



EXECUTIVE DIRECTOR'S REPORT
TO THE
PORT OF PORTLAND COMMISSION
FOR NOVEMBER 2016

SAFETY REPORT

Port of Portland October 2016 safety performance was consistent with the frequency of incidents compared to October 2015. October trending data is indicating a higher number of incidents resulting in claims. There were thirteen reported incidents and of those incidents, six resulted in claims. Calendar Year 2016 total claims and incidents continually show improved performance from Calendar Year 2015.

Monthly Report of Injury Incidents

Administrative

One lost-time recordable:

- While seated in an office chair, an employee dropped a piece of paper. When reaching to retrieve it, the employee felt a rib pop.

One non-recordable:

- Employee felt a twinge/twist in an ankle while walking up a jetway on a work trip.

Aviation

One lost-time recordable:

- Police officer was taking a suspect into custody who became violent. While trying to control the suspect, the worker twisted the back and a shoulder, scuffed an elbow, sprained a finger and sustained a small cut to a finger.

Four non-recordables:

- While responding to a call regarding an erratic individual, police officer was exposed to someone else's blood on an arm and the face. The individual had begun to bleed from the mouth and inadvertently spit blood on the officer.
- After police officer handcuffed a suspect, the individual grabbed the officer's hand and dug a fingernail into a finger, causing a scratch.
- Police officer was pulled down while handcuffing an intoxicated subject who attempted to pull away. The officer landed on the subject and felt soreness in the low back and hip.
- Police officer was taking a suspect into custody who became violent. While trying to control the suspect, the officer sprained a hand and wrist.

Navigation

One recordable:

- Employee was descending the stairway on the Williams Tug and bumped an elbow on the lip of the deck plate.

Two non-recordables:

- Deckhand was tightening a sling bolt on the dredge pipeline in an awkward position and felt some discomfort in the forearm and wrist.
- Deckhand was pulling on a stuck line and strained the low back and right hip.

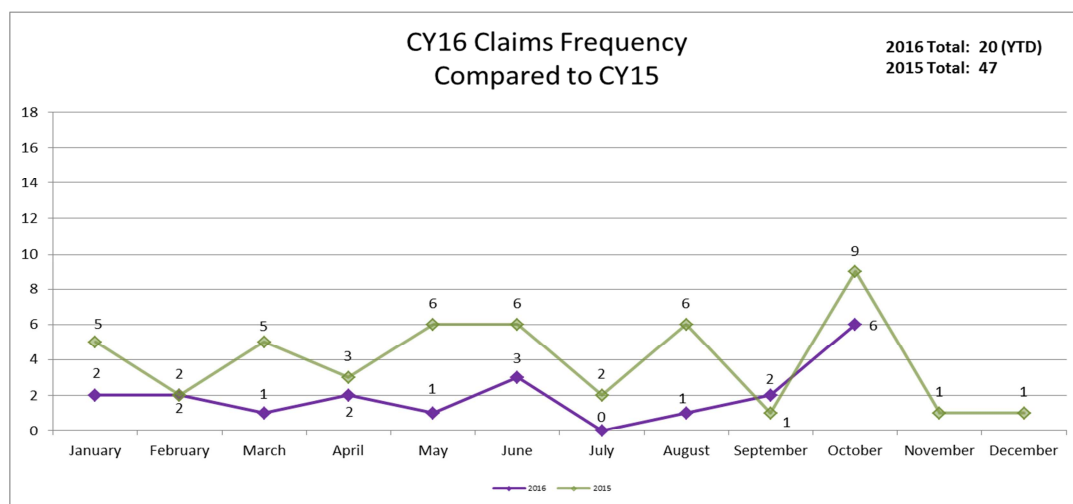
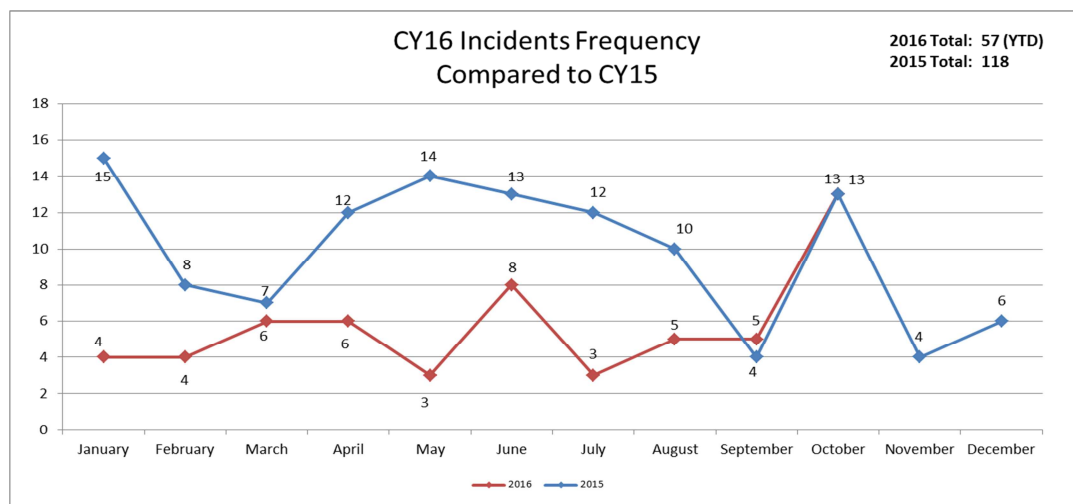
Marine

Two lost-time recordables:

- Maintenance employee was working on uneven ground and sprained an ankle.
- Maintenance employee slipped on a step while walking down the stairs and strained the low back.

One recordable:

- Maintenance employee had a burning sensation in an eye for an unknown reason.

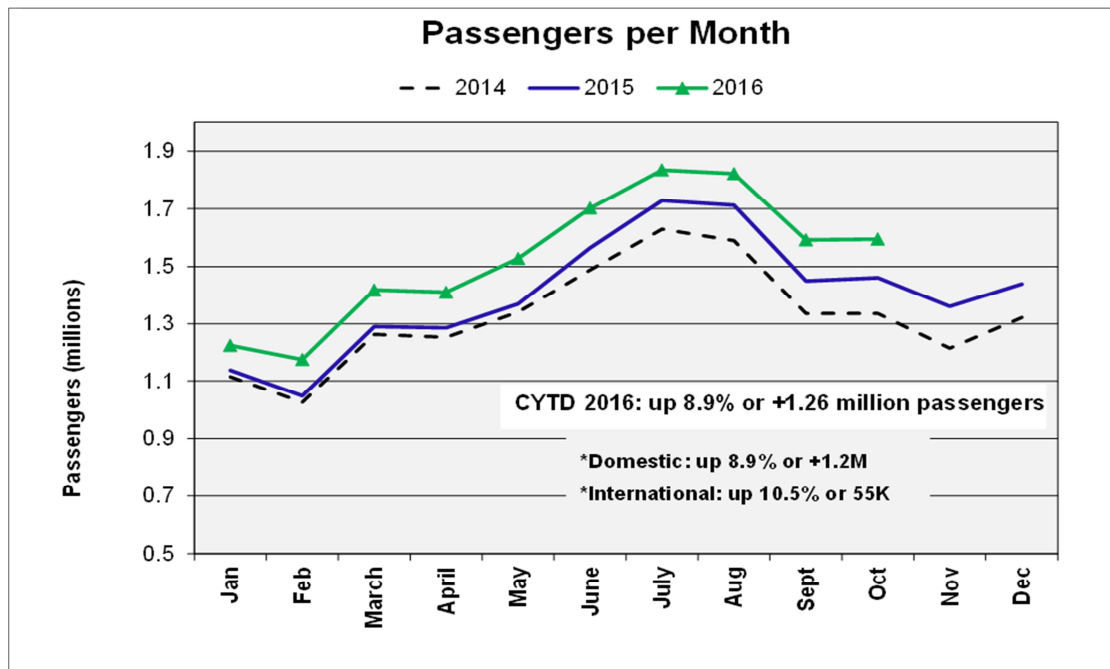


AVIATION REPORT

Services at PDX that have been announced in the past month include:

Start Date	Airline	Destination	Frequency
11/27/16	PenAir	Klamath Falls, OR	Adding second Sunday flight
01/15/17	Southwest	Orange County, CA	<i>Cancelling two daily flights*</i>
05/03/17	Condor	Frankfurt, Germany	Extending the season, May 3 – Oct 31

*Orange County operates with an Airport Capacity Restriction Matrix, which controls seat capacity in the market. As a result, Southwest must reduce its footprint at Orange County from 64 daily flights to 57 in 2017. Although the flights had good loads, fares were low, resulting in a lower yield.



	Month/Month % change	FYTD % change
	October	July - October
Passengers	9.2%	7.7%
Concessions Revenue	12.1%	11.7%
Rental Car Revenue	-28.0%*	7.1%
Parking Revenue	2.3%	4.8%
Ground Transportation Revenue	34.1%**	31.2%**

*Due to the reversal of a September over-accrual

**Due to increased Transportation Network Company (e.g., Uber) activity

Passengers

October passenger volumes increased 9.2 percent compared to October 2015. Seat capacity expanded 9.3 percent, with the load factor falling only 0.1 point to 83.4. October represents the twenty-second month of positive growth at the airport.

PDX slipped from number two to number five on the list of on-time airport departure performance for September 2016 compared to a year ago.

Concessions Revenue

Combined terminal concessions operations reported a 12.1 percent, or \$141,000, rent increase on the month, against a 9.2 percent passenger increase. This increase is due to rent growth in the quick-serve and casual-dining categories, with 23.8 percent and 23.2 percent increases respectively, and rent growth of 22.4 percent in the news and gift category.

Rental Car Revenue

Rental car operations reflect a 7.1 percent, or \$600,000, rent increase year-to-date over last year, against a year-to-date passenger increase of 7.7 percent through October.

Parking Revenue by Lot

Parking revenue continues to reflect positive growth month-over-month and year-to-date, compared to Fiscal Year 2016. The reduced revenue from the long-term garage is being off-set by stronger demand for the short-term, valet and economy lot products. The noon occupancy counts in the public parking products reflected an increase of 10 percent; however, parking transactions were flat against October 2016.

Product	Revenue	Variance	YTD Variance
Short-Term	\$1,689,955	3.4%	6.8%
Long-Term	\$1,862,590	-2.9%	-2.5%
Economy	\$2,089,893	5.9%	9.8%
Valet	\$127,735	12.8%	19.0%
Total	\$5,770,173	2.3%	4.8%

Ground Transportation

Even with Transportation Network Company (TNC) trips increasing, taxi pick-ups did increase from October 2015. Removing TNC's from the equation, ground transportation (total services) increased 5.2 percent compared to last October.

	Taxi Trips	TNC Pick-ups	Charter Bus	Reservation-Only Trips	Fixed Route	Courtesy	Total	
Oct. 2015	32,571	14,920	58	9,354	2,233	27,032	86,168	Minus TNC
Oct. 2016	34,648	45,658	205	12,979	3,183	39,617	136,290	90,632
	6.4%	206.0%	253.4%	38.8%	42.5%	46.6%	58.2%	5.2%

Business/General Aviation

The new Atlantic Aviation campus development project at PDX is on track; Hangar One will be complete in December 2016, the Business Terminal in January 2017 and Hangar Two in February 2017. This project will create 60,000 square feet of hangar space and a new 12,000-square-foot terminal building.

Adjacent to Atlantic's premises, demolition of PDX Building 8215 and Hangar 8007 is underway; demolition will be complete by end of December 2016. In January 2017, construction of the Meacham Air Center will begin and will be complete in December 2017. This project will add approximately 90,000 square feet of additional large aircraft hangar space.

CAPITAL GRANTS

Portland International Airport (PDX)

Staff submitted a reimbursement request to the Transportation Security Administration for the Law Enforcement Officer (LEO) program in the amount of \$12,400 (Agreement No. HSTS0213HSLR118).

Staff submitted a reimbursement request to TriMet for the LEO program in the amount of \$12,939.78 (Agreement No. GS150820LG).

Staff submitted a reimbursement request to the Federal Bureau of Investigation (FBI) for the Joint Terrorist Task Force program in the amount of \$250.60 (Agreement No. 03-026).

Marine

Staff submitted a reimbursement request to the Oregon Department of Transportation (ODOT) for the *ConnectOregon* V – Terminal 6 Crane Drive Electronics project in the amount of \$190,090.63, which covered the work periods of July 2016 to September 2016 (Agreement No. 30128).

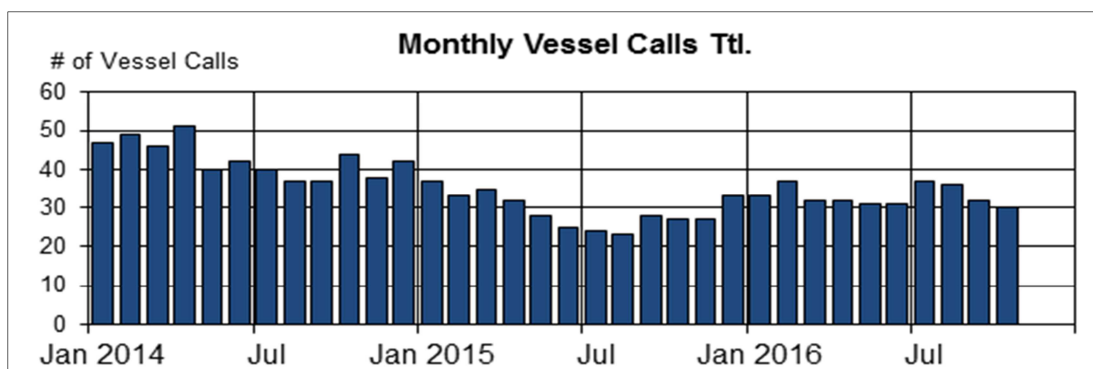
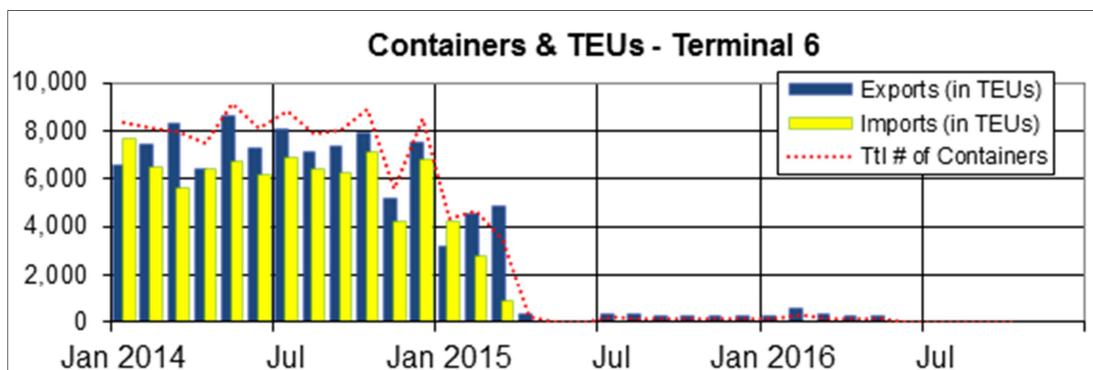
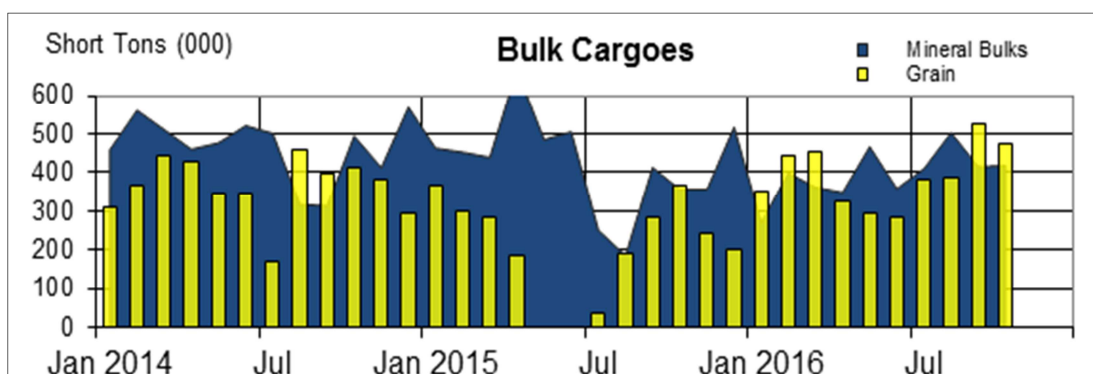
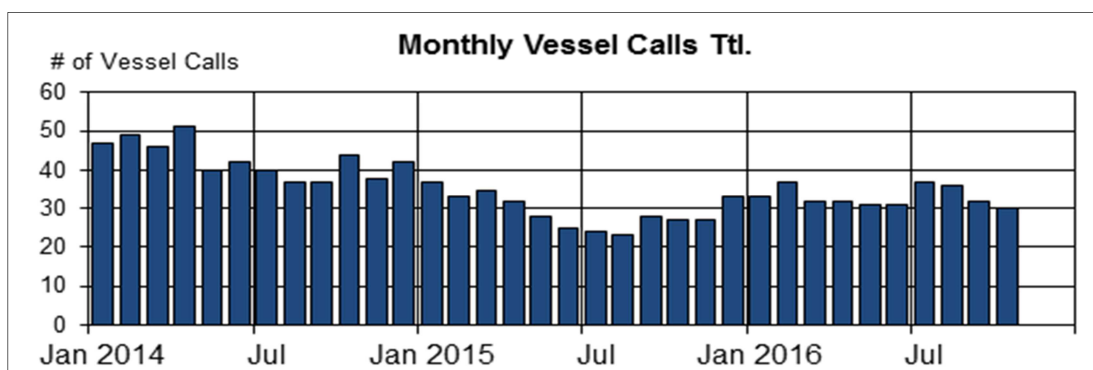
Land

Staff submitted a reimbursement request to ODOT for the Graham/Swigert Road Jobs and Transportation Act Project in the amount of \$1,112,299.65, which covered the work periods of March 2016 to April 2016 (Agreement No. 28368).

MARINE & INDUSTRIAL DEVELOPMENT REPORT

The figures in the table below show change relative to the prior year.

	<u>October 2016</u>	<u>Fiscal Year-to-Date</u>
Total Tonnage	23.9%	61.1%
Containers (TEU)	-100.0%	-100.0%
Import Full Containers	--	--
Export Full Containers	-100.0%	-100.0%
Breakbulk	--	-84.6%
Autos	14.9%	20.7%
Mineral Bulk	17.3%	44.8%
Grain	30.1%	101.4%



PROJECT COMPLETION REPORT

The following construction contracts, previously awarded by the Commission, have been completed:

P1 Parking Garage Lighting Upgrade – PDX

Approved by Port Commission	August 14 2013
Contract Award Amount	\$732,834.00
Authorized Contract Amendments	\$85,307.27
Final Contract Amount*	\$818,141.27

*The original contract was exceeded by 10 percent primarily due to remedial work to address unanticipated failures in the existing aluminum light poles and fixture mounting arms on Level 7 of the short-term parking garage. All 35 poles had to be replaced with steel poles.

Economy Lot Bus Route Rehabilitation – PDX

Approved by Port Commission	April 8, 2015
Contract Award Amount	\$4,173,173.00
Change Order Bid Item Adjustments	(\$2,460.00)
Authorized Contract Amendments	\$308,640.13
Contract Overruns	\$132,350.96
Quantity Underruns	(\$126,315.38)
Final Contract Amount	\$4,485,388.71

REAL ESTATE TRANSACTIONS EXECUTED PURSUANT TO DELEGATED AUTHORITY

Capers Café & Catering Company DBA Capers Café – Sixth Amendment to Food and Beverage Concession Lease

Location: Portland International Airport (PDX)

Term: Effective October 13, 2016

Use: Amendment No. 6: This amendment deletes additional storage space.

Host International, Inc. DBA Starbucks Corporation – Fifth Amendment to Food and Beverage Concession Lease

Location: PDX

Term: Effective October 31, 2016

Use: Amendment No. 5: This amendment adjusts the Minimum Annual Guarantee for the locations on Concourse A and Concourse D.

Alliance Corporation DBA Alliance Airport Advertising – Seventh Amendment to Advertising Concession Lease

Location: PDX

Term: October 21, 2016 to December 31, 2019

Use: Amendment No. 7: This amendment extends the term, describes the process for selection, installation and upgrading advertising devices, updates tenant improvements and decreases percentage rent.

USA-DOT-FAA – Supplemental Lease Agreement No. 003 to Lease of Improved Space, Certificate of Assistant Secretary, ABAAS Compliance Report, FAA Safety and Environmental Certification Checklist

Location: PDX

Term: Effective October 01, 2016

Use: This amendment adjusts rent for the fiscal year.

Airline Transport Professionals Holdings, Inc. – First Amendment to Facility Lease

Location: Hillsboro Airport

Term: July 01, 2016 to June 30, 2018

Use: Amendment No. 1: This amendment extends the term of the lease and adds two additional tie-down stalls.

PDX Logistics Center II, LLC. – Consent to Assignment to Ground Lease and Memorandum of Ground Lease

Location: Portland International Center (PIC)

Term: Effective October 31, 2016

Use: The Port consents to an assignment due to a change in interest in the leasehold.

PDX Logistics Center II, LLC. – Amended Memorandum of Ground Lease to Ground Lease and Memorandum of Ground Lease

Location: PIC

Term: Effective October 31, 2016

Use: The Port and PDX Logistics Center II, LLC are parties to a ground lease that has been assigned to LIT Industrial Limited Partnership. PDX Logistics Center II, LLC has assigned all its rights and obligations as lessee under the ground lease to LIT Industrial, with the consent of the Port. This memorandum is signed for information purposes only and memorializes the ground lease.

Taste, Inc. DBA Vino Volo – Second Amendment to Retail Concession Lease

Location: PDX

Term: Effective October 20, 2016

Use: Amendment No. 2: This amendment adds storage space.

Empire Airlines, Inc. – Second Amendment to Permit and Right of Entry

Location: PDX

Term: Effective October 17, 2016

Use: Amendment No. 2: This amendment provides option to extend the term of the permit.

Trammell Crow Portland Development, Inc. – First Amendment to Sale Agreement and Receipt for Earnest Money

Location: GVBP (Gresham Vista Business Park) Lots 1, 2 and 3

Term: Effective October 18, 2016

Use: Amendment No. 1: Includes buyers waiver of due diligence contingency, sets out a closing-by date, extends the deadlines for the city to install water and the Port to record PGE incentives, and provides LEED certification incentives.

Trammell Crow Portland Development, Inc. – First Amendment to Option Agreement

Location: Troutdale Reynolds Industrial Park

Term: Effective October 21, 2016

Use: Amendment No. 1: This document assigns Trammell Crow's interest in the option to Troutdale Associates LLC, a special purpose entity for this transaction and delays the deadlines for payment of the extension fee and for completion of the final PSA.

Port of Portland – Quitclaim Deed

Location: GVBP

Term: Effective September 08, 2016

Use: Quitclaim deed to release Lot 8 right to use gravel roadway.

Portland General Electric Company – Utility Easement

Location: GVBP

Term: Effective September 14, 2016

Use: This is a 10-foot underground utility easement intended to replace an exclusive use with a nonexclusive use over GVBP, Lot 1.

Moberi, LLC – Food Cart Permit

Location: PDX

Term: October 06, 2016 to April 30, 2017

Use: Permit for a local bike powered superfood food cart.

EAN Holdings, LLC DBA Enterprise Rent-A-Car – Month to Month Lease

Location: PDX

Term: Effective October 01, 2016

Use: This is a lease for excess parking of motor vehicles that are part of Enterprise's rental fleet, shuttle vehicles and employees' vehicles.

Northwest Pipe Company – Permit and Right of Entry

Location: Terminal 4

Term: October 03, 2016 to December 31, 2017

Use: Permit allows Northwest Pipe access to perform DEQ-required groundwater sampling using existing Port monitoring wells.

Ohrberg Excavation, LLC – License Agreement

Location: Columbia River

Term: October 20, 2016 to October 20, 2017

Use: License agreement for periodic placement over one year of barge ramp on, access over and through, and crew parking on, property owned by Ohrberg Excavation, LLC in Cathlamet, WA in connection with Columbia River channel dredging.

Perlo Construction, LLC – Temporary Permit and Right of Entry

Location: GVBP

Term: October 05, 2016 to December 05, 2016

Use: This permit allows the construction of utility improvements on Lot 8 to detain stormwater runoff from impacting adjacent Lot 9 development.

State of Oregon – Declaration of Restrictive Covenant

Location: GVBP

Term: Effective October 07, 2016

Use: This restrictive covenant protects certain wetland areas on Lot 10 from further development and is a condition of the Port's permit application to DSL to fill wetlands on Lot 9, which is itself a condition of the Purchase and Sale Agreement for Lot 9 to Specht Madison relating to the provision of an electrical conduit across Lot 8.

Bradwood LLC – License Agreement

Location: Columbia River

Term: October 17, 2016 to October 17, 2017

Use: License agreement with one-year term for parking of up to 45 personal vehicles and placement and anchoring of a barge ramp for Port use in connection with Columbia River dredging.

City of Portland – Water Facility Easement

Location: PDX

Term: Effective October 21, 2016

Use: This easement allows the City to construct, inspect, operate and maintain a new water meter, water vault and related appurtenances requested by the Port, to provide water services in connection with construction and development of airport.

Cathay Pacific Airways Limited – Amended and Restated Signatory Cargo Carrier Operating Agreement

Location: PDX

Term: July 01, 2015 to June 30, 2025

Use: Ten-year airline agreement for cargo transportation operations at PDX.

Skywest Airlines and United Airlines Inc. – Affiliate Passenger Carrier Operating Agreement

Location: PDX

Term: July 01, 2015 to June 30, 2025

Use: Agreement with SkyWest Airlines to operate at the airport and to use certain facilities for the purpose of carrying passengers and property on behalf of United Airlines.

USA-DHS-USCG – Lease for Real Property

Location: PDX

Term: October 01, 2016 to September 30, 2017

Use: Lease for the placement of navigational aids.

Contracts Over \$50,000 Pursuant to Delegated Authority

APPROVAL LIMITS (Administrative Policy 7.2.3)

BUDGET APPROVAL	All expenditures require management approval:		
	Approval by Directors		Up to \$ 50,000
	Approval by Chief Officers		Up to \$250,000
	Approval by Executive Director & Deputy Executive Director		Unlimited
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CONTRACTING APPROVAL	Contracting authority is limited to the following:		
	Chief Officers		Up to \$ 10,000
	Buyers		Up to \$ 50,000
	Manager of Contracts & Procurement		Up to \$ 250,000*
	Executive Director & Deputy Executive Director		Up to \$ 500,000*
*And any amount approved by Commission			

Monthly Report for November 2016 (October Activity)

New Purchases

Title	Requestor Department	Vendor Name			P.O. Amount		
Obtain consulting services to support the Mentor-Protégé Program.	Administrative Services	RKP Enterprises			\$60,000		
Obtain performance coaching training.	Human Resources	PeopleFirm, LLC			\$60,000		

Change Orders and Amendments to Project-Specific Contracts

Contracts in this category are initially awarded with a specific work scope and an identified not-to-exceed project total.

Title	Requestor Department	Vendor Name	Original Amount	Previous Changes to Contract	Current Change to Contract	New Contract Total	
Amendment #13 to purchase additional industrial supplies.	Navigation	Grainger	\$45,000	\$559,074	\$57,000	\$661,074	
Administrative action to add funds to obtain additional support for the Port's Risk Management Information System.	Risk Management	Marsh Clearsight, LLC	\$350,000	\$306,592	\$62,659	\$719,251	

Administrative action to add funds to obtain additional support for the PDX Flight Information and Paging System.	Information Technology	Com Net Software	\$210,000		\$89,820	\$299,820	
Change orders #1-6 for additional construction services on the Central Utility Plant Emergency Generator PLC Upgrade Project.	Engineering Project Development	Quality Plus Services, Inc.	\$582,986		\$94,448	\$677,434	
Change orders #1-9 for additional construction services on the Cargo Center Exterior Rehabilitation Project.	Engineering Project Development	Skyward Construction, Inc.	\$1,799,158		\$122,207	\$1,921,365	
Change orders #55-57 and 63 to obtain additional construction services on the Troutdale Reynolds Industrial Park Project.	Engineering Project Development	Goodfellow Brothers, Inc.	\$17,441,434	\$2,093,812	\$233,343	\$19,768,589	
Change orders # 14-16 to obtain additional construction services for the parking guidance system in the P2 garage.	Engineering Project Development	Scheidt & Bachmann USA, Inc.	\$3,586,092		\$424,782	\$4,010,874	
Amendment #5 for support for the MasterWorks project portfolio management system.	Development Services Administration	Aurigo Software Technologies, Inc.	\$612,448	\$1,376,060	\$499,000	\$2,487,508	
Amendment #7 to obtain additional design services for the revised PDX Terminal Balancing Concourse E Extension Project.	Engineering Project Development	Hennebery Eddy Architects, Inc.	\$499,970	\$13,165,400	\$14,000,000	\$27,665,370	

New Task Orders and Changes to Task Orders Against Non-Project Specific Contracts

Items in this category are issued against contracts that were initially awarded with no specific work scope or product quantity identified (e.g., "requirements" or "on-call" contracts). These contracts establish pricing or rates for products or work that may be needed over a stated term. Estimated quantities may be identified, but no guarantee of actual contract compensation or work is made. Contract durations may be short-term or for multiple years with optional renewal/extension terms.

Title	Requestor Department	Vendor Name	Original Task Order Amount	Previous Changes to Task Order	Current Change to Task Order	New Task Order Total	Total Contract Activity - All Task Orders
Task order against contract #1054 to obtain event planning services for the Delta Airlines London event.	Air Service Business Development	Cindy Thompson Event Productions	\$75,000			\$75,000	\$75,000

Task order against contract #842 for consulting services in support of the Series 24 Bond issue.	Financial Services Administration	Trillion Aviation	\$95,000			\$95,000	\$408,718
Task order against contract #660 to purchase low-sulfur diesel fuel for the Dredge <i>Oregon</i> .	Navigation	Rainier Petroleum Corporation	\$116,467			\$116,467	\$6,010,411
Amendment #2 to task order against contract #538 to obtain additional waste hauling services.	Planning & Development	Gresham Sanitary Service	\$484,500	\$7,500	\$175,517	\$667,517	\$2,666,186
Task order against contract #968 to obtain maintenance services for various PDX elevators.	Airport Operations	Schindler Elevator Corporation	\$910,000			\$910,000	\$2,460,080

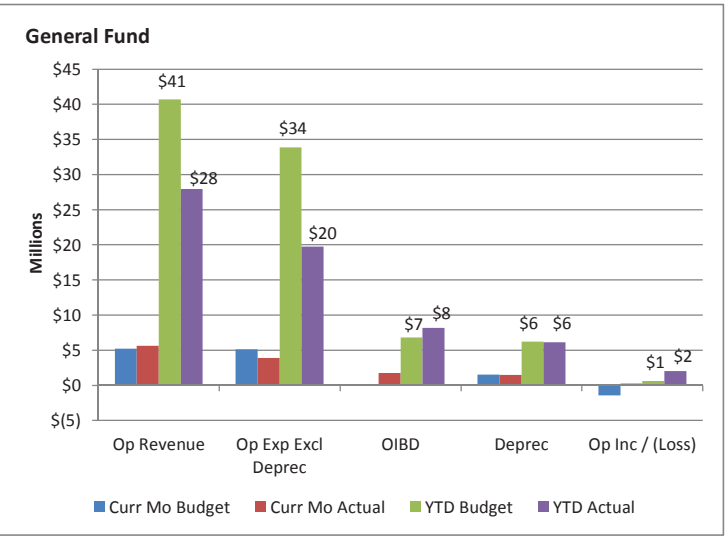
General Fund

The General Fund includes Marine, Industrial Development, Navigation, General Aviation, Environmental, Financial & Administrative Services, Executive, Public Affairs, Human Resources, Legal, and Project & Technical Services (IT, Engineering, and the Project Portfolio Office).

Operating revenues are \$12.7M lower than the Adopted Budget primarily due to the timing of land sales. Excluding land sales, operating revenue is \$751K over budget.

YTD operating expenses excluding depreciation are \$14.1M less than budget also due to the timing of land sales. Excluding land sales, operating expenses are \$4.7M below budget.

- The key variances are listed below:
- Contracts, professional & consulting services expenses (\$5.5M < budget).
 - Personnel services (\$2.2M > budget); an issue that affects all lines of business, the budget did not factor in three pay periods for August. The total year budget is correct but there is a timing difference in the number of pay periods budgeted to each month that will affect August and December.
 - Cost of property sold (\$9.4M < budget).
 - Equipment rental, repair and fuel expenses (\$697K < budget).
 - Travel and management expenses (\$476K < budget).



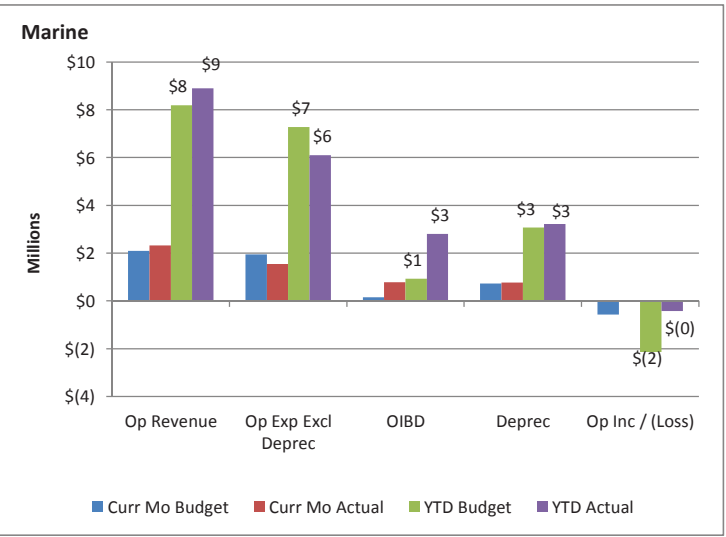
Marine

Marine Volumes:
Autos – Auto volumes are 1.7% lower than forecast YTD. However, volumes are 21% higher than last year due to continued growth in both Hyundai and Honda imports, as well as Ford exports.
Breakbulk – YTD tonnage is 85.6% lower than forecast and 93% below last year as there were no ship calls at T-2 until October of the Fiscal Year.
Containers – Until container service resumes, there will be no TEU variances to report.
Grain Bulk – YTD grain volumes are 49.5% higher than forecast and 101% higher than last year primarily because production is up nationally (no drought or disease hurting crops). Also, Columbia River locks will close in December for maintenance for three months, so upriver wheat growers are likely moving their cargo now so it isn't trapped in their silos for several months.
Mineral Bulk – Tonnage is 15.0% higher than forecast and 45% higher than last year. Portland Bulk was offline for the first two months of last fiscal year during the installation of the new potash shiploader.

Marine Volumes*	Current Year-to-Date			Annual Adopted Budget
	Adopted Budget	Actual Amounts	Variance	
Autos (Units)	100,475	98,785	(1.7%)	309,000
Breakbulk	55,424	7,964	(85.6%)	132,277
Containers (TEUs)	-	-		-
Grain Bulk	1,184,891	1,771,467	49.5%	3,527,396
Mineral Bulk	1,532,801	1,762,781	15.0%	5,141,179

* Volumes in short tons unless otherwise noted.

- Marine Operating Results:**
YTD operating revenues are \$707K higher than the Adopted Budget due to higher than anticipated grain bulk revenues (\$254K > budget) and South Rivergate rail access fees (\$267K > budget; the rail access fees were expected to move to the balance sheet at beginning of FY 16-17). YTD operating expenses excluding depreciation are \$1.2M less than budget, with the largest variances listed below:
- Contracts, professional & consulting services are \$899K < budget due to timing of T-4 and other Marine environmental expenses (~\$549K) and outside services expenses for waterway/navigation improvements (\$198K < budget; includes contribution for additional stern buoys in the Columbia River and LOADMAX fees).
 - Utilities expenses are \$66K < budget due to timing, primarily of Stormwater expenses.
 - Personnel services are \$81K > budget because the budget did not factor in three pay periods for August.
 - Travel and management expenses are \$102K < budget.
 - Interdepartmental charges are \$39K < budget due to lower than anticipated services received from Engineering and capitalized labor.
 - Materials and supplies expenses are \$73K < budget, primarily in the Facility & Electrical Maintenance, Crane Shop and Security business units.
 - Insurance expenses are \$60K < budget.
 - Equipment rental, repair and fuel expenses are \$48K < budget.
 - Longshore labor is \$7K < budget.

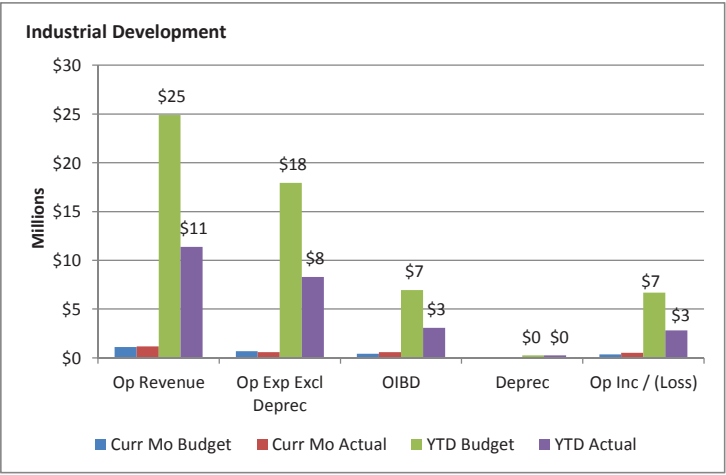


Industrial Development

YTD operating revenues are \$13.5M lower than the Adopted Budget due to the timing of land sales. The budget assumed \$5.7M in proceeds for the sale of TRIP Lots 11 & 12 to BPA in August, as well as \$7.8M for the sale of Gresham Vista Lots 1,2 & 3 to Trammell Crow in September. These sales have not yet closed. However, the sale of Gresham Vista Lot 9, which was budgeted in September, closed in August at the budgeted amount of \$9.3M.

YTD operating expenses excluding depreciation are \$9.6M lower than budget, with the largest variances listed below:

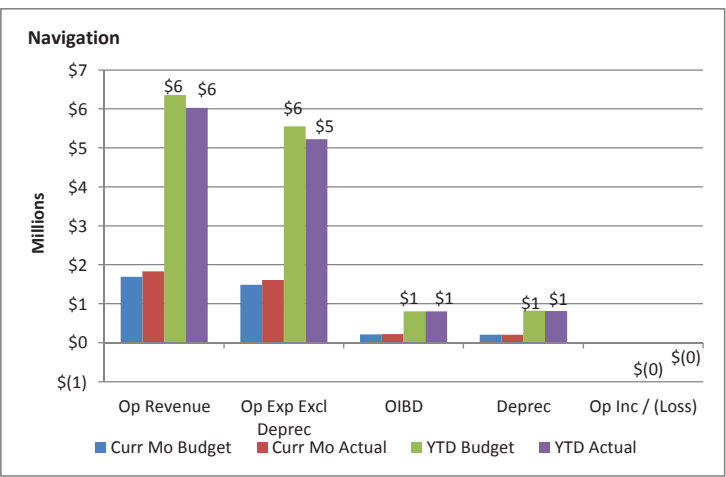
- Cost of property sold is \$9.4M < budget (Lot 9 actual cost of property = \$6.1M; TRIP Lots 11 & 12, GV Lots 1,2 & 3 budgeted cost of property = \$15.5M).
- Contracts, professional & consulting services are \$374K < budget due to a credit for a Tidewater barge sublease (\$151K; offsets a payment for the Port's lease with DSL that has not yet posted). Remainder primarily from timing of design review and appraisal, mitigation, and Hayden Island and general environmental expenses.



Navigation

YTD operating expenses excluding depreciation are \$330K less than budget due to 34 fewer dredging days than budgeted (safety stand-down delayed the start of the dredging season to late July). Lower operating expenses translate into lower operating revenues, which are \$329K < budget.

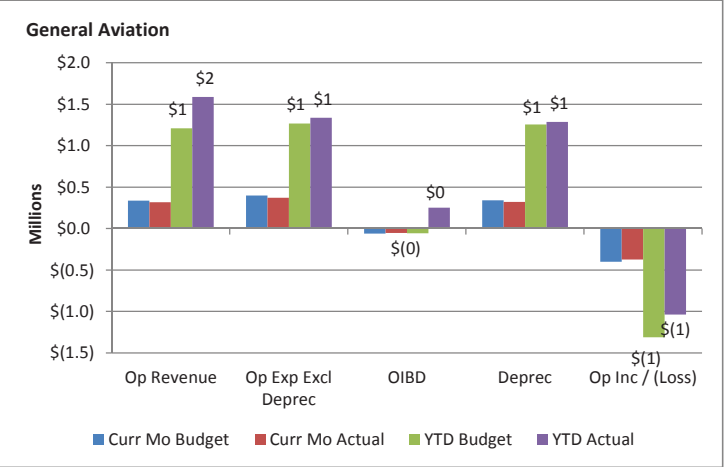
Dredging Volumes	Current Year-to-Date			Annual Adopted Budget
	Adopted Budget	Actual Amounts	Variance	
Dredging Days	96	62	(35.4%)	132
Cubic Yards Dredged		1,277,647		



General Aviation

YTD operating revenues are above budget by \$378K, primarily due to higher than expected rental car revenues and airside land lease revenues at HIO. Also, the Port received a \$300k early termination fee from BHG Hillsboro.

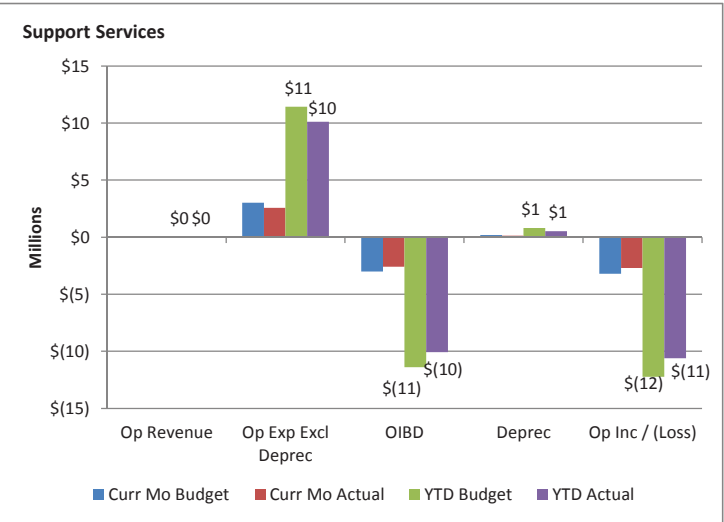
YTD operating expenses before depreciation are over budget by \$72K, primarily due to higher personnel and water/sewer costs.



Support Services

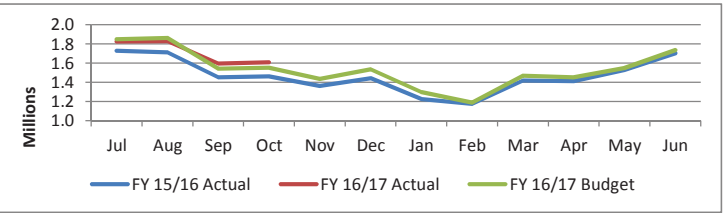
Support Services is comprised of Financial & Administrative Services, Executive, Public Affairs, Human Resources, Legal, and Project & Technical Services. Costs for these areas are allocated to the operating areas.

- YTD operating expenses excluding depreciation are \$1.3M under budget, with the largest variances listed below:
- Contracts, professional & consulting services are \$1.9M < budget, mostly due to timing of ProMIS contract/consulting expenses (\$922K budgeted in Project Portfolio Office business unit; no expenses YTD). Contracts and outside services in HR, IT, Public Affairs, Financial & Administrative Services, and Environmental Affairs are \$972K < budget due to timing.
 - Interdepartmental charges are \$264K < budget due to Engineering capitalized labor.
 - Travel and management expenses are \$274K < budget primarily due to timing of PROPS recognition program/Achievers contract expenses (\$210K budgeted in August but no expenses YTD). Travel and management expenses in Legal, Environmental Affairs and Financial & Administrative Services are \$110K < budget due to timing.
 - Partially offsetting the lower expenses, personnel services are \$1.3M > budget due to actual versus budgeted pay periods for August (budget did not factor in three pay periods).
 - Equip Rents & Repair is \$78K < budget.
 - Other expenses are \$59K > budget due to timing of ProMIS software (\$303K budgeted in January; \$151.5K posted in July). Lower than expected sponsorship expenses partially offset the higher software expenses.



Portland International Airport
Total Passengers

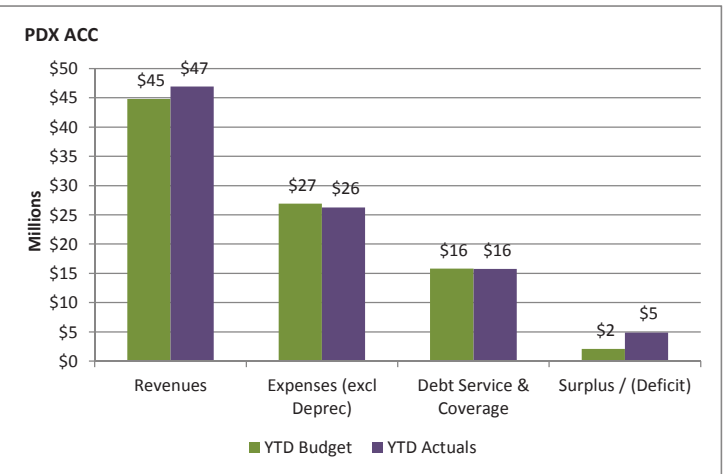
Passengers traveling through PDX are a key driver of revenues and expenses for the Airport. YTD, over 6.8 million total passengers have utilized PDX, exceeding the prior year by 7.9%. The higher passenger levels are a result of the continued growing economy and new flights by air carriers serving PDX. As a result of strong demand for air travel, PDX passenger levels are increasing as carriers increase seat capacity and add flights.



PDX Airline Cost Center (ACC)

YTD ACC revenues are \$2.1M higher than budget. Airline revenues are \$1.5M higher than budget due to higher than expected landing activity (+\$557K), terminal rents (+\$557K), and common use rentals (+\$378K). Retail, food and beverage revenues are \$433K higher than budget as a result of higher than expected passenger spending.

YTD ACC expenses are \$649K below budget. Personnel Services are \$1.1M over budget due to payroll being disbursed for three pay periods while the Port budgeted for two pay periods for the month of August. This is a timing issue only that affects the months of August and December. Materials, services, and transfers are \$1.6M under budget, primarily due to direct security services (down \$144K), direct operating materials and supplies (down \$113K), direct environmental costs (down \$98K), and direct custodial services (down \$85K). Indirect costs included in this variance include: Air Service Development marketing (down ~\$385K), inter-departmental services provided (down ~\$138K), outside services for Police (down ~\$101K), and long range planning consulting (down ~\$97K).



PDX Port Cost Center (PCC)

YTD PCC revenues are \$2.2M > budget. YTD rental car revenues are \$975K > budget due to June forecasted accruals being \$615K less than actuals invoiced; this amount carried into July. Passenger volume related activity for July through October account for the remaining \$360K increase in revenues. YTD parking revenues are \$176K > budget due to higher than expected passenger activity. Other PCC revenues are \$1.1M > budget as a result of higher than expected volumes for transportation network companies (e.g. Uber, Lyft; over \$466K), ramp parking cargo revenues (over \$107K), and unbudgeted ORANG drainage fees (over \$130K).

PCC expenses are \$146K < budget. Personnel services expense is \$542K > budget due to payroll being disbursed for three pay periods while the Port budgeted for two pay periods for the month of August. This is a timing issue only that affects the months of August and December. Materials, services, and transfers are \$692K < budget, primarily due to lower equipment rentals and repairs (\$85K lower) and direct custodial services (\$61K lower). Indirect costs related to this variance include: Air Service Development marketing (down ~\$257K), inter-departmental services provided (down ~\$68K), long range planning consulting (down ~\$65K), and outside services for Police (down ~\$35K).

