

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
August 10, 2016**

Following due notice to the public, the regular meeting of the Board of Commissioners of the Port of Portland was held at 9:30 a.m. in the Chinook conference room of the Port's administrative offices located at 7200 NE Airport Way.

An audio recording was made of these proceedings. The recording, and the full Commission agenda, is available on the Port's website: www.portofportland.com. The following written minutes constitute a summary of the proceedings.

QUORUM

Commissioners present were Jim Carter, President, presiding; Michael Alexander; Tom Chamberlain; Alice Cuprill-Comas; Pat McDonald; Linda Pearce and Tom Tsuruta. Also present were Bill Wyatt, Executive Director, participating staff members and members of the public.

LEAVE OF ABSENCE

Commissioner Carter called for a motion to grant a leave of absence to Commissioners Levy and Young, who were out of town. Commissioner Chamberlain moved to grant the leave of absence. Commissioner Tsuruta seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, McDonald, Pearce and Tsuruta voted in favor of the motion.

MINUTES

Commissioner Carter called for a motion to approve the minutes of the Regular Commission Meeting of July 13, 2016. Commissioner Tsuruta moved to approve the minutes. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, McDonald, Pearce and Tsuruta voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt addressed the Commission and audience. He said his formal Executive Director's report is attached to the packet that is sent out with the Commission materials prior to the meeting. He takes advantage of this opportunity to talk about things that have occurred over the course of the last month.

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

- Recognized the Port's monthly safety champions, provided evacuation instructions in the event of an emergency and noted the results of the Port facilities water quality tests;
- Alaska Airlines announced new service to Newark Liberty International Airport, beginning in November;
- New PDX art exhibit on display on Concourse E featuring films made in Oregon;

- International Air Show held at the Hillsboro Airport last weekend was a successful event;
- The federally mandated Pet Relief area opened in the PDX Concourse Connector last week;
- Celebration events were held on August 8 to thank everyone at the airport for making PDX America's Best Airport by *Travel + Leisure Magazine* readers;
- Terminal Balancing project, which was put on hold for a period of time, will be proceeding;
- The Port and the City of Portland were awarded \$7.329 million from the Transportation Investment Generating Economic Recovery (TIGER) program to construct an overcrossing in the Rivergate Industrial District;
- For Fiscal Year 2015-16, soda ash topped 3 million metric tons, grain was up 7 percent and autos were up 14 percent;
- The Dredge *Oregon* started work at the mouth of the Cowlitz River on July 27, following time off at the beginning of the dredging season to address safety issues;
- The Port will host Seaport Celebration at Terminal 2 on August 13;
- Port staff will travel to Medford for the next in our series of statewide visits; former Port Commissioner Bill Thorndike will serve as the host;
- The Port hosted a booth at the Columbia Slough Regatta, an annual paddling festival celebrating the hidden waterway and its habitat;
- A Port employee picnic was held last month and staff who marked their 10, 15, 20, 25, 30 and 35 year anniversaries with the Port were recognized; and
- Blue Star Donuts will join the PDX concessions program this fall, opening a location in the Oregon Market.

Commissioner Carter called for a motion to approve the Executive Director's Report. Commissioner Chamberlain moved to approve the Executive Director's Report. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, McDonald, Pearce and Tsuruta voted in favor of the motion.

GENERAL DISCUSSION

U.S. Department of Transportation's TIGER Grant Award

Susie Lahsene, Policy and Planning Director, provided a brief overview of the TIGER grant program and the transportation infrastructure serving the Port's facilities. Art Pearce, Transportation Policy Planning and Projects Manager for the City of Portland, spoke about the City of Portland's role in the project. Phil Healy, Senior Transportation Planner, provided the project details.

Small Business Development Program Overview

Kimberly Mitchell-Phillips, Small Business Development Program Manager, provided an overview of the Port's Small Business Development Program, which is composed of four programs: Disadvantaged Business Enterprise Program; Airport Concessions Disadvantaged Business Enterprise Program; Minority, Women, Veteran, Emerging Small Business Program; and the Mentor-Protégé Program. She also discussed the program initiatives for FY16-17.

CONSENT AGENDA

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

Agenda Item No. 1

GROUND LEASE AMENDMENT – MERLO CORPORATION – HILLSBORO AIRPORT

BE IT RESOLVED, That approval is granted to enter into an amendment to the Ground Lease with Merlo Corporation to add approximately 22,381 additional square feet of real property to support ramp operations at Hillsboro Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Following the reading of the title of the Consent Agenda by Commissioner Carter, Commissioner Chamberlain moved that the Executive Director's recommendations be approved. Commissioner Cuprill-Comas seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, McDonald, Pearce and Tsuruta voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 2

LEASE AMENDMENT AND PUBLIC IMPROVEMENT CONTRACT – AUTO WAREHOUSING CO. – TERMINAL 6 AND RIVERGATE INDUSTRIAL DISTRICT

This agenda item requested approval to enter into a lease amendment with Auto Warehousing Co. (AWC), adding an additional parcel of property and extending the term of their leasehold. Approval is also requested to enter into an Auto Processing Facility Expansion Contract (Expansion Contract) with AWC for the construction of an Auto Processing Facility in the Rivergate Industrial District. The Expansion Contract is a public improvement contract for purposes of the Oregon Public Contracting Code (ORS 279A, B and C).

Sebastian Degens presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a lease amendment with Auto Warehousing Co. to add the 18.845-acre Rivergate Industrial District site to the existing Auto Warehousing Co. leasehold, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to enter into a public improvement contract with Auto Warehousing Co. for the auto processing facility project in Rivergate Industrial District, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Alexander moved that the Executive Director's recommendations be approved. Commissioner Cuprill-Comas seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, McDonald, Pearce and Tsuruta voted in favor of the motion.

Agenda Item No. 3

CONCESSION LEASE AWARDS – HOST INTERNATIONAL, INC., DBA TAMALE BOY; AND TENDER LOVING EMPIRE, LLC – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to enter into a Food & Beverage Concession Lease with Host International, Inc., for the operation of a Tamale Boy Mexican quick-serve restaurant; and a Retail Concession Lease with Tender Loving Empire, LLC, for the operation of a specialty retail store at Portland International Airport.

Shane Andreasen presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into new concession leases with Host International, Inc., and Tender Loving Empire, LLC, 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.

Jaime Soltero, owner of Tamale Boy; Amy Dunn, Vice President of Business Development for HMS Host; and Brianne Meese, co-founder of Tender Loving Empire, provided comments in support of the agenda item.

Michael Hall, UniteHere Local 8 organizer, addressed the Commission regarding organizing efforts at PDX and provided comments in support of the Tamale Boy lease. Paul Tamlyn, Warehouse Associate for World Duty Free (WDF), addressed the Commission regarding the WDF union contract and the benefits of being a union member. Rick Memeaga, UniteHere Local 8 organizer, read a statement for Jeff Chatterson, a sales associate for WDF, regarding the benefits of being a union member.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Tsuruta moved that the Executive Director's recommendations be approved. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, McDonald, Pearce and Tsuruta voted in favor of the motion.

Public Testimony

Bob Sallinger, Conservation Director for the Portland Audubon Society, addressed the Commission regarding the Port's role in the Portland Harbor Superfund site and the Environmental Protection Agency's Proposed Plan.

Baher Butti, Executive Director of the IRAQI Society, addressed the Commission regarding the need to have clean water to drink for people trying to establish new roots in Oregon.

Roben White, representing Native Youth and Elders Council, addressed the Commission regarding the Superfund site and asked for the Port's help to extend the comment period by 120 days.

Commissioner Carter provided comments in response to the public testimony.

Jackie Calder, Portland Harbor Community Advisory Group, addressed the Commission regarding the Willamette River and the need to transform it so we can be proud of it.

Barbara Quinn, Portland Harbor Community Advisory Group, addressed the Commission regarding the Proposed Plan and disposal practices by Port tenants and customers.

Doug Larson, Community Advisory Group member and Chair of the Cathedral Park Neighborhood Association, addressed the Commission regarding the Proposed Plan and encouraged the Port to withdraw sponsorship of the Confined Disposal Facility (CDF).

Jackie Calder, read a statement on behalf of Bill Egan, a fisherman, regarding the proposed CDF at Terminal 4.

Jim Robison, Chair of the Portland Harbor Community Advisory Group, said the end goal of the cleanup should be that the fish advisory is removed once the cleanup is complete. He said the cleanup needs to be long term effective, looking out 100 to 1000 years. He also discussed his concerns about natural recovery.

Commissioner Carter thanked everyone for their comments.

Agenda Item No. 4

PROCUREMENT CONTRACT – TERMINAL FURNITURE – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to issue a purchase order under an existing contract with Arconas Corporation, to acquire seating furniture for Portland International Airport (PDX). The purchase order will not exceed \$1,800,000.

Marcel Hermans presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to issue a purchase order under the existing procurement contract with Arconas Corporation, to purchase seating furniture for Portland International Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Carter called for a motion to approve the Executive Director's recommendations. Commissioner Chamberlain moved that the Executive Director's recommendations be approved. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Alexander, Carter, Chamberlain, Cuprill-Comas, McDonald, Pearce and Tsuruta voted in favor of the motion.

Commissioner Carter asked Mr. Wyatt to comment on the Superfund and the EPA's next steps. Mr. Wyatt discussed the CDF and the Port's early action efforts. Mr. Wyatt said the references made here to the CDF did not originate with the Port, they originated from the EPA because they used them in many places. Mr. Wyatt said the Port has no interest in proceeding with a CDF in a community that is adamantly opposed to having a CDF. He said they have been successfully used in other places, but there are unique challenges in Portland. Mr. Wyatt said the CDF has been put in the proposed plan by the EPA; we are not doing anything, either in public or behind the scenes, to promote the CDF.

Commissioner Carter said it is important to read the summary of the EPA's recommendations. He said the EPA is the entity that is soliciting input from the public and public entities. Commissioner Carter said that whatever the solution is, it will not make everyone happy who is a resident near the river or a user of the river. He said it is important to know who the impacted citizens are and what choices are being made to affect them because they are our neighbors and we care about the river.

Mr. Wyatt responded to Commissioner Tsuruta's question about extending the comment period by 120 days. Curtis Robinhold, Deputy Executive Director, also responded to Commissioner Tsuruta's question and discussed the Port's response to the Proposed Plan.

Mr. Wyatt said it is important to note that the basic underlying philosophy of Superfund law is that the polluter pays. The pollution in the Portland Harbor is a 100-plus-year legacy of pollution from parties that no longer exist in some cases. He said in the Port's case, one of the primary hotspots is the shipyard, owing to the war effort and before the Port owned the site. He said getting the Federal government to embrace its obligations will be a challenge. He said the largest share of activity will fall on the Port, the City of Portland, NW Natural Gas and potentially the State of Oregon as owner of the bed and banks of the Willamette, so the public will ultimately pay for the bulk of the cleanup one way or another.

Mr. Wyatt responded to a question from Commissioner Cuprill-Comas regarding the impression that the Port has had, or can have, a role in helping the EPA determine what the plan should be or how much cleanup is going to happen, and whether that is a misinterpretation.

Dan Blaufus, General Counsel, said the standard for the remedy under the Superfund law is not a pristine river, it is a river that is protective of human health, and there are many ways you can achieve that. He also said the EPA can go after anybody they want to pay for the cleanup, but that person or entity has a claim against whoever the actual polluters were. Ultimately, by stepping up and agreeing to do the cleanup, or by waiting for litigation, the ultimate polluter will have to pay and it comes back to the community. He said what we are advocating for is wise stewardship of the funds we will have to deploy for this remedy.

Mr. Wyatt responded to the reference to dumping by Port tenants. Commissioner Carter said the Port staff has done a terrific job over the years of collecting information and he thinks it is important to know what is being offered up as alternatives or input to the EPA. He said he appreciates the people who came to speak today.

The meeting adjourned at 11:51 a.m.

President

Assistant Secretary

Date Signed

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