

## **RESOLUTION NO. 2013-81**

### **A RESOLUTION TO ADJUST THE RAIL CAR CAP ASSOCIATED WITH THE PORT LEAD/ WEST PORT LEAD CONSTRUCTION, OPERATION AND MAINTENANCE AGREEMENT.**

**WHEREAS**, the Port of St. Helens (the Port) owns the rail lead into Port Westward and during the construction and improvement of that lead, an agreement was entered into by the Port of St Helens and Cascade Grain on 29 August 2007; and

**WHEREAS**, the Port lead was constructed on Portland General Electric (PGE) leasehold, which established rail "Safe Harbor" limits associated with this lead, which are currently approximately eight (8) unit trains per week and two (2) non-unit trains per day. And, this Resolution does not affect nor alter the non-unit train movements; and

**WHEREAS**, the business lines and commodities associated with Port Westward and the use of the Port Lead have diversified to include both ethanol and petroleum products; and

**WHEREAS**, the State Regional Solutions Team has worked to identify Funding to assist with safety improvements within the District, and in particular for the City of Rainier in which an ODOT Project Manager has been identified to assist in coordination; and

**WHEREAS**, the Portland & Western Railroad (P&W) has strategic capital rail plans and improvements within the County, for the entire "A" line which upon completion will result in roughly 20 additional jobs, and will accommodate increases in rail volume; and

**WHEREAS**, the P&W, to facilitate increases in rail volume, has agreed to focus on improvements that safely reduce crossing delays and achieve a rail speed of 25 MPH, where safe and appropriate, throughout the District; and

**WHEREAS**, Both State Representative Brad Witt and State Senator Betsy Johnson have given assurances to the Port that public and private funding has been identified and secured to complete significant capital improvements to rail in Rainier, and that that funding is contingent on the P&W's increased volume from increased business from Global Partners, and

**WHEREAS**, the P&W has committed to providing regular and frequent updates to the Port Commission regarding the status of and any changes to the Capital Improvement Plan; and

**WHEREAS**, Columbia Pacific Bio-Refinery (CPBR) - Global Partners seeks to invest \$50 to \$70 millions of dollars on capital improvements at Port Westward resulting in approximately 30 additional jobs and the return of ethanol production. This investment would include improvements to Hermo Road, the dock, construction of additional storage facilities, and rail transfer operations; and

**WHEREAS**, CPBR-Global's capital improvements will result in more efficient rail loading and unloading operations , which would provide the P&W railroad the business needed to focus on improvements that would increase rail speeds, reduce congestion at crossings, and increase capacity; and

**WHEREAS**, the P&W has informed the Port Commission that the A-Line cannot accommodate more than 24 unit trains per month to CPBR-Global until rail improvements, specifically increased rail speed capability (reducing crossing delays) and additional sidings are completed, and

**WHEREAS**, to accommodate both ethanol and petroleum, as well as future products; and given the above assurances from key stakeholders, now, therefore,

**BE IT RESOLVED** that the Commission approves and authorizes the Executive Director to execute a change to Exhibit B of the Port Lead Agreement providing a new cap of 50,000 unit train rail cars per year, which equates to approximately 38 unit trains per month; and

**BE IT FURTHER RESOLVED** that the Executive Director is required to restrict the rail cap to 32,000 unit train rail cars per year, which equates to approximately 24 unit trains per month until January 1, 2015 while the improvements described above are being pursued, and the Port is satisfied that assurances of completion are in place, and

**BE IT FURTHER RESOLVED** that for the next five years (until December 31, 2018), CPBR—Global will provide quarterly updates on site improvements and P&W will provide quarterly updates on Rail Improvements to the Port Executive Director, and each will provide quarterly updates to the Port Commission, including updates on:

- CPBR-Global's on-site improvements to rail unloading, storage tanks, and dock expansion;
- P&W's ability to safely achieve 25 MPH capability to help reduce rail crossing delays on public roads throughout the county where it is safe to do so.
- P&W's plans to provide additional capacity through sidings, where it is safe to do so
- P&W's strategic plan to reduce rail crossing delays on public roads
- Capital improvement plans to increase safe passage of trains in Rainier

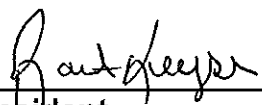
**BE IT FURTHER RESOLVED** that the Executive Director is authorized and directed to make changes, with PGE's concurrence, to the Safe Harbor consistent with this Resolution and again prior to any increase above 34 unit trains per month.

**PASSED AND ADOPTED** this 13<sup>th</sup> day of November, 2013 by the following vote:

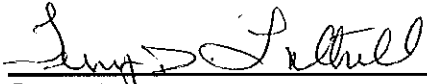
**Ayes:** 4

**Nays:** 0

**PORT OF ST. HELENS**

**By:**   
**President**

**ATTESTED BY:**

  
**Secretary**