

MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
January 9, 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 Judi Johansen, President, presiding; Ken Allen; Peter Bragdon, Diana Daggett; Bruce Holte; Mary Olson; Paul Rosenbaum and Bill Thorndike. Also present were Steve Schreiber, Chief Financial Officer; participating staff members; and representatives of the public.

LEAVE OF ABSENCE

Commissioner Johansen called for a motion to grant a leave of absence to Commissioner Corey, as he was out of town. Commissioner Olson moved to grant the leave of absence. Commissioner Bragdon 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.

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of December 12, 2007 and the Commission Retreat of November 13, 2007. Commissioner Olson moved to approve the minutes. Commissioner Allen 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.

EXECUTIVE DIRECTOR'S REPORT

Steve Schreiber said Mr. Wyatt is currently traveling on business in South America. He said while we typically focus on the transpacific service when it comes to containers, quietly over the course of the last year, Hapag Lloyd has become our third-largest container carrier and their service includes trans-shipment opportunities for serving the West Coast of South America. Mr. Schreiber noted their vessel is fully booked for the next six months.

Mr. Schreiber noted the recent news coverage about the audit by the Washington State Auditors Department of the Port of Seattle. He said we have received some interest and inquiries about whether the Port of Portland has the same types of issues. Mr. Schreiber said the simple answer is no. He said while he is not an expert on the Port of Seattle and their management structure and internal controls, he does know a lot about the Port of Portland and he believes we have a very different type of governance model and organizational structure. Mr. Schreiber said we have a very robust set of internal controls that ensure we are being transparent and visible in terms of our contracting processes. He said we clearly have to follow Oregon Revised Statutes and Commission policies, in terms of bringing contractors on board. We have an internal audit department and external auditors who review what we do, and he feels that, overall, we operate in a very transparent fashion to protect public interests and public funds.

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Mr. Schreiber said business remains good. For Calendar Year 2007, we had record tonnage in the Marine department and the final numbers will come in at over 14 million tons. Mr. Schreiber said we experienced some impacts from the storm last week. The Columbia River Bar closed for a couple of days, but fortunately, there were no injuries or vessel damage. Mr. Schreiber said the Port provides lay-berth facilities for ships that are held up from leaving the Port due to the Bar closure.

Mr. Schreiber said we recently completed a public opinion survey as part of the Airport Futures project, which was designed to inform Port staff, the Airport Futures Planning Advisory Group and city decision makers. Mr. Schreiber said Riley Research conducted the survey in October and November of 2007. He said they surveyed 1,200 residents in the four-county area, including Clark County. Mr. Schreiber provided a brief overview of the key findings. Commissioner Johansen asked that the survey results be brought back as a general discussion item at the February meeting.

Mr. Schreiber said the airport was busy throughout the holiday period. He said parking in economy and long term was near capacity but all who needed to park found a space. The terminal was active and experienced some congestion in the ticket lobby due to long lines at the ticket counters. Mr. Schreiber said staff is working with the airlines on plans to better manage lines during the next busy season, Spring Break. Mr. Schreiber thanked all the PDX staff who worked over the holidays to help get customers to their destinations.

Mr. Schreiber said construction continues on the HQP2 project. He said pile driving began and there are 1,632 piles to drive over the next couple of months. Mr. Schreiber said a lot of the work is weather-dependant, so keep your fingers crossed for good weather.

Commissioner Johansen called for a motion to approve the Executive Director's report. Commissioner Rosenbaum moved to approve the Executive Director's Report. 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.

ACTION ITEMS

Agenda Item No. 1

2007 PORT OF PORTLAND PUBLIC TRANSPORTATION IMPROVEMENT PLAN

This agenda item requested approval of the Port of Portland's (Port) Transportation Improvement Plan (PTIP), a City of Portland funding initiative for street maintenance and safety and a project alternative for the Columbia River Crossing. As a transportation agency reliant on elements of the transportation system developed and managed by others to support our mission, the Port must carefully plan, consider funding initiatives and support projects that will enhance market access for Port customers and businesses in this region and state. The Port Commission considers the PTIP annually as the basis for charting our transportation improvement needs and funding requirements.

Susie Lahsene presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to submit the Port of Portland's Transportation Improvement Plan to Metro and the Oregon Department of Transportation for inclusion in the Regional Transportation Plan to be eligible for future state, regional, and federal funding; and

BE IT FURTHER RESOLVED, That approval is given to seek federal, state and regional transportation funds for the list of Port Priority Projects identified in the draft Port Transportation Improvement Plan; and

BE IT FURTHER RESOLVED, That endorsement is given to the City of Portland for the Safe, Sound and Green Streets initiative to address the city's most pressing safety and maintenance needs, including streets serving Rivergate and Portland International Airport; and

BE IT FURTHER RESOLVED, That the Port of Portland Commission endorses selection of a replacement bridge for the Interstate 5 crossing of the Columbia River with light rail transit as the locally preferred alternative; and that an improved interchange at Marine Drive to meet the intermodal access needs of Port of Portland terminals is included; and that approval is given to the Port of Portland's representative on the Columbia River Crossing Task Force to select an alternative containing these elements to move forward into the Environmental Impact Statement phase.

Commissioner Olson moved that the Executive Director's recommendations be approved. Commissioner Bragdon 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.

Agenda Item No. 2

CONTRACT – DESKTOP HARDWARE REPLACEMENT

This agenda item requested approval for the purchase of computer equipment and related services from Dell Computer to replace existing outdated or out-of-warranty equipment currently in use by Port of Portland staff.

Linda Dyson presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a purchase contract between the Port of Portland and Dell Computer based on existing Western States Contract Alliance contract terms for the delivery and installation of desktop hardware at the Port of Portland, 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 Rosenbaum moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Allen, Bragdon, Holte, Johansen, Olson, Rosenbaum and Thorndike voted in favor of the motion. Commissioner Daggett abstained from voting as she had a potential but not actual conflict.

Agenda Item No. 3

CONSTRUCTION CONTRACT – TERMINAL RESTROOM REHABILITATION, PHASE I – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a construction contract to COR Construction, Inc., for demolition and reconstruction of two restrooms and selective demolition and renovation of an additional 15 restrooms at Portland International Airport.

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Brett Hockley presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract for Phase I renovation of restrooms at Portland International Airport to COR Construction, 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 Bragdon 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.

Agenda Item No. 4

PROPERTY SALE – 77.88 ACRES TO FEDERAL EXPRESS GROUND PACKAGE SYSTEM, INC. – TROUTDALE REYNOLDS INDUSTRIAL PARK

This agenda item requested approval to sell approximately 77.88 acres of property (Property) located on N.W. Sundial Road in Troutdale, designated as Lot 2 in the future Troutdale Reynolds Industrial Park to Federal Express Ground Package System, Inc. The sale price for the Property would be \$16,961,415, which is based upon a price of \$5.00 per square foot multiplied by the total square footage within the Property.

Commissioner Johansen invited Paul Thalhofer, Mayor of Troutdale, to address the Commission. She said the Commission was honored that he came and expressed her gratitude for the City of Troutdale's partnership on the project.

Mayor Thalhofer said this is a significant event. He said he is confident FedEx will bring prosperity to all of East Multnomah County. Mayor Thalhofer said he realizes the new FedEx facility will bring with it a lot of truck traffic, but the City will work with that. Mayor Thalhofer thanked Joe Mollusky and Jim Laubenthal for their hard work and diplomacy working with City of Troutdale staff.

Commissioner Johansen commended Port staff and the people in East County for working together on this. She said the jobs and first, secondary and tertiary effects this will have will be immediate and will be very good for the area.

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

BE IT RESOLVED, That approval is given to sell approximately 77.88 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 Olson 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 9:54 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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