

**Minutes of April 29, 2013 Port of Hood River Commission
Spring Planning Work Session*
Marina Center Boardroom 12:00 Noon**

THESE MINUTES ARE NOT OFFICIAL, as they have not been approved by the Port Commission.

Present: Commissioners Jon Davies, Fred Duckwall, Rich McBride, Brian Shortt, and Hoby Streich; Budget Committee members John Benton, John Everitt, Jeff Nicol, and Rich Truax; Attorney Isa Anne Taylor and Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Steve Burdick, Mellissa Halseth, Liz Whitmore, and Laurie Borton

Absent: Budget Committee member Larry Brown

Media: None

President Jon Davies called the spring planning work session to order at 12:10 p.m.

1. **Overview:** President Davies thanked the Commissioners, Budget Committee members, and staff for their attendance and participation in this year's spring planning work session. Davies noted the 10-year financial model would be the basis for the meeting and discussions would direct staff in preparation of next Tuesday's Budget Committee meeting. Davies said he would keep a record of topics resulting from today's meeting for future discussions and he would welcome suggestions from all. Davies also reminded Budget Committee members to be thinking about the election of a Chair and Secretary for the May 7 meeting; he also reviewed some housekeeping items and then turned the meeting over to Executive Director Michael McElwee.

2. **FY 2013/2014 Key Issues:** When considering the 2013/2014 budget, McElwee highlighted the following key issues:

Administration-- increased staffing levels will remain in place to handle customer service needs related to bridge electronic tolling volume, backlog of filing, and special projects. Consultant services will increase for the next several years due to project planning workload; and a significant upgrade of the financial software platform is needed.

Operations-- an updated Strategic Business Plan has been targeted for completion in October which will allow the Port to be eligible for state funding; three significant capital projects will continue into FY 2013 (airport runway shift, marina electrical upgrade, and boathouse dock replacement); and Lot 1 development planning, permitting and financing tasks will continue.

Facilities-- With most buildings close to 100% occupancy, the strategic sale of some properties may need to be considered. The City of Hood River's sewer outfall project in 2014 may lend some opportunities to the Port (and potential partnerships with recreation associations) for Hook enhancements. Also in 2014 the Expo Building will likely be empty and re-development or re-leasing will be a consideration. No major capital projects for 2-3 years are expected for the Bridge, but there will be a near term emphasis on inspections, ongoing maintenance and deck weld repairs. Consideration for a long-term plan for the visitor dock in the Marina Basin will also begin this next fiscal year.

3. **Financial Overview:** Fred Kowell, Finance Manager, offered a projection of where the Port should land with respect to revenues, operating expenses, capital spending and other sources of funding and uses of resources. By the end of FY 2012-2013 Kowell stated the Port would likely spend its reserves down by \$536,000 leaving a balance of around \$2.7 million. With the bond covenant debt service of \$700,000 Kowell said the Port would have approximately \$2 million in unassigned reserves. Kowell noted that not moving forward with capital improvements at the Expo Center (\$3.5 million) or Marina Park (\$400,000) were two key decisions that affected financial performance this year as well as a

Marina Park trail grant that did not occur. Instead the Port focused on the bridge painting project, airport runway shift, and Halyard Building tenant improvements. The Port also negotiated with the Urban Renewal Agency for a shortened payback period on loans provided to the URA by moving forward with \$225,000 for angled parking along Portway Avenue at the Waterfront Park. Kowell finished by mentioning a budget resolution would be discussed later during the regular session meeting that would realign the budget with regard to major cost objects, in the categories of Personnel Services, Materials and Services, and Capital Outlay, by moving from one cost object to another. Kowell then responded to questions from the Commissioners and Budget Committee.

4. **10-Year Financial Model:** McElwee and Kowell lead the discussions on specific pages from the financial model, as follows:

Agency-Wide Statistics-- the premise is that assumptions drive revenues and that if a value is negative the income is not large enough to meet the outlay and reserves are dipped into. Information on wages was based on an average of the Bureau of Labor Statistics for the area.

Base Assumptions-- this page addressed expense differentials, bridge traffic, and growth in average payroll per FTE (full time employees). Actuals will begin to replace assumptions as the model goes forward. Kowell noted that the percentage of bridge customers using cash, ticket and electronic tolling would likely change as the Port rolls out the web portal for payment options.

General Fund, Administration and Maintenance-- as a result of discussions, it was noted that two figures for the years 14/15 under unallocated maintenance-capital outlay needed to be shown as negative values

President Davies recessed the work session for a 5-minute break at 1.20 p.m. The meeting was called back to order at 1:25 p.m. to resume discussions on the 10-Year Financial Model.

Capital Projects/Grants, Loan Repayments, Third Party Funds-- McElwee recognized Development Manager Steve Burdick for his work in evaluating Port properties to identify improvement projects. It was noted that values on the Capital Projects pages were color coded to correlate to funds associated with grants, loans and repayments such as tenant-paid improvements or Urban Renewal loans. There was discussion on Lot 1 and whether a more aggressive timeline should be considered for the phased engineering and development. The retention/sale of properties not associated with citizen referendums was briefly discussion and Kowell cautioned that a sale should be tied to an acquisition. It was noted that the visitor dock rehabilitation placeholder of \$650,000 in 2018 would be funded in part by a matching 50% grant from the Oregon State Marine Board. Another recreation note was the opportunity that may be presented for the Port (and partner with CGWA and/or CGKA) to piggyback onto the City's sewer line outfall project for improvements to the Hook.

Debt Service Schedule-- Kowell said once the 2003 bond is repaid in 2019 he would anticipate future debt service at the same level for continued improvements to the bridge.

Land Sales-- It was noted that values for sales, which aren't anticipated, were assumptions only.

Rent Capacity Utilization-- An assumption for a less than 5% vacancy was made. There was discussion to revisit numbers on Gorge Innoventure and Expo occupancies.

President Davies recessed the work session for a 5-minute break at 3:10 p.m. The meeting was called back to order at 3:15 p.m. to resume discussions on the agenda topic Policy/Strategy Areas.

5. Policy/Strategy Areas:

- Waterfront Narratives—Liz Whitmore, Waterfront Coordinator, reviewed draft narratives for recreation sites on the Hood River Waterfront. Whitmore has prepared a more detailed analysis of existing uses and future potential that will assist in policy, regulatory and capital investment decisions. McElwee mentioned the final assessment would become part of the Port's Strategic Plan. Whitmore responded to questions from the Commission, and commented the narratives would also be reviewed by the Waterfront Recreation Committee. Budget Committee members were queried about budget allocations for waterfront recreation. Rich Truax responded favorably with the tourism relationship. John Benton said he questioned the 7x multiplier that is touted by some people as well as the Port's return on investment. Benton did go on to say that it was the dirt that brought his family to the area for farming, and now it's the wind that brings people and economic development to the Gorge. Jeff Nicol commented that reviewing the recreation by areas aids in the discussion should cuts need to be made.
- Financial Policies-- Kowell spoke about the Port's informal "10% Rule" of maintaining a \$2 million reserve as an easy rule of thumb to follow. He commented a reserve based on this rule does not provide the level of funding necessary to replace an asset like the bridge but it does provide enough liquidity in difficult times and flexibility for decisions when an opportunity presents itself. He requested the Board consider the annual debt service be added to the 10% of net depreciable assets; that the reserve can be used for extraordinary circumstances that would generate positive goodwill in the community, but also must provide cashflow back to the level before such a withdrawal is made; and consider a three-year payback time frame. Kowell said the Port is in good standing by maintaining a debt coverage ratio of 2.0; this allows an organization to go to the bond market and obtain financing and the ratio of 2.0 also provides guidance to an organization in determining the level of debt service it should take on. The Return on Investment was summarized as the return on an asset or group of assets and provides a gauge in the decision-making process in moving forward with an acquisition or capital improvement. A question was asked how the transparency on reserves is protected when future administration, Commissioners, and Budget Committee members are serving the Port; the response was to imbed financial policies in the Strategic Business Plan.
- Federal/State Lobbying Efforts-- McElwee commented that he did not foresee any change and that spending levels would remain the same, with Ball Janik lobbyist Hal Hiemstra assisting the Port on the federal level issues and Michelle Giguere assisting on the state issues.
- Strategic Plan-- McElwee reviewed a "family of documents" that govern our Strategic Plan; governance, personnel, policies, and ordinances for example. A draft outline of the Plan provided a view of work that has been substantially completed and other elements where substantial work remains. McElwee noted several Commission work sessions and community meetings would be held before the Plan is finalized, which will be tied to an Intergovernmental Agreement with Oregon Business Development Department (OBDD) in order to be eligible for state funding. McElwee has set a target date of mid-November for Board approval of the Plan.

President Davies adjourned the work session at 4:10 p.m. The Regular Meeting of the Port Commission immediately followed after a short recess.

Respectfully Submitted:

Laurie Borton

ATTEST:

Jon Davies, President, Port Commission

Hoby Streich, Secretary, Port Commission

*This meeting was not recorded.

Suggested Future Discussion Items

1. Bridge - develop a more systematic approach regarding toll increases; should a wider pricing differential be considered in cash and electronic tolling?
2. Maritime Building Roof – patch vs. new roof to dovetail with lease schedules?
3. Lot 1 – continue discussions on sequencing of phased development. More aggressive? Management team to set tempo? Get current assets in as good of condition as possible (Expo Building, for example) before going into extensive work on Lot 1? Selling one asset should be tied to the purchase of another.
4. Airport - determine timing for new aerial photo.
5. Marina Basin - hold separate work session on its purpose; i.e. what is its identify/contribution (may evolve from Marina Ad Hoc Committee meetings).
6. Hook - dust abatement needs to be considered when the City's sewer line project is underway
7. Event Site Restroom – providing additional capacity has been deemed a priority; however, is building onto the existing structure the correct spot? Should a second location be identified instead?
8. Jensen Note - review repayment options.
9. Recreation Survey - work with the Chamber to conduct a summer survey of recreational users as an adjunct to the Waterfront narratives assessment.
10. Financial Policies – reserves 'rule,' use of straight line depreciation, debt coverage ratio, ROI. Others?

Suggested Modifications to Financial Model

1. Waterfront-- break out maintenance vs. program costs
2. Waterfront-- fix formula 'bust' (page only Jon had)
3. Waterfront-- Marina restroom upgrades not in model

4. Waterfront-- Marina Beach restroom \$3,000 placeholder of material cost for grinder pump install and backup repair should be bumped up to \$10,000-15,000
5. Spit-- \$4,000 path widening project
6. Airport-- Runway shift Change Order #3 (weather dependent) for \$17,500
7. Halyard Building-- Halyard TI, amount of work as yet undetermined
8. URA-- Loan of \$225,000 incurred for angled street parking at Waterfront Park on Portway Avenue
9. PERS/Health Care-- include a separate 10-year forecast
10. Maritime Building--
11. General Fund, A&M (Page 3)-- Capital Outlay for 2014 and 2015 should be reflected as negative values
12. Lot 1-- Fix bust on values (Page 4 to Page 6)
13. Run ROI on Jensen breezeway units to see potential for remodel for seasonal use as a farmers' market
14. Airport (Page 5)-- realign jet fuel tank to coincide with north apron/FBO relocation
15. Marina (Page 5)-- move \$450,000 placeholder to 2016 from 2017
16. Recreation (Page 6)-- increase from \$100,000 to \$150,000 in 2014 (restroom)
17. Recreation (Page 6)-- add a \$50,000 placeholder for launch upgrades for the Hook/Spit category (can this be a URA project?)
18. Recreation (Page 6)-- Combine the sewer line bike path entries into a single year. (Can this also be a URA project?)
19. Land Sales (Page 7)-- revisit pricing; however, there are no comparables
20. Rent Capacity (Page 9)-- kick up the number for Gorge Innoventure in two years; revisit Expo assumptions in 2014 and 2015

**Port of Hood River Commission
Meeting Minutes of April 29, 2013 Regular Session
Marina Center Boardroom
Immediately Following Spring Planning Work Session**

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

Present: Commissioners Jon Davies, Fred Duckwall, Rich McBride, Brian Shortt and Hoby Streich; Attorney Jerry Jaques; from staff, Michael McElwee, Steve Burdick, Fred Kowell and Mellissa Halseth

Absent: None

Media: None

1. CALL TO ORDER: President Jon Davies called the meeting to order at 4:17 p.m.

a. Modifications, Additions to Agenda: Separate Consent Agenda; ratify Action Item C; add Senator Merkley Town Hall to Commissioner Reports.

2. PUBLIC COMMENT: None.

3. CONSENT AGENDA A:

- o Approve Minutes of April 2, 2013 Regular Session Meeting

Motion: Move to approve Consent Agenda A

Move: McBride

Second: Shortt

Vote: **Aye:** Duckwall, McBride, Shortt and Streich

Abstained: Davies

MOTION CARRIED

CONSENT AGENDA B:

- o Ratify the Revision to Addendum No. 2 to the Cloud Cap Lease in the Wasco Building Reducing the Term Extension From Three Years to Two Years
- o Authorize Change Order No. 2 to the Contract with Griffin Construction for the Pocket Fuel Tenant Improvements in the Halyard Building
- o Authorize Change Order No. 2 to the Contract with K & E Construction in the Amount of \$10,530.96 for a Total Contract Amount of \$3,382,777.76
- o Ratify Contract with Steven Siegel for Financial Analysis Associated with the 10-year Financial Model Not to Exceed \$9,000

Motion: Move to approve Consent Agenda B

Move: Duckwall

Second: McBride

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

4. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

- South Basin Dock Leasing Plan – Mellissa Halseth, Marina Manager presented a draft seasonal leasing plan for the South Basin Dock. This dock would provide a leasing option to boaters that are not interested in an annual lease. Boats up to 23 feet would be allowed in these slips with a minimum of 1-month and maximum 3-month leasing period. A wait list will be maintained for these slips.
- Engineering Services for the Hook Road – Michael McElwee, Executive Director explained that Columbia Gorge Windsurfing Association (CGWA) is interested in adding to the City's Sewer Outfall project on the Hook Road. Staff is waiting for the City's engineer, Bell Design to

provide an estimate for engineering and design. Staff was directed to ask CGWA to work with Bell Design to assist in preparing the estimate. More discussion will follow at a later date.

5. DIRECTOR'S REPORT: McElwee highlighted the following areas:

- Schedule – McElwee will be attending Port's Day in Salem April 30.
- Staff and Administration – There are currently 6 to 7 temporary summer positions, 2 or 3 will be new hires and the remainder filled with returning summer employees.
- Waterfront Development – The City's angled parking project began April 22. Pocket Fuel tenant improvements in the Halyard have begun as well and occupancy is expected mid-July.
- Bridge/Transportation – Vehicles with large mirrors have been complaining that they are getting hit on the bridge from passing vehicles. Staff believes that speed seems to be the problem. Staff was directed to research a "This is Your Speed" sign to be placed on the bridge to make drivers aware of their speed.

6. Commissioner, Committee Reports:

- Senator Merkley Town Hall Meeting – Commissioner McBride reported on the April 5 Town Hall meeting. There was a roundtable beforehand where invitees could have a more direct discussion with Senator Merkley.
- Urban Renewal Agency Budget Meeting – The Committee reviewed the proposed budget and approved it.

7. ACTION ITEMS:

a) Approve Resolution No. 2012-13-4 Authorizing Transfer of Funds: This resolution takes into account the changes that have occurred since the budget was adopted. Overall, this resolution is a net zero impact to the budget overall and does not need to be considered for a Supplemental Budget.

Motion: Move to Approve Resolution No. 2012-13-4 Authorizing Transfer of Funds

Move: Shortt

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

b) Authorize a Contract with ECONorthwest to Prepare an Economic Impact Analysis of the Port of Hood River Not to Exceed \$32,000: The Oregon Business Development Department (OBDD) is in the process of hiring a consultant to prepare an economic impact analysis showing the economic impact of all ports in Oregon. McElwee suggests that the Port contract with their own economic impact consulting firm. Any analysis prepared by this consultant would be similar in format to the OBDD study and would not duplicate efforts.

Motion: Move to Authorize a Contract with ECONorthwest to Prepare an Economic Impact Analysis of the Port of Hood River Not to Exceed \$32,000

Move: Duckwall

Second: Shortt

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

c) Authorize Issuance of a Notice of Intent to Award, Notice of Award Subject to No Bid Protest to LaLonde Electric for the Marina Electrical Upgrade: Of the five bids received for the project, LaLonde was apparent low bidder. The actual construction contract will be brought to the May 7 meeting for approval.

Motion: Move to Authorize Issuance of a Notice of Intent to Award, Notice of Award
Subject to No Bid Protest to LaLonde Electric for the Marina Electrical Upgrade

Move: McBride

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

d) Authorize Change Order No. 3 to the Contract with K & E Construction in the Amount of \$17,250 for a Total Contract Amount of \$3,400,027.76: K & E Construction has verbally committed to a base case scenario where they will provide a two week notice before construction re-start. This could include two 18-day runway closures or one 30-day runway closure, weather dependant. In order to guarantee a construction re-start date of mid-May and completion of all runway construction prior to July 4, regardless of weather impacts, K & E has proposed to utilize sub-base rock material suitable for wet weather construction rather than standard imported fill material.

Motion: Move to Authorize Change Order No. 3 to the Contract with K & E Construction in the Amount of \$17,250 for a Total Contract Amount of \$3,400,027.76

Move: Duckwall

Second: Streich

Vote: **Aye:** Davies, Duckwall, McBride, Shortt and Streich

MOTION CARRIED

8. COMMISSION CALL: Commissioner Streich asked for a consensus on whether the board was interested in electronic devices. Commissioner Shortt agreed to test a device. Staff will bring a specific recommendation to a later meeting. McBride suggested a Port training or retreat. Commissioner Duckwall asked that the Commission and staff train separately when planned. McBride also mentioned some improvements on the Spit Road that would cost less than \$3,000. Consensus was to move forward with the improvements. Davies attended a Special District insurance conference and said that the Port's insurance is expected to raise 9%. Davies also stressed how important board training is.

9. EXECUTIVE SESSION: Regular Session was recessed at 5:27 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property. The Commission was called back into Regular Session at 5:36 p.m. There was no action as a result of Executive Session.

10. ADJOURN: President Davies adjourned the meeting at 5:36 p.m.

Respectfully submitted,

Mellissa Halseth

ATTEST:

Jon Davies, President, Port Commission

Hoby Streich, Secretary, Port Commission

Commission Memo

To: Commissioners
From: Steve Burdick
Date: May 21, 2013
Re: Veolia Water, Lease Renewal

Veolia Water North America-West LLC has been a tenant in the Marina Office Building since 2010. Veolia's lease is expiring and they desire to renew for an additional two years. They have exhausted the Lessee's unilateral right to extend. However, the Port and Veolia may extend the lease by mutual agreement. Their lease rate is \$1.10 and tied to CPI. Staff does not recommend changing the lease rate.

RECOMMENDATION: Approve Addendum No. 4 to the lease with Veolia Water North America-West, LLC extending the lease term through June 30, 2015.

ADDENDUM NO. 4 TO LEASE

Whereas, the Port of Hood River (“Lessor”) and Veolia Water North America-West LLC (“Lessee”) entered into a lease of Port Office Building space under a lease dated May 1, 2010; and such Lease was amended by Addendum No. 1 on May 4, 2012 and by Addendum No. 2 on June 6, 2012 (“Lease”), and by Addendum No. 3 on July 12, 2012 and Lessee wishes to extend the Lease term to June 30, 2015 , and,

Therefore, the parties agree as follows:

1. The lease Term shall remain in effect through June 30, 2015.
2. Except as modified by this Lease Addendum No. 4, all terms and conditions of the Lease shall remain in full force and effect.

DATED THIS _____ DAY OF _____, 2013

PORT OF HOOD RIVER,
An Oregon Municipal Corporation

By: _____
Michael S. McElwee, Port of Hood River Executive Director

VEOLIA WATER North America-West, LLC

By: _____
John T. Herron, Regional Director

Commission Memo

To: Commissioners
From: Steve Burdick
Date: May 21, 2013
Re: PocketFuel Lease Amendment No. 1 to Reduce Leased Area and Rent

The existing Pocket Fuel lease in the Halyard Building provides for the following rent schedule:

<u>Space</u>	<u>Period</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
103	Mos. 1-24	5,468	\$0.73	\$3,992.00
103	Mos. 25 thru 6/2017	5,468	\$0.90	\$4,921.00

However, because the size of the mezzanine was reduced to comply with zoning code, the square footage of the premises was reduced to 5,029 s.f.; therefore, the rent schedule should be amended to be:

<u>Space</u>	<u>Period</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
103	Mos. 1-24	5,029	\$0.73	\$3,671.00
103	Mos. 25 thru 6/2017	5,029	\$0.90	\$4,526.00

RECOMMENDATION: Approve Amendment No. 1 to the PocketFuel lease in the Halyard Building.

FIRST ADDENDUM TO LEASE

On January 17, 2013, Port of Hood River, an Oregon municipal corporation, as Lessor, and Pocket Fuel, LLC, an Oregon limited liability company, as Lessee, entered a Lease for premises known as Tenant Space 103 in the Halyard Building located 707 Portway Avenue, Hood River, Oregon.

Subsequent to the execution of the lease, the lease floor area was reduced to comply with zoning code. Therefore, the rent schedule is hereby amended to be:

<u>Space</u>	<u>Period</u>	<u>Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rate</u>
103	Mos. 1-24	5,029	\$0.73	\$3,671.00
103	Mos. 25 thru 6/2017	5,029	\$0.90	\$4,526.00

Except as modified by this First Addendum To Lease, all terms and conditions of the Lease shall remain in full force and effect.

Dated: _____, 2013

Pocket Fuel, LLC

Port of Hood River

By: _____
 Mark Ribkoff
 Managing Partner
 Director

By: _____
 Michael S. McElwee
 Executive Director

Commission Memo

To: Commissioners
From: Steve Burdick
Date: May 21, 2013
Re: PocketFuel, Change Order #3, Commercial Power Strips

The call for bids for the PocketFuel tenant improvements contained an add alternate for commercial power strips. Since all add alternates were rejected, this was not included in the base bid contract with Griffin Construction. However, Pocket Fuel is requesting that the commercial power strips be added to the contract as a change order. The commercial power strips will add \$817.70. PocketFuel has paid the Port for this work in advance.

The Richard Brown Architects plans and specifications for the PocketFuel tenant improvements did not address conduits or wiring for voice and data nor call for an allowance. PocketFuel has now provided information to the contractor regarding their voice and data requirements. The cost of these improvements would be \$2,427.76.

Since the walls were ready for sheet rock during the week of May 13 and wiring had to be installed prior to the installation of sheet rock and since the Port had already been paid for the commercial power strip installation, staff approved the change order for both additions.

Together the increase to the Griffin contract will be \$3,245.46 and this increases the total contract to \$161,864.77.

RECOMMENDATION: Approve Change Order#3 to the contract with Griffin Construction in the amount of \$3,245.46 and increase the contract total cost to \$161,864.77.



Griffin Construction, L.L.C.

TITLE: OCO #3 - PCO #7/PCO#8 Add commercial power strips and Communications

CHANGE ORDER

PROJECT: 13013
Pocket Fuel Tenant Improvements

NO. 3
DATE: 05/07/2013
JOB: 13013

TO: Attn: Michael McElwee
Port Of Hood River
1000 East Port Marina Drive
Hood River, Oregon 97031
Phone:541-386-1645

CONTRACT DATE: 04/05/2013
STARTED:
COMPLETED:
REQUIRED:

DESCRIPTION

The alternate for commercial power strips was not selected by Port of hood river, the tennant wishes them to be added back in to the TI

Num	Item	Description	Ref	Qty	Unit	Unit Price	Amount
1	Hire Electric	Provide and install electrical per PCO 7		1,000	Each	736.00	736.00
2	Hire Electric	Provide and install electrical per PCO 8		1,000	Each	2,018.00	2,018.00
3	Griffin	Management PCO 8		1,000	Each	160.00	160.00
Item Total:							\$2,914.00
Insurance							\$29.14
Fee							\$302.32
Total:							\$3,245.46

The original Contract Sum was \$168,369.00
 The net change by previously authorized Change Orders is (\$9,749.69)
 The Contract Sum prior to this Change Order was \$158,619.31
 The Contract Sum will be increased by this Change Order in the amount of \$3,245.46
 The new Contract Sum including this Change Order will be \$161,864.77
 The Contract Time will be unchanged. 0 days
 The date of Substantial Completion as of this Change Order therefore is

ACCEPTED

Port Of Hood River

Griffin Construction LLC

By: _____
Michael McElwee

By: 
Samuel L. Griffin

By: _____

Date: _____

Date: 05/07/2013

Date: _____

Commission Memo

To: Commissioners
From: Steve Burdick
Date: May 21, 2013
Re: Pfriem Brewery, Landlord's Waiver and Consent

The Port and Pfriem Brewery have entered into a lease for Suite 200 in the Halyard Building. Pfriem intends to expand their operations and is borrowing money from CenterPointe Community Bank to finance inventory, accounts, equipment, general tangibles and fixtures. These assets are collateral for the bank loan. The bank desires first claim position on these assets in the event of a loan default and is requesting the Port to disclaim its rights to these assets in the event of a Pfriem Brewery default of the Lease.

Port's legal counsel reviewed the original form and recommended changes to the bank. The bank accepted those recommendations.

RECOMMENDATION: Approve a Landlord's Waiver and Consent with CenterPointe Community Bank for Suite 200 of the Halyard Building.

THIS INSTRUMENT PREPARED BY:
CenterPointe Community Bank
2500 Cascade Ave
Hood River, OR 97031-0000

AFTER RECORDING RETURN TO:
CenterPointe Community Bank
2500 Cascade Ave
Hood River, OR 97031-0000

(Space Above This Line For Recording Data)

LANDLORD'S WAIVER AND CONSENT

On April 19, 2013, this Landlord's Waiver and Consent ("Waiver") is made by Port of Hood River, a(n) Oregon Governmental Entity whose address is 1000 E Port Marina Drive, Hood River, Oregon 97031 ("Landlord"), and given to CenterPointe Community Bank whose address is 2500 Cascade Ave, Hood River, Oregon 97031 ("Lender").

WHEREAS, Lender has or is about to acquire a Uniform Commercial Code security interest in certain personal property owned by pFriem Brewing Company LLC, an Oregon Limited Liability Company, whose address is 707 Portway Ave. Unit 101, Hood River, Oregon 97031 ("Borrower"), whose personal property is described as follows:

- All Assets with the following description: All Inventory, Accounts, Equipment, General Intangibles and Fixtures (excluding any fixtures Landlord has installed)

("Collateral"); and WHEREAS, the Collateral has or may become affixed to or located at the following-described Realty, commonly known as:

Address: 707 Portway Ave. Unit 101, Hood River, Oregon 97031

WHEREAS, Landlord owns or has an interest in the Realty, and to induce Lender, now or from time to time, to make loans or other financial accommodations to Borrower, and in consideration of the financial accommodations extended by Lender to Borrower, Landlord consents and agrees with Lender, as follows:

1. Landlord disclaims and waives, as real estate fixtures or otherwise, any and all interest in the Collateral for so long as Borrower is indebted to Lender, and waives any security interest provided in any lease of the Realty. Landlord consents to the placement, storage and retention upon or attachment to the Realty of the Collateral or any portion thereof during the Realty lease term, subject to lease provisions. Landlord agrees not to assert any claim or interest in the Collateral, nor seek levy or distain upon it for rent or otherwise.
2. Landlord consents to Lender's entry upon the Realty at all reasonable times to inspect, dispose of, or remove the Collateral, upon reasonable notice, so long as Lender repairs all physical damage, if any, done to the Realty, or offers to reimburse Landlord for the cost of such repairs, but not for any diminution in the value of the Realty caused by the absence of the Collateral removed or by the necessity of replacing it.

GOVERNING LAW. This Waiver shall be governed by the law of jurisdiction in which the Realty is located and binds and inures to the benefit of Lender, and its successors and assigns, and shall be binding upon the heirs, personal representatives, successors and assigns of Landlord.



GENERAL WAIVERS. To the extent permitted by law, the Landlord waives notice of Lender's acceptance of this agreement, defenses based on suretyship, any defense arising from any election by the Lender under the Bankruptcy Code, Uniform Commercial Code or other applicable law, demand, notice of intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, and any other notice.

JOINT AND SEVERAL LIABILITY. If permitted by law, each entity or person executing this Waiver is jointly and severally bound.

SEVERABILITY. If a court of competent jurisdiction determines any term or provision of this Waiver is invalid or prohibited by applicable law, that term or provision will be ineffective to the extent required. Any term or provision that has been determined to be invalid or prohibited will be severed from the rest of this Waiver without invalidating the remainder of either the affected provision or this Waiver.

SURVIVAL. The Lender's rights in this Waiver will continue in its successors and assigns. This Waiver is binding on all heirs, executors, administrators, assigns and successors of the Landlord.

ASSIGNABILITY. The Lender may assign or otherwise transfer this Waiver or any of Lender's rights under this Waiver without notice to the Landlord. Any assignee of the Lender has the same rights as the Lender. The Landlord may not assign this Waiver, or any part of the Waiver without the express written consent of the Lender, which consent shall not be unreasonably withheld.

ATTORNEYS' FEES AND OTHER COSTS. If legal proceedings are instituted to enforce the terms of this Agreement, Borrower agrees to pay all costs of the Lender in connection therewith, including reasonable attorneys' fees, at trial and on any appeal therefrom, to the extent permitted by law.

HEADINGS AND GENDER. The headings preceding text in this Waiver are for general convenience in identifying subject matter. The headings have no limiting effect on the text that follows any particular heading. All words used in this Waiver are read to be of whatever gender or number is appropriate under the circumstances.

ORAL AGREEMENTS DISCLAIMER. This Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

By signing below, Landlord accepts and agrees to the terms in this Waiver and Consent.

Port of Hood River

By: Michael McElwee _____ Date _____
Its: Executive Director

Witnessed by:

Name: _____ Date _____

Name: _____ Date _____



BUSINESS ACKNOWLEDGMENT

STATE OF OREGON)
)
COUNTY OF)

This instrument was acknowledged on the _____, by Michael McElwee, Executive Director on behalf of Port of Hood River, an Oregon Governmental Entity, who personally appeared before me.
In witness whereof, I hereunto set my hand and official seal.

My commission expires: _____

(Official Seal)



Commission Memo

To: Commissioners
From: Michael McElwee
Date: May 21, 2013
Re: Marina Electrical Upgrade – Change Order #1

At the May 7, 2013 meeting the Commission authorized execution of a construction contract for the Marina Electrical Upgrade with LaLonde Electric, L.L.C ("LaLonde"). Just prior to that date the Port was informed that PP&L would require installation of a larger transformer and the Commission approved an agreement with PP&L to carry out the work.

The larger transformer will also require installation of an underground vault which is the Port's responsibility. LaLonde has obtained the attached quote from its excavation sub-contractor for excavation, purchase, install and installation of the vault and backfill at a total cost of \$7,901.

The contract amount is \$457,387. Adding the cost of the vault will increase the contract to \$465,288.

RECOMMENDATION: Authorize Change Order #1 to the contract with LaLonde Electric for vault installation not to exceed \$7,901 for a total contract amount of \$465,288.



Hood River Marina

La Londe #

Date: 5/7/13

(503) 630-5571

PROPOSAL

To:	Port of Hood River	Architect:
	1000 E. Port Marina Drive	Drawings Dated:
	Hood River, OR 97031	Addendum No.
Attention:	Michael McElwee	
Project:	Hood River Marina Electrical Upgrades	Area of Work: Utility Transformer
Location:	Portland, OR	
Contact:	Michael Gross	Fax:
Phone :	503.701.3564	Email: Michael@LaLondeElectric.com

La Londe Electric proposes to furnish all materials and labor required for application of the following (hereinafter designated as "the work").

Scope

According to Pacific Power they will be replacing the utility transformer with a larger one which will require a new vault. The following price is to dig an area around the vault prescribed by PPL, purchase and install the vault, and backfill the area around the vault.

Grand Total Lump Sum

\$7,901.00

This proposal is subject to change and may be withdrawn if not accepted within 30 days of the above date: it is subject to all terms and conditions outlined.

Approved By:	Prepared By: Michael Gross
Title:	Title: Project Manager
Date:	Date: 5/7/13

CUSTOMER

JOB FILE

PM

FOREMAN

REVIEWED

Commission Memo

To: Commissioners
From: Steve Burdick
Date: May 21, 2013
Re: Runway Shift Change Order #4

Pacific Power has determined that the meter base serving 1658 Orchard Rd. does not meet code and must be replaced as part of the conversion of overhead to underground power for the runway shift project. The new meter base will cost \$1,102.81. Ninety percent of the cost will be reimbursed by the FAA.

Because the meter base must be installed on short notice by the Port's contractor at Pacific Power's request, staff has executed the change order.

RECOMMENDATION: Ratify Change Order Number 4 with PP&L for \$1,102.81 and increase the total contract amount with K&E Excavating to \$3,400,027.76.

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

AIRPORT IMPROVEMENT PROGRAM

CONTRACT CHANGE ORDER NO. 4 or SUPPLEMENTAL AGREEMENT NO. _____

AIRPORT Hood River Airport DATE 5/9/13

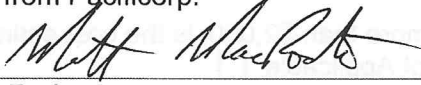

LOCATION Hood River, OR AIP PROJECT NO. 3-41-0026-007

CONTRACTOR K&E Excavating

You are requested to perform the following described work upon receipt of an approved copy of this document or as directed by the engineer:

Item No.	Description	Unit	Unit Price	Quantity	Amount
1	Remote Meter Base	LS	\$1,102.81	1	\$1,102.81
This Change Order Total			\$1,102.81		
Previous Change Order(s) Total			\$90,139.46		
Revised Contract Total			\$3,400,027.76		

The time provided for completion in the contract is unchanged. This document shall become an amendment to the contract and all provisions of the contract will apply. Changes are shown on the attached schematic from Pacificorp.

Recommended by:	<u></u>	<u>5/9/13</u>
	Engineer	Date
Approved by:	_____	_____
	Owner	Date
Accepted by:	<u></u>	<u>5/10/13</u>
	Contractor	Date
Concurred by:	Not Applicable	_____
	State Aeronautics (if applicable)	Date
Approved by:	_____	_____
	Federal Aviation Administration	Date

NOTE: Change Orders and Supplemental Agreements require FAA approval prior to construction, otherwise no Federal participation can be granted. State Aeronautics concurrence is required when state participation is anticipated.

AIP PROJECT NO. 3-41-0026-008CHANGE ORDER NO. 4

(Supplemental Agreement)

AIRPORT Hood River AirportLOCATION Hood River, OR**JUSTIFICATION FOR CHANGE**

1. Brief description of the proposed contract change(s) and location(s).

Proposed change will allow for the installation of a new remote meter base and service to 1658 Orchard Rd. as part of the Orchard Rd. Utility Relocation construction.

2. Reason(s) for the change(s) *(Continue on reverse if necessary)*

Based on recent correspondence with Pacificorp, it has become known that the current meter base of the residential address, 1658 Orchard Rd., is not to code and will need to be replaced and brought to code as part of the Orchard Rd. Utility Relocation portion of the project. Design phase coordination with Pacificorp did not indicate the need to replace the aforementioned meter base and service.

3. Justifications for unit prices or total cost.

Unit prices are based on quotes provided by the Contractor.

4. The sponsor's share of this cost is available from:

The sponsor's share is available from capital funds dedicated to this project.

5. If this is a supplemental agreement involving more than \$2,000, is the cost estimate based on the latest wage rate decision: Yes No Not Applicable 6. Has consent of surety been obtained? Yes Not Necessary .7. Will this change affect the insurance coverage? Yes No .8. If yes, will the policies be extended? Yes No .

9. Has this (Change Order) (Supplemental Agreement) been discussed with FAA officials?

Yes No When May 2013 With Whom Kevin Latschaw

Comment Proceed with change orderChange Order Summary (spreadsheet)Change Cost Summary (spreadsheet)

Submit 4 copies to the FAA

KEN JERNSTEDT AIRFIELD - HOOD RIVER AIRPORT
 Runway Shift Project
 AIP # 3-41-0026-007

CONTRACT CHANGE ORDER SUMMARY

	Amount	FAA Eligible	Non Eligible	Total	Remarks
Original Contract	\$3,292,638.30				Original Contract Amount (Base Bid & Add. Alt. 1 - Taxiway A)
CO#1	\$79,608.50	\$79,608.50	\$0.00	\$79,608.50	Add REIL Installation to Contract (Add. Alt. 3)
CO#2	\$10,530.96	\$10,530.96	\$0.00	\$10,530.96	Install L806-Supplemental Windcone and Primary Dip Pole
CO#3	\$17,250.00	\$0.00	\$17,250.00	\$17,250.00	Substitute 1500 CY of subbase for 1500 CY Borrow Excavation/Imported Fill
CO#4	\$1,102.81	\$1,102.81	\$0.00	\$1,102.81	Remote Meter Base and service installation
Total	\$3,401,130.57			\$108,492.27	

KEN JERNSTEDT AIRFIELD - HOOD RIVER AIRPORT
Runway Shift Project
AIP # 3-41-0026-007

CHANGE COST SUMMARY

	ITEM	UNIT	UNIT COST	PROPOSED QTY	EXTENDED TOTAL
ADDITIVE ITEMS					
	Remote Meter Base and service (1658 Orchard Rd.)	LS	\$1,102.81	1	\$1,102.81
CHANGE TOTAL					\$1,102.81

Specification Notes:

Commission Memo

To: Commissioners
From: Liz Whitmore
Date: May 21, 2013
Re: The Local Grind - Food Vendor Concession

Larry Abell, owner of The Local Grind, has applied for a concession permit to operate his business from the lower cruise ship dock at the Event Site, sharing the location with The Sandbar Café. The Local Grind is a new food vendor at the Port serving Hawaiian style rice and protein plates. They have a small trailer which will be located adjacent to the ramp in an area that is 18x50. Per the contract agreement, a liquor license will not be permissible in this location. The permit is for the 2013 season only.

RECOMMENDATION: Authorize a concession permit with Larry Abell for operation of The Local Grind at the Event Site lower cruise ship dock for the 2013 season.