



PORT OF HOOD RIVER COMMISSION
MEETING AGENDA
October 3, 2017
Marina Center Boardroom

5:00 P.M.
Regular Session

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - a. Approve Minutes of September 19, 2017 Regular Session (*Jana Scoggins – Page 3*)
 - b. Approve Addendum No. 2 to Lease with Electronic Assemblers in the Big 7 Building (*Anne Medenbach – Page 7*)
 4. Reports, Presentations and Discussion Items
 - a. MCEDD and Gorge Tech Alliance Update – Guests Jessica Metta and Amanda Hoey (*Page 11*)
 - b. IBTTA Conference Report (*Fred Kowell – Page 27*)
 - c. Visitor Dock Upgrades Report (*Steve Carlson – Page 29*)
 - d. Preliminary Financial Report for Fiscal Year 2016-17 (*Fred Kowell – Page 33*)
 - e. Toll Increase Staff Recommendations (*McElwee, Kowell, Scholl – Page 43*)
 5. Director's Report (*Michael McElwee – Page 55*)
 6. Commissioner, Committee Reports
 7. Action Items
 - a. Approve Contract with Brad Boswell Consulting for Legislative Advocacy in Washington (*Michael McElwee – Page 63*)
 - b. Approve Amendment No. 1 to Contract with Summit Strategies (*Michael McElwee – Page 63*)
 8. Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations
 10. Possible Action
 11. Adjourn

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*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.*

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*Port of Hood River Commission
Meeting Minutes of September 19, 2017 Work Session & Regular Session
Marina Center Boardroom
5:00 p.m.*

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

4:00 P.M.

Work Session on Bridge Replacement Next Steps

1. **Steve Siegel, Consultant, Presentation and Group Discussion:** Steve Siegel has a wide-ranging experience working with federal and state agencies, public and high-level officials, as well as writing and reviewing regulations and guidance documents related to environmental permitting and review of infrastructure projects. Siegel was invited to lead a discussion and provide answers to Commission’s questions about next steps in the bridge replacement plan. Siegel explained that construction timing depends on the completion of a draft environmental impact statement (DEIS) and completion of a final environmental impact statement (FEIS). Siegel stressed the importance of having a team dedicated to the bridge replacement project, and the need for evaluations of the delivery options. Siegel recommended the Port to put forth a request for information (RFI) in the next few months to eliminate some degree of uncertainty and identify the level of interest by private parties. Commission expressed concerns about choosing between public-private funding or public funding too soon, and Siegel responded that the starting point should be the environmental work, and the project delivery option can be determined at later time. Having a bi-state project adds a complexity and risk to any bridge replacement plan, thus the Port must tackle several projects at the same time while addressing issues in the state of Washington that may require legislative action.

5:00 P.M.

Regular Session

Present: Commissioners Hoby Streich, Ben Sheppard, John Everitt, Brian Shortt, David Meriwether; Legal Counsel Garrett Sharp (substitute for Jerry Jaques); from staff, Michael McElwee, Fred Kowell, Genevieve Scholl, Jean Hadley, Jana Scoggins

Absent: None

Media: None

2. **CALL TO ORDER:** President Streich called the meeting to order at 5:43 p.m.
- a. **Modifications, Additions to Agenda.** Updated Hood River Waterfront Lot #1 handout has been added to 4.a. Consent Item 5.b. has been moved to Action Item 8.e.

3. **PUBLIC COMMENT:** None.

4. CONSENT AGENDA:

- a. Approve Minutes of September 5, 2017 Regular Session.
- b. Approve Lease with Soniq Aerospace, LP for Suite 204 of the Big 7 Building.
- c. Approve Accounts Payable to Jaques Sharp in the Amount of \$5,880.

Motion: Move to approve Consent Agenda.

Move: Everitt

Second: Shortt

Discussion: None

Vote: **Aye:** Unanimous

MOTION CARRIED

5. REPORTS, PRESENTATIONS, AND DISCUSSION ITEMS:

a. Lot 1 Urban Renewal Planning: Michael McElwee, Executive Director, described that while other parts of the waterfront undergone several changes, Lot #1 redevelopment has remained in the planning stage for the past 20 years. Due to the current market conditions, McElwee discussed the possibility of facilitating positive changes for Lot #1 in the next 3-5 years, which may require the involvement of Hood River Urban Renewal Agency. McElwee explained that Lot #1 development should best occur in collaboration with the City and with the citizens of Hood River to design an active new waterfront district that achieves significant public objectives. These objectives will be extremely challenging to accomplish due to the limitations of LI zoning and the cost of the roads, utilities, stormwater facilities, and public amenities. A contribution of tax increment funds through the Waterfront Urban Renewal District will likely be necessary to facilitate the desired development.

b. Futurist Fall Planning Retreat Proposal from Glen Heimstra: Michael McElwee reported that there has been an increased interest in focusing the Fall 2017 Planning Session on the long-term future of the Port. McElwee contacted Glen Heimstra, a futurist with significant background in visioning workshops and consultations, and sought a proposal to coordinate this session. This session would allow for exploring future events, trends and developments shaping the region and how these relate to the Port’s future. It will address the society and demographics of tomorrow, as well as the forthcoming economics, future sustainability and technology, and politics and regulatory environment.

6. EXECUTIVE DIRECTOR’S REPORT: Michael McElwee reported that the Port continues to be a support agency during the Eagle Creek Fire situation and staff has been making significant contributions of time, effort and resources. McElwee addressed several subjects which included the reminder that PNWA Annual Conference will be October 15, 16 and 17 in Portland; the South Taxiway project is well underway, and Berger Abam completed their wetland report regarding on-site mitigation at the airport. The recommendation was to move forward with on-site mitigation planning. Moreover, there was no additional feedback on the timeline for receipt of the \$5 million in state funding authorized in HB 2017, or the process that will take place to determine the award timing. A work session has been scheduled on October 9 to focus and discuss legislative matters going forward. Staff is waiting for an updated schedule for the auxiliary truss project, but the contractor still plans to begin work on September 27.

7. COMMISSIONER, COMMITTEE REPORT: Brian Shortt, Commissioner, stated the Marina Committee report was presented during the Regular Session on September 5, 2017.

8. ACTION ITEMS:

a. Approve the Appointment of Shawn Summersett to Junior Sailing Representative Position on the Port of Hood River Marina Committee. Gorge Junior Sailing founder Jamie Mack has resigned her position as Junior Sailing Representative to the Port of Hood River Marina Committee. Local resident Shawn Summersett has formally applied to fill the vacant Marina Committee position. Shawn is a Gorge Junior Sailing board member and a Civil Engineer who periodically consults on Port projects.

- Motion:** Approve the Appointment of Shawn Summersett to Junior Sailing Representative Position on the Port of Hood River Marina Committee.
 - Move:** Meriwether
 - Second:** Shortt
 - Discussion:** None
 - Vote:** Aye: Unanimous
- MOTION CARRIED**

b. Approve Executive Director’s Work Plan for FY 2017-2018
Motion: Approve Executive Director’s Work Plan for FY 2017-2018

Move: Meriwether
Second: Shortt
Discussion: Commissioners submitted their comments and expressed concerns about the workload and the project timeline. Michael McElwee noted that each point in the workplan represents an important objective. The focus will be on achieving these points, but the timeline may shift depending on circumstances throughout the year.
Vote: **Aye:** Unanimous
MOTION CARRIED

c. Authorize Contract with Walker/Macy Lot#1 Planning Services Not to Exceed \$55,000. McElwee reported that Lot #1 represents the last major piece of developable light industrial property on the Hood River Waterfront. Walker/Macy would accomplish a number of tasks toward preparation of an Infrastructure Framework Plan for Lot #1, and would update the overall master plan for the property and develop more detailed plans and cost estimates for specific areas of public infrastructure.

Discussion: No action taken. Further discussion needed about next steps.

d. Authorize Contract with Eco Northwest for Lot #1 Planning Services Not to Exceed \$9,000. McElwee explained that Eco Northwest would provide a real estate economic analysis to determine the relative impact of burdening private development with significant infrastructure costs.

Motion: Authorize Contract with Eco Northwest for Lot #1 Planning Services Not to Exceed \$9,000 Plus Reasonable Reimbursable Expenses, Subject to Legal Counsel Review.

Move: Meriwether
Second: Shortt
Discussion: None
Vote: **Aye:** Unanimous
MOTION CARRIED

e. Authorize Contract with Glen Hiemstra for Meeting Facilitation Services Not to Exceed \$10,000. McElwee described that Glen Hiemstra, a futurist with significant background in visioning workshops and consultations, would be an essential support during the Fall 2017 Planning Session.

Motion: Authorize Contract with Glen Hiemstra for Meeting Facilitation Services Not to Exceed \$10,000, Subject to Legal Review.

Move: Everitt
Second: Shortt
Discussion: None
Vote: **Aye:** Unanimous
MOTION CARRIED

9. COMMISSION CALL: On behalf of the Commission Board, Ben Sheppard and Brian Shortt expressed their thanks to staff for closing the toll booth for 5 days as a response to the Eagle Creek fire emergency and opening Port’s facilities to Cascade Locks evacuees.

10. EXECUTIVE SESSION: President Streich recessed Regular Session at 7:32 p.m. to call the Commission into Executive Session under ORS 192.660(2)(e) Real Estate Negotiations.

11. POSSIBLE ACTION: The Commission was called back into Regular Session at 7:59 p.m. No action was taken as a result of Executive Session.

12. ADJOURN:

- Motion:** Motion to adjourn the meeting.
 - Move:** Shortt
 - Second:** Meriwether
 - Discussion:** None
 - Vote:** **Aye:** Unanimous
- MOTION CARRIED**

The meeting was adjourned at 7:59 p.m.

Respectfully submitted,

Jana Scoggins

ATTEST:

Hoby Streich, President, Port Commission

John Everitt, Secretary, Port Commission

Commission Memo



Prepared by: Anne Medenbach
Date: October 3, 2017
Re: Lease Addendum #2

Electronics Assemblers (EA) has been a tenant in the Big 7 Building for over 30 years. They have recently expanded their business, contracts and hiring and need additional offices. They would like to lease a portion of Suite 402 on the fourth floor on the same terms as their existing lease, which expires in 2019 with two (2) year renewal terms. The new space totals 560 sf. The rate is \$0.74/sf/mo.

Adding this space brings the total leased area to 20,034sf on the second, third, and fourth floors for EA.

RECOMMENDATION: Approve lease addendum #2 with Electronics Assemblers, Inc. for suite 402A in the Big 7 building.

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SECOND AMENDMENT TO LEASE

Whereas: On October 26, 2015 the Port of Hood River, an Oregon municipal corporation, as Lessor, and Electronics Assemblers Inc., an Oregon corporation, as Lessee, signed a Lease commencing November 1, 2015, for premises known as spaces 202, 301, 302 and 303 in the Big 7 Building located 616 Industrial Street, Hood River, Oregon ("Lease"); and,

Whereas, Lessee and Lessor executed Amendment number one to the Lease on July 26, 2017. The Amendment added Suites 202 and 203 to the Lease, adding 7,736 sf for a total leased square footage of 19,474.

Whereas, Lessee would like to add to the Lease two offices referred to as "suite 402 A", totaling 560 square feet.

Therefore, the parties agree the Lease is amended effective October 1, 2017 as follows:

1. Section 1. "Description" is amended to increase the Lease space and approximate square feet stated in the Lease from "19,471 square feet" to "20,034 square feet", and to change the "Tenant Suites" to state "201, 202, 203, 301, 302, 303 & 402A".
2. Section 3. "Rental" is amended as follows:

| Suite numbers | Square Footage | Lease Rate | Monthly Total |
|----------------|----------------|------------|--------------------|
| 201, 202 & 203 | 10,174 | \$0.60 | \$6,102.60 |
| 301, 302 & 303 | 9,300 | \$0.60 | \$5,580.00 |
| 402 A | 560 | \$0.74 | \$414.00 |
| Total | 20,034 | | \$12,096.60 |

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

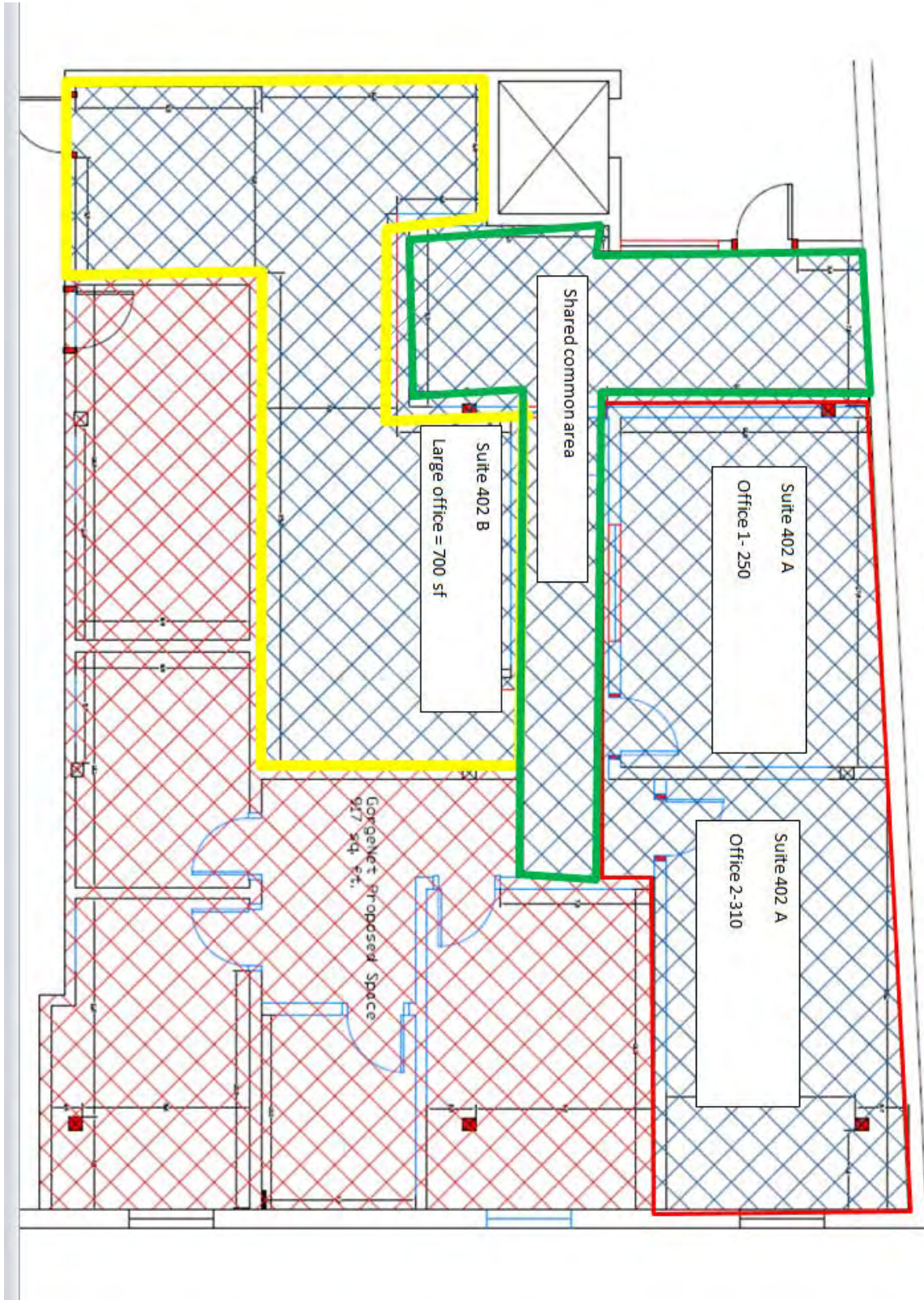
Lessee, Electronics Assemblers, Inc.

Lessor, Port of Hood River

By: _____
Bill Pullum
President
Date _____

By: _____
Michael S. McElwee
Executive Director
Date _____

Exhibit A 4th floor



Commission Memo

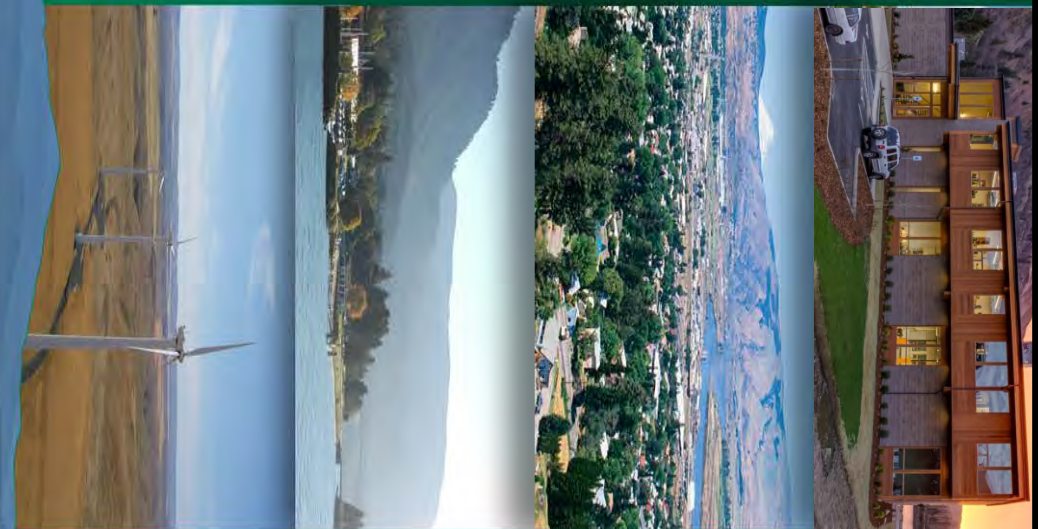
Prepared by: Genevieve Scholl
Date: October 3, 2017
Re: MCEDD, Gorge Tech Alliance report



Jessica Metta, Executive Director of the Gorge Technology Alliance (GTA), and Amanda Hoey, Executive Director of the Mid-Columbia Economic Development District (MCEDD) will provide an update on the organizations' activities during the meeting. Attached is the 2017 update to the Comprehensive Economic Development Strategy (CEDS). Ms. Hoey will lead a discussion of the CEDS process and priorities for this year.

RECOMMENDATION: Discussion.

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SUMMARY

Columbia Gorge

Economic

Development

Strategy

Hood River, Klickitat, Sherman, Skamania and Wasco counties

VISION

The region envisions a thriving economy supporting diverse business opportunities that act in harmony with the area’s rural qualities, values and natural resources.



INTRODUCTION

What is the Strategy?

Every five years the region develops the comprehensive economic development strategy (CEDS) as a guide to understanding the regional economy and crafting goals, strategies and actions to create jobs, raise income levels, diversify the economy, and improve the quality of life.

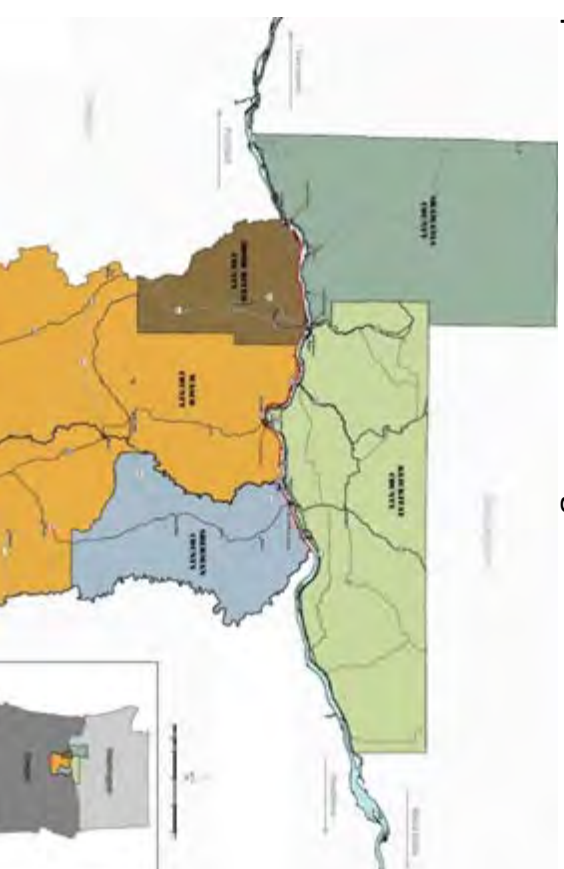
The plan is compiled by Mid-Columbia Economic Development District (MCEDD) and follows the guidelines released by the US Economic Development Administration. The strategy is developed by a diverse workgroup of local representatives from private, public, and nonprofit sectors.

This document is only the brief summary of the strategy for **2017-**

2022. The full strategy, which also includes data/demographic analysis, action plans and the evaluation framework, can be found online at www.mcedd.org.

Geography

The region covered under this strategy includes Skamania and Klickitat counties in Washington and Hood River, Wasco, and Sherman counties in Oregon. The region constitutes an area of 7,289 square miles and encompasses parts of the Columbia River Gorge National Scenic Area.



PRIORITY STRATEGIES/ACTIONS

- Housing
- Financial Capital and Entrepreneurial Environment
- Workforce
- Infrastructure
- Regulatory Environment

The action plan is based on a community systems premise that all elements are inter-connected. Goals include:

- **Infrastructure (Housing, Water/Wastewater, Transportation, Broadband):** "Plan for, maintain and re-invest in infrastructure, including attainable housing, to provide for current population demands and support future economic development opportunities."
- **Financial Capital & Entrepreneurial Environment:** "Enhance the retention and expansion of business in the region, coordinating resources to diversify the economy and create sustainable quality jobs."
- **Workforce:** "Nurture, educate, attract and maintain a regional workforce that is career trained and work ready."
- **Regulatory Environment:** "Collaborate as a region to simplify and decentralize regulatory processes."
- **Innovation Capacity:** "Identify, utilize and expand innovation capacity to benefit the region."
- **Social/Natural Amenities:** "Build upon existing alliances and efforts to encourage stewardship, healthy communities and a quality of life that recognizes our sense of place and unique environment."



SWOT Analysis

Strengths Weaknesses Opportunities and Threats

MCEDD conducted a SWOT analysis in partnership with private industry representatives, local government staff, elected officials, community members, and other stakeholders. The analysis helped guide the identification of regional priorities.

| S trengths | W eaknesses | O pportunities | T hreats |
|---|--|--|--|
| Scenic Beauty, Recreation, Brand and Tourism Industry | Insufficient Housing Stock | Growth of Value-Added Ag and Ag Tech Businesses | Housing Shortage Impacts |
| Central Location | Education, Skilled Workforce | Expanding Tourism | Education Quality/ Opportunity and Workforce |
| Regional Collaboration | Transportation Infrastructure Capacity and Mobility Gaps | Synergy Across State Lines | Regulatory Restrictions and Burdens |
| Availability of Transportation Systems/Modes | Regulatory Environment | High Tech; Unmanned Systems | Impacts of Continued Population Growth |
| Natural Resources and Climate | Utility Limitations and Gaps in Broadband Capacity | Leverage Natural Assets: Fishing, Energy, Wood/Forest Products | Natural Disasters/Hazards |
| Culture | Disparities Between State funding and regulations | Connectivity | Water Access, Regulations |
| Diverse Industry Sectors and Growing Business Sectors | Aging Population | Focus on Local | Infrastructure Limitations |
| Human Capital and Entrepreneurial Spirit | Lack of Business Expansion Space | Address Public Transportation | Loss of Any Major Employer; Concentration Risk |
| Infrastructure | High Poverty Rate/Economic Disparity | Business/Talent Attraction | Declining funding |

(16)



ATTAINABLE HOUSING

Overview

Attainable housing is one of the region's primary economic development barriers. Housing is both a quality of life and an economic issue. The shortage of quality housing is a deterrent to businesses, particularly those of any size, which seek to employ a local workforce.

- **Availability and affordability.** Communities need adequate housing for residents of all ages and all income levels. Workforce housing options within reasonable commuting distances are required to support the employees of businesses expanding in the region. Addressing the housing affordability gap is a key concern as the cost for housing has increased more rapidly than wages.
 - Steep **rises in land costs** and Urban Growth Boundaries limit what is available for housing.
 - Dwindling **supplies** of available land and housing units constrain opportunities for residents.
 - **Vacation and short-term rentals** contribute to the economy, but also create market pressures that deplete attainable housing.
- **Housing stock quality.** Overall, the housing stock in the region is older than either that of the US or states.
- **Impact to Business.** With key large employers expressing concern about their ability to attract and retain a local workforce, this is a critical issue to address in order to secure the opportunity for continued economic prosperity.

(17)

Top Three Priorities

- Advocate for funding programs supporting attainable housing.
- Seek resources to provide technical assistance and planning for housing development.
- Increase awareness of regional housing constraints.



FINANCIAL CAPITAL/ENTREPRENEURIAL ENVIRONMENT

Target Sectors

The region seeks to capitalize on opportunities in six strong regional industry sectors:

High Tech: *Unmanned Systems*

The sector includes a focus on unmanned systems as the region is a national leading hub, driven by a local industry heavy-weight and deep breadth in the local supply chain.

Manufacturing: *Fermentation Science, Value Added*

Manufacturing cuts a cross multiple related sectors. The sector focus subset ties directly to opportunities with our agriculture base and with growth in fermentation sciences.

Healthcare

The region has invested heavily in healthcare from our major hospitals to a number of independent practitioners.

Renewable Energy

The region is already an important center of renewable energy production by virtue of the hydropower facilities along the Columbia River and extensive investment into wind development.

Forest/Wood Products

While the sector has been in decline, innovation processing, new products and utilization of byproducts industry will drive growth of this sector.

Art/Culture/Tourism/Recreation

Tourism is a primary industry sector by virtue of the number of jobs it provides, but it does not yet meet wage goals. The strategy encompasses initiatives to invest in the quality of tourism venues and visitor infrastructure and to ensure that trained workers are available in the field.

Priorities

- Target industry sector growth in the six key sectors identified.
- Increase business mentorship and support resources and programs.
- Enhance regional information resources, including business siting guides



WORKFORCE

Overview

The region recognizes the critical role of a qualified workforce in addressing sustained economic growth of the region. Needs include:

- **Pre K-12 Support:** The pre K-12 system in the region is the primary provider for basic skills development. Most school districts have struggled in the past few years to maintain vibrancy during state and federal budget cuts.
- **Higher Education:** Local community colleges are responsive to industry's needs with cornerstone programs which have supported the region's economic development initiatives such as CGCC's Nursing and Renewable Energy Technology training.
- **Basic Skills Training:** With a constantly evolving economy, talent in the region must be able to rapidly adjust to new occupations using transferable skills sets. The region seeks to match the needs of business with skills trainings.
- **Quality Workplaces:** With a very low regional unemployment rate, the tight labor market is creating competition for qualified workers. Thus, quality of the workplace becomes paramount.
- **Bi-State Workforce:** As a bi-state area, we share a common workforce and require collective training opportunities and a regional system in Oregon and Washington.

Priorities

- Increase skill level. Focus on programs tied to key industry sectors (such as the food/beverage at Columbia Gorge Community College).
- Develop more paid internship opportunities.
- Enhance regional participation on workforce investment boards.



INFRASTRUCTURE

Water/Wastewater

While some jurisdictions have sufficient infrastructure to meet current demand and future needs, many of the water and wastewater treatment facilities in the region are aging, exceeding capacity or dealing with compliance issues. Our expanding economy continues to place strains on this critical infrastructure and drives demands for well-functioning systems. In addition, increasingly we are faced with water access, storage and groundwater concerns.

Priorities

- Inventory water and wastewater systems to prioritize upgrades to and invest in key systems.
- Further our innovative approaches, practices and products to address water conservation.
- Address water resource concerns, including declining aquifers.

(20)

Transportation

Location advantages support trade within and outside the region, offering options for expanded export opportunities. The region has a distinct geographic advantage in being centrally located in the Pacific Northwest. While market access and the mix of transportation modes available for the movement of goods and people are a distinct asset to the region, maintaining that infrastructure, and expanding it to meet growing industry and population needs, is a challenge.

Priorities:

- Coordinate transportation investments: County/City road maintenance and funding, Interstates and Highways, bridges, expanded Columbia Gorge Regional Airport runways and facilities.
- Enhance safety of the transportation network.
- Provide a coordinated regional public transportation network to serve the needs of a mobile workforce.

Broadband

Broadband is essential to providing economic opportunities throughout the Mid-Columbia region. The region's rural nature and challenging and diverse terrain make building broadband infrastructure extremely costly and nearly impossible for private sector investment alone to meet needs. Enhancing broadband capacity for the region will enhance economic opportunities and support more resilient and networked communities. In addition:

- Improving broadband connection in the region means several things. Building **redundancy** that connects east/west and north/south enables more reliable broadband connections throughout the region in the event of an outage, cable-cut, or natural disaster. This redundancy is a necessary condition for businesses interested in locating or growing in the region. **Increasing speeds** and **decreasing latency** in connections means that they can better support industry growth in the technology sector as well as others, improve telemedicine and distance learning capabilities, and provide more robust use of many other applications for businesses and communities.
- Reaching **key tower sites and facilities** increases service for public safety communications as well as opportunities for private internet and cellular carriers to build upon the backbone investment for additional connectivity;
- **Addressing un/under-served areas** will increase internet access at homes, businesses, and key community anchor institutions.
- Increasing broadband throughout the region means additional **homes** become viable choices for residents that require internet access for their work or businesses at their residences, relieving some housing pressures with adequate broadband access currently.
- Enhanced broadband provides **connection to education and training** opportunities for the growth of a skilled and talented workforce.

Priorities

- Convene the Gorge Broadband Consortium to identify opportunities to expand broadband access points throughout the region; work with ISPs to address middle and last mile gaps and improve speeds.
- Address barriers to efficient broadband expansion, including streamlined permitting.
- Increase awareness and adoption/use of the existing broadband infrastructure.



REGULATORY ENVIRONMENT

Overview

With two states, a National Scenic Area overlay and high percentages of federal land ownership, the level of regulations affecting development activities in the region is a significant concern. All five counties in the Mid-Columbia region have zoning ordinances and land use comprehensive plans. Additional state and federal regulatory agencies also affect development activities in the region, including the U.S. Army Corps of Engineers, the U.S. Bureau of Land Management, the U.S. Environmental Protection Agency, the Oregon Department of Environmental Quality, and the Washington Department of Ecology. [\(22\)](#)

Priorities

- Develop a Regulatory Road Map.
- Facilitate industrial site readiness.
- Support interagency coordination to address multi-layered regulatory issues.

PRIORITY PROJECTS

Washington Top Ten

Prioritization Consideration

- Alignment with Strategy.
- Regional impact.
- Potential availability of funding sources.
- Economic impact.
- Readiness to proceed.
- Alignment with EDA Priorities.

Purpose of Prioritization

- Prioritization is designed to:
- **Inventory and prioritize** economic development needs and issues;
 - **Develop regional consensus** on high priorities;
 - **Develop a tool to promote** high priority projects or issues to state and federal funders.

| Rank | Project | Description | Impact |
|------|--|--|---|
| 1 | White Salmon Slow Sand Filter Water System | A new water system would add capacity to accommodate future growth. Current capacity is 2-3 cfs and the system will add another 15 cfs. | Addresses issue for the foreseeable future, supporting housing, key industry sector and water infrastructure. |
| 2 | Cascades Business Park Grading and Enhancements | Resolution with Corps of Engineers on a road easement will provide the largest contiguous "shovel ready" industrial development site in Skamania County. | Opens development in an otherwise severely land-constrained county. Addresses regulatory environment issue. |
| 3 | Construction of aircraft de-icing: Columbia Gorge Regional Airport | Project will construct a de-icing area for planes, and to properly dispose of de-icing liquid. This will result in an increase in air traffic, value, and usefulness in winter months. | Key industry sector impact, particularly to healthcare sector- major employer impact. |
| 4 | John Day Pool Pumped Storage | Resolve brownfield and environmental study issues. | Key industry sector impact. Regional opportunities. |
| 5 | Brownfield Assessment and Redevelopment | Complete an inventory and assessment of brownfields in Skamania County. | Active funding request. Addresses redevelopment opportunities. |

Washington Top Ten

Agora Investment Platform

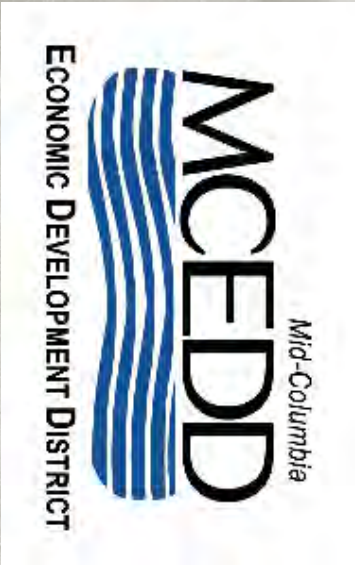
Learn more about priority projects at www.agora-platform.com. Agora links community projects with capital providers through an online collaborative transaction platform. Intended outcomes:

- Community projects extend reach to a broader set of capital providers with consistent project summaries.
- Capital providers gain insight into community priorities, quickly identify projects that match investment parameters.

| Rank | Project | Description | Impact |
|------|--|--|---|
| 6 | Stevenson Shoreline Restoration and Enhancement | Construct a new public access beach to the Columbia River in the City of Stevenson, WA. | Priority for Skamania, but pending Shoreline Critical Area permit to proceed. |
| 7 | Natural Gas Facility (Klickitat PUD) | The PUD is pursuing a new facility for its landfill natural gas plant in Roosevelt, WA. The facility would process methane coming from the landfill. | Key industry sector impact |
| 8 | Stabler Feeder Upgrade | The Stabler Feeder Upgrade Project will upgrade 7.9 miles of electrical line to improve electrical service to the Wind River Business Park. | Serves multiple industries and addresses a pinch point for development of the Wind River Business Park. |
| 9 | Flex Buildings: DIP Cornerstone and Bingen Point | DIP Cornerstone: construct an industrial building at the Port's Dallesport location. Bingen Point: construct a flex building at Bingen Point. | Addresses opportunities for key industry sectors |
| 10 | Wind River Boat Launch Improvements | Replacement of existing boat launch facility with a new facility in a different location; decommissioning the existing facility. | Funding source potentials identified |

Top Ten Priorities

| Rank | Project | Description | Impact |
|------|---|---|---|
| 1 | Hood River Interstate Bridge Replacement | The Port is seeking funding to complete the final EIS and preliminary design and engineering for a replacement bridge. | Core transportation connection. Impact to key industry sectors. |
| 2 | Workforce Housing | Sherman: A new program to incentivize construction of new rental units. Hood River: Support attainable and affordable housing, including exploring relocating maintenance facilities and land banking. | Addresses housing constraints. |
| 3 | Dog River Pipeline Upgrade (City of The Dalles) | The existing pipeline transports over 50% of the City's water supply and is a deteriorating wooden pipe. The project would replace it with a new ductile iron pipe. Capacity will increase from 8 to 17M gallons per day. | Address deteriorating infrastructure serving the region's largest city. |
| 4 | Biggs Water System | Design and construction for a municipal water system in Biggs. Future development is limited due to the lack of a water system. Fire protection is limited. | Support for economic growth. Water infrastructure. |
| 5 | Mosier Well Repair | Repair co-mingling wells in the area around Mosier. Well problems increase costs for ag operations, impact property values, and threaten economic stability. | Long term strategy with strong leadership. Impact to key industry sector. |
| 6 | Historic Columbia River Highway State Trail | Extend the HCRH State Trail east from Viento State Park to Perham Creek and east from Mitchell Point East to the City of Hood River. The engineering phase is funded. | Regional transportation connection, completing connector pieces. |
| 7 | Mosier Fire Hall/City Hall | The City and Fire District have partnered to explore opportunities to locate a joint City Hall and Fire Hall in downtown Mosier. | Highest Wasco County priority. Critical to Mosier. |
| 8 | New Fire Hall: South Sherman Fire and Rescue | The fire department has long outgrown their space to store and maintain equipment and files. The fire department also needs space for training the volunteers. | Regional support. Funding opportunity identified. |
| 9 | Bridge of the Gods | Complete 15 year maintenance and preservation of the Bridge. | Transportation focus |
| 10 | Fiber Project: Sherman County | Provide wireless internet from Rufus to Wasco. This is the next phase of the fiber project. | Address rural-urban divide. Leverages other investments. |



515 East Second Street
The Dalles, Oregon 97058
www.mcedd.org

Commission Memo

Prepared by: Fred Kowell
Date: September 28, 2017
Re: IBTTA Annual Conference Report



Fred Kowell attended the International Bridge, Tunnel, and Turnpike Association (IBTTA) annual meeting in Atlanta, GA September 10-12. He will provide a report of the event and the IBTTA activities related to tolling interoperability at the meeting.

RECOMMENDATION: Discussion.

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Commission Memo



Prepared by: Steve Carlson
Date: October 3, 2017
Re: Boat Launch and Transient Dock
Improvements Update

For several years, Port staff and the Marina Committee have been interested in improving the ageing transient dock facilities, boat ramp and associated parking area. These facilities are funded in part by the Oregon State Marine Board (OSMB) and staff seeks OSMB Boating Facilities grant monies for improvements made to these facilities. There are currently two separate projects proposed for the guest dock and ramp facilities.

Project 1: Two improvements qualify for the OSMB's Small Grant Program and would be combined into one application. The boat launch parking area has an island that serves to direct incoming traffic. This island is configured in a manner that causes it to be struck by vehicles regularly and thus, has been damaged. Stu Cato, Engineer, has designed a revised island that should more effectively direct traffic. The cost estimate for the parking lot island replacement is \$14,300.

The boat launch transient dock electrical service is substandard and does not have ground fault protection. The parts required to upgrade the two electrical service boxes and install ground fault circuit interrupter protection is less than \$1000. Installation of these components by an electrician is likely to be \$800. Staff anticipates a 25-50% match requirement for this grant, but is waiting on confirmation from OSMB.

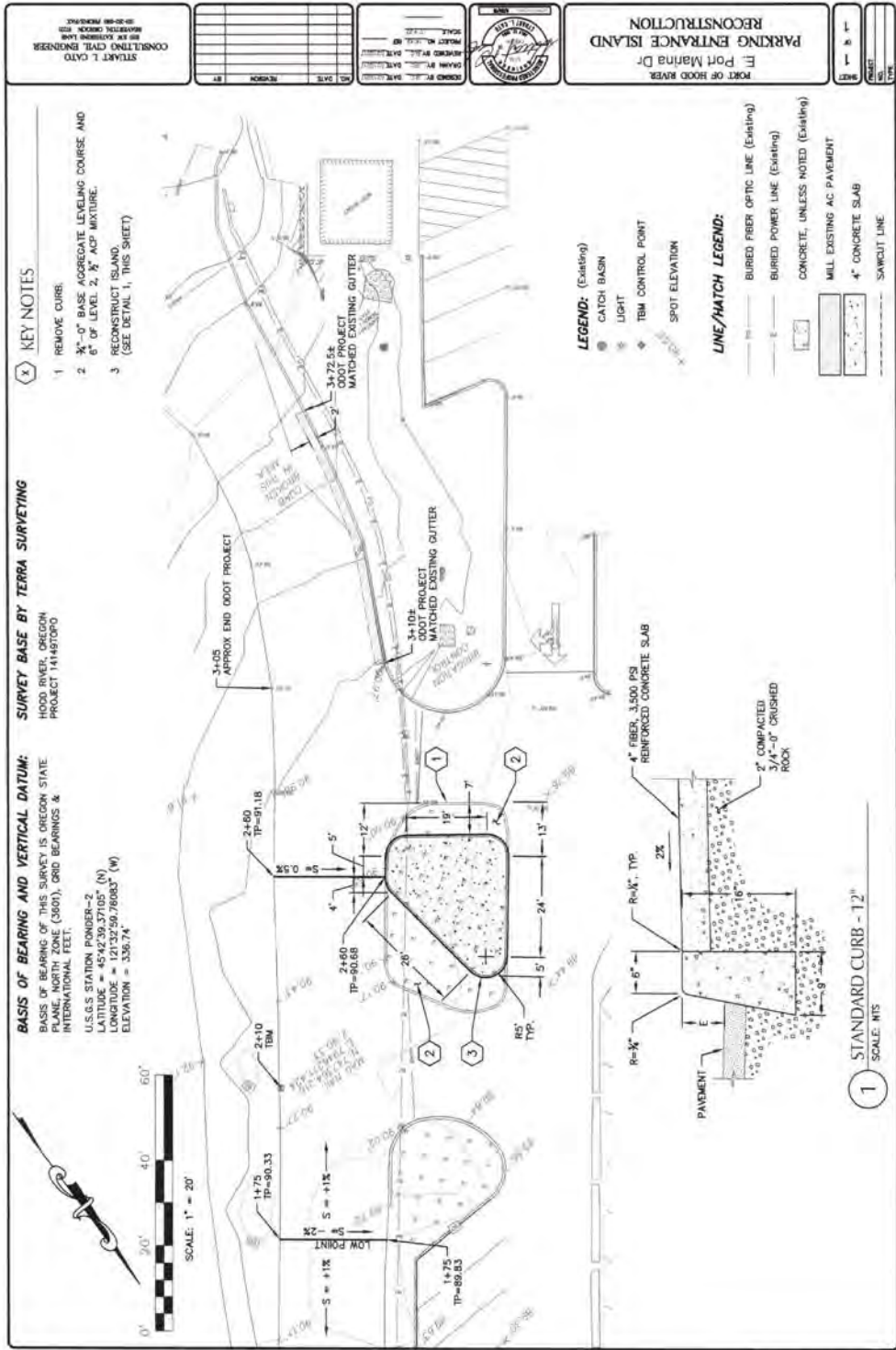
Project 2: The transient docks serving the boat ramp see heavy use and are periodically at capacity. The docks were installed 45 years ago, in 1972. The manufacturers estimated life expectancy of the concrete floats utilized in these docks is 50 years. Floats aside, the components leading to and connecting the dock assembly are compromised. The OSMB has produced several design concepts for the transient dock, some of which rely on our ageing system.

The Marina Committee and staff have recently reviewed the concepts and agreed on a simple plan that replaces critical portions of the existing system and includes an expansion. The permitting process for such improvements can take years and need to coincide with the OSMB funding cycles. Representatives from the OSMB will be visiting the Port soon to advise staff and the Marina committee as to the best course of action regarding the transient dock improvement. Total cost for such improvements are likely to exceed \$400,000. There would be a minimum Port contribution of 25% for this project.

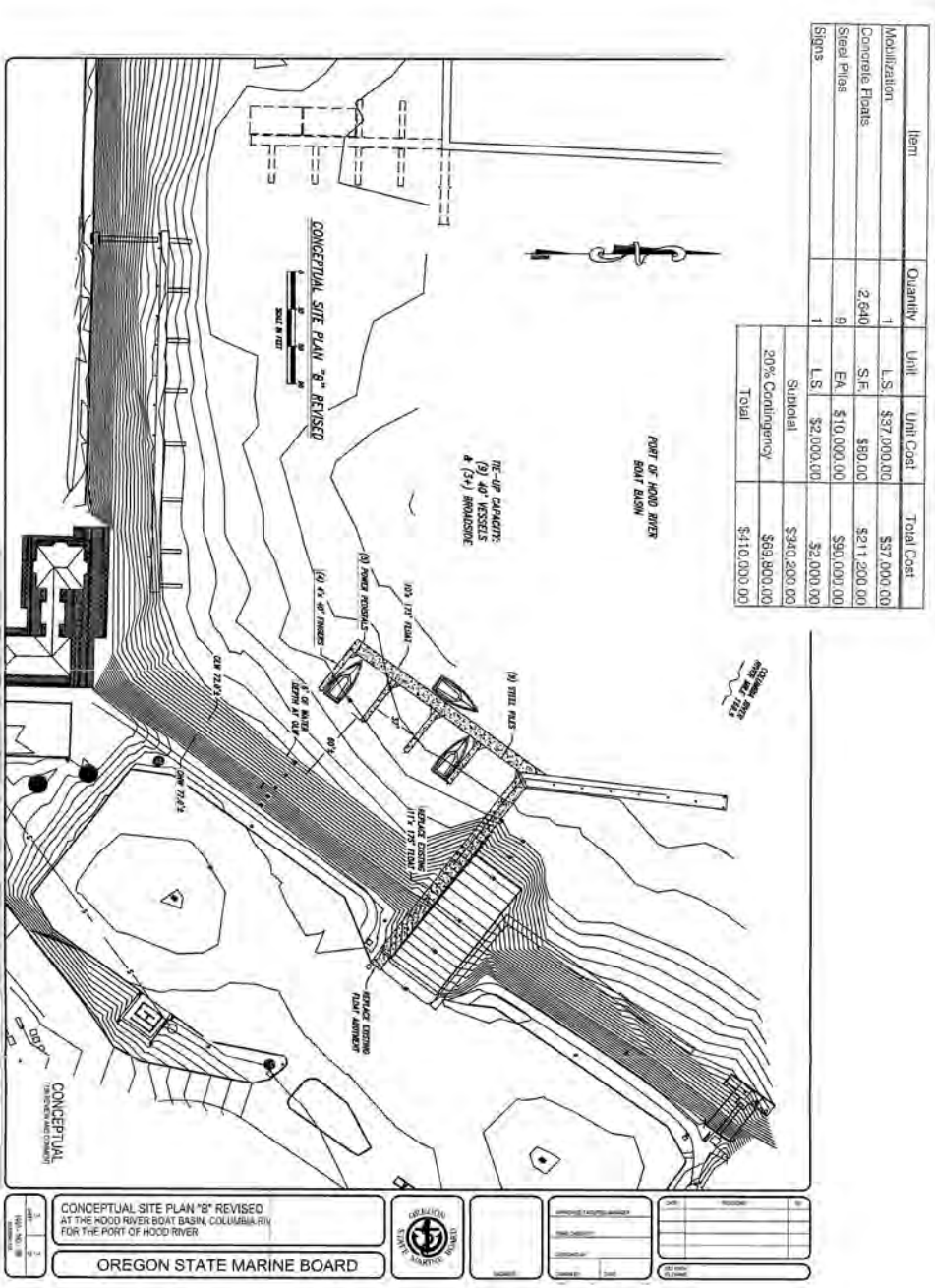
RECOMMENDATION: Discussion.

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Project 1: Parking Island Replacement



Project 2: Transient Dock improvement / replacement. Note: Cost estimate from 2010.



Commission Memo

Prepared by: Fred Kowell
Date: September 28, 2017
Re: Preliminary Financials for FY 2016-17



You will find four attachments, the overall revenues vs expenses for the Port, followed by the Expenditures Actuals vs Budget schedules and the Revenues Actuals vs Budget, and finally the Budget Transfer. I will first discuss the Expenditures Budget vs Actual schedule since that is where the budget laws apply.

Expenditures

With respect to the Revenue Fund, personnel services is 91% of the budget for the year. This favorable disparity was mostly due to staff turnover as we had three retirements that affected the results of our financial position during the year as we hired 3 new staff which were not at the top of their pay range.

Overall, Materials & Services (M&S) is below budget by 13% which was primarily due to professional services anticipated in the budget that delayed based upon Lot 1 discussions and what the Board wanted to see in the development of our last large parcel.

Capital Outlay is quite a bit below budget in most areas due to the seasonal nature of capital improvements but also due to various factors that slow the capital project process, like wetland mitigation at the Lower Mill site and the Airport, water pressure issues at Lower Mill, contracting agreements, and others.

Revenues

Bridge revenues are below budget for the first time in many years. This is directly related to the winter weather we incurred this year. We are about \$110,000 under budget. We track bridge activity closely and the respective revenues and we saw that we made up some revenue loss from the winter in the last quarter which minimized the initial outlook that was presented in prior financial reviews.

Industrial and commercial are tracking close to budget with regard to their leases, however reimbursements are significantly higher than budget due to significant utility use by our tenants which are billed to them.

The URA made their note payment to the Port which was significantly over the budget due to the amount of tax increment the URA is taking in.

Waterfront recreation had another outstanding year as revenues were above budget by over 20% or almost \$27,000.

Marina revenues depict the 6% increase in slip rates that went into effect in January as well as the receipt of a grant to replace our fuel pump.

The Airport showed steady revenues with the exclusion of the FAA grants for the south taxiway improvements and north ramp development. The work has slowed down due to the wetlands mitigation issues that need to be resolved with the FAA before the Master Plan can be finalized and the north ramp proceed with development. The good news is that the south taxiway is moving forward.

Overall, the preliminary financial review looks like we had a slower year with regard to revenues than planned but we also saw delays in our major CIP projects that were not anticipated which assisted in the cashflow for the Port.

RECOMMENDATION: Discussion.

PORT OF HOOD RIVER
STATEMENT OF OPERATING REVENUES, EXPENDITURES AND OTHER SOURCES AND USES OF FUNDS
AND BUDGET VS ACTUAL PERFORMANCE
FOR THE YEAR ENDED JUNE 30, 2017

| | REVENUE FUND | | | | | | | GENERAL FUND | BRIDGE REPAIR & REPLACEMENT FUND | TOTAL | |
|--|---------------------|----------------------|----------------------|-------------------|-----------------------|--------------------|---------------------|-------------------|----------------------------------|---------------------|----------------------------|
| | Bridge | Industrial Buildings | Commercial Buildings | Waterfront Land | Waterfront Recreation | Marina | Airport | | | | Administration Maintenance |
| OPERATING REVENUES | | | | | | | | | | | |
| Tolls | \$ 4,024,985 | | | | | | | | | \$ 4,024,985 | |
| Leases | | \$ 1,157,547 | \$ 158,384 | \$ - | \$ 6,518 | \$ 272,344 | \$ 175,581 | | | 1,770,374 | |
| Reimbursements | | 515,081 | 22,103 | - | 1,900 | 64,096 | 19,692 | | | 622,872 | |
| Fees, Events, Passes and Concessions | | | | | 147,250 | | | | | 147,250 | |
| Property taxes | | | | | | | | 66,882 | | 66,882 | |
| Total Operating Revenues | 4,024,985 | 1,672,628 | 180,487 | - | 155,668 | 336,440 | 195,273 | 66,882 | - | 6,632,363 | |
| Operating Expenses | | | | | | | | | | | |
| Personnel Services | 785,328 | 291,493 | 82,098 | 43,226 | 285,712 | 134,317 | 83,877 | - | 37,682 | 1,836,409 | |
| Materials & Services | 540,129 | 755,839 | 89,839 | 33,425 | 147,972 | 89,137 | 176,907 | 157,810 | 105,503 | 2,385,722 | |
| Total Operating Expenses | 1,325,457 | 1,047,332 | 171,937 | 76,651 | 433,684 | 223,454 | 260,784 | 157,810 | 143,186 | 4,222,130 | |
| Operating income/(Loss) | 2,699,528 | 625,297 | 8,550 | (76,651) | (278,016) | 112,986 | (65,511) | (314,953) | (143,186) | 2,410,233 | |
| Other Resources | | | | | | | | | | | |
| Income from other sources | 16,030 | 11,400 | | 3,650 | 12,839 | - | 592 | 92,062 | 140,631 | 278,826 | |
| Grants | - | | | | | 14,011 | 191,011 | 2,700 | | 207,722 | |
| Sale of land or other assets | - | | | | | | | 100 | | 100 | |
| Note receivables | - | 19,550 | | 252,498 | | | | | | 272,048 | |
| Total Other Resources | 16,030 | 30,950 | - | 256,148 | 12,839 | 14,011 | 191,603 | 94,862 | 140,631 | 758,696 | |
| Other (Uses) | | | | | | | | | | | |
| Capital projects | (637,332) | (309,540) | (51,439) | (7,752) | (67,404) | (45,924) | (560,438) | (41,350) | (285,994) | (2,007,174) | |
| Debt service | - | (285,649) | - | - | - | (96,896) | - | - | (693,210) | (1,075,755) | |
| Total Other (Uses) | (637,332) | (595,189) | (51,439) | (7,752) | (67,404) | (142,821) | (560,438) | (41,350) | (979,204) | (3,082,929) | |
| Transfers In/(Out) | (1,014,070) | | | | | | (321,565) | 321,565 | 1,014,070 | - | |
| Net Cashflow | \$ 1,064,155 | \$ 61,058 | \$ (42,889) | \$ 171,745 | \$ (332,580) | \$ (15,823) | \$ (434,346) | \$ 8,234 | \$ 32,311 | \$ 86,000 | |
| BUDGET VS ACTUAL PERFORMANCE | | | | | | | | | | | |
| FY 2016-17 Budget | | | | | | | | | | | |
| Operating revenues - Budget | \$ 4,132,800 | \$ 1,626,300 | \$ 183,950 | \$ 26,000 | \$ 132,500 | \$ 292,500 | \$ 188,100 | \$ - | \$ 63,900 | \$ 6,646,050 | |
| Operating revenues - Actuals | 4,023,807 | 1,672,628 | 180,487 | - | 155,668 | 336,440 | 195,273 | - | 66,882 | 6,631,185 | |
| Actuals greater/(Less) than budget | (108,993) | 46,328 | (3,463) | (26,000) | 23,168 | 43,940 | 7,173 | - | 2,982 | (14,865) | |
| | 97% | 103% | 98% | 0% | 117% | 115% | 104% | | 105% | #DIV/0! | |
| Operating expenses - Budget | 1,455,800 | 1,152,200 | 184,600 | 113,900 | 508,600 | 235,600 | 276,300 | 237,700 | 539,400 | 5,037,400 | |
| Operating expenses - Actuals | 1,325,457 | 1,047,332 | 171,937 | 76,651 | 433,684 | 223,454 | 260,784 | 157,810 | 381,835 | 4,222,130 | |
| Actuals (greater)/Less than budget | 130,343 | 104,868 | 12,663 | 37,249 | 74,916 | 12,146 | 15,516 | 79,890 | 157,565 | 815,270 | |
| | 91% | 91% | 93% | 67% | 85% | 95% | 94% | 71% | 43% | 84% | |
| Other Resources - Budget | 1,000 | 19,550 | - | 110,400 | 9,100 | 6,500 | 2,521,000 | 25,000 | 500 | 2,698,050 | |
| Other Resources - Actuals | 16,030 | 30,950 | - | 256,148 | 12,839 | 14,011 | 191,603 | 94,862 | 140,631 | 758,696 | |
| Actuals greater/(Less) than budget | 15,030 | 11,400 | - | 145,748 | 3,739 | 7,511 | (2,329,397) | 69,862 | 135,631 | (1,939,354) | |
| Other (Uses) - Budget | 730,000 | 1,594,700 | 50,500 | 235,000 | 120,000 | 196,350 | 2,351,700 | 52,100 | 2,827,500 | 8,157,850 | |
| Other (Uses) - Actuals | 637,332 | 595,189 | 51,439 | 7,752 | 67,404 | 142,821 | 560,438 | 41,350 | 979,204 | 3,082,929 | |
| Actuals (greater)/Less than budget | 92,668 | 999,511 | (939) | 227,248 | 52,596 | 53,529 | 1,791,262 | 10,750 | 1,848,296 | 5,074,921 | |
| | 87% | 37% | 102% | 3% | 56% | 73% | 24% | 79% | 35% | 38% | |
| Net Position - Budget vs Actuals @ 100% | \$ 129,047 | \$ 1,162,108 | \$ 8,261 | \$ 384,245 | \$ 154,420 | \$ 117,127 | \$ (515,446) | \$ 160,501 | \$ 161,669 | \$ 2,174,041 | \$ 3,935,972 |

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PORT OF HOOD RIVER
Schedule of Revenues by Cost Center By Fund
Budget to Actuals - 100% Through Budget
For the Year Ended June 30, 2017

| | REVENUES | | | | |
|---|------------------|------------------|------------------|--------------|-------------|
| | Budget | Actual | Total | Variance | % |
| REVENUE FUND | | | | | |
| <i>Toll Bridge</i> | | | | | |
| Bridge Tolls | 4,122,800 | 4,014,985 | 4,014,985 | (107,815) | 97% |
| Cable Crossing Leases | 10,000 | 10,000 | 10,000 | - | 100% |
| Other | 1,000 | 16,030 | 16,030 | 15,030 | 1603% |
| 4,133,800 | 4,041,015 | 4,041,015 | (92,785) | | 98% |
| <i>Industrial Facilities</i> | | | | | |
| Big 7 | | | | | |
| Lease Revenues | 190,800 | 193,166 \$ | 193,166 | 2,366 | 101% |
| Reimbursements/Other | 50,400 | 80,616 \$ | 80,616 | 30,216 | 160% |
| Jensen Property | | | | | |
| Lease Revenues | 334,000 | 335,497 | 335,497 | 1,497 | 100% |
| Reimbursements/Other | 135,900 | 126,635 | 126,635 | (9,265) | 93% |
| Maritime Building | | | | | |
| Lease Revenues | 232,500 | 197,092 | 197,092 | (35,408) | 85% |
| Reimbursements/Other | 47,800 | 52,971 | 52,971 | 5,171 | 111% |
| Halyard Building | | | | | |
| Lease Revenues | 212,900 | 213,013 | 213,013 | 113 | 100% |
| Reimbursements/Other | 142,100 | 192,808 | 192,808 | 50,708 | 136% |
| Note Receivable | 19,550 | 19,550 | 19,550 | 0 | 100% |
| Other | | | | | |
| Expo Center | | | | | |
| Reimbursements/Other | - | - | - | - | #DIV/0! |
| Timberline Incubator Building | | | | | |
| Lease Revenues | 67,500 | 66,900 | 66,900 | (600) | 99% |
| Reimbursements | 14,800 | 14,049 | 14,049 | (751) | 95% |
| Wasco Building | | | | | |
| Lease Revenues | 157,000 | 151,880 | 151,880 | (5,120) | 97% |
| Reimbursements | 40,600 | 48,002 | 48,002 | 7,402 | 118% |
| Hanel | | | | | |
| Reimbursements | - | - | - | - | #DIV/0! |
| Other Financing Sources | | | | | |
| | 1,645,850 | 1,692,179 | 1,692,179 | 46,329 | 103% |
| <i>Commercial Facilities</i> | | | | | |
| State Office (DMV) Building | | | | | |
| Lease Revenues | 40,600 | 42,467 | 42,467 | 1,867 | 105% |
| Reimbursements | - | - | - | - | #DIV/0! |
| Marina Office Building | | | | | |
| Lease Revenues | 67,400 | 67,291 | 67,291 | (109) | 100% |
| Reimbursements | 22,000 | 21,339 | 21,339 | (661) | 97% |
| Port Office Building | | | | | |
| Lease Revenues | 52,450 | 48,626 | 48,626 | (3,824) | 93% |
| Reimbursements | 1,500 | 764 | 764 | (736) | 51% |
| | 183,950 | 180,487 | 180,487 | (3,463) | 98% |
| <i>Waterfront Industrial Land</i> | | | | | |
| Lease Revenues | 600 | - | - | (600) | 0% |
| Land Sale | - | - | - | - | #DIV/0! |
| Parking | 25,000 | - | - | (25,000) | 0% |
| Other Income | 400 | 3,650 | 3,650 | 3,250 | 913% |
| URA Payments | 110,400 | 252,498 | 252,498 | 142,098 | 229% |
| | 136,400 | 256,148 | 256,148 | 119,748 | 188% |
| <i>Waterfront Recreation</i> | | | | | |
| Eventsite, Hook and Spit | | | | | |
| Eventsite - Passes/Permits and Concessions | 115,100 | 139,447 | 139,447 | 24,347 | 121% |
| Hook/Spit/Nichols | 9,100 | 12,839 | 12,839 | 3,739 | 141% |
| Marina Park | | | | | |
| Sailing Schools, Showers and Events | 9,200 | 7,803 | 7,803 | (1,397) | 85% |
| Lease Revenues | 6,200 | 6,518 | 6,518 | 318 | 105% |
| Reimbursements | 2,000 | 1,900 | 1,900 | (100) | 95% |
| Grant | | | | | |
| | 141,600 | 168,507 | 168,507 | 26,907 | 119% |
| <i>Marina</i> | | | | | |
| Lease Revenues | 178,000 | 190,287 | 190,287 | 12,287 | 107% |
| Moorage Assessment | 85,200 | 82,057 | 82,057 | (3,143) | 96% |
| Reimbursements/Other | 29,300 | 64,096 | 64,096 | 34,796 | 219% |
| Grant | 6,500 | 14,011 | 14,011 | 7,511 | 216% |
| Other Financing Sources | | | | | |
| | 299,000 | 350,451 | 350,451 | 54,594 | 117% |
| <i>Airport</i> | | | | | |
| Lease Revenues | 171,300 | 175,581 | 175,581 | 4,281 | 102% |
| Reimbursements | 16,800 | 19,692 | 19,692 | 2,892 | 117% |
| Grants | 1,250,000 | 191,011 | 191,011 | (1,058,989) | 15% |
| Other Financing Sources | 1,271,000 | - | - | (1,271,000) | 0% |
| | 2,709,100 | 386,284 | 386,284 | (2,322,816) | 14% |
| | 9,249,700 | 7,075,071 | 6,818,923 | (2,291,234) | 76% |
| 6,591,250 | 6,581,971 | 6,325,823 | (125,884) | | 100% |
| <i>GENERAL FUND</i> | | | | | |
| Property taxes | 63,900 | 66,882 | 66,882 | 2,982 | 105% |
| Transfers from other funds | 475,500 | 321,565 | 321,565 | (153,935) | 68% |
| | \$ 539,400 | \$ 388,447 | \$ 388,447 | \$ (150,953) | 72% |
| BRIDGE REPAIR & REPLACEMENT FUND | | | | | |
| Transfers from other funds | \$ 1,591,300 | \$ 1,014,070 | 1,014,070 | (577,230) | 64% |

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PORT OF HOOD RIVER
 SCHEDULE OF EXPENDITURES BY COST CENTER BY FUND
 BUDGET AND ACTUAL - 100% THROUGH THE BUDGET
 FOR THE YEAR ENDED JUNE 30, 2017

| EXPENDITURES | Personal Services | | | | Materials & Services | | | | Capital Outlay | | | | | Debt Service | | | | Total Appropriation | | |
|-----------------------------------|-------------------|-----------|---------|-----|----------------------|-----------|---------|------|----------------|-----------|-----------|-----------|------|--------------|---------|---------|------|---------------------|-----------|-----------|
| | Budget | Actual | Unspent | % | Budget | Actual | Unspent | % | Budget | Actual | Total | Unspent | % | Budget | Actual | Unspent | % | Budget | Actual | Unspent |
| <i>Toll Bridge</i> | 810,800 | 785,328 | 25,472 | 97% | 645,000 | 540,129 | 104,871 | 84% | 730,000 | 637,332 | 637,332 | 92,668 | 87% | - | - | - | | 2,185,800 | 1,962,789 | 223,011 |
| <i>Industrial Facilities</i> | | | | | | | | | | | | | | | | | | | | |
| Big 7 | 46,500 | 43,557 | 2,943 | 94% | 138,000 | 134,995 | 3,005 | 98% | 43,200 | 34,991 | 34,991 | 8,209 | 81% | - | - | - | | 227,700 | 213,543 | 14,157 |
| Jensen Property | 47,300 | 46,259 | 1,041 | 98% | 181,400 | 163,357 | 18,043 | 90% | 170,000 | 16,355 | 16,355 | 153,645 | 10% | 145,000 | 144,942 | 58 | 100% | 543,700 | 370,913 | 172,787 |
| Maritime Building | 43,100 | 40,153 | 2,947 | 93% | 87,100 | 81,340 | 5,760 | 93% | 6,000 | - | - | 6,000 | 0% | - | - | - | | 136,200 | 121,493 | 14,707 |
| Halyard Building | 61,800 | 58,234 | 3,566 | 94% | 222,600 | 221,961 | 639 | 100% | 40,000 | 32,718 | 32,718 | 7,282 | 82% | - | - | - | | 324,400 | 312,914 | 11,486 |
| Expo Building | 0 | 0 | - | - | 11,000 | 8,679 | 2,321 | 79% | - | - | - | - | 0% | - | - | - | | - | - | - |
| Timberline Incubator Building | 32,900 | 30,790 | 2,110 | 94% | 29,400 | 26,258 | 3,142 | 89% | 5,000 | - | - | 5,000 | 0% | - | - | - | | 67,300 | 57,049 | 10,251 |
| Wasco Building | 45,800 | 43,670 | 2,130 | 95% | 110,900 | 109,751 | 1,149 | 99% | 4,500 | - | - | 4,500 | 0% | - | - | - | | 161,200 | 153,421 | 7,779 |
| Hanel Site | 32,400 | 28,830 | 3,570 | 89% | 62,000 | 9,497 | 52,503 | 15% | 1,040,200 | 225,476 | 225,476 | 814,724 | 22% | 140,800 | 140,707 | 93 | 100% | 1,275,400 | 404,510 | 870,890 |
| | 309,800 | 291,493 | 18,307 | 94% | 842,400 | 755,839 | 86,561 | 90% | 1,308,900 | 309,540 | 309,540 | 999,360 | 24% | 285,800 | 285,649 | 151 | 100% | 2,735,900 | 1,633,842 | 231,168 |
| <i>Commercial Facilities</i> | | | | | | | | | | | | | | | | | | | | |
| State Office (DMV) Building | 27,400 | 25,835 | 1,565 | 94% | 33,000 | 31,586 | 1,414 | 96% | 20,000 | 37,546 | 37,546 | (17,546) | 188% | - | - | - | | 80,400 | 94,968 | (14,568) |
| Marina Office Building | 37,400 | 35,167 | 2,233 | 94% | 39,300 | 34,763 | 4,537 | 88% | 25,500 | 13,893 | 13,893 | 11,607 | 54% | - | - | - | | 102,200 | 83,823 | 18,377 |
| Port Office Building | 23,500 | 21,096 | 2,404 | 90% | 24,000 | 23,490 | 510 | 98% | 5,000 | - | - | 5,000 | 0% | - | - | - | | 52,500 | 44,586 | 7,914 |
| | 88,300 | 82,098 | 6,202 | 93% | 96,300 | 89,839 | 6,461 | 93% | 50,500 | 51,439 | 51,439 | (939) | 102% | - | - | - | | 235,100 | 223,376 | 11,724 |
| <i>Waterfront Industrial Land</i> | 45,400 | 43,226 | 2,174 | 95% | 68,500 | 33,425 | 35,075 | 49% | 235,000 | 7,752 | 7,752 | 227,248 | 3% | - | - | - | | 348,900 | 84,403 | 264,497 |
| <i>Waterfront Recreation</i> | | | | | | | | | | | | | | | | | | | | |
| Eventsite | 147,600 | 90,130 | 57,470 | 61% | 38,000 | 36,853 | 1,147 | 97% | 60,000 | 35,241 | 35,241 | 24,759 | 59% | - | - | - | | 245,600 | 162,224 | 83,376 |
| Hook/Spit/Nichols | 48,700 | 41,874 | 6,826 | 86% | 32,000 | 29,927 | 2,073 | 94% | 25,000 | 1,524 | 1,524 | 23,476 | 6% | - | - | - | | 105,700 | 73,324 | 32,376 |
| Marina Park | 167,900 | 153,709 | 14,192 | 92% | 74,400 | 81,192 | (6,792) | 109% | 35,000 | 30,639 | 30,639 | 4,361 | 88% | - | - | - | | 277,300 | 265,540 | 11,760 |
| | 364,200 | 285,712 | 78,488 | 78% | 144,400 | 147,972 | (3,572) | 102% | 120,000 | 67,404 | 67,404 | 52,596 | 56% | - | - | - | | 628,600 | 501,088 | 127,512 |
| <i>Marina</i> | 140,100 | 134,317 | 5,783 | 96% | 95,500 | 89,137 | 6,363 | 93% | 96,000 | 45,924 | 45,924 | 50,076 | 48% | 100,350 | 96,896 | 3,454 | 97% | 431,950 | 366,274 | 65,676 |
| <i>Airport</i> | 89,000 | 83,877 | 5,123 | 94% | 187,300 | 176,907 | 10,393 | 94% | 2,283,400 | 560,438 | 560,438 | 1,722,962 | 25% | 68,300 | - | - | | 2,628,000 | 821,222 | 1,806,778 |
| Administration | 32,200 | - | 32,200 | 0% | 117,500 | 74,518 | 42,982 | 63% | 20,000 | 14,786 | 14,786 | 5,214 | 74% | - | - | - | | 169,700 | 89,304 | 80,396 |
| Maintenance | - | - | - | - | 88,000 | 83,293 | 4,707 | 95% | 32,100 | 26,564 | 26,564 | 5,536 | 83% | - | - | - | | 120,100 | 109,857 | 10,243 |
| <i>Total Expenditures</i> | 1,879,800 | 1,706,052 | 173,749 | 91% | 2,284,900 | 1,991,058 | 293,842 | 87% | 4,875,900 | 1,721,180 | 1,721,180 | 3,154,720 | 35% | 454,450 | 382,545 | 3,605 | 84% | 9,484,050 | 5,792,155 | 2,821,005 |
| Bridge Repair & Replacement Fund | 42,800 | 37,682 | 5,118 | 88% | 290,500 | 105,503 | 184,997 | 36% | 1,969,500 | 285,994 | 285,994 | 1,683,506 | 15% | 858,000 | 693,210 | 164,790 | 81% | 3,160,800 | 1,122,390 | 2,038,410 |
| General Fund | 110,600 | 92,675 | 17,925 | 84% | 428,800 | 289,160 | 139,640 | 67% | - | - | - | - | - | - | - | - | | 539,400 | 381,835 | 157,565 |

Red = decrease in budget or actuals in excess of budget
 Green = increase in budget appropriation

Unfavorable Variance - Expenditures

The Marina Park work at the end of the fiscal year with regard to pumping shed and piping was more than anticipated.
 The DMV CIP over budget due to improvements to the building at the end of the year that were more than anticipated.

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PORT OF HOOD RIVER
BUDGET TRANSFERS BETWEEN MAJOR COST OBJECTS
SCHEDULE OF BUDGETED EXPENDITURES AND CHANGES TO APPROPRIATION
FOR THE FY 2016-17

| REVENUE FUND | Cost Center | Personnel Services | | | Materials & Services | | | Capital Outlay | | | Debt Service | | | Increase/ (Decrease) to Adopted Budget | Notes |
|---|-------------|--------------------|------------------|------------------|----------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------|--|-----------|
| | | Adopted | Revised | Actual | Adopted | Revised | Actual | Adopted | Revised | Actual | Adopted | Revised | Actual | | |
| <u>Toll Bridge</u> | 100 | 810,800 | 810,800 | 697,069 | 519,500 | 645,000 | 539,677 | 394,000 | 730,000 | 598,758 | - | - | - | 461,500 | 1 |
| <u>Industrial Facilities</u> | | | | | | | | | | | | | | | |
| Big 7 | 200/205 | 46,500 | 46,500 | 40,496 | 138,000 | 138,000 | 115,390 | 43,200 | 43,200 | 13,548 | - | - | - | - | |
| Jensen Property | 302 | 47,300 | 47,300 | 41,331 | 181,400 | 181,400 | 153,323 | 211,000 | 170,000 | 13,850 | 145,000 | 145,000 | 132,863 | (41,000) | 3 |
| Maritime Building | 303 | 43,100 | 43,100 | 37,576 | 84,100 | 87,100 | 77,458 | 20,000 | 6,000 | - | - | - | - | (11,000) | 2,4 |
| Halyard Building | 307 | 61,800 | 61,800 | 54,139 | 211,600 | 222,600 | 201,670 | 10,000 | 40,000 | 32,718 | - | - | - | 41,000 | 3 |
| Expo Center | 401 | 0 | 0 | - | - | 11,000 | 7,390 | - | - | - | - | - | - | 11,000 | 4 |
| Timber Incubator Bldg | 702 | 32,900 | 32,900 | 28,657 | 29,400 | 29,400 | 17,572 | 10,000 | 5,000 | - | - | - | - | (5,000) | 5 |
| Wasco Bldg | 800 | 45,800 | 45,800 | 39,954 | 90,900 | 110,900 | 100,106 | 19,500 | 4,500 | - | - | - | - | 5,000 | 5 |
| Hanel Lower Mill | | 32,400 | 32,400 | 26,265 | 62,000 | 62,000 | 5,935 | 1,501,700 | 1,040,200 | 222,197 | 140,800 | 140,800 | 132,863 | (461,500) | 1 |
| + | | 309,800 | 309,800 | 268,417 | 797,400 | 842,400 | 678,845 | 1,815,400 | 1,308,900 | 282,313 | 285,800 | 285,800 | 132,863 | (461,500) | |
| <u>Commercial Facilities</u> | | | | | | | | | | | | | | | |
| State (DMV) Office Bldg. | 501 | 23,900 | 27,400 | 24,247 | 33,000 | 33,000 | 27,347 | 20,000 | 20,000 | 13,352 | - | - | - | 3,500 | 6 |
| Marina Office Building | 506 | 37,400 | 37,400 | 32,652 | 39,300 | 39,300 | 32,257 | 29,000 | 25,500 | 13,893 | - | - | - | (3,500) | 6 |
| Port Office Building | 502 | 25,500 | 23,500 | 19,923 | 22,000 | 24,000 | 20,990 | 5,000 | 5,000 | - | - | - | - | - | 7 |
| | | 86,800 | 88,300 | 76,823 | 94,300 | 96,300 | 80,595 | 54,000 | 50,500 | 27,244 | - | - | - | - | |
| <u>Waterfront Industrial Land</u> | 300/301 | 45,400 | 45,400 | 39,879 | 89,500 | 68,500 | 32,173 | 235,000 | 235,000 | - | - | - | - | (21,000) | 8 |
| <u>Waterfront Recreation</u> | | | | | | | | | | | | | | | |
| Eventsite | 402 | 147,600 | 147,600 | 79,220 | 38,000 | 38,000 | 32,576 | 60,000 | 60,000 | 35,241 | - | - | - | - | |
| Hook and Spit | 306/505 | 48,700 | 48,700 | 38,090 | 11,000 | 32,000 | 25,923 | 30,000 | 25,000 | 1,524 | - | - | - | 16,000 | 8,9 |
| Marina Park | 504 | 167,900 | 167,900 | 138,598 | 69,400 | 74,400 | 66,015 | 35,000 | 35,000 | 30,639 | - | - | - | 5,000 | 9 |
| | | 364,200 | 364,200 | 255,909 | 118,400 | 144,400 | 124,514 | 125,000 | 120,000 | 67,404 | - | - | - | 21,000 | |
| <u>Marina</u> | 503 | 138,100 | 140,100 | 123,200 | 85,500 | 95,500 | 81,707 | 108,000 | 96,000 | 45,924 | 100,350 | 100,350 | 96,896 | - | 10 |
| <u>Airport</u> | 600 | 85,500 | 89,000 | 77,226 | 137,300 | 187,300 | 162,941 | 2,336,900 | 2,283,400 | 272,962 | 68,300 | 68,300 | - | - | 11 |
| Administration | | 32,200 | 32,200 | 3,490 | 117,500 | 117,500 | 62,318 | 20,000 | 20,000 | 14,786 | - | - | - | - | |
| Maintenance | | - | - | - | 88,000 | 88,000 | 74,896 | 32,100 | 32,100 | 26,564 | - | - | - | - | |
| | | 1,872,800 | 1,879,800 | 1,542,012 | 2,047,400 | 2,284,900 | 1,837,664 | 5,120,400 | 4,875,900 | 1,335,956 | 454,450 | 454,450 | 229,760 | - | |
| Increase/(Decrease) in Appropriation | | | 7,000 | | | 237,500 | | | (244,500) | | | | - | | |
| Bridge Repair & Replacement Fund | | 40,800 | 42,800 | 36,028 | 292,500 | 290,500 | 100,173 | 1,969,500 | 1,969,500 | 303,501 | 858,000 | 858,000 | 689,621 | - | 12 |
| General Fund | | 110,600 | 110,600 | 86,124 | 428,800 | 428,800 | 253,119 | - | - | - | - | - | - | - | |

Notes to Budget Adjustments:

Changes to appropriations to Cost Center

- 1 Increase M&S by \$125,500, for \$43000 for Kapsch support service, \$50500 tag inventory, \$32000 for 6c tags. Increase Bridge CIP by \$336000 for Kapsch IDRIS/Readers and IT infrastructure from Lower Mills CIP that is being deferred.
- 2 Increase Maritime M&S by \$3000 from CIP due to winter maintenance.
- 3 Increase Halyard M&S by \$11000 for higher utilities and \$30000 for CIP HVAC. Transfer \$41000 from Jensen CIP for roof repair deferred for next year.
- 4 Increase Expo Center M&S by \$11000 since no budget was included due to sale that was to occur earlier in the year. Maritime CIP will cover the legal costs for this variance.
- 5 Increase Wasco M&S by \$5000 for electronic door system, \$5000 for utilities and \$10000 for IT room change.
- 6 Increase DMV Bldg Personnel Services by \$3500 due to additional labor during the winter. Marina Office Bldg CIP for TI is deferred and budget will be reduced.
- 7 Increase Port Building Personnel Services by \$2000 from M&S due to additional labor during the winter.
- 8 Transfer M&S budget of \$21000 from Waterfront Land to Nichols M&S due to having Nichols being its own cost center.
- 9 Increase Marina Park M&S budget by \$5000 from Hook CIP that was completed earlier than expected in prior year.
- 10 Transfer \$12000 from Marina CIP to PS in amount of \$2000 and M&S \$10000 due to electrical work that is non-capitalizable.
- 11 Transfer from Airport CIP \$53500 to PS of \$3500 and M&S of \$50000 for additional labor during the winter and legal work for wetland mitigation and airport FBO agreements. Major portion of South taxiway delayed due to environmental assessment.
- 12 Transfer \$2000 from Bridge R&R fund M&S to PS for additional labor work during the year.

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Commission Memo

Prepared by: Genevieve Scholl
Date: October 3, 2017
Re: 2018 Toll Increase



Staff has been developing public outreach tasks and a timeline for Commission consideration of a potential toll increase in 2018. The attached draft resolution details the need and reasoning for such an increase, and Exhibit 'A' provides the staff recommended new toll rate matrix. Also attached is the recommended schedule of activities for public input, outreach, and implementation and a draft informational handout that provides key information about the rationale for the increase and the dedication of derived revenue to the Bridge Repair & Replacement Fund.

Michael McElwee, Fred Kowell, and Genevieve Scholl will provide a report on the staff recommendations and seeks Commission input.

RECOMMENDATION: Discussion.

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PORT OF HOOD RIVER
Resolution No. 2017-XX-X
DRAFT 9/19/17

WHEREAS, the Hood River-White Salmon Interstate Bridge ("Bridge") is a critical transportation facility in the Mid-Columbia Region, and the Port of Hood River ("Port") must manage, maintain, inspect and operate the Bridge in a safe manner for the long-term use of residents, visitors, and businesses; and

WHEREAS, the Bridge is beyond its design life, is functionally obsolete and insufficient for modern vehicle and marine freight configurations, is subject to impacts of heavy trucks, traffic volumes and costs to maintain and operate the facility continue to increase; and

WHEREAS, an engineering assessment completed in 2011 and updated in 2017 demonstrated that capital and operational expenditures to keep the existing Bridge in good repair, safe, and operational, will continue to increase significantly; and

WHEREAS, in 2016 the Port commenced a sustained effort to construct a new bridge in the next fifteen years and obtained a financial commitment from the Oregon State Legislature to complete a Final Environmental Impact Statement and carry out other pre-construction efforts to identify the most appropriate method for financing and developing of a new Bridge; and

WHEREAS, financing the capital and operational costs of the existing Bridge or constructing a new Bridge, whether it is publicly-funded or through a public/private partnership (P3) will need to be partially or wholly funded by Bridge tolls ("Toll" or "Tolls"); and

WHEREAS, on June 15, 1993 the Port established a Bridge Repair and Replacement Fund ("Bridge Fund") per Resolution No. 1992-1993-5 to finance studies, engineering, repair projects, and moneys for replacement; and

WHEREAS, on December 6, 1994 the Port approved Resolution No. 1994-1995-3 which increased the cash toll from \$.50 per axle to \$.75 per axle, with the sole purpose of additional revenue to fund the Bridge Fund, excepting some restrictive discounted tickets; and

WHEREAS, on October 18, 2011 the Port Commission approved Resolution No. 2011-12-1 which increased cash tolls to \$1 and increased the electronic toll to \$.80 effective January 1, 2012 and dedicated the increase to the Bridge Fund; and

WHEREAS, the use of revenues derived from the 1994 and 2012 toll increases were limited to (a) payment of Bridge expenditures, including capital projects, maintenance, operations (including direct and overhead expenses), equipment, reserves, financing costs (including debt service), and expenses to promote mass transit use of the Bridge, and (b) expenses associated with borrowings and any bond covenants, authorized by the Port Board of Commissioners; and

WHEREAS, the net revenues derived from the 1994 and 2012 toll increases have been transferred to the Bridge Fund and utilized exclusively for those purposes; and

WHEREAS, the Port of Hood River Commission finds it is necessary to increase Bridge toll rates to provide additional revenue for ongoing repair and capital upgrades of the existing bridge as well as future efforts to replace the Bridge;

NOW, THEREFORE, BE IT

RESOLVED, the Port Board of Commissioners hereby adopts and incorporates by reference Attachment 'A' attached hereto, and approves new toll rates listed in Exhibit "A" which shall be effective beginning February 1, 2018;

RESOLVED, that the Bridge Repair and Replacement Fund continue as one fund instead of two separate funds, whereby net revenues derived from the 1994, 2012, and 2018 toll increases shall be deposited in this fund and their use limited to (a) payment of any expenditure associated with the Bridge, including, without limitation, capital projects, maintenance, operations (including direct and overhead expenses), equipment, reserves, financing costs including debt service, and expenses to promote mass transit use of the Bridge; (b) payment of any expense (including without limitation payment of debt service, premium costs, and issuance costs) or meeting any other bond requirements (including without limitation coverage and reserve requirements) associated with borrowings authorized by the Port Board of Commissioners; and (c) payment of any expense associated with any activity related to replacement of the existing Bridge with a new bridge including but not limited to engineering, financial feasibility analyses, permitting, advocacy, construction, grant match funding or other debt expenses or debt related expenses, project management, traffic analyses, bid or quote solicitations of any of these, and staff expenses and associated overhead. As used in this resolution, net revenues are defined as earned toll revenues less payment of any expenditure associated with the Bridge or a replacement bridge authorized by this Resolution; and

RESOLVED, that this Resolution supplements and modifies the 1993 Resolution and 1994 Resolution; if there is a conflict with the 1993 Resolution or 1994 Resolution the terms of this Resolution shall be followed.

ADOPTED BY THE PORT BOARD OF COMMISSIONERS on this 18th day of November, 2017.

Attachment 'A'
2018 Toll Rates
Approved: November 18,
2017
Effective February 1, 2018

Cash Tolls

| | |
|-------------------------------------|---------|
| Class 0 Vehicles (Motorcycles) | \$ 1.00 |
| Class 1 Vehicles | \$ 2.00 |
| Class 2 & above Vehicles (per axle) | \$ 3.00 |

Electronic Tolls

| | |
|--------------------------------|---------|
| Class 0 Vehicles (Motorcycles) | \$ 0.75 |
| Class 1 Vehicles | \$1.00 |
| Class 2 Vehicles (per axle) | \$ 2.00 |

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Toll Increase Public Outreach Tasks & Timeline

| Task | Deadline | Assigned to |
|---|---|-----------------------------|
| Present first staff report to Commission, including developed key messages and staff recommendation for toll increase timeline, including draft resolution. | October 3, 2017 | Fred/Genevieve/Michael |
| Publicize first public hearing | October 9, 2017 | Genevieve |
| Hold first public hearing | October 17, 2017 | Michael |
| Web Portal for existing customers will soft launch, new fulfillment protocols implemented. | October 18, 2017 | Fred/Genevieve/Jana/Marcela |
| Publicize second public hearing | November 3, 2017 | Genevieve |
| Hold second public hearing | November 14, 2017* *Need to reschedule meeting | Michael |
| Compile testimony and present to Commission with staff recommendations for toll increase timeline. | November 15, 2017 | Michael/Fred |
| Web portal functionality to create new account launches. | November 15, 2017 | Fred |
| Toll Increase approval action item during Commission meeting. | December 5, 2017 | Michael/Fred |
| Publicize details and timing of toll increase via Breezeby, local news media, Port website, newsletter and social media. | December 6-January 31, 2017 | Genevieve |
| Implement toll increase. | February 1, 2018 | Fred |

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HOOD RIVER INTERSTATE BRIDGE TOLL RATES



The Port of Hood River, a public agency, has owned and operated the Hood River/White Salmon Interstate Bridge since 1950. The 4,418' steel truss bridge was originally constructed in 1924. Today, it provides a critical, bi-state transportation link in the heart of the Columbia River Gorge National Scenic Area. Unlike most state or federal transportation facilities, the bridge is locally owned and funded wholly by its users, paid on a per-use basis, in the form of a toll. As the Port anticipates over \$31 million in capital improvements to the bridge in just the next 10 years, it is working as the lead agency in planning for the construction of a replacement bridge, expected to cost over \$250 million. Tolls will continue to play a critical role in financing the maintenance and capital improvements required to keep this vital link in our region's transportation system unbroken, and in the ultimate construction of a new, replacement bridge.

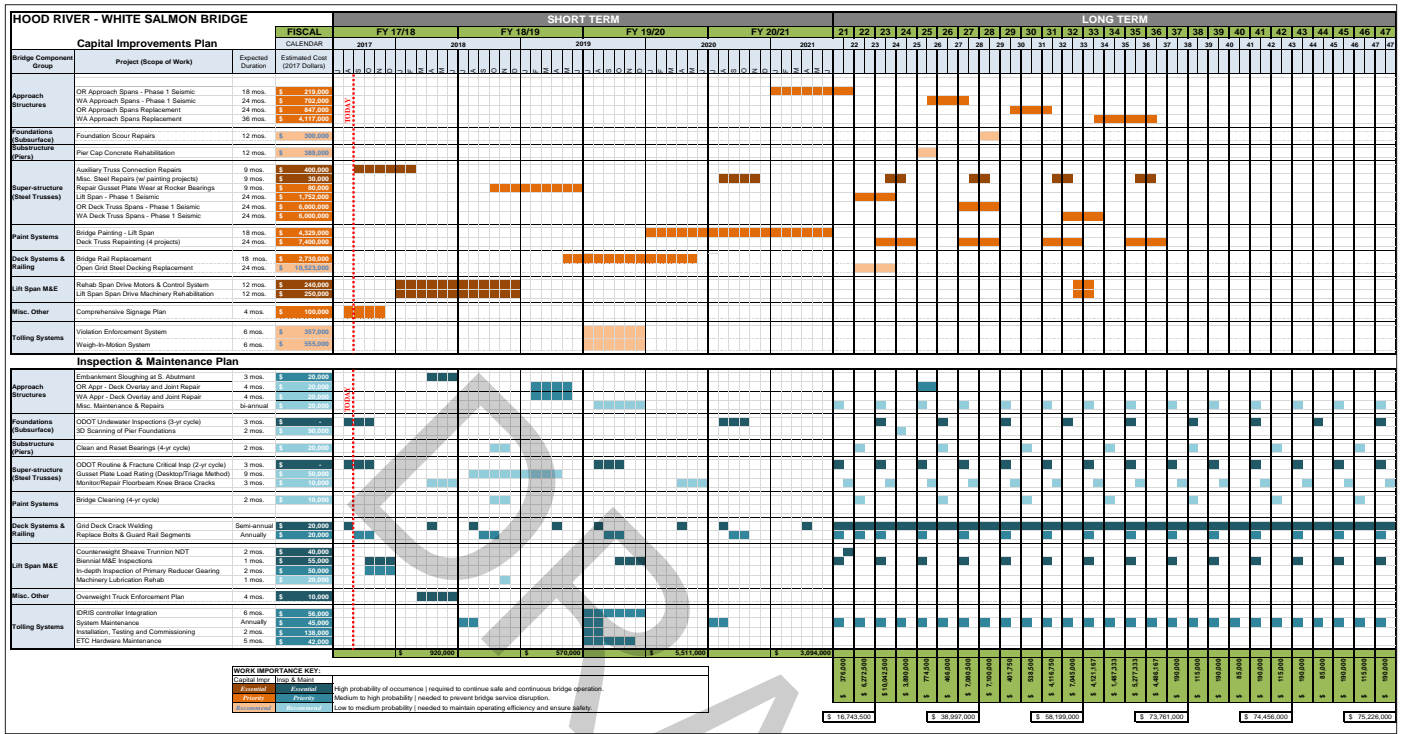
CRITICAL TRANSPORTATION LINK AT RISK

- *The bridge is structurally deficient for modern freight, recreational, and emergency response vehicles.*
- *Expenses associated with keeping the bridge safe and operational are increasing, and cost of anticipated repairs and capital improvement exceed toll revenue projections.*
- *The bridge creates an unsafe choke point for large volumes of detoured traffic during emergencies and freeway closures, occurring on average 3-5 times each year.*
- *Traffic delays resulting from repair and maintenance work will continue to increase as needed repair projects increase in frequency.*
- *The bridge cannot accommodate growing traffic volumes (increasing 3.5% each year), and deterioration exacerbated by heavy trucks is accelerating.*
- *The bridge has no bicycle or pedestrian crossing lanes and cannot support the addition of such facilities.*
- *The bridge is seismically deficient and vulnerable to catastrophic failure in an earthquake.*
- *The bridge is the most hazardous navigational obstacle on the Columbia/Snake federal inland waterway with a poorly aligned navigation channel that is less than half the recommended width.*



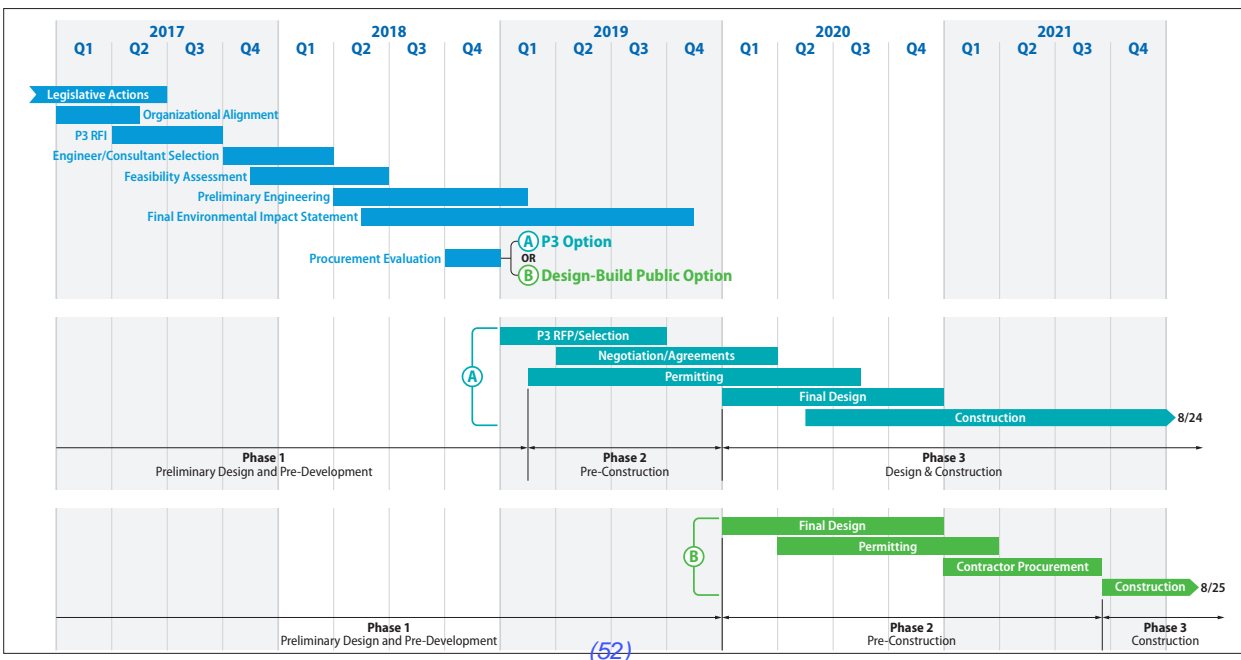
\$31 MILLION IN CAPITAL IMPROVEMENTS AND MAINTENANCE OVER THE NEXT TEN YEARS

Bridge engineering firms HDR and Stafford Bandlow develop near and long term work plans for the bridge that prioritize large projects, schedules inspections and repairs, and anticipates costs. The result is the Port's 30-year Work Plan for the bridge, which informs Port budget planning and contracting. The most recent update to the Work Plan occurred mid-2017, and anticipates more than \$31 million in capital upgrades, maintenance and repair projects in the near term. The chart below is a visual representation of the plan (to view or download the chart, go to portofhoodriver.com/workplan).



PROGRESS MADE ON THE LONG PATH TO A NEW BRIDGE

The passage of Oregon HB 2750 and HB 2017 represent the most significant steps forward for bridge replacement in over a decade. Significant challenges remain, as public infrastructure funding at the local, state, and federal levels are very limited and project is located in a bi-state, rural area with a small population. Whether for repairs to the existing bridge or planning and construction of a new one, tolls will continue to be the primary funding source for the bridge. The chart below illustrates the likely pathways to a new bridge, including scenarios for a Design-Build, publicly-funded option or a public-private partnership, often referred to as a "P3" option (to view or download the chart, go to portofhoodriver.com/workplan).



2018 TOLL INCREASE DETAILS

The bridge is a toll facility and has been since its construction in 1924, when the base toll was 75 cents per vehicle. Since time, the base toll rate has never been over \$1. Now, the Port finds that annual toll revenue at the current rate is insufficient to fund the rapidly accelerating costs to maintain the aging bridge structure, and significant new costs for the development of a replacement bridge are anticipated in the short term. Therefore, the Port has determined that a toll increase is needed to raise required revenue. The new cash and BreezeBy electronic toll rates will take effect on February 1, 2018.

NEW CASH TOLL RATES

Class 0 Vehicles (Motorcycles) - **\$1.00**

Class 1 Vehicles (Passenger Vehicles & Pickup Trucks)- **\$2.00**

Class 2 & Above (Large Trucks, RVs, Trailers,
Duallies, Busses, per axle) - **\$3.00**

NEW BREEZEBY ELECTRONIC TOLL RATES

Class 0 Vehicles (Motorcycles) - **\$0.75**

Class 1 Vehicles (Passenger Vehicles & Pickup Trucks)- **\$1.00**

Class 2 & Above (Large Trucks, RVs, Trailers,
Duallies, Busses, per axle) - **\$2.00**

NEW BREEZEBY CUSTOMER ACCOUNT TOOLS, TRANSPONDERS, AND DISCOUNT

Beginning in October 2017, existing BreezeBy account holders will be able to fully manage their BreezeBy accounts online, via a new web portal at portofhoodriver.com. Each household opening a new account will receive one free transponder, and the cost for additional transponders is as little as \$5 each. With this new toll increase, BreezeBy tolls for passenger vehicles are half the cost if paying with cash. This provides frequent, local bridge users with a strong financial incentive to set up a BreezeBy account, and the automated gates in the BreezeBy only lanes provide the quickest, easiest trip through the toll plaza. Beginning November 2017, bridge users will be able to set up new accounts online, eliminating the need to make a special trip to the Port offices. The BreezeBy system saves time and money for the Port and its customers, and is the fastest, most economic way to pay tolls. The Port now uses the latest transponder technology that utilize the 6C transponder protocols, providing interoperability with other tolling agencies throughout the western U.S. This means that, in the future, BreezeBy customers will be able to pay tolls in Washington, California, and beyond using their BreezeBy account.



BRIDGE REPAIR AND REPLACEMENT FUND

Where does the money go? All revenue from this toll increase will be dedicated to bridge repair or replacement. On June 15, 1993 the Port established a Bridge Repair and Replacement Fund ("Bridge Fund") to finance studies, engineering, repair projects, and replacement and then on December 6, 1994, increased the cash toll from \$.50 per axle to \$.75 per axle to add revenue to fund the Bridge Fund. Then on October 18, 2011 the Port again increased cash tolls to \$1 and increased the electronic toll to \$.80, with those funds also dedicated the increase to the Bridge Fund. Since the fund was first established, revenues derived from the toll increases have been limited to (a) payment of Bridge expenditures, including capital projects, maintenance, operations (including direct and overhead expenses), equipment, reserves, financing costs (including debt service), and expenses to promote mass transit use of the Bridge, and (b) expenses associated with borrowings and any bond covenants. All revenue raised from this increase will have the same restrictions.

TO LEARN MORE, PLEASE CONTACT:

Port of Hood River: Email: porthr@gorge.net, Phone: (541) 386-1645

Web: portofhoodriver.com | Twitter: [@PortofHoodRiver](https://twitter.com/PortofHoodRiver) | Facebook: [Facebook.com/PortofHoodRiver](https://www.facebook.com/PortofHoodRiver)

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Executive Director's Report

October 3, 2017

Staff & Administrative

- A meeting has been called by Oregon Department of Forestry personnel to present information regarding a FEMA program that provides reimbursement of costs incurred by local agencies over the course of the Eagle Creek Fire response. The primary loss the Port incurred was loss of toll revenue, unlikely to be eligible for reimbursement.
- A reminder that the PNWA Annual Convention is Oct. 17, 18 & 19 in Portland. At this point, Commissioners Shortt and Meriwether and myself will attend portions of the conference. A draft conference agenda is attached.
- The fall newsletter was printed and mailed the week of September 25.
- Genevieve attended the Greater Portland, Inc. annual banquet as a guest of Boeing and Insitu on September 21.
- The September OneGorge meeting took place in Cascade Locks on September 27 and was focused primarily on Eagle Creek and Archer Creek fire recovery in Cascade Locks and Stevenson. Andrew Johnsen, community liaison for BNSF Railroad was in attendance and discussed several railroad related topics.
- Anne attended CCIM training in Bend September 18-21, learning real estate analysis methods helpful for portfolio management as well as understanding the market investor.
- Staff held a planning meeting on the 28th to discuss opportunities for team building and increased efficiencies through enhanced communications.

Recreation/Marina

- Final paving of the Marina Way/Button Bridge Rd. intersection occurred overnight September 26/27. The operation, related to the lift station project at Marina Way, caused minimal impact to tenants or anglers.
- Steve Carlson continues to successfully lower GFCI breaker settings in the Marina. Docks A, B, and C South are holding at 100 mA, the best practice industry standard. C North is set at 1 Amp. The Boathouse breaker is set at 2.5 Amp and Steve is working to isolate the source of a recurring fault of about 1.6 Amp. All of this constitutes very significant progress toward our goal of 100 mA setting for all circuits.
- The next and final major events scheduled for the waterfront are Harvest Fest (October 13-15) and The Gorge Marathon (October 22).
- Speed bumps have been installed on the Hook road.

Development/Property

- The contract with ECONorthwest for real estate economic modeling of Lot #1 development has been executed. The draft analysis will be complete by October 25 and presented before the Commission on November 7.
- I attended the City Council meeting on September 25 when discussion occurred about potential modifications to allowed commercial use thresholds on the waterfront. The Council decided to put this item on their upcoming planning retreat agenda. The Council also briefly discussed waterfront parking and agreed to support reconvening of the waterfront Parking Committee this fall.
- On September 20, I toured the new buildings under construction on the old Expo property. The buildings are very impressive in terms of design and programming. They are also nearly 100% pre-leased.
- The Crystal Springs Water District (“CWSD”) met on September 20 regarding the waterline issue and IGA. They determined that CSWD will be unable to assist with the line replacement project. Anne continues to work with CSWD regarding the water line expansion and other possible solutions. This will be a topic for discussion at the meeting.
- The wetlands permit application will be filed Oct. 2 for the Lower Mill and John Webber wetlands.
- After leases approved this month, the Port has under 1% vacancy rate and waiting lists for many of our property types.

Airport

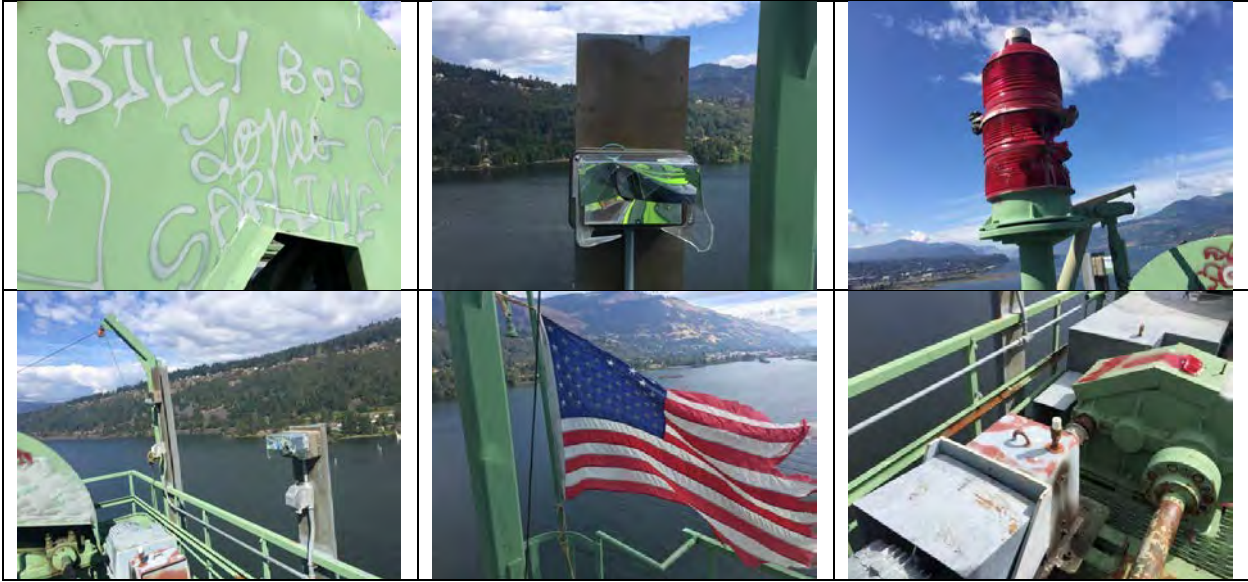
- Work on the South Taxiway project continues, generally on schedule. The most important milestone is asphalt paving -- Crestline Construction has scheduled that work to begin October 9. An underground storage tank was discovered in the work zone just south of the White Hangar. Environmental Engineer Dave Coles reports that he believes the tank is intact, contains waste crankcase oil and can be removed relatively easily. The cost will likely be about \$5,000. Otherwise, the project is remaining on schedule. There is likely to be one change order related to unsuitable subgrade that had to be removed and replaced.
- The wetlands report has been submitted to the FAA. They have a two-week review period which ends the 29th. Staff hopes to have an update on wetland mitigation locations at the meeting.
- Staff met with County Planning on the 28th to discuss land use applications adjacent to the airport.

Bridge/Transportation

- Significant work will be occurring on the Bridge over the next several weeks likely resulting in some traffic impacts. John Mann reports the following is the expected schedule:

- Oct 2-6 - Abhe & Svoboda begins work on the auxiliary truss repairs. They will be staging in the DMV parking lot and building floatation platforms on the side dock at the boat launch.
 - Oct 9 – Stafford Bandlow Engineers (SBE) will be testing the bridge lift controls and mechanism and will be doing many lifts.
 - Oct 10 – additional morning lifts could occur depending on the test results. Gearbox work will occur on both Tuesday and Wednesday, no lifts required for this work as it all takes place on the top of the tower.
 - Oct 12 & 13 – SBE will conduct strain gage testing. This will require a complete closure from 11:00 p.m. to 3:00 a.m., during which time they will perform four full height lifts.
- Further contact from ODOT indicates that staff there is working on the IGA regarding the \$5 million for bridge pre-development efforts. The key issue is how much detail should be included regarding roles, responsibilities and oversight.
 - We have scheduled a work session on October 9 with Thorn Run to discuss legislative matters going forward. Steve Siegel and I will be meeting with WSDOT Southwest Region Manager Kris Strickler on Oct. 13 to discuss future coordination and legislative issues.
 - Malicious vandalism occurred on the Bridge sometime during the week of September 18. The door to the control room was smashed to gain entry and control system wires were cut. Vandals also climbed the north lift tower and smashed the navigation light. All tools are missing, a sheave housing was bent, and there is significant graffiti. A police report was filed. Staff informed the USGS that the lift span is non-operational. Garreth Reese of SBE conducted an inspection on September 27. The lift span will continue to be closed until the skew system can be tested and balanced in small incremental lifts when SBE returns in October.





2017 PNWA ANNUAL CONVENTION

Embassy Suites – Downtown
319 SW Pine Street, Portland OR 97204

Tuesday, October 17th

All events in Colonel Lindbergh Ballroom unless otherwise noted

- 10:00 am** **PNWA Executive Committee Meeting** (*John Steinbach room*)
** Executive Committee Members only **
- 1:00 pm** **PNWA General Session Welcome**
Kristin Meira, Executive Director, PNWA
Curtis Robinhold, Executive Director, Port of Portland
- 1:30 pm** **Federal Maritime Commission's Supply Chain Innovation Initiative**
Rebecca Dye, Commissioner, Federal Maritime Commission
- 2:15 pm** **Surface Transportation Update**
Travis Brouwer, Assistant Director, Oregon Department of Transportation (ODOT)
Allison Dane Camden, Federal Relations Manager, Washington State
Department of Transportation (WSDOT)
- 3:00 pm** **Break**
- 3:15 pm** **U.S. Army Corps of Engineers Commanders Panel**
BG Scott A. Spellmon, Commander, Northwestern Division
COL Aaron L. Dorf, Commander, Portland District
LTC Damon A. Delarosa, Commander, Walla Walla District
LTC Andrew L. Olson, Deputy Commander, Seattle District

PNWA Gala Reception

5:00 – 7:00 pm

Embassy Suites Hotel
Queen Marie Ballroom
319 SW Pine Street
Portland, OR 97204

Join us as we recognize our
2017 Distinguished Service Award Recipients!

2017 PNWA ANNUAL CONVENTION

Embassy Suites – Downtown
319 SW Pine Street, Portland OR 97204

Wednesday, October 18th

All events in Colonel Lindbergh Ballroom unless otherwise noted

- 8:00 am** **Breakfast & Presentation: Wake Stranding – Status Update and Impacts in the Pacific Northwest**
Brent Carson, Partner, Van Ness Feldman
Matt Love, Partner, Van Ness Feldman
- 9:30 am** **Northwest Rail Update**
Greg Guthrie, Director of Marketing, Agricultural Products, BNSF Railway Company
- 10:15 am** **PNWA Member Panel**
Jonathan Eder, Director of Human Resources, Port of Vancouver USA
Kelley Jorgensen, Conservation Program Manager/Watershed Restoration Ecologist, Plas Newydd LLC
Les Reardanz, CEO/Executive Director, Port of Everett
- 11:00 am** **Break**
- 11:15 am** **(Speaker and Topic TBD)**
- 12:00 pm** **Luncheon and Guest Speaker**
(Queen Marie Ballroom) John Horvick, Vice President and Political Director, DHM Research
- 1:30 pm** **Funding Sources**
Michelle Giguere, Partner, Summit Strategies
- 2:15 pm** **(Speaker and Topic TBD)**
- 3:00 pm** **Break**
- 3:15 pm** **PNWA Membership Meeting**
** PNWA Members only **
- Election of Board of Directors
 - Election of Executive Committee and Officers
 - Adoption of PNWA 2018 Policies and Projects
- 4:15 pm** **Inland Ports & Navigation Group (IPNG) Meeting**
(Gevurtz Ceremonial Room) ** All PNWA members encouraged to attend **

2017 PNWA ANNUAL CONVENTION

Embassy Suites – Downtown
319 SW Pine Street, Portland OR 97204

Thursday, October 19th

All events in Colonel Lindbergh Ballroom

- 8:00 am** **Breakfast and PNWA Board of Directors Meeting**
** PNWA members only **
- 10:30 am** **PNWA and U.S. Army Corps of Engineers Regulatory Workshop**
** Working lunch included as a part of the workshop.
RSVP required; PNWA members only **
- 1:30 pm** **Meeting adjourned – Thank you for coming!**

DRAFT

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Commission Memo



Prepared by: Michael McElwee
Date: October 3, 2017
Re: Washington Legislative Advocacy

The recent legislative success in Salem (HB 2750) conveyed key statutory and contracting authorities to the Port and provided momentum for Hood River Bridge (“Bridge”) replacement efforts. However, because portions of the Bridge are also located in Washington, similar authorities may also be needed from the Washington legislature.

I contacted Brad Boswell of Boswell Consulting (“Boswell”) and sought a proposal for advocacy services for the remainder of our fiscal year. This time period includes the 2018 session of the Washington legislature. The legislative action that may be needed includes recognition of the need for a new bridge, authorization for public/private financing approaches and tolling enforcement/reciprocity mechanisms. Near term assistance will be needed to develop and execute a legislative strategy for the upcoming session and long term help may be necessary through the 2019 session of the Washington legislature.

Boswell is a recognized lobbyist in Washington and experienced in transportation matters. He was recommended by Dan Bates of Thorn Run Partners.

The professional fees for this work has been negotiated at \$3,500 per month, an amount similar to the retainer for Salem advocacy services. However, our FY 17/18 budget only included \$10,000 for Washington legislative work so it will be necessary to shift funds from other activities. Since we will not be submitting an INFRA application and no work is needed on a proposed WRDA bill, the assistance needed at the federal level will be lower, staff recommends reducing the retainer for Summit Strategies by \$2,000 per month for a total of \$18,000 in savings. The total contract amount would be \$28,000 for FY 17/18 as Boswell will be out of the country and no retainer will be paid in November.

RECOMMENDATIONS:

1. Approve Amendment 1 to the contract with Summit Strategies, LLC for federal advocacy services reducing the contract by \$2,000 per month.
2. Approve Contract with Boswell Consulting for Washington State advocacy services not to exceed \$28,000 plus reasonable reimbursable expenses.

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**PORT OF HOOD RIVER
PERSONAL SERVICES CONTRACT
AMENDMENT #1**

This amendment modifies a contract between the **Port of Hood River**, an Oregon Municipal Corporation ("Port") and, **Summit Strategies Government Affairs LLC** ("Contractor").

Whereas, Port and Contractor entered into a Personal Services Contract ("Contract") for federal advocacy services dated July 13th 2017 and terminating June 30, 2018; and

Whereas, The Contract requires the Port to pay a monthly retainer of \$6,500 to Contractor with \$5,000 for advocacy services related to Port matters; and

Whereas, Due to funding constraints and the need to shift Port funds toward other priority advocacy activities the Port seeks to reduce the monthly retainer for the balance of the Contract term; now, therefore Port and Contractor agree

From October 2017 through June 2018 the monthly retainer paid to Contractor shall be reduced from \$6,500 to \$4,500 and the portion of the retainer for Port matters shall be reduced from \$5,000 to \$3,000; and

Port advocacy issues identified in the Contract as Matter #3 (Federal Water Resources Development Act) and Matter #5-b (Federal Discretionary Funding) shall be eliminated from the Contract in recognition of the reduced retainer.

| This Amendment #1 is entered into between the parties on this _____ day of _____, 2017.

PORT OF HOOD RIVER

**SUMMIT STRATEGIES GOVERNMENT
AFFAIRS, LLC**

BY: _____
Michael McElwee

BY: _____
Hal Hiemstra

Executive Director

Partner

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**Services Agreement Between
Boswell Consulting Inc.
And
Port of Hood River**

This is a service agreement (“Agreement”) effective as of November 1, 2017 (the “Effective Date”) by and between, Boswell Consulting, Inc. (“BCI”) and Port of Hood River (“Port”).

1. **Term and Termination.** This Agreement shall commence on the Effective Date and shall continue until June 30, 2018. Either party may terminate this Agreement with or without cause with 30 days written notice.
2. **Scope of Services** (“Services”). BCI will assist PORT in the coordination and interaction with legislative bodies, state agency personnel and ally groups. BCI will provide verbal and written reports as needed and mutually agreed upon outlining status of current activities on behalf of PORT.
3. **Pricing and Payment.**
BCI and PORT have mutually agreed upon the pricing for Services and PORT shall pay BCI \$3,500.00 per month, plus reasonable expenses including but not limited to meals with Legislators and Staff in the course of PORT activities. Also, mileage, meals and hotel expenses related to travel mutually agreed upon by PORT and BCI.

BCI shall be responsible for preparation of complete and accurate invoices at the end of each month, which shall be paid by PORT within (15) days of the date of invoice.

PORT agrees that in the event PORT does not pay BCI pursuant to the terms of this Agreement all amounts owed shall immediately become due and payable. In addition, PORT shall become indebted to BCI for the costs of collection, including reasonable attorney fees, plus one and one half percent (1.5%) interest per month, compounded daily and calculated from the due date of the invoice.

4. **Notices.** All notices under this Agreement shall be in writing, and sent by reputable overnight courier service, regular U.S. mail or facsimile transmission and addressed to the other party at its address shown below:

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

BCI
Boswell Consulting Inc.
PO Box 9431
Seattle, WA 98109
Attn: Brad Boswell

Notices shall be deemed received when delivered if by courier service, three (3) days after notice is sent via U.S. Mail or when facsimile transmission has been confirmed by the sender's facsimile machine

- 5. **Assignment.** PORT shall not assign its rights under this Agreement without BCI's prior written consent, which shall not be unreasonably withheld.
- 6. **Compliance with Laws, Dispute Resolution and Governing Law.** BCI and PORT each agree to comply with all federal, state, and local laws and regulations relating to their respective rights and obligations here under. In the event of any dispute between the parties such matters shall be settled by arbitration, held in Seattle, Washington, USA. This Agreement shall be governed by and construed according to the laws of the state of Washington.
- 7. **Entire Agreement.** This Agreement constitutes the complete and entire agreement between the parties pertaining to the services and supersedes the parties' prior agreements understandings and discussions relating to the Services. no modification of this Agreement is binding unless it is in writing and executed by the parties duly authorized representatives.
- 8. **Agreement Acceptance.** The parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Port of Hood River

BCI

By: _____

By: _____

Title: Port of Hood River Executive Director

Title: President

Date: _____

Date: _____