



AGENDA
Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
June 14, 2017
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – May 10, 2017
Approval of Minutes: Special Commission Meeting – May 23, 2017

Executive Director

Approval of Executive Director's Report – May 2017

Consent Item

1. CITY OF MOLALLA ENTERPRISE ZONE RE-DESIGNATION *EMERALD BOGUE*
Requests consent to a re-designation of the Molalla Enterprise Zone.

Action Items

2. PROPERTY SALE – LOT 10 – TROUTDALE REYNOLDS INDUSTRIAL PARK *ISAAC BARROW*
Requests approval to sell approximately 18.7 acres of property located on Sundial Rd., designated as Lot 10 in the Troutdale Reynolds Industrial Park, to CRG Acquisition, LLC, a subsidiary of Clayco.
3. PUBLIC IMPROVEMENT CONTRACT – AIRPORT WAY AND FRONTAGE ROAD REHABILITATION – PORTLAND INTERNATIONAL AIRPORT *CHRIS EDWARDS*
Requests approval to award a public improvement contract to K&E Excavating, Inc., for the Airport Way and Frontage Road Rehabilitation project at Portland International Airport.
4. PUBLIC IMPROVEMENT CONTRACT – RUNWAY 3-21 STORMWATER INFRASTRUCTURE AND PAVEMENT IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT *ERIC FORSYTH*
Requests approval to award a public improvement contract to K&E Excavating, Inc., for the Runway 3-21 Stormwater Infrastructure and Pavement Improvements project at Portland International Airport.

5. PUBLIC IMPROVEMENT CONTRACT – BERTH
REHABILITATION AND SITE IMPROVEMENTS – MARINE
TERMINAL 4 AND TERMINAL 6

ERIC FORSYTH

Requests approval to award a public improvement contract to Stellar J Corporation for berth rehabilitation and site improvements at marine Terminal 4 and Terminal 6.

CITY OF MOLALLA ENTERPRISE ZONE RE-DESIGNATION

June 14, 2017

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

This agenda item requests consent to a re-designation of the Molalla 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. The current designation expires July 1, 2017.

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, ORS 285C.065, 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 up to five years on new qualified capital assets of eligible businesses within the Enterprise Zone boundary. Land, existing structures and existing machinery and equipment are not eligible for the abatement. State program requirements include: increasing employment by 10 percent, or one job, whichever is greater; maintaining minimum employment levels during the abatement period; and entering into a "First Source Hiring Agreement" with Worksource Oregon, 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 Molalla Enterprise Zone was originally designated in 2006. The program continues to assist local companies with expansion opportunities. The Molalla Enterprise Zone program results include \$3,702,388 in assessed value and 30 new jobs to date.

FINANCIAL IMPACT

Under the current levy, the Port will forgo approximately \$0.0701 per \$1000 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 \$8,763 over a five-year period on a \$25 million investment. Upon completion of the exemption period, the property will be fully taxed. The re-designation is planned to go before the Molalla City Council with a request for approval on June 28, 2017. The re-designation consent request is planned to go before the Clackamas County Board of Commissioners on June 29, 2017. The City of Molalla 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 Molalla to the re-designation of the Molalla 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.

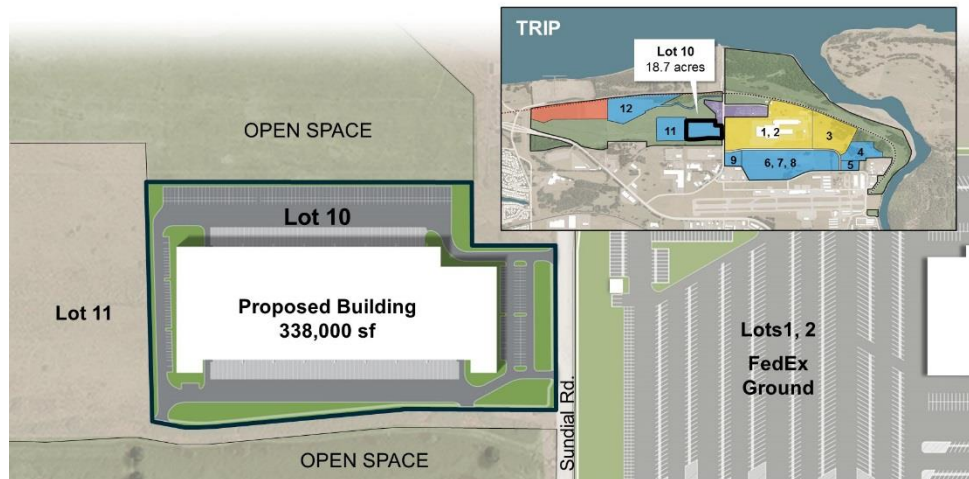
PROPERTY SALE – LOT 10 – TROUTDALE REYNOLDS INDUSTRIAL PARK

June 14, 2017

Presented by: Isaac Barrow
Business Development Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval to sell approximately 18.7 acres of property (Property) located on Sundial Rd., designated as Lot 10 in the Troutdale Reynolds Industrial Park (TRIP), to CRG Acquisition, LLC (CRG), a subsidiary of Clayco. The total purchase price for the Property is \$5,247,781.50.



BACKGROUND

Clayco, founded in 1984, is a full service real estate group providing architecture, engineering, design-build and construction services. Clayco’s development subsidiary, CRG, has completed over \$10 billion in construction projects, spanning over 5,000 acres of land and 10 million square feet of commercial, industrial and multi-family projects with a value exceeding \$64 billion. While new to the Portland market, Clayco is a nationally recognized developer and has an established customer list including GAP, Coleman, Amazon, Walgreens and many others.

Notable recent industrial projects include Bridgeport, a 1,000,000-square-foot speculative industrial development in southwest Atlanta currently under construction; a purpose-built 1,107,000-square-foot distribution center for Coleman in Gardner, Kansas; and a 311,000-square-foot, state-of-the-art manufacturing facility for SKF in St. Louis, Missouri.

CRG will acquire Lot 10 for development of a speculative industrial building. The facility will be designed to serve a range of industrial users from manufacturing to distribution and offices. The development would be required to comply with TRIP Development Standards as well as City of Troutdale (City) design and permit requirements.

PROPERTY SALE – LOT 10 – TROUTDALE REYNOLDS INDUSTRIAL PARK

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CRG's initial site concept is for a 344,000-square-foot facility that can accommodate up to four users. Parking is being planned for approximately 115 employee vehicles.

The Port of Portland is encouraging CRG to attract tenants that will enable the parties to participate in the Regionally Significant Industrial Sites tax reimbursement program. The City is supportive of this development and is coordinating permitting. The City will also assist with the evaluation of enterprise zone incentives for qualified tenants.

The essential sale terms are as follows:

Sale Property:	Approximately 18.7 acres
Purchase Price:	\$5,247,781.50, based on \$6.50 per square foot
Due Diligence:	90-day period with \$100,000 in earnest money
Brokerage Commission:	\$148,694.54 paid to Newmark Knight Grubb Frank

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to sell approximately 18.7 acres of property designated as Lot 10 in the Troutdale Reynolds Industrial Park to CRG Acquisitions, LLC, consistent with the terms presented to the Commission; 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 – AIRPORT WAY AND FRONTAGE ROAD
REHABILITATION – PORTLAND INTERNATIONAL AIRPORT**

June 14, 2017

Presented by: Chris Edwards
Engineering Project Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to K&E Excavating, Inc., for the Airport Way and Frontage Road Rehabilitation project at Portland International Airport (PDX), in the amount of \$2,797,065.

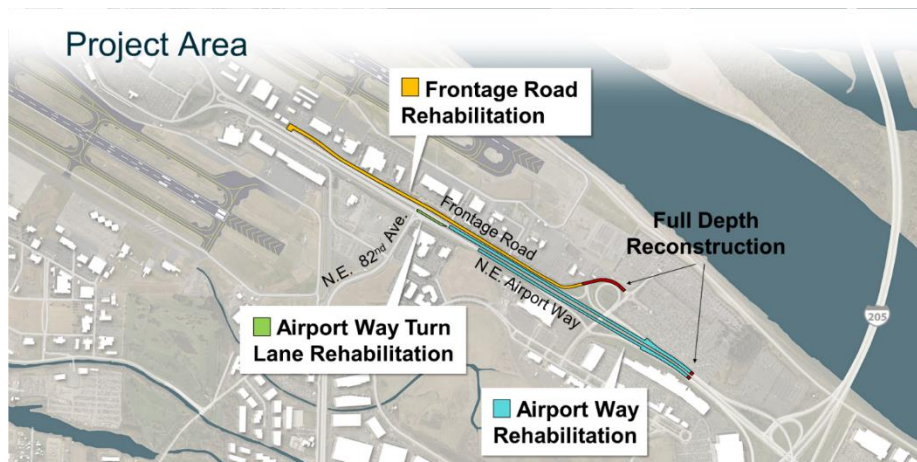
BACKGROUND

The Airport Way and Frontage Road Rehabilitation project involves asphalt pavement rehabilitation along these roadways. For Airport Way, the last major rehabilitation work occurred in 2000. For Frontage Road, the western 9,500 feet was reconstructed in 2005 and the eastern 2,200 feet was reconstructed in 2000.

On the east and westbound lanes of Airport Way, the work will entail an asphalt mill and inlay process from east of NE 82nd Avenue to the Oregon Department of Transportation (ODOT) I-205 Interchange right-of-way. At the ODOT/Port of Portland (Port) property interface, there is a 50-foot pavement section that has extensive longitudinal and transverse cracking that requires full-depth reconstruction. Asphalt mill and inlay work will also be performed for the southbound turn lanes from westbound Airport Way to southbound NE 82nd Avenue.

The Frontage Road rehabilitation work will be performed via asphalt mill and inlay for a majority of the roadway. However, there is a pavement section between the west leg of the Mt. Hood roundabout and the westbound Airport Way on-ramp that requires full-depth reconstruction due to severe longitudinal and transverse cracking.

This work is intended to provide a 20-year service life. If this work were delayed, full-depth pavement reconstruction of the entire roadway may become necessary at some point, at a much higher cost and with greater operational impacts.



PUBLIC IMPROVEMENT CONTRACT – AIRPORT WAY AND FRONTAGE ROAD
REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

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SCOPE

- Reconstruct pavement in asphalt.
- Mill and inlay asphalt pavement.
- Detection loop replacement.
- Mark pavement.

SCHEDULE

Preliminary Design	November 2016 – December 2016
Design	January 2017 – May 2017
Commission approval (public improvement contract)	June 14, 2017
Construction	August 2017 – 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 May 8, 2017 and bids were received on May 30, 2017. K&E Excavating, Inc. submitted the lowest responsive bid. The Port's small business participation goal for this contract is 10 percent of the total amount bid.

The bids were as follows:

K&E Excavating, Inc.	\$2,797,065
Granite Construction Co.	\$2,955,955
Kerr Contractors Oregon, Inc.	\$3,386,605
Kodiak Pacific Construction	\$3,605,605
Engineer's Estimate	\$3,875,250

PROJECT RISKS

Risk: Operational impacts to the affected roadways

Mitigation strategies:

- Work phasing plans will be developed to minimize disruptions.
- There will be ongoing coordination with affected stakeholders.

PUBLIC IMPROVEMENT CONTRACT – AIRPORT WAY AND FRONTAGE ROAD
REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

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Risk: Inclement weather could delay work progress

Mitigation strategies:

- Contingency plans will be developed for scheduling work.
- Work activities that are not weather-sensitive will be performed during adverse weather.

BUDGET

Public Improvement Contract	\$2,797,065
Port staff/contracted services (in-house design)	\$983,900
Contingency	<u>\$378,750</u>
Total project budget	\$4,159,715

The contingency represents 10 percent of the project budget and is considered reasonable given the risk profile for the project and the complexity of the work site.

The project will be funded by the Port Cost Center.

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 for the Airport Way and Frontage Road Rehabilitation project at Portland International Airport to K&E Excavating, Inc., 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 – RUNWAY 3-21 STORMWATER INFRASTRUCTURE AND PAVEMENT IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT

June 14, 2017

Presented by: Eric Forsyth
Engineering Project Manager

REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to K&E Excavating, Inc., for Runway 3-21 stormwater infrastructure and pavement improvements at Portland International Airport (PDX), in the amount of \$6,735,551.

BACKGROUND

Runway 3-21 (the Crosswind Runway) provides an alternative for taking off and landing in crosswind conditions at PDX. It also allows for quick removal of smaller aircraft from PDX, preserving Runway 10L/28R (north runway) and Runway 10R/28L (south runway) for larger aircraft, allowing a more efficient use of the runway and taxiway system at PDX. This project will improve several features of Runway 3-21.

As shown in the map below, this project will improve the drainage characteristics of the south and west portions of the runway's Runway Safety Area (RSA), replace degraded infrastructure with an upsized system that meets current standards, and correct recurring wetlands issues. Stormwater ponding is a common occurrence during the wet season in the southern portion of the RSA, which has created a wildlife attractant on the airfield. The area does not drain well and surcharging (overloading) of the existing stormwater infrastructure is also a known concern. Allowing for proper drainage of this basin is intended to eliminate the ponding and surcharging, enhancing the operation of Runway 3-21 and PDX as a whole.



PUBLIC IMPROVEMENT CONTRACT – RUNWAY 3-21 STORMWATER INFRASTRUCTURE AND PAVEMENT IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT

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In addition, the project will rehabilitate a portion of the pavement surface of Runway 3-21, extending its useful life without rebuilding the pavement’s structural section. Specifically, the keel (middle) portion of Runway 3-21 will be rehabilitated in areas just south and north of its intersection with the south runway, where surface cracking and deterioration has occurred. Pavement improvements also will include the taxiway entrances/exits. The project’s primary work scope elements are listed below.

SCOPE

- Replace stormwater infrastructure in the South and West portions of the RSA and re-grade.
- Mill, inlay and overlay the south portion of the runway.
- Mill and inlay the north portion of the runway.
- Rehabilitate some taxiway entrances/exits adjacent to the paving work.
- Raise the profile of a 700-foot-long section of Perimeter Road approximately 12 inches.
- Remove and replace flush centerline lights at Taxiways C, B and M.
- Restore some associated airfield markings to pre-project orientation.
- Abandon an existing utility conduit at the intersection of Taxiways C and F.
- Mill and inlay a 300-foot-long section of Taxiway K.

SCHEDULE

Preliminary Design	September 2015 – December 2017
Airline Airport Affairs Committee Approval	January 2017
Final Design	February 2017 – April 2017
Commission Approval (public improvement contract)	June 14, 2017
Construction	July 2017 – October 2017 (may extend into 2018, weather-dependent)

PROJECT BID RESULTS

The Port of Portland (Port) procured this public improvement contract utilizing a competitive sealed bidding solicitation under ORS Chapter 279C. The solicitation was advertised on April 14, 2017 and bids were received on May 16, 2017. K&E Excavating, Inc., submitted the lowest responsive bid.

The Port’s Disadvantaged Business Enterprise (DBE) participation goal (applicable for Federally funded projects) for this contract is 10 percent of the total amount bid.

PUBLIC IMPROVEMENT CONTRACT – RUNWAY 3-21 STORMWATER INFRASTRUCTURE
AND PAVEMENT IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT

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The bids were as follows:

Kodiak Pacific Construction*	\$6,693,693.00
K&E Excavating, Inc.	\$6,735,551.00
Nutter Corporation	\$7,837,521.22
Goodfellow Bros., Inc.	\$7,879,592.00
Kerr Contractors Oregon, Inc.**	\$8,217,086.25
Engineer's Estimate	\$7,288,775.50

* Non-responsive bid (bidder unable to self-perform work to meet the DBE participation goal as intended, due to lack of DBE certification)

** Corrected bid total

PROJECT RISKS

Risk: Impacts to PDX operations

Mitigation Strategies:

- Follow and enforce the Construction Staging and Phasing Plan approved by the Federal Aviation Administration (FAA).
- Ongoing coordination with FAA Air Traffic Control and other affected stakeholders.

Risk: Inclement weather may delay work

Mitigation Strategies:

- Develop contingency plans for scheduling work, including the possibility of postponing portions of work until 2018.
- Perform work activities that are not weather-sensitive during inclement weather.
- Prepare for the possibility of working nights and/or weekends.

Risk: Deep excavations in the Runway 3-21 RSA may uncover archeological artifacts

Mitigation Strategies:

- Implement the project's Archaeological Monitoring Plan (AMP) and Inadvertent Discovery Plan (IDP).
- Consult with the tribes that are potentially impacted and document that consultation as part of the National Environmental Policy Act approval process (completed).
- Obtain State Historical Preservation Office permit based on the AMP and IDP before excavation activities commence.

PUBLIC IMPROVEMENT CONTRACT – RUNWAY 3-21 STORMWATER INFRASTRUCTURE AND PAVEMENT IMPROVEMENTS – PORTLAND INTERNATIONAL AIRPORT

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- Be prepared to shift work activities away from deep excavation work if artifacts are discovered.
- Prepare for the possibility of working nights and/or weekends to recover schedule.

Risk: Delay in obtaining a Site Development Permit from the City of Portland (City) for the outfall work (outside the PDX security fence). Permit approval is anticipated by the end of August 2017.

Mitigation Strategies:

- Frequent check-ins with City staff on review progress.
- Ensure the contractor schedules the affected work (just the outfall) appropriately.
- Be prepared to provide supporting documentation to City staff in an expedient manner.

BUDGET

Public Improvement Contract	\$6,735,551
Electrical Equipment Procurements	\$28,519
Port Staff/Contracted Services	\$2,635,000
Contingency	<u>\$1,487,930</u>
Total Project	\$10,887,000

The project will be funded by the Airline Cost Center and, in part, by the FAA through an Airport Improvement Program grant.

The contingency, representing 16 percent of the project cost, is considered reasonable given the risk profile of the project, existing conditions of the work site, the project's requirements during excavation activities and weather restrictions.

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 K&E Excavating, Inc., for Runway 3-21 stormwater infrastructure and pavement improvements at Portland International Airport, 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 – BERTH REHABILITATION AND SITE IMPROVEMENTS – MARINE TERMINAL 4 AND TERMINAL 6

June 14, 2017

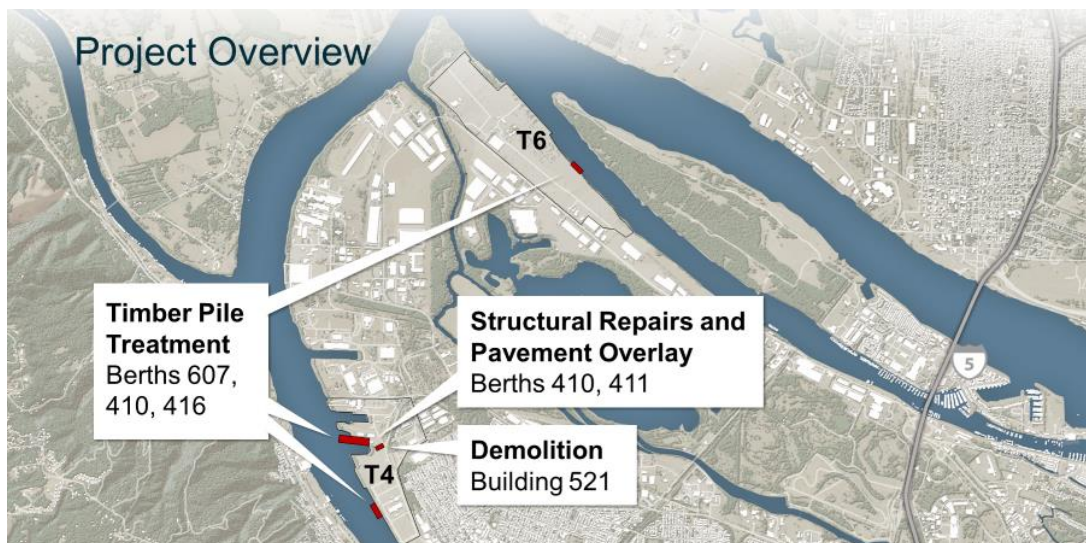
Presented by: Eric Forsyth
Engineering Project Manger

REQUESTED COMMISSION ACTION

This agenda item requests approval to award a public improvement contract to Stellar J Corporation, for berth rehabilitation and site improvements at marine Terminal 4 (T4) and Terminal 6 (T6), in the amount of \$2,645,790.

BACKGROUND

This project is primarily focused at/near Berth 410 (B410) and Berth 411 (B411) at T4. These berths are leased by Kinder Morgan (KM) for soda ash export. Major contractor work scope items include structural repair/rehabilitation of the berths themselves, placement of riprap, pavement rehabilitation, and repair/improvement of the utility tunnel under B411, including new doors and a new sump pump. Additional work includes timber pile maintenance on B410, B416, and B607 at T6, and rehabilitation of luminaire/power poles at both terminals.



Work also includes demolishing Building 521 at T4, a 9,000-square-foot warehouse constructed in 1953 by Quaker State. It is currently used to store Port of Portland (Port) electrical equipment. The office on the east end is uninhabitable because it has numerous asbestos-containing materials; the presence of those materials also requires annual asbestos surveying and reporting. The building needs more than \$2 million in structural repairs, a cost that exceeds its usefulness. This scope includes asbestos abatement, building and foundation demolition, utility stubbing and capping, and hauling/dump fees.

PUBLIC IMPROVEMENT CONTRACT – BERTH REHABILITATION AND SITE IMPROVEMENTS – MARINE TERMINAL 4 AND TERMINAL 6

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In addition, Port Maintenance department personnel will install a new Reduced Pressure Backflow Assembly (RPBA), including a heated shed.

SCOPE

- Structural repairs at Berths 410 and 411.
- Pavement overlay on Berth 411.
- Riprap placement under Berth 411.
- Repair/improve the utility tunnel at Berth 411.
- Demolish Building 521 at T4.
- Timber Pile Treatment at Berths 410, 416 and 607.
- Utility Pole Treatment at selected locations at T4 and T6.

SCHEDULE

Design	July 2016 – April 2017
Commission Approval (public improvement contract)	June 14, 2017
Construction	July 2017 – November 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 May 11, 2017 and bids were received on June 1, 2017. Stellar J Corporation submitted the lowest responsive bid.

The Port’s small business participation goal for this contract is seven percent of the total bid amount.

The bids were as follows:

Stellar J Corporation	\$2,645,790.00
Conway Construction Company	\$3,685,665.00
Engineer's Estimate	\$2,883,382.80

PROJECT RISKS

Risk: Impacts to Port and tenant operations

Mitigation Strategies:

- Follow and enforce the equipment staging and work phasing plans provided by the design team and approved by KM.
- Ongoing coordination with KM and the contractor.

PUBLIC IMPROVEMENT CONTRACT – BERTH REHABILITATION AND SITE IMPROVEMENTS – MARINE TERMINAL 4 AND TERMINAL 6

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Risk: Inclement weather may delay work

Mitigation Strategies:

- Develop contingency plans for scheduling work.
- Perform work activities that are not weather-sensitive during inclement weather.
- Prepare for the possibility of working nights and/or weekends.

Risk: General condition of Berths 410 and 411 is worse than anticipated

Mitigation Strategies:

- Adjust contract work scope as needed.
- Regular communication with the project team to ensure the project's specific scope of work is followed.
- Regular communication with the project sponsor regarding additional deficiencies that may be found.

BUDGET

Public Improvement Contract	\$2,645,790
RPBA Installation (by Port Maintenance crew)	\$175,000
Port Staff/Contracted Services	\$455,000
Contingency	<u>\$449,210</u>
Total Project	\$3,725,000

The project will be funded by the General Fund.

The contingency, representing 13 percent of the project cost, is considered reasonable given the risk profile of the project, existing conditions of the work site, tenant coordination requirements and the project's weather restrictions.

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 Stellar J Corporation, for berth rehabilitation and site improvements at marine Terminal 4 and Terminal 6, 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.