

Port of Portland Overview



Keith Leavitt

G.M. Business Development and Properties

Agenda

- Port Background
- Financial Structure
- Industrial Land Focus
- West Hayden Island Development
- Questions

Port of Portland: Established 1891

Mission: To enhance the region's economy and quality of life by providing efficient cargo and air passenger access to global markets.



Port of Portland Commissioners



Jim Carter
Commission
President
Term:
12/1/2009
11/30/2013
Multnomah County



Paul A. Rosenbaum
Commission
Treasurer
Term:
7/1/2007
6/30/2015
Multnomah County



Bruce A. Holte
Commissioner
Term:
3/1/2007
7/31/2015
Clackamas County



Steve Corey
Commission Vice
President
Term:
8/1/2003
3/31/2013
Umatilla County



Peter Bragdon
Commissioner
Term:
10/1/2007
9/30/2015
Multnomah County



Linda M. Pearce
Commissioner
Term:
10/1/2012
9/30/2016
Clackamas County



Diana Daggett
Commission
Secretary
Term:
10/1/2007
9/30/2015
Washington County



Tom Chamberlain
Commissioner
Term:
5/10/2011
5/9/2015
Multnomah County



Tom Tsuruta
Commissioner
Term:
12/31/2012
12/12/2016
Washington County

Port of Portland Facilities

Three airports (PDX, Hillsboro and Troutdale), four marine terminals and five business parks



Lines of Business - Airports



Troutdale Airport



Hillsboro Airport



Portland International

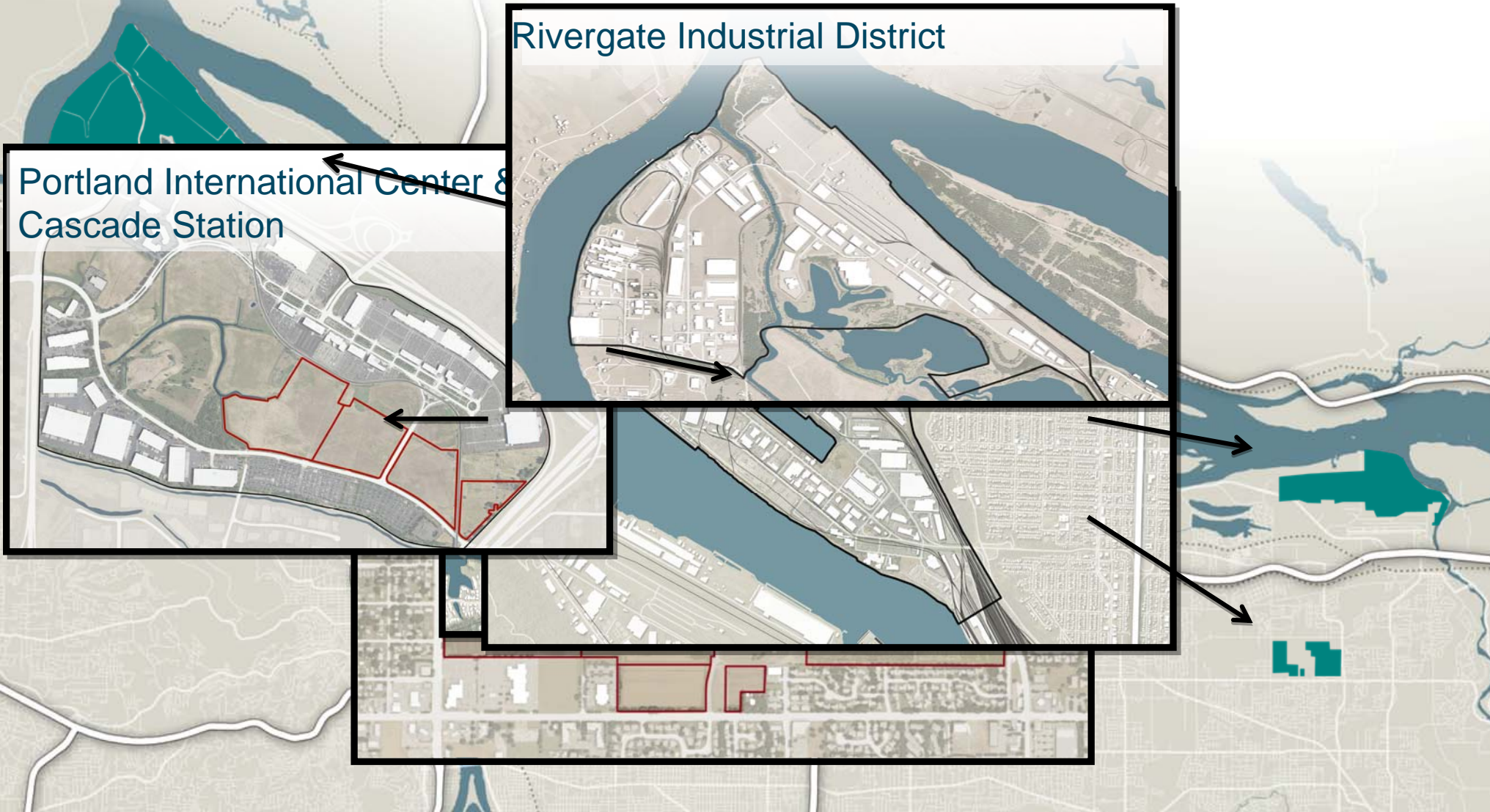
Lines of Business - Marine Terminals



Lines of Business – Industrial Parks

Portland International Center & Cascade Station

Rivergate Industrial District



Port of Portland Economic Impact 2011

- About 27,000 jobs – Marine & Aviation
- About 31,000 jobs – Industrial Business Parks
- \$1.7 billion in personal income
- Nearly \$4.6 billion in business revenue
- \$164 million in local and state taxes

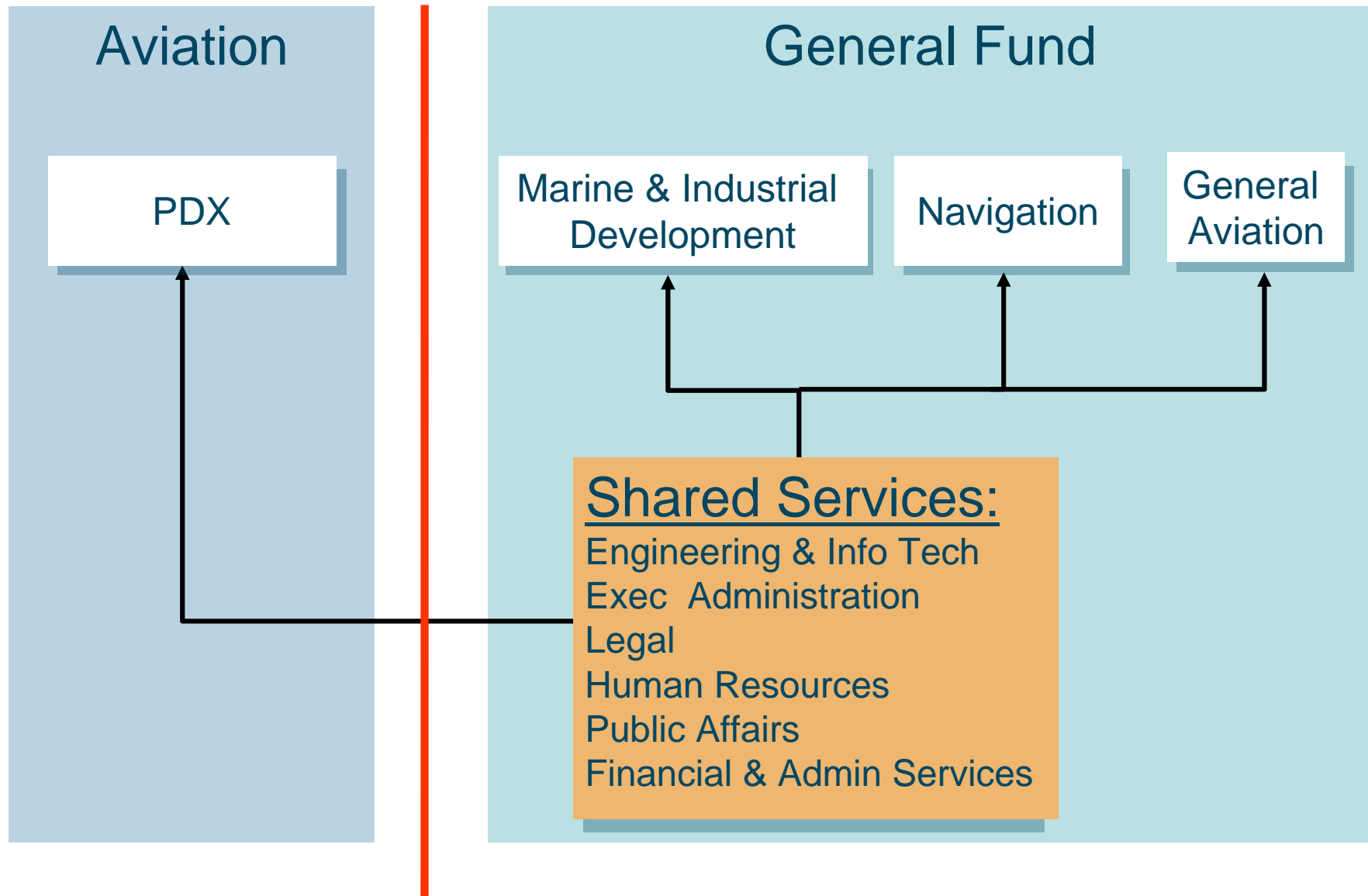


Port Financial Structure

- Port Annual Revenues: \$278.2 million (2011-12)
 - Aviation funds: \$210.3 million
 - General Fund: \$67.9 million
- 96% generated from business transactions
- 4% from Tri-County property taxes

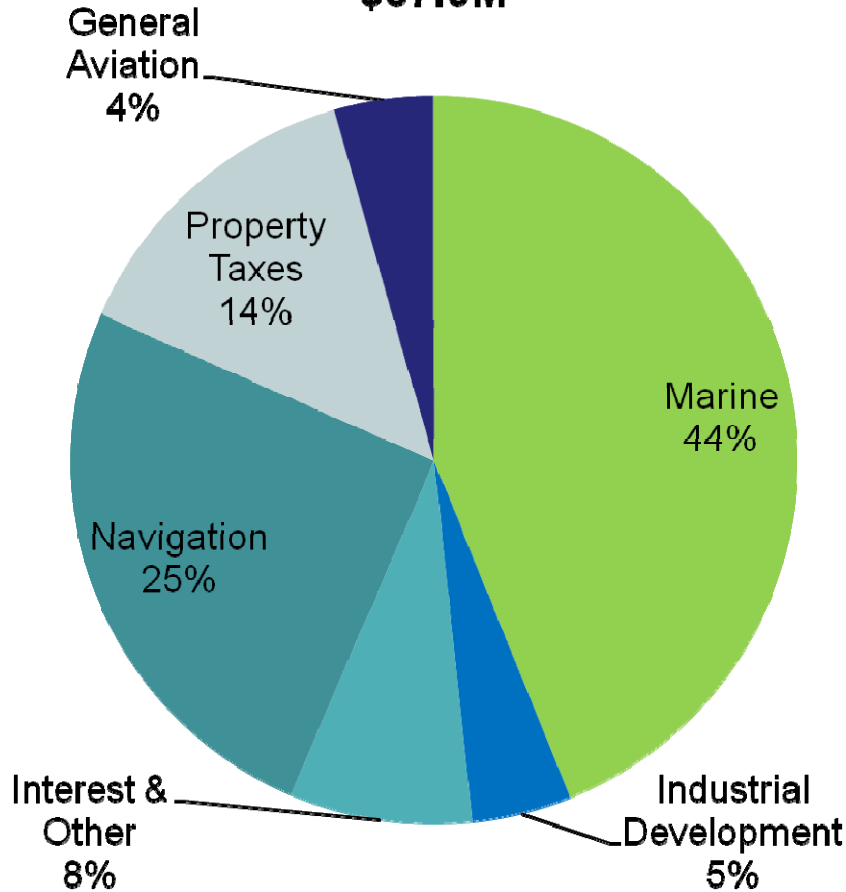


Port Financial Structure - Departments

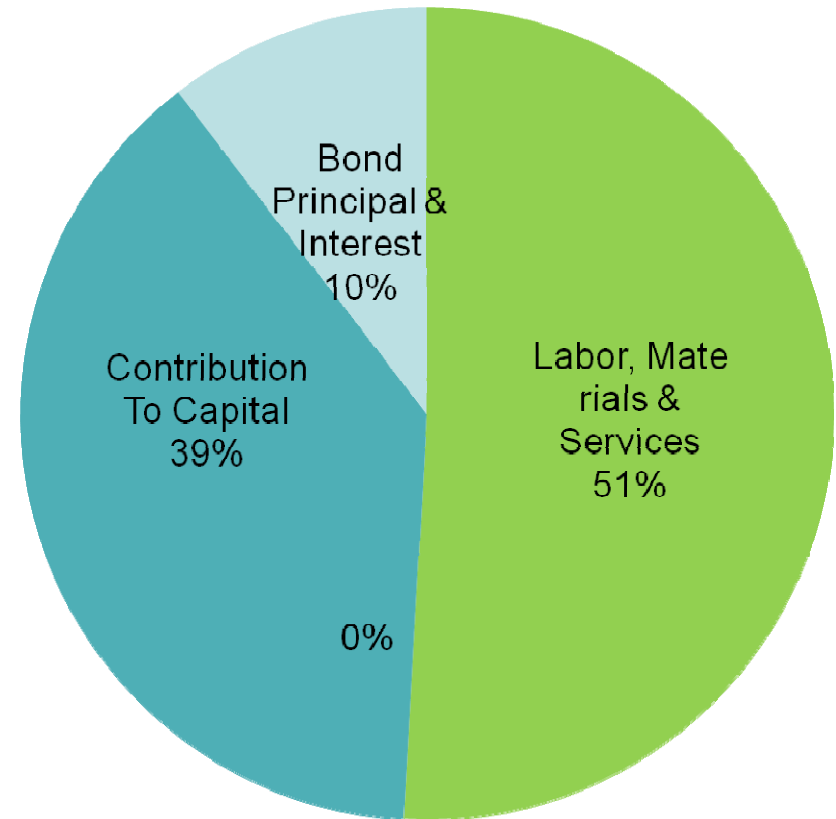


Port of Portland General Fund*

Revenue from Operations and Taxes \$67.9M



Uses of Revenue \$91.2M



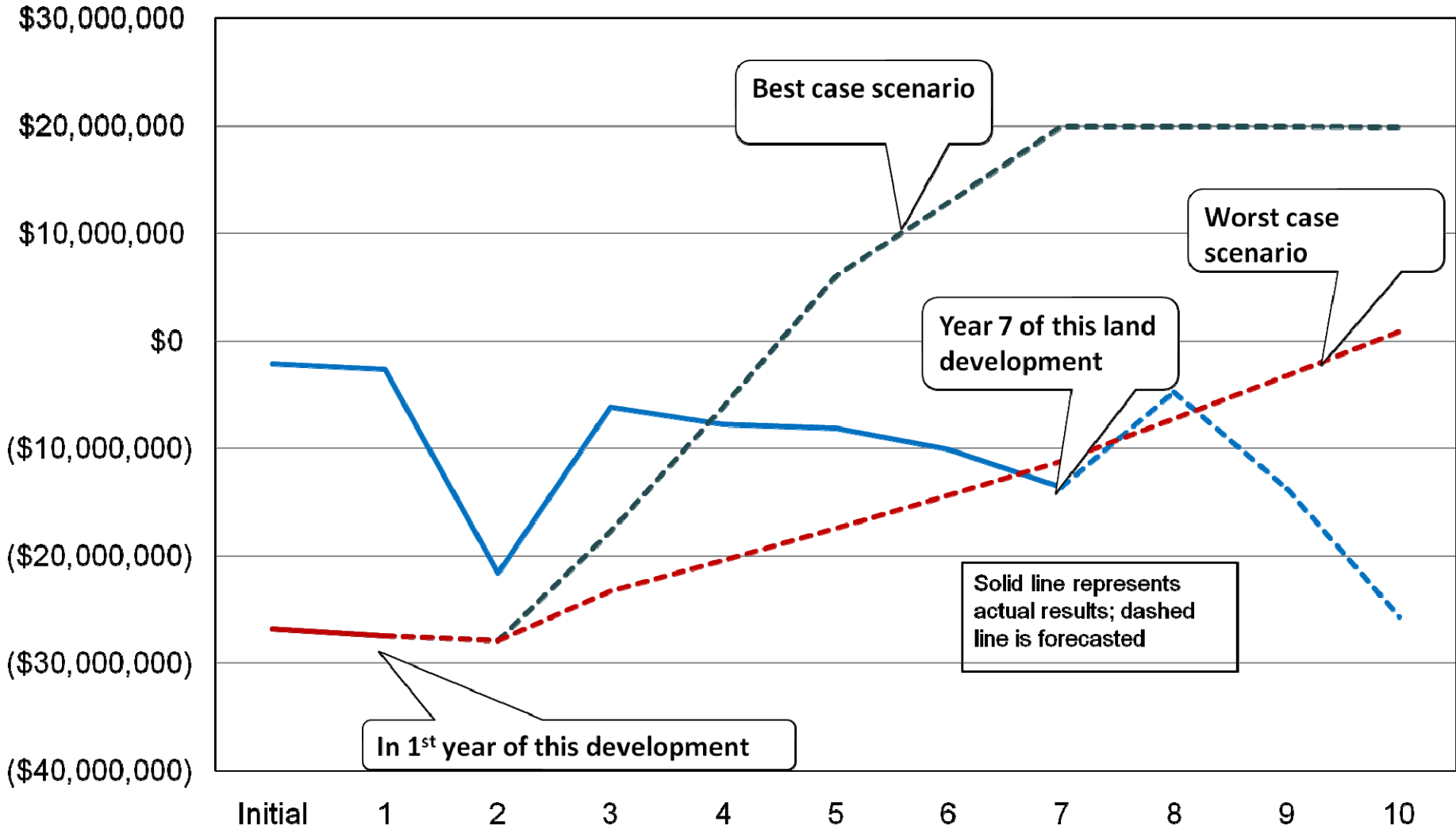
*Audited Financial Statements for 2011-12

Business Model for Land Investment

- General Fund revenues used for:
 - O&M of Port Marine and Industrial business lines
 - Lower Willamette Superfund costs (pre cleanup support)
 - Reserves
- Property Tax revenues can be used for:
 - Asset preservation and modernization
 - Debt service payments
- General Fund cash used for new business investment
 - Focus on large industrial sites for “traded sector” development and job creation
 - ROI requirements
 - Land sales - allow for reinvestment

Financial Challenge of Land Development

10 Year Cumulative Cash Flow



Room To Grow: The Importance of Industrial Land



Industrial Land Inventory - Key Findings

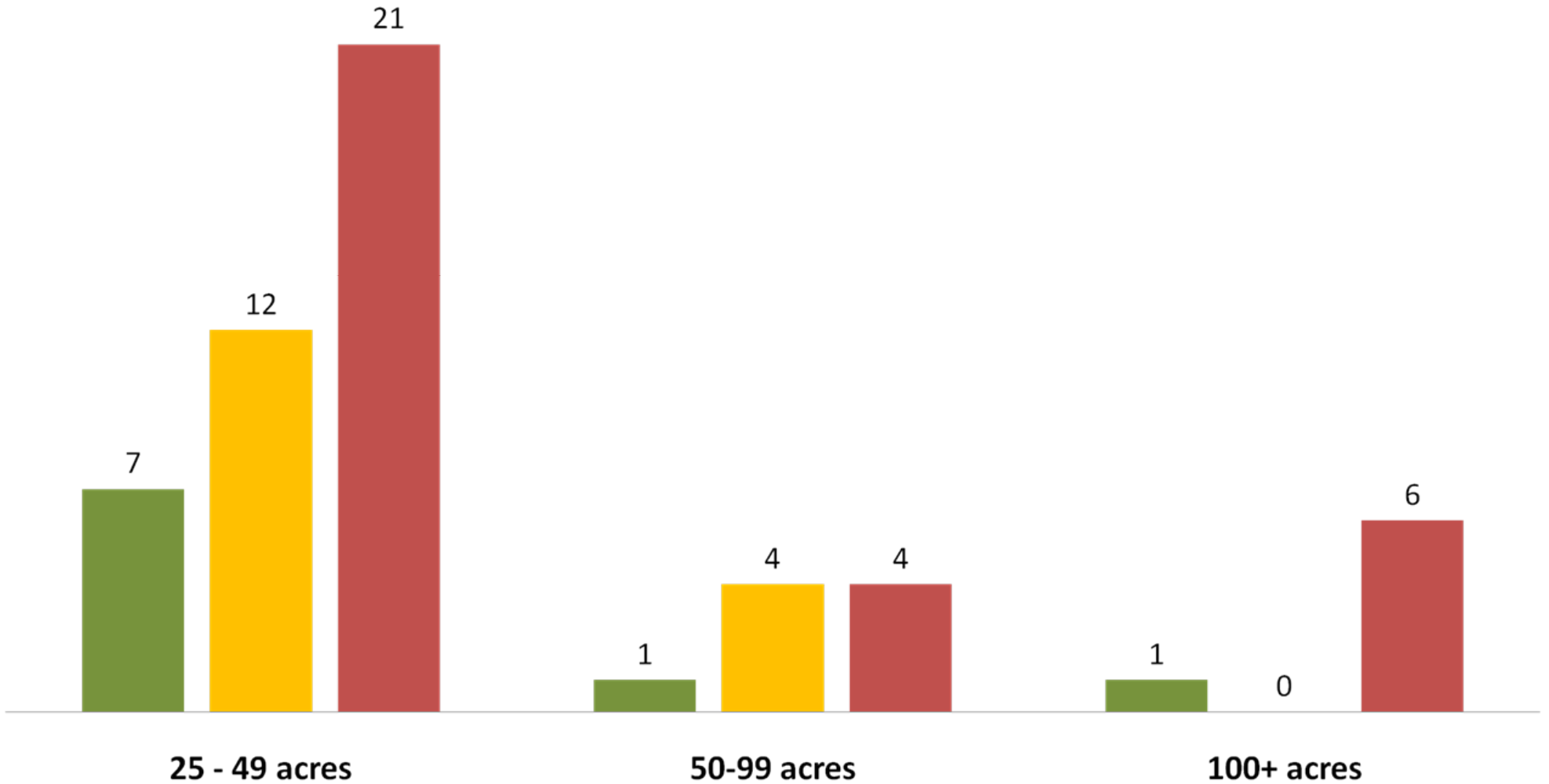
Inventory of market ready, large industrial sites is limited:

- 56 industrial sites identified with 25+ net developable acres
 - 9 Tier 1 sites (6 months to shovel ready)
 - 16 Tier 2 sites (7 months to 2 ½ years to shovel ready)
 - 31 Potential Tier 3 sites (> 2 ½ years to shovel ready)



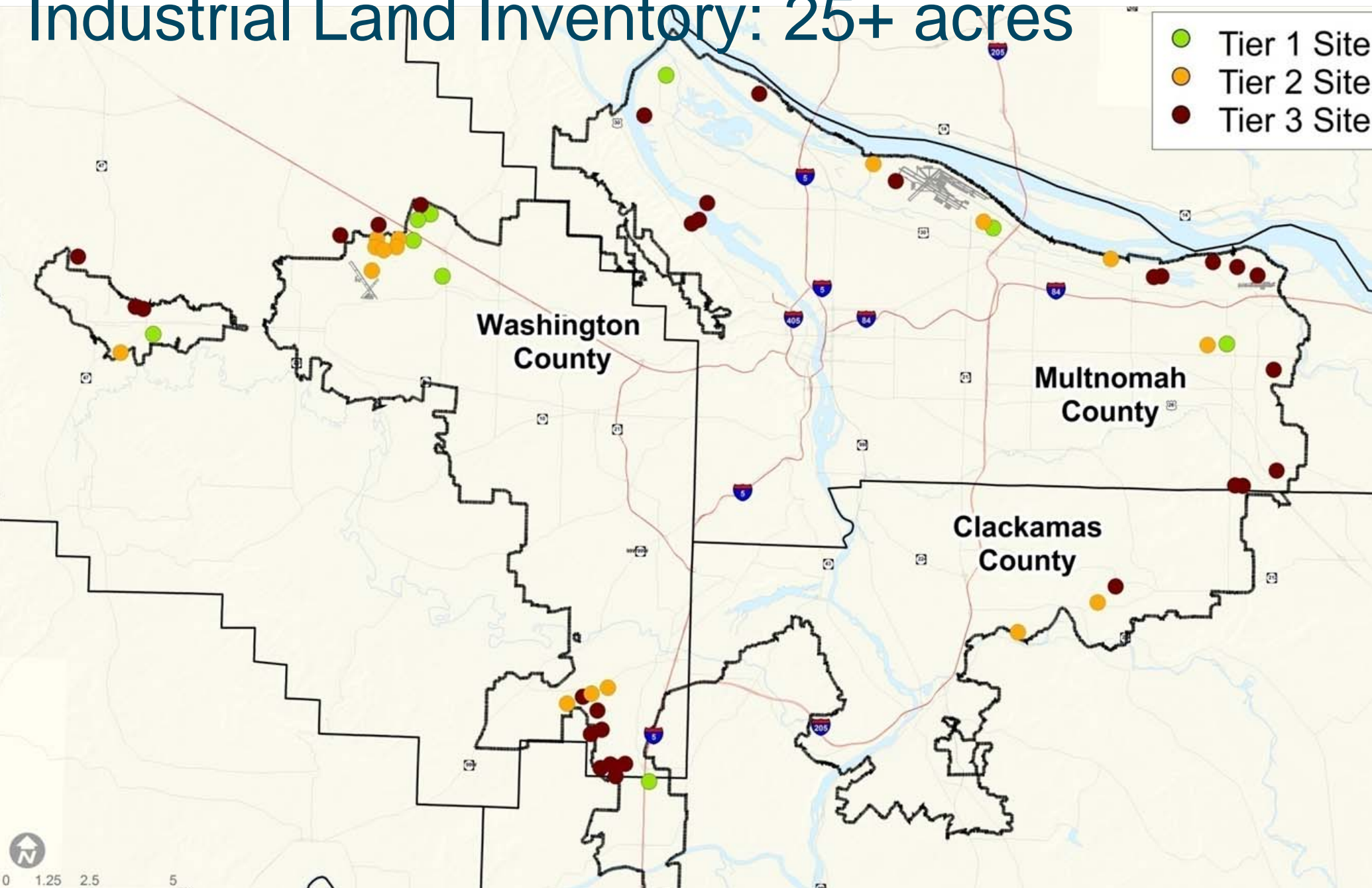
Distribution of Sites by Acreage

■ Tier 1 ■ Tier 2 ■ Tier 3



Industrial Land Inventory: 25+ acres

- Tier 1 Site
- Tier 2 Site
- Tier 3 Site



Study Conclusions

- Limited market-ready industrial sites in Metro urban growth boundary
- Shortage of larger sites to compete for major recruitments
- Multiple site constraints
- Case studies reinforce significant economic benefit potential from site readiness investments
 - Jobs, personal income and property taxes

WHI Development Challenges

- Port context
 - Mission critical
 - Unique property
 - Patient but “rational” investment
- Public and private financing required
 - Schedule and regulatory uncertainty
 - Port General Fund constraints
 - Timing between development and anticipated future revenues



Questions

