

**Port of Hood River Commission**  
**Meeting Minutes of April 9, 2024 Spring Planning Work Session**  
**Via Remote Video Conference & Marina Center Boardroom**  
**1:30 p.m.**

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

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**Spring Planning Work Session**

**PRESENT: Commissioners:** Kristi Chapman, Heather Gehring, Ben Sheppard, Mike Fox (left at 2:30 p.m. and returned at 3:26 p.m.), and Tor Bieker. **Staff:** Kevin Greenwood, Debbie Smith-Wagar, Daryl Stafford, Ryan Klapprich, and Patty Rosas. **Budget Committee:** Judy Newman, John Benton, Larry Brown, Bonifacio Romero, and Brian Shortt. **Guests:** Anne Medenbach, Josh Coombs, and Claudia Munk-von Flotow.

**ABSENT:** None

**MEDIA:** Noah Noteboom, Columbia Gorge News

- I. **WELCOME & INTRODUCTIONS:** President Kristi Chapman called the meeting to order at 1:30 p.m. and welcomed everyone to the meeting. Commissioner Chapman proceeded with introductions.
  
- II. **MEETING OVERVIEW:** Kevin Greenwood, Executive Director, noted that the role of the Spring Planning Work Session was to prepare for 2024-25 Fiscal Year Budget. Greenwood outlined the goals established during November's Fall Planning Session. Commissioner Fox acknowledged the importance of clarifying aspects such as culture, philosophy, and the approach to self-performing work or subcontracting, recognizing them as crucial factors for future progress. Additionally, Commissioner Fox suggested evaluating the necessity of the Port of Hood River's ("Port") existence, highlighting it as the primary concern. The Commission concluded that the Port's continued operation would hinge upon its financial viability and its alignment with the best interests of the community. A discussion ensued regarding the current financial state of the Port, emphasizing the need to explore new revenue streams. Lastly, Greenwood provided a brief overview of what has been accomplished since Fall Planning and outlined the sustainability goals.
  
- III. **CURRENT FINANCIAL OVERVIEW:** Debbie Smith-Wagar, Finance Director, presented a 10-year financial model aimed at forecasting future revenues and expenses to facilitate long-term planning. Smith-Wagar began by reviewing the Port's industrial properties, highlighting the original intention of supporting economic development by offering reduced rent rates to startup tenants. However, all current tenants now pay market rates, indicating their success. Smith-Wagar emphasized that the Port's most significant positive income stems from long-term tenants.

Moving on to commercial buildings, Smith-Wagar discussed plans for the Port office building removal to make way for a new bridge, temporary occupancy of Marina East as the new Port office, and the need to review Marina West's profitability. The discussion then shifted to workforce restructuring, with a focus on aligning staffing with public needs and future requirements. The suggestion was made to develop a transition plan outlining the Port's current state, future vision, and the steps needed to achieve it. Further discussions included compensation for the relocation of the Port office building, and ensuring the Port does not subsidize the new bridge. As well as exploring opportunities to utilize the tolling system for additional clients.

Marina and waterfront recreation issues were discussed. Smith-Wagar highlighted a significant leak at Nichols Basin, which resulted in a notable increase in utility costs. The leak has since been fixed. Additionally, attention was drawn to Marina Green Park as the most costly waterfront property, attributed to its size and maintenance needs. Furthermore, there was discussion about the necessary repairs for the moorage float, estimated to cost \$40,000 annually. Moreover, Smith-Wagar offered an overview of Airport developments, noting advancements toward achieving financial sustainability.

Lastly, Smith-Wagar reported on the existing bridge highlighting adjustments made to the Capital Improvement Plan (CIP), reducing it to 8 years to align with the bridge construction timeline. This adjustment significantly lowered the capital outlay for the bridge. Concerns were raised about potential unforeseen costs and the importance of setting aside funds for future expenses. The Commission reached a consensus to allocate the \$0.50 per toll revenue into a dedicated fund for improved management, effective retroactively from the resolution's approval date.

Questions were raised regarding the Fees, Charges, and Rates schedule, with Commissioner Tor Bieker expressing concerns about t-hangar rate increases and advocating for fairness and consistency in rate-setting processes. Staff received direction to develop a policy for rate setting with the objective of ensuring consistency and enhancing transparency. The policy should also note that moorage rates are intended to be positioned within the top 10-20% range compared to other moorage rates in the state. It was noted that moorage holders did not receive a rate increase last year.

#### IV. KEY ISSUES/PROJECTS FOR FY 2024-25

- a. **Big 7 Building Sale** – Greenwood addressed the potential sale of the Big 7 building and expressed concerns about vacancies in Port buildings, as well as pending lease renewals that need attention. Given the current limited capacity to manage these tasks effectively, Greenwood initiated a discussion on the possibility of outsourcing the marketing of vacancies and lease renewal management until a Property Manager is hired. The Commission reached a consensus to proceed with contracting out these tasks. Anne Medenbach from Copper West Real Estate was available to answer any questions regarding the sale of the Big 7 building. Finally, the Commission deliberated on how to allocate the proceeds from the sale of the Big 7 building. It was agreed that the funds should not be allocated for overhead expenses but instead utilized to generate revenue.
- b. **North Apron Progress** – Greenwood reported that the Port signed a Memorandum of Understanding (MOU) with Aircraft Storage in January 2024 to prepare a development agreement and land lease for hangar development on the North Apron. A land use application was signed in February 2024 for the installation of two box hangars on the east-west alignment of the North Apron. However, objections from the community have arisen, as the proposed application appears to deviate from the Airport Master Plan (AMP) adopted in 2018. Although the Airport Layout Plan (ALP) suggests different sites for the hangars, conversations with the County and the Federal Aviation Administration (FAA) indicate some flexibility in proposing alternatives as long as they are aviation related. While the Port proposed relocating the hangars to the northwest alignment, concerns were raised by the developer and others regarding west winds. Staff recommends moving the hangars to the east side just north of the fuel tank. Claudia Munk-von Flotow from Aircraft Storage was available for questions. A discussion ensued regarding the location of the hangars, which concluded with direction to staff to arrange a meeting between all involved parties and provide an update thereafter at the next Commission meeting.
- c. **New 8-Year CIP** – Greenwood noted that the CIP has been shortened to 8 years due to the Hood River-White Salmon Bridge Authority (HRWSBA) undertaking the Bridge Replacement Project. This reduction has significantly decreased capital costs from \$90 million to approximately \$6.5 million. Commissioner Fox suggested integrating a detailed scope of work into the CIP.
- d. **Proceed with USCG Rule Change** – Greenwood reported that staff has nearly completed the task of contacting all mariners. Additionally, a process and form for mariners requesting a lift have been

developed by staff. The rule change will come into effect as soon as all mariners have been contacted.

- e. **Policy on Development** – Daryl Stafford, Waterfront Manager, discussed the challenge of balancing public space and parking with the influx of proposals for business and concession developments on the Waterfront. These proposals demand considerable time and effort from both entrepreneurs and Port staff. Additionally, uncertainties in the pipeline make it difficult for the Commission to enter into new agreements or commitments for property use. Stafford sought direction from the Commission on how to address these requests. Following a discussion on waterfront development proposals, the Commission reached a consensus to divide the waterfront into four separate sections: The Hook, Waterfront, Nichols Basin, and Marina. Commissioners were instructed to email Stafford their ideas regarding either implementing a moratorium or specifying the types of businesses allowed in these areas. The results will be presented at the next Commission meeting.
- f. **Waterfront Sustainability** – Greenwood summarized options to increase net income to support the waterfront such as implementing new paid parking areas and contracting for park maintenance. The Port has already secured contracts with Crystal Green for irrigation and other maintenance tasks at the airport and restrooms. Additionally, park sponsorships and an Adopt-A-Beach program are being considered. Commissioner Fox proposed exploring the use of beach tags as another potential option.
- g. **Waterfront Access/Parking** – Greenwood informed the Commission that staff plans to present a Master Services Agreement and Work Order #1 at the April 23 meeting for approval to initiate the development of parking sites on the Waterfront. Proposed areas for parking site development include Lot #1, east Maritime, Lot #900, Lot #5, and a small section west of the sewer plant. Following deliberation, the Commission agreed to proceed with all suggested sites except Lot #1 and Lot #900.
- h. **Administration Building Relocation** – Greenwood updated the Commission on the relocation of the administrative building, noting that the process is awaiting the Notice to Proceed from the Federal Highway Administration (FHWA). The discussion then turned to the relocation of the maintenance shed, with the Commission directing staff to conduct an analysis for a long-term location for the maintenance shed.
- i. **Development of South Apron T-Hangars** – Greenwood noted that the project is progressing. Currently construction costs for the hangars are estimated at \$1.3 million with grant contributions of approximately \$800,000.
- j. **Workforce Housing Park at Lower Mill Site** – Greenwood mentioned that staff has been collaborating with the County and the Odell Sanitary District regarding workforce housing at the Lower Mill site. Additionally, they met with Geoff Owen from Kiewit to discuss workforce housing opportunities. Owen indicated that they wouldn't have clarity on their workforce needs for approximately 12 months and that it's unlikely for Kiewit to build a park site. Instead, they plan to construct fenced lay-down yards, which could potentially serve as dry camping. Commissioner Fox suggested keeping this option open but reducing the location to about 40 spots. Staff was directed to follow up with the Odell Sanitary District after their meeting on April 9 to determine if there is support for this project.

Greenwood provided an update regarding Rapid Readymix, a tenant at Lower Mill, stating that the plant is currently being disassembled and is expected to be completely removed by April 10. The Port has retained an attorney who will represent them in the meeting scheduled for April 12. Staff sought guidance on the next steps for the lot once it is vacated and cleaned up. Staff was directed to do a market analysis on the property to determine what kind of storage units are needed. As well as making the lower lot available for a potential RV park to address workforce housing needs. Lastly, concerns were raised about unauthorized semi-trucks parking on Port property, which staff will follow up on.

- k. **Roundabout at Second and Riverside/Lot 1** – Greenwood mentioned that KPFF and WSP will organize a meeting with the Oregon Department of Transportation (ODOT) Region 1 to seek approval for the roundabout concept. Once approval is obtained, the next step will be to integrate it into the state transportation plan.

V. **OTHER:** None

VI. **ADJOURN:** The Spring Planning Work Session was adjourned by unanimous consent at 4:39 p.m. The Commission was called back into Regular Session at 4:46 p.m.

**ATTEST:**

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*Kristi Chapman*  
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Kristi Chapman, President

DocuSigned by:  
*Mike Fox*  
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Michael Fox, Secretary