



EXECUTIVE DIRECTOR'S REPORT  
TO THE  
PORT OF PORTLAND COMMISSION  
FOR SEPTEMBER 2015

**SAFETY REPORT**

**Monthly Report of Injury Incidents**

Administrative

There were no incidents reported.

Aviation

There were two recordable incidents, two non-recordable incidents and one lost-time incident reported:

- An employee twisted his lower back while taking a combative subject into detox custody.
- An employee received a puncture to his gloved hand when picking up a blood sugar lancet along with other trash while cleaning up after a medical call.
- An employee reported bright lights and floaters in one eye after he jerked his head quickly in reaction to a loud noise.
- An employee received a cut to a finger while banding an aggressive hawk.
- An employee received a laceration above his eye when a support leg of a canopy slipped while he was setting up at a community outreach event.

Marine

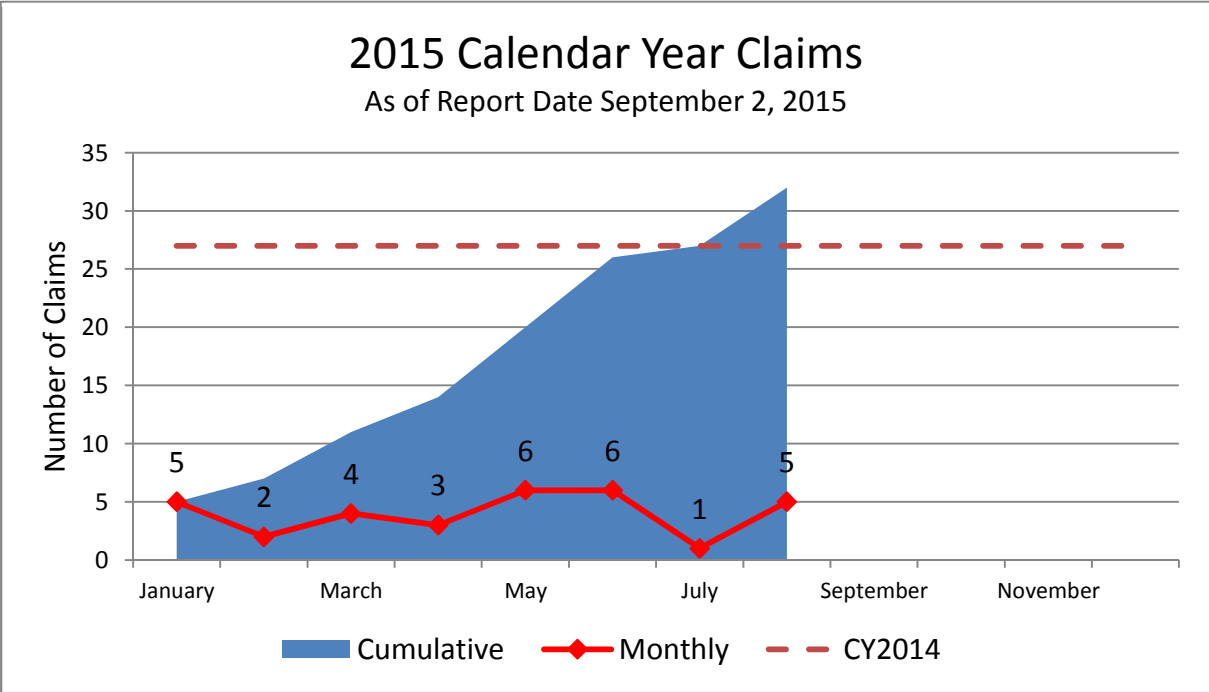
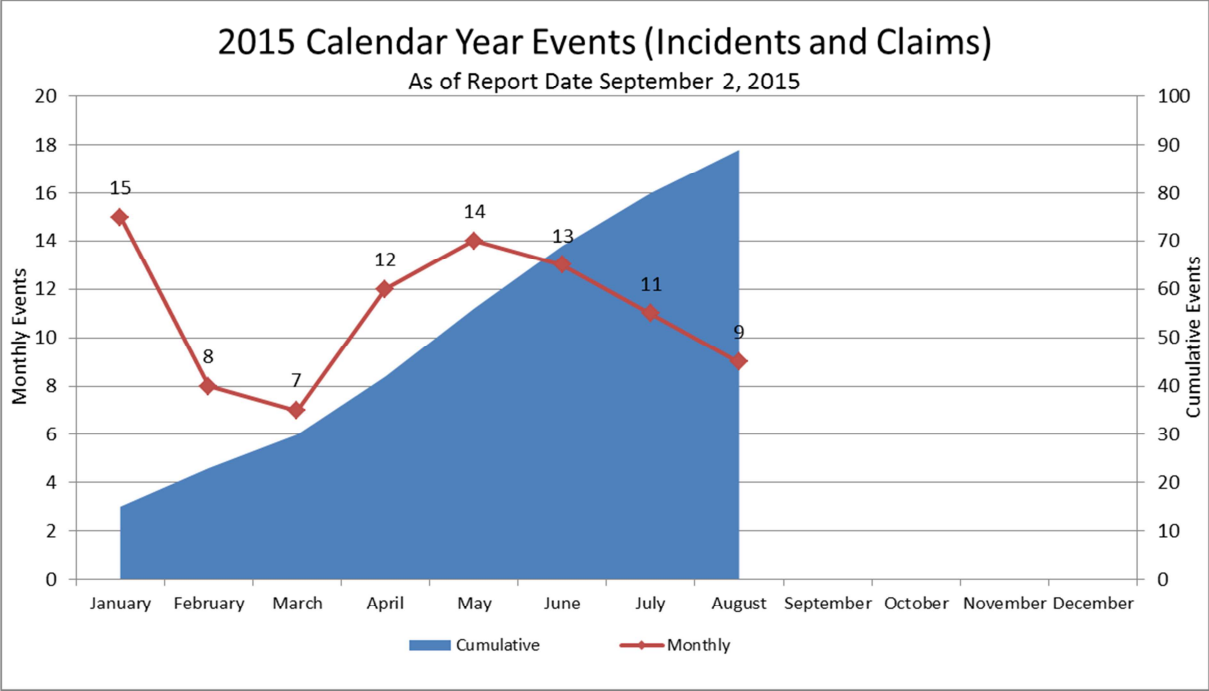
There were two non-recordable incidents reported:

- An employee sustained a small laceration on his finger, which was caught while closing a truck door.
- An employee was stung three times by yellow jackets while working on a dock.

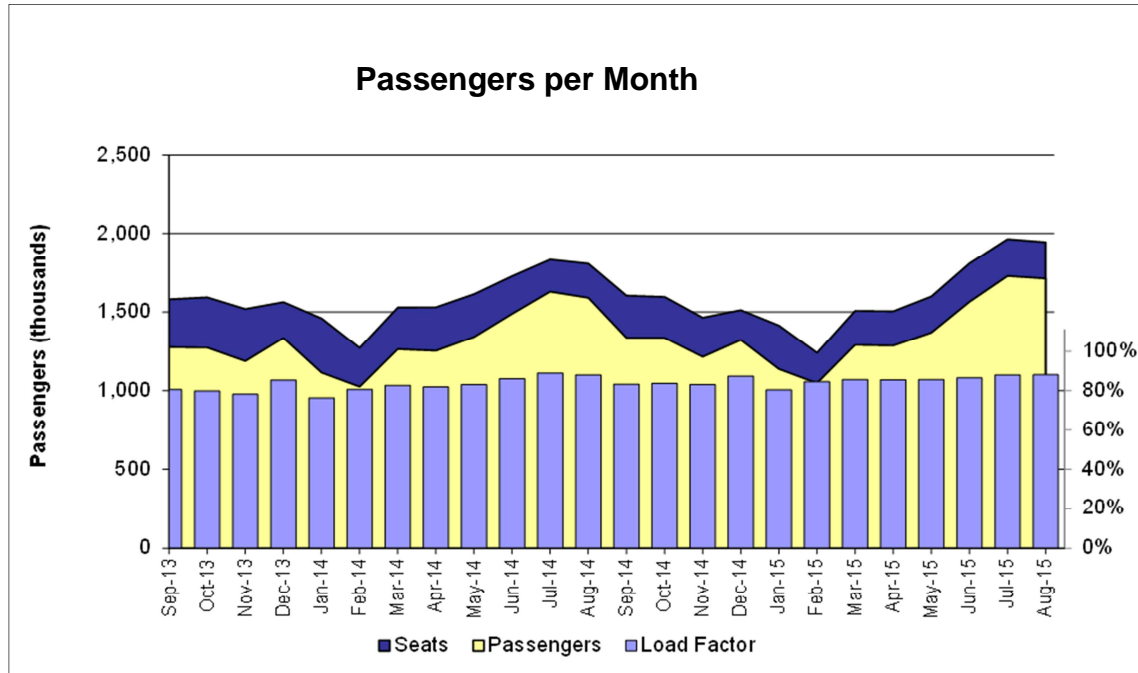
Navigation

There was one recordable incident and one non-recordable incident reported:

- An employee suffered from particles that fell into his eye when he removed his safety gear after welding and grinding metal.
- An employee sustained a laceration above his eye while replacing a brake spring when the slip-joint pliers he was using slipped off the spring.

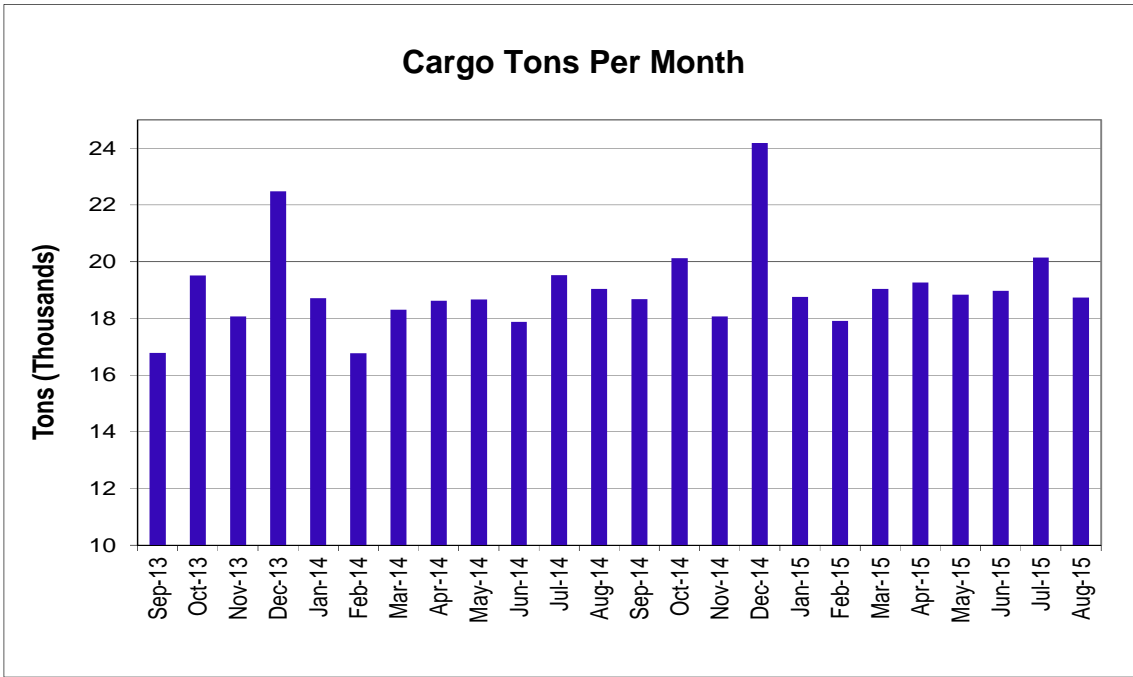


## AVIATION REPORT

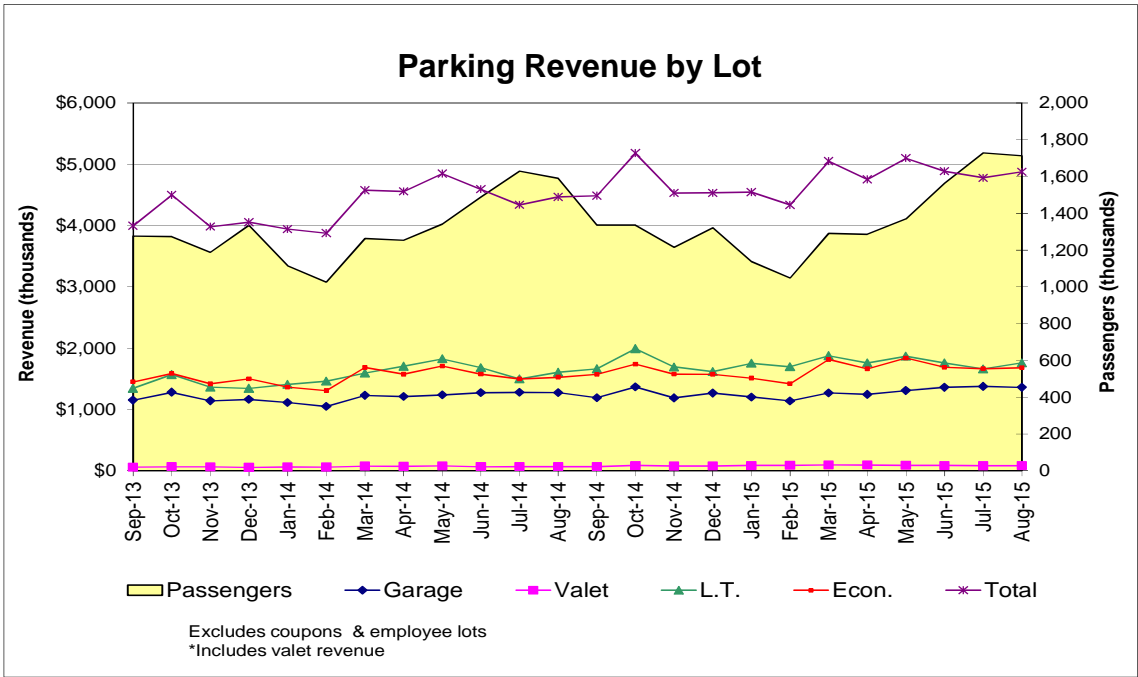


August passenger volumes increased 7.7 percent compared to August 2014. Seat capacity increased 7.6 percent, with the load factor staying flat at 88.1.

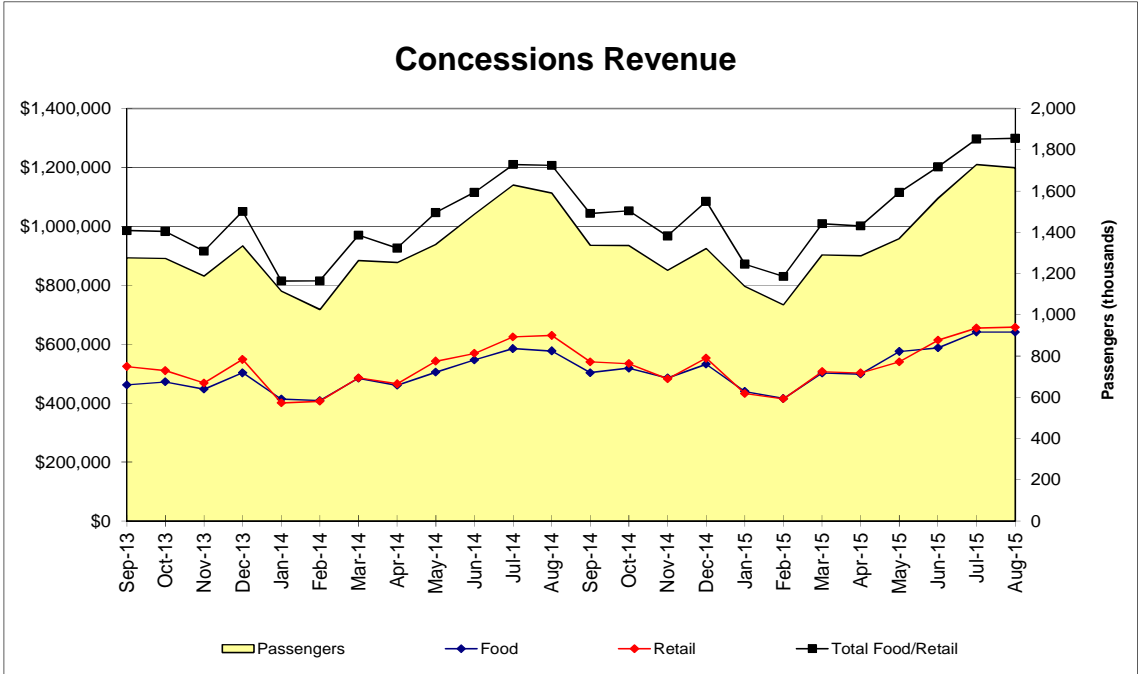
For June, July and August, Portland International Airport reached a new record of five million passengers, representing close to 300,000 more than last summer.



August cargo volumes decreased 1.6 percent compared to August 2014. FedEx decreased 3.6 percent to 9,239 tons, and UPS increased 0.8 percent to 5,391 tons.

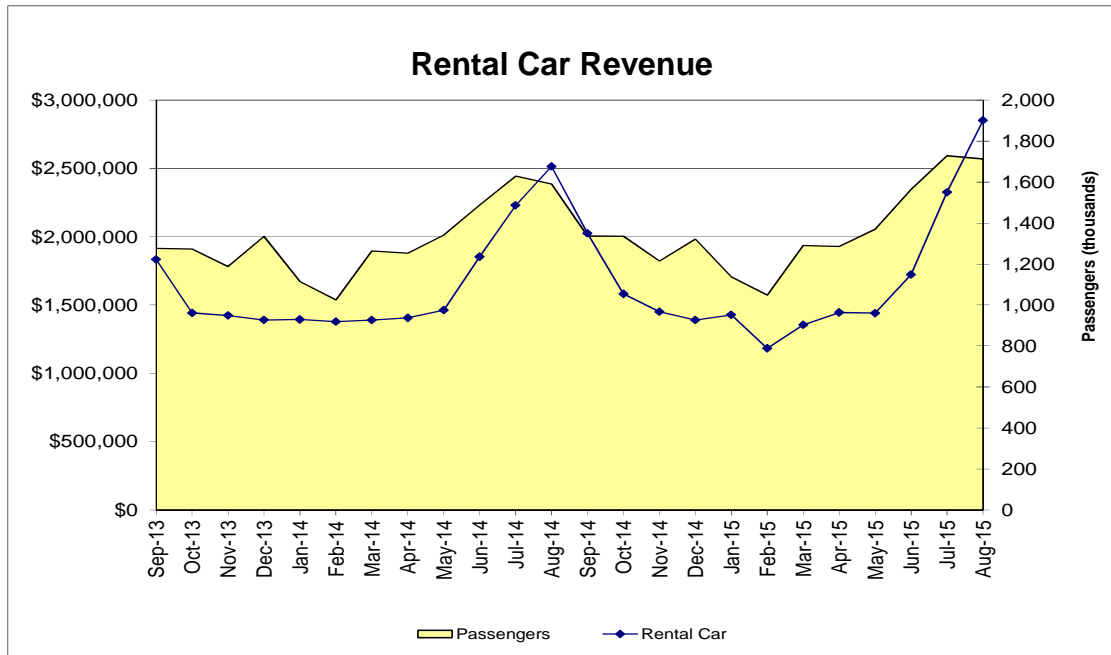


All three measures for public parking were up in August 2015 compared to August 2014. Public parking revenue was \$4,879,461, up over 9 percent. Parking transactions were up 7.1 percent (up by 13,983). Total shuttle bus passenger counts were up 11 percent with higher economy lot and international shuttle passenger counts (international service was up due to the introduction of new service and airlines).



In this eighth month of concessions transition, combined retail and food and beverage operations reported a 7.6 percent or \$92,000 rent increase on the month, against a 7.7 percent passenger increase. Rent performances from new operators of \$228,000 offset last year's rents from previous operators of \$139,000 by 63.7 percent

Additionally, rent increases totaling 16 percent or \$16,000 from the Made in Oregon and Columbia Sportswear stores associated with the Port's Summer Splash sales promotions, helped to generate this overall rent performance.



Rental car operations reported a 13.4 percent or \$337,000 rent increase for the month over last year, against a passenger increase of 7.7 percent. Six operators – Alamo, Avis, Dollar, Enterprise, Hertz and National – reported rents over last year, while two operators – Budget and Thrifty – reported rent decreases compared to last year.

The rent increase includes a total of \$36,000 from the three new Ordinance operators – Airport Van Rental, Flightcar and Payless.

## **CAPITAL GRANTS**

### **Portland International Airport**

Staff submitted a reimbursement request to the Transportation Security Administration (TSA) for the Law Enforcement Officer program in the amount of \$96,800 (Agreement HSTS0213HSLR118).

### **Hillsboro Airport (HIO)**

Staff submitted reimbursement requests to the Oregon Department of Transportation (ODOT) for *ConnectOregon* III – HIO 12L/30R and Taxiway D project in the amount of \$1,004,901 (Agreement 26905). This request covers work periods from June 2014 to June 2015.

### **Marine**

Staff submitted a reimbursement request to ODOT for *ConnectOregon* III – Terminal 6 (T-6) Crane Upgrade project in the amount of \$60,900 (Agreement 26915).

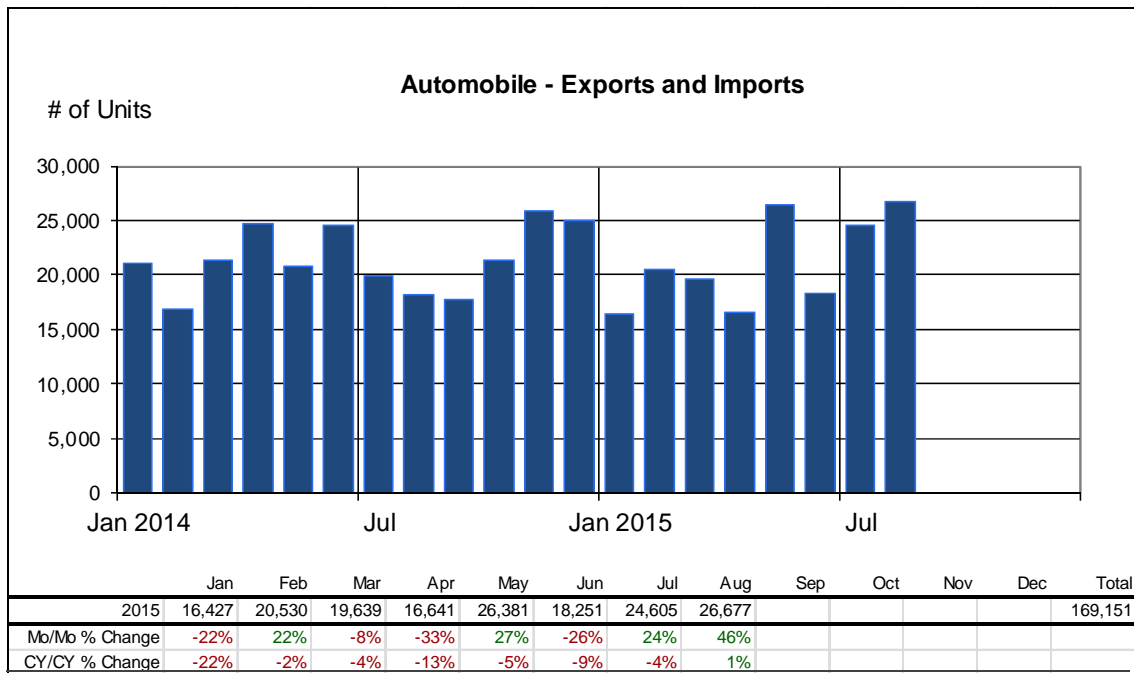
Staff submitted a reimbursement request to ODOT for *ConnectOregon* IV – T-6 Wharf Optimization project in the amount of \$3,157 (Agreement 28695).

Staff submitted reimbursement request to ODOT for *ConnectOregon* V – T-6 Crane Drive Electronics project in the amount of \$2,430 (Agreement 30128).

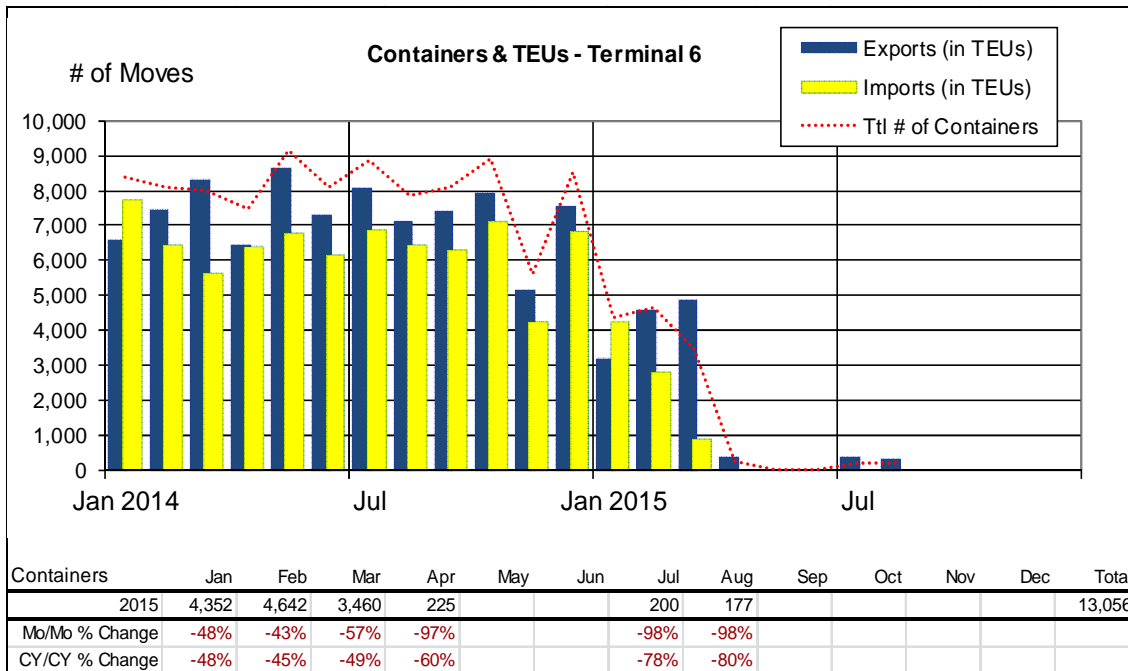
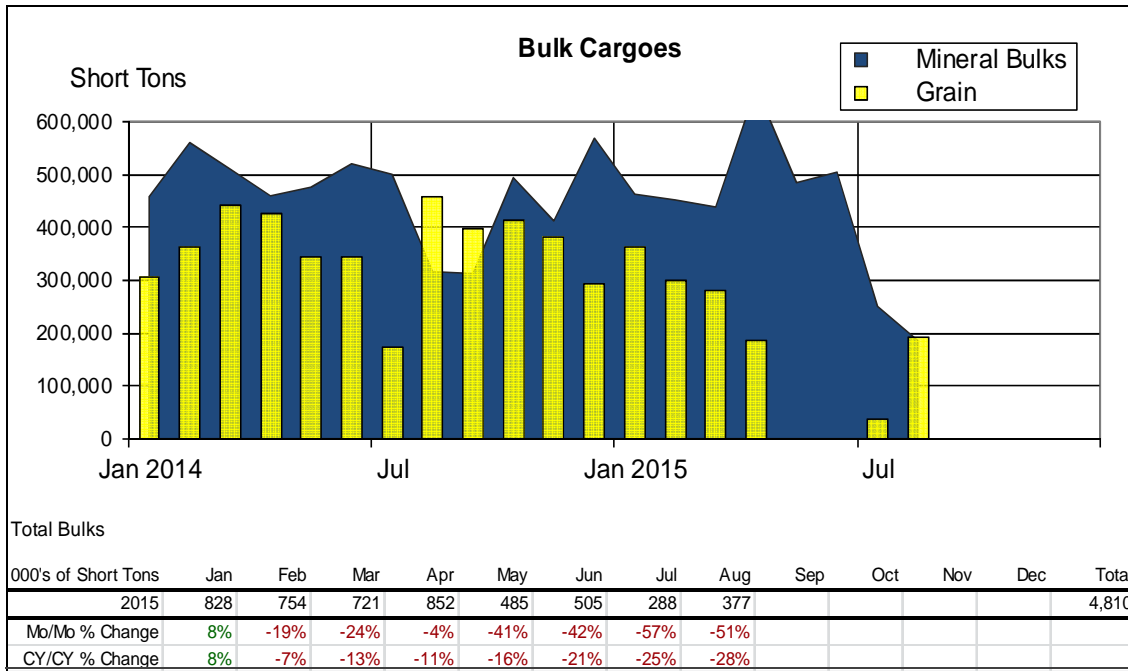
## MARINE & INDUSTRIAL DEVELOPMENT REPORT

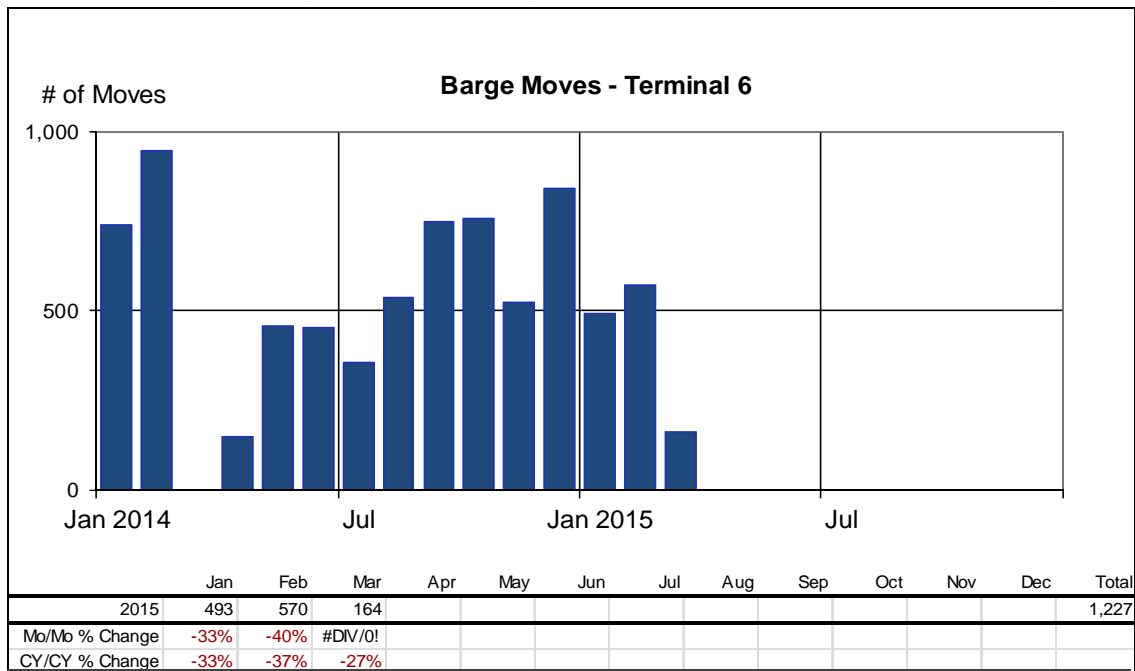
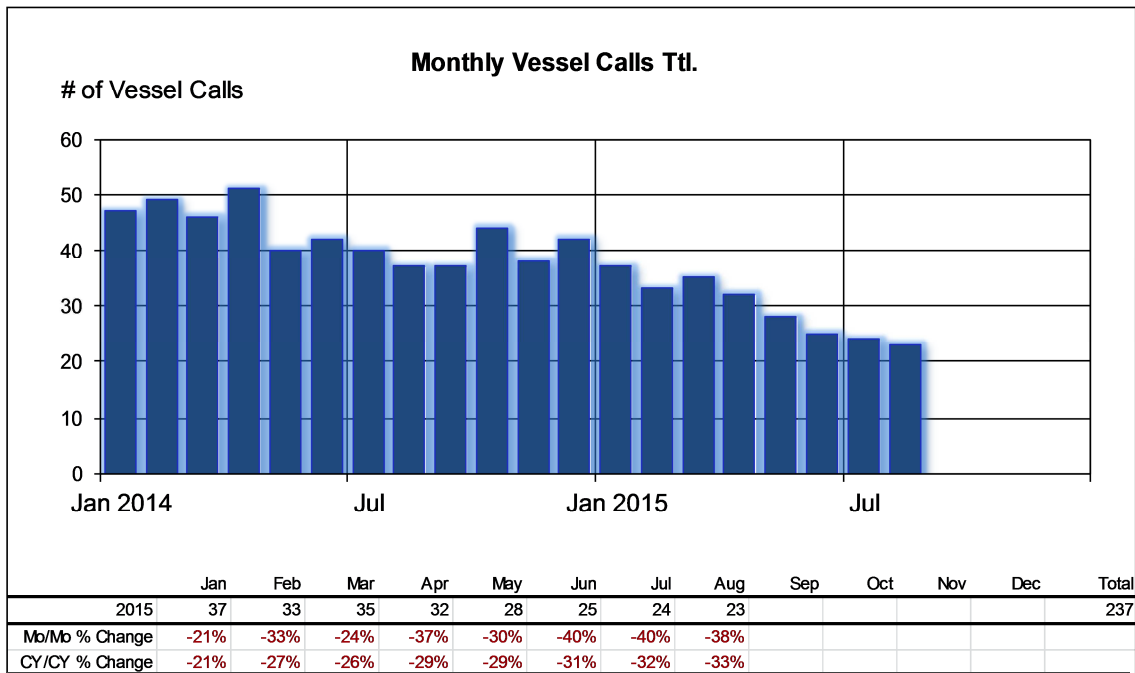
The figures in the table below show change relative to the prior year.

	<u>August 2015</u>	<u>Fiscal Year-to-Date</u>
Total Tonnage	-53.6%	-57.5%
Containers (TEU)	-97.8%	-97.7%
Import Full Containers	-100.0%	-100.0%
Export Full Containers	-92.8%	-93.0%
Breakbulk	144.2%	-21.5%
Autos	-3.0%	10.9%
Mineral Bulk	-41.3%	-46.6%
Grain	-58.4%	-63.8%









## **Marine Marketing**

The Pacific Spike returned to Terminal 2 and off-loaded 17,000 tons of steel rail for Sumitomo. The rail will be stored on available space at the terminal and will be sold and distributed from the site.

The Port sponsored two upriver customer receptions in Clarkston, Idaho and Boardman, Oregon in September. Approximately 85 people were in attendance at each reception, including Commissioners Jim Carter and Bob Levy.

The Port held a successful and well-attended annual event for the auto logistics industry at Pumpkin Ridge Golf Course. Honda, Auto Warehousing, Eukor, BNSF and UP Railroads, Toyota, Glovis and other current customers and service providers participated.

## **Operations**

### **Terminal 4**

A roadway improvement project was initiated and is anticipated to last through November. The project will replace a rail grade crossing and a portion of the main access road for International Raw Materials and Kinder Morgan.

### **Terminal 6**

Port electricians have completed their move from the electric shop at Terminal 6 to the Marine Facilities Maintenance building. Harbor Industrial will move from the Central Distribution Center building at Terminal 6 to the electric shop for crane maintenance once costs are confirmed and a schedule put in place.

The Westwood *Rainier* was in Portland on September 15 and loaded 123 full containers. Vessel productivity was at a moderate rate of 26 adjusted gross moves per hour.

## **Industrial Development**

The sale of Gresham Vista Business Park (GVBP) Lot 4 closed on September 18 and Subaru construction (by Trammell Crow) on the lot is underway. The Port and Trammell Crow are providing information to adjacent neighbors about the new development, economic impacts and construction impacts.

Site readiness work continues on Troutdale Reynolds Industrial Park (TRIP) Phase 2. Coordination with Multnomah County on the construction permits and right-of-way transfers required for subdivision continues. The Department of State Lands (DSL) has approved the Port's extension of the in-water work window, which allows an additional thirty days of work to be completed within the areas of the Salmon Creek channel. Originally the Port would have had to suspend construction within this area by September 15th and resume in June of next year. The extension allows for the majority of construction in this area to be completed within one construction season. The project remains on track and within budget, delivering completed lots by the end of 2016.

The Port continues to meet with the Industrial Land Coalition to develop a proposal and business case for state funding to support industrial site readiness. Business Oregon is now actively engaged in this effort. The goal is to develop a joint request for funding for consideration in the Governor's budget for 2017. The Port also continues to work with the

Brownfields Coalition to determine if the land bank authority offers promise for brownfield redevelopment in the Portland Harbor. In the 2015 legislature, statutory authority for a land bank authority was approved; representation on local land banks would include city council, county board, school board and port district.

## **REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY**

### City of Portland, Portland Police Bureau – Permit and Right of Entry

Location: Portland International Airport (PDX)  
Term: September 7, 2015 to September 11, 2015  
Use: Allows access to Port property for the purpose of conducting emergency vehicle operation training.

### Adam Lundquist-Baz – Permit and Right of Entry

Location: West Hayden Island  
Term: Effective September 16, 2015  
Use: Access to Port property for the study of woodpeckers and conducting call-broadcast surveys as part of research for a master's thesis.

### James B. Grant – Permit and Right of Entry

Location: Troutdale Airport  
Term: September 9, 2015 to October 31, 2015  
Use: Granting access to Port property for the purpose of providing sightseeing flight activities.

### Integra Telecom of Oregon, Inc. – Permit and Right of Entry

Location: Swan Island  
Term: September 15, 2015 to November 30, 2015  
Use: Granting access to Port property for the purpose of installing fiber cables, wires and coax cables for Daimler's use.

### Terrapin Productions, LLC – Permit and Right of Entry

Location: PDX  
Term: September 26, 2015 to September 28, 2015  
Use: Granting access to Port property for the purpose of conducting a half-marathon.

### Open 4 Business Productions, LLC – Permit and Right of Entry

Location: Terminal 4 (T-4)  
Term: September 22, 2015 to September 23, 2015  
Use: Using Port property for parking and a catering tent in conjunction with filming at nearby (non-Port owned) Pier Park.

PDX Logistics Center I, LLC and KeHE Distributors, LLC – Letter of Consent to Sublease

Location: Portland International Center (PIC)  
Term: Effective August 27, 2015  
Use: The Ports consents to a sublease to KeHE Distributors as an assumable sublease.

FedEx Ground Package System, Inc. – Second Amendment to Permit and Right of Entry

Location: Troutdale Reynolds Industrial Park (TRIP)  
Term: Effective September 2, 2015  
Use: Extends the permit expiration to September 30, 2015 to allow FedEx to investigate Port property prior to closing the transaction.

TOC Holdings Co, et al. – First Amendment to New Time Oil Maintenance Agreement of 2004

Location: Time Oil Road  
Term: Effective September 2, 2015  
Use: Amend escrow account interest bearing to a non-interest bearing account.

City of Gresham – Partial Release of Reimbursement Agreement

Location: Gresham Vista Business Park (GVBP)  
Term: Effective September 2, 2015  
Use: This Partial Release will allow the sale of Gresham Vista Business Park, Lot 4.

Beaches PDX, Inc. – Second Amendment to Food and Beverage Concession Lease

Location: PDX  
Term: Effective September 15, 2015  
Use: Extends the lease and reduces the square footage of the premises.

Rhine & Tanzer, Inc. abn Elephant's Delicatessen – Third Amendment to Food and Beverage Concession Lease

Location: PDX  
Term: Effective September 14, 2015  
Use: Reduces square footage of the storage space.

Cascade Station Retail Center, LLC and Right! Systems, Inc. – Letter of Consent to Sublease

Location: PIC  
Term: Effective September 8, 2015  
Use: Conditionally consents to the sublease to Right! Systems, Inc.

City of Portland – Permanent Waiver and Release of Consent to Assignment of Storm Water Sewer

Location: Rivergate Industrial District (RGID)  
Term: Effective September 9, 2015  
Use: A storm sewer easement was granted by the Port to the City of Portland, which in turn assigned it to CalWest Industrial Holdings, LLC. IPT Kelley Point DC, LLC, is purchasing property from CalWest within which the Easement is located, and the Port as the original grantor is waiving and releasing its right to consent to the assignment of the easement and the transfer of the rights of CalWest Industrial Holdings, LLC under the easement.

Sester Farms, Inc. – Second Amendment to Agricultural Use License

Location: GVBP  
Term: Effective September 9, 2015  
Use: Reduces the size of Lot 5 by 10.799 acres.

Sester Farms, Inc. – First Amendment to Agricultural Use License

Location: GVBP  
Term: Effective September 9, 2015  
Use: Reduces the size of Lot 3 by 7.917 acres.

Sester Farms, Inc. – First Amendment to Agricultural Use License

Location: GVBP  
Term: Effective September 9, 2015  
Use: Reduces the size of Lot 2 by 12.426 acres.

Sester Farms, Inc. – First Amendment to Agricultural Use License

Location: GVBP  
Term: Effective September 9, 2015  
Use: Reduces the size of Lot 8 by 0.314 acres to accommodate the extension of Hood Avenue.

Bybee Lake Logistics Center II, LLC and Mergenthaler Transfer & Storage Co. – Sublease Consent Letter

Location: RGID  
Term: Effective September 1, 2015  
Use: With this letter the Port conditionally consents to the sublease with Mergenthaler Transfer & Storage Co.

International Raw Materials, Ltd. – Tenth Amendment to Lease of Improved Space

Location: T-4  
Term: Effective September 16, 2015  
Use: Corrects the wharfage rates stated incorrectly in the ninth amendment.

USA-GSA – Temporary Construction Easement & Permanent Easement

Location: TRIP  
Term: September 1, 2015 to September 1, 2018  
Use: Allows the Port access to General Services Administration's property to make improvements to sidewalks, utilities, stormwater conveyance and treatment, street lighting and ingress-egress on Northwest Graham Road.

PDX Logistics Center II, LLC – Ground Lease & Memorandum of Ground Lease

Location: PIC  
Term: September 18, 2015 to September 16, 2065  
Use: Fifty-year lease for the purpose construction and operation of a multi-tenant distribution, logistics and light industrial building.

GVE Associates, LLC – Construction Permit and Right of Entry

Location: GVBP; Lots 2, 3 and 5  
Term: September 19, 2015 to September 1, 2016  
Use: Allows GVE to begin grading, construction of utility improvements and shared access easement for the Subaru Distribution Center project.

GVE Associates, LLC – First Amendment to Construction Permit and Right of Entry

Location: GVBP  
Term: September 18, 2015 to September 26, 2015  
Use: Allows temporary access to Lot 4.

**AVIATION DIVISION  
FINANCIAL REPORT  
August 2015**

PDX	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	% Variance		Current Year	Prior Year	% Variance
Total Passengers (in millions)	3.4	3.4	1.8%	16.8	3.4	3.2	6.9%
Landed Weight (Sig & Non Sig lbs. in millions)	1.9	2.0	2.1%	10.1	2.0	1.9	6.0%
Operations	N/A	41,748	N/A	N/A	41,748	41,922	-0.4%
Parking Transactions: Valet	N/A	2,323	N/A	N/A	2,323	1,870	24.2%
Parking Transactions: Long-term (P2) Garage	N/A	57,481	N/A	N/A	57,481	54,773	4.9%
Parking Transactions: Garage	N/A	291,617	N/A	N/A	291,617	273,517	6.6%
Parking Transactions: Economy Lot	N/A	72,847	N/A	N/A	72,847	63,447	14.8%
<b>Parking Transactions: Total</b>	N/A	<b>424,268</b>	N/A	N/A	<b>424,268</b>	<b>393,607</b>	<b>7.8%</b>
Cost per Enplaned Passenger (Rent & Landing Fees)				\$ 11.11			

**AIRLINE COST CENTER (ALCC) (in millions)**

Airline Rent, Landing Fees & Other	\$19.6	\$20.2	3.1%	\$111.2	\$20.2	\$17.5	15.4%
Retail, Food & Beverage	2.8	2.8	0.0%	14.9	2.8	2.7	3.7%
Other Non-Airline	0.7	0.8	14.3%	3.8	0.8	0.7	14.3%
<b>TOTAL REVENUE</b>	<b>\$23.1</b>	<b>\$23.8</b>	<b>3.0%</b>	<b>\$129.9</b>	<b>\$23.8</b>	<b>\$20.9</b>	<b>13.9%</b>
Personnel Services	\$5.7	\$5.5	-3.5%	\$34.6	\$5.5	\$5.4	1.9%
Materials, Services & Other	7.5	6.7	-10.7%	47.8	6.7	6.1	9.8%
<b>TOTAL EXPENSES</b>	<b>\$13.2</b>	<b>\$12.2</b>	<b>-7.6%</b>	<b>\$82.4</b>	<b>\$12.2</b>	<b>\$11.5</b>	<b>6.1%</b>
Debt Service & Coverage	\$7.9	\$7.9	0.0%	\$47.6	\$7.9	\$6.9	14.5%
less: Interest Income	0.0	0.0		0.1	0.0	0.0	0.0%
<b>TOTAL NON-OPERATING</b>	<b>\$7.9</b>	<b>\$7.9</b>	<b>0.0%</b>	<b>\$47.7</b>	<b>\$7.9</b>	<b>\$6.9</b>	<b>14.5%</b>
<b>SURPLUS/(DEFICIT)</b>	<b>\$2.0</b>	<b>\$3.7</b>	<b>85.0%</b>	<b>(\$0.2)</b>	<b>\$3.7</b>	<b>\$2.5</b>	<b>48.0%</b>

**PORT COST CENTER (PCC) (in millions)**

Parking	\$9.5	\$10.1	6.3%	\$59.1	\$10.1	\$9.0	12.2%
Rental Cars	5.3	5.2	-1.9%	18.9	5.2	4.7	10.6%
Other	3.3	3.7	12.1%	20.0	3.7	3.5	5.7%
<b>TOTAL REVENUE</b>	<b>\$18.1</b>	<b>\$19.0</b>	<b>5.0%</b>	<b>\$98.0</b>	<b>\$19.0</b>	<b>\$17.2</b>	<b>10.5%</b>
Personnel Services	\$2.3	\$2.2	-4.3%	\$14.0	\$2.2	\$2.2	0.0%
Materials, Services & Other	4.1	3.7	-9.8%	24.9	3.7	3.2	15.6%
<b>TOTAL EXPENSES</b>	<b>\$6.4</b>	<b>\$5.9</b>	<b>-7.8%</b>	<b>\$38.9</b>	<b>\$5.9</b>	<b>\$5.4</b>	<b>9.3%</b>
Debt Service & Coverage	\$3.0	\$3.0	0.0%	\$17.9	\$3.0	\$3.0	0.0%
less: Interest Income	(0.1)	0.0	-100.0%	(0.6)	0.0	0.0	0.0%
<b>TOTAL NON-OPERATING</b>	<b>\$2.9</b>	<b>\$3.0</b>	<b>3.4%</b>	<b>\$17.3</b>	<b>\$3.0</b>	<b>\$3.0</b>	<b>0.0%</b>
<b>LESS: REVENUE SHARING</b>	<b>\$1.8</b>	<b>\$1.8</b>	<b>0.0%</b>	<b>\$10.5</b>	<b>\$1.8</b>	<b>\$1.7</b>	<b>5.9%</b>
<b>INCOME</b>	<b>\$7.0</b>	<b>\$8.3</b>	<b>18.6%</b>	<b>\$31.3</b>	<b>\$8.3</b>	<b>\$7.1</b>	<b>16.9%</b>

General Aviation	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	% Variance		Current Year	Prior Year	% Variance
TOTAL REVENUE	\$553,197	\$599,880	8.4%	\$3,434,800	\$599,880	\$557,268	7.6%
TOTAL EXPENSE	633,587	588,622	-7.1%	3,652,709	588,622	527,744	11.5%
<b>OPERATING INCOME (EXCL. DEP)</b>	<b>(\$80,390)</b>	<b>\$11,258</b>	<b>-114.0%</b>	<b>(\$217,908)</b>	<b>\$11,258</b>	<b>\$29,524</b>	<b>-61.9%</b>



## COMMENTS

**BUDGET** - This report compares actual amounts against the adopted budget.

### ACTIVITY

YTD passenger traffic exceeded the prior year by 6.9%, landed weight by 6.0%, and parking transactions by 7.8%.

### AIRLINE COST CENTERS (ACC)

ACC Revenues are ~\$400K higher than budget due to higher than expected leased terminal space (~\$250K), landing activity (~\$140K), and common use rentals (~\$120K).

Other Non-Airline Revenues are ~\$100K higher than budget as a result of higher Atlantic (~\$40K) and Boeing (~\$30K) revenues.

### PORT COST CENTERS (PCC)

Parking Revenues are up ~\$600K due to higher passenger volume and higher than expected parking activity. Rental Car Revenues are ~\$100K lower than budget due to lower than budgeted rental activity for National and Alamo. Other PCC revenues are ~\$400K higher than budget as a result of higher than expected In-Flight Meal concessions (up ~\$90K), hotel revenues (up ~\$90K), unbudgeted North Cargo revenues (up ~\$60K), and unbudgeted land leases (up ~\$30K).

### AIRLINE (ACC) AND PORT COST CENTERS (PCC)

Personnel Services are under budget by ~\$300K (~\$200K ACC, ~\$100K PCC) due to Police and admin vacancies.

Materials and Services are under budget by ~\$1.2M (~\$800K ACC, ~\$400K PCC). For ACC, the variance is primarily related to the timing of outside service contracts (~\$210K under), and utilities (~\$70K under). ACC also received terminal concessionaire marketing reimbursement credits of ~\$75K. Shared cost centers impacting both ACC and PCC have variances related to the timing of custodial expenses (~\$190K under), environmental expenses (~\$170K under), consulting expenses (~\$110K under), and travel and management expenses (~\$90K under).

### GENERAL AVIATION

Revenues are over budget by ~\$50K, primarily due to higher than expected concession revenues (up ~\$20K), rental car revenues (up ~\$20K), and fuel flowage fees (up ~\$15K).

Expenses are under budget by ~\$50K, primarily due to the timing of outside consulting services related to the Troutdale Master Plan (down ~\$60K).

**GENERAL FUND  
FINANCIAL REPORT  
August 2015**

MARINE	Current Year-to-Date			Annual Adopted Budget	Year-to-Date Actual Amounts		
	Adopted Budget	Actual Amounts	Variance		Current Year	Prior Year	Variance
<b>VOLUMES</b>							
Autos (Units)	40,317	45,678	13.3%	267,000	45,678	40,751	12.1%
Breakbulk (Short Tons)	29,211	51,150	75.1%	110,232	51,150	21,564	137.2%
Containers (TEUs)	17,484	683	(96.1%)	94,000	683	28,471	(97.6%)
Grain Bulk (Short Tons)	533,519	228,385	(57.2%)	4,409,247	228,385	631,418	(63.8%)
Mineral Bulk (Short Tons)	845,953	442,466	(47.7%)	5,389,200	442,466	819,080	(46.0%)

All dollars in millions; OIBD = Operating Income Before Depreciation

**TOTAL MARINE**

Operating Revenues	\$5.0	\$4.4	(\$0.6)	\$32.6	\$4.4	\$5.4	(\$1.0)
Operating Expenses	4.7	3.8	(0.9)	29.1	3.8	4.1	(0.3)
<b>OIBD</b>	<b>\$0.3</b>	<b>\$0.6</b>	<b>\$0.3</b>	<b>\$3.5</b>	<b>\$0.6</b>	<b>\$1.3</b>	<b>(\$0.7)</b>
Depreciation	1.7	1.7	0.0	10.2	1.7	1.8	(0.1)
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$1.4)</b>	<b>(\$1.1)</b>	<b>\$0.3</b>	<b>(\$6.7)</b>	<b>(\$1.1)</b>	<b>(\$0.5)</b>	<b>(\$0.6)</b>

**AUTOS**

Operating Revenues	\$1.3	\$1.4	\$0.1	\$8.1	\$1.4	\$1.2	\$0.2
Operating Expenses	0.2	0.2	0.0	1.2	0.2	0.2	0.0
<b>OIBD</b>	<b>\$1.1</b>	<b>\$1.2</b>	<b>\$0.1</b>	<b>\$6.9</b>	<b>\$1.2</b>	<b>\$1.0</b>	<b>\$0.2</b>

**BREAKBULK**

Operating Revenues	\$0.5	\$0.5	\$0.0	\$1.6	\$0.5	\$0.2	\$0.3
Operating Expenses	0.4	0.5	0.1	1.5	0.5	0.2	0.3
<b>OIBD</b>	<b>\$0.1</b>	<b>\$0.0</b>	<b>(\$0.1)</b>	<b>\$0.1</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**CONTAINERS**

Operating Revenues	\$1.4	\$1.1	(\$0.3)	\$10.3	\$1.1	\$1.9	(\$0.8)
Operating Expenses	1.2	0.7	(0.5)	9.4	0.7	1.6	(0.9)
<b>OIBD</b>	<b>\$0.2</b>	<b>\$0.4</b>	<b>\$0.2</b>	<b>\$0.9</b>	<b>\$0.4</b>	<b>\$0.3</b>	<b>\$0.1</b>

**GRAIN BULK**

Operating Revenues	\$0.4	\$0.3	(\$0.1)	\$2.9	\$0.3	\$0.5	(\$0.2)
Operating Expenses	0.1	0.0	(0.1)	0.1	0.0	0.0	0.0
<b>OIBD</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0.0</b>	<b>\$2.8</b>	<b>\$0.3</b>	<b>\$0.5</b>	<b>(\$0.2)</b>

**MINERAL BULK**

Operating Revenues	\$0.9	\$0.6	(\$0.3)	\$6.5	\$0.6	\$1.0	(\$0.4)
Operating Expenses	0.3	0.1	(0.2)	1.6	0.1	0.2	(0.1)
<b>OIBD</b>	<b>\$0.6</b>	<b>\$0.5</b>	<b>(\$0.1)</b>	<b>\$4.9</b>	<b>\$0.5</b>	<b>\$0.8</b>	<b>(\$0.3)</b>

**MARINE SUPPORT**

Operating Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Expenses	1.9	1.7	(0.2)	11.2	1.7	1.5	0.2
<b>OIBD</b>	<b>(\$1.9)</b>	<b>(\$1.7)</b>	<b>\$0.2</b>	<b>(\$11.2)</b>	<b>(\$1.7)</b>	<b>(\$1.5)</b>	<b>(\$0.2)</b>

**MARINE PROPERTY MGMT**

Operating Revenues	\$0.5	\$0.5	\$0.0	\$3.1	\$0.5	\$0.5	\$0.0
Operating Expenses	0.8	0.5	(0.3)	2.9	0.5	0.4	0.1
<b>OIBD</b>	<b>(\$0.3)</b>	<b>\$0.0</b>	<b>\$0.3</b>	<b>\$0.2</b>	<b>\$0.0</b>	<b>\$0.1</b>	<b>(\$0.1)</b>

**MARINE ENVIRONMENTAL (T4)**

Operating Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Expenses	0.0	0.0	0.0	1.2	0.0	0.0	0.0
<b>OIBD</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$1.2)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

Note: Totals may not add due to rounding

## COMMENTS

Operating revenues are \$592K less than the Adopted Budget due to lower than anticipated grain volumes, no potash activity at T-5 due to the installation of Portland Bulk's new ship loader, and lower ICTSI maintenance services reimbursement revenues. Operating expenses are \$968K under budget, with the largest variances listed below.

- Contracts, Professional & Consulting Services are \$469K under budget due to T-2 and Berth 401 dredging project savings as a result of in water disposal and lower than anticipated material (~\$200K under budget), as well as timing of other environmental expenses.
- Longshore labor expenses are \$186K under budget due to lower than anticipated mechanical maintenance activity at T-6.
- Personnel services are \$175K under budget primarily due to lower than budgeted maintenance overtime and vacant positions as a result of lower than anticipated T6 maintenance services.
- Materials & supplies expenses are \$121K under budget primarily due to lower than anticipated materials for T-6 cranes.
- Travel and management expenses are \$55K under budget.

### Business Line Summaries

**Autos** – YTD auto volumes are 13% higher than forecasted and 12% higher than last year due to Ford export volumes.

**Breakbulk** – YTD tonnage is 75% better than forecasted and 137% higher than last year due to steel rail continuing to move through T-2 as well as a manganese ship in August.

**Containers** – TEUs are down almost 100% from the forecast and last year now that Westwood is the only carrier still calling Portland amid the labor issues at T-6.

**Grain Bulk** – YTD grain volumes are 57% less than forecasted and 64% lower than last year. Demand is currently very low. In addition, a very strong dollar means buyers can purchase grain elsewhere at a lower relative price.

**Mineral Bulk** – Overall, volumes are down almost 50% from the forecast and last year due to no potash vessel calls during the first two months while Portland Bulk's new ship loader was being installed. Activity will resume in September.

**GENERAL FUND  
FINANCIAL REPORT  
August 2015**

<b>INDUSTRIAL DEVELOPMENT</b> (Includes Land Use Planning)	<b>Current Year-to-Date</b>			<b>Annual Adopted Budget</b>	<b>Year-to-Date Actual Amounts</b>		
	<b>Adopted Budget</b>	<b>Actual Amounts</b>	<b>Variance</b>		<b>Current Year</b>	<b>Prior Year</b>	<b>Variance</b>
Operating Revenues	\$0.5	\$0.5	\$0.0	\$3.5	\$0.5	\$0.5	\$0.0
Land Sales	12.4	0.0	(12.4)	24.6	0.0	0.0	0.0
Operating Expenses	2.1	1.2	(0.9)	9.4	1.2	1.0	0.2
Cost of Property Sold	9.1	0.0	(9.1)	20.2	0.0	0.0	0.0
<b>OIBD (Op Income Before Depreciation)</b>	<b>\$1.7</b>	<b>(\$0.7)</b>	<b>(\$2.4)</b>	<b>(\$1.5)</b>	<b>(\$0.7)</b>	<b>(\$0.5)</b>	<b>(\$0.2)</b>
Depreciation	0.1	0.1	0.0	0.8	0.1	0.1	0.0
<b>OPERATING INCOME/(LOSS)</b>	<b>\$1.6</b>	<b>(\$0.8)</b>	<b>(\$2.4)</b>	<b>(\$2.3)</b>	<b>(\$0.8)</b>	<b>(\$0.6)</b>	<b>(\$0.2)</b>

<b>NAVIGATION</b> <b>VOLUMES</b>	<b>Current Year-to-Date</b>			<b>Annual Adopted Budget</b>	<b>Year-to-Date Actual Amounts</b>		
	<b>Adopted Budget</b>	<b>Actual Amounts</b>	<b>Variance</b>		<b>Current Year</b>	<b>Prior Year</b>	<b>Variance</b>
Dredging Days	44	39	(11.4%)	120	39	44	(11.4%)
Cubic Yards Dredged		925,610			925,610	851,931	8.6%
Operating Revenues	\$3.0	\$2.9	(\$0.1)	\$13.6	\$2.9	\$3.1	(\$0.2)
Operating Expenses	2.7	2.6	(0.1)	11.8	2.6	2.8	(0.2)
<b>OIBD (Op Income Before Depreciation)</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0.0</b>	<b>\$1.8</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0.0</b>
Depreciation	0.4	0.4	0.0	2.2	0.4	0.3	0.1
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$0.1)</b>	<b>(\$0.1)</b>	<b>\$0.0</b>	<b>(\$0.4)</b>	<b>(\$0.1)</b>	<b>\$0.0</b>	<b>(\$0.1)</b>

Note: Totals may not add due to rounding.

**COMMENTS**

**Industrial Development**

Operating revenues are \$86K higher than the Adopted Budget due to an option extension fee received from Troutdale Energy Center. Including land sales, revenues are \$12.4M under budget. The budget assumed the sales of TRIP Lot 1 (FedEx) and Gresham Vista Lot 4 (Subaru) would close in July and August, respectively. Gresham Vista Lot 4 is expected to close in September, while TRIP Lot 1 will likely close during the second quarter. Operating expenses are \$940K under budget, with the largest variances listed below.

- Consulting and outside services are \$734K under budget primarily due to the timing of brokerage commission and closing costs associated with the TRIP and Gresham Vista land sales.
- Personnel services are \$81K under budget due to position vacancies.
- Interdepartmental charges are \$120K under budget due to lower than anticipated services received from Marine.

**Navigation**

Operating expenses before depreciation are \$147K under budget primarily due to fewer dredging days than anticipated and fuel savings (both efficiency and lower costs).

## Contracts Over \$50,000 Pursuant to Delegated Authority

### APPROVAL LIMITS (Administrative Policy 7.2.3)

BUDGET APPROVAL	<i>All expenditures require management approval:</i>	
	Approval by managers in an amount delegated by Directors	\$ 0 - \$ 25,000
	Approval by Directors	\$ 25,001 - \$250,000
	Approval by Executive Director	\$ 250,001 +
CONTRACTING APPROVAL	<i>Contracting authority is limited to the following:</i>	
	Directors	Up to \$ 10,000
	Buyers	Up to \$ 50,000
	Manager of Contracts & Procurement	Up to \$ 250,000*
	Executive Director	Up to \$ 500,000
		*And any amount approved by Commission

## Monthly Report for September 2015 (August Activity)

### New Purchases

Title	Requestor Department	Vendor Name			P.O. Amount		
Obtain consulting services to support the Distributed Antennae System project in PDX.	Information Technology	JW Group			\$50,040		
Obtain employee transit passes for 2015/2016.	Human Resources	Trimet			\$55,391		
Obtain administrative staffing support.	Risk Management	Boly Welch, Inc.			\$118,685		
Obtain consulting services to support the PDXNext Terminal Core Redevelopment Project planning process.	Engineering Project Development	JA Watts, Inc.			\$120,180		
Obtain Cisco support for network equipment for 2015/16.	Information Technology	Mountain States Networking			\$121,605		
Obtain agreement to support the real-time river monitoring system.	Marine Operations	US Department of Commerce, NOAA			\$142,500		

Purchase data storage equipment for closed-circuit camera system.	Information Technology	Lenovo, Inc.			\$159,998		
Purchase 170 flight information monitors for PDX.	Information Technology	Staples Tech. Solutions			\$216,799		
Purchase Freightliner truck with accessories.	PDX Maintenance	Valley Freightliner, Inc.			\$245,000		
Obtain design services for the PDXNext Terminal Substation Upgrade Project.	Engineering Project Development	Corbin Consulting Engineers, Inc.			\$319,662		
Obtain construction services for the PDX Building 7303 Roof and Heating, Ventilation, and Air Conditioning Replacement Project.	Engineering Project Development	Skyward Construction, Inc.			\$359,000		
Obtain Cisco network equipment for the PDX Terminal Core Project.	Information Technology	Mountain States Networking			\$494,603		
Obtain trustee services for the airport revenue bonds.	Controller	US Bank			\$500,000		
Obtain construction services for the Terminal 4 Entrance Road Rehabilitation Phase 2 Project.	Engineering Project Development	Kodiak Pacific Construction Co.			\$1,019,019		
Obtain construction services for the PDX Cargo Center Exterior Rehabilitation Project.	Engineering Project Development	Skyward Construction, Inc.			\$1,799,158		
Obtain construction services for the PDX General Aviation West Redevelopment Phase I Project.	Engineering Project Development	Kodiak Pacific Construction Co.			\$3,635,635		
<b><u>Change Orders and Amendments to Project-Specific Contracts</u></b>							
<b>Contracts in this category are initially awarded with a specific work scope and an identified not-to-exceed project total.</b>							
<b>Title</b>	<b>Requestor Department</b>	<b>Vendor Name</b>	<b>Original Amount</b>	<b>Previous Changes to Contract</b>	<b>Current Change to Contract</b>	<b>New Contract Total</b>	
Amendment No. 4 to obtain on-line data import and export shipments for 2015/16.	Research & Strategic Analysis	JOC Group, Inc.	\$94,180	\$89,800	\$80,000	\$263,980	

Amendment No. 4 to obtain additional media buying services.	Corp. Marketing & Media Relations	Eckrosh Marketing LLC	\$60,000	\$267,623	\$100,000	\$427,623	
Amendment No. 5 to obtain support for claims, insurance and risk matters for 2015/16.	Risk Management	Marsh ClearSight LLC	\$350,000	\$173,334	\$130,858	\$654,192	
Change order No. 1 to obtain cab replacement for an additional crane at Terminal 6.	Engineering Design Services	Harbor Industrial Services Corp	\$198,000		\$165,969	\$363,969	
Administrative action to add funding for parking, valet and shuttle bus services for 2015-16.	Airport Operations	SP Plus Corporation	\$7,262,489		\$6,842,635	\$14,105,124	

**New Task Orders and Changes to Task Orders Against Non-Project Specific Contracts**

Items in this category are issued against contracts that were initially awarded with no specific work scope or product quantity identified (e.g., "requirements" or "on-call" contracts). These contracts establish pricing or rates for products or work that may be needed over a stated term. Estimated quantities may be identified, but no guarantee of actual contract compensation or work is made. Contract durations may be short-term or for multiple years with optional renewal/extension terms.

Title	Requestor Department	Vendor Name	Original Task Order Amount	Previous Changes to Task Order	Current Change to Task Order	New Task Order Total	Total Contract Activity - All Task Orders
Task order against contract No. 765 for soil handling services at Troutdale Reynolds Industrial Park.	Engineering Project Development	Northwest Earthmovers, Inc.	\$63,417			\$63,417	\$270,988
Amendment No. 1 to task order against contract No. 827 to obtain additional survey support for the Taxiway E North Rehabilitation Project.	Engineering Design Services	Otak, Inc.	\$111,330		\$66,598	\$177,928	\$423,992
Task order against contract No. 742 to obtain construction inspection support.	Engineering Project Development	Hatch Mott Macdonald Holdings, Inc.	\$78,600			\$78,600	\$1,752,709
Task order against contract No. 742 to obtain construction inspection support.	Engineering Project Development	Hatch Mott Macdonald Holdings, Inc.	\$78,600			\$78,600	\$1,752,709
Amendments Nos. 1 and 2 to task order against contract No. 768 to obtain additional design and support for the Hillsboro Airport East Access Road Project.	Engineering Project Development	CH2M Hill Engineers, Inc.	\$84,455		\$78,778	\$163,233	\$476,290

Task order against contract No. 693 to obtain maintenance of drainage basin No. 6 quiescent and detention pond.	Environmental	Terra Hydr, Inc.	\$99,951			\$99,951	\$952,876
Task order against contract No. 660 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$106,179			\$106,179	\$5,221,507
Task order against contract No. 660 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$123,933			\$123,933	\$5,221,507
Task order against contract No. 215 to obtain scheduled elevator component replacement work.	Airport Operations	Schindler Elevator Corporation	\$240,000			\$240,000	\$13,090,994