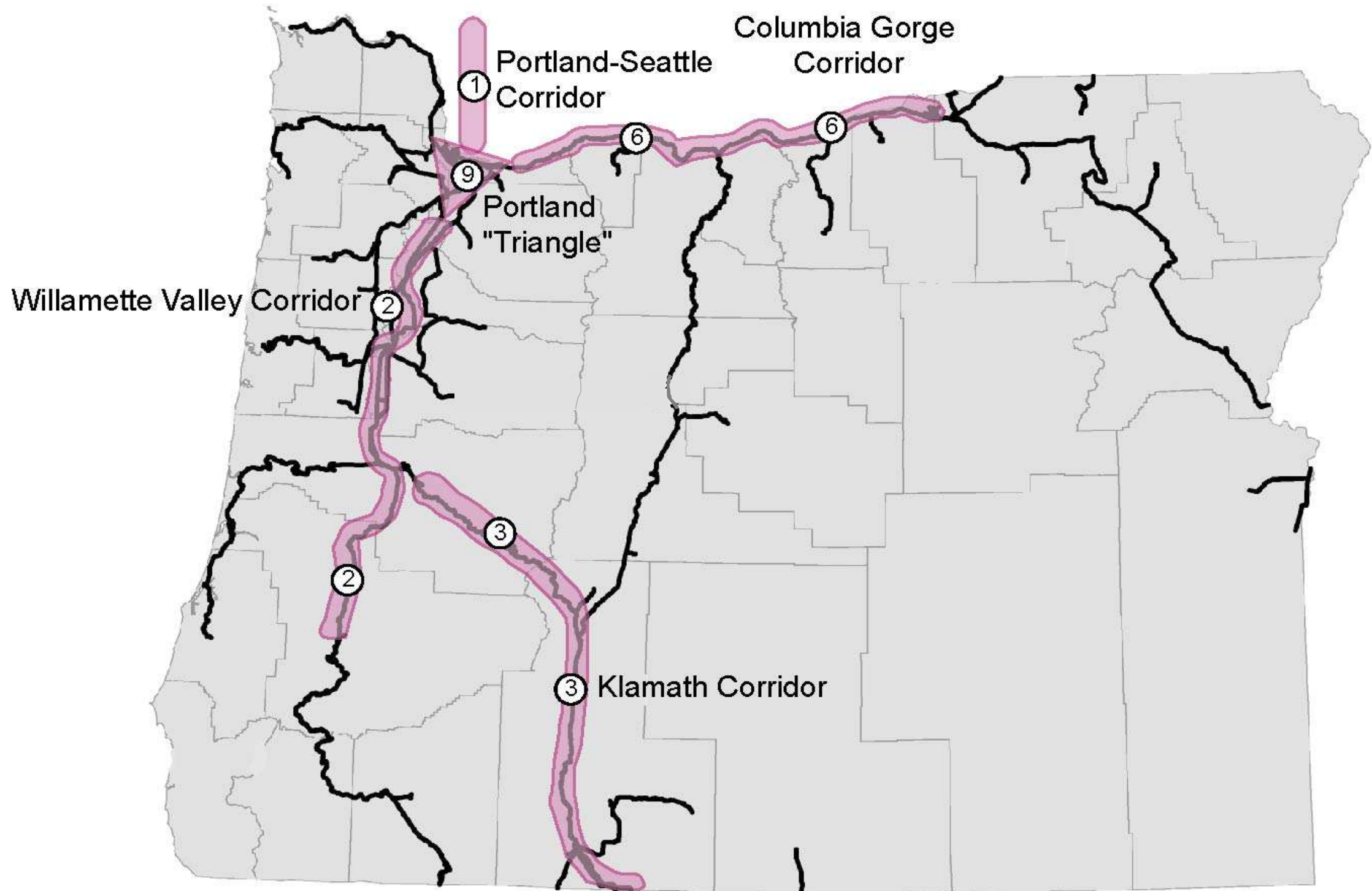
**Oregon Legislature Interim Transportation
Trade and Economic Development Committee**

presented by

**Lance R. Grenzeback
Cambridge Systematics, Inc.**

April 15, 2004

Rail Corridors with Significant Capacity Issues



Oregon Rail Users League (ORULE) Stakeholders

- Class 1 representatives (UP, BNSF)
- Shippers (auto, lumber, ag, chemical, container, etc...)
- Shortline representatives (Oregon Shortline Railroad Assn., P & W, CORP, MHRR, etc...)
- Amtrak and passenger rail advocates
- ODOT Rail
- Transportation service brokers
- Construction firms and associated service providers
- Oregon Ports Group
- Oregon Highway Users Alliance and individual members

ORULE Activities

- Organized policy and finance sub-committees around tasks necessary to reach goals.
- Identified opportunities to place rail message in key public forums.
- Completed inventory of rail projects and distributed it.
- Initiated an inventory of economic development opportunities with rail elements.
- Worked with ODOT and other agencies to derive the initial approach to a funding strategy.

ORULE Legislative Activity

- Organized and focused rail advocates to create and pursue a legislative agenda for the 2005 Legislative Session.
- Raised the profile of rail services and needs with the Governor, legislators, in the executive branch and among transportation stakeholders.
- As part of multi-modal funding package, garnered a place in Governor's budget and in legislative leadership plans.

OTHER FUNDING STAKEHOLDERS

- Other logical allies came together as well.
- Transit agencies were very interested.
- There was a lot of appeal statewide because the program would be a way for smaller Ports and the other regions across the state to get money for infrastructure that would help economic development.
- There was support from Aviation interests, including airports across the state that had good representation in the legislature.

Connect Oregon I

- Passed by '05 Legislature (Senate Bill 71)
- \$ 100 million in lottery backed bonds for multi-modal freight system and transit
 - Rail
 - Marine
 - Air
 - Transit
- \$ 15 million allocated by the 5 ODOT regions
- \$ 25 million available statewide
- Grants and or loans available

Connect Oregon I Process

- Project applications had to address six criteria
 - Four criteria were identified as strategic
 - Connects one or more modes
 - Reduces transportation costs for Oregon shippers
 - Builds a needed link in a region or the state's transportation system
 - Amount of project cost borne by applicant
 - Two additional criteria were considered
 - Jobs created (permanent and construction)
 - Project completion

Process for Review and Recommendation

- Four modal committees reviewed and ranked applications
- Rail, Marine, Aviation, Transit,
 - Now “Freight Committee” (added in 2007) reviews all applications except Transit
- Area Commissions on Transportation reviewed by geographic area
 - This provided the Regional review of applications
- All committees approached review and recommendation differently
- A consensus committee comprised of a representative from each committee recommended projects to the Oregon Transportation Commission (OTC)

CONNECT OREGON | Approved Projects

	<i>Applications submitted</i>		<i>Projects Recommended</i>		<i>Requested funding</i>		<i>Recommended Funding</i>	
<i>mode</i>	#	%	#	%	dollars	%	dollars	%
rail	37	36	17	39	\$90,437,272	35	\$39,115,790	39
aviation	30	29	10	23	\$59,457,670	25	\$18,327,910	18
marine	13	13	7	16	\$26,044,967	15	\$16,847,300	17
transit	16	16	6	14	\$35,664,784	11	\$13,743,929	14
Multi-modal	7	7	3	9	\$23,788,200	10	\$11,466,400	12
Total	103	100%	43	100%	\$235,392, 893	100%	\$99,501,329	100%



Crane 6381



Ramsey Yard Improvements Connect Oregon Application

Terminal 5

Columbia Grain

Canpotex

Terminal 6

Ramsey Yard

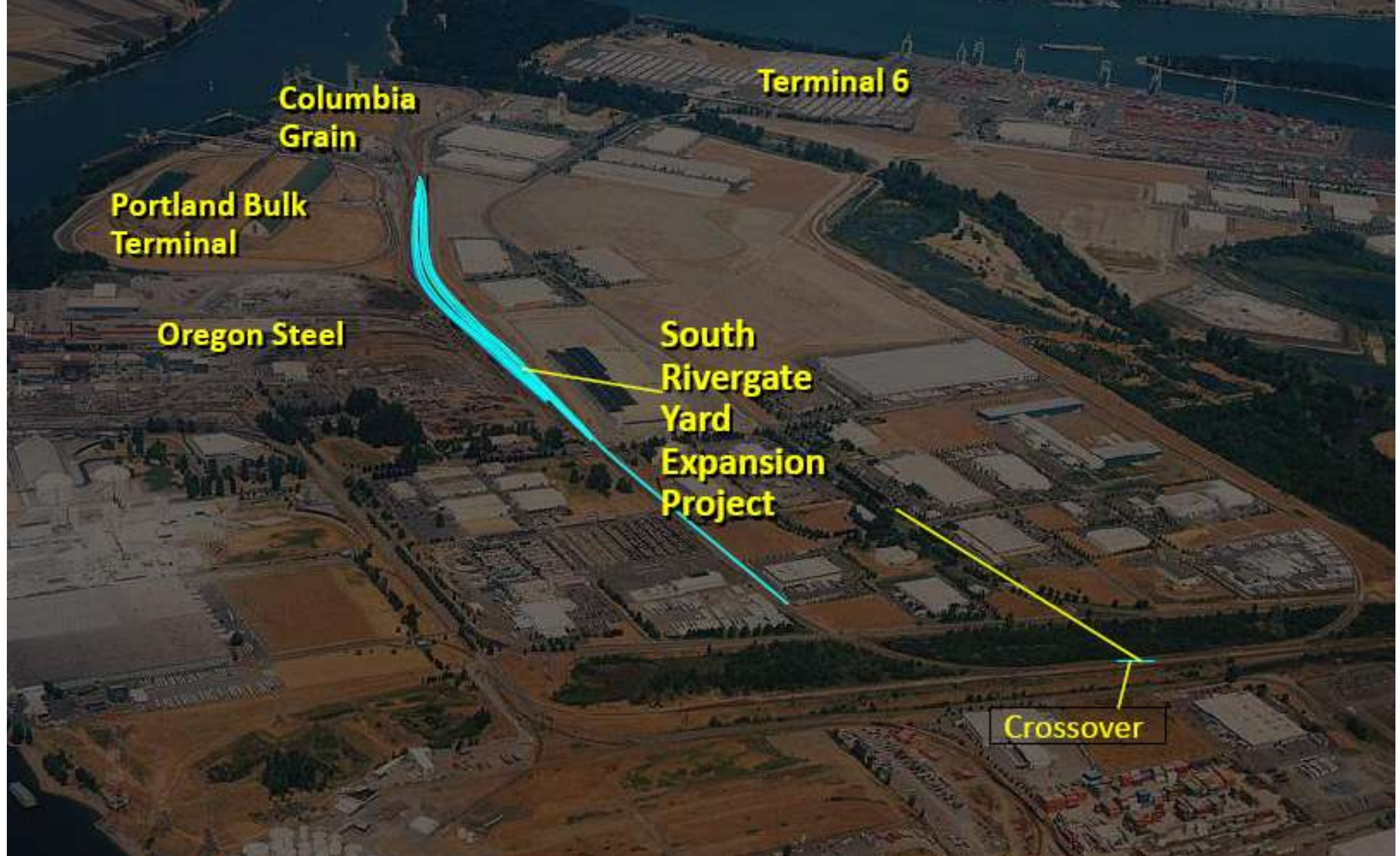
**6 Yard Tracks,
3,900 ft. ea.**

**Main Lead #2
12,000 ft.**

Connect Oregon II

- Passed by 2007 Oregon Legislature (House Bill 2278)
- \$100 million in lottery-backed bonds for multi-modal freight system and transit
 - Rail
 - Marine
 - Air
 - Transit
- No less than \$10 million allocated to the 5 ODOT regions
- Up to \$50 million available statewide
- Grants and/or loans available

South Rivergate Yard Expansion – Connect Oregon II Project Map



Terminal 4 Pipeline Infrastructure

ConnectOregon II Application



PDX North Runway Extension- CONNECT OREGON II

North Runway -- Proposed 9,828 ft.

South Runway -- 11,000 ft.

Airline	Aircraft	Maximum Runway
Air China Cargo	747-400F	11,000'
Northwest	757-300	10,400'
FedEx Cargo	MD-10	9,500'
UPS Cargo	767-300F	9,500'
Continental	737-900	9,200'
Lufthansa	A340-300	9,100'
Northwest	A330-200	9,000'
Kitty Hawk	727	9,000'
Alaska	737-400	8,500'
Hawaiian	767-300ER	8,200'

CONNECT OREGON III

- A third allocation of \$100 million was approved by the 2009 Legislature as part of House Bill 2001.
- The review process was fundamentally the same as Connect Oregon II.
- Final project funding decision will be made by the Oregon Transportation Commission in August.

CONNECT OREGON III REVIEW PROCESS

- **Application completeness and feasibility Review by ODOT staff.**
- **Review by Modal Committees**
Marine, Rail, Freight, Aviation, Transit
- **Review by Regional Committees**
- **Final Review and Recommendation by Statewide Committee**
- **Hearing and Decision by Oregon Transportation Commission**

EVALUATION CRITERIA

- **Project reduces transportation costs or increases access to jobs**
- **Project results in an economic benefit to Oregon**
- **Project is a critical link in the transportation system that will improve utilization and efficiency**
- **How much of the project cost will be borne by the applicant**
- **Construction readiness**

Terminal 4 Rail Upgrades



To Barnes Yard ↗

↖ T-4 Rail Yard →

To Albina Yard →

Terminal 6 Crane Modernizations Project



DREDGE OREGON REPOWER



DREDGE OREGON

LEGEND:

■ = THIRD RUNWAY (2010/2011)

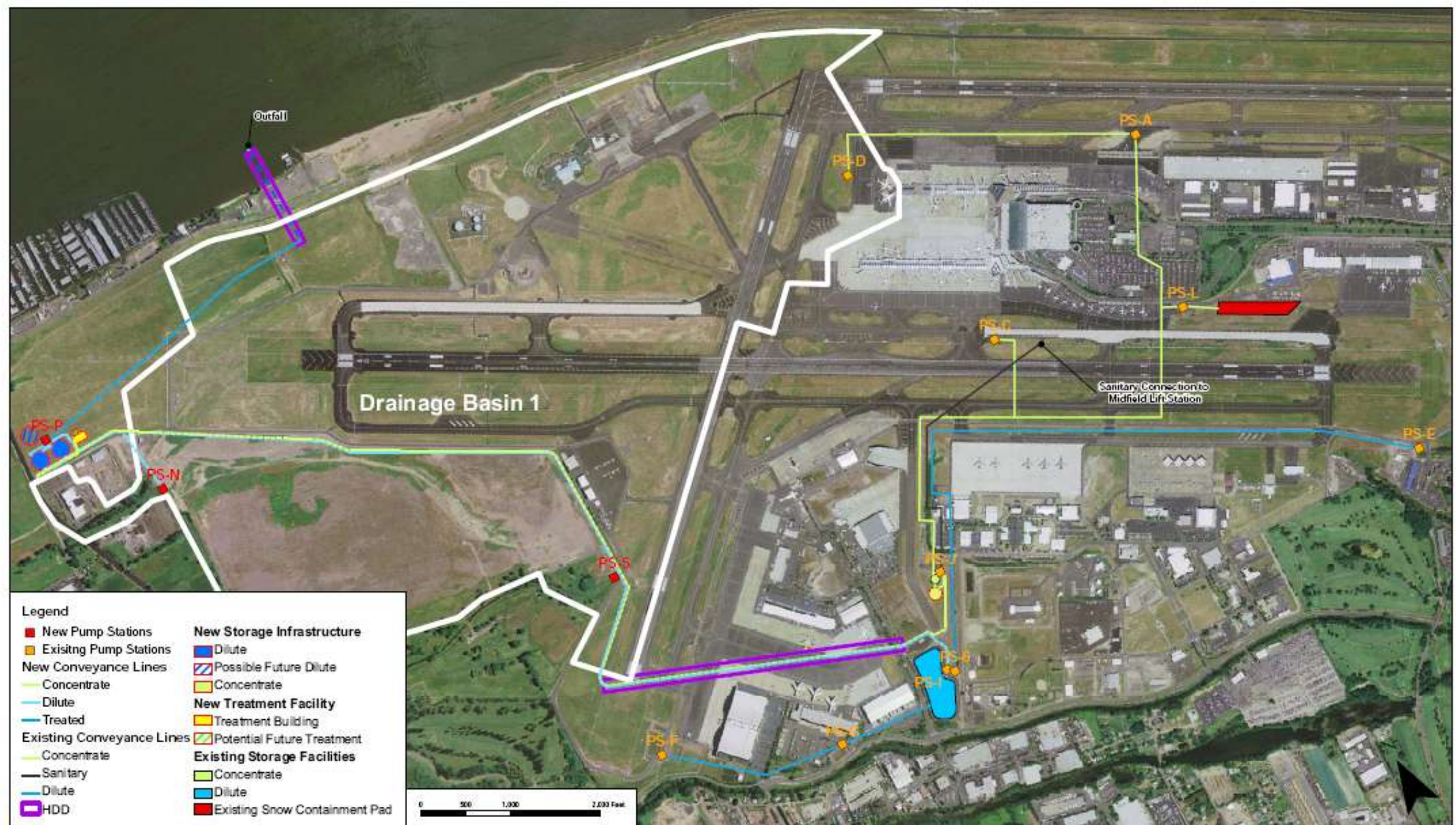
DATE: NOV 2009

Port of Portland
 HILLSBORO AIRPORT
 2010-11 NEW RUNWAY, TW D

800 0 800 1600
 SCALE IN FEET

DRAWING INTENDED FOR GRAPHICAL USE ONLY

PDX DEICING SYSTEM



Final Site Plan

PDX Deicing System Enhancements

GOING FORWARD

- Fourth Renewal may be in question.
- There is less money around than there use to be.
- Concern that there are big winners in the program who have taken a big share of the funding.

TAKE-AWAYS



Public funds are the tipping point for the railroads in making a business case decision to invest in the state.



TAKE-AWAYS



- The process for reviewing funding is unique.
- Best projects coming out of modal committees.
- Best projects for each region coming out of the regional committees.

TAKE-AWAYS

Connect Oregon is unique for funding freight projects that are multi-modal. The different modes are not siloed- there is cross pollination involved in the review of the projects.



Relevant Web Sites

Grenzeback Rail Study

http://www.portofportland.com/PDFPOP/Trade_Trans_Studies_Freight_Rail_OR_Econ.pdf

ODOT Connect Oregon Study

http://www.oregon.gov/ODOT/TD/TP_RES/docs/Reports/2009/Connect_Oregon_FR.pdf?ga=t

Oregon Rail Users League Web Site

<http://www.orule.org/>

Port of Portland Web Site

http://www.portofportland.com/POP_Home.aspx?ep=7d2acf4cd5204a27a999e9dc869f9555