



AGENDA*
Regular Commission Meeting
March 13, 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 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. 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 – February 14, 2024

Executive Director

Approval of Executive Director's Report – February 2024

Public Comments

General Discussion

Women's History Month

KENDALL FOOSE
ROBIN MCCAFFREY

Terminal Core Project Update

VINCE GRANATO
DAVE GARSKE,
HOFFMAN SKANSKA

Consent Item

1. CONCESSION LEASE – SIZZLE PIE – PORTLAND INTERNATIONAL AIRPORT

KAITLIN HUNTER

Requests approval to change the entity previously awarded a Portland International Airport Food & Beverage lease for operation of a Sizzle Pie concession from Nice Jet LLC to Imperial Concessions LLC.

Action Items

2. GROUND LEASE – GOODLING COMMUNITY SOLAR, LLC – PDX COMMUNITY SOLAR *P.J. CHRISTOPHER*

Requests approval to enter into a ground lease with Goodling Community Solar, LLC, for the PDX Community Solar facility, located west of Portland International Airport, and enter into an associated power subscription agreement.

3. OPTION FOR LEASE OF LAND AND EASEMENTS – CASCADE RENEWABLE TRANSMISSION, LLC – RIVERGATE INDUSTRIAL DISTRICT AND WEST HAYDEN ISLAND *P.J. CHRISTOPHER*

Requests approval to enter into an Option Agreement with Cascade Renewable Transmission, LLC, including the attached form of ground lease for a lot located in the Rivergate Industrial District, and an attached form of underground electrical transmission easement agreement for certain easements across Port of Port owned property on West Hayden Island and in Rivergate Industrial District.

4. PUBLIC IMPROVEMENT CONTRACT – PDX SOUTH TERMINAL HEATING SYSTEM UPGRADE – PORTLAND INTERNATIONAL AIRPORT *ALAN DAKESSIAN*

Requests approval to award a public improvement contract for construction services to JH Kelly, LLC, for the PDX South Terminal Heating System Upgrade project at Portland International Airport.

CONCESSION LEASE – SIZZLE PIE – PORTLAND INTERNATIONAL AIRPORT

March 13, 2024

Presented by: Kaitlin Hunter
Sr. Manager, Concessions &
Customer Experience

REQUESTED COMMISSION ACTION

This agenda item requests approval to change the entity previously awarded a Portland International Airport (PDX) Food & Beverage lease for operation of a Sizzle Pie concession from Nice Jet LLC to Imperial Concessions LLC.

BACKGROUND

Through a competitive selection process, Sizzle Pie (Nice Jet LLC) was awarded a concession location in the North Hall of the Terminal Core project, which was approved by the Port of Portland (Port) Commission on April 12, 2023. This space was awarded directly to the brand without a third-party operator. After the award, Sizzle Pie was acquired by Sortis Holdings, Inc. (Sortis). Design of the space continued through September 2023 and reached 90% completion, but Sortis informed the Port in October they would not be moving forward with the construction of the space.

At that point the original co-founder of Sizzle Pie reached out to other existing airport operators to find a partner interested in licensing the Sizzle Pie brand for the PDX location. All About Food Group (AAFG) agreed to a license agreement with Sortis to move forward with the Sizzle Pie brand and finance and operate the space at PDX.

AAFG is a current concessionaire in good standing at PDX. They operate Jamba Juice and will be operating the new Country Cat that is currently being built. AAFG is minority owned and ACDBE certified. They will partner with another minority-owned business through a joint venture agreement to operate Sizzle Pie as Imperial Concessions LLC.

KEY BUSINESS TERMS

Key terms for this lease, listed below for reference, have not changed since the Commission's previous approval.

Location:	D20410 (North Hall Counter Service Restaurant); approximately 777 square feet
Term:	10 years – Term begins on first day of operation or July 1, 2024
Percentage rent:	10% (\$0 – \$600,000) 12% (\$600,000.01 – \$1,000,000) 14% (\$1,000,000.01 +)

SIZZLE PIE LEASE – PORTLAND INTERNATIONAL AIRPORT

March 13, 2024

Page 2

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 of rent due.

Small Business participation: Imperial Concessions LLC is 50% ACDBE and 100% minority owned.

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.

SCHEDULE

Commission approval	March 13, 2024
Lease executed	March 2024
Construction	March 2024 – June 2024

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 lease with Imperial Concessions LLC 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.

GROUND LEASE – GOODLING COMMUNITY SOLAR, LLC – PDX COMMUNITY SOLAR

March 13, 2024

Presented by: P.J. Christopher
Business Development Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to enter into a ground lease (Lease) with Goodling Community Solar, LLC, a subsidiary of Bonneville Environmental Foundation (BEF), for an approximately 130,000-square-foot lot for the PDX Community Solar facility (Premises) located at NE Sunderland Avenue and NE 33rd Drive, west of Portland International Airport (PDX), and enter into an associated power subscription agreement.

BACKGROUND

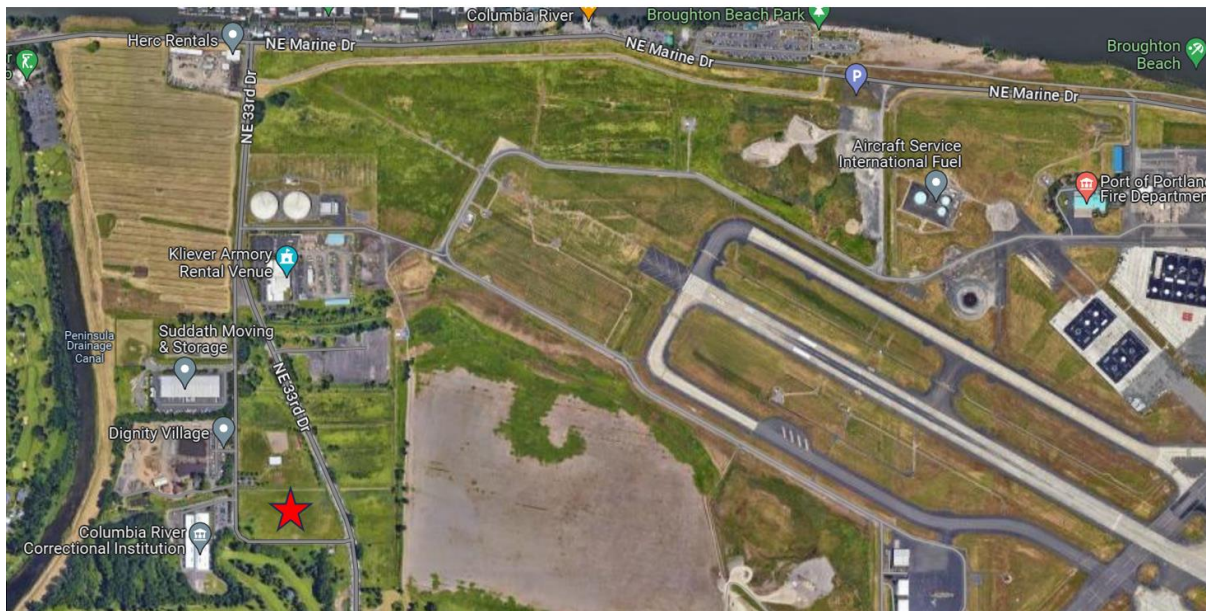
In 2020, the Port of Portland (Port) entered into an Option Agreement with attached form of ground lease with BEF, for a multi-year option to lease property at NE Sunderland Avenue and NE 33rd Drive for 20 years for a one-megawatt community solar facility under Oregon's Community Solar Program.

BEF secured a \$4.5 million Portland Clean Energy Fund grant and other funding sources to construct the PDX Community Solar facility. The project team consists of BEF, Dignity Village, Leaders Become Legends, Twende Solar, Verde and the Port of Portland. The team is developing the PDX Community Solar project to deliver direct, meaningful economic savings to low-income residents of the Cully and Sunderland neighborhoods and within Pacific Power's Northeast Portland service district in the vicinity of the airport. In addition to providing economic benefits to airport area residents through community solar subscriptions, the project would create a model for diversifying workforce pipelines for community benefit. The developer plans to involve community members in the construction of the facility to give them exposure to the renewable energy industry and build valuable skills towards careers in solar installation. PDX Community Solar, LLC, is a cornerstone of the Living Cully Energy Plan, a community led and community developed roadmap of energy conservation and generation pilots that support resilience both through climate mitigation by utilizing the best technologies to reduce emissions from energy usage and community stability by helping lower utility bills, create jobs and keep people in their homes.

The Port would purchase the maximum allowable, 40% of the output of the one megawatt direct-current solar array at rates set by Pacific Power, receive a bill credit for the generated electricity, and own the associated renewable energy credits. The facility could generate an estimated 600,400 kilowatt-hours (kWh) of power for PDX. BEF would preferentially offer 60% of the output to residents of Cully, Sunderland and other Pacific Power service area neighbors of PDX as part of PDX's community impact work, and provide electricity cost savings of up to 75% for approximately 200 low-income households for 20 years.

GROUND LEASE – GOODLING COMMUNITY SOLAR, LLC – PDX COMMUNITY SOLAR
March 13, 2024
Page 2

BEF is ready to exercise its option to lease the property and build and operate the PDX Community Solar facility. At the same time, the Port would enter into the subscription agreement for 40% of the electricity output. The project would include native plant landscaping and a pollinator habitat area.



What makes this an attractive business proposition is the combination of ground rental income, renewable power for the airport at a reduced rate, the renewable energy credits, and the community purpose and benefit of making power subscriptions available to airport neighbors.

KEY BUSINESS TERMS

Ground Lease

Premises:	2.98 acres
Term:	20 years
Consideration:	\$0.19 per square foot per year on 78,000 square feet (1.79 acres) of Premises (\$14,820 per year), annually increased by 1%
Community Purpose/Benefit:	60% of output offered to neighbors impacted by the airport at favorable rates set under the Oregon Community Solar program

Subscription Agreement

Port Subscription:	20-year subscription for 40% of the renewable energy output for PDX at a rate of \$0.088 per kWh
Bill Credit:	\$0.0977 per kWh
Program Fee:	\$4,000 annually
Renewable Energy Credits:	Owned by the Port

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 Goodling Community Solar, LLC, for the PDX Community Solar facility, located at NE Sunderland Avenue and NE 33rd Drive near Portland International Airport, and sign the associated power subscription agreement, 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.

OPTION FOR LEASE OF LAND AND EASEMENTS – CASCADE RENEWABLE TRANSMISSION, LLC – RIVERGATE INDUSTRIAL DISTRICT AND WEST HAYDEN ISLAND

March 13, 2024

Presented by: P.J. Christopher
Business Development Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to enter into an Option Agreement with Cascade Renewable Transmission, LLC (CRT), including the attached form of ground lease (Lease) for an approximately 6.5-acre lot (Premises) located in the Rivergate Industrial District (Rivergate), and an attached form of underground electrical transmission easement agreement for certain easements across Port of Port (Port) owned property on West Hayden Island (WHI) and in Rivergate (Easement), subject to satisfying certain pre-conditions. In addition to seeking approval of the form of Option and attached Lease, this agenda item requests approval to use the Easement, subject to adapting its contents to site-specific circumstances, including: 1) independent appraisal of fair market value; 2) assuring no impact to the future developability of the affected vacant Port land; and 3) satisfaction of any requirements of affected existing Port ground lessees and property users.

BACKGROUND

CRT desires to enter into an Option Agreement with the Port for a Lease of certain property in Rivergate and easements over certain property in Rivergate and WHI. For an annual escalating Option Fee, CRT will be granted an option of up to 4 years to ground lease property on N. Leadbetter Road for 50 years for the development, construction, operation and maintenance of a 1100-megawatt HVDC converter station, associated equipment and improvements, including high voltage direct current and alternating current electric transmission cables (Facility), and to obtain underground transmission line easements over Port property consisting of WHI, the J Lot east of Terminal 6, the Bybee Lakes mitigation site, property ground leased to Rivergate V, LLC, and property ground leased to Georgia Pacific (Transmission Easements).

The Facility is the western DC to AC converter station component of a larger project that will carry up to 1100 megawatts of power from energy generation sources east of the Cascade Mountains to Portland and other electrical load centers west of the Cascades. The Transmission Easements are part of an underground transmission system that will extend for approximately 100 miles from the Bonneville Power Administration Big Eddy substation in The Dalles, to the Portland General Electric Harborton substation in NW Portland.

The form of Option is fully negotiated. The Lease and Easement are substantially negotiated but will be subject to site specific adjustment. The business terms are summarized in the Key Business Terms section below. During the option period, the parties will develop a community benefit program focused on clean tech and underserved communities.

OPTION FOR LEASE OF LAND AND EASEMENTS – CASCADE RENEWABLE
TRANSMISSION, LLC – RIVERGATE INDUSTRIAL DISTRICT AND WEST HAYDEN ISLAND
March 13, 2024
Page 2



KEY BUSINESS TERMS

Option

Term: 24 months, which can extend for two additional 1-year periods

Consideration: \$16,000/month in year 1 and 2
\$17,000/month in year 3
\$19,000/month in year 4

Ground Lease

Premises: 6.5 acres

Consideration: \$30,000/month if Option exercised in first 2 years
\$32,000/month if Option exercised in first extension period
\$33,000/month if Option exercised in second extension period
Annually increased by CPI, fair market value true up every 7 years

Construction and Maintenance Easement

Premises: Port land on West Hayden Island and in Rivergate Industrial District

Term: 50 years

Permitted Use: Underground utility powerline and ancillary aboveground structures

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into an Option Agreement with Cascade Renewable Transmission, LLC, including the attached form of Lease, for property located in the Rivergate Industrial District and attached form of Easement across Port of Portland property in the Rivergate Industrial District and on West Hayden Island, 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 – PDX SOUTH TERMINAL HEATING SYSTEM
UPGRADE – PORTLAND INTERNATIONAL AIRPORT**

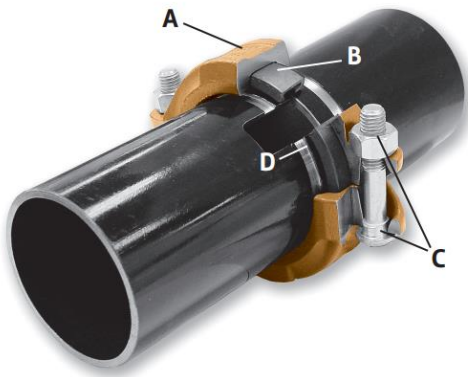
March 13, 2024

Presented by: Alan Dakessian
Project Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to award a public improvement contract for construction services to JH Kelly, LLC (JH Kelly), for the PDX South Terminal Heating System Upgrade project at Portland International Airport in the amount of \$6,247,670.

BACKGROUND

The Terminal Expansion South program installed a mechanically joined (or coupled) piping system (see picture below) in the 1990s and early 2000s to distribute hot water to HVAC equipment for use in heating the facility. The couplings at the piping joints have been failing due to age and the use of materials that are not suitable for the heating application. When a coupling fails it creates a leak that can cause damage to the facility, as well as to Port and tenant property and equipment. Repairs are costly and generally require shutdowns that can impact comfort in the facility. In extreme cases, a leak can damage critical equipment, impacting airport operations.



- A – Housing
- B – Gasket
- C – Bolts and Nuts
- D – Groove on Pipe

CONTRACT SCOPE OF WORK

This project includes the following key scopes of work:

- Modifying the main heating hot water piping in the Concourse C utility tunnel to allow portions of the system to be drained and worked on while the remainder of the system remains active.

PUBLIC IMPROVEMENT CONTRACT – PDX SOUTH TERMINAL HEATING SYSTEM
UPGRADE – PORTLAND INTERNATIONAL AIRPORT

March 13, 2024

Page 2

- Replacing existing grooved pipe and mechanical coupling connections on pipe, valves and fittings (tees, elbows, etc.) with welds or flanges.
- Replacing selected heating control valves.
- Providing access to the work including removal and replacement of pipe insulation, drywall and ceiling materials.
- As a future option, replacement of selected HVAC digital controllers.

SCHEDULE

Preliminary design	August 2021 – December 2021
Design	January 2022 – August 2023
Contract Review Board approval (exemption from competitive bidding)	January 10, 2024
Commission approval (award public improvement contract)	March 13, 2024
Construction	April 2024 – April 2026

CONTRACT SOLICITATION

Solicitation Results

The Port procured this public improvement contract utilizing a competitive request for proposals (RFP) solicitation under Oregon Revised Statutes, Chapter 279C, after the Port Contract Review Board granted an exemption from competitive bidding on January 10, 2024. The solicitation was advertised on January 11, 2024 and proposals were received on February 15, 2024.

Three firms submitted proposals, which were evaluated and scored by a panel of Port employees representing the Aviation, Development Services and Shared Prosperity Divisions, and the Central Projects Office. Proposals were evaluated against the following criteria:

- Shared Prosperity Initiative
- Cost
- Qualifications and experience of the proposer
- Proposer's safety plan and record
- Proposed work plan

JH Kelly was determined the highest-ranked proposer, due to the overall quality of its proposal and compliance with all RFP requirements.

PUBLIC IMPROVEMENT CONTRACT – PDX SOUTH TERMINAL HEATING SYSTEM
UPGRADE – PORTLAND INTERNATIONAL AIRPORT

March 13, 2024

Page 3

Small Business Participation

Based on an availability analysis, the Port's small business enterprise (SBE) program participation goal for this contract was 10% of the total proposed contract amount. The highest ranked proposal identified a 10% participation level. SBE includes firms certified by Oregon or Washington as minority, women, or service disabled veteran-owned, or as an emerging small business.

RISKS

Risk: The work requires use of torches and welders inside the PDX terminal building. Improper training, supervision or safety protocols could lead to a fire.

Mitigation Strategies:

- Solicit this contract using an RFP in order to evaluate the proposers' qualifications and experience, safety plan and record, and proposed work plan.
- Oversight by Port inspectors and safety staff.

Risk: The piping contains a large volume of water. Improper draining and refilling procedures could lead to a leak that could damage the building and equipment.

Mitigation Strategies:

- As part of the RFP, evaluate the proposers' qualifications and experience, safety plan and record, and proposed work plan.
- Oversight by Port inspectors and safety staff.

BUDGET

Public improvement contract (construction)	\$6,248,000
Other contracted work (e.g., exposing existing conditions during design and allowance for environmental remediations)	\$102,000
Personal services contract (design)	\$350,000
Port staff and contracted services	\$1,335,000
Contingency	\$555,000
Total budget	\$8,590,000

The contingency, representing 6.5% of the project cost, is considered reasonable given the risk profile for the project and the complexity of the work site.

PUBLIC IMPROVEMENT CONTRACT – PDX SOUTH TERMINAL HEATING SYSTEM
UPGRADE – PORTLAND INTERNATIONAL AIRPORT

March 13, 2024

Page 4

The project costs will be funded by the Airline Cost Center, which is composed primarily of revenues from the Port's commercial airline service business lines.

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 for construction services for the South Terminal Heating System Upgrade project at Portland International Airport to JH Kelly, LLC, 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.