

**MINUTES
REGULAR COMMISSION MEETING
THE PORT OF PORTLAND
March 9, 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; Peter Bragdon; Jim Carter; Steve Corey; Diana Daggett; Bruce Holte; Mary Olson and Paul Rosenbaum. Also present were Bill Wyatt, Executive Director; participating staff members; and members of the public.

LEAVE OF ABSENCE

Commissioner Johansen called for a motion to grant a leave of absence to Commissioner Allen, as he was ill. Commissioner Holte moved to grant the leave of absence. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

EXECUTIVE DIRECTOR'S REPORT

Bill Wyatt said he just returned from the annual Transpacific Maritime Conference (TPM) in Long Beach, CA. He said TPM is one of the most important container shipping conferences in the world and noted it was well attended this year, which is an indication that people are feeling better about trade and the economy. Mr. Wyatt said the mood was optimistic and the conference was excellent. Mr. Wyatt said the keynote address by Enrique Razon, the CEO of International Container Terminal Services, Inc. (ICTSI), was well received. Mr. Razon talked broadly about his company and strategy, as well as the state of the world, including the disturbance in the Middle East. Mr. Wyatt quipped that until you have attended one of these conferences, it is hard to appreciate that Portland, Oregon, is not at the center of global, containerized freight activity and you grow to appreciate that at the TPM Conference.

Mr. Wyatt said a major milestone was reached on the Columbia River Crossing project: after having delayed the process in order to reassess the bridge model, Governors Kitzhaber and Gregoire have essentially decided to move forward with one of the recommendations. He said this is a positive step because both Governors have concluded that construction on the bridge is important. He noted there will be several opportunities for public input before the Governors make their final decision.

Mr. Wyatt said PDX continues to experience strong passenger growth. He said February passenger activity was up 4.5 percent over the same month last year, which is remarkable because there is not a lot of excess capacity and incremental passenger growth is difficult to achieve when seats are limited. Mr. Wyatt said that JetBlue will be starting new seasonal service to Boston in May. Mr. Wyatt said if the FAA Reauthorization Bill clears Congress with language similar to what is contained in both the House and Senate bills, there is a good chance we will have a nonstop flight to Reagan National. Mr. Wyatt said nonstop service like this equates to about 45,000 passengers per year and that is what will help PDX grow and return to normal circumstances.

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Mr. Wyatt said PDX has received two more national awards. PDX was included in Sherman's Travel list of the best airports worldwide for shopping. He also noted FlightStats.com has named PDX the winner of their on-time departure performance award. He said this is remarkable given the amount of taxiway and runway construction we have been experiencing the past couple of years. Mr. Wyatt said representatives of FlightStats.com will be here at the April meeting to present us with the award.

Mr. Wyatt said concession revenue was up nearly 15 percent in January. He said this is a strong indicator of the local economy; people are not only flying, they are spending more time and money in the airport.

Mr. Wyatt said that on March 16, we will hold a joint session with the Portland City Council to hear from the public and acknowledge what he thinks will be the final work on the Airport Futures planning process. He said the airport has been in its current location since 1958 and since that time, it has operated under a conditional land use. Mr. Wyatt said it is safe to say we were not in danger of losing our land use permit, but that kind of permit is no way to run an airport or plan for the future. He said almost a decade ago we began working with the City to create a process that would end in something similar to what we have now, which is a permanent land use designation, a planned district that gives us a degree of certainty about what we can and cannot do on the airport as we look forward. Mr. Wyatt said it makes clear that any discussion about a third runway would have to engage the City in a new similar process, which he is comfortable with, and in return, the Port has made a variety of commitments related to environmental mitigation both on and off the airport. Mr. Wyatt said this is quite an achievement because we have both community acceptance and a clear understanding our future.

Mr. Wyatt said the South Runway reconstruction begins in 30 days and will be completed by October 7. He noted that it is the largest project in our five-year capital plan.

Mr. Wyatt said the deicing system is tracking on schedule and we expect it to be operational this summer with system testing this coming fall/winter.

Mr. Wyatt said the baggage screening project is going quite well and the error rates are down to an acceptable level. Mr. Wyatt said that later this summer the current baggage screening machines will be removed from the ticket lobby.

Mr. Wyatt said ICTSI has commenced operations of Terminal 6 and things have gone remarkable well. Mr. Wyatt said they are fully staffed with a talented group of people and he is confident in their ability to grow the business here. Mr. Wyatt noted that ICTSI is hosting a customer and stakeholder reception this evening. He said Mayor Adams is planning to attend and we are very pleased that ICTSI's Chairman, Mr. Enrique Razon, will also be attending.

Mr. Wyatt said the repair and maintenance of the Columbia River locks is concluding and they will open in late March. He said the Shipper Support Program was well received and we should come in under our expected financial commitment.

Commissioner Johansen called for a motion to approve the Executive Director's Report. Commissioner Daggett moved to approve the Executive Director's Report. Commissioner Corey seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Corey, Daggett, Holte, Johansen, Olson 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 February 9, 2011 and the Special Commission Meeting of February 23, 2011. Commissioner Holte moved to approve the minutes. Commissioner Olson seconded the motion, which was put to a voice vote. Commissioners Bragdon, Carter, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

GENERAL DISCUSSION

Terminal 6 Commencement of Operations

Dan Pippenger, General Manager of Marine Operations, provided a brief update of the commencement of operations by ICTSI at Terminal 6. He said the transition went smoothly and everything is operating well. Mr. Pippenger reviewed the key commencement activities and staffing. He said the next steps will be to review and finalize the required plans, continue to refine the process guides for terminal maintenance and continue to work on our marketing partnership and strategy.

Commissioner Johansen asked about the contractual conditions, representations and warranties, and if there is anything of which the Commission should be aware. Mr. Ruda said an agreement needs to be reached on the charges associated with maintenance and security services the Port is providing. He said the discussion and process has begun and should start to take form in the next four to six weeks.

Commissioner Johansen said this is a momentous occasion, and on behalf of the Commission, thanks everyone for the idea, the execution and the diligence. She said she is grateful for staff's professionalism and the innovative way the transaction was pulled together.

CONSENT AGENDA

No presentation was made of the following agenda item, which was brought before the Commission as part of the Consent Agenda. Commissioner Johansen read the title of the agenda item and called for a motion to approve the item.

Agenda Item No. 1

PROPERTY SALE – WAUD BLUFF PARCEL – SWAN ISLAND INDUSTRIAL PARK

BE IT RESOLVED, That approval is given to sell approximately .94 acres of real property known as Swan Island Industrial Park Waud Bluff Parcel to the City of Portland, 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.

Following the reading of the title of the Consent Agenda by Commissioner Johansen, Commissioner Holte moved that the Executive Director's recommendations be approved and Commissioner Bragdon seconded the motion. The motion was put to a voice vote. Commissioners Bragdon, Carter, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

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ACTION ITEMS

Agenda Item No. 2

AIRCRAFT HANGAR LEASE – FLIGHTCRAFT, INC. – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of a new lease with Flightcraft, Inc., for an aircraft hangar at Portland International Airport.

Willie Wilcoxon presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to enter into a new hangar lease with Flightcraft, Inc., at Portland International Airport, based on the terms and conditions described herein; 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 Corey moved that the Executive Director's recommendations be approved. Commissioner Olson seconded the motion, which was put to a roll call vote. Commissioners Bragdon, Carter, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

Agenda Item No. 3

PUBLIC HEARING AND EMERGENCY ENACTMENT OF ORDINANCE NO. 437-B TO ISSUE PORTLAND INTERNATIONAL AIRPORT REFUNDING REVENUE BONDS, SERIES TWENTY-ONE

This agenda item requested approval of Ordinance No. 437-B to authorize the sale of Portland International Airport Refunding Revenue Bonds, Series Twenty-one. Up to \$102 million aggregate principal amount of bonds may be issued to refund outstanding airport revenue bonds, pay costs of issuance and to fund certain reserves.

Sugie Joseph presented the Executive Director's recommendations as follows:

1. That approval is given to enact Ordinance No. 437-B to issue Series Twenty-one Refunding Revenue Bonds and to declare an emergency so that the Ordinance will take effect upon enactment; and
2. That proposed Ordinance No. 437-B be read by title only; and
3. That a public hearing be held prior to adopting Ordinance No. 437-B in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended; and
4. That proposed Ordinance No. 437-B, in the form presented to the Commission, be enacted by a roll call vote; and

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

Commissioner Johansen opened a public hearing for the purpose of taking testimony on Ordinance No. 437-B. Hearing no comments, Commissioner Johansen closed the public hearing and asked that Ms. Joseph read Ordinance No. 437-B by title only.

Commissioner Rosenbaum moved that the Executive Director's recommendations be approved and immediately adopt Ordinance No. 437-B. Commissioner Bragdon seconded the motion, which was put to a roll call vote. Commissioners Bragdon, Carter, Corey, Daggett, Holte, Johansen, Olson and Rosenbaum voted in favor of the motion.

The meeting adjourned at 10:18 a.m.

President

Assistant Secretary

Date Signed

A complete 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.

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