

PORTLAND INTERNATIONAL AIRPORT UPDATE

TO: PDX Community Advisory Committee

FROM: Vince Granato, Chief Operating Officer

DATE: June 14, 2018

BUSINESS UPDATE

Airport Activity

For the first four months of 2018, PDX has seen a 4.4% increase for passengers which equates to about 2,000 more people per day.

Cargo volumes are up 7.7% to 84,000 tons representing 15 months of positive tonnage growth.

Summer 2018 will represent PDX's seventh year of record growth with approximately 5.8M passengers being supported this summer. Additional service to Hawaii and Orlando and a strong economy has helped bolster these numbers.

Additional Air Service Updates

Alaska Air Group and Virgin America fully integrated their operations on April 25th and the Virgin America brand disappeared on April 24th.

Icelandair will increase their late fall/early winter flying at PDX from 2x/week to 4x/week later this year as tourism to Iceland grows.

Alaska Airlines will now offer year-round service between Bozeman, Montana and PDX. In addition, a second daily flight will be added to the route through August 25 in order to give travelers more options. These additions will add about 50 percent more seats between the two cities on an annual basis.

Airport Concessions/Properties

Phase III Concessions Construction

The new concessions locations awarded through last summer's Request For Proposal (RFP) are well under construction and design. Johnston & Murphy on Concourse D opened in May, and Deschutes Brewery on Concourse D opened on June 9, and will be celebrating with a ribbon cutting event on June 22. Hopworks Urban Brewery, planned to replace the Laurelwood Brew Pub on Concourse E in November, will begin

construction in next month. Former favorite PDX Thai food cart Bangkok Xpress will be opening its Clocktower Plaza counter service restaurant in late July.

Clocktower Plaza Celebrates 30 Years at PDX, Launches Summer Events

On June 6, 2018 the Port celebrated a 30-year history of bringing local shops and flavors to PDX. Passengers and special guests celebrated Clocktower Plaza with food, music and memories.

Since 1988, PDX has been committed to representing local business, offering street pricing and serving travelers 365 days a year. Many of the original tenants such as Made in Oregon, Powell's Books, Nike and The Real Mother Goose, still have shops in the pre-security area today, formerly known as the Oregon Market.

Upcoming Clocktower 30 events include:

Brewfest – Beer Tasting

Friday, June 22, 11:30 a.m.-1:30 p.m.

Sample an assortment of PDX's favorite summer brews, as Clocktower Plaza temporarily transforms into a beer garden atmosphere. Be sure to sample Deschutes Brewery's brand new PDX inspired beer, only available at the airport. This event coincides with the grand opening of Deschutes Brewery at PDX – the beermaker's first location opening in Oregon in 10 years.

Blue Star Donuts

Friday, July 13, 11:30 a.m.-1:30 p.m.

More details coming soon.

Bangkok Xpress

Friday, July 27, 11:30 a.m.-1:30 p.m.

More details coming soon.

Feast Fridays

Every Friday in August, featured PDX concessionaires will showcase a special Feast-inspired item that is available to sample and purchase. [Feast Portland](#) is the flagship food and drink festival in the Pacific Northwest.

For more information on Clocktower 30 events and details of the contest with [Travel Oregon](#), go to <http://pdx.com/clocktower30>.

PDX Job Fair

The Port hosted a Job Fair on Wednesday, May 2, 2018. The event provides an opportunity to meet more than 30 hiring employers such as airline service providers, restaurants, retailers, rental car providers, parking services, and the Transportation Security Administration. PDX employers are expected to fill more than 100 new full-time, part-time and seasonal positions.

PLANNING AND CONSTRUCTION UPDATE

PDXNext Program

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 Balancing

Construction is underway, piles are complete, and tunnel excavation is nearing completion. Structural steel erection is planned for Fall 2018, and building of Concourse E will begin to be visible from Airport Way at that time.

PDX Parking and Car Rental Facility (PACR)

The PACR project will provide the rental car ready-return capacity for 100 percent of the rental car market. It will also provide additional close-in public parking in a single shared-use facility. Consistent with the PDX Master Plan (Airport Futures), the goal of this project is to meet projected demand while keeping facilities within reasonable walking distance of the airport terminal. Key project elements include the shared-use garage, a cantilevered exit road/ramp, a new Rental Car Center, East Toll Plaza, and other customer- focused features.

The project team is progressing through design development, bid permit package formation, and trade partner procurement. Construction for some enabling work is scheduled to start soon. The first enabling work includes 82nd Avenue U-Turn/Employee Parking Modifications/Project Staging. Future enabling work packages include East Toll Plaza/East Pedestrian Tunnel, Helix Modifications, East Exiting/Final Jockey Road, Existing Ramp Demolition/CUP and Loading Dock Modifications.

As occurred with early relocations of the employee parking and ground transportation hold lot, landscaping has begun to be impacted by construction. This includes some targeted tree removal. Care will be taken to avoid potential disturbance to nesting birds. The notice to proceed was delayed due to the completion of National Environmental Policy Act (NEPA) review and airspace determinations by the FAA, the work is being expedited to minimize any impact to nesting birds consistent with the Migratory Bird Treaty Act. Because of the project, approximately 228 trees will be removed in total. Tree removal has been reviewed and approved by the City Forester and mitigation will be included in the project scope. Selective cutting and tree removal will continue to take place during PACR construction to lessen the impact to existing trees. Trees that

remain will be protected in place by Port and City standards with the goal to preserve existing healthy trees whenever possible.

As with other PDXNext project elements, 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. Along with our commitment to best practices in managing natural resources, projects like this are also why we support enhancing the urban tree canopy in neighborhoods and natural areas near PDX through our partnership with Friends of Trees.

As part of the PACR project, the Rental Car Center core and shell is nearing final design completion. Concurrently the Terminal Core project team is programming the interior spaces to accommodate the anticipated Port functions to be housed in the facility.

Terminal Core Redevelopment (TCORE):

As presented at the April 2018 CAC meeting, the TCORE project continues through Schematic Design. To recap, the first phase of redevelopment includes:

- Implementation of major seismic improvements 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 the entire project is funded by the airlines and their customers through a combination of Passenger Facility Charges and bonds.

Schematic design continues on the project. Port Commission has approved Hoffman-Skanska as the Construction Manager/General Contractor for the project.

SUSTAINABILITY UPDATE

PDX Implements Technology to Assist Visually Impaired Travelers

Portland International Airport has introduced a technology service, Aira (pronounced eye-rah), aimed at helping blind and low-vision travelers more easily navigate the airport.

A visually impaired traveler in need of assistance at PDX would have special camera-equipped glasses—or could simply use their smart phone—to call an operator. The

operator can “see” what the visually impaired person cannot by using the camera in the glasses or the cell phone’s camera. The operator is then able to assist with wayfinding or other tasks as requested by the traveler. The company’s website offers a video demonstration.

The person must have the Aira app on their phone to connect to a trained Aira agent. The Aira app can be downloaded from the Apple or Android apps stores for free.

Users with the Aira app installed on a smartphone will receive an automatic notification when arriving at PDX advising that the airport offers the service for free.

Natural Resources Advisory Committee

The Airport Futures Natural Resource Advisory Committee met on May 24, 2018. The committee received updates on current projects including; MCDD Island Enhancement project, Audubon Backyard Habitat Certification Program, Columbia Slough Watershed Council NE 33rd project, Friends of Trees Canopy projects, and the Cully Community Park. The Cully Community Park will celebrate its opening on June 30th. Explorando will be combined with the park opening.

Committee members also discussed a number of project proposals in preparation for a funding recommendation to the CAC in October.

OTHER

Parking Rates and Ground Transportation Fees Changing at PDX

As presented and discussed at the April CAC meeting, on June 11, 2018 the daily parking rates at the airport’s Valet, Long-Term Garage and Economy Lots increased. The fees also increased for ground transportation providers such as taxis, rideshares, on-demand shuttles and charter buses.

Revenues from parking and ground transportation fees pay for the costs associated with providing, maintaining and operating the facilities used by customers and operators. Revenues also funds current and future parking and roadway capital projects.

Parking Rates

	Hourly Rate	Current Rate	New Rate
Gold Key Valet	\$10	\$30/day	\$35/day
Short-Term Garage	\$3	\$27/day	\$27/day
Long-Term Garage	\$3	\$21/day	\$24/day
Economy Parking Lot	\$3	\$10/day	\$12/day

There will be no changes to the hourly parking rates, and no changes to the rate in the Short-Term Garage. The airport will continue to offer the seventh day free in the Economy Parking Lot for travelers staying for a week.

PDX offers additional benefits for customers and employees.

- The disabled parking rate of \$12/day is available in either the Short- or Long-Term Garages or the Economy Lot.
- Disabled veterans of the U.S. Armed Forces can park for free in the Economy Lot for up to a maximum of 14 consecutive days.
- Motorcycle and bicycle parking at the terminal is free.
- PDX has a bike/pedestrian path that leads users to the front of the terminal.

It has been four years since there was a rate change in the parking garages, and nearly 10 years since the rate changed in the Economy Parking Lot. The Gold Key Valet rates haven't changed since the airport started offering the service in October 2007.

Ground Transportation Fees

Only about 29 percent of the airport's customers arrive at PDX and park a private vehicle. Twenty-five percent of travelers use an app-based rideshare, ride an off-site shuttle, or take a taxi or town car—all forms of ground transportation which will see fee changes on June 1.

Ground transportation fee changes:

	Current Rate	New Rate
TNC Pick-up	\$2.00	\$3.00
TNC Drop-off	\$2.00	\$3.00
Taxi Pick-up	\$2.50	\$3.50
On-demand Shuttle	\$2.50	\$3.50
Charter Buses	\$15.00	\$20.00

Transportation Network Companies (such as Uber, Lyft, Wingz) are not charged a vehicle permit fee as there are more than 7,000 cars operating as TNCs within the city. The TNC industry is very fluid as drivers enter and exit the market daily. Since the individual vehicles do not have permits, these services are charged a pick-up and drop-off fee.

Taxis and on-demand shuttles (including limos, town cars, door-to-door vans, HUT shuttle, etc.) are issued vehicle-specific permits. As such, these are the only vehicles permitted to pick up passengers at PDX and are only charged a passenger pick-up fee. Taxi services in communities further from the airport, for example, do not have vehicle-

specific permits which allow passenger pick-ups but they can drop off passengers without additional fees.

Ground transportation rates aim to provide equal access and opportunity for all modes of transportation to and from the airport.

Port of Portland Commission Appointment

Sean O'Hollaren, Vice President, Government and Public Affairs NIKE, Inc., was recently appointed by Oregon Gov. Kate Brown to the Port of Portland Commission.

"The Port Commission serves a vital role in continuing Oregon's economic growth and building a strong, local workforce," Gov. Brown said. "Sean O'Hollaren is a respected leader whose international business experience and new role on the Commission will help ensure Oregon remains a competitive player in the global economy of the future."

Prior to joining Nike, O'Hollaren was Senior Vice President, at Honeywell International and was Director of Washington Affairs at Union Pacific.

O'Hollaren served in government at the White House as Deputy Assistant to the President and as Special Assistant to the President in the White House Office of Legislative Affairs.

O'Hollaren was unanimously confirmed by the U.S. Senate to the post of Assistant Secretary of Transportation, heading up the Office of Governmental Affairs at the U.S. Department of Transportation, serving during the creation of the Transportation Security Administration and its transition to the Department of Homeland Security.

An Oregon native, growing up in Portland and Bend, O'Hollaren earned his Bachelor of Science degree from Willamette University, where he now serves as a Trustee. While in Washington, D.C, he completed the Certificate program in Business Management at Georgetown University. He now chairs the Board of Directors of the World Federation of the Sporting Goods Industry, and is Commissioner on the Oregon Transportation Commission. He and his wife Hilary live in Portland with their three children.

Oregon Made Film History Mural and Poster Exhibit

A new Oregon Made Film History Mural and Poster Exhibit is located in the Portland International Airport's south pedestrian tunnel which connects the parking garage to the terminal. It provides travelers with over 160 uninterrupted feet of mural art and posters, representing a small collection of Oregon's rich film history. The exhibit celebrates the unique and varied locations Oregon has to offer, the projects that have called Oregon home over the years, and the professional production communities that come together to make Oregon so film-friendly.

ODOT Construction

The Oregon Department of Transportation is improving operations and safety on Interstate 205 between Johnson Creek Boulevard and the Glenn Jackson Bridge. Work will include paving the freeway, ramps and intersections; building auxiliary lanes in three

locations; installing ODOT RealTime signs; improving the entrance to the multi-use path at Glisan Street; and improving sidewalk curb ramps within the project area. Construction is underway and will take place through 2019. Work will mostly take place at night, with lane closures on I-205. Multiple overnight closures will take place on I-205 on-ramps and off-ramps in the project area. There will also be lane closures on cross-streets near on-ramps and off-ramps. Up to date information will be available through ODOT and the Port of Portland.

McBride Slough Cleanup

Work is underway for the McBride Slough Cleanup with construction activity visible from Alderwood Road. McBride Slough is a small drainage ditch located near Portland International Airport, which receives runoff from both Port of Portland-owned properties and other adjacent owners. The modified waterway has received drainage for over 100 years from surrounding development and serves an important flood control function.

In 2011, Multnomah County Drainage District (MCDD) identified chemicals of concern such as polychlorinated biphenyls (PCB), polyaromatic hydrocarbons, metals and pesticides in the sediment from maintenance dredging activities. It is assumed that the majority of the contamination likely originates from historic PDX runoff. PCBs were once widely used in industrial and commercial business and are found in paint and caulk, electric transformers and capacitors, wire and cable coatings, and in coolants, sealants and lubricants. Oregon Department of Environmental Quality (DEQ) identified the Port of Portland as the responsible party and required actions towards cleaning up the contamination.

To address the problem, the Port entered into a Voluntary Cleanup Agreement with DEQ and completed the Remedial Investigation and Feasibility Study. The Port also completed technical investigations such as storm water sampling, recontamination modeling, source control research and biological surveys.

The work removing contaminated sediments is scheduled to take place from June through November 2018. The remedy includes the removal of approximately 10,000 cubic yards of sediment and the placement of an activated carbon layer. Short- and long-term monitoring will check the effectiveness of the remedy. Although only a portion of the work area is on Port property, the Port will manage all the work and work with the other impacted property owners as needed. Additional source control is being investigated to prevent possible recontamination.