

PORTLAND INTERNATIONAL AIRPORT UPDATE

TO: PDX Community Advisory Committee

FROM: Vince Granato, Chief Operating Officer

DATE: April 6, 2016

BUSINESS UPDATE

125th Anniversary

The Port's 125th anniversary continues with installation of a new timeline in the north tunnel at PDX. The timeline features key milestones in the Port's history over the past 125 years including a number of images associated with the dawn of the jet age and the evolution of PDX.

Runway Run

There is still room available! On October 13, 2015, Portland International Airport celebrated 75 years of service to Oregon and Southwest Washington residents. As part of the Celebration of the Port's 125 years and the airport's 75th, we are providing a unique opportunity to celebrate. On Saturday, Sept. 24, you'll be able to run (or walk!) on the Portland International Airport's north runway during our PDX Runway Run.

The Port is partnering with Hood to Coast Race Series to host the Runway Run. The 6K challenge, from one end of the north runway to the other and back, is limited to 2,500 participants age 12 and older. Cost ranges from \$30-45, depending on when you register.

All proceeds from the race event will be donated to The Boys and Girls Club of the Portland Metropolitan area whose mission is to enable all young people to reach their full potential as productive, caring, responsible citizens.

For details about race costs and security information, visit the registration page.

<http://htcraceseries.com/event/pdx-runway-run-2016/>

Airport Activity

2015 represents our third year of record passenger growth, surpassing the 16 million mark with 16,850,952 passengers, representing 5.9% growth. That growth is largely attributed to five new international flights: Guadalajara, Puerto Vallarta and San Jose del Cabo, Mexico, Frankfurt and Iceland. However, domestic travel increased 5.4%, accounting for the biggest impact on total passengers.

We also continue to see recovery of the air cargo business with air cargo tonnage up 4% for the year to 237,805 tons.

With Oregon Spring Break over and Washington Spring Break underway, PDX is seeing about a 10 percent increase in daily passenger volume, pushing daily totals on the peak days to nearly 50,000 people.

Additional Air Service Development Updates

This spring and summer, Frontier Airlines will add nonstop service to Chicago, Cleveland and Phoenix.

Southwest Airlines will begin flying nonstop between PDX and Lambert–St. Louis International Airport on June 5. This new service will give Oregon and Southwest Washington travelers a second option to fly nonstop to St. Louis.

Delta Air Lines will resume summer seasonal service to Anchorage from May 13-Sept. 5th and Air Canada will resume service to Toronto.

Condor will add a fourth frequency (Saturday) to Frankfurt in summer 2016.

Sun Country Airlines will begin flying new seasonal nonstop service between Minneapolis/St. Paul (MSP) and Portland, Oregon (PDX) on June 9.

This summer, Alaska Airlines will begin daily, nonstop service between Portland International Airport (PDX) and Atlanta's Hartsfield International Airport (ATL) starting June 4, through August 27, 2016.

Icelandair will be increasing its service from PDX with more flights and an extended season. Portland's expanded schedule will resume May 11 with two weekly flights, and will increase to four weekly flights in late June through mid-September. Icelandair is also extending the season through January 2017, and will resume with an early start in March 2017.

Airport Security

All of that new service means that PDX is a busy place even when it's not Spring Break. Travelers should expect that the Security Checkpoints will continue to be busy and plan accordingly.

The TSA continues to encourage enrollment in Pre-check and is making things even easier to enroll in the TSA Pre✓® expedited screening program with a temporary enrollment center located on site at PDX from April 11 - April 22, 2016.

The application center will be pre-security and does not require the applicant to be a ticketed passenger. The PDX enrollment center is located at the south end of the baggage claim area past baggage carousel 2.

The center will operate:

Mondays, Wednesdays and Fridays	8 a.m. - noon; 1 p.m. - 5 p.m.
Tuesdays and Thursdays	10 a.m. - 2 p.m.; 3 p.m. - 7 p.m.

Portland to Tokyo Service

Japanese and American officials have struck a deal to open Tokyo's Haneda airport to daytime flights to and from the United States, and the Port is monitoring how that might affect the Portland/Tokyo Service.

Aviation officials have agreed to set aside five slots at the Haneda airport for trips to and from the U.S. That change opens the centrally-located airport to travelers who don't want to make the trip from the outlying Narita airport, which has historically handled international flights.

Portland is the smallest U.S. market to sustain non-stop flights to both Asia and Europe.

The daily Narita flights run at nearly 90 percent capacity and carry a high number of local passengers.

Airport Concessions/Properties

Concessions Redevelopment Phase 2

Work is underway on the second phase of PDXNext concessions redevelopment.

New food and beverage options include the following:

Coffee Options

- Peet's Coffee & Tea
- Portland Roasting
- Starbucks
- Stumptown Coffee

New and expanded shops and restaurants

- Capers Farm-to-Table Market
- House Spirits Distillery
- Kenny & Zuke's Delicatessen & Market
- Made in Oregon
- Soundbalance
- Timberline Lodge
- Vino Volo

This fall, outreach is planned as part of the third phase of PDX concessions redevelopment.

Food Carts

PDX has two new food carts. Aybla Grill is now open serving Mediterranean food and the Whole Bowl, another Portland favorite, will be open next week.

Hollywood Theatre

Northeast Portland's Hollywood Theatre plans to open an annex at PDX in a 650 square foot space near Gate C5 donated by the Port. The theater is slated to seat 18, with standing room for another 10 to 20 people and a space for live performances.

The theatre space is at 60 percent design and the goal is to be open for summer 2016.

CONSTRUCTION UPDATE

Terminal Balancing (PDXNext)

As previously reported, this project is intended to alleviate the current imbalance of passengers being served on the south side of the PDX terminal, enhance operating efficiencies and improve customer service by extending Concourse E approximately 210 feet. The imbalance has led to operational inefficiencies for the airlines and Port operations and has impacted customer service.

The Port is currently pausing this project to consider changes that have occurred since the design began and to make sure the project will continue to meet its intended goals including balance and flexibility.

Security Upgrades, Expansion (PDXNext)

The Access PDX project is on schedule and is in the construction phase. Behind the scenes infrastructure work has started in the terminal, and the closure and rebuilding of airfield vehicle gates is underway with the first gate going into service this week. Construction of the new concourse exits is underway and visible at both the north and south ends of the ticket lobby.

The new restrooms on Concourse D will be completed in approximately mid-May. The post security restrooms near the north security checkpoint will close as soon as the new restrooms are open.

Federal Inspection Station (FIS) Remodel

On Wednesday, Jan. 27, a special reception showcased the remodeled International Arrivals Hall at the end of Concourse D, which is improving comfort and efficiency while providing a more welcoming environment for passengers.

The remodel features improved lighting, new carpet and refreshed walls with iconic images of Oregon. Upgrades also include informational video monitors displaying state

tourism destinations. But perhaps most exciting, given our Oregon weather, are the two new canopies that keep international travelers dry when riding buses to baggage claim.

Colwood Stormwater Pipe and Outfalls

More than 700 acres of land, including a major portion of the PDX airfield as well as some smaller non-Port of Portland owned properties south of PDX, drain into a large drainage ditch called McBride Slough. From McBride Slough, the water drains through an approximately 1,000-foot-long, 60-inch-diameter pipe into the Columbia Slough. This existing pipe was installed in 1936 and is now past its expected useful life and is showing signs of impending failure.

A full failure and blockage of this pipe could result in widespread flooding of McBride Slough and the PDX airfield, which would impact both major runways and terminal access as there is no other outlet from this basin. Because the Port does not own this pipe or the land it is located on, and the pipe is located immediately adjacent to buildings underneath a business park, repair or replacement of this pipe by the Port in its current location is not feasible.

Because of the risk posed to the airport in case this existing pipe were to fail, the Port decided to construct a new pipe that will assure proper drainage of the airfield independent from the existing pipe. The selected routing of this new pipe is through the former Colwood golf course, which is currently being developed for commercial use by Colwood Industrial Park, LLC. Access to the land for construction and pipe placement is being provided under an easement.

In order to construct the portion of the new pipe underneath Cornfoot Road, the Port's plan provides for a **45-day closure of Cornfoot Road to motorized traffic**, with detours around the work area. The current schedule is for summer 2016. The Port is aware this poses a significant traffic impact and will be working on an appropriate traffic management plan and notification.

Rental Car Quick-Turn-Around (QTA)

Presented to the PDX CAC as a public notice item in April 2015, the QTA design continues to move forward steadily. Two "enabling projects" are now underway. The projects include clearing the QTA's construction site. The first project will move the employee parking lot. The second project will move the taxi hold lot. The actual QTA construction will begin immediately after that and is expected to be done in 2018.

PLANNING UPDATE

PDXNext

At the June 25, 2014 PDX CAC meeting, the Port presented the PDXNext program, a program of strategic investments intended to position the PDX terminal to meet the needs of the future and enhance the overall terminal experience for passengers and tenants. To date, the Port presented information on the Terminal Balancing Project, PDX Access Project and Phases I and II of the concessions redevelopment program.

We intend to continue to provide information related to major program elements as they evolve, including terminal balancing and the terminal core refurbishment.

Pet Relief

Planning and design are almost complete for a new pet relief area that will be open by August. The Port has been working with Guide Dogs for the Blind to get input related to service animal relief stations. The new facilities will be located at the south end of the concourse connector. A second station to better serve passengers on the north side of the airport will be considered in future terminal plans.

Children's Play Area

Planning and design are almost complete for a new children's play area that will open this fall. The new area will be located on Concourse D and promises fun and engaging activities for children with a little extra time in the airport terminal.

Terminal Core Redevelopment (PDXNext)

The Terminal Core Redevelopment program is a modernization of the heart of PDX, necessary to ensure sufficient capacity for future passenger demand, upgrade seismic resiliency, and replace aging systems and infrastructure. Preliminary planning is underway for this effort. The terminal core includes the existing ticket lobby, Oregon Market, security checkpoints, north and south lobbies, and baggage claim area.

The Port will continue to work with the airlines as we proceed with concept development which will include evaluating options for the Terminal Core program and how the work could be phased. Seismic resilience is one of the major issues associated with the terminal core area.

SUSTAINABILITY UPDATE

Government Island Grassland Enhancement Project Update

The Government Island Grassland Enhancement project area was seeded in September 2015 with seven species of native grasses and 26 species of native forbs, including 2000 hand-planted native camas bulbs. Following seeding, Port natural resources staff conducted regular site visits to monitor the results of the seeding. Limited germination of some species occurred within two months of seeding once the rains returned.

As of early March 2016 staff noted that in addition to the buffer grass, at least 10 of the native forb species that were seeded have germinated on site and the camas bulbs that were planted have sprouted. Several of the species that were seeded are not expected to germinate until conditions are warmer, so it is anticipated that many more species will germinate by mid-May. As expected, there are patches of weeds throughout the site. A Port contractor will begin spot treating in March. They will be targeting aggressive weeds that have the potential to out-compete the species that were planted. Herbicide treatments will be conducted monthly throughout the growing season. Areas with low

survival of native species will be reseeded if necessary. Port staff have been conducting ongoing bird monitoring and will conduct standardized vegetation monitoring twice this summer. In addition, the Xerces Society will conduct post-implementation pollinator surveys this spring and summer starting in May and continuing through September.

2016 Friends of Trees Plantings

All of the 2016 Friends of Trees plantings are now complete. The Airport Futures funding supported six different events at the following locations:

Columbia Children's Arboretum
Saturday, January 30

Argay, Parkrose, Parkrose Heights, Russell, Wilkes Neighborhoods
Saturday, February 27

Alameda, Hollywood, Irvington, Sullivan's Gulch, Sabin and Grant Park
Neighborhoods
Saturday, March 5

Concordia & Vernon Neighborhoods
Saturday, March 12

Madison South, Rose City Park and Summer Neighborhoods
Saturday, March 19

Jackson Bottom Wetland Planting
Saturday, March 26

Social Equity

The Port continues to move forward with the following PDX CAC Social Equity Opportunities Ad Hoc committee recommendations:

- 1) Create an organization-wide equity definition and strategy
- 2) Create a template of equity considerations which could be used voluntarily with certain projects, and
- 3) Report out annually on progress towards certain equity goals

The Port has created a senior level Social Equity Manager position, which was posted in late December and closed at the end of January. The position was promoted widely to various community groups and organizations, as well as individuals in the equity field. The successful candidate will create an equity definition and strategy, work with local organizations on this strategy and ultimately create metrics and a reporting mechanism. We hope to be able to introduce the new Social Equity Manager at our June meeting.

PDX Workplace Initiative

The PDX Workplace Initiative was adopted in April 2015, and it addressed three core areas including; Job Pathways, Worker Benefits, and Employer-Employee Relationships. The Jobs @ PDX website has developed into a well- utilized resource by tenants and employees.

The Port is populating the online Labor Pool this week starting with employees from Coffee People (Stephanie Inc.), and will be adding employees from Sandoval's Tequila Grill next week.

Job Fair

The Port will be hosting a Job Fair on May 16th, which will include any PDX operator who would like to participate. This may include the TSA, US Customs and Border Protection and airline service providers.

TriMet Monthly Pass Program

The TriMet Monthly Pass Program for PDX employees has been launched. The Port is offering PDX concessionaires and airline service providers a 25% discount on monthly passes for their employees. PDX employees are still challenged by TriMet's operating hours and the Port will continue to work with TriMet and others to improve service in the future.

OTHER

Ameriflight

The Ameriflight project is approaching project close-out as final items are being completed. Ameriflight has taken occupancy of the facility and is now operating out of their new location in AirTrans Center.

Atlantic Aviation

Atlantic Aviation has received approval on 100% design plans. Both Port construction permits and City of Portland construction permits have been issued. Construction is currently underway including footings, concrete slab and pilings.

Patricia McDonald Joins Port of Portland Commission

Patricia McDonald is a newly appointed member of the Port of Portland Commission. McDonald is vice president of human resources and director of the Intel Talent Organization at Intel Corporation. Since joining Intel in 1986 as a summer intern, McDonald has held a wide range of engineering, manufacturing and management positions, including vice president and plant manager of Fab 20 in Hillsboro, leading 1,800 employees. She has also served as director of the ATMx organization, director of the Product Health Enhancement Organization, and pioneered Intel's Healthcare Marketplace Collaborative, an alliance of Portland health care providers, a health plan, and the Virginia Mason Institute.

Long a champion of diversity at Intel, McDonald is Intel's executive sponsor for the Women at Intel Network with 40 chapters worldwide. McDonald earned a bachelor's degree in chemical engineering from Oregon State University.