



AGENDA\*  
Regular Commission Meeting  
April 9, 2025  
9:30 a.m.

The Board of Commissioners of the Port of Portland will hold its monthly meeting in the Chinook Room on the 8th floor of the Port of Portland Headquarters Building, located at 7200 N.E. Airport Way in Portland, Oregon 97218.

Subject to successful streaming, the Board of Commissioners also plans to provide access to the meeting virtually on the Port's website and YouTube channel for those Commissioners, members of the public, presenters and staff unable to attend in person.

Written public comments can be submitted via email at [testimony@portofportland.com](mailto:testimony@portofportland.com). If you submit comments in writing, they will be distributed to all Commissioners for their review. If you wish to provide live testimony, you may do so in person, or you may send an email with your first and last name to [testimony@portofportland.com](mailto:testimony@portofportland.com) and you will be provided with a link to testify via MS Teams. Please limit your comments to two minutes. The deadline to sign up for live testimony via MS Teams is noon on the day prior to the Port of Portland Commission Meeting.

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### **Minutes**

Approval of Minutes: Regular Commission Meeting – March 12, 2025

### **Executive Director**

Approval of Executive Director's Report – March 2025

### **Public Comments**

### **General Discussion**

Economic Overview

CARL RICCADONNA

### **Public Hearing**

Port of Portland Fiscal Year 2025-26 Proposed Budget

ANTOINETTE CHANDLER  
FRAN BREEDING

### **Consent Item**

1. CENTRAL RECEIVING AND DISTRIBUTION CENTER  
CONTRACT AMENDMENT – PORTLAND INTERNATIONAL  
AIRPORT

KAITLIN HUNTER

Requests approval to amend the operating agreement with Bradford Airport Logistics for operation of the Central Receiving and Distribution Center at Portland International Airport.

\*Certain discussion, consent and agenda items may contain forecasts/estimates. Actual results may differ.

**Action Items**

2. COLLECTIVE BARGAINING AGREEMENT – MARINE FACILITY MAINTENANCE *JEANNE KAWAMOTO  
PAT GRILL*  
  
Requests approval of a three-year collective bargaining agreement between the Port of Portland and the District Council of Trade Unions, representing the employees who perform maintenance at the Marine terminals.
3. PUBLIC IMPROVEMENT CONTRACT – TERMINAL 6 BERTHS 603, 604, 605 AND 606 ELECTRICAL, LIGHTING AND PAVING IMPROVEMENTS PROJECT *SEAN LOUGHRAN  
BRIAN FREEMAN*  
  
Requests approval to award a public improvement contract to Kerr Contractors Oregon, LLC for the Terminal 6 Berths 603, 604, 605 and 606 Electrical, Lighting and Paving Improvements project.
4. GROUND LEASE – HIO DEVELOPMENT LLC – HILLSBORO AIRPORT *STEPHEN WINKLE*  
  
Requests approval of a ground lease agreement with HIO Development LLC, a subsidiary of Sky Harbour Holdings LLC, for development of a business aviation hangar campus at the Hillsboro Airport.
5. SECURITY SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT *ETHAN BARSKE*  
  
Requests approval to award a five-year contract to Covenant Aviation Security, LLC for security services at Portland International Airport.

**CENTRAL RECEIVING AND DISTRIBUTION CENTER CONTRACT AMENDMENT –  
PORTLAND INTERNATIONAL AIRPORT**

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April 9, 2025

Presented by: Kaitlin Hunter  
Senior Manager  
Concessions Development**REQUESTED COMMISSION ACTION**

This agenda item requests approval to amend the operating agreement with Bradford Airport Logistics (Bradford). The amendment extends the term of the operating agreement and increases the overall contract value for operation of the Central Receiving and Distribution Center (CRDC) at Portland International Airport (PDX).

**BACKGROUND**

The CRDC was implemented in 2020 as enabling work for the Terminal Core Redevelopment (TCORE) Project. Prior to the CRDC, deliveries for individual concessionaires were brought to the loading dock that was centrally located under the concourse connector. That central space was needed to build the western expansion, requiring the relocation of the loading docks and delivery infrastructure.

After issuing a Request for Information in 2019, it was determined that Bradford was the only qualified firm that was capable of setting up and operating the CRDC in the timeframe that was needed. A sole source exemption was issued for Bradford's services at that time. Initially the contract term was five years with three, one-year options. The term was intentionally kept short to allow opportunity for competitors to enter this market; however, that has not happened in the last five years. Therefore, the options will be executed early and an additional two years will be added to the contract term for an updated expiration date of November 30, 2030.

Since the launch in December 2020, Bradford has become an extremely valuable partner at PDX. Not only did they assist in the design of the CRDC building, they also developed an extensive implementation plan, including meeting with approximately 50 PDX concessionaires individually to review vendor lists and determine delivery windows. Once Bradford was set up and operating, over 800 deliveries per month were removed from the Airport Operations Area of the PDX airfield.

When Bradford began operation in 2020, they serviced 51 locations with 162 vendors. With the opening of Phase I of the TCORE project in August 2024, the number of locations increased to 66 and the number of vendors jumped to over 210. This resulted in a 30% increase in vendors since this contract was negotiated. To accommodate this increase in demand, Bradford added two additional logistics specialists. Additional equipment (trucks, pallet jacks, cages, etc.) will also be required to accommodate the extra product volume now being delivered to vendors.

CENTRAL RECEIVING AND DISTRIBUTION CENTER CONTRACT AMENDMENT –  
PORTLAND INTERNATIONAL AIRPORT

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Bradford's team performed a local wage rate survey in late 2024, for positions of similar work/services. That survey determined that the local average starting wage for similar work/services in Portland, Oregon is currently \$21.02 per hour, with some positions as high as \$25.00 per hour. The survey also determined that many local companies have been paying their new hires above Bradford's current starting wage, which is \$19.50 per hour. As a result of the market activity and in an effort to remain competitive in the logistics labor marketplace, along with maintaining strong staff retention, Bradford plans to increase hourly wages for all staff, including management, by \$1.50, such that Bradford's new starting wage will be \$21.00 per hour.

**BUDGET**

The total value of the contract to Bradford over the extended term is expected to be approximately \$16.6 million. Concessionaires at PDX pay 1% of their gross sales toward the operation of the CRDC. Currently 60% (40 locations) of the concessionaires pay this fee. This percentage will increase over time as new concession leases are signed. Costs not covered by the concession fee are paid for out of the Airline Cost Center.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to amend the operating agreement with Bradford Airport Logistics for the operation of the Central Receiving and Distribution Center at Portland International Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**COLLECTIVE BARGAINING AGREEMENT – MARINE FACILITY MAINTENANCE**

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April 9, 2025

Presented by: Jeanne Kawamoto  
Labor Relations Consultant  
Pat Grill, Senior Manager  
Marine Maintenance

**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a three-year collective bargaining agreement (CBA or Agreement) between the Port of Portland (Port) and the District Council of Trade Unions (Union), representing the 20 employees who perform maintenance at the Marine terminals.

**BACKGROUND**

After agreeing to Ground Rules on April 29, 2024, the Port and the Union held eight sessions of negotiations and one session of mediation for a successor CBA to the Agreement that was in effect through June 30, 2024. On March 6, 2025, the Port and the Union reached a Tentative Agreement (TA) on a mediation proposal. On March 20, 2025, the Union reported that its members had ratified the TA for a three-year successor CBA.

Key changes to the terms of the successor CBA:

Term of Agreement: July 1, 2024 through June 30, 2027

Wages: Effective and retroactive to July 11, 2024, wages for each classification shall increase by 3.0%. Prior to applying the increase, market adjustments of \$4.00 per hour will be applied to all classifications, except for the Boilermakers who will receive a \$2.00 per hour adjustment and the Painters who will receive a one dollar \$1.00 per hour adjustment. The retroactivity shall apply to the employees covered by the Agreement on the date the Port Commission approves the Agreement.

Effective July 10, 2025, wages for each classification shall increase by 3.0%. Prior to applying the increase, market adjustments of \$2.00 per hour will be applied to all classifications, except for the Painters.

Effective July 9, 2026, wages for each classification shall increase by 3%.

Upgrades: Working Forepersons shall receive \$3.00 over their base wage rate.

## COLLECTIVE BARGAINING AGREEMENT – MARINE FACILITY MAINTENANCE

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General Forepersons shall receive \$2.00 over the Working Forepersons base wage rate.

Employees working the Second Shift will receive a 5% premium effective July 11, 2024.

Employees working the Third Shift will receive a 10% premium, effective July 11, 2024.

Holidays: Addition of one Personal Leave day.

Sick Leave: Employees will be allowed to participate in the Port's Sick Leave to Personal Leave conversion plan.

Safety Shoes: Increase in annual allowance from \$150/year to \$225/year.

Impact (new dollars): The estimated annual increase over the last contract year of the current CBA attributable to the terms of the new three-year successor CBA, as well as the anticipated aggregate total in new dollars over the life of the successor CBA, are as follows:

Contract Year	Fiscal Year	Yearly Increase	Cumulative Increase
Year 1	FY 25/26	\$623,748	\$623,748
Year 2	FY 26/27	\$360,346	\$984,094
Year 3	FY 27/28	\$287,459	\$1,271,553

The increase in new money over the life of the CBA is projected to be \$2,879,395, or a 10.1% Compounded Annual Growth Rate over three years.

### **EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into a three-year collective bargaining agreement with the District Council of Trade Unions, beginning July 1, 2024, setting forth wages, fringe benefits and working conditions, consistent with the terms presented to the Commission; and,

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

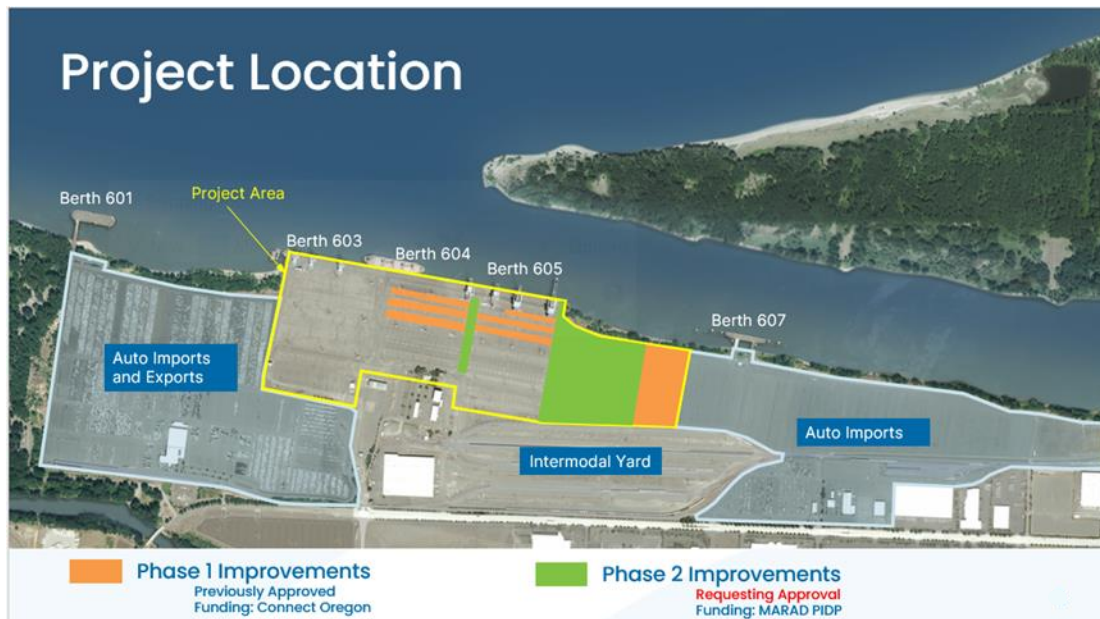
**PUBLIC IMPROVEMENT CONTRACT – TERMINAL 6 BERTHS 603, 604, 605 AND 606  
ELECTRICAL, LIGHTING AND PAVING IMPROVEMENTS PROJECT**

April 9, 2025

Presented by: Sean Loughran  
Planning & Development Director  
Brian Freeman  
Engineering Project Manager

**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a public improvement contract to Kerr Contractors Oregon, LLC (Kerr) for the Terminal 6 (T6) Berths 603, 604, 605 and 606 Electrical, Lighting and Paving Improvements project in the amount of \$15,430,725.

**BACKGROUND**

T6 is a 419-acre multipurpose terminal along the Columbia River in North Portland's industrial district. T6 is the Port of Portland's (Port) most versatile marine cargo terminal and currently handles automobile, container and breakbulk cargo. To address key infrastructure needs, the Port is implementing a multi-phase project including upgraded pavement and electrical systems that will serve diverse and evolving shipping needs. The first phase of the project is currently underway and includes pavement improvements to support more flexible and efficient cargo operations, and a new stormwater treatment installation that improves water quality and reduces staff maintenance time.

PUBLIC IMPROVEMENT CONTRACT – TERMINAL 6 BERTHS 603, 604, 605 AND 606  
ELECTRICAL, LIGHTING AND PAVING IMPROVEMENTS PROJECT

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This agenda item represents the second phase of the larger project. This phase will upgrade electrical systems, providing the Port with a more energy-efficient and resilient electrical network. This includes installation of high mast LED light fixtures and a wireless control system at Berths 603, 604, 605 and 606, and pavement rehabilitation between Berths 604, 605 and 606.

**GRANT FUNDING**

In May 2022, the Port was awarded \$24,360,000 in funding through the U.S. Maritime Administration's (MARAD) Port Infrastructure and Development Program (PIDP). The Port was also awarded a \$7,374,000 Connect Oregon grant. Together, these awards provide significant financial support of the total \$41,953,000 multi-phase improvement project planned at T6.

For both the state and federal grant applications, the Port received more than 20 letters of support from Oregon shippers, trade associations, container lines, labor unions and governmental partners, underscoring the importance of T6 to the local, state and regional economies.

**CONTRACT SCOPE OF WORK**

This project includes the following key scopes of work:

- Removal and replacement of existing pavement.
- Mill and inlay of existing pavement.
- Demolition and replacement of outdated electrical equipment.
- Replacement of 207 High Mast High-Pressure Sodium lighting fixtures with LED lighting and a wireless control system.
- One new High Mast Light pole.
- New electrical duct bank.
- Pavement marking.

**SCHEDULE FOR CONTRACT SCOPE OF WORK**

Preliminary design	November 2023 – April 2024
Design	April 2024 – January 2025
<b>Commission approval (award public improvement contract)</b>	<b>April 9, 2025</b>
Construction	May 2025 – June 2026



PUBLIC IMPROVEMENT CONTRACT – TERMINAL 6 BERTHS 603, 604, 605 AND 606  
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**CONTRACT SOLICITATION**

**Solicitation Results**

The Port procured this public improvement contract utilizing a competitive sealed bidding solicitation pursuant to Oregon Revised Statutes, Chapter 279C. The solicitation was advertised on February 20, 2025 and bids were opened on March 20, 2025. Kerr submitted the lowest responsive bid.

The bids were as follows:

Kerr Contractors Oregon, LLC	\$15,430,725.00
Northeast Electric, LLC	\$15,449,950.00
Mill Plain Electric, Inc.	\$15,772,123.00
Fulcrum Construction and Building Services LLC	\$16,096,448.88*
Granite Construction Company	\$16,165,510.00
MJ Hughes Construction	\$16,656,302.50*
Lakeside Industries, Inc.	\$16,999,999.00
Engineer's Estimate	\$16,294,600.00

\*Corrected bid total

**Small Business Participation**

Based on an availability analysis, the Port's small business enterprise (SBE) program participation goal for this contract was 11.3% of the total amount bid. The lowest responsive bid identified a 11.32% participation level. SBE includes firms certified by Oregon or Washington as minority, women, or service-disabled veteran-owned, or as an emerging small business.

**PHASE 2 BUDGET**

<b>Public improvement contract (construction)</b>	<b>\$15,430,725</b>
Personal services contract (design)	\$820,000
Port staff and contracted services	\$3,495,000
Contingency	\$2,000,000
Total budget	\$21,745,725

The contingency, representing 10.1% of the project cost, is considered reasonable given the risk profile for the project and the complexity of the work site.

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As described above, the Port expects a majority of the project costs to be funded by grants from the federal MARAD PIDP program and Connect Oregon. The Port's share of project costs will be funded by the General Fund, which is composed primarily of revenues from the Port's maritime and industrial business lines and property taxes.

**EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a public improvement contract to Kerr Contractors Oregon, LLC for the Terminal 6 Berths 603, 604, 605 and 606 Electrical, Lighting and Paving Improvements project, in accordance with its bid; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**GROUND LEASE – HIO DEVELOPMENT LLC – HILLSBORO AIRPORT**

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April 9, 2025

Presented by: Stephen Winkle  
Senior Manager, Airside  
Properties & General Aviation

**REQUESTED COMMISSION ACTION**

This agenda item requests approval of a ground lease agreement with HIO Development LLC, a subsidiary of Sky Harbour Holdings LLC, for development of a business aviation hangar campus at the Hillsboro Airport.

**BACKGROUND**

Founded in 2017, Sky Harbour is a growing aviation infrastructure development company building a nationwide network of “Home Base” campuses serving business aircraft operators. Sky Harbour develops, leases and manages general aviation hangars across the United States, targeting airfields in the largest growth markets with significant aircraft populations and high hangar demand. Sky Harbour is currently operating or is in development at 16 airports in 12 states. This development would be their third on the west coast and the first in the Pacific Northwest.

Sky Harbour seeks to lease vacant Hillsboro Airport land to construct a Home Base hangar campus for jet aircraft. At full buildout, the development would serve sub-tenants consisting of marquis corporate and private flight departments, and include two rows of interconnected hangars, a common aircraft ramp, fueling and vehicle parking facilities. The improvements will include stormwater management. This tenant seeks a 35-year lease with a 10-year extension option on up to 13.165 acres.

The development is planned to occur in two phases, with the initial phase developing approximately 343,500 square feet. The second phase will develop approximately 230,000 square feet and will occur within five years of the first phase. The proposed lease contains a 180-day developer due diligence period and is contingent on the successful completion of the National Environmental Policy Act requirements. Following that, the developer has a no-rent period to construct improvements before rent becomes payable. Rent payment is activated by the earlier of a certificate of occupancy for the development or the expiration of an 18-month no-rent construction period.

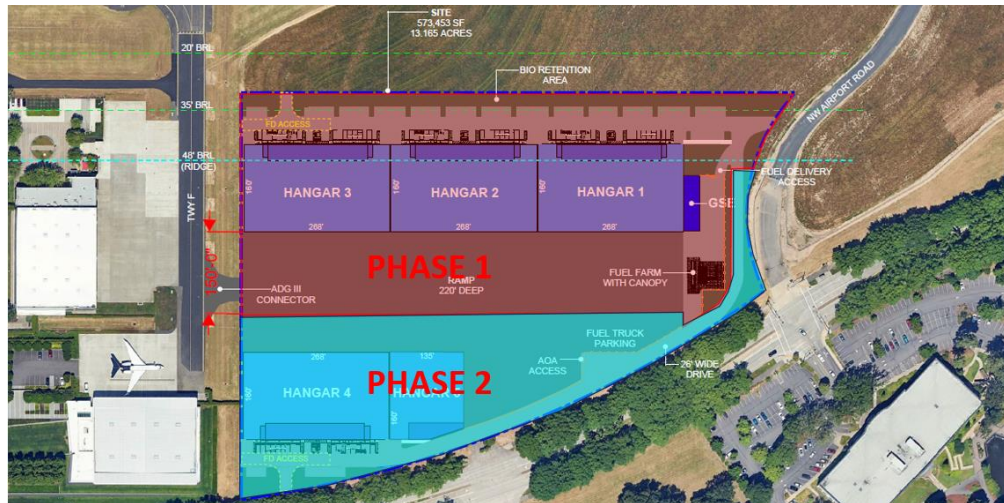
Following construction, the Port of Portland (Port) will receive the established fair market value rental rate per square foot for the property with market increases occurring on the airport's three-year adjustment cycle. The hangar campus will satisfy the Airports Minimum Standards for aeronautical operations.

No Port investments are required for this development, and tenant construction is anticipated to begin in early 2026, with Phase 1 of the development opening in 2027.

## GROUND LEASE – HIO DEVELOPMENT LLC – HILLSBORO AIRPORT

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### **KEY TRANSACTION DETAILS**

Tenant:	HIO Development LLC
Agreement:	35-year ground lease with a 10-year option
Use:	Commercial hangar development meeting Airport Minimum Standards
Property:	13.165 acres (573,453 square feet) at Hillsboro Airport
Rental rate:	Airport fair market ground rental rate, increased on a three-year cycle
Due diligence:	180-day developer due diligence period
No rent period:	Lesser of 18-months or until a certificate of occupancy is obtained
Phasing:	Construction in two phases, second phase occurs within five years of Phase 1
Parental guaranty:	Lessee's performance will be guaranteed by a parent corporation guaranty

### **EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into a ground lease with HIO Development LLC for development of a business aviation hangar campus at Hillsboro Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

**SECURITY SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT**

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April 9, 2025

Presented by: Ethan Barske  
Senior Manager  
Aviation Security

**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a five-year contract to Covenant Aviation Security, LLC (Covenant) for security services at Portland International Airport (PDX) in the amount of approximately \$3.5 million in the first year and \$5.3 million per year thereafter, for a total amount of approximately \$24.7 million over the contract term.

**BACKGROUND**

As the operator of PDX, the Port of Portland (Port) is mandated to comply with Transportation Security Administration (TSA) regulations pertaining to access control, aviation worker security screening, employee identification badge checks, vehicle inspections, security audits, patrols, escorts and other security functions. To meet these requirements, the Port contracts with third-party security firms to hire, train and manage an unarmed security officer workforce. This approach ensures flexibility in staffing to accommodate seasonal fluctuations, evolving regulatory requirements, operational changes and emergency situations.

**SUMMARY OF SCOPE AND CONTRACT TERMS**

Covenant will provide the following security services at PDX, at minimum:

- Perform employee screening at randomly assigned access points to the Restricted Area.
- Beginning in mid-2026, perform 24/7/365 employee security screening at two dedicated, fixed employee screening checkpoints being constructed as part of the Terminal Core Redevelopment (TCORE) Project Phase 2.
- Staff vehicle security checkpoints on the airfield 24/7/365 to perform personnel identity verification and vehicle security screenings.
- Post one security officer at the central terminal exit lane 24/7 to prevent counterflow and breaches of the Sterile Area until the completion of TCORE Phase 2.
- Provide security staffing at access points to the Customs and Border Protection Federal Inspection Station during international flight arrival operations.
- Conduct security patrols and audits throughout the PDX campus as assigned.
- Perform ad hoc security services as assigned by the PDX Aviation Security Department, such as staffing temporary Restricted Area access portals, providing Restricted Area escorts, or providing security staff in support of irregular operations or events.

## SECURITY SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT

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The contract term is five years. Fees will be based on hourly rates established at the time of contract award, subject to a not-to-exceed amount set in each task order.

### **CONTRACT AWARD**

#### **Selection Process**

The Port issued a Request for Proposals (RFP) on October 7, 2024, with a submission deadline of November 22, 2024. Nine proposals were received from the following firms:

- ACTS Airport Services, Inc.
- American Guard Services, Inc.
- Covenant Aviation Security, LLC
- Dark Buffalo Group, LLC
- GardaWorld Security Services
- Global Security Consulting Group, Inc.
- Inter-Con Security Systems, Inc.
- PPC Solutions, Inc.
- Universal Protection Service, LP (d/b/a Allied Universal Security Services)

Proposals were reviewed and evaluated on December 17, 2024, based on the following criteria:

- Provider qualifications
- Project team
- Project approach
- Cost/fees
- Shared Prosperity Initiative

An evaluation team consisting of representatives from Aviation Security, PDX Operations and the Port Police Department ranked Covenant as the top proposer. Specifically, Covenant's 20-year exclusive focus on aviation security, along with its high employee retention rates and commitment to investing in its staff through competitive wages, benefits, professional development, and employee recognition programs, earned it the highest scores in the provider qualifications and project approach categories.

#### **Shared Prosperity**

Covenant is committed to the Port's Shared Prosperity mission by supporting small businesses, promoting opportunity and prioritizing environmental sustainability. It has a strong track record of mentoring small businesses, participating in federal Mentor-Protégé programs, and exceeding subcontracting goals across multiple airport contracts.

## SECURITY SERVICES CONTRACT – PORTLAND INTERNATIONAL AIRPORT

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Covenant intends to partner with a local Small Business Enterprise (SBE) on this security services contract with PDX and aims to achieve a 20% SBE participation rate – equating to approximately \$4.9 million over the five-year contract term.

Additionally, Covenant fosters a workplace with equal opportunities for promotion and advancement – over 90% of its operational site management team has been promoted from within, and 75% are minorities or women. The company also prioritizes sustainability by adhering to environmental laws, supporting energy efficiency initiatives and reducing waste through recycling and digital solutions.

### **BUDGET**

Costs for this contract are accounted for in both Fiscal Year 2025 and 2026 operating budgets and are funded by the Airline Cost Center.

### **EXECUTIVE DIRECTOR'S RECOMMENDATION**

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a contract to Covenant Aviation Security, LLC for security services at Portland International Airport, consistent with the terms presented to the Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.