

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
September 10, 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; Peter Bragdon; Diana Daggett; Bruce Holte; Judi Johansen (via telephone); Paul Rosenbaum 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 Commissioner Corey, as he was out of town. Commissioner Holte moved to grant the leave of absence. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Allen was not present for the vote.

Commissioner Olson also called for a motion to grant a leave of absence to Commissioner Rosenbaum for the August Commission meeting, as he was out of town. Commissioner Holte moved to grant the leave of absence. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Allen was not present for the vote.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt thanked the Transportation Security Administration (TSA) for pledging \$60 million of grant funding for the new in-line baggage screening system at Portland International Airport (PDX). He asked Mike Irwin, Federal Security Director, to make a few comments. Mr. Irwin thanked the Port Commission for supporting the project. He said the system at PDX will be the most effective system in the world and will deliver outstanding customer service for travelers at the airport. Mr. Irwin thanked the engineering team for their hard work to make this happen. He said PDX was one of approximately 17 airports earmarked to receive 2008 funding, but because most of the airports were not ready, PDX received a larger funding allocation. Mr. Wyatt said the \$60 million is just under half of the total project cost and could not come at a better time. He said the airlines serving PDX will provide additional funding for the project and TSA will provide the baggage screening equipment.

Mr. Wyatt said the on-again off-again purchase and sale agreement between the Port and FedEx Ground will be presented to the Commission today. Mr. Wyatt said a milestone is being reached with FedEx Ground positioned as the anchor tenant for the Troutdale Reynolds Industrial property. Mr. Wyatt said this development will be terrific for the City of Troutdale (City) because it will be a significant increase in their tax base. Mr. Wyatt said this project has been

enormously difficult and is probably the first time the City has had to confront superfund or clean-up-related issues. Mr. Wyatt said we are working closely with the City. He said Mayor Thalhofer has been a great advocate and partner with us through this process.

Mr. Wyatt said work at Cascade Station continues. He said there is a lot of development activity going on and the first hotel and office building are nearly complete. Mr. Wyatt said there will also be a Hyatt Regency Hotel, Residence Inn Hotel and a Canterbury Group Hotel at Cascade Station, as well as a Target Super Center and an FBI facility.

Mr. Wyatt said if you have been to the airport, you have seen a lot of construction activity and a lot of progress on the second parking garage and Port headquarters building. He said construction crews began pouring the fourth floor of the second parking garage. Mr. Wyatt said the project is on schedule and on budget.

Mr. Wyatt said Seaport Celebration, which took place at Terminal 6 the second weekend in August, was a great success. He said he was amazed at how many people attended the event, given it was the hottest day of the year. He said the event is a great opportunity to introduce the community to the marine facility. Mr. Wyatt said Brooke Berglund did an excellent job coordinating the event.

Mr. Wyatt said the Port hosted a delegation from BYD Auto, a Chinese auto manufacturer. He said they have a line of electric vehicles and plug-in hybrids that are of interest to us. BYD is very interested in exploring the U.S. market and we would love to see them give Portland a try. Mr. Wyatt said Mayor-elect Adams is currently in China and plans to meet with BYD and Governor Kulongoski is planning a visit with them in November.

Mr. Wyatt said the Port has initiated a disparity study and we are now moving into the public outreach phase. As a recipient of federal transportation funding through the FAA, the Port is required to have a Disadvantaged Business Enterprise program, but a recent 9th Circuit Court Ruling disallowed setting project goals without first having evidence of the presence of discrimination or its effects in the recipients' contracting process. Mr. Wyatt said the disparity study would help establish evidence. The study will assure that we are doing the best we can with our minority programs while living up to the letter of the law. Mr. Wyatt said we have very successful programs at the Port, but we can always do better.

Commissioner Olson called for a motion to approve the Executive Director's Report. Commissioner Daggett moved to approve the Executive Director's Report. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Allen was not present for the vote.

CONSENT AGENDA

No presentation was 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. 1

CONSTRUCTION CONTRACT – TAXIWAY B RELOCATION, PHASE 2 – TROUTDALE AIRPORT

BE IT RESOLVED, That approval is given to award a contract to Nutter Corporation for the Taxiway B Relocation Project, Phase 2, at Troutdale Airport, in accordance with its bid and contingent upon Federal Aviation Administration grant award; 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.

Agenda Item No. 2

CONSTRUCTION CONTRACT – CONCOURSE D SERVICE ELEVATOR – PORTLAND INTERNATIONAL AIRPORT

BE IT RESOLVED, That approval is given to award a construction contract for the Concourse D service elevator at Portland International Airport to COR Construction, 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.

Following the reading of the titles of the Consent Agenda by Commissioner Olson, Commissioner Holte moved that the Executive Director's recommendations be approved and Commissioner Rosenbaum seconded the motion. The motion was put to a voice vote. Commissioners Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Allen was not present for the vote.

ACTION ITEMSAgenda Item No. 3

PUBLIC HEARING AND ENACTMENT OF ORDINANCE NO. 429-B TO ISSUE UP TO \$140 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES NINETEEN

This agenda item requested approval of Ordinance No. 429-B to authorize the sale of up to \$140 million aggregate principal amount of Portland International Airport Revenue Bonds, Series Nineteen, to fund capital projects in the Airline Cost Center and the Port of Portland (Port) Cost Centers, to fund the Senior Lien Bonds (SLB) Reserve Account, and to pay costs of issuance.

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

1. That Ordinance No. 429-B, in the form presented to the Port of Portland Commission, be read by title only; and

2. That a public hearing be held prior to adopting Ordinance No. 429-B in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and
3. That the proposed Ordinance No. 429-B, in the form presented to the Port of Portland Commission, be enacted by a roll call vote.

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 Olson opened a public hearing for the purpose of taking testimony on Ordinance 429-B. Hearing no comments, Commissioner Olson closed the public hearing and asked that Mr. Granato read Ordinance 429-B by title only.

Commissioner Bragdon moved that the Executive Director's recommendations be approved and immediately adopt Ordinance 429-B. Commissioner Holte seconded the motion, which was put to a roll call vote; Commissioners Allen, Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion.

Agenda Item No. 4

PROPERTY SALE AMENDMENT – 77.93 ACRES TO FEDERAL EXPRESS GROUND PACKAGE SYSTEM, INC. – TROUTDALE REYNOLDS INDUSTRIAL PARK

This agenda item requested a revision to the January 2008 Port of Portland Commission approval to sell approximately 77.93 acres of property (Property) located on N.W. Sundial Road in the City of Troutdale (City), designated as Lot 2 in the Troutdale Reynolds Industrial Park (TRIP), to Federal Express Ground Package System, Inc. (FedEx Ground). The sale price for the Property is \$16,961,415, which is based upon a price of \$5.00 per square foot multiplied by the developable square footage within the Property. The revised agenda item is necessary to allow additional time to work with the City on an Intergovernmental Agreement, which establishes the terms and conditions by which the City will approve a subdivision and final plat for TRIP, while also creating a legal lot to sell to FedEx Ground in order to meet their construction schedule requirements.

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

BE IT RESOLVED, That approval is given to revise the January 2008 terms to sell approximately 77.93 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 Daggett moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Daggett, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion.

The meeting adjourned at 9:48 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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