



AGENDA*
Regular Commission Meeting
June 12, 2024
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. 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 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.

Minutes

Approval of Minutes: Regular Commission Meeting – May 8, 2024

Executive Director

Approval of Executive Director's Report – May 2024

Public Comments

Consent Item

1. SECURITY SERVICES CONTRACT AMENDMENT – ETHAN BARSKE
PORTLAND INTERNATIONAL AIRPORT

Requests approval to amend the existing five-year contract between the Port of Portland and Global Security Consulting Group, Inc. for security services at Portland International Airport.

Action Items

2. ENACTMENT OF ORDINANCE NO. 482-B TO ISSUE UP TO TRAVIS GEORGE
\$750 MILLION OF PORTLAND INTERNATIONAL AIRPORT
REVENUE BONDS, SERIES THIRTY

Requests approval of Ordinance No. 482-B to authorize the sale of up to \$750 million aggregate principal amount of Portland International Airport Revenue Bonds, Series Thirty.

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

3. CONCESSIONS LEASE – POWELL’S BOOKS, INC. – *KAITLIN HUNTER*
PORTLAND INTERNATIONAL AIRPORT

Requests approval to enter into a retail concessions lease with Powell’s Books, Inc., for the operation of a bookstore at Portland International Airport.
4. PERSONAL SERVICES CONTRACT – WILLAMETTE COVE *DWIGHT LEISLE*
ENVIRONMENTAL CLEANUP CONSULTING SERVICES –
PORTLAND HARBOR SUPERFUND SITE

Requests approval to award a personal services contract to Maul Foster Alongi, Inc., for remedial design services for the Portland Harbor Superfund cleanup project at Willamette Cove.

SECURITY SERVICES CONTRACT AMENDMENT – PORTLAND INTERNATIONAL AIRPORT

June 12, 2024

Presented by: Ethan Barske
Senior Manager
Aviation Security

REQUESTED COMMISSION ACTION

This agenda item requests approval to amend the existing five-year contract between the Port of Portland (Port) and Global Security Consulting Group, Inc. (Global Security) for security services at Portland International Airport (PDX). The proposed amendment would increase the scope of work under the contract and increase the contract's total compensation limit from \$6.5 million to \$11 million.

BACKGROUND

As the operator of PDX, the Port is mandated by the Transportation Security Administration (TSA) to perform specific functions to maintain airport security. These functions include, but are not limited to, controlling access to security-restricted areas, conducting checks of employee security badges, performing searches of vehicles at airfield checkpoints and ensuring tenant compliance with prohibited item restrictions in the terminal's Sterile Area.

The Port uses contract security officers to perform these functions due to seasonal and fluctuating staffing needs that may change unexpectedly because of operational conditions, TSA security directives, or emergency situations.

Multiple departments at the Port also utilize security services contracts to fulfill security officer needs for both long-term projects and one-time events. This work may include providing access control for construction areas or escorting non-badged personnel into restricted areas.

In January 2021, the Port entered into a five-year contract with Global Security to provide security services at PDX. The contract was awarded for approximately \$1.3 million per year, for a total amount not to exceed \$6.5 million.

AMENDMENT

Annual expenses on this contract are now approximately \$2 million and the \$6.5 million cap will be exceeded before the contract expires on December 31, 2025. Driving factors for these higher costs include Port-approved rate increases due to inflation, and additional work scope due to new TSA requirements to perform security screening of airport employees. Additionally, beginning in August 2024, this contract will be used to fulfill an 18-month need for 24/7 security staffing of a temporary passenger exit corridor in the new main terminal until the completion of Phase 2 of the PDX Terminal Core Redevelopment Project. The new work scope described above will be provided for in the new amendment, under the contract's existing compensation framework.

The new estimated total contract spend is between \$10 million and \$10.5 million, based on current annual costs and considering the cost of the additional work scope described above through the end of 2025. The proposed contract amendment would detail the additional work scope and would cap the total contract spend at \$11 million in order to provide for contingencies.

These costs are accounted for in the Fiscal Year 2024 and Fiscal Year 2025 budgets.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to amend the existing contract with Global Security Consulting Group, Inc., 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.

ENACTMENT OF ORDINANCE NO. 482-B TO ISSUE UP TO \$750 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES THIRTY

June 12, 2024

Presented by: Travis George
Director, Capital Finance &
Debt Management

REQUESTED COMMISSION ACTION

This agenda item requests approval of Ordinance No. 482-B to authorize the sale of up to \$750 million aggregate principal amount of Portland International Airport (PDX) Revenue Bonds, Series Thirty (Series Thirty Bonds), in one or more series, to fund certain Port of Portland (Port) capital projects at PDX, supplement the Subordinate Lien Bonds (SLB) Reserve Account, to pay capitalized interest on the bonds, to refund all or a portion of outstanding Series Twenty-Two SLBs (the Refunded Bonds), to pay costs of issuance, and repay principal and interest incurred under outstanding Commercial Paper (CP) promissory notes.

BACKGROUND

The Series Thirty Bonds represent the final financing for the PDX Terminal Core Redevelopment (TCORE) Project. The bonds will also provide funding for the following PDX projects: Ground Source Heat Pump System, Baggage Handling System Checked Baggage Resolution Area Expansion and Control System Upgrade, and Central Utility Plant HVAC and Roof Replacement. The Port has previously funded a substantial portion of the TCORE project costs through the issuance of fixed-rate long-term bonds and short-term CP promissory notes that were subsequently refinanced with fixed-rate bonds. The Series Thirty A Bonds will enable the Port to continue that funding strategy and will repay CP promissory notes issued to fund recent construction costs on a short-term basis.

A second series of the Series Thirty Bonds (Series Thirty B Bonds) will also be issued to refund all or a portion of the Refunded Bonds to achieve debt service savings. The Refunded Bonds were issued in September 2014 to pay the costs of constructing a variety of terminal projects at PDX. The Refunded Bonds were issued as fixed-rate bonds, with interest coupon rates ranging from 4.00% to 5.00%, a final maturity of July 1, 2044, and a call option on or after July 1, 2024. At the time of issuance of the Series Thirty B Bonds, the Refunded Bonds will be outstanding in the principal amount of \$78,050,000.

The Series Thirty Bonds will be repaid with funds from the Port's Airline Cost Center, which is composed of revenues from a combination of airlines' rates and charges, grants, bonds and passenger facility charges.

ENACTMENT OF ORDINANCE NO. 482-B TO ISSUE UP TO \$750 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES THIRTY

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PLAN OF FINANCE

The Port plans to use a portion of the Series Thirty A Bond proceeds to fund the SLB Reserve Account, as required by the Port's master General Airport Revenue Bond Ordinances No. 155 and 323.

As of May 15, 2024, short-term CP promissory notes in the amount of \$17.2 million have been issued to fund TCORE project construction costs after the proceeds of last bonds issued for the TCORE project, Series Twenty-Nine, were expended. The Port will continue to issue CP promissory notes to fund TCORE project construction costs between now and the issuance of the Series Thirty Bonds. As noted above, the Port will use a portion of the Series Thirty A Bond proceeds to repay the outstanding CP promissory notes.

The proceeds of the Series Thirty B Bonds will be used to purchase U.S. government securities and placed in an escrow account to pay the Refunded Bonds on their redemption date.

GREEN BOND DESIGNATION

The Series Thirty A Bonds are anticipated to be designated as Green Bonds. Kestrel Verifiers, a Green Bonds external review agent, has provided an independent review. Kestrel is expected to provide an independent second-party opinion that the Series Thirty A Bonds align with the core components of the International Capital Market Association's Green Bond Principles and therefore qualify for Green Bonds designation.

The Green Bonds designation would be an acknowledgement of the Port's overall commitment to sustainability, particularly as reflected in the design and implementation of the TCORE project. Green Bonds are expected to appeal to certain investors that have a mandate or desire to invest in qualifying projects.

ORDINANCE TERMS

The Series Thirty Bonds will bear interest at fixed rates and likely amortize over 30 years with a final maturity no later than July 1, 2054.

The Port will seek credit ratings for the Series Thirty Bonds from S&P Global Ratings (S&P) and Fitch Ratings. The Port's SLBs are currently rated "AA-" by both S&P and Fitch.

Staff expects to price and close the Series Thirty Bonds in August 2024. If the municipal bond market experiences significant disruption during or around that time period due to market volatility or other unanticipated factors, then the Port may either reduce the amount to be borrowed or extend the financing schedule until market conditions are appropriate to meet the objectives of the financing.

ENACTMENT OF ORDINANCE NO. 482-B TO ISSUE UP TO \$750 MILLION OF PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS, SERIES THIRTY

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Moreover, the Port's Debt Management policy provides that the Port will monitor market conditions and interest rates on an ongoing basis for opportunities to refund its outstanding debt to achieve debt service savings. Based on current bond interest rates, this refunding is expected to generate net present value savings well in excess of the policy's minimum threshold, which is 3% of the refunded principal amount. However, if market conditions are such that the refunding of all or a portion of the Refunded Bonds is not expected to generate sufficient net present value savings, the Port may reduce or eliminate the issuance of the Series Thirty B Bonds.

Section 3 of Ordinance No. 482-B delegates authority to take actions and sign the documents that are required to sell and provide for the issuance and delivery of the Series Thirty Bonds, in one or more series, to the Port's Executive Director and Chief Financial Officer, or a designee thereof. Such actions may include, among other actions described in the ordinance, the following:

- Prepare, approve, authorize the distribution of, deem final, execute and deliver the disclosure documents for the Series Thirty Bonds.
- Establish the final series designations, principal amounts, maturities, interest rates or methods of determining interest rates, sale prices, optional and/or mandatory redemption provisions, notice provisions, payment terms and dates, record dates and other terms for each series of the Series Thirty Bonds.
- Provide continuing disclosure in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
- Determine whether to purchase, establish the terms of and obtain one or more credit facilities (a credit enhancement device given as security) for the Series Thirty Bonds.
- Determine whether to purchase and obtain reserve sureties, deposit cash and investments in the SLB Reserve Account, and take any other action necessary to satisfy the SLB Reserve Requirement.
- Select the maturities of any Refunded Bonds to be refunded.
- Execute and deliver one or more escrow deposit agreements, appoint one or more escrow agents and verification agents, and take any actions that are required to redeem, refund and/or defease all or any portion of the Refunded Bonds, which actions may include directing an escrow agent to purchase appropriate securities for deposit in an escrow account.
- Prepare, execute and deliver one or more certificates, bond declarations and supplemental actions specifying the terms under which the Series Thirty Bonds are issued, the form of the Series Thirty Bonds and the administrative provisions that apply to the Series Thirty Bonds.

ENACTMENT OF ORDINANCE NO. 482-B TO ISSUE UP TO \$750 MILLION OF PORTLAND
INTERNATIONAL AIRPORT REVENUE BONDS, SERIES THIRTY

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- Hold a public hearing with respect to the issuance of the Series Thirty Bonds pursuant to the public approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.
- Execute and deliver any other documents and take any other action in connection with the Series Thirty Bonds which will be advantageous to the Port.

PARTICIPANTS

In addition to the Port, the primary firms involved in the Series Thirty Bond transaction are:

- PFM Financial Advisors LLC is the Port's municipal advisor.
- Hawkins Delafield & Wood LLP is bond counsel to the Port.
- Orrick, Herrington & Sutcliffe LLP is disclosure counsel to the Port.
- The underwriting banks will be Bank of America Securities, Inc. as co-senior manager (book runner) and Siebert Williams Shank & Co., LLC as co-senior manager, with Jefferies LLC and Goldman Sachs & Co. as co-managers.
- U.S. Bank Trust Company, National Association will be the trustee, registrar, paying agent and escrow agent.
- Landrum & Brown, Incorporated, is the airport consultant responsible for preparing the Report of the Airport Consultant.
- Kestrel Verifiers is the independent Green Bond external reviewer.
- S&P and Fitch are expected to provide credit ratings on the Series Thirty Bonds.
- Moss Adams LLP is the Port's auditor.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That Port of Portland Ordinance No. 482-B, in the form presented to the Commission, be read by title only; and

BE IT FURTHER RESOLVED, That a public hearing be held in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and

BE IT FURTHER RESOLVED, That proposed Port of Portland Ordinance No. 482-B, in the form presented to the Commission, be enacted by a roll call vote.

ORDINANCE NO. 482-B

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE IN ONE OR MORE SERIES OF NOT MORE THAN \$750,000,000 AGGREGATE PRINCIPAL AMOUNT OF PORTLAND INTERNATIONAL AIRPORT REVENUE AND REFUNDING BONDS TO PAY OR REIMBURSE THE PORT FOR THE PAYMENT OF THE COSTS OF DESIGNING, CONSTRUCTING, RENOVATING, ACQUIRING, EQUIPPING AND INSTALLING IMPROVEMENTS AT THE PORTLAND INTERNATIONAL AIRPORT, TO PAY PRINCIPAL AND INTEREST DUE WITH RESPECT TO COMMERCIAL PAPER NOTES PREVIOUSLY ISSUED BY THE PORT TO FINANCE SUCH IMPROVEMENTS, TO REFUND OUTSTANDING PORTLAND INTERNATIONAL AIRPORT BONDS, TO PAY COSTS OF ISSUING THE BONDS, INCLUDING INTEREST TO ACCRUE ON ALL OR A PORTION OF THE BONDS, TO FUND CERTAIN RESERVES, AND FOR ANY OTHER LAWFUL PURPOSE OF THE PORT; AUTHORIZING AMENDMENTS TO THE PORT'S AIRPORT REVENUE BOND ORDINANCE NO. 155, AS AMENDED, AND AIRPORT REVENUE BOND ORDINANCE NO. 323, AS AMENDED; AUTHORIZING AND PROVIDING FOR RELATED MATTERS AND DOCUMENTS.

WHEREAS, the Board of Commissioners of The Port of Portland (the "Board") has determined and does hereby determine that it will be advantageous to The Port of Portland (the "Port") to authorize the issuance by the Port of its Portland International Airport Revenue and Refunding Bonds, Series Thirty, in one or more series (collectively, the "Series Thirty Bonds"): (i) to pay or reimburse the Port for the payment of costs of designing, constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport, (ii) to pay the principal and interest due with respect to commercial paper notes previously issued by the Port, the proceeds of which financed costs related to such improvements, (iii) to refund all or a portion of the Portland International Airport, Revenue Bonds, Series Twenty-Two (AMT), (iv) to pay costs of issuing the Series Thirty Bonds, including interest to accrue on all or a portion of the Series Thirty Bonds, (v) to fund certain reserves, if necessary, and (vi) for any other lawful purposes of the Port;

WHEREAS, the Port has declared its intention to reimburse itself with proceeds of the Series Thirty Bonds for expenditures of Port funds to pay costs of designing, constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport; and

WHEREAS, the Series Thirty Bonds will be issued pursuant to Section 10 of Ordinance No. 323, enacted October 9, 1985, as amended and restated thereafter and as hereafter amended, restated and supplemented ("Ordinance No. 323"), on a parity with the Port's currently outstanding airport revenue bonds (the "SLBs");

NOW THEREFORE, BE IT ENACTED BY THE PORT OF PORTLAND:

Section 1. Terms Defined in Ordinance No. 155 and Ordinance No. 323.

1.1 As used in this Ordinance No. 482-B (the “Ordinance”), the following terms shall have the meanings defined for such terms in Ordinance No. 155, enacted November 10, 1971, as amended and restated thereafter and hereafter amended, restated and supplemented (“Ordinance No. 155”) and in Ordinance No. 323, as follows:

Term:	Defined in Ordinance No.
Airport	155
Airport Fund	155
Credit Facility	323
General Account	155
Investment Securities	155
Net Revenues	155
Port	155
Rebate Account	323
SLB Fund	323
SLB Principal and Interest Account	323
SLB Reserve Account	323
SLB Reserve Fund Requirement	323

1.2 In addition to the terms defined as provided in Section 1.1 of this Ordinance, the following terms shall have the following meanings:

“Additional SLBs” means the bonds and other obligations that qualify as “Additional Subordinate Lien Bonds,” as that term is defined in Ordinance No. 323.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable rulings and regulations of the United States Treasury Department.

“DTC” means The Depository Trust Company, New York, New York or any successor serving as securities depository under this Ordinance.

“Executive Director” means the Executive Director or the Chief Financial Officer of the Port and any designee of the Executive Director or the Chief Financial Officer of the Port.

“Outstanding” refers to any Series Thirty Bonds that have been issued and delivered under this Ordinance except:

(a) Series Thirty Bonds that have been canceled by the Trustee because of payment or redemption or that have been surrendered to the Trustee for cancellation; or

(b) Series Thirty Bonds that are no longer deemed outstanding because of the application of Section 17 of Ordinance No. 323.

“Owner” means a registered owner of a Series Thirty Bond, as shown on the registration books maintained by the Trustee.

“Refunded Bonds” means, the Port’s Portland International Airport Revenue Bonds, Series Twenty-Two (AMT) that are refunded with proceeds of the Series Thirty Bonds.

“Rule” means United States Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12).

“Series Thirty Bonds” means the SLBs of each series authorized by Section 2.1 of this Ordinance.

“SLBs” means bonds and other obligations that qualify as “Subordinate Lien Bonds” as that term is defined in Ordinance No. 323.

“SLB Construction Account” means the Subordinate Lien Revenue Bond Construction Account in the Construction Fund created under Section 8 of Ordinance No. 323.

“Trustee” means the “Subordinate Lien Bond Trustee” as defined in Ordinance No. 323.

Section 2. Authorization and Security for Bonds.

2.1 Pursuant to Oregon Revised Statutes (“ORS”) Sections 778.145 to 778.175, ORS Sections 287A.360 to 287A.375, and the provisions of Ordinance No. 155 and Ordinance No. 323, the Board hereby authorizes the Port to sell and issue in one or more series up to \$750,000,000 aggregate principal amount of Portland International Airport Revenue and Refunding Bonds: (i) to pay or reimburse the Port for the payment of costs of designing, constructing, renovating, acquiring, equipping and installing improvements at the Portland International Airport, (ii) to pay the principal and interest due with respect to commercial paper notes previously issued by the Port, the proceeds of which financed costs related to such improvements, (iii) to refund all or a portion of the Refunded Bonds, (iv) to pay costs of issuing the Series Thirty Bonds, including interest to accrue on all or a portion of the Series Thirty Bonds, (v) to fund certain reserves, if necessary, and (vi) for any other lawful purposes of the Port. The Series Thirty Bonds authorized by this Section 2.1 shall be issued as fixed-rate bonds, and may be issued in one or more series.

2.2 The Series Thirty Bonds shall be issued pursuant to Section 10 of Ordinance No. 323 and shall be payable solely from the Net Revenues of the Airport that are available for deposit in the General Account and from moneys in the SLB Fund and SLB Construction Account as provided in Section 4 of Ordinance No. 323 and in the documents authorized by Section 3.8 of this Ordinance.

2.3 The Board also authorizes the Port to obtain one or more Credit Facilities, if necessary and desirable, to secure all or a portion of the Series Thirty Bonds, to enter into one or more reimbursement agreements with the provider or providers of such Credit Facilities, if necessary and desirable, and to enter into the agreements and other documents referred to in Section 3.

Section 3. Delegation.

The Executive Director is hereby authorized, on behalf of the Port and without further action by the Board and the Board hereby ratifies actions heretofore taken by the Executive Director in connection with the Series Thirty Bonds, to:

3.1 Sell and provide for the issuance of the Series Thirty Bonds in one or more series.

3.2 Participate in the preparation of, approve, authorize the distribution of, and deem final, and execute and deliver the disclosure documents for the Series Thirty Bonds.

3.3 Select the maturities of any Refunded Bonds to be refunded.

3.4 Establish the final series designations, principal amounts, maturities, interest rates or methods of determining interest rates, sale prices, optional and/or mandatory redemption provisions, notice provisions, payment terms and dates, record dates and other terms for the Series Thirty Bonds of each series; provide for the Series Thirty Bonds to be held by or through the facilities of DTC; and select one or more underwriters, negotiate terms of the sale of the Series Thirty Bonds with those underwriters and enter into one or more bond purchase agreements with those underwriters.

3.5 Undertake to provide continuing disclosure in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission; provided that any such undertaking shall provide that if the Port fails to comply with the continuing disclosure undertaking, the Owners and the beneficial owners shall have only the remedies specified in such continuing disclosure undertaking and that failure by the Port to comply with the continuing disclosure undertaking shall not constitute a default on any SLBs or an event of default under this Ordinance, Ordinance No. 155 or Ordinance No. 323.

3.6 Determine whether to purchase, and establish the terms of and obtain, one or more Credit Facilities for the Series Thirty Bonds and enter into agreements with providers of those Credit Facilities to repay any amounts paid under the Credit Facilities (plus fees and other costs of such providers) from the Net Revenues of the Airport in accordance with Ordinance No. 323.

3.7 Determine whether to purchase, and obtain, reserve sureties, deposit cash and investments in the SLB Reserve Account, substitute sureties for cash then on deposit in the SLB Reserve Account or substitute cash for sureties then credited to the SLB Reserve Account and take any other action necessary to satisfy the SLB Reserve Requirement.

3.8 Prepare, execute and deliver one or more certificates, bond purchase agreements, bond declarations and supplemental actions specifying the terms under which the Series Thirty Bonds are issued, the form of the Series Thirty Bonds and the administrative provisions that apply to the Series Thirty Bonds. These documents may contain additional covenants and terms for the benefit of the owners of the Series Thirty Bonds, providers of Credit Facilities for the Series Thirty Bonds, if any, and providers of any reserve sureties.

3.9 Except in the case of any Series Thirty Bonds, the interest on which the Port intends to be includable in gross income for federal income tax purposes, enter into covenants by the Port to maintain the excludability of interest on the Series Thirty Bonds from gross income under the Code.

3.10 Determine whether to provide, and provide, if applicable, that a portion of the Series Thirty Bonds bear interest that is includable in gross income for federal income tax purposes.

3.11 Execute and deliver one or more escrow deposit agreements, appoint one or more escrow agents and verification agents, and take any actions that are required to redeem, refund and/or defease all or any portion of the Port's outstanding Refunded Bonds, which actions may

include directing an escrow agent to purchase appropriate securities for deposit in an escrow account.

3.12 Obtain any necessary consents from the providers of the Port's existing interest rate swaps, surety bond reserve policies and/or Credit Facilities.

3.13 Obtain an independent external review and opinion that one or more series of Series Thirty Bonds qualify for an environmental, social, and/or governance designation, such as "Green Bonds."

3.14 Create special accounts and subaccounts within the SLB Fund that is held under Ordinance No. 323, as amended, for the Series Thirty Bonds and provide for deposits and withdrawals of amounts in those subaccounts.

3.15 Provide for the application of the proceeds of the Series Thirty Bonds, including application to the payment of interest accruing on all or a portion of the Series Thirty Bonds, as specified by the Executive Director.

3.16 Provide for the investment of proceeds of the Series Thirty Bonds.

3.17 Hold a public hearing with respect to the issuance of the Series Thirty Bonds pursuant to the public approval requirements of Section 147(f) of the Code or delegate the authority to hold such public hearing to any Assistant Secretary or Assistant Treasurer of the Port.

3.18 Execute and deliver any other documents and take any other action in connection with the Series Thirty Bonds and the refunding of the Refunded Bonds which the Executive Director finds will be advantageous to the Port.

Section 4. Amendments to Ordinance No. 323 and to Ordinance 155.

4.1 The Port may amend and restate Ordinance No. 323 and Ordinance No. 155 to delete the final paragraph of Section 9 of Ordinance No. 323 and to remove all other references in those ordinances to "Excess Principal."

4.2 As the Port has done in the ordinances authorizing all currently outstanding series of SLBs, the Port hereby provides and clarifies that the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners of the Series Thirty Bonds for any of the purposes listed in this Section 4.

(a) To amend the definition of "Airport" to add any facilities operated by the Port whether or not such facilities are related to aviation.

(b) To provide that the Airport Fund (other than the SLB Fund) may be invested in any securities that are legal investments for the Port under the laws of the State of Oregon.

(c) To provide that the SLB Fund may be invested only in Investment Securities, and to define Investment Securities to include those securities that are then typically permitted for the investment of debt service and the reserve funds of revenue bonds that have credit ratings similar to the credit ratings then in effect for the SLBs.

(d) To permit the Port's obligations under derivative products (including interest rate swaps, collars, hedges, caps and similar transactions) to be treated as SLBs and to make other changes which are desirable in order to permit use of derivative products in connection with SLBs.

(e) To permit obligations that are subordinate to the SLBs to be issued for any lawful Port purpose.

(f) To provide that balloon obligations will be treated as if they were refinanced with long-term obligations for purposes of calculating the SLB Debt Service Requirement and making certain deposits to the SLB Fund.

(g) To provide that any "put" or other right of Owners to require the purchase of SLBs shall not be treated as a maturity or mandatory redemption and may be ignored when calculating the SLB Debt Service Requirement and the amounts to be deposited to the SLB Fund, but only if bond insurance, a line or letter of credit, a standby bond purchase agreement or other liquidity or credit enhancement is in effect which is expected to pay for the purchase of the SLBs when the Owners exercise that right, if the SLBs are not remarketed or refunded.

(h) To provide that certain amounts in the SLB Serial Bond Principal Account and the SLB Term Bond Principal Account (now part of the combined SLB Principal and Interest Account) may be used for redemption or purchase for cancellation of SLBs.

(i) To reduce the SLB Reserve Fund Requirement to an amount equal to the maximum amount of proceeds of tax-exempt bonds which the Code permits to be deposited in a reserve account without yield restriction, and to specify either that separate reserve accounts will be held for each series of SLBs, or that a single reserve account will secure all series of SLBs.

(j) To modify the requirements for funding the Rebate Account or to eliminate the Rebate Account.

(k) To combine Ordinance No. 155 and Ordinance No. 323, to delete outdated provisions, to delete provisions that interfere with the business operations of the Port but that do not provide substantial security for owners of SLBs, to clarify and simplify the remaining provisions, to substitute modern, more flexible provisions, and to restate those amended ordinances as a single ordinance.

4.3 As the Port has done previously in the ordinances authorizing the Port's Airport Revenue Bonds, Series Nineteen, Series Twenty, Series Twenty-One, Series Twenty-Two, Series Twenty-Three, Series Twenty-Four, Series Twenty-Five, Series Twenty-Six, Series Twenty-Seven, Series Twenty-Eight, and Series Twenty-Nine, in addition to the amendments provided in Sections 4.1 and 4.2, the Port may amend Ordinance No. 155 and Ordinance No. 323 without the consent of the Owners of the Series Thirty Bonds for any of the purposes listed in this Section 4.3.

(a) To amend the definition of "SLB Debt Service Requirement" so that for purposes of calculating compliance with the Port's rate covenants, the amount of principal and/or interest on SLBs and/or the amount of Scheduled Swap Obligations paid or to be paid from moneys

not then included in the definition of “Revenues” or “Net Revenues” shall be disregarded and not included in any calculation of “SLB Debt Service Requirement.”

(b) To amend Ordinance No. 323 to provide that for purposes of determining compliance with Section 10 of Ordinance No. 323, the amount of passenger facility charges, customer facility charges, state and federal grants or other payments and/or other moneys that are not then included in the definition of “Revenues” or “Net Revenues” but that are committed irrevocably to the payment of debt service on SLBs and to the payment of Scheduled Swap Obligations or that are held by the Trustee for the sole purpose of paying debt service on SLBs and paying Scheduled Swap Obligations may be disregarded and not included in the calculation of SLB Debt Service Requirement for the period in which such amounts are irrevocably committed or are held by the Trustee.

(c) To permit all or a portion of the Remaining Balance, as hereinafter defined, to be taken into account as “Revenues” when determining compliance by the Port with its rate covenants. For this purpose, “Remaining Balance” means for any fiscal year the amount of unencumbered funds on deposit or anticipated to be on deposit on the first day of such fiscal year in the General Account (after all deposits and payments required to be made by Section 7 of Ordinance 323 have been made) as of the last day of the immediately preceding fiscal year.

(d) To permit the application of proceeds received from the sale of SLBs or of Junior Lien Obligations to make termination payments incurred in connection with terminating swap agreements or other derivative products.

Section 5. Formal Matters.

5.1 The power granted in Section 4 to amend Ordinance No. 155 and Ordinance No. 323 supplements and clarifies, but does not limit, the power of the Port to amend Ordinance No. 155 under its Section 20 and Ordinance No. 323 under its Section 12.

5.2 The Executive Director may determine that the providers of Credit Facilities for the Series Thirty Bonds, if any, shall be treated as Owners of the Series Thirty Bonds secured by those Credit Facilities for purposes of consenting to amendments to Ordinance No. 155, Ordinance No. 323 and the documents relating to the Series Thirty Bonds.

5.3 Provisions of the documents that are executed pursuant to Section 3 shall have the same effect as if those provisions were included in this Ordinance.

5.4 The Port may restate Ordinance No. 323 and Ordinance No. 155 to include the amendments contained in this Ordinance and may combine Ordinance No. 155 and Ordinance No. 323 without the consent of any Owner or beneficial owner, Credit Facility provider or swap provider.

5.5 Pursuant to ORS Section 778.255(3), a concise summary of this Ordinance, including the location within the Port where a complete copy of this Ordinance may be obtained without charge, shall be published within five (5) days after passage in a newspaper of general circulation within the boundaries of the Port.

5.6 Capitalized terms that are used but not defined in this Ordinance shall have the meanings defined for such terms in Ordinance No. 155 or Ordinance No. 323.

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PASSED AND ENACTED by the Board of Commissioners of The Port of Portland at a meeting held on June 12, 2024, and signed by its President.

THE PORT OF PORTLAND

Commission President

Approved as to Form for The Port of Portland:

Hawkins Delafield & Wood LLP
Bond Counsel to The Port of Portland

CONCESSIONS LEASE – POWELL’S BOOKS, INC. – PORTLAND INTERNATIONAL AIRPORT

June 12, 2024

Presented by: Kaitlin Hunter
Sr. Manager
Concessions Development

REQUESTED COMMISSION ACTION

This agenda item requests approval to enter into a retail concessions lease with Powell’s Books, Inc. (Powell’s) for the operation of a bookstore at Portland International Airport (PDX).

BACKGROUND

In April of 2023, 21 new concessions leases were approved by the Commission. The leases included a variety of food and beverage and retail leases, spanning both phases of the Terminal Core project. To award these leases, the concessions team utilized a combination of direct negotiations and a Request for Proposals process.

Upon approval of the 21 new leases, negotiations were still underway for a final large retail space in the South Hall. Powell’s, a longstanding Port of Portland partner and iconic Portland institution, was identified for that location, but needed more time to finalize its commitment. Bookstores repeatedly top the list of in-demand retail concepts in passenger surveys, and Powell’s is universally synonymous with Portland.

As a Phase II location, the design and construction schedules will benefit from the extra time needed for this leasing process. Following is a map of the Terminal Core concessions layout, including Powell’s in the South Hall.

CONCESSIONS LEASE – POWELL’S BOOKS, INC. – PORTLAND INTERNATIONAL AIRPORT

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KEY BUSINESS TERMS

Terms for this lease are identical to those previously approved by the Commission and are listed below for reference.

Locations: T2TC73 and T2TC74; approx. 1,940 square feet.

Term: 7 years; term begins on the first day of operation, approximately January 2026.

Percentage rent: 10% (\$0 – \$800,000)
12% (\$800,000.01 – \$1,200,000)
14% (\$1,200,000.01 +)

CONCESSIONS LEASE – POWELL’S BOOKS, INC. – PORTLAND INTERNATIONAL
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Opening incentive: If concessionaire is open for business on or before the date identified above, or a mutually agreed upon later date, concessionaire will receive a 50% reduction of the first three months’ rent due.

Standard terms: Other lease terms for performance metrics, quality assurance, sustainability, street pricing, customer service, cleanliness and operational efficiencies will also be included. Utilities are metered and billed on consumption, and storage is billed by the square foot as needed.

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 concessions lease with Powell’s Books, Inc., 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.

**PERSONAL SERVICES CONTRACT – WILLAMETTE COVE ENVIRONMENTAL CLEANUP
CONSULTING SERVICES – PORTLAND HARBOR SUPERFUND SITE**

June 12, 2024

Presented by: Dwight Leisle
Environmental Program Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a personal services contract to Maul Foster Alongi, Inc. (MFA), in the amount of \$5,000,000 for remedial design services for the Portland Harbor Superfund cleanup project at the Willamette Cove site, specifically to replace the contract previously awarded to GSI Water Solutions, Inc (GSI).

BACKGROUND

This replacement contract is the result of a departure from GSI of the engineer of record for the project, who was also designated as a Key Person under the GSI contract. GSI could not provide replacement personnel with the same technical qualifications without subcontracting with another consulting firm. This contract is being awarded directly to MFA pursuant to ORS 279B.500(6)(C), the unique and specialized knowledge exemption. This change in contract allows for this ongoing remedial design work to be completed on schedule and consistent with the total contract limit approved by Commission in October 2023.

Willamette Cove is located on the east bank of the Willamette River approximately in the center of the 10-mile stretch of the Portland Harbor Superfund Site.



The upland site is approximately 24 acres of open natural area. The site is currently vacant and covered with native and invasive vegetation. Metro acquired the Willamette Cove site in 1996 under a public bond measure. The Port of Portland (Port) and Metro have been under a

PERSONAL SERVICES CONTRACT – WILLAMETTE COVE ENVIRONMENTAL CLEANUP
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Voluntary Cleanup Agreement with the Oregon Department of Environmental Quality (DEQ) to clean up the upland portion of the site. Despite signs posted at the site to prevent trespassing, people routinely access the site.

The Port owned a portion of the upland from 1903 to 1953, where the public common-use shipyard known as the St. Johns Ship Repair Yard was constructed. The St. Johns Dry Docks moved to Swan Island in 1953 and the Port sold the land. The Port had no further ownership interest in Willamette Cove. Other historical uses at Willamette Cove included plywood and lumber mills, a cooperage plant, marine salvage facilities and other facilities associated with the lumber industry. The contamination at Willamette Cove resulted from these historical activities. Most of the parties who caused contamination at Willamette Cove are either bankrupt or otherwise insolvent.

In January 2017, the Environmental Protection Agency (EPA) issued its final cleanup plan (called a Record of Decision) to address contamination in the Willamette River, including Willamette Cove. Prioritizing cleanup of Willamette Cove to address risks to the health of people who access the site from land and water is critical to the Port and its public agency partners.

In 2019, the Port, the City of Portland (City), the State of Oregon (State) and the Federal Government started talking to EPA about designing the cleanup of the in-water portion of Willamette Cove. Having public agencies initiate these conversations would help advance remediation efforts at this key site. The site was unlikely to be addressed in a timely fashion without strong leadership. The Port also recognized that there is strong community interest in the cleanup of this site. The public agencies, all of whom are connected to the site, present some of the only remaining connections to the site's historic past.

An Administrative Settlement Agreement and Order on Consent (Settlement) was entered into in December 2019 by EPA; the State of Oregon, acting by and through the Department of State Lands (DSL); the City and the Port; collectively referred to as the Willamette Cove In-Water Remedial Design Group (WC Group) for the Willamette Cove In-Water Project Area (Project Area). The purpose of the Settlement was to implement a 100% remedial design at the Willamette Cove Project Area. Willamette Cove is one of 17 project areas in the Portland Harbor Superfund Site going through remedial design.

GSI was selected in December 2019 as the common consultant to perform this work for the WC Group after a Request for Proposal process. Pursuant to the Settlement, the Port is the contract administrator for this work (GSI contract). The GSI contract was executed in December 2019. The current contract ends December 31, 2024, although work is now expected to extend into 2025. Approximately \$4.8 million of the \$11.5 million contract cap remains on the GSI contract.

PERSONAL SERVICES CONTRACT – WILLAMETTE COVE ENVIRONMENTAL CLEANUP
CONSULTING SERVICES – PORTLAND HARBOR SUPERFUND SITE

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In April 2024, the engineer of record for the project (designated as a Key Person under the GSI project) left GSI. GSI lacked replacement personnel with the same technical qualifications and expertise to continue the project without subcontracting key technical work to personnel at other consulting firms.

The WC Group concluded that the best path forward would be to terminate the GSI contract for convenience and establish a new contract with MFA to complete the remaining remedial design work. MFA has unique and specialized knowledge to complete the remaining remedial design work for the Willamette Cove Project Area. MFA personnel have extensive knowledge of the project, and MFA is committed to meeting the project's current budget and schedule.

GSI successfully lead this project for four and one-half years and completed nearly 14 of the 18 required deliverables to EPA. The Port and the WC Group thank GSI for their hard work and dedication.

CONTRACT SCOPE OF WORK

The scope of work for environmental cleanup consulting services at Willamette Cove for this new contract includes the following:

- Provide comprehensive program management services to ensure compliance with requirements in federal and state agreements, including but not limited to developing work plans and reports.
- Perform pre-design site investigations in support of remedial design.
- Conduct remedial design and associated services.
- Assist on public engagement, outreach, education and training.

The new contract with MFA is only for the work that GSI has not already completed under the contract; MFA will not be starting over, they will be picking up where GSI left off.

The scope of work does not include the construction of cleanup, but rather assistance to conduct the planning and to complete the remedial design work that GSI has not already completed under the GSI contract. The construction of the remedial action (the cleanup of the site) will be covered under a separate agreement and contract.

CONTRACT TERMS AND BUDGET

In October 2019, the Commission first approved the personal services contract to provide remedial design of the Willamette Cove cleanup to GSI. At that time, the estimated total project costs were about \$8.1 million. Since that time, the estimated total project costs have escalated to a total of about \$14.5 million. Cost increases are driven primarily by increased labor and service rates, increased agency oversight costs, and increased agency demand on investigations and deliverables.

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In October 2023, the Commission approved a contract amendment to the existing personal services contract, which brought the total contract limit to \$11.5 million. Approximately \$6.7 million of the contract amount has been spent to date, leaving approximately \$4.8 million to complete remaining work.

With Commission approval of this new personal services contract, the new total contract limit will be capped at \$5 million. This is the estimate for the services necessary to complete the remedial design work. The Port is responsible for payment of 25% of the contract costs. Remedial design work is expected to be complete in 2025.

Other project costs include agency oversight costs for EPA, DEQ and Tribal Governments. The contract costs and the agency oversight costs will be a shared cost with our project partners, the City, State and Federal Government, with each funding equal 25% shares. Each of our project partners will bear their own internal costs. Total budget for this design work is estimated at just over \$14.5 million. The Port share for this project (including for Port internal costs) is estimated at just under \$4 million.

The Port's small business enterprise (SBE) program participation goal for this new contract has been set at 20%. SBE includes firms certified by Oregon or Washington as minority, women, or service-disabled veteran-owned, or as an emerging small business. To date, the GSI contract achieved an SBE program participation of 21%.

	Project Total	Port Contribution
Previous personal services contract (approximate spend at termination)	\$6,700,000	\$1,675,000
New personal services contract	\$5,000,000	\$1,250,000
Agency oversight costs	\$2,850,000	\$712,500
Port staff and other related services	N/A	\$350,000
Total budget	\$14,550,000	\$3,987,500

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to award a personal services contract for the remaining remedial design services for the Portland Harbor Superfund cleanup project at the Willamette Cove site to Maul Foster & Alongi, Inc., 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.