

PORTLAND INTERNATIONAL AIRPORT UPDATE

TO: PDX Community Advisory Committee
FROM: Vince Granato, Chief Operating Officer
DATE: January 16, 2013

BUSINESS UPDATE

Airport Activity:

PDX has seen 27 months of positive passenger growth. In November, PDX served 1,167,622 passengers, a 6.4% increase compared to November 2011. In November, Alaska Airlines seasonal service to Kona, Hawaii returned along with a new flight to Kauai and an additional flight to Maui. Spirit Airlines converted one of their Las Vegas flights to a San Diego flight facilitating passenger flow to Mexico.

Seat capacity has increased 5.0 percent. Cargo volumes increased 4.7 percent compared to November 2011. For calendar year 2012, it is expected that total cargo volumes will be up 2.8%

Airport Concessions: On December 12, 2012 the Port Commission approved a new concessions lease with McDonald's. McDonalds will lease the space occupied by Wendy's Old Fashioned Hamburgers on Concourse C. Wendy's closed all three of their terminal locations on December 31st and McDonalds will open on Concourse C no later than July 1, 2013.

CONSTRUCTION UPDATE

2013 PDX Airfield Projects

Air Trans Center Phase III: This project will rehabilitate a taxi lane, replacing asphalt with concrete. It continues an airfield rehabilitation program that includes the south cargo ramp rehabilitation projects begun in 2011 in front of the Boeing hangar and the South Airfield Taxiway and Improvement project completed in 2012. This project will completely rehabilitate the taxi lane serving the Air Trans Center south cargo ramps, doing a full-depth repair and replacing the existing asphaltic concrete pavement with Portland cement concrete (PCC) pavement. Project duration is about five and a half months, expecting to start about mid-April.

North Apron Project Phase II: This project calls for the full-depth repair and rehabilitation of the North Apron by replacing the existing asphaltic concrete pavement with Portland cement concrete pavement. The eastern half of the ramp was completed in summer 2012. The western half will be completed this summer. Project duration is about six weeks, starting around July 1.

Taxiway Charlie-East Rehabilitation: This project will remove approximately 6,200' of existing taxiway asphalt pavement and replace it with Portland Cement Concrete. It will also increase the width of paved taxiway shoulders from 15' wide to 35' to meet FAA airport design criteria and remove and replace existing in-pavement and taxiway edge lighting with more efficient and

lower maintenance LED lighting. It will also enhance the airfield hydrant water line, electrical duct banks and sanitary sewer system.

Runway 10R/28L Repair (South Runway): This project will remove and replace approximately 257 Portland cement concrete panels that were damaged by an Oregon Air National Guard aircraft during an emergency aborted takeoff in 2011.

Parking Guidance System for Long-term Parking Garage

Installation of a parking guidance system, similar to that installed in the short-term parking garage, is underway. The project will proceed in phases and will include temporary closures of sections of the long term garage beginning in January 2013.

Airport Way Interchange

ODOT has selected a contractor for the I-205 northbound on-ramp at Airport Way. Construction is scheduled to begin in February 2013 and be complete in the fall of 2014. A project open house is scheduled for January 29th at the Residence Inn at Cascade Station (just west of Target) from 4:30-6:30 pm.

PLANNING UPDATE

PDX Storm Water Master Plan

The Port Commission approved award of a contract to provide assistance to the Port in developing a storm water master plan for PDX and other Port facilities. The stormwater master plan will focus on all Port properties within the City of Portland – including aviation, marine and industrial parks. The plan is expected to be completed in the next two calendar years. The goal is to develop a master plan for design and retrofitting of stormwater facilities owned by the Port of Portland within the City of Portland to ensure compliance with the MS4 permit, address future development and redevelopment at Port facilities, and to support asset management planning for storm system infrastructure.

Check-in/Ticket Lobby Concept Plan

The Port Commission approved award of a contract to provide ticket/check-in lobby planning services. The objective of the study is to develop a comprehensive strategy and plan to incrementally reconfigure the terminal to achieve efficient passenger processing and a quality passenger experience. Sustainability will be a key theme in the study as we work to create a space that is flexible and can be reprogrammed over time to respond to changing requirements. The concept plan is projected to be completed by December 2013.

SUSTAINABILITY UPDATE

PDX Food Donation Program

In 2012, PDX concessionaires composted a record 200 tons of food waste. Consistent with the Port's Strategic Environmental Initiatives, the Port plans to launch a food donation program at PDX in early February, whereby in-date, pre-packaged food items will be donated to people in-need. The Port's Environmental and Concessions Operations teams have worked closely with our concessionaires, internal Port stakeholders, Multnomah County Environmental Health and our designated food bank partner, St. Vincent De Paul in developing our program. These efforts will help feed those in-need, strengthen community relationships and help in reducing our waste

disposal costs. We plan to launch the program at PDX and hope to eventually expand to surrounding facilities, including local hotels and Cascade Station restaurants.

Friends of Trees Cully Neighborhood Tree Planting - Saturday, March 30th

In addition to the Airport Futures urban tree canopy funding, the Port provides additional funding to Friends of Trees. This is the 5th year the Port has worked with Friends of Trees to sponsor tree plantings in neighborhoods near Port facilities. This year's planting will be in the Cully neighborhood and will include Port employees. The tree planting is listed on the Friends of Trees website. Anyone interested in volunteering can show up at Morningstar Missionary Church by 8:45am to enjoy some hot coffee and breakfast treats. The planting starts promptly at 9:00 a.m. Friends of Trees will provide gloves and tools, so all you need to do is show up dressed for the weather and wearing sturdy shoes. A potluck lunch will also be provided for all volunteers after the planting is complete.

Airport Futures Natural Resource Program

Based on the CAC recommendations made at the September 2012 meeting, awards were made for 2013 projects. Award agreements were completed with the Multnomah County Drainage District No. 1 for the Elrod Slough Restoration Project (\$30,900) and Friends of Trees for the Elrod Slough Tree Planting (\$20,600).

The public is invited to participate in the planting of 60 large street trees along the Columbia Slough on Saturday, February 9th. The event begins at 8:45 with hot coffee and breakfast treats and the planting starts promptly at 9:00 am. Friends of Trees provides gloves and tools, so all you need to do to participate is come dressed for the weather and wearing sturdy shoes. We especially invite CAC members to participate in the planting.

PIC Wetland Enhancement: The Airport Futures Natural Resources IGA included a project to enhance a wetland located in Portland International Center (PIC) just south of IKEA. The Project Plan for the PIC Wetland Enhancement has been completed and will be submitted for Environmental Plan Check with the City of Portland this month. The plant material has been placed on hold with a grower to ensure that it is available for planting. The proposed schedule is to complete the planting in late January or early February 2013.

Columbia Slough Watershed Council

The Columbia Slough Watershed Council funded an enhancement project on the Port's Buffalo Mitigation Site property. The volunteer event through their Stewardship Saturday's program was on January 12th. The project included planting native trees and shrubs along the bank of the Buffalo Slough.

OTHER

Oregon Air National Guard Lease

The Port and ORANG held a special information briefing for CAC members on the proposed ORANG lease on August 22, 2012 and provided a progress report at the September CAC meeting. The new ground lease and related agreements were approved by Port Commission January 9, 2013.

The new ground lease replaces the existing 1981 agreement, provides the Port of Portland with increased protection through updated lease language and provides for a phased reduction of

leased property over the term of the lease. The new lease also significantly increases the environmental requirements for ORANG. The lease term and leasehold boundary are consistent with the recommendations of the 2010 PDX Master Plan (Airport Futures) preserving long-term flexibility and creating opportunities for infill and redevelopment to meet needs consistent with the build-out of AirTrans Center.

In addition to the lease, the Guard will enter into a Local Implementation Agreement that will require the Guard to follow Airport Rules and Regulations concerning operational issues that occur outside the Guard's leasehold. The Guard will also enter into a Deicing Agreement that will allow the Guard to discharge deicing materials into the Port's deicing system.

The prior ground lease had a January 31, 2029 expiration date. This new ground lease reconfigures the leasehold into six parcels of land totaling approximately 240 acres and removes parcels over time from the long-term lease.