Statement in support of Pembina’s continuing efforts to invest in Portland

The Port of Portland fully supports Pembina’s continued efforts to site a propane export facility here.

The Mayor’s withdrawal of support for the proposed propane terminal at the Port’s Terminal 6 on the Columbia River is surprising and disappointing. It is surprising because, due to the Mayor’s early support, the company has spent $15 million to comply with various city regulations and requirements of the zoning change process.

It is disappointing because loss of an investment of this magnitude means forfeited tax revenue, lost jobs and business opportunity, negative implications for land use and trade policy as well as business recruitment efforts.

Tax Revenue
The proposed facility could become the largest direct foreign investment in the city’s history resulting in $12 million in tax revenue the first year of operation. That tax revenue would provide $4.8 million to the City of Portland (including urban renewal), $2.5 million to Multnomah County and $3.6 million to Portland Public Schools.

Jobs and Business Opportunity
The potential loss of 600 to 800 skilled construction jobs as well as 40 permanent well-paying jobs is troublesome. Pembina established an agreement with the Columbia Pacific Building Trades union to hire union workers and prioritize local hiring and workforce diversity and has committed to provide opportunities for local contracting, including opportunities for minority and women-owned businesses. In a city that continues to experience a loss of middle wage jobs and growing income disparity, the decision to withdraw support seems short-sighted.

Land Use and Policy Implications
Our city has a limited amount of land for industrial development. This project would be built on land already zoned for industrial purposes and ideally suited for this specific use. Due to the long, narrow configuration of the site and access issues, it is not viable for most other industrial uses. In addition, the decision to withdraw support for this project has negative implications for the regulation of specific commodity types from our
region. Ironically, this project involves a commodity that is not uncommon and has moved safely through this region for 20-plus years.

Local Environmental Considerations
The company has made a commitment to the purchase of 100 percent renewable energy for its on-site energy needs and the use of shore power of vessels transporting propane to Asia. Pembina has also committed to shoreline enhancement and voluntary grassland enhancement and a community fund to benefit public health, local economic development, environmental health, and equity.

Climate Change
At a broader level, climate change policy is best implemented at the national or state level, not by many municipalities each of which might view the problem differently. If Portland wants to implement a climate change or carbon policy, it should do so uniformly, taking into account all similar activities, not in reaction to a particular development proposal. Climate policy typically addresses local impacts and services, not foreign production or consumption.

It is interesting to note that propane is considered an alternative fuel by the Environmental Protection Agency, replacing dirtier fossil fuels like coal and oil and the State of Oregon has designated propane as a Clean Fuel. In addition, the Port led the charge on the State’s Clean Fuel Initiative which seeks to maximize the economic development potential for clean fuels in Oregon, of which propane was a key element.

In fact, Portland Public Schools operates about 400 propane-powered school buses due to the efficiency and safety of propane as an alternative fuel source. Today, nearly 12,000 Portland area students ride on buses powered by propane each year.

Propane uses in Asia-Pacific will displace other fuels in auto fuels and residential heating as well as be used in manufacturing. Combustion of propane produces 13 percent less carbon dioxide (CO2) than burning oil and 34 percent less CO2 than burning coal. When propane is used in manufacturing of plastics, it does not directly generate CO2 emissions.

To realistically address climate change, we need to work together to provide alternative fuels to less-developed countries, giving them interim low carbon solutions.

Business Recruitment
The City of Portland, PDC and Greater Portland Inc. just issued the Greater Portland Global Export Strategy which calls for a focus on attracting direct foreign investment to the region. Pembina is a Canadian company and Canada is one of Oregon’s key trading partners. The company did not seek any tax breaks or other
incentives for the project and was prepared to invest more than $500 million in private capital in the community. We will need to work hard to communicate to other foreign investors that the city is indeed serious about growing its international trade strengths.

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Established in 1891 by the Oregon legislature, the Port today owns four marine terminals, three airports (Portland International, Hillsboro, and Troutdale) and five business parks. The mission of the Port is to enhance the region’s economy and quality of life by providing efficient cargo and air passenger access to national and global markets.