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## **Port of Portland Commission Adopts Annual Budget**

The Port of Portland Commission today adopted the (FY) 2015-16 budget, which forecasts moderate revenue increase in all business lines, supports capital improvements for facilities serving customers, and maintains existing infrastructure.

The budget, which begins July 1, supports the Port's aviation, marine and commercial real estate business lines. Total Port operating revenues and operating expenditures are budgeted at \$295 million and \$190 million respectively for FY 2016, compared to the FY 2015 Adopted Budget of \$261 million and \$181 million.

Ninety-six percent of Port revenues come from user-based fees for service, including airline, rental car, parking and concessions revenue, as well as land sales, and marine terminal leases and fees. Approximately \$10.5 million of the Port's budget comes from property taxes or about 7 cents per thousand dollars of assessed value.

### **Aviation**

Approximately 16.8 million passengers are expected to travel through Portland International Airport in FY 2016, a 5-6 percent increase over FY 2015—an all-time record year. The growth is spurred by nine new nonstop flights among airlines serving PDX. Cargo is also projected to be up by 2.5 percent.

PDX FY 2016 operating revenues, including airline, rental car, parking, and concession revenues, are budgeted to increase 7.7 percent or \$15.7 million from the FY 2015 Adopted Budget.

### **Marine**

FY 2016 marine operating revenues are budgeted to increase approximately 3.0 percent or \$1.0 million from the FY 2015 Adopted Budget.

With the departure of container service at Terminal 6, there are impacts to container volumes, related longshore labor, and regional importers/exporters; however, because of the Port's land lease structure with ICTSI, Oregon, the Port is not subject to the financial swings as a result of changes in container volumes.

Mineral bulks are forecast to increase nearly 4 percent over the FY 2015 Adopted Budget as a result of additional facility expansion and improvements at Terminals 4 and 5. These facility improvements are expected to help further increase record high soda ash volumes. In addition, lower pricing agreements with China are expected to help increase potash export volumes through Portland.

The forecast for breakbulk activity is flat and the forecast for auto volumes shows increases of 4 percent in FY 2016 due to increased Ford exports and modest import gains. Portland is the fourth largest auto import gateway on the U.S. West Coast, and eighth in the nation for auto imports.

Finally, the forecast for grain activity is an increase of nearly 14 percent compared to the FY 2015 Adopted Budget. This increase is due largely to the rising global demand for grain and the expansions at Columbia Grain at Terminal 5.

### **Industrial Development**

FY 2016 Commercial Properties operating revenues are budgeted to increase approximately 298 percent or \$18.4 million from the FY 2015 Adopted Budget. Forecasted land sales of \$24.6 million contribute to this forecast as does a healthy local industrial real estate market that is experiencing increasing rental rates, and vacancy rates near historic lows.

### **Capital Projects**

FY 2016 will see a return to a period of new asset growth while continuing investments in maintaining existing assets and infrastructure. The FY 2016 total capital budget at \$217 million (excluding staff time) is higher than last year but lower than peak expenditures of \$262.7 million in FY 2009. Major projects at PDX include terminal building improvements such as terminal balancing and efficiency improvements, access control replacement, new security checkpoint exits, post security concessions redevelopment, carpet replacement, and airfield taxiway rehabilitation projects. In addition, to ensure business park properties are ready when

customers are ready, the capital budget includes the continuation of phase two development at the Troutdale Reynolds Industrial Park. Marine investments include facility pavement rehabilitation, a new overcrossing in Rivergate Industrial District, and navigation equipment upgrades.

The FY 2016 Adopted Budget will be available on the Port's website [www.portofportland.com](http://www.portofportland.com) on or before Wednesday, July 15, 2015.

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