



**PORT OF HOOD RIVER COMMISSION**  
**AGENDA**  
**Tuesday, January 26, 2021**  
**Via Remote Video Conference, Marina Center Boardroom**

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**5:00 P.M.**  
**Regular Session**

1. Call to Order
    - a. Modifications, Additions to Agenda
    - b. Public Comment
      1. Written public comment received (*Genevieve Scholl, Page 3*)
      2. Bridge Replacement Presentation - Mr. Mike Fox (*Page 9*)
  2. Consent Agenda
    - a. Approve Minutes of the December 15, 2020 Regular Session and the January 12, 2021 Regular Session (*Maria Diaz, Page 23*)
    - b. Approve Lease with Real Carbon in the Big 7 Building (*Anne Medenbach, Page 31*)
    - c. Approve Lease with ServPro in the Jensen Building (*Anne Medenbach, Page 47*)
    - d. Approve Accounts Payable to Jaques Sharp in the Amount of \$18,830 (*Fred Kowell, Page 63*)
  3. Informational Reports – (*Provided for information only, unless discussion requested by Commissioner*)
    - a. Financial Report for the Six Months Ended December 31, 2020 (*Fred Kowell, Page 67*)
    - b. Regional Economic Situation Assessment Summary (*Genevieve Scholl, Page 79*)
    - c. Bridge Replacement Project Update (*Kevin Greenwood, Page 101*)
  4. Presentations & Discussion Items
    - a. Airport Commercial Hangar – Contracting Approach – David Doughman, Esq. (*Jerry Jaques, Anne Medenbach, Page 123*)
    - b. Bridge Approach Ramp Analysis Report – Harvey Coffman, Coffman Engineers (*Michael McElwee, Page 125*)
    - c. State Legislative Advocacy Update - Dan Bates, Thorn Run Partners; Brad Boswell, Boswell Consulting (*Kevin Greenwood, Page 133*)
    - d. Lot 1 Planning Overview (*Michael McElwee, Page 135*)
  5. Executive Director Report (*Michael McElwee, Page 137*)
  6. Commissioner, Committee Reports
    - a. Urban Renewal Agency – Streich, Meriwether
  7. Action Items - None.
  8. Commission Call
- 
9. Executive Session under ORS 192.660(2)(e) real estate negotiations.
  10. Possible Action
  11. Adjourn

If you have a disability that requires any special materials, services, or assistance, please contact us at 541,386,1645 so we may arrange for appropriate accommodations.

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

# Commission Memo



Prepared by: Genevieve Scholl  
Date: January 26, 2021  
Re: Public comment

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The attached written public comments related to the potential new weight limits on the bridge have been received since the last meeting.

During the January 12, 2021 meeting, the Commission directed staff to invite Mr. Mike Fox to provide a presentation on bridge replacement project delivery strategy during the public comment portion of tonight's meeting. Mr. Fox has submitted the attached preview of his presentation for Commission review.

**RECOMMENDATION:** Informational.

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RECEIVED

JAN 11 2021

BY: \_\_\_\_\_

HIGH CASCADE, INC.  
PO BOX 415, CARSON, WA 98610  
509-427-4223

January 7, 2021

Michael S. McElwee  
Port of Hood River  
1000 E. Port Marina Way  
Hood River, OR 97031

Subject: Hood River Bridge Load Rating Reduction

Mr. McElwee,

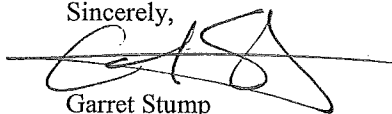
WKO, Inc. and Mt Hood Forest Products operate two sawmills in the Columbia River Gorge and use the Hood River Bridge on a daily basis to move logs, chips, sawdust, shavings, bark, and finished lumber.

It is estimated that 10,000 trips a year are made over the Hood River Bridge by our affiliates and contractors. A 16,000 lb. reduction in weight would be a 20% + increase in shipping costs. That cost is significant and will be a difficult cost to bear.

We are aware this decision is passed down by ODOT, but we ask that any bridge repairs be completed as soon as practical to return the bridge to the 80,000 lb. weight capacity.

If you have any concerns or questions please call.

Sincerely,



Garret Stump  
President  
541-806-2630

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**From:** [Jeff Dean](#)  
**To:** [Michael McElwee](#)  
**Cc:** [Jon Cole](#); [James Dean](#)  
**Subject:** Immediate Load Restriction Impacts  
**Date:** Monday, January 18, 2021 1:25:34 PM

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Mr. Michael McElwee,

James Dean Construction is a construction company and aggregate producer in the Mid-Columbia area. We provide approximately 250,000 tons of aggregate each year for projects in the area. We would like to share with you the immediate impacts load restrictions cost to actual public projects.

We recently (January 12<sup>th</sup>) bid Crystal Springs Water Tank in the Odell area. MEI was the low bidder and we were second. MEI intends to use us for the aggregate supplier.

There is approximately 16,000 ton of aggregate required for the project. Due to the impending load restrictions we are unable to source the rock out of our closer White Salmon Quarry so we have to source it out of our Dallesport Quarry. The cost to the project for the 16,00 tons of aggregate with the impending load restrictions are:

Total cost for with load restrictions on Hood River Bridge  
 $\$21.66/\text{ton} \times 16,000 \text{ tons} = \$346,560$

Total cost for 80,000# load limit on Hood River Bridge  
 $\$18.80/\text{ton} \times 16,000 \text{ tons} = \$300,800$

Total cost for 105,500# load limit on Hood River Bridge  
 $\$17.69/\text{ton} \times 16,000 \text{ tons} = \$283,040$

The cost of having load restrictions on the bridge for this one public works project is  $\$346,560 - \$283,040 = \$63,520$ . When you consider the cost impacts to 100s of public and private projects per year the cost get huge. This is just one product for one industry. When you (Port of Hood River) consider the potential cost of repair please consider these immediate and real life numbers and impacts.

Jeffrey J. Dean  
James Dean Construction, Inc.  
Vice-President  
(509) 493-8417 OFFICE  
(509) 493-8414 FAX  
579 Hwy 141  
White Salmon, WA 98672

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Thanks for having me.

I've been unofficially mentoring Kevin for a couple of years now.

A few of you sought me out in the last year over concerns regarding the bridge replacement effort.

After several discussions with Kevin and others, I developed a view of the project that I'd like to share with you.

You don't have to agree with what I'm presenting, but sure suggest you carefully consider what I'm saying regarding your path forward.

## Why you should listen to me...

- Degreed Engineer – Civil / Structural
- 45-year career with Bechtel Corporation (largest EPC Contractor in US)
- Project Controls (Estimating, Cost Engineering, Risk, Scheduling - Bechtel Certified Master)
  - 4 Nuclear New Generation Design Build Projects
  - 4 Petrochemical Refinery Retrofits
  - 2 Huge Environmental Remediation Programs for US DOE
    - established closure strategy to attract Federal Funding and EPA/Ecology support
  - 1 Huge Environmental Remediation Program for UK DTI / NDA (establish a UK Dept of Energy Nuclear equivalent)
- Project Management Responsibilities
  - 1 Petrochemical Refinery
  - 2 UK DE&S Programs (Air and Fleet Domain) CEO equivalent 4 star General/Admiral
- Bechtel Corporate
  - Corporate manager of PC responsible for company wide process, procedures, training and staff (2,400 employees) administration for worldwide operations
  - Reviewed mega projects worldwide (\$500 million +, many >\$10 billion)
  - Elected Vice President – top 110 of a 50,000-employee company
- Retired in 2017

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As slide shows, I have lots of very large project and program execution experience.

In addition, working on a couple of DOE Environmental Restoration programs, gained an understanding of funding appropriations and ability to attract it. Worked closely with both Washington Department of Ecology as well as the Federal EPA organization to gain support for the effort – successfully developed the Hanford Closure strategy in the 100 and 300 areas accelerating funding and remediation efforts. Developed an approach to prioritize remediation efforts to clean large areas of land, returning them for alternate use. Began with those areas nearest to the Columbia River and worked inland. Used this strategy to obtain significant yearly funding (multi millions of \$'s annually). This was tied to a communication plan that received regulator and public support which pushed DOE in allocating limited cleanup funding prioritizing the program over others. In the UK I was part of a six person senior management team that worked within the Department of Trade and Industry to establish a new governmental agency – the Nuclear Decommissioning Authority, something akin to the DOE EM – nuclear organization. I personally was responsible for writing, training and implementing all Project Management and Project Control Policies and Procedures for this new governmental agency. I worked closely with site operations, UK regulatory bodies and local citizens in their development. These procedures ran the gamut from developing baselines,

scheduling, performance monitoring, change control, funding, budgeting to name a few.

I was also named CEO for the UK Defense Equipment & Support organization responsible for the procurement and delivery of all military hardware for British armed services. I served as both the Air and Fleet CEO which is an equivalent 4 Star position.

I was also named as the Bechtel Corporate Manager of Project Controls having about 2,400 employees under my purview. I was responsible for all Project Control policy and procedures, training, project assessments world wide. As such traveled to every project being built by Bechtel world wide several times. These projects took be around the world three times in a single year.

I have interfaced with local individual contributors all the way up to senior governmental officials in multiple countries.

## My Concerns & Observations with Current Bridge Replacement Efforts....

- The bridge may be **deteriorating faster** than expected.
- No one has said **when the bridge must be replaced**.
- The current replacement **approach** appears to be way **too sequential** to support the needs.
- The pace of the **replacement effort** is likely **too slow**.
- Efforts to attract **funding** while started are **not sufficient**.
- Current **Management** of the effort **does not have mega project experience** (ok for NEPA effort).
- Unclear who is really **driving** this effort.

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Working with Kevin and talking to several people involved in the bridge replacement effort, I've developed these observations and concerns that I want to share with you.

## The Key Question?

- When does the bridge have to be further derated / replaced?
  - The answer **drives the pace of bridge replacement.**
  - It must be based upon an **unbiased engineering evaluation**
  - It must include a professionally developed, **realistic economic evaluation.**
  - **This evaluation should be expedited!**

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Answering this question should be a top priority of all of you! The analysis will likely not give you a hard and fast answer. This is where you must use your best judgement. You should listen to those with experience. At the end of the day, you already know that this bridge is not up to safety standards we need in our community. Just look at the guard rails! The bridge is way too narrow for vehicle traffic not to mention pedestrian. On top of this, structurally, a past engineering study has indicated it is at or near end of life. The bridge was recently decertified which was not anticipated at least this early in the bridge study of a few years ago.

Without having this “replacement date” how do you realistically establish any dates associated with bridge replacement such as when funding is needed, when design must be started and completed, when construction must begin, end..... This is a basic piece of information that must be determined. Not having this date, this far into the program is an indicator of lack of experience driving and managing this program.

Commissioners should get this done quickly.

I’m guessing it will show the bridge is deteriorating quicker than the last study projected.

Will likely lead to increased maintenance expenditures that the Port may not be able to afford.

Will likely drive the entire replacement effort.

If the study says 10 to 15 years, the current pace must be significantly accelerated.

## 9 Component Strategy – (not in priority sequence)

1. Determine the need for a Sense of Urgency
2. Stand up a Management organization that covers entire replacement effort
  - Define replacement effort ownership and management responsibilities
3. Finalize the EIS, ROD and associated permit approvals
4. Attract needed Funding – including massive community involvement program
5. Define need for limited design work to better define project
6. Evaluate and select best approach towards design and construction contracting (P3, bid design / bid build, bid design / build, fixed price, time and material, cost plus)
7. Define, procure, award and execute necessary bridge contracts
8. Determine / execute plan for decommissioning of the current bridge
9. Define Long term Ownership of the replaced bridge

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This list of 9 Strategy Components will have to be addressed at some time. They will drive completion of the replacement effort. They relate to each other.

1. The current pace of replacement may be just fine if the life expectancy of the bridge is 25 years. The only way to check this is to periodically have an engineering evaluation of the bridge along with an economic evaluation of what it will cost to maintain the bridge in a safe condition. It's been approximately 5 years since the last evaluation. The bridge just underwent a decertification. When will the next one be required? When will the bridge no longer support the community needs? I think many would agree, right now it's too narrow and not deemed safe for traffic.
2. A management organization covering all aspects of bridge replacement needs to be designed and staffed in the near term. The organization should be in place for the duration of the project. The head of this group (Program Director) will likely have to be a senior contractor with lots of large project experience. This person will be expensive! But his/her expertise will pay back dividends with a smoother well thought-out, well-run program. I can see a need for Project Management, Engineering, Construction, Logistics,

Contracting, Project Controls, Safety, Finance, Maintenance related staff as well. Volunteer expertise could be added and structurally contained within this organization. This team could be made up of existing Port Staff and be used for their career development. Representatives from ODOT, WDOT and others could be seconded into the program. The organization would report to the Port Commission assuming the Port continues moving forward as the owner. The Bi-State commission could be part of this management organization. Staff needs will come and go as the program evolve.. The current NEPA Project Manager would report to the Program Director until that effort has concluded. Who this Program Director reports to needs to be carefully considered. Two obvious options are to the Port Administrator or to the Port Commissioners. This needs to be carefully considered.

3. NEPA effort is nearing completion. Original delivery from WSP was to include the first formal estimate but was eliminated. This needs to be added back. Kevin could remain as the Project Manager of this effort reporting to the Program Director under the Management Organization. The current WSP contract could remain under Kevin's direction.
4. Attract needed Funding is a significant major element of the entire program. There should be a strategy document describing the approach to be used, who to see, when, information to share. It should target needed funding early. It should include a whole communication plan that also shows how local constituents, impacted business are contacted and gain support for this effort to push state and federal governments into actively supporting funding of the replacement bridge on a priority basis (assuming the engineering study show's it's necessary). Seeking funding at \$5 million a pop won't get the job done in the timeframe likely needed. Think \$40 to \$50 million then \$300 to \$400 million chunks. Big difference in how it's approached. Assuming the Port retains long term ownership (and has been collecting tolls for years), perhaps the Port should consider selling some property to help fund a replacement bridge.
5. What additional information is needed to increase reliability of estimate and supports need for governmental funding? Generally, more definition leads to increased certainty which leads to less cost contingency/reduced costs. My understanding that WSP contract originally included some design work and associated estimate but was removed. An estimate based upon a list of inclusions and exclusions should be immediately constructed. Then as better information is available the estimate should be redone. This feeds into SC 4 above.



6. Decision matrix showing + - 's to each contracting approach P3, design/build, design bid build –do a workshop to understand P3 potential (guessing this will result in a no go as tolls will likely be excessive in order to make the deal attractive). P3 however could provide the bridge replacement the quickest and limits the amount of needed Port provided funding. Since the P3 has a major impact on all activities and SC's, it's review, and decision should be expedited. Regarding other options suggest limiting the number of AE contracts, instead use concept of CLIN's to segment scope and funding establishing contractually off ramps. Limits the start stop ramp up ramp down issues with independent contracts. Ensure contracts are written such that Key contract staff cannot be removed without owner approvals. Include penalties should the contractor elect to do so without owner approval.
7. Define RFP, evaluation process, protection of key team members within bid. Defining the RFP and evaluation process could very well be a 3-to-6-month effort. The better you do it, the less chance for contract changes later. Include a clause that protects key contract individuals from being reassigned thus losing valuable expertise. The evaluation process is a very important step in ensuring selection of contractor is not protested which could result in lawsuits, extra legal costs and program delays. The likelihood of a protest goes up exponentially with the value of the contract. Here you are talking \$40 to \$50 million or so for Design and \$300 million + for construction. This program will be a target by contractors should there be a miss step in the award evaluation and selection process.
8. Determine options for decommissioning of the current bridge including offsets for possible material recycling
9. Determine who will own the bridge after replacement, how tolls (if any) can be used, etc....

## Working the Component Strategies

- Sequential
  - One before the next – somewhat current approach
  - Tends to have surprises (activities getting started too late)
  - May not support replacement need
- **Parallel or Staggered**
  - **Works several component strategies at the same time**
  - **Will limit surprises that have catastrophic impacts on project end dates**
  - **Will get bridge replaced sooner than sequential approach**

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It seems to me that the current approach is more sequential..... Work the ROD with a little push on near term funding of \$5 million for the next couple of years. If you agree with most or all of the 9 Strategy Components, working sequential will cause the schedule to move to the right. Not having SC-1 in place doesn't allow anyone to say if this is ok or not! Sequential works if there is little schedule need.

I'd urge the Port to work the SC's in parallel or staggered as needed to support the results of SC-1.

## Call for Action!

- **Prioritize evaluating the current health of the bridge**
  - ✓ Determine likely date that the Port needs to have a replacement bridge in place
  - ✓ **Accelerate this date by at least 6 months if not 1 year**
- **Commissioners should agree or change the 9 Component Strategy for bridge replacement then OWN the strategy**
- **Get a qualified management (multi person) contract/organization in place to help guide you**
- **Construct a Project Milestone Summary Schedule and obtain a well documented Project Estimate.**
  - ✓ Supports replacement need date (current schedule is not back end constrained)
  - ✓ Established baseline of scope, schedule and cost for project – a basic requirement
- **Work the strategy components in parallel. It's ok to be ahead of schedule!**
- **Drive the effort, ask questions, seek responses, hold people accountable.**

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1. The current health of the bridge is used to select the replacement need date which is key to ALL efforts. This is a different approach to what is currently happening. The current efforts are being paced by the NEPA process and minimal funding of \$5 million for each of the next two years. Without really understanding when the bridge must be replaced, how does one know that current pace will in fact have a new bridge in place before the old one no longer supports the community? Establishing a scheduled contingency of from 6 months to a better 1 year is a prudent management decision realizing how easily the schedule of a program such as this will slip.
2. The Port Commissioners should own the 9 Component Strategy. Change it as needed. This may need to be adjusted as the project evolves.
3. I can't state it more forcefully, you need a qualified program director in place now. Then bring in an organization to support the effort. The numbers and types of support staff will vary over time. Kevin, in my opinion is not qualified for such a position. Your Port Administrator should NOT filter information to you from the Program Director. You must be able to interface directly in order to take full advantage of this person's expertise.
4. You have a somewhat Project Master or Milestone Schedule now. BUT the fatal flaw is it is not tied to when the bridge must be replaced! The project keeps moving activities to the right (slipping) but you don't understand the ramification on bridge

replacement since it doesn't include such a date. You are running nearly blind! Also not having as part of the plan, one for getting a solid baseline (scope, schedule and cost estimate) in place and under configuration control is another fatal flaw. How do you know how much funding you need and when is it needed? This then should be maintained under configuration control throughout the program's duration.

## Using Volunteers

### Pro's:

- Add experience and insight to program team
- Could increase community advocacy of the project.
- Increases visibility to the community as to ongoing efforts and approaches

### Con's:

- Increases visibility to the community as to ongoing efforts and approaches
- If not carefully chosen and managed, involvement may impede progress

### Analysis:

- Organizationally belongs within the Management Organization (Strategy Component 2).
- **Current draft volunteer agreement is very poorly worded. As written, you clearly don't want volunteers.**

## Closing Thoughts

- ✓ Executing a large project using luck and momentum, generally doesn't lead to success!
- ✓ Plan the work, then work the plan!
- ✓ Go slow to go fast!
- ✓ Manage the program like you (hopefully) drive a car – focus proactively down the road, anticipate and address problems before they arise!

**Good Luck! The community and I are anxiously awaiting our new bridge!**

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1. Go slow to go fast doesn't mean you can relax and work at a laid-back pace. It means take the time to get the effort defined, structured, logically evaluating steps needed to get it accomplished then drive like hell to get it done!
2. There are at least two types of managers. One reacts to daily issues focused on getting each addressed. These managers typically have a history of programs that take longer and cost more to get done. Then there is the second. This manager focuses the team out front, anticipating problems, over-communicating what's coming next etc.... This type of manager has a much better chance of having a program that completes on time and at or below budget. Just like driving a car, a project should be managed by looking out the front windshield and down the road 80% of the time with something like looking in the rear-view, and side mirrors no more than 20% of the time.

*Port of Hood River Commission  
 Meeting Minutes of December 15, 2020 Regular Session  
 Via Remote Video Teleconference & Marina Center Boardroom  
 5:00 p.m.*

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**THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.**

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**5:00 p.m.  
 Regular Session**

**Present:** Commissioners Jon Everitt, Kristi Chapman, Hoby Streich, David Meriwether, Ben Sheppard; from staff, Michael McElwee, Fred Kowell, Kevin Greenwood, Anne Medenbach, Daryl Stafford, Genevieve Scholl; Legal Counsel Jerry Jaques; Guest Speakers: Kyle Janicki, Tara Kamp

**Absent:** None

**Media:** None

1. **CALL TO ORDER:** President Jon Everitt called meeting to order at 5:00 p.m.
  - a. **Modifications or additions to the agenda:** None
  - b. **Public Comment:** None
  - c. **Proclamation of Commendation and Appreciation of U.S Representative Gregory P. Walden** – unanimously approved.
  
2. **CONSENT AGENDA:**
  - a. Approve Minutes of the November 10 Fall Planning Work Session, the November 17 Regular Session, and the December 1 Regular Session.
  - b. Approve purchase of AWOS equipment from DBT Transportation Services LLC for \$25,806.
  - c. Approve Addendum No. 2 to Lease with Chief Consulting Group, LLC in the Timber Incubator Building.
  - d. Approve Accounts Payable to Jaques Sharp in the Amount of \$6,095

**Motion:** Approve the Amended Consent Agenda

**Move:** Meriwether

**Second:** Sheppard

**Discussion:** None

**Vote:** Unanimous

3. **INFORMATIONAL REPORTS:** None

4. **PRESENTATION AND DISCUSSION ITEMS:**

a. **FY 2019-2020 Audit Report, Tara Kamp, Pauly Rogers**

Tara Kamp started the presentation by presenting the results of the June 30, 2020 audit and the Communication to the Governing Body letter. The first page of the audit covers the overall purpose, and the second page covers the results of the audit. For the financial statement audit, the auditors issued an unmodified opinion on the financial statements. There were no difficulties with management in performing the audit and no disagreements dealing with the financial accounting. Lastly in the letter, they cover future accounting standards that are anticipated.

b. **Bridge Replacement Project Update & Public Open House Report**

Kevin Greenwood brings to the commission’s attention that the BSWG is interested in exploring the public-private partnership “P3” approach in project delivery. There will be a 15 min presentation on the approach during their January 8<sup>th</sup> meeting. There will also be a panel presentation with 4 or 5 industry professionals from around the country. Schedule requests have been sent out and is looking to happen

late January or early February. Greenwood then went on to discuss/further clarify the match on the BUILD grant. Everitt the responds by saying it is in their interest to find other sources rather than write a check from the Port's own bank account for the match. It is then said that as the grants come in, the commission will have discussions about matching as a case by case basis. Commissioner Chapman asked whether it was possible to be eligible for grants on the Washington side at the moment. An update on the government affairs update, Michael McElwee and Kevin Greenwood will be meeting with Lina Horton to brief her on the Introductory Bridge Authority Bill and the need for continued funding for bridge replacement. Greenwood the asks for further consensus dealing with the Volunteer Agreement. Greenwood wanted to make sure that the agreement/relationship between the port and Mr. Fox is clearly understood on both sides. The main issue Mr. Fox has is that he would like to directly report to the Port Commission, which would seem to make things slightly more complicated as Greenwood already reports on the day-to-day activities. Everitt likes the current contract and agrees that having two reporters to the commission might make it more complicated in the public sessions. Commissioner Chapman does think that it might also be helpful to hear Mr. Fox's unfiltered opinion every now and then. Commissioner Streich is for having Kevin Greenwood decide what to do as far as volunteer agreements, Sheppard agrees as well. Jerry Jaques believes it is a good idea to have a document for both parties to understand the relationship. A more formal document will then be brought in the next meeting for board approval. Greenwood then gave a brief archeological update. The consultant work wrapped up on the 15<sup>th</sup> of December on the Washington side. Another amendment will be needed due to the surpassing of reporting and information that was found.

**c. Western Region Tolling Interoperability**

Fred Kowell discussed how the Department of Transportation requested the International Bridge, Tunnel and Turnpike Association ("IBTTA") to advise on a national tolling set of procedures/protocols. A few years back the IBTTA western region began the interoperability effort and today are able to send information all across the U.S. All these transactions of people crossing all tolling stops are now able to be sent within different companies solely through bigger corporations that are specifically used to transmit information from place to place. For this function, the western region uses WSDOT. Each region has a hub that sends the transactions through each major corporation whenever a toll is collected from out of their own region. The next step would be to see if any other Western Region agencies would want to be part of the group that volunteers for the programming. Kowell sees the nation continuing to move in this direction. Commissioner Chapman asked about payment timing to the home agencies for each account. Kowell answered that the cash would be moved out of someone's account within that same day, if not the next. Further clarification was made as to how we are to inform the public that their transponders work if they were to cross tolled facilities outside of their region. One of the things holding that process back is that the state of California still has to try and send this message out to their inner agencies before it gets approved to use other agencies. Chapman then asked what our incentive would be to join a program like this if we want out of state drivers to pay our toll rather than the cheaper breeze-by price. Kowell stated that the Port can state our own rates for our best interest, if it is allowed. The issue now, is whether the Port can charge different rates for locals and tourists legally. Kowell would like to sit back for the moment and see the process play out and then come back to have a conversation pertaining to fully adapting this program.

**d. Airport Commercial Hangar Development**

Medenbach discussed the next steps regarding the addition of a potential commercial hangar located where the work was completed that was financed by the Connect VI grant. She has outlined a potential



process and put some decision points for the Commission to discuss. This would be in anticipation in bringing an architectural and engineering contract for the design and bid package. Tonight’s discussion was to get an idea of what everybody needed or was missing for further discussion in the next meeting. There were errors in the packet materials pertaining to the formulas dealing with the cash flow, therefore Medenbach asked to omit discussions dealing with said errors until next meeting so that she could correct them. Chapman restates that for the first 2-3 years there will be negative cash flow and then after it would start changing to a positive cash flow. Discussion pertaining to the number of tenants for the building. A consensus was made unanimously to bring a contract for the January meetings pertaining to the next steps in the process.

**5. EXECUTIVE DIRECTOR REPORT:** Michael McElwee requested the Commission schedule upcoming meetings with two in January and one in February; January 12<sup>th</sup> and 26<sup>th</sup> and February 16<sup>th</sup>. Staff are still implementing the OSHA Covid Guidelines with a final step of employee training session. The Winter Port newsletter is in production right now. Genevieve Scholl is serving on a committee that deals with the regional economic development plan that is a multi-meeting that will take around 6-8 months’ time. McElwee heard back from ODOT that they are in final review of weight restrictions on the bridge.

**6. COMMISSIONER, COMMITTEE REPORTS:**

- a. Airport Noise Working Group – Medenbach provided the report.
- b. Bridge Replacement Bi-State Working Group – Commissioner Everitt provided the report.

**7. ACTION ITEMS:**

**a. Approve Contract with Clary Consulting, Inc. for Consulting Services Related to Bridge Replacement Project Delivery Not to Exceed \$22,750**

**Motion:** Approve contract with Clary Consulting Inc. for consulting services related to bridge replacement not to exceed \$22,750, plus reasonable reimbursable expenses.

Move: Meriwether  
 Second: Streich  
 Discussion: None  
 Vote: Unanimous

**b. Approve Amendment No. 3 to Contract with Otak for Consulting Services Related to Bridge Replacement A&E Design RFP Development Not to Exceed \$22,000**

**Motion:** Authorize Amendment No. 3 to contract with Otak Consulting, Inc. for AE/Design RFP consultation related to bridge replacement not to exceed \$22,000.

Move: Streich  
 Second: Chapman  
 Discussion: None  
 Vote: Unanimous

**c. Approve Amendment No. 4 to Agreement with TacAero for Fixed Based Operator Services at the Airport**

**Motion:** Approve Amendment No. 4 to the Agreement with Hood Tech CorpAero, Inc. DBA Tac Aero. for Fixed Base Operator services at the Ken Jernstedt Airfield and a draft presented to the board on February 15<sup>th</sup> and move the expiration date to April 15<sup>th</sup>, 2021 for the contract of existing FBO operator.

Move: Streich

Second: Chapman

Discussion: McElwee wondered whether the March 1<sup>st</sup> turnaround was too quick for an RFP and asked Medenbach if it was enough time to have it prepared for the Commission. It was then decided to move the date back to mid April.

Vote: Unanimous

**8. COMMISSION CALL:** None

**9. EXECUTIVE SESSION:** President John Everitt recessed Regular Session at 6:51 pm to call the Commission into Executive Session under ORS 192.660(2)(e) Real Estate Negotiations, ORS 192.660(2)(h) Consultation with legal counsel regarding current litigation or litigation likely to be filed.

**10. POSSIBLE ACTION:** None.

**11. ADJOURN**

**Motion:** Motion to adjourn the meeting

Vote: Unanimous

**MOTION CARRIED**

The meeting adjourned at 7:41 p.m.

Respectfully submitted,

\_\_\_\_\_  
Maria Diaz

**ATTEST:**

\_\_\_\_\_  
John Everitt, President

\_\_\_\_\_  
David Meriwether, Secretary

*Port of Hood River Commission  
 Meeting Minutes of January 12, 2021 Regular Session  
 Via Remote Video Teleconference & Marina Center Boardroom  
 5:00 p.m.*

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**THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.**

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**5:00 p.m.  
 Regular Session**

**Present:** Commissioners Jon Everitt, Kristi Chapman, Hoby Streich, David Meriwether, Ben Sheppard; from staff, Michael McElwee, Fred Kowell, Kevin Greenwood, Anne Medenbach, Daryl Stafford, Genevieve Scholl; Legal Counsel Jerry Jaques

**Absent:** None

**Media:** None

1. **CALL TO ORDER:** President Jon Everitt called the meeting to order at 5:03 p.m.
  - a. **Modifications or additions to the agenda:** None
  - b. **Public Comment:** Written public comment received was included in the meeting packets.
2. **CONSENT AGENDA:**
  - a. Approve Minutes of the December 22, Special Session
  - b. Approve Contract with Coffman Engineers for Engineering Services Related to Event Site Dock Repair
  - c. Approve Lease with Hood River Yacht Club in the Marina Maintenance Building and Yard

**Motion:** Approve the Amended Consent Agenda

**Move:** Meriwether

**Second:** Chapman

**Discussion:** None

**Vote:** Unanimous

3. **INFORMATIONAL REPORTS:**
  - a. **Flight Tracking Technology Alternatives:**
  - b. **Executive Director Work Plan Mid-Year Review:**
  - c. **Bridge Replacement Project Update & Public Open House Report**

**4. PRESENTATION AND DISCUSSION ITEMS:**

**a. Bridge Replacement Volunteer Agreement Template Discussion**

Kevin Greenwood requested Commission discussion on the staff-prepared Volunteer Agreement Template for involving future volunteers on long-term projects, and how these relationships will take place. He states that the document in the packet was looked over by Jerry Jaques as to what the agreement would be with said volunteers. Commissioner Chapman then briefed the Commission on her discussion with Mr. Mike Fox, who would be the first volunteer to be asked to sign such an agreement. Chapman noted there were some points that need clarification and that Mr. Fox’s expectations for the relationship with the Port would be quite different from that laid out in the agreement. Chapman suggested, instead of having a volunteer agreement, the Port invite Mr. Fox give a presentation to the Commission for a different approach to bridge project delivery. Chapman believes it would be good to have Mr. Fox present his ideas. Commissioner Meriwether believes it would be a difficult thing to work through if there were individual contracts rather than form a possible group of professionals that default under the BSWG. Commissioner Sheppard is not in favor of the agreement as written and is open to hear from Mr. Fox. The question how volunteers would communicate with the Commission was raised for

further discussion. A unanimous consensus was made to have Mr. Fox present his ideas in a future meeting. A suggestion to hold off on the volunteer agreement document was also agreed upon from the whole commission.

**b. Draft RFQ for Fixed Base Operators at the Airport**

Anne Medenbach went over a few key points she felt needed to be covered or clarified. One being the reasoning between and RFQ vs. an RFP. An RFQ allows for more flexibility and allows any applicants more flexibility in how they want to approach the FBO. Secondly, Medenbach was hoping to have further discussion about the current subsidy for the FBO, which is about \$20,000. Commissioner Streich then asked if there were additional revenue streams the Port could offer to offset our debt and assist them in being a successful FBO. Medenbach answered T-Hanger management and FBO airport maintenance as additional potential revenue streams. At this point there is a lot of self-service that you don't need with an FBO. Training would be a vital component to what the FBO should be doing pertaining to the airport and how it runs. Being that this topic is outside of most Commissioner's expertise, Commissioner Chapman suggested having a conversation with someone like her neighbor who now owns a drone automated technology company to help with security surveillance for the airport. Consensus to proceed with issuance of the RFQ for FBO services as written was reached.

**c. Draft RFDI for Barman Property Development**

Michael McElwee presented a draft RFDI for Commission consideration, noting the idea is to get a solicitation out to the public stating that we have a piece of property that is available and we're wanting to know if anyone is interested from the business community or the development community. The intention would not be to sell the property, but to ground lease it. Commissioner Streich suggested they continue the conversation in executive session to go over numbers and further clarify what the document entails as he is still not comfortable in moving forward as it stands. The main issue being brought is that stating the property as a no sale and just a ground lease, it wouldn't really help bring in any cash flow to the Port. McElwee restates that the RFDI is solely used to gauge whether there was any interest. Consensus to issue the RFDI with changes to the ground-lease language to result in a staff summary report of the responses to be presented to the Commission after April 15<sup>th</sup> was reached by all Commissioners.

**5. EXECUTIVE DIRECTOR REPORT:** McElwee highlighted specific dates for future Port meetings dealing with Spring Planning and the budget committee meeting.

**6. COMMISSIONER, COMMITTEE REPORTS:**

**a. Bridge Replacement Bi-State Working Group:**

President Everitt encourages all Commissioners to attend a virtual meeting that will give a P3 panel presentation to the BSWG on February 5<sup>th</sup>. This would give Commissioners exposure to the P3 world and is particularly important if the Port is unsuccessful in creating a Bi-State authority and the Port of Hood River is the only entity with legislative authority to enter a P3 agreement for a replacement bridge. However, if a quorum were to attend, this would become a public meeting, a notice would have to be issued. Scholl stated that this would be done by staff.

**7. ACTION ITEMS:** None

**8. COMMISSION CALL:** Commissioner Streich asked Anne Medenbach what the ultimate goal was when pertaining to the flight tracking. Medenbach responded the main goal is being able to track or know who is flying at whatever given time; an issue brought up by noise complaints. A more broad, overall goal would be to receive airport operational use data and specific ownership information for specific a specific aircraft.

**9. EXECUTIVE SESSION:** President John Everitt recessed Regular Session at 6:41 pm to call the Commission into Executive Session under ORS 192.660(2)(e) Real Estate Negotiations.

**10. POSSIBLE ACTION:** None.

**11. ADJOURN**

**Motion:** Motion to adjourn the meeting

Vote: Unanimous

**MOTION CARRIED**

The meeting adjourned at 6:41 p.m.

Respectfully submitted,

\_\_\_\_\_  
Maria Diaz

**ATTEST:**

\_\_\_\_\_  
John Everitt, President

\_\_\_\_\_  
David Meriwether, Secretary

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# Commission Memo

Prepared by: Anne Medenbach  
Date: January 26, 2021  
Re: Real Carbon Inc. Lease



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Real Carbon Inc. has been a tenant of the Port since 2011 and has been in the Big 7 Building since 2015. They lease R&D space for their work in the aviation technology industry.

This Lease puts them on the new Lease structure. Staff negotiated a 1-year lease, with one 2-year renewal option. The negotiated lease rate is \$0.65/sf and \$0.25/sf in additional rent. This hits the target for the building considering the condition of the space. They lease 4,256/sf, of which 3,800/sf is their tenant space, the other is the Common Area allocation.

**RECOMMENDATION:** Approve Lease with Real Carbon, Inc. for 4,256 square feet at 616 Industrial Street, in Hood River Oregon.

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**LEASE**

**THIS LEASE** is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as “Lessor,” and **Real Carbon Inc.**, an Oregon corporation, hereinafter referred to as “Lessee.” Lessor and Lessee may hereafter be referred to individually as a “party” or collectively as the “parties”.

- 1. Leased Premises Description.** In consideration of the covenants of the parties, Lessor Leases to Lessee approximately 3,800 square feet of space in Lessor’s building commonly known as the Big 7 Building (“Building”) located at 616 Industrial Street, Hood River, Oregon (“Leased Premises”). The Leased Premises are identified in the attached “Exhibit A.”

Building Name:	Big 7
Building Address:	616 Industrial street, Hood River
Lessee Suite/Description:	101
Leased Area:	3,800 SF
Rentable Area:	4,256 SF

- 2. Term.** The Lease shall be binding when both parties sign the Lease. The Lease Term shall be for the period effective on **January 1, 2021** and continuing through **January 31, 2022**. If not in default under the Lease, and if Lessee pays Lessor all Rent Lessee owes or may be responsible to pay under the Lease, Lessee has the option to extend the Lease for one extension term of two years each, through January 31, 2024, provided Lessee gives Lessor written notice of Lessee's intent to renew the Lease for the additional term while the Lease is in effect. To be effective, Lessee’s notice to renew must be received by Lessor no later than ninety (90) calendar days prior to the Lease termination date.

Effective Date:	January 1, 2021
Lease Expiration Date:	December 31, 2021
Renewal Options:	one (2) year
Renewal Notice Requirement:	90 days

- 3. Allowed Use.** Lessee shall use the Leased Premises for manufacturing of carbon products, accessories and sales. The Leased Premises shall not be used for any other purposes without the written consent of Lessor, which may be granted or denied in Lessor’s discretion.
- 4. Rentable Area Load Factor.** Each Building tenant, including Lessee, is responsible to pay for their share of Building Operating Expenses related to “Building Common Areas” consisting of interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators. A “Load Factor” is calculated to determine Building tenant payments owed for Building Common Area Operating Expenses, which is added to Base Rent.

Load Factor Formula: The total Building square footage is 42,103 SF. The Building Common Area square footage is 5,123 SF. The total Building square footage divided by the total Building

square footage minus the Building Common Area square footage equals the Load Factor 12%. The Big 7 Load Factor is 12%.

Rentable “Area square footage” is the Leased Premises square footage 3,800 SF plus the Load Factor area square footage 532 SF. The Rentable Area square footage used to calculate Rent as defined below, is 4,256 SF.

**5. Rent**

The rents Lessee owes Lessor shall be and consist of Base Rent (“Base Rent”), plus Additional Rent (“Additional Rent”). For purposes of this Lease, Base Rent and Additional Rent are referred to collectively as “Rent”.

**5.1 Base Rent.** Beginning on the Effective Date, Base Rent shown below shall be payable in equal monthly installments in advance on the first day of each calendar month during the Term of this Lease, except to the extent otherwise specifically provided elsewhere in this Lease. However, if the Lease does not begin on the first day of a month rental for the first month shall be prorated to reflect the actual number of days in that month that the Lease is in effect and shall be payable immediately.

<u>Suite #</u>	<u>Rentable Area Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rent</u>
101	4,256	.65	\$2,766

**5.1.1 Consumer Price Index (CPI).** Starting on the first anniversary of the Effective Date, and occurring annually thereafter, including any extensions of this Lease, Base Rent will be adjusted by adding to the monthly Base Rent amount payable during the previous 12-month period a percentage increase equal to the previous twelve months Base Rent amount times the percentage change in the Consumer Price Index for the Western Region Class BC, or a similar U.S. Government inflation index selected by Lessor (“CPI”) for the most recent 12-month period for which a published CPI is available. However, in no event will the annual increase be less than one (1) percent or more than five (5) percent.

**5.2 Additional Rent.** Additional Rent shall be all other sums of money that shall become due from and payable by Lessee to Lessor under this Lease, including without limitations, Operating Expenses as defined in Section 5.3.1 and Taxes and Assessments as defined in Section 5.3.2.

**5.3 Additional Rent Calculation.**

<u>Rentable Area (Square Footage)</u>	<u>Estimated rate per s.f. per month</u>	<u>Monthly Estimated Additional Rent</u>
4,256	\$0.25/SF	\$1064

**5.3.1 Operating Expenses.** Operating Expenses shall include all costs for the operation, repair and maintenance of the Building, Building Common Areas, and “Building

Exterior Areas” which are located on Lessor property adjacent and related to the Building, whether designated for a particular Building tenant or which benefit some or all Building tenants. Operating expenses may include but are not limited to:

- 5.3.1.1** All costs and expenses incurred by Lessor in maintaining and repairing the Building, the Building Common Areas and Building Exterior Areas, including but not limited to:
- 5.3.1.1.1** General Building Exterior Areas maintenance and repairs of paved areas including; resurfacing, painting, restriping, cleaning, sidewalks, curbs, snow removal, storm systems, drainage systems and sweeping;
  - 5.3.1.1.2** Maintenance and repair of landscaping including plantings, irrigation and sprinkler systems, general landscaping maintenance;
  - 5.3.1.1.3** Services for Building Common Areas such as janitorial, fire suppression, security and door locking system, elevator and HVAC maintenance;
  - 5.3.1.1.4** General maintenance and repair of Building systems including plumbing, lighting and fixtures, siding and trim, flooring, HVAC, roof and fixtures and garbage service.
  - 5.3.1.1.5** Property management and administration fees required to enable the Building to be used by tenants and maintained.
- 5.3.1.2** All costs and expenses incurred by Lessor for utility usage that is not separately metered and payable by Lessee or another Building tenant, including but not limited to: electricity, gas, water, telecommunications and internet provided in suite, as well as Building Exterior Areas, and Building Common Areas.
- 5.3.1.3** Operating Expenses shall not include (a) Lessor’s capital expenditures, determined pursuant to Generally Accepted Accounting Principles as interpreted by Lessor, consistently applied, made in connection with Building, Building Common Areas or Building Exterior Areas or any equipment therein or thereon, except for those (i) required to comply with laws enacted after the date of this Lease, or (ii) made for the primary purpose of reducing Operating Expenses (b) attorneys’ fees incurred in enforcing the terms of any Building lease; (c) any amount paid to an entity or individual affiliated with or otherwise related to Lessor which exceeds the amount which would be paid for similar goods or services on an arms-length basis between unrelated parties; (d) any cost of selling, exchanging or refinancing the Building and Building Common Areas and any tax increase caused by their revaluation by virtue of a sale by Lessor; (e) Lessor’s general administrative overhead not directly attributable to management or operation of the Building, Building Common Areas and Building Exterior Areas and (f) costs for services normally provided by a property manager where the Operating Expenses already include a management fee.
- 5.3.1.4** Additional Rent charged to Lessee under Section 5.3.1 may not exceed an annual increase of 4%.
- 5.3.2** **Taxes and Assessments.** Lessee shall pay its proportionate share of all current assessments, real estate taxes, other taxes, fees and other charges levied or imposed by any governmental body against the Leased Premises, the Building,

Building Common Areas and Building Exterior Areas and the property on which those sit, whether or not now customary or within the contemplation of the parties. Payment of the taxes shall be made as an Additional Rent charge. Lessee's proportionate share of any taxes shall be based only on that portion of the taxes which is allocated to the Leased Premises including the Load Factor during the Lease Term. Lessee shall directly pay all taxes levied on or with respect to Lessee's personal property located on the Leased Premises.

**5.3.3 Annual Adjustment/Reconciliations.** Within a reasonable time following the end of each Lessor fiscal year ending June 30 ("Fiscal Year") during the Term, Lessor shall furnish to Lessee an itemized statement prepared by Lessor setting forth Lessee's total Rent, including Additional Rent, for the preceding Fiscal Year, the estimated amount of Lessee's share of future Additional Rent for the upcoming Fiscal Year, and the Rent payments made by Lessee, including Additional Rent, during the prior Fiscal Year ("Itemized Statement"). Should Lessee's prior Fiscal Year Additional Rent payments exceed the actual Additional Rent owed, Lessor shall credit Lessee that over payment amount to apply to the next Fiscal Year Additional Rent amount. Should Lessee's prior Fiscal Year Additional Rent payments be less than actual Additional Rent owed, Lessee shall pay Lessor for such deficiency in a lump sum within thirty (30) calendar days after receipt of the Itemized Statement.

The upcoming Fiscal Year Additional Rent payable by Lessee will be based on the preceding Fiscal Year actual expenses allocated to Lessee and any new or higher costs or expenses allocated to Lessee which Lessee will owe based on Lessor's forecast of the future Fiscal Year expenses, which shall be reflected in the Itemized Statement. The new monthly Additional Rent amount will be sent to Lessee by Lessor in the annual Itemized Statement. Lessor shall adjust the Additional Rent monthly payment amount beginning every July 1 of the Term, which Lessee shall pay monthly in advance on the first day of each month during the Fiscal Year. The updated Additional Rent payment payable by Lessee for July and any other month that begins after the Itemized Statement is sent by Lessor to Lessee shall be due within ten (10) days after the date Lessor sends the Itemized Statement to Lessee.

**5.3.4 Market Rent Payable If Lease Option Is Exercised.** If the Lease is in effect one hundred eighty (180) calendar days prior to its renewal term, then not more than one hundred eighty (180) days from such renewal term, Lessor will notify Lessee in writing what the monthly Rent amount for the Leased Premises will be on the date of the renewal term, if Lessee exercises Lessee's option to renew the Lease. The renewal term Rent amount will be based on Lessor's good faith estimate of the fair market monthly rental rate for the Leased Premises upon the start of the renewal term including a CPI adjustment, provided however, the Rent amount will not be less than the most recent monthly Rent amount payable by Lessee prior to the renewal term. When Lessor notifies Lessee what the renewal term monthly Rent amount will be, Lessor will provide Lessee with information Lessor has used to determine the fair market monthly Rent amount, in Lessor's opinion. If Lessee exercises Lessee's option to renew the Lease the fair market monthly Rent amount established by Lessor will be payable by Lessee beginning on the first day of the renewal term. The foregoing notwithstanding, if Lessee is dissatisfied with or has

questions about the fair market monthly Rent amount Lessor will charge Lessee beginning at the renewal term, Lessee may discuss the matter with Lessor prior to exercising Lessee's option to renew the Lease. Lessor may agree to change the monthly Rent amount payable beginning of the renewal term, or not, in Lessor's discretion. If Lessor agrees to change the monthly Rent amount beginning at the renewal term, that agreement must be in writing signed by Lessee and Lessor.

**6. Building Common Areas and Building Exterior Areas.** Building Common Areas and Building Exterior Areas are provided by Lessor for the joint use and benefit of Building tenants, including Lessee, their employees, customers, suppliers and other invitees. Building Common Areas and Building Exterior Areas are identified in the attached "Exhibit B". Use of available Building Common Areas and Building Exterior Areas shall be subject to compatible, non-exclusive use on the part of other Building tenants. Lessee agrees that its usage of such Building Common Areas and Exterior Building Areas shall not interfere or be inconsistent with the similar rights of other Building tenants. All Building Common Areas and Exterior Building Areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all Building Common Areas and Building Exterior Areas, which Lessee agrees to abide by. Lessee understands and agrees that other tenants may occupy the Building.

**6.1** Building Exterior Areas include: public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by particular Building tenants as shown in the attached Exhibit B.

**6.2** Building Common Areas include interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators.

**7. Parking.** Lessee may park vehicles in Building Exterior Areas designated by Lessor for vehicle parking when parking spaces are available. As part of this Lease Lessee may also park vehicles in two designated parking spaces located adjacent to the entry door of the Premises and signed with the name of the Lessee. Lessor shall have no obligation to monitor parking or enforce parking restrictions associated with Lessee's designated parking spaces.]

**8. Maintenance and Repair.**

Expenses of any maintenance or repair activity that is not considered a Capital Expenditure is an Operating Expense described in section 5.3.1 of this Lease. A portion of the cost of Lessor maintenance and repair activities related to Lessee's occupancy of the Leased Premises shall be payable by Lessee as Additional Rent.

**8.1 Lessor Obligations.** Lessor shall maintain the Building except for the Leased Premises and other tenant occupied leased areas which are the responsibility of Building tenants, and shall maintain the Building Exterior Areas, and Building Common Areas, including stairs, corridors, restrooms, exterior and interior windows, plumbing and electrical equipment serving the Building, roof and elevators, except for equipment owned or leased by Lessee and other building tenants, in reasonably good order and condition except for damage occasioned by the Lessee or Lessee's licensees or invitees, which damage Lessee shall promptly repair or may be repaired by Lessor at Lessee's expense in Lessor's discretion, in

which case Lessee shall promptly reimburse Lessor. Lessor shall cause water and electric services to be provided to the Building. However, in no event shall Lessor be responsible or liable for an interruption or failure in the supply of any utilities to the Building or Leased Premises or for inconvenience or costs incurred by Lessee resulting from Lessor maintenance.

**8.2 Lessee Obligations.** During the Lease Term Lessee shall at Lessee's sole cost and expense keep the Leased Premises in good order, condition and repair. This obligation shall include, without limitation, the obligation to maintain and repair when damaged, not functioning or worn beyond ordinary wear and tear: floor coverings, wall coverings and paint, casework, ceiling tiles, HVAC exclusively serving the Leased Premises, window coverings, light bulbs, ballasts and fixtures, locks and hardware and all tenant improvements. Lessee shall promptly pay bills for Lessee's utility services provided directly to Lessee and shall reimburse Lessor for utilities services paid for by Lessor as Operating Expenses.

## **9. Insurance**

**9.1 Lessee Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and save Lessor, Lessor's Port Commissioners, officers, employees and agents, harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this Lease, or arising from any willful or negligent act or omission of Lessee's agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, attorney fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor, Lessor's Port Commissioners, officers, employees or agents by reason of any such claim, Lessee, upon notice from Lessor covenants to resist and defend such action or proceeding with the assistance of qualified legal counsel.

**9.2 Lessee Insurance.** On or before the effective date of the Lease and thereafter during the Lease Term, Lessee shall maintain insurance and provide Lessor with current certificates of insurance, including an additional insured endorsement, ensuring coverage of:

(a). Commercial General Liability insurance covering the insured against claims arising out of Lessee's operations, assumed liabilities under this Lease and use of the Leased Premises. The combined single limit shall not be less than One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000) aggregate limit. Lessee agrees to keep the policy in effect for the duration of the Lease Term. The policy shall name Lessor as additional insured, and expressly include Lessor's Port Commissioners, officers, employees, and agents as additional named insured. The policy shall state that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by Lessor and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen (14) calendar days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor.

(b). Property Damage insurance covering (a) all furniture, trade fixtures, equipment, merchandise and all other items of Lessee's property on the Leased Premises and all alterations and other improvements and additions to the Leased Premises whether owned or constructed by Lessee or Lessor pursuant to the Lease. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the guaranteed replacement costs new value without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies.

**9.3 Building Damage or Destruction.** Lessor shall maintain property insurance covering the Building, Exterior Building Areas and Building Common Areas providing protection against "all risk of physical loss". If the Leased Premises or Building are partially destroyed ( more than 25%) by fire or other casualty, Lessor may decide to repair the Leased Premises or Building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within thirty (30) calendar days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the Lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the Lease shall continue and Lessor shall return the Leased Premises or Building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the Rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or Building or related to repairs undertaken by Lessor.

**10. Lessor Funded Tenant Improvements.** If Lessor has agreed to make or pay for tenant improvements to the Leased Premises prior to or during the Lease Term, a description of the improvements, costs and Lessee's obligation to pay for such improvements shall be set forth in a separate written agreement that will be an amendment to and become part of this Lease.

**11. Tenant Alterations.** Lessee shall not make any alterations, additions, or improvements ("Alterations") in, on or to the Leased Premises or any part thereof without the prior written consent of Lessor which Lessor may agree to, with or without conditions, or deny in Lessor's discretion. After receiving a Lessee request to make Alterations Lessor will consider the following, among other issues: (i) the Alterations are nonstructural, do not impair the strength of the Building or any part thereof, and are not visible from the exterior of the Leased Premises; (ii) the Alterations do not affect the proper functioning of the Building heating, ventilation and air conditioning, mechanical, electrical, sanitary or other utilities systems and services of the Building; (iii) Lessor shall have reviewed and approved the final plans and specifications for the Alterations; (iv) Lessee pays Lessor a fee for Lessor's indirect costs, field supervision or coordination in connection with the Alterations equal to five percent (5%) of the actual cost of such Alterations or such other sum as Lessor determines if Lessee agrees; (v) materials used are consistent with existing materials in the Leased Premises and Building and comply with Lessor's Building standards; and (vi) before proceeding with any Alteration, which will cost more than \$10,000, Lessee obtains and delivers to Lessor a performance bond and a labor and materials payment bond for the benefit of Lessor, issued by a corporate surety licensed to do business in Oregon each in an amount equal to one hundred twenty five percent (125%) of the estimated

cost of the Alterations and in form satisfactory to Lessor, or such other security as shall be satisfactory to Lessor.

**12. Fixtures and Personal Property.** Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises or Building. Lessee shall promptly notify Lessor of, and shall defend, indemnify and save harmless, Lessor from and against any and all construction and other liens and encumbrances filed in connection with Alterations, or any other work, labor, services or materials done for or supplied to Lessee.

At the expiration or earlier termination of the Lease Term Lessee shall remove all furnishings, furniture, equipment, other personal property and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any personal property, this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the Lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may affect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

**13. Condemnation.** If more than twenty- five percent (25%) of the Leased Premises and/or Building shall be taken or appropriated under the power of eminent domain or conveyed in lieu thereof, Lessor shall have the right to terminate this Lease. If the Lease is terminated, Lessor shall receive all income, rent award or any interest thereon which may be paid or owed in connection with the exercise of such power of eminent domain or convey in lieu thereof, and Lessee shall have no claim against Lessor or the agency exercising such power or receiving such conveyance for any part of such payments. If Lessor elects not to terminate the Lease, Lessor shall receive any and all income, rent award or any interest thereon paid or owed in connection with such taking, appropriation or condemnation.

**14. Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from the Building Common Areas or Exterior Common Areas without the prior written consent of Lessor, which Lessor may grant or deny in Lessor's discretion. Lessee agrees to maintain in good condition any signs or displays which are allowed.

**15. Leased Premises Condition; Lessor Access.** Lessee has inspected the Leased Premises and accepts them in AS IS condition. Lessee shall return the Leased Premises to Lessor in the condition when leased or as improved in good, broom clean condition except for ordinary wear and tear at the termination of this Lease. Any cost to bring the Leased Premises back to an acceptable condition shall be the sole responsibility of Lessee.

Upon termination or expiration of this Lease, Lessor shall inspect the Leased Premises and shall either accept the condition AS IS or require Lessee to remove personal property and/or repair the Leased Premises to a condition that is acceptable including reasonable wear and tear. Any cost to bring the Leased Premises back to an acceptable condition shall be the sole responsibility of Lessee.



Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after twenty four (24) hours oral notice (without notice to protect public health and safety in an emergency) to inspect it or to make repairs, additions or Alterations to the Leased Premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on-site manager if any) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within thirty (30) calendar days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same satisfactory to Lessor in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof and pay Lessor's related costs.

Lessor shall provide up to 5 access keys to the Leased Premises or up to five (5) access cards. Additional keys or lost keys may be purchased from Lessor for \$20 per key. Additional access cards may be purchased from Lessor for \$25 per card. If Lessor is managing a key system which requires issuance of a rekey Lessee shall be responsible for the cost associated with Lessor issuing a rekey.

**16. Entire Agreement; Amendments.** This Lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This Lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.

**17. Quiet Enjoyment.** From the date the Lease commences Lessee will have the right to use the Leased Premises consistent with this Lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this Lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the Building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.

**18. Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.

**19. Assignment.** Lessee agrees not to assign or in any manner transfer this Lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the Leased Premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent.

**20. Default.** Time is of the essence of performance of all the requirements of this Lease. If any Rent or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) calendar days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other charges) within fourteen (14) calendar days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of

creditors or if Lessee shall abandon the Leased Premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the Lease may be terminated at the option of Lessor. If the Lease is terminated, Lessee's liability to Lessor for Rent and damages shall survive such termination and Lessor may re-enter, take possession of the Leased Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

**21. Holdover.** If Lessee does not vacate the Leased Premises when the Lease Term expires, Lessor shall have the option to treat Lessee as a month to month tenant, subject to all the provisions of this Lease except the provisions for term and renewal, and at a rental rate equal to one hundred and fifty percent (150%) of the daily prorated amount of the Rent for the last period prior to the date of expiration. Lessor may choose to lower the rental rate and will notify Lessee of such choice in writing once Lessee is holding over. Failure by Lessee to remove fixtures, furnishings, trade fixtures, or other personal property which Lessee is required to remove under this Lease shall constitute a failure to vacate to which this paragraph shall apply. If a month-to-month tenancy results from holdover by Lessee under this paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given to Lessee not less than ten (10) calendar days prior to the termination date specified in Lessor's notice. Lessee waives any notice which would otherwise be required by this Lease or by law with respect to month-to-month tenancy.

**22. Notices.** Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent if any, to the person signing the Lease, or to Lessee's on site manager if any who at the date of this Lease is Alastair Graham, or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease; and if such notice is to Lessor, delivered personally to the Executive Director of the Port of Hood River at the Port of Hood River's office located at, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.

**23. Governing Law and Dispute Resolution.** This Lease shall be governed by and construed in accordance with the laws of the State of Oregon. Any dispute involving this Lease may be resolved by court action or mediation if both parties agree. If the parties agree to use a mediator they will each pay one half the costs of mediation. If mediation does not occur or does not result in a resolution satisfactory to both parties the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in court action, mediation or arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney's fees and costs and disbursements incident thereto.

**24. Authority to Execute.** The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this \_\_\_\_ day of January, 2021.

Lessee:	Real Carbon, Inc.	Lessor:	Port of Hood River
Signed:	_____	Signed:	_____
By:	Mike Graham	By:	Michael McElwee
Its:	President	Its:	Executive Director
Address:	2138 NW Lacamas Drive Camas, WA 98607	Address:	1000 E. Port Marina Drive Hood River, OR 97031
Email/phone:	<a href="mailto:mikegraham@realcarbon.com/">mikegraham@realcarbon.com/</a> (360) 606-7762 ( C ) (541) 386-9292 ( O )	Email/phone:	(541) 386-1645

**Exhibit A  
LEASED PREMISES**

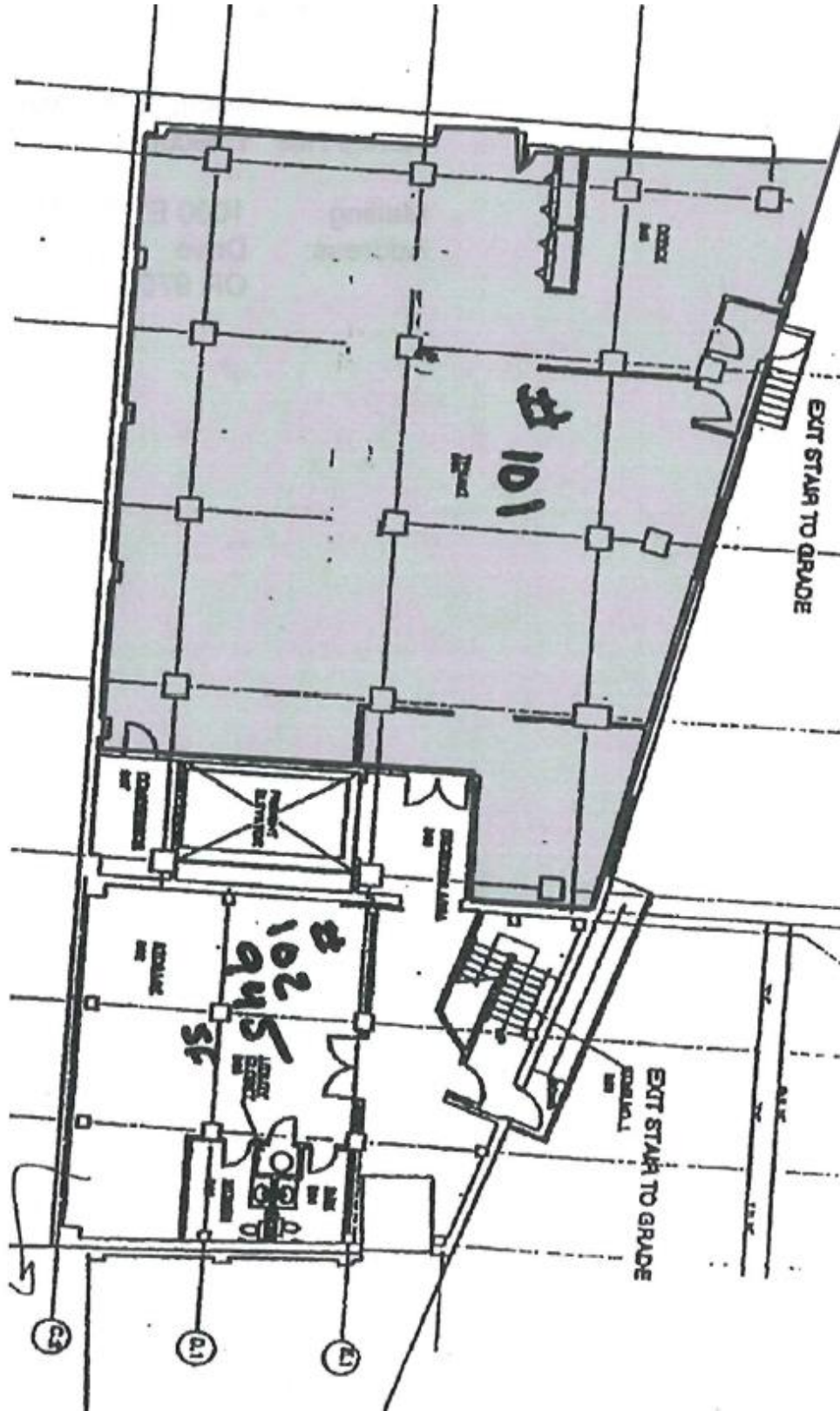
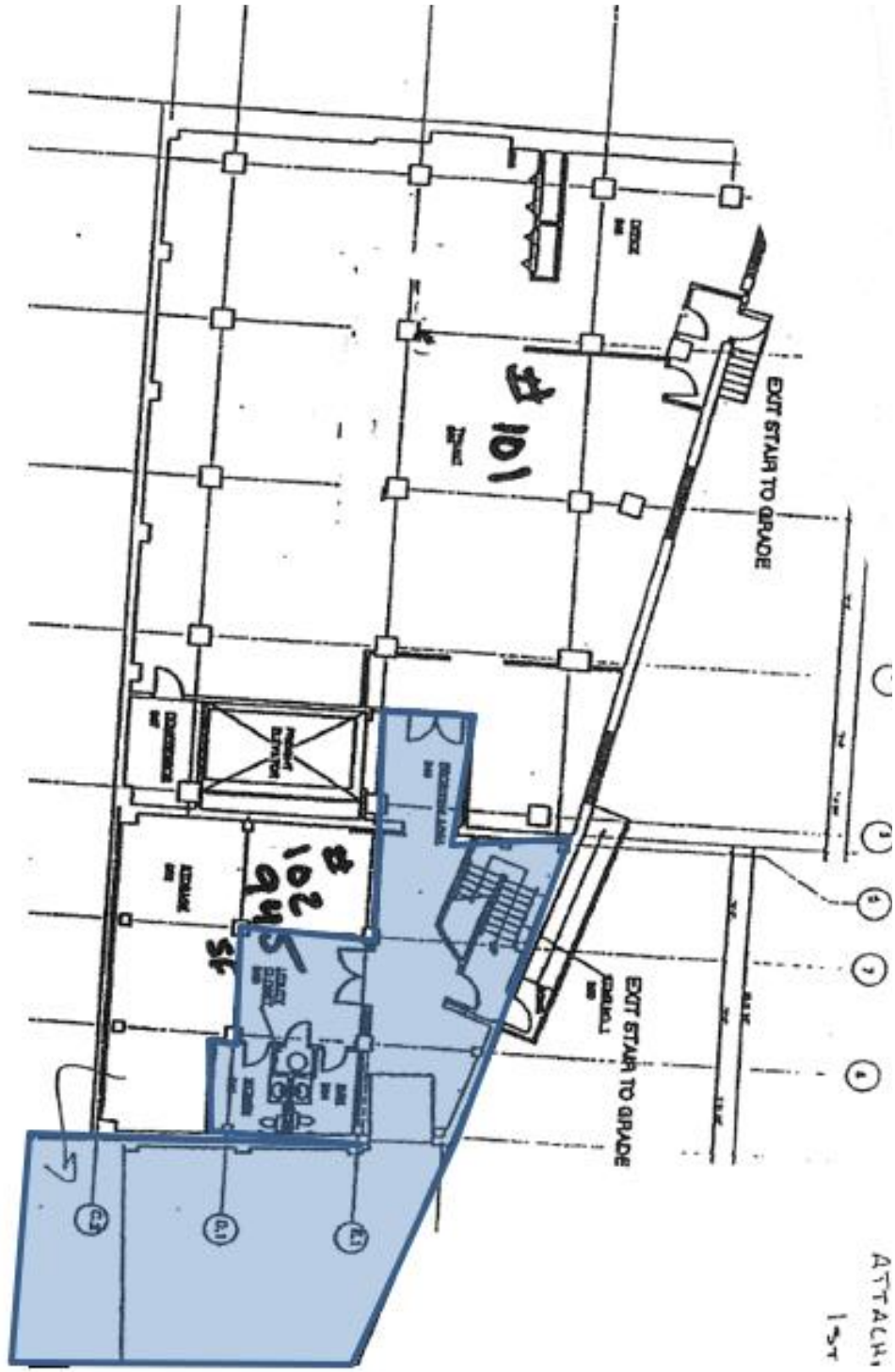


Exhibit B

COMMON AREAS



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# Commission Memo

Prepared by: Anne Medenbach  
Date: January 26, 2021  
Re: ServePro Lease- Jensen Building



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Joel Olsen Enterprises LLC, DBA ServePro, has been a tenant in the Jensen Building since 2011. They lease both warehouse and office space in the building and have been a great tenant. Their Lease expires at the end of January with no remaining options.

The attached Lease puts them on the new Lease structure. Per the Port's Lease Policy, staff negotiated a 5-year lease, with one 2-year renewal option. The negotiated lease rate is \$0.73/sf and \$0.30/sf in additional rent. This hits the target for the building. They lease 6,178 sf, of which 5,940 sf is their tenant space, the other is the Common Area allocation.

**RECOMMENDATION:** Approve Lease with Joel Olsen Enterprises, LLC for 6,178 square feet at 400 Portway Ave, in Hood River Oregon.

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**LEASE**

**THIS LEASE** is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as “Lessor,” and Joel Olsen Enterprises, LLC, an Oregon limited liability company, hereinafter referred to as “Lessee.”

- 1. Leased Premises Description.** In consideration of the covenants of the parties, Lessor leases to Lessee approximately 5,940 square feet (“SF”) of space in Lessor’s building commonly known as the Jensen Building (“Building”) located at 400 Portway Ave, Hood River, Oregon (“Leased Premises”). The Leased Premises are identified in the attached “Exhibit A.”

Building Name:	Jensen
Building Address:	400 Portway Ave.
Lessee Suite/Description:	Suite 102
Leased Area:	5,940 SF
Rentable Area:	6,178

- 2. Term.** The Lease shall be binding when both parties sign the Lease. The Lease Term shall be for the period effective on **February 1, 2021** and continuing through **January 31, 2026**. If not in default under the Lease, and if Lessee pays Lessor all Rent Lessee owes or may be responsible to pay under the Lease, Lessee has the option to extend the Lease for one extension term of two years through January 31, 2028, provided Lessee gives Lessor written notice of Lessee's intent to renew the Lease for the additional term while the Lease is in effect. To be effective, Lessee’s notice to renew must be received by Lessor no later than 90 days prior to the Lease termination date.

Effective Date:	February 1, 2021
Lease Expiration Date:	January 31, 2026
Renewal Options:	one option - two years
Renewal Notice Requirement:	90 days

- 3. Allowed Use.** Lessee shall use the Leased Premises for cleaning services, storage of cleaning supplies and rehabilitation supplies and items, training and office. The Leased Premises shall not be used for any other purposes without the written consent of Lessor, which may be granted or denied in Lessor’s discretion.
- 4. Rentable Area Load Factor.** Each Building tenant, including Lessee, is responsible to pay for their share of Building Operating Expenses related to “Building Common Areas” consisting of interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators. A “Load Factor” is calculated to determine Building tenant payments owed for Building Common Area Operating Expenses, which is added to Base Rent.

Load Factor Formula: The total Building square footage is 52,226 SF. The Building Common Area square footage is 1,936 SF. The total Building square footage divided by the total Building

square footage minus the Building Common Area square footage equals the Load Factor %. The (Building Name) Load Factor is 4%.

Rentable "Area square footage" is the Leased Premises square footage (5,940 SF) plus the Load Factor area square footage (238 SF). The Rentable Area square footage used to calculate rent is 6,178 SF.

**5. Rent**

The rents Lessee owes Lessor shall be and consist of Base Rent ("Base Rent"), plus Additional Rent ("Additional Rent"). For purposes of this Lease, Base Rent and Additional Rent are referred to collectively as "Rent".

**5.1 Base Rent.** Beginning on the Effective Date, Base Rent shown below shall be payable in equal monthly installments in advance on the first day of each calendar month during the Term of this Lease, except to the extent otherwise specifically provided elsewhere in this Lease. However, if the Lease does not begin on the first day of a month rental for the first month shall be prorated to reflect the actual number of days in that month that the Lease is in effect and shall be payable immediately.

<u>Suite #</u>	<u>Rentable Area Square Footage</u>	<u>Rate per SF per month</u>	<u>Monthly Base Rent</u>
102	6178	.73	4,510

**5.1.1 Consumer Price Index (CPI).** Starting on the first anniversary of the Effective Date, and occurring annually thereafter, including any extensions of this Lease, Base Rent will be adjusted by adding to the monthly Base Rent amount payable during the previous 12-month period a percentage increase equal to the previous twelve months Base Rent amount times the percentage change in the Consumer Price Index for the Western Region Class BC, or a similar U.S. Government inflation index selected by Lessor (CPI) for the most recent 12-month period for which a published CPI is available. However, in no event will the annual increase be less than 1 percent or more than 5 percent.

**5.2 Additional Rent.** Additional Rent shall be all other sums of money that shall become due from and payable by Lessee to Lessor under this Lease, including without limitations, Operating Expenses as defined in Section 5.3.1 and Taxes and Assessments as defined in Section 5.3.2.

**5.3 Additional Rent Calculation.**

<u>Rentable Area (Square Footage)</u>	<u>Estimated rate per SF per month</u>	<u>Monthly Estimated Additional Rent</u>
6178	\$0.30	1,853

**5.3.1 Operating Expenses.** Operating Expenses shall include all costs for the operation, repair and maintenance of the Building, Building Common Areas, and “Building Exterior Areas” which are located on Lessor property adjacent and related to the Building, whether designated for a particular Building tenant or which benefit some or all Building tenants. Operating expenses may include but are not limited to:

**5.3.1.1** All costs and expenses incurred by Lessor in maintaining and repairing the Building, the Building Common Areas and Building Exterior Areas, including but not limited to:

- 5.3.1.1.1** General Building Exterior Areas maintenance and repairs of paved areas including; resurfacing, painting, restriping, cleaning, sidewalks, curbs, snow removal, storm systems, drainage systems and sweeping;
- 5.3.1.1.2** Maintenance and repair of landscaping including plantings, irrigation and sprinkler systems, general landscaping maintenance;
- 5.3.1.1.3** Services for Building Common Areas such as janitorial, fire suppression, security and door locking system, elevator and HVAC maintenance;
- 5.3.1.1.4** General maintenance and repair of Building systems including plumbing, lighting and fixtures, siding and trim, flooring, HVAC, roof and fixtures and garbage service.
- 5.3.1.1.5** Property management and administration fees required to enable the Building to be used by tenants and maintained.

**5.3.1.2** All costs and expenses incurred by Lessor for utility usage that is not separately metered and payable by Lessee or another Building tenant, including but not limited to: electricity, gas, water, telecommunications and internet provided in suite, as well as Building Exterior Areas, and Building Common Areas.

**5.3.1.3** Operating Expenses shall not include (a) Lessor’s capital expenditures, determined pursuant to Generally Accepted Accounting Principles as interpreted by Lessor, consistently applied, made in connection with Building, Building Common Areas or Building Exterior Areas or any equipment therein or thereon, except for those (i) required to comply with laws enacted after the date of this Lease, or (ii) made for the primary purpose of reducing Operating Expenses (b) attorneys’ fees incurred in enforcing the terms of any lease; (c) any amount paid to an entity or individual affiliated with or otherwise related to Lessor which exceeds the amount which would be paid for similar goods or services on an arms-length basis between unrelated parties; (d) any cost of selling, exchanging or refinancing the Building and Building Common Areas and any tax increase caused by their revaluation by virtue of a sale by Lessor; (e) Lessor’s general administrative overhead not directly attributable to management or operation of the Building, Building Common Areas and Building Exterior Areas and (f) costs for services normally provided by a property manager where the Operating Expenses already include a management fee.

**5.3.1.4** Additional rent charged to tenant may not exceed an annual increase of 4%.

**5.3.2 Taxes and Assessments.** Lessee shall pay its proportionate share of all current assessments, real estate taxes, other taxes, fees and other charges levied or

imposed by any governmental body against the Leased Premises, the Building, Building Common Areas and Building Exterior Areas and the property on which those sit, whether or not now customary or within the contemplation of the parties. Payment of the taxes shall be made as an Additional Rent charge. Lessee's proportionate share of any taxes shall be based only on that portion of the taxes which is allocated to the Leased Premises including the Load Factor during the Lease Term. Lessee shall directly pay all taxes levied on or with respect to Lessee's personal property located on the Leased Premises.

**5.3.3 Annual Adjustment/Reconciliations.** Within a reasonable time following the end of each Lessor fiscal year ending June 30 ("Fiscal Year") during the Term, Lessor shall furnish to Lessee an itemized statement prepared by Lessor setting forth Lessee's total Rent, including Additional Rent, for the preceding Fiscal Year, the estimated amount of Lessee's share of future Additional Rent for the upcoming Fiscal Year, and the Rent payments made by Lessee, including Additional Rent, during the prior Fiscal Year ("Itemized Statement"). Should Lessee's prior Fiscal Year Additional Rent payments exceed the actual Additional Rent owed, Lessor shall credit Lessee that over payment amount to apply to the next Fiscal Year Additional Rent amount. Should Lessee's prior Fiscal Year Additional Rent payments be less than actual Additional Rent owed, Lessee shall pay Lessor for such deficiency in a lump sum within thirty (30) days after receipt of the Itemized Statement.

The upcoming Fiscal Year Additional Rent payable by Lessee will be based on the preceding Fiscal Year actual expenses allocated to Lessee and any new or higher costs or expenses allocated to Lessee which Lessee will owe based on Lessor's forecast of the future Fiscal Year expenses, which shall be reflected in the Itemized Statement. The new monthly Additional Rent amount will be sent to Lessee by Lessor in the annual Itemized Statement. Lessor shall adjust the Additional Rent monthly payment amount beginning every July 1 of the Term, which Lessee shall pay monthly in advance on the first day of each month during the Fiscal Year. The updated Additional Rent payment payable by Lessee for July and any other month that begins after the Itemized Statement is sent by Lessor to Lessee shall be due within ten (10) days after the date Lessor sends the Itemized Statement to Lessee.

**5.3.4 Market Rent Payable If Lease Option Is Exercised.** If the Lease is in effect 180 days prior to its renewal term, then not more than 180 days from such renewal term, Lessor will notify Lessee in writing what the monthly Rent amount for the Leased Premises will be on the date of the renewal term, if Lessee exercises Lessee's option to renew the Lease. The renewal term Rent amount will be based on Lessor's good faith estimate of the fair market monthly rental rate for the Leased Premises upon the start of the renewal term including a CPI adjustment, provided however, the Rent amount will not be less than the most recent monthly Rent amount payable by Lessee prior to the renewal term. When Lessor notifies Lessee what the renewal term monthly Rent amount will be, Lessor will provide Lessee with information Lessor has used to determine the fair market monthly Rent amount, in Lessor's opinion. If Lessee exercises Lessee's option to renew the Lease the fair market monthly Rent amount established by Lessor will be payable by Lessee beginning on the first day of the renewal term. The foregoing notwithstanding, if Lessee is

dissatisfied with or has questions about the fair market monthly Rent amount Lessor will charge Lessee beginning at the renewal term, Lessee may discuss the matter with Lessor prior to exercising Lessee's option to renew the Lease. Lessor may agree to change the monthly Rent amount payable beginning of the renewal term, or not, in Lessor's discretion. If Lessor agrees to change the monthly Rent amount beginning at the renewal term, that agreement must be in writing signed by Lessee and Lessor.

**6. Building Common Areas and Building Exterior Areas.** Building Common Areas and Building Exterior Areas are provided by Lessor for the joint use or benefit of Building tenants, including Lessee, their employees, customers, suppliers and other invitees. Building Common Areas and Building Exterior Areas are identified in the attached "Exhibit B". Use of available Building Common Areas and Building Exterior Areas shall be subject to like, non-exclusive use on the part of other Building tenants. Lessee agrees that its usage of such Building Common Areas and Exterior Building Areas shall not interfere with or be inconsistent with the similar rights of other Building tenants. All Building Common Areas and Exterior Building Areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all Building Common Areas and Building Exterior Areas, which Lessee agrees to abide by. Lessee understands and agrees that other tenants may occupy the Building.

**6.1** Building Exterior Areas include: public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by particular Building tenants as shown in Exhibit B.

**6.2** Building Common Areas include interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators.

**7. Parking.** Lessee may park vehicles in Building Exterior Areas designated by Lessor for vehicle parking when parking spaces are available. As part of this Lease Lessee may also park vehicles in fourteen designated parking spaces located as depicted in Exhibit B. Lessor shall have no obligation to monitor parking or enforce parking restrictions associated with Lessee's designated parking spaces.

**8. Maintenance and Repair.**

Expenses of any maintenance or repair activity that is not considered a Capital Expenditure is an Operating Expense described in section 5.3.1 of this Lease. A portion of the cost of Lessor maintenance and repair activities related to Lessee's occupancy of the Leased Premises shall be payable by Lessee as Additional Rent.

**8.1 Lessor Obligations.** Lessor shall maintain the Building except for the Leased Premises and other tenant occupied leased areas which are the responsibility of Building tenants, and shall maintain the Building Exterior Areas, and Building Common Areas, including stairs, corridors, restrooms, exterior and interior windows, plumbing and electrical equipment serving the Building, roof and elevators, except for equipment owned or leased by Lessee and other building tenants, in reasonably good order and condition except for damage occasioned by the Lessee or Lessee's licensees or invitees, which damage Lessee shall

promptly repair or may be repaired by Lessor at Lessee's expense in Lessor's discretion, in which case Lessee shall promptly reimburse Lessor. Lessor shall cause water and electric services to be provided to the Building. However, in no event shall Lessor be responsible or liable for an interruption or failure in the supply of any utilities to the Building or Leased Premises or for inconvenience or costs incurred by Lessee resulting from Lessor maintenance.

**8.2 Lessee Obligations.** During the Lease Term Lessee shall at Lessee's sole cost and expense keep the Leased Premises in good order, condition and repair. This obligation shall include, without limitation, the obligation to maintain and repair when damaged, not functioning or worn beyond ordinary wear and tear: floor coverings, wall coverings and paint, casework, ceiling tiles, HVAC exclusively serving the Leased Premises, window coverings, light bulbs, ballasts and fixtures, locks and hardware and all tenant improvements. Lessee shall promptly pay bills for Lessee's utility services provided directly to Lessee and shall reimburse Lessor for utilities services paid for by Lessor as Operating Expenses.

## **9. Insurance**

**9.1 Lessee Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and save Lessor harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this Lease, or arising from any willful or negligent act or omission of Lessee's agents, contractors, employees, or licensees in or about the Leased Premises, and from all costs, counsel fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist and defend such action or proceeding by counsel.

**9.2 Lessee Insurance.** On or before the effective date of the Lease and thereafter during the Lease Term, Lessee shall maintain insurance and provide Lessor with current certificates of insurance, including an additional insured endorsement, ensuring coverage of:

(a). Commercial General Liability insurance covering the insured against claims arising out of Lessee's operations, assumed liabilities under this Lease and use of the Leased Premises. The combined single limit shall not be less than One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000) aggregate limit. Lessee agrees to keep the policy in effect for the duration of the Lease Term. The policy shall name Lessor as additional insured, and expressly include Lessor's Port Commissioners, officers, employees, and agents as additional named insured. The policy shall state that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by Lessor and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor.

(b). Property Damage insurance covering (a) all furniture, trade fixtures, equipment, merchandise and all other items of Lessee's property on the Leased Premises and all alterations and other improvements and additions to the Leased Premises whether owned or constructed by Lessee or Lessor pursuant to the Lease. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the guaranteed replacement costs new value without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies.

**9.3 Building Damage or Destruction.** Lessor shall maintain property insurance covering the Building, Exterior Building Areas and Building Common Areas providing protection against "all risk of physical loss". If the Leased Premises or Building are partially destroyed ( more than 25%) by fire or other casualty, Lessor may decide to repair the Leased Premises or Building, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within 30 days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the Lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the Lease shall continue and Lessor shall return the Leased Premises or Building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee's use of the Leased Premises is disrupted during Lessor's repairs a reasonable portion of the Rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee's property including Lessee's fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or Building or related to repairs undertaken by Lessor.

**10. Lessor Funded Tenant Improvements.** If Lessor has agreed to make or pay for tenant improvements to the Leased Premises prior to or during the Lease Term, a description of the improvements, costs and Lessee's obligation to pay for such improvements shall be set forth in a separate written agreement that will be an amendment to and become part of this Lease.

**11. Tenant Alterations.** Lessee shall not make any alterations, additions, or improvements ("Alterations") in, on or to the Leased Premises or any part thereof without the prior written consent of Lessor which Lessor may agree to, with or without conditions, or deny in Lessor's discretion. After receiving a Lessee request to make Alterations Lessor will consider the following, among other issues: (i) the Alterations are nonstructural, do not impair the strength of the Building or any part thereof, and are not visible from the exterior of the Leased Premises; (ii) the Alterations do not affect the proper functioning of the Building heating, ventilation and air conditioning, mechanical, electrical, sanitary or other utilities systems and services of the Building; (iii) Lessor shall have reviewed and approved the final plans and specifications for the Alterations; (iv) Lessee pays Lessor a fee for Lessor's indirect costs, field supervision or coordination in connection with the Alterations equal to five percent (5%) of the actual cost of such Alterations or such other sum as Lessor determines if Lessee agrees; (v) Materials used are consistent with existing materials in the Leased Premises and Building and comply with Lessor's Building standards; and (vi) before proceeding with any Alteration, which will cost more than \$10,000, Lessee obtains and delivers to Lessor a performance bond and a labor and materials payment bond for the benefit of Lessor, issued by a corporate surety licensed to do business in Oregon each in an amount equal to one hundred twenty five percent (125%) of the estimated

cost of the Alterations and in form satisfactory to Lessor, or such other security as shall be satisfactory to Lessor.

**12. Fixtures and Personal Property.** Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises or Building. Lessee shall promptly notify Lessor of, and shall defend, indemnify and save harmless, Lessor from and against any and all construction and other liens and encumbrances filed in connection with Alterations, or any other work, labor, services or materials done for or supplied to Lessee.

At the expiration or earlier termination of the Lease Term Lessee shall remove all furnishings, furniture, equipment, other personal property and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any personal property, this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the Lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may affect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

**13. Hood River Distillers Covenant.** Lessee acknowledges receipt of a Covenant executed by Lessor in favor of Hood River Distillers Inc., dated February 17, 1998, and recorded February 18, 1998, in Hood River County as Microfilm N. 890589 ("Covenant"). Lessee agrees to abide by all provisions of the Covenant. Lessee shall be bound by the Covenant the same as Lessor.

**14. Condemnation.** If more than twenty- five percent (25%) of the Leased Premises and/or Building shall be taken or appropriated under the power of eminent domain or conveyed in lieu thereof, Lessor shall have the right to terminate this Lease. If the Lease is terminated, Lessor shall receive all income, rent award or any interest thereon which may be paid or owed in connection with the exercise of such power of eminent domain or convey in lieu thereof, and Lessee shall have no claim against the agency exercising such power or receiving such conveyance for any part of such payments. If Lessor elects not to terminate the Lease, Lessor shall receive any and all income, rent award or any interest thereon paid or owed in connection with such taking, appropriation or condemnation.

**15. Signs.** Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from the Building Common Areas or Exterior Common Areas without the prior written consent of Lessor, which Lessor may grant or deny in Lessor's discretion. Lessee agrees to maintain in good condition any signs or displays which are allowed.

**16. Leased Premises Condition; Lessor Access.** Lessee has inspected the Leased Premises and accepts them in AS IS condition. Lessee shall return the Leased Premises to Landlord in the condition when leased or as improved in good, broom clean condition except for ordinary wear and tear at the termination of this Lease. Any cost to bring the Leased Premises back to an acceptable condition shall be the sole responsibility of the Lessee.



Upon termination or expiration of this Lease, Lessor shall inspect the Leased Premises and shall either accept the condition AS IS or require Lessee to remove personal property and/or repair the Leased Premises to a condition that is acceptable including reasonable wear and tear. Any cost to bring the Leased Premises back to an acceptable condition shall be the sole responsibility of the Lessee.

Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours oral notice (without notice to protect public health and safety in an emergency) to inspect it or to make repairs, additions or Alterations to the Leased Premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on-site manager if any) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within 30 days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same satisfactory to Lessor in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof and pay Lessor's related costs.

Lessor shall provide up to 5 access keys to the Leased Premises or up to 5 access cards. Additional keys or lost keys may be purchased from Lessor for \$20 per key. Additional access cards may be purchased from Lessor for \$25 per card. If Lessor is managing a key system which requires issuance of a rekey Lessee shall be responsible for the cost associated with Lessor issuing a rekey.

**17. Entire Agreement; Amendments.** This Lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This Lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.

**18. Quiet Enjoyment.** From the date the Lease commences Lessee will have the right to use the Leased Premises consistent with this Lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this Lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the Building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.

**19. Waiver.** One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.

**20. Assignment.** Lessee agrees not to assign or in any manner transfer this Lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the Leased Premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent.

**21. Default.** Time is of the essence of performance of all the requirements of this Lease. If any Rent or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10)

days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other charges) within fourteen (14) days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the Leased Premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the Lease may be terminated at the option of Lessor. If the Lease is terminated, Lessee's liability to Lessor for Rent and damages shall survive such termination and Lessor may re-enter, take possession of the Leased Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

**22. Holdover.** If Lessee does not vacate the Leased Premises when the Lease Term expires, Lessor shall have the option to treat Lessee as a Lessee from month to month, subject to all the provisions of this Lease except the provisions for term and renewal, and at a rental rate equal to one hundred and fifty percent (150%) of the daily prorated amount of the Rent for the last period prior to the date of expiration. Lessor may choose to lower the rental rate and will notify Lessee of such choice in writing once Lessee is holding over. Failure by Lessee to remove fixtures, furnishings, trade fixtures, or other personal property which Lessee is required to remove under this Lease shall constitute a failure to vacate to which this paragraph shall apply. If a month-to-month tenancy results from holdover by Lessee under this paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given to Lessee not less than 10 days prior to the termination date specified in Lessor's notice. Lessee waives any notice which would otherwise be required by this Lease or by law with respect to month-to-month tenancy.

**23. Notices.** Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent if any, to the person signing the Lease, or to Lessee's on site manager if any who at the date of this Lease is Joel Olsen, or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease; and if such notice is to Lessor, delivered personally to the Executive Director, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease. Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.

**24. Dispute Resolution.** Any dispute involving this Lease may be resolved by court action or mediation if both parties agree. If the parties agree to use a mediator they will each pay one half the costs of mediation. If mediation does not occur or does not result in a solution satisfactory to both parties the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in court action or an arbitration proceeding, including any appeal therefrom or enforcement action, shall

be entitled to recover their reasonable attorney’s fees and costs and disbursements incident thereto.

**25. Authority to Execute.** The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20---

Lessee: Joel Olsen Enterprises, LLC

Lessor: Port of Hood River

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

By: Joel Olsen

By: Michael McElwee

Its: Member

Its: Executive Director

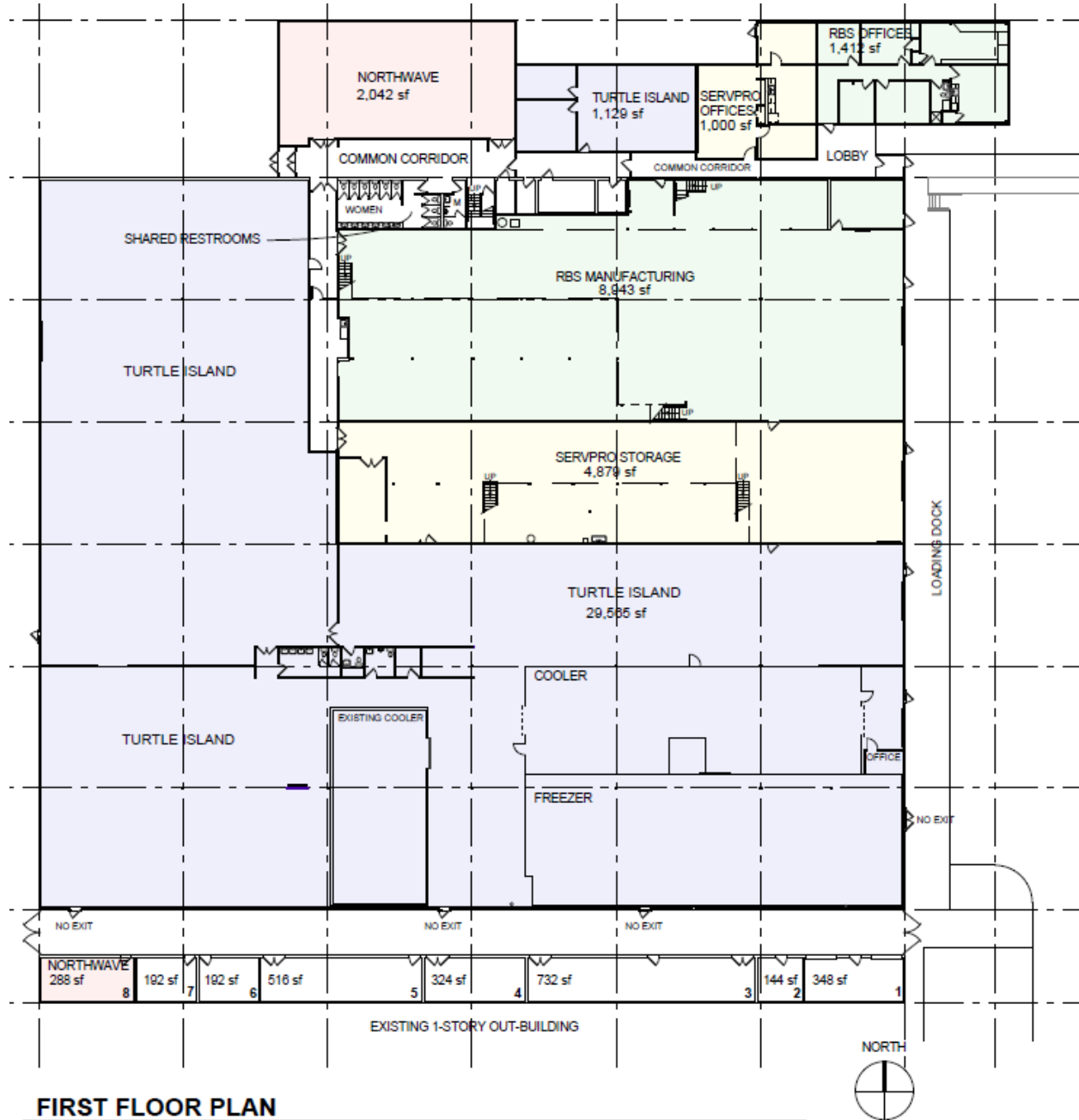
Address: PO Box 700,  
Hood River OR 97031

Address: 1000 E. Port Marina Drive  
Hood River, OR 97031

Email/phone: (541)386-2288

Email/phone: (541) 386-1645

### Exhibit A LEASED PREMISES AND COMMON AREAS



### FIRST FLOOR PLAN

NO SCALE

7/5/12

**Exhibit B**  
**BUILDING EXTERIOR AREAS**



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# Commission Memo



Prepared by: Fred Kowell  
Date: January 26, 2021  
Re: Accounts Payable Requiring Commission Approval

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<b>Jaques Sharp</b>	<b>\$18,830.00</b>
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Attorney services per attached summary

<b>TOTAL ACCOUNTS PAYABLE TO APPROVE</b>	<b>\$18,830.00</b>
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# JAQUES SHARP

— ATTORNEYS AT LAW —

205 3RD STREET / PO BOX 457  
 HOOD RIVER, OR 97031  
 (Phone) 541-386-1311 (Fax) 541-386-8771

CREDIT CARDS ACCEPTED

HOOD RIVER, PORT OF  
 1000 E. PORT MARINA DRIVE  
 HOOD RIVER OR 97031

Page: 1  
 January 12, 2021  
 Account No: PORTOHaM

	Previous Balance	Fees	Expenses	Advances	Payments	Balance
MISCELLANEOUS MATTERS						
JJ	1,900.00	1,100.00	0.00	0.00	-1,900.00	\$1,100.00
FBO AIRPORT AGREEMENT (Gifford/Classic Wings)	0.00	185.00	0.00	0.00	0.00	\$185.00
LEASE (Pfriem Brewing)	2,705.00	14,830.00	0.00	0.00	-2,705.00	\$14,830.00
AIRPORT HANGER LEASE (Hood Tech)	0.00	150.00	0.00	0.00	0.00	\$150.00
HANEL PROPERTY CLEANUP GRANT (OBDD; EPA; DEQ)	25.00	0.00	0.00	0.00	-25.00	\$0.00
HVAC MAINTENANCE CONTRACT (DIVCO, INC.)	250.00	325.00	0.00	0.00	-250.00	\$325.00
ODOT BRIDGE FUNDS IGA (State of OR; ODOT)	50.00	0.00	0.00	0.00	-50.00	\$0.00
ODOT IGA - I-84 BRIDGE REPLACEMENT	100.00	425.00	0.00	0.00	-100.00	\$425.00
EXIT 62 PROPERTY (Four Feathers Farms, LLC)	50.00	0.00	0.00	0.00	-50.00	\$0.00



# Commission Memo



Prepared by: Fred Kowell  
 Date: January 26, 2021  
 Re: Financial Review for the Six Months  
 Ended December 31, 2020

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Attached are four reports for this financial review:

- Bridge Traffic and Revenue Report
- Schedule of Expenditures by Cost Center by Fund
- Schedule of Revenues by Cost Center by Fund
- Statement of Operating Revenues, Expenditures and Other Sources and Uses

### Bridge Traffic and Revenue Report

With regard to the Bridge Traffic and Revenue report you can see bridge traffic is down year-to-date by 11% as compared to FY 2019-20, as the coronavirus pandemic has impacted vehicle traffic. One thing to note is that we are seeing a flattening of traffic between 10-12% lower than the year before, and we estimate that this will continue until the vaccine starts to have an impact to the surrounding community. Revenues are likewise down 15% as compared against this time last year. Although we are on target with our budget, we are seeing more customers shift to Breezby as this pandemic continues which explains the revenue difference between the years. The good news is that traffic counts are more predictable than during the spring 2020 even with this flattening trend.

### Schedule of Expenditures by Cost Center by Fund

Personnel services is pretty close to budget even with the extra pay period for this fiscal year. Staff will need to keep a vigilant eye on overtime and when we bring our seasonal staff on for the summer. We will be very close to budget by year end if we pull the reins in a bit.

Materials & Services is tracking above budget for some industrial properties. This is mostly due to maintenance, utilities, and property taxes that occurred in the 2<sup>nd</sup> quarter of this fiscal year that were higher than anticipated in the budget. In most cases, (i.e., Big 7, Halyard, Wasco) we should be able to close this gap before the end of the year but may need a slight budget adjustment at year end. With regard to recreation asset centers (i.e., Event Site, Marina Park, Nichols Basin/Spit/Hook) we will most likely go over budget due to the added costs that were incurred during the summer months for portable restrooms, and trash bins/pickup. Although the Port did receive reimbursements for these costs from the CARES Act, the budget did not anticipate the added costs. An end of year budget adjustment will be needed for at least two of the three asset centers.

Capital Outlay is tracking well below budget as most of the capital projects started moving forward in the 2<sup>nd</sup> quarter or will start moving forward in the 3<sup>rd</sup> quarter based upon the

seasonality of the project. The airport north apron development is on track with invoices still outstanding or in transit which will be reflected in the 3<sup>rd</sup> quarter update.

### Schedule of Revenues

Toll revenues are on target with the budget as our traffic has become more stable, even though it is down around 10% from the prior year. We should see a slow uptick in traffic as vaccinations start to be distributed in our communities in this next quarter and hopefully before year end.

Our leased industrial properties are below budget due to some leases being deferred and others being waived. As we look at our costs incurred for maintenance and utilities, we see that the year-end true-up will have a positive impact to our revenues but will still be lower than the budget due to the impact the pandemic has had on our tenants.

Waterfront parking should outperform the budget with a strong 1<sup>st</sup> quarter result. As street parking moves into the fall and winter months, revenues will be significantly reduced. However, come spring, revenues will meet and beat the budget.

Waterfront Recreation revenues are lower than the budget, but season pass sales began online on December 15. However, with the latest activity in parking passes, we should come close to budget by year end. Also, events and concessionaires and their related revenues have been significantly impacted for the summer and our hope is that the spring/summer season will bring back those two forms of revenues.

The Marina and Airport leases were billed in late December for the 2021 calendar year, such that they will most likely be slightly over budget by the end of the year.

### Statement of Operating Revenues, Expenditures and Other Sources and Uses

Overall, staff will need to keep an eye on personnel expenditures for the remainder of the year, as well as materials & services for a few industrial properties. A decision on how we will maintain our waterfront during this next summer (in-house vs contracting out portable restrooms/trash bins) will need to be decided and either option will have a budgetary impact.

Lease revenues should recover to some degree as the deferrals start to be paid back.

Bridge traffic and the related revenues will continue to lag by about 10% until our communities can mitigate against the Covid-19 impacts.

Overall, the Port is doing fine in most of its asset centers (i.e., Capital Outlay and Debt Service) but will need to be watchful to changes in revenues, if any, and its materials & service costs for the remainder of the year.

Accounts Receivables Update – With the exceptions of those on a payment plan (deferments, waivers, Soniq, Chief Consulting) receivables are in line with most of the other tenants. We still need to have Electronic Assemblers catch up on their lag in payments, but they have consistently paid. There are a few tenants (Real Carbon and WyEast) that staff is working with regarding differences between what we have recorded and what they have on their books. These should be resolved over the next month.

**RECOMMENDATION:** Informational.

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**PORT OF HOOD RIVER**  
**Bridge Traffic and Revenue Report**  
**For the Six Months Ended December 31, 2020 and Four Prior Years**

	2016-17		2017-18		2018-19		2019-20		2020-21		Change from Prior year	
	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue	Traffic	Revenue
JUL	423,744	\$ 402,074	442,251	\$ 399,618	437,364	\$ 608,941	433,624	\$ 606,062	382,194	\$ 653,208	0.88	1.08
AUG	425,567	\$ 407,839	435,364	\$ 401,815	428,907	\$ 608,085	432,968	\$ 616,279	389,379	\$ 506,045	0.90	0.82
SEPT	387,860	\$ 372,099	412,452	\$ 332,996	396,517	\$ 558,537	389,473	\$ 550,380	341,474	\$ 460,173	0.88	0.84
OCT	357,180	\$ 337,294	389,210	\$ 361,315	390,814	\$ 527,573	387,460	\$ 525,481	361,145	\$ 518,895	0.93	0.99
NOV	330,795	\$ 313,529	341,147	\$ 312,337	340,044	\$ 452,602	334,390	\$ 442,364	291,634	\$ 390,162	0.87	0.88
DEC	285,209	\$ 260,625	324,278	\$ 298,530	395,038	\$ 408,966	327,627	\$ 416,540	291,531	\$ 381,574	0.89	0.92
Calendar Year Total	4,280,160	\$4,028,417	4,377,500	\$ 4,038,137	4,546,163	\$ 5,969,681	4,328,694	\$ 5,896,268	3,828,653	\$ 5,029,250	0.88	0.85
JAN	245,670	\$ 238,709	327,522	\$ 293,677	323,461	\$ 428,669	313,603	\$ 360,066			0.00	0.00
FEB	266,202	\$ 244,472	296,977	\$ 387,737	241,313	\$ 302,296	325,895	\$ 395,221			0.00	0.00
MAR	350,470	\$ 324,146	357,160	\$ 501,543	345,915	\$ 437,390	274,160	\$ 255,792			0.00	0.00
APR	362,559	\$ 334,362	362,150	\$ 491,217	346,668	\$ 459,806	236,700	\$ 4,393			0.00	0.00
MAY	399,271	\$ 368,296	407,141	\$ 564,038	370,757	\$ 523,822	288,565	\$ 353,299			0.00	0.00
JUN	408,626	\$ 421,541	406,529	\$ 566,765	395,038	\$ 587,179	332,373	\$ 750,423			0.00	0.00
Fiscal Year Total	4,243,153	\$4,024,985	4,502,181	\$ 4,911,588	4,411,836	\$ 5,903,866	4,076,838	\$ 5,276,299	2,057,357	\$ 2,910,057	0.50	0.55





PORT OF HOOD RIVER  
 SCHEDULE OF EXPENDITURES BY COST CENTER BY FUND  
 BUDGET AND ACTUAL - 50% THROUGH THE BUDGET  
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

EXPENDITURES	Personal Services				Materials & Services				Capital Outlay					Debt Service				Total Appropriation		
	Budget	Actual	Unspent	%	Budget	Actual	Unspent	%	Budget	Actual	Total	Unspent	%	Budget	Actual	Unspent	%	Budget	Actual	Unspent
<i>Toll Bridge</i>	1,232,200	616,016	616,184	50%	1,662,500	451,631	1,210,869	27%	306,000	49,000	49,000	257,000	16%	-	-	-	-	3,200,700	1,116,646	2,084,054
<i>Industrial Facilities</i>																				
Big 7	59,800	29,894	29,906	50%	171,200	96,142	75,058	56%	350,000	190,802	190,802	159,198	55%	-	-	-	-	581,000	316,838	264,162
Jensen Property	68,400	33,518	34,882	49%	214,700	98,710	115,990	46%	195,000	13,094	13,094	181,906	7%	1,986,000	1,904,693	81,307	96%	2,464,100	2,050,016	414,084
Maritime Building	43,000	21,519	21,481	50%	82,800	32,281	50,519	39%	20,000	-	-	20,000	0%	-	-	-	-	145,800	53,799	92,001
Halyard Building	66,300	33,066	33,234	50%	329,500	202,615	126,885	61%	28,000	-	-	28,000	0%	-	-	-	-	423,800	235,681	188,119
Timber Incubator Building	31,000	15,601	15,399	50%	37,500	17,961	19,539	48%	15,000	9,670	9,670	5,330	-	-	-	-	-	83,500	43,233	40,267
Wasco Building	54,000	27,045	26,955	50%	97,000	56,087	40,913	58%	50,000	-	-	50,000	-	-	-	-	-	201,000	83,132	117,868
Hanel Site	38,200	18,749	19,451	49%	26,900	11,249	15,651	42%	1,730,000	9,587	9,587	1,720,413	1%	153,500	-	153,500	0%	1,948,600	39,585	1,909,015
	360,700	179,392	181,308	50%	959,600	515,046	444,554	54%	2,388,000	223,153	223,153	2,164,847	9%	2,139,500	1,904,693	234,807	89%	5,847,800	2,822,283	1,116,501
<i>Commercial Facilities</i>																				
State Office (DMV) Building	26,200	13,076	13,124	50%	47,700	23,962	23,738	50%	15,000	-	-	15,000	0%	-	-	-	-	88,900	37,039	51,861
Marina Office Building	41,700	20,205	21,495	48%	51,300	25,523	25,777	50%	28,000	-	-	28,000	0%	-	-	-	-	121,000	45,728	75,272
Port Office Building	40,300	20,006	20,294	50%	41,700	7,538	34,162	18%	140,000	23,251	23,251	116,749	17%	-	-	-	-	222,000	50,795	171,205
	108,200	53,287	54,913	49%	140,700	57,024	83,676	41%	183,000	23,251	23,251	159,749	13%	-	-	-	-	431,900	133,562	298,338
<i>Waterfront Industrial Land</i>	89,400	44,103	45,297	49%	215,400	87,355	128,045	41%	4,475,000	18,797	18,797	4,456,203	0%	160,100	-	160,100	0%	4,939,900	150,255	4,789,645
<i>Waterfront Recreation</i>																				
Eventsite	137,900	68,268	69,633	50%	62,200	46,763	15,437	75%	41,000	168	168	40,832	0%	-	-	-	-	241,100	115,199	125,901
Hook/Spit/Nichols	56,900	27,451	29,449	48%	47,500	29,713	17,787	63%	56,000	13,144	13,144	42,856	23%	-	-	-	-	160,400	70,307	90,093
Marina Park	192,800	95,276	97,524	49%	69,600	40,361	29,239	58%	140,000	2,000	2,000	138,000	1%	-	-	-	-	402,400	137,636	264,764
	387,600	190,994	196,606	49%	179,300	116,836	62,464	65%	237,000	15,312	15,312	221,688	6%	-	-	-	-	803,900	323,143	480,757
<i>Marina</i>	169,500	84,580	84,920	50%	130,100	44,465	85,636	34%	145,000	10,735	10,735	134,265	7%	92,500	82,378	10,123	89%	537,100	222,157	314,943
<i>Airport</i>	163,400	80,875	82,525	49%	158,100	82,020	104,680	52%	4,513,900	3,335,474	3,335,474	1,178,426	74%	-	-	-	-	4,835,400	3,498,370	1,337,030
Administration	27,500	-	27,500	0%	270,400	86,166	184,234	32%	304,000	12,253	12,253	291,747	4%	-	-	-	-	601,900	98,419	503,481
Maintenance	-	-	-	-	151,800	63,745	88,055	42%	95,000	40,294	40,294	54,706	42%	-	-	-	-	246,800	104,039	142,761
<i>Total Expenditures</i>	2,538,500	1,249,247	1,289,253	49%	3,867,900	1,504,287	2,392,214	39%	12,646,900	3,728,270	3,728,270	8,918,630	29%	2,392,100	1,987,070	405,030	83%	21,445,400	8,468,874	11,067,511
Bridge Repair & Replacement Fund	290,100	145,129	144,971	50%	1,435,700	615,175	820,525	43%	4,090,000	29,100	29,100	4,060,901	1%	109,100	-	109,100	0%	5,924,900	789,404	5,135,496
General Fund	189,600	91,864	97,736	48%	548,150	202,899	345,251	37%	-	-	-	-	-	-	-	-	-	737,750	294,763	442,987

**Unfavorable Variance - Expenditures**

Personnel Services is tracking closer to budget but will be slightly over by year end due to 27 pay periods in the fiscal year, which is one more than normal. That said, staff will monitor this throughout the remainder of the year.

Materials & Services is higher than budget for some industrial properties due to higher levels of maintenance and the payment of property taxes in November. Staff will need to keep a vigilant eye on costs for these properties for the remainder of the year.

With regard to Recreation asset centers, the pandemic had the Port using portable restroom and outsourcing trash pickups with additional trash dumpsters. We foresee going over budget by year end, but it should be noted that we did reimbursement for these non-budgeted items through the CARES Act.

Capital Outlay is well below budget for some projects as they have not started or just started in the first quarter like the Big 7 roof. However, the airport is right on target with some work being completed year-to-date.



**PORT OF HOOD RIVER**  
**Schedule of Revenues by Cost Center By Fund**  
**Budget to Actuals - 50% Through Budget**  
**For the Six Months Ended December 31, 2020**

	REVENUES				
	Budget	Actual	Total	Variance	%
<b>REVENUE FUND</b>					
<i>Toll Bridge</i>					
Bridge Tolls	5,846,500	2,896,830	2,896,830	(2,949,670)	50%
Cable Crossing Leases	12,500	-	-	(12,500)	0%
Other	1,030,000	61,489	61,489	(968,511)	6%
	6,889,000	2,958,319	2,958,319	(3,930,681)	43%
<i>Industrial Facilities</i>					
Big 7					
Lease Revenues	359,000	141,535	141,535	(217,465)	42% Sonic Aerospace vacated
Reimbursements/Other	86,800	44,112	44,112	(42,688)	
Jensen Property	524,000	235,560	235,560	(288,440)	41% Note 1
Lease Revenues	90,600	17,720	17,720	(72,880)	
Reimbursements/Other	50,000	48,156	48,156		
Financing Source	473,900	163,015	163,015	(310,885)	34% Note 1
Maritime Building	-	-	-	-	
Lease Revenues	473,900	163,015	163,015	(310,885)	34% Note 1
Reimbursements/Other	-	-	-	-	
Halvard Building	288,800	42,404	42,404	(246,396)	30% Deferred lease payments
Lease Revenues	275,700	126,119	126,119	(149,581)	
Reimbursements/Other	12,100	-	-	12,100	
Timberline Incubator Building	94,800	43,242	43,242	(51,558)	47% Note 1
Lease Revenues	16,700	9,021	9,021	(7,679)	
Reimbursements	78,100	34,221	34,221	(43,879)	
Wasco Building	313,500	125,797	125,797	(187,703)	40% Note 1
Lease Revenues	-	14	14		
Reimbursements	313,500	111,783	111,783	(201,717)	
Hanel	734,400	-	-	(734,400)	
Land Sales	1,730,000	-	-	(1,730,000)	0%
Other Financing Sources	5,038,200	996,695	948,539	(4,039,661)	20%
<i>Commercial Facilities</i>					
State Office (DMV) Building					
Lease Revenues	36,000	20,788	20,788	(15,212)	58%
Reimbursements	-	-	-	-	
Marina Office Building	96,400	21,380	21,380	(75,020)	22% Waived/deferred lease payments
Lease Revenues	22,300	5,234	5,234	(17,066)	
Reimbursements	74,100	16,146	16,146	(57,954)	
Port Office Building	48,550	24,275	24,275	(24,275)	50%
Lease Revenues	-	-	-	-	
Reimbursements	48,550	24,275	24,275	(24,275)	50%
	203,250	71,677	71,677	(131,573)	35%
<i>Waterfront Industrial Land</i>					
Lease Revenues	0	0	0	-	100%
Grants	10,750	-	-	(10,750)	
Parking	98,300	96,361	96,361	(1,939)	98%
Other Income	5,000	9,265	9,265	4,265	185%
Financing Source	4,350,000	-	-	(4,350,000)	
	4,464,050	105,626	105,626	(4,358,424)	2%
<i>Waterfront Recreation</i>					
Eventsite, Hook and Spit					
Eventsite - Passes/Permits and Concessions	172,500	62,550	62,550	(109,950)	36%
Hook/Spit/Nichols	8,300	4,100	4,100	(4,200)	49%
Marina Park	9,500	1,850	1,850	(7,650)	19%
Sailing Schools, Showers and Events	7,200	3,697	3,697	(3,503)	51%
Lease Revenues	2,600	5,120	5,120	2,520	197%
Reimbursements	200,100	77,317	77,317	(122,783)	39%
<i>Marina</i>					
Lease Revenues	236,900	229,475	229,475	(7,425)	97% Billed at end of December
Moorage Assessment	84,900	80,281	80,281	(4,619)	95%
Reimbursements/Other	49,300	30,119	30,119	(19,181)	61%
Grant	27,050	7,000	7,000	(20,050)	26%
	398,150	346,875	346,875	(51,275)	87%
<i>Airport</i>					
Lease Revenues	213,800	163,281	163,281	(50,519)	76% Billed at end of December
Reimbursements	19,700	12,467	12,467	(7,233)	63%
Grants	3,769,000	2,398,687	2,398,687	(1,370,313)	64%
Other Financing Sources	-	-	-	-	
	4,002,500	2,574,434	2,574,434	(1,428,066)	64%
<b>Budget to Actual Revenues</b>	21,195,250	7,130,942	6,977,161	(9,704,039)	34%
<b>Revenues less Other financing sources</b>	11,258,450	4,663,767	4,509,986	(1,254,414)	41%
<b>GENERAL FUND</b>					
Property taxes	75,000	79,229	79,229	4,229	106% November Collections
Other Sources	7,000	1,502	1,502	(5,498)	43%
Transfers from other funds	687,750	294,763	294,763	(392,987)	43%
	\$ 769,750	\$ 375,494	\$ 373,992	\$(388,758)	49%
<b>BRIDGE REPAIR &amp; REPLACEMENT FUND</b>					
Grants	2,060,800	-	-	(2,060,800)	0%
Transfers from other funds	\$ 2,715,300	\$ 789,404	789,404	\$(1,925,896)	29%

*Note 1: Annually we true-up those tenants on the new lease structure with the costs incurred over the previous 12 months. The budget is completed before these adjustments are made thus causing a difference in what is projected (budget) and what actually is the true-up going forward.*



**PORT OF HOOD RIVER**  
**STATEMENT OF OPERATING REVENUES, EXPENDITURES AND OTHER SOURCES AND USES OF FUNDS**  
**AND BUDGET VS ACTUAL PERFORMANCE**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

	REVENUE FUND							GENERAL FUND	BRIDGE REPAIR & REPLACEMENT FUND	TOTAL	
	Bridge	Industrial Buildings	Commercial Buildings	Waterfront Land	Waterfront Recreation	Marina	Airport		Administration Maintenance		
<b>OPERATING REVENUES</b>											
Tolls	\$ 2,958,319									\$	2,958,319
Leases		\$ 751,553	\$ 66,443	\$ 0	\$ 3,697	\$ 309,756	\$ 163,281				1,294,729
Reimbursements		196,986	5,234		5,120	30,119	12,467				249,927
Fees, Events, Passes and Concessions				96,361	68,500						164,861
Property taxes								79,229			79,229
<b>Total Operating Revenues</b>	<b>2,958,319</b>	<b>948,539</b>	<b>71,677</b>	<b>96,361</b>	<b>77,317</b>	<b>339,875</b>	<b>175,748</b>	<b>-</b>	<b>79,229</b>	<b>-</b>	<b>4,747,064</b>
<b>Operating Expenses</b>											
Personnel Services	616,016	179,392	53,287	44,103	190,994	84,580	80,875	-	91,864	145,129	1,486,240
Materials & Services	451,631	515,046	57,024	87,355	116,836	44,465	82,020	149,911	202,899	615,175	2,322,361
<b>Total Operating Expenses</b>	<b>1,067,646</b>	<b>694,437</b>	<b>110,311</b>	<b>131,457</b>	<b>307,830</b>	<b>129,044</b>	<b>162,896</b>	<b>149,911</b>	<b>294,763</b>	<b>760,305</b>	<b>3,808,601</b>
<b>Operating income/(Loss)</b>	<b>1,890,672</b>	<b>254,102</b>	<b>(38,634)</b>	<b>(35,097)</b>	<b>(230,513)</b>	<b>210,830</b>	<b>12,852</b>	<b>(149,911)</b>	<b>(215,534)</b>	<b>(760,305)</b>	<b>938,463</b>
<b>Other Resources</b>											
Income from other sources	-	48,156		9,265	-	-	-	47,186	1,502	8,871	114,980
Grants						7,000	2,398,687	128,436	-	-	2,534,123
Sale of land	-			-	-	-	-	-	-	-	-
Note receivables	-			-	-	-	-	-	-	-	-
<b>Total Other Resources</b>	<b>-</b>	<b>48,156</b>	<b>-</b>	<b>9,265</b>	<b>-</b>	<b>7,000</b>	<b>2,398,687</b>	<b>175,622</b>	<b>1,502</b>	<b>8,871</b>	<b>2,649,102</b>
<b>Other (Uses)</b>											
Capital projects	(49,000)	(223,153)	(23,251)	(18,797)	(15,312)	(10,735)	(3,335,474)	(52,547)	-	(29,100)	(3,757,370)
Debt service	-	(1,904,693)	-	-	-	(82,378)	-	-	-	-	(1,987,070)
<b>Total Other (Uses)</b>	<b>(49,000)</b>	<b>(2,127,846)</b>	<b>(23,251)</b>	<b>(18,797)</b>	<b>(15,312)</b>	<b>(93,112)</b>	<b>(3,335,474)</b>	<b>(52,547)</b>	<b>-</b>	<b>(29,100)</b>	<b>(5,744,440)</b>
Transfers In/(Out)	(789,404)							(294,763)	294,763	789,404	-
<b>Net Cashflow</b>	<b>\$ 1,052,268</b>	<b>\$ (1,825,589)</b>	<b>\$ (61,885)</b>	<b>\$ (44,629)</b>	<b>\$ (245,826)</b>	<b>\$ 124,718</b>	<b>\$ (923,935)</b>	<b>\$ (321,599)</b>	<b>\$ 80,731</b>	<b>\$ 8,871</b>	<b>\$ (2,156,875)</b>
<b>BUDGET VS ACTUAL PERFORMANCE</b>											
<b>FY 2020-21 Budget</b>											
Operating revenues - Budget	\$ 5,859,000	\$ 2,523,800	\$ 203,250	\$ 103,300	\$ 200,100	\$ 371,100	\$ 233,500	\$ -	\$ 75,000	\$ 0	\$ 9,569,050
Operating revenues - Actuals	2,896,830	948,539	71,677	105,626	77,317	339,875	175,748	-	79,229	0	4,694,841
Actuals greater/(Less) than budget	(2,962,170)	(1,575,261)	(131,573)	2,326	(122,783)	(31,225)	(57,752)	-	4,229	-	(4,874,209)
	49%	38%	35%	102%	39%	92%	75%		106%	100%	49%
Operating expenses - Budget	2,894,700	1,320,300	248,900	304,800	566,900	299,600	321,500	449,700	737,750	1,725,800	8,869,950
Operating expenses - Actuals	1,067,646	694,437	110,311	131,457	307,830	129,044	162,896	149,911	294,763	760,305	3,808,601
Actuals (greater)/Less than budget	1,827,054	625,863	138,589	173,343	259,070	170,556	158,604	299,789	442,987	965,495	5,061,349
	37%	53%	44%	43%	54%	43%	51%		40%	44%	43%
Other Resources - Budget	1,030,000	\$ 1,780,000	-	4,360,750	-	27,050	3,769,000	166,000	7,000	4,889,300	16,029,100
Other Resources - Actuals	61,489	48,156	-	-	-	7,000	2,398,687	175,622	1,502	8,871	2,701,326
Actuals greater/(Less) than budget	(968,511)	(1,731,844)	-	(4,360,750)	-	(20,050)	(1,370,313)	9,622	(5,498)	(4,880,429)	(13,327,774)
Other (Uses) - Budget	306,000	4,527,500	183,000	4,635,100	237,000	237,500	4,513,900	399,000	-	4,199,100	\$ 19,238,100
Other (Uses) - Actuals	49,000	2,127,846	23,251	18,797	15,312	93,112	3,335,474	52,547	-	29,100	\$ 5,744,440
Actuals (greater)/Less than budget	257,000	2,399,654	159,749	4,616,303	221,688	144,388	1,178,426	346,453	-	4,170,001	13,493,660
	16%	47%	13%	0%	6%	39%	74%	13%	#DIV/0!	1%	30%
<b>Net Position - Budget vs Actuals</b>	<b>\$ (1,846,628)</b>	<b>\$ (281,589)</b>	<b>\$ 166,765</b>	<b>\$ 431,221</b>	<b>\$ 357,975</b>	<b>\$ 263,668</b>	<b>\$ (91,035)</b>	<b>\$ 655,864</b>	<b>\$ 441,718</b>	<b>\$ 255,067</b>	<b>\$ 353,025</b>



# Commission Memo

Prepared by: Genevieve Scholl  
Date: January 26, 2021  
Re: Regional Economic Situation Assessment



During the Fall Planning work session, the Commission directed staff to collect regional economic data to inform the Situation Assessment portion of the 2021-2026 Strategic Business Plan (SBP). In lieu of a second public outreach effort to collect new data on COVID-19 impacts to industry sectors and individual businesses in the Port district, the Commission preferred instead to rely on the data and reports developed by state and regional economists that are studying these impacts closely and in real time.

Oregon state economist Dallas Fridley has provided such reports in two recent forums – the MCEDD Annual Economic Symposium, which took place on November 6, 2020 and more recently during the Gorge Economic Zoom Forum hosted by the Port of Cascade Locks on January 15. A full copy of the most recent presentation is attached, but staff would like to highlight the following key points for Commission consideration as they relate directly to the Situation Assessment and Port strategic planning in response to COVID.

1. Hood River County was one of five Oregon counties with the highest initial job losses in March-April of 2020 with losses over 24% (2,950 jobs).
2. By November of 2020, the County had gained back a little less than half of those jobs, but still had an estimated 8.5-10% in losses, and needs to make back 1,050 - 1,200 jobs to recover to pre-COVID employment.
3. Food services and drinking establishments, retail, and government sectors had the greatest degrees of jobs lost. Food and beverage far eclipsed all other sectors with a total loss of approximately 270 jobs.
4. Within the Manufacturing category, the losses are concentrated in beverage manufacturing.

Staff will continue to collect data to best inform the SBP Situation Assessment and will report findings at future meetings.

**RECOMMENDATION:** Informational.

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# 2021 Gorge Economic Forum

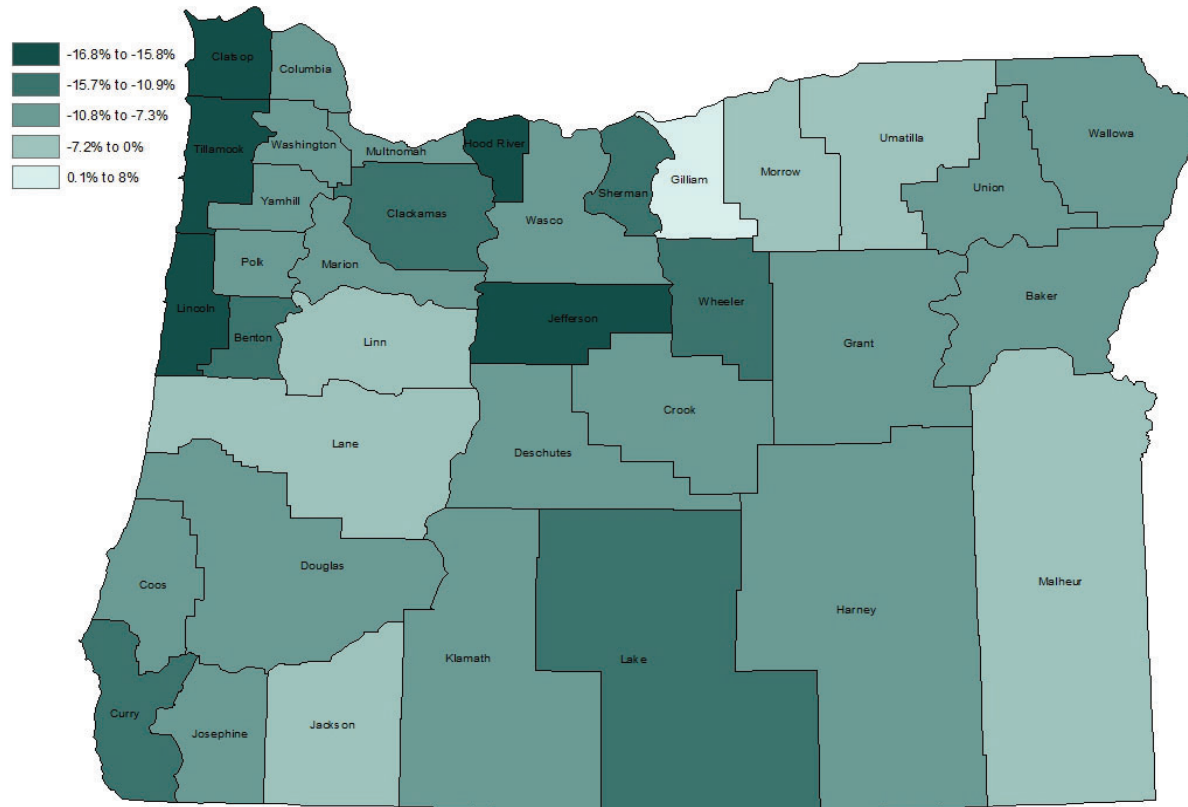
January 15, 2021



Support Business · Promote Employment

# Oregon lost 272,000 nonfarm payroll jobs (-13.8%) in March and April.

March and April Job Losses



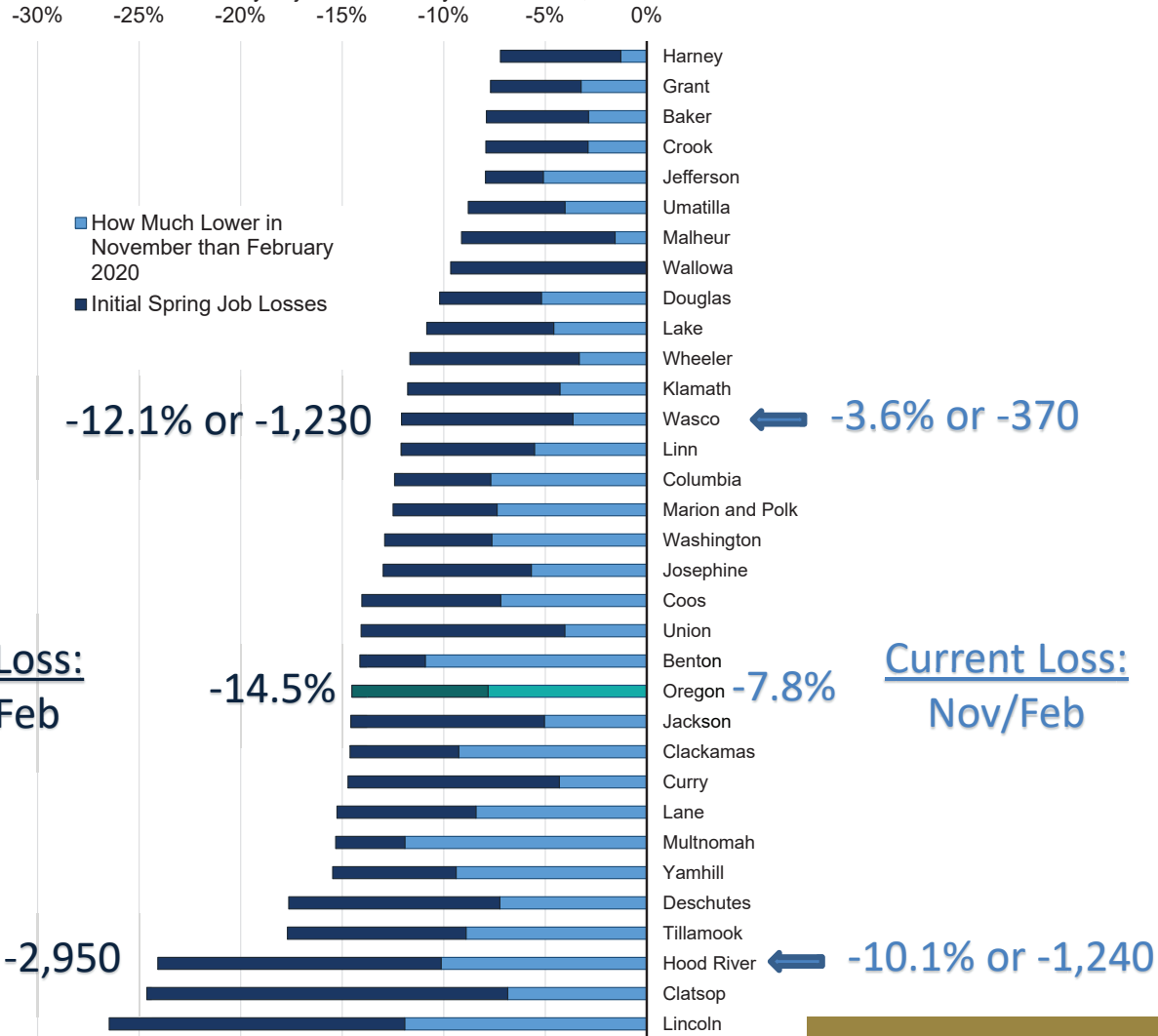
Source: Oregon Employment Department

In the Great Recession, Oregon lost roughly **150,000 jobs on net** over the course of a couple of years.

In the COVID-19 recession the North Coast, Hood River, and Jefferson counties took the largest initial job losses (more than 15%).

### Oregon COVID-19 Recession Job Losses by County

Seasonally Adjusted, February to November, 2020



Spring Loss:  
April/Feb

Current Loss:  
Nov/Feb

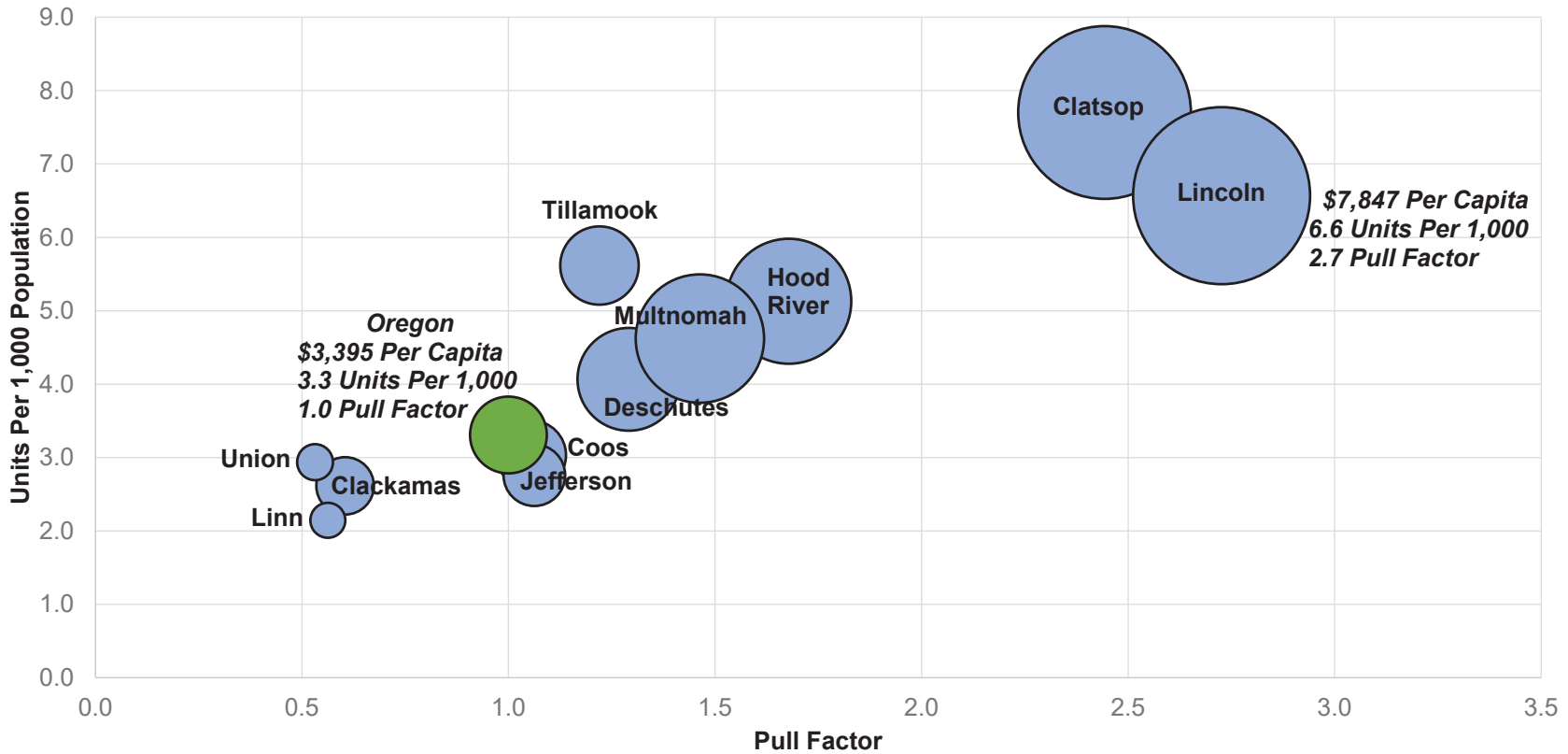
The jobs recovery is underway, but far from complete.

A comparison of job losses and recovery to date shows the depth of short-term and now more long-lasting job losses in metropolitan and rural counties alike.

Source: Oregon Employment Department, Current Employment Statistics, excludes Gilliam and Sherman

# Counties with the Biggest Leisure and Hospitality Footprint

**Leisure and Hospitality, 2017: Per Capita Sales, Units Per 1,000 Population & Pull Factor or Trade Area Captured**

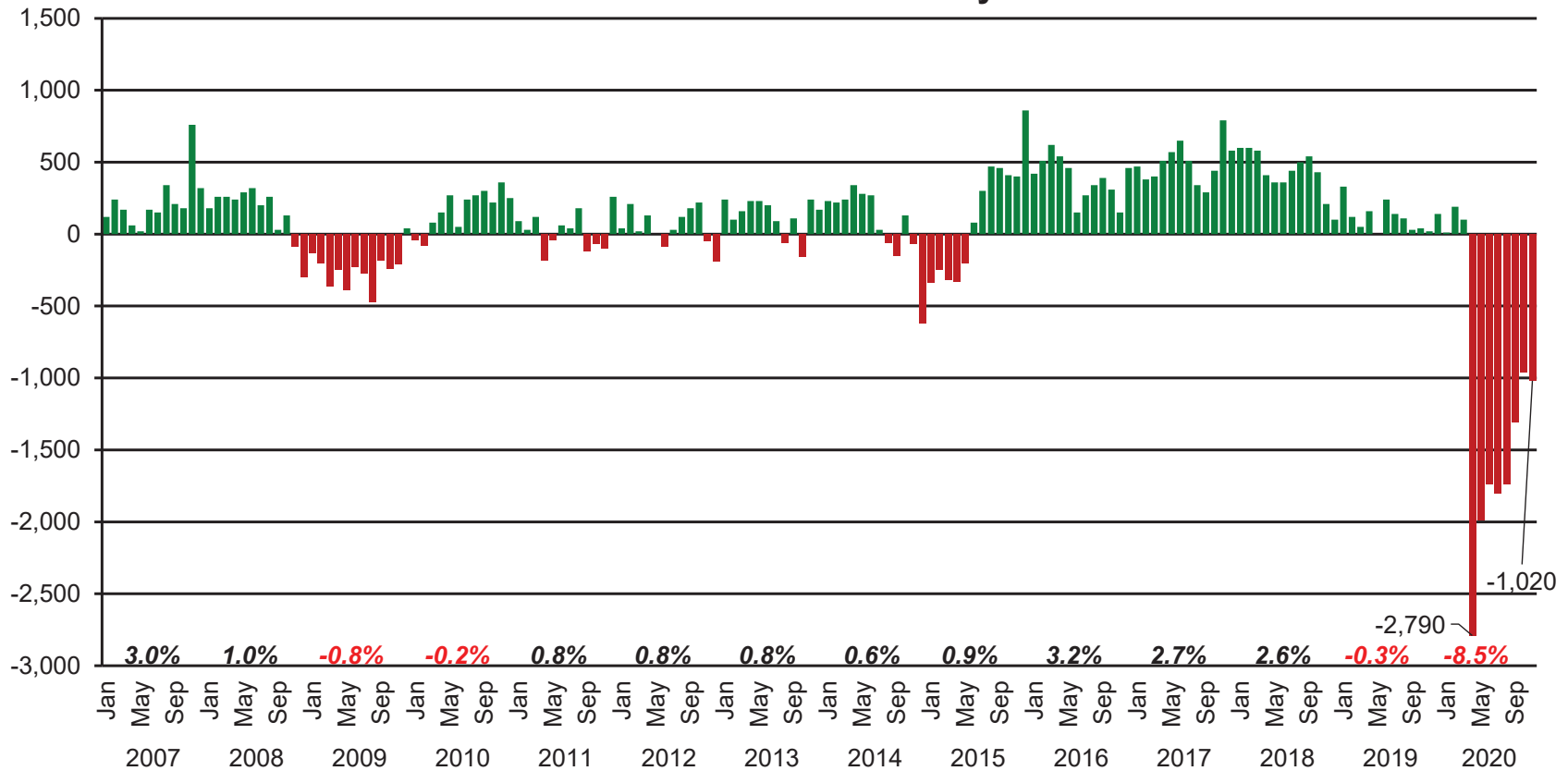


Sources: Oregon Employment Department, Census Bureau & American Community Survey



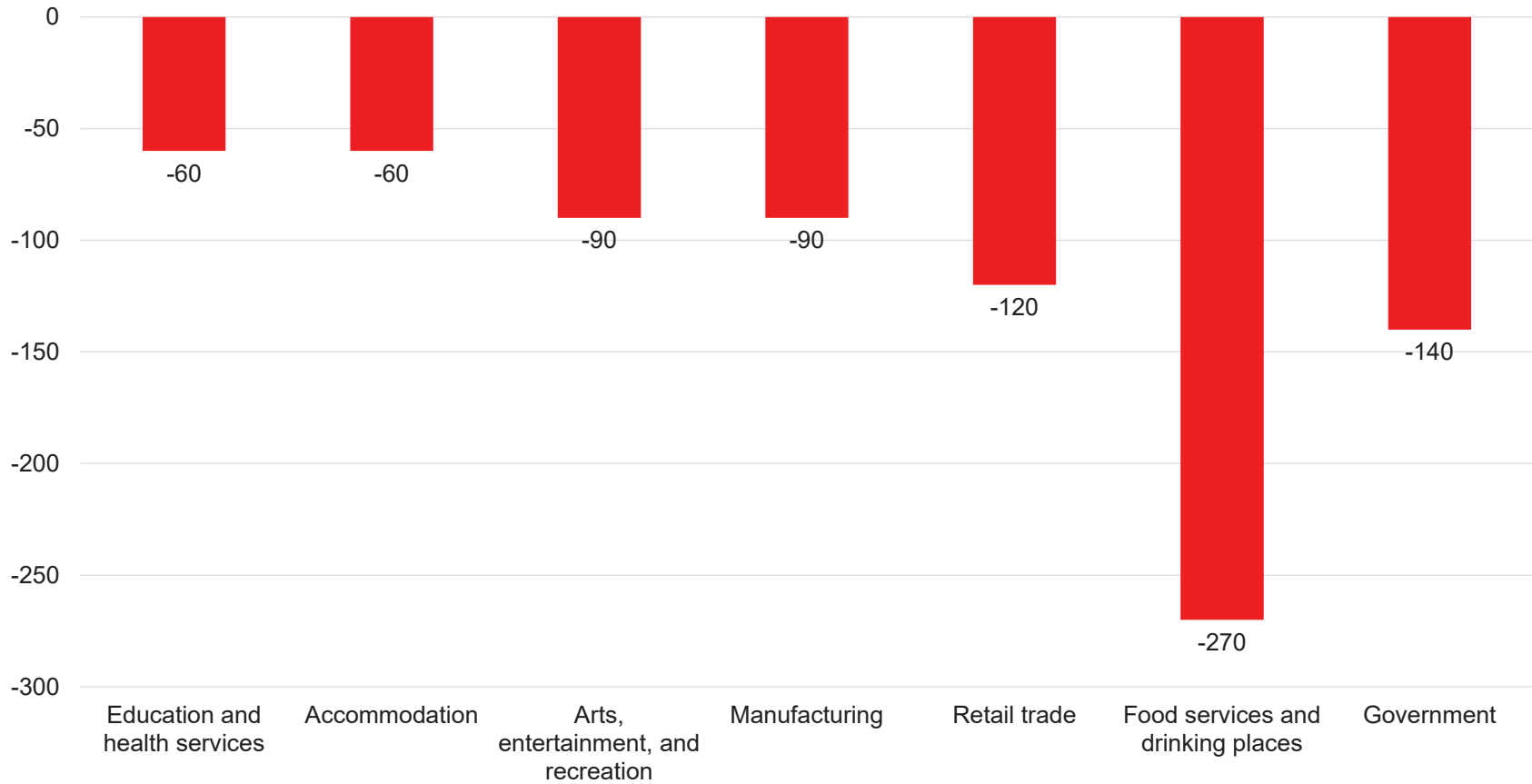
# Hood River County Needs to Add Back +1,000 Jobs...

Year-Over-Year SA Non Farm Job Growth or Decline,  
Hood River County



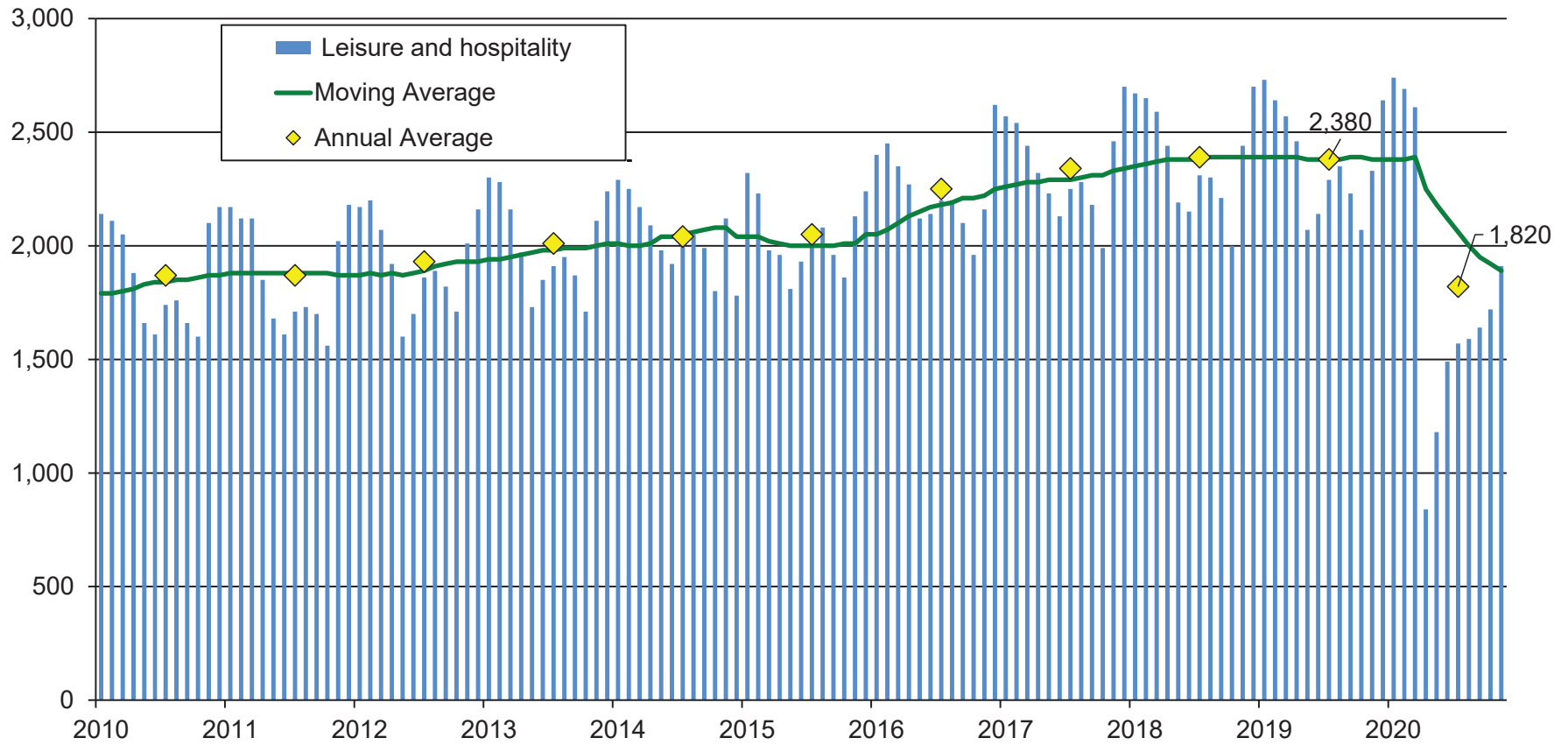
# Hood River County: Loss of 1,050 Jobs or 8.5% OTY

Hood River County: November 2020 OTY Job Losses by Industry



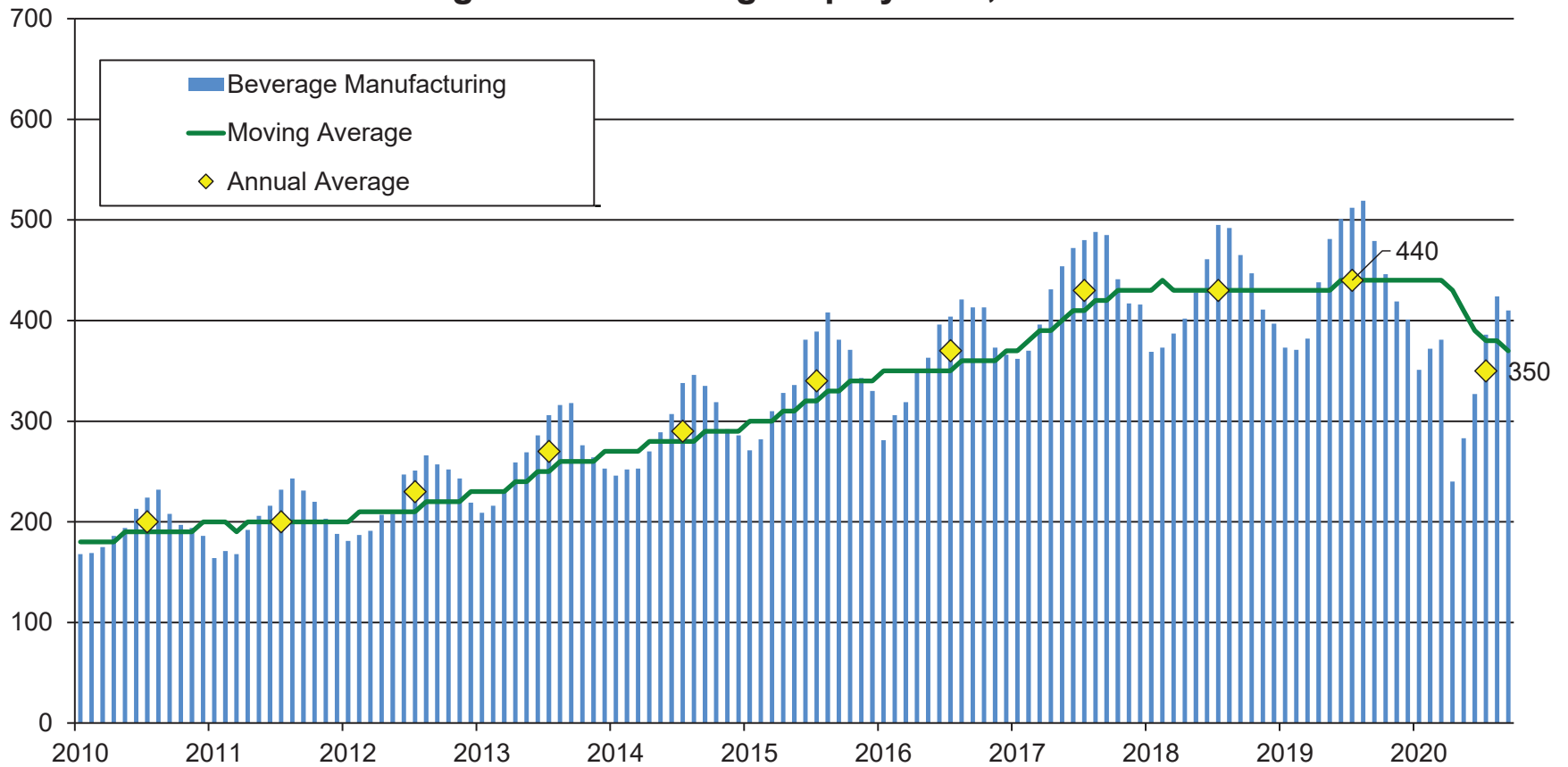
# Leisure and Hospitality – At a 10-Year Low

## Hood River County Leisure & Hospitality Employment, 2010 - 2020



# Manufacturing Losses Concentrated in Beverage

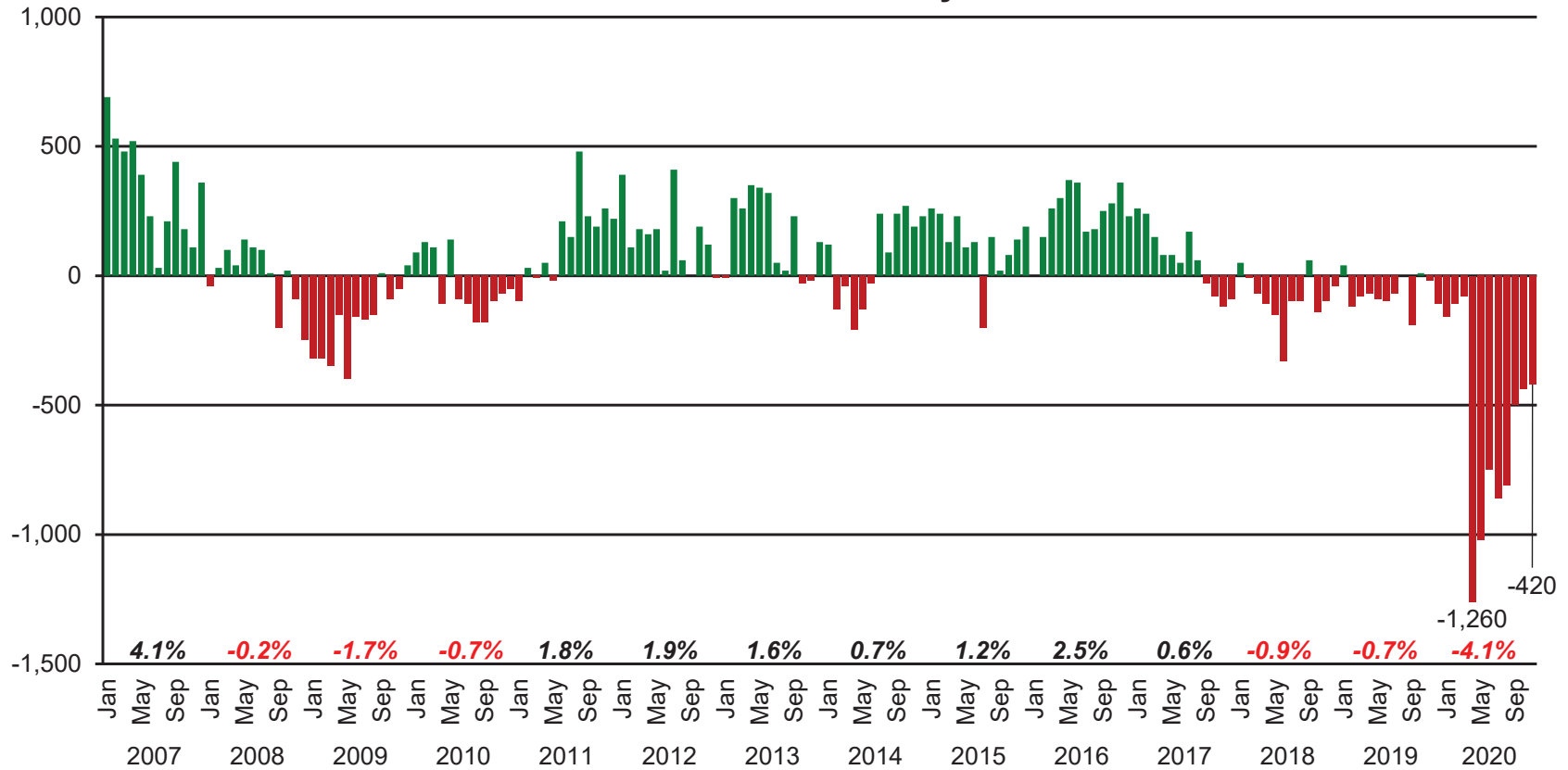
## Beverage Manufacturing Employment, 2010 - 2020





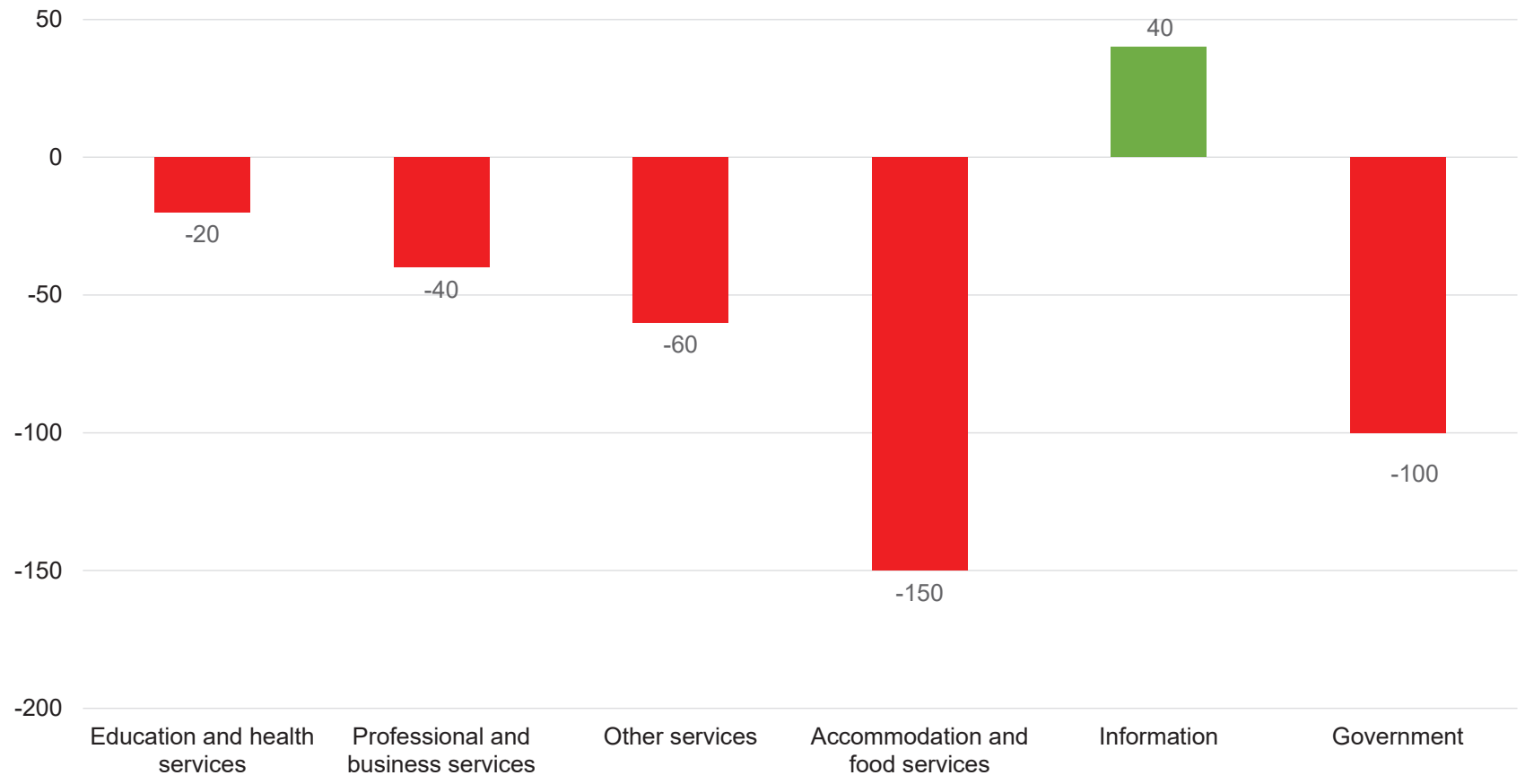
# Wasco County Needs to Add Back +400 Jobs...

Year-Over-Year SA Non Farm Job Growth or Decline,  
Wasco County



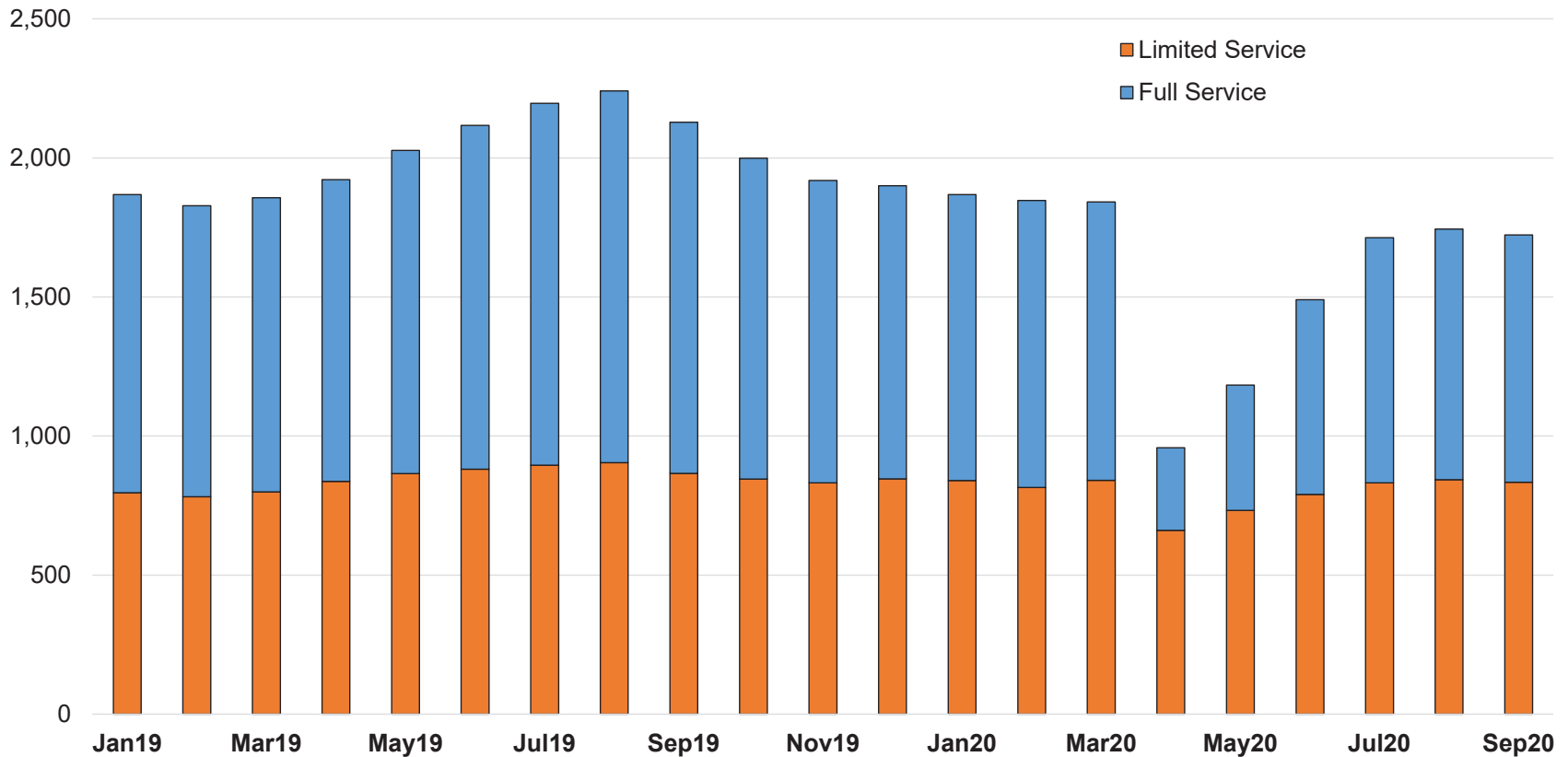
# Wasco County: Loss of 410 Jobs or 4.0% OTY

Wasco County: November 2020 OTY Job Losses by Industry



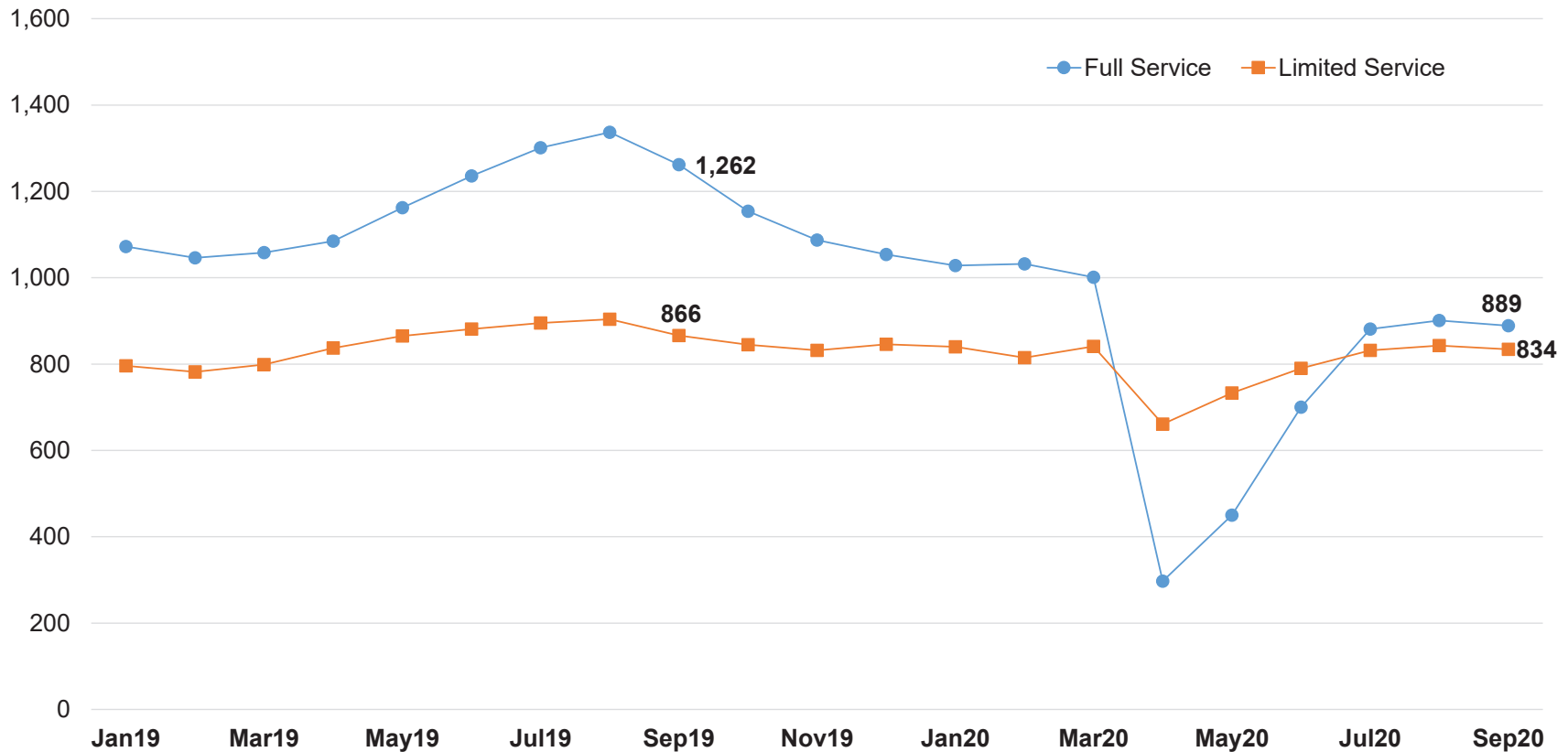
# Limited Service Has Regained Most of Its Losses

**Full Services and Limited Service Restaurant Employment:  
Hood River & Wasco Counties**



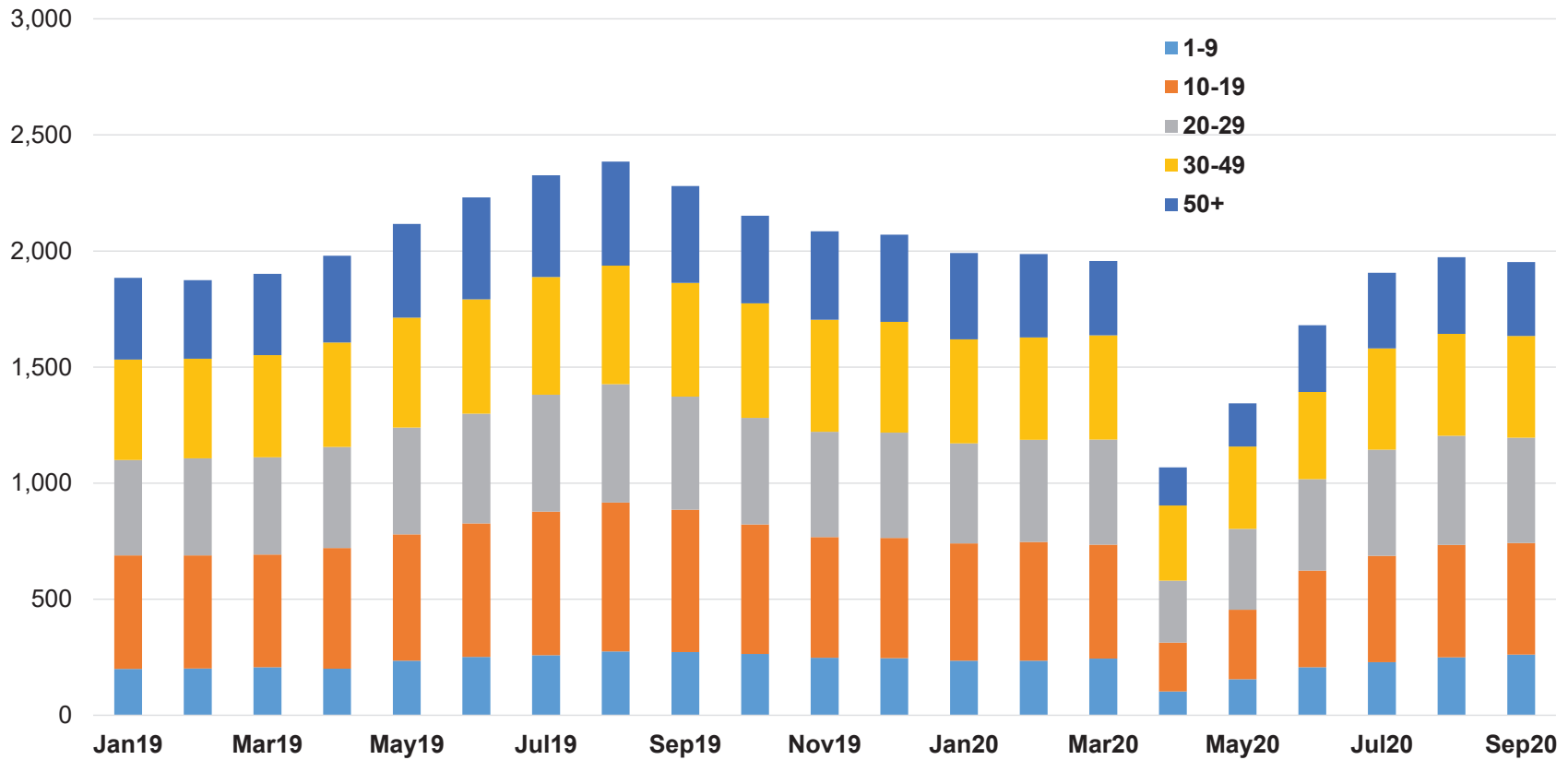
# Restaurants Held Steady Over July-Sept

## Full Services and Limited Service Restaurant Employment: Hood River & Wasco Counties



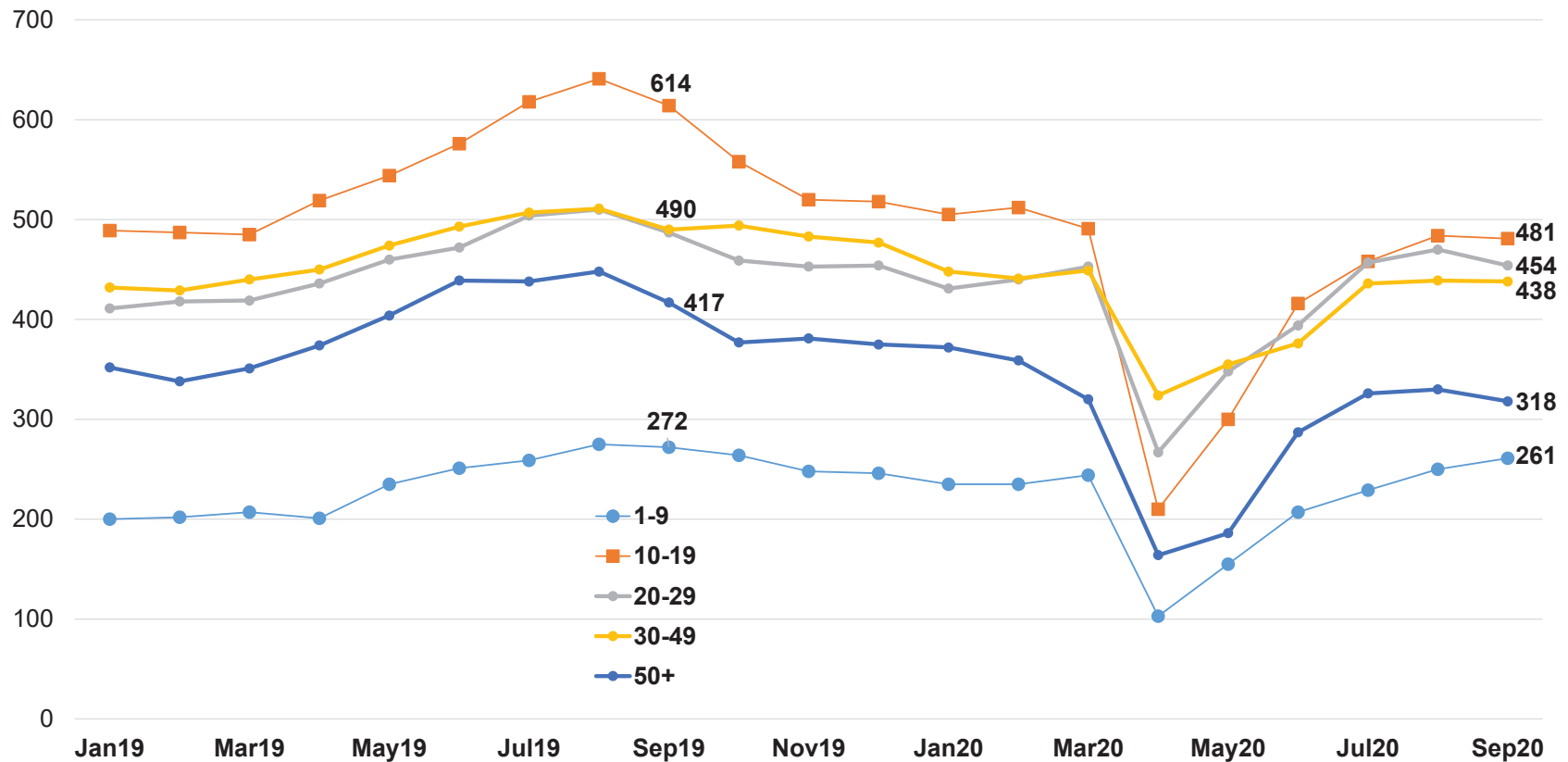
# Food Service and Drinking Places By Size Class...

**Food Services and Drinking Places by Size Class:  
Hood River & Wasco Counties**

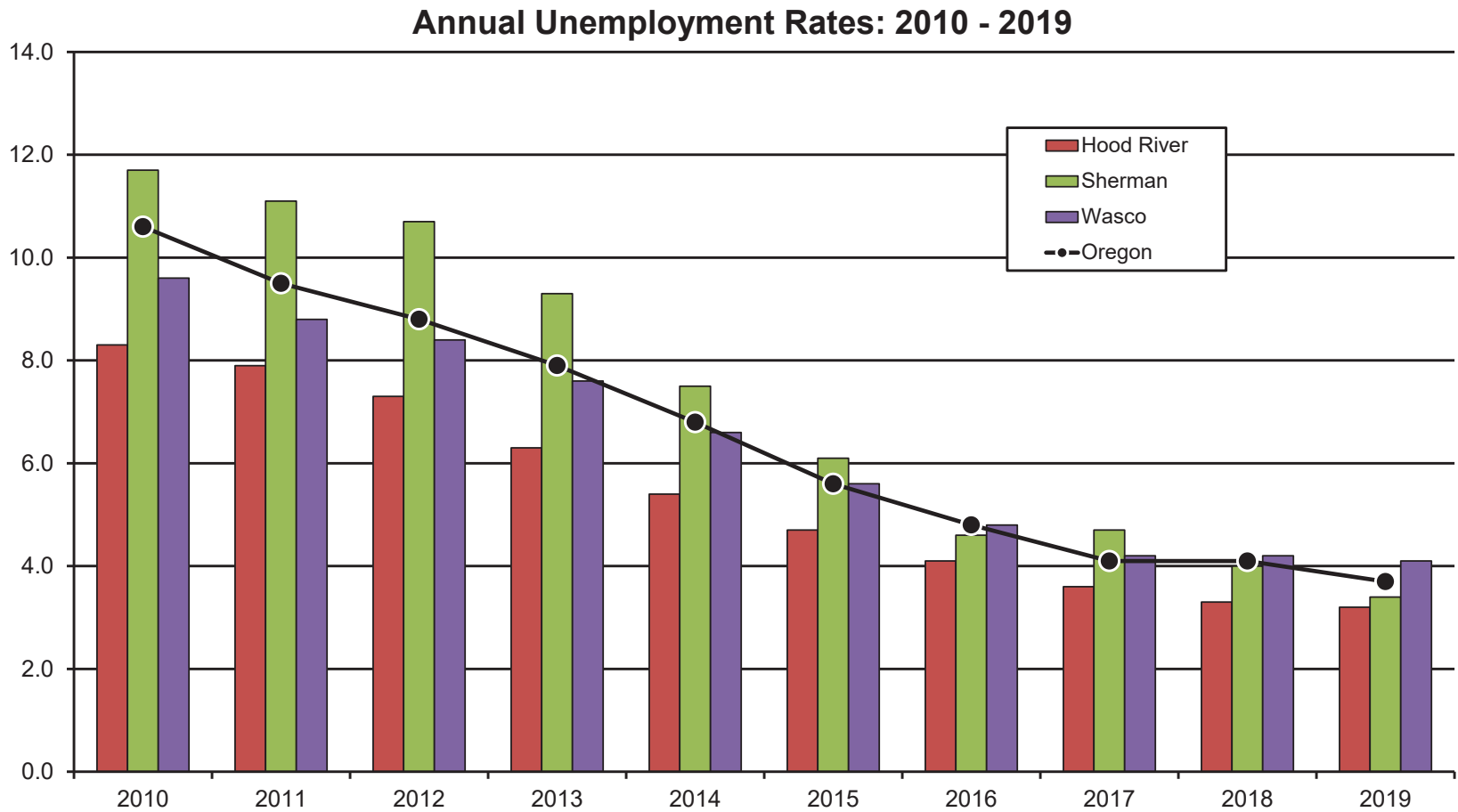


# Establishments in the +50 and 10-19 Job Categories Hardest Hit

## Food Services and Drinking Places by Size Class: Hood River & Wasco Counties



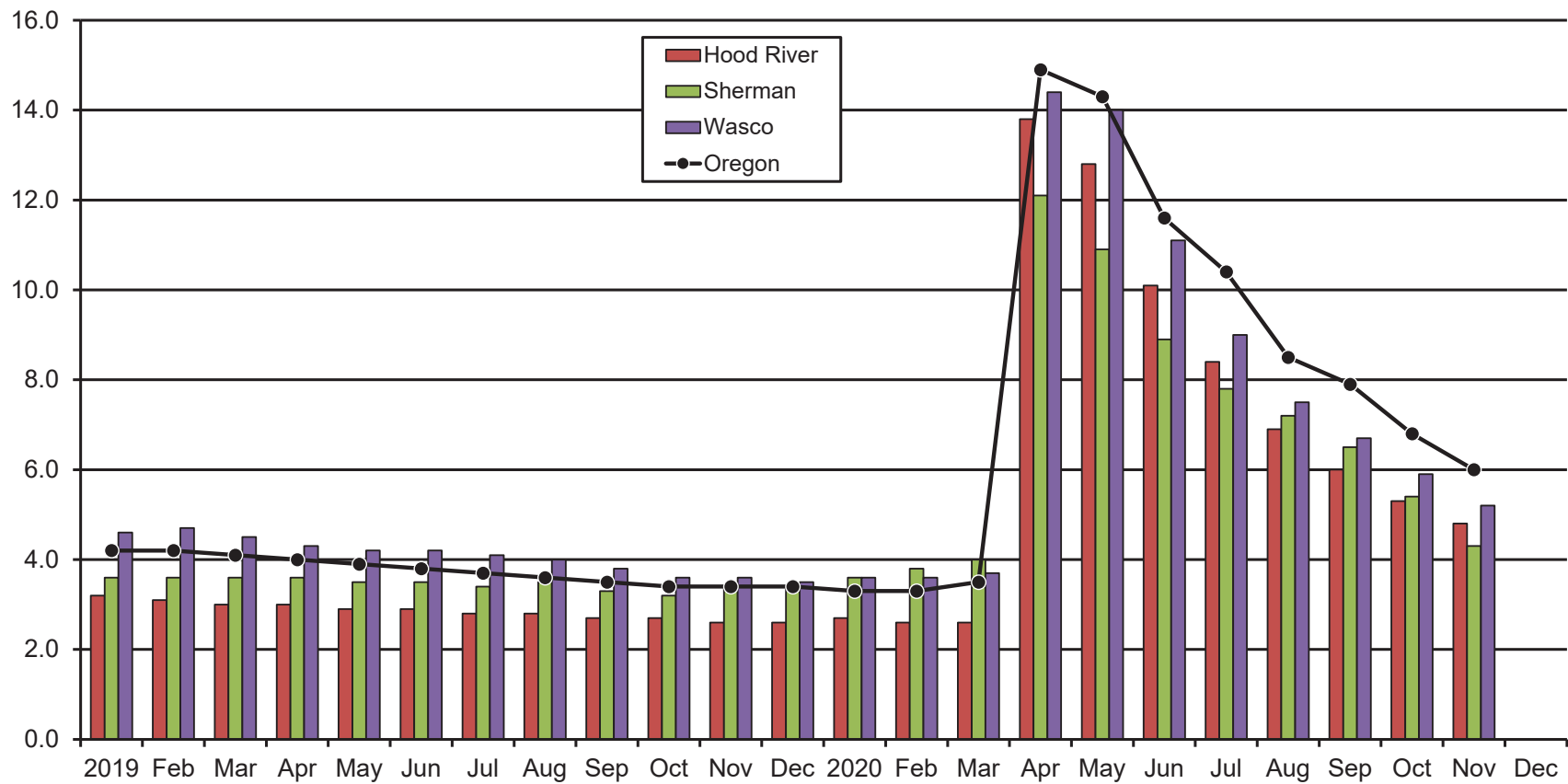
# Annual Unemployment Rates Since 2010 Compared with Oregon



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# Monthly Unemployment Rates in 2020 Below Oregon's As Recovery Begins...

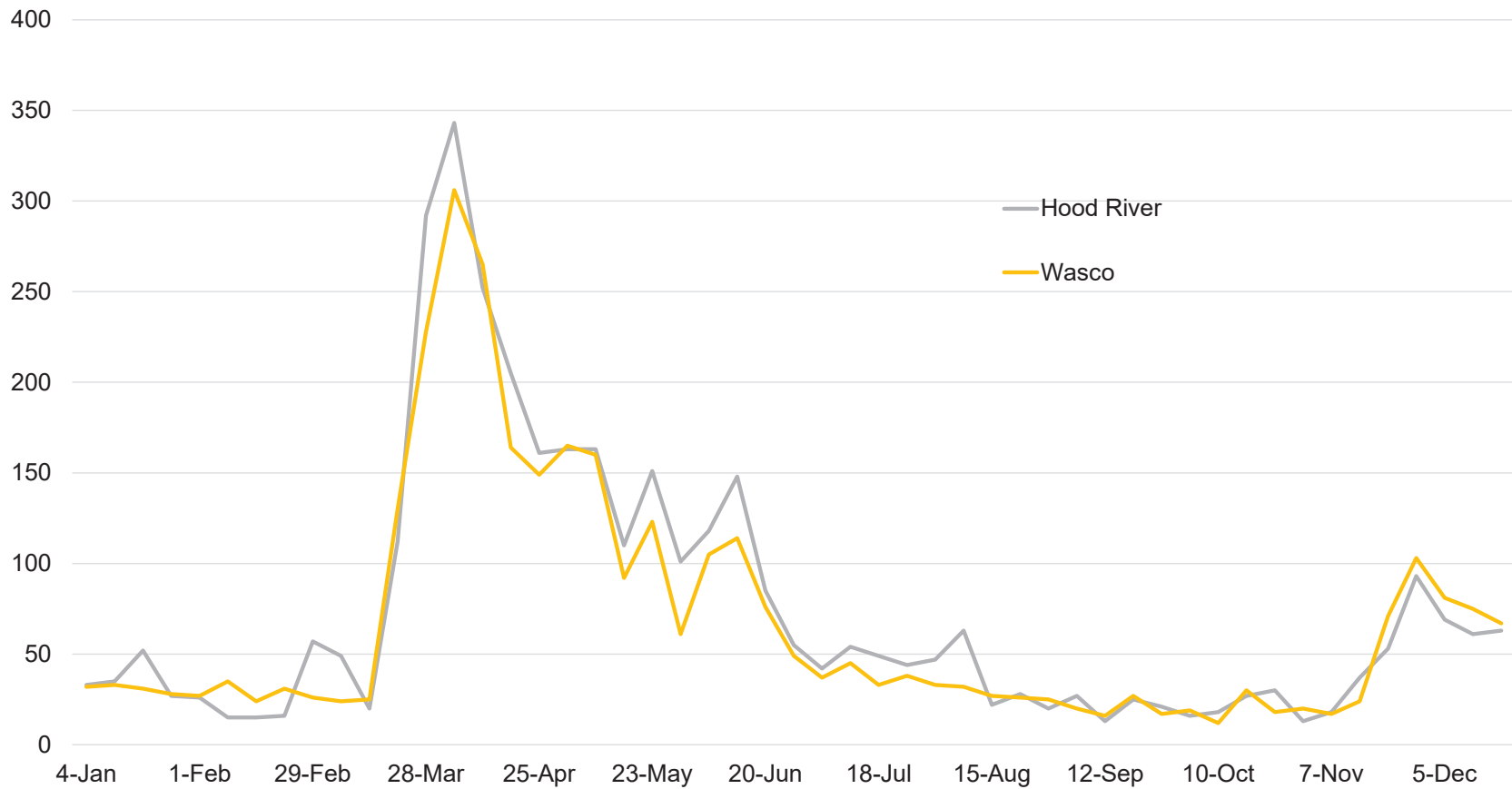
## Seasonally Adjusted Monthly Unemployment Rates: 2019 - 2020





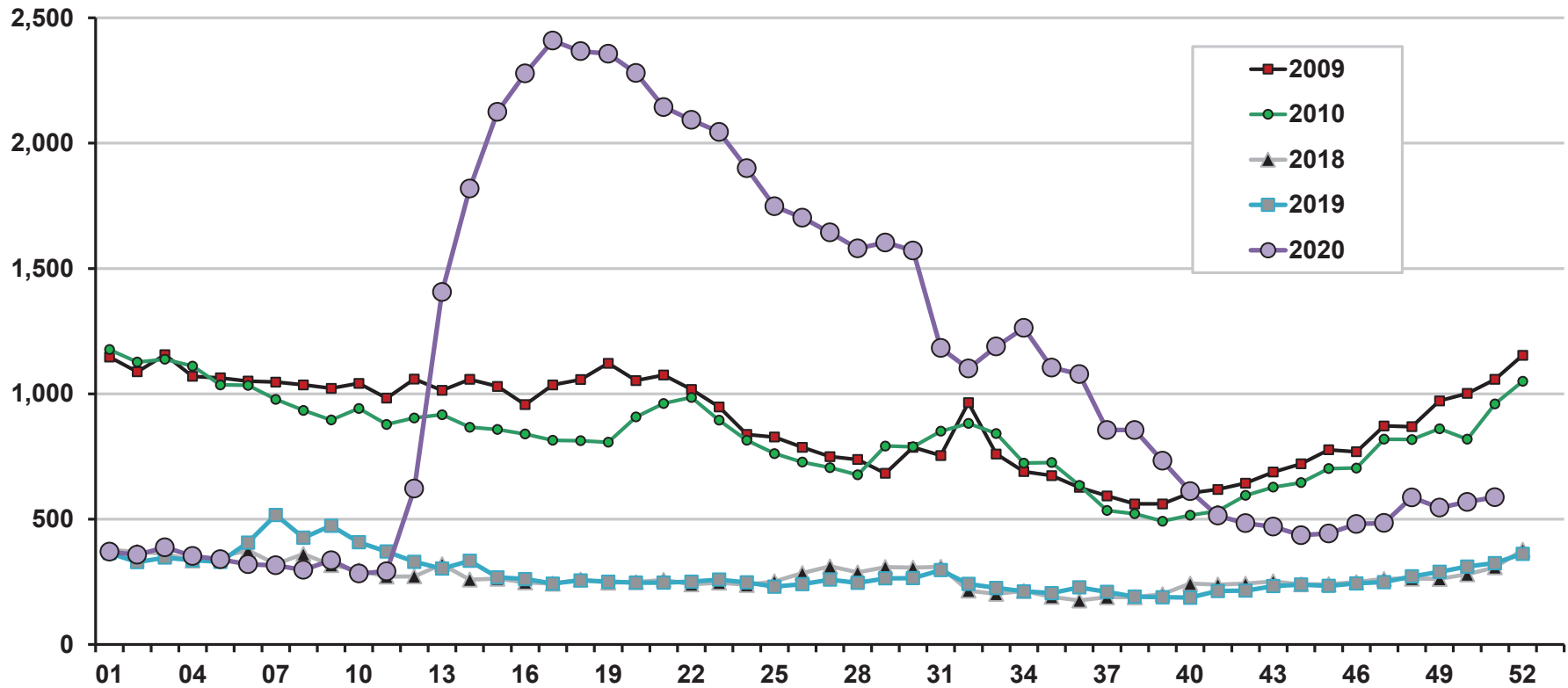
# Initial Claims Rose in Late November and Early December

Initial Claims for Regular Unemployment Benefits by Week Ending Date in 2020



# Great Recession Highs Compared with 2018-2020

## Columbia Gorge Regular Unemployment Insurance Claims by Week: 2009-2010 & 2018-2020

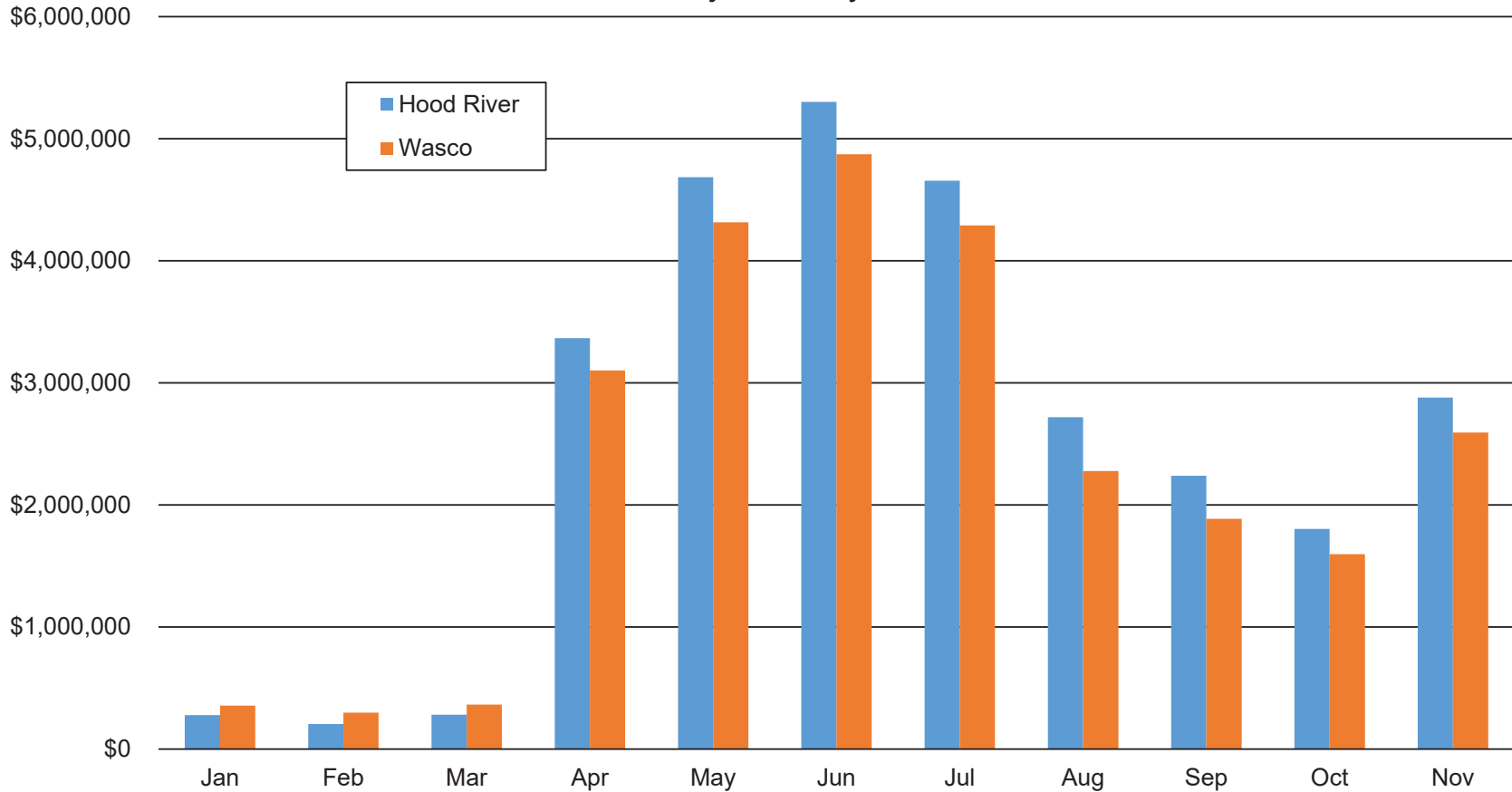


Sources: U.S. Bureau of Labor Statistics, Oregon Employment Department



# \$52.6 Million Paid over April – November 2020

Benefit Payments by Month





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# Hood River – White Salmon BRIDGE REPLACEMENT PROJECT

Project Director Report  
January 26, 2021

The following summarizes Bridge Replacement Project activities from Jan. 8 - 21, 2021:

## PROJECT MANAGEMENT UPDATE

### KEY TAKEAWAYS:

- C2C Presentation on Feb. 16
- C2C WSP Amendment on Feb. 16
- Public Comment Responses shared with EISWG on Mar. 4

### COST TO COMPLETE (C2C)

Scoping evaluation has been completed. Public involvement tasks were over-scoped, but Section 106/Environmental tasks were under-scoped. Budget revisions are forthcoming.

Jan 8: WSP sends draft scope revisions to Port - complete

Jan 15: Port returns scope comments - complete

Jan 22: WSP sends revised scope and draft budget to Port

Jan 29: WSP/Port/Otak meet to review budget

Feb 9: Final scope/budget to Port

Feb 16: Board meeting to review/approve contract amendment

Staff anticipates the need to use some contingency for the increased scoping related to archaeology work on a key parcel and historic district evaluation in White Salmon.

### PUBLIC INFORMATION/OPEN COMMENT PERIOD

A total of 155 commenters provided comments between November 20 and January 5, resulting in an estimated 400 to 500 comments. Of the commenters, 50 used email, 99 used the online form, 4 used the telephone, 1 sent letter via the mail, and 1 provided comments during the Supplemental Draft EIS Public Hearing. For comparison, there were only 12 comments received when the Draft EIS was released in 2003.

COMMENT SOURCE	NUMBER OF COMMENTERS
Email	50
Online	99
Telephone	4
Written mail	1
Public hearing	1
<b>TOTAL</b>	<b>155</b>

Seven of the respondents were from a public agency, including: Oregon Department of State Lands, Southwest Washington Regional Transportation Council, Columbia River Gorge Commission, Washington Department of Ecology, United States Department of Interior, Oregon State Marine Board, and Washington State Department of Transportation. None were received from tribal agencies.

Many of the respondents expressed support for building the bridge, with a handful sharing specific support for the preferred alignment (Preferred Alternative EC-2).

At a glance, the most common theme among the respondents seems to be support for a shared use path for pedestrians and bicyclists. Many of these respondents included recommendations to widen the bicycle lanes, separate pedestrians and bicyclists, and locate the shared use path on both sides of the bridge.

The second most common theme seems to be the visual design of the bridge – specifically, support for a design that matches the aesthetic of the Columbia River Gorge. Another common theme seems to be tolls – specifically, opposition to paying tolls, particularly for local commuters.

Thus far, the project team’s analysis has identified the following additional common themes: tribes; effect on fishing; keep existing bridge; labor agreement to build the bridge; river access; boat passage; lighting; preservation; safety, and wetlands. Further analysis is underway to identify potential additional comment themes and to prepare comment responses. A more comprehensive review of the findings will be presented at the next EIS Working Group scheduled for Thursday, March 4<sup>th</sup>.

## **GOVERNMENT AFFAIRS/LOBBYING UPDATE**

### *KEY TAKEAWAYS:*

- *Staff recommends using HB2017 funds as match to BUILD grant*

Staff met with several Oregon legislators and key ODOT administrators over the last two weeks with the assistance of Thorn Run. All that were around for HB2017 responded positively about the progress on the Final EIS and felt that, though COVID has been hugely disruptive, the state’s budget is surviving. The BUILD award and acknowledgement that the Washington legislature may be contributing to the next phase of funding was positively received by legislators and certainly increases the chances of an additional \$5M moving the project forward. Most felt that any further appropriation was contingent on Washington state support.

There was support for the mid-Columbia region to maintain a separate bridge authority identity and few felt that there would be benefit by joining the I-5 effort. Washington legislators appear to be more energized about bridge authorities than their Oregon counterparts.

As an aside, the Port did receive a letter from ODOT stating that the project could use yet-to-be-spent portions of HB2017 as the non-federal match for the geotechnical work. The letter did ask that we communicate to legislators that HB2017 funds will be used to leverage the BUILD award.

Interviews with Washington legislators and agency officials will begin in February.

## FEIS/ROD CRITICAL PATH UPDATE

### KEY TAKEAWAYS:

- *Increased level of effort on archaeology work and subsequent requests on historic building survey will be included in C2C amendment.*
- *Currently looking at late July 2022 FEIS/ROD*
- *Bureau of Indian Affairs is allowing Port to post survey fliers at in-lieu fishing sites*

The cultural resources report is made up of two components: above ground and below ground. The below ground archaeological work has had some challenges. A bit more surprising was the response received last week from the Washington Dept. of Archaeology & Historic Preservation (DAHP) on the above ground work that had received minimal comments after the first review.

During their second review of the Built Environment Inventory, DAHP felt that the level of detail that went into evaluating a “historic district” on the White Salmon ridge was not robust enough to fully preclude its consideration but in fact believed it could be eligible for the National Register. The study found that most of the ridge side properties were not eligible and the project would not have any adverse effects on them due to the new bridge. The only adverse effect identified in the inventory was the current bridge. DAHP is now requesting that additional survey work on over a dozen buildings in White Salmon go through another round of survey work to justify that its consideration as a National Register “historic district” is not merited.

Project team will meet with DAHP for further understanding of the need for the request.

As noted at the last meeting, over 3,000 artifacts were discovered during the field work at a parcel of interest in White Salmon. This will add costs due to increased reporting and the level of effort on the survey report. The updated survey report will be submitted to state historic preservation offices and tribes in March.

All of these impacts will be taken in to account as part of the Cost to Complete effort.

Staff received response from the Bureau of Indian Affairs that they will allow project posters and fliers to be posted at the Treaty Fishing Access Site, fish processing plant, Underwood fishing site and Koberg Beach. A link to a brief online survey will allow for direct comments to be made on the project from users of those facilities.

WSP’s critical path memo is included in the packet.

## CONSTRUCTION PRE-DEVELOPMENT

### KEY TAKEAWAYS:

- *Geotechnical work is ready to schedule upon approval from BUILD*
- *Otak to present AE/Design scoping progress on Feb. 16*

- *Staff is recommending AE/Design RFP include scoping for 100% design with offramps at earlier key milestones*

#### GEOTECHNICAL BORINGS

The project team will be incorporating an evaluation of sub-surface soundings into the Section 106 analysis for the geotechnical work. A project cost estimate has yet to be produced.

#### AE/DESIGN RFP DEVELOPMENT UPDATE

Chuck Green has submitted a memo outlining his recommendations on how to proceed with the AE/Design procurement. Staff concurs with Green's recommendation to fully scope 100% engineering/design with off-ramps at key milestones based upon funding and a project delivery method decision. Green will present his analysis at the next Commission meeting.

#### OWNERS' REPRESENTATION RFP DEVELOPMENT UPDATE

Owners' Representative/Technical Advisor is another contract being scoped. In February, staff will share tasks necessary to be included in the OR contract. This is a critical contract as the OR will be under contract – at differing levels of effort -- during engineering and through construction. This RFP will likely be released at the same time as the AE/Design RFP.

#### GOVERNANCE/BSWG UPDATE

##### KEY TAKEAWAYS:

- *P3 Panel Discussion Work Session scheduled for the Feb. 5<sup>th</sup> BSWG.*
- *Klickitat County formally appointed Jacob Anderson to the BSWG*

The P3 Panel Discussion for the next BSWG meeting February 5th is shaping up nicely. Lowell Clary and staff have been meeting with the speakers to hear a summary of their case studies. A copy of the agenda is attached.

Steve Siegel has begun research on the statutory issues that must be addressed in structuring the bi-state authority. Existing Washington statutes designate the Washington section of the replacement bridge a state highway, and establish the Washington Transportation Commission (WTC) as the toll authority for state highways. Based in this preliminary finding, Siegel noted that that the tolling authority granted to the bi-state board by the proposed legislation must either supersede the existing statute or incorporate in some manner the WTC in the tolling decisions. He will begin sharing his approach to suggested legislation with the BSWG this spring.

The Port received a letter from Klickitat County formally appointing Jacob Anderson to the working group.



## FUNDING & FINANCING UPDATE

### KEY TAKEAWAYS:

- *Port requested pre-award approval from BUILD for Geotechnical work*
- *ODOT is allowing the Port to use yet-to-be-used HB2017 funds toward BUILD match*

### BUILD GRANT

Port staff has still not received a template for the BUILD planning agreement. This is not unusual during transition periods between administrations. Staff learned on Jan. 12th that there is a way to receive pre-award/reimbursement approval. FHWA staff provided a list of materials to be submitted for consideration and those documents – including a letter to the Office of the Secretary – were submitted Jan. 19<sup>th</sup>.

### YET-TO-BE-USED HB2017 FUNDS

The Port received a letter of support from ODOT Region 1 allowing any yet-to-be-used funds from HB2017 to be applied to the non-federal BUILD match. Staff will have a better sense of the available contingency after the Cost to Complete effort, but it appears that there is still \$200,000 in proposed contingency.

Though the Commission did commit \$1.25M toward the BUILD effort, staff's recommendation is to use \$140,000 from HB2017 toward the geotechnical work. If approved, BUILD would cover the remaining \$560,000. Once agreements for the pre-award work are finalized, it will require Commission action to approve.

As noted in the letter, Mr. Windsheimer did ask that the Port inform legislators of that intent and have been sharing this during our Oregon legislative outreach.

### MEETING SCHEDULE

- Nick Farber, Colorado DOT P3, Jan. 20
- Jen Mayer, King County (Wash.) P3, Jan. 20
- Sia Kusha, Plenary P3, Jan. 21
- OPPA Legislative Committee, Jan. 22
- Ryan Dolan, United Bridge Partners P3, Jan. 22
- Sec. 106 Cultural Resources Check In, Jan. 22
- WSP Weekly Check In, Jan. 25
- WSP Owners Rep Discussion, Jan. 25
- Thorn Run Partners, Jan. 26
- NEPA Coordination Meeting, Jan. 28
- Otak/WSP C2C, Jan. 29
- WSP Weekly Check In, Feb. 1
- Klickitat County Transportation Meeting, Feb. 3
- BSWG P3 Panel Discussion, Feb. 5

- WSP Weekly Check In, Feb. 8
- C2C Final Amendment Review, Feb. 9
- Thorn Run Partners, Feb. 9
- Sec. 106 Cultural Resources Check In, Feb. 11
- Rep. McLain/Williams Leg. Strategy, Feb. 12
- WSP Weekly Check In, Feb. 15
- WSP Owners Rep Discussion, Feb. 15



# Oregon

Kate Brown, Governor

Department of Transport

Re:

123 NW Flanders Avenue  
Portland, Oregon 97209-4012

Phone: (503) 731-8500

Fax: (503) 731-8259

January 14, 2020

Shaneka Owens, Operations Engineer  
Oregon Division  
Federal Highway Administration  
530 Center Street NE, Suite 420  
Salem, OR 97301

Ms. Owens,

As you are aware, the Port of Hood River was allocated \$5,000,000 in House Bill 2017 to complete a bridge replacement environmental impact study (EIS). The Port of Hood River is requesting to use unspent House Bill 2017 funds (state funds) as match towards the BUILD grant they were recently awarded. ODOT has requested assurance from the Port of Hood River that the House Bill 2017 funds will be used complete EIS prior to any match obligation.

In December 2017 ODOT and Port entered in to an Intergovernmental Agreement (IGA). This IGA defined the project as an environmental impact statement (EIS) and necessary related activities for the replacement of the Hood River/White Salmon Interstate Bridge. The IGA explained in the event of an underrun at completion of the Project, any unspent state funds will be retained by State and will not be available for use by Agency for any other Agency purpose or project. However, the IGA stipulates that the HB2017 funds could be used for the following activities listed below.

*The Port of Hood River ("Agency") will undertake or cause to be undertaken the following activities as necessary for completion of the Project EIS:*

*a. Project Management and Administration: Overall management and administration of the environmental and related activities, including Agency's Project-related legal analyses, public involvement/outreach, coordination with ODOT and WSDOT, other bi-state and intergovernmental coordination, tribal coordination, and coordination with FHWA.*

*b. Engineering: Analyses in support of the environmental impact analyses, including such activities as bridge design refinement, update Type, Size & Location (TS&L) analysis (if required), engineering and specifications, topographic survey, hydraulic study, update river users survey (if required), schematic roadway design, geotechnical investigation, wind analysis, permitting analyses and submittals, and preliminary cost estimates.*

*c. Project Delivery and Finance: Including traffic and toll revenue analyses, development and assessment of project implementation issues and delivery alternatives, and financing options.*

*d. Environmental: Environmental studies, including, but not limited to, archaeological investigation, biological assessment, Section 4(f) consultation, storm water runoff, impact on river users, and preparation of a Supplemental Draft EIS (if required) and a Final EIS.*

All these activities align with the proposed BUILD grant activities associated with Phase II of the project. As such, the unspent HB2017 funds would potentially be eligible as match against the BUILD Grant. However, ODOT recommends that the Port confirm with legislators to ensure compliance with the legislative intent associated HB2017 funds prior to the allocation of unspent HB2017 funds as match for their BUILD Grant.

Sincerely,

*Kristen Stallman*

Kristen Stallman  
ODOT Region 1 Major Projects Manager





## MEMO

**TO:** Kevin Greenwood, Hood River Bridge Replacement Project Director, Port of Hood River  
**FROM:** Brian Carrico, WSP  
**SUBJECT:** Status of Critical Path Activities and Projected Work through Feb 15  
**DATE:** January 19, 2021

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## CRITICAL PATH ACTIVITIES

Progress and challenges to completing critical path activities are described below. Completed actions with no activity are not noted.

### 1 ENDANGERED SPECIES ACT (ESA) COMPLIANCE

#### PROGRESS:

- Letter of Concurrence from USFWS received.
- NMFS assigned to biologist and Biological Opinion is in process. Expected completion in February.

#### CHALLENGES:

- None.

#### SCHEDULE RISKS:

- **Moderate risk** associated with NMFS for completing consultation on schedule. Not expected to impact overall schedule.

SCHEDULED COMPLETION DATE: ~~4/5/2021 (APRIL 2020 MEMO)~~; **3/05/2021 (JAN MEMO)**

- Changed to reflect agency progress and expectation.
- Successor task: Final EIS (final review draft)

### 2. COMPLIANCE WITH SECTION 106 OF THE NATIONAL HISTORIC PRESERVATION ACT

#### PROGRESS:

- Historic Resources Technical Report 30-day review period ended Nov 16. Revised report submitted to the Oregon SHPO and Washington State DAHP on December 28. Thirty-day review period closes January 27. Concurrence letters from both agencies are expected.
- Consulting Parties monthly meetings are on hold as the archaeological testing analysis is advanced.



- Analysis of archaeological artifacts are underway; preliminary results will be reviewed by the Port and ODOT in late January.

#### CHALLENGES:

- Consulting individually and collectively with four Tribes with treaty fishing rights on the Columbia River to discuss potential impacts to the White Salmon Treaty Access Fishing Site and treaty fishing rights is requiring more time than anticipated. ODOT has contacted all four treaty tribes and has met with (Umatilla) or will schedule (Yakama, Warm Springs and Nez Perce) individual meetings. This effort has slowed down as a result of COVID-19; ODOT is reaching out to tribes to determine if tribes will hold meetings via video-conference (e.g., Zoom). The Port is identifying opportunities to engage tribal fishers via web-meeting.
- The large number of artifacts that were found required additional efforts to catalog and analyze them. This is extending the schedule for completing a draft testing report.

#### SCHEDULE RISKS:

- **High risk:** The extensive number of artifacts recovered in the last round of fieldwork requires additional time to process, analyze, and document. Restarting the consultation effort on the mitigation plan for the bridge is linked to providing the consulting parties information about the archaeological work. Thus, the timeline for completing the Memorandum of Agreement is at risk.

SCHEDULED COMPLETION DATE: ~~4/16/2021 (APRIL 2020 MEMO)~~; ~~5/17/2021 (MAY 2020 MEMO)~~; ~~5/4/2021 (JUNE 2020 MEMO)~~; ~~3/3/2021 (JULY 2020 MEMO)~~; ~~5/27/2021 (AUGUST MEMO)~~; ~~6/18/21 (SEPT MEMO)~~; **7/6/2021 (JAN MEMO)**

- Adjustment made to schedule to capture the analysis and documentation of the archaeological testing. This adjustment pushed the schedule to complete Section 106 activities out to early-July 2021.
- Successor task: Final EIS (final review draft)

### 3. FINAL EIS FOOTPRINT SET

#### PROGRESS:

- Design revisions developed to avoid a significant archaeologic resource which required moving a planned stormwater pond and potentially a slight adjustment to approach on the Washington shore.

#### CHALLENGES:

- None.

#### SCHEDULE RISKS:

- None.

SCHEDULED COMPLETION DATE: ~~1/28/2021 (APR MEMO)~~; **2/3/2021 (NOV MEMO)**

- One week delay cascaded down from the SDEIS publication date change.
- Successor tasks: Final EIS/Record of Decision

### 4. PUBLISH FINAL EIS/RECORD OF DECISION

- Comment period ended January 4.



- A total of 155 comment submittals were received, resulting in an estimated 400 to 500 individual comments.
- Comments have been logged and compiled.
- Review and response underway.

SCHEDULED COMPLETION DATE: ~~7/22/2021 (APR MEMO)~~; **7/28/2021 (NOV MEMO)**

- One week delay cascaded down from the SDEIS publication date change.
- Successor tasks: Close out EIS project.



## PROJECTED WORK FOR NEXT 30 DAYS

The following work is projected to occur from January 15 through February 15.

### **TASK 1. PROJECT MANAGEMENT**

- Coordination with Port, Consultant Team and other agencies
- Invoice for January activities
- Update schedule and critical path status
- Prepare cost to complete
- Contingency release request for geotechnical investigation upon availability of Port funding.

### **TASK 2. PUBLIC INVOLVEMENT**

- Prepare a summary of all outreach done in support of SDEIS process.
- Preparation for next EIS working group
- Prepare monthly update for March issue.

### **TASK 5. ENVIRONMENTAL**

- Complete artifact analysis and report.
- Coordinate with ODOT on the review of submittal memo to obtain Section 106 clearance for geotechnical investigation.
- Review and prepare responses to comments received on the SDEIS.
- Evaluation of Final EIS footprint.
- Conduct meetings for the Section 106 consulting parties to begin developing mitigation options for removal of the historic Hood River Bridge; monthly meetings planned for March-July 2021.

### **TASK 6. ENGINEERING**

- Support the Final EIS production by addressing Requests for Information regarding design.
- Coordination in preparation for geotechnical investigation work.


### **TASK 8. PERMIT ASSISTANCE**

- Update and extend other existing permits for this work to show revised schedule and work window to support conducting the geotechnical work in 2021.





## Memorandum

**To:** Kevin Greenwood, Project Director  
**From:** Chuck Green, PE   
**Copies:** File  
**Date:** January 21, 2021  
**Subject:** Hood River Bridge Replacement Preliminary Engineering Procurement Update  
**Otak Project #:** 18644

This memo provides an update on the milestones, progress and schedule to procure Preliminary Engineering services for the “next step” in the Replacement project.

For the purposes of this memo, the following definitions will be used

### Design Stages

- Architecture and Engineering Consultant (A&E): this is the project design consultant team, comprising engineering (civil, structural, stormwater/ water resources, geotechnical, traffic, etc.), architecture (bridge, landscape), and other disciplines necessary to produce a preliminary and final design for building a project.
- Preliminary Engineering (PE): advancing the design beyond the current EIS “footprint” design level to an approximate 15% concept design. This would generate a cost estimate with 30-40% cost contingency.
- Design Acceptance Package (DAP): advancing the 15% concept design to a “proof of concept” preliminary engineering design level which can be used to decide on the project delivery mechanism (design-bid-build, design/build, Public-Private Partnership), approximately at a level between 15% and 30%. This would generate a cost estimate with a 20-25% contingency range. This level design and cost estimate will be useful for funding strategies, risk analysis, grant applications, and state and federal funding/financing requests.
- Advanced Design: this consists of advancing the design through the next design milestones, which are typically 60%, 90%-95%, and final/Plans, Specifications and Estimate (PS&E). At 60% design, most of the project features are sited and sized where they are to be built, and the bridge design includes details that incorporate wind and seismic studies, river currents and foundations, and other large features with definitive information for use in final acquisition of environmental permits. After 60%, design details tend to be focused on internal features (electrical wiring, size of beams and girders, roadway/pathway designs, traffic signal and roundabout details, traffic control plans, etc.) with complete engineering for Final Agency Review and quality control processing at the 90% deliverable stage. The PS&E stage produces the sealed bid package and is ready for construction.
- Owner's Representative (OR)/Project Engineering Advisor: With this being a large and complex project, in lieu of hiring in-house, full-time staff to provide these services, this is a Consultant team reporting to the Project Director/Owner to provide independent oversight of the designer and contractor. The Or provides project delivery advice on all manner of technical, financial, public interaction issues and construction support with administration on behalf of the Port or Bridge Project Authority. The OR will advise and assist with tasks that supplement the Project Director’s oversight and management responsibilities. Work tasks include technical,

financial, procurement, technical and construction administration, management and oversight of the project. Work can include reviews of consultant design products, overseeing quality control of the project work, writing and overseeing procurements (design, right-of-way acquisition, construction/project delivery). Tasks could also include organizing industry forums. Typically the OR would have one or two team leads (points of contact) and have the ability for work-order assignments for specific tasks.

The OR/Engineering Advisor can be retained at any time the Port or Bridge Authority determines they need these services and is desired to stay with the project through completion and contract/grant close-out. Typically this is early in the design process and prior to a project delivery decision being made. The OR/Engineering Advisor can facilitate the project delivery decision including advising the Port or Bridge Authority on the options and trade-offs, as well as leading the development of procurement documents for the chosen project delivery process. During construction, the OR/Engineering Advisor provides oversight of the entire construction team(s) and responds to contractor RFIs, change order requests, and public information on behalf of the Project Director/Owner.

### Project Delivery Options

- Design-Bid-Build (DBB): considered the “traditional” method for project delivery, this process involves an A&E design team completing a final design and specifications package, the agency bidding it out, and awarding it to the lowest responsive and responsible bidder. The A&E designer typically is contracted to provide post-design support to respond to contractor inquiries (Requests for Information or Interpretation, RFIs) or design changes (change orders). The agency may retain an engineering team to provide construction administration and oversight; often this will be a different team than the A&E design team. Construction Contractor is traditionally selected by low bid.
- Design/Build (D/B): a project delivery mechanism whereby a joint venture designer and contractor team take a preliminary design concept (such as that produced by the DAP process) design and build phases of the project simultaneously, rather than completing design before construction starts. The project agency, or “owner”, still has design approval milestones during the process as the D/B team generally progresses forward in construction stages. The D/B team accepts most of the project liability and will deliver a complete package at the end of their contracted work. The D/B team typically provides their own construction management with quality assurance managed and performed by the Agency. Typically the Contractor selection is a formula that combines quality based proposal and bid pricing.
- Construction Management/General Contractor (CM/GC): a process whereby a general contractor is selected via a value- and qualifications-based process before the design is complete (typically in the 50-60% complete range but ODOT recently brought on a CM/GC at a much earlier stage for their Rose Quarter project), in order to allow the contractor to provide input from a construction/constructability standpoint. The general contractor is then responsible for establishing and locking in a bid price for the project, manages the bidding out of various construction components, and provides their own construction management, typically in the form of a construction engineering firm. The A&E designer is precluded from participating in a sub-contract to the general contractor. The Agency provides Construction quality assurance.
- Public-Private Partnership (P3): a financing component of the project delivery process, the public agency and a private venture contractually partner in delivering a project, whereby the private venture provides up-front financing with the promise of being paid back by the agency over a period of time, whether through concessions (tolls, land development approvals, etc.), loan paybacks over an extended period of time, or some other payment measure. The private venture historically is a for-profit entity. The P3 partnership defines the type of project delivery (DBB, D/B, other) as part of the contracting mechanism.

## Funding and Grants

- **BUILD grant:** Better Utilizing Investments to Leverage Development grant recently awarded to the Port by the US Department of Transportation, in the amount of \$5,000,000 for “Planning” (which could include project development and preliminary engineering). This grant requires a match which the Port is currently programming as \$1,250,000, though ODOT has agreed to let any yet-to-be-used HB2017 funds to be used toward the non-federal match.
- **HB 2017:** the \$5 million grant from the State Legislature, administered through ODOT, funding environmental and pre-design studies.

## Scope of Work

Based on discussions with ODOT, WSDOT and Otak colleagues familiar with various A&E and project delivery mechanisms, the preferred approach is to procure an A&E consultant through final design and building in “off-ramps” at various design stages in case the project delivery decision is an alternative approach to the traditional DBB process. After selection, the A&E consultant would only be contracted for the first stage of design, with agency options to continue the contract to the next stage in the process. The design stages and off-ramp decisions are summarized below.

### Preliminary Engineering

Preliminary Engineering (PE) advances the design beyond the current EIS “footprint” design level to an approximate 15% concept design. This provides more information about design features, including those that inform mitigation plans, rights-of-way and easement plans, and design input and coordination with key stakeholders. This would generate a cost estimate with 30-40% cost contingency. This stage would allow the project to reach design decisions on items from the Environmental Impact Statement (EIS) process, including the bike/ped facilities, design input and requirements of the Tribes and the Columbia Gorge Commission, conceptual design of mitigation items and project conditions from the Final EIS and record of decision, and preliminary right-of-way and utility plans. A cost estimate would be generated and scheduled around whether the Port or partner agencies are seeking funding through state or federal packages.

Bridge piers and foundation design could include modeling and resolving design issues related to placement or depth of the foundations, depending on results of the final Geotechnical data report including the upcoming underwater borings. A design risk register and risk management plan will be developed at the PE stage to inform the next stage of the project development effort.

While the coordination and resolution of aesthetics, mitigation or design matter with stakeholders such as the Tribes or the Gorge Commission is overseen by the Project Owner or Owner’s Representative, the A&E consultant could also provide technical support to answer design questions if a Project Delivery forum, or a series of Industry Forums focusing on specific project delivery mechanisms, are programmed for this design stage.

This is the first of the off-ramp stages. This would be the point where the A&E consultant could choose to terminate their contract so as not to preclude them from pursuing being part of a non-DBB project delivery joint venture so as not to create a conflict of interest.

## **Design Acceptance Package**

The Design Acceptance Package (DAP) advances the 15% concept design to a preliminary engineering design “proof of concept” level which can be used to finalize design parameters, additional design decisions to address stakeholders and community input, and decide on the project delivery mechanism (design-bid-build, design/build, and Public-Private Partnership; perhaps CM/GC as well). It is a design approximately at a level after 15% and up to 30%. This would generate a cost estimate with a 20-25% contingency range.

This stage provides more comprehensive information about design features, design and construction risk items needing to be addressed during advanced stages, as well as securing clearances, permits, rights-of-way and easements that minimize cost and schedule risks for contractors, design/build partnerships, and Public-Private Partnership (P3) consortiums. Work beyond the PE level to get to the Project Delivery Decision level could include developing several design details to address risk items from the design risk register, advancing key elements of the design to finalize right-of-way needs and to obtain permits and clearances, and other items that help reduce the liability and cost risk for prospective bidders or consortiums (depending on project delivery method selected).

This stage could also include a supporting P3 Industry Forum to help inform the project delivery method decision. The Port or Bridge Project Authority would also need to make a determination at this point as to the involvement of the A&E consultant in any Design/Build forum or consideration, in the event the A&E consultant decides to seek a joint venture role with a prospective D/B contractor at or after this stage.

At this stage, the Port or Bridge Authority should select an Owner’s Representative to guide them on the next steps in the project implementation process. The OR would advise on the project delivery options and then facilitate the next steps based on the chosen project delivery option. This includes the procurement documents and support on whether to exit the A&E contract at this stage, depending on the project delivery option chosen.

## **Advanced Design**

This consists of advancing the design to the next design milestones, which are typically 60%, 90%-95%, and final/Plans, Specifications and Estimate (PS&E). At these design milestones, design packages are submitted for Agency review (Port or Bridge Authority). If there is an Owner’s Representative, the OR would facilitate the design reviews and shepherd various components of the package to other stakeholders, including ODOT, WSDOT, utilities, and reviewers representing other entities such as the Columbia Gorge Commission and the Tribes. The designer would respond to questions, comments and requested revisions.

At 60% design, most of the project features are sited and sized where they are to be built, and the bridge design includes details that incorporate wind and seismic studies, river currents and foundations, and other large features. It is possible to include an A&E consultant exit-ramp at this stage but that is not historically done at this advanced stage. This is approximately the traditional stage where a CM/GC team is introduced if the Agency decides to use that procurement method. Constructability reviews are included with the general contractor providing the lead in those reviews for the purpose of coordinating methods of construction to achieve lower cost bids for components being designed. The A&E consultant would then revise the design as directed by the Agency, Owner’s Representative or other design review team.

After 60%, design details tend to be focused on internal features (electrical wiring, size of beams and girders, roadway/pathway designs, traffic signal and roundabout details, traffic control plans, etc.) The PS&E stage produces the bid package.

If D/B is selected, advanced and final design is done by the D/B joint venture with the Agency or Owner's Representative providing design reviews and approvals.

## **PE Procurement Schedule**

The PE Procurement schedule is attached. The process began in late 2020 with outlining the procurement process and discussions with the Port's legal counsel about the A&E consultant, exit ramps and their inclusion on succeeding design steps. The RFP release is timed with the schedule to conduct the geotechnical work and made available data and draft reporting, and note that the final Geotechnical Data Report will be made available to the successful proposer. It is anticipated that this process will allow WSP, the NEPA consultant who produced a 5% "footprint" design, to pursue the A&E contract along with others who may have been subconsultants on the WSP team.

The schedule results in work beginning in late October 2021. The PE phase should take 9-12 months, during which time the Port (or whoever becomes project Owner) could work to locate funding for the DAP phase. The PE consultant could be tasked with estimating the cost for DAP services which could help inform the cost of that next phase.

For the purposes of this memo, the PE phase cost range is \$3-5 million, with the DAP phase in the \$2-4 million range. The RFP and scope would be developed to allow for a contract amendment to move from PE to DAP and succeeding design stages, with the condition that adequate funds are available.

We are currently in Steps 1-3 in the schedule on the next page.



Schedule

Step	Start	End	Duration	Comments
1. Develop AE/Design Outline/Scope/Budget/Schedule	Dec-20	Feb-21	3 months	Started in December 2020
2. BULLD grant authorization and obligation	Nov-20	Jan-21	3 months	Grant contract and authorization, obligation of funds with Port, ODOT and possibly FHWA as parties.
3. WSP/FEI/boring vendor Contract Amendment	Jan-20	Feb-21	2 months	May change slightly depending on use of BULLD and local match funding for this work
4. WSDOT, ODOT (optional FHWA) review of PE Scope	Jan-21	Mar-21	1.5 months	Allows for meetings, multiple reviews, back-and-forth reviews & comments, revised version. Scope for 15% items plus contingency for up to 30% (alternative project delivery package design) allowing for future funding.
5. Geotechnical borings	Feb-21	May-21	3.5 months	Includes Geotechnical on-land and in-water, boring work, FEI providing geotech oversight. Based on WSP's schedule
6. Laboratory testing, draft geotech data report	Jun-21	Jul-21	2 months	From WSP's schedule
7. Final geotech data report	Jul-21	Aug-21	1 month	Includes QA/QC and response to comments
8. Draft foundation recommendations	Jul-21	Aug-21	7 weeks	From WSP's schedule
9. Final foundation recommendations	Nov-21	Dec-21	1 month	From WSP's schedule
10. Finalize scope and draft RFP documents	May-21	Jun-21	1 month	Based on geotech schedule
11. WSP packages design/CAD files, geotechnical boring data (not report) and other items for public access by prospective proposers.	Apr-21	May-21	1 month	This information becomes exhibit(s) for the RFP, and completes WSP's design involvement in advance of the RFP issuance.
12. Develop Geotech Data Report as Exhibit to RFP	May-21	Aug-21	3-4 months	After borings completed, Otak takes QA/QC oversight of FEI's work on geotech report. WSP design staff released, creating a firewall with WSP's design team and interest in PE RFP. Geotech timeline from Stuart Bennion of WSP.
13. Publish RFP, distribute to plan holders list	Jun-21	Aug-21	1.5 months	Based on WSP's Geotech schedule
14. Pre-proposal meeting	Jun-21	Jun-21	1 day (event)	Likely 1-2 weeks after RFP released
15. Final RFP Addendum	Jul-21	Jul-21	1 week	Issue final addendum 1 week before due date. Includes final Q&A, draft geotech report.
16. Proposals Due: Review/Scoring/Evaluation Committee to Shortlist	Aug-21	Aug-21	0.5 month	1 week to score, second week to meet & shortlist
17. Interviews	Aug-21	Sep-21	0.5 month	2-3 weeks to notify, prepare and hold interviews, select top rated team
18. Recommend/Select/Negotiate	Sep-21	Oct-21	3-4 weeks	3-4 weeks to select, notify, negotiate, Michael M OK, staff report
19. Commission Approval	Oct-21	Oct-21	1 week	Turn-around time for staff report & Commission action
20. Contract Signed, Notice to Proceed	Oct-21	Oct-21	0.5 month	2 weeks to get all documents signed & NTP
21. Work Begins	Oct-21	Oct-21		Kickoff mid-to-late October

**DRAFT AGENDA**

**PUBLIC PRIVATE PARTNERSHIP PANEL DISCUSSION WORK SESSION**

Bi-State Bridge Replacement Working Group Video Meeting  
 February 5, 2021 / 1:00-4:00pm  
 Video Conference Zoom Credentials Sent via Email

Members: Betty Barnes (Mayor), City of Bingen; John Everitt (President), Port of Hood River; Marla Keethler (Mayor), City of White Salmon; Kate McBride (Mayor), City of Hood River; Bob Benton (Commissioner), Hood River County; Jacob Anderson (Commissioner), Klickitat County; David Sauter (Commissioner), Klickitat County - *alternate*; Kristi Chapman (Commissioner), Port of Hood River – *alternate*

Staff/Consultants: Kevin Greenwood (Project Director), Port of Hood River; Michael McElwee (Executive Director), Port of Hood River; Lowell Clary (Consultant)

Panelists: Ryan Dolan, United Bridge Partners (Private); Nick Farber, Colorado DOT (Public); Sia Kusha, Plenary (Private); Jen Mayer, USDOT/King County (Public)

- 1. Welcome 1:00
- 2. Purpose of Work Session/Format – K. Greenwood 1:05

This purpose of this afternoon’s session is to increase the public’s knowledge base and understanding of public private partnerships. Panel presentations will be brief and focus on case studies. An hour has been scheduled for a roundtable discussion based upon themes heard during the presentations.

- 3. Introductions of BSWG Members – L. Clary 1:10

Biographies on Mr. Clary and the panelists are included as part of the meeting packet.

- 4. Presentations – Panel members 1:20

Panelists will have 10-15 minutes to present case studies. Questions should focus on clarifying elements presented.

- A. Nick Farber, Colorado DOT (Public) 1:20
- B. Ryan Dolan, United Bridge Partners (Private); 1:45
- C. Jen Mayer, USDOT/King County (Public); 2:10
- D. Sia Kusha, Plenary (Private); 2:35
- 5. Q&A/Roundtable – L. Clary 3:00

The session concludes with a roundtable discussion among committee members and panelists. This will be an opportunity to compare case studies, discuss strengths and weaknesses of presented approaches and allow time for in-depth conversations.

- 6. Adjournment 4:00

Summary minutes of the work session will be printed and posted on the Port of Hood River’s website at [www.portofhoodriver.com](http://www.portofhoodriver.com).

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KLICKITAT COUNTY  
 BOARD OF COUNTY COMMISSIONERS



205 S. COLUMBUS AVENUE, ROOM 103, MS-CH-04, GOLDENDALE WASHINGTON 98620 • FAX 509 773-6779 • VOICE 509 773-4612

JACOB ANDERSON, DISTRICT #1

DAVID M. SAUTER, DISTRICT #2

DAN CHRISTOPHER, DISTRICT #3

January 12, 2021

Via Electronic Mail: [jeveritt@portofhoodriver.com](mailto:jeveritt@portofhoodriver.com)  
[kgreenwood@portofhoodriver.com](mailto:kgreenwood@portofhoodriver.com)

John Everitt, President  
 Board of Commissioners  
 Port of Hood River  
 1000 E Port Marina Drive  
 Hood River, OR 97031

RE: Appointment to the Bridge Replacement Advisory Group

Dear Mr. Streich:

Please be advised the Klickitat Board of County Commissioners have designated Commissioner Jacob Anderson to serve as Klickitat County's representative on the Bridge Replacement Advisory Group. The appointment is for the term of office, expiring December 31, 2024.

We look forward to working with all bi-state partner agencies in the planning, construction and completion of a new bridge to benefit the Columbia Gorge region. Should you have questions please feel free to contact our office at (509) 773-4612.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
 Klickitat County, Washington

A handwritten signature in blue ink, appearing to read "David M. Sauter".

David M. Sauter, Chairman

Dan Christopher, Commissioner

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Jacob Anderson, Commissioner

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# Commission Memo

Prepared by: Anne Medenbach  
Date: January 26, 2021  
Re: Airport Commercial Hangar Contracting



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The Commission has directed staff to take the next steps toward construction of a commercial hangar at the Ken Jernstedt Airfield. Staff is in the process of negotiating a contract with architect Aaron Faegre, AIA ("Faegre") who has significant airport-related design experience.

Faegre has recommended that his scope of services be directed toward an alternative construction/contracting approach such as Design/Build or CM/GC. In part, this is because hangar structures are suited for such contracting approaches which can increase efficiency and reduce costs. However, such approaches bring additional complexities and can increase areas of risk and liability. General Counsel Jerry Jaques therefore recommends affiliating with outside legal counsel for this project.

David Doughman is a Portland-area attorney with significant experience in CM/GC and other alternative project delivery approaches. Mr. Doughman will participate in the meeting to discuss issues associated with alternative contracting methods the Commission may consider for the commercial hangar project.

**RECOMMENDATION:** Discussion.

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# Commission Memo

Prepared by: Michael McElwee  
Date: January 26, 2021  
Re: Bridge Approach Ramp Condition  
Report/Recommendations



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In May 2020, the Commission approved a contract with Coffman Engineering (“Coffman”) to provide engineering review services associated with various high importance bridge issues to bring an “engineering 2<sup>nd</sup> opinion” on bridge matters that pose a high liability or cost risk to the Port. Under Task #1 of this contract, Coffman conducted a review of the underwater pier inspections and the preliminary analysis prepared by HDR. Harvey Coffman presented his findings to the Commission at the Sept. 1 meeting.

Last October, the Commission approved a contract amendment with Coffman that added evaluation of the south and north approach ramps. Prior lab results had indicated high levels of sodium chloride in the concrete which would indicate full replacement of the concrete may be necessary.

Coffman’s report is attached. Harvey Coffman, P.E. will participate in the meeting and summarize the report’s analytical steps, repair alternative and recommended next steps.

**RECOMMENDATION:** Information.

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**Date:** January 12, 2020

**Project:** Port of Hood River, Hood River –  
White Salmon Bridge, OR & WA  
Approach Ramps Concrete Deck  
Rehabilitation, Task 2

**To:** Michael McElwee  
Executive Director  
Port of Hood River  
1000 E. Port Marina Drive  
Hood River, OR 97031

**Project No.:** 201099

**From:** Harvey Coffman, PE, SE

Memorandum

### Summary:

Coffman Engineer, Inc. (Coffman) conducted a review of the existing concrete bridge deck condition for the Hood River-White Salmon WA and OR Approach Ramps. The documents in the list at the end of this memo were reviewed to assess the priority of repair/rehabilitation and determine the likely best rehabilitation approach to address the on-going deterioration of the concrete bridge deck.

The inspection reports list the concrete deck in fair condition with a condition rating of 5 with delamination and hairline cracking in select locations occurring. As a result of this review Coffman is recommending that a Hot Mix Asphalt (HMA) overlay with waterproof membrane be utilized to slow or reduce the effects of chloride contamination and diminish maintenance repairs, thereby extending the service life of the concrete deck. Prior to the overlay, concrete deck repairs need to be considered for the areas with cracking. There are some further considerations which need to be addressed in the deck rehabilitation design. These will be described in more detail in the body of this memo.

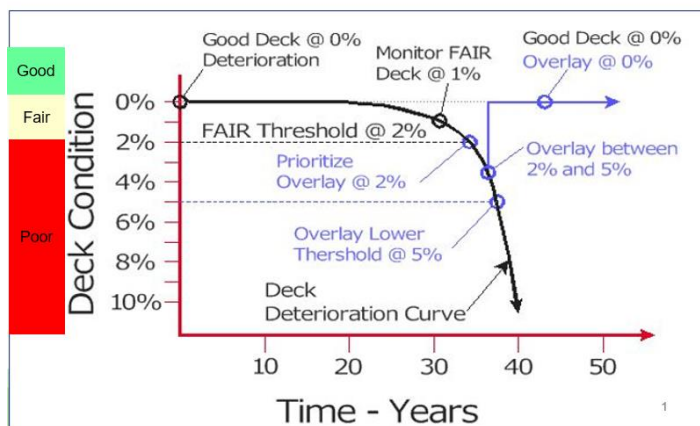
Inspection reports note the concrete deck on both Approach Ramps have existing delamination (potholes) with some patched delamination. The current inspection report identifies 3.1% of the total concrete deck area is patched or spalling. This is well into the range that suggests some work be done to mitigate the condition before the deterioration extends too deeply into the concrete deck and requires a more extensive repair or replacement. Generally, when the area of delamination and patching reaches 5% of the total deck area the deterioration and damage begins to accelerate appreciably. WSDOT practice recommends deck rehabilitations be conducted at this time and have been found to successfully extend the service life of concrete decks with minimal effort and cost.

### Background:

The Port of Hood River's top priority will be to continue funding and conducting inspections as prescribed by the NBIS and the Port of Hood River Long Term Preservation Plan. This is the fundamental driver in defining the right time to perform maintenance and repairs to extend the service life until the bridge replacement occurs.

The WSDOT figure below illustrates the general deterioration of concrete decks. It has been observed as the deck delamination approaches 5% of the deck area, the deterioration begins to accelerate. Along with this, the depth of deterioration increases. Eventually the deck takes on enough damage that repairing or rehabilitating it is no longer feasible, and a full depth replacement is required. Generally, the time to program an overlay project is when the delamination reaches a level of 2% of the deck area. Currently, the bridge inspection reports suggest the existing approach spans have total deck delamination at about 3.1% (6.2% on the OR approach span and 2.3% on the WA approach span). It is time for the Port to begin planning a course of action for the concrete deck rehabilitation.

WSDOT Concrete Deck Deterioration Curve



**Observations:**

The Hood River – White Salmon bridge is a part of the interstate highway system and is open to the public for vehicle use. The bridge is posted to limit legal weight trucks from using the bridge. The Port of Hood River requested Coffman Engineers perform an evaluation and analysis of the concrete approach ramps to provide recommendations for the Long-Term Capital & Maintenance Plan. The task is to provide a second opinion regarding the extent of damage and the need to address this deterioration, with consideration to the planning of repair and rehabilitation alternatives. This task is based on the review of existing bridge inspection reports provide by the Port of Hood River that are listed below in the Reference Documents. The 2018 and draft 2020 Routine Bridge Inspection Reports list the bridge deck condition rating as 5 (fair). The reports note transverse cracks in Spans D and E of the Oregon approach and spans 20 through 27 of the Washington approach, diagonal hairline cracks in the ends of the deck near the abutments with minor leaching, and some rutting in the wearing surface (polymer overlay) of the Washington approach spans with polished aggregate. The report also identifies the polymer overlay on both approach sections is worn through in much of the wheel paths and no longer providing protection (as a moisture barrier) to the deck.

A chain drag inspection, Reference document #2, was performed on the concrete bridge deck. This inspection identified both approach ramps have areas of delamination and patching of delamination that consist of about 3% of the total deck area (combined area for both OR & WA approach ramps).



As a part of the in-depth deck inspection conducted in May of 2019, concrete cores were taken throughout both approaches to identify the chloride content. The core sampling indicates chloride concentrations above the industry accepted value of 0.04% in all but one core sample. The high chloride concentration was present at depths below the top mat of reinforcing bars.

### **Significance of Findings:**

The bridge deck condition rating of 5 (fair) indicates the concrete deck continues to provide adequate strength to carry vehicles. The cracking noted in the reports would suggest some repairs maybe needed. The presence of chlorides in the concrete deck are a measure of the potential for steel reinforcing bars to corrode. The top mat of steel reinforcement is relatively light between the concrete girders with the longitudinal bars spaced at 24 inches on center and the transverse bars at 18 inches on center. Over top of the bridge girders the transverse bars are spaced at 9 inches on center. However, the presence of high chloride concentration does not necessarily correlate with the presence of active corrosion. The absence of any documented corrosion in the 2018 or draft 2020 bridge inspection reports and the in-depth core inspection suggest the corrosion of the reinforcement is not the principal cause of the deck delamination. In this case, the need to remove the concrete that has high levels of chlorides is reduced. However, it would be a good long-term approach to address future concerns of the chloride contamination.

Corrosion can be thought of as the basic interaction of bare metal, water (which becomes an electrolyte in the presence of chlorides) and oxygen. All three elements are needed for corrosion to occur. Therefore, corrosion can be stopped by removing any one of these three elements. The chlorides by themselves cannot produce corrosion without water and oxygen. To disrupt this process, a moisture barrier can be used to eliminate water intrusion from the roadway surface of the deck so that the corrosion will cease to occur.

One overlay concept that can achieve this is Hot Mix Asphalt (HMA) with a waterproof membrane. An HMA overlay is durable, quick to install, relatively low-cost, and readily available. When combined with a waterproof membrane, it can prevent water from reaching the concrete deck. This is the approach we are recommending to the Port for consideration.

### **Conceptual Overlay Alternatives:**

In the case of the approach ramps, an overlay that provides a moisture barrier and minimizes the additional added weight would be ideal. The time to construct, construction method, cost, and durability/service life are all factors in the consideration of the overlay types. The smoothness of the roadway surface is also a consideration in the overlay as preventing the pounding of tires on the surface of the deck will prolong the life of a bridge deck.

Deciding factors come down to the cost and the affect that additional weight has on the capacity of the bridge to carry traffic. Concrete and polyester overlays require grinding the existing deck to provide a surface profile that allows the overlay to bond to the existing deck.

Table 1 below compares overlay types appropriate for consideration in the rehabilitation of the approach spans.

Table 1. Comparison of Overlay Types

Overlay Type	Surface treatment	Thickness	Constructio n/ cure time, hrs.	Durability, Years	Weight	Relative Cost/ sf and Total Cost
HMA w/ membrane	N/A*	0.15'	L None	15-20	H	\$20/sf \$170,000
Latex Modified Concrete (LMC)	Hydromill	1 ½"	M 42 hrs	20-40	M	\$80/sf \$665,000
Polyester	Diamond Grind	¾"	M 4 hrs	20-40	L	\$120/sf \$997,000
Deck Replacement	N/A	6"	H	50+	L	\$2,999,979**

L-Low, M-Moderate, H-High

\*To reduce weight a surface grind can be utilized to remove existing concrete, up to 1" and is only used when the weight of HMA will reduce the load carrying capacity.

\*\*defined in reference document # 2, see list below

### Overlay Descriptions:

Below is a summary of the options associated with the different overlays. Note that the bridge deck will likely require some repairs prior to placement of the overlay.

#### HMA Overlay

HMA overlay's does not require grinding or removal of the existing concrete surface for application. In some instances, there may be an advantage to some removal to help balance the overall weight added because of the additional HMA thickness. However, with HMA, the repairs need to occur before the waterproof membrane is placed.

For this project Coffman recommends the HMA be added to the existing deck. The additional weight of the HMA will need to be investigated to be certain it does not further restrict the truck weights. With the vintage of the original approach span design, H15-44 truck, and the current load postings it is expected the added HMA weight will not be a factor. However, the load rating of the approach spans will need to be checked to determine the effect.

HMA overlays provide the lowest construction time as it is the easiest and quickest to install. Vehicles can drive on the HMA shortly after the product is installed. Latex Modified Concrete, LMC, and Polyester overlays take longer to cure than HMA. LMC usually needs 42 hours and Polyester takes 4 hours.

HMA has the lowest expected service life of the three overlays. It does have a potential to last for the 20 years of remaining expected life of the existing bridge. Repairs can be made as needed with relative simplicity should the overlay or deck break up. The other overlays having longer service lives may not be worth the additional expense.

### LMC Overlay

With an LMC overlay, the repairs can be worked into the placement of the LMC overlay. This is due to the preferred concrete surface preparation by hydromilling the deck. To reduce the overall weight of the 1 ½" overlay thickness, up to an inch of existing deck surface can be removed. Delamination, if not too deep, will be removed by this method. The LMC will then replace the spalled concrete during placement.

LMC overlays work best with a hydromill removal method for the removal of existing concrete. The process will automatically remove the typical delamination. The concrete removed is then replaced by the LMC. This eliminates the need for concrete repairs in advance of the overlay. However, the water used by this machine will need to be controlled and collected. This might be a challenge with the absence for curbs and gutters on the existing bridge deck. Most contractors should be able to manage this as a specification of the contract.

### Polyester Overlay

A Polyester overlay requires the deck repairs to be made before the grinding of the deck surface. With this type of overlay the preferred method is diamond grinding of the deck to remove ½" to ¾" of the existing concrete to maintain the overall deck thickness and smooth out the existing concrete surface.

Polyester overlay's work best when a diamond grind is used to prepare the deck surface. This type of overlay is advantageous when the weight is a primary factor for the bridge deck. Diamond grinding will take longer to perform but it gives a well-controlled removal of the existing concrete layer.

### Not Recommended

Rotor-milling is not recommended for any removal on a concrete bridge deck. The reason is this equipment hammers the concrete and can cause further cracking or breaking of the concrete beyond the material removed. Additionally, the control of depth is highly variable. Often these machines will catch the reinforcing steel in the deck, tearing it out and breaking it, resulting in additional repair work.

The thicknesses listed in Table 1, above, are the recommended and can be increased for better durability and long-term performance. However, the thickness must be limited so that the added weight does not reduce bridge load capacity.

### **Bridge Deck Rehabilitation Recommendations:**

Our recommendations for the approach spans are summarized below:

1. Conduct an in-depth inspection of the deck surface to identify additional delamination of the deck surface that might have occurred since the last inspection.
2. Conduct a detailed inspection of the soffit to determine the condition and assess the need for the repair of transverse and diagonal cracks noted in the bridge inspection reports.
3. Repair deck as necessary based on the results of the inspections.
4. Modify joints to accommodate the new overlay.
5. Place a waterproof membrane.
6. Install a 0.15' HMA overlay.

See the considerations below that need to be addressed prior to installing the overlay

### Considerations to Resolve Prior to Overlay:

- Weight of the overlay may be a factor. A review of the existing load rating will need to be conducted to assess the impact and compare to the planned bridge load postings. Alternatives may be considered as needed to reduce any controlling weight affects such as grinding off some of the existing bridge deck to reduce the overall weight.
- Expansion joints will need to be modified for the HMA in select locations. (the bridge inspection report notes repairs needed for the expansion joints which could be addressed with this work)
- HMA will need to be ramped down to match the steel grid deck elevations on the steel spans.
- As a part of the project specifications, the weight of the paving train of equipment will need to be assessed to maintain the load posting restrictions. Both for the paver, compactors and loaded delivery trucks. Vibratory compactors will not be allowed for HMA compaction. The roller compactors must be selective.
- Traffic control if the overlay is to be completed by lane.
- Review of the guardrail height may need to be addressed to maintain adequate design parameters. Raising the guardrail might be one option for this.

### Conceptual Cost Estimate:

See the attached Conceptual Cost Estimate for an order of magnitude of an HMA overlay project cost.

### Reference Documents:

1. 2018 Routine, Fracture Critical and Fatigue Prone Inspection of Bridge No. 06645, Port of Hood River Bridge (White Salmon Bridge) Over the Columbia River, July 24, 2018, By DEA for ODOT Bridge Inspection Report
2. Updated WA and OR Approach Spans Bridge Deck Inspection, December 13, 2019, HDR Memo to Michael McElwee, Executive Director Port of Hood River
3. Draft 2020 Routine, Fracture Critical and Fatigue Prone Inspection of Bridge No. 06645, Port of Hood River Bridge (White Salmon Bridge) Over the Columbia River, August 31, 2020, By DEA for ODOT Bridge Inspection Report

# Commission Memo

Prepared by: Kevin Greenwood  
Date: January 26, 2021  
Re: Oregon & Washington Lobbying Updates



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Dan Bates of Thorn Run Partners, the Port's lobbyist in Salem and Brad Boswell, the Washington lobbyist, will join the meeting to provide an advocacy report for the Commission.

**RECOMMENDATION:** Informational.

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# Commission Memo



Prepared by: Michael McElwee  
Date: January 26, 2021  
Re: Lot #1 Planning Review

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The Port has engaged in multiple planning efforts over many years so that Lot #1 can be developed in a manner that addresses significant public policy objectives. Commissioner Chapman has requested a summary review of the most recent prior planning efforts so that all Commissioners are informed and have an opportunity for further discussion.

Michael McElwee will present a brief summary of prior planning and public outreach steps emphasizing the most recent efforts.

**RECOMMENDATION:** Information.

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## Executive Director's Report

January 26, 2021

### Administration

- A reminder that there will be one Commission meeting in February, on the 16th.
  
- COVID
  - Hood River County remains in the Extreme Risk category per State guidelines until at least January 28. The County Health Department is currently vaccinating eligible people in all 4 groups in Phase 1a. Vaccinations for individuals in Phase 1b is pending receipt of those doses. The County has launched a vaccine-specific website: <https://hrccovid19.org>.
  
  - Staff is beginning to plan for waterfront recreation activities this coming year. Depending on State guidelines and requirements, decisions will need to be made regarding restroom facilities, trash management, signage and other practices.
  
  - Several groups are seeking to host large events on Port property this summer. Staff is letting people know that we are not issuing event permits or booking picnic shelter reservations at this time due to the uncertainty of COVID-19. Daryl has a “save the date” calendar for the larger events and is working with each coordinator.
  
- Staff continues to work closely with Port of Cascade Locks to seek COVID relief funding for the loss of toll revenue in 2020.
  
- Marla Harvey, Energy Coordinator at MCEDD, reports that the recent grant application to Pacific Power for a Mobility Grant was not successful. The grant funds would have been used for a research and training project aimed at addressing barriers to electric vehicle adoption among fleets in Hood River County. The project was a partnership with Hood River County, the Port of Hood River, Columbia Area Transit, and MCEDD.

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### Recreation/Marina

- The Chamber of Commerce/Visit Hood River are working toward locating their Visitors Information Center to the History Museum. Travel Oregon, the state’s destination marketing arm, has announced a new “Destination Ready” grant program that will award grants up to \$50,000 to destinations for development of new visitor amenities and preparation/services required for safe travel during COVID. Staff is working with the Chamber and the Museum on potentially submitting a project proposal as a three-party partnership to install the Visitor Information Center and make improvements to Port restrooms, garbage services, signage, and other COVID-related needs. As Travel Oregon is likely to award one grant per destination, such a partnership assures some success.

- The Downwinder, a food concession cart at the Event Site, has requested to bring in a new trailer for this season replacing their old food cart that was located on the north section of the Event Site dock. Coffman Engineering is preparing an evaluation for the load capacity for the north dock for safety.
- The new marina software, Marina Controller, has been installed. Fred and Daryl have been working on the set up with the engineers. There is still quite a bit of implementation work needed before we switch over.
- Construction of the Gates Memorial Project is expected to start February 15, weather permitting. Several boulders around the Marina Park have been tagged with yellow caution tape as potential candidates for seating. They will be relocated to Frog Beach and replaced with other boulders currently unused on Port property.
- American Cruise Lines has forwarded their expected schedule for dockings in 2021. The first visit is scheduled for April 14 with about 46 total visits for the year. Whether this schedule can be met will depend upon State of Oregon COVID directives.

### **Development/Property**

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- A small contract has been executed and KPFF Engineers has now started work on preliminary roadway, utility layout and cost estimating related to the E. Anchor Way (Lot #1) Project. The target date for completion is February 28. Business Oregon is expected to issue a memorandum shortly that will initiate the application process for an Immediate Opportunity Fund (IOF) grant. We have also reached out to MCEDD and CAT for input on transit components of the scope.

### **Airport**

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- Contractor Bill Kelsey is scheduled to do the annual maintenance of the AWOS on Thursday January 7. This maintenance had been canceled last fall due to fires.
- The Airport Noise Workgroup will be discussing noise issues and mitigation opportunities with local UAV companies on January 28.
- The FBO Request for Qualifications (RFQ) is being advertised in two national publications, regionally through AOPA and locally through the “Columbia Gorge News.” Responses are due February 19.

### **Bridge/Transportation**

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- Facilities Dept. staff has completed filling of potholes on the north approach ramp. A quick set, high strength epoxy was used and impacts to traffic were minimal. Staff is working on scheduling the shim work that is needed on the lift span.

- The Gorge Commission would like to receive a presentation from Port staff to discuss ways to influence design aesthetics on the new bridge. The project will require an NSA permit and feedback from this meeting will be helpful.