



AGENDA  
Regular Commission Meeting  
Port of Portland Headquarters  
7200 N.E. Airport Way, 8<sup>th</sup> Floor  
February 8, 2012  
9:30 a.m.

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**Minutes**

Approval of Minutes: Regular Commission Meeting – January 11, 2012

**Executive Director**

Approval of Executive Director's Report – January 2012

**General Discussion**

Port of Portland Safety Program Update

*ANDREA MARZETTE*

**Action Items**

1. 2012 PORT OF PORTLAND TRANSPORTATION IMPROVEMENT PLAN *SUSIE LAHSENE*  
Requests approval of the Port of Portland's Transportation Improvement Plan.
2. CONTRACT – BUDGET APPLICATION REPLACEMENT *SCOTT FRESVIK*  
Requests approval to award a contract for purchase, implementation and support for a new budget, planning and forecasting application at the Port of Portland.
3. AUTHORIZATION TO APPLY FOR FOREIGN TRADE ZONE SUBZONE AUTHORITY FOR SHIMADZU USA MANUFACTURING, INC. *TERESA CARR*  
Requests authorization for the Port of Portland's executive director or his designee to sign an application on behalf of the Port for the approval, from the U.S. Foreign Trade Zone Board, to assign subzone authority for Shimadzu USA Manufacturing, Inc.

**2012 PORT OF PORTLAND TRANSPORTATION IMPROVEMENT PLAN**

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February 8, 2012

Presented by: Susie Lahsene  
Manager, Transportation and  
Land Use Policy**EXECUTIVE SUMMARY**

This agenda item requests approval of the Port of Portland's (Port) Transportation Improvement Plan (PTIP). As a transportation agency reliant on elements of the transportation system developed and managed by others to support our mission, the Port must carefully plan, consider funding initiatives and support projects that will enhance market access for Port customers and businesses in this region and state. The Port Commission considers the PTIP annually as the basis for charting our transportation improvement needs and funding requirements.

**BACKGROUND**

As a result of increased competition for fewer federal and state transportation dollars, increasing congestion, need for global market access and the impact of inflation and fuel efficiency on the purchasing power of local and state gas taxes, the demand for transportation improvements now far exceeds existing funding sources. In order to address business and passenger transportation market access and freight bottlenecks, needed improvements must be included in regional, state and federal transportation planning documents and funding strategies. Since transportation funds are not adequate to meet the region's capital and maintenance needs, the Port must focus on our customers' most critical transportation access needs. We must also look to other governments and the private sector to contribute funding for Port transportation maintenance and major capital investments.

Transportation continues to be both a strategic advantage for this region and a potential vulnerability. We are a small market and good access to markets beyond our region is critical for the businesses that locate here but it is also crucial that the businesses that rely on products from others in this region can receive them in a timely manner – that means making strategic investments in all parts of the transportation system to diminish choke points, excessive congestion and poor connections.

The President's Export agenda and our local metropolitan export strategy, the Port's own industrial lands initiative and portions of our federal and state strategy link back to the Port's transportation plan. It is our blueprint to ensure that we are strategic about assessing our needs relative to our customers' interests. It our way of ensuring that our customers have good access to markets and that the region remains attractive for business expansion and job growth.

For these reasons and others, it is prudent for us to review our transportation needs with the Commission annually. In addition, federal and state regulations require that all transportation funding requests include public review of project lists and funding strategies. Regulations further require inclusion of projects in regional transportation plans in order to be considered for

air quality assessment and funding. To meet state and federal public process requirements established in 1991, the Commission must formally authorize submission of the PTIP to Metro and the Oregon Department of Transportation when there are changes to projects or funding priorities. Project funding priorities are reconsidered annually when PTIP projects and costs are updated. This year's PTIP contains changes to the project list, project costs and funding priorities.

This year's PTIP is a compilation of 92 road, rail, transit, marine, environmental, aviation and waterway improvements that address Port facility, property access and freight mobility needs. Some of the projects in the PTIP are primarily the Port's responsibility; others are critical for Port customers' market access on systems owned and operated by others. The projects on systems owned and operated by other governments or private rail carriers are primarily the responsibility of those entities but, due to competing priorities and capital constraints, they require some amount of Port focus and/or financial participation to create the impetus for the responsible entity to pursue the project.

Port staff has identified 58 projects that may require some Port resources, outside grant funding and commitments from the various responsible agencies to move the projects forward. These projects represent the most pressing bottlenecks and capital needs for Port customers. The need for Port funding and the precise amount for each project will be determined at the time commitments must be made and will be subject to funding availability, a specific project business case justification and Commission approval for any amounts in excess of delegated authority.

The projects identified in the PTIP were developed with full opportunity for public review and input. In November 2011, the PTIP was placed on the Port's website and notices of the PTIP's availability were emailed to stakeholders, community organizations and area businesses. A series of presentations were made to business organizations, customers and community interests. A public hearing was held as part of the PTIP discussion at the January 11, 2012, Port Commission meeting. Port staff intends to work with Metro, state and local transportation planners to include the projects in the PTIP in the local Transportation System Plans, the Regional Transportation Plan and funding programs at various levels of government.

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

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to submit the Port of Portland's Transportation Improvement Plan to Metro and the Oregon Department of Transportation for inclusion in the Regional Transportation Plan to be eligible for future state, regional, and federal funding; and

BE IT FURTHER RESOLVED, That approval is given to seek federal, state and regional transportation funds for the list of Port Priority Projects identified in the draft Port Transportation Improvement Plan.

**CONTRACT – BUDGET APPLICATION REPLACEMENT**

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February 8, 2012

Presented by: Scott Fresvik  
Finance Manager  
Business & Financial Operations**EXECUTIVE SUMMARY**

This agenda item requests approval to award a contract to Longview Solutions for purchase, implementation and support for a new budget, planning and forecasting application at the Port of Portland (Port). This purchase will replace the Port's current budget application, Cognos Budget Enterprise Planning System (BEPS), which is aging, unreliable and no longer supported by the vendor.

**BACKGROUND**

The budget planning application is a key component of the Port's overall strategic and business planning process. It is critical to the timely development of the Port's annual operating budget, as required by local budget law, as well as for making quarterly revised forecast updates and managing the Port's financial performance.

The Port's business unit managers use BEPS for data entry and ongoing management of budget data. The budget finance team uses BEPS to make entries as needed and to analyze budget data during the budget preparation cycle. The budget data in BEPS is loaded into JDE (the Port's core financial system) as part of the budget cycle and thus becomes the budget source of record. This information is in turn used in the development of the Port's annual statutory budget.

The requirement for a dependable budget application is of key importance to accomplishing these processes on a timely basis.

The Port has utilized BEPS for approximately six years, many of which have been without vendor support. Currently, the application experiences dependability and consistency issues. These issues require large resource commitments from both IT and Finance and can often take several days to a week to remedy.

The Port went through a formal RFP selection process, receiving a total of eight proposals. Of the proposers, five were selected for in-house demonstrations. A cross-functional evaluation team ranked each of the five vendors based on their ability to best meet the Port's business requirements and graded them according to qualifications, solution requirements, costs/fees and Emerging Small Business participation.

After careful consideration, the evaluation team selected Longview Solutions due to the application's ability to meet the Port's needs, Longview's experience and qualifications, the positive referrals received from several of Longview's customers and the high ratings Longview

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received from the Gartner group in a recent industry survey. Longview Solutions excels in handling complex organizations with large amounts of data. Their clients include DFW Airport, Home Depot, Boeing, Warner Brothers, Welch's, UPS and others.

The benefits of replacing BEPS with a new budget, planning and forecasting application include increased reliability, reduction in the amount of resources required for system maintenance, the ability to provide seamless integration between the budget application and JDE G/L and the ability to conduct training and maintain adequate vendor support.

If approved, the Port will purchase approximately 300 licenses (with the option to purchase an additional 200 at a reduced price in the future), implementation services and necessary hardware. Total contract cost with Longview Solutions is expected to be \$520,000, with a total project cost, including internal Port staff time, required hardware and contingency, estimated at \$800,000. Both the contract cost and the project cost are not expected to deviate greatly from these estimates. The project is currently scheduled to complete design, implementation, testing and training before September 2012.

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

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a contract to Longview Solutions for the purchase and implementation of a new budget, planning, forecasting application at the Port of Portland, in accordance with their proposal; 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.

**AUTHORIZATION TO APPLY FOR FOREIGN TRADE ZONE SUBZONE AUTHORITY FOR SHIMADZU USA MANUFACTURING, INC.**

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February 8, 2012

Presented by: Teresa Carr  
Development Project Manager**EXECUTIVE SUMMARY**

This agenda item requests authorization for the Port of Portland's (Port) executive director or his designee to sign an application on behalf of the Port for the approval, from the U.S. Foreign Trade Zone (FTZ) Board, to assign subzone authority for Shimadzu USA Manufacturing, Inc. (Shimadzu) in Canby, Oregon. Shimadzu manufactures scientific analytical instrumentation, precision machined and fabricated parts and provides research and development services to the U.S. market. Establishing FTZ subzone status for Shimadzu's manufacturing operations is consistent with the Port's role as a FTZ grantee and is expected to allow Shimadzu to realize economic benefits and encourage their retention, expansion and investment in the region.

**BACKGROUND**

FTZs were created by federal law in 1934. Their purpose is to stimulate international commerce, improve the competitiveness of U.S.-based businesses and create jobs in the U.S. An FTZ is a secure area at or near a U.S. Customs and Border Protection (CBP) port of entry, such as the Port. Once officially activated, these areas are considered to be outside of Customs territory, allowing site operators to bring in goods duty-free (or duty-deferred) and without formal Customs entry. Special duty treatment is also given to goods that are processed in FTZs and then re-exported. Zone operators may conduct a variety of activities in a zone, including assembling, packaging, destroying, storing, cleaning, exhibiting, re-packing, distributing, sorting, grading, testing, labeling, repairing, combining with foreign or domestic content, or processing.

Subzones are considered special purpose zones and must obtain separate approval from the FTZ Board. In contrast to general purpose zones, subzones are for use by only one company for a specific activity and may be located as far as 60 miles away from the port of entry. Manufacturing is permitted within a subzone with the approval of the FTZ Board.

The Port is the "grantee," or administrator, of FTZ No. 45, which was established in 1978. Zone No. 45 has two active general purpose zones and one active subzone. The most recent subzone within Zone No. 45, operated by Epson Portland, Inc., was activated in 2005.

**Shimadzu Subzone Application**

Shimadzu has completed a feasibility study to determine the benefits of FTZ subzone status and has requested that the Port submit an application on its behalf to the FTZ Board seeking a grant of authority to establish a subzone with manufacturing authority. Under FTZ Board regulations the Port, as grantee, is the appropriate party to submit Shimadzu's application.

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In order to submit the application, the Port must establish that its governing body has authorized a Port official to sign the application. FTZ Board regulations require the Port to submit a certified copy of a Commission resolution establishing such authority for each subzone application.

The FTZ Board is expected to review Shimadzu's subzone application for approximately 9 to 15 months. If the Board approves the application, the Port and Shimadzu would negotiate the terms and conditions of a Subzone Operating Agreement. Once a Subzone Operating Agreement is executed, Shimadzu could apply to CBP for "activation" of the subzone, with the Port's concurrence. Upon activation, Shimadzu could begin using the subzone. If additional Commission approval is needed for future Port actions relating to Shimadzu's proposed subzone, Port staff will seek approval at such time.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Commission authorizes the submission of an application for a grant of authority, from the U.S. Foreign Trade Zones Board, to establish a special-purpose subzone with manufacturing authority for Shimadzu USA Manufacturing, Inc.; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute all necessary documents to carry out the foregoing resolution, including but not limited to the subzone application, on behalf of the Port of Portland Commission in a form approved by counsel.