



# PORT NEWS

Winter 2022

## Stewardship

by Michael McElwee,  
Port Executive Director



Michael McElwee

**The** Port of Hood River has a long and rich history of public service. I came to work here in 2006 from a love for the Hood River Valley and a chance to be part of that legacy. Now, over 15

years have passed. Every day of work has been a privilege. I have been truly honored to work with all the staff, Port Commissions, agency partners and many citizens who have contributed so much to the Port mission. One of the core values I've tried to emphasize in my time here is Stewardship, which can be defined as "... the careful and responsible management of something entrusted to one's care." I like to say that the Port really doesn't "own" anything. It is a public agency, managing public property, for the public good. That means stewardship decisions involving the Waterfront, Airport, Bridge and other Port assets need to consider next summer and next year, but often next decade, even next generation.

Who makes stewardship decisions? Port staff, a small but incredibly smart, hard-working, and dedicated group, make them every day. Port Commissioners, acting as a group, have significant responsibility. These elected officials are truly volunteers. They play a vital role in stewardship, providing leadership, and setting policy and budgetary direction. In most of my time here I have been blessed with incredibly effective Port Commissions. All shared similar qualities of collaboration, thoughtfulness, and dedication, while being both supportive of staff and constructively critical when needed. A well-functioning Commission is critical for good stewardship decisions. Finally,

Please see **Stewardship** on page 8

## Bridge Replacement ramps up for the pre-development phase

**The** Port of Hood River's focus on bridge replacement is shifting increasingly to Project Development as it completes its last NEPA activities for the Final Environmental Impact Statement (EIS) and Record of Decision (ROD). Completing the Final EIS positions the project for Phase Two tasks such as funding, design and pre-construction activities.

The 1970 National Environmental Policy Act (NEPA) requires that government actions (primarily capital projects) thoroughly evaluate projects or activities expected to have significant environmental impacts and/or require federal funding.

Phase One's monumental task of fulfilling NEPA requirements took four and a half years. This included technical reports on air quality, energy and greenhouse gases, fish and wildlife elements, geology and soils, hazardous material, land use, noise, traffic, water quality, vegetation and wetlands, historic, cultural, archaeological and recreational resources, as well as social and economic considerations. After publishing the Supplemental Draft EIS in November of 2020, the Port hosted a six-week public comment period through multiple communications channels. A key step to developing the Final EIS was Port response to over 150 public comments.



### *The Final EIS / ROD conclusions are anticipated pending these final elements:*

- Tribal Compensation Agreements (CAs) with four treaty tribes that will be impacted by construction of the proposed bridge. Agreements are in development for impacts due to a loss of fishing access at treaty negotiated sites.
- Finalization for Endangered Species Act consultation that will come from the National Marine Fisheries Biological Opinion. This opinion is a response to the project's plan for addressing impacts to Endangered Species. Fully funded projects have been given priority status due to staffing limitations.
- Final mitigation agreements with consulting parties to comply with the National Historic Preservation Act of 1966 (Section 106) in order to resolve the project's adverse effects on historic preservation of properties. This relates to removing the existing bridge, a historic resource. Historic preservation could include activities like developing museum exhibits to memorialize the structure.

The Port secured the services of WSP USA to guide the bridge replacement project through the complexities of the NEPA process, development of the Supplemental Draft EIS, Final EIS and ROD. WSP has worked closely with the Port's Bridge Replacement Project Director, Kevin Greenwood.

As the NEPA process concludes and once the Final EIS and ROD are received, bridge replacement work will focus on funding for design, permits, studies and construction. A ROD would allow the project to proceed with federal funding and permit applications.

Project Development (Phase Two) began six months ago and is estimated to cost \$20-30 million. Completion of Phase Two will allow the project to move to construction.

Please see **Bridge** on page 8

*The nearly 100-year-old Hood River-White Salmon Bridge is inadequate for 21st century traffic. Proposed replacement options such as the span rendered below would provide a safer crossing for generations to come.*



ODOT imposed new weight limits for the bridge. Independent live load test results are expected this Spring.

### Bridge work update

Commuters may remember a series of planned bridge closures for live load testing performed on the Hood River-White Salmon Interstate Bridge last October.

The project followed the Oregon Department of Transportation's (ODOT) bridge load rating that was put in place on March 3, 2021, based on ODOT formulas. Since several local commercial freight haulers were impacted by the new limitations, the Port worked with its bridge engineer HDR to carry out live load testing in an effort to verify ODOT's results. HDR contracted with the firm BDI to perform diagnostic tests and determine subsequent field-verified load ratings. Results from the extensive study are still being analyzed and the Commission received the engineer's report in February.



### Two join Port Commission

Two new Commissioners, Mike Fox and Heather Gehring, were elected in May 2021 and sworn in last July. Gehring is currently serving as Treasurer and represents the Port on the Airport Advisory Committee and Urban Renewal Board. Fox serves as Secretary on the Port Commission and co-chairs the Bridge Replacement Bi-State Working Group.

The bridge's semi-annual bridge deck maintenance and repair welding project also resulted in intermittent single-lane closures for two weeks in November. The work was completed by Bulldog Welding on the steel grate deck of the Hood River-White Salmon Interstate Bridge.

Finally, overhead telecom cable repairs required daytime closures in November to allow helicopter crews to perform the repairs safely.

### Waterfront recreation and safety

2021 recorded one of the busiest seasons for Port-owned recreational properties to date. Waterfront Manager Daryl Stafford attributes this partly to continued high use of outdoor facilities by residents and metro-area day trip visitors as the pandemic continued.

As reported in the Port's 2021 Waterfront Annual Report, Stafford noted that while the number of kite, SUP, and windsurfing rentals and lessons were flat or down slightly compared to the previous year, there was a notable increase in "wingers and foilers," the Gorge's newest wind sports.

Increased usage also brought issues of garbage, off-leash dogs, parking scarcity, restroom sanitation and water safety to light. A staffing shortage for summer help was problematic for most of these issues.

With the busy season also came a sharper focus on waterfront safety. The tragic drowning death of a young girl in Nichols Basin occurred on a very busy day on the waterfront, not far from the beach and from family members. This followed the drownings last year of two members of an out-of-town church group near the Marina Beach. The Port of Hood River has formed a new committee to focus on waterfront safety and sought the input of waterfront recreation safety expert consultants. Additional signage, life jacket stations, public information and warning messages using universal symbology are some of the measures being taken to address these hazards.

### Numerous staff changes at the Port

#### STAFF ADDITIONS:



**Greg Hagbery** joined the Port last June as its new property and development manager. Hagbery brings construction and development project management experience to the Port with a background in planning and architectural design. He's responsible for developing, marketing, leasing, and overall

management of the Port's real estate portfolio. Most recently, Hagbery worked as the Land Development Manager for Curtis Homes, LLC in Hood River. He has lived in the area for over 10 years.

#### PROMOTIONS:



**Genevieve Scholl** is the Port's new deputy executive director after serving seven years as communications and special projects manager. Scholl will take on additional administrative, supervisory, and human resources responsibilities while continuing communications

and project management responsibilities.

**John Mann**, the Port's facilities manager since 2014, was recently promoted to facilities director, a new position at the Port. His new role brings increased public contracting, capital construction project management and administrative responsibilities.



**Patricia Rosas** was promoted to the new role of contracts administrator. Rosas has been with the Port since June of 2020, starting as an administrative specialist.

#### RETIREMENTS:

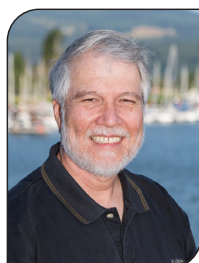


Two recent retirements of key personnel have taken place at the Port.

**Louie Ambers** retired from the Facilities Department in December 2020, after 15 years of dedicated service. "Louie was a tremendously knowledgeable and dedicated employee," said Port Executive Director Michael

McElwee. Ambers was the department lead and head of the biological controls systems for Port parks and landscapes. He was also the lead bridge operator charged with the handling controls for all bridge lifts.

Chief Financial Officer **Fred Kowell** retired at the end of 2021 after nearly 10 years of service. Kowell's expertise has been invaluable for strategic planning and bridge replacement efforts.



The Port will announce his replacement in March.

**For all current job opportunities at the Port, visit [portofhoodriver.com](http://portofhoodriver.com). Job opportunities are listed in the "About" section.**



Grant funding will create a new rigging area like this existing one at the Hook, in addition to other waterfront improvements.

In related waterfront news, a \$35,000 grant was received from Travel Oregon for construction of a new rigging area at the Hook, increased sanitation facilities, and safety signage at the waterfront.

The Port has issued a solicitation to bid on a Hood River Marina boat launch float and ramp project that will replace two dock floats followed by ramp upgrades. The project is funded in part by an Oregon State Marine Board (OSMB) grant.

A record number of Event Site passes were sold in 2021 with revenue up 34% compared to the pre-pandemic summer of 2019. To read more about the 2021 waterfront season, visit the Waterfront Recreation homepage at [portofhoodriver.com/waterfront-recreation](http://portofhoodriver.com/waterfront-recreation).

**Waterfront Development**

Last spring, the Port issued a Request for Developer Interest for Lot #900, commonly referred to as the Barman property, for a public-private partnership that includes leasing land long-term from the Port and developing the commercially-zoned property to best suit the community. Six proposals were received that reflected mixed and single-use concepts involving hotels, residential, retail, offices and/or restaurants. The Port is moving forward now toward a Memorandum of Understanding (MOU) agreement with the finalist developer.



*The Barman Property (foreground) and Lot #1 beyond, will potentially see improvements soon.*

Lot #1 development also gained traction recently. The Port of Hood River received a \$500,000 grant award for the E. Anchor Way extension project from the Immediate Opportunity Fund administered by ODOT and Business Oregon to support transportation projects directly tied to economic growth and business expansion.

Additionally, the Port obtained a \$500,000 grant from the State of Oregon Coronavirus Fiscal Recovery Fund, a result of the federal American Rescue Plan Act (ARPA). This project funding was allocated through the 2021 Oregon Legislature with advocacy by Senator Chuck Thomsen for E. Anchor Way and/or a commercial hangar at the Ken Jernstedt Airfield. Staff has been pursuing opportunities for grant funding for both projects. ●

**Airport News**

- The Port of Hood River has selected contractor Precision Approach Engineering for its Airport Engineering Master contract.
- Greg Hagbery has taken on the role of staff liaison to the Airport Advisory Committee and newly elected Commissioner Heather Gehring is now the Port Board representative on the committee.
- A purchase contract with Mascott Engineering was finalized last summer for the purchase and installation of a new AV Gas Tank that will feature a self-serve card reader payment system.
- The Commission held a special work session focused on the Airport Fixed Base Operator contract and Through The Fence Agreements on July 19. The meeting featured a presentation by UAS Consulting, Inc.'s Mike Davis who presented a report on his 2021 Strategic Recommendations project for the Airport.
- Port Facilities crew completed the installation of a new irrigation system covering about 25,000 square feet near the north T-Hangar block in August, work required to preserve irrigation rights.
- Consulting architect Aron Faegre continues his work on plans and specifications for the potential new commercial hangar development. Mr. Faegre was successful in obtaining a grant from Energy Trust of Oregon to evaluate the potential for roof-mounted solar panels on the building. ●



**BRIDGE**



**RECREATION**

**A Strategic Business Plan will guide the Port for the next five years.**

The Port of Hood River's 2021-2026 Strategic Business Plan ("Plan") was approved last summer by the Port Commission after an extended development timeline. The document will guide policies, operations, and projects over the next five years.

The Plan focuses on the key actions (construction, maintenance, programs, policies and regulations) the Port intends to take in the near term. The document gives more information about why and how the Port created the Plan, why and how the Port is pursuing its selected goals with certain actions, and the schedule and cost for implementing improvements. The 38-page Plan document has 33 appendices that contain the background information and analysis that support its recommendations.

The Plan effort began in 2019. The COVID pandemic prolonged the typical timeline for development of such a plan by at least eight months while other course corrections also occurred. But, as described in the Plan's text, "... the Port Commission, staff, and stakeholders have, in the last two years, done a lot of work on priority issues within each service area of the Port. It is better to use the Plan to consolidate and integrate that work than to work from new data to come to new conclusions about priorities."

The Port revisited its mission and values as part of the process. Situational assessments were also completed for all the Port's major interests including the bridge, airport, real estate and property development, and waterfront recreation within the context of the region.

The Port Commission hosted planning workshops, conducted public meetings, sought input from advisory committees, and solicited public input via paper and online surveys while the Plan was developed. Through multiple special work sessions,



public outreach activities, committee meetings, and regular session discussions of the Commission, important strategic planning decisions were made, Commission direction was provided, and all was recorded in the final Plan and its appendices.

Last May, the Commission reviewed the Plan outline and a summary memo from consultant Terry Moore of Good Next Steps on the thinking behind the development process and Plan structure, particularly in the way the Plan characterizes the

Port's six service areas, the central concern of bridge replacement, and how it relates to all other areas of operation. Commission consensus was to move forward with recommendations. A final draft was created for review before the end of the Port's 2020-2021 fiscal year. The Port Commission reviewed the final draft text with particular attention on proposed capital projects for individual service areas, and staff recorded all Commission recommendations to the final 2021-2026 Strategic Business Plan.

"It was an intensive process but we now have a Strategic Plan as a near-term playbook," Port Executive Director Michael McElwee said. "We also continue to think about the Port's long-term future because of our important role as stewards of public assets." McElwee considers one of the most important pieces of the Plan to be the Key Projects List, prioritized to not only focus the Port on its goals, but also qualify potential projects for State funding.

The Plan was developed by Port of Hood River staff with assistance from consultants as directed by the Port of Hood River Commission. To review the complete Plan, visit: [portofhoodriver.com/strategic-business-plan](http://portofhoodriver.com/strategic-business-plan). ●



**AIRPORT**



**DEVELOPMENT**

# PORT OF HOOD RIVER 2021 ANNUAL REPORT

## Message from President Ben Sheppard

As Port Commission president, I'm pleased by the hard work of commissioners and staff in 2021. The world continued to be impacted by the pandemic, but this past year was characterized in many cases by recovery both economically and socially. We are thankful for continued response from our community's public health professionals and volunteers as we continue to learn how to live with COVID-19.

The Port received \$5 million by way of ODOT from the American Rescue Plan Act (ARPA) Coronavirus State Fiscal Recovery Fund authorized by HB 5006. This allocation recognizes that replacement of the aging steel bridge structure is critical for our regional economy. We appreciate Senator Chuck Thomsen's and Representative Anna Williams' strong leadership and commitment to the project as our representatives in Oregon's Legislature. The bridge replacement project continues to be the top priority of the Port, with much energy and collaboration with our regional partners devoted each year to make progress on this monumental goal.

Budgeting and planning for a Port of Hood River future without the Bridge as a primary revenue source has been a major focus for the commission for a number of years now. It continues to be the primary focus for our strategy and decision-making.

Progress made toward two potential waterfront development projects, specifically the E. Anchor Way extension infrastructure project and the Lot #900 developer interest assessment conducted over the past six months is encouraging. Senator Thomsen also directed state ARPA funds to projects on the waterfront. Key utility and road infrastructure is needed to begin development for Lot 1, and the Port is moving forward with the E. Anchor Way extension project. The Port received six responses to its Request for Developer Interest for Lot #900. The Commission envisions a public-private partnership that includes leasing land long-term from the Port and developing the property to best suit the community with its commercial zoning.

Last summer the waterfront experienced record-breaking visitation. Expectations are for busy recreation seasons to continue to build due to high demand from residents and visitors. Locals and visitors alike are urged to remember the waterfront, especially the area around Nichols Basin, Frog Beach, the Sandbar, Spit, and Marina swim beach are dynamic and changing sediment deposits. With the return of warmer weather, please review water safety with your families and ensure that children always have a lifejacket on whenever they are near the water.

Ben Sheppard,  
Port Commission President



photo: Richard Hallman

## 2021 YEAR IN REVIEW

### JANUARY

- The Event Site dock repair was planned and executed with the approval of a contract with Coffman Engineering for engineering services.
- The Port Commission approved a new lease with Hood River Yacht Club for a portion of the Marina Maintenance Building through January 15, 2023.
- Roads at the Hook, Spit and Marina Point were graded as an annual activity carried out by Port facilities department staff.

■ Port facilities crew member Jay Cruz worked to regrade the Marina Beach to remove an unsafe dropoff that ran along the south edge of the beach.



### FEBRUARY

■ A "Cost to Complete Analysis" on bridge replacement efforts was presented to the Port Commission by WSP and Otak Engineering.



■ The Port was notified of a new load rating for the Hood River-White Salmon Bridge by the Oregon Department of Transportation (ODOT).

■ A special meeting work session to discuss bridge replacement strategy was held on February 25th.

■ KPFF Engineers continued work on a preliminary roadway, utility layout and cost estimation related to the E. Anchor Way (Lot #1) Project.

■ The Big 7 Building re-roof was completed. The Port received an Energy Trust incentive payment of \$23,000 which reduced the Port's project cost to \$204,000.

### MARCH

■ A virtual legislative outreach event for the OneGorge Advocacy group was held on March 10, highlighting the group's top legislative priorities for the year.

■ Construction began on the Steve Gates Remembrance Project at Nichols Basin, near Frog Beach.

■ A contract was approved with Aron Faegre and Associates for design and construction services of a commercial hangar at the Ken Jernstedt Airfield.

■ An Airport Work Session was held by the Port Commission as part of its Strategic Business Plan process to discuss the master plan, capital projects, development and communications.

please see **Year in Review** on page 5

## PORT COMMISSIONERS

The five board members of the Port of Hood River are called Commissioners and are elected to five designated positions by the voters of the Port of Hood River District. Each Commissioner serves a four-year term of office which begins July 1 of the year elected.



**Ben Sheppard**  
Position #1  
**President**  
Commissioner since 2017



**Heather Gehring**  
Position #2  
**Treasurer**  
Commissioner since 2021



**Mike Fox**  
Position #3  
**Secretary**  
Commissioner since 2021



**Kristi Chapman**  
Position #4  
**Vice President**  
Commissioner since 2019



**Hoby Streich**  
Position #5  
Commissioner since 2002

# 2021 Year in Review continued



**American Cruise Lines resumed landings May 6th**



**Gorge Sail Ventures charters out of the Marina**



**Potential new bridge approaches**

## APRIL

- Bi-annual bridge deck maintenance and repair welding wrapped up on April 2. Single-lane closures occurred over the two-week project.

- The Port Commission participated in a Spring Planning Work Session to discuss Bridge Capital Planning, the Bridge Replacement project and the 2021-27 Strategic Business Plan Update. The Commission also reviewed its 10-year financial model.

- American Cruise Lines received permission from Hood River County Health Department to resume landing in Hood River again. Forty-five stops were planned through early October, with a first stop scheduled for May 6th.

- Port crews completed installation of a new ADA-accessible ramp at the Marina moorage restroom.

- A proposal to offer commercial sailing charters at the Hood River Marina was approved for Gorge Sail Ventures, LLC.

- The Port Commission heard a presentation by Hood River County Energy Coordinator Marla Harvey on accomplishments in 2020 and continued plans. The Port Commission approved continuing its annual contribution of \$10,000.

## MAY

- The Port of Hood River's budget committee met to discuss the 2021-2022 budget. It recommended approving with modifications and continuing the property levy tax rate of \$.0332 per thousand assessed value for FY 2021-22.

- The Steve Gates Remembrance Project was completed at Nichols Basin with final grading, tree planting, irrigation and memorial plaque installation. The project was funded by a community group.

- Event Site online pre-season pass sales totaled 946 for regular length vehicle season passes and 48 for over-length passes.



**Steve Gates Remembrance Project completed**

- Inspections of the North Approach Ramp to the Hood River-White Salmon Bridge took place on May 25th to prepare for the re-surfacing project.

- The Event Site booth opened on May 28th with numerous operational changes due to the pandemic, such as increased porta-potties, handwashing stations and trash collection.

## JUNE

- Bridge Replacement Project Director Kevin Greenwood reported that the Supplemental Draft Environmental Impact Statement (EIS) is transitioning into the Final EIS, the Port Commission may still comment on individual chapters of the EIS.

- The Port Commission approved revised Bridge Replacement Strategy Objectives to guide implementation as endorsed by the Bi-State Working Group.

- Mr. Greg Hagbery, with extensive experience in property development, design and construction, became the Port's new Property/Development Manager.

- The Port purchased an AV gas tank system and related QT reader card system for pilot self-service after expansion and rehabilitation of the North Ramp area at the Ken Jernstedt Airfield. Installation is planned in the coming months.



- The Port Commission reviewed the final draft and approved final text for its 2021-2026 Strategic Business Plan.

- The last official meeting for Commissioners John Everitt and Dave Meriwether, who each completed four-year terms, was the June 22nd Port Commission meeting.

- The Port's Fiscal Year 2021-2022 budget was approved by the Port Commission.



**Bridge inspection of approach ramps**

## JULY

- Newly elected Port Commissioners Heather Gehring and Mike Fox attended their first Port Commission meeting on July 13th. New and returning members were sworn in. The Commission elected officers: Ben Sheppard as president; Kristi Chapman as vice president; Mike Fox as Secretary; and Heather Gehring as Treasurer. Hoby Streich is the fifth commissioner.

- Kohl Kendall and Victoria Mallory were employed as summer interns at the Port. Both internships focused on collecting and organizing all existing information about Port properties as an archiving effort.

- A lease was approved in the Big 7 Building with 48 Substrate, a manufacturer and distributor of gourmet mushroom substrate growing kits.

- With key roles played by Senator Thomsen and Representative Williams, the Port received \$5 million from the State or Oregon (via ODOT from the American Rescue Plan Act - ARPA) for the next phase of bridge replacement efforts.

- Federal ARPA funds in the amount of \$500,000 were dedicated to the Port by Oregon Senator Thomsen to help fund a new light industrial hangar facility at the Ken Jernstedt Airfield and/or a utility and road infrastructure project for Lot 1 on the waterfront.

- Evaluation and review of all aspects of waterfront safety and preparedness were prompted by the tragic drowning of a young girl in the Nichols Basin on June 30.

- A grant agreement was approved with the Oregon State Marine Board (OSMB) for the Boat Launch Float Replacement project.



**Boat ramp concrete docks are in poor condition**



Victoria Mallory, one of two summer interns



Fly-In at Ken Jernstedt Airfield



Tac-Aero updated aerial photo of Airfield

## AUGUST

- The Port Commission authorized the purchase of hardware and software subscriptions with Open Media Foundation to enhance the live-streaming of its public meetings.
- The Port's 2021-2026 Strategic Business Plan was approved by the State of Oregon and published by Business Oregon's Port Planning and Marketing Fund administrators.
- The Port Commission approved the Port Executive Director's 2021-2022 Work Plan, which aligns with service areas and key goals listed in the Port's 2021-2026 Strategic Business Plan.
- The Kiteboard for Cancer (KB4C) event was held at the Hood River Event Site from August 26-28.

The Port Commission nominated Commissioner Heather Gehring to the Urban Renewal Agency Board to replace former Port Commissioner Dave Meriwether.

## SEPTEMBER

- The Event Site booth closed for the season on Sept. 6th.
- The All-Wind Sports Industry (AWSI) held a trade show at the Event Site September 7-11, where manufacturers showcased kite, windsurfing, SUP, wing, foil and other related gear to retailers.
- The annual Fly-In took place at the Ken Jernstedt Airfield September 11-12, with some planes arriving on Friday, September 10.
- The Port put out a formal request for trucking companies to direct drivers to slow down on the Hood River-White Salmon Bridge. It was determined that heavy trucks crossing the bridge at speeds over 25 mph accelerates damage to the bridge deck.
- Senator Jeff Merkley attended the the Bi-State Working Group meeting on September 24th. He also toured the bridge and visited the lift span control room with Port Executive Director Michael McElwee and Facilities Manager John Mann.

## OCTOBER

Waterfront Manager Daryl Stafford presented the 2021 Waterfront Recreation Annual Report to the Port Commission.



Senator Jeff Merkley visit

- The annual meeting of the Pacific Northwest Waterways Association (PNWA) was held October 19-22 in Vancouver, WA. Executive Director Michael McElwee attended.
- The Hood River Valley Harvest Fest was held October 15-17 followed by the Gorge Marathon on October 24th. Event coordinators ensured compliance with State and local guidelines, policies and mandates regarding COVID-19.

Tac-Aero, the airport FBO, generously provided an updated air photo of the airfield and of the North Ramp area.

- A crew from Cascade Dive Co. performed an underwater inspection of bridge piers from September 28-October 1. Pier cap inspections followed over another four days.
- The Port of Hood River conducted live load testing on the Hood River-White Salmon Interstate Bridge from October 9-24 in response to the lowered load rating imposed by ODOT in March. Bridge users were subjected to delays and intermittent closures. Full bridge closures took place on October 13 and 18.

The Port Commission appointed Waterfront Recreation & Safety committee members to three-year terms.

- The Port Commission approved a contract with Piatt Construction, LLC to refurbish the north deck at Marina Park #1 Building.
- Business Oregon reviewed and approved the Port's \$500,000 IOF grant request for the construction of East Anchor Way on Lot #1, and forwarded the request to ODOT for review and approval.

Commissioner Fox reported that he and Jake Anderson were elected as co-chairs of the Bridge Project Replacement Bi-State Working Group.



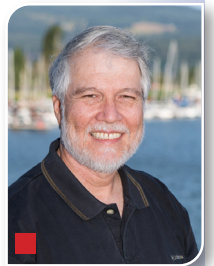
Waterfront recreation use soared in 2021

## NOVEMBER

- The annual MCEDD Economic Symposium event was held November 5 via Zoom. At the meeting, MCEDD released their draft update to the five-year Comprehensive Economic Development Strategy.
- The Port Commission approved T-hanger lease rates for 2022 with a 10% increase.
- The Port Commission reviewed and approved 2022 Marina Rules and Regulations as well as 2022 Marina moorage lease rates with a 12% increase.
- The Port Commission ratified a new contract with Bulldog Welding to perform maintenance and repair welding to the steel grate bridge decking. Bulldog Welding provides four (4) welders and equipment for 10 working days for approximately \$26,000.
- The Port Commission approved the 2022 Event Rate Schedule and waterfront paid parking fees.

## DECEMBER

- The Port Commission held its Fall Planning Session on December 7. The special meeting allowed the Commission to focus on strategic issues, policy matters and long-term project efforts.
- The Commission approved a contract with Beam Construction for construction of a new Hook rigging area. The Port paid for this work in part with a Competitive Recovery Program grant from the Oregon Tourism Commission to fund numerous COVID safety and recovery measures on Port waterfront recreational facilities.
- Port Chief Financial Officer Fred Kowell retired at the end of the year after nearly 10 years of service.



### PORT MEETINGS | PORT DIRECTORY

Regular Port Commission meetings are held on the **1st and 3rd Tuesday** of each month. **(Currently meeting virtually due to COVID-19)** The Boardroom is located at 1000 E. Port Marina Drive. The Port welcomes your questions, comments and suggestions.

**Commissioners**  
Ben Sheppard Kristi Chapman  
Mike Fox Heather Gehring  
Hoby Streich

**Executive Director**  
Michael McElwee

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# Financial State of the Port

The Port of Hood River's current financial condition is summarized in this overview of financial performance and activities for the Fiscal Year ending June 30, 2021. Two government-wide statements report the Port's Net Position and changes from prior years, both helpful measures of the Port's financial health. Net Position is the difference between assets and liabilities. Government-wide financial statements of the Port are divided into two categories:

**Governmental funds** – The Port maintains two governmental funds: the General Fund and the Bridge Repair and Replacement Fund. The General Fund records transactions related to policy making and strategic planning based on the Port's mission and values, and support services. The Bridge Repair and Replacement fund is a Special Revenue Fund used for capital improvements, planning, inspections, repairs and replacement activity associated with the bridge, as well as debt-related activities.

**Business-type funds** – Business type activities are used to distinguish operating revenues and expenses from non-operating items. The Port maintains an enterprise Revenue Fund which records fees and receipts from: bridge tolls; leased property; marina boat slip and airport hangar rent; and recreational events, parking and programs.

**TABLE 1 - Net Position as of June 30, 2021**

	Governmental Activities		Business-Type Activities		Total All Funds	
	2021	2020	Revenue Fund		2021	2020
			2021	2020		
Unrestricted - Current and Other Assets			\$10,296,292	\$12,321,147	\$10,296,292	\$12,321,147
General Fund	396,950	306,600			396,950	306,600
Bridge Repair and Replacement Fund	3,008,255	1,924,967			3,008,255	1,924,967
Restricted - Current and Other Assets			286,300	286,300	286,300	286,300
Bridge Repair and Replacement Fund	-	-			-	-
Capital Assets			34,813,072	31,996,209	34,813,072	31,996,209
General Fund	7,000	7,000			7,000	7,000
Bridge Repair and Replacement Fund	6,345,457	6,897,975			6,345,457	6,897,975
Total Assets	9,757,662	9,136,542	45,395,664	44,603,656	55,153,326	53,740,198
Pension related deferrals	130,050	101,776	824,334	645,120	954,384	746,896
OPEB related deferrals	1,455	1,242	7,948	6,783	9,403	8,025
Total Deferred Outflows of Resources	131,505	103,018	832,282	651,903	963,787	754,921
Long-Term Debt			2,266,534	4,265,164	2,266,534	4,265,164
Bridge Repair and Replacement Fund	-	-			-	-
Other Liabilities			1,526,777	2,009,898	3,595,820	3,526,724
Net Pension Liability	275,249	201,104	1,744,724	1,274,738		
Total OPEB Liability	6,869	5,737	42,201	35,247		
General Fund	-	-			-	-
Bridge Repair and Replacement Fund	-	-			-	-
Total Liabilities	282,118	206,841	5,580,236	7,585,047	5,862,354	7,791,888
Pension and OPEB Related Deferral	1,705	8,454	10,785	53,558	12,490	62,012
Total Deferred Inflows of Resources	1,705	8,454	10,785	53,558	12,490	62,012
<b>Net Position</b>						
Net Investment in Capital Assets			32,546,538	27,731,045	38,898,995	34,636,020
General Fund	7,000	7,000				
Bridge Repair and Replacement Fund	6,345,457	6,897,975				
Restricted - Debt Service			286,300	286,300	286,300	286,300
Unrestricted			7,804,087	9,599,609	11,056,974	11,718,899
General Fund	287,634	227,140				
Bridge Repair and Replacement Fund	2,965,253	1,892,150				
Total Net Position	\$ 9,605,344	\$ 9,024,265	\$40,636,925	\$37,616,954	\$50,242,269	\$46,641,219

**TABLE 2 - Governmental and Business-type activities for the fiscal year ending June 30, 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<i>Program revenues</i>						
Charges for services - Tolls			\$ 5,688,565	\$ 5,337,531	\$ 5,688,565	\$ 5,337,531
Leases, rents and fees			3,140,056	3,126,963	3,140,056	3,126,963
Operating grants	1,351,336	1,397,655	107,000	97,507	1,458,336	1,495,162
Capital grants			2,549,283	1,389,445	2,549,283	1,389,445
<i>General Government Revenues</i>						
Property taxes	87,601	76,636			87,601	76,636
Interest earnings	18,835	54,580	47,356	173,782	66,191	228,362
Other sources			360,555	86,710	360,555	86,710
Transfers	2,070,880	809,850	(2,070,880)	(809,850)	-	-
Total Revenues	3,528,652	2,338,721	9,821,935	9,402,088	13,350,587	11,740,809
<b>Expenses</b>						
Governmental Activities						
General government	630,323	540,086			630,323	540,086
Bridge repair and replacement	2,317,250	2,277,714			2,317,250	2,277,714
Interest on long-term debt			91,641	131,324	91,641	131,324
<i>Business-type Activities</i>						
Toll bridge			2,279,940	2,310,047	2,279,940	2,310,047
Industrial			1,602,534	1,581,568	1,602,534	1,581,568
Commercial			277,641	282,903	277,641	282,903
Waterfront Industrial			276,238	331,458	276,238	331,458
Waterfront Recreation			674,055	578,762	674,055	578,762
Marina			320,458	306,894	320,458	306,894
Airport			668,577	618,263	668,577	618,263
Administration			431,958	408,103	431,958	408,103
Maintenance			178,922	176,479	178,922	176,479
Total Expenses	2,947,573	2,817,800	6,801,964	6,725,801	9,749,537	9,543,601
Increase (decrease) in Net Position	581,079	(479,079)	3,019,971	2,676,287	3,601,050	2,197,208
Beginning Net Position	9,024,265	9,503,344	37,616,954	34,940,667	46,641,219	44,444,011
Ending Net Position	\$ 9,605,344	\$ 9,024,265	\$40,636,925	\$37,616,954	\$50,242,269	\$46,641,219

## Statement of Net Position

Net Position serves as a useful indicator of a government's financial position especially when viewed over multiple time periods. The Port's Net Position on June 30, 2021 was \$50,242,269, representing a \$3,601,050 increase over the prior year.

**Table 1** depicts an increase in total assets of \$1,413,128, primarily attributable to capital outlay of \$2,264,345, offset by a reduction of \$851,217 in current assets.

Capital assets increased with the completion of the north apron at the airport amounting to \$2,220,147, in the Revenue Fund. Receivables decreased by \$1,092,930 due to grant reimbursements accrued last year but reimbursed in the current year, as well as tenants paying their off their lease balances.

The largest portion of the Port's Net Position, at 77%, are invested in capital assets (e.g. bridge, land, buildings, and equipment) and reported net of accumulated depreciation less any outstanding related debt. The Port uses these capital assets to provide services to the public; thus, they do not represent resources available for future spending. A Restricted Net Position of \$286,300 represents cash and investments that are legally restricted for debt service related to the marina flex lease debt and a taxable general revenue bond. Finally, the remaining \$11,056,974 is unrestricted, meaning it is available for meeting the Port's ongoing obligations. The decrease in unrestricted net position of \$948,225 from last year, is attributable to the use of cash and investments for the capital projects incurred during the year.

## Statement of Activities

As with the statement of Net Position, the Port reports financial activities by its two distinct fund types: Governmental and Business-type. Table 2 illustrates the Port's total Net Position increased by increased by \$3,601,050, or 7.7% compared to the prior year.

**Governmental Activities** – The Net Position for governmental activities increased \$581,079, or 6.4% from the prior year. This increase is primarily due to higher inter-fund transfers from the enterprise fund to the governmental funds for bridge planning and reimbursements from a State of Oregon grant which funded the final environmental impact studies for bridge replacement efforts.

### Financial highlights of governmental fund activities for the year include:

- Reimbursements amounting to \$1,351,336 from a \$5 million legislative grant for final environmental impact studies for bridge replacement.
- Higher interfund transfers by \$1,261,030.
- Higher personnel and consulting costs as the Port pursued grant opportunities at the state and federal levels for the bridge project.

**Business-type Activities** - Business type activities generated a \$3,019,971 (8%) increase in the Port's Net Position. The financial results for this year include a \$351,034 increase in toll revenues (6.6%) from the prior year. Bridge traffic showed a slight increase in travelers (8,563). Lease revenues from industrial and commercial properties decreased \$107,069 (4.7%) due to deferred or waived lease payments to businesses impacted by the pandemic. Recreation revenue increased by \$98,470 due to more visitors and a 31% increase in parking fees. Capital grants continued to play an integral role to the Port as \$1,389,445 was received for the north apron airport project. Capital grants of \$2,549,283 played an integral role to the Port with \$2,513,283 related to the airport north apron development.

The Revenue Fund increased \$55,720 due to capital grants, interest earnings, other sources and transfers. Federal Aviation Administration and Oregon Connect VI grants for the north apron development projects were offset by interfund transfers of \$2,070,880, related primarily to replacement bridge efforts recorded in the Bridge Repair & Replacement fund. Expenditures were mostly flat with a slight increase of \$76,163, primarily attributable to higher pension and OPEB expenses over the prior year.

## Financial Analysis and Outlook:

The Port is involved in a variety of activities that contribute to the economic health and vitality of the community. The major source of funds for Port operations continues to be the toll bridge, accounting for 60% of operating revenues, excluding grants. Lease revenues and fees continue to improve diversification, with a 95% occupancy rate at year-end.

The Port receives property taxes that account for 1% of total revenues. Capital grants continue to play a vital role in how the Port develops its properties, including the airport and waterfront. The Port receives a marina operating grant from the Oregon State Marine Board. The Port continues to develop light industrial properties that may result in new tenants and jobs, while undeveloped land at the waterfront (Lot 1) will hold future opportunities.

The Port looks at its business units in the following categories: *Bridge, Leased Properties, Undeveloped Property, Recreation, Marina, Airport and Economic Factors.*

**Request for Information** – A full Financial State of the Port with more detail can be found online at portofhoodriver.com. If you have questions about this report or would like additional information, please contact the Port of Hood River at porthr@gorge.net or (541) 386-1645.

**Bridge** *continued from page 1*

**Activities to be funded in Phase Two include:**

- Engineering work to 30% design, providing more reliable cost estimates and construction schedules.
- Level 2 traffic and toll revenue analysis, allowing more reliable estimates of the bonding capacity of the net toll revenues.
- Continued environmental mitigation and permitting.
- Bi-state bridge authority establishment and implementation.
- Development of preliminary financial plans.
- Assessment of project delivery options.

Bi-State Bridge Authority Legislation has been introduced in both state legislatures this year (SSB 5558 in Washington and HB 4089 in Oregon). The proposed new bridge authority would be composed of six local governments, currently participants in the Bi-State Working Group (BSWG). They are: Klickitat County and the Washington cities of Bingen and White Salmon, the City of Hood River, Hood River County, and the Port of Hood River. Mayors and County Commissioners from both Hood River and Klickitat County have been active participants of the BSWG.

**Significant funding has been secured for Phase One and Phase Two activities:**

- The 2017 Oregon Legislature approved \$5 million in Phase One project funding. Phase One includes environmental studies required to satisfy NEPA requirements and tasks for Federal Highway Administration (FHWA) approval of the Supplemental Draft EIS and work toward the Final EIS.
- The Port of Hood River received a \$5 million BUILD Grant award from the Federal Department of Transportation in 2020 with co-applicant Klickitat County. It funds a portion of Phase Two work such as engineering, governance structure and traffic studies necessary in the pre-construction phase.
- The Port committed \$1.25 million reserved from the 2018 toll increase as matching funds for the BUILD grant.
- The Washington state legislature appropriated \$5 million in 2021 for project management, governance development, engineering and planning efforts. These appropriations will be dispersed from WSDOT directly to the Port of Hood River as directed by Klickitat County. The grant agreement is currently under legal review.
- The Port of Hood River was notified last summer of a pending allocation of \$5 million via ODOT from the American Rescue Plan Act Coronavirus State Fiscal Recovery Fund, authorized by HB5006. These funds will be used primarily for engineering work.

A \$1.2 trillion federal infrastructure bill was signed into law by President Biden in November, and Oregon is expected to receive at least \$4.5 billion over the next five years. Allocation will be determined by the Oregon Department of Transportation (ODOT) and the Oregon Transportation Commission (OTC). The Port and its bridge replacement project advocacy partners have been working hard to secure more needed funding for the project. A Federal request through the INFRA reauthorization was unsuccessful last summer.

Looking ahead, a Replacement Bridge Management Contract Request for Proposals will be released by the Port in February or early March. The Replacement Bridge Management Contractor (RBMC) will be the lead consultant in planning and managing the technical aspects of the bridge replacement effort. The RBMC will likely be with the project through the end of construction and will represent the owner's interests in facilitating selection of an engineering firm, reviewing design submittals, formulating public input strategies related to aesthetic treatments on the replacement bridge and other numerous responsibilities necessary to complete construction.

The Port of Hood River and its partners in the Bridge Replacement Bi-State Working Group offer special thanks to our legislators advocating for the project while representing Hood River and Klickitat counties. Advocacy continues at the federal level as well for infrastructure funding. ●

**Stewardship** *continued from page 1*

the public is perhaps the most important factor. Wise stewardship of public assets requires public oversight and input. The Port's management of public property means it is the responsibility of citizens of this community to offer suggestions, ideas, and criticism. I have found that thoughtful public input, delivered clearly and in a positive spirit, is the most important factor in the Port's decision-making. Everyone that uses the waterfront, the Ken Jernstedt Airfield, the Bridge or any Port building or asset is a Steward.

Stewardship is often not easy. Public agencies can be frustrating, bureaucratic, slow to move, even immovable. I'd like to think that the Port is nimbler than most, but sometimes that is not the case. Often a slow pace is due to ongoing challenges not readily apparent. Sometimes it's due to the need for thoughtful, methodical, long-term decision-making. Occasionally it is due to inertia. Here are two examples that include all of these:

**Waterfront:** In 2006, the Waterfront was a very different place. Mostly vacant, the major amenity was the Event Site and the Port's "Boneyard" at Portway Ave.

*continued below*

**PORT OF HOOD RIVER**

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and 8th St. Today, things look dramatically different—a continuous, paved ped./trail, Waterfront Park, Frog Beach, new roadways, and an estimated \$86 million in public and private investment. This was delivered by an incredible mix of citizen involvement, City and Port collaboration, business interest and developer expertise. This effort is an example of long-term, shared stewardship by many groups and individuals who sometimes disagreed, but who all saw the great potential of the Hood River Waterfront and shared a common love for its future. I will always consider myself fortunate to have been involved in many parts of this transformation.

**Bridge Replacement:** Nothing speaks of the challenges of long-term stewardship than the multi-decade effort to replace the bridge. Not readily apparent are the many efforts over the years that have brought us closer to a new bridge. The challenges have been enormous: small market, big price tag, languid federal or state support and significant regulatory hurdles. The replacement effort started to accelerate in about 2015 following a State of Washington-driven "Type, Size and Location Study." The Port Commission, with Commissioner Brian Shortt in the lead, resolved to re-double our efforts. After two years of hard work, in 2017 the State of Oregon committed \$5 million to prepare an Environmental Impact Statement ("EIS") and convey specific authorities to manage and construct a new bridge. These were very significant commitments. They showed the State was willing to invest in the project. It jump-started the momentum that has increased to this day. Five years later, the EIS is nearly complete and the Port, with support from many quarters, has obtained an additional \$15 million in state and federal grants for the next phase of engineering. Legislation to establish a Bi-State Bridge Authority, to finance, construct, own and manage a new bridge is on its way for passage in both states. I am very proud to play a role in this accelerating stewardship effort.

Looking ahead, there will be new commissioners, staff and citizens to uphold the value of Stewardship at the Port. The Port values stated in our "Strategic Business Plan" include Integrity, Responsiveness, Transparency, Collaboration, Stewardship, Innovation, Quality, and Diversity. All are vitally important. But **Stewardship** is the greatest because it includes all the others. ●