

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
September 14, 2011**

In response to due notice, the regular meeting of the Commissioners of the Port of Portland was held at 9:30 a.m. in the Chinook conference room of the Port's administrative offices located at 7200 NE Airport Way.

QUORUM

Commissioners present were Judi Johansen, President, presiding; Ken Allen; Jim Carter; Tom Chamberlain; Bruce Holte and Paul Rosenbaum. Also present were Steve Schreiber, Director of Aviation; participating staff members; and members of the public.

Commissioner Johansen welcomed the new Port employees in the audience.

LEAVE OF ABSENCE

Commissioner Johansen called for a motion to grant a leave of absence to Commissioners Bragdon, Corey and Daggett, who were out of town. Commissioner Allen moved to grant the leave of absence. Commissioner Carter seconded the motion, which was put to a voice vote. Commissioners Allen, Carter, Chamberlain, Holte, Johansen and Rosenbaum voted in favor of the motion.

MINUTES

Commissioner Johansen called for a motion to approve the minutes of the Regular Commission Meeting of August 10, 2011. Commissioner Allen moved to approve the minutes. Commissioner Carter seconded the motion, which was put to a voice vote. Commissioners Allen, Carter, Chamberlain, Holte, Johansen and Rosenbaum voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Steve Schreiber said he is filling in for Bill Wyatt, who is in Asia representing the Port on the Governor's Trade Mission.

Mr. Schreiber said PDX continues to experience solid passenger growth. He said August passenger activity is up 2.7 percent over the same month last year and we have now had 13 consecutive months of growth beginning in August 2010.

Mr. Schreiber said that, with the exception of May of this year, air cargo volumes have been positive since March 2010. He said that cargo tonnage was up 5.2 percent in August over August of last year. He said fiscal year-to-date volumes are up 2.8 percent.

Mr. Schreiber said that on September 2, Asiana Cargo Airlines launched nonstop, 747 freighter service from PDX to Incheon Airport in Seoul, Korea. He said senior executives from Asiana were in town to inaugurate the service and meet customers. The freighter will operate three times per week (Sunday, Wednesday and Friday) and provide access to markets throughout Asia for products from our region including agriculture, high tech, apparel, footwear and many other goods.

Mr. Schreiber said Spirit Airlines will begin service with two daily flights to Las Vegas, Nevada, on September 22.

Mr. Schreiber said after many short-term funding extensions, we are again facing the possibility of an FAA shut down. He said the good news is that the House has passed an extension to Jan. 31, 2012, and the Senate is expected to pass a similar bill very soon. Mr. Schreiber said we are somewhat optimistic that another shut down will not occur this time.

Mr. Schreiber said August was a month of transition at PDX; the transition to our new News and Gift operators occurred on July 31 in a seamless changeover. He said new stores with updated designs and finishes will be constructed over the course of the next year. Mr. Schreiber also noted the rental car transition occurred on August 31. He said we will now see the rental car companies utilizing the first floor of the long-term garage, which adds additional revenue this fiscal year.

Mr. Schreiber said things are going very well with the South Runway project. He said construction work is ahead of schedule and the runway will open in the next two weeks. He also noted that the budget is in very good shape and we have not used a significant portion of the contingency at this point.

Mr. Schreiber said Travel + Leisure Magazine ranked PDX as one of the "Safest Airports in America." He said PDX ranked number five based on nine runway incidents between 2006 and 2010. Mr. Schreiber noted the Airline Pilots Association (ALPA) awarded PDX its prestigious "Airport of the Year" award for its dedication to achieving the highest possible aviation safety standards by fully engaging with ALPA's airport safety liaison and for its diligence in involving the pilots who fly into and out of the airport in policy decisions that could affect safety.

Mr. Schreiber said that the PDX Maintenance department achieved OSHA SHARP certification for the second year and said we showed improvement in several of the categories they evaluate. He said we will hear more about the results and recognize the great work to improve safety at our November Commission meeting.

Mr. Schreiber said on a somber note, this past week we remembered the tragic events of 9/11 and paid tribute to those who lost their lives. He said during the week Airport Way was lined with American flags, on Friday morning we held a 9/11 Remembrance ceremony in the terminal and on Sunday morning at 5:46 a.m. we asked for a moment of silence throughout the airport. Mr. Schreiber said it was a good opportunity to reflect on all that has been done to improve airport security the past 10 years and thank all of the emergency responders who protect us each day.

Mr. Schreiber said on the Marine side of the business, last Wednesday we experienced a one-day river-wide work stoppage that affected the loading/unloading of three ships at our docks and closed the Terminal 6 gates for a period of time. He said workers were back on the job the next day. Mr. Schreiber said a similar work stoppage occurred at the Puget Sound ports the next day. The work stoppages were the result of an ongoing labor dispute between the ILWU and the Port of Longview operator EGT.

Commissioner Holte asked to comment to correct a few things that have been said about the protest. He said, do not believe everything you hear in the press; while some of what has been said is true, the protestors did not take anyone hostage, nor would they do so. He said the

protestors were the ones that were abused and maced. He said those protesting were retirees, children, elderly people with walkers and lawyers and psychologists, not thugs, terrorists or members of the mafia. He said while he cannot divulge the why and where regarding anything about this, it is important to realize that these protestors are not mobsters or terrorists.

Mr. Schreiber said the Working Waterfront Coalition, of which the Port is a part, is hosting an art exhibition and sale September 22-25 at the Vigor Industrial Shipyard on Swan Island. He said the event, titled "Industry & Art: The Rivers Run Through Us," is a unique glimpse into the people and industries of our working waterfront. Harbor industries contribute 40,000 jobs and over a billion dollars to our local economy. Mr. Schreiber said all proceeds from Industry & Art will go to two initiatives critical to harbor businesses: job training and the environment.

Mr. Schreiber said the Port recently helped sponsor a SOLV community clean up day, hosted by the Hayden Island community on August 27, on West Hayden Island. He said the Port supplied vans, staff, waste removal and snacks for the event. He said Port staff, including our marine director Sam Ruda, worked hard to remove litter, garbage and larger pieces of trash that had accumulated on the beach and some inland areas of West Hayden Island. Mr. Schreiber said it was a great way to support and continue to connect with the community.

Commissioner Johansen called for a motion to approve the Executive Director's Report. Commissioner Holte moved to approve the Executive Director's Report. Commissioner Carter seconded the motion, which was put to a voice vote. Commissioners Allen, Carter, Chamberlain, Holte, Johansen and Rosenbaum voted in favor of the motion.

ACTION ITEMS

Agenda Item No. 1

EXTENSION OF THE WEST HAYDEN ISLAND INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PORTLAND

This agenda item requested approval of a third amendment to an Intergovernmental Agreement (IGA) with the City of Portland for planning services to complete a West Hayden Island (WHI) plan district and annexation proposal. The amendment increases payment to the City for reimbursement of planning costs in an amount not to exceed \$190,000 and extends the IGA through July 2012.

Eric Engstrom, Bureau of Planning and Sustainability, provided the Commission with a memo outlining the City of Portland's contribution to the project and the major deliverables. He said the project timeline has been extended about six months, largely the result of the deliberative process with the advisory committee. He said since he last presented to the Commission, the committee has done a lot of real work on the project and moved forward with the concept planning, consultant work, as well as the other studies asked for by the City Council. He said a briefing has been scheduled for the Port Commission and City Council and at that time the Commission will see concept plans showing how the project might come together.

Commissioner Johansen asked if Mr. Engstrom feels that we are coming to a close on this and the last installment will get us across the finish line to annexation. Mr. Engstrom said we are starting to cross the line and are starting to shift gears regarding what that means for zoning and annexation decisions. He said he does anticipate finishing the project in the June/July 2012 timeframe with no additional funding requests.

Commissioner Holte thanked Ms. Lahsene and Mr. Engstrom for their outstanding work. He said the State of Oregon and City of Portland need to understand how important this development is for jobs and the region.

Commissioner Carter also thanked Ms. Lahsene and Mr. Engstrom for their hard work and said it is an important project and it is worth the extra money to get it done right. He said it is also important that it be done on a scheduled timeline because consultant costs continue to grow as timelines increase.

Commissioner Rosenbaum said his observation is that the Commission would be better served if, as other issues like this extension arise that are within the executive director's authority and do not mandate Commission action, staff would communicate by correspondence to see if any of the Commissioners would like to see a presentation or whether it is okay to proceed as-is.

Commissioner Chamberlain said he feels it is important to have a discussion like this on such a significant project. He asked Mr. Engstrom what the justification was for the additional six months. Mr. Engstrom said the timeline was extended after the City Council passed its resolution and identified additional work they wanted to see as part of the project. He said it took approximately three months, which was longer than anticipated, to work with the committee to develop the scopes of work for the additional work.

Commissioner Chamberlain noted that we have been working on this component of the process since May 2009, and by the end of the process, we will have 38-40 months in the second step of the project. He said he would be interested to see if a project of this scope takes this long at other ports, and if so, why.

Sam Ruda said the answer is somewhat situational. He said if you are in Southern California, the timeline for development is even slower than our process. He said for Columbia River projects, or at least as compared to our peer ports, it does take a long time. Mr. Ruda said Portland is a city that likes its processes especially where there are different views in terms of development, with organized proponents and opponents. He said the City council made a positive move in the direction of development, but wanted the "I"s dotted and the "T"s crossed, which adds another layer of process. Mr. Ruda said he is involved and trying to help expedite it along. He feels we will get to the finish line. Mr. Ruda said compared to our peer ports along the Columbia River, our project and the process is longer, costlier and more complicated.

Commissioner Chamberlain said we are taking 500 acres out of industrial reserve by creating a natural area on WHI and asked if anyone thought about or studied what the impact would be on the urban growth boundary by doing so. Mr. Engstrom said we are in the process of a periodic review to identify our 20-year land supply for employment, so they are in the middle of that process to complete the employment opportunities analysis, which spells out the acreage needs going forward for different categories of jobs. He said during the last couple urban growth boundary decision cycles, Metro has assumed some level of division of WHI between natural area and industry so it is not a full 500-acre change from the assumptions they have had in the past. The current 300-acre proposal is about 130 acres less than what Metro has assumed.

Susie Lahsene presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the Intergovernmental Agreement with the City of Portland be amended to provide additional funding of up to \$190,000 and extended to July 30, 2012, for planning services for West Hayden Island, including the development of a plan

district and legislative proposal for annexation and adoption of City Comprehensive Plan and zoning designations; 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.

Commissioner Johansen called for a motion to approve the Executive Director's recommendations. Commissioner Holte moved that the Executive Director's recommendations be approved. Commissioner Carter seconded the motion, which was put to a voice vote. Commissioners Allen, Carter, Chamberlain, Holte, Johansen and Rosenbaum voted in favor of the motion.

Agenda Item No. 2

PUBLIC HEARING AND ENACTMENT OF PORT ORDINANCE NO. 442-B TO ISSUE UP TO \$100,000,000 OF PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS SERIES 2011A

This agenda item requested approval of Port of Portland (Port) Ordinance No. 442-B to authorize the sale of up to \$100,000,000 of Portland International Airport Passenger Facility Charge Revenue Bonds, Series 2011A, to fund costs of capital projects in the Airline Cost Center, to reimburse the Port for project costs incurred to date by prepaying the line of credit with Wells Fargo Bank, to fund the Passenger Facility Charge First Lien Reserve Account and to pay costs of issuance.

Vince Granato presented the Executive Director's recommendations as follows:

1. That Port Ordinance No. 442-B, in the form presented to the Port of Portland Commission, be read by title only; and
2. That a public hearing be held prior to adopting Port Ordinance No. 442-B in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and
3. That the proposed Port Ordinance No. 442-B, in the form presented to the Port of Portland Commission, be enacted by a roll call vote.

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 HEARING

Commissioner Johansen opened a public hearing for the purpose of taking testimony on Ordinance No. 442-B. Hearing no comments, Commissioner Johansen closed the public hearing and asked that Mr. Granato read Ordinance No. 442-B by title only.

Commissioner Johansen called for a motion to approve the Executive Director's recommendations. Commissioner Allen moved that the Executive Director's recommendations be approved to adopt Ordinance No. 442-B. Commissioner Holte seconded the motion, which was put to a roll call vote. Commissioners Allen, Carter, Chamberlain, Holte, Johansen and Rosenbaum voted in favor of the motion.

Agenda Item No. 3

FIRST READING AND PUBLIC HEARING OF PORT ORDINANCE NO. 439-R PERTAINING TO REGULATION OF OFF-AIRPORT RENTAL CAR AND PARKING LOT BUSINESSES SERVICING PORTLAND INTERNATIONAL AIRPORT

This agenda item requested a first reading and public hearing on proposed Port of Portland Ordinance No. 439-R, the amendment and restatement of Ordinance No. 349-R, as amended by Ordinance No. 412-R, which pertains to regulation of off-airport rental car and parking lot businesses serving Portland International Airport passengers.

Mr. Kilgo read Ordinance No. 439-R by title only.

PUBLIC HEARING

Commissioner Johansen opened a public hearing for purposes of taking testimony on the proposed Port of Portland Ordinance No. 439-R.

Hearing no comments, Commissioner Johansen closed the public hearing and noted that no action was required at this time. She said Ordinance No. 439-R will be brought back before the Commission for a second reading and request for adoption at the October 12, 2011, meeting.

Agenda Item No. 4

FIRST READING AND PUBLIC HEARING OF PORT ORDINANCE NO. 432-R PERTAINING TO REGULATION OF COMMERCIAL ROADWAY AT PORTLAND INTERNATIONAL AIRPORT

This agenda item requested a first reading and public hearing on proposed Port of Portland Ordinance No. 432-R, the amendment and restatement of Ordinance No. 418-R, as amended by Ordinance Nos. 351, 386-R and 418-R, which pertains to regulation of use and operation of the Commercial Roadway at Portland International Airport.

Mr. Huggins read Ordinance No. 432-R by title only.

PUBLIC HEARING

Commissioner Johansen opened a public hearing for purposes of taking testimony on the proposed Port of Portland Ordinance No. 432-R.

Hearing no comments, Commissioner Johansen closed the public hearing and noted that no action was required at this time. She said Ordinance No. 432-R will be brought back before the Commission for a second reading and request for adoption at the October 12, 2011 meeting.

Agenda Item No. 5

PROFESSIONAL SERVICES CONTRACT – RUNWAY 2/20 AND TAXIWAY C – HILLSBORO AIRPORT

This agenda item requested approval to award a Professional Services contract to Mead & Hunt, Inc., for the design of rehabilitation work on existing Runway 2/20, existing Taxiway C and associated existing infrastructure at Hillsboro Airport.

Mr. Jim Lubischer, a resident of Hillsboro, commended Steve Nagy and Rachel Wray for how they worked with him. He said he appreciates the time they have spent to answer his questions. Mr. Lubischer said they are good people and the Port could not have better individuals in their positions. Mr. Lubischer presented the Commission with written testimony, including several questions (attached to these minutes), which he also presented verbally to the Commission.

Commissioner Johansen thanked Mr. Lubischer for his comments.

Jim McGinnis presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a Professional Services contract to Mead & Hunt, Inc., for the design of the existing Runway 2/20 and Taxiway C at Hillsboro Airport, consistent with the terms presented to the Commission, and contingent upon concurrence to award from the Federal Aviation Administration; 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.

Commissioner Rosenbaum moved that the Executive Director's recommendations be approved. Commissioner Allen seconded the motion, which was put to a voice vote. Commissioners Allen, Carter, Chamberlain, Holte, Johansen and Rosenbaum voted in favor of the motion.

Commissioner Johansen left the meeting and turned the gavel over to Commissioner Rosenbaum.

Agenda Item No. 6

CONSTRUCTION CONTRACT – 2011-2012 MAINTENANCE DREDGING – TERMINAL 6

This agenda item requested approval to award a construction contract to Marine Industrial Construction, LLC, in the amount of \$1,155,837, for maintenance dredging at Terminal 6 during 2011-2012.

Marcel Hermans presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a construction contract for Terminal 6 Berths 601, 603-605, and 607 maintenance dredging to Marine Industrial Construction, LLC, 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.

Commissioner Allen moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Allen, Carter, Chamberlain, Holte and Rosenbaum voted in favor of the motion.

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The meeting adjourned at 10:57 a.m.

President

Assistant Secretary

Date Signed

An audio recording of these proceedings and the full Commission agenda is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218.


9-14-11

Commissioners of the Port of Portland,

- 1) Why are public comments not included in the Port's minutes?
- 2) Please be aware that residents in Washington County have lost the right to enjoyment of their property because of aviation activity from HIO. Enjoyment of one's property should be protected by the US Constitution.
- 3) A recent study out of Duke University (Miranda study) shows a small but significant increase in blood lead levels in children who live within 2/3 of a mile of an airport. I am concerned for the children around HIO and concerned that the Port may be potentially liable to affected children for any lead accumulation in their bodies.
- 4) Is it possible to have an Airport Futures type committee, with funding, for HIO.
- 5) The HAIR committee is strongly pro aviation. Please see attachment.
- 6) I again request that Miki Barnes be reimbursed for protecting citizens from unconstitutional Port / City of Hillsboro ordinance regulations and reimbursement for holding the US Department of Transportation and FAA accountable to the law regarding an environmental assessment / EIS.
- 7) PDX does not need relief. PDX had 223,068 total operations in 2010. The "practical capacity" of PDX is "between 350,000 and 380,000" operations a year according to the 2000 PDX Master Plan. PDX has 3200 acres compared to HIO with 928 acres. Sounds like City of Portland and the Port have agreed to shift all GA operations from PDX and a large amount from TTD. If PDX needs relief it can be done at Troutdale without expanding HIO or it can be done by expanding on PDX property.
- 8) Runway operations at HIO have decreased the past three years and are below operation numbers of two decades ago. In addition, based aircraft have dropped 30% a few years ago and the Terminal Area Forecast being reset to lower numbers. Why does the TAF show lower based aircraft at HIO and lower forecasts?
- 9) Analyzing runway operations is hampered by a FAA computer crash so all non-runway rotary operations have been lost prior to 2008.
- 10) Why is the Terminal Area Forecast now forecasting a dramatic rise in military operations at HIO.
- 11) In 2010 HIO operations were 137,407; the runway capacity of HIO is "250,000 to 300,000" operations, according to the 1990 HIO Master Plan. The 2005 HIO Master Plan states that expansion should be demand based and that if there is not the demand then expansion should not proceed.
- 12) I object to spending some \$107,000,000 to expand HIO when it is unjustified and when the aviation activity from HIO erodes our quality of life and very possibly is causing lead accumulation in our children.

I ask that the Port please respond in writing to my comments.

Thank you,


Jim Lubischer

22720 NW Quatama

Hillsboro, Oregon 97124

HAIR Membership Roster

(Updated by Lubischer 6-23-11, 3-9-11, 9-14-11)

Community At-Large Members¹

Jack Lettieri	Pilot	(Experimental Aircraft Association)
Ted Deur	Pilot	(Olinger Airport Corporation)
Fred Hostetler	Pilot	(President - Hillsboro Flying Club)
Dana McCullough	Pilot	(Family owns Aero Air)
Mike Gallagher	Pilot	
Tom Little		("Disposed to Aviation")
Vacant		(Community/Environmental At-Large)

Jurisdiction Representatives

Hillsboro Mayor Jerry Willey
Washington County Board
Chairman Andy Duyck²
Rep. Chuck Riley – Dist. 29³
Sen. Bruce Starr – Dist. 15⁴
Metro Councilor Kathryn Harrington⁵

Married to Airport Representative

Pilot, "Not involved" (though "read[s] all of the reports")
Not involved
Does not attend meetings.
Does not serve, has no plans to.

Business Representatives

Cathy Stanton
Bert Zimmerly
Lisa DuPré

Westside Economic Alliance (Beaverton City Councilor)
Pilot (Global Aviation Employee)
Employed by Washington County Fairplex

Airport Representatives

Joe Fiala
Brian Cole⁶
Brian Lockhart
Ken Dyar
Judy Willey
Steve Nagy

Airport representative (FAA Control Tower)
Airport representative (Intel's liaison)
Airport representative (Global Aviation)
Pilot, Airport representative (Airport Business Association)
Airport representative (Hillsboro Airshow President)
Pilot, Airport representative (Port of Portland)

¹ As of 3/11, one community representative is to be chosen from CPO-8 and one from CPO-9. As of 6-23-11 neither has been chosen.

² As of 3/11, Andrew Singelakis (Director of Washington County Land Use and Transportation) is to be Mr. Duyck's representative, as his non-voting liaison. Mr. Singelakis joined the committee shortly thereafter.

³ As of 3/11, Shawn Lindsay, the new District 30 representative, has been offered a seat on HAIR in place of Rep. Riley.

⁴ Rudi Resnick is "alternate" for Senator Starr. Commander Resnick is a former naval Commander. His late son worked at HIO until 2009 when he died tragically in a plane crash.

⁵ Tim O'Brien – "alternate" for Kathryn Harrington (? lives in NE Portland)

⁶ Mr. Cole was unaware that he is characterized as an "airport representative". His understanding is that he is "Intel's liaison".