

## **PORTLAND INTERNATIONAL AIRPORT UPDATE**

TO: PDX Community Advisory Committee

FROM: Vince Granato, Chief Operating Officer

DATE: January 24, 2018

---

### **BUSINESS UPDATE**

#### **Airport Activity**

PDX ended the 2017 calendar year with 19,080,494 passengers, our fifth year of record passenger traffic and a 4% increase over calendar year 2016.

- This equates to approximately 1,994 more travelers a day compared to 2016 or about 728,000 additional total travelers.
- Seat capacity grew at 4% with the load factor (how full a plane is) staying flat at 84%.
- The airport continues to maintain a high level of customer satisfaction with 79% of our travelers rating the airport as outstanding on a scale of 1-10
- The last quarter of the year, airport traffic slowed due in large part to multiple natural disasters and hundreds of flights cancellations due to the regional airline pilot shortage.
- PDX cargo volumes expanded 8.3%, with 260,504 tons of cargo with the addition of Cathay Pacific and the strong growth in online ordering and e-commerce

Holiday travel around Thanksgiving meant that the days were shorter, the lines longer, and the flights fuller. The Wednesday before Thanksgiving (Nov. 22) and the Sunday following the holiday (Nov. 26) are the top two days where travel numbers peak. On each of those days, PDX welcomed nearly 63,000 travelers, compared to the 51,600 daily average. The total traveler count for the five-day Thanksgiving period was about 266,000 or about a two percent increase over the previous Thanksgiving holiday period.

#### **Additional Air Service Updates**

PDX added four new markets in 2017 including; Orlando, London Heathrow, Milwaukee and Mexico City, MX.

- Maui – Hawaiian Airlines is scheduled to launch nonstop service from PDX on January 19.
- London – Delta will expand the service schedule an extra month in 2018.
- Mexico City – Aeroméxico now flies out of Portland International Airport, making nonstop service to Mexico City available through a partnership with Delta Air Lines. Aeroméxico is Mexico's dominant airline, with more than 600 daily flights

and a network that spans more than 80 cities worldwide. The Mexico City service began December 1, 2017.

- Amsterdam – Spring 2018 will be the 10-year anniversary of the PDX service.

## **Airport Concessions/Properties**

### **Phase III Concessions Construction**

The new concessions locations awarded through last summer's Request For Proposal (RFP) have been under design for the past five months, and will begin construction in early February. Rogue Ales, Rose's Deli, and InMotion Entertainment, all located on Concourse D, have leases expiring on January 31, which will be their last days of business. Soon after, Deschutes Brewery, operated by SSP America, will begin construction in the Rogue and Rose's space and will open for business in early June. While under construction, SSP America will operate a temporary kiosk on Concourse D, where passengers will be able to order Deschutes beer on tap, as well as grab -and- go sandwiches, salads, etc. Menswear retailer Johnston & Murphy will also begin construction in early February, opening in the former InMotion space this May. The third and final location awarded through last summer's RFP, Hopworks Urban Brewery, is currently under design, and will begin construction in the existing Laurelwood Brew Pub location on Concourse E this June. Hopworks will be open in Fall 2018. The Laurelwood location on Concourse A will remain open.

In February, we'll be opening a brand-new concept at PDX - a Providence Express Care clinic. It is under construction now, just behind the ABC security checkpoint and adjacent to the exit lanes. Passengers and badged employees will be able to schedule a virtual medical appointment for a \$39 fee. Prescriptions may be issued, but must be filled off-site. Over the counter medications and supplies will be available for purchase onsite.

Former PDX food cart favorite, Bangkok Xpress, will open a Thai counter service restaurant this March in the previous Sandoval's location next to Petite Provence in the Clocktower Plaza. Bangkok Xpress will be the first PDX food cart program participant to graduate into an independent PDX location. We are thrilled to welcome this continued partnership with an Airport Concessions Disadvantaged Business Enterprise. This will be Bangkok Xpress' first brick and mortar location, in addition to their long-time cart in Sandy Blvd.'s Rose City Food Park pod. Husband and wife owners Tim and Cheryl will operate the location directly, and Tim will serve as the primary chef, cooking up his favorite family recipes, filling a much-needed Thai niche for passengers and employees to enjoy at PDX.

Another small business, Al Forno Ferruzza, rotated in to the PDX Food Cart program earlier this month, while Chez Dodo rotated out. Al Forno Ferruzza is a family owned and operated Sicilian cart serving gourmet pizza and Stromboli, based in Rhododendron, OR.

The Concessions Development team is always working on new and exciting concepts to add to the PDX program and will have additional announcements in the months/years ahead, including a new RFP for concessions opportunities in the upcoming Concourse E Extension.

## **CONSTRUCTION UPDATE**

### Terminal Balancing: PDXNext

Presented to the PDX CAC in April 2017, Terminal Balancing project design is at 100% and is in final review. Permit plan check comments have been received from the city of Portland and are being addressed for response by mid -to -late January. Permits are anticipated by early March, pending city of Portland review. The design for relocations and baggage handling work is scheduled to continue over the next few months.

The enabling work for Terminal Balancing was a focus of the October 2017 CAC tour. CAC members received an overview and progress report on the project and viewed construction activity on the enabling packages for the Gate E1 Sanitary Lift station, Central Utility Plant Terminal Electrical Feeder upgrade, Concourse E Roof Rehabilitation and the Aviation Fuel System. The interim Concourse B renovation is complete and provides a much brighter, more open hold room area for passengers. Airside utility and work on the North Apron is ongoing.

### Quick Turn Around facility (QTA): PDXNext

Presented to the PDX CAC as a public notice item in April 2015, the QTA construction continues to make steady progress. The QTA, which will support rental car operations with 16 wash bays, 72 fueling stations and roof top rental car storage, is now approximately 75 percent complete. The focus of current work is completing the roof top parking deck, constructing the ramp to the second level and installing equipment into the wash bays. The project is scheduled to be complete in March 2018. Discussed as part of the October 2017 CAC tour, this project is the first element of a Consolidated Rental Car Center. The second element of this project, to be presented to the PDX CAC in January 2018, will be the shared use Parking and Car Rental (PACR) Facility and Customer Service Center.

### Cell Phone Waiting Lot

Presented to the PDX CAC as a public notice item in January 2015, the gas station, travel center, and new cell phone waiting area opened in Fall 2017. Taco Bell opened last month and Dutch Bros. is scheduled to open later this year.

## PLANNING UPDATE

### PDXNext

PDXNext is the name given to a series of projects designed to meet the growing needs of the people and airlines using the airport – employees and travelers alike. The PDXNext program contains more than 20 projects occurring now through 2025.

### Terminal Core Redevelopment (TCORE): PDXNext

On November 29, 2017, the airlines serving PDX approved the first phase of the Terminal Core Redevelopment project, the largest in the PDXNext program. The Terminal Core Redevelopment project is a modernization of the heart of PDX, necessary to ensure sufficient capacity for future passenger demand, upgrade seismic resiliency, and replace aging systems and infrastructure. The October 2017 CAC tour featured key elements of the project and included an overview of ticketing, security screening, baggage handling and concessions capacity to accommodate projected passenger growth at PDX through 2045.

The first phase of redevelopment includes:

- Implementation of major seismic improvement and upgrades of the mechanical, electrical and other building systems
- Expansion of the main terminal core to the west of the food court
- Construction of new, larger security checkpoints
- Demolition of Concourse A and reconfiguration and enhancement of Concourse B
- New ramp construction for Remain Overnight aircraft parking near Concourse A
- Completion of all design work related to phase two of the project, which will reconfigure and reconstruct the ticket lobby and baggage claim areas

Phase one of the project will cost an estimated \$950 million and is the single largest construction project the Port has ever undertaken. The entire project is funded by the airlines and their customers through a combination of Passenger Facility Charges and bonds.

### PDX Parking Additions and Parking and Car Rental Facility (PACR)

As the second phase of the Rental Car Quick-Turn-Around (QTA), presented to the CAC in April 2015, the PACR project will provide the rental car ready-return for 100 percent of the rental car market and additional close-in public parking in a single shared-use facility. Consistent with the PDX Master Plan (Airport Futures), the goal of both projects is to meet projected demand while keeping facilities within reasonable walking distance of the airport terminal. Concept design has been underway since early February 2017 and enabling work (utility relocations and roadway/exit plaza relocation) has been approved by the Port of Portland Commission. Key project elements include the shared-use garage, a cantilevered exit road/ramp, a new Customer Service Building, East Toll Plaza, and other customer- focused features.

The enabling work package includes 82nd Avenue U-Turn/Employee Parking Modifications/Project Staging, East Toll Plaza/East Pedestrian Tunnel, Helix Modifications, East Exiting/Final Jockey Road, Existing Ramp Demolition/CUP and Loading Dock Modifications, and some early utility work being done under the QTA and the Taxiway B projects respectively. Like early relocations of employee parking and the ground transportation hold lot, landscaping will be impacted by construction including tree removal that will need to occur before April 15<sup>th</sup> to avoid potential disturbance to nesting birds. Landscaping will be a key element of the project and considerable effort will be associated with mitigation for tree removal and adaptation of the Airport Way landscape to the new facilities.

While the project was presented to the PDX CAC in 2015 as part of the QTA project, public notices and formal presentation is being presented as part of today's meeting.

#### PDX Taxiway B Center & Taxiway Exits Rehabilitation

Project construction is substantially complete. Pipe placement under Airport Way and TriMet Max tracks related to the QTA and PACR enabling utility has been completed and the remaining items are limited to electrical upgrades.

## **SUSTAINABILITY UPDATE**

### Social Equity Policy and Guidelines

When the PDX CAC Social Equity Ad Hoc Committee completed their work in 2015, they provided three recommendations to the Port. These are:

- 1) Create an organization-wide equity definition and strategy
- 2) Create a template of equity considerations which could be used voluntarily with certain projects, and
- 3) Report out annually on progress towards certain equity goals

In consultation with the equity community, Port staff have drafted a social equity policy and guidelines to be considered by the Port of Portland Commission at their February 14, 2018 meeting. These concepts will be the foundation of the Port's future work on equity.

In 2014, we adopted social equity as a key strategic initiative and are currently working towards integrating equity into all Port operations. Over the last year we have worked on several projects to arrive at this point. We have:

- Completed internal and external outreach and assessments;
- Worked with Coalition of Communities of Color and the Intertwine Alliance on an internal equity assessment and strategy;
- Hosted an internal workshop with local equity practitioners;
- Created an active employee equity steering team; and

- Convened a leadership workshop, hosted by Policy Link for our executive team.

We are about to embark on employee training on implicit bias, diversity and inclusion with the consultant Resolutions Northwest. We have also incorporated equity language into key Requests for Proposals. After training, we will develop equity plans for individual Port departments, which will include metrics and a reporting mechanism. We continue to seek ways to improve our recruiting, contracting, decision-making and outreach practices.

We have sent the draft documents to our equity stakeholders for review and comment, and are seeking comments from the PDX CAC today.

### Exceptional Audit Results Confirm Environmental Certification

Thanks to the ongoing effort to align our environmental performance with our community's values, we once again achieved certification to the ISO 14001:2015 international standard for environmental management systems. After an audit to recertify to the new, updated standard, auditors commended us for management team involvement, innovative programs, employee awareness and our proactive approach to environmental stewardship.

## **OTHER**

### Airport Roadway Adjustments and Pick-Up Wayfinding

Portland International Airport has made recent changes to help alleviate roadway congestion and make the terminal roadway operations more efficient for all modes of transportation, particularly during busy evening hours. The Port regularly assesses terminal roadway conditions in light of other airport access requirements and makes incremental adjustments to address safety, capacity and customer service issues.

Recent adjustments visible at the front of the terminal include:

- 1) Most of the curbside columns will be wrapped with new, noticeable pick-up locator numbers making it easier for travelers to connect with friends and family picking them up on the lower roadway.
- 2) Hotel and rental car courtesy shuttles have moved closer to the terminal building and now pick up customers on Island 1 on the lower roadway.
- 3) App-based rideshare companies (Transportation Network Companies - better known as Uber, Lyft and Wingz) now have additional space on the roadway to accommodate this growing mode of transportation. Travelers now meet their ride on Island 2 on the lower roadway.

In addition, the Port has installed enhanced signage near the economy shuttle bus operations area on the lower roadway that details both the color of the parking lot and the associated shelter letters— Economy Red Lot Shelters A-L and Economy Blue Lot Shelters M-Z—as travelers tend to remember the letter closest to their car more so than the named color of the parking lot.

There are no changes to the pick-up locations for taxis, reserved vehicles or scheduled service vehicles.

#### Winter Weather

The Portland area experienced extreme winter weather on December 24<sup>th</sup> and 25<sup>th</sup>. Port Operations and Maintenance worked through the night to keep the airport open and experienced only a brief period in the early morning hours where both parallel runways were closed.

#### Oregon Air National Guard “Overhead Continuous Descent Approach (OHCA) Trial Period” Update

The 6-month trial period ended October 31, 2017 for the ORANG 142nd Fighter Wing to fly expanded Overhead Continuous Descent Approach procedures at PDX. During the trial period, the use of this special landing procedure was expanded by including visiting military aircraft training with Oregon Air National Guard; use of both the east and west ends of both primary runways, rather than just the east ends; participation by up to four aircraft simultaneously, rather than just two; and operations from sunrise to sunset daily, rather than 9 a.m. to 5 p.m. weekdays. At the trial period’s conclusion, ORANG reverted to the original guidelines and the Port Aviation Noise Management team started analyzing the noise data from trial period flights and the community response.

As reported previously, the PDX Citizen Noise Advisory Committee (CNAC) recommended allowing the trial project during its March 2017 meeting. CNAC subsequently adopted a framework for assessing the results of the trial period. ORANG provides a technical liaison to CNAC who has been closely involved throughout the project and the Federal Aviation Administration Air Traffic Control at PDX provided data and specific feedback on the procedure. It is anticipated that the Port Noise Management team will provide their report to CNAC at the March 8, 2018 meeting, at which time CNAC will discuss the results and advise the Port. The Port will relay CNAC’s advice to ORANG, and ORANG will then determine voluntarily whether and how to incorporate that advice into ORANG operational guidelines.

#### Governor Brown appoints new Port Commission President

Governor Kate Brown has appointed Alice Cuprill-Comas as Port of Portland Commission President, effective Dec. 27. Cuprill-Comas is senior vice president and general counsel for Oregon Health & Science University, and she replaces Jim Carter who completed an eight-year term as Commission President, and who agreed to remain as a commissioner until his replacement is selected.

Before joining OHSU in November 2012, Cuprill-Comas was in private practice for more than 15 years, most recently as a partner at Ater Wynne, LLC in Portland. She has also served as general counsel to Prometheus Energy Company, an alternative fuels company with international operations headquartered in Seattle. Originally from Mayaguez, Puerto Rico, Cuprill-Comas earned a Bachelor of Arts Degree with honors from the University of Texas in Austin in 1992, and a Juris Doctor from Lewis & Clark in Portland in 1994.