

MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
December 9, 2009

In response to due notice, the regular meeting of the Commissioners of the Port of Portland was held at 9:30 a.m. in the Commission Boardroom of the Port's administrative offices at 121 N.W. Everett Street.

QUORUM

Commissioners present were Judi Johansen, President, presiding; Peter Bragdon; Steve Corey; Diana Daggett; Bruce Holte; Mary Olson and Paul Rosenbaum. Also present were Bill Wyatt, executive director; participating staff members; and members of the public.

Commissioner Johansen noted that agenda item No. 1 has been revised. The sentence referring to the cross default provision under the ConnectOregon Loan section on page three has been removed.

LEAVE OF ABSENCE

Commissioner Johansen called for a motion to grant a leave of absence to Commissioners Allen and Carter as they were out of town. Commissioner Olson moved to grant the leave of absence. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of November 11, 2009. Commissioner Olson moved to approve the minutes. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt noted that in a new international survey done by Zagat, frequent fliers and travel agents rated PDX as the best airport in the country.

Mr. Wyatt said that on December 14, we will be opening an Oregon Lottery kiosk on Concourse C. He said lottery staff will operate the kiosk and scratch off games and Keno will be available. Mr. Wyatt said the Port has been a big beneficiary of Oregon Lottery dollars, so this is an opportunity to give something back.

Mr. Wyatt noted that a welcome center will be opening in baggage claim soon. The welcome center was constructed by Travel Oregon, the State of Oregon's travel advocacy group. Mr. Wyatt also noted the openings of Elephant's Deli, cc McKenzie and Aria in the Oregon Market.

Mr. Wyatt said passenger volumes continue to be down at PDX; in October we were down about 6.5 percent over the previous year. He said he wouldn't be surprised if volumes start to flatten out in December or January, and as we move into spring, we expect to see them pick up again.

Mr. Wyatt said that construction of the Columbia River outfall for the deicing project began last month. He said work is proceeding on schedule and construction is anticipated to be completed by the end of 2009. Mr. Wyatt said this is quite a milestone because there are not a lot of outfalls being put in the Columbia River and gaining the regulatory permission to do this is a high honor, which affirms the work staff has done to meet the exacting standards that are required to do this.

Mr. Wyatt said the second parking structure at PDX is on schedule to open in March of 2010. He said we will probably close the long-term surface lot until passenger volumes warrant opening it again. Mr. Wyatt noted that the new Port headquarters is also on schedule and we expect to move in April of 2010.

Mr. Wyatt said we are currently involved in negotiations with both the Columbia River bar pilots and the Columbia River river pilots. Mr. Wyatt said their service is essential, but expensive, and distinguishes Portland in ways that are not always favorable. Mr. Wyatt said he has received complaints from our carriers about the Columbia River having the most expensive pilotage fees, so we have become involved with both pilot groups to see if we can find a middle ground.

Mr. Wyatt said Port staff joined Governor Kulongoski in a water tour of the Columbia River Crossing project. He said they traveled under the existing structure to understand what a 1919 bridge looks like. He said the tour was beneficial and the Governor recommitted himself to the project. Mr. Wyatt said there will be challenges ahead in pursuing what will be the most expensive and most important public works project in the history of the state.

Mr. Wyatt said the Port has initiated a series of lectures called the Working Waterfront, which invites people to go "behind the scenes" for a look at the daily operations of Portland's working harbor. The series of free talks and tours are spread over a three-month period and will help to explain the value of the various industrial activities on the Willamette and Columbia rivers. Mr. Wyatt thanked Commissioner Holte for his participation.

Mr. Wyatt noted the Port was recognized by the Employer Support of the Guard and Reserve as a "2009 Secretary of Defense Employer Support Freedom Award" semi-finalist. He said the honor recognizes the Port's exceptional support for National Guard and Reservist employees.

Mr. Wyatt said the Port is being recognized by the National Association of Minority Contractors Oregon (NAMCO) as Agency of the Year based on comments they received from NAMCO members. The award honors the Port for its 2009 efforts to include minority and women contractors on our projects, especially HQP2.

Commissioner Johansen called for a motion to approve the Executive Director's Report. Commissioner Daggett moved to approve the Executive Director's Report. Commissioner Olson seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

GENERAL DISCUSSION

2010 Port of Portland Transportation Improvement Plan

Susie Lahsene, Transportation Program Manager, said the Port Transportation Improvement Plan (PTIP) is a capital budgeting tool that helps the Port focus its transportation priorities.

She said the projects contained in the document were developed based on the assumptions that the region has about population and employment growth. Ms. Lahsene noted that the assumptions about population and economic/employment growth were developed by Metro in cooperation with all the jurisdictions in the region. Ms. Lahsene said PTIP is the Port's take on the part of the transportation system that needs improving to meet our mission. It helps us set our priorities and it lets our partner jurisdictions know which projects we will need their help with.

Ms. Lahsene said this year's PTIP includes 107 surface transportation and marine and aviation capital projects to maintain and improve access to Port facilities. Ms. Lahsene briefly discussed the federal and regional funding strategy, as well as the projects that were submitted for ConnectOregon III funding.

Ms. Lahsene said she would be back before the Commission next month to request approval to submit the PTIP to Metro and ODOT for inclusion in the Regional Transportation Plan and for consideration for funding in the state and Metro transportation funding processes.

PUBLIC HEARING

Commissioner Johansen opened a public hearing for the purpose of taking testimony on the 2010 Port of Portland Public Transportation Improvement Plan.

Mayor Jim Kight of Troutdale congratulated the Commission for its foresight and vision for the Troutdale Reynolds Industrial Park (TRIP). He said the development is making a huge regional impact and because of the Fed Ex facility, there could be 8,000-10,000 employees working at TRIP when it is fully built out. Mayor Kight said he supports the transportation projects that improve access to TRIP.

Hearing no other comments, Commissioner Johansen closed the public hearing and noted that no action was required at this time. The PTIP will be back before the Commission for approval at the January 13, 2010, meeting.

Sustainable Natural Resources Policy

Dorothy Sperry, environmental affairs manager, presented the Port's proposed Sustainable Natural Resources Policy. As part of the Port's last strategic planning process, one of the items identified for work was the development of a policy on natural resources sustainability and how the Port's utilization of those resources, and the impacts to those resources, should be addressed.

Staff went through a fairly extensive process in developing the policy and there was extensive discussion at the director and staff level. Because the policy reaches across the Port, staff wanted to make sure that the language used was appropriate and the intent was clear. Staff feels the product is one that is succinct and provides guidance as we look at our operations now and into the future.

Commissioner Johansen said the Port is to be commended because during her tenure, she has noticed a change in attitude about how environmental issues are incorporated into the fabric of what we do. She said this is the right direction, but suggested we be more explicit that we will be evidence-based and data-driven in what we do, so that we are not just articulating platitudes.

ACTION ITEMS

Agenda Item No. 1

APPROVAL TO ENTER INTO RAIL DEVELOPMENT DOCUMENTS FOR SOUTH RIVERGATE YARD EXPANSION WITH UPRR AND BNSF, AND APPROVAL TO OBTAIN LOAN FROM THE OREGON DEPARTMENT OF TRANSPORTATION

This agenda item requested approval for the Port of Portland (Port) to enter into a Master Agreement, Purchase and Sale Agreement, and related documents (collectively, Development Documents) with Union Pacific Railroad Company (UPRR) and BNSF Railway Company (BNSF) (collectively, the Railroads) to provide for development by the Port of the South Rivergate Yard Expansion Project (Project) and the transfer of the project assets (land and track) to the Railroads to operate and maintain. This agenda item further requests approval to borrow \$7,427,000 from the Oregon Department of Transportation under its ConnectOregon II program to finance the development of the Project.

Sugie Joseph and Lorali Sinnen presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into the Master Agreement, Note, Security Agreement, and other Development Documents with UPRR and BNSF, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That approval is given to sell approximately 2.83 acres of property, located in Rivergate Industrial Park, to UPRR and BNSF, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute a loan agreement, promissory note, and such other agreements, documents or certificates (Financing Documents) as may be required to obtain a loan from Oregon Department of Transportation in the principal amount of \$7,427,000 to provide financing for the South Rivergate Yard Improvements project on the terms presented to the Commission.

Commissioner Rosenbaum moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

Agenda Item No. 2

COLLECTIVE BARGAINING AGREEMENT – MARINE LANDSCAPE GARDENERS

This agenda item requested approval of a new three-year collective bargaining agreement between the Port of Portland and Municipal Employees, Local 483.

Brenda Meece presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a new collective bargaining agreement with Municipal Employees, Local 483, for a three-year agreement, retroactive to July 1, 2009, containing wages, fringe benefits and working conditions provisions for the Marine Landscape Gardeners, consistent with the terms presented to the Port of Portland 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 Bragdon moved that the Executive Director's recommendations be approved. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

Agenda Item No. 3

PROPERTY SALE – TRACT "O" PARCEL – RIVERGATE INDUSTRIAL PARK

This agenda item requested approval to sell approximately 2.81 acres of vacant real property known as the Rivergate Industrial Park Tract "O" parcel, to an adjacent property owner, the J.R. Simplot Company.

Debra Crawford presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to sell approximately 2.81 acres of real property known as Rivergate Industrial Park Tract "O" to the J.R. Simplot Company, 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 Johansen moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

Agenda Item No. 4

CONSTRUCTION CONTRACT – LIQUID BULK COMMODITIES AND UTILITY SUPPORT STRUCTURES – TERMINAL 4

This agenda item requested approval to award a construction contract to Todd Construction, Inc., for demolition of obsolete grain equipment and construction of structural supports required at Terminal 4 to enable Berth 401 to be used to import and export liquid bulk commodities.

Dave Dittmer presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract to Todd Construction, Inc., for the Liquid Bulk Commodities and Utility Support Structures project at Terminal 4, 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.

Commissioner Bragdon moved that the Executive Director's recommendations be approved. Commissioner Olson seconded the motion, which was put to a voice vote. Commissioners Bragdon, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

The meeting adjourned at 11:03 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.