

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
July 9, 2014**

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 by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218. The following written minutes constitute a summary of the proceedings.

QUORUM

Commissioners present were Jim Carter, President, presiding; Peter Bragdon; Tom Chamberlain; Diana Daggett; Bruce Holte; Bob Levy; Linda Pearce and Tom Tsuruta. Also present were Bill Wyatt, Executive Director, participating staff members and members of the public.

Commissioner Carter welcomed the new employees in the audience.

LEAVE OF ABSENCE

Commissioner Carter called for a motion to grant a leave of absence to Commissioner Rosenbaum, who was out of town. Commissioner Chamberlain moved to grant the leave of absence. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Holte, Levy, 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 June 11, 2014 and the Special Commission Meeting of June 19, 2014. Commissioner Chamberlain moved to approve the minutes. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Holte, Levy, Pearce and Tsuruta voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt addressed the Commission and audience. He began with a reminder that the formal Executive Director report is attached to the Commission packet that is mailed in advance of the meeting; he uses this opportunity to comment on what has been happening over the course of the last month.

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

- Federal Aviation Administration categorized PDX as a large-hub airport;
- PDX ranked as America's Best Airport by Travel + Leisure magazine;

- New service announcements by Volaris Airlines, Alaska Airlines and Delta Air Lines;
- Update on roadway improvements on Airport Way;
- Opening of the PDX USO center;
- Report out of the first meeting of the Port's Maritime Futures Blue Ribbon Task Force;
- Major League All-Star soccer game to be held in Portland on August 6; and
- Decision by the Board of Directors at Canpotex to approve a new capital program for their Terminal 5 leasehold.

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

GENERAL DISCUSSION

BNSF Rail Safety

Johan Hellman, Executive Director of State Government Affairs, and Ed Chapman, Director of Hazardous Materials, presented a company overview including: BNSF's national and Pacific Northwest rail networks; capital commitments; capacity improvements and safety program.

Oregon Solutions Project & Drainage District Levee Re-Accreditation

Phil Ralston, General Manager of Environmental Operations, provided an update of the levee system re-accreditation. He discussed the certification requirements, costs and risk. Mr. Ralston asked for Commission guidance regarding strategic objectives and guiding principles for the project.

Five-Year Strategic Planning Update

Scott Drumm, Research Program Manager, provided a progress report on the Port's Strategic Plan and led a discussion about the Port's role of value. Mr. Wyatt led a discussion about the Port's key Strategic Plan assumptions.

CONSENT AGENDA

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

Agenda Item No. 1

LAND EXCHANGE AND PERMANENT EASEMENT

BE IT RESOLVED, That approval is given to enter into a land exchange agreement and other agreements necessary to effect the exchange of land and easement rights between Trammell Crow Development, the Colwood Family Trust and 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.

Following the reading of the title of the Consent Agenda by Commissioner Carter, Commissioner Levy moved that the Executive Director's recommendation be approved and Commissioner Holte seconded the motion. The motion was put to a voice vote. Commissioners Carter, Chamberlain, Daggett, Holte, Levy, Pearce and Tsuruta voted in favor of the motion. Commission Bragdon was not present for the vote.

ACTION ITEMS

Agenda Item No. 2

PUBLIC HEARING AND ENACTMENT OF ORDINANCE NO. 454-B TO ISSUE UP TO \$100 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES TWENTY-TWO

This agenda item requested approval of Ordinance No. 454-B to authorize the sale of Portland International Airport Revenue Bonds, Series Twenty-Two, to authorize the sale of up to \$100 million aggregate principal amount of Portland International Airport Revenue Bonds, Series Twenty-Two, to fund capital projects in the Airline Cost Center. Additionally, Ordinance No. 454-B authorizes the issuance of bonds to fund the Senior Lien Bonds Reserve Account, capitalize interest and pay costs of issuance.

Tatiana Starostina presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That Port of Portland Ordinance No. 454-B, in the form presented to the Commission, be read by title only; and

BE IT FURTHER RESOLVED, That a public hearing be held prior to adopting Ordinance No. 454-B, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 454-B, in the form presented to the Commission, be enacted by a roll call vote; 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 opened a public hearing for the purpose of taking testimony on Ordinance No. 454-B. Hearing no comments, Commissioner Carter closed the public hearing and asked Ms. Starostina to read Ordinance No. 454-B by title only.

Commissioner Carter called for a motion to approve the Executive Director's recommendations to adopt Ordinance No. 454-B. Commissioner Daggett moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a roll call vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Holte, Levy, Pearce and Tsuruta voted in favor of the motion.

Agenda Item No. 3

SERVICE CONTRACT – REFRIGERATED CONTAINER SERVICES – TERMINAL 6

This agenda item requested approval to authorize expenditures in connection with extension of a service contract with Deep Water Port Services, doing business as Terminal Maintenance Corporation, for the provision of refrigerated container services at Terminal 6.

Dan Pippenger presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to amend the service contract with Deep Water Port Services, doing business as Terminal Maintenance Corporation, for refrigerated container services at Terminal 6, 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.

Mike Stanton, President of International Longshore and Warehouse Union Local 8, provided testimony in opposition of the agenda item. Commissioner Holte also provided comments in opposition of the agenda item. Mr. Wyatt and Commissioner Carter commented on Mr. Stanton’s allegations. Commissioners Chamberlain and Tsuruta asked questions about the contract extension, which Mr. Pippenger and Mr. Wyatt responded to. Commissioner Bragdon noted a suggestion was made that there has been inappropriate conduct on the Commission’s part in approving this item. He said, for the record, that is not the case; the Commission is entitled to rely on the management of the institution and the legal analysis they have indicates this is an appropriate thing to do.

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 Bragdon seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Chamberlain, Daggett, Levy, Pearce and Tsuruta voted in favor of the motion. Commissioner Holte voted against the motion.

The meeting adjourned at 11:35 a.m.

Following adjournment of the Commission meeting, Sean Loughran presented a brief, informal update to the Commission on the PDX ticket lobby project.

President

Assistant Secretary

Date Signed