

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
June 8, 2011**

In response to due notice, the regular meeting of the Commissioners of the Port of Portland was held at 9:30 a.m. in the Chinook conference room of the Port's administrative offices located at 7200 NE Airport Way.

QUORUM

Commissioners present were Judi Johansen, President, presiding; Peter Bragdon; Jim Carter; Tom Chamberlain, Steve Corey and Diana Daggett. Also present were Bill Wyatt, Executive Director; participating staff members; and members of the public.

Commissioner Johansen welcomed the new employees in the audience as well as Tom Chamberlain to the Port Commission.

LEAVE OF ABSENCE

Commissioner Johansen called for a motion to grant a leave of absence to Commissioners Allen, Holte and Rosenbaum, who were out of town. Commissioner Daggett moved to grant the leave of absence. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Corey, Daggett and Johansen voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt welcomed Tom Chamberlain and noted while Tom is new to the Port Commission, he is not new to the Port; we have worked closely with Tom and the Oregon AFL-CIO.

Mr. Wyatt said business is good; passenger volumes, concessions and parking revenues are all up. Mr. Wyatt said most of our marine volumes are up as well, and those that are not are due to forces and factors that are beyond our control, such as the exchange rate and the tsunami in Japan. He said all of our export volumes are strong and the prospects for the remainder of the year are good, with the caveat of the potential for increasing fuel prices.

Mr. Wyatt said we are excited about Asiana's announcement last week that they will begin all-cargo service to Asia in September. Mr. Wyatt said the State provided \$400,000 in strategic reserve funding for air cargo incentives (marketing and retention fee) and the Port will waive landing fees for the first year.

Mr. Wyatt said reconstruction of the South Runway is going well. He said we are slightly behind schedule due to the weather but the contractor is catching up.

Mr. Wyatt said Portland International Airport, Seattle-Tacoma International Airport, Spokane International Airport, Boeing, Alaska Airlines and Washington State University, all members of the Sustainable Aviation Fuels Northwest consortium, have partnered in a strategic initiative to identify the potential pathways and actions necessary to make safe, sustainable aviation biofuel commercially available to airline operators in the area. Mr. Wyatt said he is excited about this because for many people the challenge of transportation fuels in an oil-constrained time leads

them to wonder about the future of commercial aviation. He said it is good to know that there are a lot of major forces looking at and evaluating alternatives to the existing regime.

Commissioner Johansen said the safety improvements year on year are commendable, but believes the “Days Away, Restrictions and Transfers” rates are above where they need to be relative to the OSHA standards and asked for additional information at the July Commission meeting.

Commissioner Johansen called for a motion to approve the Executive Director’s Report. Commissioner Corey moved to approve the Executive Director’s Report. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Corey, Daggett and Johansen voted in favor of the motion.

GENERAL DISCUSSION

West Hayden Island Update

Susie Lahsene, Regional Transportation and Land Use Manager, and Eric Engstrom, Bureau of Planning and Sustainability, provided an update of the status of Phase II of the West Hayden Island (WHI) project. Ms. Lahsene provided a brief overview of the process to date, including the Intergovernmental Agreement with the City of Portland and the City Council’s directive to the Bureau of Planning and Sustainability to identify no more than 300 acres for future deep water marine terminal development and protect at least 500 acres as open space. Ms. Lahsene discussed issues for the Port, including: retaining the existing dredge material placement site on WHI, WHI lands management now and in the future, concept plan configuration and implications for the plan district. Commissioner Chamberlain asked whether 300 acres will be enough for a Port facility. Sam Ruda, Marine and Industrial Development director said the acreage constraints portion of the City Council resolution is embedded in the Phase II scope of work, but said you could build a fairly substantive, modern marine facility within that 300-acre footprint. Mr. Engstrom said one of the key drivers of that footprint is the rail configuration and getting that rail off the main line with the grade changes.

Mr. Engstrom reviewed the WHI project’s accomplishments, what will be happening during Phase II, next steps and the legislative process. Commissioner Chamberlain asked what the rationale was for the 300 acres; why not 200 or 500 acres? Mr. Engstrom said they concluded that 300 acres could be developed while retaining the functions of the natural resource system on WHI. He said 300 acres is what the City Council was comfortable with in terms of still allowing a reasonably successful habitat function on WHI. Commissioner Chamberlain said given that WHI has been set aside for a Port facility for 15-20 years, it appears the decision was not made based upon the needs of the Port, but rather the habitat. Mr. Engstrom said the Council’s desire was to have a mix of uses on the site without eliminating the function of either use.

ACTION ITEMS

Agenda Item No. 1

RENTAL CAR AGREEMENTS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to enter into 23 new contracts resulting from the Rental Car Invitation to Bid process for operation of the brands Advantage, Alamo, Avis, Dollar, Enterprise, Hertz, National and Thrifty at Portland International Airport.

Scott Kilgo presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into new rental car contracts for operation at Portland International Airport, as described above; 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.

Commissioner Bragdon moved that the Executive Director's recommendations be approved. Commissioner Carter seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Corey, Daggett and Johansen voted in favor of the motion.

Agenda Item No. 2

CONSTRUCTION CONTRACT – P1 PARKING STRUCTURE REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a construction contract to F.D. Thomas, Inc., for removal and replacement of the P1 parking structure seventh-floor surface coating at Portland International Airport.

George Seaman presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract for P1 parking structure rehabilitation to F.D. Thomas, 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.

Commissioner Corey moved that the Executive Director's recommendations be approved. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Corey, Daggett and Johansen voted in favor of the motion.

Agenda Item No. 3

PERSONAL SERVICES CONTRACT AMENDMENT – DEICING SYSTEM ENHANCEMENTS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of an amendment in the amount of \$825,000 to the Camp Dresser & McKee, Inc., personal services contract to provide additional design, construction, startup and programming support related to the completion of the deicing system enhancement project at Portland International Airport.

George Seaman presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend the existing contract with Camp Dresser & McKee, Inc., for construction support services for the Deicing Enhancements Project at Portland International Airport, 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.

Commissioner Daggett moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Corey, Daggett and Johansen voted in favor of the motion.

Agenda Item No. 4

CONSTRUCTION CONTRACT – RAIL SYSTEM UPGRADE – TERMINAL 4

This agenda item requested approval to award a construction contract to Nutter Corporation for the replacement of approximately 3,200 feet of existing undersized rail on concrete ties at Terminal 4. Included are repairs to existing switches and improvements to the existing base and ballast supporting the new rail.

Dave Dittmer presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract to Nutter Corporation for the replacement of existing undersized rail on concrete ties at Terminal 4, 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.

Commissioner Bragdon moved that the Executive Director's recommendations be approved. Commissioner Carter seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Corey, Daggett and Johansen voted in favor of the motion.

Agenda Item No. 5

SECOND READING AND ENACTMENT – ORDINANCE NO. 440-R TO RELOCATE HARBOR LINES – TRIMET LIGHT RAIL BRIDGE

This agenda item requested a second reading and enactment of proposed Port of Portland Ordinance No. 440-R regarding the adjustment of harbor lines in the Willamette River in connection with the TriMet Portland-Milwaukie Light Rail Project.

Following the first reading of the harbor lines adjustment ordinance at the May 11 Commission meeting, the Port received one written public comment, from Mr. John Weigant, objecting to any permanent obstruction between the shoreline and the proposed bridge pier. TriMet intends to build a temporary work trestle (on either side of the river) for the duration of the three-year construction project, but this trestle is not permanent and will be removed following completion of the bridge.

Commissioner Corey stated for the record that he is interpreting the harbor line as the commercial navigation line and that non-commercial navigation would not be prohibited or impeded. He said one of his concerns is that a developer would view the bridge as a

permanent structure and develop the property within the confines of the “tongue” of the bridge, similar to what has happened with other bridges. He said a good compromise as we look forward is to have the Port review the as-built and then reduce the harbor line to what was actually built.

Eric Burnette read Ordinance No. 440-R by title only.

Eric Burnette presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That Port of Portland Ordinance No. 440-R, authorizing the relocation of harbor lines in the Willamette River in connection with the TriMet Portland-Milwaukie Light Rail Project, be given a second reading by title only; and

BE IT FURTHER RESOLVED, That the proposed Ordinance No. 440-R, in the form presented to the Commission, be enacted by a roll call vote.

Commissioner Chamberlain moved that the Executive Director’s recommendations be approved. Commissioner Corey seconded the motion, which was put to a roll call vote. Commissioners Bragdon, Carter, Chamberlain, Corey, Daggett and Johansen voted in favor of the motion.

The meeting adjourned at 10:36 a.m.

President

Assistant Secretary

Date Signed

An audio recording of these proceedings and the full Commission agenda is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218.

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