

Build It Local

by Michael McElwee,
Port Executive Director



Michael McElwee

The volume of new construction around the Port area bodes well for private sector jobs, a key objective of the Port Commission. But the economic impact is greatest if these projects also

bring local construction jobs. What can the Port do to maximize opportunities for local contractors and workers?

Ports must follow state statutes that dictate contractor selection. The specific method is based on project cost. For projects under \$5,000 the Port may hire a contractor directly. This work may include minor electrical repairs, excavation, plumbing and other trades. Many of these are planned as part of our annual budget process but some, like a leaky roof, arise as an emergency.

For projects up to \$50,000, the Port usually seeks three quotes. Prevailing wage rates, which are dictated by the State and usually increase construction costs, do not apply. The Port only contacts local subcontractors for these projects unless expertise is not available. We try to identify businesses that may not have had a chance to provide a quote previously. Any project above \$50,000 must pay prevailing wage rates dictated by the state.

For projects over \$50,000, up to \$100,000, the Port will seek three quotes and may advertise through a local publication. Prevailing wage rates apply. We typically provide a notice in the *Hood River News*, may describe the opportunities on our web

Please see **Local** on page 4

A new 20,000 square foot commercial building on the northern side of the Expo Center parking lot will be the next project to break ground at Waterfront Business Park.



2012 promises more activity for Waterfront Business Park

With construction on two new Waterfront Business Park buildings underway, preparations for a new Halyard Building tenant, and more significant planning in progress, the Port of Hood River has a busy agenda for 2012.

Preliminary plans have been approved for a new commercial building on Lot #3, on the northern end of the Expo Center parking lot. A 20,000 square foot office/retail building will be developed by Key Development. Planned features are ample glass, bronzed aluminum storefront glazing, ground-face masonry units, painted steel balcony railings, bronze metal trim, stained cedar siding

and wood soffits, exposed interior wood columns and beams, and screened mechanical equipment.

Additionally, two significant projects are now in the early planning stage: the Nichols Basin Industrial and Office Area, and land at North Second Street and Riverside Drive. Both parcels represent the quintessential entrance to Waterfront Business Park.

The Port of Hood River purchased the 1.06 acre North 2nd Street/Riverside Drive lot, formerly planned for a Burger King, from Hood River County for the appraised value of \$270,000. Combined with neighboring property, this parcel holds value for future development.

The Nichols Basin Industrial and Office Area (Lot #1) planning process has begun to determine the best strategy to develop this large parcel with respect to public objectives. The mass of land stretches from the business park's entrance to the south border of the Event Site, and from North 2nd Street to Nichols Basin. The Port plans ample opportunity for public input, definition of job creation goals, and development criteria.

"The Port wants to work closely with the City on a development strategy, because in addition to basic issues we've had with waterfront development, this property has added egress concerns, the water's edge at Nichols Basin, and ODOT's IAMP issues to consider," Port Executive Director Michael McElwee states. "The Port Commission



Construction on Lot #2 (above) was paused this winter, but the new Turtle Island Foods food processing plant on Lot #7 has hit its construction milestones and will be completed this summer.

Please see **Waterfront** on page 3



Chamber and Port commit to Marina Office Building



Remodeling has begun on the Port's Marina Office Building reflecting a Port commitment that resulted in a new 10-year lease for the Hood River Co. Chamber of Commerce.

The project is an extensive one, due to decades of deterioration, deferred maintenance, and a deficient HVAC system. The decision whether to remodel, to what extent, or to even tear down the building because improvements were so costly, were considerations the Port Commission weighed over many months.

"This project represents more than a remodel," explains Port Executive Director Michael McElwee. "It's a commitment to the building for 15 plus years, and to the Chamber of Commerce. It's an affirmation of the top-notch work the Chamber is doing to support businesses and the very important tourism industry."

The Hood River Co. Visitor's Center receives high foot traffic, and Kerry Cobb, Chamber executive director, says the location offers a fabulous view, and an excellent location off major East/West and North/South traffic arteries with a newly improved Exit 64 area.

"We love the location, and want to stay here, but we understand what a big investment it is for the Port, and what a margin call the decision was," Cobb explained. "We decided in order for the Port to make this investment, we should commit to stay here."

There were, however, numerous remedies necessary for the Chamber to make that commitment. The Chamber office and Visitors Center needed additional space, especially for a conference room. Square footage on the main floor will increase with the elimination of the exterior restrooms, while interior restrooms will be upgraded to ADA requirements for public use. As the old restrooms are converted to office space, a glassed wall conference room with movable walls will be added. And finally, the HVAC system will offer temperate controls for the seasons.



Visitors Center Coordinator Mary Ybarra (right) and Visitors Center Representative Lisa Kawachi clear the Chamber Visitors Center in preparation for demolition. Construction on the Marina Office Building began February 13th (above left).

The Chamber of Commerce has had a storied history in the building, occupying the west end for two decades prior to a temporary move to the Hood River Expo Center. In 2007, the organization returned, this time to the east side of the building in the former Port of Hood River offices.

Currently occupying the west end of the Marina Office Building are Locus Interactive, Susan Froelich/Columbia River Acupuncture, and Veolia Water West.

Cobb said a newly renovated Visitors Center will be an ideal way to introduce visitors to the Port area. "The missions of our organizations are in alignment," Cobb said. "We both promote commerce. We want to bring it here, and we want to support our local economy."

Griffin Construction of Prineville is the general contractor for the roughly \$335,000 Marina Office Building project. No local bids were received, but Griffin plans to use as many local subcontractors as possible. Orchestration of construction includes moving a temporary Visitors Center to Cascade Travel's office at 506 Cascade Avenue, and moving the Chamber of Commerce office to a temporary location.

Boxing up the Visitors Center was no small feat, but Cobb is confident the newly finished space will be a significant reward for the long-term. If all goes well, the Marina Office Building renovations will complete around April 15. ●

continued from Waterfront on page 1

Business Park." Group Mackenzie, which helped the Port develop its Waterfront Development Strategy, is again involved in the planning process.

Nichols Landing, a new hotel and office/retail development by Naito Development planned for the south end of Nichols Basin, is currently seeking a variety of permits and regulatory approvals. The owner also seeks support for a cable park in a portion of the Port-owned basin that would require exclusive use during hours of operation. The Port's Waterfront Recreation Committee offered preliminary support of the project to the Port Commission. If the City of Hood River approves the project, the Port Commission will decide in late spring whether to approve a lease for the water surface.

A new Turtle Island food processing plant under construction on Lot #7 has hit all its construction milestones due to mild winter weather. Vice President of Operations Jaime Athos expects the company to move into its new LEED Platinum building in July. "Certainly the environmental and energy-efficiency elements of the project are something that we're proud of," Athos discloses. "But it will be hard to beat the planted rooftop deck as a lunch venue." Construction on a new building for Hood Technology on Lot #2 was put on hold for the winter months in order to improve opportunities to use local contractors when work resumes this spring.

Additionally, the Port and the City of Hood River prepare for Portway Avenue improvements. The Port's portion includes a cul-de-sac at the entrance to The Hook and added sidewalks in front of the Jensen Building and Expo Center. The City's portion includes sidewalks and the addition of diagonal parking on the south edge of Waterfront Park.

The Port will begin improvements this spring, but final paving will depend upon the City's project schedule. Once the City completes its design and engineering phase, the engineer's estimate will shed light on whether funds are available to complete the City project this spring, or defer it until fall. If postponed, road paving of the entire street will occur after the City completes its curbs. ●

WEBLINK Receive PortNews online!

In an effort to conserve funds, the Port of Hood River will reduce its printed distribution of Port News, while increasing its electronic distribution.

Sign up to receive PortNews electronically at www.portofhoodriver.com

Airport Runway Shift and Orchard Road

Vacation projects are on track for fall construction, as Century West Engineering prepares Engineering, Design and Bidding Services for both projects at Ken Jernstedt Airfield. The Federal Aviation Administration (FAA) will provide 95 percent of funding with an Airport Improvement Program Grant. Funding for project construction will come from the agency's State Apportioned Fund, with construction expected to begin in September. Additional services were required by Hood River County in an agreement for the Orchard Road Vacation. The additions include intersection sight distance issues at the north intersection of Orchard Rd. and Tucker Rd., and engineering to improve the layout of that intersection, plus preliminary engineering to the eastern and southern sides for a bicycle lane and associated storm water improvements. ●

Airport Glider Concessions – The Port Commission approved Glider Concession Agreements for 2012 with two operators, Cascade Soaring and NW Skysports. For further information, visit www.nwskysports.com and www.cascadesoaring.com. ●



Bridge Painting Update – Mild winter weather enabled S&K Painting to continue the Lower Chord Rehabilitation Project through the winter months. The contractor is currently working northward from the south approach of the Hood River Interstate Bridge to reduce traffic impacts as traffic increases in the spring. The project is likely to be completed ahead of schedule, possibly as early as June.

An overnight bridge closure is planned for March 19 to maintain the gas pipeline and repair the north approach ramp. ●

Marina Gangway project – A new gangway and transition dock has been ordered from Civil Construction Company to replace the existing gangway at the Marina at a cost of \$42,345. The new gangway is required prior to the planned upgrade of the Marina's electrical system to accommodate new conduit for a heavier electrical load. The Port of Hood River has learned the cost is high and process challenging to retrofit aged docks with new electrical systems. ●

Marina Launch Ramp – Two floats will be replaced at the Marina Launch Ramp with a Transition Plate. The project will address two floats at the Visitor Dock that have been failing for some time. Civil Construction Company was awarded the bid for \$24,190. Funding will come from the Oregon State Marine Board MAP program, with a 40% match by the Port. ●

Marina / Hook Rip-Rap Repair – Repair work is now complete at two areas where significant rip-rap erosion occurred at the Marina and the Hook. Although the work only took a few days, the Port waited two years to receive permits. Crestline Construction was able to finish the repairs before the March 1 in-water work deadline. ●



Rip-rap erosion below normal high-water level usually means a long wait for in-water work permits.

Pfriem Brewing fits waterfront strategy

When the Port of Hood River identified its Waterfront Marketing Strategy a couple of years ago, food and beverage manufacturing was identified as an important economic development cluster. So it is fitting that new tenant Pfriem Brewing Company is leasing over a quarter of the new Halyard Building.

Pfriem Brewing will join the ranks of Turtle Island Foods, Full Sail Brewing Co., Hood River Juice Co., and Hood River Distillers in growing this industry cluster. Leasing close to 5,700 square feet of space on the east end of the building to manufacture Belgian-style and classic Northwest beers, the brewery will also include a tasting room with up to 50 seats.

In addition to a growing food / beverage manufacturing cluster, Hood River can also stake a claim for the most breweries per capita, according to Pfriem General Manager Ken Whiteman, as it becomes a small town "Beer Destination." Whiteman's partners in the venture include Brewmaster Josh Pfriem (who previously brewed locally at Full Sail and at Chuckanut in Bellingham), and investor Rudy Kellner.

Whiteman expects Pfriem Brewing to open by Memorial Day, following tenant improvements including interior walls, restrooms, stairs, concrete work, HVAC / mechanical, and finish work. Opening a new brewery in a new building is highly unusual, Whiteman says. "We have a clean slate to design our brewery from the ground up with a layout that really suits what we're trying to accomplish," he details. "The tasting room will be separated from the brewery by a fence instead of walls, giving beer drinkers the ability to experience the brewing process." ●

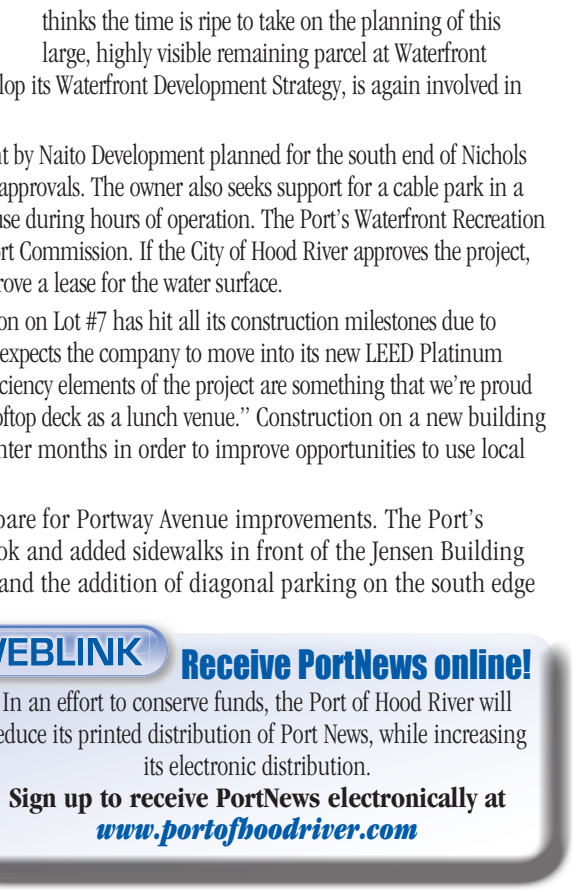
Pfriem Brewing will be equipped to produce 1,500 barrels per year initially, and will grow with demand up to around 6,000 barrels capacity. Its beer will be distributed throughout the Northwest, primarily in kegs, but plans are to follow soon with 750ml bottles. "By bottle conditioning our beer, we can achieve greater head retention, longer life, and a more developed flavor profile." Whiteman explains. "There are advantages to bottling this style beer for carbonation control, and to produce a certain head," "Plus it's important to get our fresh beer into homes."



The interior of the new brewery will compliment the Halyard Building's LEED Silver designation by incorporating reclaimed lumber, beams and barn remnants. "Our tasting room will be an interesting mix of industrial design and reclaimed materials and will add to the sustainable nature of the building," Whiteman adds.

Pfriem Brewing joins tenant Real Carbon (on the west end of the Halyard Building), bringing occupancy to 60%. Approximately 8,000 square feet of space between the two tenants is available for lease. ●

Ken Whiteman (left) and Josh Pfriem stand in front of Pfriem Brewing's public entrance at the Halyard Building.



A Northwest Skysports glider soars above Hood River Valley.

continued from **Local** on page 1

site, and directly notify a reasonable number of local contractors. These steps help insure that area businesses have the best opportunity to bid a project.

Projects that exceed \$100,000 may be hard bid locally and those that exceed \$125,000 must be advertised statewide. Broad notice often attracts contractors from outside the Gorge. An example is the Halyard Building completed in 2010 by Robinson Construction of Portland. For these larger projects, the Port may use an alternative bid process that allows contractor selection based on price and qualifications — including defined ways the contractor will maximize use of local subcontractors. The Port doesn't often carry projects of this magnitude but we stress the importance of contacting local subs in the bid process and at every point in negotiations when we do.

However, much of the waterfront work is being carried out by a local business, Key Development,

on property sold by the Port. Private entities are not constrained by public contracting statutes. However, construction does not occur until a formal land Disposition and Development Agreement (DDA) is executed with the Port. Throughout DDA negotiations, we stress the need to use local subs and suppliers. Of course price will always play a role in final decisions made by the developer or general contractor.

So how many local subs are being used on waterfront construction projects? Assuming that "local" means the Gorge area, the amount of local work has ranged from 20 percent on the Halyard Building to 75 percent on the recent UTS remodel. Key Development should be applauded for their strong efforts to maximize local contractor participation on the UTS project, the Turtle Island plant, and the new technology building on Lot #2.

Coming up next is construction of a 20,000 s.f. commercial building on Lot #3 by Key Development, improvements to Portway Avenue, and possible

reconstruction of the Expo Building by the Port. We will strive to identify opportunities for local contractors on these larger projects. And we will improve our efforts to increase awareness of smaller project opportunities when our annual budgets are prepared. Interested contractors should not hesitate to call Port staff about upcoming work opportunities, send information about their firm and monitor the Port's website. These and other steps will help us "build it local." ●

PORT MEETINGS

Regular Port Commission meetings are held on the **1st and 3rd Tuesday** of each month in its **Boardroom at Marina Center Building** (1000 E. Port Marina Drive). The Port welcomes your questions, comments and suggestions.

PORT DIRECTORY

Commissioners

Hoby Streich Fred Duckwall

Jon Davies Brian Shortt Rich McBride

Executive Director - Michael McElwee

Contact

Telephone..... (541) 386-1645

Fax..... (541) 386-1395

Email..... porthr@gorge.net

www.portofhoodriver.com

Newsletter Production - Pageworks Design, Inc.

PORT OF HOOD RIVER

1000 E. Port Marina Drive
Hood River, OR 97031

PRSR STD
U.S. POSTAGE
PAID
Permit No. 700
Portland, OR

Bridge Toll Increase results in flurry of year-end sales



Linda Hirata greets a cash toll patron at the Hood River Interstate Bridge tollbooth.

If you're using the cash toll lane at the Hood River Interstate Bridge, you are in the minority. BreezeBy and ticket tolls now significantly exceed cash receipts. And despite no longer getting change back from your dollar, it appears the public had little objection to the toll increases that took effect January 1.

When the Port announced the rise in bridge toll, the agency braced for a flurry of complaints, and received only 10. Instead, a flurry of toll purchase activity occurred in December. The Port announced to bridge users the option to prepay in 2011 for 2012 bridge

use, by buying bridge tickets or making deposits to electronic tolling accounts before year's end. The incentive meant tickets purchased at the 63¢ rate would be worth 75¢ after the increase. Also, the Port added 33% value to all BreezeBy account balances at midnight on December 31, to maintain bridge crossing value.

According to Port Finance Manager Linda Shames, ticket sales in December were more than twice the amount expected in a normal month — over \$50,000 compared to the normal \$20,000. BreezeBy account increases amounted to \$68,569 in bonus tolls for the new year.

In addition, December and January saw higher than normal new BreezeBy accounts, since the new toll for BreezeBy patrons is 75¢, a 25% discount from cash tolls.

Although the cash toll increase is a higher amount than electronic tolling or tickets, there is a decreasing percentage of cash tolls received, which will have an impact on bridge revenues. January 2011 toll revenue was 42% cash, 43% BreezeBy and 15% tickets. January 2012 reported 35% cash, 49% BreezeBy, and 16% tickets. ●

WEBLINK

Receive PortNews online!

In an effort to conserve funds, the Port of Hood River will reduce its printed distribution of Port News, while increasing its electronic distribution.

Sign up to receive PortNews electronically at

www.portofhoodriver.com