

*For Immediate Release • April 6, 2015 • No. 16*

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## **Public Hearing on Port FY 2015-16 Budget Scheduled**

The Port of Portland Commission will begin discussion of the (FY) 2015-16 budget at a public hearing during their regularly scheduled Commission meeting Wednesday, April 8 at 9:30 a.m. at the Port's headquarters building, 7200 N.E. Airport Way.

The following month, on May 13, Port Commissioners will consider preliminary approval of the FY 2016 budget which allows for review by the Multnomah County Tax Supervising and Conservation Commission. The TSCC will hold a public hearing on the budget June 10, and the Port Commission will consider final adoption of the budget at a special Commission meeting to be held later in June.

The budget, which begins July 1, reflects modest revenue increases in the Port's aviation, marine and commercial real estate business lines. Total Port operating revenues and operating expenditures are budgeted at \$286 million and \$196 million respectively for FY 2016, compared to the Adopted FY 2015 budget of \$261 million and \$176 million.

Ninety-six percent of Port revenues come from user-based fees for service including airline, rental car, parking and concessions revenue as well as land sales and leases and marine terminal leases and fees. Approximately \$10.5 million of the Port's budget comes from property taxes or about 7 cents per thousand assessed value.

### **Aviation**

Travel at Portland International Airport (PDX) has been on the rise. Approximately 16.2 million passengers are expected to travel through PDX in FY 2016, a 2-3 percent increase over FY 2015. This growth has been spurred by 9 new nonstop service improvements among airlines serving PDX. Cargo is also projected to be up by 2.5 percent.

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PDX FY 2016 operating revenues, including airline, rental car, parking, and concession revenues, are budgeted to increase 7.5 percent or \$15.2 million from the FY 2015 adopted budget.

### **Marine**

FY 2015 marine operating revenues are budgeted to increase approximately 4.6 percent or \$1.4 million from the FY 2015 adopted budget.

With the departure of container service at Terminal 6, there will be impacts to container volumes, related longshore labor, and regional importers/exporters; however, because of the Port's land lease structure with ICTSI, Oregon, the Port is not subject to the financial swings as a result of changes in container volumes.

Mineral bulks are forecast to increase nearly 4 percent over the FY 2015 adopted budget as a result of additional facility expansion and improvements at Terminals 4 and 5. These facility improvements are expected to help further increase record high soda ash volumes. In addition, lower pricing agreements with China are expected to help increase potash export volumes through Portland.

The forecast for breakbulk activity is flat and the forecast for auto volumes shows increases of 4 percent in FY 2016 due to increased Ford exports and modest import gains. Portland is the fourth largest auto import gateway on the U.S. West Coast, and eighth in the nation for auto imports.

Finally, the forecast for grain activity is an increase of nearly 14 percent compared to our FY 2015 Adopted Budget. This increase is due largely to the rising global demand for grain and the expansions at Columbia Grain at the Port's Terminal 5.

### **Commercial Properties**

FY 2016 Commercial Properties operating revenues are budgeted to increase approximately 97 percent or \$9.5 million from the FY 2015 adopted budget. Forecasted land sales of \$15.7 million contribute to this forecast as does a healthy local industrial real estate market that is experiencing increasing rental rates, and vacancy rates near historic lows.

## **Capital Projects**

FY 2016 will see a return to a period of new asset growth while continuing investments in maintaining existing assets and infrastructure. The FY 2016 total Port capital budget at \$217 million (excluding staff time) is higher than last year but lower than our peak expenditures of \$262.7 million in FY 2009. Major projects at PDX include terminal building improvements such as terminal balancing/efficiency improvements, access control replacement, new ticket lobby exit ways, post security concessions redevelopment and carpet replacement, as well as airfield taxiway rehabilitation projects. In addition, to ensure our business park properties are ready when our customers are ready, our capital budget includes the continuation of phase two development at the Troutdale Reynolds Industrial Park (TRIP). Marine investments include facility pavement rehabilitation, a new overcrossing in Rivergate Industrial District, and navigation equipment upgrades.

In other administrative areas, healthcare costs are expected to remain flat as a result of re-structured plans and a robust wellness program. This budget also reflects a PERS rate increase that will go into effect on July 1, 2015.

Beginning Wednesday, April 8, copies of the Port of Portland Proposed FY 2016 budget can be found on the Port website [www.portofportland.com](http://www.portofportland.com)

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