



AGENDA  
Regular Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
April 12, 2017  
9:30 a.m.

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**Minutes**

Approval of Minutes: Regular Commission Meeting – March 8, 2017

**Executive Director**

Approval of Executive Director's Report – March 2017

**General Discussion**

PDX Workplace Initiative Update

*CHRIS CZARNECKI*

Container Market Update

*RANDY FISCHER*

Port of Portland Fiscal Year 2017-18 Proposed Budget, Economic Overview and Capital Plan

*SCOTT DRUMM  
SUZANNE KENNY  
LAURI L'AMOREAUX*

**Public Hearing**

Port of Portland Fiscal Year 2017-18 Proposed Budget

**Consent Items**

1. PORT OF PORTLAND FIRE DEPARTMENT CIVIL SERVICE COMMISSION APPOINTMENT – PORTLAND INTERNATIONAL AIRPORT

*CRAIG FUNK*

Requests approval of the appointment of Chris Corich as a Port of Portland Fire Department Civil Service Commissioner.

2. APPOINTMENT AND DESIGNATION OF ASSISTANT TREASURERS

*ROBERT BURKET*

Requests an update to the individuals designated as Assistant Treasurers.

3. HILLSBORO ENTERPRISE ZONE RE-DESIGNATION

*EMERALD BOGUE*

Requests consent to a re-designation of the Hillsboro Enterprise Zone.

4. SERVICE CONTRACT – WASTE HAULING, RECYCLING SERVICES AND MEDICAL WASTE DISPOSAL – PORT OF PORTLAND FACILITIES *MICHAEL HUGGINS*

Requests approval to award a service contract to Gresham Sanitary Services for waste hauling, recycling services and medical waste disposal for Port of Portland facilities.

**Action Items**

5. PROCUREMENT CONTRACT – HYDRAULIC MARINE CRANES – NAVIGATION *TOM PETERSON*

Requests approval to award a procurement contract to North American Lifting Equipment, LLC, for the purchase of two hydraulic marine cranes for the Port of Portland Navigation Division.

6. PUBLIC IMPROVEMENT CONTRACT – LOTS 4 AND 5 GRADING – TROUTDALE REYNOLDS INDUSTRIAL PARK *ROBIN MCCAFFREY*

Requests approval to award a public improvement contract to Westech Construction, Inc., for grading and related work supporting development of Lots 4 and 5 at Troutdale Reynolds Industrial Park.

**PORT OF PORTLAND FIRE DEPARTMENT CIVIL SERVICE COMMISSION APPOINTMENT –  
PORTLAND INTERNATIONAL AIRPORT**

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April 12, 2017

Presented by: Craig Funk  
Fire Chief**REQUESTED COMMISSION ACTION**

This agenda item requests approval of the appointment of Chris Corich to a four-year term as a Port of Portland (Port) Fire Department Civil Service Commissioner.

**BACKGROUND**

The Port maintains a civil service system for the Fire Department, in accordance with the requirements of Oregon law. It is administered by a three-member board of Civil Service Commissioners, who serve without pay. The three Commissioners' responsibilities include administering the civil service system in matters relating to recruitment, testing, and selection of fire fighters, and hearing matters of discipline or appeals brought before them.

Mr. Corich has over 29 years of experience in airport planning and operations, including 19 years with the Port of Portland. During his tenure at the Port, Mr. Corich held various positions including several years serving as General Manager of Operations and Maintenance, which oversaw the day-to-day management of the Port's fire department. His areas of expertise include airport planning and operations and land use consulting. Mr. Corich holds a bachelor's degree in business administration and a master's degree in urban and regional planning from Texas A&M University.

Mr. Corich would replace outgoing Commissioner Rosalie Harp (Stamos) on the Civil Service Commission. Ms. Harp's term expired on March 11, 2017.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to appoint Chris Corich to a four-year term as Port of Portland Fire Department Civil Service Commissioner, in accordance with Port of Portland Ordinance 425; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**APPOINTMENT AND DESIGNATION OF ASSISTANT TREASURERS**

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April 12, 2017

Presented by: Robert Burket  
Controller**REQUESTED COMMISSION ACTION**

This agenda item requests an update to the individuals designated as Assistant Treasurers under Commission Policy 6.2.01 (Policy). Since the last update in September 2015, the Risk Director position has been filled by Edward K. McDonald, which is a position appointed as an Assistant Treasurer. Per the Policy, the Commission shall appoint Assistant Treasurers by resolution.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That effective April 12, 2017, Bill Wyatt, Cynthia A. Nichol, Robert A. Burket, Lisa K. Fedeli, Suzanne Kenny and Edward K. McDonald are designated Assistant Treasurers of the Port of Portland Commission and shall perform such functions and duties as the Commission shall authorize from time to time; and

BE IT FURTHER RESOLVED, That all previous Assistant Treasurer designations be rescinded.

**HILLSBORO ENTERPRISE ZONE RE-DESIGNATION**

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April 12, 2017

Presented by: Emerald Bogue  
Regional Affairs Manager**REQUESTED COMMISSION ACTION**

This agenda item requests consent to a re-designation of the Hillsboro Enterprise Zone, located within Port of Portland (Port) boundaries, to provide an incentive to encourage existing or new companies to invest and create jobs within the zone.

**BACKGROUND**

The Enterprise Zone program was enacted by the Oregon Legislature in 1985. In the 2005 legislative session, the statute for the Enterprise Zone program was changed to require the governing bodies of port districts to consent by resolution to Enterprise Zone applications by a city or county within the boundaries of the port. This change was requested to ensure coordination of economic development activities within port districts. Since then, the Port Commission routinely receives requests from jurisdictions as they move forward with Enterprise Zone re-designations and/or boundary changes.

The Enterprise Zone program allows a 100 percent property tax abatement for eligible businesses on new qualified capital assets within the enterprise zone boundary for up to five years. Land, existing structures and existing machinery and equipment are not eligible for exemption. State program requirements include increasing employment by 10 percent, or one job, whichever is greater; maintain minimum employment levels during the exemption period; and enter into a "First Source Hiring Agreement" with Worksource Oregon, which refers to an agreement by the employer to use the Oregon Employment Department through Worksystems, Inc., as its first source from which to hire qualified candidates before hiring from other sources.

The Hillsboro Enterprise Zone was originally established in 2006, and the boundary expanded in 2008 and 2010. The program continues to assist local companies with expansion opportunities, as well as to diversify Hillsboro's economy by recruiting new companies to the area.

Hillsboro Enterprise Zone program results include:

- 43 applications authorized
- 33 companies currently in the program
- ~\$2.1 billion in new investment
- ~3,400 jobs retained
- ~1,800 jobs created
- ~ \$294 million in assessed value returned to the tax rolls (2012-2016)

## HILLSBORO ENTERPRISE ZONE RE-DESIGNATION

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Because Hillsboro is considered an urban Enterprise Zone (inside a Metropolitan Statistical Area with over 400,000 residents), statute allows the City of Hillsboro (City) to impose additional program requirements in addition to state requirements. Local conditions include: (1) application fee; (2) minimum investment levels; (3) average wage paid of \$13.88 per hour (150% of 2016 minimum wage) for years one through three; (4) seventy-five percent of average wage paid must exceed \$18.50 per hour (200% of 2016 minimum wage); (5) employee benefits; (6) workforce training programs; (7) local procurement plan; and (8) community service fee up to 50% of the annual abated tax.

### **FINANCIAL IMPACT**

Under the current levy, the Port will forgo approximately \$0.0710 per \$1,000 of *future* assessed value until the end of the exemption period of each participating company (i.e. three-to-five years). The impact on Port property tax revenue is expected to be minimal. For example, foregone tax revenue to the Port is approximately \$8,725 over a five-year period on a \$25 million investment. Upon completion of the exemption period, the property will be fully taxed. The City Council is scheduled to adopt a resolution for the Hillsboro Enterprise Zone re-designation at its May 2, 2017 Council meeting. The City has requested that the Port provide a resolution consenting to this re-designation.

### **EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission consents to a request by the City of Hillsboro to the re-designation of the Hillsboro Enterprise Zone, located within the Port of Portland district boundaries; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**SERVICE CONTRACT – WASTE HAULING, RECYCLING SERVICES AND MEDICAL WASTE DISPOSAL – PORT OF PORTLAND FACILITIES**

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April 12, 2017

Presented by: Michael Huggins  
Sr. Manager  
Landside Operations**REQUESTED COMMISSION ACTION**

This item requests approval to award a service contract to Gresham Sanitary Service, Inc. (Gresham Sanitary Services) for waste hauling, recycling services and medical waste disposal for Port of Portland (Port) facilities.

**BACKGROUND**

The Port has contracted with Gresham Sanitary Services for recycling and waste removal since November 1, 2010. The current contract has been renewed annually and expires on April 30, 2017. A solicitation requesting proposals from qualified firms was advertised and published on the Port's electronic bidding/vendor portal, and Gresham Sanitary Services was the only proposer. A Port evaluation committee found the proposal to be responsive, and it scored highly under the solicitation's evaluation criteria.

Gresham Sanitary Services is designated as a Small Business under applicable U.S. Small Business Administration subsector limits, but is not certified by the Oregon Certification Office for Business Inclusion and Diversity. Drivers and mechanics are represented by the Teamsters Union Local 305.

**SCOPE: TERMS**

Port facilities in the following locations receive recycling and waste hauling services: Marine Facilities Maintenance (MFM), certain marine terminals, Swan Island Industrial Park, the Navigation base, the headquarters office building, Portland International Airport (PDX), the PDX Central Utility Plant, PDX Deicing, PDX Maintenance, Rivergate Industrial District, the Port Fire Department and other Port properties in the Portland area as needed.

The Port intends to award a five-year contract for the period of May 1, 2017 through April 30, 2022. Disposal fees are set by Metro and the City of Portland, and per-trip hauling fees will be only incrementally higher than the existing fees set in 2010.

**FISCAL YEAR 2018 BUDGET**

• PDX	\$569,000
• MFM; Terminals 2, 4 and 6	\$18,500
• Navigation	\$10,000
• Environmental	\$2,500
• Swan Island and Rivergate	\$2,450
• Medical Waste Disposal	<u>\$700</u>
	Total \$603,150

SERVICE CONTRACT – WASTE HAULING, RECYCLING SERVICES AND MEDICAL WASTE DISPOSAL – PORT OF PORTLAND FACILITIES

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**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a service contract for waste hauling, recycling services and medical waste disposal for Port of Portland facilities to Gresham Sanitary Service, Inc.; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.



**PROCUREMENT CONTRACT – HYDRAULIC MARINE CRANES – NAVIGATION**

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April 12, 2017

Presented by: Tom Peterson  
Director, Engineering**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a procurement contract to North American Lifting Equipment, LLC, for the purchase of two hydraulic marine cranes for the Port of Portland (Port) Navigation Division, in the amount of \$611,880.

**BACKGROUND**

The Port's Navigation Division utilizes multiple cranes installed on board the Dredge *Oregon* (Dredge) to support its channel maintenance dredging contract with the U.S. Army Corps of Engineers (USACE).

One of these cranes is solely used for handling components of the dredge pump on the bow of the Dredge. The crane currently installed to perform these functions is an overhead bridge crane, which is no longer approved for use due to safety and health requirements enforced by the USACE. Two additional small, hydraulic cranes on board the Dredge are used to handle materials on and off the Dredge. These cranes are past their useful life and their minimal load handling capacities are no longer sufficient for operational requirements. As an interim solution pending acquisition of new onboard cranes, the Port is using a mobile crane mounted on a separate barge.

**SCOPE**

This project will provide the Navigation crew with two onboard hydraulic marine cranes and all ancillary equipment to replace the aforementioned cranes. The cranes will be fully compliant with safety and health requirements, are expected to meet all operational demands, and will decrease the safety risks associated with the interim solution. Once the Port receives the new cranes, the Navigation crew will install them on the Dredge.



**Proposed Hydraulic Marine Cranes**

## PROCUREMENT CONTRACT – HYDRAULIC MARINE CRANES – NAVIGATION

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### SCHEDULE

Design development	November 2016 – March 2017
<b>Commission approval (award procurement contract)</b>	<b>April 12, 2017</b>
Manufacture cranes	May 2017 – November 2017
Install and commission cranes	November 2017 – April 2018

### PROJECT BID RESULTS

The Port procured this contract utilizing a competitive sealed bidding solicitation under ORS Chapter 279B. The solicitation was advertised on March 15, 2017 and bids were received on March 29, 2017. North American Lifting Equipment, LLC, submitted the lowest responsive bid. The bid results were as follows:

North American Lifting Equipment, LLC	\$611,880
Altec Northeast, LLC	\$702,141
Engineer's Estimate	\$640,000

### PROJECT RISK

Risk: Implementation schedule delay

Mitigation strategies:

- Complete structural modifications prior to crane arrival to minimize installation time.
- Continue using the interim solution until the project is complete.

### BUDGET

<b>Procurement Contract</b>	<b>\$611,880</b>
Design Consultant	\$98,323
Installation Materials	\$100,000
Port staff, contracted services and crew labor	\$260,250
Contingency	<u>\$129,547</u>
Total Project	\$1,200,000

The contingency, representing 10.8 percent of the project budget, is considered reasonable given the current stage of the project, the nature of the work and the risk profile for the project.

PROCUREMENT CONTRACT – HYDRAULIC MARINE CRANES – NAVIGATION

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This procurement will be funded by the General Fund and subsequently reimbursed pursuant to the Port's agreement with the USACE.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a procurement contract for two hydraulic marine cranes to North American Lifting Equipment, LLC, in accordance with its bid; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**PUBLIC IMPROVEMENT CONTRACT – LOTS 4 AND 5 GRADING – TROUTDALE REYNOLDS INDUSTRIAL PARK**

April 12, 2017

Presented by: Robin McCaffrey  
Engineering Project Manager

**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a public improvement contract to Westech Construction, Inc., for site grading and related work supporting development of Lots 4 and 5 at Troutdale Reynolds Industrial Park (TRIP) in the amount of \$1,041,238.50.

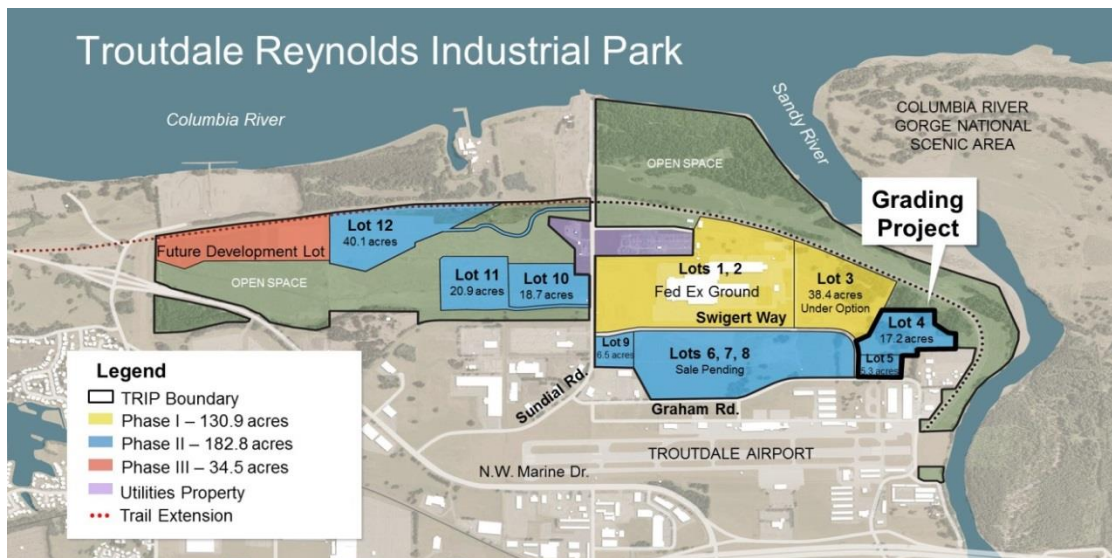
**BACKGROUND**

The Port of Portland (Port) is developing TRIP in an area between the Troutdale airport and the Columbia River. TRIP is being developed in three phases. Phase 1 included the creation of Lots 1-3. Phase 2 includes the creation of 183 acres of industrial land, including Lots 4 and 5. The scope of Phase 3 will be determined after Phase 2 development activities.

In support of the Phase 2 development, the frontages of, and utility connection to, Lots 4 and 5 have been constructed under a separate contract. The contract contemplated in this Commission item completes preparation of Lots 4 and 5 for development.

**SCOPE**

This project will provide rough grading on Lots 4 and 5 as a part of TRIP Phase 2 development. The scope of work includes clearing and grading, storm ditch and culvert construction, fencing and seeding.



**SCHEDULE**

Design	November 2016 – March 2017
<b>Commission approval (public improvement contract)</b>	<b>April 12, 2017</b>
Construction	May 2016 – October 2017

**PROJECT BID RESULTS**

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation under ORS Chapter 279C. The solicitation was advertised on March 3, 2017, with a small business participation goal set at 15 percent of the total amount bid. Bids were received on March 23, 2017. Westech Construction, Inc., submitted the lowest responsive bid. The bids were as follows:

Westech Construction, Inc.	\$1,041,238.50
Goodfellow Bros., Inc.	\$1,105,966.00
Keystone Contracting, Inc.	\$1,289,000.00
Tapani, Inc.	\$1,388,493.25
Thompson Bros. Excavating, Inc.	\$1,389,203.00
Moore Excavation, Inc.	\$1,932,969.56
Colf Construction LLC*	\$982,726.00
Engineer's Estimate	\$1,615,034.50

\*Bid deemed non-responsive to the small business participation goals.

**PROJECT RISK**

Risk: Sediment and erosion control.

Mitigation Strategies:

- The contract documents contain erosion and sediment control specifications and site-specific erosion control and associated permit requirements.
- The contract includes an incentive to grade and seed the project site by certain deadlines, the last one being September 1, 2017, well prior to expected seasonal wet weather.

**BUDGET**

<b>Public improvement contract</b>	<b>\$1,041,000</b>
Port staff/contracted services	\$526,000
Contingency	\$160,000
Total project budget	\$1,727,000

The contingency, representing 10 percent of the project cost, is considered reasonable given the risk profile for the project and the complexity of the work site.

The project will be funded by the General Fund.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a public improvement contract to Westech Construction, Inc., for site grading and related work supporting development of Lots 4 and 5 at Troutdale Reynolds Industrial Park, in accordance with its bid; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.