



AGENDA\*  
Regular Commission Meeting  
November 8, 2023  
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. The meeting will also be held virtually for those Commissioners, members of the public, presenters and staff unable to attend in person.

The meeting will be streamed live on the Port's website and YouTube channel. Written public comments can be submitted via email at [testimony@portofportland.com](mailto: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](mailto: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.

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**Minutes**

Approval of Minutes: Regular Commission Meeting – October 11, 2023

**Executive Director**

Approval of Executive Director's Report – October 2023

**Public Comments**

**General Discussion**

Annual Audit Presentation

*ROBERT BURKET  
MOSS ADAMS*

Annual Shared Prosperity Progress Report

*MAYRA ARREOLA  
ELIZABETH KENNEDY-WONG  
HEATHER CHAO  
DAPHNE PATRICK*

**Action Items**

1. ADOPTION OF FISCAL YEAR 2023-2024 EXECUTIVE DIRECTOR PERFORMANCE OBJECTIVES

*ALICE CUPRILL-COMAS*

Recommends that the Commission review and establish Fiscal Year 2023-2024 Executive Director Performance Objectives.

2. AIRPORT PASSENGER COMMON-USE LOUNGE  
CONCESSION LEASE – PORTLAND INTERNATIONAL  
AIRPORT

*MACHELLE CAMPBELL*

Requests approval to enter into a concession lease agreement with CAVU (Amer) Experiences, LLC, for an Airport Passenger Common-Use Lounge at Portland International Airport.

3. LEASE OF LAND AND BUILDING – FACE PLANT, INC. –  
SWAN ISLAND INDUSTRIAL PARK

*P.J. CHRISTOPHER*

Requests approval to enter into a land and building lease with Face Plant, Inc., for an approximately 42,542 square foot lot located at Swan Island Industrial Park.

**ADOPTION OF FISCAL YEAR 2023-2024 EXECUTIVE DIRECTOR PERFORMANCE OBJECTIVES**

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November 8, 2023

Presented by: Alice Cuprill-Comas  
Commission President**REQUESTED COMMISSION ACTION**

Attached is the proposed Fiscal Year 2023-2024 Executive Director Performance Objectives.

It is recommended that the Commission review and establish Fiscal Year 2023-2024 Executive Director Performance Objectives.

**COMMISSION PRESIDENT'S RECOMMENDATION**

The Commission President recommends that the following resolution be adopted:

BE IT RESOLVED, That the Port of Portland Commission adopt the Executive Director Performance Objectives to be used for Fiscal Year 2023-2024.

**Executive Director Curtis Robinhold  
Objectives for Fiscal Year 2023-2024**

- 1. Deliver an exceptional experience to everyone who travels and works at PDX.**
  - a. PDXNext** – Complete Phase I opening successfully, including operations, concessions, airlines, maintenance and federal partners.
  - b. PDX** – Complete analysis of a health care standard requirement for certain airline service providers and Port contractors at PDX.
  
- 2. Advance movement of goods and services to markets and deploy our assets for maximum impact.**
  - a. Navigation** – Resolve Financing and replacement dredge issues with the Army Corps of Engineers to create strong future financial footing for the Navigation Division.
  - b. Marine Sustainability** – Resolve Terminal 6 container business model by pursuing a viable third-party lease that shields the Port from ongoing financial risk or phasing into a new business model at the site.
  
- 3. Build quality jobs, generational wealth, and access to capital through equitable and inclusive economic development.**
  - a. General Fund** – Develop funding strategy for key General Fund components and conduct assessment and develop strategy to secure funding for major non-airport related strategic objectives.
  - b. T2 Housing Innovation Campus** – Execute on development and leasing plan by completing negotiations with anchor tenants, which include a mass timber modular manufacture and the University of Oregon Acoustics Research lab.
  
- 4. Be an equitable and inclusive culture.**
  - a. Create** shared prosperity plan and council, including staff-informed equity workgroups, priorities and benchmarks.
  - b. Budget Equity** – Operationalize the Budget Equity Tool and its framework across the Port and develop a budget equity dashboard to track progress.

**AIRPORT PASSENGER COMMON-USE LOUNGE CONCESSION LEASE – PORTLAND INTERNATIONAL AIRPORT**

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November 8, 2023

Presented by: Mabelle Campbell  
Concessions Development  
Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to enter into a concession lease agreement with CAVU (Amer) Experiences, LLC (CAVU), the successful proposer to the 2023 Concessions Solicitation for an Airport Passenger Common-Use Lounge at Portland International Airport (PDX).

**BACKGROUND**

A Common-Use Lounge (Lounge) has the ability to enhance passengers' travel experience by providing guests with an upscale environment that is customer focused and allows them to be productive and to relax, refresh and recharge while they wait for their flights. The term "Common-Use" means that guests do not need to be a frequent flyer, a premium member, or ticketed on any particular airline in order to use a Lounge.

Lounges produce significant revenue for airports and are also an efficient use of limited real estate given that the operators have the ability to contract with multiple airlines and memberships in order to provide a lounge product for a wide range of customers. The current PDX airline lounge offerings are the Alaska Lounge, Delta Sky Club and United Club.

**REQUEST FOR PROPOSALS PROCESS**

In June 2023, the Port of Portland (Port) issued a Request for Proposals (RFP) for an Airport Passenger Common-Use Lounge. The space available for development is approximately 10,696 square feet of pre-existing space on both the enplaning and mezzanine levels of Concourse D.

The Lounge was requested to be innovative and welcoming, aligned with that of a world-class Lounge and embody the unique character of the Pacific Northwest. The successful proposer would be required to enter into a concession lease and be responsible for the design, construction, maintenance and overall operation of the Lounge.

The RFP criteria for evaluation included:

- Business plan, proposed concept, financial projections/revenue proposal, operations plan, marketing plan/proposal, sustainability plan, financial statements/capability
- Design intent, capital investment, project approach, design team

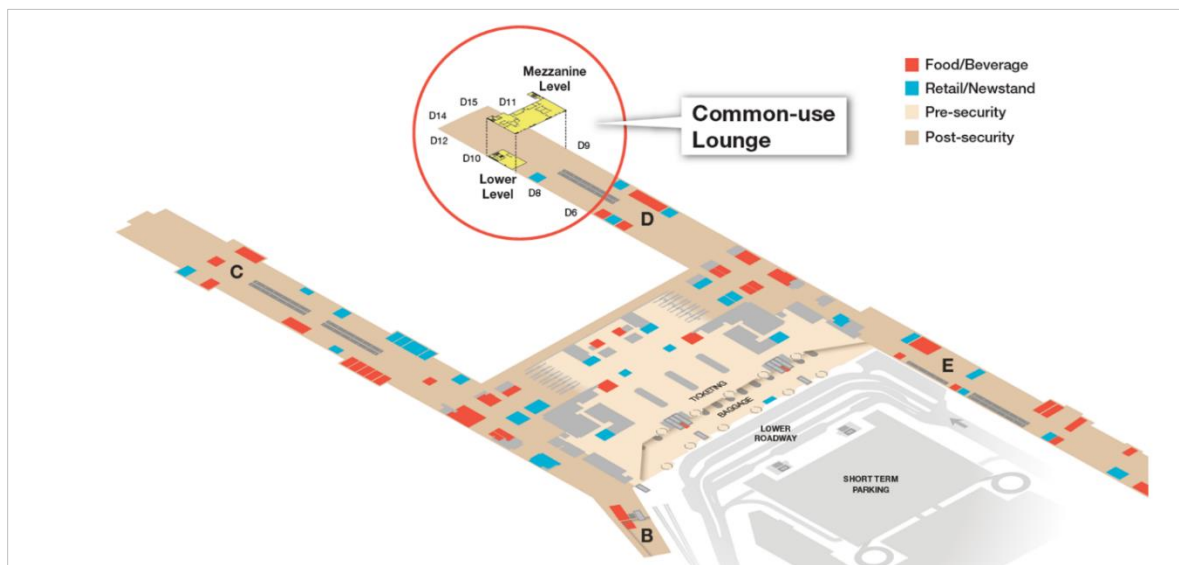
# AIRPORT PASSENGER COMMON-USE LOUNGE CONCESSION LEASE – PORTLAND INTERNATIONAL AIRPORT

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- Employer-employee relationship plan, shared prosperity
- ACDBE Program participation

The RFP closed in July 2023, and the results were evaluated by a team of internal stakeholders. The successful proposer was CAVU; they will be opening an Escape Lounge at PDX. Great amenities and superior customer service have made Escape Lounges the number one common-use lounge operator by customer reviews, and the second largest by number of locations nationally.



## **KEY BUSINESS TERMS**

Initial term:	12 years. Term begins on first day of operation or December 1, 2024.
Option to extend term:	Up to a 3-year option term may be offered at the Port's discretion, based on the overall build-out costs.
Percentage rent:	31% of gross receipts.
Minimum Annual Guarantee:	\$2.59 million for the first lease year.
Security deposit:	3 months projected rent.
Small Business participation:	ACDBE goals established for the RFP were 15%. Gideon Toal Management Services LLC will manage and operate the Lounge and is 100% ACDBE certified.

AIRPORT PASSENGER COMMON-USE LOUNGE CONCESSION LEASE – PORTLAND  
INTERNATIONAL AIRPORT

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**Employees/Shared Prosperity:** The Lounge will employ approximately 61 full-time and 5 part-time staff at PDX. A Quality Employer Plan, which includes commitments to employee relations; diversity, equity and inclusion; compensation; paid time off benefits; health care and other benefits; training; advancement opportunities; and safety policies and programs was required to be submitted through the RFP. The Quality Employer Plan will be incorporated into the lease as a contractual obligation.

In addition to the Quality Employer Plan, the RFP required detail on how CAVU would share prosperity throughout the community. CAVU supports Medicare as their international charity partner, and also supports Blessings in a Backpack in the U.S. Locally, they have connected with the Oregon Food Bank and committed to engage with other local non-profits as they get settled in the community.

**Improvements:** Complete design and build-out of space by tenant.

Midpoint of the lease, refurbishment will be required based on an amount up to 20% of the initial capital investment, subject to the discretion of the Port.

**Advertising requirement:** Minimum annual spend of \$15,000 for in-airport advertising.

**Fees:** Quality Employer Fee of \$3,500 per tenant, which supports PDX's Workplace Initiative.

Central Receiving and Distribution Center (CRDC) Fee is 1% of gross revenues to support product delivery.

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

**SCHEDULE**

RFP solicitation and selection	June 2023 – August 2023
<b>Commission approval</b>	<b>November 8, 2023</b>
Lease executed	November 2023
Design, permitting and construction	November 2023 – November 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 concession lease agreement with CAVU (Amer) Experiences, LLC from the 2023 Concessions Solicitation for an Airport Passenger Common-Use Lounge 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.



**LEASE OF LAND AND BUILDING – FACE PLANT, INC. – SWAN ISLAND INDUSTRIAL PARK**

November 8, 2023

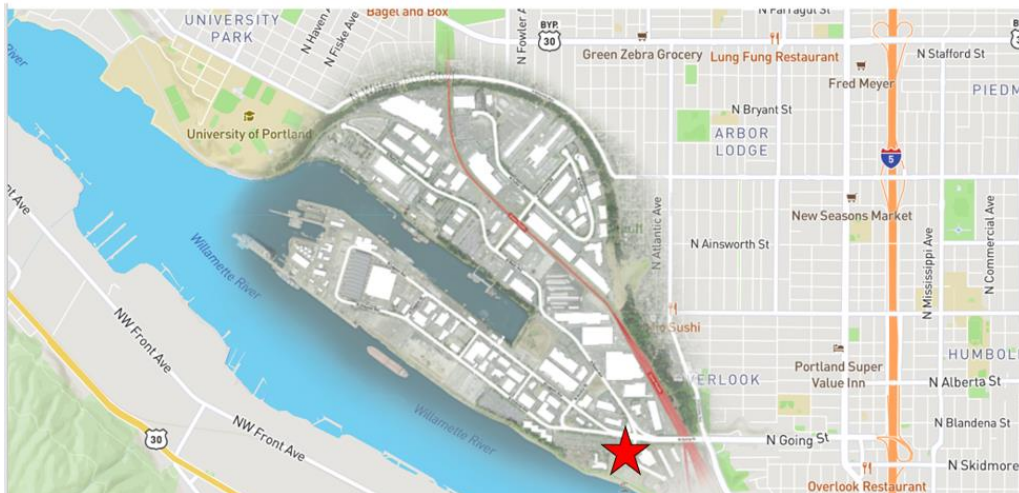
Presented by: P.J. Christopher  
Business Development Manager**REQUESTED COMMISSION ACTION**

This agenda item requests approval to enter into a land and building lease (Lease) with Face Plant, Inc. (Face Plant), for an approximately 42,542 square foot lot (Premises) located at Swan Island Industrial Park (Swan Island).

**BACKGROUND**

Face Plant is a plant-based fast-food concept looking to build a global flagship in Oregon to serve as a blueprint to scale up their unique concept worldwide. The three-member ownership team has recently raised \$4 million for the construction of the Face Plant flagship from four top venture capitalist firms in food, climate and operations. Face Plant will operate on a business model that meets customers where they are today on price, menu and familiarity – achieved through competitive pricing, simplifying the menu and anchoring on drive-thru service. In addition to the secured \$4 million, Face Plant has hired their leadership team, completed menu development, secured a national distributor, locked in primary ingredient suppliers, created branding, is finalizing co-packer selection, and purchased long lead time equipment.

In July 2023 the Port of Portland (Port) was informed of interest in leasing this former McDonalds drive-through restaurant site by Face Plant founder and CEO, Matt Plitch, and Commercial Realty Advisors broker representative, Alex Martinac. Face Plant representatives have toured the site numerous times, executed a non-binding letter of intent, and entered into a Permit and Right of Entry to perform due diligence on the Premises.



The lease will include an approximately 4,416 square foot building with a drive-through and necessary ancillary uses such as parking, circulation, etc., to support the intended quick-serve restaurant use. The Premises include a corner of a vacant, degraded Swan Island lot and will accommodate a plant based fast food concept flagship operation.

### **BUDGET AND FINANCIAL INFORMATION**

Rent equates to \$9,582.72 per month, \$115,000 per year, based on the fair market value of retail space.

The Port will lease the Premises to Face Plant, which will bring in new revenue for the Port's General Fund and reduce expenses for maintenance and security. The lease includes an initial term of 10 years, plus four possible renewal options of 5 years each for a potential total term of 30 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 land and building lease to Face Plant, Inc., for property located at Swan Island Industrial Park, 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.