

PORTLAND INTERNATIONAL AIRPORT UPDATE

TO: PDX Community Advisory Committee
FROM: Vince Granato, Chief Operating Officer
DATE: April 11, 2013

BUSINESS UPDATE

Airport Activity:

PDX started calendar year 2013 with 1,025,192 passengers, a 5.2% increase compared to January 2012. This January posted a record load factor of 78.2; ten years ago the January load factor was 59.4. This demonstrates how the airlines are more carefully balancing their seat capacity to match passenger demand. February passenger volumes increased 3.7% compared to February 2012. Seat capacity decreased 0.7% while the load factor increased 3.5 points to 81.8%.

This March, Delta's Amsterdam flight celebrates its fifth year of operations at PDX. The flight started on March 29, 2008. Delta will be up-gauging the aircraft used on this flight to an A330-300 in April. Last June they brought in this larger aircraft for the busy summer season. This will give PDX 23% more seat capacity or 55 more daily departing seats to Amsterdam in both April and May.

US Airways brought back their seasonal flight to Charlotte, NC this month; this is a month earlier than last year when the flight returned in mid-April. The flight will operate four days a week returning to daily service in May.

Alaska Airlines will add a nonstop, daily flight between Portland International Airport and Fairbanks, Alaska, running June 9 through Sept. 2, 2013.

United Airlines will operate daily nonstop flights connecting Portland International Airport and Cleveland, Ohio from June 6-Aug. 26. Cleveland serves as a United hub, providing summer travelers with more options for visiting the Rock & Roll Hall of Fame, East Coast and Midwest.

Air Canada suspended service to Toronto but is adding additional service to Calgary.

Airport Concessions/Properties:

A fifth Starbucks opened its doors Jan. 28 on Concourse C at PDX. Operated by HMSHost, the new store was designed using sustainable features— reclaimed Douglas Fir resembling shipping containers surround the chilled case; the back bar tile is made from a local manufacturer 20 miles from PDX; and a reclaimed aluminum panel is mounted on the wall to resemble the wing of a 1950s vintage airplane.

The Port recently completed a process seeking interested and qualified firms to consider the development of a Travel Center at the corner of NE 82nd Ave and NE Alderwood Road. The Travel Center concept brings together automobile fueling with food, sundries, and other

amenities to serve passengers, employees, and the community in proximity to the PDX Passenger Terminal. Although many interested parties participated in the public process, we received a single response which is being reviewed. If deemed qualified, the Port will enter into direct negotiations toward a commercial lease and development agreement. With conceptual design complete, development input could be received by the Port from the CAC in late Fall 2013.

CONSTRUCTION UPDATE

2013 PDX Airfield Projects

PDX Summer Construction

We plan to reconstruct Taxiway C and repair the south runway this spring through fall.

We plan to complete a full reconstruction of the eastern portion of Taxiway C, which provides aircraft access to and from the south runway. The south runway repair will replace concrete that was damaged after a military jet's tire failed, causing its landing gear to scrape the runway. Temporary repairs are already in place.

Taxiway C reconstruction work will run from April through mid-October. Repairs are planned for the south runway from approximately April 15 to May 31, and again from August 16 to September 29. The runway will be open between June 1 and August 15 to help accommodate peak summer traffic.

While no major flight schedule delays are expected, airport neighbors should expect increased flights over some neighborhoods during the south runway closure. That's because many aircraft that would normally use the south runway will temporarily use the north or crosswind runways.

In particular, the use of the crosswind runway will increase the number of flights over neighborhoods south of the airport. The crosswind runway use is necessary, because the north runway alone cannot accommodate all PDX flights when the south runway closes. Furthermore, the location of some airline operations on the south side of the airport will mean that the crosswind runway will see use by larger-than-usual passenger propeller aircraft.

In addition to the runway and taxiway work, the Port will be conducting additional phases of two major ramp rehabilitation projects. Beginning around mid-April, work will begin in Air Trans Center and around July 1, the second phase of the North Apron rehabilitation will begin.

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 is proceeding in phases with temporary closures of sections of the long term garage.

Airport Way Interchange

ODOT began work on the I-205 northbound on-ramp at Airport Way in February 2013 and is scheduled to complete the project in the fall of 2014.

PLANNING UPDATE

PDX Bicycle and Pedestrian Plan

The Port has begun the process of reviewing and updating the 2003 master plan, the first airport bicycle and pedestrian plan in the nation. While no major additional new capital projects are envisioned in the plan update, the update will consider a range of facility and policy alternatives with a focus on practical ways to improve the bicycle and pedestrian experience at PDX.

The Port is conducting outreach to gather feedback on the master plan update. Several audiences were identified for outreach, including airport terminal employees. The Port hosted an open house for airport employees on March 19th at PDX.

On April 30th, the Port will also host a meeting and tour of airport bike and pedestrian facilities with key external stakeholders. This will include representatives from the City of Portland, Tri-Met, ODOT, Metro, OHSU and Portland State University.

Westside Freight Access and Logistics Study

In support of the Greater Portland Export Initiative, the Port of Portland is partnering with ODOT, Metro, City of Hillsboro, Washington County, Intel, Portland Business Alliance and others to study transportation issues associated with getting high-tech manufacturing products from the west side "Silicon Forest" to PDX. The effort will look at projects, policies, and programs in an effort to provide greater travel time reliability to get products to the airport in time to meet national air cargo flight schedules. This study is scheduled to be complete by July of this year.

PDX Storm Water Master Plan

The Port has started a two year planning process that will address design and retrofitting of storm water facilities owned by the Port with in the City of Portland to insure regulatory compliance, address future development or redevelopment and support asset management planning for storm system infrastructure. Our Project Manager, Susan Aha, will join us in June to provide more background on this major planning study.

Check-in/Ticket Lobby Concept Plan

The Port has started a 12 month planning process 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.

SUSTAINABILITY UPDATE

PDX Food Donation Program

The Port of Portland has facilitated partnerships between St. Vincent de Paul, a local charitable organization, and PDX concessionaires to collect and distribute unsold, ready-to-eat food products at PDX.

The food waste diversion program provides sandwiches, salads, parfaits, baked goods, and uncut produce sold by airport concessionaires to hungry residents served by St. Vincent de Paul in Southeast Portland.

St. Vincent's had picked up 999 food items by the end of February. By the end of the first pickup day on Feb 5, Port and St. Vincent's staff had collected so much food from airport concessionaires that they needed to round up a second storage refrigerator. HMSHost donated a first refrigerator; Concessions International contributed the second.

The airport's food waste diversion program is already decreasing the amount of waste sent to the landfill at PDX (in 2012, PDX contributed a record of 201 tons of food waste to compost). Port staff expects to donate approximately 50 to 100 pounds three times a week to St. Vincent's—diverting 5 to 10 percent of high quality food from the compost pile to hungry communities.

Friends of Trees Cully Neighborhood Tree Planting

For the 5th year, the Port has worked with Friends of Trees to sponsor tree plantings in neighborhoods near Port facilities. This year's planting was on March 30th in the Cully neighborhood.

Airport Futures Natural Resource Program

On Saturday, February 9th, Friends of Trees hosted a tree planting that involved numerous volunteers and resulted in the planting of 60 larger street trees. The following week City of Portland's Re-Veg Crew installed all the native plants to complete the Elrod Slough Project that was a partnership among Multnomah County Drainage District, Friends of Trees and Columbia Slough Watershed Council (CSWC). The project was presented at CSWC's Slough 101 workshop on Saturday, March 9th.

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. At the end of February the Port received a 'Development Permit' from the City. On March 7th, the contractor was on site with 14 different species of native shrubs totaling 960 plants. These plants were used to plant the northwest half of the conversion site. The northeast half of the site will be planted next winter. The reasoning for the staggered planting is to see how the selected species mix does on the site this year and adjust the planting next year, if necessary. All 960 plants are installed, marked, and mulched.

OTHER

Travelers enrolled in Global Entry, a U.S. Customs and Border Protection (CBP) program that allows expedited clearance for pre-approved, low-risk travelers upon arrival in the United States, can now use the U.S. Customs and Border Protection program at PDX.

The voluntary program allows expedited clearance for preapproved, low-risk international travelers.

PDX passengers proceed to Global Entry kiosks, present their machine-readable passport or U.S. permanent resident card, place their fingertips on the scanner for fingerprint verification, and make a customs declaration. The kiosk issues the traveler a transaction receipt and directs the traveler to baggage claim and the exit.

Pre-approval is required to participate in Global Entry. All applicants undergo a rigorous background check and interview before enrollment. A PDX enrollment center is currently under development. While Global Entry's goal is to speed travelers through the international arrivals process, members still may be selected for further examination when entering the U.S.