

# Application For ConnectOregon Program 2005-2006

To ensure you have current program information, e-mail [connectoregon@odot.state.or.us](mailto:connectoregon@odot.state.or.us) to get on the electronic mailing list.

**PART A- Project Summary and Certification:** Use this form or a replica. Print and sign one original. Attach additional text at the end as necessary identified with the corresponding question number.

## APPLICANT

ORGANIZATION NAME Port of Portland #095-06	PRIMARY CONTACT PERSON AND TITLE Jim Daly, Marine Business Planning Manager
ADDRESS 121 NW Everett Street	TELEPHONE 503-944-7238
CITY, STATE AND ZIP CODE Portland, OR 97208	FAX 503-548-5559

## CO-APPLICANT / CO-SPONSOR

ORGANIZATION NAME	PRIMARY CONTACT PERSON AND TITLE
ADDRESS	TELEPHONE
CITY, STATE AND ZIP CODE	FAX

## 3. PROJECT NAME AND LOCATION

Terminal 4 Grain Facility Modernization Program: Barge Facility, Portland, Oregon
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## 4. SUMMARY OF PROJECT

The project construct a new barge receiving facility at the Terminal 4 Grain Facility. The new barge facility is a key component in the modernization of the Terminal 4 Grain Facility, which will produce significant employment opportunities and enhance the infrastructure used by Oregon grain growers to export to overseas markets.
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## 5. COST SUMMARY

a) ConnectOregon Grant Amount	\$7,500,000
b) ConnectOregon Loan Amount	\$0
c) Subtotal ConnectOregon Funds	\$7,500,000
d) Match Amount	\$1,970,000
e) Other Fund Amount	\$0
f) Project Total (c + d + e)	\$9,470,000

## 6. CERTIFICATION

I certify that the Port of Portland (\*See addendum page 8) supports the proposed project, has the legal authority to pledge matching funds, and has the legal authority to apply for ConnectOregon funds. I further certify that matching funds are available or will be available for the proposed project. I understand that all State rules for contracting, auditing, underwriting (where applicable) and payment will apply to this project.

\_\_\_\_\_  
APPLICANT SIGNATURE                      DATE                      PRINTED NAME

\_\_\_\_\_  
CO APPLICANT SIGNATURE                      DATE                      PRINTED NAME

# ConnectOregon Program Application

## PART B - Applicant Qualifications

### 1. CONTACT INFORMATION

#### APPLICANT

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#### CO-APPLICANT / CO-SPONSOR

ORGANIZATION NAME	PRIMARY CONTACT PERSON AND TITLE
ADDRESS	TELEPHONE
CITY, STATE AND ZIP CODE	FAX

### 2. IS / ARE THE APPLICANT(S) CURRENT ON ALL STATE AND LOCAL TAXES, FEES AND ASSESSMENTS?

YES       NO If NO, Explain:

## PART C - Project Description

### 3. PROJECT DESCRIPTION AND PURPOSE: Summarize the project's description and purpose.

Provide maps in 8 1/2 "X 11" format as hard copy only.

**Description.** This project will construct a new grain barge receiving facility at Terminal 4 Grain Facility to replace the existing barge facility. The new barge facility will consist of a new marine structure and unloading machinery, and will be connected to the elevator via above-ground conveyors. It will be able to receive grain at a rate of 900 metric tons per hour and have the capacity to handle approximately 300 barges and 1 million tons of grain per year.

This project will benefit businesses both in Region 1 and statewide (approximately 50% regional and 50% statewide).

**Purpose.** The purpose of this project is to help maintain Portland's position as a leading grain exporter by providing a barge receiving facility for Terminal 4. The existing Terminal 4 Grain Facility barge facility is located in Slip 1. As part of the preferred alternative identified by the Port of Portland and U.S. EPA for the Terminal 4 Early Action Sediment Cleanup in the Engineering Evaluation/Cost Analysis (May 2005), Slip 1 may be closed for use as a confined disposal facility to store contaminated sediments. Under the preferred alternative, the existing barge facility would no longer be usable in its current location and would be decommissioned. U.S. EPA is expected to make a final decision in March 2006.

Receipt of barged grain is an essential capability for Columbia and Willamette River grain export elevators. Approximately 45 percent of all wheat and barley exported from Oregon, Washington, and Idaho is transported to export elevators via barge. The construction of a new barge facility near the mouth of Slip 1 is needed if a modernized Terminal 4 grain elevator is to be returned to operation. The barge facility will support redevelopment of Terminal 4 as an efficient export gateway for grain growers in Oregon, in other parts of the Pacific Northwest, and in the northern and central Great Plains.

**4. ConnectOregon (CO) Project Budget**

**SOURCES OF FUNDS:** Please identify the source and amount of moneys comprising your project budget in terms of grants, loans, match and other funds.

SOURCES:	Amount	Percent of Total	DATE AVAILABLE	
			Cal Year	Quarter
a. ConnectOregon Grant	\$7,500,000	79.2%	2006	4
b. ConnectOregon Loan	\$	%		
c. Required Match (Grants -20% of Total Project) 1	\$1,970,000	20.8%	2006	4
d. Other Leveraged Funds (2)	\$	%		
e. Other Leveraged Funds (2)	\$	%		
f. Other Non-Leveraged Funds (Describe)	\$	%		
g. Other Non-Leveraged Funds (Describe)	\$	%		
<b>TOTAL*</b>	\$9,470,000	100%		

(1) Please describe the source and timing of the 20% match shown above. If applicable include the cost basis of property.

The Port of Portland General Fund will provide the match which will be available as soon as grant awards are determined and intergovernmental agreements are signed.

(2) If your project leverages other funds beyond the ConnectOregon grants, loans and match required for your project, please describe the source, timing and basis for valuing the other funds. Leveraged funds must be shown in 1(d) and 1(e) above.

**USES OF FUNDS:** Please identify the proposed uses and amount of moneys comprising the project budget. **PLEASE SEE ATTACHED ADDENDUM PAGE 9 BUDGET ESTIMATE.**

USES:	Amount	Percent of Total	DATE AVAILABLE	
			Cal Year	Quarter
Labor (Payroll)	\$	%		
Contracted Services (If Known)	\$	%		
Materials and Supplies	\$	%		
Capital Outlay (Land)	\$	%		
Capital Outlay (Buildings)	\$	%		
Capital Outlay (Equipment)	\$	%		
Other (Describe): _____	\$	%		
Other (Describe): _____	\$	%		
Other (Describe): _____	\$	%		
Other (Describe): _____	\$	%		
<b>See Attached cost estimate TOTAL*</b>	\$9,470,000	100%		

*\*Totals for Sources of Funds and Uses of Funds must be equal*

## 5. REAL ESTATE

EXACT ADDRESS OR LEGAL DESCRIPTION:

a. IS PROPERTY OWNED BY APPLICANT(S)?  YES  NO

PURCHASE PRICE	DATE

b. IS PROPERTY TO BE PURCHASED?  YES  NO

PURCHASE PRICE	DATE

c. IS PROPERTY TO BE LEASED?  YES  NO

d. DOES THE PROJECT INCLUDE  
EASEMENTS OR DONATED PROPERTY?  YES  NO

Provide any additional details here:

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## PART D - Project Considerations

NOTE: The independent review consultant who will evaluate the project may consider other published or publicly available information when conducting this review.

**6. TRANSPORTATION COST REDUCTION:** Describe how the project reduces transportation costs for Oregon businesses.

Barging is the lowest-cost transportation mode for shipping grain from growing areas near the Columbia-Snake River System. Grain shippers in eastern Oregon, eastern Washington, and Idaho rely on barge transport to transport products to world markets. In the upriver region, the rate difference between barge and the least cost alternative (26-car rail) is \$3.50 to \$4.50 per metric ton. Assuming an average cost savings of \$4.00 per metric ton, and assuming 1 million metric tons per year through the facility, the new barge facility at Terminal 4 would reduce costs by approximately \$4 million per year. The specific reduction in transportation costs would depend on length of shipment, quantities shipped, and various other considerations that enter into contract negotiations between shippers and transportation providers.

The new barge facility will provide an efficient facility by which Oregon grain can be delivered to the Terminal 4 grain export elevator by river barge. Oregon farmers exported \$171 million of wheat to overseas markets in 2004. These Oregon wheat producers rely on both rail and barge transport to reach export elevators on the Columbia and Willamette rivers. The modernization of the Terminal 4 Grain Facility will provide Oregon wheat producers with new markets and distribution options. The Terminal 4 project represents a major modernization of the key component Oregon's wheat export system and will enable the cost-competitive transport for decades into the future.

**7. MODAL CONNECTIVITY:** Describe how the project benefits or connects two or more modes of transportation.

The barge facility will facilitate the transfer of grain between river barge and ocean vessel. Barges of grain (approximately 3,500 tons each) will be unloaded via the barge facility. From there the product sampled, weighed, stored and then shipped to ocean vessel for export. The improved connections will benefit grain shippers who will have more efficient access to the Terminal 4 Grain Facility. More efficient access is expected to result in more grain being shipped through Portland. As noted below in Other Considerations and Information on page 6, the Port estimates that of the grain volumes shipped through a modernized Terminal 4, approximately 85 percent will be new volume to the Portland Harbor and Oregon.

**8. STATEWIDE OR REGIONAL TRANSPORTATION LINK:** Describe how the project creates a critical link in a statewide or regional transportation system.

The barge facility will provide a critical transportation link for upriver grain export facilities shipping grain on the Columbia-Snake Waterway System from Oregon growing regions and growing regions in nearby states to the Terminal 4 export facility. The barge facility will help support Portland's position as one of the world's leading grain export centers.

Redevelopment of Terminal 4 is identified as a major feature of the Port of Portland's Marine Terminals Master Plan 2020. Construction of the barge facility supports redevelopment of Terminal 4, further suggesting that the barge facility represents a critical link in the regional transportation system. The Port's 2006 Transportation Improvement Plan lists construction of the barge facility as one of several priority marine terminal capital projects.

Construction of a barge facility at Terminal 4 supports several provisions in Oregon's statewide multimodal transportation plan. For example, the 1992 Oregon Transportation Plan (OTP) calls for the continued support of Portland's role as a major freight hub for goods transported by air, highway, rail, barge, and ship, and includes a minimum level of service target calling for sufficient port facilities to support international and interstate shipping. The draft 2006 OTP update, currently under development by the Oregon Department of Transportation, includes 1) a strategy for recognizing the need to maintain adequate port facilities to remain competitive with other West Coast ports and to support the state's participation in national and international markets, and 2) a key initiative encouraging the State, local governments, and railroads to maintain and improve access to marine facilities.

The project is supported by Goal 5.4 Transportation System Objective A and Goal 6 Transportation Policy 6.9 Freight classification descriptions of the City of Portland Freight Plan. The barge improvement is identified as project M8.

Is reflected on the regional freight map and is supported by Regional Transportation Plan policy 15.0 Regional Freight System and 15.1 Regional Freight System Investments

**9. COST BORNE BY APPLICANT(S):** Provide the amount by which the project will exceed, or, provide a match beyond *ConnectOregon's* minimum grant-match requirement of 20%.

The Port of Portland will provide approximately \$76,000 (0.8 percent) beyond the 20 percent match requirement.

**10. PERMANENT AND CONSTRUCTION JOBS CREATION/RETENTION:** Describe how the project creates and retains permanent and construction jobs in Oregon.

Construction of the barge facility would result in short-term construction jobs and support the creation of permanent jobs associated with users of the modernized Terminal 4 Grain Facility. Information from the BEA 2002 RIMS II Regional Input-Output Multipliers publication indicate that 17.9 person-years of employment (jobs) will be generated for every \$1 million of construction spending. If it is assumed that the \$9,470,000 cost of the barge facility is mostly for construction, then the equivalent of about 168 direct, indirect, and induced jobs will be created based on the RIMS II multipliers. Applying a similar methodology from a recent ODOT report, "Short-Run Job Impacts from Transportation Construction Expenditures in Oregon," results in a total of 175 jobs created from construction expenditures for the barge facility. The project also will support approximately \$50 million in construction spending associated with the modernization of Terminal 4. Applying the RIMS II multiplier suggests that the equivalent of 895 construction-related jobs will be created through the redevelopment of Terminal 4. Over the longer term, the new barge facility will support the retention and creation of jobs for users of Terminal 4 Grain Facility. The Port's economic impact model estimates that overall impacts could total more than 540 new jobs, \$19 million in new income annually, and \$1.6 million in new state and local tax revenues. For more discussion of this topic, see Other Considerations and Information on page 6 of this application.

**11. ANTICIPATED CONSTRUCTION START DATE OR EQUIVALENT:** January 2007

**12. ANTICIPATED PROJECT COMPLETION DATE:** July 2008

**13. CONSTRUCTION READINESS:** Provide a project timeline and describe where the project is on this timeline in relation to planning, design and permitting issues.

Conceptual design and preliminary cost estimation for the barge facility has been completed; final design will begin in March 2006. Construction of the first components of the barge facility would start in the first quarter of 2007. The majority of the construction will be completed in 2007, but due to the need to coordinate with Willamette River in-water work windows, barge facility construction is likely to be completed in the summer of 2008.

Design and construction of other projects related to the modernization of Terminal 4, including the Terminal 4 to Barnes Yard Third Rail Lead, could begin in mid-2006. The redevelopment of the entire facility will take approximately 20 months. This timeline includes permitting and design.

**14. PROJECT OPERATIONS:** How will the ongoing maintenance, operation and replacement of the project be financed?

Maintenance and operation of the project will be financed by on-going operations at Terminal 4. Replacement of the barge facility is not expected to be needed for 30 years or more. The Port would consider a variety of public and private financing options when the need for replacement is identified.

**15. OTHER CONSIDERATIONS AND INFORMATION:** Describe any other considerations and information you would like taken into account about the project.

Portland is the largest wheat export port in U.S. The project will solidify Portland's position as a leading global grain export and trading center. The modernization of the Terminal 4 Grain Facility will have a significant positive impact on the economy, generating both employment within the local seaport industry and providing market access benefits to grain growers in Oregon and other regions of the United States.

Of the grain that would be shipped through the redeveloped Terminal 4 Grain Facility, the Port estimates that approximately 85 percent will be new volume to the Portland Harbor and Oregon. Based on the assumption that 85 percent of the grain-related activity at Terminal 4 will be "new" activity, the port estimates that the redeveloped Terminal 4, when fully operational, will generate about 186 new direct jobs. Activity related to Terminal 4 grain operations also will generate another 357 indirect and induced jobs for a total employment impact of 543 jobs. Total income generated is projected to equal \$19.2 million annually; annual Oregon tax revenues are projected to be \$1.6 million annually (Source: The Local and Regional Economic Impacts of the Portland Harbor, Martin Associates, January 2001).

**Projected Economic Impacts**

	<b>Total</b>	<b>Net</b>
Direct Jobs	219	186
Induced Jobs	155	131
Indirect Jobs	266	226
Total Jobs	640	543
Annual Income	\$22.6 million	\$19.2 million
Annual State and Local Tax Revenue	\$1.9 million	\$1.6 million
Construction Jobs	895	895

This new barge facility is part of an overall modernization program for the Port of Portland's Terminal 4. The cost of other Grain Facility program improvements is projected to exceed \$60 million. In addition to the Grain Facility, a redevelopment of the Toyota automobile facility and the Kinder Morgan bulk outloading berth (Berth 410/411) have recently been completed. The construction of additional upgrades to the Kinder Morgan bulk outloading facility is scheduled to begin in March 2006. Taken together, these redevelopment projects will amount to more than \$100 million of investment in the terminal.

**PART E - Supporting Materials:** Provide a list here of supporting materials that will be provided as part of your hard copy submission.

1. Artist's Drawing, Terminal 4 Barge Receiving Facility
2. Aerial Photograph and Map, Terminal 4 Barge Facility Project
3. Aerial Photograph and Map, Port of Portland *ConnectOregon* Projects
4. Portland-Vancouver Metropolitan Area Map, Port of Portland *ConnectOregon* Projects
5. Letters of support

**ADDENDUM PAGE 8:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

Addendum to Part A6, Certification, page 1

\*We understand the requirements of the last sentence in the certification in section 6 of the application will be satisfied if the Port complies with all applicable statutory requirements and rules.

**ADDENDUM PAGE 9:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

**BUDGET ESTIMATE**

Loc: T4  
 Project: TERMINAL 4 GRAIN FACILITY MODERNIZATION - BARGE RECEIVING FACILITY ("BARGE LEG")  
 Proj. no: 500092.171600  
 Design no: 2005D034

By: Frank Barrero  
 Date orig: 9/3/5 By FB  
 Rev. 1: 9/6/05 by ATH

**THIS ESTIMATE HAS A RATING OF:** 2B See below for rating scale guide

Scope: Relocate the barge leg from its existing location on the north side of Slip 1 to the west.

**Assumptions:**

- Project is managed, designed, permitted, bid and constructed per Port of Portland standard procedures
- Barge leg itself is to be relocated on new support structure.
- Elevated conveyors from relocated barge to workhouse.
- EPA Early Action authorization required in lieu of Corps of Engineers permit
- DSL permit required
- No allowance for Greenway permit or Non-conforming mitigation

ITEM DESCRIPTION	EST. QUANT.	UNITS	UNIT PRICE	COST
Mob and Demob.	10	%		\$590,500
Elevated Conveyor	1,280	LF	\$1,800	\$2,304,000
Bents 1, 2, 3, and 4 on spread footings	4	EA	\$5,000	\$20,000
Bent 5 on piles (in water work)	1	EA	\$30,000	\$30,000
Demolition of concrete support for barge leg structure	1	LS	\$100,000	\$100,000
Relocation of steel structure for barge leg	1	LS	\$680,000	\$680,000
Concrete support for barge leg structure	163	CY	\$600	\$97,800
Piling for Concrete Support	1,020	LF	\$50	\$51,000
Relocation of Barge Leg	1	LS	\$1,000,000	\$1,000,000
Dolphins	3	EA	\$50,000	\$150,000
Walkways, 3' wide 150' long	450	SF	\$20	\$9,000
Towers 1, 2, 3, and 4	4	EA	\$50,000	\$200,000
Tower 5 (on piling, in water work)	1	EA	\$70,000	\$70,000
Electrical including mods to barge leg, controls	1	LS	\$500,000	\$500,000
Scales	1	LS	\$54,000	\$54,000
Sampler	1	LS	\$68,000	\$68,000
Dust collection	1	LS	\$385,000	\$385,000
Spouting	1	LS	\$186,000	\$186,000
			Construction Subtotal	\$6,495,000
Construction Contingency @	20	%		\$1,299,000
			Construction Total	\$7,794,000
Design Admin by PM	2.0	%		\$129,900
Survey for Design	0.3	%		\$19,500
Consultant	8.0	%		\$519,600
Design Support by Port Engineering	1.5	%		\$97,400
Construction Admin, Clerical, Inspection	7.0	%		\$454,700
Construction Support by Port Engineering	1.0	%		\$65,000
Construction Survey	0.3	%		\$19,500
Project Closeout	0.1	%		\$3,200
City of Portland construction permit	1.1	%		\$73,000
EPA authorization & DSL permits	2.0	%		\$130,000
Environmental	0.2	%		\$9,700
	23	%	Development Subtotal	\$1,522,000
Development Contingency @	10	%		\$152,000
			Development Total	\$1,674,000
			<b>TOTAL COST</b>	<b>\$9,468,000</b>
			<b>For Budgetary purposes, use . . . . .</b>	<b>\$9,470,000</b>

**Scope Accuracy:**

- Level 1: Project scope well understood and well defined.
- Level 2: Project scope is conceptual. Scope lacks the detail due to potential permit requirements; unknown project conditions, limited knowledge of external impacts.
- Level 3: Project scope is a "vision" with limited detail.

**Engineering Effort:**

- Level A: Preliminary engineering performed. Technical information is available, engineering calculations have been performed; clear understanding of the materials size and quantity needed to execute the job. Schedule is understood; staff and permitting is fairly clear. (however this element may still need refining.) Contingency is around 15%-20%.
- Level B: Conceptual engineering performed. Technical information is available, rough engineering calculations may have been performed, or similar information from previous similar work is compared and used. Contingency ranges between 20% to 30%
- Level C: No engineering performed. Educated guesstimating.. Limited technical information available and/or analysis performed. Contingency should be figured up to 50%.

**ADDENDUM PAGE 10:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

**ADDENDUM PAGE 11:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.

**ADDENDUM PAGE 12:** Attach additional text here as necessary, identifying the corresponding application question number you are completing.