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
- Handles break-bulk steel rail, steel plate, roll on/roll off cargoes, barite
Terminal 4

- 280 acres on the Willamette River
- Largest auto importer on the West Coast
- Handles mineral and liquid bulks
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
• 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.
Rail Corridors with Significant Capacity Issues

- Portland-Seattle Corridor
- Columbia Gorge Corridor
- Willamette Valley Corridor
- Portland "Triangle"
- Klamath Corridor
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
• 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.
• 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 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)
<table>
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<th>mode</th>
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<th>Projects Recommended</th>
<th>Requested funding</th>
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<td>103</td>
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<td>43</td>
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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
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 6 Crane Modernizations Project

Cranes to be upgraded by the project (yellow labels)

Berth 603

Crane 6377

Crane 6376

Crane 6373

Cranes 6379 and 6378 working a vessel

Berth 604

Crane 6378

Crane 6379

Cranes 6375 and 6374

Berth 605

Crane 6374

Crane 6375

Crane 6380

Crane 6381

Crane 6379

Crane 6378

Cranes 6379 and 6378 working a vessel
DREDGE OREGON REPOWER

DREDGE OREGON
HILLSBORO AIRPORT THIRD RUNWAY
GOING FORWARD

• Fourth Renewal may be in question.

• There is less money around than there used to be.

• Concern that there are big winners in the program who have taken a big share of the funding.
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.
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.
Grenzeback Rail Study
http://www.portofportland.com/PDFPOP/Trade_Trans_Studies_Freight_Rail_OR_Econ.pdf

ODOT Connect Oregon Study

Oregon Rail Users League Web Site
http://www.orule.org/

Port of Portland Web Site