

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
March 11, 2015**

Following due notice to the public, the regular meeting of the Board of 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.

An audio recording was made of these proceedings. The recording, and the full Commission agenda, is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218. The following written minutes constitute a summary of the proceedings.

QUORUM

Commissioners present were Jim Carter, President, presiding; Tom Chamberlain; Diana Daggett (via telephone); Bruce Holte; Bob Levy; Linda Pearce and Paul Rosenbaum. Also present were Bill Wyatt, Executive Director, participating staff members and members of the public.

LEAVE OF ABSENCE

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

MINUTES

Commissioner Carter called for a motion to approve the minutes of the Regular Commission Meeting of February 11, 2015. Commissioner Rosenbaum moved to approve the minutes. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt addressed the Commission and audience. He said his formal Executive Director's report is attached to the Commission packet that is sent out with the Commission materials prior to the meeting and he uses this opportunity to reflect on events of interest that have occurred over the course of the last month.

Mr. Wyatt's comments covered the following general topics:

- Hanjin's decision to leave Portland as a result of their inability to maintain schedule reliability, and the impact Hanjin's leaving will have on the region and state;
- Efforts to help shippers find alternatives to get their products to market;
- Focus on recruiting new container service, which is unlikely given the labor environment at Terminal 6;
- Carpet vendors selected to receive and distribute old PDX carpet; and

- PDX is gearing up for spring break; 600,000 travelers are expected to pass through PDX during Oregon and Washington's spring break period.

Commissioner Carter called for a motion to approve the Executive Director's Report. Commissioner Pearce moved to approve the Executive Director's Report. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion.

GENERAL DISCUSSION

Portland International Airport Workplace Initiative

Curtis Robinhold, Deputy Executive Director, provided an overview of the second draft of the PDX Workplace Initiative, including the objectives and elements of the initiative. He reviewed the feedback received from stakeholders and next steps.

PUBLIC COMMENT

Gladys Hernandez, a Huntleigh employee, provided written remarks and addressed the Commission regarding working conditions and the benefits of becoming a member of Service Employees International Union (SEIU). Heather Pavlich, an employee of Prospect Airline Services, also provided written remarks and addressed the Commission regarding working conditions.

Will Layng, Property Services Organizing Director for SEIU Local 49, provided written remarks in response to the draft PDX Workplace Initiative. He outlined his concerns, which included the definitions of large employers and successor employer.

Christian Joly, co-owner of Capers Café, addressed the Commission regarding his concerns about the draft PDX workplace initiative. He does not believe there is a need to reinvent the wheel with the Workplace Initiative. He said one thing that has been overlooked is employee tips, which should be factored into employee wages. Commissioner Rosenbaum asked questions of Mr. Joly. Mr. Joly responded and asked that the Port include some of the concessionaires on the review panel.

Matt Graves and Jeremy Roberts, employees of World Duty Free, and Tekebra Davey, Host, Starbucks, addressed the Commission regarding the need for a worker retention policy and unionizing efforts. Commissioner Rosenbaum asked questions of Ms. Davey and Mr. Roberts.

Shellea Allen, Vice President of UniteHere Local 8, addressed the Commission regarding the PDX Workplace Initiative. She said UniteHere has concerns about the definition of a large employer and a full-time employee and asked that the Port consider redefining those definitions. Commissioner Carter said the issues being raised are the right issues.

Robert DeLucia, Vice President of Labor Employment for Airlines 4 America (A4A), provided the Commission with written testimony prior to the meeting. He said the complex questions being raised today have been raised at many other airports. Mr. DeLucia said he is here today largely to avoid litigation with the Port. He said A4A takes the position that minimum standards should be universal for all airports. He cautioned the Port about unintended consequences as a result of the proposed Initiative.

Len Sloper, Managing Director for the Airline Service Providers Association (ASPA), said his comments mirror those of Mr. DeLucia. He said the relationships between airlines and the

service providers are very complex so anytime you try to create different operating models, it becomes very difficult to manage functionally and administratively.

Edward Gerdes, Vice President & General Counsel for Beau Delicious! International, franchisor of Café Yumm Restaurants, addressed the Commission regarding his concerns about the Workplace Initiative. He said the total compensation for Café Yumm! employees exceeds what is being proposed, but the administrative cost overlay will be a burden. Mr. Gerdes said had this initiative been in existence when the Request for Proposal went out last year, they would not have submitted a proposal. Mr. Gerdes offered solutions to the proposed initiative, including having the Port reduce rent across the board and eliminating the street pricing policy.

Mr. Wyatt said it is important to note that all net retail revenue that is generated at PDX is part of the airline agreement and the revenue goes to the airlines to reduce their cost of operation.

To avoid a quorum issue, Commissioner Carter moved to the formal portion of the agenda and said the remainder of the public testimony would be heard following the action items.

CONSENT AGENDA

No presentation was made of the following agenda item, which was brought before the Commission as part of the Consent Agenda.

Agenda Item No. 1

APPROVAL OF AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF OREGON, OFFICE OF THE GOVERNOR, CONCERNING KRISTEN LEONARD

BE IT RESOLVED, That approval is given to enter into an intergovernmental agreement with the State of Oregon under which Kristen Leonard, Director of Public Affairs, would provide assistance to Governor Brown's transition team on a temporary and part-time basis, 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.

Following the reading of the title of the Consent Agenda by Commissioner Carter, Commissioner Rosenbaum moved that the Executive Director's recommendations be approved and Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 2

PROPERTY SALE – 14.55 ACRES TO FEDERAL EXPRESS GROUND PACKAGE SYSTEM, INC. – TROUTDALE REYNOLDS INDUSTRIAL PARK

This agenda item requested approval to sell approximately 14.55 acres of property, of which 12.81 acres is considered developable, located on NW Sundial Road in Troutdale, designated as Lot 1 in the Troutdale Reynolds Industrial Park, to Federal Express Ground Package System, Inc. The sale price for the Sale Property is \$3,082,000.

Joe Mollusky presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to sell approximately 14.55 acres of property, located in the Troutdale Reynolds Industrial Park, to Federal Express Ground Package System, Inc., 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 Carter called for a motion to approve the Executive Director's recommendations. Commissioner Pearce moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion.

Agenda Item No. 3

FIRST READING AND PUBLIC HEARING OF PORT OF PORTLAND ORDINANCE NO. 450-R, AMENDING AND RESTATING PORT OF PORTLAND ORDINANCE NO. 351 (AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 386-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 397-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 418-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND NO. 432-R) TO REGULATE USE OF THE COMMERCIAL ROADWAY TO BEST SERVE THE NEEDS OF THE TRAVELING PUBLIC AT PORTLAND INTERNATIONAL AIRPORT

This agenda item requested a first reading and public hearing on proposed Port of Portland Ordinance No. 450-R, amending and restating Ordinance No. 351, as amended and restated by Ordinance Nos. 386-R, 397-R, 418-R and 432-R, which pertain to regulation of the use and operation of the commercial roadway at the Portland International Airport.

Michael Huggins read Ordinance 450-R by title only.

PUBLIC HEARING

Commissioner Carter opened a public hearing for the purpose of taking testimony on Ordinance No. 450-R. Hearing no comments, Commissioner Carter closed the public hearing and noted that no action was required at this time. He said that Ordinance No. 450-R will be brought back before the Commission for a second reading and request for adoption at the April 8, 2015, meeting.

Agenda Item No. 4

FIRST READING AND PUBLIC HEARING OF PORT OF PORTLAND ORDINANCE NO. 451-R, AMENDING AND RESTATING PORT OF PORTLAND ORDINANCE NO. 349 (AS AMENDED AND RESTATED BY 412-R, AS AMENDED AND RESTATED BY PORT OF PORTLAND ORDINANCE NO. 439-R) SETTING FORTH A CONCESSION FEE AND RESPONSIBILITIES OF OFF-AIRPORT RENTAL CAR, PARKING LOT, PARK AND FLY AND STAY PARK AND FLY BUSINESSES AT PORTLAND INTERNATIONAL AIRPORT

This agenda item requested a first reading and public hearing on proposed Port of Portland Ordinance No. 451-R, amending and restating Port Ordinance No. 349, as amended by Ordinance Nos. 412-R and 439-R, setting forth a concession fee and responsibilities of off-airport rental car, parking lot, park and fly, and stay park and fly businesses servicing customers of Portland International Airport.

Scott Kilgo read Ordinance 451-R by title only.

PUBLIC HEARING

Commissioner Carter opened a public hearing for the purpose of taking testimony on Ordinance No. 451-R. Hearing no comments, Commissioner Carter closed the public hearing and noted that no action was required at this time. He said that Ordinance No. 451-R will be brought back before the Commission for a second reading and request for adoption at the April 8, 2015, meeting.

Agenda Item No. 5

EQUIPMENT PURCHASE – AUTOMATED PASSPORT CONTROL KIOSKS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a contract to the Vancouver (B.C.) Airport Authority for the purchase of Automated Passport Control kiosks to support U.S. Customs clearance in the Federal Inspection Services facility in Portland International Airport.

Kendall Austin presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract to the Vancouver Airport Authority for the purchase of Automated Passport Control kiosks to support Customs clearance in the Federal Inspections Services facility in the Portland International Airport, in accordance with the terms stated in this agenda item; 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 Carter called for a motion to approve the Executive Director's recommendations. Commissioner Holte moved that the Executive Director's recommendations be approved. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Carter, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion. Commissioner Chamberlain was not present for the vote.

Agenda Item No. 6

PUBLIC IMPROVEMENT CONTRACT – TAXIWAY E NORTH REHABILITATION – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a public improvement contract to K&E Excavating, Inc. to perform the Taxiway E North Rehabilitation project at Portland International Airport.

Chris Edwards presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a public improvement contract for the Taxiway E North 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.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Levy moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Carter, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion. Commissioner Chamberlain was not present for the vote.

Agenda Item No. 7

PUBLIC IMPROVEMENT CONTRACT – TERMINAL GREASE SEPARATION PROJECT – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a public improvement contract to Payne Construction, Inc. in the amount of \$3,753,251 for construction services related to the Terminal Grease Separation project at Portland International Airport.

Stan Snyder presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a public improvement contract to Payne Construction, Inc. for construction of the Terminal Grease Separation project 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.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Rosenbaum moved that the Executive Director's recommendations be approved. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners Carter, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion. Commissioner Chamberlain was not present for the vote.

Agenda Item No. 8

PUBLIC IMPROVEMENT CONTRACT AMENDMENT – HOFFMAN CONSTRUCTION COMPANY OF OREGON – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of an amendment to an existing public improvement contract with Hoffman Construction Company of Oregon in the amount of \$675,000, for improvements to a section of the PDX Cargo Center to provide an operations and maintenance base for Port of Portland parking revenue control system maintenance staff at Portland International Airport.

Eric Forsyth presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend the existing public improvement contract with Hoffman Construction Company of Oregon to provide for its construction of PDX Cargo Center Revenue Control Space project at Portland International Airport, in accordance with the terms stated in this agenda item; 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 Carter called for a motion to approve the Executive Director's recommendations. Commissioner Holte moved that the Executive Director's recommendations be approved. Commissioner Levy seconded the motion, which was put to a voice vote. Commissioners, Carter, Daggett, Holte, Levy, Pearce and Rosenbaum voted in favor of the motion. Commissioner Chamberlain was not present for the vote.

PUBLIC TESTIMONY CONTINUED

Kristen Hertel, Human Resources Manager for Restaurants Unlimited, owner/operator of Henry's Tavern and Stanford's, outlined for the Commission her concerns about the Workplace Initiative. She reviewed the company's compensation and benefit package for all employees. She said she wants PDX to continue to operate with its core value to represent local businesses and providing street pricing for the traveling public. Commissioners Carter and Rosenbaum asked questions of Ms. Hertel.

Russell Spees, Director of Operations for the Elephant's Deli PDX location, addressed the Commission regarding his concerns with two elements of the Workplace Initiative.

Jolee Bancroft, President of Newport Pacific Corp (Mo's Restaurant), addressed the Commission regarding her concerns about the Workplace Initiative. She said had the Initiative been in place when Mo's signed the lease, they would not have come to PDX. She said Mo's already pays its employees more than \$13 per hour, but the unknown of what could come next is concerning. Ms. Bancroft also discussed her experience with the job fairs held at PDX.

Daniel Nguyen of Bambuza, addressed the Commission regarding the Workplace Initiative. He said he is in agreement with the Initiative's goals, but how we get there is the issue. Mr. Nguyen said he also shares the same concerns expressed by the previous concessionaires. Given the impacts associated with the initiatives, he believes more time is needed to allow input from all stakeholders.

Angela van Patten, a resident of Portland, addressed the Commission with several questions regarding the proposed Pembina propane terminal at Terminal 6. Following her questions, Ms. Patten was referred to Teresa Carr, General Manager of Properties.

The meeting adjourned at 12:46 p.m.

President

Assistant Secretary

Date Signed

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