

Port of Portland

2025-26 Hearing Minutes

Wednesday, June 11, 2025

10:30 A.M

Portland International Airport, Chinook Board Room

7200 NE Airport Way

Portland, Oregon

Present:

TSCC:

Chair Harmony Quiroz,
Vice Chair Matt Donahue
Commissioner Tod Burton,
Commissioner Dr. Rita Moore,
Allegra Willhite, Executive Director
Brittanie Abayare, Budget Analyst
Absent: Commissioner Allison Lugo Knapp

Port of Portland Staff:

Antoinette Chandler, Chief Financial Officer
Curtis Robinhold, Executive Director
Dave Robertson, Chief Public Affairs Officer
Dan Pippenger, Chief Aviation Officer
Kristina Kelchner, Chief Development Services
Mayra Arreola, Chief Shared Prosperity Officer
Kimberly Branam, Chief Trade and Economic Development Officer
Vince Granato, Chief Projects Officer

Opening Remarks and Introductions

Chair Harmony Quiroz:

- Chair Quiroz opened the hearing, explaining that the TSCC was established to provide community oversight of member taxing districts' budgets and annually reviews and certifies budgets for all member districts. They hold public hearings before budget adoption to allow direct engagement with district leadership and the public.
- Commissioners and TSCC staff introduced themselves, confirming no conflicts of interest, and expressing excitement about the new airport terminal. And turned the floor over to the Port of Portland.

Curtis Robinhold, Executive Director and Antoinette Chandler, Chief Financial Officer:

- Provided opening remarks for the Port. Chandler highlighted resilience as the operative word for

the past year, noting progress on the mass timber housing innovation campus and Terminal 6 container operations.

- She mentioned a new five-year strategic plan centered on purpose and people, and the Port's work on an IT roadmap to integrate financial systems and leverage opportunities in Artificial Intelligence (AI).
- The completion of Phase One of the airport renovation was monumental, and Phase Two is underway. Chandler expressed pride in the team's ability to navigate uncertain terrain while remaining focused on people, place, and purpose.

Public Comment

No members of the public had signed up for testimony.

Commissioner Questions and District Responses

Question (Chair Quiroz): Last summer the newly renovated main terminal at PDX opened, and it is beautiful. Now 9 months in with the new space, we're curious if you've seen any changes to passenger numbers that you think is attributable to the renovations?

- **Dan Pippenger, Chief Aviation Officer:**
 - Stated that it was too difficult to definitively discern if the facility itself caused an increase in travel.
 - Anecdotally, people are arriving earlier and lingering longer in the terminal, which generally increases non-airline revenue.

Follow-up (Chair Quiroz): You anticipate completing Phase 2 of the PDX Terminal Core renovation project in spring 2026. What kind of changes do you anticipate in terms of operational impacts (staffing and other operating costs) once the CORE projects are fully complete?

- **Pippenger:**
 - Explained that increased staffing and maintenance costs were already built into the current budget after the Phase One opening, and these are tracking as expected.
 - A modest increase for increased square footage is included for the coming year, with some cost increases anticipated but not as much staffing impact.

Follow-up (Vice Chair Donahue): Asked about increased revenues from vendors in the airport after the renovation, given observations of people visiting the airport just to use concessions.

- **Pippenger:**

- Confirmed that overall concessions are up, particularly pre-security concessions, which had already performed well. However, it's still hard to precisely attribute the revenue increase to the renovation versus changes in passenger volume or other factors.

Follow-up (Commissioner Burton): Asked about the future use of the temporary exit in the B terminal, particularly regarding the stadium seating area, once Phase Two is complete.

- **Pippenger:**

- Stated that the stadium seating area is a temporary exit and will not be a primary passenger exit in the future.
- The space will still be used for passengers and music, but the current layout conflicts with the main terminal entry flow.
- New exit doors on the wings will lead to large openings for direct access to bag claim, aiming to deconflict passenger flows.
- There will be "friends and family" waiting areas with amenities and restrooms at the new exit lanes, featuring the original carpet.

Follow-up (Commissioner Moore): Asked if there were any plans to increase the shopping area before security, given the positive first and last impressions these create for the airport for passengers and visitors coming and going..

- **Pippenger:**

- Replied that there are no plans to increase pre-security shopping areas.
- Post-9/11 passenger behavior shifted, with people preferring to get through security quickly and spending their money there.
- The current pre-security setup supports businesses optimally without overbuilding.

Question (Commissioner Burton): Reductions in the federal workforce include possible reductions to Air Traffic Controllers. What role does the Port have when it comes to staffing and technology for air traffic control? Do you know if reduced FTE numbers are forecasted for PDX?

- **Pippenger:**

- Stated the Port works closely with Customs and Border Protection, Transportation Security Administration (TSA), and the FAA.
- He confirmed no observed impacts on staffing or operational capability regarding air traffic control in Portland, noting that Portland is one of the few places without a staffing shortage in this area.
- The Port liaises with the tower on safety but has no influence on staffing. Regarding technology, he could not provide specific details but noted a general feeling that systemwide FAA technology is old and needs upgrading.

Follow-up (Commissioner Burton): Asked about staffing levels for TSA and Customs and Border

Protection.

- **Pippenger:**

- Stated they are doing fine, but there is concern about TSA staff morale due to uncertainty about the future of the federal workforce.

Follow-up (Commissioner Burton): Asked whether technological upgrades are consistent across all airports or if some are more advanced, and why certain airports experience more problems than others.

- **Pippenger:**

- He noted he's not deeply familiar with each airport's specific technology, but the general consensus is that outdated technology is a systemwide issue.
- Even newer facilities, like the Port's, use standard FAA technology that needs upgrading, and staffing shortages add to the problem.

Question (Commissioner Moore): Enplaned passengers at PDX are getting closer to the pre-pandemic 10 million threshold. Can you tell us more about Alaska's recent schedule/operations change at PDX and what impacts it will have for the region and the airport? And how do you anticipate this might impact operating revenue at the airport?

- **Pippenger:**

- Explained that Alaska has moved to a "hub operation" with sharp, distinct peak times for arrivals and departures five times a day.
- This brings connecting passengers who don't originate in Portland to catch other flights.
- There's an increase in both origin/destination and connecting passengers (who remain post-security).
- Concession sales on concourses C and B (where Alaska operates) are up, but it's hard to discern the exact financial impact due to changes in passenger surge patterns.

- **Chandler:**

- Added that more robust passenger surveys and advanced analytics are being used to identify trends in shopping behaviors among connecting passengers and the Port will be able to share more insights next year.

Follow-up (Chair Quiroz): Asked about current trends in business vs. leisure travel.

- **Pippenger:**

- Noted an increase in business travel, and a slight softening in leisure travel over the last couple of months due to economic uncertainty, though it's not dramatic.

Question (Vice Chair Donahue): Last year you shared you were having some difficulties hiring behavioral health clinicians for the Port. Has that improved over the last year, and if so, what did you do to better fill these positions? What are you seeing in terms of retention for these positions?

- **Pippenger:**

- Expressed pride in the program, stating that two clinicians were successfully hired last October with no turnover thus far.
- They have had 242 contacts, often accompanying police or responding to calls, providing services like transport to shelter, mental health holds, and basic needs.
- He noted the program provides a better pathway for connecting people with long-term services rather than just moving them along or citing them.

Follow-up (Commissioner Burton): Asked about staffing hours for clinicians in a 24/7 airport operation.

- **Pippenger:**

- Stated they cannot cover 24/7 with two people but move shifts around based on demand, after initially having them on day shifts to familiarize them with the airport.

Follow-up (Commissioner Moore): Asked about the typical demographic of individuals requiring intervention.

- **Pippenger:**

- Clarified that the vast majority are community members without housing who show up at the airport.

Follow-up (Commissioner Moore): Asked about passenger bad behavior patterns at PDX, especially post-pandemic.

- **Pippenger:**

- Stated that bad behavior has always existed at airports, but PDX has not experienced an "epidemic" of it. Occasional incidents mostly involve alcohol, but it is not a major concern.

- **Robinhold:**

- Added that the Port has its own police and fire departments but found itself poorly equipped for non-violent, non-emergency situations during the pandemic.
- The behavioral health program fills this gap, preventing armed police or fire department responses to all incidents.
- He noted an ancillary benefit is that police and fire staff have learned strategies from the clinicians.
- These individuals are primarily not passengers and often arrive via MAX train in need of services.

Follow-up (Chair Quiroz): Asked about the Port's relationship with the Multnomah County deflection center or process.

- **Pippenger:**

- Stated the police department has connections with county jurisdictions for diversion in acute cases.
- The Cascadia Health clinicians hired by the Port have more long-term connections to deflection programs.

Follow-up (Vice Chair Donahue): Asked if this approach leads to budget savings.

- **Pippenger:**

- Clarified that it does not lead to budget savings.
- It is an additive skill set and an increased cost, as the police still have a broader mission beyond these types of interventions.

Question (Chair Quiroz): We understand you made use of a budget shared prosperity tool in last year's budget process. We'd like to hear more now that this tool is in its second year. What would you highlight as the successes of this tool? Where did you experience challenges?

Mayra Arreola, Chief Shared Prosperity Officer:

- Described the second year as having great learnings, building on the first year's focus on understanding and accessibility.
- Successes include strengthening the partnership between the culture/strategy and finance teams, improving customer experience, and increasing understanding of how the tool influences budgetary allocations.
- The tool helps analyze how allocations directly or indirectly impact the Port's mission.
- Moving forward, they expect more efficiency and enhanced ability to analyze investments and how opportunities are made accessible to benefit the economy.

Follow-up (Chair Quiroz): Asked for specific examples of how the shared prosperity tool informed decision-making or led to different decisions.

- **Arreola:**

- Provided a simple example of considering diverse, up-and-coming catering opportunities instead of always using the same vendor.
- Other examples involve looking at consulting services or supporting organizations aligned with the Port's mission through partnerships and contracts, ensuring dollars maximize economic impact in the region.

Question (Vice Chair Donahue): One of your strategic objectives and priorities called out last year and again this year in your Proposed Budget hearing is investing in a learning culture. Could you please tell us more about investments you're making in this area? What does this mean in a tangible sense?

- **Arreola:**

- Stated that the Port's leadership views fostering a learning culture as a strategic priority.
- They began with an organization-wide assessment to identify skill gaps and developed a three-year plan targeting leadership, management, and job-specific skills.
- This included revising existing training programs, adding new opportunities such as a leadership academy with PSU, and running targeted programs for senior leaders.
- They also improved new employee orientation, piloted 17 workshops for 153 participants, completed two leadership academy cohorts with 30–35 managers, and ran an executive leadership program for 12 leaders.
- A debrief is planned to evaluate effectiveness and identify improvements. While outcomes may include greater job satisfaction and more internal promotions, the primary aim is to provide continuous development opportunities, enhance understanding of the Port's operations, and prepare staff to be competitive for advancement when openings occur.

- **Robinhold:**

- Added that the Port's commitment to learning also involves cultivating a mindset of curiosity rather than judgment.
- The executive team recently discussed the importance of approaching business opportunities with openness while maintaining a focus on execution and efficiency.
- Encouraging staff to see learning as an integral part of their job is viewed as additive to achieving stronger business outcomes.

Question (Commissioner Burton): There is approximately \$22 million in the capital budget for Industrial and Economic Development projects. Since most of this is for the Terminal 2 Mass Timber and Housing Innovation Campus, we'd love to hear an update on the progress of development at the site, as well as the status of grant funding for the campus - what's changed since we spoke with you last year?

- **Kimberly Branam, Chief Trade and Economic Development Officer:**

- Explained that Terminal 2 is 39 acres with a bold vision.
- The team refined planning to advance the vision while protecting financial interests, identifying a phased approach.
 - Phase One focuses on infrastructure and horizontal site readiness, using grant resources from U.S. Economic Development Administration (EDA), U.S. Department of Housing and Urban Development (HUD), and the State of Oregon.

- They are also securing partners for vertical development, with tenants secured for all buildings, including University of Oregon for an acoustics lab and ZOG for an interim facility and permanent manufacturing center.
- Site stabilization and campus frontage/access improvements are underway. Buildings are expected to open in 2026-2028.

Follow-up (Commissioner Burton): Asked about the housing innovation component of the project.

- **Branam:**

- Stated that ZOG Timber Solutions will be manufacturing components to contribute up to 700 units of housing per year, primarily focused on affordable housing.
- The idea originated from the dire housing situation after the 2020 fires, recognizing that pre-fabricated mass timber housing takes less time to produce, has a lighter environmental footprint, and can address future crises while contributing to the region's housing needs.

- **Chandler:**

- Added that between \$15-20 million in additional grant funding is expected from EDA, HUD, or the State of Oregon, which is critical for the upcoming projects for which they will write request for proposals (RFPs) and is proceeding as anticipated.

Follow-up (Commissioner Moore): Asked about collaboration or communication with Portland Public Schools regarding their plans to use mass timber construction for high schools.

- **Branam:**

- Stated she was not directly aware of communication with PPS but noted that ZOG has been responding to requests for proposals, though their pipeline is confidential.
- The Port aims to increase awareness about the technology among public partners.

Follow-up (Commissioner Burton): Asked if grant funding for infrastructure and housing development is an easier path due to federal administration priorities compared to other types of grants.

- **Chandler:**

- Declined to speculate on administration priorities but explained that the Port conducted an exhaustive risk analysis of its current grant portfolio (general fund and FAA).
- They found low risk for FAA grants and felt confident about infrastructure and housing innovation funds due to their importance to the region.

- **Robinhold:**

- Added that strategically, there's more uncertainty about the future of long-term plans and likely lower numbers in overall grant funding, including for infrastructure.

Question (Commissioner Moore): Let's talk about the elephant in the room: tariffs. This budget does

not anticipate any impact from tariffs although the budget message notes that the Port is ready to pivot and change its budget as needed to adjust to federal trade policy. Are you seeing any change in volume in marine shipping (or perhaps air cargo) at this point in time? And what are you expecting in the coming months, based on what we know right now?

- **Branam:**

- Stated that tariffs are a major focus, with a cross-functional group at the Port and collaboration with state agencies.
- She noted surprisingly little impact on volume for dry goods, bulk goods (grain, potash, soda ash), and autos on the marine side, despite 25% tariffs.
- Projections for the next year do not anticipate decreases in these areas.
- The exception is containers, where 100%+ tariffs announced in April led to a 20% reduction in May volume at Terminal 6, with continued impacts anticipated due to uncertainty and legal action.
- However, she expressed optimism about the ultimate viability of container operations at Terminal 6 with a new operator.
- No impacts have been seen on aviation cargo.

- **Chandler:**

- Explained that the Port models financial implications as new information is available and is prepared to pivot; characterizing their budget approach as conservative.
- They budgeted for a full-year loss for containers, a worst-case scenario if they could not secure a third-party operator.
- They analyzed their marine portfolio's variable and fixed revenue, noting lease revenue creates a 50% revenue floor.
- Even in a worst-case scenario where all trade dried up, the impact would be around \$7-7.5 million, which is about 7% of the general fund revenue.

- **Robinhold:**

- Emphasized that the reason tariffs matter is not just the impact on the Port, but on the Oregon economy, where one in eight jobs is connected to trade.

Follow-up (Commissioner Moore): Asked if Portland is seeing significant declines in international passengers, as reported by other airports.

- **Pippenger:**

- Stated that Portland is not seeing declines in international passengers. All four European services (two seasonal) are in full swing, and recruiting Asia service is a high priority.

Follow-up (Commissioner Burton): Asked about the Port's advocacy efforts regarding tariffs and their

impact on jobs.

- **Robinhold:**

- Confirmed active engagement in advocacy, with the Port facilitating conversations and ensuring informed stakeholders.

- **Branam:**

- Explained partnerships with organizations like Portland Metro Chamber and Oregon Business Council to update trade reports, emphasizing that trade is critical to Oregon's economy, impacts every county, and Oregon is one of only 11 states with a trade surplus.
- She noted that connections with China have reduced, while trade with Mexico has greatly increased.

- **Dave Robertson, Chief Public Affairs Officer:**

- Detailed efforts to build coalitions around trade advocacy, speaking at trade forums, and partnering with individual groups representing farmers and growers.
- Communications efforts focus on honing messages about the volatility and impacts of trade policy.

Question (Vice Chair Donahue): How are things progressing with the state's proposed funding for the Terminal 6 container yard and the Port's responsibility to dredge and maintain the Lower Columbia River shipping channel?

- **Robertson:**

- Explained that the governor's plan included \$40 million:
 - \$20 million in capital investment,
 - \$15 million for dredging
 - \$5 million for ongoing losses
- The Port delivered a business plan to the governor in August, and she included \$35 million in her budget, with another \$5 million secured in a budget rebalance.
- The funding is for lottery-backed bonds for dredging and capital, and it has widespread legislative and stakeholder support.

- **Branam**

- Outlined the three legs of the business plan:
 - the \$40 million funding
 - negotiating a private operator agreement
 - increasing volume
- A fully negotiated lease agreement with Harbor will be brought to the Port's board in July, with operations potentially transferring by year-end.

- Success relies on the legislature, labor, the Port, and Harbor all doing their part.

Follow-up (Vice Chair Donahue): Asked if a private operator would result in staff reductions or reassignments and budget savings.

- **Branam:**

- Confirmed that four FTE positions in marine facilities maintenance would be reduced.
- The three individuals in these positions have been offered employment within the PDX maintenance facility, ensuring no layoffs.

- **Chandler:**

- Stated that the Port's FTEs are being kept flat, and no additional savings are necessarily anticipated, though personnel expenses are increasing.

- **Robinhold:**

- Clarified the financial goal was to not invest more than \$5 million per year in container operations.
- The lease achieves this, insulating the Port from significant capital investment costs and volatility.
- The container business is viewed as strategically critical for market connectivity, and the commission is willing to absorb a \$5 million annual loss to maintain it, cross-subsidizing with other Port businesses.
- This is considered worthwhile despite the cost, and more than \$5 million would significantly impact other operations.

Closing Remarks

Chair Quiroz

- Thanked everyone for their comprehensive responses, expressing that the community appreciates their openness, thoughtfulness, and efforts to educate and discuss shared issues. She commended the Port, calling it one of her favorite places to visit, noting that it "doesn't just talk the talk" regarding shared prosperity and community building.

Commissioner Burton asked to hear more about AI plans next year.

Staff Recommendations & Certification

- **Allegra Wilhite (TSCC Executive Director):**

- Thanked the Port's budget and finance staff for their informative and well-organized budget document and partnership.

- Staff found the budget estimates to be reasonable for stated purposes and in substantial compliance with budget law.
- TSCC had no objections.
- One recommendation was made:
 - On review of the Port's FY 2023-24 audit, the TSCC found the district had expenditures exceeding legal appropriations in the airport construction fund. Recognizing the difficulty for a commercial enterprise to conform to budget law, the TSCC recommended implementing enhanced processes and procedures, such as timely supplemental budgets, to ensure compliance going forward.

Vote to Certify

- A motion was made by Chair Quiroz to authorize the commission to sign the certification letter as recommended by staff.
- Vice Chair Donahue seconded the motion.
- All commissioners present voted "Aye".
- Port of Portland's 2025-26 approved budget was certified by the TSCC.

There being no other business, Chair Quiroz closed the meeting.