



EXECUTIVE DIRECTOR'S REPORT
TO THE
PORT OF PORTLAND COMMISSION
FOR SEPTEMBER 2017

SAFETY REPORT

Port of Portland August 2017 safety performance resulted in a higher frequency of incidents and remained the same in claims frequency compared to August 2016. There were eight reported incidents that occurred in August 2017 and of those incidents, one resulted in a claim.

Monthly Report of Injury Incidents

Administrative

Three non-recordable incidents:

- Worker tripped and fell, striking their head on the keyboard tray and desk, while walking towards their desk.
- Worker walked into the glass window next to a door, hitting their face and sustaining a bloody nose, while exiting a service center.
- Worker reported an incident that occurred over the lunch hour that was not work related.

Aviation

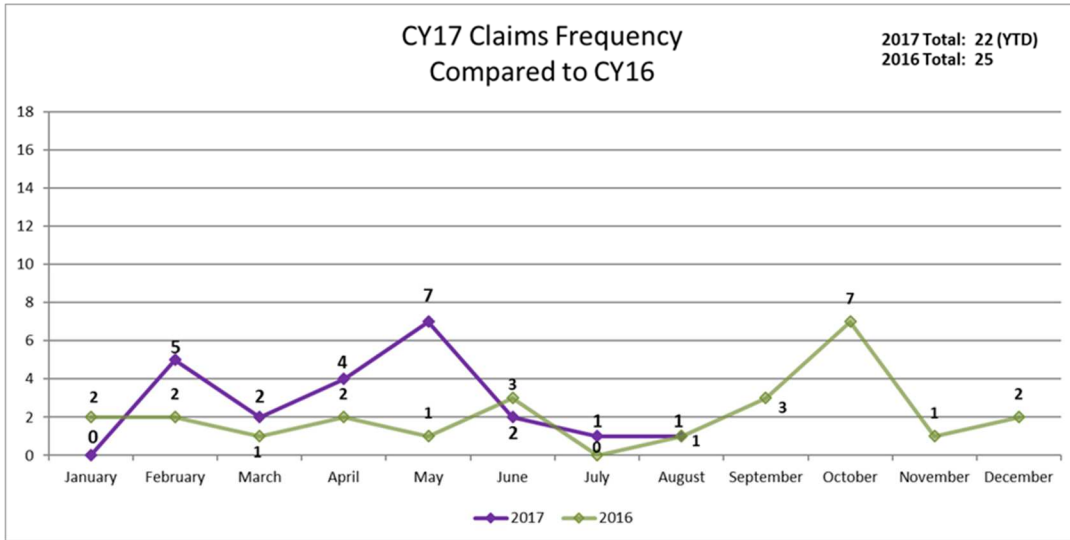
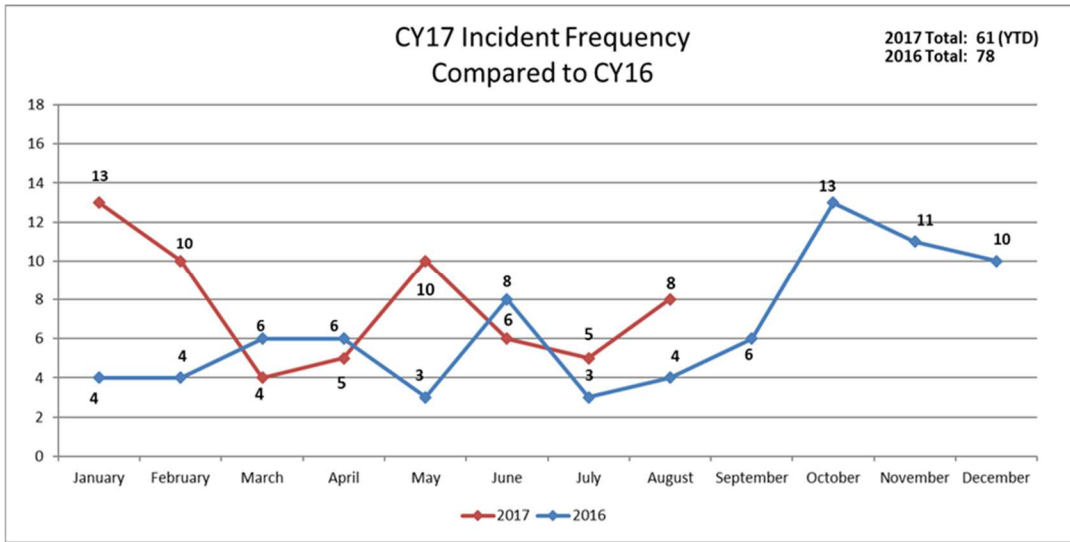
Four non-recordable incidents:

- Worker was struck by a vehicle door that was intentionally opened into the worker by an upset driver.
- Worker's foot got caught between two rocks, spraining an ankle, while chasing a suspect on rocky and uneven ground.
- Worker slipped several times, sustaining an abrasion and contusion to lower leg, while chasing a suspect on rocky and uneven ground.
- Worker sustained an abrasion to forearm and was kneed in the groin while arresting a combative and uncooperative suspect.

Navigation

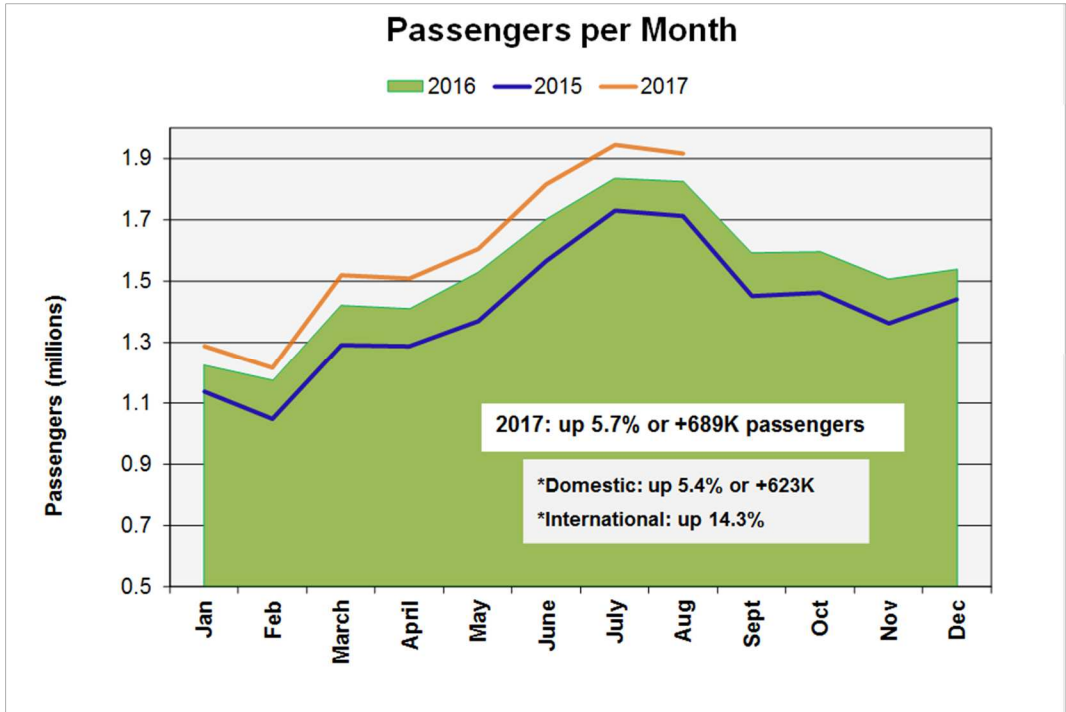
One lost-time recordable incident:

- Worker was placing wire to secure cutter head ladder and strained lower back.



AVIATION REPORT

	Month/Month % change	FYTD % change
	August	July-August
Passengers	5.2%	5.6%
Concessions Revenue	5.4%	4.6%
Rental Car Revenue	10.7%	11.3%
Parking Revenue	-1.1%	0.9%



Passengers

August 2017 passenger volumes increased 5.2 percent compared to August 2016. Seat capacity increased 3.3 percent, with the load factor up 1.6 points to 87.4. The month was positively affected by increased passenger volumes due to the solar eclipse event. However, it was negatively affected by Horizon Airlines’ flight cancellations due to the pilot shortage and Hurricane Harvey, which impacted flights for United Airlines.

Concessions Revenue

Combined terminal concessions operations reported a 5.4 percent, or \$80,000, rent increase on the month, against a 5.2 percent passenger increase. Similar to prior months’ performances, the rent increase for August is due primarily to 37.3 percent growth in the quick-serve category of food and beverage operations.

Rental Car Revenue

Rental car operations’ rent increased 11.3 percent, or \$590,000, year-to-date over last year, against a year-to-date passenger increase of 5.5 percent through August. This reflects the strong August performance due primarily to rentals associated with the solar eclipse traffic.

Parking Revenue by Lot

Public parking revenue decreased over 1.0 percent compared to August 2017, but is up nearly 1.0 percent year-to-date. August negative revenue may be due to a number of factors, such as cancelled flights due to hurricanes in the southeastern United States. Transactions decreased 2.0 percent and noon parking occupancy decreased 0.8 percent.

Product	Revenue	Variance	YTD Variance
Short-Term	\$1,499,510	0.8%	0.8%
Long-Term	\$1,622,730	-1.0%	-0.6%
Economy	\$1,803,449	-3.9%	1.2%
Valet	\$125,855	21.9%	21.7%
Total	\$5,091,544	-1.1%	0.9%

Ground Transportation

Overall revenue increased 34.7 percent to \$482,852 in August 2017, compared to \$358,569 in August 2016. Fiscal year-to-date revenue is \$926,442. Transportation Network Company (TNC) revenue for August 2017 was \$320,768, an 11.0 percent increase from July 2017.

	Taxi Trips	TNC Pick-ups	Charter Bus	Reservation-Only Trips	Fixed Route	Courtesy	Total Trips	Minus TNC
Aug. 2016	26,447	41,797	162	9,290	2,363	30,730	110,789	68,992
Aug. 2017	21,978	75,883	177	9,098	2,154	29,583	138,873	62,990
	-16.9%	81.6%	9.3%	-2.1%	-8.8%	-3.7%	25.3%	-8.7%

Environmental Operations

An audit of the Port's Environmental Management System (EMS) was performed by DQS, Inc., an independent third-party auditor, during the week of September 18, with a successful outcome for the Port. The purpose of the audit is to verify that the Portwide EMS meets the requirements of the internationally-recognized ISO 14001:2015 International Standard for Environmental Management Systems.

The Port uses the EMS framework to:

- Consistently integrate environmental considerations into its planning, decision-making, and operations;
- Provide assurance for Port management that the Port is meeting its environmental commitments and obligations, is adjusting to changing circumstances, and is continuing to improve its environmental and stewardship performance; and
- Be accountable to our management, co-workers, business partners, stakeholders, community, and others about our environmental challenges, opportunities and successes.

The value of certification is to demonstrate to our community that we take our environmental commitments and performance seriously, and that we are willing to be held accountable to those commitments through a review by an independent third-party auditor.

CAPITAL GRANTS

Portland International Airport

Staff submitted a reimbursement request to the Transportation Security Administration for the Law Enforcement Officer (LEO) program in the amount of \$12,400, covering the July 2017 work period (Agreement No. HSTS0213HSLR647).

Staff submitted a reimbursement request to TriMet for the LEO program in the amount of \$14,352.47, covering the July 2017 work period (Agreement No. GS150820LG).

Staff submitted a reimbursement request to the Federal Bureau of Investigation for the PDX Regional Drug Organized Crime Task Force program in the amount of \$1,333.84, covering the July 2017 work period (Agreement No. 281C-PD-C2079840).

Staff submitted a reimbursement request to the Oregon Department of Environmental Quality for the PDX Durable Dishes and To-Go Box Pilot Program in the amount of \$27,104.69 (Agreement No. 016-17).

Staff submitted a reimbursement request to the Federal Aviation Administration (FAA) for the Airport Improvement Program (AIP) – Install Preconditioned Air Units Voluntary Airport Low Emissions project in the amount of \$170,548.27 (Agreement No. 03-41-0048-076).

Staff submitted a reimbursement request to the FAA for the AIP – Taxiway B Center and Exits Rehabilitation project in the amount of \$1,084,728.91 (Agreement No. 03-41-0048-077).

Marine

Staff submitted a reimbursement request to Oregon Department of Transportation (ODOT) for the *ConnectOregon VI* – Terminal 6 Auto Staging Facility project in the amount of \$303,810.86 (Agreement No. 31627).

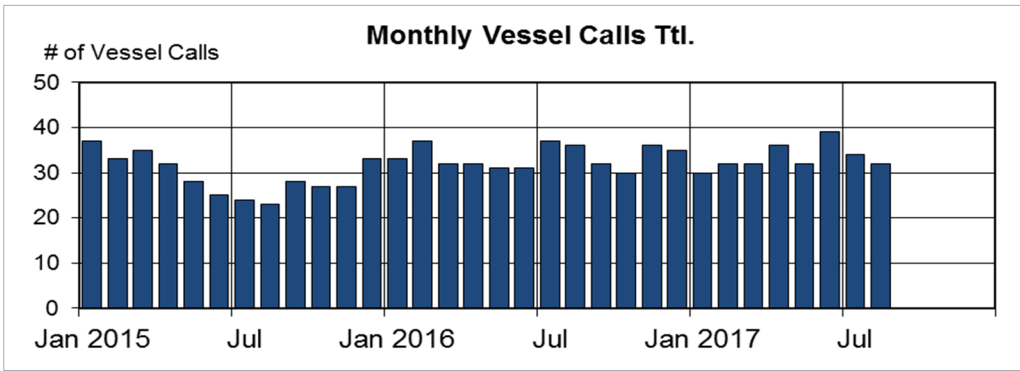
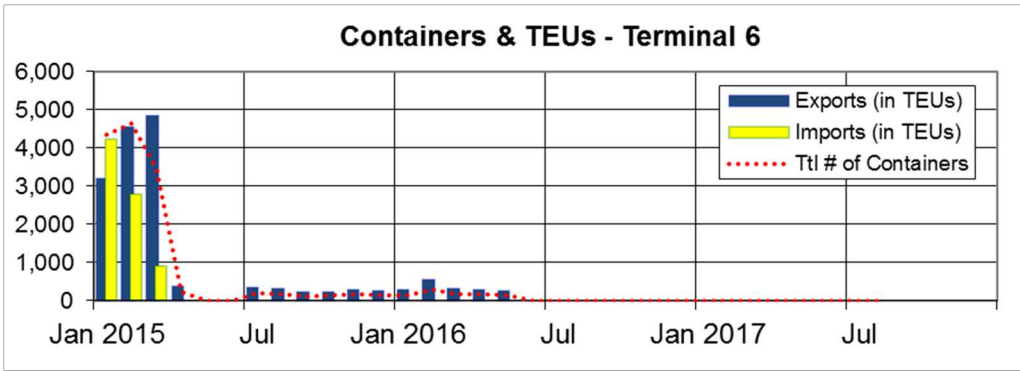
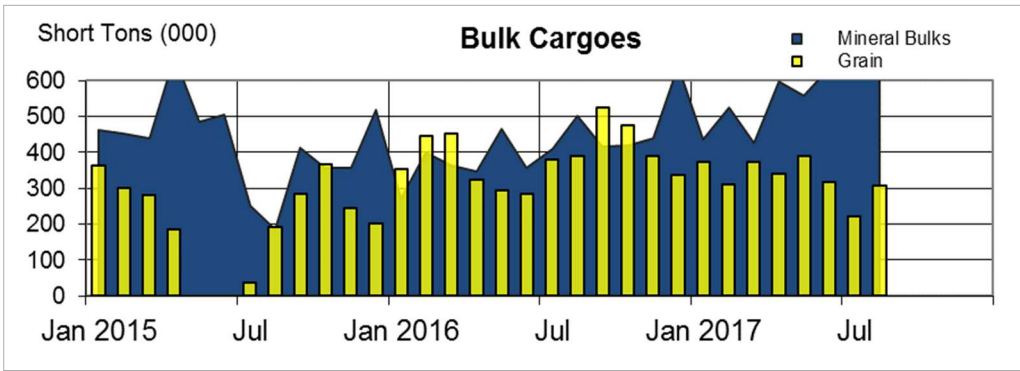
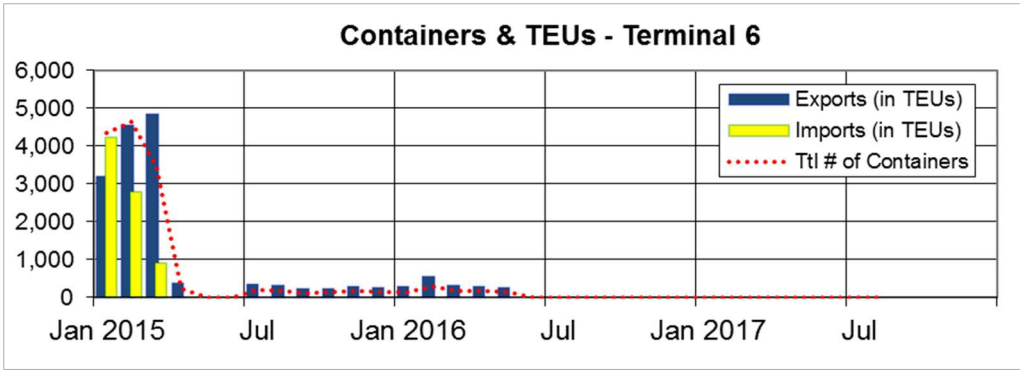
Properties

Staff submitted a reimbursement request to ODOT for the Graham/Swigert Road Jobs and Transportation Act Project in the amount of \$650,584.78, covering the June 2017 work period (Agreement No. 28368).

MARINE & INDUSTRIAL DEVELOPMENT REPORT

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

	<u>August 2017</u>	<u>Fiscal Year-to-Date</u>
Total Tonnage	9.7%	12.4%
Containers (TEU)	--	--
Import Full Containers	--	--
Export Full Containers	--	--
Breakbulk	--	--
Autos	28.9%	0.4%
Mineral Bulk	31.8%	48.9%
Grain	-20.7%	-31.2%



REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY

SSP America, Inc., DBA Laurelwood Public House and Brewery – Fourth Amendment to Food and Beverage Concession Lease

Location: PDX

Term: Effective August 24, 2017

Use: Amendment No. 4: This amendment extends the term of the lease for four months.

Pollin Hotels III, LLC – Second Amendment to Ground Lease

Location: Portland International Center

Term: Effective August 29, 2017

Use: Amendment No. 2: Deletes prohibited uses related to radio frequencies.

WDFG North America LLC ABN WDFG Portland Retailers JV – Fifth Amendment to Retail Concession Lease

Location: PDX

Term: Effective August 22, 2017

Use: Amendment No. 5: This amendment adjusts the premises and clarifies provisions regarding refurbishment of high traffic areas.

WiMacTel, Inc. – Second Amendment to Operating Agreement

Location: PDX

Term: Effective August 23, 2017

Use: Amendment No. 2: With this amendment, WiMacTel exercises its second option to extend the term. The term will now expire on June 30, 2018.

Newport Pacific Corporation DBA Mo's Restaurant – First Amendment to Food and Beverage Concession Lease

Location: PDX

Term: Effective August 03, 2017

Use: Amendment No. 1: This amendment replaces the preliminary premises exhibit with a final exhibit.

Restaurants Unlimited, Inc., DBA Henry's Tavern – First Amendment to Food and Beverage Concession Lease

Location: PDX

Term: Effective August 17, 2017

Use: Amendment No. 1: This amendment replaces the preliminary premises exhibit with a final exhibit.

CC McKenzie Shoes & Apparel LLC – First Amendment to Retail Concession Lease

Location: PDX

Term: Effective August 03, 2017

Use: Amendment No. 1: This amendment changes the premises and replaces the exhibit describing the premises.

Tender Loving Empire, LLC – First Amendment to Food and Beverage Concession Lease

Location: PDX

Term: Effective August 22, 2017

Use: Amendment No. 1: This amendment replaces language regarding ACDBE certification.

Tournament Golf Foundation, Inc. – Permit and Right of Entry

Location: PDX

Term: August 21, 2017 to September 06, 2017

Use: This permit allows temporary parking for the LPGA golf tournament.

PacifiCorp – Underground Right of Way Easements (2)

Location: Cascade Station

Term: Effective August 03, 2017

Use: The Port is granting PacifiCorp a right of way easement for underground electric distribution and communication lines and necessary accessories and appurtenances.

Vigor Industrial, LLC – Berth Use Agreement

Location: Swan Island

Term: August 08, 2017 – June 30, 2022

Use: Grants Vigor a five-year right to use Berth 315 when the Port is not mooring vehicles at this location, with an ancillary right to use the access road and adjacent uplands.

Jettview Corporation DBA Direct Avia – Facility Lease

Location: Hillsboro Airport

Term: Effective August 01, 2017

Use: Lease for shop space, hangar and ground space in support of Jettview's operations.

United Parcel Service – Permit and Right of Entry

Location: Swan Island

Term: August 01, 2017 – January 31, 2018

Use: This permit is for the use of 4.77 acres for the purpose of parking empty truck trailers used to carry mail during permittee's busy season.

Columbia Slough Watershed Council – Permit and Right of Entry

Location: NE Alderwood

Term: Effective August 26, 2017

Use: One-day permit for access to install wire fencing around trees in riparian zone to protect them from beaver damage.

Skanska USA Building, Inc. – Permit and Right of Entry

Location: PDX

Term: August 01, 2017 – March 31, 2020

Use: Long-term permit for the use of Port-owned building, a parking area and an airside ramp in support of construction services on behalf of the Port.

Contracts Over \$50,000 Pursuant to Delegated Authority

APPROVAL LIMITS (Administrative Policy 7.2.3)

BUDGET APPROVAL	<p>All expenditures require management approval:</p> <p>Approval by Directors Up to \$ 50,000</p> <p>Approval by Chief Officers Up to \$250,000</p> <p>Approval by Executive Director & Deputy Executive Director Unlimited</p>	
--------------------	--	--

CONTRACTING APPROVAL	<p>Contracting authority is limited to the following:</p> <p>Chief Officers Up to \$ 10,000</p> <p>Buyers Up to \$ 50,000</p> <p>Manager of Contracts & Procurement Up to \$ 250,000*</p> <p>Executive Director & Deputy Executive Director Up to \$ 500,000*</p>	<p><small>*And any amount approved by Commission</small></p>
-------------------------	--	--

Monthly Report for September 2017 (August Activity)

New Purchases

Title	Requestor Department	Vendor Name			P.O. Amount		
Purchase crack seal machine.	PDX Maintenance	Crafco, Inc.			\$55,331		
Obtain consulting services related to diversity, equity, and inclusion at the Port.	Human Resources	Resolutions Northwest			\$78,800		
Purchase a 21-foot aluminum landing craft for the Natural Resources Department.	Engineering Design Services	Munson Boats			\$83,299		
Obtain construction services for the Hangar 7759 Communications Extension Project.	Engineering Project Development	Design Electric, Inc.			\$99,860		
Obtain security staffing services to assist the Transportation Security Administration (TSA).	Airport Operations	Galt Foundation			\$152,857		
Obtain software licensing and support for Cisco products.	Information Technology	ConvergeOne, Inc.			\$169,181		
Obtain security staffing services to assist the TSA.	Airport Operations	Galt Foundation			\$199,872		

Obtain water line improvements along NE Airport Way for service to PDX.	Engineering Project Development	Portland Water Bureau			\$296,379		
Obtain water line improvements along NE Cornfoot Road for service to PDX.	Engineering Project Development	Portland Water Bureau			\$337,587		
Obtain construction services for the Hangar 7909 Rehabilitation Project.	Engineering Project Development	Centrex Constr., Inc.			\$479,995		
Obtain design services for the North Terminal Heating Water Piping Replacement Project.	Engineering Project Development	AEI Corporation			\$551,634		
Obtain utility relocation services for the new rental car facility.	Engineering Project Development	PacifiCorp			\$596,187		
Obtain financial audit services.	Financial Services Administration	Moss Adams LLP			\$1,500,000		
Obtain construction services for the Runway 3-21 Storm Infrastructure and Paving Improvements Project.	Engineering Project Development	K&E Excavating, Inc.			\$6,735,551		

Change Orders and Amendments to Project-Specific Contracts

Contracts in this category are initially awarded with a specific work scope and an identified not-to-exceed project total.

Title	Requestor Department	Vendor Name	Original Amount	Previous Changes to Contract	Current Change to Contract	New Contract Total	
Amendment #7 for landscaping services at Gresham Vista Business Park for an additional year.	Commercial Development Administration	Relay Resources	\$49,616	\$238,738	\$50,368	\$338,722	
Amendment #2 to obtain coffee services for an additional year at various Port locations.	Administrative Services	Blue Tiger Coffee, Inc.	\$195,000	\$75,000	\$80,000	\$350,000	
Administrative action to add funding for continued use of the City of Portland's Computer Aided Dispatch System.	Information Technology	City of Portland	\$92,238	\$614,134	\$107,873	\$814,244	
Amendment #1 to obtain needed repairs after inspection of the vessel <i>Sea Mule</i> .	Navigation	Foss Maritime Company	\$10,000		\$126,930	\$136,930	

Administrative action to obtain continued Microsoft Premier Support services.	Information Technology	Microsoft Corp. Technical Support	\$100,120	\$532,000	\$146,490	\$778,610	
Amendment #6 to obtain additional design services for the rehabilitation of Runway 13R/31L for Hillsboro Airport.	Engineering Project Development	Century West Engineering Corporation	\$245,812	\$495,423	\$214,119	\$955,354	
Amendment #4 to obtain Air Service Development consulting services.	Air Service Business Development	Campbell-Hill Aviation Group LLC	\$225,000	\$460,000	\$225,000	\$910,000	
Amendment #4 to obtain additional pre-construction services for the PDXNext Terminal Core Redevelopment Project.	Engineering Project Development	Turner Construction Company	\$872,132	\$1,642,060	\$312,306	\$2,826,498	
Amendment #9 to obtain additional architectural services for the PDX Terminal Balancing Concourse E Extension Project.	Engineering Project Development	Hennebery Eddy Architects, Inc.	\$499,970	\$27,165,400	\$7,400,000	\$35,065,370	
Administrative action to add funds for an additional year of parking, valet and shuttle bus services.	Airport Operations	SP Plus Corporation	\$6,583,023	\$17,249,608	\$9,831,259	\$33,663,890	

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 #1045 to obtain development of an updated Lamprey study.	Environmental	Hart Crowser, Inc.	\$74,956			\$74,956	\$336,788
Task order against contract #1054 to obtain planning services for the upcoming Aeromexico launch event.	Air Service Business Development	Cindy Thompson Event Productions	\$75,000			\$75,000	\$160,000
Amendment #1 to task order against contract #747 to obtain additional janitorial services at PDX.	Airport Operations	Portland Habilitation Center, Inc.	\$6,442,882		\$80,000	\$6,522,882	\$27,211,631

Task order against contract #660 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$80,000			\$80,000	\$6,787,589
Task order against contract #1006 to obtain geologist services.	Environmental	Maul Foster & Alongi, Inc.	\$98,430			\$98,430	\$522,498
Task order against contract #660 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$123,497			\$123,497	\$6,787,589
Task order against contract #864 to obtain architectural services for post-security Concourse D storefront improvements.	Engineering Project Development	ZGF Architects LLP	\$123,767			\$123,767	\$1,462,800
Task order against contract #660 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$126,560			\$126,560	\$6,787,589
Task order against contract #864 for architectural services for seating improvements in Concourse D.	Engineering Project Development	ZGF Architects LLP	\$146,897			\$146,897	\$1,462,800
Task order against contract #929 to obtain consulting services for the PDX rental car program.	Planning & Development	Ricondo & Associates, Inc.	\$178,152			\$178,152	\$178,152
Task order against contract #1076 to obtain construction inspection services.	Engineering Project Development	Mott Macdonald LLC	\$188,167			\$188,167	\$1,204,249
Task order against contract #910 to obtain mitigation maintenance services at the Troutdale Reynolds Industrial Park.	Environmental	Mosaic Ecology LLC	\$221,400			\$221,400	\$865,795
Task order against contract #747 for janitorial services and supplies for the Port Headquarters facility.	Administrative Services	Relay Resources	\$369,949			\$369,949	\$34,516,325
Task order against contract #977 to obtain construction services related to water line improvements on NE Airport Way and NE Cornfoot Road.	Engineering Project Development	SDB Contracting Services	\$427,398			\$427,398	\$1,928,431
Task order against contract #747 to obtain janitorial services for PDX.	Airport Operations	Relay Resources	\$6,935,016			\$6,935,016	\$34,516,325

New Task Orders and Changes to Task Orders Against Supplemental Workforce Contracts

Items in this category are issued against contracts for contracted workforce services (e.g., worker leasing contracts and temporary staffing contracts). At the outset, these contracts typically specify an initial cost or hourly rate and an estimate of total required hours to fulfill the Port's needs, but they may not provide for the immediate deployment of personnel.

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 #750 to obtain temporary services for the Planning and Development department.	Planning & Development	Brooks Staffing	\$56,179			\$56,179	\$2,824,769

General Fund

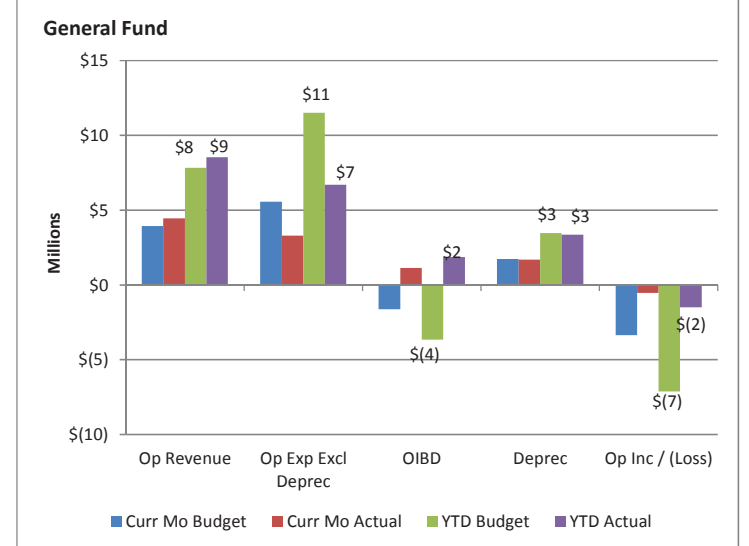
The General Fund includes Marine, Industrial Development, Navigation, General Aviation, Environmental, Financial & Administrative Services, Executive, Public Affairs, Human Resources, Legal, and Project & Technical Services (IT, Engineering, and the Project Portfolio Office).

Operating Revenues through August are \$710K higher than the Adopted Budget of \$7.8M.

YTD operating expenses excluding depreciation are \$4.8M lower than the Adopted Budget

The key variances are listed below:

- Contracts, professional & consulting services expenses (\$3.5M < budget).
- Personnel services (\$330K > budget).
- Equipment rental, repair and fuel expenses (\$314K < budget).
- Travel and management expenses (\$490K < budget).
- Materials & Supplies (\$259K < budget).
- Other Expenses (\$250K < budget).



Marine

Marine Volumes:

Autos – Auto volumes are 0.8% higher than forecast with increases across the board - Toyota, Honda, Hyundai, and Ford. Year-to-date volumes are approximate 0.5% higher than prior year.

Breakbulk – T2 breakbulk activity is not forecast until October.

Grain Bulk – Grain activity continues to be softer than FY 17 with YTD volumes 9.2% lower than forecast and 31% lower than last year.

Mineral Bulk – Tonnage is nearly 74% higher than forecast due to higher than projected volumes for both potash and soda ash. Year over year mineral bulk volume is nearly 50% higher.

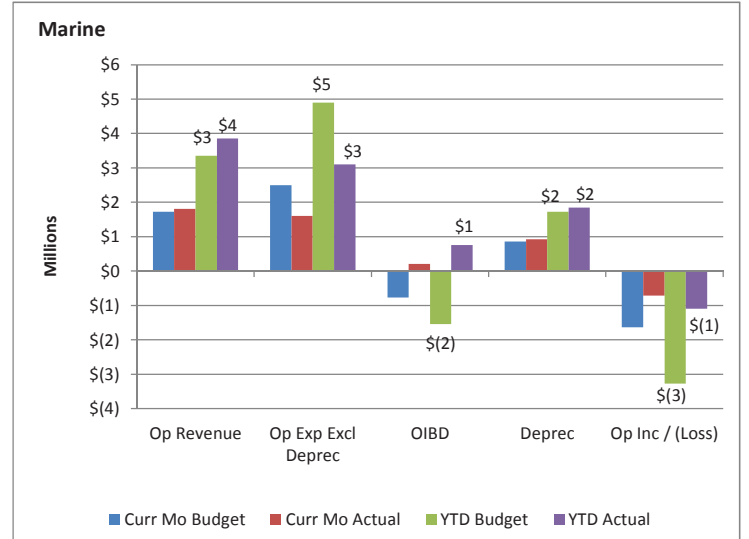
Marine Volumes*	Current Year-to-Date			Annual Adopted Budget
	Adopted Budget	Actual Amounts	Variance	
Autos (Units)	54,499	54,950	0.8%	327,000
Breakbulk	-	-	-	40,000
Containers (TEUs)	-	-	-	-
Grain Bulk	583,333	529,447	(9.2%)	3,500,000
Mineral Bulk	793,371	1,379,420	73.9%	4,554,000

* Volumes in short tons unless otherwise noted.

Marine Operating Results:

YTD operating revenues are \$497K higher than the Adopted Budget due to higher than anticipated revenues in Autos (\$111K > budget), Mineral Bulk (\$487K > budget), and South Rivergate Rail Access Fees (\$59K > budget). YTD operating expenses excluding depreciation are \$1.8M less than budget, with the largest variances listed below:

- Contracts, professional & consulting services are \$1.3M < budget due to timing of Berth 410/411 Maintenance Dredging (\$600K < budget) - dredging to begin Oct. 1; T-4 Rail Repair (\$125K < budget); Terminal 6 Development Strategy Consulting (\$100K < budget); and Marine environmental expenses (\$154k < budget).
- Travel and management expenses are \$239K < budget due to timing of Administrative and Terminal 6 Development Marketing & Promotions (\$134K < budget)
- Longshore labor is \$185K < budget (T-6 \$113K < Budget) due to timing of T6 crane maintenance work to return terminal to operational ready state.

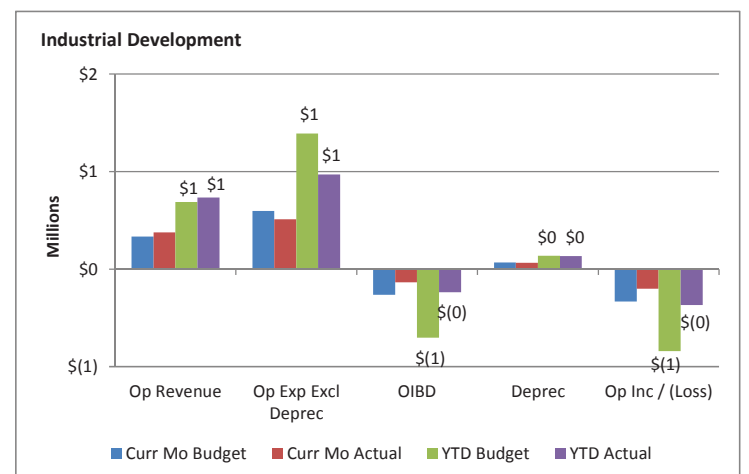


Industrial Development

YTD operating revenues are \$46K higher than the Adopted Budget due to rent revenues in Georgia-Pacific and Tenex unbudgeted in FY18. No land sales are budgeted until September of this year.

YTD operating expenses excluding depreciation are \$421K lower than the Adopted Budget, with the largest variances listed below:

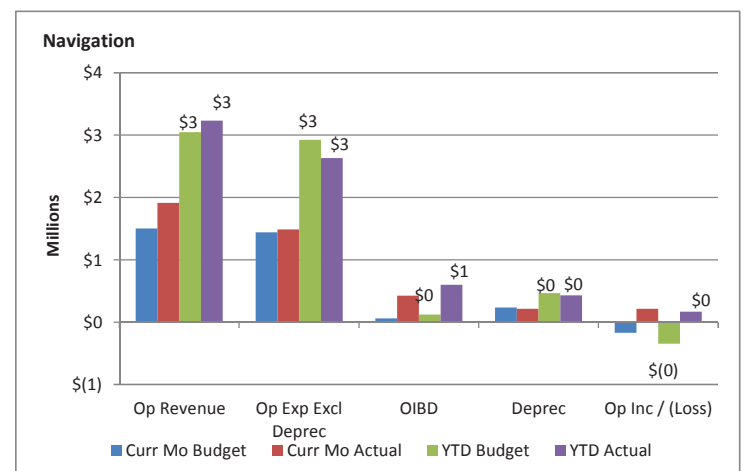
- Contract, Professional, and Consulting Services are \$389K < budget due to timing of Land Use Development Consulting (\$126K < budget) and Gresham Vista LEED Incentive for Lots 1, 2, and 3 (\$60K < budget)
- Travel & Management (\$37K < budget)



Navigation

YTD operating expenses, excluding depreciation, are \$292K lower than the Adopted Budget as a result of fewer days dredged than were budgeted. Timing of costs for Caterpillar Repairs (\$150K < Budget), Environmental Expenses (\$126K < Budget), and Insurance Expenses (\$76K < Budget) also contribute to lower than budgeted expenses. Operating Labor is \$353K > budget due to overtime budget spread evenly over all 12 months and should have been concentrated during the dredging season months (\$237K > Budget).

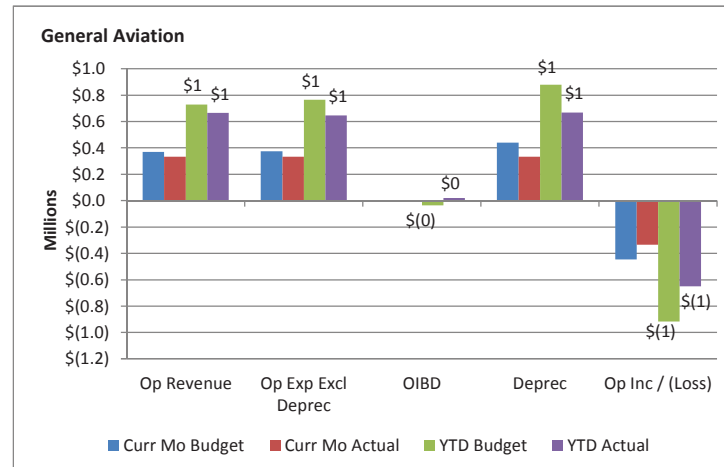
Dredging Volumes	Current Year-to-Date			Annual Adopted Budget
	Budgeted Amounts	Actual Amounts	Variance	
Dredging Days	49	42	(14.3%)	121
Cubic Yards Dredged		966,197		



General Aviation

YTD operating revenues are below budget by \$64K due to timing of the HIO Master Plan operating grant (\$108K < budget). This is partially offset by higher than expected rent HIO airside land leases (\$29K > budget).

YTD operating expenses before depreciation are under budget by \$118K, primarily due to timing of HIO master plan consulting expenses (\$155K < budget).

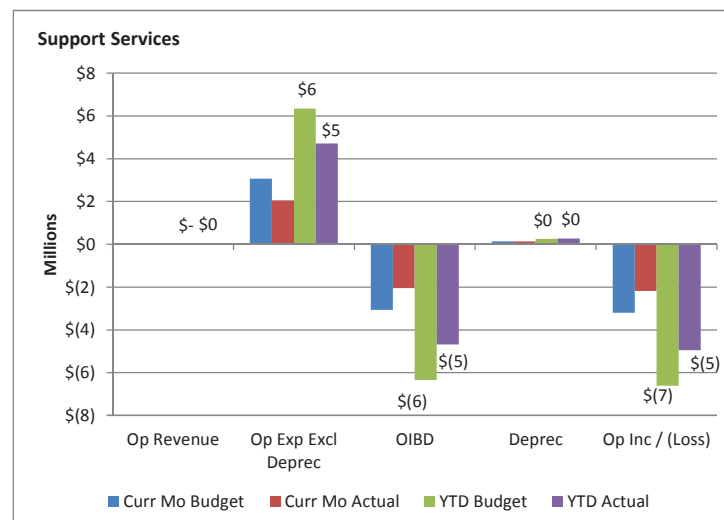


Support Services

Support Services is comprised of Financial & Administrative Services, Executive, Public Affairs, Human Resources, Legal, and Project & Technical Services. Costs for these areas are allocated to the operating areas.

YTD operating expenses excluding depreciation are \$1.6M under budget, with the largest variances listed below:

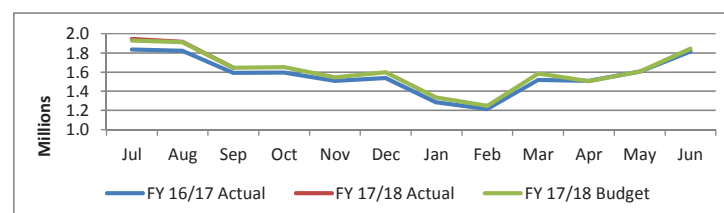
- Contracts, professional & consulting services are \$896K < budget, due to timing of HR expenses related to diversity, equity, and inclusion, as well as employee performance coaching consulting (\$325 < budget); Public Affairs (\$196K < budget) due to time of costs related to the levee re-certification efforts; Financial & Administrative Services (\$71K < budget), Environmental Affairs (\$65K < budget), and Project & Technical Services (\$56K < budget).
- Travel and management expenses are \$202K < budget.
- Other expenses are \$246K < budget (Information Technology software expenses \$168K < budget).
- Salaries, wages, & fringe benefits \$194K < budget due to position vacancies.



Portland International Airport

Total Passengers

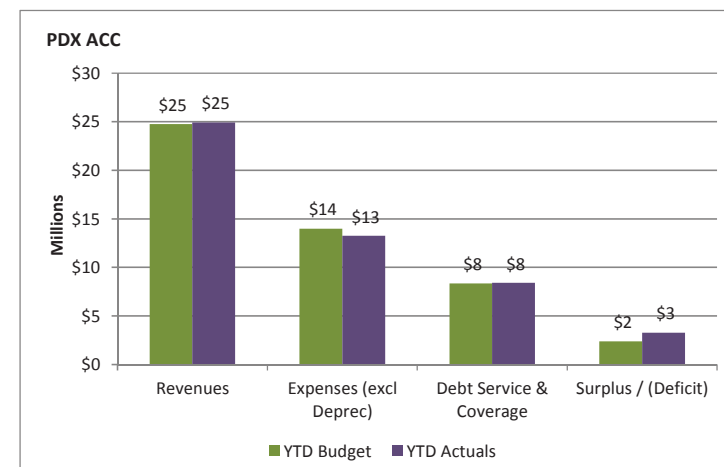
Passengers traveling through PDX are a key driver of revenues and expenses for the Airport. YTD, over 3.8 million total passengers have utilized PDX, which is on track with the FY 18 budget, and exceeds the prior year by 5.6%. The higher passenger levels are a result of the continued growing economy and new flights serving PDX. As a result of strong demand for air travel, PDX passenger levels are increasing as air carriers increase seat capacity and add flights.



PDX Airline Cost Center (ACC)

Total ACC Revenues are \$177K higher than budget due to higher than expected common use rentals (over \$232K). These are partially offset by FY 18 ORANG Q1 rent un-invoiced and recorded in FY 17 (under \$100K). Food and beverage revenues are \$26K lower than budget as a result of delayed openings and lower revenues due to the exit lane rerouting passengers away from the Clocktower Plaza.

YTD ACC expenses are \$745K below budget. Materials and Services are \$791K under budget, primarily due to: terminal outside services (down \$112K), concession marketing support (down \$63K), and terminal custodial services (down \$72K). Other indirect costs related to this variance, include: consulting expenses for various studies (down \$365K) and replacement supplies for Police (down \$71K).



PDX Port Cost Center (PCC)

YTD PCC revenues are \$455K > budget as a result of higher than expected volumes for transportation network companies (e.g. Uber, Lyft; over \$226K) and rental car activity (\$43K > budget), as well as additional revenues for SW Development, Air Trans Center, PDX GA, and Other PIC land lease and rent revenues (over \$122K), and overflow ramp parking to the North cargo area (over \$64K).

PCC expenses are \$1.1M < budget. Personnel services expense is \$140k under budget. Materials and services are \$827K < budget, primarily due to direct environmental expenses (down \$187K), direct consulting expenses (down \$74K), direct airside properties and GTO management fees (down \$68K), direct outside services (down \$47k), direct stormwater expenses (down \$50K). Other indirect costs related to this variance includes: consulting expenses for various business units (down \$146K).

