

Port President's Message continued from page 1

recruitment process in order to help us find the right candidates. They have vast experience working with public-sector agencies, not-for-profit organizations, community service groups, utilities and special districts like the Port. The company has successfully recruited more than 1,000 executive directors since it began in 1983, including the top staff positions at the ports of Olympia, Port Angeles and Ridgefield in Washington, plus city managers for Cannon Beach, Ore., and Olympia and Lakewood, Wash.

The commission decided not to hire an interim executive director, choosing instead to search for a full-time replacement for David Harlan, who left the Port

in December. The majority of the commission felt, after a lengthy discussion during the January 3rd work session that the existing staff, with the help of the full commission, was willing and able to handle the many ongoing activities that we have outlined for the first quarter of 2006. During the executive director search, the Port will continue to work on a variety of projects. The Second Street extension project, which will add a new street from the existing intersection of Second Street and Riverside Drive, has begun. The Port will begin developing a plan for a waterfront business park and plans to explore other waterfront development south of Portway Avenue. The transfer of the city of Lot

of Lot 6 north of Portway Avenue for a community park is completed.

A feasibility study for a new vehicle crossing that will connect the waterfront to the Port of Hood River Marina will occur early this year. The Port is also closing property transactions at its Hood River Wasco Business Park and its Odell John Weber Business Park. We are also participating in two new county-wide study groups looking for solutions to our shortage of industrial lands and affordable housing. And we are continuing to bring new tenants to the airport, Odell's John Weber Business Park and Wasco Business Park.

PORT OF HOOD RIVER

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**Lot 6 Title Transfer Ceremony
Monday, Feb. 6, at 10:30 a.m.
at Lot 6 on Portway Avenue**



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Many elements shall be fostered in these design options that will distinguish them from one another, with common key design objectives being to create a public place that:

- provides a year-round multi-use community gathering space
- reflects the diverse character of the community
- connects visually and physically to downtown
- provides a catalyst for both waterfront and community-economic development

Water access is being carefully considered from numerous vantage points, including the high cost of beach

development, permitting issues, and environmental issues.

Even before a park design is approved, the PDC has been given strong support by another group, Columbia River Waterfront Park Committee, which is mostly focusing on community and fund-raising support. The group has already held two benefits, with more certain to come.

The City of Hood River is actively pursuing grant opportunities for development funds. So far the city has collected approximately \$225,000 worth of grants and donations, half of which are in-kind. Preliminary cost estimates for park development are around \$3 million, with the likelihood that it will be created in a few phases.

"We are just beginning to get the word out about our financial needs and are confident that a great park design will elicit enthusiasm from all corners of the community," said PDC Co-Chairperson Christine Knowles.

Mark Zannmiller is also Co-Chair of the PDC. Other members include Joanie Thompson, Paige Rouse, Steve Alford, Susan Froelich, and Jim Greenleaf.



Congratulations to the 2005 Hood River

County Chamber Member of the Year

MIKE DOKE

Port Marketing Manager

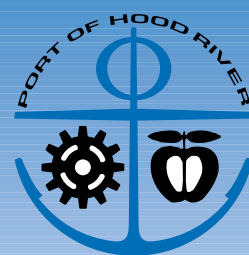
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PORT DIRECTORY

Commissioners

Sherry Bohn Hoby Streich
Fred Duckwall Kathy Watson
Don Hosford



PORT NEWS

Winter 2006

**PORT PRESIDENT'S MESSAGE
Executive Director Search Begins**

by Sherry Bohn

Work to begin initial development of the Hood River waterfront and help growing businesses stay in the community are among the top goals for the Port of Hood River as it enters a new year. Along with focusing on the future of our economy, the Port will also be seeking a new executive director to help guide this ongoing economic development direction.

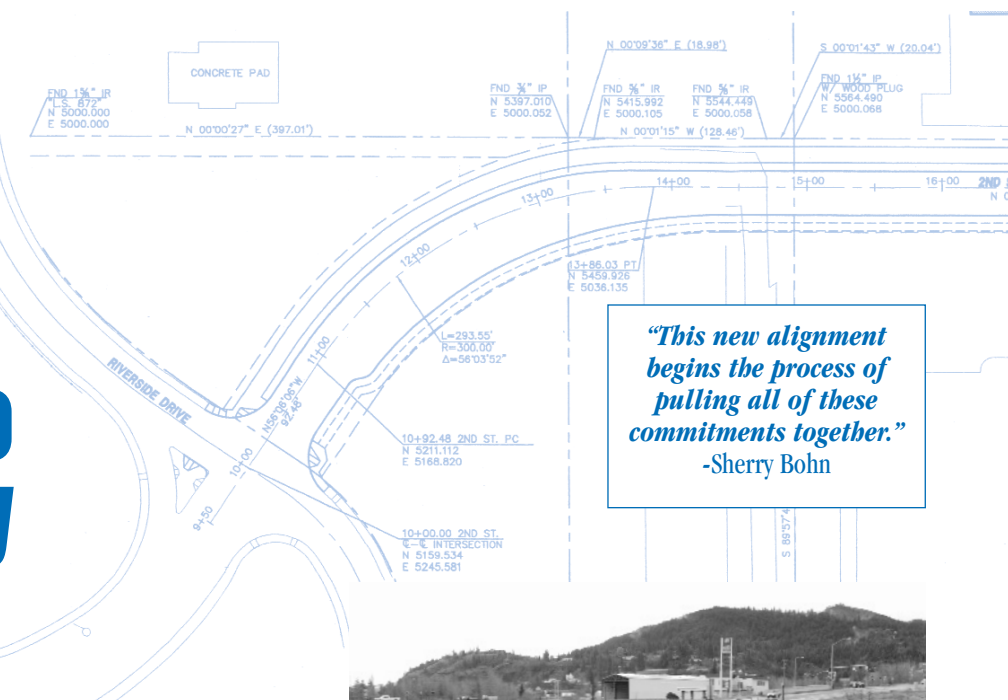
The Port of Hood River Board of Commissioners selected a Pacific Northwest-based executive search firm to help recruit the district's next executive director, choosing Waldron & Company, the same group that assisted Hood River County select its top manager, Dave Meriwether, in 2001. Waldron & Company was one of two firms interviewed by the Port. The second was Technical Assistance for Community Services.

The search begins immediately, with Waldron & Company meeting with Port commissioners, staff and other community partners to discuss the qualities and qualifications for the next executive director. We are focusing on finding a high-quality director who is experienced at helping us carry out our mission of economic development and quality of life for the entire Gorge area. John Deller, Waldron & Company managing director, outlined a four-month selection process that will include recruitment, candidate screening and final selection. The position will be advertised regionally and nationally, he explained.

The commission felt that Waldron & Company would bring the best experience to the

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Second Street Extends North to Portway Avenue



*"This new alignment begins the process of pulling all of these commitments together."
-Sherry Bohn*



The new North Second Street will align with the existing intersection, and bring traffic from downtown via a more central connection to Portway Avenue.

The road to a waterfront business park is being paved by the Port, both literally and figuratively, with the most keen indication being the construction of the Second Street extension which began in December. The project, oft-discussed and in the works for some time now, commenced upon the bid award last fall.

The bid was awarded to Mid-Columbia Paving in the amount of \$445,500. "We received a number of good bids in part because we gave contractors all winter and most of spring to complete the project," explains Linda Shames, Port Finance Manager. "The other factor was that local companies have lower mobilization costs for this type of project." The project will be complete in May.

The new street extension, aptly named North Second Street, includes approximately 900 linear feet of asphalt street, with concrete curbs, sidewalk and street lighting. In addition, 720 linear feet of storm sewer and 870 linear feet of water line will be installed.

Landscaping and ornamental globe luminaries on cast-iron posts identical to those in historic downtown Hood River will complete the picture. A 12-foot wide bicycle and pedestrian path on the west side will serve as a connectivity asset.

"This street extension will serve as a visual and 'real' connection to downtown," relays Port Commission President Sherry Bohn. "It will also complement the other amenities being considered by the Port as we begin the process of developing a waterfront plan and developing property on the south side of Portway Avenue, and it will enhance access to a new waterfront park currently being developed by the city of Hood River. It is exciting to finally see some activity moving forward after all this time."

Over the last couple of decades, many master plans and proposals for waterfront development have been considered. All of these designs had one thing in common—the road was always situated as it is now being constructed. "Some people have questioned why we would decide the route prior to master planning, but the answer is quite simple. It happens to be the most logical location," Shames expresses. "The only other suggested route I'm aware of would go straight to the Event Site," according to Shames, who has worked at the Port of Hood River since 1993. "That design would have been twice as expensive

because it would require redirecting ODOT's intersection that brings people in from a southeast to northwest direction."

"In our strategic plan, we make very clear our commitment to a pedestrian access walkway, a view corridor down Second Street, and an integrated park on Lot 6," Bohn expresses. "This new alignment begins the process of pulling all of these commitments together."

New Waterfront Park Development Gears Up

The creation of a new waterfront park on Lot 6 is closer than it has ever been, yet much planning and fund-raising must occur before the area will see an aesthetic community asset on Hood River's waterfront.

The Port and City of Hood River appointed Park Development Committee (PDC) members last spring to produce design, development and maintenance strategies for the park. The PDC's work is outlined in an intergovernmental agreement (IGA) between the Port and city, containing minimum requirements of progress by specific dates.

The Port transferred title of the six-acre parcel, valued at \$1.7 million dollars, to the city on January 19.

The PDC has been juggling multiple details and issues in line with park development requirements in order to make its first formal presentation to the Port and city by May 6.

To aid them, the committee has retained the services of Landscape Architecture/Environmental Design firm, Greenworks PC, of Portland. Greenworks will be developing three preliminary designs that will be shared with the public for input, likely during the month of February, before a final park design is presented to governing bodies later in the spring.

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Emerging Gorge Industries Gain Strength in Numbers

Ever notice that there are Columbia Gorge businesses with a whole lot in common? For generations in Hood River County, fruit tree orchardists have been a dominant economic force – and they still are. Region-wide, though, new industries are emerging. You can call them “clusters.”

Mid-Columbia Economic Development District is sure tossing that word around these days, and for good reason. The agency, also known as MCEED, has spent the past year identifying five clusters that are growing in the region. It's an important effort, since a cluster consists of a group of innovative and interdependent businesses whose relationships with similar companies develop efficiency and a competitive edge.

Clusters tend to be driving forces in the local economy, and MCEED has identified five such drivers in this region – high technology, wine, renewable energy, art and natural health care.

It wasn't too long ago that high tech and wineries had just a modest presence in the Gorge. Now they are two of the region's fastest growing clusters. MCEED expects the same from the three other recently identified clusters. Working in cooperation with economic development districts throughout Oregon, MCEED has contracted with the Economic Development Administration to develop five-year strategic workplans for the five cluster groups.

“We have been overwhelmed with the positive response to this project,” says Lee Curtis, MCEED executive director. “It's been exciting to see people of new areas come together to promote their businesses cooperatively. And the work has just begun – we have lots of great ideas to start working on.”

Below is a sampling of some of the priorities and ideas of the clusters. The complete workplans are available at www.mceed.org.

High Tech

Bingen, Wash., residents joke that they have the highest per capita of aerospace engineers in the country. What's not a joking matter is the huge influx of high tech businesses into the Gorge in the last five years.

The high tech cluster took root about a year before MCEED began its cluster development work. The Gorge Technology Alliance is now one of the region's most active business groups. After realizing that more than 75 percent of the people attending their meetings noted they live in the Gorge for the lifestyle, the group coined the phrase “lifestyle entrepreneur.”

The cluster development process has identified goals of cultivating high tech



businesses and entrepreneurs, branding the Gorge and its lifestyle for technology, attracting similar businesses, developing human resources and education, and creating signature high tech projects.

Wine

Four years ago, a group of 20 winemakers and grape-growers formed the Columbia Gorge Winegrowers. The aim was to make sure the principals of wineries and vineyards knew each other. Since then, the Columbia Gorge American Viticulture Area has been adopted, designating and distinguishing this region as a recognized wine-grape growing area.

There's reason for a toast: the growth of wineries has been rapid. There were eight wineries here in 2002; now there are 17, with new wineries in the works.

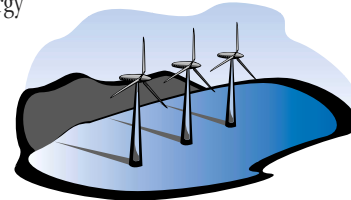


Renewable Energy

With new wind projects coming on line every few months, renewable energy

is literally electrifying economies throughout the region, particularly in central and eastern Klickitat County. Farmers have found new income sources by working with alternative energy providers.

The renewable energy cluster hopes to improve markets for untraditional power sources like wind and solar, and would like to develop the Gorge as a renewable energy region. The new income streams these projects provide are helping to keep family farms in the black.



Art

Artists, galleries and studios are popping up throughout the Gorge. Maryhill Museum near Goldendale is a historic example, but communities like Hood River have fostered the growth of art through events like First Friday. Art is the focus of similar events in most towns.

But effective communication between these communities has been missing, and fixing that is one of the goals of the art cluster. Other objectives include nurturing existing artists, museums, galleries and studios, plus branding the Gorge as a unique place for art.

Natural Health Care

The Gorge has a wealth of natural health care providers, including massage therapists, naturopaths, chiropractors and acupuncturists.

This cluster aims to improve the capacity of existing health care providers, develop infrastructure for new businesses, educate local residents about available health options, and promote the Gorge as a health and healing destination.

Any business interested in being involved in one of these cluster groups is encouraged to contact MCEED at (541) 296-2266.

Pursuit of Industrial Land Key Economic Development Focus

The research and development arm of a high technology-based company wants to move to Hood River. Meanwhile, a successful, local recreation-clothing firm is going through growing pains and needs a larger building for its inventory and shipping.

Both may find themselves on the road to another community, according to an industrial lands inventory recently completed by Hood River County, with input from the Port of Hood River.

There is none of the needed light industrial-zoned property available in downtown Hood River and less than an acre that could be used in the community's western end. Nothing is ready in Parkdale or the Windmaster area. There's nearly 40 acres available at Dee, though the county report states it may not satisfy the demands of most industrial projects because of “significant constraints” including its transportation distance from a main route like Highway 35, lack of wastewater treatment and its proximity to the Hood River.

The more than 16 acres around Odell designated M2 (the county's

equivalent to the city's light industrial zone) might be a good option, provided the wastewater treatment system can meet growing industrial demand, the county report states. And the Port of Hood River's nearly 20 light industrial acres on the waterfront “faces a significant political constraint to any industrial development,” according to the document called Industrial Lands Inventory Hood River County September 2005.

On the surface, the new industrial demands report may paint a gloomy picture of Hood River's economic options. However, the inventory can also be viewed as a call to action to identify, zone and develop properties for industrial use.

And this rallying cry is being answered. The report and its recommendations will be considered this year as Hood River County commences its Industrial Lands Committee, one of two committees recently formed to help resolve the county's top economic challenges; the second group will consider affordable housing options. These groups include representatives from the Port, the county and the city. Port Commissioner Fred Duckwall, local resident Claire Philpott and Port Marketing Manager Mike Doke have been appointed to the county's industrial lands group. Commissioner Kathy Watson, resident Joella Dethman and Doke will serve on the affordable housing committee.

The report was fashioned by the Hood River County Economic Development Committee and its staff. It shows that though nearly 231 acres of Hood River County land is industrially zoned, it is not enough to meet the demand of coming generations. And while over 200 acres may seem sufficient, most of the county's industrial lands face constraints like a dearth of infrastructure.

In fact, the county report states, less than two acres of industrial property is ready to go if a company decides to expand or relocate in Hood River. On the other side of the coin, eight local companies have moved out of Hood River County citing the inability to secure local sites. Several prominent Hood River companies are currently looking for expansion property but their options are slim.

Agencies like the Port of Hood River are in contact with their state economic development counterparts to recruit companies to town. Of the past 45 recent prospects, the companies requested sites of three to 170 acres, lot sizes that are presently scarce.

A clear picture emerges: Without more industrial property, Hood River County stands to lose a significant portion of its economic might; existing businesses do not have room to grow and add jobs, and new companies do not have the opportunity to move here and employ more local residents.

And the report's recommendation is equally explicit: More Hood River County property needs to be zoned for industrial uses.



Humanities Software found a home at the Port of Hood River's Wasco Business Park, a light industrial-zoned property that quickly had more offers than available lots.

Other recommendations include:

- Explore expansion of urban growth or unincorporated community boundaries to create more industrial land.
- Start planning for transportation improvements to make the Tucker Road/ Windmaster area more accessible for trucks. This could include constructing a bridge from Highway 35 or enhancement of truck routes.
- Expand the Cascade Locks/Hood River Enterprise Zone to include any newly designated industrial lands. The enterprise zone is one of Hood River County's top incentive tools, providing tax breaks to companies investing in new buildings or equipment to create new jobs.
- Target at least two 50-acre sites adjacent to truck-accessible transportation with adequate industrial sewer capacity and other infrastructure required by industrial users. These sites could be divided into smaller lots to meet development needs in the next few years, but new large sites should be continually developed and in the community's industrial inventory.
- And identify the top infrastructure and other improvements needed to eliminate the constraints associated with current industrial properties.

Hood River Distillers Plans Expansion

The Hood River waterfront's oldest existing business, Hood River Distillers, is in the process of purchasing nearly an acre of land from the Port of Hood River.



Ron Dodge tours the bottling line. President of Hood River Distillers since 1999, Dodge has been with the company since 1980.

The ensuing expansion will enable the company, which has operated in its current location since 1969, to increase its building size, provide additional parking and create a circular transportation flow on the property.

The land in acquisition follows the north and west sides of Hood River Distillers' existing property, and includes the critical rail spur.

“I wanted to assure the viability of the rail spur because it's essential to our existence,” explains company President Ron Dodge. “Over 88 percent of our bulk liquid deliveries arrive by rail.” These ingredients include Neutral Spirits of Grain (NSG) used to make vodka, blended American Whiskeys and liqueurs, Rum, Canadian Whiskey, and Gin. The balance arrives by tank truck, barrels or pails.

Hood River Distillers (HRD) was initially established in 1934 in downtown Hood River's old cannery area. The ground-breaking for HRD's new facility on the waterfront

was a big event in 1968, as the company contemplated a relocation to Portland. “The Port kept us from moving,” Dodge relates. “The reason it has worked for us is they sold us the land. Long-term investors want to own their own land.”

Over the years, two expansions have occurred at the distillery, in 1973 and 1994, bringing the current facility to 53,000 square feet.

“In manufacturing, one's always trying to produce more efficiently and maintain or grow its employee base,” Dodge says. “We will fully utilize the property when we expand again.”

A master plan outlines future growth, allowing for improved production and operations. A building addition will be constructed to the east within a few years, which will provide needed office and meeting space, expansion of the bottling room, materials storage, and possibly later, a microdistillery. A 30,000 gallon tank is currently being installed at HRD, with another anticipated in two years..

“We've been very aggressive about protecting the industrial zone, because usually when many other uses

are mixed in, the industrial land is squeezed out,” Dodge remarks.

Hood River Distillers has the distinction of being the Northwest's oldest and largest importer and producer of distilled spirits. It distributes products primarily in Oregon, Washington, Idaho, Utah and Alaska, with select premium goods distributed nationally.

Among the state of Oregon's top 40 distilled spirit brand leaders, HRD's labels account for 11, including the number one and number two brands in the state. Nearly one out of every four bottles sold in Oregon, and one in every five in Washington, are Hood River Distillers brands.

The firm's complete line includes spirits under the names of Pendleton, Brokers, Knickers, White Fang, Marimba, HRD and Monarch.

The company produces 1.1 million cases per year, with a good track record of steadily increasing sales in the past several years, primarily due to the introduction of premium products to augment the economical brands.

With 50 employees, the Hood River manufacturing plant is supported by a Portland sales office.