



PORT OF HOOD RIVER COMMISSION
Tuesday, June 6, 2017
Marina Center Boardroom
5:00 P.M.

Regular Session Agenda

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 May 16, 2017 Regular Session and May 23 Lot 1 Planning Work Session (*Genevieve Scholl – Page 3*)
 - b. Approve Accounts Payable to Jordan Ramis, P.C. in the Amount of \$4,579 (*Fred Kowell – Page 9*)
 4. Reports, Presentations and Discussion Items
 - a. Lot #1 Planning Next Steps (*Michael McElwee – Page 13*)
 - b. Financial Report for the 10 Months Ended April 30, 2017 (*Fred Kowell – Page 15*)
 5. Director's Report (*Michael McElwee – Page 17*)
 6. Commissioner, Committee Reports
 7. Action Items
 - a. Approve Resolution No. 2016-17-5 Adopting the Budget for Fiscal Year 2017-18 Including Property Tax Rate of \$0.0332 per \$1,000 of Assessed Value (*Fred Kowell – Page 23*)
 - b. Authorize Contract with Abhe & Svoboda, Inc. for Hood River Bridge Auxiliary Truss and Floor Beam Repairs in the Amount of \$367,770.00 (*John Mann – Page 27*)
 - c. Approve Lease with Hood River Yacht Club for Portions of Marina South Basin Dock (*Michael McElwee – Page 29*)
 - d. Approve Residential Through the Fence Agreements with Timothy J. O'Donnell, Russell J. Read and Judith O. Frey for Registered Aircraft Access to the Airport (*Anne Medenbach – Page 37*)
 8. Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations
 10. Possible Action
 11. Adjourn

If you have a disability that requires any special materials, services, or assistance, please contact us at 541-386-1645 so we may arrange for appropriate accommodations.

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

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**Port of Hood River Commission
 Meeting Minutes of May 16, 2017 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.

Present: Commissioners Jon Davies, Fred Duckwall, Rich McBride, Brian Shortt, and Hoby Streich; Legal Counsel Gil Sharp; from staff, Michael McElwee, Fred Kowell, Genevieve Scholl

Absent: None

Media: None

1. CALL TO ORDER: President Brian Shortt called the Regular Session meeting to order at 5:01 p.m.
Modifications, Additions to Agenda: McElwee requested an additional Reports Item; Jeremy Young and Andrea Riemer of TacAero to present a business update. This was added as Report Item A. McElwee requested that Action Item E related to a marina south basin dock lease be postponed pending an insurance issue clarification. McElwee requested that Action Item C, Wasco Business Park building plan review request from Dean Cameron be moved to the Consent Agenda.

2. OPEN PUBLIC HEARING FOR APPROVED FY 2017-18 BUDGET: President Shortt opened the public hearing at 5:05 p.m.

2. PUBLIC COMMENT: Jim Klaas spoke about the City’s consideration of a re-zone of the 5-acre Morrison Park for high-density housing. Mr. Klaas is opposed to the zone change and proposes instead the creation of a “Morrison Park Greenbelt” including construction of a walking bridge connecting Jaymar Road to the Hook. Mr. Klaas provided commentary on the proposed West Side development plan and resulting population increase and cited The Dalles River Front Trail railroad crossing as a model project. Dean Cameron presented drawings and plans for his proposed new building on his property at the Wasco Business Park that required Port review. His proposal was included in the Consent Agenda.

3. CONSENT AGENDA:

- a. Approve minutes of May 2, 2017 Regular Session; approve accounts payable to Jaques Sharp in the amount of \$10,853.00 and to Jordan Ramis P.C. in the amount of \$9,956.20; approve proposed building construction by Dean Cameron for Building C on Lot 3 of Wasco Loop under Wasco Building Park covenants and CCRs.

Motion: Move to approve Consent Agenda.

Move: Duckwall

Second: Davies; citing potential conflict of interest as Jaques Sharp is a client of his business.

Discussion: None

Vote: Aye: Unanimous.

MOTION CARRIED

4. REPORTS, PRESENTATIONS, AND DISCUSSION ITEMS:

a. TacAero Update: Jeremy Young gave a presentation providing an update on TacAero’s business development highlighting: a record of over 600 aircraft participating in the 2016 Hood River Fly-In; large increase in staff to 29 employees and in aircraft with 21 airplanes; receipt of national award for the fastest growing aviation business at the National Business Aviation Association (NBAA) conference last year; Part 141 certification and resulting new operations in Alaska for Dept. of Interior and in Idaho for US Fish & Wildlife; Part 135 commercial operations and a new Forest Service contract in which TacAero mapped all of the Cascades from Hood River to Canada; and the ongoing contract with Cub Crafters. Mr. Young also discussed the increase in noise complaints at the Airport, mostly affecting an area west of Tucker Road. He noted TacAero’s attempts to extend the air traffic pattern but that FAA safety regulations prohibit those changes. He reported that their operations are compliant with the City noise ordinance, but expressed regret that TacAero hasn’t yet found a solution to the problem for their neighbors. Andrea Riemer provided details on a planned STEM initiative to be launched in the Hood River County School District middle schools next year. Ms. Riemer explained that the planned program would have three career tracks, each with a curriculum specialized for job readiness at high school graduation:

pilot qualification, A&P mechanic qualification, and UAS qualification. She described the program's needs including funding for a partner instructor.

b. Lower Mill development update related to water service: Crystal Springs Water District Manager Fred Schatz gave a presentation of the District's current system status, planned improvements, and impacts on Port timeline to develop the Lower Mill site. Mr. Schatz described the District's current and near term system improvement projects. He noted the District's concerns relative to the Port's three service applications as 1) discomfort approving service they are not currently able to provide; 2) staying consistent with design requirements; and 3) their District's need to complete large system improvement projects such as installation of 1000' of 10" DIP and completion of their west side reservoir project. Mr. Schatz noted that to achieve District goals, they have implemented a 247% increase in SDC fees as well as a 56% increase in the average monthly water rate with a new base rate of \$29.60 per household. McElwee asked what would be next steps for Port staff and Mr. Schatz suggested that if site design plans are not adequate, pursue changes; attend the next District board meeting on June 15 for further discussions with the board. There was discussion of entering into an intergovernmental agreement once 1000 gps of fire flow could be delivered to the first site.

c. Lot 1, Confluence Business Park planning update: McElwee gave a presentation detailing the history and recent activities associated with the Port's planning for development of the parcel known as Lot 1. Now designated the Confluence Business Park, Port staff is ready to submit a subdivision application to the City. McElwee cited planning efforts dating to 2006 that culminated in the Waterfront Refinement Plan, the Nichols Basin West Edge open space, a conceptual plan and ultimately a subdivision plan and described public involvement in each step of the process. McElwee noted that a new conceptual plan has been proposed by Key Development, and that he has invited them to present this plan at the next meeting. The question to the Commission is whether to submit the Port's subdivision application to the City now or wait until after that presentation can be heard. There was consensus to hold off until the other plan could be heard, and suggestion made that a special work session be called May 23, with invitations sent to the newly elected Commissioners as well.

5. DIRECTOR'S REPORT: McElwee reported that Steve Carlson has been hired as the new Marina/Waterfront Coordinator and has begun on a part time basis during a transition period, beginning full time July 1. McElwee suggested the Commission complete his annual review on June 20, before the newly elected Commissioners are installed. He reported on the work done by Eaton on the GFCI breaker issue in the Marina; Crestline Construction will begin work on the waterfront trail improvement project in the next week; Outfound organizers have submitted their event plans with a greatly reduced scope and footprint; Liz Oblerding submitted her final drawings for the remodel of Port office space; public bids for the South Parallel Taxiway and Apron Rehabilitation project were opened May 16 with Crestline Construction the apparent low bidder at \$1.45M, exceeding the engineers' estimate by \$200,000. The upcoming County board meeting on June 19 will include consideration of a \$200,000 funding request for a portion of the local match for the Connect VI grant for the Airport. Fred Kowell provided an update to the tolling hardware and software upgrades now underway and related lane closures in the toll plaza. McElwee reported that the Port-sponsored HB 2750 passed the House with a vote of 47-9 and that Senator Thomsen is convening a meeting next week before it's heard in the Senate May 31. HB 2749 is still in Ways and Means. Bids for the Auxiliary Truss and Floorbeam Repair project came in under budget and the plan is to have the work commence in September which may impact trucking in harvest time.

6. COMMISSIONER, COMMITTEE REPORTS:

a. Airport Advisory Committee: Kowell reported on the discussion regarding the schedule of projects and FAA funding timelines and the complicating factor of the required Environmental Assessment and differing regulatory agency preferences for location of required wetland mitigation. He also reported on the construction schedule for the South Parallel Taxiway and needed relocation of gliders.

7. ACTION ITEMS:

a. Approve Addendum No. 2 to Port Concession Agreement to allow E-Bike rentals on Port properties:

McElwee introduced the proposed addendum and provided background information received from current concessionaires. Discussion centered on crowding, speed limits on the Waterfront Trail and conflicting uses, as well as liability and insurance questions. By consensus the Commission determined that e-bikes were not appropriate on the Port’s bike/ped trails, therefore, no action was taken.

b. Approve Amendment No. 1 to Task Order No. 3 with Century West Engineering for engineering services at the Airport in the amount of \$276,550: Kowell explained that the Scope of Work for the FAA required Environmental Assessment is now known, as well as the Port’s future eligibility for reimbursement in 2019. He noted there is also a pool of funds comprised of unused allotments that may be an additional funding source.

Motion: Approve Amendment No. 1 to Task Order No. 3 with Century West Engineering for engineering services at the Airport in the Amount of \$276,550.

Move: Duckwall

Second: Davies

Discussion: Streich asked whether these funds were already in the FY 2017-18 budget or if this would be an add-on. Kowell answered the budget is already there.

Vote: Aye: Unanimous.

MOTION CARRIED

d. Approve Amendment No. 3 to Task Order No. 4 with HDR for professional services related to toll system upgrade in the amount of \$15,000: Kowell reported that as the toll system upgrade enters its last phase, this consulting and tech support is needed, especially in development of the new web portal for customer account management functions.

Motion: Approve Amendment No. 3 to Task Order No. 4 with HDR for professional services related to toll system upgrade in the amount of \$15,000.

Move: McBride

Second: Duckwall

Discussion: None.

Vote: Aye: Unanimous.

MOTION CARRIED

f. Staff Recommended Additions to the Approved Fiscal Year 2017-18 Budget: Kowell relayed the following staff-recommended additions to the Approved Budget:

- | | |
|---|-----------|
| 1. IT Hardware, license fees: | \$20,000 |
| 2. PSquare Tech Support: | \$15,000 |
| 3. HRVPRD Grant for Nichols Basin Dock Improvements: | \$15,000 |
| 4. S. Parallel Taxiway project costs over engineer’s estimates: | \$200,000 |
| 5. GFCI breaker upgrades in Marina: | \$20,000 |
| 6. STEM Aviation initiative support: | \$10,000 |

With board consensus on these additions and no further public comment received, President Shortt closed the public hearing on the FY 2017-18 Approved Budget at 8:15 p.m.

8. COMMISSION CALL: Davies noted that as part of his last few opportunities for input as a Commissioner, he’d like to suggest the Port and its partners pursue/support a 55 MPH speed limit on I-84 through the city limits, and a human traffic controller (think NYC policeman with white gloves) at the intersection of Second and Oak in the summertime. McBride noted the May 13 ceremony commemorating the “Train of Tears” anniversary of the forced evacuation of hundreds of Hood River County residents of Japanese descent via train to desert internment camps during World War II.

9. EXECUTIVE SESSION: Regular Session was recessed at 8:18 p.m. and the Commission was called into Executive Session under ORS 192.660(2)(e) Real Property Transactions.

10. POSSIBLE ACTION: The Commission was called back into Regular Session at 8:47 p.m. and the following actions were taken as a result of Executive Session:

1. Motion: Approve South Development Agreement with Hood Tech Corp., Aero Inc. for construction of a hangar on the south side of Hood River Airport.

2.

Move: Davies
Second: Duckwall
Discussion: None.
Vote: Aye: Unanimous.
MOTION CARRIED

3. Motion: Approve Ground Lease Option with Hood Tech Corp., Aero Inc. for 36,000 sf of land located on the south side of Hood River Airport.

Move: McBride
Second: Duckwall
Discussion: None.
Vote: Aye: Unanimous.
MOTION CARRIED

11. ADJOURN: The meeting was adjourned at 8:50 p.m.

Respectfully submitted,

Genevieve Scholl

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

Port of Hood River Commission
Meeting Minutes of May 23, 2017 Lot 1 Development Planning Work Session
Marina Center Boardroom
4:30 p.m.

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

Present: Commissioners Jon Davies, Fred Duckwall, Rich McBride, Brian Shortt, and Hoby Streich (arriving at 4:40); Michael McElwee, Anne Medenbach, Genevieve Scholl; Guests Svea Truax, John Everitt, David Meriwether, Ben Sheppard, Arthur Babitz, Jeff Pickhardt (arriving at 4:41).

Absent: None

Media: None

1. CALL TO ORDER: President Brian Shortt called the Work Session to order at 4:31 p.m. He introduced the sole discussion item, development of port property known as “Lot 1.” He described the context and importance of the development of the lot, the last remaining undeveloped piece of waterfront property. He then welcomed Michael McElwee to describe the current status of the Port’s planning efforts and invited guests Arthur Babitz and Jeff Pickhardt, both of Key Development, to address the group with their concerns and ideas for the development.

2. Project Status: Michael McElwee reported that the Port and Berger Abam are nearing completion of the preliminary subdivision application and would be ready to submit the application to the City within a week. He noted the Port held the required Neighborhood Meeting on May 10. He briefly described past planning activities dating to 2006, noting anticipated associated intergovernmental agreements, infrastructure relocation and installation costs, and Interchange Access Management Plan impacts related to traffic ingress/egress. He described the Waterfront Refinement Plan public input process, noting public objectives. He reported that the Commission heard a more detailed presentation on the past planning activities during their May 16 meeting.

2. Comments from Key Development: Jeff Pickhardt and Arthur Babitz together presented comments generally in support of the development of Lot 1, but with reservations related to timeline, costs, and potential lease rates of the eventual tenants of any newly developed buildings. Mr. Pickhardt noted that Key Development has invested over \$40 million in developing waterfront properties, with \$10 million in projects underway now, and another \$10 million anticipated for the 2nd phase of the Portway Ave. project. He asked the Commission and guests to provide assurance that the ultimate goal was to provide the community with a “signature plan” for the property that is financially feasible. Mr. Babitz described his proforma calculations on Lot 1 that projected future rentals at \$1.25 per square foot, yielding only 3% return on investment in the first year, which he stated was less than half the amount needed to attract private developers. Mr. Pickhardt expressed his worry that, without a “signature plan” carried through from the time of submittal through construction, this objective would be lost.

3. Discussion: President Shortt led the group discussion which touched on future revenue projections for the Port and related real estate development goals; higher than average cost per square foot for industrial land on the Hood River waterfront versus the rest of the state; Urban Renewal District potential funding of infrastructure and the timing of the potential end of the District related to development timelines. Mr. Pickhardt and Mr. Babitz both urged the Commission to move the development forward “sooner than later” while the Urban Renewal funding is still potentially available and the political climate is in favor of development. Mr. Babitz outlined key considerations from their perspective moving forward as: 1) Parking, 2) Urban Renewal, 3) Commercial uses, and 4) Density, asking how can the Port increase density given the restrictions of the overlay zone. McElwee summarized the reasons for his staff recommendation to submit the subdivision application now to begin the process of refinement to a final plan in a way that was reflective of the Waterfront Refinement Plan as approved. He noted that doing so removes several “unknowns” that complicate pricing projections.

11. ADJOURN: The work session was adjourned at 5:51 p.m.

Respectfully submitted,

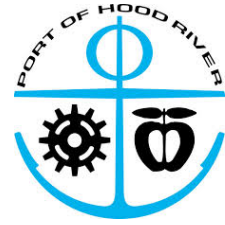
Genevieve Scholl

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

Commission Memo



Prepared by: Fred Kowell
Date: June 6, 2017
Re: Accounts Payable Requiring Commission Approval

| | |
|---------------------------|-------------------|
| Jordan Ramis, P.C. | \$4,579.00 |
|---------------------------|-------------------|

Attorney services per attached summary

| | |
|--|-------------------|
| TOTAL ACCOUNTS PAYABLE TO APPROVE | \$4,579.00 |
|--|-------------------|

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JAQUES SHARP

— ATTORNEYS AT LAW —

B. GIL SHARP, PC
JERRY J. JAQUES, PC
JAY F. SHERRERD °
MICHAEL B. FITZSIMONS, PC °
LESLEY APPLE HASKELL, PC °
GARRETT R. SHARP °

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May 30, 2017

Melissa Child
Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

Re: Airport Development Legal Services Statement

Dear Melissa,

Enclosed for payment to Jordan Ramis P.C. is a statement for legal services provided by Jordan Ramis P.C., Attorneys at Law in the amount of \$4,579.00 for services from 04/16/2017 through 05/15/2017.

Sincerely,

JAQUES SHARP



Sarah Ryan
Assistant to Jerry J. Jaques

Enclosures

RECEIVED
JUN 01 2017

BY: _____

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Commission Memo



From: Michael McElwee
Date: June 6, 2017
Re: Lot 1 Subdivision Next Steps

Staff will review the Draft Lot 1 Subdivision Application and outline alternative and recommended next steps. Consensus direction from the Commission will be sought.

RECOMMENDATION: Discussion.

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Commission Memo



Prepared by: Fred Kowell
Date: June 6, 2017
Re: Financial Review for the Ten Months
Ended April 30, 2017

Attached are three tables, the overall revenues vs expenses for the Port, followed by the Expenditures Actuals vs Budget schedules and the Revenues Actuals vs Budget. 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 77% of the budget for being 83% through the year. This will increase as the summer season approaches however, we are positioned well for June. There is only one area experiencing higher personnel costs than the budget and that is the DMV building, due to additional labor incurred during the year and an understatement of the original budget. I will true this up in June during the Budget Transfer process.

Overall, Materials & Services (M&S) is slightly below budget for the ten months ended April 30, 2017. The Halyard building continues to see higher than budgeted utilities but likewise on the revenue reimbursement side, we see a higher than budgeted amount as well, which negates any cash flow variance. Even though the Expo Center was sold, we are amortizing the prepaid insurance over this year for this asset. In addition, there is a small amount of legal work incurred in this fiscal year due to requests to modify the original agreements. The Wasco building saw more maintenance than budgeted mostly due to painting and door work. The Marina and Airport have required significant work during the winter season, pushing M&S higher than the budget. The Airport had over \$39,000 above budget legal costs due to the airport agreements with TacAero and CenturyWest. Both will need to adjust their M&S through the Budget Transfer process with CIP being impacted. Port staff is still working towards solving the electrical issue at the Marina and will require more discussion on what amount will be picked up by the slip owners.

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 projects down like wetland mitigation, water pressure issues, 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 \$200,000 under budget, and will most likely end the year down by \$150,000.

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.

I will continue to monitor the rest of the year and prepare the Budget Transfer for the 2nd Board meeting in June.

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 TEN MONTHS ENDED APRIL 30, 2017

| | REVENUE FUND | | | | | | | | BRIDGE REPAIR & REPLACEMENT FUND | TOTAL | |
|---|---------------------|----------------------|----------------------|--------------------|-----------------------|-------------------|---------------------|----------------------------|----------------------------------|---------------------|---------------------|
| | Bridge | Industrial Buildings | Commercial Buildings | Waterfront Land | Waterfront Recreation | Marina | Airport | Administration Maintenance | GENERAL FUND | | |
| OPERATING REVENUES | | | | | | | | | | | |
| Tolls | \$ 3,221,636 | | | | | | | | | \$ | 3,221,636 |
| Leases | | \$ 960,018 | \$ 131,500 | \$ 1,200 | \$ 5,420 | \$ 270,310 | \$ 160,135 | | | | 1,528,582 |
| Reimbursements | | 435,073 | 20,317 | - | 500 | 61,451 | 13,348 | | | | 530,688 |
| Fees, Events, Passes and Concessions | | | | | 67,891 | | | | | | 67,891 |
| Property taxes | | | | | | | | 64,442 | | | 64,442 |
| <i>Total Operating Revenues</i> | <u>3,221,636</u> | <u>1,395,090</u> | <u>151,816</u> | <u>1,200</u> | <u>73,811</u> | <u>331,761</u> | <u>173,483</u> | <u>-</u> | <u>64,442</u> | <u>-</u> | <u>5,413,240</u> |
| Operating Expenses | | | | | | | | | | | |
| Personnel Services | 648,596 | 249,405 | 71,287 | 37,108 | 237,957 | 113,287 | 71,836 | 3,490 | 79,998 | 33,751 | 1,546,715 |
| Materials & Services | 444,870 | 646,106 | 76,386 | 26,900 | 111,414 | 75,719 | 154,024 | 127,891 | 231,982 | 94,647 | 1,989,940 |
| <i>Total Operating Expenses</i> | <u>1,093,467</u> | <u>895,511</u> | <u>147,674</u> | <u>64,008</u> | <u>349,371</u> | <u>189,006</u> | <u>225,861</u> | <u>131,381</u> | <u>311,980</u> | <u>128,398</u> | <u>3,536,656</u> |
| <i>Operating income/(Loss)</i> | <u>2,128,170</u> | <u>499,580</u> | <u>4,142</u> | <u>(62,808)</u> | <u>(275,560)</u> | <u>142,756</u> | <u>(52,378)</u> | <u>(131,381)</u> | <u>(247,538)</u> | <u>(128,398)</u> | <u>1,876,585</u> |
| Other Resources | | | | | | | | | | | |
| Income from other sources | 13,660 | 11,400 | | 5,250 | - | - | - | 86,875 | 1,346 | 138,643 | 257,174 |
| Grants | - | | | | | 14,011 | | | | | 14,011 |
| Sale of land | - | | | | | | | | | | |
| Note receivables | - | 16,292 | | | | | | | | | 16,292 |
| <i>Total Other Resources</i> | <u>13,660</u> | <u>27,692</u> | <u>-</u> | <u>5,250</u> | <u>-</u> | <u>14,011</u> | <u>-</u> | <u>86,875</u> | <u>1,346</u> | <u>138,643</u> | <u>287,477</u> |
| Other (Uses) | | | | | | | | | | | |
| Capital projects | (318,856) | (265,694) | (43,780) | (7,752) | (67,404) | (45,924) | (267,737) | (41,350) | - | (285,994) | (1,344,492) |
| Debt service | - | (176,519) | - | - | - | (81,384) | - | - | - | (18,204) | (276,106) |
| <i>Total Other (Uses)</i> | <u>(318,856)</u> | <u>(442,213)</u> | <u>(43,780)</u> | <u>(7,752)</u> | <u>(67,404)</u> | <u>(127,308)</u> | <u>(267,737)</u> | <u>(41,350)</u> | <u>-</u> | <u>(304,198)</u> | <u>(1,620,598)</u> |
| Transfers In/(Out) | (306,185) | | | | | | | (209,308) | 209,308 | 306,185 | - |
| Net Cashflow | <u>\$ 1,516,789</u> | <u>\$ 85,059</u> | <u>\$ (39,638)</u> | <u>\$ (65,310)</u> | <u>\$ (342,964)</u> | <u>\$ 29,459</u> | <u>\$ (320,115)</u> | <u>\$ (295,164)</u> | <u>\$ (36,884)</u> | <u>\$ 12,233</u> | <u>\$ 543,464</u> |
| <u>BUDGET VS ACTUAL PERFORMANCE</u> | | | | | | | | | | | |
| <u>FY 2016-17 Budget</u> | | | | | | | | | | | |
| 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 | 3,220,458 | 1,395,090 | 151,816 | 1,200 | 73,811 | 331,761 | 173,483 | - | 64,442 | - | 5,412,062 |
| Actuals greater/(Less) than budget | (912,342) | (231,210) | (32,134) | (24,800) | (58,689) | 39,261 | (14,617) | - | 542 | - | (1,233,988) |
| | 78% | 86% | 83% | 5% | 56% | 113% | 92% | | 101% | #DIV/0! | 81% |
| Operating expenses - Budget | 1,330,300 | 1,107,200 | 181,100 | 134,900 | 482,600 | 223,600 | 222,800 | 237,700 | 539,400 | 333,300 | 4,792,900 |
| Operating expenses - Actuals | 1,093,467 | 895,511 | 147,674 | 64,008 | 349,371 | 189,006 | 225,861 | 131,381 | 311,980 | 128,398 | 3,536,656 |
| Actuals (greater)/Less than budget | 236,833 | 211,689 | 33,426 | 70,892 | 133,229 | 34,594 | (3,061) | 106,319 | 227,420 | 204,902 | 1,256,244 |
| | 82% | 81% | 82% | 47% | 72% | 85% | 101% | | 58% | 39% | 74% |
| Other Resources - Budget | 1,000 | 19,550 | - | 110,400 | 9,100 | 6,500 | 2,521,000 | 25,000 | 100 | 5,000 | 2,697,650 |
| Other Resources - Actuals | 848 | 27,692 | - | 5,250 | - | 14,011 | - | 86,875 | 1,346 | 138,643 | 274,665 |
| Actuals greater/(Less) than budget | (152) | 8,142 | - | (105,150) | (9,100) | 7,511 | (2,521,000) | 61,875 | 1,246 | 133,643 | (2,422,985) |
| Other (Uses) - Budget | 394,000 | 2,101,200 | 54,000 | 235,000 | 125,000 | 208,350 | 2,336,900 | 52,100 | - | 2,827,500 | \$ 8,334,050 |
| Other (Uses) - Actuals | 318,856 | 442,213 | 43,780 | 7,752 | 67,404 | 127,308 | 267,737 | 41,350 | - | 304,198 | \$ 1,620,598 |
| Actuals (greater)/Less than budget | 75,144 | 1,658,987 | 10,220 | 227,248 | 57,596 | 81,042 | 2,069,163 | 10,750 | - | 2,523,302 | 6,713,452 |
| | 81% | 21% | 81% | 3% | 54% | 61% | 11% | 79% | #DIV/0! | 11% | 19% |
| Net Position - Budget vs Actuals @ 83% | <u>\$ (600,516)</u> | <u>\$ 1,647,609</u> | <u>\$ 11,512</u> | <u>\$ 168,190</u> | <u>\$ 123,036</u> | <u>\$ 162,409</u> | <u>\$ (469,515)</u> | <u>\$ 178,944</u> | <u>\$ 229,208</u> | <u>\$ 2,861,848</u> | <u>\$ 4,312,724</u> |

PORT OF HOOD RIVER
SCHEDULE OF EXPENDITURES BY COST CENTER BY FUND
BUDGET AND ACTUAL - 83% THROUGH THE BUDGET
FOR THE TEN MONTHS ENDED APRIL 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 | 648,596 | 162,204 | 80% | 519,500 | 444,870 | 74,630 | 86% | 394,000 | 318,856 | 318,856 | 75,144 | 81% | - | - | - | | 1,724,300 | 1,412,322 | 311,978 |
| <i>Industrial Facilities</i> | | | | | | | | | | | | | | | | | | | | |
| Big 7 | 46,500 | 37,647 | 8,853 | 81% | 138,000 | 110,454 | 27,546 | 80% | 43,200 | 13,496 | 13,496 | 29,704 | 31% | - | - | - | | 227,700 | 161,597 | 66,103 |
| Jensen Property | 47,300 | 38,423 | 8,877 | 81% | 181,400 | 144,424 | 36,976 | 80% | 211,000 | 8,828 | 8,828 | 202,172 | 4% | 145,000 | 120,785 | 24,215 | 83% | 584,700 | 312,461 | 272,239 |
| Maritime Building | 43,100 | 34,902 | 8,198 | 81% | 84,100 | 72,962 | 11,138 | 87% | 20,000 | - | - | 20,000 | 0% | - | - | - | | 147,200 | 107,865 | 39,335 |
| Halyard Building | 61,800 | 50,302 | 11,498 | 81% | 211,600 | 187,630 | 23,970 | 89% | 10,000 | 32,718 | 32,718 | (22,718) | 327% | - | - | - | | 283,400 | 270,650 | 12,750 |
| Expo Building | 0 | 0 | - | 100% | - | 7,353 | (7,353) | ##### | - | - | - | - | ##### | - | - | - | | - | - | - |
| Timberline Incubator Building | 32,900 | 26,624 | 6,276 | 81% | 29,400 | 22,980 | 6,420 | 78% | 10,000 | - | - | 10,000 | - | - | - | - | | 72,300 | 49,603 | 22,697 |
| Wasco Building | 45,800 | 37,145 | 8,655 | 81% | 90,900 | 95,104 | (4,204) | 105% | 19,500 | - | - | 19,500 | - | - | - | - | | 156,200 | 132,249 | 23,951 |
| Hanel Site | 32,400 | 24,362 | 8,038 | 75% | 62,000 | 5,198 | 56,802 | 8% | 1,501,700 | 210,652 | 210,652 | 1,291,048 | 14% | 140,800 | 55,734 | 85,066 | 40% | 1,736,900 | 295,946 | 1,440,954 |
| | 309,800 | 249,405 | 60,395 | 81% | 797,400 | 646,106 | 151,294 | 81% | 1,815,400 | 265,694 | 265,694 | 1,549,706 | 15% | 285,800 | 176,519 | 109,281 | 62% | 3,208,400 | 1,330,371 | 437,075 |
| <i>Commercial Facilities</i> | | | | | | | | | | | | | | | | | | | | |
| State Office (DMV) Building | 23,900 | 22,607 | 1,293 | 95% | 33,000 | 26,062 | 6,938 | 79% | 20,000 | 13,352 | 13,352 | 6,648 | - | - | - | - | | 76,900 | 62,021 | 14,879 |
| Marina Office Building | 37,400 | 30,325 | 7,075 | 81% | 39,300 | 30,599 | 8,701 | 78% | 29,000 | 30,428 | 30,428 | (1,428) | 105% | - | - | - | | 105,700 | 91,353 | 14,347 |
| Port Office Building | 25,500 | 18,355 | 7,145 | 72% | 22,000 | 19,725 | 2,275 | 90% | 5,000 | - | - | 5,000 | 0% | - | - | - | | 52,500 | 38,080 | 14,420 |
| | 86,800 | 71,287 | 15,513 | 82% | 94,300 | 76,386 | 17,914 | 81% | 54,000 | 43,780 | 43,780 | 10,220 | 81% | - | - | - | | 235,100 | 191,454 | 43,646 |
| <i>Waterfront Industrial Land</i> | | | | | | | | | | | | | | | | | | | | |
| | 45,400 | 37,108 | 8,292 | 82% | 89,500 | 26,900 | 62,600 | 30% | 235,000 | 7,752 | 7,752 | 227,248 | 3% | - | - | - | | 369,900 | 71,760 | 298,140 |
| <i>Waterfront Recreation</i> | | | | | | | | | | | | | | | | | | | | |
| Eventsite | 147,600 | 74,313 | 73,287 | 50% | 38,000 | 29,556 | 8,444 | 78% | 60,000 | 35,241 | 35,241 | 24,759 | 59% | - | - | - | | 245,600 | 139,110 | 106,490 |
| Hook/Spit/Nichols | 48,700 | 35,366 | 13,334 | 73% | 11,000 | 25,329 | (14,329) | 230% | 30,000 | 1,524 | 1,524 | 28,476 | 5% | - | - | - | | 89,700 | 62,219 | 27,481 |
| Marina Park | 167,900 | 128,277 | 39,623 | 76% | 69,400 | 56,529 | 12,871 | 81% | 35,000 | 30,639 | 30,639 | 4,361 | 88% | - | - | - | | 272,300 | 215,445 | 56,855 |
| | 364,200 | 237,957 | 126,243 | 65% | 118,400 | 111,414 | 6,986 | 94% | 125,000 | 67,404 | 67,404 | 57,596 | 54% | - | - | - | | 607,600 | 416,775 | 190,825 |
| <i>Marina</i> | 138,100 | 113,287 | 24,813 | 82% | 85,500 | 75,719 | 9,781 | 89% | 108,000 | 45,924 | 45,924 | 62,076 | 43% | 100,350 | 81,384 | 18,966 | 81% | 431,950 | 316,314 | 115,636 |
| <i>Airport</i> | 85,500 | 71,836 | 13,664 | 84% | 137,300 | 154,024 | 104,680 | 112% | 2,336,900 | 267,737 | 267,737 | 2,069,163 | 11% | 68,300 | - | - | | 2,628,000 | 493,598 | 2,134,402 |
| Administration | 32,200 | 3,490 | 28,710 | 11% | 117,500 | 61,330 | 56,170 | 52% | 20,000 | 14,786 | 14,786 | 5,214 | 74% | - | - | - | | 169,700 | 79,606 | 90,094 |
| Maintenance | - | - | - | - | 88,000 | 66,561 | 21,439 | 76% | 32,100 | 26,564 | 26,564 | 5,536 | 83% | - | - | - | | 120,100 | 93,125 | 26,975 |
| <i>Total Expenditures</i> | 1,872,800 | 1,432,966 | 439,834 | 77% | 2,047,400 | 1,663,312 | 505,493 | 81% | 5,120,400 | 1,058,498 | 1,058,498 | 4,061,902 | 21% | 454,450 | 257,902 | 128,248 | 57% | 9,495,050 | 4,405,326 | 3,648,770 |
| Bridge Repair & Replacement Fund | 40,800 | 33,751 | 7,049 | 83% | 292,500 | 94,647 | 197,853 | 32% | 1,969,500 | 285,994 | 285,994 | 1,683,506 | 15% | 858,000 | 18,204 | 839,796 | 2% | 3,160,800 | 432,595 | 2,728,205 |
| General Fund | 110,600 | 79,998 | 30,602 | 72% | 428,800 | 231,982 | 196,818 | 54% | - | - | - | - | - | - | - | - | | 539,400 | 311,980 | 227,420 |

Unfavorable Variance - Expenditures

The Maritime Building is spending more on utilities than budgeted but likewise is earning more than budgeted on utility reimbursements.
The Halyard building is continuing to use more utilities than budgeted, however the revenue reimbursement on those revenues are over budget as well. Halyard M&S will be over budget due to utilities and some HVAC maintenance that was not budgeted.
The Halyard building will be over with regard to CIP due to tenant improvements.
The Wasco building Materials and Services will be over budget due to maintenance (painting and doors) that were not budgeted. CIP will cover this shortfall.
Some of the Nichols M&S costs were budgeted in Waterfront Land such that a budget transfer will occur to correct the difference.
The Marina will be over budget for Materials & Services due to the additional maintenance related to winter weather and indirect costs related to electrical work. CIP will fund the shortfall.
The Airport Materials & Services will be over budget due to the additional maintenance work during the heavy winter weather and legal costs related to the FBO agreement. The shortfall will be funded by CIP that is running behind due to wetland mitigation efforts.

PORT OF HOOD RIVER
Schedule of Revenues by Cost Center By Fund
Budget to Actuals - 83% Through Budget
For the Ten Months Ended April 30, 2017

| <u>REVENUE FUND</u> | REVENUES | | | | |
|--|-------------------|-------------------|-------------------|---------------------|-------------|
| | Budget | Actual | Total | Variance | % |
| <u>Toll Bridge</u> | | | | | |
| Bridge Tolls | 4,122,800 | 3,224,448 | 3,224,448 | (898,352) | 78% |
| Cable Crossing Leases | 10,000 | 10,000 | 10,000 | - | 100% |
| Other | 1,000 | 848 | 848 | (152) | 85% |
| | <u>4,133,800</u> | <u>3,235,296</u> | <u>3,235,296</u> | <u>(898,504)</u> | <u>78%</u> |
| <u>Industrial Facilities</u> | | | | | |
| <u>Big 7</u> | | | | | |
| Lease Revenues | 190,800 | 158,084 | \$ 158,084 | (\$ 32,716) | 83% |
| Reimbursements/Other | 50,400 | 65,519 | \$ 65,519 | 15,119 | 130% |
| <u>Jensen Property</u> | | | | | |
| Lease Revenues | 334,000 | 278,674 | 278,674 | (55,326) | 83% |
| Reimbursements/Other | 135,900 | 114,162 | 114,162 | (21,738) | 84% |
| <u>Maritime Building</u> | | | | | |
| Lease Revenues | 232,500 | 164,051 | 164,051 | (68,449) | 71% |
| Reimbursements/Other | 47,800 | 43,120 | 43,120 | (4,680) | 90% |
| <u>Halyard Building</u> | | | | | |
| Lease Revenues | 212,900 | 176,984 | 176,984 | (35,916) | 83% |
| Reimbursements/Other | 142,100 | 157,563 | 157,563 | 15,463 | 111% |
| Note Receivable | 19,550 | 16,292 | 16,292 | (3,258) | 83% |
| Other | - | - | - | - | - |
| <u>Expo Center</u> | | | | | |
| Reimbursements/Other | - | - | - | - | #DIV/0! |
| <u>Timberline Incubator Building</u> | | | | | |
| Lease Revenues | 67,500 | 55,403 | 55,403 | (12,097) | 82% |
| Reimbursements | 14,800 | 12,936 | 12,936 | (1,864) | 87% |
| <u>Wasco Building</u> | | | | | |
| Lease Revenues | 157,000 | 126,821 | 126,821 | (30,179) | 81% |
| Reimbursements | 40,600 | 41,772 | 41,772 | 1,172 | 103% |
| <u>Hanel</u> | | | | | |
| Reimbursements | - | - | - | - | - |
| Other Financing Sources | - | - | - | - | #DIV/0! |
| | <u>1,645,850</u> | <u>1,411,382</u> | <u>1,411,382</u> | <u>(234,468)</u> | <u>86%</u> |
| <u>Commercial Facilities</u> | | | | | |
| <u>State Office (DMV) Building</u> | | | | | |
| Lease Revenues | 40,600 | 35,041 | 35,041 | (5,559) | 86% |
| Reimbursements | - | - | - | - | #DIV/0! |
| <u>Marina Office Building</u> | | | | | |
| Lease Revenues | 67,400 | 56,000 | 56,000 | (11,400) | 83% |
| Reimbursements | 22,000 | 19,267 | 19,267 | (2,733) | 88% |
| <u>Port Office Building</u> | | | | | |
| Lease Revenues | 52,450 | 40,458 | 40,458 | (11,992) | 77% |
| Reimbursements | 1,500 | 1,050 | 1,050 | (450) | 70% |
| | <u>183,950</u> | <u>151,816</u> | <u>151,816</u> | <u>(32,134)</u> | <u>83%</u> |
| <u>Waterfront Industrial Land</u> | | | | | |
| Lease Revenues | 600 | 1,200 | 1,200 | 600 | 200% |
| Land Sale | - | - | - | - | #DIV/0! |
| Parking | 25,000 | - | - | (25,000) | 0% |
| Other Income | 400 | 5,250 | 5,250 | 4,850 | 1312% |
| URA Payments | 110,400 | - | - | (110,400) | 0% |
| | <u>136,400</u> | <u>6,450</u> | <u>6,450</u> | <u>(129,950)</u> | <u>5%</u> |
| <u>Waterfront Recreation</u> | | | | | |
| <u>Eventsite, Hook and Spit</u> | | | | | |
| Eventsite - Passes/Permits and Concessions | 115,100 | 60,288 | 60,288 | (54,812) | 52% |
| Hook/Spit/Nichols | 9,100 | 4,934 | 4,934 | (4,166) | 54% |
| <u>Marina Park</u> | | | | | |
| Sailing Schools, Showers and Events | 9,200 | 7,603 | 7,603 | (1,597) | 83% |
| Lease Revenues | 6,200 | 5,420 | 5,420 | (780) | 87% |
| Reimbursements | 2,000 | 500 | 500 | (1,500) | 25% |
| Grant | - | - | - | - | #DIV/0! |
| | <u>141,600</u> | <u>78,745</u> | <u>78,745</u> | <u>(62,855)</u> | <u>56%</u> |
| <u>Marina</u> | | | | | |
| Lease Revenues | 178,000 | 188,484 | 188,484 | 10,484 | 106% |
| Moorage Assessment | 85,200 | 81,826 | 81,826 | (3,374) | 96% |
| Reimbursements/Other | 29,300 | 61,451 | 61,451 | 32,151 | 210% |
| Grant | 6,500 | 14,011 | 14,011 | 7,511 | 216% |
| Other Financing Sources | - | - | - | - | #DIV/0! |
| | <u>299,000</u> | <u>345,772</u> | <u>345,772</u> | <u>50,146</u> | <u>116%</u> |
| <u>Airport</u> | | | | | |
| Lease Revenues | 171,300 | 160,135 | 160,135 | (11,165) | 93% |
| Reimbursements | 16,800 | 13,348 | 13,348 | (3,452) | 79% |
| Grants | 1,250,000 | - | - | (1,250,000) | 0% |
| Other Financing Sources | 1,271,000 | - | - | (1,271,000) | 0% |
| | <u>2,709,100</u> | <u>173,483</u> | <u>173,483</u> | <u>(1,285,617)</u> | <u>6%</u> |
| Budget to Actual Revenues | 9,249,700 | 5,402,945 | 5,396,495 | (2,463,431) | 58% |
| Revenues less Other financing sources | 6,591,250 | 5,371,794 | 5,365,344 | (1,086,132) | 81% |
| <u>GENERAL FUND</u> | | | | | |
| Property taxes | 63,900 | 64,442 | 64,442 | 542 | 101% |
| Transfers from other funds | 475,500 | 209,308 | 209,308 | (266,192) | 44% |
| | <u>\$ 539,400</u> | <u>\$ 273,750</u> | <u>\$ 273,750</u> | <u>\$ (265,650)</u> | <u>51%</u> |
| <u>BRIDGE REPAIR & REPLACEMENT FUND</u> | | | | | |
| Transfers from other funds | \$ 1,591,300 | \$ 306,185 | 306,185 | (1,285,115) | 19% |

Executive Director's Report
June 6, 2017

Staff & Administrative

- Steve Carlson has started in his new position with the Port as Waterfront Manager. Stu Watson will provide additional help in the front office while Jean Hadley is on vacation. Stu's last day will be June 9. He provided excellent help during the staff transition and his presence in the office was very positive.
- Melissa Child has announced her retirement. Her last day at the Port will be June 30. Melissa has worked for the Port since November 1996, a period of almost 21 years serving as the Accounting Specialist. She has always been a very capable and productive employee, an incredible asset to this agency. She will be sorely missed when she departs. Janet Lerner is expected to assume Melissa's duties in July.
- Staff is preparing introductory materials for the three new Commission positions to be filled and President Shortt and I are planning to meet with each of them. There is still uncertainty about the outcome in Position #2. The new terms will commence with oaths of office taken at the July 11 meeting. The Commission will not have a quorum from July 1 through July 11; I have consulted with legal counsel about this and it is unlikely to present a problem.
- My Annual Review materials are complete and will be hand delivered to Commissioners at the June 6 meeting along with evaluation forms. Commissioners will need to review the materials and return the evaluation for to Jerry Jaque's office by July 13.
- Fred Kowell attended the annual Government Finance Officers Association conference in Denver, May 22-24.
- Recruitment for the Administrative Specialist position closes June 6. Fred Kowell will be the hiring manager.
- The June issue of Gorge Magazine will feature an article on the history of the bridge by Peggy Dills-Kelter with photographs by Michael Peterson. The Columbian newspaper ran a large, front page article on the Port's approach to waterfront development on May 28.
- We received a \$2,700 internship grant from SDAO, approximately 50% of the cost to hire a paid intern for the summer. A graduating senior at HRVHS, Eric Cuevas has been selected to fill the position. Eric is interested in a career in trades.



- The PNWA summer conference will occur June 19, 20 and 21 in Seattle. We have registered and made hotel reservations for two Port participants. President Shortt is expected to go this year. I will be unable to attend. Please let me know if any Commissioner would like participate.

Recreation/Marina

- The next steps related to the GFCI issue in the Marina are as follows:
 1. Eaton has ordered a new shunt trip to replace the damaged one.
 2. On May 27, Gorge Electric lowered the GFCI trip threshold for all marina slip circuits to 3.5 amps. The Boathouse Dock GFCI trip threshold was lowered to 4.5A. Thus far, the power has held at the safer lower thresholds. Going forward, we will be regularly monitoring the GFCI circuits and intend to lower the trip thresholds even further.
 3. Staff initiated a process to contact each tenant whose slip or vessel was indicated as contributory to the ground fault threshold and took steps to acquire a device to test for power leakage in the water near vessels and docks.
- Crestline is expected to begin the trail improvement project east of the bridge on June 12. The delay was due to Crestline offering a change to concrete at no extra charge. This is desirable because it will be consistent with the new trail to be re-built in front of the Hood River Inn in June.
- Pre-season Event Site season pass sales ended on May 24. The total for pre-season sales was \$24,210, with \$13,930 in sales occurring via the website and \$10,280 in the office.
- We are still unable to identify a host for the Event Site this summer.
- The water level in the Columbia River is expected to remain high through July this year. This will complicate activity and increase the risk and conflict at the Event Site and Sandbar. The “Flight Deck” is now installed and staff will be working closely with CGWA and CGKA and monitoring the situation closely in the weeks ahead.
- Someone tampered with the irrigation system serving the Marina Green on Thursday May 25. It is yet unclear if the pump system has sustained long-term damage.



- There was a car accident recently just to the south of the boat launch bathroom. A vehicle came through the intersection and knocked over a 6" diameter pine tree on Port properties. The driver will be charged with leaving the scene and a few other charges.

Development/Property

- The proposed subdivision plan for Lot #1 is ready for submittal if authorized by the Commission meeting at the June 6 meeting.
- The next meeting of the Crystal Springs Water District Board is scheduled for June 15. President Shortt and Anne Medenbach will attend. We have re-submitted the water service application and a draft IGA to CSWD for Board consideration.
- Neal Creek Forest Products received a Wood Innovation grant of \$250,000 from the USDA. The monies will be used to round out the business plan, complete a wood fuels study, as well as engineering and planning services for the production facility.
- Construction is expected to begin on the new City sewer lift station near the intersection of Marina Way and Marina Drive in early June. This project will create significant disruption at the intersection through fall.
- Key Development is sending me regular reports on construction at the old Expo site. Progress is now proceeding rapidly.
- The Port was contacted by the ODOT who is seeking upgrades to the front of the DMV Building to improve disabled access. The State has indicated they will pay for the work.
- Wyeast Laboratories has extended their lease for one more year per written notice.
- Brad Perron is extending his short term lease for the full 6 months allowed in our Real Estate policy at the Big 7 Building. His structure in Dee is ready to store the carousels again and he will be moving things up there as they are ready.

Airport

- The wetland delineation and survey of the John Webber business park site shows that there are approximately 2.0 acres of useable area for wetland mitigation. Between the airport and the Lower Mill wetlands, 2.5 acres of mitigation is needed. Depending on how much mitigation we actually get, there may be negotiation with the FAA to mitigate the remaining area on site. Vista will be including that in the wetland grading plans.
- Bids for the South Ramp Taxi-Way Project were opened on May 16. Crestline Construction was the low bidder at \$1,457,779.75. The protest period has ended and none were received. This bid amount is about \$192,779 over the engineer's estimate and FAA grant amount. Anne is working with the FAA to identify additional funding for the project. Contact has been made with the state engineer to determine whether any State apportionment funding exists that would have been left from other spring projects. If additional funding is identified, construction will commence later in June.

- The Glider Club moved their operations to the east end of the airfield the last week of May. Port staff has installed a fence that separates both automobiles and pedestrians from the glider operational area. The Club will be installing tie downs and completing site prep this week.
 - Staff has created draft agendas (attached) for two public meetings focused on the increased operations at the airport and resulting noise concerns. The proposed dates are Thursday, June 22 and Wednesday, July 12.
-

Bridge/Transportation

- A hearing was held on HB 2750 in the Senate Transportation Committee on May 31. Significant work was done over the last three weeks to address Representative Holvey's concerns. The Committee sent the bill on to the Senate Rules Committee for more work. Thorn Run is initiating the process to identify language and substance differences now and significant staff time will be required in the coming weeks to deliver a version ready for passage to the Senate floor.
- Maintenance welding of the bridge deck has been postponed to late June.
- If a contract is approved by the Commission, Abhe & Svoboda, the low bidder for the auxiliary truss project will begin work in September on the auxiliary truss and floorbeam repair project.

Airport public meeting proposal

Summary: Port staff recommends hosting a series of public meetings on the Hood River Airport. The meetings would:

- a. Address the multiple and continued complaints from neighbors and community members regarding noise and frequency of operations.
- b. Inform the public of the many operational and infrastructure changes occurring in the next five years.

Goals:

- a. Listen to community concerns.
- b. Educate the community regarding the airport operations specifically and how those operations support the regional economy through job creation, workforce development and training.
- c. Find solutions that minimize impact on the community while supporting operational needs.
- d. Reduce complaints and foster understanding.

Strategy:

Hold 2-3 public meetings within the next 3 months.

Meeting 1: This will be a listening session. The Port will provide a brief introduction about the next five years of projects. Tac Aero will briefly present their business operations regarding issues specific to the complaints, i.e. flight patterns, number of operations, operations history and estimates.

Proposed Date: June 22 at 5:30 PM Proposed location: WAAAM

Meeting 2: Staff hopes to get both a representative from ODA and from the FAA in attendance to answer the questions gathered in Meeting 1 as a panel. We also plan to have solutions/options developed in response to concerns voiced in Meeting 1 and hope to receive input from the panel on these solutions. This may be a work session type meeting with input and questions encouraged from the attendees. There may also be opportunity for airport history and future operational plans.

Proposed Date: July 12at 5:30 PM Proposed location: WAAAM

Meeting 3: If a significant amount of additional questions/concerns or tasks come out of the 2nd meeting, we may need a third. We are anticipating the 2 meetings will allow us to reach our goals.

Office Calendar - June 2017

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|-----------------------------|--|---|--|--|--|-----------|
| | | | | 1 JEAN-VAC Steve C Absent | 2 JEAN-VAC Steve C Absent | 3 |
| 4 | 5 JEAN-VAC Steve C Absent stu 8:30-11:30 | 6 JEAN-VAC Commission Mtg 5PM Budget Adoption stu 8:30-11:30 | 7 JEAN-VAC Auditors stu 8:30-11:30 | 8 JEAN-VAC Auditors stu 8:30-11:30 | 9 JEAN-VAC Auditors Steve C to Salem stu 8-11:30/last day | 10 |
| 11 | 12 | 13 Lead Toll Collector Mtg 2pm (Fred, Jean, Linda H) | 14 Packet Deadline | 15 Gen vacation | 16 JANET - Leaving @noon Gen vacation | 17 |
| 18 Father's Day | 19 JANET - VACATION | 20 Commission Mtg 5PM Budget Transfer Resolution PNWA Summer Conference | 21 | 22 | 23 | 24 |
| 25 Steve C Absent | 26 Steve C Absent | 27 Steve C Absent | 28 Steve C Absent OneGorge, 3pm | 29 Steve C Absent | 30 Steve C Absent Monthly Soup/Salad Potluck Noon | |
| Steve C Absent | Steve C Absent | Steve C Absent | Steve C Absent | Steve C Absent | Steve C Absent | |

May 2017

| | | | | | | |
|---|----|----|----|----|----|----|
| S | M | T | W | Th | F | Sa |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| | 7 | 8 | 9 | 10 | 11 | 12 |
| | 13 | 14 | 15 | 16 | 17 | 18 |
| | 19 | 20 | 21 | 22 | 23 | 24 |
| | 25 | 26 | 27 | 28 | 29 | 30 |
| | 31 | | | | | |

July 2017

| | | | | | | |
|---|----|----|----|----|----|----|
| S | M | T | W | Th | F | Sa |
| | | | | | | 1 |
| | 2 | 3 | 4 | 5 | 6 | 7 |
| | 8 | 9 | 10 | 11 | 12 | 13 |
| | 14 | 15 | 16 | 17 | 18 | 19 |
| | 20 | 21 | 22 | 23 | 24 | 25 |
| | 26 | 27 | 28 | 29 | 30 | 31 |

Notes:

Commission Memo



Prepared by: Fred Kowell
Date: June 6, 2017
Re: Fiscal Year 2017-18 Budget

Please find attached the FY 2017-18 Budget. The following items were added in the Approved Budget by the Budget Committee:

Revenues

- Increase tolls from \$1 for cash paying customers to \$2. Breezeby customers increase from \$0.80 to \$1. With regard to trucks their cash tolls per axle increase from \$1 to \$3, while Breezeby increases from \$0.80 to \$2 per axle.

Expenditures

- Put aside \$8,000 for wastewater planning with regard to the marina and waterfront restrooms.
- Increase dues and memberships and travel by \$6,000 for the International Bridge, Tunnel, and Tollway Association. The Port will become a member of this association related to electronic tolling.
- Increase Capital Outlay for Lower Mills site by \$300,000 related to wetland mitigation and water utility development.
- Increase Jensen building Capital Outlay for roof repair by \$250,000.
- Increase from 0.5 FTE to 1.0 FTE for Administration Specialist for assistance in the office, board minutes, Port travel and archiving support.
- Add \$20,000 for SUP rack in Nichols Basin for recreational use
- Add Energy planning services of \$5,000
- Adjust Marina revenues for additional 6% increase in January 2018.
- Update Eventsite fees, and passes with latest approved rates
- Update Replacement Fund expenditures and grant to match at \$1,000,000 for possible state/federal funding

The following items were added by staff during the Budget Hearing held on May 16, 2017.

- Add IT hardware licenses of \$20,000 which were not included in Approved Budget.

- Increase professional services with PSquare for ongoing support and development of tolling system by \$15,000.
- Add Nichols Basin Capital Outlay of \$15,000 for light watercraft dock expansion which is related to Hood River Parks & Recreation grant of like amount.
- Increase Airport South Taxiway capital improvements by \$400,000 for costs not incurred in the FY 2016-17 but deferred into FY 2017-18. Related grant will also defer to FY 2017-18.
- Add Marina electrical placeholder of \$20,000 for continued implementation of GFCI pedestals.
- Add \$10,000 for Community Initiative for economic benefits to the community

RECOMMENDATION: Approve the budget for fiscal year 2017-18 in the total amount of \$22,173,050, including the property taxes provided for in the adopted budget at the rate of \$.0332 per \$1000 of assessed value for operations and that these taxes are hereby imposed and categorized for all taxable property within the district.

Resolution No. 2016-17-5

ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Commissioners of the Port of Hood River hereby adopts the budget for fiscal year 2017-18 in the total of **\$22,173,050** now on file at the Port office, 1000 E Port Marina Drive, Hood River Oregon.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2017, and for the purposes shown below are hereby appropriated.

| General Fund | | Revenue Fund | |
|---------------------------|---------------------|---|----------------------|
| Personnel Services..... | \$ 173,000 | Personnel Services..... | \$ 1,955,400 |
| Materials & Services..... | \$ 417,950 | Materials & Services..... | \$ 2,264,800 |
| Capital Outlay..... | \$ - | Capital Outlay..... | \$ 3,876,100 |
| Transfers | \$ - | Debt Servcie..... | \$ 382,500 |
| Contingency..... | \$ - | Transfers | \$ 3,687,600 |
| Total | \$ 590,950 | Contingency..... | \$ 500,000 |
| | | Total | \$ 12,666,400 |
| | | | |
| Bridge Repair Fund | | Bridge Replacement Fund | |
| Personnel Services..... | \$ 50,900 | Personnel Services..... | \$ 39,200 |
| Materials & Services..... | \$ 155,000 | Materials & Services..... | \$ 150,000 |
| Capital Outlay..... | \$ 1,224,500 | Capital Outlay..... | \$ 1,000,000 |
| Debt Servcie..... | \$ 677,500 | Debt Servcie..... | \$ - |
| Transfers | \$ - | Transfers | \$ - |
| Contingency..... | \$ 500,000 | Contingency..... | \$ - |
| Total | \$ 2,607,900 | Total | \$ 1,189,200 |
| | | | |
| | | Total Appropriations, All Funds | \$ 17,054,450 |
| | | Unappropriated and Reserve Amounts, All Funds | \$ 5,118,600 |
| | | TOTAL ADOPTED BUDGET | \$ 22,173,050 |

IMPOSING THE TAX

BE IT RESOLVED that the Board of Commissioners of the Port of Hood River hereby imposes the taxes provided for in the adopted budget:

(1) at the rate of \$.0332 per \$1000 of assessed value for operations and that these taxes are hereby imposed and categorized for tax year 2017-18 upon the assessed value of all taxable property within the district as follows:

CATEGORIZING THE TAX

General Government Limitation

General Fund.....\$.0332/\$1000

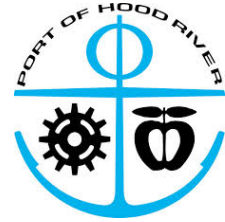
The above resolution statements were approved and declared adopted on this 6th day of June 2017.

X _____
 Brian Shortt
 X _____
 Rich McBride
 X _____
 Jon Davies

X _____
 Fred Duckwall
 X _____
 Hoby Streich

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Commission Memo



Prepared by: John Mann
Date: June 6, 2017
Re: Auxiliary Truss & Floorbeam Repair Project

Staff issued an invitation to bid for the Auxiliary Truss project on April 15, 2017. Sealed bids were due on May 10. The following four bids were received.

- F.D. Thomas Inc - \$737,936.00
- Abhe & Svoboda - \$367,770.00 (low bid)
- NorthBank Civil - \$490,500.00
- Wildish Standard Paving - \$494,900.00

The protest period has passed without contest. Staff and HDR have both reviewed the bids and recommend Abhe & Svoboda. We have received all required documents for the project.

RECOMMENDATION: Authorize contract with Abhe & Svoboda for the Auxiliary Truss and Floorbeam Repair project not to exceed \$367,770, subject to legal counsel review.

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Commission Memo

Prepared by: Michael McElwee
Date: June 6, 2017
Re: South Dock Marina Basin Lease



The Port entered into a one-year lease with the Hood River Yacht Club (HRYC) in May 2016 for significant portions of the Marina South Basin Dock (Dock). The lease implemented a revised plan for the Dock whereby HRYC would master lease many of the slips and sublease them to the public for dingy use and storage. The lease worked well in some areas but the HRYC encountered challenges in others where the demand for subleasing was limited due to other seasonal uses.

The attached lease reduces the areas of the Dock that the HRYC leases and extends the terms for two years. Otherwise it is substantially similar to the current lease.

RECOMMENDATION: Approve lease with the Hood River Yacht Club for portions of the Marina Basin South Dock.

SOUTH BASIN DOCK LEASE

THIS SOUTH BASIN DOCK LEASE (“Lease”) is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as "Lessor" or "Port", and **HOOD RIVER YACHT CLUB, INC.**, an Oregon domestic nonprofit corporation, hereinafter referred to as "Lessee".

The parties agree as follows:

1. Definitions.

- (a) **“South Basin Dock”** means the dock located on the south shore of the Hood River Marina in Hood River, Oregon, accessible from the south shore of the Hood River Marina and more fully described in Exhibit A, which is attached hereto and incorporated herein by reference.
- (b) **“Infrastructure and Common Areas”** mean portions of the South Basin Dock including ramp, main walkway, pilings and finger floats that are used by other South Basin Dock lessees and are maintained by the Port.
- (c) **“Leased Dock Space”** means the following spaces at the South Basin Dock, shown in Exhibit A: **Spaces E and F** for dinghy use/storage

2. Description. In consideration of the covenants of the parties herein contained, Lessor leases to Lessee the Leased Dock Space of the South Basin Dock (“Leased Premises”).

3. Term. This lease shall be for the period commencing on June 1, 2017 and continuing through April 30, 2019 (“Lease Term”).

4. Renewal. Provided Lessee is not in default and upon mutual agreement of the parties, this South Basin Dock Lease may be renewed upon terms mutually agreed at the time of renewal (“Renewal Term”). Said renewal shall be in writing. Lessee must notify Lessor of its intent to renew this lease by February 15, 2019.

5. Payment. Space E and Space F: Lessee shall pay Lessor \$4,000 (\$2,000/Space) for use of Spaces E and F during the lease term. The payment is due by September 15 of the Lease Term.

6. Keys/Fees. Lessor has sole responsibility for issuing keys to access the leased premises. To obtain a key to access the leased premises, Lessee must pay a \$50 deposit to Lessor. This deposit is refundable upon return of the key to Lessor when the Lease Term ends or is terminated. Lessee agrees that duplicate copies of the key will not be made. Lessor will issue 5 keys to Lessee under this agreement. Additional keys may be issued upon mutual agreement and payment of the \$50 deposit per key. Lessor shall install and maintain a lockbox at the South Basin Dock ramp gate with an access key. Lessor shall provide the code for this lockbox to Lessee.

7. Use. Lessee shall use the leased premises for non-motorized vessel storage and launching in accordance with the terms of this lease. The leased premises shall not be used for any other purposes without the written consent of Lessor. No racks or other storage devices may be installed unless first approved by Lessor. Lessee may install movable floating docks in these spaces with Lessor’s prior written permission.

8. **Seasonal Tenants/Subleases.** If Lessee subleases the slips in Spaces E, and F for boat slips or dinghy storage as provided in this agreement to sub-lessees as Seasonal Tenants (“**Seasonal Tenants**”), sublease opportunities must be advertised and made available to the public. Lessee cannot discriminate against non-Lessee members in subleasing to Seasonal Tenants including rates being charged.

Lessee shall deliver copies of all leased premises subleases to Lessor after execution. All subleases shall require the sub-lessee to comply with all terms and conditions of this lease and shall be subject to the terms of this lease.

9. **Taxes.** Lessee shall pay all taxes on its personal property located on the leased premises. Lessee shall pay all real property taxes of governmental units assessed against the leased premises. Lessee shall pay all such real property taxes which have been assessed and are payable during Lessee’s occupancy. Lessee shall also pay all such taxes which arise during a tax year as a result of Lessee’s occupancy, even if the lease term has ended, or if Lessee has vacated the leased premises.

10. **Utilities.** Lessor shall not provide owner utilities for the leased premises. If Lessee requires utilities, Lessee must receive Lessor’s written permission prior to installation and is responsible for all utility charges.

11. **Maintenance.** Lessor will maintain all South Basin Dock Infrastructure and Common Areas consistent with typical public marina standards to allow the use of the Leased Dock Space by Lessee.

12. **Parking.** Lessee and its Seasonal Tenants may use designated parking areas on Lessor’s property for the purpose of accessing the Leased Dock Space. Lessee and its Seasonal Tenants shall not park in a manner which conflicts with other tenant parking. Lessee shall not allow any parking in the spaces adjacent to the west face of DMV Building. Lessor reserves the right to restrict other parking spaces available for Lessee and its Seasonal Tenants.

13. **Liability Insurance and Hold Harmless Agreement.** Lessee agrees to indemnify and save Lessor, Lessor’s Port Commissioners, officers, employees and/or agents harmless from any claims by any persons, firms, or corporations arising from business conducted on the leased premises or from anything done by Lessee or the Seasonal Tenants at the leased premises, and will further indemnify and save Lessor harmless from all claims arising as a result of any breach or default on the part of Lessee under the terms of this lease, or arising from any act of Lessee's agents, contractors, employees, licensees, or Seasonal Tenants in or about the leased premises, and from all costs, counsel fees, and liabilities incurred in any action or proceeding brought thereon; and in case any action or proceeding is brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, covenants to resist and defend such action or proceeding by counsel.

Lessee agrees during the term hereof to keep a policy of general commercial liability insurance in effect with respect to the leased premises with minimum coverage of one million dollars (\$1 million) combined single limits. The Lessee’s and policy shall name Lessor as additional insured, and expressly include Lessor’s Port Commissioners, officers, employees, or agents as additional named insured, and shall contain a clause that the insurer will not cancel or

change the insurance without first giving Lessor at least fourteen days prior written notice. The Lessee's insurance policy shall name all Seasonal Tenants as additional insured. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor, which approval shall not be unreasonably withheld. A copy of Lessee's policy or certificate of insurance shall be delivered to Lessor within seven days after the date of this lease.

14. Fire Insurance and Waiver of Subrogation. If the leased premises are partially or totally destroyed by fire or other casualty, Lessor may decide to repair the leased premises, or not, in Lessor's sole discretion. Lessor shall notify Lessee in writing of Lessor's intent regarding repair within 30 days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the lease for the portion of the Leased Dock Space that is destroyed shall terminate 30 days after the date of the damage.

Each party shall provide its own insurance protection at its own expense, and each party shall look to its respective insurance carrier for reimbursement of property loss, which may be insured against by a standard form of fire insurance with extended coverage. There shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss.

15. Lessee's/Lessor's Covenants. Lessee shall not do anything which may damage the leased premises, any systems serving the leased premises or areas owned by Lessor near the leased premises. Lessee shall not be a nuisance or a menace to others. Lessee will not create or use hazardous substances, or dispose of hazardous waste of any kind, unless in strict compliance with environmental laws and regulations. Lessee promises to comply with all laws, ordinances, and government regulations applicable to the leased premises and to Lessee's activities at the leased premises, and to comply with rules adopted by Lessor, and Lessee shall require all sub-lessees to likewise comply.

Lessee shall not attach any fixtures or make any improvements or alterations to the leased premises without describing them in writing and receiving Lessor's prior written consent.

Lessee shall not suffer or give cause for the filing of any lien against the leased premises.

16. Quiet Enjoyment. From the date the lease commences Lessee will have the right to use the Leased Dock Space consistent the terms and conditions of this lease. Lessee agrees that Lessor may make improvements to the common areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the leased premises.

17. Care of Premises. Lessee shall at all times keep the leased premises in as good condition as they are in at the outset of this lease, or if improvements are made thereafter in at least as good condition as after such improvements, and shall surrender the leased premises to Lessor in such good condition, reasonable wear and tear, or loss by fire or other casualty covered by insurance excepted. At all times Lessee and all Sublessees shall conform with and enforce requirements in the 2016 Marina Moorage Rules and Regulations.

18. Fixtures and Personal Property. Unless otherwise agreed in writing, all permanent improvements now located or hereafter placed on the leased premises during the term of the lease shall be the property of Lessor, and shall remain on the leased premises at the expiration or termination of the lease, provided that Lessor reserves the right within 30 days after the lease

term ends to require Lessee to promptly remove any improvements which Lessee or a sub-lessee has placed on the leased premises at Lessee's expense, in a way which does not cause damage to the leased premises.

At the expiration or earlier termination of the lease term Lessee shall remove all marine vessels and any other personal property of any kind from the leased premises. If Lessee fails to do so this shall be an abandonment of such property, and Lessor may retain the abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may effect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

19. Signs. Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the leased premises without the prior written consent of Lessor. Lessee agrees to maintain in good condition any signs or displays which are allowed.

20. Lessor's Access to Premises. Lessor shall have the right to enter upon the leased premises at all reasonable hours without notice for the purpose of inspecting it, or to make repairs, additions or alterations to the leased premises or any property owned or controlled by Lessor.

21. Waiver. One or more waivers of any covenants or conditions by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to any act by Lessee requiring Lessor's consent or approval shall not be construed as consent or approval to any subsequent similar act by Lessee.

22. Assignment. Lessee agrees not to assign or in any manner transfer this lease or any interest in this lease without the prior written consent of Lessor.

23. Default. Time is of the essence of performance of all the requirements of this lease. If any lease payment or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) days after the same are due and payable, or if Lessee shall fail to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within fourteen (14) days after written notice to Lessee specifying the nature of the default with reasonable particularity, or if Lessee shall declare bankruptcy or be insolvent according to law or if an assignment of Lessee's property shall be made for the benefit of creditors or if Lessee shall abandon the premises, then in any of said events Lessee shall be deemed in default hereunder. In the event of a default the lease may be terminated at the option of Lessor. If the lease is terminated, Lessee's liability to Lessor for rents and damages shall survive such termination and Lessor may re-enter, take possession of the premises, and remove any persons or property, including any sub-lessee's, by legal action or by self help with the use of reasonable force and without liability for damages.

The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

- 24. Notices.** Whenever under this lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent or to the person signing the lease on behalf of Lessee, or if addressed to Lessee, sent by certified mail with postage prepaid to the address indicated on the signature page of this lease; and if such notice is to Lessor, delivered personally to the Executive Director, Port of Hood River, 1000 E. Port Marina Drive, Hood River, OR 97031, or sent by certified mail with postage prepaid. Notice shall be deemed given on the date of personal delivery or if mailed, one day after the date of mailing.
- 25. Amendments.** This lease may be amended only by an instrument in writing executed by all the parties, which writing must refer to this lease.
- 26. Time of Essence.** Time is of the essence with respect to all dates and time periods set forth or referred to in this lease.
- 27. Governing Law.** This lease will be governed by and construed in accordance with the laws of the State of Oregon, without regard to conflict-of-laws principles.
- 28. Injunctive and Other Equitable Relief.** The parties agree that the remedy at law for any breach or threatened breach by a party may, by its nature, be inadequate, and that the parties may be entitled, in addition to damages, to a restraining order, temporary and permanent injunctive relief, specific performance, and other appropriate equitable relief, without showing or proving that any monetary damage has been sustained.
- 29. Venue.** Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this lease must be brought against any of the parties in the Circuit Court of Hood River County, Oregon, or, subject to applicable jurisdictional requirements, in the United States District Court for the District of Oregon, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to such venue.
- 30. Exhibits.** The exhibits referenced in this lease are a part of this Lease as if fully set forth in this lease.
- 31. Severability.** If any provision of this lease is invalid or unenforceable in any respect for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this lease will not be in any way impaired.
- 32. Attorney Fees.** In the event of litigation by either party to enforce its rights hereunder, the prevailing party shall be entitled to recover its reasonable attorney's fees thereon and upon any appeal, in addition to its costs and disbursements.
- 33. Entire Agreement.** This lease (including the documents and instruments referred to in this lease) constitutes the entire agreement and understanding of the parties with respect to the subject matter of this lease and supersedes all prior understandings and agreements, whether written or oral, among the parties with respect to such subject matter.
- 34. Authority to Execute.** The person executing this Lease on behalf of Lessee warrants that they have the authority to do so.

DATED this _____ day of _____, 2017.

Lessee:
HOOD RIVER YACHT CLUB, INC.
PMB No. 147
2149 Cascade Avenue Ste. 106A
Hood River, OR 97031

Lessor:
PORT OF HOOD RIVER
1000 E. Port Marina Drive
Hood River, OR 97031
(541) 386-1645

BY:

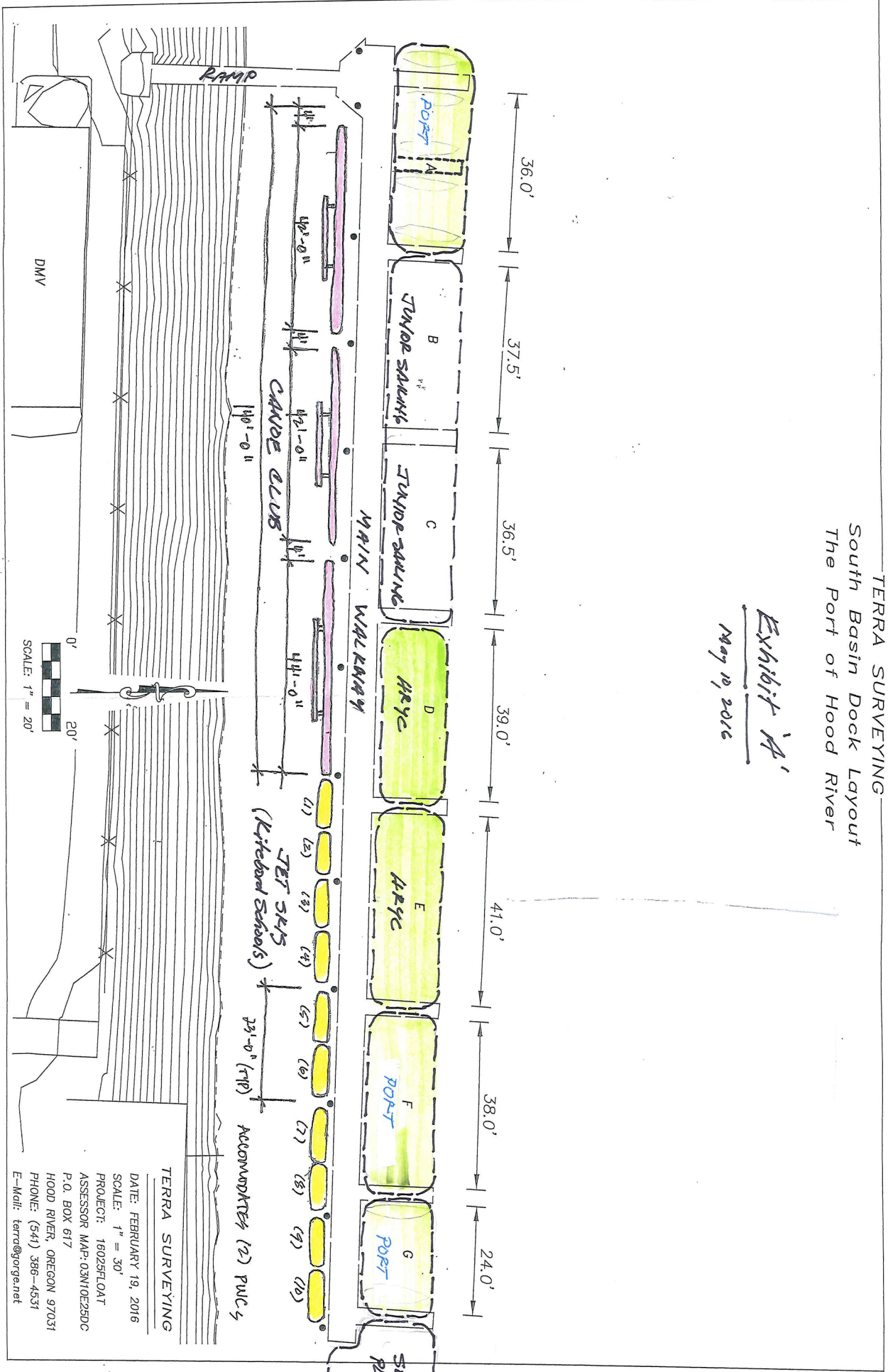
BY:

NAME HERE
Its Commodore

Michael S. McElwee
Its Executive Director

TERRA SURVEYING
South Basin Dock Layout
The Port of Hood River

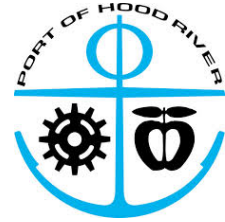
Exhibit 'A'
May 10, 2016



TERRA SURVEYING
 DATE: FEBRUARY 19, 2016
 SCALE: 1" = 30'
 PROJECT: 16025FL0AT
 ASSESSOR MAP: 03N10E25DC
 P.O. BOX 617
 HOOD RIVER, OREGON 97031
 PHONE: (541) 386-4531
 E-Mail: terra@govgenet

(6)

Commission Memo



Prepared by: Anne Medenbach
Date: June 6, 2017
Re: Through the Fence Agreements

The Port currently has two Residential Through The Fence Agreements (RTTFs) with homeowners bordering the south of the airport. In 2012, FAA Modernization and Reform Act was enacted, with Section 136 determining how RTTFs must be processed. The Port worked with the FAA to understand the new process and created a new agreement based on the FAA template. This agreement is currently in use and meets the FAA requirements.

Two new agreements have been requested, locations shown on the attached map.

In order to establish new agreements, the following must occur:

1. The access point to the airfield must be depicted on the Airport Layout Plan (ALP). The current ALP does depict a doubled arrow TTF access on the south side which, per our airport consultant, infers that the residences have TTF access if there are agreements in place.
2. The user must pay the equivalent of the airport's current monthly tie down fee (\$32.00). Both applicants are willing to pay this fee.

The agreement template was reviewed and approved by Port legal counsel when the existing agreements were revised in 2015. The attached agreements use that template. Both Mr. O'Donnell and Mr. Read/Mrs. Frey have provided all necessary documentation for the agreements.

RECOMMENDATION:

Approve a Residential Through the Fence Agreement with Timothy J. O'Donnell for registered aircraft access to the Hood River Airport from his residence, per legal review.

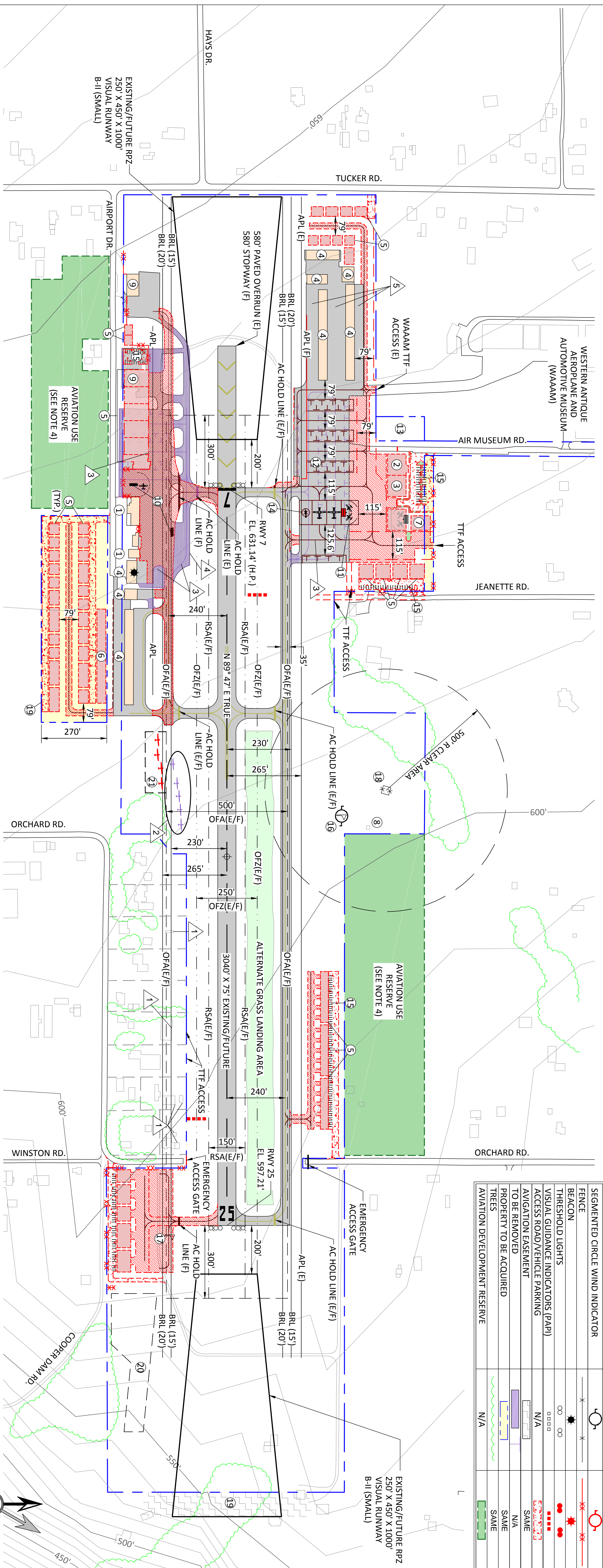
Approve a Residential Through the Fence Agreement with Russell J. Read and Judith O. Frey for registered aircraft access to the Hood River Airport from their residence, per legal review.

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| BUILDING/FACILITY KEY | |
|-----------------------------------|------|
| DESCRIPTION | |
| FBO / MX HANGAR (E) | (12) |
| FBO BUILDING PHASE I | (13) |
| FBO BUILDING PHASE II | (14) |
| HANGARS (E) | (4) |
| BOX HANGARS (F) | (5) |
| MULTI-UNIT HANGARS (F) | (6) |
| COMMERCIAL HANGAR (F) | (7) |
| REGULATOR BUILDING | (8) |
| AGRICULTURAL OPS AREAS | (9) |
| FUEL (E) / TEMP. LOCATION | (10) |
| FUEL LOCATION (F) | (11) |
| TIEDOWN APRON | (12) |
| PROPERTY TO BE SWAPPED (F) | (13) |
| TRANSIENT HELICOPTER PARKING | (14) |
| AUTO PARKING (F) | (15) |
| WIND TEE (E) | (16) |
| SUPPLEMENTAL WIND TEE (E) | (17) |
| AWOS (E) | (18) |
| PROPERTY TO BE ACQUIRED | (19) |
| GLIDER STORAGE / PARKING AREA (F) | (20) |
| GLIDER PARKING AREA (F) | (21) |
| POTENTIAL AVIATION RESERVE | (22) |

| NON STANDARD CONDITIONS | | | |
|-------------------------|-----------------------------|---|----------------------------------|
| NO. | ITEM | DESCRIPTION | DISPOSITION |
| 1 | ROFA | SOUTHEAST SIDE RESIDENCES | NONE - MODIFICATION TO STANDARDS |
| 2 | ROFA | GLIDER PARKING | RELOCATE OUTSIDE ROFA |
| 3 | TAXILANE OFA | TAXILANE CLEARANCES TO PARKED AIRCRAFT / FUELING (ADG I & ADG II) | RECONFIGURE APRON |
| 4 | PARALLEL TAXIWAY SEPARATION | LESS THAN STD. ADG II RUNWAY SEPARATION | RELOCATE |
| 5 | TAXILANE OFA (HANGARS) | LESS THAN STD. ADG I CLEARANCES | MODIFY WHERE FEASIBLE |

| LEGEND | |
|-------------------------------------|---------|
| EXISTING | FUTURE |
| BUILDINGS | |
| AIRFIELD PAVEMENT | |
| BUILDING RESTRICTION LINE (BRL) | BRL (E) |
| AIRCRAFT PARKING LINE (APL) | APL (F) |
| AIRPORT PROPERTY LINE | |
| RUNWAY SAFETY AREA (RSA) | |
| OBJECT FREE AREA (OFA) | |
| OBSTACLE FREE ZONE (OFZ) | |
| TAXIWAY OBJECT FREE AREA (TOFA) | |
| RUNWAY PROTECTION ZONE (RPZ) | |
| GROUND CONTOURS | |
| AIRPORT REFERENCE POINT (ARP) | |
| RUNWAY END IDENTIFIER LIGHTS (REIL) | |
| WIND INDICATOR | |
| SEGMENTED CIRCLE WIND INDICATOR | |
| FENCE | |
| BEACON | |
| THRESHOLD LIGHTS | |
| VISUAL GUIDANCE INDICATORS (PAP) | |
| ACCESS ROAD/VEHICLE PARKING | |
| AVIGATION EASEMENT | |
| TO BE REMOVED | |
| PROPERTY TO BE ACQUIRED | |
| TREES | |
| AVIATION DEVELOPMENT RESERVE | |

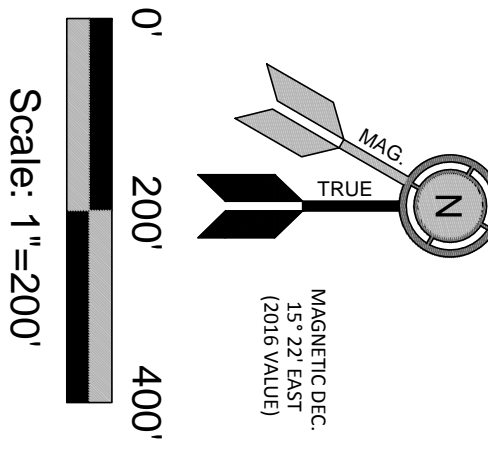


THE PREPARATION OF THIS DOCUMENT MAY HAVE BEEN SUPPORTED, IN PART, THROUGH THE AIRPORT IMPROVEMENT PROGRAM FINANCIAL ASSISTANCE FROM THE FEDERAL AVIATION ADMINISTRATION (PROJECT NUMBER 3-41-0001-012-01) AS PROVIDED UNDER THE UNITED STATES CODE, SECTION 47109 OF TITLE 49, CHAPTER 471, SUBCHAPTER 9, PART 1 OF THE FEDERAL AVIATION REGULATIONS. THE FEDERAL AVIATION ADMINISTRATION DOES NOT CONSTITUTE A COMMITMENT ON THE PART OF THE UNITED STATES TO PARTICIPATE IN ANY DEVELOPMENT DEPICTED THEREIN NOR DOES IT INDICATE ACCORDANCE WITH APPROPRIATE PUBLIC LAWS.

DRAFT

- NOTES:**
- STOPWAY AT WEST END OF RUNWAY WILL INCREASE FUTURE ACCELERATE - STOP DISTANCE AVAILABLE (ASDA) FOR RUNWAY 25 TO 3,620 FEET.
 - HIGH POINT (SURVEYED) ON RUNWAY 15 IS 631.14' MSL. PUBLISHED AIRPORT ELEVATION (FAA A/PD) TO BE UPDATED FOR CONSISTENCY.
 - AIRPORT IS NOT SUBJECT TO 100-YEAR FLOODING.

- AVIATION USE DEVELOPMENT RESERVES MAY BE ACQUIRED BY PORT IF LAND BECOMES AVAILABLE, OR PRIVATELY DEVELOPED, IF AUTHORIZED BY PORT AND FAA.
- FUTURE STOPWAY AT RUNWAY 7 END REQUIRES DECLARED DISTANCES AND STOPWAY DESIGNATION PUBLISHED IN FAA AIRPORT/FACILITY.
- BRL ASSUMES RUNWAY CENTERLINE ELEVATION IS A CONSTANT GRADE BETWEEN RUNWAY END POINTS. BRL ASSUMES EXISTING GROUND ELEVATION POINT IS EQUAL TO OR LESS THAN THE RUNWAY CENTERLINE ELEVATION PERPENDICULAR TO THAT POINT. ACTUAL BRL VALUE WILL VARY BASED ON SURVEYED EXISTING GROUND AND RUNWAY CENTERLINE DATA.



| NO. | DATE | BY | APPR. | REVISIONS |
|-----|------|----|-------|-----------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

VERIFY SCALES
BAR IS ONE INCH ON ORIGINAL DRAWING.
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

FEDERAL AVIATION
ADMINISTRATION APPROVAL

APPROVAL DATE: _____
SIGNATURE: _____

PORT OF HOOD RIVER
APPROVAL

APPROVAL DATE: _____
SIGNATURE: _____

CENTURY WEST ENGINEERING

BEND OFFICE: 1000 SW ENKAY DRIVE, #100 BEND, OR 97702 541.322.8862 OFFICE 541.382.2423 FAX

DESIGNED BY: DMV
DRAWN BY: JLS
CHECKED BY: WMNR
PROJECT NO.: 12399009.01

SCALE: AS SHOWN

DATE: JANUARY 2017

HOOD RIVER AIRPORT

AIRPORT LAYOUT PLAN

FIGURE NO. -

SHEET NO. 3 OF 11

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Residential Through the Fence Agreement

This Airport Access Agreement (“Agreement”) is made and entered into this the 30 day of MAY, 2017, by and between the PORT OF HOOD RIVER, a State of Oregon special district (“Owner” or “Port”), Timothy J. O’Donnell (“User”), who owns property located at:

*1704 Orchard Road
2N10E11A lot 1900
Hood River, OR 97031 (“Property”)*

This Agreement incorporates and is based upon the following representations and understandings:

WHEREAS, Port is the owner and operator of the Ken Jernstedt Airfield, located in the County of Hood River, State of Oregon (“Airport”), with the power to grant rights and privileges with respect to the Airport, pursuant to the provisions of ORS 777.210 (6) and ORS 777.258, among other federal, state, and local laws, rules and regulations; and

WHEREAS, User owns real property immediately adjacent to the physical property of the Airport; and

WHEREAS, User seeks the right to taxi aircraft from User’s Property “through-the-fence” to the Airport property and to its runway and taxiway system; and

WHEREAS, the parties desire to enter into this Agreement to comply with the FAA Modernization and Reform Act of 2012 (P.L. 112-95) section 136 that permits general aviation airport sponsors to enter into residential through-the-fence agreements with property owners or associations representing property owners provided these agreements comply with certain conditions set forth in this Agreement;

Now, therefore and in consideration of the mutual terms and conditions hereinafter set forth, the Owner and User hereby agree to the following:

ARTICLE I - PROPERTY WITH RIGHT OF ACCESS

The property with the legal right of access is located in Hood River County. The tax map lot and number are: *2N10E11A lot 1900*

ARTICLE II - TERM OF AGREEMENT

The term of this Agreement shall commence on the date of this Agreement entered above, and shall continue for a five year period or 60 months. The Port may choose to extend this Agreement or enter into a similar agreement prior to the Agreement expiration date, in the Port’s sole discretion. This Agreement is non-transferable. This Agreement does not run with the User’s land. Any change of ownership of the Property with right of access will void this Agreement.

ARTICLE III - PROHIBITIONS

1. No Commercial Aeronautical Uses: User shall not engage in, nor permit any other person or entity to engage in, any temporary or permanent commercial aeronautical activity on User's Property. This prohibition includes but is not limited to any activity or service for compensation, exchange, trading, buying, selling or hire or any other revenue production activity whether or not a profit is derived, which makes possible, or is required for the operation of an aircraft, or contributes to or is required for, the safety of such operations.
2. Sale of Aviation Fuels Prohibited: User shall not sell, nor permit any other person or entity to sell aviation fuels on User's Property.
3. Prohibitions and Restrictions on Access: User is specifically prohibited from granting or selling any access to/egress from the Airport through User's Property to any other parties. This restriction also includes User taking reasonable precautions acceptable to Owner to prevent the accidental access to the Airport by vehicles, pedestrians, pets, etc.

ARTICLE IV - ACCESS REQUIREMENTS

User agrees to:

1. Possess a current pilot license during the term of this Agreement, a copy of which must be provided to the Port with this Agreement and when requested.
2. User's aircraft must have a valid FAA "N" number. That number must be provided to the Port with this Agreement and when requested.
3. User shall provide the Port with a Certificate of Insurance for Airport Premises Liability with the following coverage provided: minimum limits of \$1,000,000 CSL (combined single limit). The policy shall be issued in the name of User and name the Port of Hood River as Additional Insured, with the right to receive at least 30 days prior written notice of insurance cancellation and notice of renewal. Failure to provide or keep in force such insurance shall be a default and is cause for termination of the Agreement.

ARTICLE V-ACCESS FEE TO OWNER

User agrees to pay an access fee to Owner as described below:

1. Owner's Basis for Access Fee: User's access fee is based on the monthly tie-down rate charged to Airport tenants using the Airport south apron area. User's access fee is subject to annual adjustments by Owner when Airport tie down fees are changed.
2. User's Access Fee: Based upon the current Airport tie down rate User's current access fee payable to Owner is \$35.00/month or \$420.00/year. User's access fee may be paid in advance on the 1st of each month, or in advance annually for the succeeding twelve months, or at the end of the term if less than twelve months remains payable through the remainder of the term. User's access fee will be increased by Owner based on annual fee adjustments made to Airport tie down rates throughout the term of this Agreement. Owner will notify User of increases in User's access fee when Airport tie down rates change.
3. Payment: All payments required to be made by User under this Agreement

shall be made payable to the Port of Hood River, and shall be delivered or mailed to the address below:

4.

Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

5. Penalty for Late Payment: Owner will assess a late penalty of \$10 for every day User fails to remit payment after the payment due date described above.

ARTICLE VI - CONSTRUCTION AND MAINTENANCE OF PRIVATE-USE INFRASTRUCTURE

It is understood and agreed that User shall construct and install all private-use infrastructure, required and acceptable to Owner, or if in Owner's discretion Owner chooses to construct or install any private use infrastructure for User's access to the Airport, Owner shall notify User and upon Owner's completion of such construction or installation User shall promptly reimburse Owner for all Owner's costs. All required private-use infrastructure such as taxiway, fence, sign(s), taxiway lights, gates, security controls, etc., shall be listed and depicted in an Exhibit to this Agreement, and be coordinated and scheduled by the Port in cooperation with User. Accordingly, User covenants and agrees as follows:

1. Construction and Maintenance: All construction on Owner's property or User's property must be approved by Owner 90 days prior to the commencement of construction. During the term of this Agreement User shall also be solely responsible for all maintenance of said private-use infrastructure at User's cost and shall at all times maintain it in good repair.
2. Construction Costs: Notwithstanding anything herein contained to the contrary, User expressly agrees to pay any and all costs associated with private-use infrastructure (taxiway, fence, signs, taxiway lights, electrical power, gates, security controls, etc.) required by Owner. These costs are in addition to the access fees described above.

ARTICLE VII - AGREEMENT IS SUBORDINATE TO GRANT ASSURANCES, AGREEMENTS WITH UNITED STATES, AND FEDERAL OBLIGATIONS.

This Agreement shall be nonexclusive and shall at all times be subordinate to the provisions of any existing or future agreements between Owner and the United States Government, or to any order issued by the United States Government, or to any grant assurances affecting Owner or the Airport, or to any Airport or Owner Federal obligations.

User agrees to abide by Owner's Airport rules and regulations in effect as of the date of this Agreement and as may be adopted or amended from time to time. When entering onto the Airport User will use a radio to confirm current Airport activities, use 360 degree visual observation, and make a radio announcement before entering the Airport area to proceed with flight run-up procedures.

User for himself, his heirs, personal representatives, successors in interest, and assigns as part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the

Property or Airport for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, User shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 29 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

User for himself, his heirs, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that User shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

ARTICLE VIII - TERMINATION OF AGREEMENT

1. **Events of Default by User:** Owner, at its option, may declare this Agreement terminated in its entirety if User breaches any condition of this Agreement, including upon the happening of any one or more of the following events, and may exercise all rights related to the termination of this Agreement:
 - a. The User access fees described in Article V, or any part thereof, are unpaid for 30 days, or
 - b. If User shall file a voluntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or if User is adjudicated as bankrupt, or User otherwise assigns or attempts to assign User's interest herein without the prior written consent of Owner; or
 - c. If User shall use or permit the use of the User's premises at any time for any purpose which is not authorized by this Agreement, or if User shall use or permit the use thereof in violation of any law, rule or regulation, (including DOT or Airport rules and regulations), to which the User has agreed to conform.
 - d. User fails to comply with any term or condition of this Agreement.
 - e. User fails to follow standard operating procedures when accessing the taxiway and is deemed by the Airport Advisory Committee to be piloting in an unsafe manner.

2. **Notice of Default:** If User shall default in the performance of any provision of this Agreement (except the payment of fees), then Owner shall send to User a written notice of default, specifying the nature of the default, and User shall, within thirty (30) days after the date of the notice, cure and remedy the default, and this Agreement shall then continue as before.
 - a. Ife User shall fail to timely cure and remedy such default, Owner shall have the right to declare, by written notice to User, that User

is in default, and to use all remedies available to Owner under this Agreement. However, if by its nature, such default cannot be cured within such thirty (30) day period, such termination shall not be effective if User commences to correct such default within said thirty (30) days and corrects the same as promptly as reasonably practicable.

- b. Termination of this Agreement for non-payment of fees to Owner by User shall not become effective until after the expiration of fifteen (15) days after written notice thereof by Owner to User and User fails to pay all moneys owed, fully within said period.

ARTICLE VIII - NOTICES

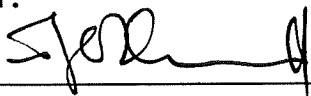
Notice/Addresses: All notices, requests, or other communications, required or permitted to be given hereunder shall be in writing and delivered by via certified or registered mail, addressed to the appropriate party at its address as follows:

Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

Name: TIMOTHY J. O'DONNELL
Hood River, OR, 97031

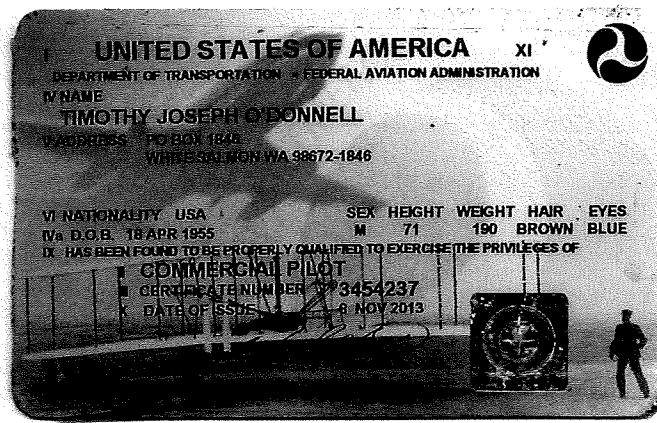
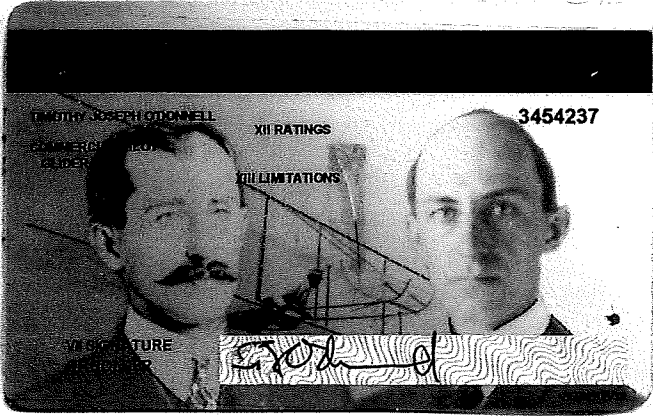
Dated: 30 MAY 2017

IN WITNESS WHEREOF, the parties have executed this Agreement.

User:
By: 

Owner: Port of Hood River
By: _____
Michael McElwee
Its: Executive Director

By: _____



AIRCRAFT:

N6392X SISU1A GLIDER

N56WT STEMME S10Vt MOTORGLIDER

AIRCRAFT INSURANCE CERTIFICATE

Issued by **COSTELLO INSURANCE ASSOCIATES, INC.**, administr
of the **SOARING SOCIETY OF AMERICA** group insurance program

1. Named Insured and Address

Timothy J. O'Donnell
PO Box 1846
White Salmon, WA 98672

**Renewal Coverage for
Expiring Policy No. SS009066508-17**

2. Policy Period From: December 2, 2016
12:01 A.M. standard time at the address of the insured as stated above.

To: December 2, 2017

3. Coverages **Coverage Limits**

Coverage is provided only where a coverage limit or amount of insurance is shown.

Liability Coverage

| | | |
|--|------------------------------------|--|
| Single Limit Bodily Injury and Property Damage Liability | Applicable To All Insured Aircraft | \$ 1,000,000 each occurrence |
| | | <input type="checkbox"/> Including Passenger Bodily Injury |
| | | <input type="checkbox"/> Excluding Passenger Bodily Injury |
| | | <input checked="" type="checkbox"/> Including Passenger Bodily Injury Limited to |
| | | \$ 100,000 each person |
| | | \$ 10,000 each person |

Medical Coverage

Physical Damage Coverage

| | Deductible | F.A.A. Registration No. | Amount of Insurance |
|----------------------------|-------------------|-------------------------|---------------------|
| Hull | | 1. N56WT | \$185,000 |
| In Motion or Not In Motion | Not in Motion \$0 | 2. | \$ |
| | In Motion \$0 | 3. | \$ |
| Hull | | 1. | \$ |
| Not in Motion | Not in Motion \$ | 2. | \$ |
| | | 3. | \$ |
| Trailer | Each Claim \$100 | | \$ |

4. Insured Aircraft

1. 1998 Stemme S-10VT N56WT
- 2.
- 3.

Total Seats
2

Trailer
No Coverage

5. Purpose(s) of Use:

- Pleasure/Competition Limited Commercial Flying Club
-

6. Additional Coverages:

- Winter storage is as follows: Effective December 2, 2016 at storage, Effective January 26, 2017 back to flight.
- Additional Insured (as expiring) Ken Jerstedt Airfield, Port of Hood River

7. Pilots: As presently covered.

8. Lien Holders (Lender's Interest Coverage)

- Aircraft:
1. Nevada Lenders Inc c/o First Priority Bank
 - 2.
 - 3.

9. Annual Premium: The total premium must be paid by the anniversary date to continue coverage.

| | | | |
|---------------|----|----|--------------------------|
| Aircraft | | | |
| 1. \$2,817.00 | 2. | 3. | Total Premium \$2,817.00 |

Coverage is subject to the Company's standard forms for coverages bound. This Certificate does not amend, extend or alter the terms of the Policy. Requested changes of coverage are subject to the underwriter's agreement and premium adjustment.

Issued: 11/1/16 SM

By: Pat Costello

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Residential Through the Fence Agreement

This Airport Access Agreement (“Agreement”) is made and entered into this the ____ day of _____, 2017, by and between the PORT OF HOOD RIVER, a State of Oregon special district (“Owner” or “Port”), and Russell Philip Read and Judith Oriole Frey, individuals (“User”), who owns property located at:

*1658 Orchard Road
2N10E11A tax lot 1300
Hood River, OR 97031 (“Property”)*

This Agreement incorporates and is based upon the following representations and understandings:

WHEREAS, Port is the owner and operator of the Ken Jernstedt Airfield, located in the County of Hood River, State of Oregon (“Airport”), with the power to grant rights and privileges with respect to the Airport, pursuant to the provisions of ORS 777.210 (6) and ORS 777.258, among other federal, state, and local laws, rules and regulations; and

WHEREAS, User owns real property immediately adjacent to the physical property of the Airport; and

WHEREAS, User seeks the right to taxi aircraft from User’s Property “through-the-fence” to the Airport property and to its runway and taxiway system; and

WHEREAS, the parties desire to enter into this Agreement to comply with the FAA Modernization and Reform Act of 2012 (P.L. 112-95) section 136 that permits general aviation airport sponsors to enter into residential through-the-fence agreements with property owners or associations representing property owners provided these agreements comply with certain conditions set forth in this Agreement;

Now, therefore and in consideration of the mutual terms and conditions hereinafter set forth, the Owner and User hereby agree to the following:

ARTICLE I – PROPERTY WITH RIGHT OF ACCESS

The property with the legal right of access is located in Hood River County. The tax map lot and number is: *2N10E11A tax lot 1300*

ARTICLE II – TERM OF AGREEMENT

The term of this Agreement shall commence on the date of this Agreement entered above, and shall continue for a five year period or 60 months. The Port may choose to extend this Agreement or enter into a similar agreement prior to the Agreement expiration date, in the Port’s sole discretion. This Agreement is non-transferable. This Agreement does not run with the User’s land. Any change of ownership of the Property with right of access will void this Agreement.

ARTICLE III – PROHIBITIONS

1. No Commercial Aeronautical Uses: User shall not engage in, nor permit any other

person or entity to engage in, any temporary or permanent commercial aeronautical activity on User's Property. This prohibition includes but is not limited to any activity or service for compensation, exchange, trading, buying, selling or hire or any other revenue production activity whether or not a profit is derived, which makes possible, or is required for the operation of an aircraft, or contributes to or is required for, the safety of such operations.

2. Sale of Aviation Fuels Prohibited: User shall not sell, nor permit any other person or entity to sell aviation fuels on User's Property.
3. Prohibitions and Restrictions on Access: User is specifically prohibited from granting or selling any access to/egress from the Airport through User's Property to any other parties. This restriction also includes User taking reasonable precautions acceptable to Owner to prevent the accidental access to the Airport by vehicles, pedestrians, pets, etc.

ARTICLE IV – ACCESS REQUIREMENTS

User agrees to:

1. Possess a current pilot license during the term of this Agreement, a copy of which must be provided to the Port with this Agreement and when requested.
2. User's aircraft must have a valid FAA "N" number. That number must be provided to the Port with this Agreement and when requested.
 - a. N726TB Socata TB21
 - b. N56SJ ACA 76CBC
3. User shall provide the Port with a Certificate of Insurance for Airport Premises Liability with the following coverage provided: minimum limits of \$1,000,000 CSL (combined single limit). The policy shall be issued in the name of User and name the Port of Hood River as Additional Insured, with the right to receive at least 30 days prior written notice of insurance cancellation and notice of renewal. Failure to provide or keep in force such insurance shall be a default and is cause for termination of the Agreement.

ARTICLE V-ACCESS FEE TO OWNER

User agrees to pay an access fee to Owner as described below:

1. Owner's Basis for Access Fee: User's access fee is based on the monthly tie-down rate charged to Airport tenants using the Airport south apron area. User's access fee is subject to annual adjustments by Owner when Airport tie down fees are changed.
2. User's Access Fee: Based upon the current Airport tie down rate User's current access fee payable to Owner is \$35.00/month or \$420.00/year. User's access fee may be paid in advance on the 1st of each month, or in advance annually for the succeeding twelve months, or at the end of the term if less than twelve months remains payable through the remainder of the term. User's access fee will be increased by Owner based on annual fee adjustments made to Airport tie down rates throughout the term of this Agreement. Owner will notify User of increases in User's access fee when Airport tie down rates change.
3. Payment: All payments required to be made by User under this Agreement shall be made payable to the Port of Hood River, and shall be delivered or mailed to the

address below:

4.

Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031
5. Penalty for Late Payment: Owner will assess a late penalty of \$10 for every day User fails to remit payment after the payment due date described above.

ARTICLE VI - CONSTRUCTION AND MAINTENANCE OF PRIVATE-USE INFRASTRUCTURE

It is understood and agreed that User shall construct and install all private-use infrastructure, required and acceptable to Owner, or if in Owner's discretion Owner chooses to construct or install any private use infrastructure for User's access to the Airport, Owner shall notify User and upon Owner's completion of such construction or installation User shall promptly reimburse Owner for all Owner's costs. All required private-use infrastructure such as taxiway, fence, sign(s), taxiway lights, gates, security controls, etc., shall be listed and depicted in an Exhibit to this Agreement, and be coordinated and scheduled by the Port in cooperation with User. Accordingly, User covenants and agrees as follows:

1. Construction and Maintenance: All construction on Owner's property or User's property must be approved by Owner 90 days prior to the commencement of construction. During the term of this Agreement User shall also be solely responsible for all maintenance of said private-use infrastructure at User's cost and shall at all times maintain it in good repair.
2. Construction Costs: Notwithstanding anything herein contained to the contrary, User expressly agrees to pay any and all costs associated with private-use infrastructure (taxiway, fence, signs, taxiway lights, electrical power, gates, security controls, etc.) required by Owner. These costs are in addition to the access fees described above.

ARTICLE VII – AGREEMENT IS SUBORDINATE TO GRANT ASSURANCES, AGREEMENTS WITH UNITED STATES, AND FEDERAL OBLIGATIONS.

This Agreement shall be nonexclusive and shall at all times be subordinate to the provisions of any existing or future agreements between Owner and the United States Government, or to any order issued by the United States Government, or to any grant assurances affecting Owner or the Airport, or to any Airport or Owner Federal obligations.

User agrees to abide by Owner's Airport rules and regulations in effect as of the date of this Agreement and as may be adopted or amended from time to time. When entering onto the Airport User will use a radio to confirm current Airport activities, use 360 degree visual observation, and make a radio announcement before entering the Airport area to proceed with flight run-up procedures.

User for himself, his heirs, personal representatives, successors in interest, and assigns as part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Property or Airport for

a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, User shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 29 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

User for himself, his heirs, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that User shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

ARTICLE VIII - TERMINATION OF AGREEMENT

1. Events of Default by User: Owner, at its option, may declare this Agreement terminated in its entirety if User breaches any condition of this Agreement, including upon the happening of any one or more of the following events, and may exercise all rights related to the termination of this Agreement:
 - a. The User access fees described in Article V, or any part thereof, are unpaid for 30 days, or
 - b. If User shall file a voluntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or if User is adjudicated as bankrupt, or User otherwise assigns or attempts to assign User's interest herein without the prior written consent of Owner; or
 - c. If User shall use or permit the use of the User's premises at any time for any purpose which is not authorized by this Agreement, or if User shall use or permit the use thereof in violation of any law, rule or regulation, (including DOT or Airport rules and regulations), to which the User has agreed to conform.
 - d. User fails to comply with any term or condition of this Agreement.
 - e. User fails to follow standard operating procedures when accessing the taxiway and is deemed by the Airport Advisory Committee to be piloting in an unsafe manner.

2. Notice of Default: If User shall default in the performance of any provision of this Agreement (except the payment of fees), then Owner shall send to User a written notice of default, specifying the nature of the default, and User shall, within thirty (30) days after the date of the notice, cure and remedy the default, and this Agreement shall then continue as before.
 - a. Ife User shall fail to timely cure and remedy such default, Owner shall have the right to declare, by written notice to User, that User is in default, and to use all remedies available to Owner under this Agreement. However, if by its nature, such default cannot be cured within such thirty (30) day period, such termination shall not be effective if User commences to correct such

default within said thirty (30) days and corrects the same as promptly as reasonably practicable.

- b. Termination of this Agreement for non-payment of fees to Owner by User shall not become effective until after the expiration of fifteen (15) days after written notice thereof by Owner to User and User fails to pay all moneys owed, fully within said period.

ARTICLE VIII – NOTICES

Notice/Addresses: All notices, requests, or other communications, required or permitted to be given hereunder shall be in writing and delivered by via certified or registered mail, addressed to the appropriate party at its address as follows:

Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

Name:

Hood River, OR, 97031

Dated: _____

IN WITNESS WHEREOF, the parties have executed this Agreement.

User:

By: _____
Russell J. Read

Owner: Port of Hood River

By: _____
Michael McElwee
Its: Executive Director

By: _____
Judith O. Frey

UNITED STATES OF AMERICA
 DEPARTMENT OF TRANSPORTATION - FEDERAL AVIATION ADMINISTRATION

IV NAME
 JUDITH ORIGLE FREY

V SEX HEIGHT WEIGHT HAIR EYES
 F 59 137 BLOND GREEN

VI D.O.B. 20 JAN 1954

IX HAS BEEN FOUND TO BE PROPERLY QUALIFIED TO EXERCISE THE PRIVILEGES OF
 PRIVATE PILOT

XI CERTIFICATE NUMBER 3093812
 XII DATE OF ISSUE 13 MAR 2009

XIV ACTING ADMINISTRATOR

UNITED STATES OF AMERICA
 DEPARTMENT OF TRANSPORTATION - FEDERAL AVIATION ADMINISTRATION

IV NAME
 RUSSELL PHILLIP READ

V SEX HEIGHT WEIGHT HAIR EYES
 M 79 155 BROWN BLUE

VI D.O.B. 15 MAY 1921

IX HAS BEEN FOUND TO BE PROPERLY QUALIFIED TO EXERCISE THE PRIVILEGES OF
 PRIVATE PILOT

XI CERTIFICATE NUMBER 2707054
 XII DATE OF ISSUE 9 JUL 2010

XIV ADMINISTRATOR

JUDITH ORIGLE FREY
 PRIVATE PILOT
 AIRPLANE SINGLE ENGINE LAND
 ENGLISH PROFICIENT.

XII RATINGS
 XIII LIMITATIONS

VI SIGNATURE OF HOLDER
 60405 06/07

RUSSELL PHILLIP READ
 PRIVATE PILOT
 AIRPLANE SINGLE ENGINE LAND & SEA; INSTRUMENT AIRPLANE
 ENGLISH PROFICIENT.

XII RATINGS
 XIII LIMITATIONS

VI SIGNATURE OF HOLDER
 68706 11/09



Date Issued: December 20, 2016

PB304 (07-13)

Page 1 of 1

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Done

Cert.pdf



Certificate of Insurance

This is to certify to (Certificate Holder): PORT OF HOOD RIVERKEN JERNSTEDT FIELD
1000 EAST PORT MARINA DRIVE
HOOD RIVER, OR 97031

The following policy has been issued to: Split-S-Korp LLC
11070 BENCH RD
MISSOULA, MT 59808

AIRCRAFT POLICY NO: PB 10962306 POLICY PERIOD: FROM: August 14, 2016 TO August 14, 2017
THIS COVERAGE IS EFFECTIVE 12:01 AM
INSURANCE COMPANY: OLD REPUBLIC INSURANCE COMPANY

| LIABILITY COVERAGES: | LIMITS OF LIABILITY | |
|--------------------------------------|---------------------|-----------------|
| | EACH PERSON | EACH OCCURRENCE |
| Single Limit Including Passengers, | | \$1,000,000 |
| with Passenger liability Limited to: | \$100,000 | |

| DESCRIPTION OF AIRCRAFT | PHYSICAL DAMAGE COVERAGE: | | | | |
|-------------------------|---------------------------|-------------------------------------|--------------|---------------|-------------|
| | FAA NUMBER | YEAR | MAKE & MODEL | INSURED VALUE | DEDUCTIBLES |
| | | | | NOT IN-MOTION | IN-MOTION |
| N56SJ | 1999 | AMERICAN CHAMPION AIRCRAFT 7GCBC | \$67,000 | \$0 | \$0 |

THIS CERTIFICATE HOLDER IS:
Included as an Additional Insured on aircraft Liability Coverage, but only with respect to hangaring and/or tie-down of the aircraft covered under this policy.

Provision has been made to give the Certificate Holder (30) days notice of Our cancellation of the referenced policy - ten (10) days as a result of non-payment of premiums owed to Us. However, We assume no responsibility for the failure to provide such notice.

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage, terms, exclusions, conditions, or other provisions afforded by the policies referenced herein nor does it constitute a contract between the issuing insurer(s).

From: Russ Read russread@gmail.com
Date: May 31, 2017, 8:40:43 AM
To: Russ Read russread@gmail.com

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2:51 PM

51%

Done

Split S Korp LLC.pdf



**OLD REPUBLIC INSURANCE COMPANY
ADDITIONAL INSURED AMENDMENT**

Policy Number: PB 10962306 Insured: Split-S-Korp LLC

Policy Period: From: August 14, 2016 To: August 14, 2017

Effective Date of This Amendment: December 19, 2016 12:01 am Standard Time

THIS AMENDMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

In consideration of an additional premium of Included, the person or organization listed below is added to the **Who is Covered** section of your **Liability Coverage** but only in the event of an **occurrence** resulting from your use of your aircraft, and as specifically provided for below.

WHO IS COVERED:

As respects: N56SJ
Port of Hood River
Ken Jernstedt Field
1000 East Port Marina Drive
Hood River, OR 97031


The extension(s) of coverage above are provided for the following purpose(s) and/or subject to any restrictions as noted below:

Included as an Additional Insured on aircraft Liability Coverage, but only with respect to hangaring and/or tie-down of the aircraft covered under this policy.

Any extension of **Liability Coverage** under this amendment is part of and not in addition to the **Liability Coverage** limits as provided by your policy and does not apply to any injury or damage arising out of the negligence of the person or entity named above.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

authorized representative or producer.

| | | |
|--|--|------------------|
| Agency Name: WISSMILLER INCORPORATED Agency Phone: 503-640-4686 |  Old Republic Aerospace Representative: | Date: 12/20/2016 |
|--|--|------------------|

1990 VAUGHN ROAD, SUITE 350, KENNESAW, GA 30144 · (770) 590-4950 · Fax: (770) 590-0599



OLD REPUBLIC INSURANCE GROUP

iPad

2:51 PM

51%

Done

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**STARR
COMPANIES**

GLOBAL INSURANCE & INVESTMENTS

3353 Peachtree Road NE, Suite 1000
Atlanta, GA 30326

Certificate of Insurance

Certificate Holder: PORT OF HOOD RIVER
1000 E. PORT MARINA DR.
HOOD RIVER, OR 97031

Named Insured: RUSSELL READ
11070 BENCH ROAD
MISSOULA, MT 59808

Policy Period: From DECEMBER 16, 2016 To DECEMBER 16, 2017

Policy Number: 1000226966-01

Issuing Company: STARR INDEMNITY & LIABILITY COMPANY

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

| Aircraft: | | Reg | Insured Value | Deductibles | Liability Limit | Passenger |
|-----------|------------------------------|--------|---------------|-------------|-----------------|-------------|
| Year | Make and Model | No | | NIM / IM | | Sublimits |
| 2002 | EADS SOCATA TB-21TC TRINIDAD | N726TB | \$ 230,000. | NIL / NIL | \$ 1,000,000. | /\$100,000. |
| | | | \$ | | \$ | /\$ |
| | | | \$ | | \$ | /\$ |
| | | | \$ | | \$ | /\$ |
| | | | \$ | | \$ | /\$ |

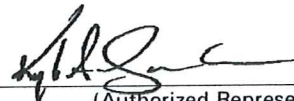
_____ \$ _____ \$ _____ /\$ _____

THE CERTIFICATE HOLDER IS INCLUDED AS ADDITIONAL INSURED UNDER LIABILITY COVERAGES, BUT ONLY AS RESPECTS OPERATIONS OF THE NAMED INSURED.

THE CERTIFICATE HOLDER WILL BE PROVIDED WITH THIRTY (30) DAYS [TEN (10) IF FOR NON-PAYMENT] NOTICE OF CANCELLATION OR MATERIAL CHANGE.

Certificate Number: 2.1
Issued By and Date: DECEMBER 20, 2016 (AH)

Starr 10201 (6/06)

By 
(Authorized Representative)

Done

Starr 10284_15.pdf



ADDITIONAL INSURED ENDORSEMENT

This policy is amended as follows:

The provisions of this endorsement shall apply with respect to: N726TB

(Only the clause(s) indicated by an "X" shall apply.)

- The scheduled persons or organizations are included as additional insured.
- The scheduled persons or organizations are the registered owner of _____ and are included as additional insured.
- The scheduled persons or organizations are included as additional insured but only as respects liability coverages.
- The scheduled persons or organizations are included as additional insured under liability coverages, but only as respects operations of the **named insured**

respects operations of the named insured.

- The scheduled persons or organizations are included as additional insured but only as respects operations of the **named insured**.

The insurance extended by this endorsement shall not apply to, and no person or organization named in the schedule shall be insured for **bodily injury** or **property damage** which arises from the design, manufacture, modification, repair, sale, or servicing of aircraft by that person or organization.

Schedule:

Name PORT OF HOOD RIVER
 Address 1000 E. PORT MARINA DR.
 HOOD RIVER , OR 97031

Name
 Address

Name
 Address

All other provisions of this policy remain the same.

This endorsement becomes effective DECEMBER 19, 2016 to be attached to and hereby made a part of:
 Policy No. 1000226966-01
 Issued to RUSSELL READ

By STARR INDEMNITY & LIABILITY COMPANY

Endorsement No. 15

Date of Issue DECEMBER 20, 2016 (AH)

By 
 (Authorized Representative)

Starr 10284 (3/06)

Sent from my iPad

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