

**Port of Hood River Commission
Meeting Minutes of November 14, 2012 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; Attorney Jerry Jaques and Isa Ann Taylor (cable park discussion); from staff, Michael McElwee, Steve Burdick, Fred Kowell, Liz Whitmore (cable park discussion), and Laurie Borton

Absent: From staff, Mellissa Halseth

Media: Ben McCarthy, Hood River News; and Mark Bailey, KIRH Radio (cable park discussion only)

The Regular Session meeting was called to order at 5:00 p.m. by President Jon Davies. Davies summarized the procedure that would be taken regarding the proposed Nichols Basin cable park lease. The Commission would enter into discussions and vote only if a motion, accompanied by a second, was presented. It was noted that public testimony was not taken during this portion of the meeting as the public comment period closed on Friday, November 9 at 5:00 p.m.

Davies then deferred to Executive Director Michael McElwee for comments on the staff analysis and public input. McElwee began by applauding the Commission for the transparency exhibited in the process and stated his personal opinion that the process was well worth the effort. McElwee also thanked his staff for the time devoted to the project, and to Commissioners Davies, Duckwall, McBride and Streich for their visits to Wake Nation. Isa Ann Taylor was also thanked for her legal counsel throughout the cable park process and support in the final staff analysis, which McElwee commented was a challenge to aggregate all comments into a brief summation of issues ranging from quality of life to economic development. McElwee also noted that the breakout of emails, letters, and petitioners indicated 619 were in support of the proposed cable park development and 634 were opposed. (Multiple inputs from the same person are not represented in these numbers.) The decision at this meeting, McElwee stated, was whether or not the Commission would direct staff to enter into negotiations with NWB-Hood River, LLC for a potential lease of approximately 9 of the 12 acres of the Nichols Basin. Commissioner Fred Duckwall said that he would make a motion for discussion.

Motion: Move to authorize staff to begin negotiations with NBW-Hood River, LLC to lease a portion of the Nichols Boat Basin for the purpose of constructing and operating a cable park. Major provisions of the lease would be a 5 year cap, posting bond to insure removal and maintaining an open area on the west edge for water access by Kayak Shed.

Move: Duckwall

Second: Davies

Discussion: Davies polled the Commission, beginning with the Commissioner who made the motion, followed by seniority ranking, with his comments reserved for last.

Duckwall stated that a cable park fit with the Port's mission of economic development; it would enhance Hood River's international recreational reputation and make an additional contribution to extending tourism in the shoulder season. Duckwall visited Wake Nation on September 22 and found the cable park operation as whisper quiet with towers visible but unobtrusive and the structure system as environmentally friendly. He said that, according to the Corps of Engineers and Tetra Tech, Inc., the basin had minimal habitat restoration potential; and that soil contamination still continued in this ex-Brownfield site. Duckwall noted a full 25% of the basin was still available for multiple activities, along with the Hook—which with very little additional work could be made user friendly for launching canoes, kayaks, SUPs and beginning windsurfers. Lastly, Duckwall stated a lease with a 5 year cap allows for testing theories, assertions and allegations both for and against a cable park.

Commissioner Hoby Streich stated that he was not sure the basin was the right location and he had concerns with joint use access. He experienced a cable park on his visit to Wake Nation on September 15 and after talking with many people with different perspectives he was not convinced it was the best choice for Hood River.

Commissioner Rich McBride said he was very interested in development of the basin, which he said is an underutilized asset and that he was moved by Heather Staten's view of what the basin could become. McBride said he envisioned green space and pathways, much like Drake Park in Bend, rather than choosing to place a motorized cable system in the community's front yard.

Commissioner Brian Shortt said that he looked at the quality of life and the natural setting of the basin area, which would not be re-created or built on waterfront property anymore, so what we have is valuable. He said it was important to understand the highest and best use of the basin and a cable park did not fit his views. He would, however, applaud the economic enhancement in The Dalles, for example.

Duckwall interjected additional comments saying the esplanade concept was currently at a standstill and this effort would get something started and created an opportunity for discussion by the Commission-- even if the cable park project did not come to fruition.

Davies said he would find it difficult to provide comments without first mentioning how threats of lawsuits have usurped the public process and he did not appreciate how both proponents and opponents had acted inappropriately at times. Davies said he looked at all issues, read all of the public input, and engaged in discussions with a variety of people with different opinions and he believed his decision on the cable park was made without prejudice. He said a cable park would be a complimentary sport for Hood River, environmentally friendly, and used by a wide variety of people. He did say, however, that he could not imagine how a non-exclusive lease of the basin would work. Davies visited Wake Nation on September 22 and although he found the cable park was not unsightly he did not have the same opinion about the jumps. He said he believed a lease fee could be negotiated to a reasonable rate and that the economic impact to the community would be positive, but not perhaps as much as the Naito's estimate; and there would be associated benefits to some of the local businesses. He found the numbers of the Nichols Basin users to be overrated and questioned if the trend would continue; however, he pointed out that any use was important. In the end, Davies said there was enough information to justify a vote either for or against, but his vote would be based in part by input from respected friends and community stalwarts who believed a cable park just wasn't a good fit for Hood River.

Davies then asked the Commissioners if they had additional comments. Hearing none, he called for a vote.

Vote: Aye: Duckwall
Nay: Davies, McBride, Shortt, and Streich

MOTION FAILED

Davies recognized the Naito's (Bob, Will, and Steve) and applauded them for bringing the cable park proposal to the Port. He emphasized to them that this no vote was not to be taken as opposition to their hotel project-- which was also the consensus of the other Commissioners. City of Hood River Planning Director Cindy Walbridge commented that the public hearing for a conditional use permit for the cable park was on the Planning Commission's agenda for the November 19 meeting; however, with the failed motion to enter into lease negotiations, there would be no need for a hearing on November 19.

A recess was called at 5:30 p.m. with the audience invited to stay for the remainder of the Regular Session.

1. CALL TO ORDER: The Regular Session meeting was reconvened at 5:35 p.m. by President Davies.

a) Modifications, Additions to Agenda: An Urban Renewal committee report was added to the agenda at the request of Commissioner Streich who said there would be associated action related to a Portway Avenue II loan agreement payment (Action Item D); Davies added a Commissioner Report on the community recreational fields forum he and Commissioner Shortt attended; and staff added Action Items E and F regarding a Waterfront Business Park Lot 6 easement request and a contract amendment for additional electrical services at the Maritime Building.

2. Public Comment:

Jane Parker said there is a need for more access to the water from Port properties and requested the Port to begin thinking about additional rigging, launching and landing sites but she understands there may be no easy solutions. She also two concerns related to the Event Site-- congestion at the east (kiting) side of the Event Site with families and children, and the speed of kites and windsurfers inland from the buoys. Davies informed Parker that staff is working with the Oregon State Marine Board for modify regulations that would allow 5 MPH buoys to be installed at the Event Site.

Judy Nelson spoke about the need for pavement to/at the Spit; trail connectivity and signage. She urged the Commission to take time to visit other waterfront areas to see the amenities that even smaller communities have provided. She suggested a community campaign to "pay by the foot (or yard)" to financially support improvements. Davies informed Nelson that waterfront trails are on the Port's radar.

Scott Reynier commended the Board for the cable park process and said he hoped the community appreciated that personal opinions were put aside with the decision that was made tonight. Reynier, who is the Port's insurance agent of record, also commented that it would be good to revisit the liability question with Special Districts Association of Oregon regarding watersports rigging, launching, and landing at the Event Site.

3. Consent Agenda:

- Approve Minutes of October 30, 2012 Regular Session Meeting
- Ratify Rental Agreement with Rob Arnold for Unit 201 in the Jensen Building
- Approve Communications Utility Easement [with Charter/Falcon] Across the Hood River Bridge
- Approve Accounts Payable to Hood River County in the Amount of \$136,427.39 [property taxes over \$5,000]; Attorney Jeannette M. Launer in the Amount of \$2,385 [Lot 3 services]; Jaques, Sharp, Sherrerd, FitzSimons & Ostrye in the Amount of \$9,935.80; for a total of \$148,748.19

Motion: Move to approve Consent Agenda

Move: Shortt

Second: Duckwall

Vote: **Aye:** Davies, Duckwall, McBride, Shortt, and Streich

MOTION CARRIED

4. Commissioner, Committee Reports:

Waterfront Recreation – McBride and Shortt attended the October 23 meeting and reported the Committee will be working on a narrative that documents constraints and opportunities to optimize use of the waterfront with minimum impacts. A sub-committee continues to work on a high water plan and signage. Discussions will continue at the December 11 Fall Planning work session.

Marina Ad-hoc – Davies attended the October 23 meeting and reported a list of repairs/capital projects had been compiled. Current sublease language and terms are being reviewed, and there is agreement for a substantial rate increase for 2013 with the caveat that tenants see repairs are being made.

Urban Renewal – Streich and Shortt attended the November 13 meeting where an annual insurance update was provided and there was discussion regarding the Portway II Agreement. The City would like to roll the \$22,000 they will be spending for Waterfront Park street parking into the loan payment owed to the Port, who provided the initial \$200,000 funding for the Portway Avenue project. McElwee recommended that prior to taking action tonight, as requested earlier by Streich, that any agreement would first need to be approved by the Commission before it is taken to the Urban Renewal Agency board. *There was consensus for staff to contact City Manager Bob Francis, and to strike Action Item D that was added to the agenda.*

Community Recreational Fields Forum – Davies and Shortt attended a forum on November 8 that was spearheaded by Hood River County since recent Parks & Rec field decisions are currently tied up in the LUBA process. Davies said the Port's Marina Green could play a role and he suggested further discussion during Fall Planning. Davies said the next forum will be held on January 10, 2013.

5. Director's Report: McElwee provided the following highlights:

Staff & Administration – The site visit for the audit being conducted by Pauley, Rogers and Co. began on Tuesday and Finance Manager Fred Kowell was acknowledged for the long hours he has spent these past two months absorbing the financial records and preparing for the audit. Development Manager Steve Burdick received accolades from the Chamber for his quick response to the recent Chamber break-in. The Maintenance crew received cookies today from the Chamber as a Thank You for assisting with Harvest Fest. McElwee confirmed with McBride and Duckwall their interest in serving on the Urban Renewal Budget Committee for terms expiring in 2014 and 2015, respectively.

Waterfront Recreation – Proposals in response to the 2013-2015 teaching concession RFP have been reviewed. A recommendation will be brought to the Commission on November 27 for approval.

Waterfront Development – Special Projects Manager Genevieve Scholl is heading up a committee to prepare the grant application that would fund development of a waterfront trail on the west side of the Nichols Basin. The "notice of intent" to apply was submitted in June which earned an invitation to apply during Stage 2 in mid-December. Based on discussions with the Oregon Department of Transportation, the project may not be far enough along to be considered for funding. Further information will be provided at the November 27 Commission meeting. The City Planning Commission will hear public testimony on November 19 regarding the elimination of residential dwelling along the waterfront. *There was consensus that McElwee would attend to testify against such an amendment.*

Bridge/Transportation – Port Maintenance is on the bridge three hours a week spot welding the steel deck at the south end of the bridge. A section has been identified to monitor the effectiveness of various welding techniques. If the weather is favorable, painting on the bridge should conclude by Thanksgiving. McElwee noted that Duckwall sits on an ODOT Region 1 Review Committee. The Port has submitted a \$750,000 request for consideration of a signal light at N. 2nd Street and Anchor Way in the 2015-2018 State Transportation Improvement Plan (STIP).

6. Reports, Presentations, and Discussion Items:

Economic Development in Wine Country – Burdick provided a PowerPoint presentation on a winery incubator program in Walla Walla and provided correlations on how this might work for Hood River.

Marina Repairs – McElwee spoke about the list of deferred repairs/projects compiled by staff and the Marina Ad-hoc committee. Project cost estimates were provided for planning purposes and discussion for setting 2013 lease rates. McElwee commented the two projects that will likely take precedent are an electrical upgrade (paid by all) and replacement of the boathouse docks (paid by those tenants only). McBride stated that, in order to support making a signature marina, leases need to be market rate and that rates should continually ratchet up. Shortt commented that the marina should be included in the narrative the Waterfront Recreation Committee will be working on.

He questioned if there were other users that could contribute to the financing; he also questioned if this was the right investment? Davies said that many of the listed projects should be considered as

repair and maintenance rather than capital improvement projects and it was his opinion that lease rates should be increased 20-25% for 2013, with rate increases the following years as well, and that projects need to get underway. Duckwall commented that it was not the Port's policy to subsidize.

Fall Planning - a draft of suggested discussion items was presented for the December 11 meeting. The Commission was asked to provide feedback to staff on items they would like added or deleted.

7. ACTION ITEMS:

a) Authorize Change Order No. 6 with S&K Painting, Inc. for Additional Repair Work on the Bridge Not to Exceed \$60,000: The painting contractors provided a proposal to replace missing shim plates and bearings at the lift span. HNTB, the Port's bridge engineers, have reviewed the proposal and believes it is reasonable. The proposal also includes traffic control.

Motion: Move to Authorize Change Order No. 6 with S&K Painting, Inc. for Additional Repair Work on the Bridge Not to Exceed \$60,000

Move: Duckwall

Second: Streich

Vote: Aye: Davies, Duckwall, McBride, Shortt, and Streich

MOTION CARRIED

b) Authorize Contract with SecurePro Technologies, LLC for the Installation of Security Hardware at the Maritime Building Not to Exceed \$4,511: The manual main entry security protocol isn't working with relying on the last person out of the building to lock the door. The hardware would be programmable to unlock and relock at specified times.

Motion: Move to Authorize Contract with SecurePro Technologies, LLC for the Installation of Security Hardware at the Maritime Building Not to Exceed \$4,511

Move: McBride

Second: Duckwall

Vote: Aye: Davies, Duckwall, McBride, Shortt, and Streich

MOTION CARRIED

c) Authorize General Service Contract with PP&L for Electrical Service at the Ken Jernstedt Airfield Not to Exceed \$5,567: As part of the runway shift project, a regulator building has been constructed where all electrical runs will terminate. Ninety percent (90%) of the cost is eligible for FAA grant reimbursement. Execution of the Contract also requires the Port to grant a right-of-way to PP&L.

Motion: Move to Authorize General Service Contract with PP&L for Electrical Service at the Ken Jernstedt Airfield Not to Exceed \$5,567

Move: McBride

Second: Duckwall

Discussion: A pricing discrepancy was noted between the agenda title (\$5,567) and the memo to the Commission (\$5,467). There was consensus to use the higher amount as a safeguard.

Vote: Aye: Davies, Duckwall, McBride, Shortt, and Streich

MOTION CARRIED

d) Urban Renewal Portway II Loan: This add-on item was struck from the agenda.

e) Grant Utility Easement on Lot #6 of the Waterfront Business Park to United Telephone Company of the Northwest Subject to Legal Counsel and Executive Director Review: Key Development has determined there is an existing cable line that crosses the southeast corner of the

Port's Lot #6 in the Waterfront Business Park. In order to complete an ALTA survey prior to completion of the Turtle Island facility on WBP Lot #7, an easement needs to be granted. McElwee noted that legal counsel did a cursory review and found some issues that need to be resolved before the easement is granted.

Motion: Move to Grant Utility Easement on Lot #6 of the Waterfront Business Park to United Telephone Company of the Northwest Subject to Legal Counsel and Executive Director Review

Move: Duckwall

Second: McBride

Discussion: Davies suggested questions could be brought back to the Commission on November 27 if needed. Attorney Jerry Jaques commented that it might be a gray area if granting of the easement is time sensitive, so questions could either be resolved by staff or brought back to the Commission.

Vote: **Aye:** Davies, Duckwall, McBride, Shortt, and Streich

MOTION CARRIED

f) Authorize Amendment to the Coburn Electric Contract to Install Electrical Runs and Boxes for New Lights and Relocated Unit Heaters Not to Exceed \$5,314: Coburn Electric was issued a contract in September in the amount of \$18,500 for replacement of metal halide lights and the relocation of unit heaters in the Maritime Building. In the process of performing under this contract, additional work has been identified.

Motion: Move to Authorize Amendment to the Coburn Electric Contract to Install Electrical Runs and Boxes for New Lights and Relocated Unit Heaters Not to Exceed \$5,314

Move: Shortt

Second: Streich

Vote: **Aye:** Davies, Duckwall, McBride, Shortt, and Streich

MOTION CARRIED

8. COMMISSION CALL: Shortt and Davies thanked Duckwall for the courage to step up with a motion to get the cable park discussion going. Streich said the transparency on the cable park process was a job well done.

9. EXECUTIVE SESSION: At 7:05 p.m., President Davies called the Commission into Executive Session under ORS 192.660(2)(e) Real Property. At 7:55 p.m. Davies called the Commission back into Regular Session. No action was taken as a result of Executive Session.

10. ADJOURN: President Davies adjourned the meeting at 7:55 p.m.

Respectfully submitted,

Laurie Borton

ATTEST:

Jon Davies, President, Port Commission

Rich McBride, Secretary, Port Commission