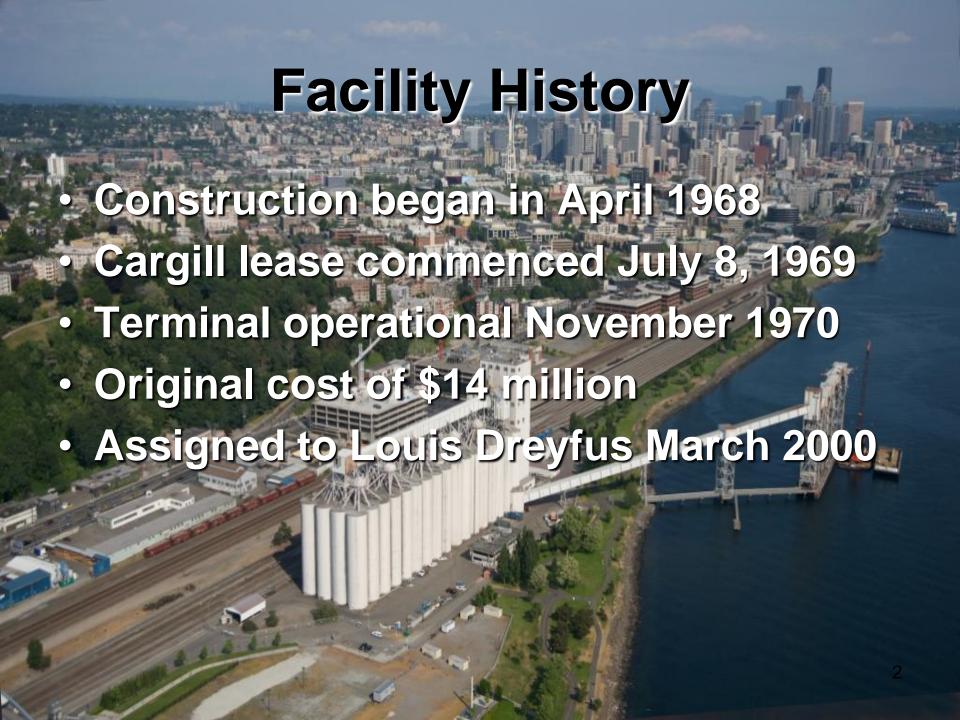
Item No. <u>7a Supp</u>
Date of Meeting <u>July 28, 2009</u>

## Port \_\_\_\_\_\_ Pof Seattle

## Terminal 86 Grain Terminal Commission Briefing

July 28, 2009

T-86 Grain Terminal 7-28-2009



### **Facility Overview**

#### - Receiving and Storing

- Commodities Handled Corn, Soybean, Sorghum...
- Sourced mainly from upper Midwest
- Receiving By rail BNSF and UP
- Rail yard holds 240 loaded railcars, 150 empties
- Can offload 2,000 metric tons per hour
- Measuring Scales inbound and outbound
- Storing 68 silos, 39 interstices hold 4 m bushels



# Facility Overview - Shipping

- Shipping From silos, or direct from railcars
- Silos Allow blending of different grades from different silos to meet exact specifications
- Direct Rail Loading reduces energy used, cost of handling, and reduces breakage of grain, preserving quality
- Two commodities can be loaded at the same time
- Can load a Panamax ship in 72 hours.
- Loading must shut down during rain





### **Economic Impacts**

Port Revenues – Are steady and significant – T-86 diversifies our revenue base

- Enhances Port's credit ratings
- Jobs Good family wage jobs all year round



### Key Issues

- Exercise 5-yr option vs. lease amendment extending term 10 years
- Aging facility components that require
- replacement/modernization
- Capital investment-partnership between Porto and Lessee
- Perform upgrades while maintaining volumes and revenue to Port

### **Business Outlook**

- Markets Served Asia, Middle East, Europe
- P-86 Record volumes in recent years
- Current outlook strong through March 2010
- PNW location is an advantage
- P-86 berth accommodates deep draft vessels
- Steady supply of grain and strong demand bode well for longer term
- New Grain terminal to be constructed in Longview Washington

#### Environmental

Louis Dreyfus has initiated and maintained a consistent environmentally-responsible record of operation:

- Rail Locomotives on site now using biodiesel
- Direct loading from railcars saves energy
- Overwater systems converting from hydraulic to electric
- Dust Suppression Additional improvements planned
- Tenant shares interest with Port for sustainability





