

MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
March 12, 2008

In response to due notice, the regular meeting of the Commissioners of the Port of Portland was held at 9:00 a.m. in the Commission Boardroom of the Port's administrative offices at 121 N.W. Everett Street.

QUORUM

Commissioners present were Mary Olson, Vice President, presiding; Ken Allen; Peter Bragdon; Steve Corey; Diana Daggett (via telephone); Bruce Holte and Bill Thorndike. Also present were Bill Wyatt, Executive Director; participating staff members; and representatives of the public.

LEAVE OF ABSENCE

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

MINUTES

Commissioner Olson called for a motion to approve the minutes of the Regular Commission Meeting of February 13, 2008. Commissioner Bragdon moved to approve the minutes. Commissioner Thorndike seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Daggett, Holte, Olson and Thorndike voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt noted the shooting at Terminal 4 in which one of our marine security officers was injured. The officer went to the hospital and was treated and released. The Portland Police Bureau is investigating. The shooting and investigation resulted in the closure of the terminal for a period of time.

Mr. Wyatt noted the brief closure of the lock at the John Day dam. The lock was damaged when a barge tow came into contact with the upstream gate while the lock chamber was filling. Mr. Wyatt said the Army Corps of Engineers did a tremendous job initiating emergency repairs to reopen the lock to resume river traffic. He said the Port provided equipment from our dredge to assist with the repairs.

Mr. Wyatt said our fourth post-Panamax crane has departed Shanghai. If all goes well, it will arrive the first week of April.

Mr. Wyatt said the Port had another good business month despite the current volatile economic environment. Mr. Wyatt said the increase in fuel prices has created challenges in both ocean and air business.

Mr. Wyatt said all construction-related activity at the airport is going well, or as well as can be expected. He said PDX is a difficult environment in which to build anything given the physical conditions and security requirements, but so far the projects are going well. Mr. Wyatt said this is the largest volume of construction activity in the history of the Port.

Commissioner Olson called for a motion to approve the Executive Director's Report. Commissioner Allen moved to approve the Executive Director's Report. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Daggett, Holte, Olson and Thorndike voted in favor of the motion.

ACTION ITEM

Agenda Item No. 1

APPROVAL TO ENACT ORDINANCE NO. 427-B TO REFUND PORTLAND INTERNATIONAL AIRPORT REVENUE SERIES 17 REVENUE BONDS

This agenda item requested approval of Ordinance No. 427-B to authorize the sale of up to \$150 million par value of Portland International Airport Refunding Revenue bonds, to refund all of the outstanding Series 17 Airport Revenue Bonds and to pay the cost of issuance for the Series 18 Bonds.

Vince Granato read the ordinance by title only.

Vince Granato presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enact Ordinance No. 427-B to refund Series 17 Bonds; and

BE IT FURTHER RESOLVED, That approval is given to select Lloyds Bank as the Letter of Credit provider; and

BE IT FURTHER RESOLVED, That proposed Ordinance No. 427-B be read by title only; and

BE IT FURTHER RESOLVED, That proposed Ordinance No. 427-B, in the form presented to Commission, be enacted by a roll call vote; 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 Holte moved that the Executive Director's recommendations be approved. Commissioner Thorndike seconded the motion, which was put to a roll call vote. Commissioners Allen, Bragdon, Corey, Daggett, Holte, Olson, and Thorndike voted in favor of the motion.

Commissioner Daggett left the meeting at this point.

GENERAL DISCUSSION

Port of Portland Noise Management Program Update

Chris Corich, general manager of long range planning, provided an overview of the PDX Noise program. He discussed the current projects the team is working on, including a reverse thrust study, implementation of a PDX Fly Quiet program and a Hillsboro Fly Friendly program, land-

use planning and homebuyer education, community outreach and education and industry outreach. Mr. Corich briefly discussed the efforts of the Citizen Noise Advisory Committee (CNAC) and provided an update of the cargo feeder study. Mr. Corich also discussed the Airport Noise and Operations Monitoring System upgrade, which will provide enhanced flight tracking and identification capabilities, as well as enhanced noise monitoring and web-based flight tracking.

Maryhelen Kincaid, chair of the CNAC, briefly discussed the make up of CNAC. She said the group of unique individuals offers a broad perspective and the committee has grown in its perspective and has gone from being complainers to being able to listen to issues and then make informed decisions. Ms. Kincaid said this has been important in the growth of advocating noise abatement issues. Ms. Kincaid reviewed the projects the committee is working on. She said if the Port were to ask what CNAC most wants to accomplish in the future, they would say continued educational opportunities. Ms. Kincaid praised the PDX noise staff for their support and hard work to ensure that CNAC and the community is involved and educated about noise issues. She said CNAC has a very good role model in the noise office staff as far as community involvement and attention to the needs of citizens.

John Weigant, a resident of east Portland, addressed the Commission about public involvement. Mr. Weigant said although the Port prides itself in operating as a business, it is a government intended to serve the public. Mr. Weigant said the Port's track record in serving the public has generally been good, and since Mr. Wyatt has been executive director, its performance has been excellent.

Mr. Weigant said public involvement is a two-way street. He said the Port has always been good with the output lane, the public relations and other processes to educate the public about its intentions, but has been weak in its input process where it listens to input from the public. Mr. Weigant said the Port's current process is arrogant, not in keeping with the general public involvement standards of the state, which contributes to a poorer overall quality in the actions taken. Mr. Weigant offered several options for the Commission to consider to improve the Port's public input process. He suggested holding public hearings before the Commission makes its decisions, or to open the "back room negotiations" to the public.

Commissioner Corey said the Commissioners bring different backgrounds to their appointments as Commissioners and some have served on other commissions. He believes the Port Commission does an excellent job, but noted there is always an opportunity to do better. Commissioner Corey asked that the Commission receive a copy of Mr. Weigant's comments to consider.

CONSENT AGENDA

No presentations were made of the following agenda items, which were brought before the Commission as part of the Consent Agenda. Commissioner Olson read the titles of the agenda items and called for a motion to approve the items.

Agenda Item No. 2

COMMISSION AUDIT POLICY NO. 6.1.8

BE IT RESOLVED, That Port of Portland Commission Audit Policy No. 6.1.8, dated March 12, 2008, is hereby approved; and

BE IT FURTHER RESOLVED, That a copy of Commission Audit Policy No. 6.1.8, as revised, shall be attached to the minutes of this meeting.

Agenda Item No. 3

CONSENT TO ENTERPRISE ZONE APPLICATION BY THE CITY OF ESTACADA

BE IT RESOLVED, That the Port of Portland Commission consents to an application by the City of Estacada for the Estacada Enterprise Zone located within Port of Portland district boundaries.

Agenda Item No. 4

CONSENT TO ENTERPRISE ZONE EXPANSION APPLICATION BY THE CITY OF HILLSBORO

BE IT RESOLVED, That the Port of Portland Commission consents to an application by the City of Hillsboro for the expansion of the Hillsboro Enterprise Zone located within Port of Portland district boundaries.

Agenda Item No. 5

CONSENT TO ENTERPRISE ZONE APPLICATION BY CLACKAMAS COUNTY

BE IT RESOLVED, That the Port of Portland Commission consents to an application by Clackamas County for the Milwaukie/North Clackamas County Enterprise Zone located within Port of Portland district boundaries.

Following the reading of the titles of the Consent Agenda by Commissioner Olson, Commissioner Corey moved that the Executive Director's recommendations be approved and Commissioner Holte seconded the motion. The motion was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson and Thorndike voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 6

APPOINTMENT OF INVESTMENT BANKING FIRMS

This agenda item requested approval to appoint two investment banking firms to serve as lead underwriters to the Port of Portland (Port). This appointment will give the Port access to experts in the financial industry as well as consistency in working with a financing team who is familiar with Port transactions and operations.

Vince Granato presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the firms of Merrill Lynch, Inc., and Goldman Sachs, Inc. are appointed as the two lead underwriters to the Port of Portland through December 31, 2013; and

BE IT FURTHER RESOLVED, That compensation for underwriting services on particular debt issues will be established at the time of each financing; 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 Thorndike moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson and Thorndike voted in favor of the motion.

Agenda Item No. 7

CONSTRUCTION CONTRACT CHANGE ORDER – AIRPORT WAY REALIGNMENT –
PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to issue a change order to the Airport Way Realignment contract at Portland International Airport. The purpose is to install a third lane on the lower level approach to the terminal building.

Ken Willhite presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to issue a change order for the Airport Way Realignment contract with Kodiak Pacific Construction 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 Allen moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Corey, Holte, Olson and Thorndike voted in favor of the motion.

The meeting adjourned at 10:15 a.m.

President

Assistant Secretary

Date Signed

A complete audio recording of these proceedings is available at the Port of Portland administrative offices, 121 N.W. Everett Street, Portland, Oregon 97209.

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