PORT OF PORTLAND

EXECUTIVE DIRECTOR'S REPORT
TO THE
PORT OF PORTLAND COMMISSION
FOR AUGUST 2016

## SAFETY REPORT

Port of Portland July 2016 safety performance showed a decrease in both frequency and severity, compared to July of 2015. There were three reported incidents and of those incidents, none resulted in a claim. Calendar Year 2016 total claims and incidents continually show improved performance from Calendar Year 2015.

### Monthly Report of Injury Incidents

Aviation

One non-recordable incident:

- Employee strained groin while attempting to lift an uncooperative suspect into the back of a patrol vehicle.

Marine

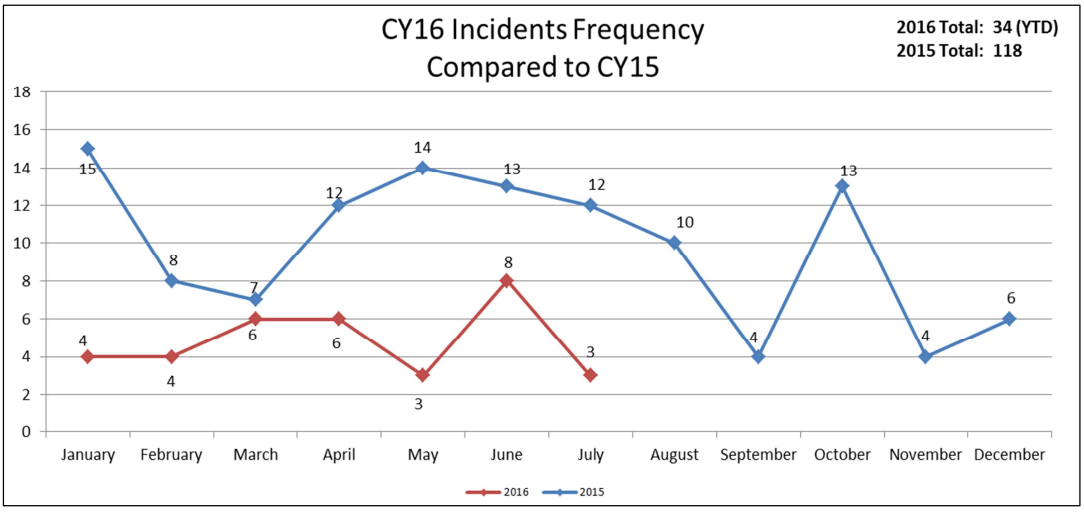
One non-recordable incident:

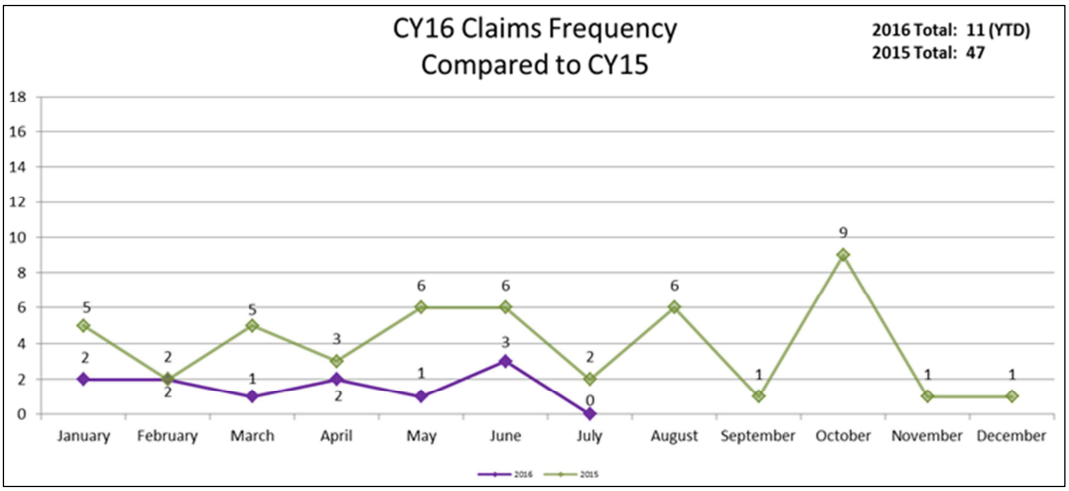
- Employee was pulling a parking lot gate closed and did not realize that the safety chain was attached. The employee strained a shoulder when the gate stopped moving.

Navigation

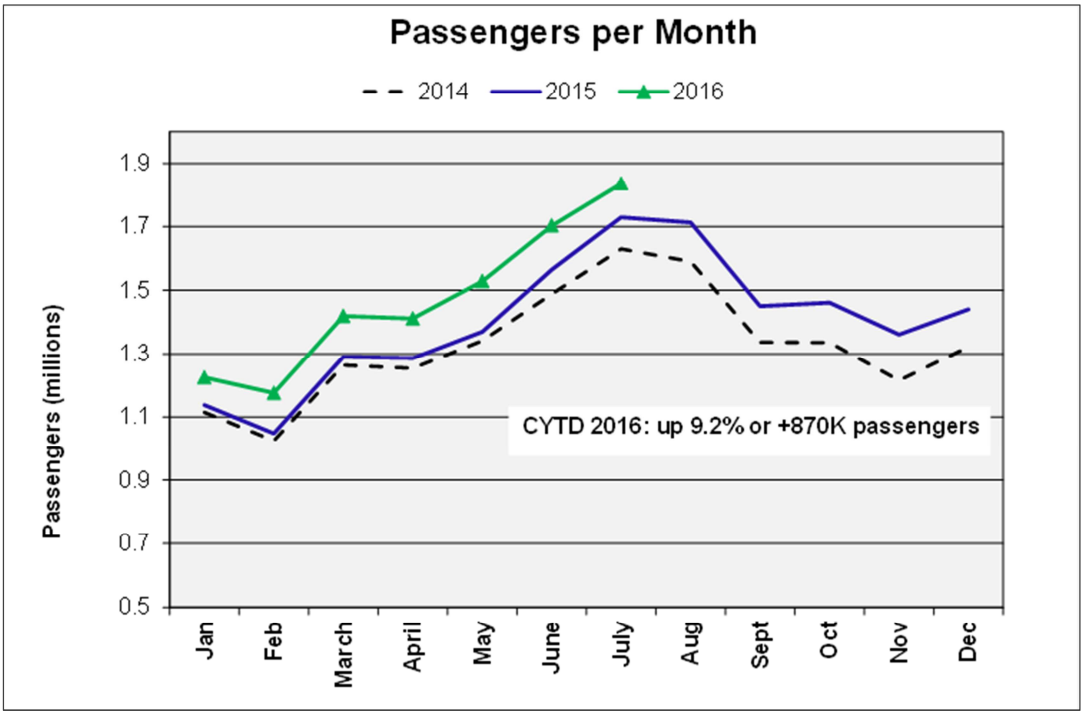
One non-recordable incident:

- Employee stepped over a pipe and onto a plug that was in the middle of the walking/working surface, turning an ankle.






## AVIATION REPORT




| | Month/Month % Change | FYTD % Change |
|---|---|---|
| | July | August-July |
| Passengers | 5.5% | 5.5% |
| Concessions Revenue | 9.9% | 9.9% |
| Rental Car Revenue | 12.6% | 12.6% |
| Parking Revenue | 4.2% | 4.2% |

Passengers

July 2016 passenger volumes increased 5.5 percent compared to July 2015. Seat capacity increased 8.7 percent, with the load factor falling 2.6 points to 85.4.

This July represents the highest passenger month of all-time for both international and domestic traffic, with over 1.8 million travelers.

PDX ranked third in on-time departure performance for major airports in June 2016, up 1.4 points compared to June 2015, to 84.3 percent.

Concessions Revenue

Combined terminal concessions operations reported a 9.9 percent, or $129,000, rent increase on the month, against a 5.5 percent passenger increase. This increase is due to sales and rent growth reflective of customer response to the new concessions concepts, combined with incremental sales generated from the Summer Splash sales promotion.

Rental Car Revenue

Rental car operations reported a 12.6 percent, or $306,000, rent increase on the month over last year, against a passenger increase of 5.5 percent. All operators reported rents over Minimum Annual Guarantee (MAG), with the exception of the Ordinance operators, which have no MAGs.

Parking Revenue by Lot

Public parking revenue was up 4.2 percent over July 2015. The decrease in the long-term garage revenue is due to not utilizing Level 7 of short-term when long-term reaches capacity, as well as fewer transactions in the long-term garage. Overall, transactions were down 2.18 percent over July 2015. The summer months historically have lower revenue and fewer transactions than the spring and fall months.

| Product | Revenue | Variance | YTD Variance |
|---|---|---|---|
| Short-Term | $1,442,018 | 12.6% | 12.6% |
| Long-Term | $1,572,800 | -18.4% | -18.4% |
| Economy | $1,872,447 | 4.9% | 4.9% |
| Valet | $94,855 | 16.8% | 16.8% |
| Total | $4,982,120 | 4.2% | 4.2% |

## CAPITAL GRANTS

Marine

Staff submitted a reimbursement request to the Oregon Department of Transportation (ODOT) for the *Connect*Oregon III – Terminal 6 (T-6) Crane Upgrades project in the amount of $103 (Agreement No. 26915).

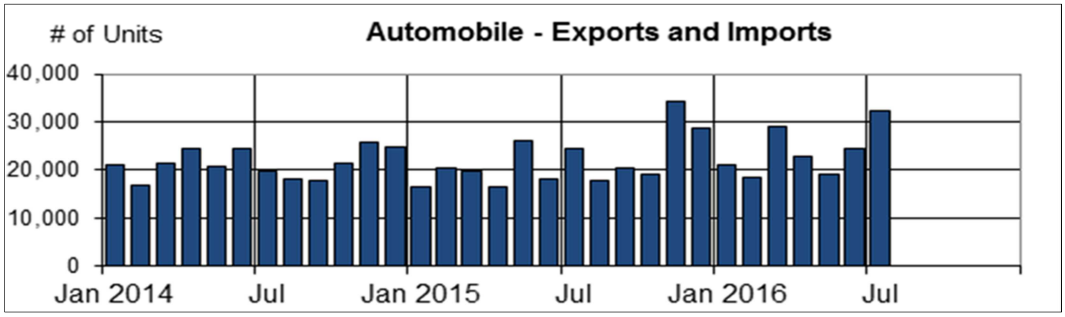
Staff submitted a reimbursement request to ODOT for the *Connect*Oregon IV – T-6 Wharf Optimization project in the amount of $56,311 (Agreement No. 28695).

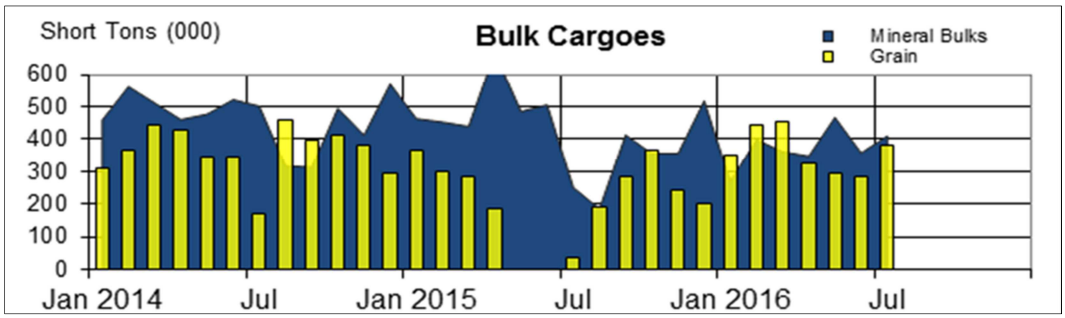
Staff submitted a reimbursement request to ODOT for the *Connect*Oregon V – T-6 Crane Drive Electronics project in the amount of $4,342 (Agreement No. 30128).

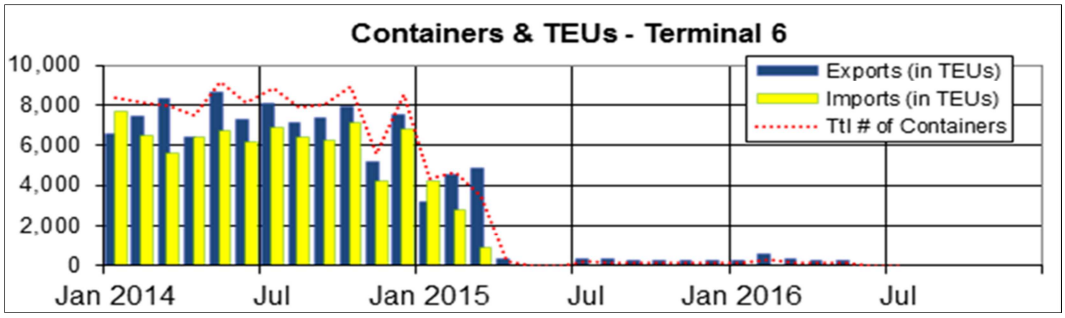
## MARINE & INDUSTRIAL DEVELOPMENT REPORT

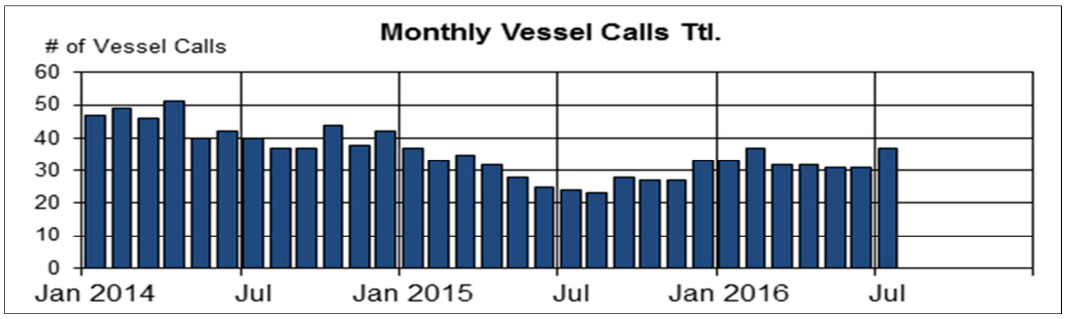
The figures in the table below show change relative to the prior year.

| | July 2016 | Calendar Year-to-Date |
|---|---|---|
| Total Tonnage | 140.6% | 9.2% |
| Containers (TEU) | -100.0% | -91.9% |
| Import Full Containers | -- | -100.0% |
| Export Full Containers | -100.0% | -79.2% |
| Breakbulk | -100.0% | -83.1% |
| Autos | 31.4% | 17.8% |
| Mineral Bulk | 63.7% | -19.8% |
| Grain | 916.2% | 116.2% |






## PROJECT COMPLETION REPORT

The following construction contract, previously awarded by the Commission, has been completed:

General Aviation West Redevelopment Phase 1 – PDX

| | |
|---|---|
| Approved by Port Commission | July 8, 2015 |
| Contract Award Amount | $3,635,635 |
| Approved Change Order Bid Item Adjustments | ($89,954) |
| Authorized Contract Amendments | $921,418.51 |
| Contract Overruns | $100,618.50 |
| Contract Underruns | $(211,832.88) |
| Final Contract Amount* | $4,355,885.13 |

*The original contract was exceeded by 10 percent due primarily to the addition of a large quantity of large diameter stormwater infrastructure in the Atlantic leasehold directly adjacent to the project. This stormwater work was dictated by the schedule of the development and had to be added via change order. This work was identified in the PDX Stormwater Master Plan as critical infrastructure.

## REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY

Honeywell International Inc. – Ninth Amendment to Ground Lease

Location: Portland International Center (PIC)

Term: July 08, 2016 to July 19, 2016

Use: Amendment No. 9: This amendment extends the term of the lease.

APL Logistics Americas, Ltd. – Seventh Amendment to Office Lease

Location: Terminal 2

Term: July 01, 2016 to December 31, 2016

Use: Amendment No. 7: This amendment extends the term of the office lease on a month-to-month basis from June 30, 2016 to December 31, 2016.

Portland General Electric Company – Agreement for Partial Release of Easement to PGE to Utility Easement

Location: Gresham, OR

Term: Effective June 07, 2016

Use: This is a partial release of easement over Lot 2 of Gresham Vista Business Park (GVBP) for the purpose of removing, realigning and replacing service to ON Semiconductor Corp.

PDX Logistics Center II, LLC. – Third Amendment to Permit and Right of Entry

Location: PDX

Term: Effective July 01, 2016

Use: Amendment No. 3: This amendment extends the term and some permitted uses.

R.L.K. and Company DBA Timberline Lodge – First Amendment to Retail Concession Lease

Location: PDX

Term: Effective July 01, 2016

Use: Amendment No. 1: This amendment adds storage space and clarifies certain provisions of the lease.

Portland Roasting Holdings, LLC DBA Portland Roasting – First Amendment to Food & Beverage Concession Lease

Location: PDX

Term: July 08, 2016 to September 30, 2026

Use: Amendment No. 1: This amendment adds storage space and clarifies certain provisions.

Host International, Inc. DBA Starbucks Corporation – First Amendment to Food & Beverage Concession Lease

Location: PDX

Term: Effective July 08, 2016

Use: Amendment No. 1: This amendment adds storage space and clarifies certain provisions.

SSP America, Inc. DBA Kenny & Zuke's Delicatessen and Market – First Amendment to Food & Beverage Concession Lease

Location: PDX

Term: Effective July 01, 2016

Use: Amendment No. 1: This amendment clarifies provisions regarding gross receipts, the PDX initiative support fee, marketing programs and tenant improvements.

InMotion Entertainment Group, LLC DBA Soundbalance – First Amendment to Retail Concession Lease

Location: PDX

Term: Effective July 18, 2016

Use: Amendment No. 1: This document amends the lease to correctly identify the concessionaire as Soundbalance PDX, LLC

Atrium Finance V, LLC – Ground Lessor Estoppel – Atrium Finance V, LLC, Tucson Portland LLC, and Goldman Sachs Mortgage Company to Hotel Ground Lease

Location: PIC

Term: Effective July 28, 2016

Use: The Port is signing this document as part of the assignment and financing for Atrium Finance V, LLC.

J & R Airport LLC – Consent to Assignment to Ground Lease

Location: PIC

Term: Effective July 26, 2016

Use: The Port consents to an assignment of the ground lease from J & R Airport LLC to 46th Street Legacy to redeploy assets from Oregon to properties in California due to principal's move to California and strategic decision to focus on that market.

J & R Airport LLC – Estoppel Certificate (Declarant) to Ground Lease

Location: PIC

Term: Effective July 28, 2016

Use: This document is being resigned because the lender referenced in it has changed. 46th Street Legacy Investments, LLC's lender, has requested this document to be signed as part of financing their property.

J & R Airport LLC – Agreement of Ground Lessor - 46th Street Legacy Investments, LLC and Thorofare Asset Based Lending REIT Fund IV, LLC to Ground Lease

Location: PIC

Term: Effective July 28, 2016

Use: This document is being resigned because the lender referenced in it has changed. This agreement provides certain estoppels and assurances to 46th Street Legacy's Lender, Morgan Stanley, in connection with an assignment of ground lease.

Willamette River I General Partnership ABN Willamette River I – Second Amendment to Ground Lease

Location: PIC

Term: Effective July 26, 2016

Use: Amendment No. 2: This amendment converts the term of the lease to include the two extension options plus an additional year in order to provide time to finalize the sublease and obtain the Port's approval.

PDX Logistics Center III, LLC – Memorandum of Ground Lease to Ground Lease

Location: PIC

Term: Effective July 11, 2016

Use: This memorandum will be recorded in Multnomah County as a record and notice to third parties of the terms and provisions of the lease it references.

PDX Logistics Center III, LLC – Alta Affidavit to Ground Lease

Location: PIC

Term: Effective July 19, 2016

Use: Closing documents for Capstone Parcel 3.

PDX Logistics Center III, LLC – Real Estate Reporting Solicitation to Ground Lease

Location: PIC

Term: Effective July 19, 2016

Use: Closing documents for Capstone Parcel 3.

PDX Logistics Center III, LLC – Non-Foreign Certification to Ground Lease

Location: PIC

Term: Effective July 19, 2016

Use: Closing documents for Capstone Parcel 3.

PDX Logistics Center III, LLC – Preliminary Statement Regarding Seller's Exempt Status to Ground Lease

Location: PIC

Term: Effective July 19, 2016

Use: Closing documents for Capstone Parcel 3.

PDX Logistics Center III, LLC – Lessor's Estimated Settlement Statement to Ground Lease

Location: PIC

Term: Effective July 25, 2016

Use: The Port is signing this statement as part of the PDX Logistics Center III, LLC closing.

Avis Budget Car Rental, LLC – Lease and Operating Agreement

Location: Hillsboro Airport (HIO)

Term: July 01, 2016 to June 30, 2019

Use: Lease for office space and operation of a rental car business.

Multnomah County Drainage District No. 1 – Permit and Right of Entry

Location: PDX

Term: April 11, 2016 to April 13, 2016

Use: The purpose was for levee maintenance on Port owned property.

Target Corporation – Permit and Right of Entry

Location: PIC

Term: July 01, 2016 to August 31, 2016

Use: Access to portion of property for access route, construction staging area and field office to perform work within the utility corridor.

City of Portland – Permit and Right of Entry

Location: NE Alderwood

Term: July 01, 2016 to December 01, 2016

Use: This permit allows the Port and its contractor temporary access to City Parks and Recreation property adjacent to NE Cornfoot Road to construct an outfall for the new storm water drainage pipe connecting McBride Slough to Columbia Slough.

Auto Warehousing Company (AWC) – Interim Agreement

Location: Terminal 6, Rivergate Industrial District

Term: Effective July 01, 2016

Use: This interim agreement assures design costs incurred prior to formal *Connect*Oregon VI grant award will nonetheless count as matching share under the grant application. AWC and the Port are sharing the design costs equally.

PacifiCorp – Non-Exclusive Temporary Construction Permit

Location: PacifiCorp property adjacent to the Troutdale Reynolds Industrial Park (TRIP)

Term: Effective July 06, 2016

Use: This permit will allow the Port to use a portion of PacifiCorp property for construction of certain improvements required by Multnomah County, allowing for the development of remaining TRIP lots.

Jettview Corporation DBA Direct Avia – Month to Month Lease

Location: HIO

Term: Effective July 01, 2016

Use: This is a lease for space to be used as shop, hangar and ground/ramp in connection with Jettview Corporation dba Direct Avia's business at HIO.

City of Portland – Easement and Agreement

Location: PIC

Term: Effective July 07, 2016

Use: Grantee requires easement to install groundwater wells and pumps, as well as access and a pipeline connection to public right-of-way to replace well easements and rights that were released during Cascade Station development.

The Hertz Corporation – Rental Car Concession Lease and Operating Agreement

Location: HIO

Term: July 01, 2016 to June 30, 2019

Use: Lease for the operation of a rental car business at HIO.

Port of Portland – Quitclaim Deeds (3)

Location: GVBP

Term: Effective July 19, 2016

Use: This set of three deeds adjusts the property lines of GVBP Lots 8 and 9 to create a parcel for transfer to the City of Gresham at Hood Avenue, consistent with the city-approved property line adjustment.

Trammell Crow Portland Development, Inc. – Permit and Right of Entry

Location: TRIP

Term: July 19, 2016 to November 30, 2016

Use: This permit allows the performance of due diligence activities on Lots 6, 7 and 8 of TRIP.

Capstone Partners LLC – Permit and Right of Entry

Location: Marine Drive

Term: June 27, 2016 to December 31, 2016

Use: This permit allows access to Port property in order to conduct due diligence activities in anticipation of development.

Columbia River Estuary Study Taskforce – Permit and Right of Entry

Location: Government Island

Term: July 01, 2016 to June 15, 2017

Use: This permit allows access to Port property in order to conduct an ecological restoration feasibility study.

Peninsula Airways, Inc. – PDX Cargo Center Facility Lease

Location: PDX

Term: July 25, 2016 to June 30, 2021

Use: Lease for the purpose of maintenance of ground service equipment, cargo operations, commissary storage and handling, and for general office use in support of operations.

Intel Corporation – Lease of Improved Space

Location: HIO

Term: July 01, 2016 to June 30, 2021

Use: Lease of office and storage space.

Trammell Crow Portland Development, Inc. – Option Agreement

Location: TRIP

Term: July 21, 2016 to October 21, 2016

Use: This agreement allows Trammell Crow to exercise the option to purchase Lots 6, 7 and 8 of TRIP.

Blue Star Doughnuts LLC – Food and Beverage Concession Lease

Location: PDX

Term: July 28, 2016 to November 30, 2019

Use: Lease for the operation of a specialty snack facility.

Centrex Construction Inc. – Permit and Right of Entry

Location: PDX

Term: July 05, 2016 to March 15, 2017

Use: This is a permit for the purpose of development, construction and staging for aircraft hangars.

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

**APPROVAL LIMITS** (Administrative Policy 7.2.3)

| | | |
|---|---|---|
| | ***All expenditures require management approval:*** | |
| BUDGET APPROVAL | Approval by Directors | Up to $ 50,000 |
| | Approval by Chief Officers | Up to $250,000 |
| | Approval by Executive Director & Deputy Executive Director | Unlimited |
| | ***Contracting authority is limited to the following:*** | |
| CONTRACTING APPROVAL | Chief Officers | Up to $ 10,000 |
| | Buyers | Up to $ 50,000 |
| | Manager of Contracts & Procurement | Up to $ 250,000* |
| | Executive Director & Deputy Executive Director | Up to $ 500,000* |

*And any amount approved by Commission

## Monthly Report for August 2016 (July Activity)

### New Purchases

| Title | Requestor Department | Vendor Name | | | P.O. Amount | | |
|---|---|---|---|---|---|---|---|
| Purchase stormwater flow monitoring equipment for Hillsboro Airport. | Business and Financial Operations | Bainbridge Associates | | | $51,932 | | |
| Obtain services for processing of deicing chemicals. | PDX Maintenance | NRC Environmental Services, Inc. | | | $70,000 | | |
| Obtain marine dock fire safety services. | Marine Operations | Maritime Fire and Safety Association | | | $70,300 | | |
| Purchase lighting fixtures and signs for the Taxiway B3 and B8 Rehabilitation Project. | Engineering Project Development | Airside Solutions, Inc. | | | $87,634 | | |
| Purchase equipment for network firewall upgrade. | Information Technology | Mountain States Networking | | | $102,278 | | |
| Purchase permits for the PDX Concourse D Heating, Ventilation, and Air Conditioning Replacement Project. | Engineering Project Development | City of Portland | | | $110,311 | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Obtain state legislature and regional government lobbying services. | Public Affairs | Thorn Run Partners LLC | | | $168,000 | | |
| Obtain water service approval for PDX Economy Exit Plaza Replacement Project. | Engineering Project Development | Portland Water Bureau | | | $120,690 | | |
| Purchase emergency crane services for moving heavy equipment and components. | Navigation | Advanced American Construction, Inc. | | | $215,000 | | |

## 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 | |
|---|---|---|---|---|---|---|---|
| Administrative action to add funds for additional job order contracting services related to public improvement projects. | Engineering Project Development | The Gordian Group, Inc. | $906 | $25,352 | $60,231 | $86,489 | |
| Administrative action to add funding for additional self-service baggage cart services. | Airport Operations | Smarte Carte, Inc. | $80,000 | $124,000 | $84,000 | $288,000 | |
| Amendment No. 1 to obtain additional recognition program services. | Human Resources | Achievers | $251,000 | $270,000 | $175,000 | $696,000 | |
| Administrative action to obtain ongoing crane mechanical maintenance services at Terminals 2 and 6. | Marine Operations | Harbor Industrial Services | $3,154,000 | $510,000 | $200,000 | $3,864,000 | |
| Administrative action to obtain additional project portfolio management system services. | Information Technology | Aurigo Software Technologies, Inc. | $1,000,000 | $575,508 | $303,000 | $1,878,508 | |
| Amendment No. 2 to obtain additional technical support and testing of fire/life safety systems. | PDX Maintenance | Siemens Industry, Inc. | $848,181 | $12,700 | $316,128 | $1,177,009 | |

## 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. 1004 to obtain groundwater monitoring and annual reporting for the Troutdale Reynolds Industrial Park (TRIP). | Business & Financial Operations | Apex Companies LLC | $52,946 | | | $52,946 | $208,391 |
| Amendment No. 1 to task order against contract No. 744 to obtain additional construction assistant services. | Engineering Project Development | URS Corporation | $34,440 | | $53,136 | $87,576 | $1,990,062 |
| Task order against contract No. 928 to obtain a safety assessment for the Runway 3-21 Interim Rehabilitation Project. | Engineering Project Development | Leighfisher, Inc. | $58,534 | | | $58,534 | $312,796 |
| Task order against contract No. 1004 to obtain ongoing support for TRIP cleanup work. | Business & Financial Operations | Apex Companies LLC | $66,337 | | | $66,337 | $208,391 |
| Task order against contract No. 779 to obtain consulting services to reduce wildlife hazards to aircraft operations. | Business & Financial Operations | Pacific Habitat Services, Inc. | $76,000 | | | $76,000 | $645,094 |
| Task order against contract No. 1006 to obtain technical assistance for TRIP. | Business & Financial Operations | Maul Foster & Alongi, Inc. | $95,550 | | | $95,550 | $100,550 |
| Task order against contract No. 744 to obtain construction inspection services. | Engineering Project Development | URS Corporation | $142,774 | | | $142,774 | $1,990,062 |
| Task order against contract No. 977 to obtain construction services for PDX storefront renovations. | Engineering Project Development | SDB Contracting Services | $159,125 | | | $159,125 | $640,730 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Task order against contract No. 897 to obtain construction services related to the Dahl Beach Mitigation Project. | Engineering Project Development | Hickey Marine Enterprises, Inc. | $250,000 | | | $250,000 | $250,000 |
| Task order against contract No. 747 to obtain janitorial services at Port Headquarters. | Administrative Services | Portland Habilitation Center, Inc. | $350,887 | | | $350,887 | $27,178,581 |
| Task order against contract No. 977 to obtain construction services for the Graham Road Water Main Project at Gresham Vista Business Park. | Engineering Project Development | SDB Contracting Services | $481,605 | | | $481,605 | $640,730 |
| Task order against contract No. 850 to obtain continued security officer services. | Airport Operations | HSS, Inc. | $518,000 | | | $518,000 | $815,347 |
| Task order against contract No. 976 to obtain construction services related to the Dahl Beach Mitigation Project. | Engineering Project Development | Viking Engineering & Construction | $543,943 | | | $543,943 | $815,437 |
| Task order against contract No. 747 to purchase janitorial supplies for PDX. | Airport Operations | Portland Habilitation Center, Inc. | $730,000 | | | $730,000 | $27,178,581 |
| Task order against contract No. 747 to obtain janitorial services for PDX. | Airport Operations | Portland Habilitation Center, Inc. | $6,442,882 | | | $6,442,882 | $27,178,581 |

Port of Portland Operating & Financial Results
FY 2016-17 through July 31, 2016

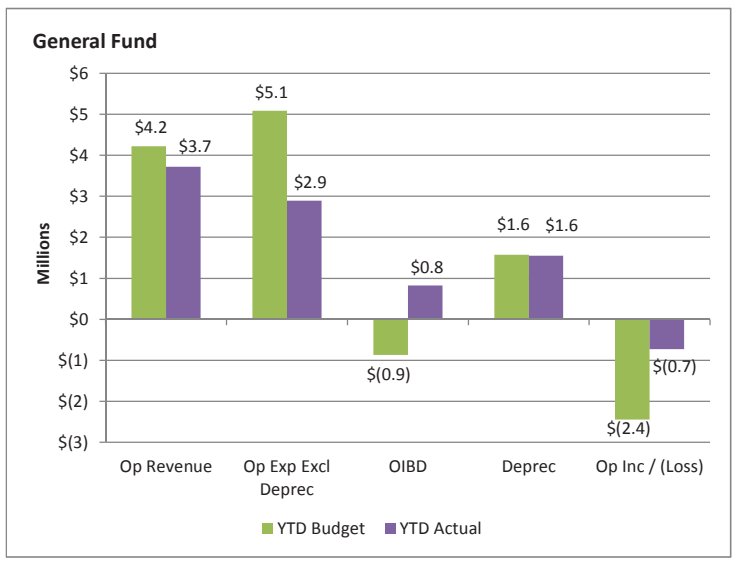
## General Fund

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).

Comments:
Operating revenues are $499K less than the Adopted Budget primarily due to lower than budgeted *Dredge Oregon* expenses (The Dredge contract is an expense reimbursement contract whereby revenues are tied directly to expenses).

YTD operating expenses excluding depreciation are $2.2M less than budget. The key variances are listed below:

- personnel services ($119K < budget).
- contracts, professional & consulting services expenses ($1.9M < budget). Of this, $860K relates to timing of ProMIS expenses, $267K to Marine expenses detailed below, and $435K relate to the timing of Lower Willamette expenses.
- materials and supplies expenses ($164K < budget).
- lower equipment rental, repair and fuel expenses ($276K < budget).
- lower travel and management expenses ($113K < budget).
- higher than anticipated software expenses ($395K > budget).




## Marine

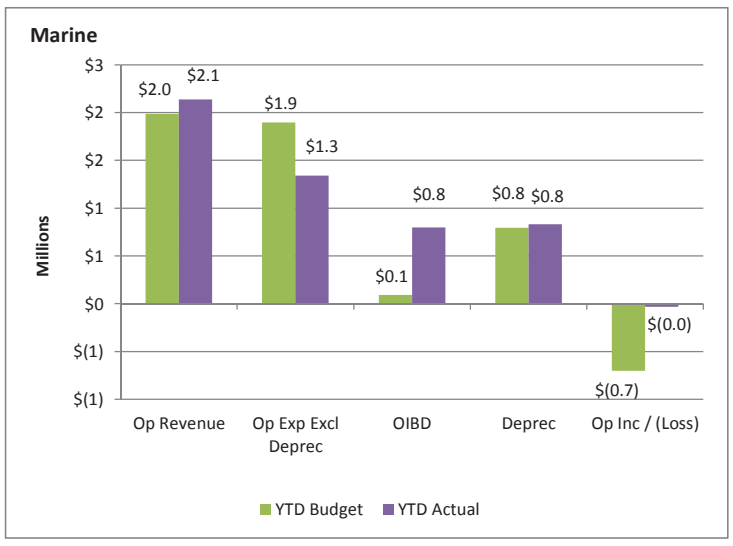
**Marine Volumes:**
**Autos** – Auto volumes are 21% higher than forecast and 31% higher than last year due to continued growth in both Hyundai and Honda imports and Ford exports.
**Breakbulk** – YTD tonnage is 100% lower than forecast and prior year as there were no ship calls at T-2 in the first month of the fiscal year.
**Containers** – Container service is currently idle.
**Grain Bulk** – YTD grain volumes are 118% higher than forecast and 916% higher than last year.
**Mineral Bulk** – Tonnage is 3% lower than forecast and 63% higher than last year. The marked increase over prior year is because Portland Bulk was offline for the first two months of last fiscal year during the installation of the new potash ship loader.

| Marine Volumes* | Current Year-to-Date | | | Annual |
|---|---|---|---|---|
| | Adopted Budget | Actual Amounts | Variance | Adopted Budget |
| Autos (Units) | 26,638 | 32,326 | 21.4% | 309,000 |
| Breakbulk | 13,757 | - | (100.0%) | 132,277 |
| Containers (TEUs) | - | - | | - |
| Grain Bulk | 174,183 | 380,498 | 118.4% | 3,527,396 |
| Mineral Bulk | 426,303 | 413,617 | (3.0%) | 5,141,179 |

** Volumes in short tons unless otherwise noted.*

**Marine Operating Results:**
YTD operating revenues are $151K higher than the Adopted Budget due to higher than anticipated auto revenues ($80K > budget) and South Rivergate rail access fees ($65K > budget; rail access fees are related to an asset sale that was expected to close in FY15-16 but has been delayed until mid FY 16-17). YTD operating expenses excluding depreciation are $557K less than budget, with the largest variances listed below:

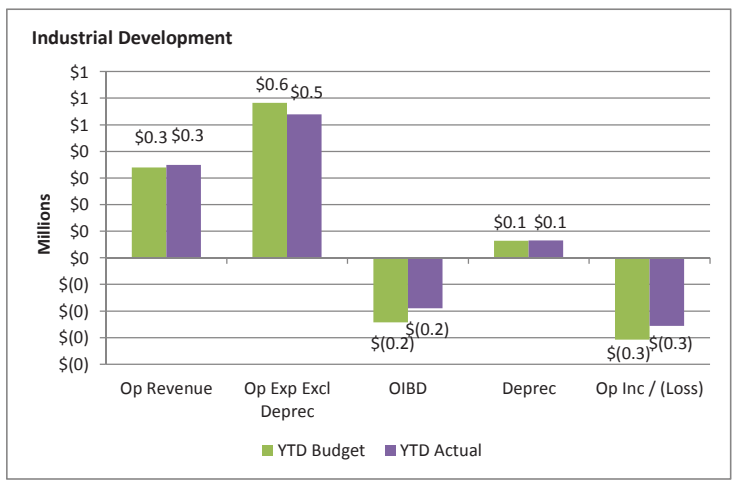
- Contracts, professional & consulting services are $267K < budget due to timing of T-4 environmental expenses (~$102K) and outside services expenses for waterway/navigation improvements ($146K < budget - includes contribution for additional stern buoys in the Columbia River and LOADMAX fees).
- Personnel services are $51K < budget due to vacancies in Facility & Electrical Maintenance.
- Travel and management expenses are $49K < budget.
- Other expenses are $44K < budget due to timing of sponsorships and donations.
- Materials and supplies expenses are $39K < budget, primarily in the Facility & Electrical Maintenance, Crane Shop and Security business units.
- Utilities expenses are $38K < budget due to timing.
- Longshore labor is $25K < budget.
- Insurance expenses are $20K < budget.




## Industrial Development

YTD operating revenues excluding land sales are in line with the Adopted Budget ($9K higher). YTD operating expenses excluding depreciation and land sales are $43K lower than budget, with the largest variances listed below:

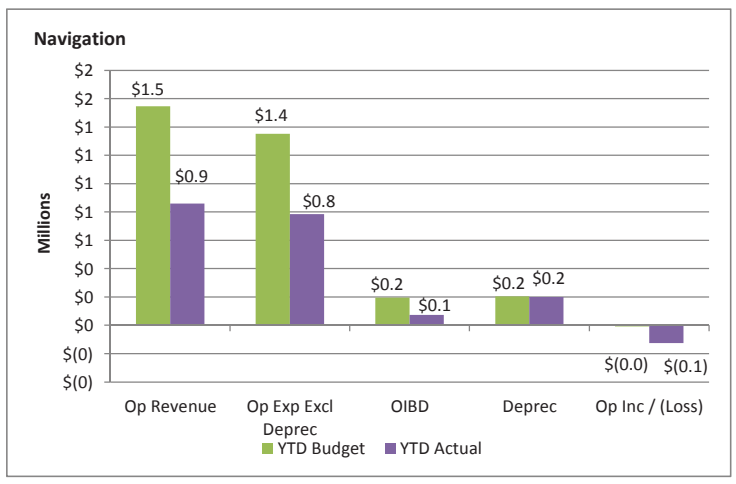
- Contracts, professional & consulting services are $35K under budget due to timing of design review and appraisal, TRIP mitigation, and Hayden Island and general environmental expenses.
- Utilities are $11K < budget.




## Navigation

YTD operating expenses excluding depreciation are $565K less than budget due to 19 fewer dredging days than budgeted. Lower operating expenses translate into lower operating revenues, which are $688K < budget.

| Dredging Volumes | Current Year-to-Date | | | Annual |
|---|---|---|---|---|
| | Adopted Budget | Actual Amounts | Variance | Adopted Budget |
| Dredging Days | 22 | 3 | (86.4%) | 132 |
| Cubic Yards Dredged | | 35,038 | | |

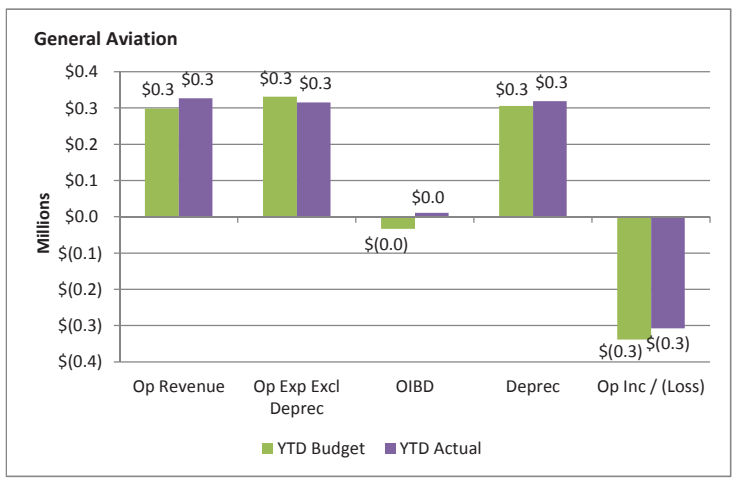


Port of Portland Operating & Financial Results
FY 2016-17 through July 31, 2016

## General Aviation

YTD operating revenues are favorable to budget by $28K, primarily due to higher than expected HIO airside rent revenues (up $13K) and HIO concession revenues (including rental car and hotel revenues; up $14K).

YTD operating expenses before depreciation are under budget by $16K, primarily due to lower repair and renewal costs (down $30K) and environmetal expenses (down $24K). This is offset by higher than expected water and sewer costs (up $27K).

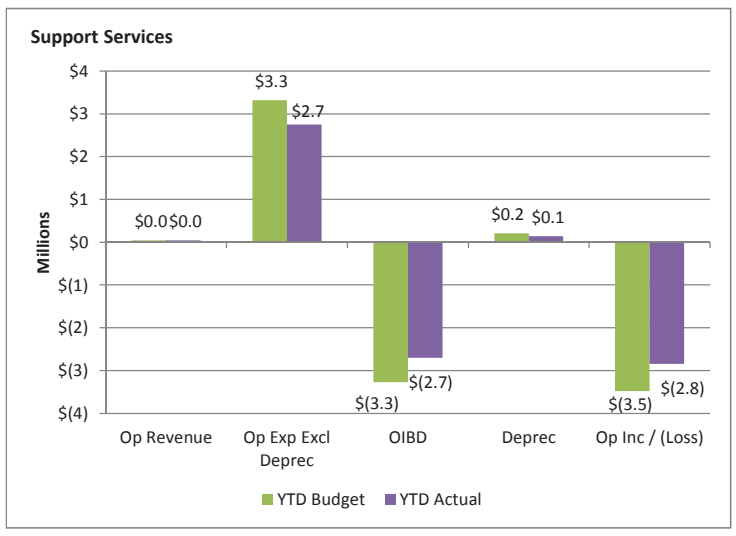



## Support Services

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 $568K less than budget, with the largest variances listed below:

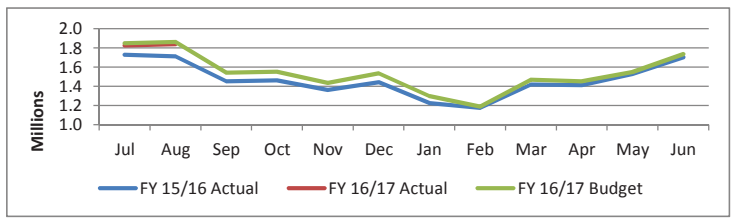
- Contracts, professional & consulting services are $1.0M < budget, mostly due to timing of ProMIS contract expenses (budgeted in July but not yet incurred).
- Partially offsetting the lower expenses, Other expenses are $440K > budget due to the timing of ~ $650K in both ProMIS and Microsoft Enterprise Agreement software expenses (not budgeted until later months in the FY).




## Portland International Airport

### Total Passengers

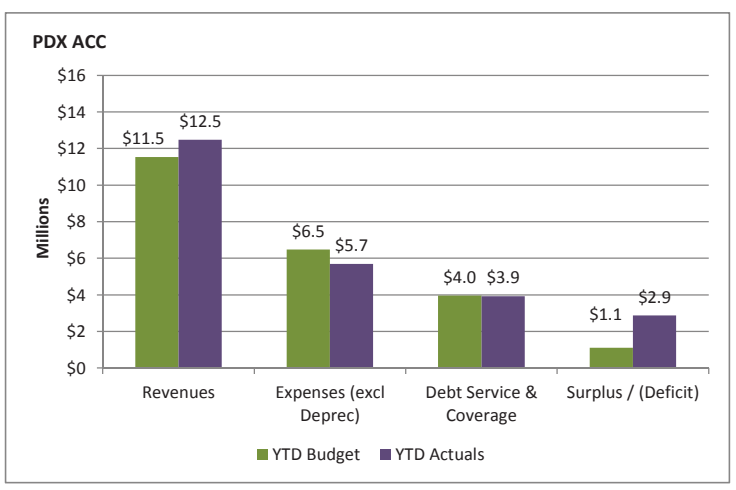
Passengers traveling through PDX are a key driver of revenues and expenses for the Airport. For the month of July 2016, 1.8 million total passengers utilized PDX, exceeding the prior year by 5.5%. The higher passenger levels are a result of the continued growing economy and new flights added by air carriers serving PDX. As a result of strong demand for air travel, PDX passenger levels are increasing as carriers increase seat capacity and add flights.



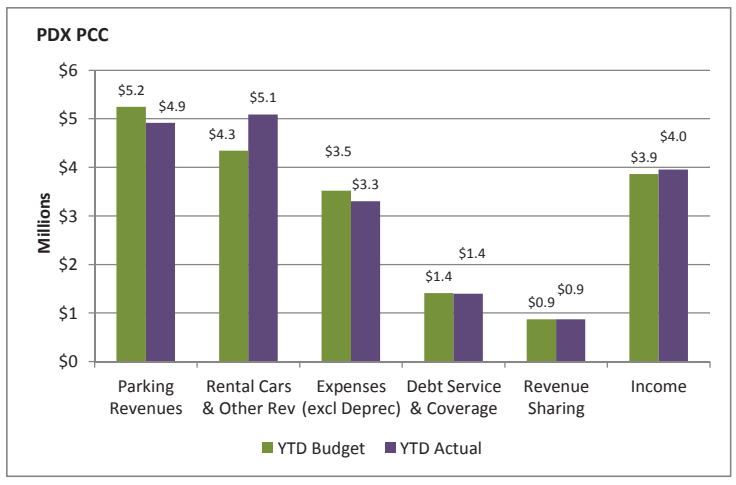

## PDX Airline Cost Center (ACC)

YTD ACC revenues are $948K higher than budget. Airline revenues are $589K higher than budget due to higher than expected landing activity (+$332K), common use rentals (+$129K), and higher than budgeted ordinance activity (+$165K). Retail, food and beverage revenues are $200K higher than budget as a result of higher than expected passenger spending.

YTD ACC expenses are $791K below budget. Personnel services expense is in line with the Adopted Budget. Materials, services, and transfers are $796K under budget, primarily due to direct security services (down $97K), direct custodial services (down $80K), and direct stormwater costs (down $61K). Indirect long range planning consulting was down (~$117K), indirect IT software expenses (down $65K), and indirect utilities (down ~$112K).




## PDX Port Cost Center (PCC)

YTD PCC revenues are $412K higher than budget. YTD parking revenues are $330K lower than budget due to a timing issue of when revenues are received and recognized in the revenue control system (~$305K lower). Rental car revenues are $615K higher than Adopted Budget due to June forecasted accruals being $615K below actuals; this amount carried into July. Other PCC revenues are $128K higher than budget as a result of higher than expected volumes for transportation network companies (e.g. Uber, Lyft; over $83K), and higher than expected ramp parking cargo revenues (over $29K).

PCC expenses are $218K lower than budget. Personnel services expense is $63K over budget due to higher than expected GTO costs and PCC's share of police and maintenance being higher than budget. Materials, services, and transfers are $281K under budget, primarily due to direct stormwater fees ($36k lower), direct custodial expenses ($23k lower). Also, due to indirect long range planning consulting (down ~$78k), indirect IT software expenses (down $44k), and indirect utilities (down ~$75k).