



## PORT OF HOOD RIVER COMMISSION

### AGENDA

Tuesday, April 4, 2023

Port of Hood River Conference Room

1000 E. Port Marina Drive, Hood River

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#### Regular Session

*Will convene immediately upon adjournment of Spring Planning work session.*

1. Call to Order
    - a. Modifications, Additions to Agenda
    - b. Public Comment (5 minutes per topic, 30 minutes maximum total)
      1. *Written public comment received, Chris Robuck (Page 3)*
  2. Consent Agenda
    - a. Approve Minutes from March 21, 2023 Regular Session (*Patty Rosas, Page 5*)
    - b. Approve Lease with Hood Aero in the Bow Hangar at the Airport (*Greg Hagbery, Page 9*)
    - c. Approve Operations Agreement with Hood River Soaring at the Airport (*Greg Hagbery, Page 33*)
    - d. Approve Amendment to Goods & Services Agreement with Duncan Solutions for Paid Parking System on the Waterfront (*Genevieve Scholl, Page 47*)
    - e. Approve Task Order 1 with Radcomp for Port Server Migration and Upgrade (*Debbie Smith-Wagar, Page 59*)
    - f. Approve Accounts Payable to Campbell Phillips in the Amount of \$14,270 (*Debbie Smith-Wagar, Page 69*)
    - g. Approve Accounts Payable to Jaques Sharp in the Amount of \$2,285 (*Debbie Smith-Wagar, Page 69*)
    - h. Approve Accounts Payable to McCarthy Law, LLC in the Amount of \$2,635 (*Debbie Smith-Wagar, Page 69*)
  3. Informational Reports
    - a. Bridge Replacement Project Update (*Michael Shannon, Page 77*)
      1. *Bi-State Working Group Recommendation for Toll Increase – Page 85*
  4. Presentations & Discussion Items (*None*)
  5. Executive Director Report (*Verbal*)
  6. Commissioner, Committee Reports
  7. Action Items
    - a. Approve Resolution No. 2022-23-11 Establishing Toll Revenue Use Policy (*Kevin Greenwood, Page 87*)
  8. Commission Call
  9. Confirmation of Commission Directives to Staff
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10. Executive Session (None)

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.*

March 24, 2023

To the Port Commissioners and Staff:

At the March 21 meeting, there was a proposal to assign \$7,500,000 of dollars of reserves to functions other than the bridge. This is both contrary to the public interest and wholly unnecessary.

**Public Interest**

The \$10,971,663 in Revenue Fund reserves at June 30, 2022 were created by bridge tolls (and, to a much lesser extent, commercial leases). The proposal is to arbitrarily give \$2,000,000 of accumulated bridge tolls to the airport, \$1,000,000 to the marina, etc.

The public expects and believes that bridge tolls go to bridge repair, maintenance and replacement. To hand off accumulated toll revenue to the airport and other functions, then implement a toll increase, will turn the public against the Port.

Further, parceling out reserves to specific functions straightjackets future decisions. The Port will lose the flexibility to use total reserves in the best way as needs evolve.

**The Better Way**

An operating center manager can be made responsible for profit or loss, and easily monitor results, while reserves remain in total under the responsibility and preview of the Port as a whole. The proposal to give reserves to the airport, marina, etc. is presumably coming from an assumption that the only way to monitor net income (loss) in those individual operating centers is to create separate funds. That is not the case. The Port simply needs modern, relational database accounting software. Modern software has a multi-segment coding string, where revenue and expense transactions are coded not just to the fund and account but also to the operating center (and/or project, revenue source, etc.). With that, profit and loss by operating center is known. Reserves, like all balance sheet accounts, remain in total in the Revenue Fund.

A requirement for the new accounting software should be that it works with an Excel report writer. With F9, for example, a simple new formula is added in Excel to specify the balance you want to pull in from the accounting software. Build a report template, hit go, and the program fetches the specified amounts. You can give permissions to anyone to run their reports at any time.\* Give people the right tools and it's easy to assign responsibility.

Sincerely,  
Chris Robuck (retired CPA, inactive license in Montana)

\* There may be other report writers out there that use Excel, but I can vouch for F9 – we used it at Clackamas Community College, where about 80 departments each ran and monitored their own budget and actual reports. The list of accounting software that F9 works with is at <https://www.f9.com/solutions#WhatSystemsWeConnectTo>.

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

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**Regular Session**

**PRESENT: Commissioners:** Ben Sheppard, Hoby Streich, Mike Fox, and Heather Gehring (arrived 5:05 p.m. via Zoom). **Legal Counsel:** Kristen Campbell. **From Staff:** Debbie Smith-Wagar, Daryl Stafford, John Mann (arrived 5:15 p.m. via Zoom), Greg Hagbery, and Patty Rosas. **From HNTB:** Michael Shannon, Kary Witt (via Zoom) **Guests:** Arthur Babitz, Carl See (via Zoom), Tara Kamp (via Zoom),

**ABSENT:** Kristi Chapman, Kevin Greenwood, Genevieve Scholl

**MEDIA:** None

**1. CALL TO ORDER:** President Ben Sheppard called the meeting to order at 5:00 p.m.

a. **Modifications or additions to the agenda:** None

b. **Public Comment:** None

**2. CONSENT AGENDA:**

a. Approve Minutes from March 7, 2023 Special Work Session and Regular Session

b. Approve Contract with Merina and Company for Consulting Services Not to Exceed \$25,000

c. Approve Amendment No. 3 to Contract with HNTB for Project Management Services Related to the Bridge Replacement Project

d. Authorize Notice of Intent to Award and Negotiations with ECONorthwest for Lower Mill Site Market Analysis and Feasibility Study, Not to Exceed \$45,000

**Motion:** Approve consent agenda

**Move:** Hoby Streich

**Second:** Mike Fox

**Discussion:** None

**Vote:** **Aye:** Ben Sheppard, Mike Fox, Hoby Streich

**Absent:** Kristi Chapman, Heather Gehring

**MOTION CARRIED**

**3. INFORMATIONAL REPORTS:** None

**4. PRESENTATIONS & DISCUSSION ITEMS:**

a. **FY21-22 Financial Audit Report** – Debbie Smith-Wagar, Financial Director, introduced Tara Kamp who is a partner with Pauly-Rogers and Company, and is the Port of Hood River’s (“Port”) financial statement auditor. Kamp summarized the governing body letter and added that the audit report results were excellent. An unmodified opinion on the basic financial statements has been issued. They found no exceptions or issues requiring comment, except as noted on page 52 of the report. Also, no separate management letter was issued and no difficulties were encountered in performing and completing the audit.

b. **Operational Center Analysis for Fiscal Year Ended June 30, 2022** – Smith-Wagar commented that the Port’s Revenue Fund lumps everything together into one fund, making it difficult to determine which operational centers were covering their costs and which ones were not. The purpose of the analysis is to attempt to determine the operational centers that were covering their costs and which ones were generating a loss as well as determining where tolls were backfilling deficits. Smith-Wagar presented two Fund Analysis reports. One report contains information using a group

system which has rental properties grouped by land use zoning. The other report is grouped per Commissioner Mike Fox's proposal. Smith-Wagar is seeking direction from the Commission for the upcoming planning session on April 4.

Commissioner Fox provided a brief overview of his proposal. The proposal defines a strategy to eliminate the Port's reliance on current bridge tolls and increase funding of Port operations. A discussion ensued regarding the concept of the proposal. The Commission directed staff to review the proposal and provide a recommendation on April 4.

- c. **Washington State Transportation Commission Replacement Bridge Traffic & Revenue Study –** Mike Shannon, HNTB Project Manager, introduced Carl See, WSTC, to provide a presentation on the status of the Hood River Bridge Traffic & Revenue Study. The purpose of the study is to develop a planning level traffic and revenue analysis and resulting toll funding capacity, across multiple scenarios to support future funding decisions for the Bridge Replacement Project ("Project").

See presented two final tolling scenarios. Per Bi-State Working Group (BSWG) direction the scenarios incorporated a toll funding range of \$75 - \$125 million. The scenarios apply a \$2 differential to Scenario "A" and apply escalation on video rates to Scenario "B". Pre-completion toll rates apply the BSWG Scenario 3 (\$1.75/\$3.50) to Scenario "A" and apply BSWG Scenario 5 (\$2.00/\$3.00) to Scenario "B". Both scenarios apply a toll rate increase upon bridge opening in FY31. A discussion followed regarding the final tolling scenarios. Shannon highlighted the importance of issuing a toll increase this year. Commissioner Fox noted that the BSWG has requested a schedule to implement a toll increase and is considering a toll recommendation for the Commission.

- 5. **EXECUTIVE DIRECTOR REPORT:** A written report was provided in the packet.
- 6. **COMMISSIONER, COMMITTEE REPORTS:** None
- 7. **ACTION ITEMS:** None
- 8. **COMMISSION CALL:** None
- 9. **CONFIRMATION OF DIRECTIVES:**
  - a. Review Commissioner Fox's proposal and provide a recommendation on April 4.
- 10. **EXECUTIVE SESSION:** President Ben Sheppard recessed Regular Session at 6:12 p.m. to call the Commission into Executive Session under ORS 192.660 (2)(e) to conduct deliberations with persons designated to negotiate real property transactions and ORS 192.660 (2)(h) to consult with legal counsel regarding current litigation or litigation likely to be filed and ORS 192.660(2)(f) to consider information or records that are exempt from disclosure by law, including written advice from legal counsel.
- 11. **Possible Action:** The Commission was called back into Regular Session at 6:46 p.m. No action was taken as a result of Executive Session.
- 12. **ADJOURN:** The meeting was adjourned by unanimous consent at 6:47 p.m.

**ATTEST:**

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Ben Sheppard, President

\_\_\_\_\_  
Michael Fox, Secretary

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# Commission Memo



Prepared by: Greg Hagbery  
Date: November 1, 2022  
Re: Lease – Hangar #1 – Hood Aero

The Port purchased what is previously referred to as the SDS Hangar at the Ken Jernstedt Airfield from WAAAM last year. The hangar has since been renamed the Bow Hangar. Hood Aero has been leasing the Bow Hangar on a month-to-month basis while lease agreement negotiations with Port staff were conducted. During negotiations with Hood Aero on the proposed lease rate of \$0.68/sf, several improvement projects were discussed and acknowledged as needed to justify the initial presumptions of this competitive lease rate.

Hood Aero proposes to perform the following improvements to the Bow Hangar during the first six (6) year term of their agreement in exchange for a *Reduced Base Rent* rate of \$0.30/sf for said term.

<b>Base Rent Improvement</b>	<b>Agreed Value</b>
Repair exterior siding	\$3,000
Repair garage door	\$4,500
Improve hangar doors	\$25,000
Insulate doors	\$5,000
Install 3ph 480v electrical upgrades	\$25,000
Install drinking water connection from Ice Fountain	\$7,000
Install bathroom fixtures; shower, toilet, sink, heater, ventilation	\$11,000
Install natural gas	\$3,500
Install natural gas heaters	\$9,000
Install ceiling fan(s)	\$2,000
Install internet connection	\$1,500
Insulate hangar walls / ceiling	\$18,000
Install improved lighting	\$3,500
Install secondary man-door	\$3,000
Install interior electrical circuits and panels	\$35,000
<b>Estimated Total</b>	<b>\$156,000</b>

When aggregated across the 6 years of the first term, the *Base Rent Improvement Agreed Value* of \$156,000 plus the *Reduced Base Rent* of \$0.30/sf is equivalent to approximately \$0.88/sf.

Hood Aero requested the ability to sublet the Bow Hangar as an operational component of the FBO, this request seeks to promote additional business activities and diversity at the airfield. For reference, Hood Aero's Sublease template is attached. Any future subleases would need Commission approval separately.

**RECOMMENDATION:** Approve Lease Agreement with Hood Aero Corp. in the Bow Hangar at the Ken Jernstedt Airfield.

**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 **HOOD AERO CORP., 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 3,906 square feet of space in Lessor’s building commonly known as the Bow Hangar (“Hangar”) located at the Ken Jernstedt Airfield, 3604 Airport Drive, Hood River, Oregon (“Leased Premises”). The Leased Premises are identified in the attached “Exhibit A.”

Building Name:	Bow Hangar
Building Address:	3604 Airport Drive
Lessee Suite/Description:	Entire Hangar
Leased Area:	3906 sf
Rentable Area:	3906 sf

- 2. Term.** The Lease shall be binding when both parties sign the Lease. The Lease Term shall be for the period effective on **April 5, 2023** (“Effective Date”) and continuing through **March 31, 2029** (“Initial Term”). Lessee has the option to extend the Lease for 2 extension term(s) of three year(s) each, through **March 31, 2035**, provided that (i) Lessee gives Lessor written notice of Lessee's intent to renew the Lease for the additional term while the Lease is in effect(ii) the Lease is in full force and effect, (iii) Lessee has not been in Default beyond any applicable cure periods more than two times in the last year of the initial term of the Lease, (iv) the creditworthiness of Lessee, as revealed by its most current financial statements, is materially the same as or better than on the date of the Lease, and (v) the current use of the Leased Premises is consistent with the Permitted Use or other use approved by Lessor. 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:	April 5, 2023
Lease Expiration Date:	March 31, 2029
Renewal Options:	Two (2) options; each option for Three (3) years
Renewal Notice Requirement:	Ninety (90) Days

- 3. Allowed Use.** Lessee shall use the Leased Premises for Aircraft storage, maintenance, aviation engineering and related activities. 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. 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 (“Reduced Base Rent” plus “Base Rent Improvement Agreed Value” in the Initial Term) and Additional Rent are referred to collectively as “Rent”.

- 4.1 Reduced Base Rent.** Beginning on the Effective Date, Reduced 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. The Base Rent amount is reduced in consideration of the Base Rent Improvements as further described below.

<u>Suite #</u>	<u>Rentable Area Square Footage</u>	<u>Reduced Rate per s.f. per month</u>	<u>Monthly Base Rent</u>
Bow Hangar	3,906	\$0.30	\$1,171.80

**4.1.1** By no later than the expiration of the Initial Term, and in compliance with Paragraph 10, Lessee shall complete the following improvements (“Base Rent Improvements”) to the Leased Premises in addition to and as consideration for the Reduced Base Rent during the Initial Term. Lessee shall show proof of completion and copies of invoices for all items shown below as completed.

<b>Base Rent Improvement</b>	<b>Agreed Value</b>
Repair exterior siding	\$3,000
Repair garage door	\$4,500
Improve hangar doors	\$25,000
Insulate doors	\$5,000
Install 3ph 480v electrical upgrades	\$25,000
Install drinking water connection from Ice Fountain	\$7,000
Install bathroom fixtures; shower, toilet, sink, heater, ventilation	\$11,000
Install natural gas	\$3,500
Install natural gas heaters	\$9,000
Install ceiling fan(s)	\$2,000
Install internet connection	\$1,500
Insulate hangar walls / ceiling	\$18,000
Install improved lighting	\$3,500
Install secondary man-door	\$3,000
Install interior electrical circuits and panels	\$35,000
<b>Estimated Total</b>	<b>\$156,000</b>

**4.1.2** If after the Initial Term any portion of the Base Rent Improvements are not complete, Lessee shall immediately pay to Lessor the full Agreed Value (set forth above) of any Base Rent Improvements not completed to the satisfaction of Lessor at Lessor’s sole reasonable discretion, or Tenant shall be deemed in default of the Lease. If Lessee shall be in default under the Lease and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to this Lease, then Lessor may at its option, elect, **in addition to any other remedies Lessor may have under this Lease,**

the following remedy: Lessee shall immediately become obligated to pay to Lessor the full Agreed Value of all outstanding Base Rent Improvements plus any and all available Late Fees applied to the outstanding Agreed Value amount calculated from the Commencement Date of this Lease.

**4.1.3 Consumer Price Index (CPI).** Starting on the first anniversary of the Effective Date, and occurring annually thereafter, including any extensions of this Lease, Reduced Base Rent will be adjusted by adding to the monthly Reduced Base Rent amount payable during the previous 12-month period a percentage increase equal to the previous twelve months Reduced 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.

**4.2 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 4.3.1 and Taxes and Assessments as defined in Section 4.3.2. Additional Rent shall be payable by Lessee to Lessor on the first calendar day of each month.

**4.3 Additional Rent Calculation.**

<u>Rentable Area</u> <u>(Square Footage)</u>	<u>Estimated rate per s.f. per</u> <u>month</u>	<u>Monthly Estimated</u> <u>Additional Rent</u>
3,906	\$0.15	\$585.90

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

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

**4.3.1.1.1** General Hangar Exterior Areas maintenance and repairs of paved areas including; resurfacing, painting, restriping, cleaning, sidewalks, curbs, snow removal from parking areas, storm systems, drainage systems and sweeping;

**4.3.1.1.2** Maintenance and repair of landscaping including plantings, irrigation and sprinkler systems, general landscaping maintenance;

**4.3.1.1.3** Services for Building Common Areas such as janitorial, fire suppression, security and door locking system, elevator and HVAC maintenance;

**4.3.1.1.4** General maintenance and repair of Building systems including plumbing, lighting and fixtures, siding and trim, flooring, HVAC, roof and fixtures and garbage service.

**4.3.1.1.5** Property management and administration fees required to enable the Hangar to be used by tenants and maintained.

**4.3.1.2** 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.

**4.3.1.3** 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.

**4.3.2** **Taxes and Assessments.** Lessee shall pay its proportionate share of all actual 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.

**4.3.3** **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, provided Lessee is not in default of the Lease, Lessor shall credit Lessee that over payment amount to apply to the next Fiscal Year Additional Rent amount. Or where the Term of the Lease has expired, refund the amount of overpayment to Lessee. 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 estimated 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 accordingly 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.

The provisions of this Section 4.3. shall survive the termination of this Lease.

**4.3.4 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 estimated Rent amount for the Leased Premises will be on the date of the renewal term if Lessee properly exercises Lessee's option to renew the Lease. The renewal term Base 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. When Lessor notifies Lessee what the estimated renewal term monthly Base Rent amount will be, Lessor will provide Lessee with information Lessor has used to determine the fair market monthly Base Rent amount, in Lessor's opinion. If Lessee exercises Lessee's option to renew the Lease the fair market monthly Base 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 Base 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 Base Rent amount payable beginning of the renewal term, or not, in Lessor's discretion. If Lessor agrees to change the monthly Base Rent amount beginning at the renewal term, that agreement must be in writing signed by Lessee and Lessor.

**4.3.5 Late Charge; Interest.** Rent not paid when due shall bear interest until paid the rate of twelve percent (12%) per annum from the due date until paid. Lessor may impose a late charge of five percent (5%) of the overdue payment (the "Late Charge"). Lessee agrees that late payment by Lessee to Lessor of any Rent or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, that the exact amount of such costs are extremely difficult and impracticable to ascertain, and that the Late Charge is not a penalty but represents a fair and reasonable estimate of the costs that Lessor will incur by reason of any such late payment. The imposition or collection or failure to impose or collect such a Late

Charge shall not be deemed a waiver by Lessor of any other remedies available for Lessee's default of this Lease.

**5. 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 A". 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 Hangar.

**5.1** 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 A.

**6. Parking.** Lessee may park vehicles in Building Exterior Areas designated by Lessor for vehicle parking when parking spaces are available.

**7. Maintenance and Repair.**

Expenses of any maintenance or repair activity that is not considered a Capital Expenditure is an Operating Expense described in section 4.3.1 of this Lease. Lessee shall pay a proportional share (based on its Rentable Area square footage) share of the cost of Lessor maintenance and repair activities as Additional Rent.

**7.1 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 Hangar. 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.

**7.2 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 to the reasonable satisfaction of Lessor and shall cause or permit any waste thereto. 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. Lessee shall be responsible to maintain in good condition Building doors, including the main hangar doors, and door mechanisms, and shall pay for replacements if damaged for any reason. Lessee shall be responsible for repair and replacement of and liable for any damage to the Hangar caused by or related to Lessee's or any Lessee invitee's use of the Leased Premises. Lessee shall maintain a metal drip pan in the Hangar under any parked aircraft engine. All maintenance on aircraft shall be performed by a certified and insured aircraft mechanic. Oily rags and similar materials shall be stored in metal, metal lined or other impervious containers with tight fitting covers. Combustible material shall be removed from the Hangar daily. Notwithstanding, Lessee shall promptly report to Lessor damage or any and all injury occurring in or to the Property.

All Lessee maintenance and repair work shall be performed only by a licensed contractor meeting, at a minimum, Lessee's standard services procurement standards both historically established for the Property and presently maintained for the Property. Lessor shall not be responsible for the cost of any alterations of or repairs to the Property of any nature whatsoever, structural or otherwise, whether or not now in the contemplation of the Parties. If Lessee fails to repair and maintain the Property in good operating order, Lessor reserves the right in its sole discretion to perform the necessary repairs and maintenance of the Property subject to reimbursement from Lessee for the full cost of such repairs and maintenance. Upon written notice from Lessor, Lessee shall reimburse Lessor for the full cost of Lessor's repairs and maintenance, which shall be considered Additional Rent. Lessee shall hold Lessor harmless from any liens that may be placed on the Property. If a lien is filed, Lessee must discharge the lien within twenty (20) days after receiving it. If Lessee fails to discharge the lien, Lessor may procure a discharge at Lessee's expense, which Lessor must immediately pay on demand and may declare a default by lessee.

## **8. Indemnification and Insurance**

**8.1 Lessee Hold Harmless Agreement.** Lessee agrees to indemnify and hold Lessor, Lessor's Port Commissioners, officers, employees and agents harmless from any claims by any persons, firms, or corporations relating to the Leased Premises or from anything done by Lessee at the Leased Premises, and will further indemnify and hold 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, 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.

**8.2 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, including without limitation all common areas. The combined single limit shall not be less than Two Million Dollars (\$2,000,000) per occurrence with a Four Million Dollar (\$4,000,000) 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.

(c) Lessee shall also immediately obtain and keep in force during the remaining Term of Lease workers' compensation insurance in full compliance with applicable state or jurisdictional statutory requirements. Lessee will provide Lessor with a copy of a certificate evidencing such insurance.

**8.3 Waiver of Claims and Subrogation.** Lessor and Lessee each hereby releases and waives any and all rights to recover from or proceed against the other Party and its employees, agents and contractors, for loss or damage to any property of the releasing Party or any person claiming through the releasing Party arising from any of the risks covered by property insurance maintained or required under this Lease to be maintained by the releasing Party under this Lease. Lessor and Lessee shall each cause their insurance policies to contain a waiver of subrogation provision consistent with the foregoing. The above waiver of claims and subrogation applies whether or not there are any deductibles or self-insurance.

**8.4 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.

**8.5 Eminent Domain.** 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.

**9. Lessor Funded Lessee 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.

**10. Lessee 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. Under any circumstance, Lessee agrees to only contract with a Lessor-approved contractor for the performance of such alterations and obtain all necessary governmental permits and approvals and deliver copies thereof to Lessor and pay the full cost for such alterations, additions, or improvements. Lessor may, in its sole discretion, require that Lessee remove any such alterations, wiring, cables or conduit installed by or for Lessee after the Lease Commencement Date and restore the Property to good condition and repair upon expiration or earlier termination of this Lease. All work in the Property by or at Lessee's request

must comply with all applicable Laws. Lessee shall not permit any liens to attach to the Property or Lessee's interest in the Property as a result of any work performed by or at Lessee's request. 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.

**11. 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.

**12. Safety.** Neither Lessee nor Lessee's agents or employees shall cause or permit any Hazardous Material, as hereinafter defined, to be brought upon, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Property, except reasonable quantities of cleaning supplies and office supplies necessary to or required as part of Lessee's maintenance operations that are generated, used, kept, stored, or disposed of in a manner that complies with all laws regulating any such Hazardous Materials and with good environmental practices. Use of combustible materials for maintenance purposes requires Lessee to provide a aviation appropriate, commercial grade fire extinguisher for the Leased Premises. Oily rags and similar materials shall be stored in metal, metal-lined or other approved containers equipped with tight-fitting covers. Combustible rubbish shall be removed from the Leased Premises daily.

**12.1 Hazardous Materials.** Lessee covenants to remove from the Property, upon the expiration or sooner termination of this Lease and at Lessee's sole cost and expense, any and all Hazardous Materials brought upon, stored, used, generated, or released into the environment by Lessee, its agents, employees or invitees during the Term of Lease. To the fullest extent permitted by law, Lessee hereby agrees to indemnify, defend, protect, and hold harmless Lessor, Lessor's Commissioners, officers, agents and employees, and their respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses that arise during or after the term directly or indirectly from the use, storage, disposal, release or presence of Hazardous Materials on, in, or about the Property which occurs during the Term of Lease.

Lessor hereby agrees to indemnify, defend, protect and hold harmless Lessee, and its agents and employees and its respective successors and assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses that arise during or after

the term directly from the use, storage, disposal, release or presence of Hazardous Materials by Lessor, its agents, employees, or contractors on, in or about the Property.

Lessee shall promptly notify Lessor of any release of Hazardous Materials in, on, or about the Property that Lessee, or Lessee's agents or employees, becomes aware of during the Term of Lease, whether caused by Lessee, Lessee's agents or employees, or any other persons or entities. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the state of Oregon or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material," or "waste" under any federal, state or local law, (ii) petroleum, and (iii) asbestos. The provisions of this Section, including, without limitation, the indemnification provisions set forth herein, shall survive any termination of this Lease.

**13. Security.** Lessee agrees to abide by and cooperate with Lessor in the enforcement and implementation of applicable Federal Aviation Administration ("FAA") or Port of Hood River Ken Jernstedt Airfield airport security regulations and measures. Security of the Leased Premises itself shall be the responsibility of Lessee.

**14. Port of Hood River Policies.** The Leased Premises is located at and a part of the Port of Hood River Ken Jernstedt Airfield which is governed by Port of Hood River Ordinance 23 and 2017 Minimum Standards. Lessee is required to follow these two Port of Hood River policies. Any breach of these policies could be cause for termination of this Lease at Lessor's discretion.

**15. FAA Requirements, Laws and Rules.** Lessee for Lessee, Lessee's, agents, contractors, employees, licensees, invitees, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on or at the Leased Premises for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits ("facilities"), Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

Lessee for Lessee, Lessee's agents, contractors, employees, licensees, invitees, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

Lessee agrees to comply with all existing and future laws, ordinances and government rules and regulations applicable to Lessee's occupancy and activities at the Leased Premises, including any related to FAA Port airport grant requirements and other FAA requirements, and to comply with reasonable rules adopted by Lessor.

**16. 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.

**18. 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 pursuant to Section 7 of this Lease 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.

**19. 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.

**20. 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 Hangar and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.

- 21. 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.
- 22. 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.
- 23. Bankruptcy.** Subject to Section 24, the Lease shall not be assigned or transferred voluntarily or involuntarily by operation of law. It may, at the option of Lessor, be terminated, if Lessee is adjudged bankrupt or insolvent, or makes an assignment for the benefit of creditors, or files or is a party to the filing of a petition in bankruptcy, or in case a receiver or trustee is appointed to take charge of any of the assets of Lessee or sublessees or assignees in or on the Premises, and such receiver or trustee is not removed within thirty (30) days after the date of his appointment, or in the event of judicial sale of the personal property in or on the Premises upon judgment against Lessee or any sublessees or assignee hereunder, unless such property or reasonable replacement therefor be installed on the Premises. To the extent permitted by law, this Lease or any sublease hereunder shall not be considered as an asset of a debtor-in-possession, or an asset in bankruptcy, insolvency, receivership, or other judicial proceedings.
- 24. 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.
- 24.1 Remedies on Default.**
- 24.1.1 Termination.** In the event of default, the lease by be terminated at the option of Lessor by written notice to Lessee. Whether or not the Lease is terminated by the election of Lessor, Lessor shall be entitled to recover damages from Lessee for the default and Lessor may reenter, take possession of the Property and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.
- 24.1.2 Reletting.** Following reentry or abandonment, Lessor may relet the Property and, in that connection, may make any suitable alterations or change the character of the use of the Property, but Lessor shall not be required to relet for a use or purpose other than specified in the Lease or which Lessor may reasonably consider injurious to the Property, or any tenant Lessor may reasonably consider objectionable.

- 24.1.3 Damages.** Upon the occurrence of an Event of Default, Lessor's remedies shall be the right to recover: unpaid Rent and amounts owing pursuant to this Lease; all costs incurred by Lessor in restoring the Property to good order and condition to the extent the need for such restoration arises as a direct consequence of an Event of Default; reasonable costs of reentry and reletting without limitation the cost of cleanup, refurbishing, removal of Lessee's property and fixtures, and all actual damages caused by the default, including attorneys' fees and costs. Lessor may periodically sue Lessee to recover damages as they accrue, and no action therefor shall bar a later action for damages accruing thereafter. Notwithstanding any limitation on Lessor's remedies under this Lease, in the event of a breach or threatened breach by Lessee of any of its obligations under this Lease, Lessor shall also have the right to file a claim for specific performance and/or obtain an injunction.
- 24.1.4 Survival.** If the Lease is terminated, Lessee's liability to Lessor for Rent and damages shall survive such termination. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.
- 24.1.5 Lessor's Right to Cure Default.** If Lessee fails to perform any obligation under this Lease, Lessor shall have the option to do so after 30 days' written notice to Lessee. All of Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand with interest at the rate of twelve percent (12%) per annum from the date of expenditure by Lessor. Such action by Lessor shall not waive any other available remedy.
- 24.1.6 Landlord's Lien.** In addition to any statutory landlord's lien and in order to secure payment of the Rent and all other sums payable hereunder by Lessor, and to secure payment of any loss, cost or damage which Lessor may suffer by reason of Lessee's breach of this Agreement, Lessee hereby grants unto Lessor, to the maximum extent permitted by Applicable Law, a security interest in and an express contractual lien upon Lessee's Personal Property (except motor vehicles); and such Lessee's Personal Property shall not be removed from the Property at any time when an Event of Default has occurred and is continuing. The security interest herein granted is in addition to any statutory lien for the Rent Subordination, Attornment and Non-Disturbance. Without further documentation, this Lease shall be subject and subordinate to any deeds of trust, mortgages, ground lease, or land sale contracts and any amendment or modification thereof, now existing or hereafter recorded against the Property (collectively, the "Encumbrances"). Lessee shall execute all documents requested by Lessor or the holder of an Encumbrance to confirm such subordination within ten (10) days after request therefor provided the holder of that Encumbrance recognizes Lessee's rights under this Lease unless Lessee is in default beyond any applicable cure period and provided that all such documents are provided both to Lessee's Notice Address.

- 25. Surrender/Holdover.** Upon expiration or earlier termination of this Lease, Lessee shall surrender the Property, peaceably, quietly, and in as good order and condition, reasonable use



and wear thereof excepted, as the same existed on the Lease Commencement Date. 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. 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.

**26. 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 Andreas von Flotow, 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.

**27. Governing Law and Dispute Resolution.** This Lease shall be governed by and construed in accordance with the laws of the State of Oregon. Any claim, suit, action, counterclaim, or other proceeding ("Claim"), including any bankruptcy proceeding, instituted by either Party against the other in connection with any controversy arising out of this Lease or the Property shall be brought and conducted within the Circuit Court of Hood River County for the State of Oregon. Any dispute involving this Lease may be resolved by court action or, in the alternative, mediation if both parties agree to mediation. 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, 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. If either Party engages a collection agency to pursue any delinquent amounts owed by the other Party, whether under the terms of this Lease or pursuant to a court judgment or other decree, the owing Party shall pay, in addition to all amounts payable under this Lease or pursuant to the court judgment or other decree, all collection agency fees charged to the collecting Party and all attorney fees incurred by the collecting Party in performance of such collection.

**28. Limitation of Liability.** No Personal Liability-Notwithstanding anything to the contrary in this Lease, except to the extent damages are caused by the negligence of Lessor and its agents and employees, Lessee hereby releases Lessor, its agents and employees from (i) damage to Lessee's property, (ii) damage arising out of the acts, including criminal acts, of third parties, (iii) consequential damages, and (iv) any damage, cause or matter that exceeds the value of Lessor's interest in the Property. Lessee agrees that, in the event of any actual or alleged Lessor Default of this Lease or in the event of any other claim or cause of action by Lessee, the recourse of Lessee against Lessor for any damages (over and above damages actually paid by available insurance, if any) will be limited to, and any judgment against Lessor shall be satisfied only out of, the Property; no other assets of Lessor shall be subject to levy, execution or other enforcement procedure for the satisfaction of any judgment in favor of Lessee against Lessor. There shall be no personal liability of the Lessor. Any claims by Lessee against Lessor will be limited to actual damages only and will not, under any circumstances, include consequential damages or punitive damages. In no event shall Lessee have the right to terminate this Lease nor to offset payments due hereunder by reason of a Lessor Default.

**29. 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 \_\_\_\_\_, 2023.

Lessee:	Hood Aero Corp. Inc.	Lessor:	Port of Hood River
Signed:	_____	Signed:	_____
By:	Andreas von Flotow	By:	Kevin Greenwood
Its:	President	Its:	Executive Director
Address:	3650 Airport Drive Hood River, OR 97031	Address:	1000 E. Port Marina Drive Hood River, OR 97031
Email/phone:	(541) 399-2464 <a href="mailto:andreas@hoodtech.com">andreas@hoodtech.com</a>	Email/phone:	(541) 386-1645 <a href="mailto:kevin@portofhoodriver.com">kevin@portofhoodriver.com</a>

**Exhibit A**  
**LEASED PREMISES AND BUILDING EXTERIOR AREAS**



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# SUBLEASE AGREEMENT

This **Sublease Agreement** is made between **Hood Aero Corp., Inc.**, individually as "Sublessor" and \_\_\_\_\_, as the "Sublessee," together referred to as the "Parties." The Parties agree that the Sublessee shall lease from the Sublessor a portion of the Sublessor's interest in the premises located at \_\_\_\_\_ (the "Premises") on the following terms:

1. **SUBLEASE TERM.** The initial term of the Sublease will be a twenty-four-month period, beginning on \_\_\_\_\_. Tenant shall have two one-year options to renew the Sublease.
2. **RENT.** Sublessee will pay Sublessor according to the rent schedule below. Rent will be payable on the first day of each month directly to the Sublessor.

Hood River Bow Hangar	Rentable Area (SF)	3906		
Base Monthly Rent PSF	Estimated Monthly NNN PSF	Estimated Monthly TI Amortization PSF	Total Monthly Rent Months 1-12 PSF	<b>Total Monthly Rent Months 1-12</b>
\$0.30	\$0.15	\$0.96	\$1.41	<b>\$5,507.70</b>

Annual base rent is subject to Consumer Price Index escalation per the terms of the Master Lease.

Monthly triple nets are subject to actual reconciliations, performed quarterly by the Port.

3. **TERMINATION NOTICE.** Sublessee's tenancy can be terminated by sublessor or the Port if Sublessee is then in default as defined in section 3 (a). Sublessee is not responsible for finding a replacement upon the termination of his/her tenancy.
  - a Default is defined as (1) failure to pay rent, (2) failure to comply with terms of the Master Lease, or (3) illegal use of the facility.
4. **SUBLESSEE'S INTEREST IN THE PREMISES.** Sublessee is one of 1 total tenants occupying the Premises under the Sublessor \_\_\_\_\_.
5. **MASTER LEASE.** Sublessee acknowledges that Sublessor has leased the Premises from the Port of Hood River by Lease Agreement entered into by Sublessor and the Port of Hood River, dated effective June 30, 2022 (the "Master Lease"). Sublessee also acknowledges that Sublessor

has received permission from the Port of Hood River, per the terms of the Master Lease and conditioned upon Sublessor and Sublessee agreeing to the terms of this Agreement, to enter into this Sublease Agreement with Sublessee. In addition to the provisions of this Sublease Agreement, the Sublessee agrees to be bound by all the terms, conditions and obligations of Sublessor as lessee in the Master Lease for the Premises , including, but not limited to, Master Lease sections: (i) 8.2, Maintenance and Repair/Lessee's Obligations; (ii) 9, Insurance; (iii) 11, Tenant Alterations; (iv) 12, Fixtures and Personal Property; and (v) 14, Signs. The Master Lease is attached to and incorporated into this Sublease Agreement by and between Sublessor and Sublessee

Nothing herein shall be interpreted as having released the Lessee from its obligations under the underlying lease with the Port of Hood River. The Port of Hood River looks to Sublessor to perform each and every obligation it has under the underlying lease for the Premises . Any and all provisions of the Sublease Agreement which are or may be inconsistent with the provisions of the underlying lease shall be of no force and effect as respects the Port of Hood River.

6. **TERMINATION OF MASTER LEASE.** If Sublessor terminates his/her tenancy in the Premises under the Master Lease, Sublessor will provide 30 days' notice to Sublessee. Sublessee agrees that if the Master Lease is terminated for any reason, this Sublease Agreement will terminate as of the same date.
7. **CONDITION OF THE PREMISES.** Upon the termination of this Sublease Agreement for any cause, Sublessee will leave the Premises in their original good condition. Sublessee is responsible for the repair of any damage resulting from the act or neglect of Sublessee or those persons who are invitees of the Sublessee.
8. **CASUALTY LOSS OF SUBLESEE.** The parties hereto agree that the Port of Hood River, its commissioners and employees and its casualty policy shall not be responsible to the Sublessee for any property loss or damage done to the Sublessee's property, whether real, personal or mixed, occasioned by reason of any fire, storm or other casualty whatsoever. It shall be the Sublessee's responsibility to provide its own protection and insurance against casualty losses of whatsoever kind or nature, regardless of whether or not such loss is occasioned by the acts or omissions of the Port of Hood River, Sublessor, Sublessee, third party, or act of nature.

9. **INSURANCE.** Sublessee shall procure and maintain a comprehensive general liability policy covering all claims for personal injury (including death) and property damage (including all real and personal property located on the Premises) arising on the Premises or arising out of Sublessee's operations. The limits of liability shall be not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) aggregate unless the Sublessee requests and the Port of Hood River approves in writing, a lesser liability limit. The liability policies shall contain a cross-liability provision such that the policy will be construed as if separate policies were issued to Sublessee and to the Port of Hood River. The foregoing insurance policy shall name the Port of Hood River as an additional insured. Lessee shall provide certificates of insurance and, if requested, copies of any policy to the Port of Hood River. Furthermore, the policy of insurance required herein shall: (i) be written as a primary policy; (ii) expressly provide that such insurance may not be materially changed, amended or canceled with respect to the Port of Hood River except upon forty-five (45) days' prior written notice from the insurance company to the Port of Hood River; (iii) contain an express waiver of any right of subrogation by the insurance company against Port of Hood River and its elected officials, employees or agents; (iv) expressly provide that the insurance proceeds of any loss will be payable notwithstanding any act or negligence of Sublessee which might otherwise result in a forfeiture of said insurance; and (v) in regard to physical property damage coverage, expressly provide that all proceeds shall be paid jointly to the Port of Hood River and Sublessee.

10. **SUBLEASING AND ASSIGNMENT.** Sublessee may not lease, sublease, or assign the Premises without the prior written consent of the Sublessor and the Port of Hood River.

11. **COMPLETE AND BINDING AGREEMENT.** All preliminary negotiations between the Parties are merged into, and superseded by, the terms of this Sublease. This Sublease will not be enforceable until signed by both Sublessee and Sublessor. Any modification to this Agreement must be in writing, signed by both Sublessor and Sublessee.

**GOVERNING LAW.** This Agreement shall be governed by the laws in the state of OREGON.

We, the Undersigned, agree to the above stated terms.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2023

Sublessee:

\_\_\_\_\_

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

By: \_\_\_\_\_, Its \_\_\_\_\_

Print Name

Address:

Email/phone:

Consent to Sublease:

Port of Hood River

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

BY: Kevin Greenwood, Executive Director

Sublessee:

\_\_\_\_\_

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

By: \_\_\_\_\_, Its \_\_\_\_\_

Print Name

Address:

Email/phone:



# Commission Memo



Prepared by: Greg Hagbery  
Date: April 4, 2023  
Re: Hood River Soaring Operations Agreement

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Hood River Soaring is a 501(c)3 corporation that provides glider rides, instruction, and services. They have been operating at the Ken Jernstedt Airfield since 2016 and wish to continue. Staff has received a request to renew their Operations Agreement, with a new expiration of March, 31, 2024.

**RECOMMENDATION:** Approve Operations Agreement with Hood River Soaring at the Ken Jernstedt Airfield.

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PORT OF HOOD RIVER OPERATIONS AGREEMENT  
FOR A FLYING ORGANIZATION  
AT KEN JERNSTEDT AIRFIELD

The **Port of Hood River** (“Port”) hereby enters into the following Operations Agreement (“Agreement”) with **Hood River Soaring** a 501(c)3 Oregon non-profit Corporation (“HRS”), whereby the Port grants HRS the non-exclusive right to store, move and operate gliders and tow aircraft at Port owned Ken Jernstedt Airfield (“Airport”). HRS and the Port may be referred to herein individually as a “party” or collectively as the “parties.”

**RECITALS**

1. HRS is a nonprofit glider organization.
2. HRS provides tie-down management for non-organization gliders. Revenues collected are used to maintain the existing HRS fleet, defray the cost of soaring for Hood River’s glider community, and to further HRS’ non-profit mission.
3. HRS collaborates actively with the existing FBO.
4. HRS does not provide instruction to non-organization members, but it does participate in public outreach (i.e.: STEM-related class presentations at local schools, First Friday, etc.)

The parties hereby agree:

**I. DESCRIPTION.** In consideration of the covenants of the parties, the Port grants HSR access to and use of approximately 64,934 square feet of land, known as the “Glider Operations Area” and the “Glider Support Area” for placement and movement of glider aircraft and a tow aircraft in an area at the Airport east of Orchard Road and north of the airport access road (the “Premises”). The Premises is identified in the attached “Exhibit A-1” and the Glider Operations Area and Glider Support Area are identified in the attached “Exhibit B-1” and “Exhibit B-2.” HSR shall only store HSR owned or HRS authorized gliders and tow airplanes and related equipment on the Premises. Any aircraft owned or not owned by HSR located on the Premises shall be the sole responsibility of HSR.

**II. TERM OF AGREEMENT.** The term of this Agreement shall commence on April 1, 2023 (“Effective Date”) continuing through March 31, 2024 (the “Term”) unless terminated earlier by the Port pursuant to Section VII of this Agreement. The Port and HRS may agree to renew this Agreement for an extended period if the Port determines it is appropriate to do so after considering relevant facts, including whether HRS has strictly complied with the terms and conditions of all applicable Port ordinances, regulations and policies, now or hereafter in effect, and the terms of this Agreement.

**III. FEES.** A fee of One Thousand Dollars (\$1,000) shall be paid by HRS to the Port within ten days after the date of this Agreement for the privilege of HRS engaging in activities on

Airport property permitted by this Agreement (“permitted activities”) during the term of this Agreement.

3.1 Additional Charges:

3.1.1 Maintenance. HSR shall be responsible to maintain the Premises in good, clean condition at all times, and to do all landscape maintenance on the Premises. HSR shall not maintain or alter the area from the edge of runway south or east 45 feet.

3.1.2 Utilities. HSR shall pay all monthly or regular charges for power, water and any other public utilities that shall be used in or charged against the Premises.

**IV. USE RIGHTS AND OBLIGATIONS.** Subject to HRS’ complete performance of the payment, other obligations and the terms and conditions of this Agreement, Port grants HRS the following rights:

- a. The general use of all public facilities and improvements which are now or may hereafter be constructed at the Airport, including: non-exclusive use of the runways, taxiways and other airport amenities.
- b. The right to operate a glider organization, including: glider member training, currency flights, flight reviews, check-rides and recreational flights.
- c. The right to tie down up to (12) twelve gliders and one (1) tow plane at one time in the Glider Operations Area, identified on Exhibits B-1 and B-2, which are attached hereto and incorporated herein by reference, using earth anchors as tie downs.
- d. Tie downs for non-HRS owned aircraft parked in the Glider Operations Area will be managed by HRS. Glider owners who park their aircraft in the Glider Operations Area for more than three (3) consecutive days must pay a monthly fee to HRS.
- e. Tie downs will be semi-permanent, auger type tie downs which HRS will be responsible to purchase, install and maintain. Location of such tie downs will be approved by the Port. If at any time, the Port has need to have the tie downs removed, HRS will do so within seventy-two (72) hours of notification of removal from the Port.

**V. OPERATING PLAN.**

5.1 General Operations.

- a. All gliders and tow planes shall be operated in conformance with FAA and AGLA regulations and the rules set forth in any Port ordinance, rule or regulation .
- b. The Port or FBO may suspend or restrict Glider Flight Activities at any time for reasons of safety including, but not limited to, weather, construction, firefighting operations, maintenance, etc. whenever they deem such action to be necessary. No person shall engage in Glider Flight Activities that violates any of the terms of such a suspension or restriction.
- c. No person who owns or controls a glider shall store or park the glider in the Restricted Access Areas unless an emergency exists, written permission is obtained from the Port or FBO, or unless permitted by the terms of a concession agreement.

- d. No person shall engage in any form of ground towing to launch a glider at the Airport, other than using a tow plane connected to the glider, unless the person has written permission from the Port or the FBO to do so, or it is permitted by the terms of a concession agreement.

#### 5.2 Glider Support Area.

- a. The Glider Support Area shall be the only Airport area used by Glider Operators for orientation and registration, waiting and observers, and shall be the only Airport area from which customers are moved to the Glider Operations Area by the pilot or support crew.
- b. Unless the Port gives written permission otherwise, the Glider Support Area shall be the only Airport area used by Recreational Glider Pilots, by their glider passengers, and by support crew to orient passengers and support crew and shall be the only Airport area from which Recreational Glider Pilots, their passengers and support crew are moved to the Glider Operations Area by the Glider Pilots or their support crew.
- c. No person shall place any canopies, picnic tables or other items intended for use by persons involved with or observing Glider Flight Activity in the Glider Support Area other than a person who has received written permission to do so from the Port.
- d. No person shall park a motor vehicle within the Glider Support Area unless located at a place designated for public parking by an official sign, or unless the vehicle has been registered with a Commercial Glider Operator and the motor vehicle is parked in a location within the Glider Support Area designated for parking under a Concession Agreement.
- e. Unless the Port gives written permission, all observers of a Recreational Glider Pilot intending to launch a Glider, their passengers and support crew, shall only meet at the Glider Support Area. All passengers, support crew, pilots and visitors may access the Glider Support Area via Orchard Road from the South. No access shall be allowed across airport property from the north.

#### 5.3 Glider Operations Area.

- a. Unless the Port gives written permission otherwise, the Glider Operations Area shall be the only Airport area used by Commercial Glider Operators and Recreational Glider Pilots, glider passengers and persons assisting them to provide a safety briefing, pre-flight orientation, to answer questions about glider launching and flight, and make final preparations for a Glider to be launched.
- b. No person shall remain in the Glider Operations Area after completing a Glider ride longer than necessary to remove the Glider that has landed from the Glider Operations Area, or in the case of passengers longer than necessary to be transported to the Glider Support Area, unless specifically permitted to do so by the FBO or unless the Port gives written permission to do so.
- c. No person shall place any objects within the Glider Operations Area except tow planes, gliders, and equipment necessary for conducting safe glider operations.

#### 5.4 Glider Launching.

- a. Standard Soaring Society of America (“SSA”) procedures now or hereafter adopted applicable to Glider Flight Activity on land shall be used by all glider pilots, and their assistants, before a Glider is launched and after a Glider has landed, including using appropriate hand signals.
- b. No Commercial Glider Operator or Recreational Glider Pilot or person assisting a Commercial Glider Operator or Recreational Glider Pilot to launch a Glider shall launch a Glider when there is a motor vehicle or aircraft in the area that may cause a risk of damage to the Glider or the motor vehicle or other aircraft. Each Glider pilot and person assisting a Glider launch shall assure that a Glider departure will not conflict with aircraft that are taxiing, taking-off or landing.
- c. Each pilot who is towing a Glider to launch it shall announce their departure on UNICOM frequency prior to take-off roll.
- d. Only a tow plane shall be used to launch a Glider, unless the Glider pilot has written permission from the Port or is permitted by the terms of a Concession Agreement, to do so.
- e. No person shall engage in any form of Glider towing prior to launching a Glider at the Airport other than using a tow plane. The use of a golf cart-tow for glider taxi to/from parking and for pre-launch staging is only to be performed by HRS Club members who have been trained and approved by ground crew.

**VI. INSURANCE.** HRS agrees that during the Term of this Agreement HRS will keep the following policies in effect with respect to permitted activities. The policies shall name the Port as additional insured; expressly include Port commissioners, officers, employees, and agents as additional named insured; and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Port at least ten days prior written notice. The insurance shall also expressly provide for the defense of the Port in any action arising out of HRS’s activities at the Airport or pursuant to this Agreement. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by the Port, which approval shall not be unreasonably withheld. A copy of the policy or certificate of insurance shall be delivered to the Port prior to commencing operations allowed under this Agreement.

6.1 Airport General Liability. HRS shall obtain and maintain minimum coverage of one million dollars (\$1,000,000.00) single occurrence limit with an aggregate limit of \$2,000,000.

6.2 Workers’ Compensation. HRS shall provide the Port with a complete list of all HRS’s employees prior to commencing permitted activities, and promptly provide the Port with an updated list of all HRS’s employees if HRS hires an employee after commencing permitted activities. HRS shall provide workers compensation coverage for HRS’s employees, as required by ORS 656.017. Prior to commencing permitted activities, and thereafter whenever a new employee is hired by the HRS, HRS shall provide the Port with proof that workers compensation coverage is in effect for all HRS’s employees.

6.3 Aircraft Passenger liability. HRS shall obtain and maintain minimum coverage of one million dollars (\$1,000,000.00) aggregate with one hundred thousand dollars (\$100,000.00) per passenger.

## **VII. HRS COMPLIANCE WITH APPLICABLE REQUIREMENTS**

7.1 Compliance Generally. Airport and public safety are of primary importance in the performance of permitted activities. HRS agrees to comply with:

- a. All Federal and State statutes and ordinances whenever enacted; and ordinances, regulations and policies imposed by the Port, which ordinances, regulations, and policies exist now or are promulgated or modified at any time during the term of this Agreement;
- b. All terms and conditions of this Agreement;
- c. Port requirement that any employee, agent or other person in any way affiliated with HRS must possess a valid, appropriate Federal Aviation Administration (“FAA”) commercial license when engaging in instruction or other flight activity which requires such a license.

7.2 Compliance with Port Ordinance 23 and Minimum Standards. Prior to signing this Agreement, HRS has received and reviewed a complete copy of Port Ordinance 23 and Minimum Standards including attached Exhibits. HRS acknowledges that all terms are reasonable, and agrees to comply with each provision with both documents as currently enacted or as modified during the Term of this Agreement.

7.3 Compliance with FAA Requirements, Laws and Rules. For purposes of this paragraph 7.3, HRS shall be described as a “Lessee”.

7.3.1 Lessee for Lessee, Lessee’s heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on or at the premises for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits (“facilities”), Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

7.3.2 Lessee for Lessee, Lessee’s heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that imposed by or pursuant to 49 CFR Part 21,

Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

7.3.3 Lessee agrees to comply with all existing and future laws, ordinances and government rules and regulations applicable to Lessee's occupancy and activities at the Leased Premises, including any related to FAA Port airport grant requirements and other FAA requirements, and to comply with any regulations or rules adopted by Lessor.

## **VIII. ENFORCEMENT**

8.1 Procedures. HRS hereby agrees to the following procedures and penalties applicable to enforcement of Port ordinances, regulations, policies and the terms of this Agreement.

8.2 Notice. If the Port alleges a violation of Port Ordinance 23, any other applicable ordinance, regulation or policy and/or breach of any provision of this Agreement, the Port shall notify HRS in writing ("Violation Notice"). A Port Violation Notice shall include a copy of any statement by, or filed with, the Port describing the alleged violation and/or breach. For the first violation and/or breach, or at the Port's discretion, the Violation Notice may state that it is only a warning, with no further Port action to be taken. If action is to be taken, the Violation Notice will set a date, time and place at which HRS may present evidence concerning the violation and/or breach ("Hearing").

8.2.1 Length of Notice. The Hearing date shall be not less than five business days after the date of the Violation Notice. HRS and the Port may mutually agree on a different Hearing date and time than stated in the Violation Notice.

8.3 Hearing. At the Hearing, HRS may deny the violation and/or breach, or explain mitigating circumstances, and may produce relevant evidence. The Port Executive Director or person designated by the Executive Director ("Hearing Officer") shall conduct the Hearing, and consider all evidence presented by HRS, and any other evidence received concerning the violation and/or breach. The Hearing Officer may consult with one or more members of the Port Airport Advisory Committee or the Port Commission about the violation and/or breach before deciding. HRS's failure to appear at the Hearing, or to provide a written denial or explanation prior to the Hearing, will be considered an admission that the violation and/or breach occurred, and consent that the Port may take whatever action the Port deems appropriate as a result. The Hearing Officer's decision about the violation and/or breach and the penalty, if any, shall be in writing ("Enforcement Order"), and shall be final when signed by the Hearing Officer.

### 8.4 Penalties for Non-Compliance.

8.4.1 Legal Remedies. HRS hereby agrees to pay \$250 for each violation of Port Ordinance 23, or any other applicable Port ordinance, as determined by the Hearing Officer, within the sole discretion of the Hearing Officer, as a breach of contract remedy entitling the Port to liquidated damages pursuant to Section VII of this Agreement. If HRS violates any Port ordinance, regulation, rule and/or breaches any term of this Agreement the Port shall also have



the right to enforce any applicable legal remedy allowed under the laws of the State of Oregon including, but not limited to termination of this Agreement or injunctive relief.

8.4.2 Termination of Agreement. HRS hereby agrees that the Port may terminate this Agreement at any time if HRS is found to have breached any condition of this Agreement, or violated any Port ordinance, rule or regulation, after notice and a hearing, as provided herein. If this Agreement is terminated, HRS shall immediately cease all activities theretofore permitted under this Agreement and shall receive a refund of a prorated portion of the fee paid as HRS's sole and exclusive remedy resulting from termination. HRS agrees Port termination of this Agreement shall be a sufficient reason for the Port to refuse to renew this Agreement and to refuse to grant HRS a future operations agreement.

8.4.3 Failure to Comply with Enforcement Order. If HRS fails to immediately comply with any Enforcement Order issued by the Hearing Officer after Notice and Hearing, the Port may use any means allowable under the laws of the State of Oregon to enforce the Enforcement Order.

8.5 Liquidated Damages. Both HRS and Port agree that it would be impracticable and extremely difficult to ascertain the amount of actual damages caused by HRS's failure to comply with this Agreement. HRS and Port therefore agree that, in the event it is established, pursuant to the Enforcement provision of this Agreement set forth in this Section VIII, HRS has breached this Agreement, HRS shall pay to the Port, as liquidated damages, Two Hundred Fifty Dollars (\$250) for each breach, as determined by the Hearings Officer. HRS also agrees that nothing in this Section is intended to limit Port's right to obtain any other applicable remedy under the laws of the State of Oregon.

**IX. ADVERTISING.** HRS shall not display any advertising, including signs or banners, on Port property, other than on HRS's vehicles or aircraft, without Port's prior written consent.

**X. VEHICLES AND AIRCRAFT.** Prior to commencing permitted activities HRS shall provide the Port with a complete list of vehicles (make, model, and license plate number, when applicable) and aircraft (type, "N" number", ownership) HRS will use for permitted activities. If HRS uses a different motor vehicle or aircraft during the term of this Agreement HRS shall promptly notify the Port and identify that motor vehicle or aircraft. No vehicles or aircraft other than HRS permitted vehicles may be used on the Premises without prior written Port permission.

**XI. INDEMNIFICATION.** HRS agrees to release, indemnify and hold harmless the Port and its Commissioners, agents, officers, employees, and successors from and against any and all liability, damages, business interruptions, delays, losses, claims, judgments of any kind whatsoever including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or caused to, the Port by reason of loss or damage to any property or injury to, or death of, any person arising from or by reason of HRS's use of the Airport. HRS shall further indemnify and hold harmless the Port from and against any and all claims, costs and expenses arising out of any act or omission of HRS or of HRS's agents, employees, contractors, partners, or invitees; and from and against all costs, attorney fees, expenses and liabilities incurred by the

Port as the result of any such use, conduct, activity, work, things done, permitted or suffered, breach, default or negligence, including but not limited to the defense or pursuit of any claim or any action or proceeding resulting therefrom. In case any action or proceeding is brought against the Port because of such matter, HRS, upon notice by the Port, shall defend the same at HRS's cost. The Port need not have paid any such claim to be so indemnified. HRS, as a material part of the consideration to the Port, states that it hereby assumes all risks of theft, loss, injury, damage or destruction of HRS's property or injury to HRS, or HRS's agents, contractors, employees, invitees, clients, partners, and successors in, upon or about the Airport arising from any cause and HRS hereby waives all claims in respect thereof against the Port.

**XII. FORCE MAJEURE.** HRS agrees that the Port shall not be liable for failure to perform this Agreement or for any loss, injury, damage or delay of any nature whatsoever caused by or resulting from any act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, pandemic, civil disturbance, war or any other cause beyond its control.

**XIII. WAIVER.** One or more waivers of any covenants or conditions of this Agreement by the Port shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by the Port to any act by HRS requiring Port's consent or approval shall not be construed as consent or approval to any subsequent act by HRS, unless the permission so states.

**XIV. BINDING ON EMPLOYEES.** The terms and conditions of this Agreement shall be binding on HRS and HRS's employees, contractors, agents, tenants, and any entity or person affiliated in any way with HRS.

**XV. NO ASSIGNMENT.** HRS agrees not to assign or in any manner transfer any rights granted by this Agreement without the previous written consent of the Port, which the Port may grant or withhold in the Port's sole discretion.

**XVI. NOTICE.** Any notice, request, consent, approval, demand or other communication to be given, made or provided for under this Agreement shall be in writing and deemed to be fully given by its delivery personally to the person or persons specified below or one day after actual receipt after being sent by certified mail, return receipt requested, to the following addresses, or to such other addresses or to the attention of such other persons as any party hereto shall hereinafter specify by written notice to the other party.

If to Port:

Port of Hood River  
Attn: Kevin Greenwood  
Executive Director  
1000 Port Marina Drive  
Hood River, OR 97031

If to HRS:

Hood River Soaring  
Attn: Ron Montague  
President  
1640 4<sup>th</sup> Street  
Hood River, OR 97031

**XVII. ENTIRE AGREEMENT.** This Agreement, including all other documents referred to herein which form a part hereof, contains the entire understanding of the parties hereto with

respect to the subject matter contained herein. There are no restrictions, promises, warranties, covenants, or undertakings, other than those expressly set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter of this Agreement.

**XVIII. GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

**XIX. COUNTERPARTS.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile signature shall have the same force and effect as an original.

**XX. SEVERABILITY.** In the event that any provision of this Agreement, or any portion thereof, is held by a court of competent jurisdiction to be unenforceable or invalid, the validity and enforceability of the enforceable portions of any such provision and of remaining provisions shall not be adversely affected.

**XXI. AUTHORITY TO EXECUTE.** Each of the persons executing this Agreement represents and warrants that they he/she have the authority to execute this Agreement on behalf of, and to bind, the entity they purport to represent, and agrees to indemnify and hold the other party harmless in the event such authority is found lacking.

**XXII. ADVICE OF COUNSEL.** In signing this Agreement, the parties hereto acknowledge that they have sought and obtained, or waived the opportunity to obtain, advice of counsel as to any and all matters contained in this Agreement, and that they fully understand and agree with the obligations and other matters contained herein.

**XXIII. AMENDMENTS IN WRITING.** This Agreement may not be modified, amended, altered or supplemented except by a writing executed by all parties to this Agreement.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2023.

HOOD RIVER SOARING

PORT OF HOOD RIVER

\_\_\_\_\_  
Ron Montague, President

\_\_\_\_\_  
Kevin M. Greenwood, Executive Director

Exhibit A-1  
Premises



Exhibit B-1  
Glider Operations Area & Glider Support Area

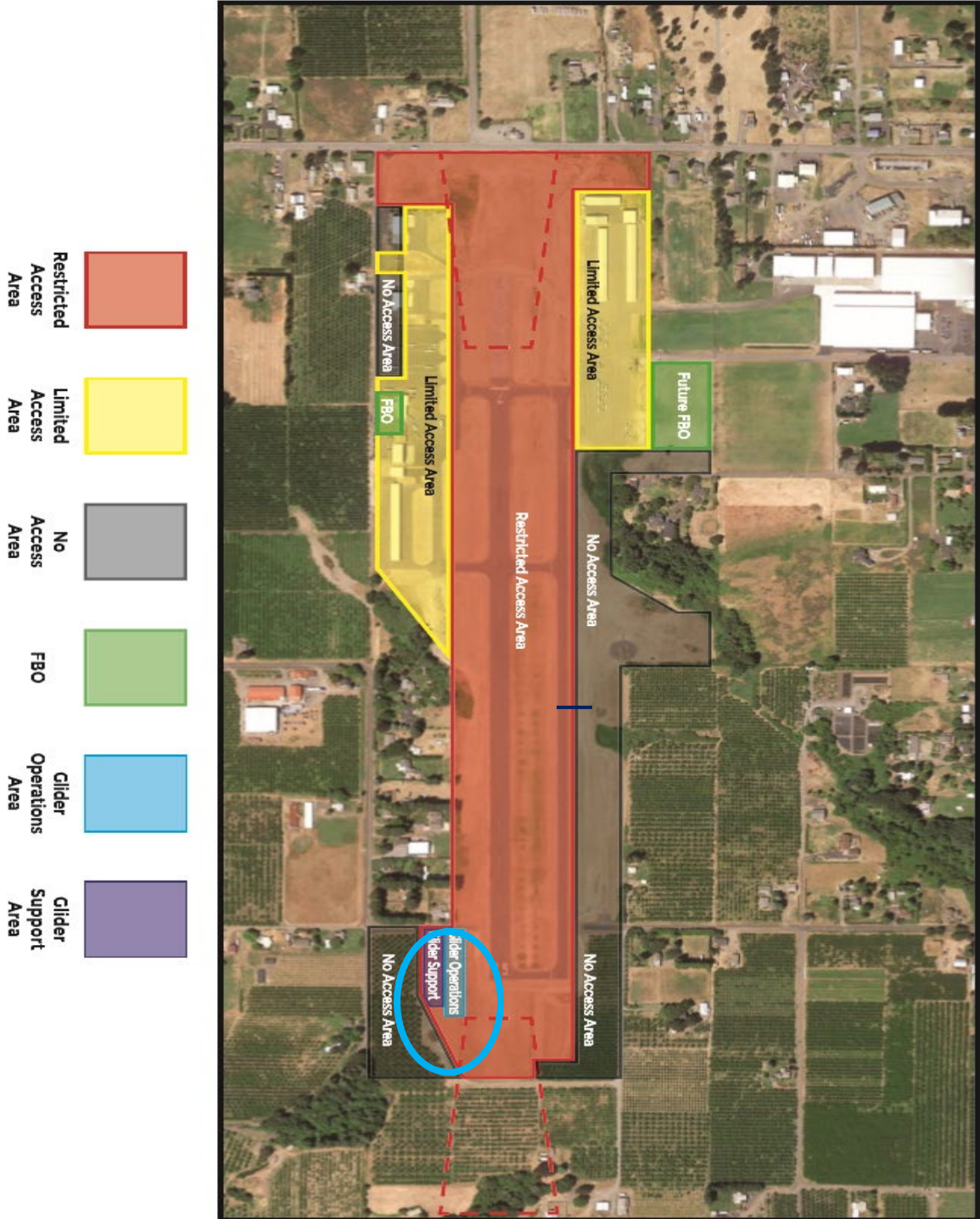


Gliders Operations  
Area



Glider Support  
Area

**Exhibit B-2  
Glider Operations Area & Glider Support Area**



# Commission Memo



Prepared by: Genevieve Scholl  
Date: April 4, 2023  
Re: Duncan Solutions

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The Waterfront Parking Plan was first implemented in late June of 2018. Adjustments to the rate and fee schedule, rules and fines, and management of zones and kiosks have been made each year since implementation. The original 2018 Goods & Services contract with Duncan Solutions (Duncan) provided the software systems required for parking enforcement and subcontract service agreements with CivicSmart and Professional Account Management (PAM). CivicSmart provides the hardware for the enforcement officers' handheld units and the mobile app support. PAM provided payment processing for parking citations, as well as collections processing.

The master contract with Duncan expires at the end of this month. The attached Amendment to the Agreement extends the contract through April 30, 2026 and removes the citation payment processing provision, which the Port will now handle in-house. Further, the Amendment enables the Port to provide its own phones for the handheld units, and replaces the printers with a much less expensive option. The Amendment provides cost savings of \$1,700 fixed upfront and \$2,245 fixed monthly costs versus the prior costs of \$37,428 fixed upfront and \$2,295 fixed monthly costs. In addition to these savings, removal of the kiosks would save a minimum monthly cost of \$1300.

**RECOMMENDATION:** Approve Amendment to the Goods & Services Agreement with Duncan Solutions for the paid parking enforcement system on the waterfront.

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## SERVICES AGREEMENT

### Amendment to the Goods and Services Agreement

THIS AMENDMENT to the Goods and Services Agreement is made and entered into by and between The Port of Hood River (the “Client”) and Professional Account Management, LLC (“PAM”).

WHEREAS, the Client and PAM entered into the Goods and Services Agreement on or about April 10, 2018, as amended (the “Agreement”) for which Client contracted with PAM to manage the processing and collection of Client’s parking citation accounts and debts (“Parking Services”);

WHEREAS, the Client and PAM amended the Agreement on or about April 9, 2020 to add Tolling Services (see Amendment #002);

WHEREAS, the Client and PAM desire to further extend the Agreement and modify pricing for citation issuance hardware and software.

NOW THEREFORE, the parties hereto agree as follows:

#### 1. Term

The term of the Agreement shall be extended for three (3) years, ending on April 10, 2026. For the avoidance of doubt this extension shall apply to the entire Agreement as amended, thus extending the Agreement for both Parking Services and Tolling Services.

#### 2. Schedule A – Pricing Summary

Schedule A, B and C – Pricing Summary is hereby deleted in its entirety and replaced with the following Schedule A, B and C - Pricing Summary. For the avoidance of doubt, the revised Schedule A, B and C are only applicable to Parking Services. The fees and pricing for Tolling Services are not changed by this Amendment.

#### 3. Miscellaneous

This Amendment may be executed in one or more counterparts, which may be exchanged by electronic transmission (including by email), each of which will be deemed an original, but all of which together constitute one and the same instrument. Except as amended and/or modified by this Amendment, all other terms of the Agreement shall remain in full force and effect, unaltered and unchanged by this Amendment.

**SERVICES AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Amendment.

PORT OF HOOD RIVER

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

PROFESSIONAL ACCOUNT MANAGEMENT, LLC

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## SERVICES AGREEMENT

### SCHEDULE A – PRICING SUMMARY

Citation Processing Services			
Description	Upfront	Ongoing	Includes
Parking Management Software	-	\$2,000.00 per month	Full citation processing software suite, training, hosting, and ongoing support as described above
Web/IVR Payment Convenience Fee (Paid by Motorist)	-	\$2.95 per citation paid via web or IVR systems	Hosted payment website and IVR systems as described in the table above
Postage for Processing Notices	-	\$0.491* per letter sent	Direct pass-through costs for all letters sent  *USPS charge as of 3/1/23, subject to increase over the life of the contract

Delinquent Special Collections			
Description	Upfront	Ongoing	Includes
Special Collection Fee	-	30.00% of revenue collected	A full-service secondary collections process following after assignment to collection agency (90 days) <ul style="list-style-type: none"> <li>• Notice generation</li> <li>• Target population analysis</li> <li>• Effectiveness reports</li> <li>• Skip tracing</li> <li>• No name and address research</li> <li>• Outbound Calling</li> </ul>

## SERVICES AGREEMENT

Parking Enforcement Equipment			
Description	Upfront	Ongoing	Unit
Mobile Enforcement Application & Warranty	-	\$225.00 Per unit per month	<ul style="list-style-type: none"> <li>• City to provide Samsung Galaxy S22 Ultra Phones and related accessories</li> <li>• Includes AutoISSUE Software Maintenance, AutoISSUE Hosting, Real-time Interface Integrations, Extended Hours Support Desk Services, PEMS Hosting, Disaster Recovery, and AirWatch Remote Management Subscription. excludes</li> <li>• Zebra Care Warranty, 5 years total, Standard w/Comprehensive coverage for printers</li> </ul>
ZQ510 Printer and Accessories	\$850.00 Per Unit	-	Zebra ZQ500 Series Printer Accessories with
5G LTE Wireless Services	-	-	Wireless Communication Services to be <b>provided by the city</b>
License Plate Recognition Framework	Not Applicable	\$20.00	Enhanced LPR Plate Scan and Integration
<b>Total</b>	<b>\$1,700.00</b>	<b>\$245.00</b>	Complete enforcement system configured to the Port's specifications and integrated with Cale's MSMs for violation identification through LPR.

## SERVICES AGREEMENT

### Terms and Conditions

1. The Port will be responsible for all postage costs associated with the mailing of Port notices mailed prior to assignment to special collections. Vendor is responsible for postage costs following assignment to special collections.
2. All post-implementation changes or enhancements requested by the Port will be performed by Duncan on a time and materials basis. The billing rates to be used will be the rates in place when the work is completed. All requests for systems changes and/or enhancements will be submitted in writing by the Port, from which Duncan will furnish an estimate.
3. Consumables, including ticket stock, receipt paper, printer ink cartridges and toner will be provided by, or purchased by, the Port.
4. The above pricing is based on a three (3) year contract term. In the event the Port requests a different term or an alternate structure, we will also need to evaluate impact on the prices contained herein.

## SERVICES AGREEMENT

### SCHEDULE B - PROCESSING SERVICES

1. Referral and Reconciliation. PAM shall receive and process parking citations that Client mails or otherwise delivers to it. Client shall deliver, mail, or transmit all parking citations on a daily basis. PAM will provide a daily reconciliation of the number of citations delivered by Client.
2. Computer Programs and Hardware. PAM will provide all software, written procedures and other supporting items required in performance of this Agreement. PAM shall be responsible for the warranty and maintenance of all hardware and software including AutoPROCESS. Client is responsible for any damage, loss, and/or theft of any/all computer hardware, software, and/or equipment used by Client at Client's location. Client will provide insurance coverage for such equipment as described herein.
3. Base Processing. Notice of illegal parking or violation (collectively, Citations) issued by Client, whether through AutoPROCESS or manually, will be entered into PAM's system and cleared upon payment or other disposition.
  - a. Requests for Registered Owner information will be sent to the appropriate Departments of Motor Vehicles (DMV).
  - b. Delinquent notices, as required, will be generated and mailed by PAM to the Registered Owner including the penalty or fine amount. Payments by mail will be made directly to PAM.
  - c. DMV registration liens will be placed on vehicles having unpaid fines and fees in compliance with the Oregon Vehicle Code and other applicable state and local laws. DMV liens shall be removed through DMV when the entire amount of parking citation fines, fees, and penalties due against the vehicle are satisfied. No extra processing charge will be made for a citation not correctly processed and subsequently corrected and re-entered into the database.
4. Suspension of Processing. PAM shall suspend processing any citation referred to it upon written notice to do so by Client. PAM shall maintain records indicating any suspension result.
5. Computer System. PAM will provide Client with internet inquiry capability at the Client location for retrieval of parking citation information. Three (3) user licenses will be installed at the Client location. Client is responsible for all internet connection or other related costs.
6. Collection and Deposit of Citation Processing Funds. The Client, collect and deposit monies received for the payment of parking citation fines and fees into a parking account with a financial institution in the name of the Client. Costs related to such account are the sole responsibility of Client.
7. Collection and Deposit of Collection Funds. At the direction of Client, PAM shall collect and deposit monies received for the payment of parking citation fines and fees into a parking account with a financial institution local to and in the name of Client for only those accounts referred to collections. Costs related to such account are the sole responsibility of Client.
8. Collection Disbursement. PAM shall disburse to Client on a monthly basis, all monies on deposit from the payment of parking citation fines and fees. Disbursement will made after the close of the processing month beginning the month following the Agreement date.
9. IVR and Internet Payments. PAM shall provide the public with the ability to pay parking citations using an accepted credit card via an Interactive Voice Response (IVR) system or the internet. The cost for these services, including credit card discount fees, will be recovered by PAM in the form of a convenience fee assessed to the violator for each citation paid.

**SERVICES AGREEMENT**

# SERVICES AGREEMENT

## SCHEDULE C – COLLECTIONS SERVICES

### 1. Performance by Client

- 1.1. Authority to Collect. Client hereby authorizes PAM to use any legal means necessary to collect Debts placed with PAM by Client.
- 1.2. Ownership of Debts. Client maintains ownership of all Debts placed with PAM for collection under this Agreement. Client maintains all legal right and title to Debts unless otherwise agreed in writing between the Parties.
- 1.3. Duty to Provide Information. Client agrees to provide PAM with all information obtained regarding each Debt placed with PAM under this Agreement. It is the obligation of Client to provide PAM with all information that may prohibit or delay the collection of the Debt or in any way impact the ability of PAM to collect the Debt, including but not limited to bankruptcy, death, legal disability or other potential or actual defenses, including statute of limitations defense.
- 1.4. Warranties. Client warrants that, to the best of Client's knowledge, the Debts placed with PAM have been reviewed by Client in accordance with this Agreement prior to transfer to PAM, and that the balances reported to PAM are true and accurate, that all obligors on Debts have been disclosed and that all disputes and defenses of debtors have been reported to PAM.
- 1.5. Notice of Dispute. Client will inform the PAM in writing, or by such other means as the Parties may expressly mutually agree from time to time, of any Debts subject to this Agreement that have been or are in dispute. Disputes under this provision include oral and written indications and statements by the debtor or any third party that the Debt is in dispute, and includes but is not limited to a request for validation of the Debt. If such dispute is made in writing by debtor, Client will notify PAM of the date of the writing and provide PAM with the original written dispute or a copy thereof.
- 1.6. Continuing Obligation. Client will continue to provide the most current version of the information required under this Agreement throughout the Term and any Extension.
- 1.7. Authorization to Receive and Endorse Payments. Client authorizes and appoints PAM to collect and receive all payments due or payable to Client for Debts placed with PAM. PAM has authority to receive payments in any form including but not limited to cash, check, money order, or electronic payment and has authority to endorse all such payments as may be required.
- 1.8. Authorization to Investigate. Client expressly authorizes PAM to perform investigative services related to ordinary debt collection activities.

### 2. Performance by PAM

- 2.1. Agreement to Collect. PAM agrees to provide debt collection services to Client in compliance with all applicable laws, regulations, licensing and bonding requirements.
- 2.2. Documentation of Accounts/Financial Reporting. PAM will provide monthly, detailed reports of collection activity related to Debts. The reports include the principal amount of the Debt; amounts collected to date including any allowable fees, costs and interest; dispute information, requests for validation by debtor; agreements by the debtor regarding future payments, bankruptcy, death or legal disability of the debtor, amount of commission retained by PAM, amount remitted to the Client and amount remitted to others under this Agreement.
- 2.3. Insurance and Bond Coverage. PAM will maintain at least the minimum level of insurance and bond coverage required by ACA or state law, whichever is greater, in all jurisdictions in which engaged in collection activity under this Agreement.
- 2.4. Trust Account. PAM warrants that it will maintain a trust account as required by state law while PAM is engaged in collection activity under this Agreement.
- 2.5. Methods and Compliance. PAM uses ordinary and reasonable collection efforts as permitted by law and will at all times comply with the Fair Debt Collection Practices Act (FDCPA), the Fair Credit Reporting Act



## SERVICES AGREEMENT

(FCRA) and all applicable state, federal and local laws and regulations applicable to collections under this Agreement.

3. Legal Process. Client reserves sole right and authority to place Debts in litigation, including Debts subject to a forwarding agreement. Client may authorize PAM in writing to retain an attorney and commence litigation on behalf of Client, subject to separate terms and conditions mutually agreed in writing between the Parties. At no time, nor in any case, does PAM accept any responsibility or liability for any expenses, fees, or damages or any costs or liability related to legal process or use of an attorney to collect Debts.
4. Cost and Fees
  - 4.1. Collection Fee. The cost of collection services described in this Agreement is percentage-based contingent on Debts collected. A Debt placed for collection with PAM or with an attorney to obtain judgment or otherwise satisfy payment of the Debt is subject to a fee of 30% of the amount actually collected (Collection Contingency Fee) by PAM. The Collection Fee is in addition to any and all other costs including but not limited to court costs, sheriff's fees, interest, late fees, investigatory fees, or other costs incurred directly or indirectly by PAM in collection of amounts owed under this Agreement.
  - 4.2. Interest and Fees on Debts. Client hereby authorizes PAM to add interest, civil penalties, litigation and legal process fees, court costs, attorney fees and other such expenses relating to the collection of Debts as provided by law or debtor contract and to collect this amount from the debtor. Such amounts are considered part of the total original amount placed for collection.
  - 4.3. Remittance. Amounts due Client based on one (1) calendar month of collections will be remitted to Client by the fifteenth (15<sup>th</sup>) day of the following month. PAM will provide a report of collection activities to Client, up to and including the date of any expiration or termination of this Agreement within thirty (30) calendar days of expiration or termination.
  - 4.4. Reimbursement and Set off. Any fees, costs or expenses incurred by PAM in the course of collection of Debts will be set off against amounts due Client for Debts collected. Should funds collected be insufficient for payment in full through set off, Client understands and acknowledges that PAM will invoice Client for all such costs and expenses.
5. NSF and Disputed Payments. In the event that any Debts reported to Client as paid are subsequently returned NSF or reversed as disputed, PAM will reverse the amount of such Debt payment and all fees taken on such payment from the current month's billing statement.
6. Authorization To Forward Accounts. PAM may forward any of Client's Debts to another collection agency if the debtor has moved out of the general business area of PAM, and such other collection agency shall have authority to exercise all ordinary and reasonable collection efforts as permitted by law, and shall remit any payments made to PAM less agreed commissions, and PAM shall then remit to Client less any agreed commissions.
7. Right To Withdraw Accounts or Termination. Client may request the return of any Debts not yet collected provided thirty (30) calendar days advance written notice (Notification Period). PAM agrees to return Debts not collected by the end of the Notification Period along with appropriate financial records of the Debts including amounts collected, commission retained, additional fees, interest and charges added, and a detailed statement of expenses incurred by PAM on behalf of Client. In the event of termination of this Schedule or the Agreement, the Client will pay all amounts due under this Agreement on Debts that have been collected through the end of PAM's business day on the date of termination.
8. Assignment and Process. PAM will accept assignment of Debts in accordance with the following business rules;
  - 8.1. Have reached delinquent status
  - 8.2. where first notice mailed
  - 8.3. all penalties applied
9. Collection Letters. PAM will propose collection letters to Client for review, edit and approval. Collection letter types may include Notice of Assignment to Collection Agency, Demand for Payment, Pending DMV Hold, Pending Tax Offset (where applicable), or Pending Credit Bureau Placement.
10. Skip Tracing. PAM will provide skip trace services where required to locate violators a current address for all Debts.

## SERVICES AGREEMENT

11. Customer Service. PAM will provide a toll-free Customer Service number listed on all correspondence for violators to contact PAM for any reason.
12. Debtor Dispute Resolution. PAM will provide dispute resolution services, in accordance with business rules established by Client, to review violator claims of non-liability and forward accounts to Client where PAM has determined a valid reason for dismissal. Client, at its sole discretion, will make final decisions on such matters and update the AutoPROCESS System to reflect such decision.
13. Lockbox Remittance Processing. All PAM Collection letters include a return remittance envelope addressed to PAM's remittance processing center. PAM will provide lockbox remittance processing of all payments and update the AutoPROCESS System on a daily basis.
14. Bank Account. PAM will maintain a bank account in the name of PAM and Client (Bank) for deposit of all revenue received directly from lockbox, internet and IVR payment sites. The Bank will be available for inspection at any time by Client through on-line access.

# Commission Memo



Prepared by: Debbie Smith-Wagar, Finance Director  
Date: April 4, 2023  
Re: Radcomp, Task Order 1

---

Task Order 1 is an addendum to the Port’s contract with Radcomp for information technology services. The Port has had its computer data stored on a virtual server managed by PSquare LLC, which also provides the bridge tolling software and management. This data was moved to PSquare when it was determined that the Port’s existing hardware (network server) was approaching its end of life a few years ago. PSquare now desires to have the Port transition its data off of their server as soon as is reasonably feasible.

Radcomp has provided a “not to exceed” estimate for acquiring a new server for the Port and transferring the data to that server in the amount of \$36,807. This is budgeted in the current fiscal year budget under “Administration” in the Revenue Fund.

**Recommendation:** Approve Task Order 1 with Radcomp, not-to-exceed \$36,807 server upgrade and data migration.

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**Port of Hood River**

**Site: Main**

**New Server Hardware**

**Quote #049191**

Version 1

**RADCOMP Technologies**  
**866-490-2426**  
**1000 E Jewett Blvd**  
**PO Box 69**  
**White Salmon, WA**

## Scope of Work

### **PoHR – New Server Hardware Scope of Work**

#### **Purpose:**

- Move virtual machines off PSquare infrastructure and onto the Port of Hood River's own hardware.
- Create Terminal Server for remote users. This will eliminate the need for each end user to have a Desktop and Laptop setup.

#### **At RADCOMP Technologies**

- Unbox and stage server hardware.
- Setup/confirm RAID array and logical drive configuration.
  - 2 SSD in RAID 1 – create a pool for the OS (125GB)
  - 5 – 1.2 TB SATA drives in RAID 5 – this pool is reserved for data
- Install Windows Server 2022 Standard
- Server name = “PoHR – HV01”
- Install latest version of HP SPP - Drivers and firmware updates/installs.
- Install Hyper-V role.
- Install BitLocker and SNMP features on server.
- Configure SNMP settings and enable SMA service on Hyper-V host.
- Enable RDP access.
- Enable BitLocker server. Document encryption in ITG; print physical copy and place in vault in “Day Surgery Center” folder.
- Install Radcomp specific tools (monitoring agents, AV product, etc)
- Install NetTime app to synchronize clocks on server.
- RADTrack - document and update names in DRMM with RADTrack ID.
- Configure static IP address for server.
- Create the following VMs to the new hardware:
  - PoHR – AD/DNS
  - PoHR – File Server
  - PoHR – Accounting
  - PoHR – Marina
  - PoHR – Terminal Server
- For the virtual machines above:
  - Hardware allocation discussed in project meeting.
  - Review the current set up for the first 4 virtual machines and create a environment for Radcomp to start fresh and build from the ground up.

Prices subject to change, based upon total purchase. All delivery, training or consulting services to be billed at service rates in effect at time of service. Generally all hardware computer components proposed above are covered by a limited one-year warranty FROM THEIR MANUFACTURER. We specifically disclaim any and all warranties, express or implied, including but not limited to any implied warranties or with regard to any licensed products. We shall not be liable for any loss of profits, business, goodwill, data, interruption of business, nor for incidental or consequential merchant ability or fitness of purpose, damages related to services or products listed here.

- This will require multiple meetings with department heads to investigate what applications are still being used and which can be removed.
- Terminal server – will be used by up to 5 users at 1 time. The hardware allocation should reflect that for 5 users at 1 time.
- Terminal server users will be provided by POC
  - o Terminal server users will need to be setup with access on their local workstations.
  - o This can be done at 1 time (meeting) or separate instances with help from Radcomp technician.
- Let server sit in staging for 24-48 hours to apply all updates.
- Install RADBackup on server
- Configure Monthly Scheduled Reboots.

**At Client Site:**

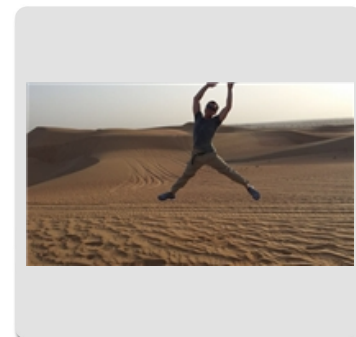
- Bring Server onsite and join the network
- Confirm OEM hardware is being monitored correctly now that it's onsite; address if needed.
- Confirm RADBackup is continuing to run correctly.
- Confirm new server hardware has all the necessary application/access
  - Notify PSquare that the servers on their hardware is no longer needed and decommission from Radcomp management systems
- Document changes in ITG

**Prepared For**


Port of Hood River  
Genevieve Scholl  
1000 E. Port Marina Drive  
Hood River, OR 97031  
gscholl@portofhoodriver.com  
(541) 386-6145

**Prepared By**

Fung Chang  
Phone: 866-490-2426 x254  
Email: fung.chang@gorad.com




New Server Hardware - #049191 v1





Server		Price	Qty	Extended
	<p>HPE ProLiant DL380 Gen10 Plus 8SFF NC CTO Server</p> <ul style="list-style-type: none"> <li>• HPE Silver 4314 2.4GHz 16-core 135W Processor</li> <li>• HPE ProLiant DL380 Gen10 Plus Standard Heat Sink Kit</li> <li>• HPE 128GB (4x32GB) Dual Rank x4 DDR4-3200 CAS-22-22-22 Memory</li> <li>• HPE Smart Array P408i-a SR Gen10 12G SAS Modular Controller</li> <li>• HPE 96W Smart Storage Battery w/ 145MM Cable</li> <li>• HPE 2x960GB SATA 6G Read Intensive SFF BC Multi Vendor SSD</li> <li>• HPE 5x1.2TB SAS 12G Mission Critical 10K SFF BC Multi Vendor HDD</li> <li>• HPE Intel I350-T4 Ethernet 1Gb 4-port BASE-T OCP3 Adapter</li> <li>• HPE 2x800W Flex Slot Platinum Hot Plug Low Halogen Power Supply Kit</li> <li>• HPE Trusted Platform Module 2.0 Gen10 Plus Black Rivets Kit</li> <li>• HPE DL38X Gen10 Plus 2U SFF Easy Install Rail Kit</li> <li>• HPE DL38X Gen10 Plus 2U Cable Management Arm for Rail Kit</li> </ul>	\$8,946.00	1	\$8,946.00

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Server	Price	Qty	Extended
<b>Server Subtotal</b>			<b>\$8,946.00</b>

UPS	Price	Qty	Extended
 <p>APC Smart-UPS 1500VA LCD RM 2U 120V with SmartConnect - 2U Rack-mountable - 3 Hour Recharge - 120 V AC Input - 120 V AC, 110 V AC, 127 V AC Output - NEMA 5-15P</p>	\$1,440.00	1	\$1,440.00
<b>UPS Subtotal</b>			<b>\$1,440.00</b>

Server Software	Price	Qty	Extended
 <p>HPE Integrated Lights-Out Advanced - 1 Server License - 3 Year - Standard</p>	\$399.00	1	\$399.00
 <p>Microsoft Windows Server 2022 Standard - License - 16 Core</p>	\$1,069.00	3	\$3,207.00
 <p>Microsoft Windows Server 2022 - License - 1 User CAL</p>	\$46.00	10	\$460.00
 <p>Microsoft Windows Server 2022 - License - 1 Device CAL</p>	\$36.00	10	\$360.00

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Server Software		Price	Qty	Extended
	Microsoft Windows Remote Desktop Services 2022 - License - 1 User CAL	\$145.00	5	\$725.00
	Microsoft SQL Server 2022 Standard	\$987.00	2	\$1,974.00
<b>Server Software Subtotal</b>				<b>\$7,125.00</b>

Services		Price	Qty	Extended
	<p>Labor to be billed T&amp;M at contracted labor rate. **Please note if your account has past due invoice we will require payment up front.</p> <p><b>Note:</b></p> <p><i>This project is projected to take up to 100 hours of labor. If more hours are needed, project team will stop at 100 hours and have a discussion with the client to review what more will need to be done to complete the project.</i></p>	\$152.25	0	\$0.00
<b>Services Subtotal</b>				<b>\$0.00</b>

Managed Services	Recurring Per	Price	Qty	Recurring	Extended
Server	\$114.45	\$114.45	5	\$572.25	\$572.25
Server Backups Backups per Server up to 500 Gigs.	\$80.00	\$80.00	4	\$320.00	\$320.00
<b>Managed Services Recurring Subtotal</b>					<b>\$892.25</b>
<b>Managed Services Subtotal</b>					<b>\$892.25</b>

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Recap		Amount
	Server	\$8,946.00
	UPS	\$1,440.00
	Server Software	\$7,125.00
	Services	\$0.00
	Managed Services	\$892.25
	<b>Total</b>	<b>\$18,403.25</b>

Recurring Expenses		Amount
	Managed Services	\$892.25
	<b>Recurring Expenses</b>	<b>\$892.25</b>

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors. A 25% restocking fee on returned products, 35% on special orders, unless other arrangement have been made.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Prices subject to change, based upon total purchase. All delivery, training or consulting services to be billed at service rates in effect at time of service. Generally all hardware computer components proposed above are covered by a limited one-year warranty FROM THEIR MANUFACTURER. We specifically disclaim any and all warranties, express or implied, including but not limited to any implied warranties or with regard to any licensed products. We shall not be liable for any loss of profits, business, goodwill, data, interruption of business, nor for incidental or consequential merchant ability or fitness of purpose, damages related to services or products listed here.

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# Commission Memo



Prepared by: Genevieve Scholl  
Date: April 4, 2023  
Re: Accounts Payable Requiring Commission Approval

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<b>Campbell Phillips</b>	<b>\$14,270.00</b>
Attorney services per attached summary	
<b>Jaques Sharp</b>	<b>\$2,285.00</b>
Attorney services per attached summary (redacted)	
<b>McCarthy Law, LLC</b>	<b>\$2,635.00</b>
Attorney services per attached summary (redacted)	
<b>TOTAL ACCOUNTS PAYABLE TO APPROVE</b>	<b>\$19,190.00</b>

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**Tabs3 Summary Accounts Receivable Report**  
Campbell Phillips PC

	<b>0-30</b>	<b>31-60</b>	<b>61-90</b>	<b>91-120</b>	<b>121-180</b>	<b>181+</b>	<b>Bal Due</b>
<b>2000.001 M Port of Hood River - Admin</b> RE: Admin - General	9,091.50	0.00	0.00	0.00	0.00	0.00	9,091.50
<b>2003.001 M Port of Hood River - Waterfront</b> RE: Waterfront - General	225.00	0.00	0.00	0.00	0.00	0.00	225.00
<b>2004.002 M Port of Hood River - Airport</b> RE: Airport - Hangar Lease	1,035.00	0.00	0.00	0.00	0.00	0.00	1,035.00
<b>2006.001 M Port of Hood River - Bridge Commission</b> RE: Bridge Commission - General	495.00	0.00	0.00	0.00	0.00	0.00	495.00
<b>2009.001 M Port of Hood River - Real Estate</b> RE: Real Estate - General	382.50	0.00	0.00	0.00	0.00	0.00	382.50
<b>2009.006 M Port of Hood River - Real Estate</b> RE: Real Estate - Electronics Assemblers	315.00	0.00	0.00	0.00	0.00	0.00	315.00
<b>2013.002 M Port of Hood River - Litigation</b> RE: Litigation - Electronics Assemblers	2,726.00	0.00	0.00	0.00	0.00	0.00	2,726.00
	<b>0-30</b>	<b>31-60</b>	<b>61-90</b>	<b>91-120</b>	<b>121-180</b>	<b>181+</b>	<b>Bal Due</b>
<b>TOTALS</b>	14,270.00	0.00	0.00	0.00	0.00	0.00	14,270.00

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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  
TARJETAS DE CREDITO ACEPTADAS

Page: 1

February 02, 2023

Account No: CAMPKRa-8648M

CAMPBELL PHILLIPS PC  
208 STATE STREET, STE. 202  
HOOD RIVER OR 97031

## PORT OF HOOD RIVER GENERAL MATTERS

### Fees

			Hours	
01/03/2023	AC	[REDACTED]		
		[REDACTED]	0.80	200.00
	AC	[REDACTED]		
		[REDACTED]	3.30	825.00
01/17/2023	AC	[REDACTED]		
		[REDACTED]	1.50	375.00
01/24/2023	AC	[REDACTED]		
		[REDACTED]	1.70	425.00
		[REDACTED]	0.90	135.00
01/25/2023	AC	[REDACTED]		

PORT OF HOOD RIVER GENERAL MATTERS

		Hours	
	[REDACTED]	0.60	150.00
01/30/2023	AC [REDACTED]	0.70	175.00
	Current Legal Services Rendered	9.50	2,285.00
	Total Current Legal Services		2,285.00
	<b>BALANCE DUE</b>		<u>\$2,285.00</u>
	Please Remit		<u>\$2,285.00</u>

**THIS STATEMENT REFLECTS SERVICES PROVIDED AND PAYMENTS RECEIVED THROUGH THE 31st OF JANUARY UNLESS OTHERWISE STATED**



# INVOICE

Invoice # 10152  
Date: 03/01/2023  
Due On: 03/31/2023

## McCarthy Law LLC

116 3rd St., Ste. 300  
Hood River , OR 97031

Port of Hood River

### 01179-Port of Hood River

### Port of Hood River vs. Electronics Assemblers, Inc.

Attorney	Type	Date	Notes	Quantity	Rate	Total
SM	Service	02/02/2023	Review file including rental agreement; amendments; and payment terms and demand letters	0.80	\$325.00	\$260.00
SM	Service	02/02/2023	Draft complaint	1.00	\$325.00	\$325.00
AR	Service	02/02/2023	Open electronic file and physical file, import contacts to Clio, File Information Form	0.20	\$135.00	\$27.00
SM	Service	02/07/2023	Email to billing department for clarification	0.10	\$325.00	\$32.50
SM	Service	02/09/2023	Email to Marcela Diaz re: billing questions	0.10	\$325.00	\$32.50
SM	Service	02/15/2023	Email from Kristen to Port re: contact	0.10	\$325.00	\$32.50
SM	Service	02/15/2023	Email to Port re: information needed and scheduling meeting	0.10	\$325.00	\$32.50
SM	Service	02/16/2023	Review file in anticipation of meeting with Debbie for rent and utility payments	0.40	\$325.00	\$130.00
SM	Service	02/16/2023	Meet with Debbie and Marcel re: financial information	0.50	\$325.00	\$162.50
SM	Service	02/16/2023	Email to Kristen Campbell and Kevin Greenwood re: concerns about filing for possession without clear notice of termination	0.20	\$325.00	\$65.00
SM	Service	02/16/2023	Phone call with Kristen re: monetary issues vs. possession; email intended plan to Kevin Greenwood; review revised numbers; respond to Kevin's inquiry and request clarification	0.40	\$325.00	\$130.00

AR	Expense	02/16/2023	Filing Fees: Filing fee re: Complaint	1.00	\$1,178.00	\$1,178.00
SM	Service	02/17/2023	Draft Acceptance of Service	0.20	\$325.00	\$65.00
SM	Service	02/17/2023	Draft letter to Pullman for Kristen Campbell's signature re: acceptance of service	0.40	\$325.00	\$130.00
SM	Service	02/26/2023	Review acceptance of service	0.10	\$325.00	\$32.50
					<b>Total</b>	<b>\$2,635.00</b>

### Statement of Account

Outstanding Balance	New Charges	Payments Received	<b>Total Amount Outstanding</b>
( \$0.00	+ \$2,635.00	) - ( \$0.00	) = <b>\$2,635.00</b>

### Detailed Statement of Account

#### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
10152	03/31/2023	\$2,635.00	\$0.00	\$2,635.00
			<b>Outstanding Balance</b>	<b>\$2,635.00</b>
			<b>Amount in Trust</b>	<b>\$0.00</b>
			<b>Total Amount Outstanding</b>	<b>\$2,635.00</b>

Please make all amounts payable to: McCarthy Law LLC

Please pay within 30 days. 18.0% simple annual interest will be charged every 30 days.



# HOOD RIVER–WHITE SALMON BRIDGE REPLACEMENT

Project Director Report

April 03, 2023

The following summarizes Replacement Bridge Project activities from March 20, 2023, to April 03, 2023:

## PROJECT MANAGEMENT

- *RBMC team is continuing to meet with WSP, ODOT and Federal Highway Administration (FHWA) related to the NEPA/FEIS process and Treaty Tribe Memorandum of Agreement (MOA's).*
- *RBMC team is meeting with ODOT, WSDOT and FHWA on the RFP for the Progressive Design Build Procurement.*
- *Grant Tracking for WA, ARPA, Build Grants will be on going each quarter.*
- *Legislative Outreach is continuing with Oregon, Washington and DC*

## COMMUNICATIONS

- *The web site has been launched [www.hoodriverbridge.org](http://www.hoodriverbridge.org) and is seeing regular updates*
- *A web article has been developed and is ready for release on Progressive Design Build (See Packet)*
- *A draft press release is included on the formation of the Hood River White Salmon Bridge Authority that can be released when its formation is complete. (See Packet)*
- *Social media accounts are now active and we're building followers.*

## GOVERNMENT AFFAIRS UPDATE

- *State Legislative Activities*
  - *Oregon*
  - *Washington*
    - *Washington legislative session ends April 23.*
    - *Washington House proposed to fund the \$75M in Move Ahead Washington funding as Future Funding. (See Packet)*
    - *Washington Senate proposed to fund \$15M in the 23-25 Biennium, \$30M in the 25-27 Biennium, \$30M in the 27-29 Biennium and \$44M as Future Funding. (See Packet)*
- *Federal Legislative Activities*
  - *CDS Appropriations requests have been sent for both Washington and Oregon for a total funding request of \$8M.*
  - *We are planning to make two trips per year to DC in support of funding requests*
    - *Tentative schedule is the week of April 24<sup>th</sup>.*

## HOOD RIVER-WHITE SALMON BRIDGE AUTHORITY

- *The Final Draft of the Commission Formation Agreements (CFA) was distributed to the BSWG with a recommendation to move forward with obtaining signatures from the 6 parties of the agreement.*
- *Port of Hood River signed CFA on 2/7/23, anticipate other members signing in April*
- *HRWSBA Legal Counsel Recommendations for consideration:*
  - *Stacey Lewis at Pacifica Law Group in Seattle, as recommended by Steve Siegel.*
  - *Eileen G. Eakins, who provided Port Commission training back in 2021 - 5285 Meadows Road, Suite 400, Lake Oswego, OR 97035, (503) 607-0517, [eileen@lgl-advisors.com](mailto:eileen@lgl-advisors.com);*
  - *Clark Balfour at Cable Huston, who I have worked with over the years on municipal utility projects: <https://www.cablehuston.com/attorneys/clark-i-balfour/>;*
  - *Anna Cavaleri, Jerry's partner <http://hoodriverlaw.com/attorney-profiles/anna-c-cavaleri/>*

## FUNDING FINANCE & TOLLING

- *Washington State Transportation Commission (WSTC) T&R Analysis*
  - *HNTB and the PORT continue to coordinate with WSTC*
  - *WSTC next meeting is on April 18<sup>th</sup>, 19<sup>th</sup>*
    - *Zoom Meeting Registration – April 18*  
[https://us02web.zoom.us/webinar/register/WN\\_lvDHu\\_M8SqqmDNdoTcB\\_QIQ](https://us02web.zoom.us/webinar/register/WN_lvDHu_M8SqqmDNdoTcB_QIQ)
    - *Zoom Meeting Registration – April 19*  
[https://us02web.zoom.us/webinar/register/WN\\_QQi8roAjRtmdz8yjNGNxNw](https://us02web.zoom.us/webinar/register/WN_QQi8roAjRtmdz8yjNGNxNw)
    - *Link to agenda <https://wstc.wa.gov/agendas/2023/03/22/meeting-agenda-april-18-19-2023/>*
    - *WSTC will be taking action at the April 18<sup>th</sup> meeting on the approval of the final two tolling scenarios.*
  - *Schedule Milestones:*
    - *May 2023 – Draft Study findings and recommendations presented to WSTC*
    - *June 2023 – Final Report of findings and recommendations presented to WSTC and submitted to Washington State Legislature*
- *BSWG Tolling Study*
  - *Funding Finance and Tolling team is updating the pre-construction model that will support the consideration of different tolling scenarios and their impacts on the financial plan to support the construction of a new bridge.*
  - *RBMC provided an overview to members of the BSWG on the Benefit Cost Analysis and key areas of focus for this year's grant applications. (See Packet)*

## PENDING GRANT FUNDING UPDATES

- *Raise Planning Grant (2023)*
  - *Notice of Funding Opportunity (NOFO) issued: 11/30/22, Update to NOFO received on 12/14/22*

- *Application Submitted: 2/28/23*
- *Requested amount of funding: \$3.6M*
- *Our application focused on a planning grant that will evaluate Bike/Ped connections and Transit services access/connections to the new bridge. With a focus on how the bridge is a vital part of a transportation system.*
- *Over 20 Letters of Support were included with our application*
- *Safe Streets and Roads for All Grant Program (SS4A)*
  - *2023 Notice of Funding Opportunity (NOFO) released on 3/30/23*
  - *Application Due: 7/10/23 @ 5pm EDT*
  - *Available funding total: \$1.177B*
    - *Planning & Demonstration Grants - Min – Max award \$100,000 to \$10M*
    - *Implementation Grants – Min – Max award \$2.5M to \$25M*
- *Multimodal Project Discretionary Grant (MPDG)*
  - *Next Opening – Spring 2023*
  - *2023 NOFO not released*
  - *INFRA (\$8 B available over 4 years FY22 to FY26)*
  - *MEGA (\$5 B available over 4 years FY22 to FY26)*
  - *Rural (\$2 B available over 4 years FY22 to FY26)*
- *Bridge Investment Program (BIP)*
  - *Next Opening – Summer 2023*
  - *2023 NOFO – Summer 2023*

#### **EXECUTED GRANT FUNDING UPDATES**

- *Build20*
  - *Grant Awarded 9/23/22*
  - *Funding: \$5M – Federal Share, \$1.25M Local Match (Washington Grant) – Total \$6.25M with an Expenditure Deadline of 12/31/2024*
    - *Total Submitted for Reimbursement: \$0*
    - *Total Reimbursement received to date: \$0*
    - *Remaining Funds: \$5 million*
  - *We have received our certification from FHWA on 12/21/22. We have received access to the RADs quarterly reporting system for FHWA on 1/26/22. Training with FHWA is still pending.*
  - *Q4 2022 reporting has been submitted through RADs to FHWA*
- *ARPA (Oregon Grant)*
  - *Grant Awarded 5/12/22*
  - *Funding: \$5M with an Expenditure Deadline of 12/31/26*
    - *Total Submitted for Reimbursement: \$225,353.30*
    - *Total Reimbursement received to date: \$225,353.30*
    - *Remaining Funds: \$4,774,646.70*
  - *4<sup>th</sup> Quarter reimbursement submitted on January 10<sup>th</sup>, 2023. Next reimbursement submittal April 2023*
- *WA SB 5165 Grant*
  - *Grant Awarded 2/2/22*

- *Funding: \$5M with an Expenditure Deadlines of 6/30/23 (\$3M) and 6/30/23 (\$2M)*
  - *Total Submitted for Reimbursement: \$1,341,149.25*
  - *Total Reimbursement received to date: \$384,693.39*
  - *Remaining Funds: \$3,658,850.75*
- *4<sup>th</sup> Quarter reimbursement submitted for \$956,455.86*  
*Next reimbursement submittal will be April 2023.*

## **TREATY TRIBE MOA'S**

- *A Semi-weekly meeting has been set up with ODOT and FHWA specific to advancing the Treaty Tribe MOA's. A collaboration space has been created on the Project Portal site.*
  - ***Yakama Nation (YN).***
    - *Draft MOA was submitted by Roy Watters to the Yakama Nation on 1/26/23*
    - *A meeting to discuss the Section 106 MOA and Treaty Fishing MOA was held on 2/28/23. Meeting was positive and they were very appreciative of the work that was done in the draft Treaty MOA. Yakama Nation will review the draft MOA with a tentative date to provide responses in two weeks.*
    - *Yakama Nation provided an email update on 3/20/23 that the MOA has been circulated for internal review. We are awaiting their comments and to set up a follow up meeting.*
  - ***Nez Perce***
    - *The Draft MOA was submitted to ODOT on 1/17/23*
    - *ODOT approved us to move forward with sending the Draft MOA on 1/24/23.*
    - *2/2/23 – MOA was sent to Amanda with Nez Perce on 2/2/23.*
    - *A tentative date to present project updates to the Nez Perce Tribal Executive Committee's (NPTEC) Natural Resource Subcommittee on 4/18/22. A second meeting is being set for June to update the Nez Perce on the project and to introduce the MOA.*
    - *A letter is being drafted to request a Nez Perce letter of support for the project and use of their logo.*
  - ***Umatilla (CTUIR).***
    - *The Draft MOA was submitted to the Umatilla Tribe on 1/25/23*
    - *Meeting and Presentation were held with CTUIR Fish and Wildlife commission on 1/24/23*
    - *2<sup>nd</sup> Meeting with Umatilla has been re-scheduled to 4/5/2023, we have not received any comments to date.*
    - *We have received a letter of support for the bridge project from CTUIR.*
  - ***Warm Springs.***
    - *A tentative meeting to introduce the MOA has been scheduled with the Warm Springs Tribe for 4/11/23.*



## **RBMC**

### **PROGRESSIVE DESIGN BUILD RFQ/RFP**

- *Sub-schedule has been developed for the procurement of the Progressive Design Build Team (See Packet) – opportunities to advance the schedule are being reviewed.*
- *A meeting was held with ODOT on 3/7 with region 1 staff and Headquarters Procurement staff to discuss their role on the upcoming PDB Procurement. Robert Wattman will be our point of contact and backed by Sam Hunaidi. A number ODOT technical staff were also at the meeting and provided input into how to move forward. WSDOT also attend this meeting.*
- *Meeting is schedule with ODOT procurement and alternative delivery team for 4/4/23*
- *A meeting was held with FHWA on 2/16 to discuss their role on the upcoming PDB Procurement and a monthly recurring meeting has been set up.*
- *A meeting was held with WSDOT on 2/23. WSDOT has provided a point of contact for the PDB team to work with on the RFP development.*
- *Preliminary drafts of the RFP/RFQ sections are being assembled and task lead meetings are being held to coordinate the development of the RFP/RFQ.*

### **KEY STAKE HOLDERS**

#### **RAILROAD**

- *Kickoff/Update meeting was held with BNSF on 1/25/23, they indicated the new bridge should accommodate a future triple track and a 30' vertical clearance. At this time these are not seen as major impacts to the project.*
- *Coordination of work activities over the track will be critical do to the high volume of usage.*
- *BNSF did not anticipate long review periods given their current workload, they indicated that they had adequate capacity to support the coordination needed on this project.*

### **GEOTECHNICAL**

- *The two Oregon on land borings were completed on Feb 6<sup>th</sup> and the report is being developed. Cultural Resource monitoring was done and no cultural resources were found.*
- *Coordination with the tribes will work through ODOT but it is likely the PORT will be asked to fund the tribal monitoring costs.*
- *Underwater drilling is scheduled to start June 19<sup>th</sup> and last 5 weeks.*

### **SURVEY**

#### **Completed work**

- *Additional right of way research and calculations completed*
- *APS locating underground utilities on Oregon side*

#### **Upcoming work**

- *Complete right of way calculations in OR and WA*

- *Coordinate private utility locates in WA*
- *Map locates in OR and WA*

#### **RIGHT OF WAY**

- *Coordination has begun with WSDOT and ODOT to define the jurisdictional limits for both agencies.*
- *Our right of way team is coordinating with the two property owners in Washington that will need to provide Right of Entry for the geotechnical borings. The two owners are a private owner and Klickitat County. We have received the ROE letters from both.*
- *The SDEIS preferred alternative does indicate a potential whole take of the private landowner and we will need to coordinate with the BSWG and PORT on when to move forward with discussion with the landowner on this action.*

#### **PERMITTING**

- **SHPO Permit for Upland Work in Oregon** – *This permit was issued on 1/19/23. CTOGR included some standard stipulations in their permit comments. The Oregon UPLAND boring work can proceed and is scheduled for next week.*
- **USACE Permit** – *USACE issued a provisional permit in late December. They will finalize the permit once DEQ provides the 401 C water quality certification. All SHPO/tribal coordination for the in-water and WA. Borings has been completed by USACE.*
- **DEQ Permit** – *The permit application was submitted to DEQ on 1/13/23. Expect DEQ to issue the 401 C in the next 2-3 months. As noted above, once DEQ issues their permit USACE will issued their final permit verification. USACE is just waiting on DEQ.*
- **DSL Short Term Access Agreement** – *This approval was issued in September 2022.*
- **DSL No Permit Needed Letter** – *This letter was issued January 18, 2023 confirming the work does not require a DSL Removal-Fill Permit.*
- **WDFW Hydraulic Permit Approval** – *The original HPA was modified with new project information and schedule on January 11<sup>th</sup>. The HPA includes several standard BMPs and notification requirements. Notification must be made at least three days prior to in-water work on WA. Side.*
- **City of White Salmon SEPA and SMP Exemption Letter** – *The final letter from City confirming geotech work is exempt from SEPA and SMP was issued on January 23, 2023.*
- **WDNR Aquatic Lands ROE Permit** – *We received the requisite signatures from Klickitat Co. and Shin Jin Ko on February 2, 2023. We will submit the application (JARPA) to WDNR by COB February 3, 2023. Expect two months for DNR to issues the ROE permit.*

- **NMFS Slopes V Compliance** – The USACE has determined that the work as proposed will result in No Effect on listed fish based on the standard BMPs to be included (SLOPES V BMPs) and the short duration, confined nature of the work. We were able to avoid getting NMFS involved.

When USACE issues the verification, it will also include the necessary ESA/NMFS compliance. The provisional verification discusses this and application of SLOPES V. So this task/compliance need will get completed when USACE issues the permit (without NMFS involvement), which will happen once the DEQ permit lands.

- The DEQ permit application was submitted to DEQ on 1/13/23 after they issue their permit USACE will immediately take the “provisional” moniker off of the provisional verification. Once submitted WDNR should be able to turn around the permit within two months. There is a \$25 fee for this permit.

**FINAL EIS/RECORD OF DECISION**

- Environmental Impact Statement technical reports are available at <https://cdxapps.epa.gov/cdx-enepa-ll/public/action/eis/details?eisId=314171>
- Responses were provided on 3/28/23 to ODOT for the from ODOT Liaisons related to the Biological Assessment and their writing of the Biological Opinion. (See Packet)
- Email from Denis Reich at ODOT on 3/28 establishing an ODOT Point of Contact for the remainder of the NEPA process. Rod Thompson – ODOT State Environmental Engineer. (See Packet)
- Email from Cindy Callahan at FHWA on 3/28 re-establishing the communication process that should be followed until the signing of the Biological Opinion. (See Packet)
- A coordination meeting was held with the Project Team, NOAA and FHWA on 3/29/23. NOAA indicated that once the liaison receives the updated BA anticipated to be in the next two weeks and all comments are closed that it would take 90 Days to complete the BO and then an additional 45 Days for NOAA’s full review including their legal review. This would set the new anticipated date to receive the signed BO around Sept 1, 2023.
- A monthly recurring coordination meeting has been set up with Cindy Callahan – Senior Biologist (FHWA) and Rod Thompson – State Environmental Engineer (ODOT)

**OTHER ITEMS**

**KEY MEETINGS**

<b>Date:</b>	<b>Subject:</b>
3/20, 3/27	Weekly Check-in with Port Director and WSP
3/21, 3/28	Port Staff Meeting
	Contractor Project Update with Kiewit
	Treaty Fishing MOA meeting with ODOT

	<i>Port Commission Meeting</i>
<i>3/22</i>	<i>Consultant Project Update with ARUP</i>
	<i>Project update meeting with Office of Secretary of Transportation (OST)</i>
	<i>WSTC T&amp;R Working Group Meeting</i>
<i>3/27</i>	<i>Consultant Debrief with Ballard Marine Construction</i>
<i>3/29</i>	<i>Project Coordination meeting on Biological Opinion with NOAA and FHWA</i>
	<i>Benefit Cost Analysis Workshop with BSWG</i>
<i>3/30</i>	<i>Project Update with staff from Gov. Inslee office</i>
<i>3/30</i>	<i>Consultant Project Update with STV</i>
<i>3/31</i>	<i>Section 106 SHPO Comment Response meeting with WSP and ODOT</i>

# Commission Memo



Prepared by: Michael Shannon  
Date: April 4, 2023  
Re: Toll Rate Recommendation

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The Bistate Working Group (BSWG) has been working with the Replacement Bridge Management Consultant (RBMC) and the Washington State Transportation Commission on their planning level traffic and revenue study. The primary goal of this study is to develop planning level traffic and revenue analysis and resulting toll funding capacity across multiple scenarios to support future funding decisions for the proposed bridge replacement.

The RBMC is also working in parallel and in coordination with the WSTC study to determine a financial plan for the replacement bridge that will include obtaining a TIFIA loan with the funding capacity needed for the project. Through this coordination two scenarios have been finalized that support both the pre-construction funding needed for a TIFIA loan and the post-construction funding need for long term financing. The BSWG will be performing a final review of these scenarios at their April 03, 2023, meeting and developing a recommendation for the Port Commission to consider. The recommendation will also include an implementation timeline for implementing the toll adjustment.

**RECOMMENDATION:** Approval of the tolling recommendation and timeline presented by the BSWG.

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# Commission Memo



Prepared by: Kevin Greenwood, Exec. Dir.  
Date: April 4, 2023  
Re: Res. Establishing Tolling Revenues Policy

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Staff has been analyzing the use of bridge tolls on port operations since the issue was discussed at the Port Commission's November 15<sup>th</sup> Brainstorming Session. At that workshop, the Commission set a goal that each non-bridge related asset center would no longer be reliant on bridge tolls.

On February 7<sup>th</sup>, the Commission heard a report from Mark Libby, bridge engineer with HDR, updating the bridge capital repair plan that identified \$3.5-million in repairs between FY22-24. Another \$88 million in repairs will be needed through the end of 2037.

On March 7<sup>th</sup>, the Commission and Bi-State Working Group (BSWG) held a joint session to discuss the results of a Washington State Transportation Commission tolling study to build reserve funds for the replacement bridge effort. There was also an understanding by the BSWG that the Port will be going through a process to divest itself from toll revenue and that some time will be needed to fully implement that divestment.

On March 21, the Commission received the FY22 Annual Audit and received a report showing the Port's business centers that are not able to operate without assistance from tolls. At that same meeting, the Port agreed to pursue a management contract to procure financial software that will allow more transparent financial reports. That software will not be fully implemented until 2Q 2024.

Staff agrees that the Port will need to make all non-bridge activities reliant on other resources aside from tolls and that it will take no more than five years to make that transition. Until the new replacement bridge is fully operational, it is staff's goal to keep the current bridge safe and secure for the public. It is also important for the bridge replacement effort for the Port to state its commitment to divesting off bridge tolls to cover non-bridge related activities.

**RECOMMENDATION:** Approve Resolution No. 2022-23-11 setting the goal of operating all non-bridge related activities without toll revenue by no later than June 30, 2028.

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**PORT OF HOOD RIVER**  
**Resolution No. 2022-23-11**

**A RESOLUTION ESTABLISHING A TOLLING REVENUES USE POLICY**

**WHEREAS**, the Port of Hood River (the “Port”) has owned and operated the Hood River-White Salmon Interstate Bridge (the “Bridge”) since 1950 and, in addition to Bridge operations and maintenance, has utilized a portion of toll revenue for economic development in the Port District through the development of the Hood River waterfront and other industrial and commercial properties; and

**WHEREAS**, a portion of toll revenues have also been utilized to benefit the Hood River Airport, Hood River Marina, waterfront parks and recreation, and other Port property; and

**WHEREAS**, the Port’s bridge engineers’ current Capital Maintenance Plan anticipates \$90 million in costs for capital repair and maintenance in the next 15 years; and

**WHEREAS**, the Port Commission wishes to establish the goal that the Port will eventually generate adequate operating income to cover non-bridge activities and not rely on tolls as a source for those non-bridge activities; and

**WHEREAS**, the Port Commission feels that adequate time should be afforded to reduce expenses, develop new net revenue enterprises, seek alternate funding sources, and partner with other local agencies to gain efficiencies for the Port’s non-bridge related operations and projects; now therefore

THE PORT OF HOOD RIVER BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

**Section 1.** It is the official policy of the Port of Hood River to accomplish the goal of operating all non-bridge related activities without toll revenue by no later than June 30, 2028.

Adopted by the Board of Commissioners of the Port of Hood River this 4th day of April, 2023.

**SIGNED**

\_\_\_\_\_  
Ben Sheppard, President

**ATTEST**

\_\_\_\_\_  
Michael Fox, Secretary