



PORT OF HOOD RIVER COMMISSION
MEETING AGENDA
Tuesday, May 21, 2019
Marina Center Boardroom

5:00 PM Regular Session

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30-minute limit)
 3. Consent Agenda
 - a. Approve Minutes of May 7, 2019 Budget Committee Meeting and Regular Session (*Maria Diaz – Page 3*)
 - b. Ratify Intergovernmental Agreement with Hood River County for Museum Irrigation System Maintenance (*Michael McElwee – Page 11*)
 4. Reports, Presentations and Discussion Items
 - a. Bridge Capital Projects Report (*John Mann – Page 15*)
 - b. Hood River County Energy Plan Report – Marla Harvey (*Anne Medenbach– Page 17*)
 - c. Marina Future Vision – Commissioner Brian Shortt (*Daryl Stafford – Page 33*)
 - d. Marina Electrical System Report (*Daryl Stafford – Page 39*)
 - e. Connect VI Project Update (*Anne Medenbach– Page 45*)
 - f. Bridge Replacement Project Update (*Kevin Greenwood – Page 49*)
 - o WSP Peer Review Summary – Chuck Green, OTAK (*Page 57*)
 5. Director’s Report (*Michael McElwee – Page 63*)
 6. Commissioner, Committee Reports
 7. Action Items
 - a. Approve Lease Template and Leasing Strategy (*Anne Medenbach – Page 79*)
 8. Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real estate negotiations and ORS 192.660(2)(h) Consultation with legal counsel regarding current litigation or litigation likely to be filed.
 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 07, 2019 Budget Committee Meeting
Marina Center Boardroom
12:00 p.m.**

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

Present: Commissioners Hoby Streich, John Everitt, Ben Sheppard, Brian Shortt, David Meriwether; Budget Committee members: John Benton, Laurie Borton, Judy Newman; from staff, Michael McElwee, Fred Kowell, Genevieve Scholl, Anne Medenbach, Kevin Greenwood, Daryl Stafford, John Mann, and Maria Diaz.
Absent: Larry Brown and Rich Traux
Media: None

1. CALL TO ORDER: President Hoby Streich called the meeting to order at 12:15 p.m.

2. ELECTION OF OFFICERS:

Motion: Move to elect John Benton as Budget Committee Chair.
Move: Borton
Second: Streich
Vote: Unanimous
MOTION CARRIED

Motion: Move to elect Laurie Borton as Secretary.
Move: Newman
Second: Benton
Vote: Unanimous
MOTION CARRIED

President Hoby Streich turned the meeting over to Chairman Benton, who then confirmed the appointment of Michael McElwee, Executive Director, as Budget Officer. There was a consensus to have the minutes recorded by staff.

3. BUDGET MESSAGE: There was consensus that McElwee would provide highlights of the Budget Message rather than read the Message verbatim that was included in the Budget packet. McElwee explained that the annual budget is prepared in conformance with financial policies and reviewed the timeline of budget adoption. The Port functions on a fiscal year basis as a Municipal Corporation in the State of Oregon in accordance with ORS 777 and other statutes. The Port operates under three funds: General Fund for general governmental activities, Revenue Fund for business-type activities, and Bridge Repair and Replacement Fund for capital improvements and replacement efforts of the Hood River/White Salmon Interstate Bridge. Additionally, McElwee discussed overall vacancy rates at industrial and commercial properties as well as capital improvements completed in FY 2018-19 and scheduled for FY 2019-20. The Port obtained preliminary subdivision plan approval for Lot 1, a major piece of light industrial property.

The Port currently is undergoing the replacement of the span drive motors and completed the skew system, high-priority bridge improvements in the current fiscal year. However, McElwee pointed out that in the next two years the Port is looking to significantly invest less in the overwater portion of the Bridge, while bridge replacement efforts are proceeding. Also, no major capital investments in the Marina are anticipated in FY 2019-20.

The 10-year Master Plan for the Airport has been completed and implementation will require a significant commitment of staff time and Port financial contributions that could impact the FY 2019-20 budget. On the administration and management side, a significant 8.5% insurance cost increase, as well as PERS obligation continues to go up. McElwee pointed out Port use of new matrix to calculate CPI; and included a 3% increase for eligible staff that meet performance requirements. Due to growing demand to meet financial, administrative and

maintenance obligations, the Commission will need to consider approving a new full or part-time position to address the burden. McElwee stated that the proposed FY 2019-20 Budget reflects project priorities, staffing levels and capital and administration expenditures that staff believes are consistent with the Port’s mission and direction from the Port Commission.

4. BUDGET REVIEW: Fred Kowell, Chief Financial Officer, reviewed and discussed the budget with the Budget Committee and Port Commission. Kowell presented proposed budget figures in detail; including, Personnel, Personnel cost and Benefits, Capital Improvements and Revenue projections. Kowell and staff members addressed questions, noted recommended modifications, and comments as the budget was reviewed. Budget Documentation will be attached to the bound meeting minutes.

5. BUDGET DELIBERATIONS: The following recommendations were received from the Budget Committee:

Budget Amendment Recommendations:

1. Use the Bureau Labor Statistics Western Region Size Class B/C CPI for the FY 2019-20 budget which will be 2.989% since the Portland/Vancouver CPI has been discontinued.
2. Compute the charge to landowners on the waterfront that are affected by the O&M charge for ongoing maintenance that was included in the land sale to the property owner. This is an ongoing charge that needs to be billed annually to landowners that are affected.
3. Increase memberships by \$10,000 within the General Fund for the Hood River County Energy Council.
4. The proposed budget included a 6% rate increase to Marina and airport T-Hangar tenants. No change was advocated by the Budget Committee
5. Maintenance will come back with a level of funding for maintenance at the next board meeting.
6. When programming for credit card usage is completed at the toll facility, the programming should allow for a service charge if in allowed by law. Staff should research credit card usage and service fees.
7. Increase Office staff by \$30,000 for part-time staffing that may occur due to the expansion of tolling with the Port of Cascade Locks.
8. Increase professional services by \$25,000 for the Marina to include consulting work for the public dock repairs and replacement.
9. True-up General Fund professional services for newsletters and advertising to \$18,000 and \$15,000, respectively.

6. ACTION ITEMS:

Motion: Approve of Property tax Levy
Move: Borton
Second: Newman
Vote: Unanimous
MOTION CARRIED

Motion: Move to approve the FY 2019-120 budget as amended.
Move: Newman
Second: Borton
Vote: Unanimous
MOTION CARRIED

7. ADJOURN:

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

Chairman Benton then turned the meeting back over to Vice President Shortt. Shortt adjourned the meeting at 3:30 p.m.

Respectfully submitted,

Maria Diaz

ATTEST:

John Benton, Chair, Budget Committee

Larry Brown, Secretary, Budget Committee

Brian Shortt, Vice President, Port Commission

John Everitt, Secretary, Port Commission

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*Port of Hood River Commission
Meeting Minutes of May 7, 2019 Regular Session
Marina Center Boardroom
3:47 p.m.*

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

**3:47 P.M.
Regular Session**

Present: Commissioners Hoby Streich, John Everitt, Brian Shortt, Ben Sheppard, Brian Shortt, David Meriwether; Legal Counsel Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Kevin Greenwood, Genevieve Scholl, Anne Medenbach, Daryl Stafford, and Maria Diaz.

Absent: None.

Media: Emily Fitzgerald, Hood River News

1. CALL TO ORDER: President Hoby Streich called the regular session to order at 3:47 P.M., upon the adjournment of the Budget Committee Meeting.

a. Modification, Addition to Agenda:

- 1. None

2. PUBLIC COMMENT:

a. None

3. CONSENT AGENDA:

- a. Approve Minutes of May 07, 2019 Regular Session
- b. Ratify Change Order No. 1 with Beam Excavating at Lower Mill

Motion: Move to Approve Consent Agenda

Move: Shortt

Second: Meriwether

Discussion: None

Vote: Unanimous

4. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

a. Leasing Policy Draft Review – Development and Property Manager Anne Medenbach presented a detail report on the proposed new Lease Strategy for the Port’s leased commercial and industrial properties that has been discussed in past meetings. Medenbach summarized the Lease Strategy Implementation Plan by first noting the Commission requirements and goals to recover operating costs and incur a return of at least 4% annual requirement are implemented in plan. Medenbach discussed in detail proposed allocation of costs within the leases, the impact to the tenants and the impact on Port’s overall revenue and expenses by providing commissioners with an example of one tenant’s lease with actual numbers from 2017-2018. Medenbach explained the proposed Lease Strategy would be divided in two sections; Base Rent and Reimbursable Rent. Medenbach explained a Load Factor Ratio; a ratio between the building’s amount of common area and building’s total square footage would be used to calculate common area costs for each tenant. Medenbach noted that the next step to the strategy would be to figure out each tenant’s changes when implementations are done once the tenant’s lease expires. Medenbach emphasized that this year, 44% of square footage in leases are expiring and that a commercial broker has been retained to obtain a market rate study. Medenbach also noted that today’s presentation purpose was for commissioners to have a general understanding of the Strategy and that staff would be working on individual tenant’s changes, impacts for Port and tenant, and a true assessment of the actual cost per tenant. Medenbach asked for Commission review and comment on the “2019 Lease Strategy Draft” before request of approval. Overall agreement between Commissioner and staff to change the following to the Lease Strategy Draft - the 4% return, update standard clauses, and the Lease Negotiation verbiage and verbiage for letter to tenants explaining the reason for lease structure.

b. Financial Report for the Quarter Ending March 31, 2019 - Fred Kowell reviewed the financial report for the quarter. Kowell reported with regards to the Bridge Traffic and Revenue report, that traffic is slightly down from

last year. Kowell noted two factors that impacted the traffic on the bridge was bad weather in February and in bridge closures being incurred for lift span work during the months of April and May. Kowell noted that more time is needed to determine traffic numbers. Kowell followed with reviewing the Schedule of Expenditures; in respect to personal services he reported below budget for most asset centers except for the Bridge and Lower Mill. Regarding Material and Services, the actuals are below budget in many areas but noted specific areas that are slightly ahead of budget due to higher utilities that anticipated. For Maintenance, Kowell described actuals are over budget due to higher vehicle repair cost and higher gasoline costs. Lastly under Schedule of Expenditures; Kowell reported Capital Outlay is tracking below budget. Kowell followed with reviewing the Schedule of Revenue and recapped the toll revenues are down by 6%, Lease revenues from industrial and commercial properties are right on target, and the Waterfront are below budget due to a partial season. Lastly Kowell reported overall the actuals are tracking according to the activities that have incurred during the nine months of the year as outlined in the budget.

c. Executive Director Review Process - Michael McElwee reviewed one goal on the Executive Director’s 2019 Work Plan was to obtain an assessment of the ED’s annual evaluation process. McElwee presented material and forms provided from Paul Hutter, from firm HR Answers. McElwee provided the Commission with cost estimates and requested input in respect to which suggested format given by Mr. Hutter would best fit the ED Annual Evaluation.

d. Bridge Replacement Project Update -Michael McElwee provided the Bridge Replacement project update in place of Kevin Greenwood, Bridge Replacement Project Director, who is attending a project related meeting in Vancouver. McElwee reported that ODOT/FHWA are requesting frequent meetings and letters to agencies have been distributed that entail the Agency Coordination Plan. McElwee reported environmental surveys are being conducted on public and private property as part of the EIS technical work. McElwee noted that a likely discussion in the next Working Group meeting the common question being brought up in respect to bridge design. McElwee reported that Chuck Green, Port’s NEPA advisor, will be meeting with Project Team at their April and May monthly meetings and will attend the May 21st Commission Meeting to give a brief peer review report on progress. McElwee noted Greenwood attended Oregon Port’s Day in Salem and met with local Reps. Anna William, Daniel Bohham and Sen. Chuck Thomsen and other representatives. In respect to the Washington Legislative Summary, McElwee reported that no funding was allocated for a new bridge in Hood River; however, funding was allocated for the CRC Project. McElwee noted Greenwood would be presenting on June 6, 2019 to Rotary and extended invitation to Commissioners.

5. Director’s Report: Michael McElwee reminded the Commission that the Budget Hearing is scheduled to take place during the June 4 meeting and on June 18, the Budget Adoption. He noted the PNWA will hold their summer conference in Hood River on June 25-June 27, 2019. McElwee reviewed the following port Projects; completion of the C-Dock power line, assessment of the bottom of the boat launch ramp and assessment of the south basin dock. McElwee briefed the Commission with causes of GFCI tripping issues with the boat houses. McElwee suggested; in addition, requiring an inspection of each boat house by electrician for an individual assessment for better determination of proper steps to take in respect to this issue. Chamber roof completed, bidding is underway for Connect VI and Big 7 Reroof, Groat Brothers back at airport, meeting with TacAero to share discussion on future north ramp development. Bridge project for the lift span motor and skew system replacement completed. Night closures will continue as contractor crew work to complete several truss and steel repairs with night closures. Lastly, McElwee discussed e-bike pilot program for possible commission approval. Commission general consensus in regards to e-bike pilot program is that it’s not ready for approval.

6. COMMISSIONER, COMMITTEE REPORTS:

a. None

7. ACTION ITEMS:

a. Approve Lease Terms with Cloud Cap Technologies in the Wasco Building

Motion: Approve Lease Terms with Cloud Cap Technologies in the Wasco Building

Discussion: Allow time for "Real State Policy" be reviewed by Jerry Jaques, Port's Legal Council. Anne Medebach, Development and Property Manager will bring back to Commission for the May 27, 2019 meeting.

Vote: No action taken at this time.

8. COMMISSION CALL: None.

9. EXECUTIVE SESSION: President Streich recessed Regular Session at 5:00 p.m. to call the Commission into Executive Session under ORS 192.660(2)(e) Real Estate Negotiations, ORS 192.660(2)(h) Consultation with legal counsel regarding current litigation or litigation likely to be filed.

11. POSSIBLE ACTION: None

12. ADJOURN: 5:55 p.m.

Motion: Motion to adjourn the meeting.

Move: Sheppard

Second: Shortt

Discussion: None

Vote: Unanimous

MOTION CARRIED

The meeting was adjourned at 5:55 p.m.

Respectfully submitted,

Maria Diaz

ATTEST:

Hoby Streich, President, Port Commission

John Everitt, Secretary, Port Commission

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Commission Memo



Prepared by: Michael McElwee
Date: May 21, 2019
Re: County Museum Irrigation

The Hood River County History Museum is located on property leased by the Port to Hood River County. The irrigation system that serves the Museum grounds is part of the larger irrigation system that serves the Marina Green. Because of reductions in their maintenance budget, the County was unable to make needed repairs to the museum irrigation system last summer and it was necessary to disconnect it. The lack of irrigation water resulted in the loss of several trees. To prevent this from happening in the future, staff considered the mutual benefits of taking over repair and operations of the County's irrigation system through the attached inter-governmental agreement (IGA) which would compensate the Port for staff and materials costs. The IGA has been reviewed by both the Port's General Counsel and County Attorney. Staff believes this agreement would be an example of inter-agency partnership and serve the interests of both the Port and County.

RECOMMENDATION: Authorize Inter-Governmental Agreement with Hood River County for Irrigation System maintenance at the Hood River County History Museum subject to approval by the Hood River County Board of Commissioners.

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**INTERGOVERNMENTAL MUSEUM IRRIGATION SYSTEM AGREEMENT BETWEEN
HOOD RIVER COUNTY AND THE PORT OF HOOD RIVER**

This Museum Irrigation System Agreement is by and between HOOD RIVER COUNTY, a home rule county and political subdivision of the State of Oregon, hereinafter referred to as “County,” and THE PORT OF HOOD RIVER, hereinafter referred to as “Port”, and both collectively referred to as the “Parties”.

RECITALS

WHEREAS, COUNTY and PORT entered into a Land Use Agreement on January 5, 2012 regarding real property PORT owns at 300 E. Port Marina Drive, Hood River, Oregon (“2012 Agreement”); and

WHEREAS, the 2012 Agreement describes the location of and terms and conditions under which COUNTY may operate a County Museum (“museum”); and

WHEREAS, COUNTY currently operates a museum at said location and uses utility services, including irrigation water; and

WHEREAS, PORT provides museum access to irrigation water through improvements PORT owns at no cost to COUNTY; and

WHEREAS, repairs and routine maintenance of the museum’s irrigation system are necessary to prevent damage to PORT facilities and equipment; and

WHEREAS, it is in the best interest of COUNTY and PORT that PORT facilitate the necessary repairs and provide routine maintenance for the museum irrigation system.

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. PORT shall inspect and evaluate the museum’s irrigation system and make any repairs needed in order to meet the operating and maintenance standards of PORT. Port repair work, which shall be itemized by Port and paid for by County, may include:
 - a. Locating and repairing underground leaks.
 - b. Repairing or replacing damaged underground lines and relocating as necessary.
 - c. Replacing failing electrical control valves.
 - d. Replacing damaged sprinkler heads.
 - e. Testing the system for operability.
 - f. Installing a secure valve box with cover for future disconnect access.
2. PORT shall attempt to make all necessary repairs to the irrigation system within twelve (12) months of execution of this Agreement for a total cost of \$2,500 or less. Any repairs needed after this period to meet PORT standards will be considered routine maintenance work and performed and reimbursed in accordance with Section 5.
3. During the initial twelve (12) month repair period, PORT shall consult with COUNTY if, at any time, the anticipated cost of the repairs is expected to exceed a total of \$2,500 based on the actual cost of materials and a labor rate of \$35.00 per hour, per person

Commission Memo



Prepared by: John Mann
Date: May 21, 2019
Re: Bridge Steel and Skew System Repairs

Facilities Manager John Mann will attend the meeting to provide a report on the repairs to the bridge skew system and motors that was completed in early May, and the bridge truss and miscellaneous steel repairs project that was also just completed May 15.

RECOMMENDATION: Informational.

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Commission Memo

Prepared by: Anne Medenbach
Date: May 21, 2019
Re: Community Solar Program



Marla Harvey, the MCEDD Energy Coordinator, will be presenting a report on the Community Solar Program as well as a potential new solar project. This presentation will be a quick summary of the Energy Plan implementation to date and of Community Solar in general. The attached memo provides some background information on Community Solar.

RECOMMENDATION: Informational.

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Date: May 13th, 2019
To: Port of Hood River
From: Marla Harvey, MCEDD Coordinator
Re: Port of Hood River Community Solar Project

Dear Port Commissioners,

The Hood River Energy Council appreciates the opportunity to discuss with you the potential of pursuing the airport property as the site of Hood River's first community solar project. This is an exciting time for the state of Oregon and for our community.

Community Solar and The Hood River County Energy Plan Background

Adopted by the Port of Hood River in 2018, the Hood River Energy Plan is a blueprint to help our community reduce emissions from the burning of fossil fuels and increase economic benefits related to energy use in Hood River County, while improving community resilience and energy independence. The Hood River Energy Plan is a commitment for each governing body to pursue initiatives that will help our community meet energy and carbon emission-reduction goals.

The [Hood River County Energy Council](#), a special project of MCEDD, serves as an advisory body to the agencies that adopted the Hood River County Energy Plan as well as to the citizens and public and private partners who are committed to helping Hood River County meet the goals of the plan. Since 2017, Hood River County Energy Council leaders have partnered with Sustainable Northwest to track the state's emerging Community Solar Program, a program currently under development and soon to launch that will connect consumers directly to off-site solar resources through a monthly subscription or share-based arrangement. The Energy Council sees community solar as a meaningful opportunity to achieve the goals of the Hood River County Energy Council by increasing local access to local renewable energy.

Through a partnership with Sustainable Northwest, the Energy Council has secured over \$12,000 to support engineering, project planning, and financial analysis to prepare our community to take advantage of the Community Solar Program. The Program puts a cap on cumulative project capacity and it is expected to fill quickly once open. Preparing now will allow Hood River County to strategically participate in this limited opportunity once it becomes live.

An Energy Council sub-committee has evaluated multiple sites for a community solar project. The Hood River airport site quickly rose to the top of the list because of the unique attributes of

the property, including proximity to load and contiguous flat land. The attributes of the site, along with the Port's commitment to sustainability, economic development, public good, and local resilience, makes it a perfect partner for Hood River's first community solar project – which could also be one of the first in the state.

Background on Oregon's Community Solar Program

In 2016, Oregon passed Senate Bill 1547 which enabled the creation of the Community Solar Program (CSP), available to customers of Pacific Power, Portland General Electric, and Idaho Power. This program allows residential, commercial, and industrial customers to jointly share in the costs and benefits of a solar energy system by receiving bill credits for their portion of solar generation. The program has since undergone an extensive rulemaking process at the Oregon Public Utility Commission (PUC), and while some elements are yet to be defined, pre-development work on potential projects is underway. The PUC has procured a Program Administrator to oversee final elements of the program, and a Program Implementation Manual is anticipated to be published by Q3 of 2019. This Manual will finalize remaining rules and processes for project development. The program is anticipated to launch in Q4 of 2019.

The Hood River County Energy Plan recognizes the multiple benefits of renewable energy from resilience to economic development to fossil fuel reduction. There are many ways to structure a community solar project. The Energy Council seeks to pursue a structure in which project benefits are shared among a diverse and wide range of stakeholders within the community.

Why Community Solar?

By addressing traditional barriers to harnessing solar power, the community solar model offers local jurisdictions, residents and businesses the opportunity to reduce their carbon footprint, support their local renewable energy economy, and increase control of their electric bills. A solar project at the Hood River airport could save up to 4,361,398 pounds of carbon and generate up to \$200,000 a year for the project owner. At the same time, it could reduce utility costs for low-income community members and provide local businesses a vehicle for investment or customer loyalty. The Port itself could choose to own or subscribe to the system, meeting greenhouse gas reduction goals for its own operations through real, visible, community-based renewable generation.

Airport Solar System Design Specifics

In the first quarter of 2019, with help from a Department of Energy Sunshot Grant, Sustainable Northwest and the Hood River Energy Council contracted with Mayfield Renewables to complete a feasibility study for a Hood River community solar project. As part of that contract, Mayfield Renewables completed a preliminary solar system design for what the Energy Council Subcommittee and Ryan Mayfield considered to be the most promising project site: the Hood

River Airport. Below is a brief description of the proposed system. Note, system sizing is flexible and actual project specifics will be influenced by FAA rules and additional input from Port commissioners and staff, and, potentially, solar developers.

Airport Solar System Summary

- System location: Port staff identified the piece of airport land selected for the system.
- System size: 1.93 MW with ground and roof mount, 1.47MW ground mount only
- System Generation: 2.71MWh annually for roof + ground mount, 2.13MWh annually for ground mount
- Footprint: 5.5 acres + roof space if desired
- Height: Front edge 18 inches off the ground with 8-9 foot panel height.

Additional information on preliminary system specifics attached and more information available upon request.

Note: Some community solar program details have yet to be determined, including interconnection rules and administrative costs. These decisions, along with basic development tradeoffs, will impact project feasibility and potential benefits associated with each of the following roles.

Potential Roles for the Port

While some elements of the Community Solar Program are in development, we anticipate several opportunities the Port of Hood could participate in a community project.

- A. Project Property Provider: The Port could provide land for the project, providing demonstrated site control and space for an array. After assessing for solar viability, the site could be donated to the project or arranged through a land lease agreement with the Project Manager.
- B. Project Subscriber/Owner: The Port could invest in or subscribe to a portion of the generated energy from the array. No one entity may own or subscribe to more than 40% of a project, but the Port is well positioned to serve as an “anchor tenant,” providing stability to the project while benefiting from consistent green energy procurement. As a project owner, upfront financing and a return on investment could be realized. As a subscriber, the Port could “pay as you go” each month for a share of the project. The Port could claim greenhouse gas reductions for its operations and potentially receive a financial payback. In this case, it is not be responsible for maintenance or project management.
- C. Project Manager: The Port could own and manage the entire system. The specific roles and responsibilities of Project Manager are currently under development, but we envision

this role to oversee customer acquisition and project design. (Servicing utilities are still responsible for customer billing and ratemaking). Benefits of serving as the Project Manager may include monetizing tax equity and accruing long term investments.

Next Steps

The Energy Council would like to arrange a meeting with Port staff to review this proposal and answer any questions you may have. The Energy Council seeks to determine if the solar project aligns with Port priorities, principals, and goals. If so and with Port approval, we'd like to move forward with additional studies, including confirming FAA rules and collecting developer cost estimates to better evaluate project feasibility – both technically and financially. As more information becomes available, including community solar program rules, we'd like to continue to review this proposal with the Port to consider potential roles in a community solar project.

In 2016, as part of Oregon Senate Bill 1547, the legislature created a new structure for customers of Pacific Power, Idaho Power, and Portland General Electric to participate in community solar projects. This program allows customers to jointly share in the costs and benefits of a solar energy system by receiving bill credits for their portion of solar generation. As of July, 2018, the program is still under development as the Oregon Public Utility Commission (PUC) finalizes a number of steps prior to program launch. However, a number of program elements, requirements, and goals are known in the rules. Stakeholders have participated in rulemaking for the past 2 years. This fact sheet provides an overview of the program elements that are known to date.



Project Size and Participants: Community solar projects can be up to 3 megawatts in peak capacity, and be located anywhere in the service area of one of the three utilities in the program. Participants in the community solar project may be residential, commercial, industrial or government electricity customers of the utility where the project is located, though each project must be reserved for at least 50% residential and small commercial customers. A community solar project must have at least 10 participants, and no single participant can have greater than a 40% portion of a project.



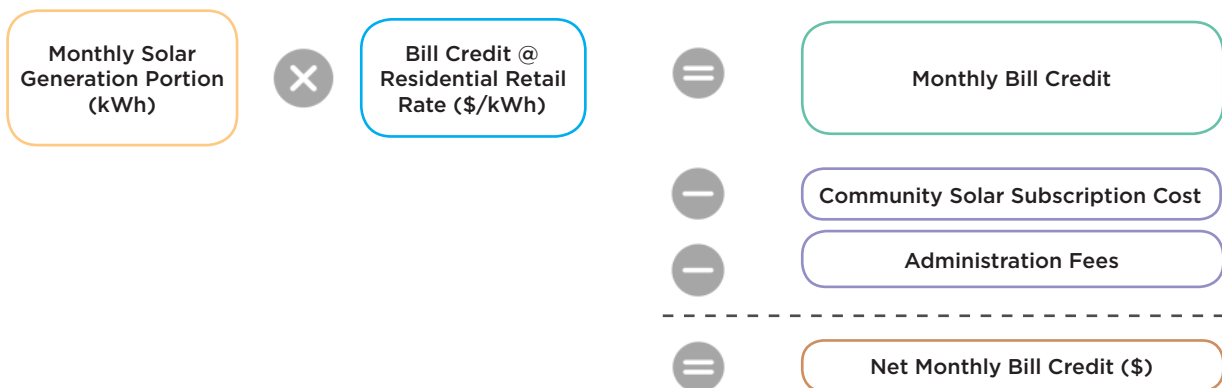
Low Income Participation: The community solar legislation and rules require that 10% of the program capacity serve low income customers. The initial PUC guidance suggests a requirement that each project have 5% allocated to low income customers. Additional stakeholder engagement is being conducted to determine the structure for the remaining 5% in order to ensure that the overall 10% inclusion goal is met. A low income facilitator will be hired to help connect eligible low income residents with active community solar projects.



Project Management & Organization: A Program Administrator (PA) will be selected to oversee the entire Oregon Community Solar program. Individual community solar projects will be managed and developed by entities called “Project Managers”. The guidelines for becoming a Project Manager are still under development and any company or organization that is approved by the PUC, including utilities, can develop and market community solar projects. There will be some aspect of consumer protection required to ensure that the Project Manager is capable and financially viable.




Bill Credit Structure: Project participants will receive monthly bill credits based on their portion of the community solar project generation in the prior month. In the initial portfolio of projects, the bill credit rate is established at the residential retail rate for each utility. In the future, the bill credit rate will likely reflect a calculation based on the Resource Value of Solar or RVOS. Total monthly generation will be calculated by the Project Manager, and the utility will collect any payments required by the Project Manager as part of a community solar subscription. Fees related to the administration of the project will also be collected, as approved by the PUC. The following is an example of how bill credits from community solar will be reflected on customer’s bills.




Capacity Allocation: For the launch of the community solar program, the PUC established an initial pool of approximately 40MWs for the three utilities. In order to encourage a diversity of project sizes, a carve-out for smaller projects under 360kW was established. The process to reserve capacity in

the program is still under development, and will be part of a Program Implementation Manual developed by the PA. The projected initial allocation for small projects is as follows:

Allocation	Approximate Total	Projects <360kW
Portland General Electric	23 MW	6.0 MW
Pacific Power	16 MW	4.0 MW
Idaho Power	1 MW	0.25 MW
Total	40 MW	10.25 MW

 **Terms:** Participation may be structured either as an upfront ownership stake in the project or as a subscription paid over time. This allows for people with lower incomes to participate and for flexibility in project structuring. Participating customers are eligible to receive bill credits for up to 20 years, and there is a 10 year minimum term for subscriptions. Program terms related to transferability and portability of subscriptions are still under development.

 **Timeline for Program:** In order to build a community solar project, the Project Manager must first reserve capacity for their project with the PA. The PA is anticipated to be selected by the PUC in the fall of 2018. The PA will then work with stakeholders to develop a Program Implementation Manual with an anticipated program launch by spring 2019. Throughout the summer and fall of 2018, the PUC is encouraging stakeholders interested in the program to participate in topical subgroup meetings. There are subgroups meeting on the topics of consumer protection, project development process, low income participation, and data exchange issues (see link to PUC below for more information).

OPPORTUNITIES TO LAUNCH COMMUNITY SOLAR

Community solar provides an opportunity you or your organization to directly benefit from the energy and incentives available. Projects will take some time to develop and its wise to start thinking now about how you or your organization may participate in community solar.

- Engage in the PUC program development process; until the program guide is published there will be a lot of unknown elements
- If your organization has land or roof space available, consider hosting a community solar project
- Connect with organizations in your community that are interested in organizing community solar projects

ADDITIONAL RESOURCES

- Oregon Public Utility Commission - UM 1930 Community Solar Implementation Process: <https://apps.puc.state.or.us/edockets/docket.asp?DocketID=21222>

ABOUT SOLAR PLUS

Solar Plus is a regional effort to plan and implement state strategies in Oregon and Washington to achieve the full technical, social, and economic benefits of distributed solar. Through engagement with stakeholders, Solar Plus looks to deliver benefits in addition to electricity: solar plus jobs, solar plus resilience, and solar plus equity. Visit solarplusnw.org to learn more.

This work is funded in part or whole by the U.S. Department of Energy Solar Energy Technologies Office, under Award Number DE-EE0007665.

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SB1547 Oregon Community Solar Program

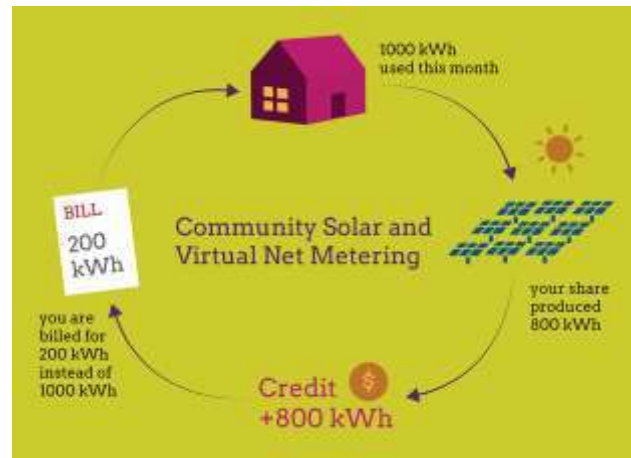
Considerations for consumers

Background on Oregon’s Community Solar Program

Community Solar is an emerging model that connects consumers directly to offsite solar resources through a monthly subscription or share-based arrangement. There are many reasons to participate in a project, whether that’s reducing your carbon footprint, supporting your local renewable economy, or increasing control of your electric bill. Moreover, community solar overcomes many traditional barriers to harnessing solar, including lack of sufficient roof space or expensive upfront financing. In 2016, the Oregon legislature passed Senate Bill 1547, “Coal-to-Clean”, which outlines the framework for [Community Solar program rules](#). While some elements of the program are waiting to be defined, community members can begin to inform themselves about the model so that they can benefit from projects as they are announced. Below is a snapshot of elements to consider.

Figure 1. An illustration of the relationship between a customer and the Community Solar project as described by [EnergySage](#). In their discussion of the model, they write

“Community solar is best suited for consumers who cannot install solar on their roof and are primarily interested in the environmental benefits of going solar.”



Considerations for consumers

As a current account holder at either PGE or Pacific Power, your experience as a utility customer remains mostly the same. You still have a contract with the utility for it to deliver electricity to your home, office, or business. Your energy use is measured at the meter and billed to you on a regular basis by the utility. What changes for community solar subscribers is how that bill is calculated. Each month, the utility will credit you for the energy produced by your share of the solar project.

Old Utility Bill

[Energy use (in kWh)]
 x [various charges (in kWh and kW)]
 = monthly bill

New Utility Bill

[Energy use (in kWh)]
 - [energy produced by solar]
 x [various charges (in kWh and kW)]
 = monthly bill

What changes is that you now have a new service provider – your community solar Project Manager. This Project Manager is the one selling Community Solar subscriptions and will be the person marketing this new product to customers. As a customer, you may encounter two models, *subscription* to a share of monthly production and *ownership* or pre-payment for a share of the panel’s lifetime production.

1. Subscription and Ownership Models

Energy use

- All participants can only acquire as much solar energy as they consume at home. This prevents a situation where a customer might be making (or losing) money based on the difference in community solar production and the prevailing utility rates.

Subscription Types

- *Subscription* to the monthly share of energy produced by a project. Customers pay a fixed monthly rate (\$50 - \$100 per household per month on average) and receive an on-bill credit for electricity produced. This is likely how most Oregonians will participate in the Community Solar program.
- *Ownership or up-front payment* to secure a share in the project for as long as it produces power (10-25 years). The up-front payment is an ownership share and could range from \$1,000 to \$20,000 (where the average household would need to spend about \$15,000 to purchase enough solar panels to offset their annual energy use).

2. Costs and Benefits

Bill Credit Rate

- Community solar subscribers receive a bill credit equal to the bill credit rate set by the PUC. While the final program rules are in deliberation, the PUC has set the [interim bill credit rate](#) equal to the retail rate. This rate may change as soon as enough projects have been built (and the PUC has the chance to review the impacts of the program on utility costs).
- The cost savings (or not) of participating in a Community Solar project will depend on the subscription rate or share price set by each Project Manager. So as a customer, you are likely to see offers ranging from “save money by investing in a solar project” to “offset your energy use with green electricity.”
- Depending on the rates offered, you may be paying your Project Manager 9c/kWh for a bill credit worth 10c/kWh (an implied savings of 1c/kWh, or more than 10%), or paying more than 14c/kWh for a bill credit worth 10c/kWh (an implied additional cost of more than 40%)

3. Next Steps


Sustainable Northwest continues to support communities with technical and financial assistance, and develop a state-wide portfolio of potential projects. If anyone has questions about the program or would like to discuss potential community solar projects in your community, please contact Bridget Callahan at bcallahan@sustainablenorthwest.org.

GreenSites (reduced GM plus roof) Sustainable NW - Hood River, 3600 Airport Dr Hood

Oregon 97031

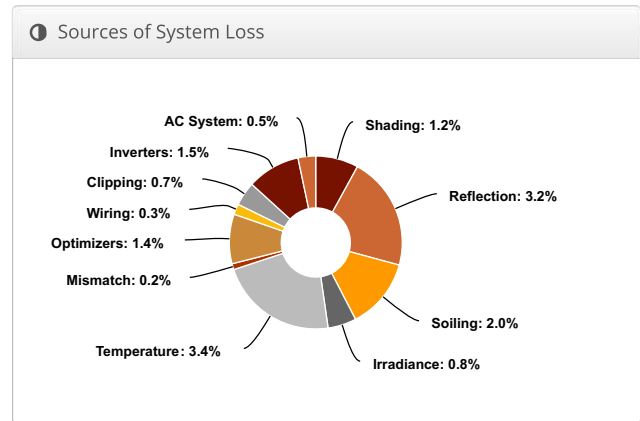
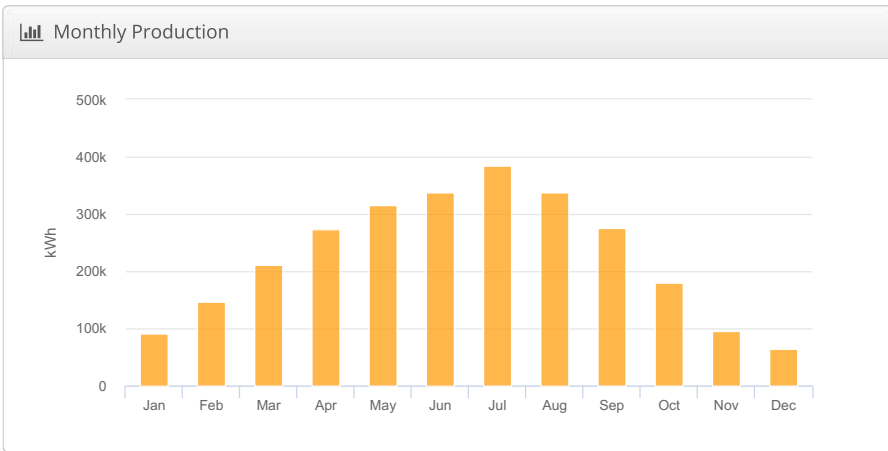
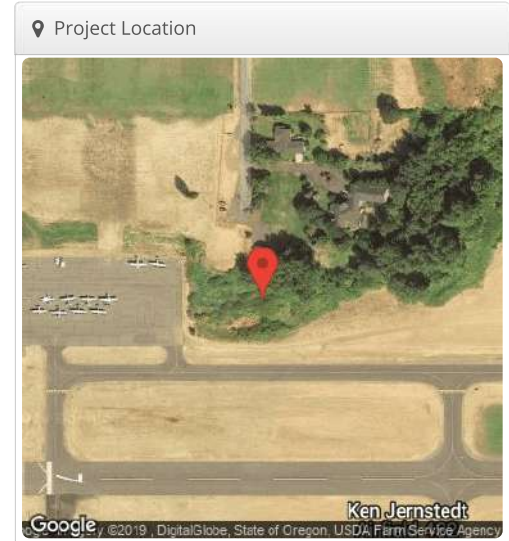
Report

Project Name	Sustainable NW - Hood River
Project Address	3600 Airport Dr Hood River Oregon 97031
Prepared By	Mayfield Renewables ryan@renewableassociates.com



System Metrics

Design	GreenSites (reduced GM plus roof)
Module DC Nameplate	1.93 MW
Inverter AC Nameplate	1.60 MW Load Ratio: 1.21
Annual Production	2.714 GWh
Performance Ratio	85.8%
kWh/kWp	1,403.0
Weather Dataset	TMY, 10km Grid (45.65,-121.55), NREL (prospector)
Simulator Version	115b1cc19e-0702bd738c-3d66b4b325-d9ef87ba9c



Annual Production

	Description	Output	% Delta
Irradiance (kWh/m ²)	Annual Global Horizontal Irradiance	1,470.9	
	POA Irradiance	1,635.0	11.2%
	Shaded Irradiance	1,615.1	-1.2%
	Irradiance after Reflection	1,563.2	-3.2%
	Irradiance after Soiling	1,531.9	-2.0%
	Total Collector Irradiance	1,531.9	0.0%
Energy (kWh)	Nameplate	2,963,903.2	
	Output at Irradiance Levels	2,940,045.1	-0.8%
	Output at Cell Temperature Derate	2,841,073.0	-3.4%
	Output After Mismatch	2,836,277.8	-0.2%
	Optimizer Output	2,796,446.3	-1.4%
	Optimal DC Output	2,788,070.0	-0.3%
	Constrained DC Output	2,769,176.3	-0.7%
	Inverter Output	2,727,450.0	-1.5%
	Energy to Grid	2,713,810.0	-0.5%
Temperature Metrics			
	Avg. Operating Ambient Temp		11.9 °C
	Avg. Operating Cell Temp		21.9 °C
Simulation Metrics			
	Operating Hours	4686	
	Solved Hours	4686	

Condition Set

Description	Condition Set 1											
Weather Dataset	TMY, 10km Grid (45.65,-121.55), NREL (prospector)											
Solar Angle Location	Meteo Lat/Lng											
Transposition Model	Perez Model											
Temperature Model	Sandia Model											
Temperature Model Parameters	Rack Type	a	b	Temperature Delta								
	Fixed Tilt	-3.56	-0.075	3°C								
	Flush Mount	-2.81	-0.0455	0°C								
Soiling (%)	J	F	M	A	M	J	J	A	S	O	N	D
	2	2	2	2	2	2	2	2	2	2	2	2
Irradiation Variance	5%											
Cell Temperature Spread	4° C											
Module Binning Range	-2.5% to 2.5%											
AC System Derate	0.50%											
Module Characterizations	Module	Characterization										
	HiS-S360RI (Hyundai)	CFV_HiS-S360RI_R2_V6.PAN, PAN										
Component Characterizations	Device	Characterization										
	P730 (SolarEdge)	Mfg Spec Sheet										
	SE100K (SolarEdge)	Spec Sheet										

Components

Component	Name	Count
Inverters	SE100K (SolarEdge)	16 (1.60 MW)
Strings	10 AWG (Copper)	154 (52,423.6 ft)
Optimizers	P730 (SolarEdge)	2,755 (2.01 MW)
Module	Hyundai, HIS-S360RI (360W)	5,373 (1.93 MW)

Wiring Zones

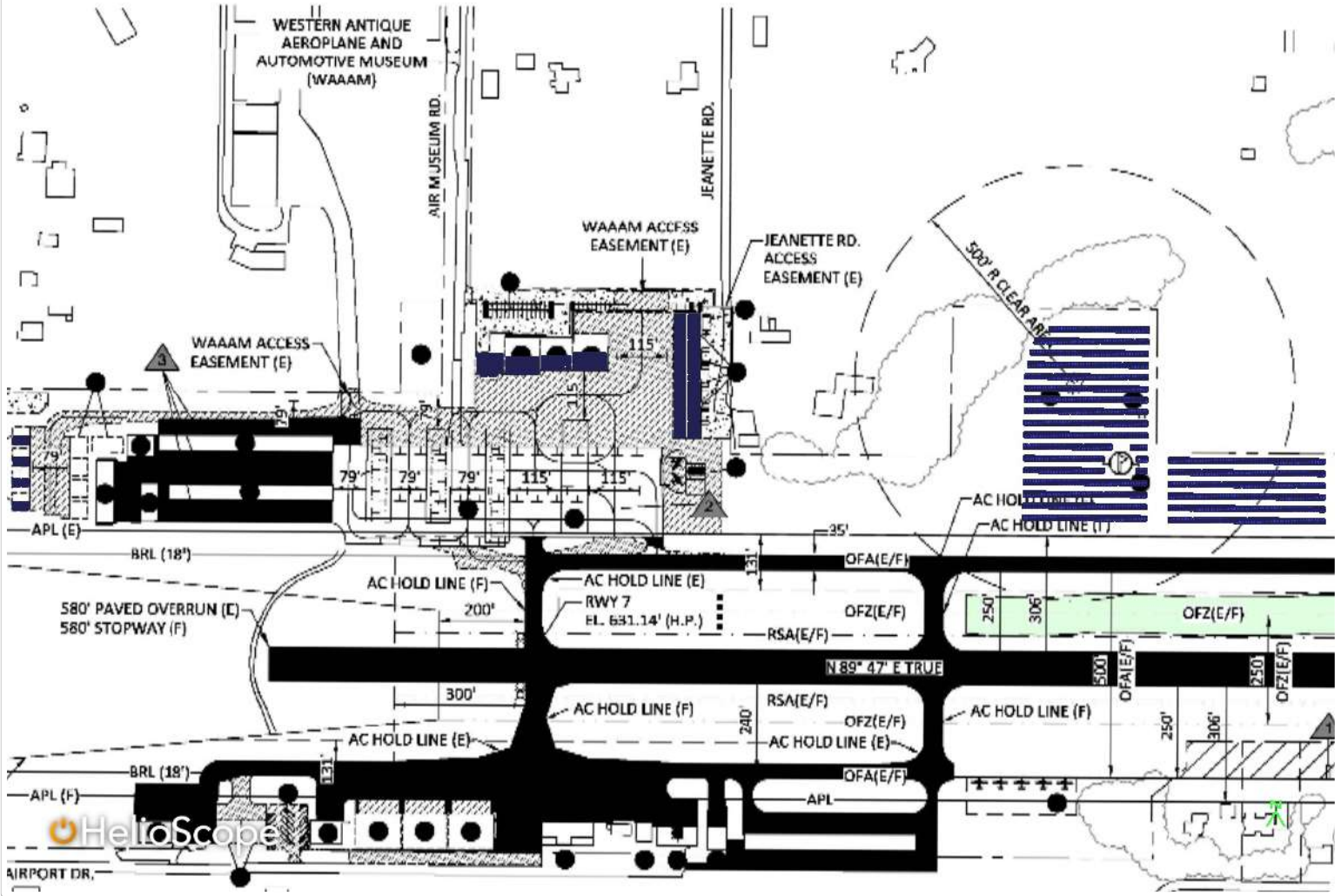
Description	Combiner Poles	String Size	Stringing Strategy
Wiring Zone	12	13-35	Along Racking

Field Segments

Description	Racking	Orientation	Tilt	Azimuth	Intrarow Spacing	Frame Size	Frames	Modules	Power
G1	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	33	33	11.9 kW
G2	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	33	33	11.9 kW
G3	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	33	33	11.9 kW
G4	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	33	33	11.9 kW
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G8	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	132	132	47.5 kW
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G7	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	100	100	36.0 kW
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G6	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	132	132	47.5 kW
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G5	Flush Mount	Portrait (Vertical)	4.76°	180°	0.0 ft	1x1	137	137	49.3 kW
G	Flush Mount	Portrait (Vertical)	4.76°	360°	0.0 ft	1x1			0
G10	Flush Mount	Portrait (Vertical)	4.76°	90°	0.0 ft	1x1	332	332	119.5 kW
G11	Fixed Tilt	Landscape (Horizontal)	20°	180.5°	14.3 ft	4x1	689	2,756	992.2 kW
G12	Fixed Tilt	Landscape (Horizontal)	20°	180.5°	14.3 ft	4x1	330	1,320	475.2 kW
G9	Flush Mount	Portrait (Vertical)	4.76°	270°	0.0 ft	1x1	332	332	119.5 kW

Detailed Layout

	GLIDER STORAGE / PARKING AREA (F)
	OVERFLOW PARKING AREA (F)
	TEMPORARY FUEL LOCATION




GreenSites (reduced GM only) Sustainable NW - Hood River, 3600 Airport Dr Hood River (

97031

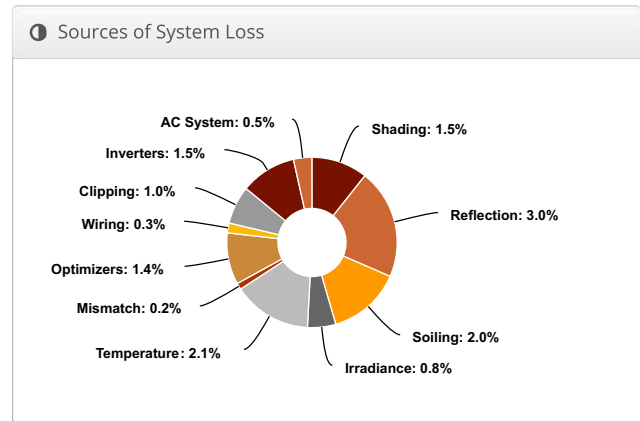
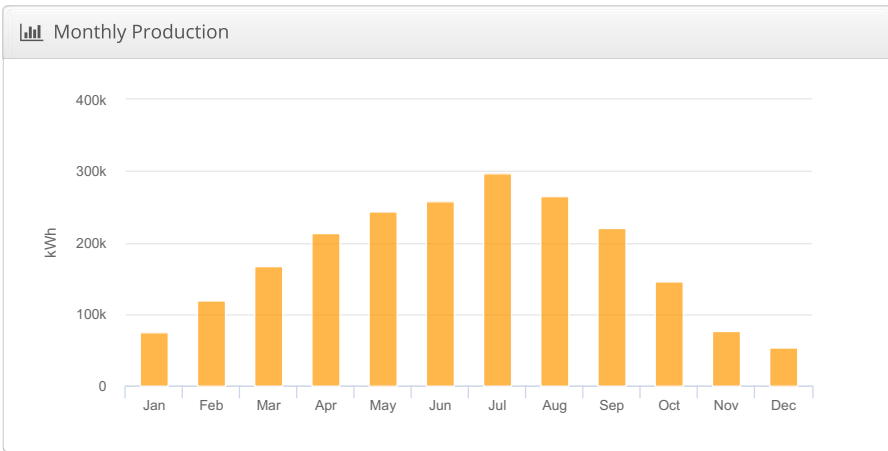
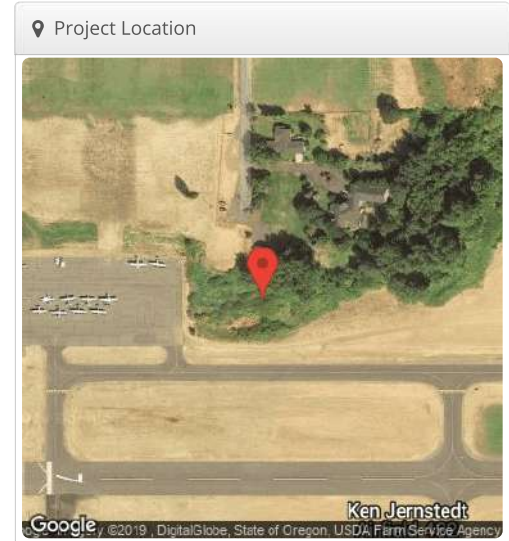
Report

Project Name	Sustainable NW - Hood River
Project Address	3600 Airport Dr Hood River Oregon 97031
Prepared By	Mayfield Renewables ryan@renewableassociates.com



System Metrics

Design	GreenSites (reduced GM only)
Module DC Nameplate	1.47 MW
Inverter AC Nameplate	1.20 MW Load Ratio: 1.22
Annual Production	2.131 GWh
Performance Ratio	86.6%
kWh/kWp	1,452.4
Weather Dataset	TMY, 10km Grid (45.65,-121.55), NREL (prospector)
Simulator Version	9a48172b35-98a3557fac-5d8c9dbf0d-bca5500d7c



Annual Production

	Description	Output	% Delta
Irradiance (kWh/m ²)	Annual Global Horizontal Irradiance	1,470.9	
	POA Irradiance	1,677.6	14.0%
	Shaded Irradiance	1,652.0	-1.5%
	Irradiance after Reflection	1,602.7	-3.0%
	Irradiance after Soiling	1,570.7	-2.0%
	Total Collector Irradiance	1,570.6	0.0%
Energy (kWh)	Nameplate	2,305,237.8	
	Output at Irradiance Levels	2,287,583.7	-0.8%
	Output at Cell Temperature Derate	2,238,670.5	-2.1%
	Output After Mismatch	2,234,806.4	-0.2%
	Optimizer Output	2,203,449.4	-1.4%
	Optimal DC Output	2,197,584.0	-0.3%
	Constrained DC Output	2,174,789.7	-1.0%
	Inverter Output	2,141,890.0	-1.5%
	Energy to Grid	2,131,180.0	-0.5%
Temperature Metrics			
	Avg. Operating Ambient Temp		11.9 °C
	Avg. Operating Cell Temp		20.2 °C
Simulation Metrics			
	Operating Hours	4686	
	Solved Hours	4686	

Condition Set

Description	Condition Set 1											
Weather Dataset	TMY, 10km Grid (45.65,-121.55), NREL (prospector)											
Solar Angle Location	Meteo Lat/Lng											
Transposition Model	Perez Model											
Temperature Model	Sandia Model											
Temperature Model Parameters	Rack Type	a	b	Temperature Delta								
	Fixed Tilt	-3.56	-0.075	3°C								
	Flush Mount	-2.81	-0.0455	0°C								
Soiling (%)	J	F	M	A	M	J	J	A	S	O	N	D
	2	2	2	2	2	2	2	2	2	2	2	2
Irradiation Variance	5%											
Cell Temperature Spread	4° C											
Module Binning Range	-2.5% to 2.5%											
AC System Derate	0.50%											
Module Characterizations	Module	Characterization										
	HiS-S360RI (Hyundai)	CFV_HiS-S360RI_R2_V6.PAN, PAN										
Component Characterizations	Device	Characterization										
	P730 (SolarEdge)	Mfg Spec Sheet										
	SE100K (SolarEdge)	Spec Sheet										

Components

Component	Name	Count
Inverters	SE100K (SolarEdge)	12 (1.20 MW)
Strings	10 AWG (Copper)	117 (22,029.7 ft)
Optimizers	P730 (SolarEdge)	2,087 (1.52 MW)
Module	Hyundai, HIS-S360RI (360W)	4,076 (1.47 MW)

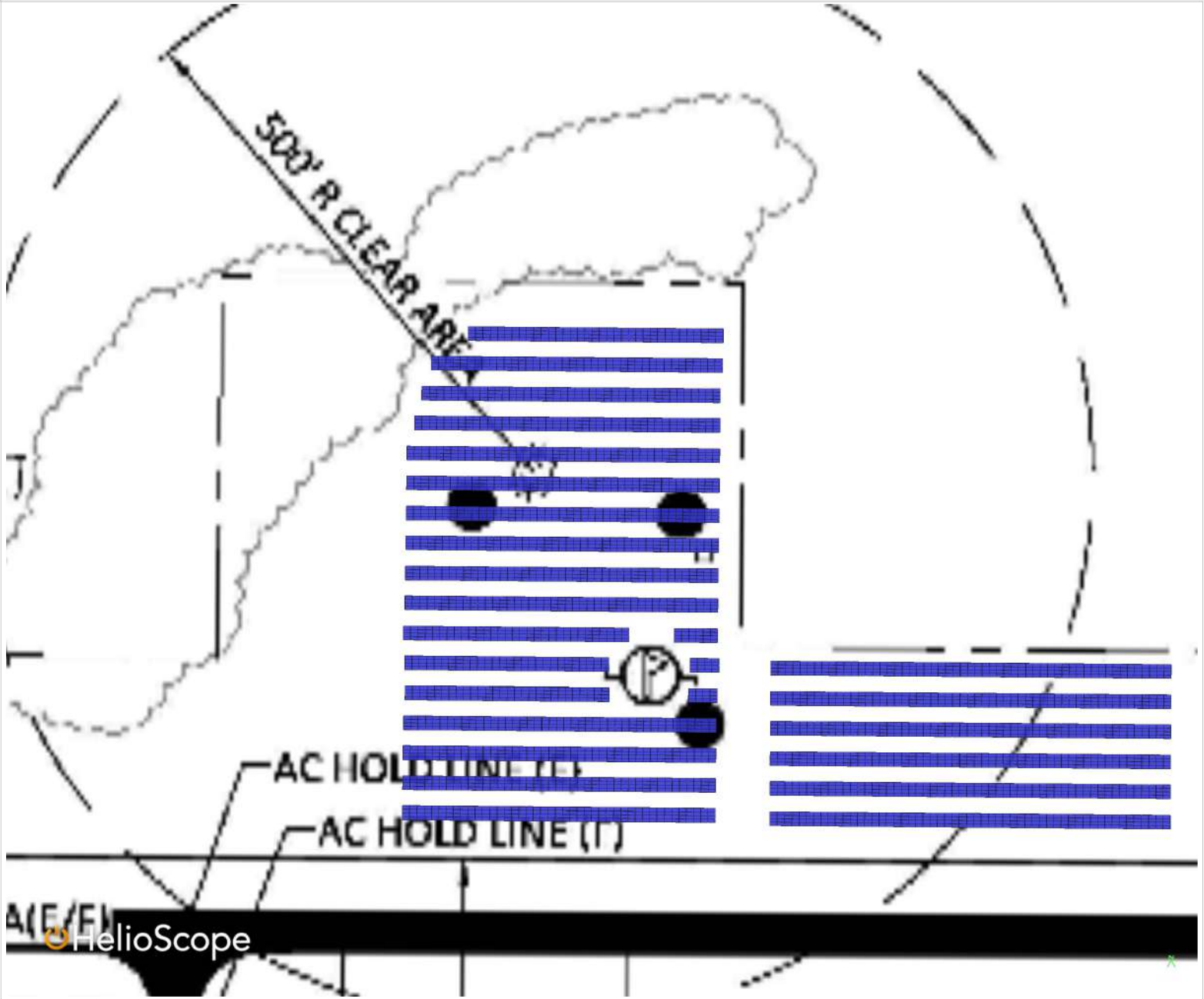
Wiring Zones

Description	Combiner Poles	String Size	Stringing Strategy
Wiring Zone	12	13-35	Along Racking

Field Segments

Description	Racking	Orientation	Tilt	Azimuth	Intrarow Spacing	Frame Size	Frames	Modules	Power
G11	Fixed Tilt	Landscape (Horizontal)	20°	180.5°	14.3 ft	4x1	689	2,756	992.2 kW
G12	Fixed Tilt	Landscape (Horizontal)	20°	180.5°	14.3 ft	4x1	330	1,320	475.2 kW

Detailed Layout



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Commission Memo

Prepared by: Daryl Stafford
Date: May 21, 2019
Re: Marina Future Planning



Commissioner Shortt has served on the Commission for the last eight years and will be retiring this June. He came to the Port of Hood River with a depth of knowledge and experience from managing the Port of Anacortes Marina, with over 1200 boat slips, along with managing and consulting for various other large marinas across the country.

Staff has met with Commissioner Shortt and developed a discussion agenda that includes the following:

1. Mission Statement specifically for the Marina (*please see attached narrative*)
2. Strategic plan development specific to the marina
3. Rates
4. Policy
5. Maintenance

Commissioner Shortt will lead the discussion.

RECOMMENDATION: Discussion.

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Boat Launch “Public Boating Launch and Facilities”



Objective: *The two lane boat launch will continue to provide free public access to the river for day-use launching of small craft and overnight use for a nominal fee. The boat launch is to be managed to provide safe and functional river access for small craft (8’-28’) hand-launch, power and sail. It is expected that the Port’s costs will exceed revenues in this area.*

Description:

- Two lane boat ramp
- 150 feet of transient tie-up
- Pump out, oil spill emergency response, and fuel dock
- (2) Restrooms
- Parking lot with (55) trailer and (28) vehicle parking spaces
- State Marine Board provides funding annually for assistance with upkeep

Current Uses:

- Power boats, jet skis, and fishing boats
- Transient dock day and overnight use for sail boats and power boats

Projects Completed:

- 2012 - installed transition plate on boarding float

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Extend launch ramp paving	\$25,000	OSMB	2015
2	Replace transient dock	\$400,000	OSMB	2016
3	Renovate restroom	\$50,000	OSMB	2017
4	Repave parking lot	\$200,000	POHR	2018

Future Tasks:

- Increase fuel sales
- Provide special event hosting
- Review revenue potential for fee requirement and provide annual statistics

Marina

“Center of Private Boating in the Gorge”



Objective: *The Marina serves as a focus of year-around activity on the waterfront. It is a scenic amenity for all waterfront users, meets the recreational needs of some residents and provides an economic development advantage for the Port. The Port will manage the Marina to meet maintenance standards and slip rates that are equal to similar public marinas and to insure a positive cash flow to*

the Port.

Description:

- 156 slips and 11 boat houses
- 65% sailboats; 35% powerboats
- Boat lengths 18-51 feet
- 50+ individuals on moorage waiting list at any given time
- (110) parking spaces on the west side
- In 2013 South Basin Dock accommodates (2) seaplanes, (6) small boats, (10) jet skis, and (1) canoe

Current Uses:

- The Hood River Yacht Club currently has 100 members and holds racing series from April through September
- The Gorge Junior Sailing summer program operates from the South Basin Dock
- The Overflow Dock is located at the north end of the Marina Basin and is used for oversized vessels greater than 70 feet
- Utilities provided are electric and water

Projects Completed:

- 2013 electrical upgrade; improve safety, increase functionality, and provide fair allocation of power costs
- 2013 upgrade at South Basin Dock; utilize for small craft not requiring a year-round slip and enhance use for Gorge Junior Sailing

Future Projects:

	Project	Estimated Cost	Potential Funding	Target
1	Long-term master plan	\$20,000	POHR	2014
2	Replace perimeter fencing	\$50,000	POHR	2014
3	South Basin Dock expansion	\$250,000	POHR/Loan	2015
4	New sailboat/dinghy dock	\$175,000	POHR/Loan	2016
5	Expand A and B docks	\$300,000	POHR/Loan	TBD
6	Hoist/gangway by HRYC	\$75,000	POHR/HRYC	TBD
7	Mooring buoys for winter	\$5,000	POHR	TBD
8	Habitat Restoration	\$500,000	POHR/Loan	TBD

Future Tasks:

- Marketing for Overflow Dock in cruise publications to obtain 60% annual occupancy

Prior Actions or Study:

- 2007 Marina Basin Planning Study
- 2012 Waterfront Recreation Action Plan (WRAP)

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Commission Memo



Prepared by: Daryl Stafford
Date: May 21, 2019
Re: Marina Electrical Update

On April 26, 2019, Gorge Electric, Eaton Marine Electric Engineers, and Professional Diver Tim Clackum performed repairs and conducted tests to the electric system in the Marina.

The wiring from the main panel to the intersection of C-Dock was successfully replaced. A specialized custom part that monitors South C-Dock power levels did not fit and new part needed to be ordered. It was deemed unsafe for them to have power without this part, so they have been without since that time. The new part is scheduled for install this week.

The Boat House Dock is also currently without power. Prior to the testing by Eaton, the majority of the Boat Houses had their breakers tripping constantly. Eaton provided staff with a report (see attached) with their findings and recommendations. One recommendation was to lower the trip threshold for safety reasons. Gorge Electric lowered the threshold and the Boat Houses are continuing to have trouble maintaining constant power at that level.

Per the Boat House leases, the Port is responsible to ensure power to the pedestals on the dock, and the owner is responsible to from that point on.

Port staff scheduled a meeting May 15th with the Boat House owners and Gorge Electric to discuss how to move forward.

- Gorge Electric will be installing individual breakers to each Boat House to help isolate tripping.
- Gorge Electric will also be meeting with each individual owner at their Boat House to evaluate appliances and wiring that may no longer work with our system.

RECOMMENDATION: Informational.

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FIELD SERVICE REPORT

CUSTOMER Platt Electric Supply / Port of Hood River PAGE # 1
 ADDRESS 1000 E Port Marina; Hood River , OR 97031 JOB # FFPPOHO55434
 USER Port of Hood River REPORT DATE # 4-24-2019
 OWNER REPRESENTATIVE John Mann, Facilities Manager TELEPHONE # 541-399-9228
 SERVICE DATE 4-22-2019 DESCRIPTION Trouble shoot GFPS on Boat Houses and B Dock

4-22-2019:

240VAC system (2 120V legs); A and C phases



Issue:

Customer reported multiple trip operations of Bender GFPS. Ground fault current was present on Panel BH2 (Boat Houses, Channel 2) and Panel B (Dock B, Channel 4) with breaker open.



FIELD SERVICE REPORT

CUSTOMER Platt Electric Supply / Port of Hood River PAGE # 2
 ADDRESS 1000 E Port Marina; Hood River , OR 97031 JOB # FFPPOHO55434
 USER Port of Hood River REPORT DATE # 4-24-2019
 OWNER REPRESENTATIVE John Mann, Facilities Manager TELEPHONE # 541-399-9228
 SERVICE DATE 4-22-2019 DESCRIPTION Trouble shoot GFPS on Boat Houses and B Dock



Boat houses were running ~300mA and Dock B ~90mA, with protection set to 3A and 1A respectively.

Testing:

Each neutral of tripping circuit was disconnected and current readings went away. Resistance to ground was measured with the results below:

Neutral to Ground Resistance, in Ohms

Panel CS (CH1)	Panel BH2 (CH2)	Panel CN (CH3)	Panel B (CH4)	Panel A (CH5)
Not Landed	0.3	3.4	1	8

Lower Neutral to Ground resistance correlated with higher the nuisance GF current.



FIELD SERVICE REPORT

CUSTOMER Platt Electric Supply / Port of Hood River PAGE # 3
 ADDRESS 1000 E Port Marina, Hood River, OR 97031 JOB # FFPPOHO55434
 USER Port of Hood River REPORT DATE # 4-24-2019
 OWNER REPRESENTATIVE John Mann, Facilities Manager TELEPHONE # 541-399-9228
 SERVICE DATE 4-22-2019 DESCRIPTION Trouble shoot GFPS on Boat Houses and B Dock

Performed current injection on BENDER unit (GF protection system) to ensure it is working properly:

	50mA in	Tripped: Injector Reading	Tripped: BENDER Reading
CH1	48mA	92mA	90mA
CH2	48mA	2.73A	2.7A
CH3	48mA	92mA	90mA
CH4	49mA	900mA	915mA
CH5	48mA	92mA	90mA

The BENDER is functional, designed to trip @ 90% of setting.

Dock B:

Removed all the boats off of this dock and took a N-G reading: ~600 ohms.

While this is still low, it would be high enough not to provide GF current of 100mA.

With power back on, removed one boat at a time. Found boat at **Slip 133** was causing the issue and reading were reduced at the BENDER unit.

Boat Houses:

Performed a N-G resistance of each house boat after verifying the panel main neutral was not the issue (>60M Ohm with no Boat houses attached):

Neutral to Ground Resistance, in Ohms

BH301	BH302	BH303	BH304	BH305	BH306	BH307	BH308	BH309	BH310	BH311
150	1	1M	3M	12	11	0.5	5M	53	>60M	7

4 Boat Houses had acceptable readings. Any reading below a few kiloOhms should be investigated, but BH302 and BH307 should be disconnected immediately.

Recommendations:

- Neutral to Ground Resistance on all channels seem extremely low. These values should be in the MOhms, and are of some concern. These low reading could be due to the amount of boats tied to the system dragging the N-G resistance down, or insulation of the dock is not performing correctly. SUGGEST FURTHER TESTING TO FIND OUT WHY THESE ARE SO LOW.
- Remove the boat from Slip 133.
- Investigate low N-G readings of Boat Houses; **Remove BH302 and BH307.**
- Channels 2 and 4 of BENDER GFPS were set to 3A and 1A, respectively. These values are well above safe levels of ground fault protection and should be returned to 100mA.

Peter Hachey

Senior Field Service Engineer

Eaton EESS

26850 SW Kinsman Rd.

Wilsonville, OR 97070

mobile: 503-550-3240

peterhachey@eaton.com

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Commission Memo



Prepared by: Anne Medenbach
 Date: May 21, 2019
 Re: ConnectOregon VI Project Update

The Port was awarded and accepted a grant from ODOT under the ConnectOregon VI (COVI) program on January 27, 2017. The amount of the grant is \$1,364,900 plus a local match of \$802,000 for a total project cost of \$2,166,900.

The grant summary provided in the application states:

“The Port of Hood River will renovate and expand the Ken Jernstedt Airfield north apron for a new staging area; prepare utilities and shovel-ready pad sites; and construct a new av-gas/jet fuel facility to accommodate the needs of local air attack firefighting and emergency search and rescue response personnel, local aviation technology companies, visitors, and residents.”

The Grant ask was made to accomplish the following near-term community benefits:

- a. Enhancing traffic flow and safety by relocating the fuel tanks to the north side of the field and providing jet fuel.
- b. Supporting the local UAV and tech sector by providing additional locations for R&D.
- c. Improving the airport to meet the increased demand provided by WAAAM and aviation tourism markets.
- d. Proposed \$6M in private investment resulting from development of commercial hangars, FBO and emergency crew amenities.

1. **Timeframe:** The grant is for valid for 5 years from the grant contract execution date or January 27, 2022. Initially, the Port’s completion date was set for 8/30/2019. At the time the grant was awarded, the FAA stated that an environmental assessment (EA) would not be required. After the grant was received, the FAA changed policy and required an EA which has pushed the COVI project back 18 months.

The Port and ODOT executed a grant amendment on January 9, 2019 which extended the project completion date to 9/30/2019.

2. **Status:** The project is currently near 100% design completion. The original date for bidding was February 15th. However, there were several delays due to sewer design requirements both by the City of Hood River and private development partners. Additionally, the wetland permit input from DSL required a split of the storm system and additional design work regarding the wetlands. Both items have pushed the design an additional 3 months.

- a. Permits:
 - i. Permitting is being finalized with ODOT for the State ROW work and is expected within 2-3 weeks.
 - ii. The wetland permit application (4th) has been submitted and is expected to be through review by the 25th of May. A 30-day public comment period will follow, if the permit application is deemed complete. Once the 30-day comment period ends, then staff and consultants will respond to any public input and DSL can issue permits.
 - iii. The grade and fill permit required by the County is ready but cannot be executed until the wetland permits are received.

b. Contract:

The contract documents are being reviewed by staff. Once that review is complete, Century West will incorporate any changes and can then go out to bid.

c. Timeframe:

Staff is anticipating that all permits and final design elements will be completed by the first week of June and the project will be ready to bid. This assumes that the wetland permits will not be in hand, but that they will be in the public review process and at that point unlikely to be hindered. The bid process takes approximately 30 days to complete. If the bid goes out June 6th, then the bid opening date will be July 8th. At that time, Staff would ask for an Intent to Award to the lowest bidder. Work would be able to commence by July 18th. This would mean that the project would be able to be completed by the end of October.

3. Options: The Port has three options regarding the timing of this project.

- a. Bid the entire project, less the paving in 2019.
- b. Bid the entire project in 2020.
- c. Bid the entire project in 2021.

4. Recommendation:

Staff recommends that the Port bid the project in 2019, less the paving. Paving happens at the end of the job and with the constricted timeline, would likely run into 2020, causing increased pricing and remobilization. By taking the paving out of the 2019 project, the Port will be able to:

- Take advantage of the fair weather window
- Potentially get better pricing by bidding the paving in 2020 with the FAA paving project
- Have a larger bidder pool and more flexible project timeframe

An amendment with ODOT will have to be secured to extend the timing for the paving. Additionally, there may be temporary paving that could be at the cost of the Port and potentially ineligible.

Staff recommends bidding the project in 2019. Within the next two weeks, the permits should be either in hand or close enough for staff and the Commission to be comfortable with a bid. Staff will come back on June 4th with an update and a request to move forward with a bid or with another option.

RECOMMENDATION: Discussion.

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Hood River – White Salmon

BRIDGE REPLACEMENT PROJECT

Project Director Report

May 21, 2019

The following summarizes Bridge Replacement Project activities from May 7-21, 2019.

FINAL ENVIRONMENTAL IMPACT STUDY (FEIS)

COLUMBIA RIVER GORGE COMMISSION (GC) MEETING

Project Director presented an update to the GC on May 14th. The Project Team has been working with GC staff to identify key viewing points in the Gorge, required as part of the aesthetics technical report. In addition, as part of the permitting subtask, we are working to quantify the GC Management Plan (MP) guidelines for the new bridge. As an example, the phrase “visually unobtrusive and harmonious” is a guideline of the MP Visual Goal. During the discussion with the board, there was support for the bridge type described in the Type Size and Location (TS&L) study. The concrete segmental box design type has a low profile, less piers and a slight curve to the deck. The other two guidelines, Historic Design and Recreation/Bike/Ped Access, have been accommodated in the TS&L by adding the bike/ped lane and willingness to incorporate design elements such as the curved railing that is being used on the historic US30 trail. The Project Team will be following up with GC staff on May 23rd to discuss the design criteria in more detail.

EIS WORKING GROUP MEETING

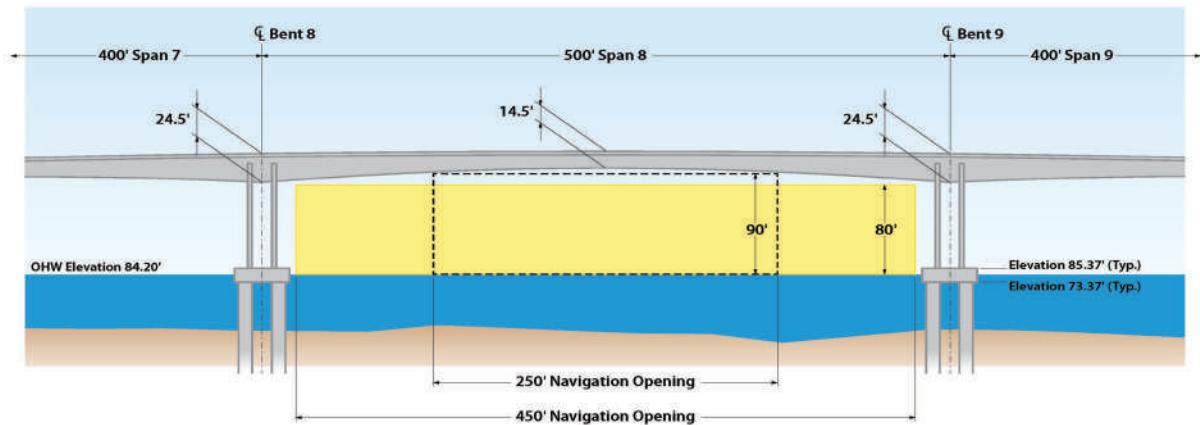
The third EIS Working Group (WG) meeting will be taking place on Thursday, May 23rd in the Port board room. WG will give perspective on the bridge type in the TS&L, ODOT/WSDOT roadway connections to the bridge, and bike and pedestrian connection options from the bridge. This will be Commissioner Shortt’s last EISWG participation. The Port Commission should identify a replacement for Shortt. Commissioner Everitt has been attending the WG meetings and participated in monthly management meetings as well.

PARTICIPATING/COOPERATING AGENCIES

Project Director has been following up with state, local and federal agencies to determine involvement. In addition, ODOT cultural resources team will be contacting the tribes. Though some of these tasks are taking longer than anticipated, the change log has identified other line items that can make up the difference.

NAVIGATION IMPACT REPORT

WSP has completed the navigation survey and has received comment from a few vessels that need additional clearance. The Lady Washington – the historic brig – last transited past Hood River in 2013. She has a posted clearance of 89-ft. though the masts can be lowered. There was also a concern about work barges with anchor spuds taller than 80-ft. The spuds could be partially lowered during transit under the bridge or set on deck. Though the TS&L identified an 80-ft. vertical clearance for the entire 450-ft. between piers, there is a slight parabolic shape to the bridge section. The below graphic shows that the apex is over 90' which does not accommodate a very wide horizontal opening. At approximately half way on the parabola, there is a 90' vertical clearance that corresponds with a 250-ft. horizontal clearance. Project Team travelled to Seattle on May 16th to share the findings with the USCG District 13 Bridge Division.



MEETING/OUTREACH SCHEDULE

- USCG Dist. 13 Update, Seattle, 5/17
- ODOT/FHWA Team Meeting, 5/23
- EISWG Meeting, 5/23
- Olympia Session Recap w/ Brad Boswell, 6/3
- Klickitat/Skamania County Transportation Meeting, Bingen, 6/5
- Hood River Rotary Bridge Update Presentation, 6/6
- Salem Session Update w/ Thorn Run Partners, 6/10
- ODOT/FHWA Team Meeting, 6/13

Hood River Bridge Replacement Project - Schedule Change Log
 Updated 5/13/2019

Prior Schedule		Current Schedule			Explanation of Change	Impact to Schedule	Recovery Action	Delay to Any Critical Path Activities?							
Date	Line No.	Date	Line No.	Activity Name				Invitation Letters	Agency/Tribe Review Method Memo	ESA Consultation	Section 106 Coordination	SDEIS Publication Date	Confirm Navigation Clearance	FEIS Footprint Set Date	FEIS/ROD Publication Date
4/15/2019	83, 87	5/13/2019	83, 87	Community Outreach #3 and EJ #2	Provide time for WG#3 meeting input on bike/ped concepts to be addressed before sharing with the public	1 month delay	No action needed; feedback from the community can be integrated into the project with minimal to no impact on critical path activities.	No	No	No	No	No	No	No	No
	151-156		151-156	Invitation letters to tribes and BIA	Adjust dates to match actual production/mailling dates	Scheduled to complete 1 week early	No action needed.	No	No	No	No	No	No	No	No
	161		161	Tribal Consultation Plan - revised plan	Revisions put on hold until further coordination with ODOT tribal liaison and responses from tribes to invitation letters are received	Delayed 7 weeks	No action needed; delay in tribal plan is not causing delay in other tasks since the plan is more a documentation tool.	No	No	No	No	No	No	No	No
	175		175	Methodology Memo - review by cooperating/participating agencies	Over half of the agency responses were outstanding by the due date, so methodology memo is delayed until a second effort to get agencies to respond is undertaken	Delayed 1 month	Any changes to environmental technical methodologies will need to be incorporated into revised drafts or final drafts of the environmental technical reports instead of the initial drafts (Lines 178-195); affects Groups 1-3.	No	Yes (Many agencies are late responding to invitation letters)	No	No	No	No	No	No
	n/a		196-201	Group 4 Technical Report	Added to address linkage between cultural resources field work and reporting with the Section 4(f) evaluation; this report was previously in Group 2	Delays Section 4(f) evaluation completion by 4 months	This evaluation will be a separate section in the SDEIS and will be completed prior to the legal sufficiency review by FHWA (Line 260).	No	No	No	No	No	No	No	No
	211-215		217-221	APE/Methodology Memo/Baseline Scan	Added new deliverable, baseline scan, that ODOT requested; increased revision time due to more complex deliverable	Added 5 weeks	Section 106 activities must be completed before the FEIS/ROD are signed by FHWA. There is plenty of float time in the schedule to absorb the delay - being conservative, float time will be tied with Line 289, which is the beginning of FHWA legal sufficiency review where (FEIS should be 95% complete).	No	No	No	Yes (Sec 106 activities delayed 5 weeks)	No	No	No	No
	217-220		223-226	Meetings with Tribes	ODOT is leading the first round of meetings; adjusted dates based on current status reported by ODOT	1 tribe meeting on schedule; 3 tribe meetings delayed up to 3 months	ODOT tribal liaison will continue to engage tribal technical staff on project while meetings with tribal leadership is scheduled; input from tribes will be incorporated as it is provided.	No	No	No	No	No	No	No	No
	221-225		227-231	Field Survey and Report	Dependent on APE/Methodology Memo/Baseline Scan	Delayed 5 weeks	Section 106 activities must be completed before the FEIS/ROD are signed by FHWA. There is plenty of float time in the schedule to absorb the delay - being conservative, float time will be tied with Line 289, which is the beginning of FHWA legal sufficiency review where (FEIS should be 95% complete).	No	No	No	Yes (Sec 106 activities delayed 5 weeks)	No	No	No	No
	239-241		245-247	Notice of Intent	Reviews and revisions completed ahead of schedule; FHWA needed more time to coordinate publication	Publication is delayed 1 week.	No action needed; this activity is not linked to a critical path activity.	No	No	No	No	No	No	No	No
	242-245		248-251	SDEIS Outline	Delinked from the NOI and now linked to precede SDEIS Admin Draft #1 and submit draft Outline at the 5/23 NEPA coordination mtg; increased ODOT/FHWA review time	Start/finish dates delayed several days	No action needed; there is several days of float time between the outline finish (Line 251) and the start of the SDEIS (Line 253)	No	No	No	No	No	No	No	No
	351		357	Transportation Report to Port/ODOT/WSDOT	Extra day needed for production	1 day delay	No action needed; minor delay does not affect any critical path activities.	No	No	No	No	No	No	No	No
	n/a		377	USCG Meeting #2	Added new meeting with USCG	No change	No action needed	No	No	No	No	No	No	No	No

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MEMO

TO: Kevin Greenwood, Hood River Bridge Replacement Project Director, Port of Hood River
FROM: Angela Findley, WSP
SUBJECT: Projected Work – Through June 15, 2019
DATE: May 13, 2019

The following work is projected to occur from May 15-June 15:

TASK 1. PROJECT MANAGEMENT

- Client progress meeting on May 23
- Invoice for April activities
- Coordination with Port, Consultant Team and other agencies

TASK 2. PUBLIC INVOLVEMENT

- Working Group Meeting #3 on May 23

TASK 5. ENVIRONMENTAL

- Coordinate with ODOT, WSDOT and FHWA on technical reviews, cultural resources, tribal coordination and all other facets of NEPA compliance
- Begin coordination with ODOT on the biological assessment outline and content assumptions
- Revise the Tribal Coordination Plan; submit to ODOT for second review and revise as needed
- Distribute the Methodology Memoranda for all resources to cooperating/participating agencies
- Submit “Group 1” and Group 2” draft environmental technical reports to ODOT and WSDOT for review
- Revise the Cultural Resource Area of Potential Effects (APE) and Methodology Memo, including a Baseline Scan of historic properties in the project area; coordinate with ODOT for a second review; revise and coordinate with ODOT to submit to the Oregon and Washington State Historic Preservation Offices
- Coordinate with FHWA to publish the NOI in the Federal Register
- Prepare an outline for the Supplemental Draft EIS for ODOT and FHWA review



TASK 6. ENGINEERING

- Continue bridge hydraulics analysis
- Refine roadway and stormwater design associated with the roadway approaches to the bridge, including pedestrian/bicycle connections, to support the environmental technical work
- Refine bridge design to support proposed navigation clearance requested by the US Coast Guard
- Continue architectural concepts development

TASK 7. TRANSPORTATION

- Submit the draft Transportation Technical Report for FHWA review

TASK 8. PERMIT ASSISTANCE

- Present project at the US Coast Guard's Industry Breakfast on May 16
- Meet with US Coast Guard Bridge Permitting Unit in Seattle on May 17
- Meet with the Gorge Commission and Hood River County on May 21
- Continue following up with river users to obtain survey responses
- Submit the draft Navigation Impact Report to the Port for review
- Begin preparing permit application for the in-water work associated with geotechnical exploration



EIS UPDATE

BRIDGE REPLACEMENT PROJECT

JUNE 2019

In December 2003, a draft environmental impact statement (EIS) was published as part of a bi-state collaborative effort. This draft EIS was the first step in complying with the National Environmental Policy Act (NEPA). Currently, the Port of Hood River (Port) is advancing the project to complete the EIS effort and position the project for future funding and construction.

What's new on the project?

- Held the third Working Group meeting to review roadway, bicycle, and pedestrian connections to the replacement bridge.
- Presented the project at the US Coast Guard Industry Breakfast and continued preparing the navigation impact report.
- Continued meetings with the Gorge Commission and Hood River County to discuss future National Scenic Area permitting considerations for a new bridge.
- Advanced the transportation technical report to gather review comments from Federal Highway Administration (FHWA).
- Publishing a Notice of Intent to prepare a Supplemental Draft EIS in the Federal Register
- Obtaining reviews and comments on the environmental methodology memo from tribes and agencies participating in the NEPA process.
- Initiating government-to-government consultation with federally recognized tribes and arranging individual meetings with tribal leadership and/or staff.
- Continued preparing the environmental technical reports.

What are the next steps?

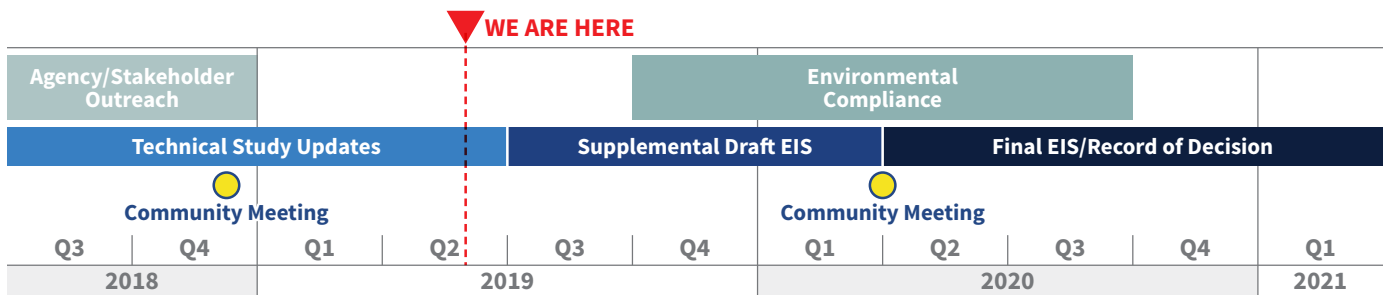
- Submit the navigation impact report to the US Coast Guard for review.
- Prepare a bridge hydraulics study.
- Develop a range of architectural concepts for the replacement bridge.
- Submit environmental technical reports for ODOT and WSDOT review.
- Begin preparing the Supplemental Draft EIS.



How would bridge replacement benefit the Columbia River Gorge communities?

The Hood River Bridge provides a critical connection for residents and visitors to the Columbia River Gorge National Scenic Area. One of only three bridges spanning the Columbia in this region, the bridge is a critical rural freight network facility for agriculture, forestry, heavy industry and high-tech companies with freight originating throughout the northwest. The existing bridge is nearing the end of its serviceable life and is obsolete for modern vehicles with height, width, and weight restrictions and is also a navigational hazard for marine freight vessels. The bridge has no sidewalks or bicycle lanes for non-motorized travel and would likely not withstand a large earthquake.

If project funding is secured, the new bridge would provide a safe and reliable way for everyone to cross or navigate the Columbia River—by car, truck, bus, bicycle, on foot, or on the water. A new bridge would support a thriving economy and livable communities.



To learn more about the project, please visit us at:
www.portofhoodriver.com/bridge

PROJECT CONTACT

Kevin Greenwood, Project Director
 ☎ 541-436-0797
 @ kgreenwood@portofhoodriver.com

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Commission Memo

Prepared by: Kevin Greenwood
Date: May 23, 2019
Re: WSP Peer Review Summary



In March, after a discussion on the bridge replacement scheduling progress and reviewing key project milestones, the Commission asked that the Port's NEPA advisor, Chuck Green of Otak, attend quarterly Commission meetings to give an independent assessment of the Port's consulting team's work.

Green has attended periodic monthly project team meetings and continues to provide technical expertise specific to the project. He has ample background on managing schedules related to Environmental Impact Statements (EIS) and understands the challenges of working with state, federal and tribal agencies. In addition, he has talked to Angela Findley, WSP Project Manager, about this summary report.

Attached please find Green's 3-page memo on his review of the project to date. He will be in attendance tonight to address any questions or comments that the commission might have. I have asked Chuck to consider the following questions and the Commission may use this list to develop additional thoughts for the summary review:

1. Are the submitted schedules and key milestone charts appropriate for this size project?
2. What are the types of issues that can add time or budget to a NEPA contract of this nature?


All in all, despite the longer review periods originally scheduled and increased criteria for some of the technical surveys, staff feels that there is a solid, comprehensive team in place looking to complete the work in a timely and professional manner by the end of 2020.

RECOMMENDATION: Informational.

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Memorandum

To: Kevin Greenwood, Project Director
From: Chuck Green, PE, NEPA Advisor 
Date: May 21, 2019
Subject: Summary of Hood River Bridge Replacement Project Environmental Impact Statement Schedule and WSP Progress
Project No.: 18644

Purpose

This report is provided by the Hood River Bridge Replacement Project's environmental/NEPA advisor as an independent monitoring report to the Project Director as a tool to assist in monitoring the Environmental Impact Statement (EIS) consultant's schedule and budget. The consultant's (WSP) progress on the EIS, preliminary design work, and related tasks will be actively tracked with the baseline schedule, projected Record of Decision (ROD) date, and consultant budget. Also, being monitored is a change log and risk assessment related to maintaining that schedule and ROD date.

The Project Director is using this process to actively track project progress against the scope and budget as well as Baseline Schedule. One tool the Project Director has available is an overlay of the Baseline Schedule against the monthly consultant budget, to be able to track progress as well as expenditures.

Baseline Schedule and Schedule Management

A Baseline Schedule is considered the "starting point" for the schedule of task flow and timelines, as well as establishing a critical path to completion. Typically, a critical path is the flow of related tasks which are dependent on "predecessors", or prior tasks, to be completed before they can be started. The critical path is the minimum timeline to complete a project (in this case the EIS, leading to the ROD) based on the flow of these interdependent tasks. A delay in one task can delay the succeeding tasks as well as the endpoint (EIS publication, ROD).

In this case, an EIS is different from a construction project in that the completion of the EIS is dependent on several factors, including state and federal regulatory agency reviews, settling on a preferred alternative, identifying mitigation measures, and responding to public comments. The Baseline Schedule has been established by WSP to be a surrogate for the critical path; its progress will be closely monitored by the project's management team on a monthly basis.

Issues which may arise which could delay one or more tasks in the Baseline Schedule will be reviewed and discussed at each month's consultant coordination meeting (or in a specific meeting as the issue may arise) and summarized for these reports to the Commission.

Budget Tracking and Management

A contract with WSP was approved by the Port Commission in June 2018 for a not-to-exceed amount of \$3,148,000.00. WSP broke down each task into estimated monthly expenditures and each invoice tracks actual expenditures by task against that task's budget. The overall project is tracked in the same manner. WSP also provides a progress report of work achieved over the previous month, and expected to be achieved in the

following month, as well as identifying any issues related to schedule and budget. The progress is tracked using "percent spent" vs. "percent physically complete" for each task.

Physical percent complete is estimated by a variety of factors, including project and task management activities; number of meetings, newsletters or other products completed (where quantities are specified in the scope); and, for technical deliverables, a qualitative review of percent progress made on the deliverable based on where it is in the process: start up, progress based on staff assessment, whether the report is in draft or final form, and if the product is being reviewed by an agency.

Current Progress:

- Total contract amount approved is not to exceed \$3,148,000.00.
- As of the February invoice, \$513,882.48 has been billed to the Port by WSP. That represents 16.32% of the project budget spent; WSP reports their work is 17.18% complete.
- Supplemental Draft EIS scheduled to be issued for public comment by March 27, 2020
- Final EIS scheduled to be issued by December 9, 2020, with a Concurrent Record of Decision.
- The consultants are in the early stages of resource agency consultation and undertaking or updating the technical studies supporting the environmental process.
- At this time, most of the schedule risk issues have been identified and a risk management plan developed to regularly review issues against the Baseline Schedule.
- The project is proceeding on track with regard to the Baseline Schedule.
- The Environmental and Engineering tasks are showing a recent trend of expenditures exceeding the monthly budget; these are both primarily due to the need to accelerate some data collection work that has seasonal restrictions, beginning work that may have been delayed on the front end awaiting the state and federal agency approvals of their scope, and an increase in the number of meetings requested by ODOT and other resource agencies compared to what was anticipated.
- Overall, the project is tracking well budget-wise but the trend of increased number of meetings and the impact on budget will be closely monitored.

Some Q&A for this Update

- *Is monthly schedule and budget tracking and reporting appropriate for this size and type of project?* Yes. There will be times where a large amount of activity, reviews and action items occur over the course of a month, while other times there will be less activity. A monthly review allows for regular reviews while also allowing the consultant team to perform their work.
- *Are the number and frequency of agency meetings a concern?* WSP has raised this as a concern as the number of meetings is trending higher than originally budgeted. This may be due to a variety of factors: new staff at ODOT and other agencies, changes in the environmental process, and advancing meetings to occur now rather than later in the process. WSP and the Project Director will continue to monitor this. In July or August, a one-year financial and "cost-to-complete" analysis will be undertaken to determine if budget adjustments are necessary.
- *Is there enough budget for this? Is there a budget cushion for contingencies?* The answer to both is "yes". The Port staff had several meetings and reviews with its advisors (Lowell Clary, Steve Siegel, Chuck Green) when first establishing the EIS budget and scope of work. The budget that was established for WSP's contract, Port Director salary, and other project-related expenditures also has a \$300,000 contingency, which should be sufficient to cover future budget adjustments needed by WSP.

- *Are there options to help keep this work within budget?* There are several. Port staff could take the lead on organizing meetings and/or contacting agencies, instead of the consultant. Another strategy is to work out an understanding with each of the resource agencies as to the extent of meetings or number of review drafts for each report. The Project Director and WSP's Project Manager could agree to set up a "Management Reserve" contingency fund where remaining budget from closed-out tasks could be shifted, and which could be tapped into to cover cost increases potentially needed on other tasks.
- *How often should the Commission receive these project updates?* Quarterly is recommended for this stage. There will be a lot of work happening over the next three months and for rest of 2019. As the EIS progresses and technical work goes into report production mode, there may be more time between updates. Beside this May 2019 update, future updates are anticipated in August 2019, November 2019, and two or three updates in 2020 prior to the release of the Final EIS and Record of Decision.

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Executive Director's Report

May 21, 2019

Staff & Administrative

- Commissioners should confirm availability at the upcoming Budget Adoption meetings: June 4 is the Public Hearing and June 18 is Budget Adoption. Of these, the second meeting is most important as it is necessary to adopt the FY 19/20 budget
- Kevin Greenwood will be making a lunchtime presentation to the Hood River Rotary Club on June 6 regarding bridge replacement efforts. The meeting is at 12:00 noon at the Columbia Gorge Hotel. All Commissioners are invited.
- A reminder that the summer conference of the Pacific Northwest Waterways Association will be held at the Hood River Inn June 25-27. I would recommend each Commissioner attend some or all this conference. The evening reception June 25 will be most important to attend if possible.
- Attached is a brief memorandum summarizing staff recommendations to address facilities Department staffing level questions. This was a topic of discussion at the Budget Committee meeting.
- The Personnel Committee (President Streich and Commissioner Shortt) will meet on May 20 to discuss the Executive Director annual review process and will provide an update at the meeting. A tentative schedule for the ED review this year is as follows:
 - June 4-- Annotated Work Plan and self-evaluation completed by Executive Director and submitted to General Counsel.
 - June 7—Review materials and scoring sheet mailed to Commissioners by General Counsel.
 - June 14—Scoring sheets submitted by Commissioners to General Counsel office.
 - June 18— Compilation/scoring summary distributed at Commission meeting in executive session. Discussion following with Executive Director.
- Attached is the end-of-session report prepared by Washington lobbyist Brad Boswell of Boswell Consulting.

Recreation/Marina

- A tenant meeting was held on May 15 to discuss Boathouse Dock electrical issues. Staff and Gorge Electric discussed the current situation and next steps. Generally, after installation of GFI breakers at each boathouse, the Port will provide one hour on inspection time by an electrician, after which each owner will be cut off from power until

electrical issues on each boathouse have been resolved by each owner. Assess each boathouse. Attached is an excellent summary prepared by Daryl Stafford.

- As of May 16, more than 350 pre-season parking passes were sold for total revenue of over \$40,580. Sold passes exceed 2018 at this time.
- The Event Site Booth will open for the summer on May 24. Regular enforcement of parking will commence on the same day. The past few weekends have been busy with the Event Site Parking Lot close to full capacity, over \$700 have been collected via the new Event Site Sale kiosks.
- The Front Office has received positive feedback from Waterfront Trail users about the new dog clean up signs posted around Port Waterfront property. Rountree from Pageworks and staff collaborated efforts.
- Oregon Helicopters is seeking an agreement to operate one or more days of excursion flights from the end of the Marina Breakwater this summer. The company operated successfully at that location for one day this spring in conjunction with a local conference.
- Attached is a letter from Columbia Riverkeepers regarding the proposed Aqua Park in the Nichols Basin. The promoter of this concept has been seeking input from a variety of local businesses and organizations and evaluating permitting requirements. Staff will provide an update on his efforts at the meeting and will seek Commission consensus about how to proceed.



Development/Property

- Work on the Wasco Building landscaping upgrade commenced on May 8th. FLI landscaping is revising the irrigation and creating a low maintenance, xeriscape landscape around the building to reduce water use, and increase privacy and enjoyment for the tenants.
- The bid for the Big 7 Building re-roof project was advertised for bid on May 16th. The bid closing date is on June 4th. Staff will provide bid results at the Commission meeting on that day. Work is to be complete before July 1.
- All Port building windows were cleaned the week of May 6th. Pro-shine Windows completed the work.
- Most of the irrigation is now up and running and both Facilities Department crews and a private contractor have been weeding beds, mowing, and getting ready for the summer. The late winter weather set these efforts back several weeks.

Airport

- The 4th wetland fill application to Department of State Lands was submitted on April 25th. There has been no response from DSL regarding the status of the review. Staff has attempted to contact the Field Operations Manager and the PM. There will likely be an update on the 21st.
- The bid docs for the COVI project are nearly complete. The bid date will likely be the last week of May, depending on permit progress with ODOT and DEQ. The latest date for the project bid is June 15th as the project will require three months to complete. If the permits are not ready by June 15th, then a decision will need to be made whether to push the project to 2020. Doing so would mean that both the FAA north ramp project and the COVI project would be underway at the same time with two different contractors potentially, and two separate grant processes.
- Groat Brothers has completed the grading at the airport including the Orchard Road connection. They have yet to complete the hydro seeding, which should be complete by the 21st. Liquidated damages are currently being assessed at \$250.00 per day per the contract.
- We are experiencing issues with the AWOS at the Airfield. Technician Bill Kelsey has completed a temporary solution, but he will need to return for full repairs when weather conditions allow.
- Staff continues discussions with residents of Jeanette Road. The main concern is traffic impacts during and after construction. The construction entrance will be on Air Museum Drive, which is acceptable to the neighbors. Additionally, until development occurs north of Port property, access to Hangars from Jeanette Road will come from Air Museum Drive as well. Staff requested that a 6-foot berm be placed between the Jeanette Road easement and the future Hangar sites. This berm will be planted to minimize visual and noise impacts from future hangars to the neighboring residences.
- Maintenance staff completed spring spraying operations on May 10.

Bridge/Transportation

- Abve & Svoboda, Inc. (A&S), completed the Thru-Truss & Misc. Metals Project on May 16 after having started work on May 5. This accelerated project schedule was only possible because the Commission approved the project quickly to take advantage of an opening on the contractor's schedule. Under the bid specifications, the work would have otherwise happened over several months. Single lane closures would have started at the beginning of April and gone through mid-August with prolonged impacts to summer travel and harvest shipping.
- Two weeks of bridge deck welding have been scheduled—one in June and another in August. This will require six hours of single-lane closures each day. Guardrail repair work will be carried out during the first closure.

- Testing (chain dragging), core drills and concrete repairs were carried out the evening of May 15, during the last night of bridge closures. This evaluation and repair work were prompted by accelerated degradation of the concrete decks on each approach ramp.

Memo

Prepared by: Michael McElwee
Date: May 21, 2019
Re: Facilities Department Staffing

At the Budget Committee meeting on May 7, Commissioners asked staff to further evaluate staffing needs in the Facilities Department to ensure that personnel resources were adequate to insure a good level of maintenance for Port facilities and buildings. This memo provides of summary of recommendations after staff discussion.

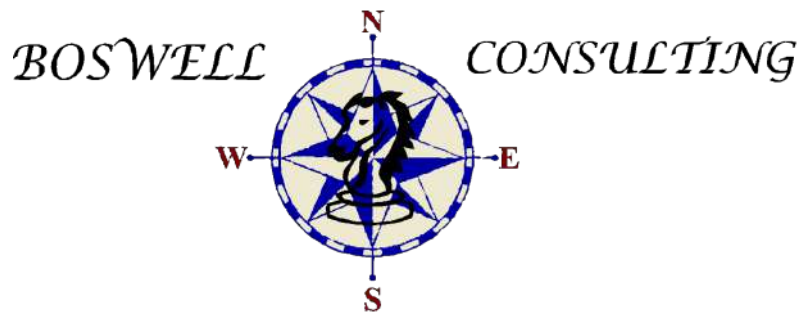
Background: Multiple actions have been taken over the last several years to help stay on top of the ever-growing work load. The Port has sold several high maintenance buildings (e.g. Expo), shifted the maintenance responsibility of one building (Maritime) to the tenant, assigned night gate closure to our security contractor and used additional service contracts (e.g. building interior cleaning) to reduce the work load. Nevertheless, Facilities Department work load has grown. This is primarily due to a higher level of maintenance expectations, far more internal operational control of the bridge and greater deployment of Facilities staff on small capital projects expectations which provides a significant cost savings.

Recommendations: Staff recommends the following steps:

- Hire a Level 3 employee to fill Rob Arnolds position as he is retiring at the end of June. Seek individual with a facilities background who can be tasked with higher skill level projects. This will help relieve pressure on senior staff in the Facilities Department.
- Budget an additional \$30,000 in flexible resources that can used for additional temporary positions or contract service providers as determined by the Facilities Manager. It is expected that some of these funds would be used to fill two additional summer positions in 2019 and 2020.
- Consider hiring an additional Level I of II worker depending on the impact of implementation of the Leasing Strategy.

Staff believes the above steps will help dramatically with regard to relieving an overloaded staff and meeting expectations of the Facilities Department.

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2019 Legislative Session Port of Hood River April 29, 2019

End of Session Report

The 2019 Legislative Session officially adjourned on Sunday, April 28th, the first time the Legislature has ended on time for a budget-writing session in ten years. This 105-day budget-writing session was marked by a slate of newly elected legislators entering the mix and a strong democrat majority in both chambers. The legislature saw considerable activity this year in the housing, energy and environment, and mental health policy areas. Also notable was the passage of [I-1000](#), a controversial initiative to the legislature that overturns a voter-approved restriction on affirmative action.

Perhaps most significant this year, however, was the budget. Following a larger than anticipated revenue forecast for the 2019-21 budget, the legislature proceeded to roll out \$52.4 billion in operating budget spending (close to \$8 billion increase from the previous biennium) and an unprecedented package of tax bills raising \$850 million in new tax revenue. The largest expenditures in the operating budget included: \$3.9 billion to maintain current levels of K-12 funding, \$451 million to pay for state employee salary increases and health care benefits, \$280 million for behavioral health, and \$45.5 million to help prevent and fight wildland fires. A broad slate of new taxes were passed to fill the spending gap which included a graduated real estate excise (REET) tax ([ESSB 5998](#)), increased business and occupation (B&O) tax rate for large banks ([SHB 2167](#)) and travel agents ([ESSB 6004](#)), a new tax on vaping products ([E2SHB 1873](#)), and elimination of the automatic sales tax exemption for non-residents ([ESSB 5997](#)).

On top of the budget spending, the Democrats also passed [E2SHB 2158](#), which generates nearly \$1 billion over four years by imposing a B&O surcharge on professional services and "advanced computing" businesses to fund various higher education and career connected learning programs. It is notable, however, that no capital gains tax passed this year despite being included in both the House and the Governor's budget proposals. Although it was never included in their budget, the Senate had a separate capital gains tax proposal that ultimately did not pass this session.

In addition to the operating budget, lawmakers also passed new state capital and transportation budgets in the last 24 hours of session. Also in the final hours, the Legislature passed a controversial bill ([ESSB 5313](#)) to lift the local levy lid.

Finally, this was Speaker Frank Chopp last session as the Speaker of the House. Chopp has been in this role for years, making him the longest serving speaker in Washington State. On Sunday the House took time on the floor to honor Speaker Chopp. House Democrats will select a new speaker on July 31st, although it is unclear at this time who that person will be, many predict they will select the first ever female speaker.

While there was no significant transportation package this year, we have established ourselves within the transportation conversation which will allow us to position ourselves for funding in the future. This year legislation concerning transportation projects ([HB 1994](#)) passed the legislature. The bill creates a workgroup to begin to move forward on the Columbia River Crossing. While the workgroup is focused on CRC this could be a possible model for future work on other bridges over the Columbia River. We will continue to position the Hood River Crossing within the broader group of transportation stakeholders as well as the local legislative delegation. We will be scheduling time in the near future to map out the interim plans.

Port of Hood River Bill Status Report

Bill #	Abbrev. Title	Short Description	Status	Sponsor
ESHB 1160 (SSB 5214)	Transportation budget	Making transportation appropriations for the 2019-2021 fiscal biennium.	S Pres Signed	Fey
HB 1375	Port district campaign cntrb	Applying campaign contribution limits to candidates for all port districts.	C 100 L 19	Wylie
HB 1835	Additional WA-OR bridge	Concerning the creation of an additional bridge between southwest Washington and Oregon.	H Trans	Kraft
HB 1899 (ESSB 5825)	Tolling/I-405, SR 167 & 509	Addressing the tolling of Interstate 405, state route number 167, and state route number 509.	H Trans	Fey
ESHB 1994 (SSB 5847)	Significant transp. projects	Facilitating transportation projects of statewide significance.	Del to Gov	Wylie
E2SHB 2042	Green transportation	Advancing green transportation adoption.	H Passed FP	Fey
SHB 2156	Taxes on asset sales, profit	Investing in quality prekindergarten, K-12, and postsecondary opportunities throughout Washington with excise taxes on sales	H Rules R	Jinkins

		and extraordinary profits of high valued assets.		
2SHB 2157	Tax structure	Updating the Washington tax structure to address the needs of Washingtonians.	H Rules C	Tarleton
SSB 5214 (ESHB 1160)	Transportation budget 19-21	Making transportation appropriations for the 2019-2021 fiscal biennium.	S Rules 2	Hobbs
SB 5219	Condominium warranties	Concerning condominium construction warranties.	S Rules X	Padden
ESSB 5825 (HB 1899)	Tolling/I-405, SR 167 & 509	Addressing the tolling of Interstate 405, state route number 167, and state route number 509.	H Spkr Signed	Hobbs
SSB 5847 (ESHB 1994)	Significant transp. projects	Facilitating transportation projects of statewide significance.	S Rules X	Cleveland
SB 5905 (Dead)	Automated cargo handling	Prohibiting funds available to port districts from being allocated for the purchase of fully automated cargo handling equipment.	S Local Governme	Salda?a
SB 6000	Gen. obligation bonds T.O.	Relating to state general obligation bonds and related accounts.	S Ways & Means	Frocket
SB 6001	Capital budget T.O.	Relating to the capital budget.	S Ways & Means	Frocket
SB 6002	Capital budget T.O.	Relating to the capital budget.	S Ways & Means	Frocket
SB 6003	State government T.O.	Relating to state government.	S Ways & Means	Rolfes
ESSB 6004	Travel agents & tour ops/tax	Concerning the taxation of travel agents and tour operators.	S Pres Signed	Rolfes
SB 6005	Revenue T.O.	Relating to revenue.	S Ways & Means	Rolfes
SB 6006	Education T.O.	Relating to education.	S Ways & Means	Rolfes

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Dear Boat House Tenants,

Port Staff would like to invite you to attend a meeting regarding the status of your Boat House Electric this Wednesday, May 15, 2019 at 5:30pm at the Port Office Board Room.

This is an opportunity for you learn about why you don't have power and for you to be part of the problem-solving process.

Port Staff, along with Todd Clay, owner of Gorge Electric, and Dave Bethel his lead Marina Technician will be present to help explain the findings from Eaton (the Electrical Engineers that provided the Report) and our plan to move forward.

The goal of this meeting is work with you to get your Boat House electric turned back on. We are making every effort on our end to reach this goal. We are not going to sugar coat it, this will require a fair amount of effort on your end as well. We will not be able to solve this without your participation.

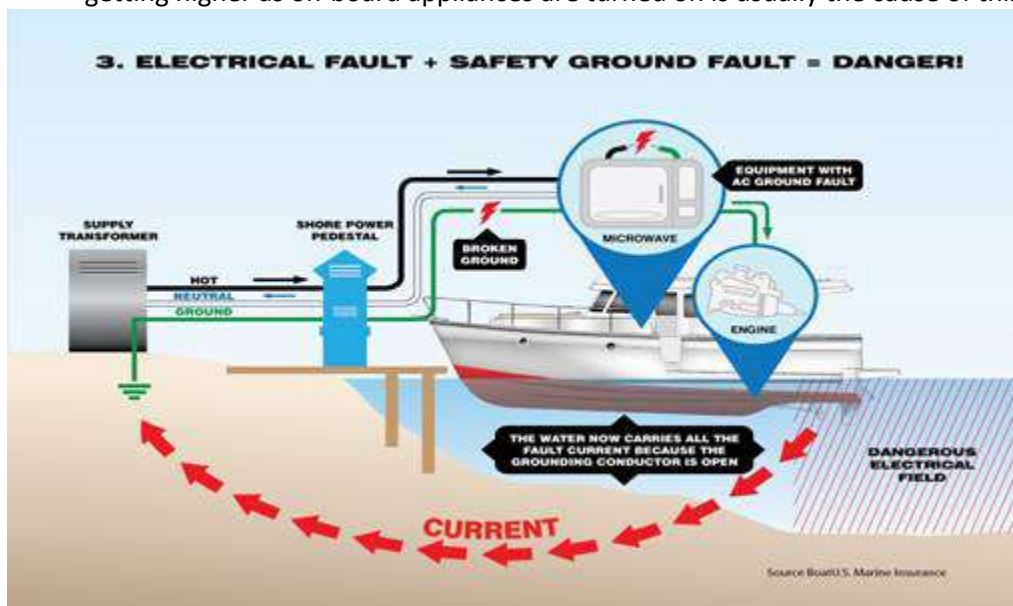
The agenda for the meeting will be as follows:

1. Define the Problem

- a. Boat Houses will not hold power at the current threshold.
- b. The previous level the threshold was set at put people at risk for Electrical Shock Drowning. There is a great article that explains ESD that is attached to this email.

2. What is causing the problem?

- a. Ground Fault Leakage. When the reading is too high, the breakers will trip. What goes down the hot conductor must come back via neutral. This would give a zero amp reading if it was equal. Anything other than zero is leakage current.
- b. Possible neutral to ground connections at the panel. High amperage readings that keep getting higher as on-board appliances are turned on is usually the cause of this.



3. How did Staff establish Ground Fault leakage is the problem?

- a. Report provided by Eaton states this. (see attached report) Eaton is one of the leaders in Marine Electrical manufacturing, and have members on the Board of Directors of the Electrical Safety Foundation International (ESFI) and have ABYC (American Yacht and Boat Council) endorsement. They service Marinas across the country and around the world. They use a known test voltage/current to evaluate system integrity.
- b. Gorge Electric Testing (see attached report) and collaboration with Eaton regarding the results of the report.
- c. Report from Tim Clackum that stated the underwater housing for the wiring is intact and in good condition.
- d. Process of elimination.
 - i. Eaton & Gorge Electric determined that the integrity of the wiring at the dock box is okay.
 - ii. Eaton, Gorge Electric and Tim Clackum determined that the wiring to the Power Boxes at the dock are okay.

4. How do you test the amperage readings for possible neutral to ground connections?

- a. Test appliances one at a time.
- b. Test for neutral to ground faults in wiring.

5. Alternatives to solve the problem.

- a. Install Ground Fault protection in the boat's and dock's AC system that will shut off current if the amount of electricity going out differs by an amount that has been established by code as being hazardous.
- b. Completely isolate the AC shore power system from the AC current in the Boat House. Then any stray AC on the boat will return to its source on the boat and will not enter the water.

6. Discovery- What have we learned?

- a. The Port had the power threshold set at an unsafe level and was in violation of current codes. It has since been turned down to 1.5A with the goal of setting it at 100mA.
- b. Current code in the US requires GFP devices trip at 100mA or lower on all docks, and are established by:
 - i. National Fire Protection Agency- NFPA 70- #303 fire protection standards for Marinas.
 - ii. National Electric Code- NEC Article #555-1 through 6, and #553 Floating Buildings.
- c. The Port, as a Public Agency, must adhere to the current safety standards and may not resume using the threshold levels of the past. It is our responsibility to respond to the information provided to us and work towards a safe scenario.
- d. Many Boat Houses may have appliances or wiring that could be causing nuisance tripping and may no longer be compatible with the current levels set by codes.
- e. System wiring deterioration could be a contributing factor to more frequent trips.
- f. It is possible that the tripping could be collective as stray currents can travel. Your Boat House could be affecting your neighbor. The combined leakage current of each Boat House, plus other Boat Houses on the circuit, plus potential leakage from the cables serving is what the switchboard GF relay sees.
- g. Boat Houses are different from Floating Homes. Our Marina Electrical System is not set up to accommodate many of the appliances you might find in your home.

- h. Boats have inverter systems that isolate appliances and equipment for the shore power system.

7. Solutions- Plan to minimize risk hazards and resume power to each Boat House

- a. The Port will install new GFCI breakers for every Boat House Tenant. The breakers that will be installed are what has recommended by Eaton. (40amp 120/240 Volts AC) This expense will be paid for by the Port for the parts and installation.
- b. The Port will pay Gorge Electric (Dave) to meet individually with each Boat House Owner for one hour to go through a predetermined check list to help determine what will work, or not, and answer any questions the Boat House Owner might have.
 - i. You must schedule your appointment within the next 2 weeks. We want to get you back up and running ASAP, therefore we need all of you to work together to make this happen.
 - ii. Please schedule directly with Gorge Electric. **541-386-2468**. Let them know that you are a Marina Boat House owner.
- c. From this Evaluation it will be up to each Boat House owner to determine the next step.

8. Where do we go from here?

- a. Port Staff is committed to upholding the Lease terms of providing electricity from the Main Panel to the Breaker Box on the dock. By following the direction of Eaton and having confirmation that our system is in good shape, we believe we have done this.
- b. It will be up to each Boat House Owner to develop a plan to have your Boat House function with the current system.

Questions & Answer Session shall follow.

If you have any other electrical analysis that has previously been done, please bring it with you. This information may help expedite the overall problem solving process, and Dave's individual work to come.

Please bring a list of the number of circuits and all outlets, appliances, pumps, heater and any other electrical devices that are in your individual Boat House.

Please confirm that you received this message, and please let me know if you plan to attend. We believe this is an important step in getting your electricity working. As mentioned above, will not be able to solve this without your help.

Kind Regards,

Daryl

Daryl Stafford
Marina & Waterfront Manager
Port of Hood River
541-386-0972
waterfront@portofhoodriver.com
www.portofhoodriver.com

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COLUMBIA RIVERKEEPER
407 Portway Ave, Suite 301
Hood River, OR 97031
(541) 387-3030
columbiariverkeeper.org

May 7, 2019

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

Brian Shortt
Vice President, Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031

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

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

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

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

Dear President Streich and Commissioners,

Columbia Riverkeeper (Riverkeeper) urges the Port of Hood River to reject the proposed Nichols Basin Aquapark. The proposal to privatize a large section of the Nichols Basin does not align with the current uses and habitat benefits of the area. Specifically, the aquapark conflicts with and undermines long-standing public uses of the basin, including paddle boarding, swimming, and boating, and recent efforts to restore habitat and promote environmental education at the Nichols Natural Area. The Nichols Basin also provides important habitat for migratory waterfowl, resident birds, salmon, and other species. For the reasons described below, Columbia Riverkeeper urges the Port of Hood River to abandon discussions with the aquapark's backers, Habitat Development Company, and support public use and enjoyment of Hood River's treasured Columbia River waterfront.

The aquapark poses a direct conflict to the restoration goals and efforts underway at the Nichols Natural Area. The three-acre conservation easement on the south end of the basin is currently the focus of Columbia Riverkeeper's Nichols Natural Area habitat restoration and environmental education community project. Volunteers have committed hundreds of hours to plant, weed, and revegetate this site to create healthy, vibrant habitat. In addition, local student groups visit the site and use the space as an outdoor classroom and living laboratory for hands-on science and environmental education. In 2018 alone, over 700 local students visited the site and participated in helping to restore this site into healthy riparian habitat.

The proposed aquapark would be disruptive and exclusive and would overlook the substantial efforts of our community to create thriving habitat. We find that students and young people come alive, exploring the beaches, playing in the sand, and skipping rocks. A theme park attraction is simply not needed.

As the Port considers the aquapark proposal, the Port should evaluate the public's response to the Nichols Basin cable park proposal. As the Port will recall, the cable park drew strong opposition from the community. Like the proposed cable park, an aquapark would privatize a valued, and heavily utilized, area of Columbia River waterfront for the benefit of few.

Thank you for considering Columbia Riverkeeper's input on the aquapark proposal. Please contact me at (541) 399-0769 or lorri@columbiariverkeeper.org if you have any questions about Riverkeeper's Nichols Natural Area program or position on the aquapark.

Sincerely,

A handwritten signature in blue ink that reads "Lorri Epstein". The signature is written in a cursive, flowing style.

Lorri Epstein
Water Quality Director
Columbia Riverkeeper

Commission Memo



Prepared by: Anne Medenbach
Date: May 21, 2019
Re: Leasing Strategy

On May 7, the Commission was presented with a Draft Lease Strategy for Port leased commercial and industrial buildings. That Strategy included a Strategy Document, a draft Lease template, a roll-out schedule, and a draft letter to tenants.

Since that meeting, staff and legal counsel have reviewed and updated the Lease template document. Changes have also been made to the Strategy, schedule and the tenant letter.

Attached are these documents in their final draft form. Additionally, staff has attached a sample tenant impact case study. This looks at potential impacts to the Big 7 building. On June 4th staff will come back with a more comprehensive examination of the impacts for each tenant and building. The market rate study will also be completed by that time, and a comparison can be made between market and proposed rates.

Staff seeks approval of the Lease Strategy including the:

- Lease Template
- Tenant Letter 1
- Tenant Letter 2
- Roll out Schedule

RECOMMENDATION: Approve Leasing Strategy for commercial and industrial properties.

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LEASE

THIS LEASE is entered into at Hood River, Oregon by and between **PORT OF HOOD RIVER**, an Oregon municipal corporation, hereinafter referred to as "Lessor," and _____, an Oregon _____ [sole proprietorship; partnership; corporation; limited liability company], hereinafter referred to as "Lessee."

1. Leased Premises Description. In consideration of the covenants of the parties, Lessor Leases to Lessee approximately _____ square feet of space in Lessor's building commonly known as the _____ Building ("Building") located at _____, Oregon ("Leased Premises"). The Leased Premises are identified in the attached "Exhibit A."

Building Name:
Building Address:
Lessee Suite/Description:
Leased Premises SF:

2. Term. The Lease shall be binding when both parties sign the Lease. The Lease Term shall be for the period effective on _____ and continuing through _____. If not in default under the Lease, and if Lessee pays Lessor all Rent Lessee owes or may be responsible to pay under the Lease, Lessee has the option to extend the Lease for _____ extension term(s) of _____ year(s) each, through _____, provided Lessee gives Lessor written notice of Lessee's intent to renew the Lease for the additional term while the Lease is in effect. To be effective, Lessee's notice to renew must be received by Lessor no later than 90 days prior to the Lease termination date.

Effective Date:
Lease Expiration Date:
Renewal Options:
Renewal Notice Requirement:

3. Allowed Use. Lessee shall use the Leased Premises for _____. The Leased Premises shall not be used for any other purposes without the written consent of Lessor, which may be granted or denied in Lessor's discretion.

4. Rentable Area Load Factor. Each Building tenant, including Lessee, is responsible to pay for their share of Building Operating Expenses related to Common Areas described in paragraph 5.3.1 calculated by Lessor. A "Load Factor" is calculated to determine Building tenant payments for Common Area Operating Expenses.

Load Factor Formula: The total Building square footage is _____ SF. The Common Area square footage is _____ SF. The total Building square footage divided by the total Building square footage minus the Common Area square footage equals the Load Factor %. The (Building Name) Load Factor is _____%.

Rentable Area square footage is the Leased Premises square footage (____SF) plus the Load Factor area square footage (_____SF). The Rentable Area square footage will be used to calculate Base Rent.

5. Rent

The rents Lessee owes Lessor shall be and consist of Base Rent (“Base Rent”), Additional Rent (“Additional Rent”). For purposes of this Lease, Base Rent and Additional Rent are referred to collectively as “Rent”.

5.1 Base Rent. Beginning on the Effective Date, Base Rent shown below, and 2 shall be payable in equal monthly installments in advance on the first day of each and every calendar month during the Term of this Lease, except to the extent otherwise specifically provided elsewhere in this Lease. However, if the Lease does not begin on the first day of a month, rental for the first month shall be prorated to reflect the actual number of days in that month that the Lease is in effect and shall be payable immediately.

<u>Suite #</u>	<u>Rentable Area Square Footage</u>	<u>Rate per s.f. per month</u>	<u>Monthly Base Rent</u>

5.1.1 Consumer Price Index (CPI). Starting on the first anniversary of the Effective Date, and occurring annually thereafter, including any extensions of this Lease, Base Rent will be adjusted by adding to the monthly rental amount payable during the previous 12-month period a percentage increase equal to the percentage change in the Consumer Price Index for the Western Region Class BK, or a similar U.S. Government inflation index selected by Lessor (CPI) for the most recent 12-month period for which a published CPI is available. However, in no event will the annual increase be less than 1 percent or more than 5 percent.

5.2 Additional Rent. Additional Rent shall be all other sums of money that shall become due from and payable by Lessee to Lessor under this Lease when Lessor sends a bill to Lessee for such sums, including without limitations, Operating Expenses as defined in Section 5.2.1 and Taxes and Assessments as defined in Section 5.2.2.

5.3 Additional Rent Calculation.

<u>Rentable Area (Square Footage)</u>	<u>Rate per s.f. per month</u>	<u>Monthly Estimated Additional Rent</u>

5.3.1 Operating Expenses. Operating Expenses shall include all costs for the operation, repair and maintenance of the Building, Common Areas, Building Exterior Areas and the real property on which they are situated whether designated for a particular Building tenant or which benefit some or all Building tenants. Operating expenses may include but are not limited to:

5.3.1.1 All costs and expenses incurred by Lessor in maintaining and repairing the Building, the Common Areas and Building Exterior Areas, including but not limited to:

- 5.3.1.1.1** General Building Exterior Areas maintenance and repairs of paved areas including; resurfacing, painting, restriping, cleaning, sidewalks, curbs, snow removal, storm systems, drainage systems and sweeping;
- 5.3.1.1.2** Maintenance and repair of landscaping including plantings, irrigation and sprinkler systems, general landscaping maintenance;
- 5.3.1.1.3** Services for Common Areas such as janitorial, fire suppression, security and door locking system, elevator and HVAC maintenance;
- 5.3.1.1.4** General maintenance and repair of Building systems including plumbing, lighting and fixtures, siding and trim, flooring and fixtures and garbage service.
- 5.3.1.2** All costs and expenses incurred by Lessor for utility usage and that is not separately metered and payable by Lessee or another Building tenant, including but not limited to: electricity, gas, water, telecommunications and internet provided in suite, Interior and exterior Common Areas.
- 5.3.1.3** Operating Expenses shall not include Lessor's capital expenditures, determined pursuant to Generally Accepted Accounting Principles as interpreted by Lessor, consistently applied, made in connection with Property or any equipment therein or thereon, except for those (i) required to comply with laws enacted after the date of this Lease, or (ii) made for the purpose of reducing Operating Expenses.
- 5.3.2** **Taxes and Assessments.** Lessee shall pay its proportionate share of all current assessments, real estate taxes, other taxes, fees and other charges levied or imposed by any governmental body against the Leased Premises, the Building, Common Areas and Building Exterior Areas and the property on which those sit, either directly or indirectly, whether or not now customary or within the contemplation of the parties. Payment of the taxes shall be made as an Additional Rent charge. Lessee's proportionate share of any taxes shall be based only on that portion of the taxes which is allocated to the Leased Premises during the Lease Term. Lessee shall pay directly all taxes levied on or with respect to Lessee's personal property located on the Leased Premises. [Note: Under current law, Port real property is exempt from property taxation during an upcoming fiscal tax year (July 1 through June 30) unless a private party occupies such Port property on June 30. If a private party is in possession of Port property on June 30 that Port property is taxed for the entire subsequent fiscal tax year "as a result of Lessee's occupancy."]
- 5.3.3** **Annual Adjustment/Reconciliations.** Within a reasonable time following the end of each Lessor fiscal year ending June 30 ("Fiscal Year") during the Term, Lessor shall furnish to Lessee an itemized statement prepared by Lessor, setting forth Lessee's total Rent, including Additional Rent, for the preceding Fiscal Year, the estimated amount of Lessee's share of future Additional Rent for the upcoming Fiscal Year, and the Rent payments made by Lessee, including Additional Rent, during the prior Fiscal Year ("Itemized Statement"). Should Lessee's prior Fiscal Year Additional Rent payments exceed the actual Additional Rent owed, Lessor shall credit Lessee that over payment amount to apply to the next Fiscal Year Additional Rent amount. Should Lessee's prior Fiscal Year Additional Rent payments be less than actual

Additional Rent owed, Lessee shall pay Lessor for such deficiency in a lump sum within thirty (30) days after receipt of the Itemized Statement.

The upcoming Fiscal Year Additional Rent payable by Lessee will be based on the average of the preceding Fiscal Year actual expenses allocated to Lessee and any new or higher costs or expenses allocated to Lessee which Lessee will owe based on Lessor's forecast of the future Fiscal Year expenses, which shall be reflected in the Itemized Statement. The new monthly Additional Rent amount will be sent to Lessee by Lessor in the annual Itemized Statement. Lessor shall adjust the Additional Rent monthly payment amount beginning every July 1 of the Term, which Lessee shall pay monthly in advance on the first day of each month during the Fiscal Year. The updated Additional Rent payment payable by Lessee for July and any other month that begins after the Itemized Statement is sent by Lessor to Lessee shall be due within ten (10) days after the date Lessor sends the Itemized Statement to Lessee.

6. Common and Building Exterior Areas. Common Areas and Building Exterior Areas are provided by Lessor for the joint use or benefit of Building tenants, including Lessee, their employees, customers, suppliers and other invitees. Common Areas and Building Exterior Areas are identified in the attached "Exhibit B". Use of available Common Areas and Building Exterior Areas shall be subject to like, non-exclusive use on the part of other Building tenants. Lessee agrees that its usage of such Common Areas and Exterior Building Areas shall not interfere with or be inconsistent with the similar rights of other Building tenants. All Common Areas and Exterior Building Areas shall be subject to the exclusive control and management of Lessor. Lessor shall have the right from time to time to establish, modify and enforce equitable rules with respect to all Common Areas and Building Exterior Areas, which Lessee agrees to abide by. Lessee understands and agrees that other tenants may occupy the Building.

6.1 Building Exterior Areas include: public parking areas, access roads, driveways, entrances and exits, landscaped areas, and sidewalks, excepting those parking spaces that may be designated for use by particular Building tenants.

6.2 Common Areas include interior Building space which is not available for lease to a third party and that is shared by Building tenants and shall include, but is not limited to: entry areas, hallways, stairwells, mechanical, IT, electrical and janitorial closets, shared restrooms and elevators.

7. Parking. Lessee may park vehicles in Exterior Common Areas designated by Lessor for vehicle parking. [As part of this Lease Lessee may also park vehicles in _____ designated parking spaces located _____. Lessor shall have no obligation to monitor parking or enforce parking restrictions associated with Lessee's designated parking spaces.]

8. Maintenance and Repair.

8.1 Lessor Obligations. Lessor shall maintain the Building except for Building tenant spaces which are the responsibility of Building tenants, and shall maintain the Building property including: (i) Exterior Common Areas (ii) Building (exclusive of the Premises), and (iii) any Building Common Areas, (including stairs, corridors, restrooms, exterior and interior

windows, plumbing and electrical equipment serving the Building, roof and elevators), except for equipment specifically servicing the Premises (“Lessee’s Equipment”), in reasonably good order and condition except for damage occasioned by the act of the Lessee or Lessee’s invitees, which damage shall be repaired by Lessor at Lessee’s expense.

8.2 Lessee Obligations. Lessee shall at all times during the Term at Lessee’s sole cost and expense, keep the Premises in good order, condition and repair. This obligation shall include, without limitation, the obligation to maintain, repair and replace as necessary: floor coverings, wall coverings and paint, casework, ceiling tiles, HVAC exclusively serving the Premises, Window coverings, light bulbs, ballasts and fixtures, locks and hardware and all tenant Improvements.

9. Insurance

9.1 Lessee Hold Harmless Agreement. Lessee agrees to indemnify and save Lessor, Lessor’s Port Commissioners, officers, employees and 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 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 willful or negligent act or omission of Lessee’s agents, contractors, employees, or licensees 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.

9.2 Lessee Insurance. On or before the effective date of the Lease and thereafter during the Lease Term, Lessee shall maintain insurance and provide Lessor with current certificates of insurance, including an additional insured endorsement, ensuring coverage of:

(a). Commercial General Liability insurance covering the insured against claims arising out of Lessee’s operations, assumed liabilities under this Lease and use of the Leased Premises. The combined single limit shall not be less than One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000) aggregate limit. Lessee agrees to keep the policy in effect for the duration of the Lease Term. The policy shall name Lessor as additional insured, and expressly include Lessor’s Port Commissioners, officers, employees, and agents as additional named insured. The policies shall state that the coverage is primary and will not seek any contribution from any insurance or self-insurance carried by Lessor and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor at least fourteen days prior written notice. The insurance shall be provided by an insurance company registered to do business in the State of Oregon, or by a company approved by Lessor.

(b). Property Damage insurance covering (a) all furniture, trade fixtures, equipment, merchandise and all other items of Lessee’s property on the Leased Premises and all alterations and other improvements and additions to the Leased Premises whether owned or constructed by Lessee or Lessor pursuant to the Lease. Such insurance shall be written on an “all risks” of physical loss or damage basis, for the guaranteed replacement costs new

value without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies.

9.3 Building Damage or Destruction. Lessor shall maintain property insurance covering the Building, Exterior Building Areas and Common Areas providing protection against “all risk of physical loss”. If the Leased Premises or Building are partially destroyed by fire or other casualty, Lessor may decide to repair the Leased Premises or Building, or not, in Lessor’s sole discretion. Lessor shall notify Lessee in writing of Lessor’s intent regarding repair within 30 days after the date of the damage. If Lessor notifies Lessee that Lessor does not intend to repair the damage the Lease shall terminate effectively at the date of the damage. If Lessor notifies Lessee that Lessor intends to repair the damage the Lease shall continue and Lessor shall return the Leased Premises or Building to as good a condition as existed prior to the damage, in a prompt manner reasonable under the circumstances. If Lessee’s use of the Leased Premises is disrupted during Lessor’s repairs a reasonable portion of the Rent shall be abated during the disruption. In no event shall Lessor be required to repair or replace Lessee’s property including Lessee’s fixtures, furniture, floor coverings or equipment. In no event shall Lessee be entitled to recover damages from Lessor related to destruction of the Leased Premises or Building or related to repairs undertaken by Lessor.

10. Lessor Leased Premises Improvements. If Lessor agrees in writing to make improvements to the Leased Premises prior to Lessee’s right to occupy the Leased Premises, such improvements, their cost, Lessee’s and/or Lessor’s payment responsibilities and estimated date of completion of the improvements may be set forth in this Lease, or in a separate written agreement between Lessee and Lessor. Lessor will use reasonable efforts to complete construction of improvements Lessor has agreed to make by Lessor’s estimated completion date. However, Lessor does not represent or warrant that Lessor improvements will be completed by the estimated completion date. The improvements Lessor intends to make prior to Lessee’s occupancy maybe described in bid documents prepared by Lessor’s architect and/or engineer. Lessor’s improvements may be modified by Lessor prior to or after commencement of construction after consulting with Lessee. Lessor’s improvements to the Leased Premises when completed shall be deemed acceptable to Lessee. If Lessee requests Lessor to make Leased Premises improvement changes that will increase the construction cost or improvement project soft costs, and if Lessor in Lessor’s discretion agrees to make changes, Lessor and Lessee will promptly execute a written agreement describing the changes and agree how the costs will be paid prior to such costs being incurred.

11. Tenant Alterations. Lessee shall not make any alterations, additions, or improvements (“Alterations”) in, on or to the Leased Premises or any part thereof without the prior written consent of Lessor which Lessor may agree to, with or without conditions, or deny in Lessor’s discretion After receiving a Lessee request to make Alterations Lessor will consider the following, among other issues: (i) the Alterations are nonstructural, do not impair the strength of the Building or any part thereof, and are not visible from the exterior of the Leased Premises; (ii) the Alterations do not affect the proper functioning of the Building heating, ventilation and air conditioning, mechanical, electrical, sanitary or other utilities, systems and services of the Building; (iii) Lessor shall have reviewed and approved the final plans and specifications for the Alterations; (iv) Lessee pays Lessor a fee for Lessor’s indirect costs, field supervision or coordination in connection with the Alterations equal to five percent (5%) of the actual cost of such Alterations or such other sum as Lessor determines if Lessee agrees; (v) Materials used are

consistent with existing materials in the Leased Premises and Building and comply with Lessor's Building standards; and (vi) before proceeding with any Alteration, which will cost more than \$10,000, Lessee obtains and delivers to Lessor a performance bond and a labor and materials payment bond for the benefit of Lessor, issued by a corporate surety licensed to do business in Oregon each in an amount equal to one hundred twenty five percent (125%) of the estimated cost of the Alterations and in form satisfactory to Lessor, or such other security as shall be satisfactory to Lessor.

12. Fixtures and Personal Property. Lessee shall not suffer or give cause for the filing of any lien against the Leased Premises or Building. Lessee shall promptly notify Lessor of, and shall defend, indemnify and save harmless, Lessor from and against any and all construction and other liens and encumbrances filed in connection with Alterations, or any other work, labor, services or materials done for or supplied to Lessee.

Unless otherwise agreed in writing, all permanent improvements now located or hereafter placed on the Leased Premises during the term of the Lease, other than Lessee's trade fixtures, equipment, and items related to Lessee's equipment, 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 has placed on the Leased Premises at Lessee's expense, in a way which does not cause damage to the Leased Premises and to repair or restore the Leased Premises to its original condition.

At the expiration or earlier termination of the Lease Term Lessee shall remove all furnishings, furniture, equipment, other personal property and trade fixtures from the Leased Premises in a way that does not cause damage to the Leased Premises. If Lessee fails to remove any personal property, this shall be an abandonment of such property, and Lessor may retain Lessee's abandoned property and all rights of Lessee with respect to it shall cease; provided however, that Lessor may give Lessee written notice within 30 days after the Lease expiration or termination date electing to hold Lessee to its obligation of removal. If Lessor elects to require Lessee to remove personal property and Lessee fails to promptly do so, Lessor may affect a removal and place the property in storage for Lessee's account. Lessee shall be liable to Lessor for the cost of removal, transportation to storage, storage, disposal, and other costs incurred by Lessor with regard to such personal property.

Condemnation. If more than twenty-five percent (25%) of the Leased Premises and/or Building shall be taken or appropriated under the power of eminent domain or conveyed in lieu thereof, Lessor shall have the right to terminate this Lease. If the Lease is terminated, Lessor shall receive all income, rent award or any interest thereon which may be paid or owed in connection with the exercise of such power of eminent domain or convey in lieu thereof, and Lessee shall have no claim against the agency exercising such power or receiving such conveyance, for any part of such. If Lessor elects not to terminate the Lease, Lessor shall receive any and all income, rent award or any interest thereon paid or owed in connection with such taking, appropriation or condemnation.

13. Signs. Lessee shall not erect or install any signs, flags, lights or advertising media nor window or door lettering or placards visible from outside the Leased Premises or visible from the Building Common Areas or Exterior Common Areas without the prior written consent of Lessor, which

Lessor may grant or deny in Lessor's discretion. Lessee agrees to maintain in good condition any signs or displays which are allowed.

14. Leased Premises Condition; Lessor Access. Lessee has inspected the Leased Premises and accepts them in AS IS condition, including any improvements Lessor agrees in writing to make prior to or at the commencement of the Lease Term, if any, which shall be deemed acceptable to Lessee when completed by Lessor. Lessee shall maintain the Leased Premises including any improvements thereto in good, broom clean condition throughout the Lease Term, and return the Leased Premises to Landlord in such condition at the termination of this Lease.

Upon termination or expiration of this Lease, Lessor shall inspect the Leased Premises and shall either accept the condition AS IS, or require Lessee to remove personal property and/or repair the Leased Premises to a condition that is acceptable including reasonable wear and tear. Any cost to bring the Leased Premises back to acceptable condition shall be the sole responsibility of the Lessee.

Lessor shall have the right to enter upon the Leased Premises at all reasonable hours after 24 hours oral notice (without notice to protect public health and safety in an emergency) to inspect it or to make repairs, additions or Alterations to the Leased Premises or any property owned or controlled by Lessor. E-mail from Lessor to Lessee (or Lessee's on-site manager if any) may serve as notice of inspection of the Leased Premises. If Lessor deems any repairs reasonably required to be made by Lessee to be necessary, Lessor may give notice that Lessee shall make the same within 30 days (immediately in an emergency involving public health and safety), and if Lessee refuses or neglects to commence such repairs and complete the same in a timely manner, Lessor may make or cause such repairs to be made. If Lessor makes or causes such repairs to be made Lessee agrees that it will, within 30 days, pay to Lessor the cost thereof and pay Lessor's related costs.

Lessor shall provide up to 5 access keys to the Leased Premises or up to 5 access cards. Additional keys or lost keys may be purchased from Lessor for \$20 per key. Additional access cards may be purchased from Lessor for \$25 per card. If Lessor is managing a key system which requires issuance of a rekey Lessee shall be responsible for the cost associated with Lessor issuing a rekey.

15. Entire Agreement; Amendments. This Lease contains the entire agreement of the parties with respect to the Leased Premises. No prior agreement, statement, or promise made by any party to the other not contained herein shall be valid or binding. This Lease may not be modified, supplemented or amended in any manner except by written instrument signed by both parties.

16. Quiet Enjoyment. From the date the Lease commences Lessee will have the right to use the Leased Premises consistent with this Lease without hindrance or interruption by Lessor or any other persons claiming by, through or under Lessor, subject, however, to the terms and conditions of this Lease. The foregoing notwithstanding, Lessee agrees that Lessor may make improvements to the Building and adjacent areas which may cause noise or otherwise temporarily disrupt Lessee's quiet enjoyment of the Leased Premises.

17. 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.

18. Assignment. Lessee agrees not to assign or in any manner transfer this Lease or any estate or interest therein without the previous written consent of Lessor, and not to sublet the premises or part or parts thereof without like consent. Lessor will not unreasonably withhold its consent. [This Lease will not be assigned, sub Leased, or otherwise transferred except with the consent of Lessor, which consent may be granted or denied in Lessor's sole discretion. Any transfer of an ownership interest in Lessee of _____ percent (___%) or more will be deemed an assignment.]

19. Default. Time is of the essence of performance of all the requirements of this Lease. If any Rent or other sums payable by Lessee to Lessor shall be and remain unpaid for more than ten (10) 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 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.

20. Holdover. If Lessee does not vacate the Leased Premises when the Lease term expires, Lessor shall have the option to treat Lessee as a Lessee from month to month, subject to all the provisions of this Lease except the provisions for term and renewal, and at a rental rate equal to one hundred and fifty percent (150%) of the daily prorated amount of the Rent for the last period prior to the date of expiration. Lessor may choose to lower the rental rate and will notify Lessee of such choice in writing once Lessee is Holding over. Failure by Lessee to remove fixtures, furnishings, trade fixtures, or other personal property which Lessee is required to remove under this Lease shall constitute a failure to vacate to which this paragraph shall apply. If a month-to-month tenancy results from holdover by Lessee under this paragraph, the tenancy shall be terminable at the end of any monthly rental period on written notice from Lessor given to Lessee not less than 10 days prior to the termination date specified in Lessor's notice. Lessee waives any notice which would otherwise be required by this Lease or by law with respect to month-to-month tenancy.

21. Notices. Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient if such notice to Lessee is in writing delivered personally to Lessee's registered agent if any, to the person signing the Lease, or to Lessee's on site manager if any who at the date of this Lease is _____, or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease; and if such notice is to Lessor, delivered personally to the Executive Director, 1000 E. Port Marina Drive, Hood River, OR 97031 or sent by certified mail with postage prepaid to the address indicated on the signature page of this Lease.

Notice shall be deemed given on the date of personal delivery or if mailed, two business days after the date of mailing.

22. Dispute Resolution. Any dispute involving this Lease may be resolved by court action or mediation if both parties agree. If the parties agree to use a mediator, they will each pay one half the costs of mediation. If mediation does not occur or does not result in a solution satisfactory to both parties, the dispute shall be resolved by arbitration. Any arbitration shall be in accordance with the rules of the Arbitration Service of Portland then in effect. The parties shall use a single arbitrator mutually agreeable to them. If they are unable to agree on an arbitrator, or a process to select one, either party may apply to the Hood River County Circuit Court to appoint an arbitrator. The award rendered by an arbitrator shall be binding on the parties and may be entered in the Hood River County Circuit Court. The prevailing party in court action or an arbitration proceeding, including any appeal therefrom or enforcement action, shall be entitled to recover their reasonable attorney’s fees and costs and disbursements incident thereto.

23. Authority to Execute. The persons executing this Lease on behalf of Lessee and Lessor warrant that they have the authority to do so.

DATED this ____ day of _____, 20--.

Lessee:		Lessor:	Port of Hood River
Signed:	_____	Signed:	_____
By:		By:	Michael McElwee
Its:		Its:	Executive Director
Address:		Address:	1000 E. Port Marina Drive Hood River, OR 97031
Email/phone:		Email/phone:	(541) 386-1645

**Exhibit A
LEASED PREMISES**

**Exhibit B
COMMON AREAS**

Port of Hood River
2019 Lease Strategy
DRAFT: May 21, 2019

The Lease Strategy is intended to provide a base structure for the Leasing and management of Port owned buildings. By implementing a strategy that is consistently applied, Port staff can better strive to meet Economic Development goals as they pertain to leased assets. It is understood that the Port has the flexibility to negotiate and that each deal is unique and that promoting new and start up business may sometimes be a priority. However, this Strategy provides Staff and Commissioners a framework from which to operate.

Goals

1. Recover all operating costs as defined in the Lease.
2. Create a reserve account which can cover depreciation as well as future Capital Improvements.
3. Achieve a minimum 4% annual return on cost.
4. Fully implement the Strategy by 2023 consistent with current Lease expirations.
5. Consider implementing a lease structure for incubating new businesses that will eventually “graduate” to the proposed Lease Template.

Lease Template

For future lease negotiations, staff shall utilize the Lease Template (Attachment ‘A’). Although each lease or renewal will be negotiated individually, all negotiations shall take place within the framework of the Lease Template and shall seek to achieve the terms outlined below:

1. Recovery of Operating Costs
 - a. Clearly define Port and tenant maintenance obligations.
 - b. Clearly define square footage allocations using a load factor.
 - c. Ensure that reconciliations fit current financial process.
 - d. Strive to include all non-reimbursables in the Base rate.
 - e. Include all existing and consider potential operating costs.
2. Recovery of Depreciation
 - a. Ensure that capital improvement replacement responsibilities are clearly outlined.

- b. Strive for a reserve amount that is sufficient to cover Port capital improvements within 3-year timeframe.
 - c. Create a separate reserve account for all leased buildings (aggregate).
 - d. Analyze large capital improvements on a cost/benefits basis and ability to recoup costs through rate escalations.
3. Achieve 4% return on all costs, excluding capital.
- a. Strive to include all costs are accounted for in initial rate set.
 - b. Base 4% profit on existing costs and maintain it through annual CPI base rent adjustments
 - c. Strive to have rates that are consistent with market comparables.
4. Update standard clauses regularly to allow for longevity of the Lease document.
- a. Ensure insurance coverages are adequate and flexible.
 - b. Strive to have standard lease clauses conform with industry standards.
 - c. The standard lease term will be 5 years with up to 5 years of renewal options.
 - d. A market study shall be done every fifth year to ensure that rates are consistent with the market.

Lease Negotiations

Staff shall take the following steps in negotiating new leases:

1. Expiring Leases.
 - a. Provide tenant with new Lease Template prior to lease expiration.
 - b. Implement new rates immediately for tenants experiencing a less than 10% total annual increase, including CPI.
 - c. Rates for those with over a 10%, including CPI, increase will be phased in based on tenant needs and staff recommendations.
2. New Leases
 - a. The new lease will be fully implemented for new tenants and/or new buildings.
3. Missed Lease Renewal Notification Periods
 - a. If one renewal option exists when notification period is missed, Tenant will be allowed to continue under the existing lease until such time as that lease expires. When that lease expires, tenant will go directly to full implementation of the new Lease with no rate phasing.
 - b. If more than one renewal option exists, then at the time of expiration, the Tenant will sign a new lease with the Port. The first term will equal the existing renewal option length and rate total. Any additional renewal terms will be at

the new lease rate. Or the Tenant can choose to not include additional renewal terms.

4. Staff shall consider utilization of the Draft Tenant Letter attached as **Exhibit 'B'**.

Exhibits:

- A. Draft Lease document
- B. Draft Tenant Letter 1
- C. Draft Tenant Letter 2
- D. Draft schedule for new Lease implementation

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INDUSTRIAL/COMMERCIAL FACILITIES • AIRPORT • INTERSTATE BRIDGE • MARINA

1000 E. Port Marina Drive • Hood River, OR 97031 • (541) 386-1645 • Fax: (541) 386-1395 • portofhoodriver.com • Email: porthr@gorge.net

May 22, 2019

Tenant Business Name
Tenant contact
Address

Re: New lease structure for Port-owned properties

Dear [Business Owner Name]:

You have been a tenant in Port of Hood River buildings since [First Year of Lease]. The Port values you as a tenant and hopes to continue to lease the [Property Address] property to you in the future. This letter is to inform you of coming changes to the Port's leasing policies that will result in important changes to all Port tenant leases upon Lease expiration.

The Port is an economic development agency that utilizes Port-owned lands and other assets to foster business development within the Port district, and a stable, livable economy throughout the Mid-Columbia. In addition, the Port owns and operates the Hood River Marina, the Ken Jernstedt Airfield, the Hood River-White Salmon Interstate Bridge, and many parks and open spaces along the Hood River Waterfront. As the Port prepares for the future, operations and policies in all business areas are being evaluated for self-sustainability and best practices. The Port must ensure that each asset can stand on its own in order to continue to support business and job growth in Hood River and the Gorge.

To that end, the Port is revising its property leasing policies and standard lease structure. Currently, the Port does not charge for common areas, maintenance, and some other operating costs. Further, leases have been allowed to renew for 15-20 years with no check to market rates. Because of this many Port buildings operate at a deficit that is annually subsidized. As businesses establish, they should grow out of the need for Port subsidy. The Port Commission has directed staff to update the lease structure to recover all building operating costs and bring lease rates to market. This may result in increased rents for you. The Lease Strategy, as approved by the Commission on May 21st, is attached.

In the coming weeks, you will receive another letter that will include specific impacts to your current lease after expiration and the new Lease document. This will clearly outline the changes that the Port is proposing. Once you review that, I will be contacting you to set up a face to face meeting in order to talk through next steps for you and your business.

Port of Hood River

Providing for the region's economic futu

My phone number and email are below should you wish to contact me sooner.

Sincerely,

Anne Medenbach
Development and Property Manager
(541) 386-5116
amedenbach@portofhoodriver.com

DRAFT



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1000 E. Port Marina Drive • Hood River, OR 97031 • (541) 386-1645 • Fax: (541) 386-1395 • portofhoodriver.com • Email: porthr@gorge.net

Tenant Name

June 1, 2019

Address

Hood River, OR 98031

Re: New lease structure for Port-owned properties

[Tenant Business Name]

Dear [Business Owner Name]:

The Port recently sent you a letter informing you that our Lease Strategy is changing and that this may impact your Lease with the Port. In order to give you a clear picture of the potential impacts, attached to this letter is a spreadsheet that outlines:

- Your current lease term (renewals, expirations)
- Your current lease rate
- The proposed impact of the new lease on your rate
- Your proposed new rate

Your lease expires on [Month, Date, Year]. I would like to meet with you as soon as is convenient to discuss the new lease changes and any impacts to your business, your needs, and how we can work together to move forward. The Port wants to ensure tenant businesses are not overly burdened with these changes and seeks to implement a timeline of changes to minimize negative impacts while achieving Port objectives.

I will follow up this letter within the next few days to arrange a meeting time with you to address any questions you may have and to ensure I have a full understanding of how these changes will impact your business. My phone number and email are below should you wish to contact me sooner.

Sincerely,

Anne Medenbach
Development and Property Manager
(541) 386-5116
amedenbach@portofhoodriver.com

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Roll out Schedule

Date	Action	Responsible Party
21-May	Approve Lease Strategy	Commission
21-May	Approve Lease Document	Commission
22-May	Send out Tenant Letter 1	Staff
31-May	Lease Study completion	Consultant
3-Jun	Send out Tenant Letter 2	Staff
June 4-Aug 1	Tenant Face to Face Meetings	Staff

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Sample Tenant Impacts

Assumptions:

- Used Big 7
- Based on 9 month, YTD actual Base and Additional Rent costs

1. Base Rate changes

This spreadsheet shows how the load factor impacts the base rent. If the load factor was added to the square footage today, and the monthly rental amount remained the same, the lease rate per square foot would decrease. This is because that rental amount would be divided by more square footage. Hence the reduction.

Base Rent- Current VS Proposed						
	Current Leased SF	Load factor	New leased sf	Current base rent	Current Base rent Per sf	New sf at existing total base rent amount
Tenant 1	20031	0.14	22835	\$ 13,128.56	\$ 0.66	\$ 0.57
Tenant 2	4948	0.14	5641	\$ 3,361.49	\$ 0.68	\$ 0.60
Tenant 3	4074	0.14	4644	\$ 2,623.14	\$ 0.64	\$ 0.56
Tenant 4	3800	0.14	4332	\$ 2,918.82	\$ 0.77	\$ 0.67
Tenant 5	2841	0.14	3239	\$ 1,772.13	\$ 0.62	\$ 0.55
Tenant 6	500	0.14	570	\$ 250.00	\$ 0.50	\$ 0.44
Vacant	786	0.14	896			
Totals	36980		42157	\$ 24,054.14	\$ 0.65	0.57

2. Additional rent changes

Currently the Port only charges for utilities and taxes based on the tenant space square footage. The proposed lease structure changes additional rent in two ways:

- It add square footage. The square footage which the additional rent is charged is increased and includes the common area costs.
- It adds costs. Additional costs such as maintenance and insurance are included in the additional rent, significantly increasing the costs to be born by the tenants.

Additional Rent- Current Vs Proposed						
	Total current monthly T & U	Per sf	Proposed Addtnl rent	Proposed Addtnl rent total	Monthly Difference	Percent change
Tenant 1	\$ 3,839.39	\$ 0.19	\$ 0.34	\$ 7,764.02	\$ 3,924.63	102%
Tenant 2	\$ 1,573.84	\$ 0.32	\$ 0.34	\$ 1,917.84	\$ 344.00	22%
Tenant 3	\$ 852.18	\$ 0.21	\$ 0.34	\$ 1,579.08	\$ 726.90	85%
Tenant 4	\$ 797.76	\$ 0.21	\$ 0.34	\$ 1,472.88	\$ 675.12	85%
Tenant 5	\$ 508.82	\$ 0.18	\$ 0.34	\$ 1,101.17	\$ 592.35	116%
Tenant 6	\$ 140.30	\$ 0.28	\$ 0.34	\$ 193.80	\$ 53.50	38%
Totals/Ave	\$ 7,712.29	\$ 0.23		\$ 14,028.79	\$ 6,316.50	75%

3. Overall changes

When you combine the decrease in Base rental rates and the increase in Additional Rental rates, the net change for this building is an average of \$0.04/sf. The percent change in income is 20%. This is just an example. Staff and Commission will need to determine rates per each building and each building type once the Market rate study is completed. At that time, Staff will come back to the Commission with a recommendation for each building and each tenant based on a combination of market rents, revenue targets and rate increase capacity. As some buildings are closer to market and/or closer to being revenue positive than others, each building and tenant

will be different. The purpose of this document is to show the Commission an example of the potential impact to individual tenants.

Proposed Monthly Rent Adjustments								
	Keep existing base rent	Change additional rent to fully compensate	Proposed total rent	Current total rent	Difference	Percent change	Total Current PPSF	Total Proposed PPSF
Tenant 1	\$ 13,128.56	\$ 7,764.02	\$ 20,892.58	\$ 16,967.95	\$ 3,924.63	23%	\$ 0.85	\$ 0.91
Tenant 2	\$ 3,361.49	\$ 1,917.84	\$ 5,279.33	\$ 4,935.33	\$ 344.00	7%	\$ 1.00	\$ 1.00
Tenant 3	\$ 2,623.14	\$ 1,579.08	\$ 4,202.22	\$ 3,475.32	\$ 726.90	21%	\$ 0.85	\$ 0.90
Tenant 4	\$ 2,918.82	\$ 1,472.88	\$ 4,391.70	\$ 3,716.58	\$ 675.12	18%	\$ 0.98	\$ 1.01
Tenant 5	\$ 1,772.13	\$ 1,101.17	\$ 2,873.30	\$ 2,280.95	\$ 592.35	26%	\$ 0.80	\$ 0.89
Tenant 6	\$ 250.00	\$ 193.80	\$ 443.80	\$ 390.30	\$ 53.50	14%	\$ 0.78	\$ 0.78
Totals/Ave	\$ 24,054.14	\$ 14,028.79	\$ 38,082.93	\$ 31,766.43	\$ 6,316.50			
Annual Totals			\$ 456,995.21	\$ 381,197.20	\$ 75,798.01	20%	\$ 0.88	\$ 0.92