

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
January 13, 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; Peter Bragdon; Tom Chamberlain; Alice Cuprill-Comas; Diana Daggett; Bob Levy; Linda Pearce and Gary Young. 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 Commissioner Tsuruta, who was out of town. Commissioner Chamberlain moved to grant the leave of absence. Commissioner Young seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy, Pearce and Young voted in favor of the motion. Commissioner Daggett was not present for the vote.

MINUTES

Commissioner Carter called for a motion to approve the minutes of the Regular Commission Meeting of December 9, 2015. Commissioner Chamberlain moved to approve the minutes. Commissioner Pearce seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Levy, Pearce and Young voted in favor of the motion. Commissioner Daggett was not present for the vote.

EXECUTIVE DIRECTOR'S REPORT

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

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

- Portland International Airport (PDX) was ranked first among large North American airports in the 2015 J.D. Power satisfaction study;
- PDX will post its third record year of traffic, estimated at 16.85 million passenger;
- New air service announcements by Frontier Airlines: PDX to Chicago O'Hare, Cleveland and Phoenix;

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- Announcement of the PDX Runway Run/Walk, a 6K challenge to be held September 24 in celebration of the Port's 125th anniversary;
- Event scheduled for January 27 to debut the newly remodeled PDX international arrivals hall, which was updated to improve passenger comfort and efficiency;
- Federal funding was approved for navigation-related projects including Columbia River maintenance dredging and rehabilitation of the mouth of the Columbia jetties;
- Work on the Troutdale Airport Master Plan continues with the next Project Advisory Committee meeting scheduled for January 29; and
- Westwood Shipping recently completed another successful call to Terminal 6, taking approximately 157 containers for export to Asia.

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

GENERAL DISCUSSION

2016 Port of Portland Transportation Improvement Plan

Susie Lahsene, Director of Policy and Planning, provided a brief overview of the projects included in the 2016 Port Transportation Improvement Plan (PTIP), which is an annual review of our long-range transportation needs for our facilities and industrial properties, as well as a prioritization of projects to submit for grant funding.

Public Hearing

Commissioner Carter opened a public hearing for the purpose of taking testimony on the 2016 Port of Portland PTIP.

Hearing no comments, Commissioner Carter closed the public hearing and noted that no action was required at this time. He said the PTIP will be back before the Commission for approval at the February meeting.

CONSENT AGENDA

No presentations were made for the following agenda items, which were brought before the Commission as the Consent Agenda.

Agenda Item No. 1

SERVICE CONTRACT – ELEVATOR, ESCALATOR AND MOVING WALKWAY MAINTENANCE

BE IT RESOLVED, That Schindler Elevator Company be awarded a service contract for elevator, escalator and moving walkway maintenance, in accordance with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to extend the contract annually, for up to five additional years, provided that the total amount awarded for an extension year does not exceed the Port of Portland's total expenditures under the contract during the immediately preceding contract year by more than \$500,000; 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.

Agenda Item No. 2

EQUIPMENT PROCUREMENT CONTRACT – CENTRAL UTILITY PLANT CHILLED WATER CAPACITY ADDITION PROJECT – PORTLAND INTERNATIONAL AIRPORT

BE IT RESOLVED, That approval is given to award an equipment procurement contract to Johnson Controls, Inc., for the Central Utility Plant Chilled Water Capacity Addition project at 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.

Agenda Item No. 3

PUBLIC IMPROVEMENT CONTRACT – COLWOOD STORMWATER PIPE AND OUTFALLS

BE IT RESOLVED, That approval is given to award a public improvement contract to K&E Excavating, Inc., for construction of the Colwood Stormwater Pipe and Outfalls project near Portland International Airport, 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.

Agenda Item No. 4

SHIPYARD CONTRACT – DREDGE TENDER IVANOFF HULL AND PROPULSION SYSTEM MODIFICATIONS – NAVIGATION

BE IT RESOLVED, That approval is given to award a shipyard contract for the *Ivanoff* Hull and Propulsion Modification project to JT Marine, Inc., in accordance 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 titles of the Consent Agenda by Commissioner Carter, Commissioner Chamberlain moved that the Executive Director's recommendations be approved. Commissioner Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Daggett, Levy, Pearce and Young voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 5

2016 CONCESSIONS REQUEST FOR PROPOSALS LEASE AWARDS – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to enter into 11 new concession leases with the following successful proposers from the 2016 Concession Solicitation for Food and Beverage and Retail Opportunities at Portland International Airport (PDX):

1. Portland Roasting Company (Portland Roasting Holdings, LLC)
2. Stumptown Coffee Roasters (La Trelle’s Galley, LP)
3. Peet’s Coffee & Tea (La Trelle’s Galley, LP)
4. Starbucks (Host International, Inc.)
5. Capers Farm-to-Table Market (Capers Café & Catering Co.)
6. Kenny & Zuke’s Market & Delicatessen (SSP America)
7. House Spirits Distillery (House Spirits Distillery, LLC)
8. Timberline Lodge (R.L.K. & Co.)
9. Made in Oregon (Naito Corporation)
10. Vino Volo (Taste, Inc.)
11. Soundbalance (InMotion Entertainment Group, LLC)

Vince Granato presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to enter into 11 new concession leases with the successful proposers from the 2016 Concession Solicitation for Food and Beverage and Retail Opportunities at 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.

PUBLIC COMMENT

The following people provided remarks in support of the agenda item: Christian and Annette Joly, co-owners of Caper’s Café; Marco DiBernardo, Vino Volo Vice President of Development, and Mark Sill, Vice President of Operations; Paul Gilles, Portland Roasting Vice President of Operations; Christian Krogstad, House Spirits Distillery founder; and Kenneth James, LaTrelles Chief Financial Officer. William Kendrix, Nia Water Beverage Catering Chief Operating Officer, addressed the Commission regarding how a small minority business such as his could provide product services to the airport concessionaires. Michael Hall of UniteHere Local 8 addressed the Commission regarding his belief that the bid process failed to ensure the concessions jobs would be something more than poverty wage jobs. Stefan Mortiz of UniteHere Local 8, addressed the Commission regarding irregularities he identified during his review of the bid proposals and urged the Commission to reject the proposals and reissue the RFP to allow an open and fair process to interested bidders. He also noted the loss of good jobs as a result of the reduction in Starbucks’ locations. Jeffrey Lynn Hinmann II, representing UniteHere/HMS Host addressed the Commission regarding the benefits of union jobs.

Commissioner Carter asked questions of Mr. Moritz and Mr. James. Mr. Granato responded to questions and concerns raised during the public testimony. Mr. Granato noted for the record the correct name for Kenny & Zuke's Market & Delicatessen is Kenny & Zuke's Delicatessen & Market.

Commissioners Chamberlain and Carter provided comments following the presentation and public comment.

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

Agenda Item No. 6

PERSONAL SERVICES CONTRACT AMENDMENT – TERMINAL BALANCING CONCOURSE E EXTENSION – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to amend an existing personal services contract with Hennebery Eddy Architects (HEA) to add \$5,800,000 in compensation. Under the contract, HEA is providing comprehensive design services for the Terminal Balancing Concourse E Extension project at Portland International Airport. The additional funding will allow the Port of Portland to task HEA with previously-contemplated construction administration services, and will fund additional design services for recently-added project scope.

Dan Gilkison presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend a personal services contract with Hennebery Eddy Architects for the Terminal Balancing Concourse E Extension project at 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 Levy seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Daggett, Levy, Pearce and Young voted in favor of the motion.

Agenda Item No. 7

PUBLIC IMPROVEMENT CONTRACT – RENTAL CAR QUICK TURN-AROUND FACILITY – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a public improvement contract to Hoffman Construction Company of Oregon for construction of a Rental Car Quick Turn-Around Facility and associated parking and storage surface lots at Portland International Airport. The total value of this contract is \$52,406,784.

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

BE IT RESOLVED, That approval is given to award a Construction Manager/General Contractor public improvement contract to Hoffman Construction Company of Oregon for the construction of the Rental Car Quick Turn-Around Facility project at 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 Young moved that the Executive Director's recommendations be approved. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Daggett, Levy, Pearce and Young voted in favor of the motion.

Agenda Item No. 8

JOB ORDER CONTRACTS PILOT PROJECT – PORT OF PORTLAND PROPERTIES AND FACILITIES

This agenda item requested approval to award three public improvement contracts for the performance of various small-scale construction projects at Portland of Portland facilities using the job order contracting project delivery method.

Brad Harrison presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award public improvement contracts to Andersen Construction, SDB Contracting Services, and Viking Engineering and Construction for the Job Order Contracts Pilot Project – Port of Portland Properties and Facilities, 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 Young moved that the Executive Director's recommendations be approved. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Cuprill-Comas, Daggett, Levy, Pearce and Young voted in favor of the motion.

PUBLIC COMMENT

Dane Jones, International Longshore and Warehouse Union Local 40 addressed the Commission regarding the recipients of the subsidy money noted in the Executive Directors' Report. Keith Leavitt, Chief Commercial Officer, said he believes it was Tide Water Barge, but would confirm that information and communicate back to Mr. Jones.

Bob Rees, Executive Director of the Association of NW Steelheaders, and Art Israelson, River Rights Director for NW Steelheaders, addressed the Commission regarding their concerns about the Dahl Beach Mitigation Project in Gladstone. Commissioner Carter said he is confident they will find a receptive ear in Port staff to come up with a workable solution.

The meeting adjourned at 11:48 a.m.

President

Assistant Secretary

Date Signed

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