



 PORT OF PORTLAND

PORTFOLIO

125TH ANNIVERSARY RETROSPECTIVE



Cover: Charles Lindbergh at the Swan Island Airport. Image courtesy of Oregon Historical Society, OHS 44918. Kaiser shipyard worker. Image courtesy of Oregon Historical Society, bb005951.

In 2016 the Port of Portland will mark its 125th anniversary – our Quasquicentennial. And, while that is a mouthful, we wanted to mark the occasion with a special issue of our annual report, *Portfolio*, with a quick look back through the decades.

Yesterday

In looking back we honor the leaders who shaped not only the Port of today but also much of the Portland metropolitan region itself. While our region's role as a trade powerhouse began with its earliest inhabitants when a network of trade routes connected major trading sites throughout the Northwest, it was the dredging of our rivers, the arrival of the transcontinental railroads, interstate highways and the construction of marine and aviation facilities that sealed the region's role as a gateway for the global movement of people and products.

Today

International trade now supports 484,067 Oregon jobs – that's more than 1 in 5. Last year \$20.9 billion in goods were exported from Oregon to customers in 203 countries and territories. At the Port, we are proud of our continuing role in this economic driver and are committed to keeping you informed of our progress in facilitating Oregon's trade economy. Hence, before we take a look back through our history, we'll provide you with a brief recap of the Port's past year's business results. In that section you will see tremendous growth at Portland International Airport, continuing strong performance at our general aviation airports, broad interest and activity at our industrial parks, but a rather disappointing year at our waterfront facilities.

Best Regards,

Tomorrow

I enter the Port's 125th year with great confidence in this organization's ability to meet the needs of businesses and citizens alike. Our airport will continue to grow with new service and some exciting changes to the terminal including the extension of Concourse E, new concessions offerings, and, in the longer term, a whole new look for the core of the terminal building.

Our industrial properties continue to draw interest with several developments already underway and I remain optimistic about the future of our marine franchise largely due to the sheer amount of investment that is occurring in facilities both on the Willamette and Columbia rivers. Since the Columbia River channel deepening was completed in 2010, there has been more than \$1 billion invested in facilities and transportation capabilities that are dependent on river commerce. I believe this investment signals strong market confidence in even sharper growth of exports through our region.

So, today, just as we were yesterday and will be tomorrow, the Port remains committed to providing access to the world for people and products and to serve Oregonians and the Oregon economy. As we move into our next 125 years you have my assurance that we will endeavor to bring stewardship, collaboration, innovation, accountability and accessibility to every interaction and business decision. We exist to serve you, the people who live and work in Oregon, and we are ultimately answerable to your demands for access to markets and economic growth balanced with environmental sensitivity. It is a responsibility we embrace and it is an honor and privilege to serve you.

FY 2014-15: THE YEAR IN REVIEW

The Airport Just Keeps Growing

In a word, the airport is going gangbusters. Portland International Airport witnessed many daily, year-around nonstop service additions by existing carriers: Southwest Airlines added service to Dallas' Love Field, LAX and Orange County, Calif. airports. Alaska Airlines added service to St. Louis and Austin, Texas. Air Canada's flight to Calgary, Alberta became year-around service.

In addition to the start of these new services, several existing PDX carriers announced nonstop service that will begin in early 2016: Alaska plans to fly daily flights to Minneapolis, Minn., Omaha, Neb. and Kansas City, Mo. beginning Feb. 18. SeaPort Airlines plans to begin service to Moses Lake, Wash. on March 1, and Spirit Airlines will begin flying to LAX on May 26. Air Canada also announced seasonal nonstop service to Toronto.

Along with an increase in domestic service, new nonstop international service helped drive PDX's growth. Icelandair started nonstop service to Reykjavik, Iceland in May 2015, and Condor Airlines started nonstop service to Frankfurt, Germany in June 2015. Both carriers flew twice-weekly successful inaugural flight seasons – so successful, in fact, that each plans to return to the PDX market for the summer of 2016 with an additional flight each week.

For FY 2014-15, PDX witnessed a 3.6 percent passenger growth over the previous fiscal year. By the 2015 calendar year end, the airport served around 16.7 million passengers, up 5 percent over CY 2014, and an all-time record. Air carriers at PDX are offering approximately 3 percent more seats than this same time last year, and load factors are at an all-time high of 85.3 percent.

The suite of PDXNext projects – our name for all of the improvements coming to the airport, kicked off with the airport's carpet replacement project, which began in January 2015. By mid-November, the airport had

replaced 13 acres of carpet in the terminal. Construction to extend Concourse E by 210 linear feet will begin in earnest in January 2016. Following the Concourse E expansion, the airport will balance the terminal by switching operational locations for Alaska Airlines and United Airlines.

Also considered a part of the PDXNext suite of projects, PDX welcomed the first phase of a three-year airport concessions redevelopment plan with the opening of 10 new shops and restaurants. The airport expects to celebrate phase two of the plan by opening additional shops and restaurants in the summer of 2016.

Rounding out the slate of airport growth and change is the quintessential customer service accomplishment – PDX is honored to have been selected as America's Best Airport for the third consecutive year by *Travel + Leisure* magazine readers.

Our general aviation airports in Hillsboro and Troutdale continue to provide valuable recreational, training and business fleet service to local pilots and businesses. At Hillsboro, Oregon's second busiest airport after PDX, a new runway was completed and a master plan update is underway at Troutdale to help determine what role the airport will play in meeting the Port of Portland's mission.

Port Industrial Properties Deliver on Their Job Growth Mission

On Swan Island the new Daimler Trucks North America headquarters office tower and parking structure is underway. Upon completion in spring 2016 it will serve some 1,574 corporate office employees and accommodate an additional 400 employees on location. Daimler is constructing the new office tower on land leased from the Port, but has the right to purchase the property once construction is completed.

At Portland International Center, south of Northeast Airport Way, Capstone Partners' PDX Logistics Center continues to grow and develop. A total of five buildings



Condor Airlines inaugural flight celebration.



Metalsmiths, now located in Concourse C.



PDX Logistics Center at Portland International Center opens.



Troutdale Reynolds Industrial Park construction.



Donation of the northern tip of Ross Island to the City of Portland.



Loading soy beans at Terminal 5.

are planned at the site. The first two buildings totaling 491,200 square feet have been completed and are fully leased with three tenants involved in trade and logistics, including Singapore-based e-commerce company Gateway Express, specialty packaging company Ernest Packaging Solutions, and natural and organic foods distributor KeHE Distributors. The third building, a state-of-the-art distribution facility at 355,000 square feet, is currently under construction with completion planned in late spring 2016.

At Troutdale Reynolds Industrial Park construction is underway on a second phase to create approximately nine lots on 184 shovel-ready acres of industrial land for future development. At 700 acres, the industrial park is the largest brownfield redevelopment site in Oregon – a conversion of the Reynolds Metals aluminum plant Superfund site. The Port purchased the site in 2007 and welcomed Phase 1 anchor tenant FedEx Ground in 2010. Commitments are currently in place for all three Phase 1 lots.

Subaru of America, Inc. will become the anchor tenant and first industrial development in Gresham Vista Business Park. The Port approved the sale of approximately 39 acres of property at Gresham Vista to Trammel Crow Portland Development, Inc. for construction of a 600,000 square-foot building for a Subaru master distribution center for auto parts. Paving the way for the development were site readiness investments by the Port, City of Gresham, Governor's Regional Solutions Team, and Metro.

This year the Port also donated approximately two acres of the northern tip of Ross Island to the City of Portland – a gift that marks the latest development in a decades-long movement by The Intertwine Alliance partners to rebuild and protect the island for fish and wildlife habitat. Portland Parks & Recreation, which already owns and manages much of Ross Island, will care for the newly-donated land.

On the more disappointing side of its industrial lands mission this year, just over 12 months after the Port entered an agreement to develop a Pembina

Pipeline Corporation rail-served propane export facility, Portland City Council established a policy opposing any new infrastructure that would expand fossil fuel storage or transport through the city. With private investment estimated at more than \$500 million dollars, the new export facility could have proved a massive boon to the local economy in the coming years, been a source for the transport of a cleaner fuel, and represented one of the largest single private capital investments in the city's history.

Marine Volumes are Down but the Outlook is Still Strong

FY 2014-15 was a disappointing one for the marine franchise. The Port owns four marine terminals – Terminal 6, the container and auto terminal on the Columbia River, and terminals 2, 4 and 5 on the Willamette River that handle bulks, autos and breakbulks. Business was down across the board with the Port's overall tonnage falling from 12,761,756 to 10,609,457 or 16.9 percent compared to FY 2013-14.

On the container side, Hanjin, Hapag-Lloyd and Westwood Shipping pulled their service from Terminal 6 in the first half of 2015 after experiencing untenable delays in service due to a labor dispute. The previous ILWU contract expired in July 2014 and after several long months of negotiations between the Pacific Maritime Association; a new contract was finally ratified in March 2015 but local issues remain. Only Westwood returned in July taking small, monthly loads of containers for export to Asia.

The Port continues to work with partners on Governor Kate Brown's Trade and Logistics Initiative to find interim freight logistic solutions for impacted Oregon small- and medium-sized exporters and importers such as our recently announced Upriver Container Barge-Rail Shuttle service to Lewiston, Idaho.

Although down in total breakbulk tonnage over the year (from 1,091,294 to 220,616 short tons), Terminal 2 received a 46,000 short ton shipment of barite ore in June 2015, representing the biggest single shipment of cargo ever at the terminal.

Grain movement was down in FY 2014-15 by 5.2 percent compared to the previous fiscal year, falling from 4,100,476 tons to 3,252,918. One of the drivers for the decline in this highest volume operation, Columbia Export Terminal was shutdown for nearly three months while considerable investment was being made to increase the handling and storage capabilities of this elevator for the years ahead.

Autos were also down fiscal year over year dropping from 264,378 units in FY 2013-14 to 246,107 in FY 2014-15. However, Ford saw great success exporting their Midwest-made cars through the Port to Asia and expects to double exports this year.

One little known aspect of the maritime business, the one business upon which the Port was founded in 1891, is the dredging operation. The Dredge Oregon completed channel maintenance for its 2015 season on the day before Thanksgiving. The dredge worked 128 days this year on 15 different projects and pumped more than 2.4 million cubic yards of material. For some perspective, that would cover a football field with 452 feet of sand. The river has been left in good shape, with plenty of advanced maintenance dredging – over-depth and over-width – conducted to ensure the channel maintains that condition through the winter. The additional work was facilitated by very low river flows this past season, carrying less sediment that could accumulate.

FY 2014-15 Financial Highlights

The Port has two primary financial structures:

Portland International Airport

PDX's operations are self-supporting and do not receive property tax support. The agreements with air passenger and cargo carriers at PDX continue to provide the cornerstone for the aviation line of business.

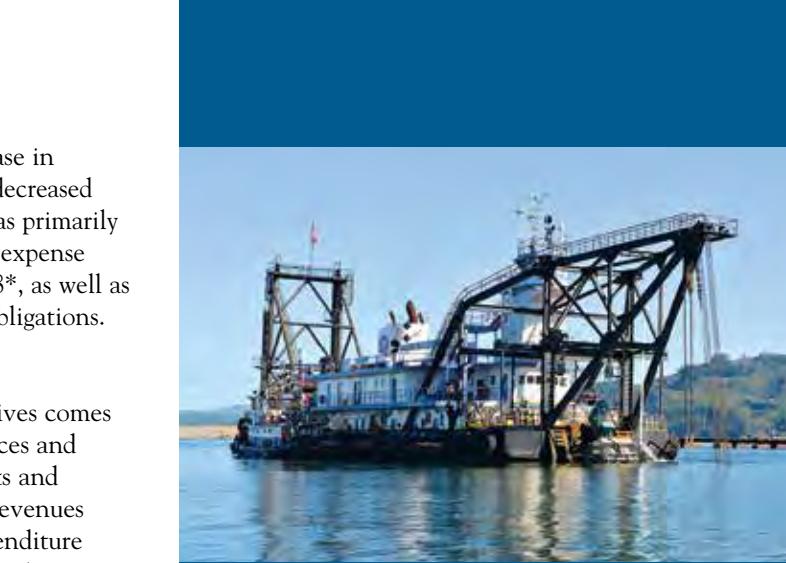
FY 2014-15 revenues increased \$16.7 million (or 7.0 percent) from the prior year to \$254.5 million. This increase is a result of higher parking and concession revenues as well as higher passenger and customer

facilities charge revenues driven by the increase in passengers traveling through PDX. Expenses decreased \$8.2 million (or 3.8 percent). This decrease was primarily attributed to \$5.9 million in negative pension expense recorded as a result of implementing GASB 68*, as well as decreased accruals for pollution remediation obligations.

General Fund

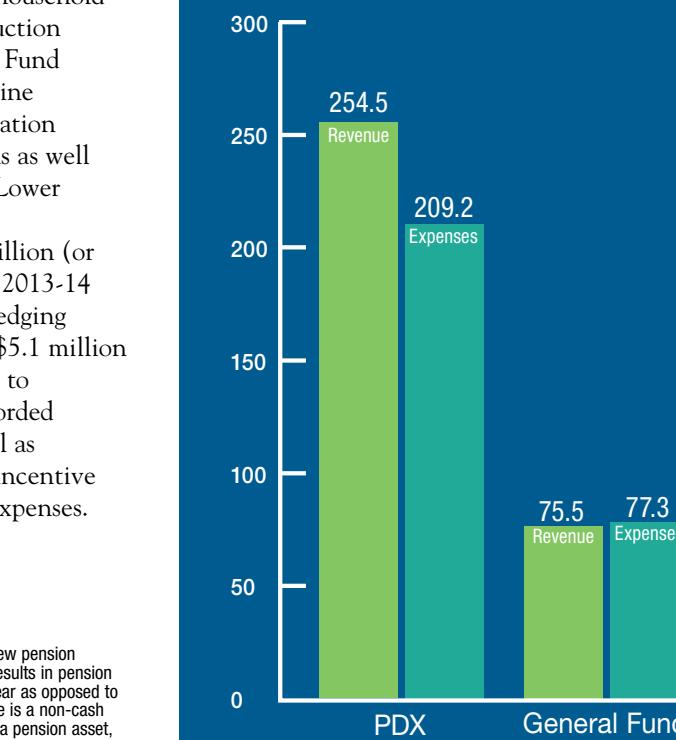
The majority of the money the Port receives comes from business transactions for the use of services and facilities. Additionally, federal and state grants and property tax revenues fund the gap between revenues generated from operations and the Port's expenditure requirements. Property taxes, which constitute 4 percent of the Port's total operating revenues, are assessed at a rate of 7.01 cents per thousand dollars of assessed value on property located within Clackamas, Multnomah and Washington counties (an average of \$18 per household per year), and are used to fund capital construction within the Port's General Fund. The General Fund encompasses operations at the Port's four marine terminals, five business parks, two general aviation airports and its navigation (dredge) operations as well as its other administrative functions and the Lower Willamette Superfund obligations.

General Fund revenues increased \$7.5 million (or 11.0 percent) in FY 2014-15 compared to FY 2013-14 as a result of increased navigation division dredging revenues. Expenses in FY 2014-15 decreased \$5.1 million (or 6.2 percent). This decrease was attributed to \$7.5 million in negative pension expense recorded as a result of implementing GASB 68* as well as decreased expense for the Terminal 6 carrier incentive program, offset in part by higher navigation expenses.

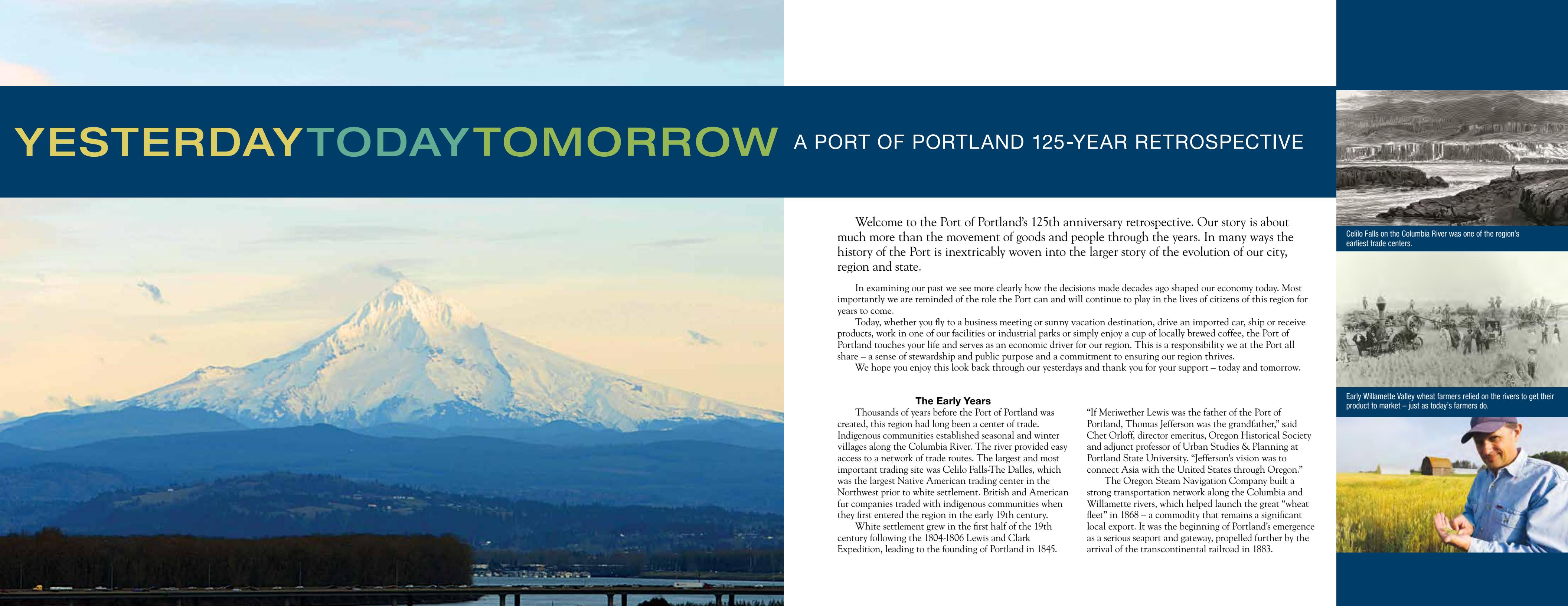


The Dredge Oregon.

Revenue and Expenses (In Millions)



* Governmental Accounting Standards Board (GASB) Statement 68 is new pension accounting guidance that was implemented in FY 2014-15. GASB 68 results in pension expense that is based on changes in the Port's pension liability each year as opposed to the Port's annual pension payments to PERS. GASB 68 pension expense is a non-cash accounting expense. The initial implementation of GASB 68 resulted in a pension asset, which translated into \$5.9 million and \$7.5 million negative pension expense entries recorded at PDX and the General Fund respectively.



YESTERDAY TODAY TOMORROW

A PORT OF PORTLAND 125-YEAR RETROSPECTIVE

Welcome to the Port of Portland's 125th anniversary retrospective. Our story is about much more than the movement of goods and people through the years. In many ways the history of the Port is inextricably woven into the larger story of the evolution of our city, region and state.

In examining our past we see more clearly how the decisions made decades ago shaped our economy today. Most importantly we are reminded of the role the Port can and will continue to play in the lives of citizens of this region for years to come.

Today, whether you fly to a business meeting or sunny vacation destination, drive an imported car, ship or receive products, work in one of our facilities or industrial parks or simply enjoy a cup of locally brewed coffee, the Port of Portland touches your life and serves as an economic driver for our region. This is a responsibility we at the Port all share – a sense of stewardship and public purpose and a commitment to ensuring our region thrives.

We hope you enjoy this look back through our yesterdays and thank you for your support – today and tomorrow.

The Early Years

Thousands of years before the Port of Portland was created, this region had long been a center of trade. Indigenous communities established seasonal and winter villages along the Columbia River. The river provided easy access to a network of trade routes. The largest and most important trading site was Celilo Falls-The Dalles, which was the largest Native American trading center in the Northwest prior to white settlement. British and American fur companies traded with indigenous communities when they first entered the region in the early 19th century.

White settlement grew in the first half of the 19th century following the 1804-1806 Lewis and Clark Expedition, leading to the founding of Portland in 1845.

"If Meriwether Lewis was the father of the Port of Portland, Thomas Jefferson was the grandfather," said Chet Orloff, director emeritus, Oregon Historical Society and adjunct professor of Urban Studies & Planning at Portland State University. "Jefferson's vision was to connect Asia with the United States through Oregon."

The Oregon Steam Navigation Company built a strong transportation network along the Columbia and Willamette rivers, which helped launch the great "wheat fleet" in 1868 – a commodity that remains a significant local export. It was the beginning of Portland's emergence as a serious seaport and gateway, propelled further by the arrival of the transcontinental railroad in 1883.



Celilo Falls on the Columbia River was one of the region's earliest trade centers.



Early Willamette Valley wheat farmers relied on the river to get their product to market – just as today's farmers do.

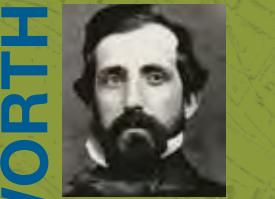


1891

WEIDLER

Many of Portland's streets and thoroughfares were named after Port leaders.

LADD



William S. Ladd
First Port of Portland
Commission President
1891-1893

CORBETT

Henry Failing
Port of Portland
Commissioner
1891-1899



FAILING

M.C. Banfield
Port of Portland
Commission President
1901-1903



FLANDERS BANFIELD

LOMBARD



1891: With House Bill 227, the Oregon Legislature established the Port of Portland to construct and maintain a 25-foot channel in the Willamette and Columbia rivers. The Port purchased its first dredge, the *Portland*, in 1897; it remained in operation until 1922. *Image courtesy of Oregon Historical Society, OrHi59894.*

1890 to 1910: The Port of Portland and the Commission of Public Docks

By the late 19th century, Portland's potential as a world seaport was diminishing. The 17-foot navigation channel prevented deep draft vessels from entering the city's harbor and there was no municipal organization to oversee routine dredging – a process that involves the underwater removal of sand. This prompted the Oregon Legislature to establish the Port of Portland in 1891. The Port's charge was to construct and permanently maintain a 25-foot shipping channel in the Willamette and Columbia rivers through dredging. The Port used a city-owned dredge vessel until 1897, when it bought its first dredge, called the *Portland*. It had a 600-horsepower engine and could move up to 8,000 cubic yards of sand a day.

"Portland was a more important port for many years than areas like Seattle, which grew up later on," said anthropologist David Lewis. "It anchored American settlements and development in the West. It was an incredible hub of activity during the country's industrial and commercial growth spurt."

Although the creation of the Port helped with channel maintenance, the city's lack of a public dock and



1914: Terminal 1, the first municipal terminal, opened on the west side of the Willamette River, just north of the present-day Fremont Bridge. *Image courtesy of Oregon Historical Society, Org. Lot 10.*

an increasingly deteriorating harbor threatened the seaport. In 1910, the Commission of Public Docks was created to oversee shipping commerce and harbor improvements.

1910 to 1920: Portland's Growth and the Port's Evolution

The Commission of Public Docks got to work, and in 1914 Terminal 1 opened on the west side of the Willamette at Front Avenue and Upshur Street, north of the present-day Fremont Bridge. It was followed by the opening of Terminal 2 in 1915, on the east side of the Willamette, near Oak Street. When the city of St. Johns was annexed to Portland that same year, its municipal waterfront facilities were designated as Terminal 3.

Terminal 4, completed in 1919, was the first terminal located in the lower harbor, north of St. Johns. It boasted a million-bushel-capacity grain elevator, extensive warehouse space and berthing space for nearly 20 ships. It is the only one of the four original terminals still in operation.

The addition of the public terminals made Portland's harbor "one of the finest in the world at the time," according to historian William F. Willingham. By 1920 the Commission of Public Docks witnessed nearly a doubling of import and export tonnage through the Port's terminals – from 2.5 million to 4.5 million tons. By 1926, 50 steamship lines called on Portland and more lumber was being exported than any other city in the world. The grain elevator at Terminal 4 also helped secure Portland's dominance as a national grain export center.

During this period, the Port also began to play an active role in the physical development of Portland, most notably with three major projects: Swan Island, Guild's Lake and the West Channel. The



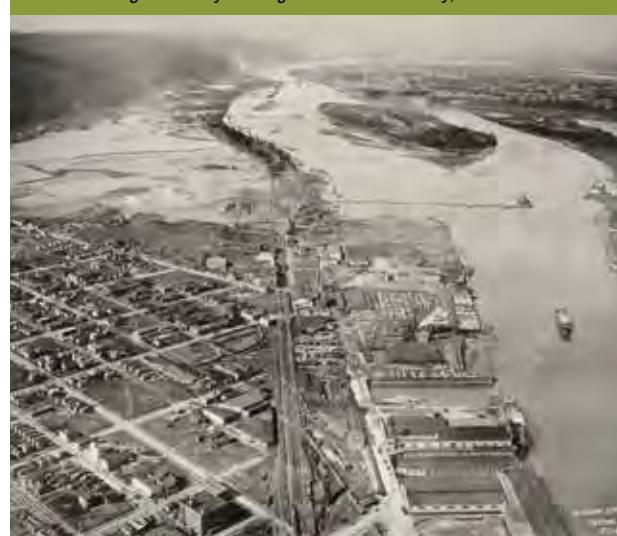
1915: The city of St. Johns was annexed into Portland and its municipal waterfront was designated as Portland's Terminal 3. Operations there ended in 1929 to make way for the St. Johns Bridge. *Image courtesy of Oregon Historical Society, Org. Lot 10.*

1919: The Commission of Public Docks Commissioners and guests gathered for an inspection tour of Terminal 4. Between 1910 and 1920, the Commission of Public Docks saw a near doubling of the import and export tonnage through Portland. *Image courtesy of Oregon Historical Society, Org. Lot 10.*



1919: Completion of Terminal 4 secured Portland's dominance as a West Coast grain export center. *Image courtesy of Oregon Historical Society, Org. Lot 10.*

1921: The Port acquired Swan Island and began work on the West Channel. *Image courtesy of Oregon Historical Society, b00599.*



1921



1927: Swan Island Airport opened. Charles Lindberg and his "Spirit of St. Louis" helped inaugurate the new airport on Sept. 14. *Image courtesy of Oregon Historical Society, OrHi 49918.*



1920 to 1940: Port Enters New Era with Aviation

At the request of the City of Portland, the Port of Portland constructed and operated an airport on Swan Island. The Port had purchased the island in 1921 as a key site for the development of the inner harbor.

As aircraft began to grow in size, the Port needed a larger facility to accommodate them. Thanks to Works Progress Administration funding during Franklin D. Roosevelt's presidency, construction began in 1936 on the Portland-Columbia Airport at the site of the present day facility. Nearly four million cubic yards of dredged river sand were used in its construction. When the airport opened in October of 1940, it was hailed as a super airport for its six runways. United Airlines and Northwest Airlines were the first commercial airlines to serve Portland.

"The transition from Swan Island to Portland-Columbia mirrored the maturing nature of the aviation industry from its early adolescence into a young adulthood," said Steve Schreiber, former director of aviation at the Port.

On the waterfront, the Great Depression saw the city's exports cut in half and in 1934, 3,000 longshore workers went on strike in what has been described by historian Michael Munk as "the most devastating work stoppage in Oregon's history."



1921: Growers from Hood River and other parts of the state shipped more than 500,000 boxes of apples through Portland. In response to the increased apple exports, the Docks Commission constructed a ventilated apple storage warehouse at Terminal 4. *Image courtesy of Oregon Historical Society, Org. Lot 10.*



1940: Longshore workers level out grain loadings in a ship's hold. Note the traditional longshore white caps – to be replaced in future years by hard hats. *Image courtesy of Oregon Historical Society, bb010803.*

1934: The longshore worker strike of 1934. *Image courtesy of Oregon Historical Society, bb002207.*



1940: One of the largest Works Progress Administration projects during Franklin D. Roosevelt's presidency, the Portland-Columbia Airport was dedicated on October 13. *Image courtesy of Oregon Historical Society, Neg. No. 67551.*



1940: United Airlines and Northwest Airlines were the first commercial airlines to take the new Portland-Columbia Airport.

1941



1941: The Port leased 94 acres at the airport to the U.S. Army, which in turn established the Portland Army Air Base. The Oregon Air National Guard 123rd observation squadron operated out of the base during the war. The Portland Air National Guard Base is now home to the 142nd Fighter Wing. *Image courtesy of city of Portland Archives and Records Center, A2004-002.1774.*



1940s: The Port During World War II – the Shipyard Years

During World War II the Port of Portland's facilities became even more critical to the nation's security. Swan Island was leased to the U.S. government as the site of a Kaiser shipyard. It put Portland on the map as a major shipbuilding center and newly built ships and other war materials accounted for the majority of cargo along the navigation channel.

The Port also leased 94 acres at Portland-Columbia Airport to the U.S. Army to establish an Oregon Air National Guard base in 1941. Marine Terminal 4 was taken over by the Army as its port of embarkation and as a supply depot, while portions of Terminal 1 and 2 were used by the military throughout the war.

In 1942, the Port purchased the Troutdale Airport. Six years later, the Vanport Flood caused the Columbia River to rise some 15 feet, flooding the Portland-Columbia Airport. Airlines flew in and out of Troutdale until the main airport was back in operation.

1941-1945: The Kaiser shipyards at Swan Island produced 147 T-2 tankers "making it the Liberty and Victory ship capital of the United States," according to Oregon Historical Society. After the war, it became the center for Port operations, including a dry dock and ship repair facilities. *Image courtesy of Oregon Historical Society, ba007682.*



1950s: International Air Service, Auto Imports Arrive

With the opening of a new 9,000-foot runway for international service in 1951, Portland-Columbia Airport became known as Portland International Airport. Before a crowd of 10,000, the dedication ceremony was marked by the landing of a Northwest Airlines Boeing 377 Stratocruiser, then the largest aircraft in operation in the U.S. The aircraft taxied through a ribbon stretched across the new runway.

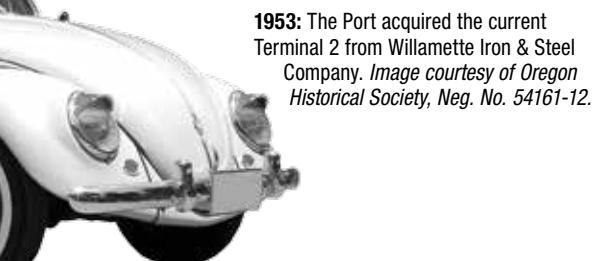
Portland was one of three airports (out of 83 in the U.S. at the time) on United Airlines' routes ready for jetliners in this age. A new terminal, the core of today's facility, opened in 1958 and enabled PDX to accommodate jets.

The decade also marked an important milestone for the Port's marine business. The Port acquired the current Terminal 2 in 1953 and it became the most prominent marine terminal in the old inner harbor.

1953-54: The first Volkswagens were imported through Portland at Terminal 1.



Auto imports made their debut when the first Volkswagen vehicles were imported through Portland at Terminal 1. The Volkswagen Beetles were sling-hoisted in cages from the hold of a ship. Auto imports earned dedicated space at Terminals 1 and 2 over the next decade, as Datsun, Toyota and Volkswagen shipped more cars through Portland.



1942: The Port acquired Troutdale Airport.

1948: The Vanport flood inundated Portland-Columbia Airport.
© Thomas Robinson



1960



1962: The Port began developing Rivergate Industrial District at the confluence of the Columbia and Willamette rivers. Rivergate is now home to more than 3,400 jobs.



1965: The *Oregon*, the Port's current dredge, began service.

The decade of the '60s came in like a lion with the Columbus Day storm of 1962. Said to be the worst storm in Portland history, it caused ships to break loose from their moorings along the Willamette River and led to \$13 million in damages to airport facilities across Oregon. Portland International Airport experienced 85 mph gusts of wind that broke terminal windows, flattened hangars and destroyed five planes. As one witness stated, "Airport hangars came apart and planes were buffeted like toys."

Also that year, the Port of Portland began developing the Rivergate Industrial District, a 2,800-acre site at the confluence of the Columbia and Willamette rivers. Served by both the Union Pacific and BNSF railroads, it quickly became home to thousands of jobs.

Out on the navigation channel, the Port's dredge vessel, the *Oregon*, began its service in 1965 and is still in use today. It was immediately put to work filling portions of the Swan Island Industrial Park and was contracted to the U.S. Army Corps of Engineers to maintain the navigation channel. Over the years, the Port has provided dredge material to create Oaks Park Amusement Park, the parking lot at Multnomah Falls, and portions of the Historic Columbia River Highway.

Aviation operations also grew with the acquisition of Hillsboro Airport in 1966.

1960s and 1970s: A Time of Growth and Change

By the end of the '60s, Pacific Rim trade was beginning to burst wide open and newer facilities were needed to remain competitive. In order to better compete for international trade, the Oregon Legislature voted in 1970 to consolidate the navigation responsibilities and aviation facilities of the Port of Portland with the marine terminal and public dock facilities of the Commission of Public Docks. Then in 1973, the Oregon Legislature approved the expansion of the Port district to include Washington and Clackamas counties. The merger and the expanded district broadened the Port's financial base, giving the region the means to compete more favorably and become one of the most complete and diverse ports in the country.

This action was timely because the shipping industry underwent a revolution during the '60s with the introduction of containerized freight. This prompted the newly consolidated Port to open Terminal 6 in 1974, designed to move container cargo in the Rivergate Industrial District. It was the first public marine terminal in Portland history not constructed on

the Willamette River. Two years later Terminal 5, also in Rivergate, opened as a modern bulk terminal. It featured a three-million-ton-capacity grain elevator and handled potash shipments, which are used to make fertilizer. By the late '70s, nearly 83,000 containers moved through the Port's Terminal 6.

The Port also increased its focus on sustainability when in late 1971 it hired an environmentalist to coordinate its environmental programs, including a six-month study to determine the environmental impact of an airport expansion. A 10-person citizen steering committee was tasked with reviewing past, present and future environmental studies undertaken by the Port.

According to Joel Rubey, the Port staff coordinator for the project, "This was the first time a governmental agency had taken this citizens' approach to an environmental statement in an effort to assure objectivity."

This early effort was just the beginning of the Port's focus on the environment and community engagement that continues today with five citizen committees, long-standing involvement with nearby neighborhood associations, school programs, events and public input in multiple long-range planning activities.

1976: The Port began construction of a modern grain elevator at Terminal 5. It is now operated by Columbia Grain Inc.



1974: Terminal 6, Oregon's only container facility, was the first public terminal not located on the Willamette River. © Thomas Robinson



1966: The Port acquired the Hillsboro Airport.
Image courtesy of Washington County Historical Society.



1971: The first Toyotas and Hondas (1973) were imported through Portland. Expansion of distribution from Portland to the Midwest combined with the energy crisis led to a record growth spurt in auto imports during the 1970s.



1971: On Nov. 4, Northwest Airlines Flight 305 from Portland to Seattle was hijacked by a man identified as D.B. Cooper. The only unsolved hijacking in history, Cooper jumped with \$200,000 in cash.

1980



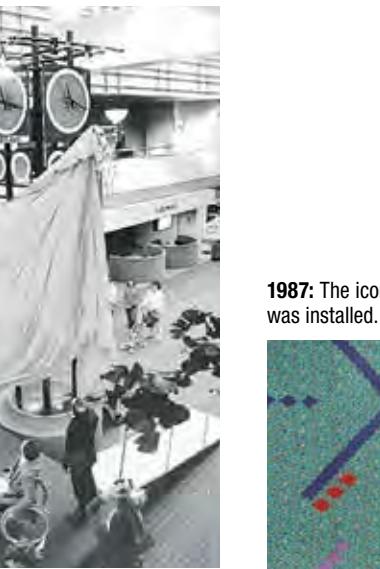
1980: A worker on the Port navigation team during the clean up in the aftermath of the Mt. St. Helens eruption. The Port's dredge, The *Oregon*, pumped 7.6 million cubic yards of material, more than any other dredge involved in the clean up. Air traffic at PDX stopped for seven hours due to ash fallout.

1980s: Growth and International Travel

Mother Nature struck the Port of Portland again when the most deadly and destructive volcanic eruption in U.S. history sent 540 million tons of ash across the region on May 18, 1980. Air traffic at Portland International Airport stopped for seven hours due to ash fallout, but PDX never officially closed. The ash proved to be a big challenge to clean up, especially for river traffic. Dredge crew members worked long hours and succeeded in opening a temporary navigation channel for ship traffic within 12 days, but the flood and ash and debris still resulted in millions of dollars of lost revenue.

Following the eruption and cleanup, the '80s marked a new decade of prosperity for the Port's marine business that continued through the turn of the century. The Columbia River system was second to only the Mississippi River in terms of cargo volume. It was a leading exporter on the West Coast of commodities such as cars, wheat, soda ash and potash to the Pacific Rim.

1980: The Port was a leading West Coast exporter of commodities such as cars, wheat, soda ash and potash to the Pacific Rim.



1987: The iconic PDX carpet was installed.



1988: The Oregon Market opened in the PDX terminal.



1986: The Port was chosen as one of Hyundai's four U.S. import centers.

2000: The Port was first in the U.S. for wheat exports and 8th in the U.S. for total export tonnage.

facility, an active wildlife management program and management of more than 800 acres of mitigation sites. Port tenants also engaged in environmentalism, with a prime example being the Toyota auto import facility at Terminal 4, which in 2006 became the first industrial site in the country to be Salmon-Safe certified.

PDX saw a great deal of construction during the late '90s including an expansion and connection of Concourses D and E, Oregon Market Food Court, a new FAA tower, extension of Concourse C, a seven-floor parking garage and 120,000-square-foot glass and steel canopy.

Opening ceremonies for the new PDX roadway canopy.

PDX late 1990s.



2001



2000s: National Tragedy and New Technology

On Sept. 11, 2001, the nation's airports came to a standstill following the terrorist attacks in New York, Washington, D.C. and in the skies over Pennsylvania. All flights were canceled for three days. Security was increased with more stringent screening measures and police presence at Portland International Airport.

Having launched the airport's website in 1996, the Port of Portland increased its digital presence when it became the first airport in the country to offer real time flight information and the first to offer free Internet access to passengers in 2004.

Other milestones during this decade helped shape future Port business. In 2004, the Port acquired the 700-acre Troutdale Reynolds Industrial Park, a site that became a model for brownfield redevelopment. In 2006, Terminal 6 had a record-breaking year for auto imports, making the Port the largest volume auto importer on the West Coast.



2001: TriMet MAX Light rail service opened providing a green alternative to and from the airport.

2010 to today: New Carpet, Facilities, Channel Completion

As the Port moved into its new LEED Platinum certified headquarters at PDX in 2010, more infrastructure upgrades followed. The Port's headquarters continue to serve as an example of the organization's serious green building commitment – a 10,000-square-foot eco-roof, a Living Machine® system that reuses water in the building for wastewater and stringent energy conservation are among its hallmarks.



2010: The Port consolidated its downtown and airport offices into a new LEED Platinum certified headquarters at PDX. The building uses 75 percent less water and 36 percent less energy than buildings of similar size.



2007: The Port purchased the former Reynolds Metals Company in Troutdale, an Environmental Protection Agency Superfund site. It became the largest brownfield redevelopment site in Oregon.



2010: Dredging of the 43-foot navigation channel from Astoria to Portland was completed. In 2014, the repowering of the Dredge Oregon helped reduce particulate matter emissions by 88 percent.

This decade also marked the completion of the Columbia River navigation channel deepening to 43 feet and the Dredge Oregon, in service for 50 years, underwent a repowering project to improve its economy, and reliability and reduce its environmental impact.

At PDX the north runway was extended and the carpet became a social media phenomenon fueled by the announcement of its replacement in 2015.

The Port also expanded its industrial land holdings by acquiring the Gresham Vista Business Park – a shovel ready site with 221 acres.

Today, the Port is No. 1 in U.S. wheat exports and more than 10 million tons of total cargo move through its marine facilities annually. PDX serves more than 16 million passengers with over 400 daily flights. The Port's five industrial parks are home to upwards of 100 businesses, including warehousing and distribution facilities for shoes, clothing, food, tires and other household goods.

All of this activity translates into more than \$4.6 billion in business revenue for the region and about 27,000 jobs.



2011: North runway Extension under construction.



2016+

Rendering of the Concourse E expansion.



Into the Future: 2016 and Beyond

In the next several years tremendous changes are in store for Port of Portland facilities. At Portland International Airport, a suite of major improvement projects, collectively known as PDXNext, is planned to continue providing award-winning comfort and convenience for travelers, operational efficiency, and safety and security. By the time they are completed in 2017, they will represent a nearly \$190 million investment.

Projects include new carpeting, for which installation is now complete; full replacement of the PDX security access control system, including relocation and expansion of both north and south security checkpoint exit lanes and new passenger waiting areas; extension of Concourse E to balance the volume of passengers using the north and south areas of the airport and improve operational efficiency; and preliminary planning for a comprehensive terminal core redevelopment. The terminal core includes the existing ticket lobby, Oregon Market, security checkpoints and baggage claim area.

Canpotex is investing about \$150 million in improvements at Terminal 5.

At the Port's marine facilities, it is fair to say that the container business will struggle a bit longer with labor challenges, but the other marine businesses show great promise. Port auto exports are projected to grow. The bulk agricultural business is growing and people are investing long term for the future. Two major Terminal 5 tenants, Columbia Grain and Canpotex (which exports potash), entered into long-term leases with the Port last year. Canpotex is investing about \$150 million and Columbia Grain about \$50 million at Terminal 5 signaling potential growth in capacity for both companies. In fact, since the Columbia River channel deepening was completed in 2010, there has been more than \$1 billion invested in facilities and transportation capabilities up and down the river that are dependent on river commerce.

Port commercial/industrial properties continue to draw interest with construction of new offices and warehouses like Daimler's headquarters at Swan Island

Rendering of Daimler's new headquarters on Swan Island. Up to 1,200 employees will work at the facility when it opens in 2016.



and the new Subaru distribution facility at Gresham Vista Industrial Park. At Troutdale Reynolds Industrial Park, construction is underway on a second phase to create approximately nine lots on 184 shovel-ready acres of industrial land for future development.

So, as it was in the past, the Port will continue to serve the region and the state by sky, land and water. As the Port's history shows, when goods, services, capital, people and their ideas travel unencumbered around the planet, the city and region thrive and the region's residents become global citizens. The Port of Portland is proud to be a part of bringing the world to the region's doorstep and working every day to ensure its actions are aligned with regional needs, expectations and values.



The Port headquarters staff.



PORT OF PORTLAND

Possibility. In every direction.®

Box 3529 Portland OR 97208