

The Portland Tribune

Portland proposes \$6.5 million for USPS relocation to Troutdale

*By Katy Sword
November 13, 2015*

The Portland Development Commission is offering a one-time payment of nearly \$6.5 million as compensation to the city of Troutdale for welcoming the U.S. Postal Service distribution center to the Reynolds Industrial Park.

The offer is a response to the Troutdale City Council's request that the PDC put a formal financial offer on the table for consideration.

For the past few months, speculation has run rampant on whether or not the distribution center would relocate from its 14-acre site in Portland's Pearl District, making way for a lucrative commercial development.

Motivated by the possibility of redevelopment, the PDC has long discussed the potential of relocating the Postal Service. Assisted by a \$500,000 negotiation tool, the federal agency only recently agreed to consider relocation.

Among other sites considered, Troutdale has stood out, specifically two lots in the Troutdale Reynolds Industrial Park. The property is zoned for commercial development, and can easily accommodate the planned 789,000 square-foot building.

But as a federal agency, the Postal Service does not pay property taxes, a significant consideration for giving up prime industrial property.

Troutdale city staff estimate property taxes for that site at \$20 million over the next 100 years, and had hoped a PDC offer would reach that sum to make the move additionally beneficial for Troutdale.

The council viewed the offer in its Nov. 10 meeting, but offered little insight into the reaction, instead discussing the issue during an executive session out of the public eye.

"We wanted to make sure the letter from PDC is known to the public, so that's why it's out there," Daoust said. "There's going to be some questions about the letter, but there won't be any public comment on this because it's a little different procedurally. The council has not formulated any internal debate on this. We'll wait for the executive session later to do that."

Daoust asked the council to consider the offer carefully, and they would discuss the issue at-length during the Nov. 24 meeting.

Based on previous discussions, it's likely the offer will not be received well. In an Oct. 20 meeting on the issue, the council indicated it might view the deal unfavorably unless the PDC offer reached near, or above, the \$20 million mark. Although the \$6.465 million offer is nearly double an initial mention of \$3.5 million — a number viewed unfavorably by council — it is still significantly less than what city staff estimated property taxes could amount to.

“Let’s continue the discussion and tell the PDC that. Leave it up to them and say, ‘No way, Troutdale, we’re not writing a check for \$30 million,” said Councilor Larry Morgan in October. “If they do and it’s more than what we would have collected in property taxes, I don’t think we can just shut the door right now. I think we need to just finish the discussion, make a firm line in the sand about where we’re willing to go and see how they react to it.”

The PDC explained its thought process and how it reached the smaller \$6.465 million number. This included an assumption that property tax revenue to Troutdale would be \$138,000 a year, a number arrived at by calculating the number based on a 50-year life span, rather than Troutdale’s 100-year estimate.

The PDC also pointed out that there would be no lost revenue during the first 10 years, due to “the availability of additional land for development at the industrial park, and the likelihood that any new development would be offered a three-year Enterprise Zone property tax abatement,” the letter of intent reads.

“Because TRIP currently has sufficient land available to respond to multiple large-lot requests before turning away any opportunities, the lost opportunity to Troutdale begins not when the USPS facility is built, but when the 183-acre TRIP can no longer offer available land to a similar opportunity.”

With an October 2016 construction date in mind for the new postal facility, decisions are expected to come quickly.

“It was a step in the right direction, I think,” Daoust said of the offer. “We need to analyze some of the assumptions they made in the proposal, so we’ll do that.”

The letter notes it is non-binding, but pending Troutdale approval, the PDC will move forward with feasibility, budgeting and site evaluation.

Portland Business Journal

Hales calls for vote today on fossil fuel expansion ban

By James Cronin

November 12, 2015

Portland's mayor is pushing hard to prevent future fossil fuel infrastructure expansion in or near the city.

The city council and Mayor Charlie Hales are currently meeting to consider passing a resolution saying the city would oppose expanding infrastructure expressly to transport or store fossil fuels in or through Portland or adjacent waterways.

At the start of the hearing, Hales said he hopes for a vote by 4 p.m. Thursday.

"This is a chance for us to take a stand for the future," said Hales.

Hales spoke to a packed chamber, dotted throughout with red shirts bearing the slogan "beyond coal exports."

Despite the city's best efforts to insulate itself from increased fossil fuel inundation, Oregon could become a busier crossroads for Canadian shipments of tar sands oil after President Obama's rejection of the Keystone XL pipeline last week, according to a Seattle energy think tank.

A new report commissioned by the Sightline Institute indicates Big Oil could focus on the Pacific Northwest as the next-in-line alternative for shipping fossil fuels.

"In fact, in the absence of new pipelines serving the Canadian oil sands fields, the fiercely debated Northwest rail terminals would be the sole driver of new extraction there," according to a statement from the research

The study was done by independent research group Oil Change International (OCI). Taken together, proposed Northwest oil-by-rail terminals would have similar impact to adding more than 28 million cars to the region's roads.

According to the group, the report utilized the oil industry's own forecasting and modeling tools, combined with a study of Northwest facilities. Regional facilities for oil train facilities could help "unlock as much as 382,000 barrels per day of new tar sands production" that would not have been extracted without that infrastructure, the report claims.

In Oregon alone, there's the potential for significant increases of oil capacity. Already near Clatskanie, Global Partners has been exporting oil from Port Westward, and the company is now planning to triple its capacity to about 120,000 barrels each day, said Eric de Place, Sightline's policy director.

When asked his thoughts on the impact of Portland's resolutions or potential resulting code changes, he said, "It's a challenging task to exercise that kind of authority over the railroads, challenging being a polite term. But it does indicate what I think we'll see more of, basically Northwest cities and towns trying to shut off access for these products. Most places do not want them. I think Portland will set off a chain reaction to try to stop that."