



EXECUTIVE DIRECTOR'S REPORT
TO THE
PORT OF PORTLAND COMMISSION
FOR DECEMBER 2017

SAFETY REPORT

Port of Portland November 2017 safety performance resulted in a lower frequency of incidents and lower claims frequency compared to November 2016. Of the reported incidents in November 2017, there were no claims and no incident resulted in a recordable case.

Monthly Report of Injury Incidents

Aviation

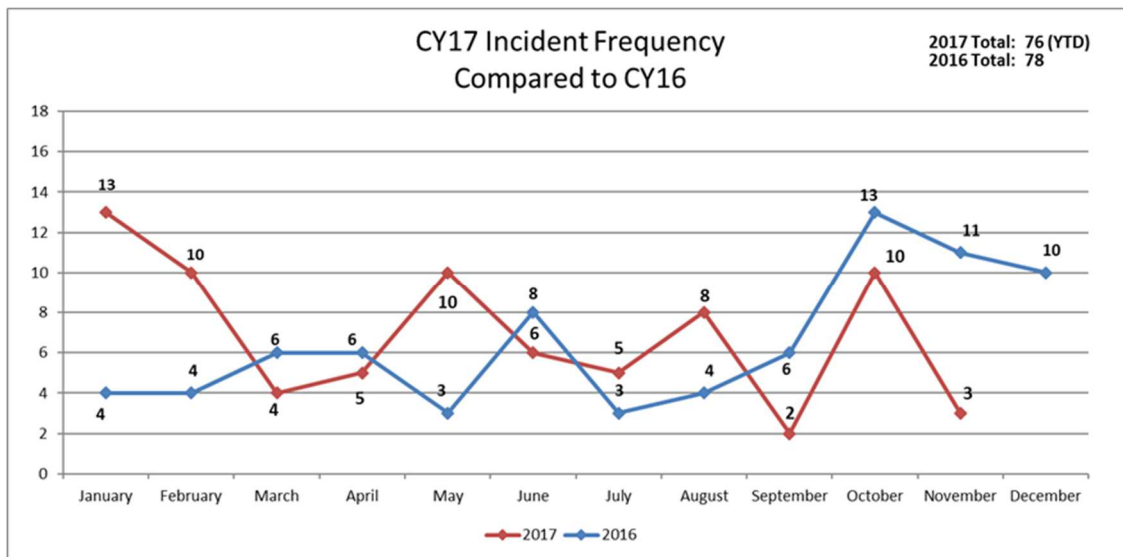
One non-recordable incident:

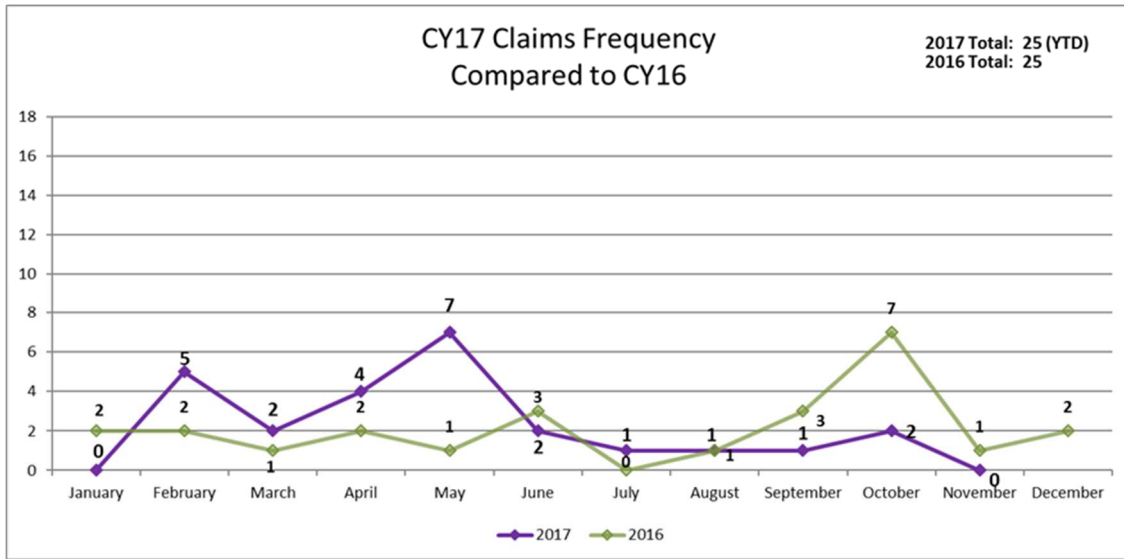
- Worker's safety glasses were knocked off and face sprayed with water due to residual pressure in an irrigation line while changing a flow sensor.

Marine

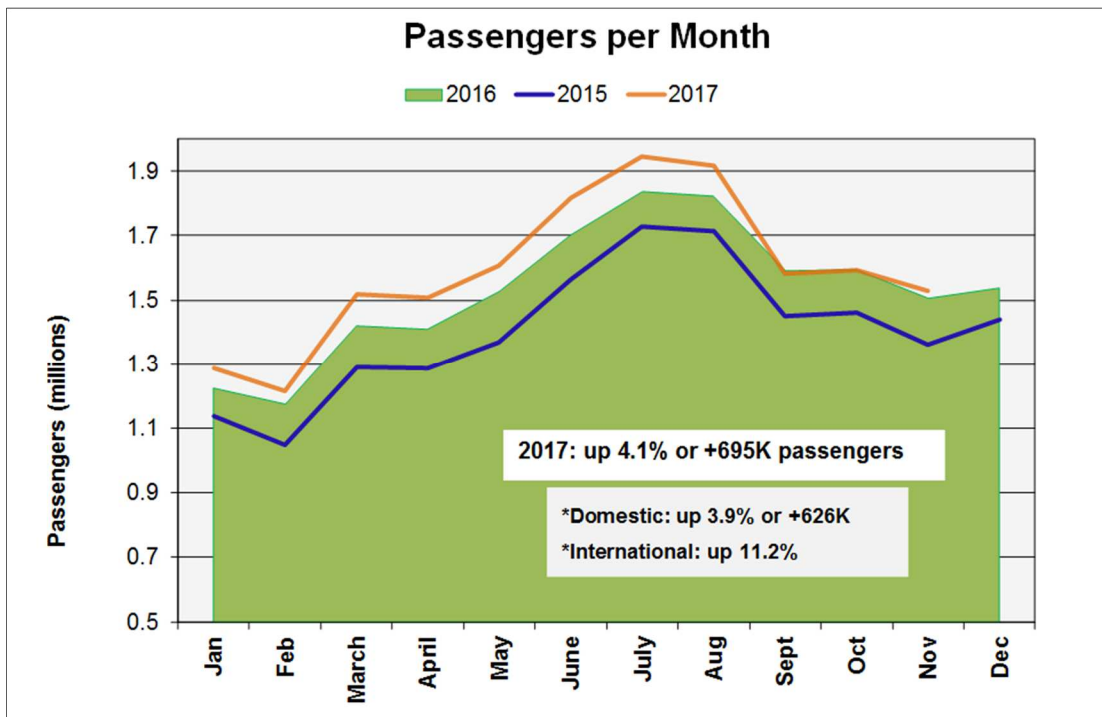
One non-recordable incident:

- Worker was stepping off the bed of a work truck and stepped on the ball hitch, causing a slip and fall onto the ground, striking the back and shoulders.





AVIATION REPORT



New and changed services at PDX that have been announced in the past month include:

Start Date	Airline	Destination	Frequency
Dec. 15, 2017	PenAir	Crescent City, CA	Terminating flights
Apr. 23, 2018	Spirit	Detroit, MI	Daily nonstop, seasonal through Sept. 5, 2018

	Month/Month % change	FYTD % change
	November	July-November
Passengers	1.4%	2.5%
Concessions Revenue	11.3%	7.4%
Rental Car Revenue	0.4%	2.9%
Parking Revenue	1.0%	-0.2%

Passengers

November 2017 passenger volumes increased 1.4 percent compared to November 2016. Seat capacity increased 1.9 percent, with the load factor falling 0.4 points to 84.2.

The airport is on track to hit its fifth year of record overall traffic and a new international passenger record.

Concessions Revenue

Combined terminal concessions operations reported an 11.3 percent, or \$141,000, rent increase on the month, against a 1.4 percent passenger increase. Similar to prior months' performances, the rent increase for November is due primarily to 48.5 percent growth in the quick-serve category of food and beverage operations.

Rental Car Revenue

Rental car operations reflect a 2.9 percent, or \$309,000, rent increase year-to-date over last year, against a year-to-date enplanement increase of 2.5 percent through November. Much of this increase is due to the strong August performance reflective of rentals associated with solar eclipse traffic.

Parking Revenue by Lot

Public parking revenue increased 1.0 percent over November 2016; however, year-to-date revenue is down 0.2 percent.

Parking transactions for November were nearly flat, down 0.1 percent. Year-to-date, transactions have decreased 2.2 percent.

Product	Revenue	Variance	YTD Variance
Short-Term	\$1,549,608	3.1%	-1.2%
Long-Term	\$1,722,373	1.0%	-0.7%
Economy	\$1,914,070	-0.6%	0.0%
Valet	\$138,565	17.8%	15.2%
Total	\$5,324,616	1.0%	-0.2%

Ground Transportation

Overall ground transportation revenue increased 26.8 percent to \$437,101 in November 2017, compared to \$344,640 in November 2016. Fiscal year-to-date revenue is \$2,269,676.

Transportation Network Company (TNC) revenue for November 2017 was \$300,224, down 5.5 percent compared to October 2017. Uber holds top market share at 57.5 percent of all TNC activity.

	Taxi Trips	TNC Pick-ups	Charter Bus	Reservation-Only Trips	Fixed Route	Courtesy	Total Trips	Minus TNC
Nov 2016	21,897	45,420	88	8,112	2,183	27,924	105,624	60,204
Nov 2017	17,110	70,764	100	8,487	1,831	25,680	123,972	53,208
	-21.9%	55.8%	13.6%	4.6%	-16.1%	-8.0%	17.4%	-11.6%

CAPITAL GRANTS

Portland International Airport

Staff submitted a reimbursement request to the Transportation Security Administration (TSA) for the Law Enforcement Officer program in the amount of \$12,400.00, covering the October 2017 work period (Agreement No. HSTS0213HSLR647).

Staff submitted a reimbursement request to the TSA for the National Explosives Detection Canine Team program in the amount of \$52,164.02, covering the October 2017 work period (Agreement No. HSTS0216HNCP464).

Staff submitted a reimbursement request to the Federal Bureau of Investigation (FBI) for the PDX Regional Drug Organized Crime Task Force program in the amount of \$892.54, covering the October 2017 work period (Agreement No. 281C-PD-C2079840).

Staff submitted a reimbursement request to the FBI for the Joint Terrorism Task Force program in the amount of \$516.24, covering the October 2017 work period (Agreement No. 03-026).

Properties

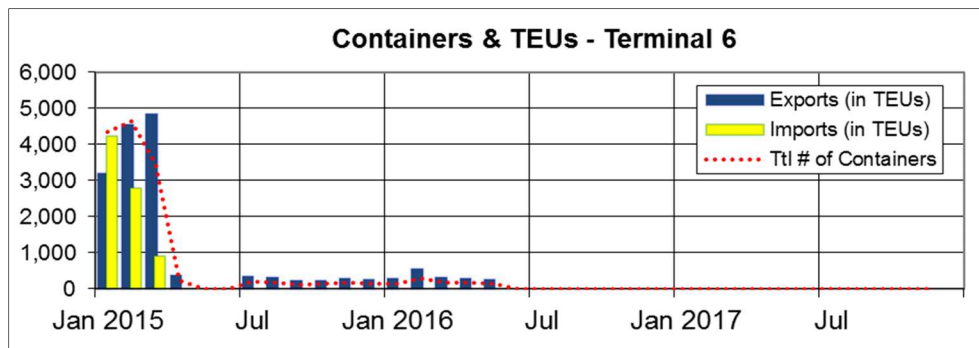
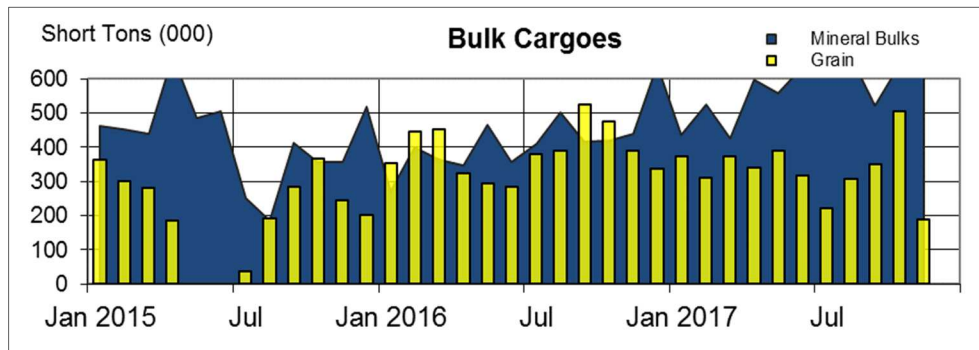
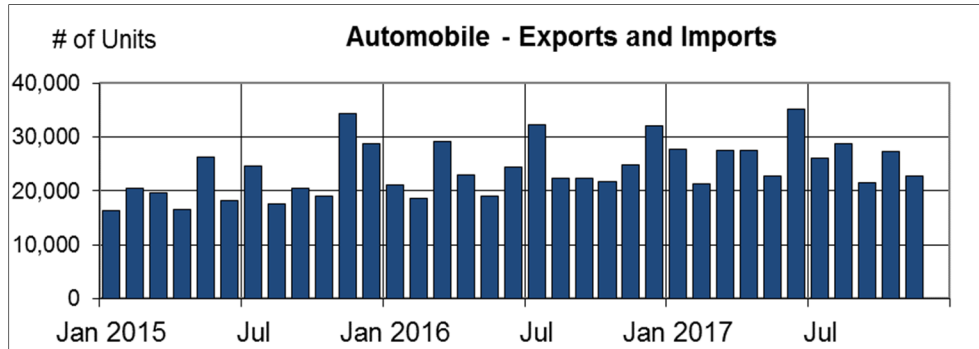
Staff submitted a reimbursement request to the Oregon Department of Transportation for the Graham/Swigert Road Jobs and Transportation Act Project in the amount of \$12,893, for the August 2017 and October 2017 work period (Agreement No. 28368).

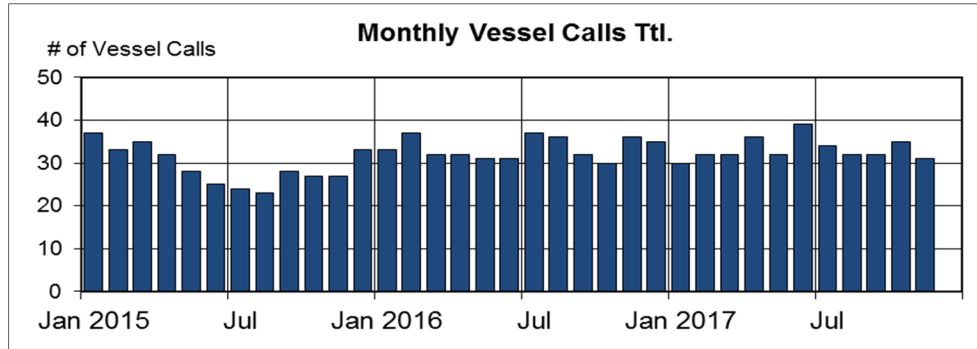
Staff submitted a reimbursement request to Business Oregon for the Cully Park Parking Lot project in the amount of \$47,000, (Agreement No. RS1616). This is the final payment request under this agreement.

MARINE & INDUSTRIAL DEVELOPMENT REPORT

The figures in the table below show change relative to the prior year.

	<u>November 2017</u>	<u>Fiscal Year-to-Date</u>
Total Tonnage	3.0%	9.4%
Containers (TEU)	--	-100.0%
Import Full Containers	--	--
Export Full Containers	--	--
Breakbulk	--	--
Autos	-8.1%	2.5%
Mineral Bulk	51.6%	45.9%
Grain	-51.1%	-27.1%





REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY

State of Oregon – Sixth Amendment to Intergovernmental Sublease Agreement

Location: Tokyo, Japan

Term: Effective June 07, 2017

Use: Amendment No. 6: This amendment is to extend the term of the sublease through June 30, 2018.

Union Pacific Railroad Company – Bill of Sale and Release of Port Construction Easement to Purchase and Sale Agreement for Track

Location: Rivergate Industrial District (RGID)

Term: Effective April 24, 2017

Use: Bill of Sale and Release necessary to close the South Rivergate rail track Purchase and Sale Agreement.

Avis Budget Car Rental, LLC – Fourth Amendment to Rental Car Concession Lease and Operating Agreement

Location: PDX

Term: Effective November 29, 2017

Use: Amendment No. 4: This amendment adds certain provisions omitted from the Industry Agreements the car rental companies have signed amongst each other, but they are requested by the Port for the use and management of the Quick Turn-Around facility.

Host International, Inc. DBA Starbucks Corporation – Third Amendment to Food & Beverage Concession Lease

Location: PDX

Term: Effective November 29, 2017

Use: Amendment No. 3: This amendment revises the description of the premises and amends the provision regarding commencement of rent.

J & R Airport LLC – Agreement of Ground Lessor to Ground Lease

Location: Portland International Center

Term: Effective October 31, 2017

Use: The Port, as lessor, is entering into this agreement as an accommodation to 46th Street Legacy Investments, LLC, for the benefit of its lender, Bank of the West, in connection with a loan to be secured in part by a lien granted by 46th Street Legacy Investments, LLC, upon rights and interests in the lease with the Port.

Multnomah County, Oregon – Waiver of First Opportunity to Purchase to Sale Agreement and Receipt for Earnest Money

Location: RGID

Term: Effective November 16, 2017

Use: This document waives the Port's first opportunity to the repurchase and the Correction Facility use restriction, conditioned on the transaction closing by June 30, 2018.

Cascade Station Retail Center, LLC and Nordstrom Rack – Recognition Agreement

Location: Cascade Station

Term: Effective February 07, 2017

Use: Agreement recognizing that the sublease will remain in effect should any eviction proceedings or proceedings for the enforcement of the ground lease occur.

City of Portland and CSG LLC – Landlord's Estoppel Certificate to Ground Lease

Location: Cascade Station

Term: Effective September 14, 2017

Use: This document is required as part of the closing documents for the development of Parcel L as an office building.

Poblano Pepper Mexican Food, Inc. – Food Cart Permit

Location: PDX

Term: November 01, 2017 to April 30, 2018

Use: Short-term permit for a food cart in the Clocktower Plaza at PDX.

United Parcel Service, Inc. – Permit and Right of Entry

Location: PDX

Term: November 06, 2017 to December 30, 2017

Use: Permit for temporary access to ramp space for aircraft parking.

United Air Lines, Inc. – Permit and Right of Entry

Location: PDX

Term: Effective November 01, 2017

Use: Permit for the purpose of conducting feasibility investigation to determine the condition and suitability of Port property for future use.

Portland General Electric Company – Sale of Easement Agreement

Location: Troutdale Reynolds Industrial Park (TRIP)

Term: Effective November 13, 2017

Use: This Sale of Easement agreement is made for underground fiber optic cable and overhead transmission lines to improve power reliability.

Pendleton Woolen Mills, Inc. – Retail Merchandise Unit Lease

Location: PDX

Term: Effective November 17, 2017

Use: Month to month lease for two spaces.

Portland General Electric Company – Construction Permit and Right-of-Entry

Location: Gresham Vista Business Park (GVBP)

Term: November 08, 2017 to April 30, 2018

Use: This permit allows Portland General Electric access to portions of Lot 5 for the purpose of constructing transmission lines within the easement area also granted by the Port.

Portland General Electric Company – Utility Easement

Location: TRIP

Term: Effective November 16, 2017

Use: This easement is put in place under the Sale of Easement Agreement and is for underground fiber optic cable and overhead transmission lines to improve power reliability.

Portland General Electric Company – Utility Powerline Easement

Location: GVBP

Term: Effective November 03, 2017

Use: The Port is granting PGE an easement for the purpose of installing, operating and maintaining electrical powerlines at GVBP.

Dolphin Radio, LLC – Lease of Improved Space

Location: Hillsboro Airport

Term: October 01, 2017 to September 30, 2018

Use: Lease for office purposes and for the maintenance of antennas for radio broadcasting.

Kinder Morgan Bulk Terminals, Inc. – Permit and Right of Entry

Location: Terminal 4 (T-4)

Term: November 30, 2017 to June 30, 2018

Use: Permit to access Port property in order to install and remove erosion control devices, plug an existing outlet and excavate and install a new storm water pipe.

Boingo Wireless, Inc. – Operating and Lease Agreement

Location: PDX

Term: November 01, 2017 to November 01, 2027

Use: Agreement pursuant to the Request for Proposals related to a neutral host distributed antenna system for enhanced wireless service providers and public safety radio coverage.

Titanium LLC DBA Bangkok Express – Food & Beverage Concession Lease

Location: PDX

Term: November 10, 2017 to March 31, 2020

Use: Lease to operate a quick serve Thai restaurant.

City of Portland (City) and Port of Portland – Easement and Agreement

Location: PDX

Term: Effective May 18, 2017

Use: This perpetual easement allows the City to install groundwater wells, pumps and appurtenances near the PDX Economy Lot, as well as access to pipeline connection to the City's existing facilities located on adjacent site. This fifth easement concludes the Port's responsibility in the City-Port 1999-188 agreement associated with development of Cascade Station.

Portland General Electric Company – Sale of Easement Agreement

Location: GVBP

Term: Effective October 31, 2017

Use: These documents allow PGE to purchase a non-exclusive 45-foot wide utility powerline easement for the purpose of installing, operating and maintaining electrical powerlines at GVBP.

Providence Health & Services - Oregon – Concession Lease

Location: PDX

Term: November 01, 2017 to October 31, 2019

Use: Two-year lease under a pilot program to operate an express care medical kiosk adjacent to the ABC checkpoint in the terminal.

PDX Logistics Center III, LLC – Settlement Agreement

Location: PDX

Term: Effective November 28, 2017

Use: The Port agrees to pay \$50,000 towards the cost of soil removal and relocation in exchange for full settlement, waiver and release of any claims.

Portland Container Repair Corporation – Permit and Right of Entry

Location: T-4

Term: November 09, 2017 to November 09, 2017

Use: This permit allows Portland Container Repair Corporation to park on Port property for a one-day regional Oregon shippers and truckers tour event.

Contracts Over \$50,000 Pursuant to Delegated Authority

APPROVAL LIMITS (Administrative Policy 7.2.3)

BUDGET APPROVAL

All expenditures require management approval:

Approval by Directors	Up to \$ 50,000
Approval by Chief Officers	Up to \$250,000
Approval by Executive Director & Deputy Executive Director	Unlimited

CONTRACTING APPROVAL

Contracting authority is limited to the following:

Chief Officers	Up to \$ 10,000
Buyers	Up to \$ 50,000
Manager of Contracts & Procurement	Up to \$ 250,000*
Executive Director & Deputy Executive Director	Up to \$ 500,000*

*And any amount approved by Commission

Monthly Report for December 2017 (November Activity)

New Purchases

Title	Requestor Department	Vendor Name			P.O. Amount	
Purchase furniture systems for detective office space remodel.	PDX Police	Knoll, Inc.			\$69,177	
Purchase rubber pipe for dredging operations.	Engineering Design Services	Salem-Republic Rubber Co.			\$82,058	
Obtain marketing services for promotion of air cargo business.	Air Service Business Development	Cathay Pacific Airways Limited			\$100,000	
Obtain metal finishing services to repair damaged surfaces.	Airport Operations	Morgan Metal Works LLC			\$110,000	
Obtain consulting services to evaluate runway seismic liquefaction susceptibility.	Engineering Project Development	Oregon State University			\$349,689	
Obtain marketing services for promotion of United Kingdom air service.	Air Service Business Development	Delta Air Lines, Inc.			\$350,000	
Purchase a Striker fire truck for PDX.	Engineering Design Services	Oshkosh Truck Corporation			\$1,192,649	

Change Orders and Amendments to Project-Specific Contracts

Contracts in this category are initially awarded with a specific work scope and an identified not-to-exceed project total.

Title	Requestor Department	Vendor Name	Original Amount	Previous Changes to Contract	Current Change to Contract	New Contract Total	
Amendment #2 to obtain additional consulting services related to the Hillsboro Airport Master Plan.	Planning & Development	WHPacific, Inc.	\$41,598	\$18,546	\$61,635	\$121,779	
Change orders #1-4 to obtain additional construction services for the PDX Hanger 7909 Rehabilitation project.	Engineering Project Development	Centrex Construction, Inc.	\$479,995		\$77,248	\$557,243	
Change orders #12 and 18-23 to obtain additional construction services for the PDX Concourse D West Roof and Heating Ventilation, and Air Conditioning projects.	Engineering Project Development	Hydro-Temp Mechanical, Inc.	\$8,440,000	\$308,788	\$82,843	\$8,831,631	
Administrative action for funding for temporary staffing to assist the TSA during winter holidays.	Airport Operations	Galt Foundation	\$199,872		\$123,635	\$323,507	
Amendment #2 to obtain additional services for maintenance and improvements to drainage facilities.	Airport Operations	Multnomah County Drainage Dist. #1	\$243,000	\$198,158	\$156,463	\$597,621	
Change orders #1-5 to obtain additional construction services for the Airport Way and Frontage Road Rehabilitation project.	Engineering Project Development	K&E Excavating, Inc.	\$2,797,065		\$191,092	\$2,988,157	
Change order #1 to obtain additional pipe products for dredging operations.	Engineering Design Services	Thompson Metal Fab, Inc.	\$885,200		\$307,200	\$1,192,400	
Administrative action to add funds for customs and border protection services at PDX.	Airport Operations	U.S. Customs and Border Protection	\$143,738	\$1,347,788	\$320,000	\$1,811,526	
Amendment #9 to obtain additional design services related to the PDXNext Terminal Core Redevelopment project.	Engineering Project Development	ZGF Architects LLP	\$2,760,948	\$9,258,555	\$495,767	\$12,515,270	

Change orders #1-2 to obtain additional maintenance dredging at marine Terminal 4.	Engineering Project Development	Hickey Marine Enterprises, Inc.	\$229,768		\$868,413	\$1,098,181	
Change orders #8-24 for additional construction services for the Taxiway B Center and Exits Rehabilitation project.	Engineering Project Development	K&E Excavating, Inc.	\$18,132,089	\$2,445,043	\$3,791,546	\$24,368,678	
Amendment #3 for additional crane mechanical maintenance services at marine Terminals 2 and 6.	Marine Facility Maintenance	Harbor Industrial Services Corp	\$1,730,505	\$2,445,308	\$3,824,563	\$8,000,376	

New Task Orders and Changes to Task Orders Against Non-Project Specific Contracts

Items in this category are issued against contracts that were initially awarded with no specific work scope or product quantity identified (e.g., "requirements" or "on-call" contracts). These contracts establish pricing or rates for products or work that may be needed over a stated term. Estimated quantities may be identified, but no guarantee of actual contract compensation or work is made. Contract durations may be short-term or for multiple years with optional renewal/extension terms.

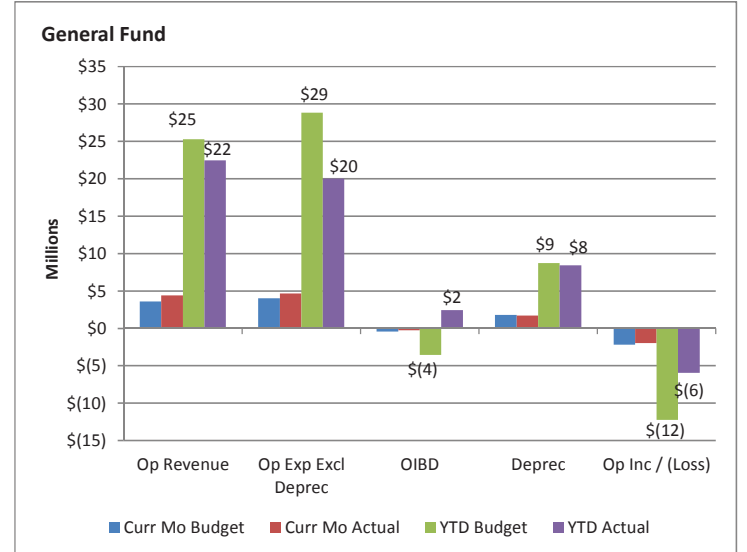
Title	Requestor Department	Vendor Name	Original Task Order Amount	Previous Changes to Task Order	Current Change to Task Order	New Task Order Total	Total Contract Activity - All Task Orders
Amendment #1 to task order against contract #300 to obtain additional janitorial services for food court areas.	Airport Properties	Relay Resources	\$296,921		\$84,236	\$381,157	\$477,775
Task order against contract #1127 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$86,106			\$86,106	\$547,070
Task order against contract #1111 for waste minimization services.	Environmental	Portland State University	\$139,281			\$139,281	\$139,281
Task order against contract #1127 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$154,849			\$154,849	\$547,070
Task order against contract #1077 for project management services.	Engineering Project Development	Inici Group, Inc.	\$166,519			\$166,519	\$ 697,755

General Fund

The General Fund includes the following operating divisions: Marine, Industrial Development, Navigation, General Aviation, and Environmental. It also includes the following support services departments: Administration & Equity (Equity, Human Resources, IT and Purchasing & Administrative Services); Executive; Financial, Audit & Risk Services; Legal; Project Delivery and Safety (Engineering, Project Portfolio Office and Safety); and Public Affairs.

Operating revenues are \$2.8M less than the Adopted Budget due to timing of land sales. Excluding land sales, operating revenues are \$2.2M higher than the Adopted Budget of \$20.0M.

Operating expenses before depreciation are \$8.8M less than the Adopted Budget. Excluding land sales, operating expenses before depreciation are \$5.1M less than the Adopted Budget of \$25.1M.



Marine

Marine Volumes:

Autos – YTD volumes are 7% lower than forecast; however, Toyota imports and AWC Ford exports continue to see growth (13% > forecast and 7% > forecast, respectively). YTD volumes are 4% higher than last year.

Breakbulk – T-2 breakbulk activity is not expected until the fourth quarter.

Grain Bulk – YTD tonnage is 8% better than forecast.

Mineral Bulk – Tonnage is up 58% from the forecast due to higher potash and soda ash volumes (46% higher than last year).

Marine Volumes*	Current Year-to-Date			Annual Adopted Budget
	Adopted Budget	Actual Amounts	Variance	
Autos (Units)	136,249	126,718	(7.0%)	327,000
Breakbulk	5,454	-	(100.0%)	40,000
Containers (TEUs)	-	-	-	-
Grain Bulk	1,458,333	1,573,615	7.9%	3,500,000
Mineral Bulk	2,037,484	3,217,633	57.9%	4,667,296

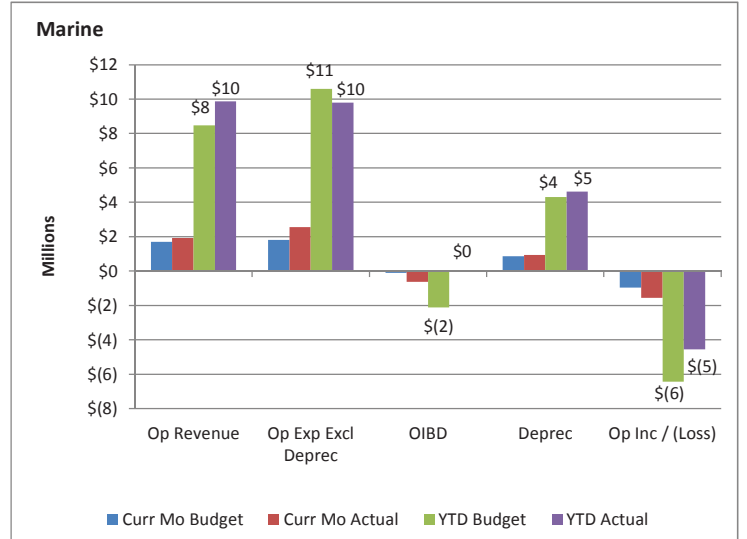
* Volumes in short tons unless otherwise noted.

Marine Operating Results:

YTD operating revenues are \$1.4M greater than the Adopted Budget due to revenues associated with higher auto volumes (\$35K > budget), mineral bulk volumes (\$1.1M > budget), and South Rivergate rail access fees (\$336K > budget).

YTD operating expenses before depreciation are \$797K less than budget, with the largest variances listed below:

- Contract, Professional, and Consulting Services are \$412K < budget due to timing of T-2 rail repair (\$125K < budget) and Marine environmental expenses related to planning and technical assistance and T-4 environmental accruals (\$393K < budget).
- Travel and management expenses are \$210K < budget mostly due to the timing of Props/Achievers expenses (\$83K < budget; budget is straightlined but actuals will post in 4th quarter). Other variances include lower than anticipated travel related to conferences for Legal and Executive (\$51K < budget) and Tri-Met passes (\$16K < budget).
- Longshore Labor is \$94K < budget YTD, but we'll likely see the opposite trend in coming months for longshore labor required to support the monthly Swire ship call and BNSF intermodal operation.

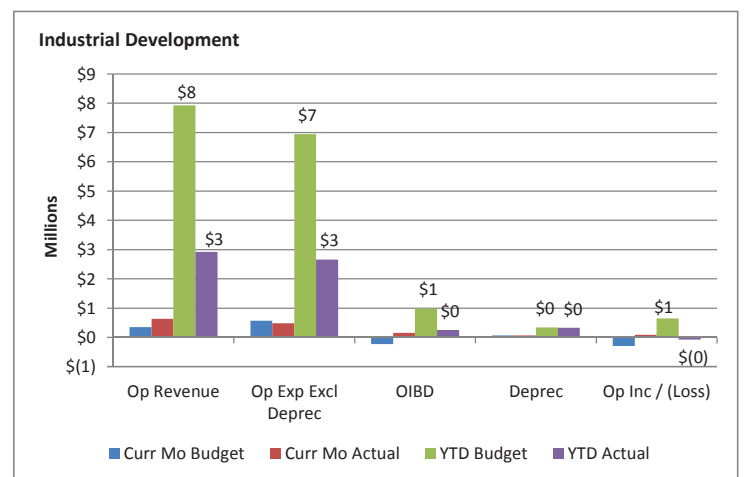


Industrial Development

Excluding land sales, YTD operating revenues are only \$19K / 1% lower than the Adopted Budget. The sale of TRIP Lot 10 (\$5.3M) initially scheduled for September is now expected to close in January.

Excluding land sales, YTD operating expenses before depreciation are \$623K lower than the Adopted Budget, with the largest variances listed below:

- Contract, Professional, and Consulting Services are \$524K < budget largely due to timing of land use development consulting (\$124K < budget), due diligence related to the possible acquisition of additional industrial park properties (\$123K < budget), eco-industrial development and LEED incentives for Gresham Vista Lots 1, 2, and 3 (\$60K < budget), and wetland mitigation site maintenance (\$50K < budget).
- Travel & Management expenses related to conferences are \$99K < budget.

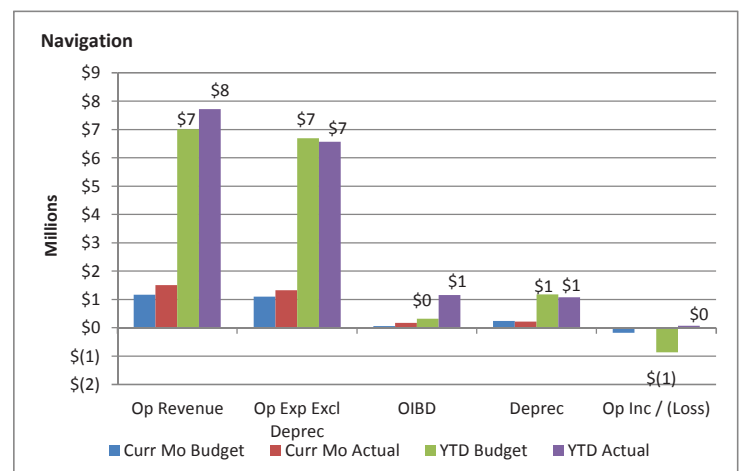


Navigation

YTD operating revenues are \$711K higher than budget due to seven more dredging days than budgeted and the reimbursement of capital projects / depreciation from the U.S. Army Corps of Engineers.

YTD operating expenses before depreciation are \$129K lower than the Adopted Budget. Operating labor is \$1.1M > budget due to more dredging days than anticipated and overtime not being seasonalized. This is partially offset by lower than anticipated materials and services expenses, including materials and supplies (\$405K), outside services (\$391K < budget), equipment rental, repairs and fuel (\$206K < budget), and insurance (\$128K).

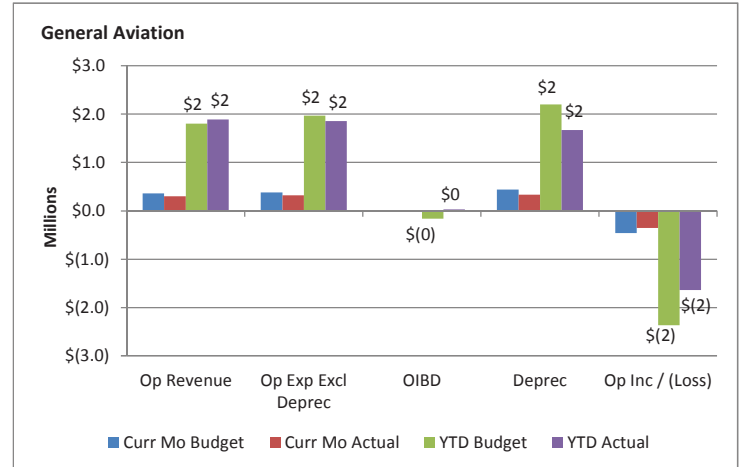
Dredging Volumes	Current Year-to-Date			Annual Adopted Budget
	Budgeted Amounts	Actual Amounts	Variance	
Dredging Days	96	103	7.3%	121
Cubic Yards Dredged		2,217,638		



General Aviation

YTD operating revenues are \$82K higher than the Adopted Budget primarily due to timing of the receipt of grant revenues for the HIO master plan.

YTD operating expenses before depreciation are \$113K lower than the Adopted Budget primarily due to timing of consulting expenses for the HIO master plan.

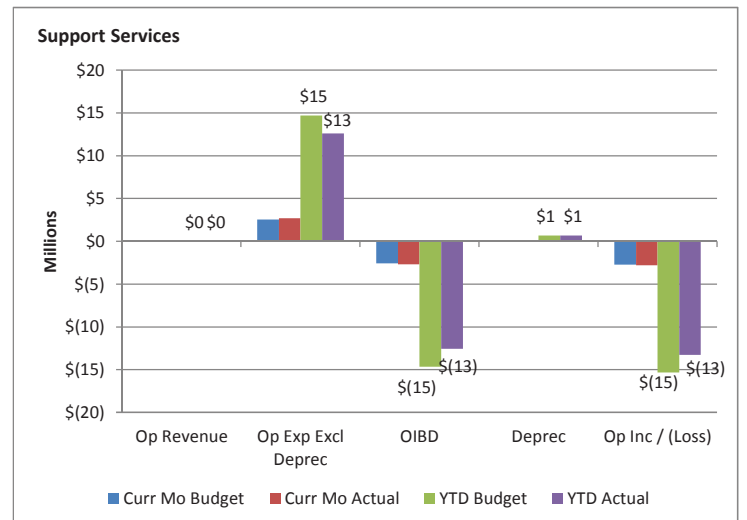


Support Services

Support Services is comprised of Administration & Equity (Equity, Human Resources, IT and Purchasing & Administrative Services); Executive; Financial, Audit & Risk Services; Legal; Project Delivery and Safety (Engineering, Project Portfolio Office and Safety); and Public Affairs. Costs for these areas are allocated to the operating areas.

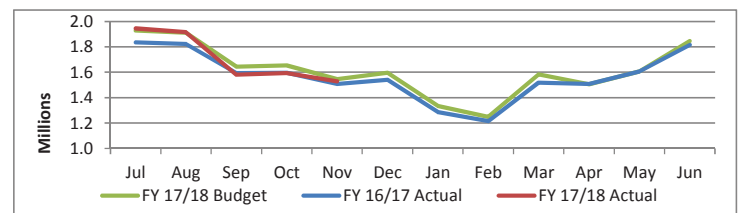
YTD operating expenses (excluding depreciation) are \$2.1M under budget, with the largest variances listed below:

- Contract, Professional, and Consulting Services are \$1.4M < budget due to timing of Administration & Equity expenses primarily related to employee performance coaching and diversity, equity and inclusion initiatives (\$331 < budget); Public Affairs expenses related to the levee re-certification (\$219K < budget); Financial, Audit & Risk Services expenses related to annual support for risk management systems and broker consulting (\$62K < budget); Purchasing & Administrative Services expenses related to the disparity study and coffee service (\$89K < budget); and Project Delivery & Safety expenses related to ProMIS (\$195K < budget).
- Other expenses are \$221K < budget due to timing of IT software expenses (\$209K < budget).
- Personnel services are \$198K < budget due to position vacancies.
- Travel and management expenses are \$175K < budget.



**Portland International Airport
 Total Passengers**

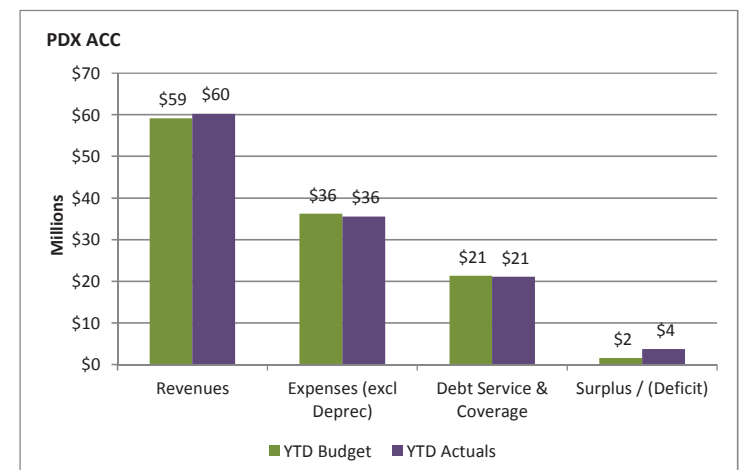
Passengers traveling through PDX are a key driver of revenues and expenses for the Airport. YTD, PDX has served almost 8.6 million total passengers. While this is slightly less than projected, it exceeds the prior year by 2.5%. Passenger levels are lower than forecast primarily due to Horizon's regional pilot shortage leading to several flight cancellations. Passenger levels are still higher than last year due to continued economic growth and new flights serving PDX. Strong demand for air travel results in air carriers increasing seat capacity and adding flights.



PDX Airline Cost Center (ACC)

Total ACC Revenues are \$1.1M higher than budget due to higher than expected common use rentals (\$378K), terminal rents (\$289K), and both food and beverage and retail concessions (\$223K).

YTD ACC expenses are \$651K less than the Adopted Budget. Materials and services are \$798K less than budget primarily due to timing of outside services related to terminal studies and airfield seismic studies (down \$363K). Other indirect costs related to this variance include timing of air service development marketing support costs (down \$294K), consulting expenses for Aviation Long Range Planning and Properties (down \$128K), and lower workers' compensation claims for Fire (down \$199K). This is partially offset by increased terminal security costs (up \$208K).



PDX Port Cost Center (PCC)

YTD PCC revenues are \$713K greater than budget as a result of higher than expected transportation network company volumes (Uber, Lyft - up \$594K) and rental car activity (up \$230K). Also higher than budget are revenues associated with SW Development, Air Trans Center, PDX GA, and PIC land lease and rent revenues (up \$282K), as well as North Cargo overflow ramp parking (up \$64K).

PCC expenses are \$1.5M less than budget. Personnel services are \$182K less than budget due to position vacancies. Materials and services are \$1.2M less than budget primarily due to timing of environmental expenses (down \$142K), outside services expenses (down \$134K), parking and roadway management fees (down \$219K; benefits growth rate for Standard Parking Plus employees lower than anticipated), and stormwater expenses (down \$71K). Other indirect costs related to this variance include timing of air service development marketing support costs (\$196K) and consulting expenses for Aviation Long Range Planning and Properties (down \$145K).

