

FALL 2011

PORTSIDE

PORT OF PORTLAND

A Port of Portland publication featuring news and information about airports, marine terminals, industrial parks and environmental programs.



Importance of
Air Cargo to
Oregon Exports



3-7

Air Cargo

The Port Welcomes Asiana

8-9

Aviation News

Viva Las Vegas

10-11

Marine and Industrial Lands News

Subaru Drives into Rivergate

12-13

Business and Environmental News

Portland Chosen for Export Strategy Study

14-15

A River Runs Through Us

Portland Harbor Superfund Cleanup



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TAGGED FOR ASIA

Asiana Cargo Connects PDX to Incheon and Beyond

Weighing in at just a fraction of an ounce, the Oregon blueberry is tiny, but mighty in taste, placing it in high demand on both sides of the Pacific. But while the superfood packs a healthy punch, fresh blueberries are a little pampered when it comes to international travel.

That's why things are looking up for fresh blueberries and other Oregon and Southwest Washington grown and manufactured products whose success relies on speedy delivery to Asia. Asiana Cargo now provides nonstop air freight service connecting Portland International Airport to Incheon, South Korea and beyond.

Destinations Across Asia

Asiana provides all-cargo service aboard a Boeing 747 freighter, departing PDX on Wednesdays, Fridays and Sundays to its hub in Incheon. From there, connecting flights serve destinations throughout Asia like Osaka, Shanghai, Hong Kong and Penang. The flight returns to PDX via Anchorage, Miami and Atlanta. The service provides local businesses and shippers faster transit times, competitive pricing, less chance of cargo damage due to less handling, and cost savings.

The state of Oregon, Port of Portland, and local shipping community teamed together to help attract Asiana to PDX. Oregon's top three trading partners are in Northeast Asia – Japan, Korea and China – all served by the flight. Oregon ranks ninth in the U.S. for export value per capita. More than 470,000 Oregon jobs are supported by international trade, including imports and exports.

"We welcome Asiana to Oregon; this is great news for the entire state and region," said Gov. John Kitzhaber, pointing

out that the new service is estimated to generate nearly \$27 million annually in local business activity and some 80 jobs. “In a world where business success is measured in seconds, this speedy new cargo service will help regional businesses be competitive in the global marketplace.”

“We are pleased to bring this convenient new service to the businesses of Oregon and Southwest Washington,” said Shin Hyeon Eok, Asiana general manager of cargo marketing. “Our research shows that the Portland market possesses tremendous potential for growth.”

Building on its operations in Los Angeles, San Francisco and Seattle, Asiana’s service in Portland will greatly reinforce its West Coast network. Through the continuous introduction of new aircraft and a combination of routes, Asiana is in a strong position to meet the vast and continually changing needs of the cargo market.

A Good Fit for Customers

“This plane lands in the backyard of many of our customers here in Oregon,” said Steve Akre, OIA Global Logistics founder and executive vice president, business development. “This route eliminates a day or more of trucking products north or south to other airports to fly to Asia, which is a big benefit. There’s no question we appreciate this cargo service.”

Akre sees the new route as a good fit for regional customers who need to quickly ship to Asia electronics, high-tech components, footwear raw materials, seasonable perishables like fresh blueberries and cherries, and seafood, including live Dungeness crab and oysters.

With its world headquarters in Portland, OIA has provided reliable international freight forwarding and award-winning logistics services for more than 20 years. OIA, through its partnerships with strategically selected air carriers, secures guaranteed space allocations, allowing OIA to provide options for fast and reliable transit.

Blueberries Flying High

Fresh Oregon blueberries are a hot domestic and international commodity for many reasons, including incredible taste, high quality and high nutritional value. But it’s the superfood designation that is driving production and sales increases in recent years. Oregon remains one of the top producing states in the nation, and Oregon growers are expecting to harvest more than 60 million pounds of blueberries this year – a new production record.

Thanks to the work of the Oregon Blueberry Commission and Oregon Department of Agriculture, Oregon is addressing the final details necessary to become the first state allowed to ship fresh blueberries to South Korea. China is another emerging market. Asiana is expected to help meet these shipping needs.

“I’ve never seen a market like this where when the green light goes on, it’s going to be like a race car race,” said Jeff Malensky, Oregon Berry Packing Company marketing director, describing impending fresh blueberry sales to South Korea. “There’s a lot of interest across the board, and buyers in Korea are just as interested as the farmers in Oregon.”

Founded in 1948, Oregon Berry Packing in Hillsboro delivers Northwest blueberries, blackberries, strawberries and black raspberries to premium buyers around the world. Grown, picked and packaged under the strictest quality standards, the ripe blueberries and blackberries go from field to market in two days or less.

Time-to-Market Matters

“For any semiconductor manufacturer servicing customers globally, days/hours improved between supply chain segments matter,” said Randy Eck, Intel Corporation director of global transportation and logistics outsourcing. “Nonstop service from Portland to Asia may offer us more routing flexibility, time-to-market improvements, and other competitiveness advantages. This is a great addition to PDX for local shippers such as ourselves.”

Oregon and Washington County are home to Intel’s largest site presence in the world. Intel is expanding its presence with manufacturing and technology investments over the next several years via a new development fabrication (DIX) facility announced as part of billions in total U.S. investment. Development fabs are where Intel creates its most advanced process technologies.

“This new air cargo service, aligned with our interests as a business in the local community, is yet another example of why we can confidently make investments locally,” Eck said.

As the world’s largest semiconductor manufacturer, Intel has significant manufacturing, people, and technology investments locally and at several assembly/test sites located all across Asia. Efficient air cargo lanes moving products, equipment, and other resources to Asia destinations is a must to have consistent first-to-market advantage on new products and technologies. Intel continually reduces manufacturing cycle times at every processing step in a manufacturing flow that spans the globe.

“We believe Asiana’s new freighter service may provide another such improvement opportunity via the direct Portland routing,” Eck said. “Indeed, we suspect many businesses in the local community will look for ways to take advantage of this along with us.”

Crabs Prefer Skyways to Highways

Nothing tastes better than fresh Oregon Dungeness crab, which has not escaped the attention of the people of China.

“There’s great interest in expanding live seafood sales from the West Coast to mainland China, and this new cargo service from Portland to Asia is a step in the right direction,” said Nick Furman, Oregon Dungeness Crab Commission executive director. The commission’s mission is enhancing the image of the Dungeness crab industry, and increasing opportunities for profitability through promotion, education and research.

The industry-funded commission, supported by Oregon Department of Agriculture and seafood producers, has been increasingly involved in the Asian seafood market over the past decade. During that time, consumption has grown exponentially in China, where live seafood is preferred. Historically, shipping Oregon crab to Asia presented a host of challenges including the largest – delivering



crab quickly enough to sell them live. Asiana now provides the opportunity for Oregon crab to detour long road trips to Washington and California airports to catch flights to Asia.

Oregon was the top producer of Dungeness crab over much of the last decade. This year, a harvest of 21 million pounds is predicted, amassing a landed value in excess of \$48 million, making Dungeness crab the top seafood produced in Oregon. That economic benefit doubles when considering the positive impact beyond fishermen.

New Route, New Opportunities

“We applaud this effort to expand direct air cargo services to multiple points in Asia,” said Bryan Timm, Columbia Sportswear executive vice president and chief operating officer.

Headquartered in Washington County, Columbia Sportswear Company is a global leader in the design, sourcing, marketing and distribution of active outdoor apparel, footwear and related accessories and equipment. Founded in 1938, Columbia has earned an international reputation for innovation, quality, performance, durability, functionality, dependability and value.

“The Port serves our largest distribution center in our global network and it is vital to us that the Port continues to add services to and from this area that enable us to expand and improve service to our customers,” Timm said. “Expanding trade routes like this helps create business opportunities for companies throughout Oregon and Southwest Washington.”

by Steve Johnson



ASIANA CARGO ROUTE

One of Korea's two major airlines, Asiana offers both passenger and cargo service. Its all-cargo service at PDX aboard a Boeing 747 freighter, departs PDX Wednesdays, Fridays and Sundays to Incheon, Korea. Incheon is a hub for Asiana, offering connecting air cargo service throughout Asia, including destinations like Osaka, Shanghai, Hong Kong and Penang. The flight will return to PDX via Anchorage, Miami and Atlanta.

Nonstop air cargo service from PDX to Incheon will provide local businesses and shippers faster transit times, competitive pricing, reduced damage to cargo because of less handling, and cost savings. Nike and Intel are two of many local companies that have a manufacturing or business presence in Asia. The new route also allows the transportation of seasonal perishable cargo like Oregon blueberries, cherries, Dungeness crab and oysters.



Oregon growers are expecting to harvest more than 60 million pounds of blueberries this year – a new production record. Asiana Cargo's new nonstop flight to Incheon, Korea will provide a new way to move blueberries to market in Asia.



Anchorage, Alaska

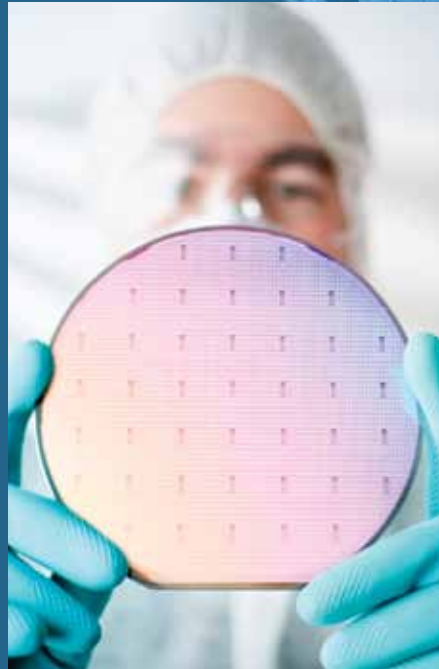
Portland

Atlanta, Georgia

Miami, Florida



Courtesy of Oregon Dungeness Crab Commission



Dungeness crab is the top seafood produced in Oregon, and a harvest of 21 million pounds is predicted this year, amassing a landed value in excess of \$48 million. Asiana Cargo service connecting PDX to Korea will help expand live seafood sales in Asia.

The computer and electronic product manufacturing industry is Oregon's largest high-tech employment sector. Speedy delivery to Asia is crucial for high-tech products grown in the Silicon Forest, and Asiana Cargo is in a good position to meet that need.

Aviation



8 SPIRIT SAYS VIVA LAS VEGAS

Portland International Airport welcomed Spirit Airlines this month with the launch of two new daily nonstop flights connecting PDX with Las Vegas – PDX's top travel destination.

The daily flights depart PDX at 7:30 a.m. and 6:10 p.m., arriving in Las Vegas at 9:30 a.m. and 8:10 p.m., respectively. The flights depart Las Vegas at 3:30 p.m. and 8:55 p.m. and arrive in Portland at 5:30 p.m. and 10:55 p.m., respectively.

"We welcome Spirit Airlines to Portland International Airport," said Steve Schreiber, Port of Portland aviation director. "We expect this service to be a big hit, as some 450,000 passengers travel each year between PDX and Las Vegas."

"We are pleased to partner once again with Spirit Airlines to offer value and convenience to visitors with this new nonstop service," said Cathy Tull, senior vice president of marketing for the Las Vegas Convention and Visitors Authority. "Las Vegas is a popular destination for both leisure and business travelers, and these new flights provide those in Portland with another easy way to get here."

More information about Spirit Airlines is available at www.spirit.com.

SOUTH RUNWAY NEARS TAKEOFF

The South Runway at Portland International Airport is scheduled to reopen in October.

Work currently underway is the third and final phase of a three-year runway rehabilitation program, which is completely reconstructing the 11,000 foot south runway, worn by years of aircraft use. In 2009, the Port of Portland rehabilitated the north runway, and in 2010, extended the north runway from the former 8,000 feet to 9,825 feet. The longer runway is now capable of accommodating the larger aircraft departures during the south runway reconstruction, keeping the airport fully operational.

Like the last two construction seasons for the north runway, many activities involving the Port and the PDX Citizen Noise Advisory Committee took place this year to let the community know about the south runway reconstruction, temporary flight changes and aircraft noise impacts.

"While we've tried to design our runway



projects in a way that helps limit aircraft noise impacts on our neighbors, we greatly appreciate their patience during this vital construction work," said Steve Schreiber, Port aviation director.

Project information sharing venues included: www.pdx.com, e-mail notifications, advertising, postcards to airport neighbors, neighborhood meetings, large community events, Port and neighborhood publications, letters to new area residents, Facebook and Twitter.



FRESH APPROACH TO NEWS AND GIFT

Portland International Airport visitors can soon browse magazines at the iconic Rich's News, or sample local to-go foods anywhere in the airport terminal, including items from Flying Elephants Deli. It's all part of 10 new news and gift operations that recently phased into service and plan full build outs of their new concepts over the next year.

At four of its locations, Paradies-My-Reo, LLC plans to update its successful concept of Your Northwest Travel Mart with its local partners like Reo's Ribs, Boyd's Coffee and Columbia Empire Farms. For its location at the end of Concourse C, Your Northwest Marketplace will offer travelers an open area where they can sit comfortably and sample local beers and food.

Host International, Inc. is bringing to three of its five locations, two of Portland's well-known brands, The Oregonian News and Rich's News. Its fourth location is The Market, offering sales of local deli foods. For the fifth location in the south lobby, Host is pairing The Market with an exciting national brand, Kiehl's, whose focus on natural skin and hair products is a perfect complement to the overall wellness and health concept.

NEW BAGGAGE SCREENING SYSTEM EASES PASSENGER CHECK-IN

Managing checked bags at Portland International Airport is now a little easier for travelers.

A new system allows travelers to simply check in their bags at airline ticket counters, rather than toting bags from ticket counters to security screening machines across the ticket lobby. Airline staff at ticket counters place the bags on belts that automatically deliver the bags to security screening equipment in the basement of the airport, en route to aircraft loading. The system also expands screening capacity and flexibility, and enhances security.

The complex system of belts, bag-sorting equipment and security screening machines, encompasses 65,000-square-feet of terminal building. Following months of testing to ensure reliability, the first half of the system phased into service last October, and the remainder of the system began transitioning this past July. Airlines were gradually added to the system to promote a smooth launch, making sure each segment was operating effectively before expanding. Redundant screening equipment was retained in the ticket lobby to use as a backup, if needed. The original baggage screening equipment in the ticket lobby was then removed, creating additional space and comfort for passengers.



AIRPORT MAX TURNS TEN

TriMet and its partner agencies celebrated a major milestone in July for the Airport MAX Red Line – 10 million rides in its 10 years of service. The 10 million ride milestone included riders traveling to and from Portland International Airport.

Created through an innovative public/private venture, Airport MAX was the first train-to-plane connection on the West Coast. Since TriMet replaced airport bus service with Airport MAX in 2001, ridership has nearly quadrupled at PDX. Airport MAX was a key factor in earning PDX recognition as the best domestic airport in four of the last five years in the Condé Nast Traveler magazine poll.

“Airport MAX provides a terrific way for travelers and airport employees to get to PDX – an option that doesn’t exist in many communities,” said Bill Wyatt, Port of Portland executive director. “That’s especially helpful as we project doubling air travelers to some 27 million by 2035.”

Airport MAX operates between Beaverton Transit Center and PDX with easy transfers from other bus and MAX lines and WES Commuter Rail. Travelers can ride to downtown Portland in 38 minutes for just \$2.35. More information about MAX is available at www.trimet.org.

AIR SHOW DOLLARS LAND IN COMMUNITY’S PROGRAMS

The 24th Annual Oregon International Air Show’s 2011 performer lineup in August at Hillsboro Airport provided thrilling memories for young and old alike, yet it’s the organization’s conduct behind the scene that makes a lasting and significant impact on the surrounding community year after year.

Since 1988, the air show has donated more than \$1.1 million to 450 local charities and non-profit organizations. This year was no different. Advocating for community involvement and volunteerism, the air show provided an opportunity for attendees to make a difference. On Friday night, the US Bank Community Kids Night, every paying adult who brought a school supply donation gained free admission for one child.

Further, the show hosts about 800 special needs children and adults annually, providing free reserved seats and lunch to various non-profit organizations including the Special Olympics, the Portland MS Society, the Oregon Youth Authority, and the Make-a-Wish Foundation. All active, retired and honorably-discharged military personnel also receive general admission free of charge.

The air show also makes an economic impact on Hillsboro and Washington County; local businesses provide goods and services to air show visitors and performers through visits to hotels, restaurants and retailers.



Marine and Properties



WELCOMING BACK LOGS

Seeing log rafts being floated up the Willamette River to Terminal 2 in late July may have caused some to do a double take. After all, it had been 14 years since the last raft of logs made the journey.

Like a blast from the past, it was the first such shipment of logs for export from the terminal since 1997. Arriving on the morning of July 29, the Emma Bulker was the first vessel to export log rafts from the Port in the 21st century. The timing was perfect to serve as an active backdrop for Seaport Celebration. (See story page 11)

The timbers are logged upriver and, like self-contained barges, they are made into rafts to float the river. Once at the terminal, they are lifted from the river by cranes onboard the vessel and placed inside the cargo holds. The logs are then exported to countries in Asia, typically China. The activity helps support local jobs, with the first ship employing three gangs of longshore workers for two days.

At the multiuse terminal, logs join steel rail, a variety of bulks (barite, manganese, urea), and large project cargo like electrical transformers and hydroelectric turbines as the various cargoes passing over the docks. Terminal 2 is also home to the U.S. Army Corps of Engineers federal hopper dredges, the Essayons and the Yaquina.

TALKING ECONOMIC DEVELOPMENT

In July, the Port of Portland hosted a Maritime Economic Development Seminar organized by the American Association of Port Authorities. More than 80 economic development and trade promotion professionals came to Portland to learn, network and share information about developing new business opportunities, managing assets, creating jobs and growing revenues.

Seminar presentations focused on developing competitive port assets, ensuring efficient land- and waterside freight transportation infrastructure, enhancing port bond ratings, communicating effectively with state and federal policymakers, attracting tenants and investments to port industrial property, and utilizing available federal programs to help small- and medium-size local businesses export their products, thus creating jobs and growing port cargo volumes.

“Investments in port infrastructure, port industrial properties and port-related intermodal connections – both land and waterside – help nations to prosper and provide an opportunity to enhance a country’s economic and employment recovery,” said AAPA President/CEO Kurt Nagle.

Among the array of economic development professionals on the agenda were the Honorable Bob Hebert, a Texas county judge and president of The National Council for Public-Private Partnerships, who addressed the topic of Attracting Private Sector Investment Partners; and Scott Goddin, director of the U.S. Export Assistance Center in Portland, whose presentation addressed Unleashing America’s Untapped Trade Potential.

UPRIVER CONNECTIONS

U.S. Senator Patty Murray was the keynote speaker at a May 31 event to recognize the collaboration that took place between the U.S. Army Corps of Engineers, Congress, and the maritime community in the Northwest during the extended Columbia River lock



outage from mid-December through most of March. Over \$68 million in replacements and repairs were completed during the closure. Advance notice and planning limited overall

impacts to upriver shippers, as did the Port’s Shipper Support Program.

Container barging between upriver ports and Portland is a cost-effective, fuel-efficient and environmentally friendly means of moving cargo. It is also an important connection to the region’s exports of things that are made and grown in inland locations.

This is why Port of Portland officials travel to meet with customers and colleagues from upriver ports annually. Partnerships established throughout the Pacific Northwest and along the Columbia/Snake river system affect the Port’s success.

This year, Port officials are returning to Clarkston on Oct. 5, and Boardman on Oct. 6. The events will provide an opportunity for marine marketing staff, commissioners, steamship lines and transportation officials to keep lines of communication open and address issues of concern in a face to face venue.

The two-way communication promoted by these events is invaluable. Beyond the “State of the Port” type of address given during the receptions, there are ample opportunities to ask questions.



Representatives from International Container Terminal Services, Inc., Hanjin Shipping, Tidewater and Westwood Shipping Lines will join the Port at the receptions. Companies like these are instrumental in helping upriver customers get their exports to market successfully.

ROLLING RIGHT ALONG

Construction began in February on a 413,000 square foot facility in Rivergate Industrial District for Subaru of America, Inc. Housing a new auto parts distribution center, service training center and regional offices, the building is on schedule to open for business in October.

Subaru's new building is the second project within a growing logistics center known as Rivergate Corporate Center III. On 114 acres owned by the Port, the property is planned to accommodate more than 2.4 million square feet of industrial space.

This development involved 19.29 acres under a 55-year ground lease with Multi-Employer Property Trust. The building, constructed to LEED Silver standards, will be subleased to Subaru for an initial term of 10 years.

The property is located near Terminal 6, the Port's marine container terminal, and it is ideally suited for marine cargo, rail and heavy distribution users. Subaru and its related entities import approximately 10,000 20-foot containers into West Coast ports annually.

Subaru's entry into Rivergate will not affect the company's vehicle import activities across the river in Vancouver. The Port of Vancouver continues to serve as the West Coast port of entry for Subaru vehicles, with a 30,000 square-foot auto processing warehouse and 40-acre cargo backup area for its operations.



SEAPORT CELEBRATION CAPS PORTLAND HARBOR TOUR SERIES

Another popular Portland Harbor Behind the Scenes tour series ended on a high note on July 30 with the return of Seaport Celebration. With the goal of introducing people to the working waterfront and showing why it matters, these free events showcase a number of business activities along the river that help keep tens of thousands employed and millions of tons of goods moving.

Except for those who regularly work on the docks or spend time on the Columbia or Willamette rivers, even longtime residents might not see the constant activity along the banks of the Portland Harbor that supports the region's jobs and economy. By taking people up close and personal, tour organizers aim to improve that level of understanding.

In mid-April, the Port of Portland and the Working Waterfront Coalition began offering a new series of free tours, including: the Port of Portland, Port of Vancouver, Portland Bulk Terminals/Canpotex, Columbia Grain, Schnitzer Steel Industries, Inc., Zidell Marine Corporation and Vigor Industrial. Many tours were waitlisted.

Seaport Celebration, presented by Gunderson, returned for its fifth year. This event provided a rare opportunity to see Terminal 2 from inside the fences for a family-friendly, fun-filled day of adventure on the river. More than 2,000 people attended the event, which featured demonstrations, interactive booths and displays, jet boat tours, fun and games for kids, food carts and live music.

FOOD AND FEDERAL AGENCY NEW FIXTURES IN CASCADE STATION

Two new, and very different, developments in Cascade Station have taken shape this year, with the newest restaurant in the area now open for business and a government field office coming soon.

Lovers of barbecue food rejoiced when a local franchise of the Famous Dave's opened in July. Located near the Best Buy store, the

restaurant specializes in barbecue ribs and hickory-smoked meats in a casual, family-friendly atmosphere. It joins numerous other established restaurants in the area including Red Robin, Buffalo Wild Wings, International House of Pancakes, Taco Del Mar, Panda Express, and others.

The new Portland field office for the Federal Bureau of Investigation broke ground last December, and it is now reaching the home stretch on construction. The 8-acre site is located in the Airport Way urban renewal area at 9109 N.E. Cascades Parkway, near the Target store. Construction of the \$60 million project is generating 600 direct jobs, with a targeted completion date of March 2012. The four-story, 121,000-square-foot building was designed to meet LEED silver certification.

Located just off of Airport Way and adjacent to Oregon's only IKEA store, Cascade Station is a mixed-use development and 800,000 square foot retail center. It is a development of CenterCal Properties, LLC, which owns and operates seven shopping centers in the western U.S.

DELIVERING GOOD NEWS

Having received the national Phoenix Award for the top brownfield redevelopment project in the nation for Troutdale Reynolds Industrial Park, officials from the Port of Portland, Alcoa and FedEx Ground attended a Troutdale City Council meeting in May to present the Phoenix Award to Mayor Jim Kight on behalf of the city. As the former home of an aluminum smelter, the property was a Superfund site and one of the largest brownfield redevelopment projects in state history.



Business and Environment



12

PORTLAND CHOSEN FOR EXPORT PLANNING INITIATIVE

The Brookings Institution Metropolitan Policy Program has selected the Portland region as one of four areas in the U.S. for the development of an export strategy. The other three regions selected include: Los Angeles, Minneapolis and Syracuse.

Through this effort Brookings intends to:

1. Demonstrate that expanding exports can be an effective and critical component of a metro area's economic and job growth strategy
2. Showcase a growing network of city and regional leaders who demonstrate the market sophistication, capacity and collaboration to develop and implement a metropolitan export plan; and

3. Reveal how state and federal policies and programs, and private sector actions, can effectively align and support tailored metropolitan export plans.

Created in 1996, the Brookings Institution Metropolitan Policy Program provides trend analysis and research and policy ideas for improving the health and prosperity of cities and metropolitan areas. Brookings developed the Metropolitan Export Initiative in response to President Obama's National Export Initiative which seeks to double U.S. exports by 2015.

The export plans will integrate market intelligence, export-related services, and policy reforms to help regions better connect their firms to global customers.

The Port is involved in the broader policy team; the core team will assist in interviewing companies and providing feedback to Brookings, providing data of freight and export activity and reviewing and influencing the strategies. The effort will wrap up in December 2011.

NEW STUDY TO IDENTIFY FUTURE JOB GROWTH SITES

The Port of Portland recently joined Metro, Portland Business Alliance, Business Oregon and the Oregon Chapter of the National Association of Industrial and Office Properties in developing a comprehensive review of the region's inventory of large industrial sites and assessing their readiness to support new private-sector jobs.

The Regional Industrial Lands Inventory and Site Readiness Project will identify the inventory of market-ready industrial sites 25 acres or larger as well as similar large industrial sites that

require added investment to make them ready for development. These sites include brownfield clean-up sites, and properties in need of additional investment in sewer and water pipes, roads and other essential public structures. The project will also consider zoning adjustments and assembly of lots under multiple ownerships.

In addition, the study will identify the top five to 10 strategically important industrial sites, 25 acres or larger, for development for new private-sector jobs. The review of the sites will include a market analysis as well as more detailed lists of actions, requirements and costs necessary to overcome the barriers to developing these sites for various types of industrial employers.

The study, to be completed by November 2011, will be used to support regional economic development efforts and inform future policy and public and private investment decisions in the region.

PORT'S 2011-12 BUDGET MIRRORS ECONOMIC RECOVERY

The Port of Portland's Fiscal Year 2011-12 budget, adopted in June, reflects slightly improved activity across business lines but also responds to continued slow economic recovery and a transition from an unprecedented high capital project activity level. Total Port operating revenues and operating expenditures are budgeted at \$236.8 million and \$162.9 million, respectively, for FY 2011-12, compared to the Adopted FY 2010-11 Budget of \$245.1 million and \$179.2 million.

The Port's fiscal year runs July 1 through June 30. Ninety-six percent of Port revenues come from user-based fees for service including



A number of large multi-year Port projects were completed in FY 2010-11. They include the extension of the north runway, the baggage screening improvement project, and airfield deicing system enhancements (shown above), at PDX as well as the completion of the Columbia River channel deepening.

airline, rental car, parking and concessions revenue as well as land sales and leases and marine terminal leases and fees. Four percent of the Port's revenue comes from property taxes levied in Clackamas, Multnomah and Washington counties.

"Guided by a thorough strategic planning process, this year's budget represents a keenly targeted approach in which we focus on key projects and programs while maintaining flexibility to respond quickly to the changing needs of our industry," said Port Executive Director Bill Wyatt.

The FY 2011-12 Adopted Budget is based on assumptions of a modest increase in container volumes and other marine business lines and moderate increases in enplanements at PDX reflecting a slow but steady growth in air travel. It also reflects the transition away from the Port's owner/operator model at marine Terminal 6 to a landlord model. Terminal 6 was leased to ICTSI Oregon, Inc. effective February 2011.

PORT SETS 2011-2012 ENVIRONMENTAL GOALS

Each year, Port leadership and employees come up with goals that help push environmental improvements just a little bit beyond the day-to-day environmental responsibility required at Port facilities. The annual goals are designed to conserve energy and water, reduce waste and air emissions, and protect natural resources.

Four fiscal year 2011-2012, the Port has developed a series of ambitious and diverse targets. These targets address everything from roof top habitat for streaked horned larks, a species of concern in Oregon, to strategies for reducing the amount of deicing material used during the winter. Employees came up with goals designed to reduce waste at Port facilities and continue efforts to reduce emissions of greenhouse gases and particulate matter.

The program is successful because it relies on employee contribution both on the front end when the goals are set, and throughout the year as the goals are met. For more information about innovative ways the Port is shrinking its environmental footprint, visit www.portofportland.com.



Streaked horned lark

LITTLE THINGS ADD UP TO A LOT

Environmental improvements can take different flavors: there are the big projects that require long-term planning, interdepartmental coordination, and significant attention to costs, benefits, and implementation; then there are the smaller projects that on their own might be easy to skip, but when included as part of a comprehensive approach to reducing environmental impacts, make a big difference.

At Portland International Airport, lead general maintenance employee Andy Sowders came up with a great way to reuse cooking oil from PDX restaurants: the maintenance team is using vegetable oil instead of diesel to coat traffic marking stencils so they clean up more easily after road maintenance. PDX vendor HMSHost was quick to offer up the cooking grease for this reuse purpose.

Back at the terminal, HMSHost, which operates Starbucks, Gustav's, and Rogue Brewery restaurants at PDX continues its earth-friendly efforts. The company has moved to more efficient water sprayers in their kitchens. With thousands of customers each day, and plenty of dishes to wash, each sprayer installed saves more than 48,000 gallons of water per year.

Gresham Sanitation, which provides waste hauling services for the Port, is the state's first trash hauler to use compressed natural gas in its vehicles. The latest addition to the company's fleet services transports the Port's garbage, recycling, and food waste to regional transfer stations while running on the clean-burning alternative fuel.

Finally, out on the tarmac, Alaska Airlines is always looking for ways to improve its deplaned waste recycling program. The air carrier, known for being a leader in recycling among airlines, partnered with the Port Waste Minimization team on sorting through trash collected on 21 flights to PDX. This involved getting dirty: a crew of

almost 20 people picked through bags of trash to determine how much of the landfill-bound waste might be diverted to recycling. The team plans to use the results to improve recycling rates on Alaska flights nationwide.



PORT DELIVERS NEWS ONLINE

It's easier than ever to find Port of Portland news on the web. Longtime newsletter Port Currents has been reborn as an all-online publication, with regular updates on Port activities and links to interesting articles on environmental management, community news, and regional events. Visit the Community Outreach section of www.portofportland.com to read the latest.

In the social media world, look for the Port's Facebook page, which connects to Port activities at its airports and seaports and not-to-be-missed items from the world of trade and transportation. Also the Noise Management Department uses a Twitter feed, @PDXNoiseAlerts, to provide timely updates on airport traffic and activities.

A RIVER RUNS THROUGH US

The Portland Harbor Superfund Cleanup

Portland is here today because of the Willamette River. The river supports trade and commerce and provides wildlife habitat and natural beauty, flowing through areas where Portlanders have long lived, worked, and played.

The Portland Harbor Superfund process is a key part of the river's future. This cleanup process presents an important opportunity to help determine how the region will balance the river's many uses.

A new initiative, with public and private partners committing more time and resources to talk about Portland Harbor cleanup, kicked off this summer. Called the Portland Harbor Partnership, its goal is to expand the number of people involved in the cleanup conversation and improve awareness of the Superfund process. This group will be going out to the public to talk more about the issues, choices, and path forward. It's important: decisions made about the cleanup of Portland Harbor will affect the entire region.

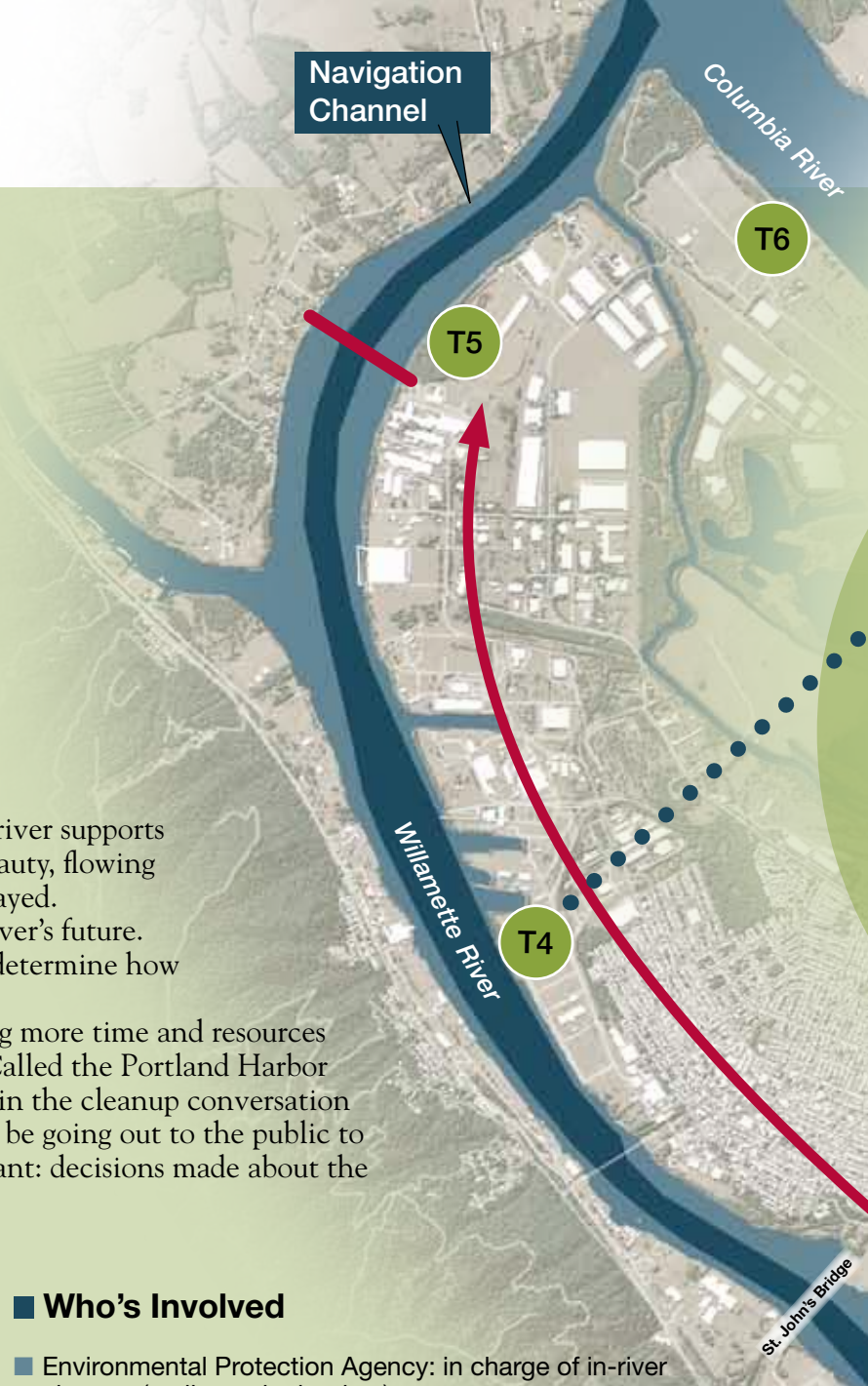
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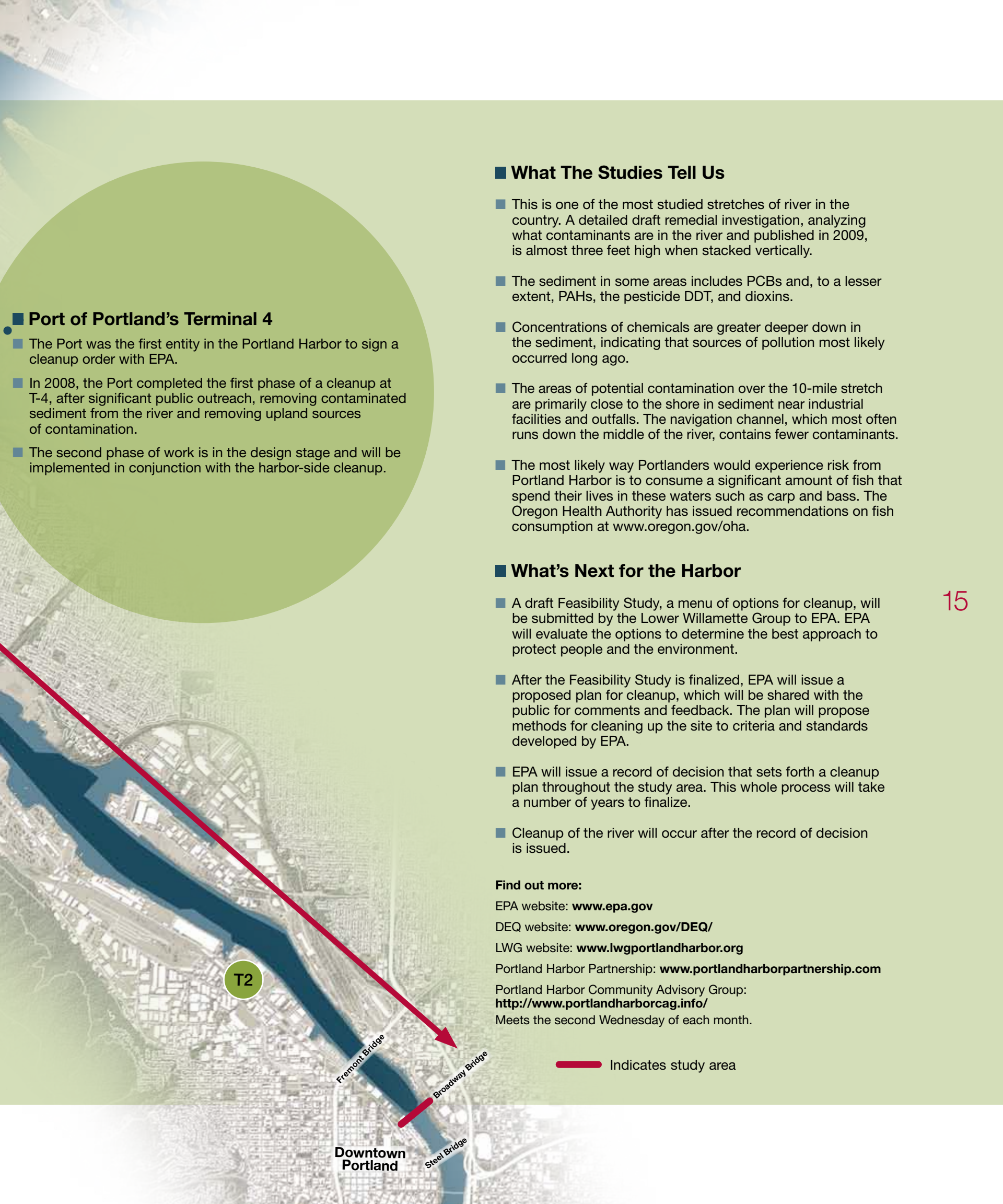
■ Portland Harbor Superfund Basics

- This 10-mile stretch of the Willamette River was declared a Superfund site in 2000 by the U.S. Environmental Protection Agency.
- A 10-year investigation of river contaminants has been funded and led by the Lower Willamette Group, a 14-member partnership of private businesses and public agencies.
- Harbor contamination is the result of more than 160 years of industrial, urban, and agricultural activities along the Willamette River, everything from ship-building during World War II to manufacturing processes to overflows of raw sewage and industrial discharge.
- More than 100 entities are likely to have some liability for Portland Harbor contamination.
- There is no "fund" or pool of money in the Superfund program for cleanup. Responsible parties that are still around today will be responsible for paying for the cleanup, including costs from businesses that no longer exist.

■ Who's Involved

- Environmental Protection Agency: in charge of in-river cleanup (sediment in the river)
- Oregon Department of Environmental Quality: oversees cleanup of upland areas (areas of adjacent land that have contributed pollutants to the river)
- Natural resources agencies and Native American tribes: serve as Natural Resources Trustees for eventual restoration efforts, to restore and enhance natural habitat
- Community and recreation groups, neighbors, private businesses, and YOU: have a stake in where, how, and when cleanup happens
- Working together, the region can improve engagement in important issues related to the environmental and economic health of Portland Harbor. A renewed Willamette is good for Portland and good for Oregon.





■ Port of Portland's Terminal 4

- The Port was the first entity in the Portland Harbor to sign a cleanup order with EPA.
- In 2008, the Port completed the first phase of a cleanup at T-4, after significant public outreach, removing contaminated sediment from the river and removing upland sources of contamination.
- The second phase of work is in the design stage and will be implemented in conjunction with the harbor-side cleanup.

■ What The Studies Tell Us

- This is one of the most studied stretches of river in the country. A detailed draft remedial investigation, analyzing what contaminants are in the river and published in 2009, is almost three feet high when stacked vertically.
- The sediment in some areas includes PCBs and, to a lesser extent, PAHs, the pesticide DDT, and dioxins.
- Concentrations of chemicals are greater deeper down in the sediment, indicating that sources of pollution most likely occurred long ago.
- The areas of potential contamination over the 10-mile stretch are primarily close to the shore in sediment near industrial facilities and outfalls. The navigation channel, which most often runs down the middle of the river, contains fewer contaminants.
- The most likely way Portlanders would experience risk from Portland Harbor is to consume a significant amount of fish that spend their lives in these waters such as carp and bass. The Oregon Health Authority has issued recommendations on fish consumption at www.oregon.gov/oha.

■ What's Next for the Harbor

- A draft Feasibility Study, a menu of options for cleanup, will be submitted by the Lower Willamette Group to EPA. EPA will evaluate the options to determine the best approach to protect people and the environment.
- After the Feasibility Study is finalized, EPA will issue a proposed plan for cleanup, which will be shared with the public for comments and feedback. The plan will propose methods for cleaning up the site to criteria and standards developed by EPA.
- EPA will issue a record of decision that sets forth a cleanup plan throughout the study area. This whole process will take a number of years to finalize.
- Cleanup of the river will occur after the record of decision is issued.

Find out more:

- EPA website: www.epa.gov
- DEQ website: www.oregon.gov/DEQ/
- LWG website: www.lwgportlandharbor.org
- Portland Harbor Partnership: www.portlandharborpartnership.com
- Portland Harbor Community Advisory Group: <http://www.portlandharborcag.info/>
- Meets the second Wednesday of each month.

— Indicates study area

 **PORTCALENDAR****September****25****Sunday Parkways**

12:00 - 5:00 p.m. • Northeast Portland

Stop by the Port's booth for updates and discussions on current Port projects, including the South Runway Reconstruction Project.

October**12****Port of Portland Commission meeting**

9:30 - 11:00 a.m. • Chinook Room, Port of Portland headquarters

13**Citizen's Noise Advisory Committee (CNAC)**

6:00 - 8:00 p.m. • Gresham City Hall, 1333 NW Eastman Parkway

CNAC is the official forum to address community aircraft noise concerns.

29**Hillsboro Airport Open House**

11:00 a.m. - 3:00 p.m.

The Hillsboro Airport Open House is an opportunity for community members to learn how the airport, in its 75 years of public use, continues to support the area's economy and aviation needs. Other event activities include behind-the-scenes airport tours, kids activities, and views of new and historic aircraft.

November**2****Hillsboro Airport Issues Roundtable (HAIR)**

5:30 p.m. • Hillsboro Civic Center, 150 E. Main Street, Hillsboro

HAIR is the community's public forum for discussion for news, information and concerns related to Hillsboro Airport.

9**Port of Portland Commission meeting**

9:30 - 11:00 a.m. • Chinook Room, Port of Portland headquarters

10**CNAC**

6:00 - 8:00 p.m. • Anchor Room, Port of Portland headquarters

December**14****Port of Portland Commission meeting**

9:30 - 11:00 a.m. • Chinook Room, Port of Portland headquarters