



PORT OF HOOD RIVER COMMISSION
AGENDA
Tuesday, March 21, 2023
Port of Hood River Conference Room
1000 E. Port Marina Drive, Hood River

5:00 PM
Regular Session

1. Call to Order – 5:00 p.m.
 - a. Modifications, Additions to Agenda
 - b. Public Comment (5 minutes per topic, 30 minutes maximum total)
 2. Consent Agenda
 - a. Approve Minutes from March 7, 2023 Special Work Session and Regular Session (*Patty Rosas, Page 3*)
 - b. Approve Contract with Merina and Company for Consulting Services Not to Exceed \$25,000 (*Debbie Smith-Wagar, Page 9*)
 - c. Approve Amendment No. 3 to Contract with HNTB for Project Management Services Related to the Bridge Replacement Project (*Kevin Greenwood, Page 15*)
 - d. Authorize Notice of Intent to Award and Negotiations with ECONorthwest for a Lower Mill Site Market Analysis and Feasibility Study, not to exceed \$45,000. (*Greg Hagbery, Page 71*)
 3. Informational Reports
 - a. Bridge Replacement Project Update (*Michael Shannon, Page 137*)
 4. Presentations & Discussion Items
 - a. FY2021-22 Financial Audit Report, Tara Kamp, Pauly-Rogers (*Debbie Smith-Wagar, Page 145*)
 - b. Operational Center Analysis for Fiscal Year Ended June 30, 2022 (*Debbie Smith-Wagar, Page 223*)
 - c. Washington State Transportation Commission Replacement Bridge Traffic & Revenue Study Presentation, Carl See, WSTC (*Michael Shannon, Page 235*)
 5. Executive Director Report (*Kevin Greenwood, Page 273*)
 6. Commissioner, Committee Reports
 - a. Urban Renewal Agency (*Commissioners Chapman/Gehring*)
 7. Action Items (none)
 8. Commission Call
 9. Confirmation of Commission Directives to Staff
-
10. Executive Session Under ORS 192.660(2)(e) to conduct deliberations with persons designated to negotiate real property transactions and ORS 192.660(2)(h) to consult with legal counsel regarding current

litigation or litigation likely to be filed and ORS 192.660(2)(f) to consider information or records that are exempt from disclosure by law, including written advise from legal counsel.

12. 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.*

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

Joint Work Session

PRESENT: Commissioners: Ben Sheppard, Kristi Chapman (arrived 4:07 p.m.), Mike Fox, Heather Gehring, and Hoby Streich. **From Staff:** Kevin Greenwood, Genevieve Scholl, Daryl Stafford, Debbie Smith-Wagar, Greg Hagbery (via Zoom), John Mann, and Patty Rosas. **From HNTB:** Michael Shannon, and Brian Munoz. **Legal Counsel:** Kristen Campbell. **Bi-State Working Group:** Marla Keethler, Jake Anderson, Arthur Babitz, Grant Polson, Catherine Kiewit, and Paul Blackburn.

ABSENT: None

MEDIA: Noah Noteboom, Columbia Gorge News

- 1. CALL TO ORDER:** President Ben Sheppard called the meeting to order at 4:00 p.m.
- 2. Welcome & Introductions:** Commissioner Sheppard welcomed everyone to the meeting and proceeded with introductions from everyone present. Kevin Greenwood, Executive Director, commented that the purpose of the meeting is for an opportunity for the Bi-State Working Group (BSWG) to provide an update on the Bridge Replacement Project (“Project”).
- 3. Recommendations of the Bi-State Working Group Related to Bridge Replacement** – Marla Keethler, Mayor City of White Salmon, noted that the BSWG group has been working towards identifying a reasonable toll increase to appropriately build the reserves and help finance the Project. Michael Shannon, HNTB Project Manager, noted that currently the total cost for the Project is \$520 million. The Project is asking for \$125 million from Oregon and Washington, and \$200 million from federal funding sources. The remaining \$70 million will be from local financing through a TIFIA loan. The Project must have reserves to apply for a TIFIA loan. A toll increase will help build the reserves needed for the TIFIA loan.

Keethler stated that it is critical to establish a toll increase as soon as possible to help secure funding for the Project. The goal is to generate \$15 million in reserves by 2028 and achieve a borrowing capacity of \$70-\$150 million. Implementing single or multiple toll increases prior to the new bridge opening must be considered, as well as maximizing the contribution from existing tolls. Keethler added that by showing Oregon and Washington that the tolls are fully going to the bridge repair or replacement fund will highly benefit the Project. Keethler is seeking a timeline of when the tolls can be completely dedicated to the bridge repair or replacement fund. The toll allocation timeline will help with a final toll increase recommendation from the BSWG. A discussion followed regarding the allocation of toll funds.
- 4. Q&A Period, Next Steps** – Commissioner Kristi Chapman stated that the most significant funding gap is their public spaces that is partially funded by tolls and added that if the Port commits the full tolls to the Project, how could the City and County support the Port with maintaining these public spaces. Commissioner Arthur Babitz replied that this is an issue that would require further discussion with the City and County. Commissioner Sheppard thanked the BSWG for attending and noted that the Commission will gather more information to consider their recommendation.
- 5. ADJOURN:** The meeting was adjourned by unanimous consent at 4:58 p.m.

SIGNED:

Ben Sheppard, President

ATTESTED:

Michael Fox, Secretary

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

Regular Session

PRESENT: Commissioners: Ben Sheppard, Kristi Chapman, Hoby Streich, Mike Fox, and Heather Gehring. **Legal Counsel:** Kristen Campbell. **From Staff:** Kevin Greenwood, Genevieve Scholl, Debbie Smith-Wagar, Daryl Stafford, John Mann, Greg Hagbery (via Zoom), and Patty Rosas. **From HNTB:** Michael Shannon, and Brian Munoz. **Guests:** Abigail Elder, Mark Zanmiller, Linda Maddox

ABSENT: None

MEDIA: Noah Noteboom, Columbia Gorge News

1. CALL TO ORDER: President Ben Sheppard called the meeting to order at 5:03 p.m.

a. **Modifications or additions to the agenda:** None

b. **Public Comment:** Written public comment included in the packet.

2. CONSENT AGENDA:

a. Approve Minutes from February 21, 2023 Regular Session and February 28, 2023 Special Work Session

b. Approve Allowance to Sublease to Ferment for Grasslands BBQ in Suite 102 of the Jensen Building

c. Approve IGA with ODOT for Unified Certification Program for Disadvantaged Business Enterprises

d. Approve Accounts Payable to Campbell Phillips in the Amount of \$11,554.17

Motion: Approve consent agenda.

Move: Hoby Streich

Second: Mike Fox

Discussion: None

Vote: **Aye:** Ben Sheppard, Kristi Chapman, Mike Fox, Hoby Streich, Heather Gehring

MOTION CARRIED

3. INFORMATIONAL REPORTS:

a. **Bridge Replacement Project Update** – Michael Shannon, HNTB Project Manager, reported that they now have meetings set up with all four Treaty Tribes regarding the Memorandum of Agreements (MOA). The Biological Opinion (BiOp) and 106 MOA are advancing. The Request for Proposal (RFP) for the procurement of the Progressive Design Build team is underway and expected to be completed by the end of the year.

4. PRESENTATIONS & DISCUSSION ITEMS:

a. **Westside Urban Renewal District Discussion** – Mark Zanmiller, Hood River City Council, introduced Abigail Elder, City of Hood River, and Elaine Howard, Howard Consulting, for a brief presentation on the proposed Westside Urban Renewal District. Zanmiller commented that they are seeking support from the Port of Hood River (“Port”) to defer the tax revenue for the life of the Westside district to help build up the infrastructure.

Elder summarized the preliminary Westside District concept which includes proposed projects for transportation, housing, and recreation. Many of these projects need to be undertaken in the Westside area to allow it to develop with appropriate infrastructure and to add housing and recreational opportunities for Hood River residents. Urban renewal commonly uses Tax Increment

Financing (TIF) as a tool to help pay for projects specified in the city’s master plans. A recently completed feasibility study concluded that sufficient tax increment revenues could be generated to fund the Westside district. Commissioner Kristi Chapman suggested phasing the new district into two tiers. Which would then allow the Waterfront District to remain open for a few more years to complete infrastructure projects such as the development of Lot 1.

Elder noted that their goal is to complete the Urban Renewal and TIF Plan process by September 2023, and begin the district in January 2024.

- b. **Marina Basin Planning Discussion** – Daryl Stafford, Waterfront Manager, commented that this topic was brought forward from the last Commission meeting where staff was directed to begin the process for a Marina Redevelopment Plan (“Plan”). Staff has identified various components of a study plan and it was presented to the Commission. The Commission requested to submit ideas for the Plan and suggested that staff consider the possibility of acquiring property near the Marina. Stafford noted that the focus for today should be the relocation of the Port office and maintenance shed. A discussion ensued regarding the relocation of the Port office and maintenance shed. Commissioner Mike Fox suggested that staff create a decision tree to help determine an appropriate location. The Commission directed staff to provide a recommendation for a new location for the Port office and maintenance shed.

- 5. **EXECUTIVE DIRECTOR REPORT:** Kevin Greenwood, Executive Director, noted that the packet includes a draft Rate & Fee Resolution for the Commissions consideration as part of the FY23-24 approval process. Some of the fees are things that other Ports charge for, but the Port currently does not. Greenwood fielded questions or comments regarding the document. Commissioner Fox requested more information such as the previous rates, increase amount, justification for the increase, and public feedback. Commissioner Heather Gehring requested that the document include information on how the fees and rates support the Ports goal for self-sufficiency. Debbie Smith-Wagar, Finance Director, commented that she is working on a 10-year forecast that will demonstrate Gehring’s request as well as other scenarios for the Port.

Greenwood noted that a draft memo is included in the packet, for Lot 1 future development that needs to be submitted to the Urban Renewal Board before March 13. Greenwood is seeking consensus from the Commission to submit the memo. There was consensus from the Commission to proceed with the drafted memo.

Commissioner Fox inquired about the repair work regarding the Lumen bridge utilities and suggested involving legal counsel to advance the repair work. Staff will work with legal counsel to prepare and submit a letter to Lumen.

- 6. **COMMISSIONER, COMMITTEE REPORTS:** None

7. **ACTION ITEMS:**

- a. **Approve Issuance of Bid Solicitation for Underwater Pier Concrete Repairs on the Bridge**

Motion:	Authorize issuance of Invitation to Bid for the Underwater Concrete Repairs Project
Move:	Heather Gehring
Second:	Mike Fox
Discussion:	None

Vote: **Aye:** Ben Sheppard, Kristi Chapman, Mike Fox, Hoby Streich, Heather Gehring

MOTION CARRIED

- b. **Approve Resolution 2022-23-10 Authorizing Application to the EDA Public Works and Economic Adjustment Assistance Grant Program.** Genevieve Scholl, Deputy Executive Director noted that the grant will fund 23% of the total construction project cost of E. Anchor Way/N. 1st Street. Funding for the remaining costs of the project will need to come from the Port's real estate reserve fund, other grants, or a combination of both.

Motion: Approve Resolution 2022-23-10 authorizing submission of an application to the EDA Public Works and Economic Adjustment Assistance grant program and confirming the availability of matching local funds for the road and utility infrastructure project on Lot 1.

Move: Kristi Chapman

Second: Mike Fox

Discussion: Commissioner Fox inquired on how the Port could minimize their involvement so that cash reserves are not used for the E. Anchor Way/N. 1st Street project. Scholl replied that they would need to obtain other grants funding. Commissioner Fox requested that staff seek other grant opportunities for the project and report back in a year.

Vote: **Aye:** Ben Sheppard, Kristi Chapman, Mike Fox, Hoby Streich, Heather Gehring

MOTION CARRIED

8. COMMISSION CALL:

- a. Commissioner Streich suggested a temporary RV park at Lot 1 for construction workers during the construction period of the replacement bridge.
- b. Commissioner Fox thanked Debbie Smith-Wagar for getting the Ports financials in order. Commissioner Fox also suggested that everyone visit the new bridge website.
- c. Commissioner Gehring acknowledged staff for all their efforts and is proud to be part of the team.
- d. Commissioner Chapman suggested that Enterprise relocate to the airport to provide car rental services at the airport.

9. CONFIRMATION OF DIRECTIVES:

- a. Create a decision tree for the relocation of the Port office and maintenance shed.
- b. Incorporate Commissioners comments on the Marina Plan and add property acquisitions.
- c. Include more information of the Rate & Fee Resolution such as previous rates, increase amount, justification for the increase, and public feedback.
- d. Work with legal counsel to create a letter to submit to Lumen.
- e. Search for other grant opportunities for the E. Anchor Way/N. 1st street project and report back to Commission in a year.

- 10. EXECUTIVE SESSION:** President Ben Sheppard recessed Regular Session at 6:31 p.m. to call the Commission into Executive Session under ORS 192.660 (2)(e) to conduct deliberations with persons designated to negotiate real property transactions and ORS 192.660 (2)(h) to consult with legal counsel regarding current litigation or litigation likely to be filed.

- 11. Possible Action:** The Commission was called back into Regular Session at 7:27 p.m. No action was taken as a result of Executive Session.

- 12. ADJOURN:** The meeting was adjourned by unanimous consent at 7:28 p.m.

ATTEST:

Ben Sheppard, President

Michael Fox, Secretary

Commission Memo



Prepared by: Debbie Smith-Wagar, Finance Director
Date: March 21, 2023
Re: Contract for Project Management of
Financial Software Selection

The proposed contract is attached to this memo.

Background

The Port has used Great Plains financial accounting software since 1996. The software is designed for businesses, not governments. It does not provide a way to efficiently allocate payroll and other expenses to multiple operational centers across multiple funds. It does not have a suitable project management function.

The lack of functionality in the existing software translates into a lot of hours of staff time. Staff tracks a lot of information on Excel spreadsheets and enters data into Great Plains manually. By implementing better software, we will save many hours of staff time, have less chance of errors in data, and will get better reports.

This Contract

Management has identified the need for new financial software to be a priority for the Port in order to get better reports and free up staff time as soon as possible. To keep this project moving forward in a timely manner we are asking for project management help from a contractor. The Port asked for quotes from multiple contractors and received two responses: Moss Adams, a CPA firm, quoted \$43,000, and Merina and Company, also a CPA firm, quoted \$25,000. Merina and Company works exclusively with local governments and had a good understanding of the scope of work and expected deliverables. The attached contract includes that scope of work along with milestone dates.

RECOMMENDATION: Approve contract with Merina and Company for financial accounting software consulting services not to exceed \$25,000.

This page intentionally left blank.

**Personal Services Contract
For Services Under \$50,000**

1. This Contract is entered into between the Port of Hood River ("Port") and Merina and Company ("Contractor"). Contractor agrees to perform the Scope of Work described in attached Exhibit A to Port's satisfaction for a maximum consideration not to exceed \$25,000. Port shall pay Contractor in accordance with the schedule and/or requirements in attached Exhibit A.
2. This Contract shall be in effect from the date at which every party has signed this Contract through December 31, 2023. Either Contractor or Port may terminate this Contract in the event of a breach of the Contract by the other. Port may terminate this Contract for any reason by giving 15 days written notice to Contractor at Contractor's address listed below. If Port terminates this Contract, Contractor shall only receive compensation for work done and expenses paid by Contractor prior to the Contract termination date.
3. All work products of the Contract, which result from this Contract, are the exclusive property of Port. Port shall have access to all books, documents, papers and records of Contractor which relate to this Contract for purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment.
4. Contractor will apply that skill and knowledge with care and diligence to perform the work in a professional manner and in accordance with standards prevalent in Contractor's industry, trade or profession. Contractor will, at all times during the term of the Contract, be qualified, professionally competent, and duly licensed to perform the work.
5. Contractor certifies that Contractor is an Independent Contractor as defined in ORS 670.600 and shall be entitled to no compensation other than that stated above.
6. Contractor shall indemnify, save, and hold harmless Port, its Commissioners, officers, agents, and employees from all claims, suits, or actions of whatsoever nature resulting from or arising out of the negligent activities or wrongful misconduct of Contractor or its subcontractors, agents or employees under this Contract. Contractor shall provide insurance in accordance with attached Exhibit B.
7. This Contract may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.
8. This Contract shall be governed by the laws of the State of Oregon and any litigation involving any question arising under this Contract must be brought in the Circuit Court in Hood River County, Oregon. If any provision of this Contract is found to be illegal or unenforceable, this Contract shall remain in full force and effect and the provision shall be stricken.
9. Contractor shall adhere to all applicable federal, state, and local laws and regulations, including those governing its relationship with its employees.
10. This Contract contains the entire agreement between Contractor and Port and supersedes all prior written or oral discussions or agreements. Any modification to this Contract shall be reduced to writing and signed by the Contractor and Port. Contractor shall not assign this Contract or subcontract its work under this Contract without the prior written approval of Port.
11. The person signing below on behalf of Contractor warrants they have authority to sign for and bind Contractor.

Contractor:

Port of Hood River

<hr/>		<hr/>	
Signed:		Signed:	
Title:	Managing partner	Title:	Executive Director
Date:		Date:	
Address:	7624 SW Mohawk Street Tualatin, OR 97062	Address:	1000 E. Port Marina Drive, Hood River, OR 97031
Phone/Email:	503-723-0300 tmoiffitt@merina.com	Phone/Email:	(541) 386-1645 porthr@gorge.net

**Personal Services Contract
Exhibit A**

I. SCOPE OF WORK:

- Conduct a high-level needs assessment for the Port, identifying any unusual needs specific to the Port of Hood River
- Prepare an RFP
- Assist with proposal scoring
- Assist with customer research for the top 2 or 3 proposals
- Assist with scheduling demonstrations and on-site visits to existing customers if necessary

II. DELIVERABLES AND TIMEFRAME:

The deliverable(s) and due dates for the deliverables covered under this Contract shall be:

- Needs assessment completed May 5, 2023
- RFP issued May 19, 2023
- Responses due June 16, 2023
- Analyze responses the week of June 19, 2023
- Research top 2 or 3 vendors June 26-July 7, 2023
- Demos/customer visits, etc. July/August 2023
- Final selection early September 2023

III. CONSIDERATION:

Hourly rates under this Contract shall be \$ various, depending on staff .

Reimbursables under this Contract shall be <none>.

IV. BILLING AND PAYMENT PROCEDURE:

The Contractor shall submit to the Port for payment an itemized invoice in a form and in sufficient detail to determine the work performed for the amount requested. The invoice shall contain at a minimum:

- Invoice date
- Contract project title
- Record of hours worked and a brief description of activities
- Billing rate applied
- Description of reimbursable items

Invoices may be submitted monthly, or at such other interval as is specified below:

The Port shall process payment in its normal course and manner for Accounts Payable, net 30 days.

**Personal Services Contract
Exhibit B**

INSURANCE

Contractors, please send this to your insurance agent immediately.

During the term of this Contract, Contractor shall maintain in force at its own expense, each insurance noted below:

- 1. Workers' Compensation insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers. (Required of contractors with one or more employees, unless exempt order ORS 656.027.)

Required and attached OR _____ Contractor is exempt

Certified by Contractor: _____
Signature/Title

- 2. Commercial General Liability insurance on an occurrence basis with a limit of not less than \$1,000,000 each occurrence for bodily injury and property damage and \$2,000,000 general aggregate. The Liability Insurance coverage shall provide contractual liability. The coverage shall name the Port of Hood River and each of its Commissioners, officers, agents, and employees as Additional Insured with respect to the Contractor's services to be provided under the Contract.

Required and attached Waived by Finance Manager _____

- 3. Automobile Liability insurance with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage, including coverage for owned, hired, or non-owned vehicles, as applicable.

Required and attached Waived by Finance Manager _____

- 4. Professional Liability insurance with a \$1,000,000 per claim and \$1,000,000 in the aggregate for malpractice or errors and omissions coverage against liability for personal injury, death or damage of property, including loss of use thereof, arising from the firm's acts, errors or omissions in any way related to this Contract.

Required and attached Waived by Finance Manager _____

- 5. **Certificate of Insurance.** As evidence of the insurance coverage required by this Contract, the Contractor shall furnish acceptable insurance certificates to the Port at the time Contractor returns the signed Contract.

The General Liability certificate shall provide that the Port, its Commissioners, officers, agents, and employees are Additional Insured but only with respect to the Contractor's services to be provided under this Contract.

Endorsement CG 20 10 11 85 or its equivalent must be attached to the Certificate. The Certificate must contain a standard 30-day notice of cancellation clause which guarantees notification in writing to the Certificate Holder (Port of Hood River). Insuring companies or entities are subject to Port acceptance. If requested, complete copies of the insurance policy shall be provided to the Port. The Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

This page intentionally left blank.

Commission Memo



Prepared by: Kevin Greenwood, Exec. Dir.
Date: March 21, 2023
Re: HNTB Amendment No. 3

Based upon the Bi State Working Group's (BSWG) analysis on the project delivery approach for bridge replacement, HNTB is requesting to move budget authority from preliminary engineering (Task 11) to the development of progressive design build (PDB) procurement documents (Task 13). This amendment would result in a zero net change to the contract budget.

Attached to this memo are the following:

1. Amendment No. 3; and
2. Exhibit A: Amendment 3 Detailed Work Plan Dated March 15, 2023; and
3. Exhibit B: Amendment #: 03 Revised Budget Dated February 1, 2023.

This item is included on the BSWG's March 20th Regular Meeting Agenda for adoption. Staff anticipates a recommendation to approve the amendment.

RECOMMENDATION: Approval of Amendment No. 3 with HNTB for consulting services related to bridge replacement.

This page intentionally left blank.

**PORT OF HOOD RIVER
ENGINEERING AND RELATED SERVICES CONTRACT
Contract Number: POHR 2022-01
AMENDMENT No. 03**

This Amendment No. 03 (the “**Amendment**”) to the Port of Hood River Engineering and Related Services Contract No. 2022-01, dated July 12, 2022 (the “**Agreement**”) is entered into between the Port of Hood River and HNTB Corporation, a Missouri Corporation (collectively, the “**Parties**”).

RECITALS

WHEREAS, the original Engineering and Related Services Contract was for \$1,739,908 and expires December 31, 2026; and

WHEREAS, Amendment No. 1 approved October 18, 2022, added \$2,534,069 for completing project delivery analysis, geotechnical work, preliminary engineering and increasing two HNTB staff to full time to work on the project; and

WHEREAS, Amendment No. 2 approved January 10, 2023, added \$1,204,134 for increased marketing/communications, financial modeling, grant writing and ongoing environmental coordination with tribes/agencies; and

WHEREAS, based upon a project delivery analysis there is a need to move budget authority from preliminary engineering (Task 11) to developing the Progressive Design Build procurement (Task 13); and

WHEREAS, this amendment allows for changes to the Statement of Work (Exhibit A), but does not include an increase in contract budget; and

NOW, in consideration of the mutual promises contained herein, and for good and valuable consideration, the Parties agree as follows:

AGREEMENT:

1. **Exhibit A:** The Parties hereby replace Exhibit A with the “Amendment 3 Detailed Work Plan Dated March 15, 2023” Exhibit A attached hereto.
2. **Exhibit B:** The Parties hereby add Exhibit B with the “Amendment #:03 Revised Budget Dated February 1, 2023” attached hereto.
3. There is no contract budget change due to this Amendment.
4. **REMAINING CONTRACT PROVISIONS.** Except as specifically modified by this Amendment, the Parties understand and agree that all provisions of the Agreement remain in full force and effect.

SIGNATURES:

HNTB Corporation Inc.
777 108th Ave. NE, Ste. 1000
Bellevue, WA 98004
(425) 455-3555

Thomas Schnetzer, NWD Operations Date
& Delivery Officer

Port of Hood River
1000 E. Port Marina Drive
Hood River, OR 97031
(541) 386-1645

Kevin M. Greenwood, Executive Director Date

Approved for Legal Sufficiency



3/14/2023

William J. Ohle, Port Counsel Date

AMENDMENT 23 DETAILED WORK PLAN

Dated ~~January 09~~March 15, 2023

HNTB JOB #74620 / POHR #2022-01

INTRODUCTION 4

FUNCTION AND PURPOSE OF THE DETAILED WORK PLAN 4

CONSULTANT DELIVERABLE STANDARDS 4

GENERAL PROVISIONS 4

DETAILED WORK PLAN – YEAR 1 6

TASK 1 – PROJECT MANAGEMENT 6

 Subtask 1.1 – Project Management 6

 Subtask 1.2 – Chartering Workshop 7

 Subtask 1.3 – Document Control 7

 Subtask 1.4 – Project Debriefs (Existing Contracts) 8

 Subtask 1.5 – Contract Administration 8

 Subtask 1.6 – Invoicing & Progress Reporting 9

 Subtask 1.7 – Meetings 10

TASK 2 – RISK MANAGEMENT 10

 Subtask 2.1 – Risk Management Plan 10

 Subtask 2.2 – Risk Workshop 11

 Subtask 2.3 – Risk Register 11

 Subtask 2.4 – Project Cost Estimate (PCE) 12

TASK 3 – CHANGE MANAGEMENT PLAN 12

 Subtask 3.1 – Change Management Plan 12

TASK 4 – QUALITY 13

 Subtask 4.1 – Quality Management Plan (QMP) 13

 Subtask 4.2 – Quality Training 1413

 Subtask 4.3 – Quality Assurance 14

TASK 5 – PROJECT CONTROLS 14

 Subtask 5.1 – Project Controls Plan 14

 Subtask 5.2 – Project Dashboard 15

 Subtask 5.3 – Integrated Project Schedule 15

 Subtask 5.4 – Sub Project Schedule 16

TASK 6 – COMMUNICATIONS 1716

 Subtask 6.1 – Public Involvement & Communications Plan 1716

 Subtask 6.2 – Strategic Communications Support 1817

Subtask 6.3 – Workshops	18
Subtask 6.4 – Public Involvement & Project Branding	20
Subtask 6.5 – Meetings.....	<u>2224</u>
TASK 7 – FUNDING, FINANCE AND TOLLING (FFT)	<u>2224</u>
Subtask 7.1 – Financial Planning, Modeling and Scenarios	<u>2322</u>
Subtask 7.2 – FFT Workshops.....	<u>2322</u>
Subtask 7.3 – Competitive Grant Services.....	<u>2423</u>
Subtask 7.4 – Traffic and Revenue Study Support	<u>2524</u>
Subtask 7.5 – Meetings.....	<u>2524</u>
TASK 8 – DELIVERY METHOD	<u>2625</u>
Subtask 8.1 – Delivery Method Analysis	<u>2625</u>
Subtask 8.2 – Delivery Method Workshop	<u>2725</u>
Subtask 8.3 – Industry Outreach.....	<u>2726</u>
TASK 9 – ENVIRONMENTAL AND REGULATORY	<u>2827</u>
Subtask 9.1 – Environmental Coordination (NEPA).....	<u>2827</u>
Subtask 9.2 – Environmental Compliance Plan	<u>2928</u>
Subtask 9.3 – Environmental Compliance Workshop	<u>3028</u>
Subtask 9.4 – Regulatory Agency Coordination.....	<u>3029</u>
Subtask 9.5 – Tribal Coordination	<u>3130</u>
Subtask 9.6 – Railroad Coordination.....	<u>3334</u>
Subtask 9.7 – Geotechnical Investigations Regulatory Permitting.....	<u>3332</u>
Subtask 9.8 – Preliminary Permits	<u>3533</u>
TASK 10 – RIGHT OF WAY (ROW)	<u>3534</u>
Subtask 10.1 – Right of Way Acquisition Plan	<u>3534</u>
TASK 11 – ENGINEERING	<u>3635</u>
Subtask 11.1 – Preliminary Engineering	<u>3635</u>
Subtask 11.2 – Geotechnical Explorations.....	<u>3736</u>
Subtask 11.3 – Site Reconnaissance.....	<u>3736</u>
Subtask 11.4 – Subsurface Exploration Plan and Permit Support	<u>3837</u>
Subtask 11.5 – Subsurface Explorations and Testing.....	<u>3937</u>
Subtask 11.6 – Laboratory Testing	<u>4038</u>
Subtask 11.7 – Geotechnical Data Report.....	<u>4039</u>
Subtask 11.8 – Preliminary Geotechnical Analysis and Memorandum	<u>4039</u>
Subtask 11.9 – Meetings.....	<u>4140</u>
Subtask 11.10 – Contract Management.....	<u>4140</u>

Subtask 11.11 – Optional Services (HazMat?)	<u>4241</u>
Subtask 11.12 – Utility Relocation.....	<u>4241</u>
Subtask 11.13 – Survey	<u>4241</u>
TASK 12 – CONSTRUCTION.....	<u>4342</u>
Subtask 12.1 – Constructability Staging Evaluation	<u>4342</u>
TASK 13 – CONTRACTING	<u>4443</u>
Subtask 13.1 – Contract Procurement	<u>4443</u>
Subtask 13.2 – Meetings.....	<u>4544</u>

INTRODUCTION

This Detailed Work Plan is incorporated into Exhibit A, Statement of Work, to the Port of Hood River Contract Number: POHR 2022-01 (“Contract”) between the Port of Hood River (“AGENCY”) and HNTB Corporation (“CONSULTANT”) to provide strategic program management and related services (the SERVICES), for the planning, design, and construction of a replacement structure for the Port of Hood River Bridge (the PROJECT).

FUNCTION AND PURPOSE OF THE DETAILED WORK PLAN

The function and purpose of the Detailed Work Plan is as stated in Exhibit A to the Contract. Internally and through third-party consultants, the AGENCY has developed and will continue to develop PROJECT related documents, materials and other technical information that will be available to CONSULTANT during the term of this Contract. Subject to the CONSULTANT’S Professional Standard of Care, the AGENCY represents that the CONSULTANT shall have the right to rely on the accuracy and completeness of any documents or other materials provided by AGENCY and other participants on the PROJECT to the CONSULTANT and that CONSULTANT’s use of such documents and material will not infringe upon any third parties’ rights.

CONSULTANT DELIVERABLE STANDARDS

The CONSULTANT shall provide the following types of deliverables in the format, quantity, and timeframes stipulated below, unless otherwise defined in a task:

- Agendas – submit at least one (1) business day before scheduled meetings or workshops – one (1) electronic copy in Microsoft Word format
- Meeting Minutes – submit within three (3) business days following the meeting, workshop, or other event – one (1) electronic copy in Microsoft Word
- Other Documents – submit one (1) electronic copy in Microsoft Word format
- Unless stated otherwise in this Scope of Work, deliverables will first be submitted by CONSULTANT to AGENCY as drafts for AGENCY review and comment, with one (1) review of each draft by AGENCY, and then a final submittal that incorporates AGENCY’s comments, subject to one (1) additional review by AGENCY and adjustment by CONSULTANT
- AGENCY will have a reasonable time to review and provide comments on CONSULTANT’s deliverables that are reviewed within AGENCY with the understanding that Agency does not have control over others outside the AGENCY. Consultant shall not be responsible for unreasonable AGENCY or other reviews outside of Consultant’s control. AGENCY and CONSULTANT will identify anticipated reviewers and timelines when planning the schedule and work plan for each deliverable

GENERAL PROVISIONS

- Workshops – in addition to the number of CONSULTANT attendees identified in the Tasks below, up to one (1) facilitator and one (1) designated notetaker will also attend meetings or workshops as agreed between AGENCY and CONSULTANT
- Development and preparation of Meeting Agenda, Material, Notes and Action Items shall average of one (1) hour per meeting for each CONSULTANT attending
- Development and preparation of Meeting Agenda, Material, Notes and Action Items shall average of one (1) hour per meeting for each CONSULTANT attending. Meetings, Workshops and Trainings will have a virtual and in-person option, with 50% of meetings

in person for estimating. Video/phone conference format of meetings shall mean either Microsoft Teams, WebEx programs, or other format agreed to by the participants.

DETAILED WORK PLAN – YEAR 1

TASK 1 – PROJECT MANAGEMENT

The CONSULTANT shall actively coordinate with AGENCY and manage all aspects of the CONSULTANT's SERVICES such as identifying and resolving issues in a timely manner.

Subtask 1.1 – Project Management

Conditions:

- One (1) CONSULTANT project review per month will be attended by up to two (2) CONSULTANT staff and average one (1) hour.
- Monthly update meetings with AGENCY will be attended by up to six (6) CONSULTANT, including sub-consultant, staff and average one (1) hour.
- Monthly CONSULTANT Team Leader meeting will be attended by up to eight (8) CONSULTANT, including sub-consultant, staff and average one (1) hours.
- The Initial PMP will be provided to AGENCY for review.
- The Initial PMP will be updated in future Detailed Work Plans as the Project is further defined.
- The labor expense details for this scope item include hours for CONSULTANT staff to perform general management of the Project and CONSULTANT team. These hours are in addition to the performance of the deliverables outlined above.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Manage, administer, and coordinate CONSULTANT activities.
- Manage the scope, schedule, and budget as provided in this Detailed Work Plan.
- Coordinate and meet with AGENCY in meetings to discuss and plan key activities and issues related to project scope, schedule, and budget.
- Prepare an Initial Project Management Plan (PMP). The Initial PMP will include the following:
 - Roles and Responsibilities for AGENCY and CONSULTANT team
 - Work Breakdown Structure (WBS)
 - Components: Work Plan, Project Quality Plan, Risk Management Plan, Change Management Plan, Communication Plan, Document Control Plan, Project Controls Management Plan
- Develop a CONSULTANT Communication Plan that describes how AGENCY and CONSULTANT team will communicate and coordinate with each other and with outside agencies to manage and implement CONSULTANT's work. The CONSULTANT shall conduct one project review each month with the CONSULTANT Principal in Charge or their designee. The meeting will address the CONSULTANT team's performance of scope, schedule, budget, and quality.
- Maintain an Action Items Log of current action items, technical issues requiring resolution and documentation of the decisions

Deliverables:

- 1.1.1. Initial Project Management Plan (PMP) due 09/30/2022.
- 1.1.2. Action item log updated Monthly.
- 1.1.3. Director Update's - Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.
- 1.1.4. CONSULTANT Team Lead's - Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.
- 1.1.5. Monthly Project Review - Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.

Subtask 1.2 – Chartering Workshop

Conditions:

- The workshop will be attended by up to eight (8) CONSULTANT staff, including sub-consultants, and will last up to four (4) hours.
One (1) workshop preparation meeting will be attended by up to eight (8) CONSULTANT staff, including sub-consultants, and will last up to one (1) hour each.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Facilitate and participate in a workshop with AGENCY leadership team, BSWG and Port of Hood River Commission to align the PROJECT purpose, establish consistent goals and develop a process/milestone schedule and decision-making matrix.
- Identify strategies the AGENCY should use in evaluating and making decisions about funding opportunities and delivery method
- Engage AGENCY leadership in setting the overall direction for the bridge replacement and to define clear project definition and decision making.

Deliverables:

- 1.2.1. ~~Agenda and Meeting Materials (Agenda, Notes, Action Items)~~ as per CONSULTANT DELIVERABLE STANDARDS.
~~1.2.1. Meeting Notes and Action items as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 1.3 – Document Control

Conditions:

- The Initial Document Control Plan will be provided to AGENCY for review.
- The Initial Document Control Plan will be updated in subsequent Detailed Work Plans as the PROJECT and associated document types are better defined.

Activities

The CONSULTANT shall perform the following in support of the SERVICES:

- Develop an Initial Document Control Plan as part of the PMP described in Subtask 1.1 that outlines an electronic folder structure to be used by CONSULTANT for PROJECT-related documents. The Plan will also identify procedures CONSULTANT will use for the storage and management of public and non-public documents.

- Manage, establish, organize, implement, and update an electronic document control system for use by the AGENCY, CONSULTANT and subconsultant staff for the PROJECT, consistent with the Initial Document Control Plan. This system will organize, and store PROJECT-related documents being produced or received by CONSULTANT.
- Provide access to this document control system for AGENCY staff as requested by AGENCY.
- Provide one training session, up to one (1) hour in duration, to AGENCY and twenty (20) CONSULTANT staff for implementing the Document Control Plan and using the system.

Deliverables:

- 1.3.1. Initial Document Control Plan due 09/30/2022.
- 1.3.2. Implement & Update Document Control System.
- 1.3.3. Training on Document Control System no later than 09/30/2022.

Subtask 1.4 – Project Debriefs (Existing Contracts)

Conditions:

- The CONSULTANT will work with the AGENCY to identify the AGENCY’s current consultant contracts for coordination
- Meetings with AGENCY and five (5) of the AGENCY’s existing consultants will be attended by up to three (3) CONSULTANT, including sub-consultant, staff and will last for four (4) hours.
- CONSULTANT will schedule and attend meetings as requested by the AGENCY

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Attend debriefing meetings and events to coordinate with AGENCY and AGENCY’s other consultants performing work related to the PROJECT to inform the CONSULTANT of the project status and existing challenges and opportunities

Deliverables:

~~1.4.1. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~1.4.2. 1.4.1. Meeting (Agenda, Notes and Action Items) as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 1.5 – Contract Administration

Conditions:

- The labor expense details for this scope item include certain hours for CONSULTANT staff to perform general contract administration for the CONSULTANT team. These hours are in addition to performance of the activities described below

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Coordinate, execute, and manage CONSULTANT and sub-consultant agreements
- Monitor CONSULTANT and sub-consultant budget and schedule performance
- Communicate and meet with CONSULTANT task leads and sub-consultants to review and update work progress related to scope, schedule, budget
- Track and monitor CONSULTANT and sub-consultant schedule performance and meet with CONSULTANT task leads and sub-consultants to review and update work progress related to scope, schedule, budget
- Update reports with CONSULTANT and sub-consultant actuals, percent complete, and forecasted related to scope, schedule, budget
- Establish Work Breakdown Structure (WBS) and reporting templates to actively track and manage CONSULTANT and sub-consultant budgets and costs
- Document, track, and report on PROJECT changes related to budget with HNTB's Project Manager, Deputy Project Manager, and AGENCY, as needed
- Update CONSULTANT and sub-consultant agreements as PROJECT progresses
- Update WBS and cost reporting templates as PROJECT progresses

Deliverables:

1.5.1. Contract Administration Services throughout the Term of the Contract.

Subtask 1.6 – Invoicing & Progress Reporting

Conditions:

- Monthly invoices will be submitted for the duration of this Detailed Work Plan.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Manage and develop invoicing and reporting guidelines per AGENCY invoicing policies
- Update and submit monthly invoice documenting services performed by the CONSULTANT and its sub-consultants
- Meet with subconsultants, as needed, for adherence to invoicing and reporting guidelines
- Update and submit monthly progress report detailing, in written form, services completed during the invoicing period
- Update invoicing and reporting guidelines as PROJECT progresses

Deliverables:

- 1.6.1. Monthly invoice
- 1.6.2. Invoicing guidelines and workflow due 08/31/2022.
- 1.6.3. Monthly progress report

Subtask 1.7 – Meetings

Conditions:

- Bi-State Working Group will be attended monthly on average by up to two (2) CONSULTANT staff, including sub-consultants, and will last up to two (2) hours.
- Port Commission Meetings will be attended semi-monthly on average by up to two (2) CONSULTANT staff, including sub-consultants, and will last up to two (2) hours
- Key Stakeholders will be attended Monthly on average by up to four (4) CONSULTANT staff, including sub-consultants, and will last up to one (1) hour
- Regional/Local regulatory agencies will be attended monthly on average by up to four (4) CONSULTANT staff, including sub-consultants, and will last up to one (1) hours
- State Elected Officials of Oregon and Washington Meetings that will be attended quarterly on average by up to two (2) CONSULTANT staff, including sub-consultants, and will last up to one (1) hour

Activities

The CONSULTANT shall perform the following in support of the SERVICES:

- Participate in meetings with the following:
 - Bi-State Working Group
 - Port Commission
 - Key Stakeholders
 - State/Regional/Local Regulatory Agencies
 - State/National Elected Officials for Oregon and Washington

Deliverables:

- 1.7.1. ~~Agenda and~~ Bi-State Working Group Meeting Materials (Agenda, Notes, Action Items) as per CONSULTANT DELIVERABLE STANDARDS.
- 1.7.2. Port Commission Meeting Materials (Agenda, Notes and, Action Items) as per CONSULTANT DELIVERABLE STANDARDS.
- 1.7.3. Key Stakeholders Meeting Materials (Agenda, Notes, Action Items) as per CONSULTANT DELIVERABLE STANDARDS.
- 1.7.4. State/Regional/Local Regulatory Agencies Meeting Materials (Agenda, Notes, Action Items) as per CONSULTANT DELIVERABLE STANDARDS.
- 1.7.5. State/National Elected Officials Meeting Materials (Agenda, Notes, Action Items) as per CONSULTANT DELIVERABLE STANDARDS.

TASK 2 – RISK MANAGEMENT

Subtask 2.1 – Risk Management Plan

Conditions:

- The Risk Management Plan will incorporate work already performed by the AGENCY and expand based on project progress and updated project information.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Develop a Risk Management Plan as part of the PMP described in Subtask 1.1 after the initial Risk Management workshop is completed. The Risk Management Plan will include the following:
 - Identification and ranking of project risks in a risk register that summarizes the nature and occurrence of each risk.
 - A risk action plan that can be used as an ongoing management tool that identifies at least one person from CONSULTANT or AGENCY who will lead the management of each risk and the actions and timelines necessary for managing the risk.
- Review the risk evaluation progress to date, expand to include more detailed risk evaluation and mitigation strategies and set the basis of the risk register

Deliverables:

2.1.1. Initial Risk Management Plan due 09/30/2022.

Subtask 2.2 – Risk Workshop

Conditions:

- The Risk Management Workshop will be attended by AGENCY staff and up to twelve (12) CONSULTANT, including sub-consultant, staff. The workshop will last up to four (4) hours.
- CONSULTANT will schedule the workshop.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Facilitate and participate in a Risk Management Workshop to document and update AGENCY's risk evaluation activities to date.
- Draft preliminary list of risk factors.

Deliverables:

2.2.1. Preliminary list of risk factors due 08/31/2022.

~~2.2.2. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~2.2.3. 2.2.2. Meeting (Agenda, Notes and Action items) as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 2.3 – Risk Register

Conditions:

- CONSULTANT team will track and update the risk register six (6) times per year. A meeting will be held with the AGENCY staff and up to two (2) CONSULTANT, including sub consultant, staff and average one (1) hour.
- Risk reviews, monitoring and risk register updates average 2 days per month.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Develop and maintain the project risk register
- Develop a risk register log that will identify/list project risks
- Establish a risk order (highest risk to lowest risk)
- Assign probabilities of risk occurring both in cost and schedule
- Evaluate and assign potential costs and/or schedule impacts of the risk
- Update Risk Register on a monthly basis
- Update risk register with Delivery Method Selection process

Deliverables:

2.3.1. Risk Register due 08/31/2022.

2.3.2. Maintain and update Risk Register at least quarterly.

2.3.3. Risk Review ~~Meetings as per CONSULTANT DELIVERABLE STANDARDS~~ Workshops.

~~2.3.4. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~2.3.5.~~ ~~2.3.4. Meeting~~ (Agenda, Notes and Action items as per CONSULTANT DELIVERABLE STANDARDS.

Subtask 2.4 – Project Cost Estimate (PCE)

Conditions:

- The original PCE is provided by the AGENCY for review and incorporation into project planning.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Review the existing Project Cost Estimate (PCE) and perform estimate updates based on changes to project information, assumptions, major changes in market conditions, and potential scope changes.
- Use the existing and updated PCE to inform fund source programming, funding needs, and delivery method selection process.

Deliverables:

~~2.4.1. Programming and Funding Need One-Pagers for Key Project Stakeholders~~

TASK 3 – CHANGE MANAGEMENT PLAN

Subtask 3.1 – Change Management Plan

Conditions:

- No Conditions for this Subtask.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare a Change Management Plan (CMP) for the PROJECT and submit to the AGENCY for review and approval.
- Define the process for identification, notification, processing, and documentation of all project changes.
- Maintain change control log of proposed, pending, and executed changes internal and external to the PROJECT
- Define the change approval process

Deliverables:

3.1.1. Change Management Plan

TASK 4 – QUALITY

Subtask 4.1 – Quality Management Plan (QMP)

Conditions:

- The CONSULTANT’s Initial Draft QMP will be provided to AGENCY for review.
- The CONSULTANT’s Final QMP will be provided to AGENCY for review.
- The Quality Management Plan will only cover quality activities expected during the duration of the Detailed Work Plan (12 months) and will be updated to add additional activities during future Detailed Work Plans(s).
- QC activities will be performed according to the procedures and schedules outlined in the QMP, and QC labor hours are budgeted with each deliverable under individual subtasks throughout this Scope of Work.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Develop procedures for quality control and quality assurance review processes
- Draft Quality Management Plan as part of the PMP described in Subtask 1.1
- Coordinate a list of deliverables
- Identify of which quality review procedures apply to each identified deliverable and who will perform each quality review.
- Quality certification by the CONSULTANT’s Project Quality Manager and signature forms for each of the PROJECT’S delivery milestones
- Quality Assurance (QA) of SERVICES provided under this Detailed Work Plan. QA activities include verifying that CONSULTANT’s QC activities are being performed and documented for each deliverable according to the QMP procedures and monitoring and documenting CONSULTANT’s overall compliance with the QMP requirements.

Deliverables:

4.1.1. Quality Management Plan (QMP) due 08/31/2022

Subtask 4.2 – Quality Training

Conditions:

- The QMP will be reviewed by all CONSULTANT team members working on deliverables during the term of this Detailed Work Plan, all team members as they onboard the project, and will last up to one (1) hour.
- CONSULTANT staff will need to be trained as part of a future authorization.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Provide QMP for review by CONSULTANT and sub-consultant team

Deliverables:

4.2.1. QMP Training (Initial Training) held no later than 08/31/2022.

Subtask 4.3 – Quality Assurance

Conditions:

- Quality Control activities performed for each deliverable according to procedures and schedules outlined in QMP

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Provide Quality Assurance of deliverables provided in the Work Authorization
- Verify CONSULTANT's Quality Control activities being performed and documented for each deliverable according to QMP procedures
- Monitor and document CONSULTANT's overall compliance with QMP requirements

Deliverables:

4.3.1. Quality Assurance Log

TASK 5 – PROJECT CONTROLS

Subtask 5.1 – Project Controls Plan

Conditions:

- The Project Controls Plan will be updated in subsequent Detailed Work Plans as the PROJECT is better defined.
- The CONSULTANT Project Controls Plan will be provided to AGENCY for review. A single review-and-comment cycle by the AGENCY is assumed.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare a Project Controls Management Plan as part of the PMP described in Subtask 1.1 that identifies the tools, processes, and systems that will be evaluated and implemented by the CONSULTANT
- Address the CONSULTANT's data collection, processing, and reporting needs and solutions during the term of this Detailed Work Plan
- Identify potential future needs, options, collaboration, and evolution that may be needed in later phases.

Deliverables:

5.1.1. Initial Project Controls Plan due 08/31/2022.

Subtask 5.2 – Project Dashboard

Conditions:

- The Project Dashboard will be web-based, accessible with appropriate permissions by the CONSULTANT and AGENCY only.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Develop and maintain a Project Dashboard showcasing key performance indicators (KPIs) as determined by the CONSULTANT and the AGENCY.
- Address the CONSULTANT's critical items influencing short-term goals during the term of this Detailed Work Plan, and evolving to show the relevant, project specific KPIs of each project phase.

Deliverables:

5.2.1. Project Dashboard

Subtask 5.3 – Integrated Project Schedule

Conditions:

- The Project Schedule will be developed in the latest version of Primavera P6.
- The Project Schedule will be made available in printable PDF format and through online schedule review tools, such as ProjectControls.online.
- The Schedule will be presented in relevant summary formats using various visualization tools and techniques.
- Changes to the Project Baseline will require the approval of the Project Manager and the AGENCY.
- Initial Project assumptions shall be documented in conjunction with the approval of the Baseline Schedule.
- The Project Schedule will be updated monthly.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare an integrated master schedule (Project Schedule) that encompasses all known and potential activities to complete the Project based on the interaction of sub-project schedules and in alignment with completion milestones
- Baselined after the review and approval by the CONSULTANT and the AGECCNY
- Document and track project assumptions influencing or driving the Project Schedule Baseline
- Update the Project Schedule with progress from active sub-project schedules and refine the Schedule to reflect the current project status and assumptions

Deliverables:

5.3.1. Integrated Master Project Schedule Baseline due 08/31/2022.

5.3.2. Project Schedule Updates, provided quarterly

Subtask 5.4 – Sub Project Schedule

Conditions:

- The sub-project Schedules will be developed in the latest version of Primavera P6 or converted from their native formats to Primavera P6.
- The sub-project Schedules will be made available in printable PDF format and through online schedule review tools, such as ProjectControls.online.
- The schedules will be presented in relevant summary formats using various visualization tools and techniques.
- Changes to the sub-project Baselines will require the approval of the Project Manager.
- Initial Sub-project assumptions shall be documented in conjunction with the approval of the Baseline Schedule.
- The known sub-project schedules include but are not limited to: Design, Funding, Delivery Method Selection, Permitting, Outreach, Procurement, and Governance.
- The Sub-Project Schedule will be updated monthly.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare, review, and maintain sub-project schedules that encompasses all known and potential activities to complete each phase of the project in alignment with completion milestones
- Baselined after the review and approval by the CONSULTANT team
- Document and track project assumptions influencing or driving the sub-project schedules
- Update the schedules with progress from active work and refine the scheduled to reflect the current sub-project status and assumptions.

Deliverables:

5.4.1. Baseline Sub-Project Schedules due 08/31/2022.

5.4.2. Sub-Project Schedule Updates, provided quarterly

TASK 6 – COMMUNICATIONS

Subtask 6.1 – Public Involvement & Communications Plan

Conditions:

- The labor expense details for this scope item include certain hours for CONSULTANT staff to coordinate with AGENCY and AGENCY’s public engagement and other consultants. These hours are in addition to performance of the deliverables and activities outlined below.
- CONSULTANT will participate in up to twelve (12) meetings with AGENCY partners for Strategic Communications as requested. Each meeting will be attended by up to two (2) CONSULTANT, including sub-consultant, and each will last up to two (2) hours.
- Deliverables will be provided two (2) times for AGENCY review and comment prior to distribution of one (1) final version.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Public Involvement and Communications Plan
 - Review relevant project documents and information to understand work done to date
 - Produce public involvement and communications plan which will outline decision-making process; demographics analysis; team roles; outreach strategies; key messages; and schedule
 - Produce and manage comprehensive list of stakeholders to engage throughout project
 - Include purpose and schedule for open house events, online open houses and community events
 - Develop strategy and planning for social media, Illustrations, graphics and photography
- Project Branding
 - Consultant to design a project logo that can be used throughout the remainder of the project; includes 2 2-hour branding meetings to discuss logo and project visual identity
 - Development of project templates, including a PowerPoint presentation and Memo template
 - A project Look Book that sets the project identity, including project fonts, colors and use of the logo
- Project Website
 - Design and production of a bilingual project website that provides updates on the bridge project and the Bi-State working group’s role with the bridge.
 - Includes up to four (4) 1-hour meetings to discuss project website with the PMT and/or bi-state working group prior to launching
 - Up to two monthly website updates to inform the community about the project, public input opportunities and what’s being considered with the design and other important project topics
 - Website content, images and formatting to meet all Oregon and Washington state ADA guidelines

- Redesign website to reflect new Bi-State Bridge Commission, content, graphics and layout

Deliverables:

- 6.1.1. Public Involvement and Communications Plan (PICP) due 09/30/2022.
- 6.1.2. Project Branding, including project colors, logo, Look Book, PowerPoint Template, and Project Memo template due 09/30/2022.
- 6.1.3. Project Website – design and launch of website in English and Spanish languages with two (2) monthly updates.

Subtask 6.2 – Strategic Communications Support

Conditions:

- Strategic Communications Plan will be one (1) draft and one (1) final submittal
- Strategic Communications Plan will be a component of the Public Involvement and Communications Plan (Deliverable 6.1.1)

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Develop a strategic communications plan for AGENCY with their partner agencies, regulatory agencies, and elected officials as it relates to the PROJECT.

Deliverables:

- 6.2.1. Strategic Communications Plan due 09/30/2022.

Subtask 6.3 – Workshops

Conditions:

- Public Involvement Kick Off Workshop:
 - Held within the first month of NTP
 - May be held in combination with larger team kick off meeting
 - Held in-person at the Port for two (2) hours.
 - Staffing will include 3 – 4 CONSULTANT staff; assumes some prep time
- Stakeholder Interviews
 - Assumed to be one (1) hour in duration
 - Include 2 CONSULTANT staff for each interview and will include travel.
 - Completed within the first 3 months following NTP
- Open Houses to present information on Final EIS and Revenue Optimization Plan
 - Maximum of six (6) in-person open house events, three in each state
 - Assume in-person open house events will last no more than two (2) hours not including travel, set up and break down time
 - Up to three (3) CONSULTANT staff per event for set up, facilitation, and notetaking
 - Maximum of two (2) online open house events – one focused on community engagement and another on the Revenue Optimization Plan
- Community Events
 - Staff up to five (5) events with two (2) CONSULTANT staff to set up, staff and break down each event

- Each event assumed to be no longer than six (6) hours

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Public Involvement Kick Off Workshop
 - Public involvement goals and what's needed during year one and during the design phase
 - Key messages
 - Working together and team roles for public engagement
 - Key stakeholders and working with the public
 - Decision-making structure and process
 - Concerns that may need to be followed up on
 - Media planning
 - Comments received from the meeting will be incorporated into the PICP
- Stakeholder and Comment Tracking/ Engagement Project Success Measurement
 - Track, code and maintain participation in engagement activities and comments received throughout the project
 - Track stakeholders who participate in outreach activities or those who would like to receive project updates throughout the project
- Stakeholder Interviews and Ongoing Engagement
 - Stakeholder interviews with up to 15 stakeholders that have been involved with the project in prior phases and/or have key interests with the project
 - Develop an interview plan with questions and interview roles and responsibilities, schedule all interviews and summarize the conversations in an interview summary
 - Document key concerns and opportunities for design and test project branding and key messaging with stakeholders prior to the first media campaign
 - Interviews will also inform overall engagement strategy throughout the remainder of the work
- Jurisdictional/ Community Presentations and Key Stakeholder Direct Engagement
 - Attend and present at jurisdictional standing meetings to discuss the project and ask for feedback as appropriate
 - Contact key stakeholders to discuss the project, key concerns, and opportunities throughout the project
 - Provide notes on stakeholder conversations weekly to keep the project team informed of conversations
 - Prepare for in-person presentations with PowerPoint slides and materials as appropriate
- Open Houses
 - Plan, provide coordination and facilitation of in-person open house events
 - Coordinate and develop agendas, presentation materials and meeting guides for digital and/or in-person events
 - Design and production of meeting materials such as surveys, comment forms, sign up sheets, etc., as needed
 - Development of event invitation lists, with PMT input, and management of the invitation of events
 - Secure event venues, event set up, and refreshments
 - Design, develop and manage online open house events

- One (1) online open house with focus on engaging the public and regional interested parties on what the project history and decisions to date and ask for input needed on bridge aesthetics and bike/ped options
- One (1) online open house with focus on Revenue Optimization Plan
- Online events to be hosted on JLA’s online open house platform (station-based, with questions per station) or on Story Maps (story-based, one survey)
- Consultant shall prepare a detailed summary for each round of events; anticipating two (2) rounds of events
- Provide materials and online tools appropriate for screen readers and meet state ADA requirements
- Online presentations with the project team via Zoom
- Produce summary following each event
- Community Events
 - CONSULTANT to staff existing community events to promote the PROJECT and online open house events.
 - Contact community organizations or event managers to organize event participation
 - Produce tabling event materials, including sign-up sheets and comment form
 - Summarize feedback received at events

Deliverables:

- 6.3.1. Public Involvement Kick Off Workshop - one draft and one final agenda
- 6.3.2. Stakeholder and Comment Tracking - Regular updates to stakeholder comment log with input received from the different organized/attended events, Quarterly updates on progress and measurements of success
- 6.3.3. Stakeholder Interviews and Ongoing Engagement - one draft and one final Interview Plan; one draft and one final Interview Summary
- 6.3.4. Jurisdictional/ Community Presentations – Weekly recap notes on stakeholder conversations; Comments tracked in the comment log; Presentation materials per stakeholder group for in-person presentations and meetings
- 6.3.5. Six (6) in-person Open Houses and two (2) online Open Houses
- 6.3.6. Attendance and community engagement at five (5) Community Events

Subtask 6.4 – Public Involvement & Project Branding

Conditions:

- Spanish language interpretation will need to be added with future Detailed Work Plan to produce Spanish-language materials

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

Media Campaigns (Multimedia)

- Media and On-Going Project Communications Support
 - Comprehensive communications and media support including:
 - Production of monthly communications for stakeholder emails to keep everyone in the know

- Develop and track press releases on important events to local and regional media and nonprofit organizations
- Monthly updates to project team talking points
- Tracking media coverage for the project
- Videos
 - Consultant to produce project videos to support project communications and outreach
 - Use produced videos to supplement content on social media, online open houses, and community presentations
 - Consultant to hire a drone operator to capture aerial footage of the existing bridge for use on videos throughout year one
 - Videos to follow approved script, produced by the Consultant and approved by the Client
 - Produce videos that educate the diverse public about the importance of the new bridge and its processes.
 - Create a sense of buy-in and motivation to fund the project completion
 - Create media assets that enhance the project's outreach objectives
 - Perform pre-production, production, and post-production for video's
 - Perform production and post-production of still images
- Factsheets
 - Consultant to design and produce factsheets at key project milestones.
 - Factsheets will provide important project information including why this work is needed, overall schedule, and how interested parties can be involved and track the process.
 - Factsheets are assumed to be a double-sided 8.5x11 material
 - CONSULTANT will print factsheets for use at community events and presentations
- Social Media
 - Production and management of three social media accounts for the project. Recommended Facebook, Twitter and Instagram.
 - 2 - 3 posts per week on each account, including content and graphics
 - Management and response to public comments on accounts
 - Purchase ad space for up to three (3) social media advertisements for Facebook to promote open house and online open house events
 - Social media posts in Spanish

Deliverables:

- 6.4.1. Media and On-Going Project Communications Support - Updated media strategy including monthly communications for stakeholder email and partner communications and talking points for the project team.
- 6.4.2. Social Media - Project Facebook account; Project Twitter account; Project Instagram account; up to three (3) advertisements for Facebook
- 6.4.3. Two (2) Factsheets – one draft and one final factsheet per factsheet; produced bi-annually the first due 09/30/2022

- 6.4.4. Videos – Two (2) documentary-style impact films. (3-10 min), Six (6) social media cut-downs of the film or interview topic shorts (30-60 seconds), 50 still images for marketing purposes + archive development for future licensing
- 6.4.5. Graphics/Photography – up to ten (10) graphics/illustrations and photography including aerial as needed

Subtask 6.5 – Meetings

Conditions:

- Meetings to be held in-person at the Port; travel required
- CONSULTANT will provide three (3) staff at each meeting
- CONSULTANT will provide up to two (2) staff at each bi-state working group meeting to provide updates on communications and public engagement
- CONSULTANT will provide up to two (2) staff at task Lead meetings to coordinate with project team and provide updates on communications and public engagement

- CONSULTANT will prepare and distribute meeting notes
- Assumes two to three 1-hour meetings monthly

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Attend CONSULTANT team meetings and meetings with the Project Management Team, assumes one-hour meetings monthly
- Attend CONSULTANT task lead meetings, assume 2-3 one-hour meetings monthly
- Attend BSWG meetings as needed and BSWG preparation meetings prior to special events

- Overall email coordination with the Port of Hood River, Project Management Team and project partners
- Provide support with calendar invitations and coordination of meetings, as needed

Deliverables:

~~6.5.1. Agenda and Meeting Materials for all attended meetings as per CONSULTANT DELIVERABLE STANDARDS.~~

~~6.5.2.6.5.1. Meeting (Agenda, Notes and Action items) for all attended meetings as per CONSULTANT DELIVERABLE STANDARDS.~~

TASK 7 – FUNDING, FINANCE AND TOLLING (FFT)

CONSULTANT will collaborate with AGENCY to develop and maintain up-to-date update project financial plans including cash flow models and financial and economic analyses. CONSULTANT shall conduct workshops to identify and refine funding, finance options, and develop a 2-year funding and finance roadmap. CONSULTANT will support AGENCY in efforts to secure funds and financing, including preparation of grant applications, lobbying support, meeting facilitation etc. CONSULTANT will coordinate with T&R consultants retained by others and, if necessary, will conduct or assist in the

procurement of T&R services for the project. CONSULTANT will prepare reports and attend meetings as required or requested

Subtask 7.1 – Financial Planning, Modeling and Scenarios

Conditions:

- AGENCY and consultants currently under contract are available to participate as needed
- Funding and Cash Flow Model: Development of basic model – Scenario testing budgeted separately.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Develop and maintain comprehensive Project Financial Plan
 - Deep-dive evaluation of current budgets, financial plans, and funding commitments/agreements.
 - Funding source evaluation of all relevant potential federal, state, and local sources. Analysis will include an evaluation of federal grant programs and development of a funding matrix.
 - Project Financial Plan will be a living document that will be updated as the project develops.
 - Financial Analysis for feasibility and debt capacity scenarios, including toll finance simulations. This could include financial aspects of a Delivery Options analysis for relevant Design Build (DB) and Public Private Partnership (P3) delivery options.
 - Funding and cash flow model to document funding sources and scenarios and include cash flow projections.
 - Consult and Liaison with POHR Municipal Advisor as appropriate and necessary
 - Subcontract with PFM for the following services: Assist and advise on review of existing policies and development of recommendations for new or revised policies; advise as requested on matters related to funding and grant applications; participate as requested in calls or meetings with project management team, stakeholders, BAB, and others; advise as requested on issues of governance; assist with development of TIFIA and federal funding strategy; timing; LOI strategy; equity strategy; review traffic and revenue study

Deliverables:

7.1.1. Initial Project Financial Plan.

Subtask 7.2 – FFT Workshops

Conditions:

- Workshops will be four (4) hours and will have the option to be attended both virtually and in-person
- Each workshop attended by eight (8) CONSULTANT personnel and AGENCY representatives as agreed

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- CONSULTANT will plan, conduct, and document one (1) workshop:
 - Workshop will establish policy preferences, identify potential funding sources, and discuss applicability and viability of various sources.
 - High level evaluation of policy, feasibility, and delivery options analysis around toll revenue scenarios.
 - High level prioritization of funding scenarios and approaches to securing requisite funding

Deliverables:

~~7.2.1. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~7.2.2.7.2.1. Meeting(Agenda, Notes and Action items) as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 7.3 – Competitive Grant Services

Conditions:

- Comprehensive application development includes development of project narrative, update of benefit-cost-analysis and supporting materials for application submission.
- Three (3) Grant Applications
- Maximum of four (4) active grants
- AGENCY will provide BCA and other relevant materials from 2022 MPGD and BIP applications that will be updated, referenced or reused as appropriate
- Engage FCS as subconsultant to update and revise 2022 BCA's as necessary

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Grant Applications – Prepare applications for signature and submittal by AGENCY.
- Identify and track new additional grant opportunities
- Advocacy – Support legislative and agency advocacy in support of grants and/or TIFIA, Bonding or other financing mechanisms as identified.
- Grant Agreements – Negotiate and document grant agreements. Prepare documentation for execution by AGENCY.
- Grant Administration and Reporting –
 - Develop processes and procedures for tracking costs, allocating expenses, and filing reports
 - Prepare and file required reports, support audits, and provide support accounting for grant funds.
- TIFIA application support –
 - Consultations with Build America Bureau
 - Consultations with POHR Financial Advisor
 - Consultations with Bond Counsel
 - Develop and submit TIFIA letter of interest with detailed project description (Purpose and need, Scope, Schedule, Budget, Conceptual Design), project financial plan (ID of dedicated revenue source, Status if all funding requested), status of environmental review, and preliminary credit rating opinion letter

Deliverables:

- 7.3.1. Grant Applications within reasonable time for the AGENCY to review and execute
- 7.3.2. Grant Advocacy
- 7.3.3. Grant Agreements, Administration and Reporting for all secured Grants
- 7.3.4. Draft TIFIA Letter of Interest

Subtask 7.4 – Traffic and Revenue Study Support

Conditions:

- For POHR Revenue Optimization Plan
 - Three (3) Board/BSWG Workshops
 - Up to eight (8) initial scenarios and two (2) final scenarios for detailed analysis

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Traffic and Revenue Study Support
 - Support WSTC's Traffic and Revenue Study
 - Liaison with WSTC's consultant team as necessary
 - Compile and provide data to support T&R Study
 - Full membership on Technical Advisory Committee
 - Monitor and ensure POHR interests are represented
 - Ensure that process is compatible with POHR's future T&R needs
 - Use data and results to support POHR's Revenue Optimization Plan
 - Meetings as necessary to accomplish above referenced activities
 - Review and provide input as appropriate on all memoranda and reports
- POHR Revenue Optimization Plan
 - Develop revenue goals to meet funding and financing needs of the project.
 - Develop revenue scenarios for Board consideration
 - Build revenue evaluation model to evaluate the multiple revenue scenarios and understand impacts to financing capacity and project funding.
 - Hold revenue evaluation workshop with AGENCY to review scenarios and identify preferred alternative
 - Develop in coordination with WSTC's T&R team
 - Develop materials to support six (6) Public and stakeholder engagements
 - Present detailed analysis of most viable scenarios to Board
 - Develop material to support messaging of future toll increase

Deliverables:

- 7.4.1. Monitor Washington State Transportation Commission (WSTC) T&R Consultant and report to POHR Board, BSWG, and BSBC as appropriate
- 7.4.2. Revenue Optimization Plan

Subtask 7.5 – Meetings

Conditions:

- Four (4) Briefings and engagement with POHR and BSWG Commissioners and staff outside monthly meetings
- Four (4) Briefings and engagement with stakeholders outside ones listed in Task 1

- Two (2) Briefings, engagement and develop collateral material to support lobbying efforts
- Monthly, to include attendance and presentation at meetings (12 meetings)
- Attendance at selected meetings by specialty CONSULTANT personnel (6 meetings)

Activities:

- The CONSULTANT shall perform the following in support of the SERVICES:
- Support development of an Aging Plan to program \$75M WA contribution
- Financial Briefings and Engagement as necessary
- Stakeholder engagement support (local and state agencies, legislatures, federal, tribal, and private stakeholders)
- Advocacy support (agency and legislative, state and federal) including development of collateral marketing materials, developing “elevator speech” script, supporting legislators, staff and lobbyists, facilitating meetings

Deliverables:

- 7.5.1. Stakeholder Engagement Support
- 7.5.2. Advocacy Support
- 7.5.3. Support for WSDOT Aging Plan
- 7.5.4. Support for BSBC Transition

TASK 8 – DELIVERY METHOD

Subtask 8.1 – **Delivery Method Analysis**

Conditions:

- The information gathered during Subtasks 8.2 and 8.3 will be considered and incorporated into this analysis and recommendations.
- The Delivery Method Analysis Report will be approximately 30 pages total including appendices.
- Coordination meetings will be held every two weeks between relevant representatives from the CONSULTANT and the AGENCY, will last up to two (2) hours and be attended virtually by at least one (1) person from the CONSULTANT representing the Delivery Method Analysis.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Conduct a qualitative analysis of potential project delivery methods for the PROJECT, based in part on the discussion and outcomes of Subtasks 8.2, 8.3. The analysis will identify and consider various factors agreed with the AGENCY and evaluate them under each of the potential project delivery methods
- Identify and assess the risks related to the project delivery methods, including those identified as part of Subtask 2.2
- Provide documentation of the project delivery analysis and recommendations in the form of a Delivery Method Analysis Report
- Participate in regular coordination meetings with AGENCY

Deliverables:

8.1.1. Delivery Method Analysis Report due 2/1/2023.

Subtask 8.2 – Delivery Method Workshop

Conditions:

- Each of the two (2) Delivery Method Workshops will be conducted in person at the AGENCY’s offices, and a video/phone conference option will be offered.
- Each of the two (2) Delivery Method Workshops will last up to six (6) hours.
- CONSULTANT will coordinate with AGENCY to schedule the first workshop as an early activity, and the second workshop as a closeout activity, associated with the Delivery Method Analysis work in Subtask 8.1.
- Each Delivery Method Workshop will be attended by AGENCY staff and up to six (6) CONSULTANTS, including sub-consultant, staff.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Facilitate and participate in two Delivery Method Workshops with AGENCY
 - The first workshop will be conducted early in this first phase. The primary objectives of the first workshop are to:
 - present a structured approach to assist AGENCY in making a project delivery decision
 - provide initial identification of project goals
 - provide initial analysis of certain risks, especially as they relate to delivery method bring considered for the project
 - The second workshop will be conducted later in this first phase to present the findings and recommendations of the Delivery Method Analysis Report developed in Subtask 8.1.

Deliverables:

~~8.2.1. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~8.2.2.8.2.1. Meeting(Agenda, Notes and Action items) as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 8.3 – Industry Outreach

Conditions:

- The RFI document will be approximately ten pages in length and will outline the purpose of the RFI, details about the project, goals of the project, status of key approvals and project development, tolling considerations, project delivery methods under consideration, the types of information being requested and whether subsequent one-on-one meetings are being considered to engage in follow-up discussions with interested industry firms.
- Up to eight (08) RFIs will be received by AGENCY for review and summary by CONSULTANT.
- CONSULTANT will identify up to two (2) industry events, to be hosted at AGENCY facility or at an offsite conference or facility hosted by others, relevant to bridge

construction and alternative delivery methods. Each event will be attended by up to two (2) CONSULTANT staff and could include up to one (1) hour of presentation and four (4) individual two (2)-hour meetings with industry teams.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare a Request for Information (RFI) document and process that outlines the project scope and solicits written responses from industry on project delivery options, risk matters and questions.
- Review and summarize RFI responses submitted to AGENCY by others.
- Facilitate and participate with AGENCY at up to two industry outreach events, which could include presentation of the project to an audience of industry representatives or meetings with individual entities including design or construction companies that are interested in future construction-related delivery of the project. The purpose of each industry outreach event will be to inform industry about the PROJECT and seek industry input on project delivery options, risk matters and questions. This industry outreach will be considered as part of the project delivery analysis and recommendations in Subtask 8.1.

Deliverables:

8.3.1. Request for Information (RFI) document due 06/30/2023.

8.3.2. Agenda and Materials prior to each industry event and Meeting notes and Action Items after each industry event as per CONSULTANT DELIVERABLE STANDARDS.

~~8.3.3. Meeting participation as per CONSULTANT DELIVERABLE STANDARDS.~~

TASK 9 – ENVIRONMENTAL AND REGULATORY

Subtask 9.1 – Environmental Coordination (NEPA)

Conditions:

- Two (2) CONSULTANT staff will attend up to eighteen (18) NEPA coordination meetings with Agency, Project NEPA team, and regulatory agencies.
- Each of the individual NEPA coordination meetings will not exceed two (2) hours of CONSULTANT Environmental Lead time and will be conducted virtually.
- CONSULTANT will support the AGENCY with NEPA meetings but will not be preparing agendas or meeting materials, time under this subtask if for meeting attendance only.
- Effort anticipates Record of Decision (ROD) to be obtained by March 31, 2023. CONSULTANT efforts beyond this date or beyond the assumptions above will be completed through a future Detailed Work Plan.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Coordinate with Agency and the Project NEPA team to track remaining environmental coordination, decisions, and deliverables associated with the completion of the NEPA process and issuance of the NEPA Record of Decision.

- Attend up to twelve (12) NEPA coordination meetings including, but not limited to, Section 4(f), Tribal Coordination, Section 106, and NMFS Biological Opinion meetings to track Project environmental compliance and support future regulatory compliance.
- Update the Project Environmental Compliance Plan (Task 9.2) as necessary based on information obtained during NEPA coordination efforts.

Deliverables:

~~9.1.1. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~9.1.2.9.1.1. Meeting(Agenda, Notes and Action items as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 9.2 – Environmental Compliance Plan

Conditions:

- The Environmental Compliance Plan (ECP) will be one (1) Draft, and (1) Final submittal.
- The ECP shall be prepared prior to Agency selection of Project delivery method and A/E team procurement.
- The ECP permitting schedule may require one (1) revision after selection of the Project delivery method to update the permitting schedule. No other ECP updates are included in this SOW.
- The construction phase ECP update shall be completed prior to construction after all permits are issued under a future CONSULTANT team contract amendment with the Agency.
- The ECP shall be updated in a future authorization after all permits have been issued and specific environmental commitments, requirements, and mitigation have been identified to support environmental compliance during the Project’s construction phase.
- The future construction phase ECP shall also include details regarding environmental compliance team responsibilities and authority, reporting requirements, identify procedures for achieving environmental compliance, and establish procedures for identifying and resolving issues of non-compliance.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare an Environmental Compliance Plan (ECP) that:
 - Identifies all applicable environmental permits and authorizations required for the project.
 - Identifies key regulatory agency contacts.
 - Includes schedules for permit application preparation, agency review timelines, and permit issuance aligned with Project design milestones.

Deliverables:

9.2.1. Environmental Compliance Plan due 12/1/2022.

Subtask 9.3 – Environmental Compliance Workshop

Conditions:

- The Environmental Permitting Workshop will be attended by AGENCY and up to four (4) CONSULTANT team members.
- The Environmental Permitting Workshop will last up to eight (8) hours, inclusive of travel, and will be conducted in person in Hood River.
- CONSULTANT will prepare the workshop agenda, coordinate with participants to schedule the workshop, and provide Workshop meeting notes to participants

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Coordinate with AGENCY to plan, conduct, and document an Environmental Compliance Workshop after completion of the ECP to review the ECP and project environmental compliance requirements.
- The workshop will focus on integrating environmental planning, permitting, and regulatory agency coordination activities with overall project development and delivery
- Facilitate discussion to outline the ECP's schedule for developing environmental documentation, permitting products, and milestones
- Will support selection of the project delivery method by outlining critical path permitting efforts for planning and scheduling purposes

Deliverables:

~~9.3.1. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~9.3.2-9.3.1. Meeting(Agenda, Notes and Action items) as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 9.4 – Regulatory Agency Coordination

Conditions:

- CONSULTANT shall attend up to ten (10) coordination meetings with applicable regulatory agency staff and Agency under this SOW to include US Coast Guard, Columbia Gorge Commission, US Army Corps of Engineers, National Park Service, Oregon Park and Recreation.
- Up to four (4) CONSULTANT staff shall attend the regulatory agency coordination meetings.
- Regulatory agency coordination meetings shall last up to five (5) hours, inclusive of travel, and shall be conducted in person in Hood River.
- CONSULTANT labor for regulatory agency coordination, outside of in person coordination meetings, shall be limited to 80 hours.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Coordinate with applicable regulatory agencies to discuss permitting timelines and requirements for development of the Project ECP

- Coordinate and facilitate coordination meetings with regulatory agency staff and AGENCY to discuss specific regulatory permitting requirements, compliance needs, and permitting schedules

Deliverables:

~~9.4.1. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~9.4.2.9.4.1. Meeting(Agenda, Notes and Action items) as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 9.5 – Tribal Coordination

Conditions:

- CONSULTANT will coordinate with AGENCY and develop treaty memorandums of agreements (MOA) with the following tribes.
 - Confederated Tribes and Bands of the Yakama Nation [Yakama Nation]
 - Confederated Tribes of the Warm Springs Reservation of Oregon [Warm Springs]
 - Confederated Tribes of the Umatilla Indian Reservation [Umatilla]
 - Nez Perce Tribe
- CONSULTANT will arrange for and hold sixteen (16) coordination meetings four (4) with each tribe, each attended by up to two (2) CONSULTANT, including sub-consultant, staff.
 - Three (3) in-person meetings and one (1) virtual meeting
 - Each meeting is assumed to be two (2) hours in length.
- CONSULTANT will coordinate with and attend bi-weekly coordination meeting with AGENCY officials for development of treaty MOAs.
- CONSULTANT will coordinate with the AGENCY to provide contact information for key tribal officials of the identified tribes and to develop background information about the previous discussions or correspondence with elected officials.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Tribal Coordination Support
 - Develop a Tribal Coordination Plan that includes a briefing with each tribe, defines project roles for tribal coordination, and provides information on stakeholders and other organization impacted by the PROJECT.
 - Provide AGENCY tribal contacts and develop a tracking sheet.
 - Identify temporary and permanent impacts to the tribal fishers resulting from bridge construction. Advise AGENCY on ways to mitigate impacts and resolve potential conflicts between tribes, both at the government level and at the staff level.
- Assistance with Development of Memorandum of Agreements (MOAs)
 - Research existing MOAs with tribes and provide examples for review.
 - Develop final MOA's for 4 Treaty Tribes and respond to comments
 - Advise the Agency on how to approach tribes about potential sensitive issues.

- Provide updates during negotiations using a project map with location of fish impacts identified and potential mitigation measures
- Develop draft mitigation strategy for fishing impacts, to be presented to each tribe for negotiation and inclusion in the draft MOA specific to each tribe.
- Assist on identifying temporary and permanent impacts from new bridge construction to the White Salmon Treaty Fishing Access Site and other tribal cultural resource sites.
- Advise on how to approach the tribes with potential mitigation solutions.
- Assist in development of temporary exclusion zone concept for mitigating impacts to bridge construction on fishing access locations
- Advise AGENCY on a methodology for quantifying economic impacts due to lost fishing time and reduced fishing spots and net anchorages
- Make recommendations to AGENCY on legal and/or economic support in drafting and negotiating MOAs.
- Cultural Training
 - Provide training on the history and differences of the tribes in the Columbia River Gorge, fishing and first foods practices, history and development of the In-lieu and Treaty Fishing Access Sites, and other issues the tribes may raise with respect to the Bridge Replacement.
 - Provide training related to the four (4) Treaty Tribes in preparation for coordination efforts associated with the finalization of the Treaty Tribe MOA's
- Other tribal coordination support
 - Assist with coordination of potential Native American elements or motifs that can be incorporated into the bridge design
 - Identify and coordinate temporary and permanent impacts from bridge design and construction during preliminary engineering.
 - Develop maps associated with temporary and permanent impacts from preliminary engineering
 - Develop mitigation measures and recommendations associated with temporary and permanent impacts to support preliminary engineering
 - Review AGENCY's existing monitoring plan and provide comments.
 - Advise AGENCY on how to resolve comments from the tribes
 - Provide input to PROJECT's Action Item Log and Risk Register
- Archeological Monitoring
 - Provide archaeological monitoring of geotechnical exploration by a qualified archaeologist.
 - Prepare daily field notes describing work done and results
 - Review existing Inadvertent Discovery Plan and any associated MOA's prepared to date by WSA, ODOT, or WSDOT

Deliverables:

- 9.5.1. Tribal Coordination Plan due 09/30/2022.
- 9.5.2. Cultural Training no later than 11/10/2022.
- 9.5.3. ~~Agenda and Meeting Materials~~ ([Agenda, Notes and Action items](#)) as per CONSULTANT DELIVERABLE STANDARDS.
- ~~9.5.4. Meeting Notes and Action items as per CONSULTANT DELIVERABLE STANDARDS.~~
- [9.5.4. N/A](#)
- 9.5.5. Draft and Final Summary Report of archaeological findings
- 9.5.6. Tribal Coordination Draft MOAs

9.5.7. Preliminary Engineering Coordination

Subtask 9.6 – Railroad Coordination

Conditions:

- Existing railroad facilities will remain in operation during construction except for limited, shortterm work.
- CONSULTANT will hold coordination meetings with BNSF and UP, up to six (6) total per year. Up to two (2) CONSULTANT, including sub-consultant, staff will attend meetings that will average one (1) hour.
- CONSULTANT will coordinate with the AGENCY on the names and contact info for key railroad officials with BNSF and UP and to develop background information about AGENCY's previous discussions or correspondence with elected officials.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Support the AGENCY in coordination and discussions with BNSF and UP.
- Establish minimum horizontal and vertical clearance envelopes for existing tracks. Prepare exhibit to document these envelopes.
- Coordinate with structures design team regarding the required railroad criteria.
- Develop railroad mitigation agreement

Deliverables:

~~9.6.1. Agenda and Meeting Materials as per CONSULTANT DELIVERABLE STANDARDS.~~

~~9.6.2.9.6.1. Meeting(Agenda, Notes and Action items) as per CONSULTANT DELIVERABLE STANDARDS.~~

Subtask 9.7 – Geotechnical Investigations Regulatory Permitting

Conditions:

- The project will qualify for a USACE Nationwide Permit 6 for survey activities.
- Geotechnical investigations will not affect wetlands. No fieldwork will be required by Contractor to complete the permitting work.
- Individual Section 401 water quality certifications will be required from DEQ and Ecology.
- The project will result in no effect on ESA-listed species and will not require an individual ESA consultation with NOAA Fisheries or the U.S. Fish and Wildlife Service (USFWS).
- A Biological Assessment will not be required for geotechnical investigations.
- No resource mitigation will be required for geotechnical site investigations.
- The activity is exempt from State Environmental Policy Act (SEPA), Shoreline Management Act (Revised Code of Washington 90.58.030), and local agency permitting requirements.
- CONSULTANT will attend up to two (2) meetings as required with Port staff and/or regulatory agency staff in Hood River to discuss permitting details.
- AGENCY will be responsible for all permit application fees.
- JPA/JARPA coordination will include up to six (6) figures.

- No effect letter will include up to four (4) figures.
- Consultant will provide up to twelve (12) hours of post-application coordination with USACE, WDFW, DSL, DEQ, Ecology, DNR, and City of White Salmon.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare permit applications and documentation necessary to secure permits to conduct in-water geotechnical investigations necessary for advancing project design. Applications will include:
 - US Army Corps of Engineers (USACE) Section 404 Nationwide Permit No. 6 – Survey Activities
 - National Marine Fisheries Service (NMFS) Standard Local Operating Procedures for Endangered Species (SLOPES) 5 Programmatic Biological Opinion Compliance
 - Oregon Department of Environmental (DEQ) Quality Section 401 Water Quality Certification
 - Oregon Department of State Lands (DSL) – Waterway Authorization
 - Washington Department of Ecology (Ecology) Section 401 Water Quality Certification
 - Washington Department of Fish and Wildlife (WDFW) Hydraulic Project Approval (HPA)
 - Washington Department of Natural Resources (DNR) Aquatic Land Use Authorization/Easement
 - Written State Environmental Policy Act (SEPA) exemption from City of White Salmon
 - Written Shoreline Substantial Development exemption from City of White Salmon
- Coordinate with USCAE and appropriate fish and wildlife agencies to obtain an in-water work window variance that extends the Columbia River’s in-water work window to spring, summer, and fall seasons
- Prepare necessary permitting information including a Joint Permit Application (JPA)/Joint Aquatic Resources Permit Applications (JARPA) and figures. Applications will include:
 - Necessary supplemental forms
 - Aquatic survey
 - PROJECT background information
 - Best Management Practices (BPMs)
 - Cultural resources information
 - No effect memorandum for ESA compliance
- Coordinate with permitting agencies to authorize in-water geotechnical borings in ten (10) locations
- Prepare exemption applications for submittal to City of White Salmon
- Prepare Shoreline Substantial Development Permit

Deliverables:

- 9.7.1. USACE/DSL Joint Permit Application
- 9.7.2. NMFS SLOPES V Compliance
- 9.7.3. DEQ 401 C Water Quality Certification
- 9.7.4. Washington JARPA and Aquatic Use Authorization
- 9.7.5. Oregon and Washington short-term Waterway Lease Application

9.7.6. City of White Salmon SEPA and Shoreline Exemption

Subtask 9.8 – Preliminary Permits

Conditions:

- CONSULTANT will hold up to three (3) coordination meetings with the National Park Service (NPS), Oregon Parks and Recreation Department (OPRD), and Agency. Up to two (2) CONSULTANT, including sub-consultant, staff will attend meetings that will average three (3) hours inclusive of travel.
- CONSULTANT coordination time with prospective Section 6(f) mitigation site landowners is limited to six (6) hours.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Coordinate with National Park Service and Oregon Parks and Recreation Department to determine current Section 6(f) resource boundary.
- Determine the potential extent of permanent adverse modification to Section 6(f) areas from the Project.
- Coordinate with the Agency, National Park Service, and Oregon Parks and Recreation Department to determine potential Section 6(f) mitigation opportunities within the project area.
- Support Agency coordination with potential mitigation site landowners.
- Submit basic project information for USACE to determine proper Section 408 information needed for full Section 408 permission.
- Coordinate with USACE to determine Section 408 permission requirements associated with impacts to the Columbia River navigation channel.
- Coordinate with Agency and design team regarding design and construction information needed for USACE Section 408 permission.

Deliverables:

- 9.8.1. Preliminary Section 6(f) and Section 408 permitting coordination and Section 6(f) boundary determination.

TASK 10 – RIGHT OF WAY (ROW)

Subtask 10.1 – Right of Way Acquisition Plan

Conditions:

- A separate Detailed Work Plan will be developed if a need for property acquisition and acquisition services is identified:
- Sub-consultant shall provide labor, equipment and materials to provide acquisition support for the project by obtaining title reports, rights of entry, appraisal reports and acquisition services for properties identified by the team
- R/W activities shall conform to the standards contained in the Uniform Act of 1970 and amendments, on both ODOT and WSDOT Requirements, policies and procedures.

- Assume two borings, two CPT's on Oregon land (POHR right of way)
- Assume ten in-water borings (5 on Oregon side, 5 on Washington side)
- Assume one boring on Washington Land (WSDOT right of way)

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Provide AGENCY a Right of Way Acquisition Plan for the right of way process, including State and Federal Requirements that must be followed.
- Identify parcels needed for the Geotech Scope defined in this Amendment project. Order and review Preliminary Title Reports for ownership and encumbrances. Coordinate with the Project Team on investigations determining ownership. Complete additional research if additional information is needed. Provide report identifying existing easements and potential needs. This work would include:
 - Research River ownership and report
 - Review the legal descriptions for each property
 - Review Assessors data for each property
 - Obtain owner contact information
- Provide an acquisition plan and preliminary schedule for the right of way process following State and Federal Guidelines
- Prepare rights of entry documents for sites needed for drilling explorations if needed.

Deliverables:

- 10.1.1. Right of Way Acquisition Plan due 06/30/2023
- 10.1.2. Right of Way Needs Memo

TASK 11 – ENGINEERING

Subtask 11.1 – Preliminary Engineering

Conditions:

- Preliminary engineering will be aligned with the Project Delivery Method Workshop outcomes and to the Design Acceptance Package (DAP) level
- Scope of engineering to be aligned with Project Delivery Method decisions.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Support development of a report and recommendation on project delivery method.
- Develop engineering content for or provide engineering review of procurement documents developed under TASK 13 – CONTRACTING.
- Develop CAD standards and guidelines
- Provide CAD services to support Project needs.
- Develop vertical and horizontal alignments to set final navigational clearances
- Develop vertical and horizontal alignments to set minimum clearance envelopes for railroad
- Advance engineering to develop project performance criteria and specifications
- Develop engineering to support regulatory compliance in submittal of permit applications

- ~~Evaluate Superstructure Alternatives~~
- ~~Evaluate Substructure Alternatives~~
- Define typical section elements for the project including analysis for bike/ped accommodation
- Develop pavement designs
- Define traffic data, provide preliminary recommendations on lane configurations, turning lanes, intersection control type
- Develop allowable lane/roadway closure hours
- Develop conceptual MOT plans

Deliverables:

- 11.1.1. Project Performance Criteria
- 11.1.2. CAD Standards and Guidelines Memo
- 11.1.3. Superstructure Memo [\(N/A\)](#)
- 11.1.4. Substructure Memo [\(N/A\)](#)
- 11.1.5. Baseline Geometric Layout
- 11.1.6. Traffic Analysis Memo
- 11.1.7. Pavement Design
- 11.1.8. Maintenance of Traffic Closure Hours and Conceptual Plans

Subtask 11.2 – Geotechnical Explorations

Conditions:

- A full subsurface exploration and testing work plan is not included in this scope of work.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Review the historical geotechnical and hazardous materials documents prepared by the NEPA team and information readily available in PROJECT records.
- Perform a site reconnaissance to facilitate understanding of the site constraints for field explorations, construction, and traffic staging.
- Support the permitting process with review and comments on the in-water work permit to allow the PROJECT to resubmit the permit for the next phase of geotechnical explorations.
- Support the PROJECT in evaluating the extent of geotechnical explorations recommended to be completed in upcoming project phases.
- Support the PROJECT in concept-level geotechnical risk considerations.
- Develop a Geotechnical Exploration Memo that includes a high-level cost estimate and recommendation for early Geotechnical Work

Deliverables:

- 11.2.1. Geotechnical Exploration Memo due on 09/30/2022

Subtask 11.3 – Site Reconnaissance

Conditions:

- AGENCY will provide access to AGENCY property

- Facilitate understanding of site conditions and constraints for completing subsurface explorations.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Observe surface conditions indicative of subsurface conditions
- Identify site constraints, equipment access, and staging concerns for the exploration program
- Identify and clearly mark proposed land exploration locations
- Attend meetings with AGENCY or other parties to discuss, review, and ascertain site conditions relevant to the geotechnical work for the PROJECT

Deliverables:

No Deliverables are expected for this Subtask.

Subtask 11.4 – Subsurface Exploration Plan and Permit Support

Conditions:

- CONSULTANT shall prepare a Subsurface Exploration Plan (SEP) that shows proposed exploration locations.
- The SEP shall outline the planned exploration procedures and must outline the recommended number of locations, type, sampling and testing of subsurface explorations.
- The SEP shall include a Field Safety Plan (FSP) for all fieldwork and a Traffic Control Plan (TCP) for any on-land explorations within roadways.
- Preparation of the TCPs shall be by a flagging company licensed to work in the State of Oregon and Washington.
- The SEP shall outline CONSULTANT’s proposed site restoration procedures for any areas that are disturbed during completion of the explorations.
- Review and acceptance of SEP by the AGENCY to be completed at least five (5) days prior to start of scheduled field explorations.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Review available as-built drawings of all utilities and roadway structures that the AGENCY provides
- Utilize the public On-Call Utility Locating System to locate all utilities with required use of private utility locators
- Support PROJECT permitting application/renewal process for geotechnical activities by providing relevant information and documentation

Deliverables:

11.4.1. Subsurface Exploration Plan

Subtask 11.5 – Subsurface Explorations and Testing

Conditions:

- No restriction of work hours.
- CONSULTANT shall coordinate with AGENCY and receive AGENCY's permits for all subsurface explorations located within the public right of way (ROW).
- Washington land borings are within WSDOT ROW and no coordination with railroads is required.
- AGENCY shall provide a slip to dock boat used for daily transport between land and barge.
- CONSULTANT shall proceed with subsurface explorations only after receiving notification that all required permits, archeological clearances, and utility locates are completed.
- CONSULTANT shall construct all monitoring wells according to ODWR regulations.
- Oregon land borings are within AGENCY property/ROW.
- AGENCY shall provide a staging area to store drilling supplies and equipment.
- The AGENCY boat ramp shall be available to load and unload the drill rig.
- Investigation-derived waste (IDW) like soil cuttings, drilling fluid, etc., assumed to be clean and will be disposed of as clean material.
- Casing assumed to be not required to perform suspension logging in borings.
- CONSULTANT shall provide an engineer or geologist to supervise field operations and document explorations.
- Archeological or tribal monitoring will not impede drilling progress.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Perform subsurface explorations as detailed below:
 - Two (2) Mud Rotary Borings (with one (1) VWP to be installed in one (1) boring) between depths of 80 to 100 feet for the Oregon approach/abutment
 - Two (2) Cone Penetration Tests between depths of 70 to 100 feet for the Oregon approach/abutment
 - 10 Mud Rotary Borings (with suspension logging performed in two (2) borings) between depths 35 to 160 feet for in-water bridge bents
- Complete suspension logging to collect in-situ shear wave velocity measurements in two (2) in-water borings
- Install a vibrating wire piezometer with datalogger to measure groundwater levels at the Oregon approach for geotechnical analysis and design
- Download groundwater data from datalogger at approximate six (6) month intervals for two (2) years after installation
- Backfill resulting holes in accordance with applicable requirements and patch borings advanced through paved surfaces with AGENCY approved quick-setting, non-shrink grout
- Place soil cuttings in DOT-approved 55-gallon drums and transport to an appropriate facility
- Complete analytical testing to characterize materials for disposal
- Dispose material at an appropriate off-site landfill

Deliverables:

- 11.5.1. Weekly email summary of drilling progress

Subtask 11.6 – Laboratory Testing

Conditions:

- All rock cores shall be photographed prior to testing.
- In addition to standard testing of soil and rock samples, up to four (4) suites of cyclic direct simple shear (CDSS) testing on undisturbed samples of fine-grained soils focused on the in-water borings, and up to two (2) Cerchar Abrasivity Index tests on rock core sample are also anticipated.
- AGENCY shall provide a location to store samples through duration of construction.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Perform laboratory testing on soil and rock samples obtained from the explorations to verify field characterizations, assist in determining geological unit boundaries, and provide engineering parameters for geotechnical design by stratigraphic layers.

Deliverables:

No deliverables are expected as part of this Subtask.

Subtask 11.7 – Geotechnical Data Report

Conditions:

- CONSULTANT shall prepare one (1) draft and one (1) final Geotechnical Data Report.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare a Geotechnical Data Report documenting the field exploration methods and observations, subsurface conditions, field testing results, laboratory test data and results, exploration logs, and exploration photos

Deliverables:

- 11.7.1. Draft Geotechnical Data Report
- 11.7.2. Final Geotechnical Data Report

Subtask 11.8 – Preliminary Geotechnical Analysis and Memorandum

Conditions:

- The analysis shall include the following key geotechnical issues:
 - Seismic design criteria
 - Up to three seismic site response profiles
 - Seismic and geological hazards
 - Development of geologic profile for proposed bridge alignment

- Liquefaction and lateral spread analyses for existing conditions
- Limited equilibrium analyses and Newmark-based deformation analyses for existing conditions
- North and South approaches static and seismic stability and settlement
- Mitigation alternatives for seismic and geologic hazards
 - Conceptual-level ground improvement options and footprint
 - Limit equilibrium analyses and Newmark-based deformation analyses for conceptual ground improvement footprint and target deformation
- Preliminary deep foundation options, including drilled shafts and driven piles
 - Estimates of axial and lateral capacity for up to four foundation types/diameters for up to five representative pier locations
- Memorandum is at conceptual/preliminary design level of effort

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Preliminary analyses of the field and laboratory test data to develop initial geotechnical recommendations for design and construction of proposed improvements

Deliverables:

11.8.1. Preliminary Geotechnical Analysis and Memorandum

Subtask 11.9 – Meetings

Conditions:

- CONSULTANT shall prepare for attend one (1) in-person kick-off meeting for up to four (4) hours, and twelve (12) ad-hoc Geotech specific meetings for up to two (2) hours with one (1) hour preparation time and follow up.

Activities:

No specific Activities for this Subtask.

Deliverables:

11.9.1. E-mail meeting summaries as appropriate

Subtask 11.10 – Contract Management

Conditions:

No specific Conditions for this Subtask.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Prepare monthly invoices and progress reports
- Update and maintain PROJECT records
- Manage Geotechnical contracts

Deliverables:

- 11.10.1. Monthly invoices
- 11.10.2. Monthly progress reports

Subtask 11.11 – Optional Services (HazMat?)

Conditions:

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Perform optional services agreed upon between CONSULTANT and AGENCY

Deliverables:

- 11.11.1. As agreed, upon between CONSULTANT and AGENCY

Subtask 11.12 – Utility Relocation

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Research and gather available existing record drawing information from franchise utilities.
- Prepare a summary of potential utility conflicts in a tabular form to include name of public or private utility company affected; description of conflict; action to be taken to resolve conflict.
- Perform utility coordination including document reviews.
- Contact known utility providers to verify existing infrastructure.
- Identify needs for Memoranda of Agreement with utility owners and local jurisdictions.
- Summarize potential utility conflicts and potential areas that would benefit from future pothole investigations
- Develop existing utility plans.

Deliverables:

- 11.12.1. Utility Conflict Matrix
- 11.12.2. Utility Coordination Plan

Subtask 11.13 – Survey

Conditions:

- Land side only survey shall be performed in the mapped areas of the PROJECT NEPA footprint with additional coverage at the Port's marina area.
- Right of way will be from previous/HHPR work.
- Project datum will match previous/HHPR work.
- Detailed, final design-level topographical and bathymetric survey will be part of a future authorization

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Coordinate with AGENCY on data gathering and validation of data provided by the AGENCY and other sources.
- Coordinate with AGENCY to receive and evaluate existing aerial mapping and photogrammetry.
- Evaluate existing fieldwork, surveying, and as-built data to confirm PROJECT existing conditions.
- Establish new survey control as needed
- Mark all existing planimetric features
- Mark all underground utilities, including inverts where measurable, using 811 utility locates and private locates
- Develop a PROJECT Digital Terrain Model (DTM) that models the existing ground surface shape adequately to prepare base mapping with one-foot interval contours
- Using conceptual bridge design information, provide recommended fieldwork and surveying information for future work authorizations.

Deliverables:

- 11.13.1. Technical memorandum outlining analysis, findings and recommendations related to the survey work outlined above
- 11.13.2. Microstation base map

TASK 12 – CONSTRUCTION

Subtask 12.1 – **Constructability Staging Evaluation**

Conditions:

- Scheme project constructability with the AGENCY. Up to six (6) CONSULTANT, including sub-consultant, staff, will attend. Meeting will last up to four (4) hours.
- Up to eight (8) hours of preparatory work per consultant.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Identify and evaluate potential construction staging and laydown areas
- Evaluate Wind currents, river tides, staging, yard availability, casting yard, etc.
- Review logistics of access for delivering, assembling, and disassembling cranes and material
- Review similarities/differences of construction options
- Evaluate marine vessel traffic to define short term (24 to 72 hour) channel closures requirements
- Marine/Logistics Analysis

Deliverables:

- 12.1.1. Summarize Constructability Staging Options
- 12.1.2. Develop Strategic Action Items from Staging Construction

TASK 13 –CONTRACTING

Subtask 13.1 – Contract Procurement

Conditions:

- Professional Services procurements will be qualifications-based selections consistent with Oregon and Federal Architectural and Engineering rules and will not be evaluated on basis of cost during evaluation process.
- Contracts will be written to conform with regulations of financial source of funds for the contract.
- CONSULTANT will develop procurement notices and advertisements. AGENCY will publish procurement notices and advertisements on appropriate forums, and will post procurement documents for all contracts on, e.g., Oregon Buys, DJC.
- AGENCY will provide panel members for review and scoring and acceptance of requested procurement documents; CONSULTANT will provide the Procurement Specialist for each procurement, who will not be an evaluator on procurements.
- Up to two (2) CONSULTANT or sub-consultant staff are assumed to be part of the evaluation committee for each procurement.
- AGENCY will maintain final authority to accept or reject proposals.
- Legal reviews and approvals will be by the AGENCY’s designated legal counsel.
- Final deliverable review assumes one internal review draft, one external review draft, and a final version for public dissemination.
- AGENCY review will be completed within ten (10) working days of delivery from CONSULTANT.
- External review periods are assumed to be ten (10) working days. Delayed response by external reviewers will affect delivery schedule.
- Reviews involving Oregon Department of Justice (DOJ) are assumed to be twenty (20) working days from delivery of review document(s) from CONSULTANT.
- CONSULTANT will deliver procurement documents digitally (.docx for drafts and .PDF for final).
- Proposal responses will be received digitally; no hard-copy prints will be made.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Author contract procurement documents (e.g., requests for qualification, requests for proposals) for the following procurements:
 - Contract 1 – A&E designer
- CONSULTANT will host a pre-proposal meeting for each procurement. Each meeting will be one (1) hour in length and be attended by three (3) project team members. CONSULTANT will prepare a presentation and manage attendance lists.
- CONSULTANT will respond to questions from proposers and prepare addendum(s) as needed.
- CONSULTANT will author evaluation criteria for each procurement, train evaluators, and facilitate evaluation review meetings.
- CONSULTANT will compile and organize responses.
- CONSULTANT will provide an independent cost estimate (ICE) for each procurement.

Deliverables:

13.1.1. Procurement Documents

Subtask 13.2 – Meetings

Conditions:

- General coordination meetings are separately scoped and budgeted under Task 1.
- Assumptions for staffing, duration and number of each meeting conducted under this subtask are detailed in the deliverables.
- Pre-proposal, proposal review/evaluation committee and interview will be in-person. All other meetings will be virtual.

Activities:

The CONSULTANT shall perform the following in support of the SERVICES:

- Meetings related to each procurement will include:
 - Procurement briefing with the AGENCY and up to two (2) CONSULTANT, including sub-consultant, staff, and it will last up to one (1) hour and will be conducted in person and/or virtually by video/phone conference.
 - External procurement briefing between the AGENCY and up to two (2) CONSULTANT including sub-consultant, staff, and WSDOT, ODOT and FHWA each will last up to one (1) hour and will be conducted in person and/or virtually by video/phone conference.
 - External procurement briefing between the AGENCY and up to two (2) CONSULTANT including sub-consultant, staff, and Oregon DOJ it will last up to one (1) hour and will be conducted in person and/or virtually by video/phone conference
 - Legal counsel or advisor sufficiency reviews will be attended by the AGENCY and up to two (2) CONSULTANT staff. Meetings will last up to one (1) hour each and are assumed to be virtual
- Each procurement will include up to three (3) meetings between the AGENCY and up to four (4) CONSULTANT including sub-consultant, staff, and three (3) proposers each will last up to two (2) hours and will be conducted in person and/or virtually by video/phone conference.
- Meetings and events with evaluation committees are included in Subtask 13.2 scope and budget.

Deliverables:

13.2.1. ~~Agenda and Meeting Materials~~ ([Agenda, Notes and Action Items](#)) as per CONSULTANT DELIVERABLE STANDARDS.

Subtask 13.3 – Meeting Notes Request for Proposal (RFP) Development

Conditions:

- [The White Salmon Hood River Bridge Replacement Project will be procured using a one phase Progressive Design Build \(PDB\) RFP.](#)
- [The PDB will be selected using qualifications criteria and Action items as per a cost component.](#)
- [RFP and PDB selection will be consistent with Oregon and Federal requirements.](#)

- Contracts will be written to conform with any applicable grant requirements for the contract.
- CONSULTANT DELIVERABLE STANDARDS will develop procurement notices and advertisements. CONSULTANT will support the AGENCY in publishing procurement notices and advertisements on appropriate forums, and will post procurement documents for all contracts on, e.g., Oregon Buys, DJC.
- AGENCY's designated legal counsel will draft the terms and conditions and provide legal review or approvals.
- Final deliverable review assumes one internal review draft, one AGENCY/STAKEHOLDER (ODOT, ORDOJ, WSDOT, Local Tribes etc.) review draft, one Industry review, and a final version for public advertisement.
- AGENCY/STAKEHOLDER review will be completed within fifteen (15) working days of delivery from CONSULTANT. Delayed response by external reviewers will affect delivery schedule.
- CONSULTANT will deliver procurement documents digitally (.docx for drafts and .PDF for final).

Activities:

- Develop supporting documents as required by Oregon State code to support procurement method.
- Author procurement documents for the PDB Contract including:
 - Solicitation Notices
 - Instructions to Proposers, Evaluation Criteria, and Forms
 - PDB Statements of Work
 - Technical requirements include the following disciplines as needed
 - Project Management and Controls
 - Communication
 - Tribal and Stakeholder Outreach
 - Survey
 - Geotechnical
 - Environmental
 - Roadway
 - Utilities
 - Structures
 - Hydraulics
 - Landscape and Aesthetics
 - Traffic Signals
 - Illumination
 - Signing
 - Intelligent Transportation Systems
 - Tolling
 - Pavement
 - Maintenance of Traffic
 - Railroad
 - Right of Way
- Develop PDB RFP reference documents and organize existing documents.
- Review and comment on PDB terms and conditions.

Deliverables:

- [13.3.1. Request for Proposal \(RFP\) – Agency Review](#)
- [13.3.2. Request for Proposal \(RFP\) – Final Draft \(Future Amendment\)](#)
- [13.3.3. Industry and Pre-Proposal presentation and materials \(Future Amendment\)](#)
- [13.3.4. Responses to Proposer Requests for Information and addenda \(Future Amendment\)](#)
- [13.3.5. Responsiveness/Responsibility Determination materials \(Future Amendment\)](#)
- [13.3.6. Evaluation Training and Materials \(Future Amendment\)](#)
- [13.3.7. Proposer Interview Questions \(Future Amendment\)](#)
- [13.3.8. Award and Execution documents \(Future Amendment\)](#)

This page intentionally left blank.

Project: Hood River - White Salmon Bridge Replacement Project

Contract: Replacement Bridge Management Contract

Amend #: 03

thru 6/30/23

Budget: \$5,478,111

Date: February 1, 2023



EXHIBIT B

REVISED BUDGET

		AMENDMENT	00	01	02	03		AMENDMENT	00	01	02	03		
		TOTAL HOURS	7,203	11,438	5,451	-120	23,972	TOTAL BUDGET	\$ 1,739,908	\$ 2,525,623	\$ 1,204,134	\$ (38)	\$ 5,469,627	
Task ID	Task Description						HOURS	ID						BUDGET
1	Project Management & Administration	1,992	1,994	-	-	3,986	1	\$ 487,762	\$ 420,970	\$ -	\$ -	\$ 908,733		
1.1	Project Management	652	1,224			1,876	1.1	\$ 154,171	\$ 244,533			\$ 398,704		
1.2	Chartering Workshop	60				60	1.2	\$ 17,254				\$ 17,254		
1.3	Document Control Plan	416	150			566	1.3	\$ 82,471	\$ 34,305			\$ 116,776		
1.4	Project Debriefs (Existing Contracts)	68	70			138	1.4	\$ 18,576	\$ 18,533			\$ 37,109		
1.5	Contract Administration	220	280			500	1.5	\$ 45,816	\$ 55,270			\$ 101,086		
1.6	Invoice/Progress Reporting	224	70			294	1.6	\$ 54,904	\$ 18,533			\$ 73,437		
1.7	Meetings	352	200			552	1.7	\$ 114,569	\$ 49,796			\$ 164,366		
2	Risk Management	290	400	-	-	690	2	\$ 73,128	\$ 83,708	\$ -	\$ -	\$ 156,835		
2.1	Risk Management Plan	56				56	2.1	\$ 13,614				\$ 13,614		
2.2	Risk Workshop	62				62	2.2	\$ 16,624				\$ 16,624		
2.3	Risk Register	172	280			452	2.3	\$ 42,889	\$ 58,247			\$ 101,136		
2.4	Project Cost Estimate		120			120	2.4		\$ 25,461			\$ 25,461		
						-						\$ -		
						-						\$ -		
3	Change Management	-	120	-	-	120	3	\$ -	\$ 25,461	\$ -	\$ -	\$ 25,461		
3.1	Change Management Plan		120			120	3.1		\$ 25,461			\$ 25,461		
						-						\$ -		
						-						\$ -		
						-						\$ -		
						-						\$ -		
						-						\$ -		
4	Quality	137	304	-	-	441	4	\$ 28,964	\$ 65,993	\$ -	\$ -	\$ 94,957		
4.1	Quality Management Plan	124				124	4.1	\$ 25,482				\$ 25,482		
4.2	Quality Training	13				13	4.2	\$ 3,482				\$ 3,482		
4.3	Quality Assurance		304			304	4.3		\$ 65,993			\$ 65,993		
						-						\$ -		
						-						\$ -		
						-						\$ -		
5	Project Controls	642	80	-	-	722	5	\$ 154,554	\$ 16,974	\$ -	\$ -	\$ 171,528		
5.1	Project Control Plan	120				120	5.1	\$ 28,470				\$ 28,470		
5.2	Project Dashboard	80				80	5.2	\$ 19,932				\$ 19,932		

		AMENDMENT	00	01	02	03		AMENDMENT	00	01	02	03	
		TOTAL HOURS	7,203	11,438	5,451	-120	23,972	TOTAL BUDGET	\$ 1,739,908	\$ 2,525,623	\$ 1,204,134	\$ (38)	\$ 5,469,627
Task ID	Task Description					HOURS		ID					BUDGET
5.3	Integrated Project Schedule	168				168		5.3	\$ 41,995				\$ 41,995
5.4	Sub Project Schedules	274	80			354		5.4	\$ 64,156	\$ 16,974			\$ 81,130
5.5	Technology Plan					-		5.5					\$ -
						-							\$ -
6	Communication	790	140	917	-	1,847		6	\$ 113,726	\$ 37,066	\$ 123,827	\$ -	\$ 274,619
6.1	Public Involvement and Communication Plan	178		110		288		6.1	\$ 24,507		\$ 14,041		\$ 38,549
6.2	Strategic Communication Support	42				42		6.2	\$ 8,704				\$ 8,704
6.3	Strategic Communication Support	252		557		809		6.3	\$ 35,314		\$ 72,285		\$ 107,599
6.4	Public Involvement & Project Branding	198		195		393		6.4	\$ 24,499		\$ 28,482		\$ 52,981
6.5	Meetings	120	140	55		315		6.5	\$ 20,702	\$ 37,066	\$ 9,019		\$ 66,787
						-							\$ -
7	Funding, Financing and Tolling	792	150	2,076	-	3,018		7	\$ 205,798	\$ 35,507	\$ 540,622	\$ -	\$ 781,927
7.1	Financial Planning/Modeling & Scenarios	156	80			236		7.1	\$ 33,282	\$ 16,974			\$ 50,256
7.2	Workshops	156				156		7.2	\$ 36,777				\$ 36,777
7.3	Competitive Grant Services	280		866		1,146		7.3	\$ 76,685		\$ 211,080		\$ 287,764
7.4	Traffic and Revenue Advisory Services	8		1,106		1,114		7.4	\$ 3,108		\$ 297,932		\$ 301,040
7.5	Meetings	192	70	104		366		7.5	\$ 55,947	\$ 18,533	\$ 31,610		\$ 106,090
						-							\$ -
8	Delivery Method	692	-	-	-	692		8	\$ 205,379	\$ -	\$ -	\$ -	\$ 205,379
8.1	Delivery Method Analysis	202				202		8.1	\$ 67,488				\$ 67,488
8.2	Delivery Method Workshop	212				212		8.2	\$ 60,631				\$ 60,631
8.3	Industry Outreach	278				278		8.3	\$ 77,260				\$ 77,260
8.4	#N/A					-		8.4					\$ -
						-							\$ -
						-							\$ -
9	Environmental & Regulatory	1,008	784	2,458	-	4,250		9	\$ 205,783	\$ 136,954	\$ 441,285	\$ -	\$ 784,022
9.1	Environmental Coordination (NEPA)	96	32	40		168		9.1	\$ 22,749	\$ 8,472	\$ 7,310		\$ 38,531
9.2	Environmental Compliance Plan	202				202		9.2	\$ 31,076				\$ 31,076
9.3	Environmental Compliance Workshop	52				52		9.3	\$ 11,442				\$ 11,442
9.4	Regulatory Agency Coordination	296				296		9.4	\$ 60,963				\$ 60,963
9.5	Tribal Coordination	266	70	2,282		2,618		9.5	\$ 57,612	\$ 18,533	\$ 412,981		\$ 489,126
9.6	Railroad Coordination	96	320			416		9.6	\$ 21,942	\$ 60,320			\$ 82,262
9.7	Geotechnical Investigations Regulatory Permitting		362			362		9.7		\$ 49,628			\$ 49,628
9.8	Preliminary Permits			136		136		9.8			\$ 20,994		\$ 20,994
						-							\$ -
						-							\$ -
10	Right-Of-Way	60	211	-	-	271		10	\$ 7,186	\$ 20,121	\$ -	\$ -	\$ 27,307
10.1	Right of Way (ROW) - Acquisition Plan	60	211			271		10.1	\$ 7,186	\$ 20,121			\$ 27,307
						-							\$ -

		AMENDMENT	00	01	02	03		AMENDMENT	00	01	02	03		
		TOTAL HOURS	7,203	11,438	5,451	-120	23,972	TOTAL BUDGET	\$ 1,739,908	\$ 2,525,623	\$ 1,204,134	\$ (38)	\$ 5,469,627	
Task ID	Task Description						HOURS	ID						BUDGET
						-							\$ -	
						-							\$ -	
						-							\$ -	
						-							\$ -	
11	Engineering	152	7,135	-	(1,500)	5,787	11	\$ 34,812	\$ 1,074,856	\$ -	\$ (261,537)	\$ 848,132		
11.1	Preliminary Engineering		3,380		(1,500)	1,880	11.1		\$ 556,993		\$ (261,537)	\$ 295,456		
11.2	Geotechnical - Exploration Memo	152				152	11.2	\$ 34,812				\$ 34,812		
11.3	Geotechnical - Site Reconnaissance		25			25	11.3		\$ 4,571			\$ 4,571		
11.4	Geotechnical - Subsurface Exploration Plan		204			204	11.4		\$ 33,422			\$ 33,422		
11.5	Geotechnical - Subsurface Explorations		720			720	11.5		\$ 102,701			\$ 102,701		
11.6	Geotechnical - Laboratory Testing		104			104	11.6		\$ 17,684			\$ 17,684		
11.7	Geotechnical - Geotech Data Report		258			258	11.7		\$ 37,777			\$ 37,777		
11.8	Geotechnical - Preliminary Analysis and Memo		856			856	11.8		\$ 139,689			\$ 139,689		
11.9	Geotechnical - Meetings		112			112	11.9		\$ 23,963			\$ 23,963		
11.10*	Geotechnical - Contract Management		124			124	11.10*		\$ 20,423			\$ 20,423		
11.11	Geotechnical - Hazmat Contingency					-	11.11					\$ -		
11.12	Utility Relocation Management		400			400	11.12		\$ 53,907			\$ 53,907		
11.13	Survey		952			952			\$ 83,726			\$ 83,726		
						-						\$ -		
12	Construction	80	120	-	-	200	12	\$ 25,510	\$ 38,265	\$ -	\$ -	\$ 63,774		
12.1	Constructability Staging Evaluation	80	120			200	12.1	\$ 25,510	\$ 38,265			\$ 63,774		
						-						\$ -		
						-						\$ -		
						-						\$ -		
						-						\$ -		
						-						\$ -		
13	Contracting	568	-	-	1,380	1,948	13	\$ 101,608	\$ -	\$ -	\$ 261,498	\$ 363,106		
13.1	Contract Procurements	392				392	13.1	\$ 69,412				\$ 69,412		
13.2	Meetings	176				176	13.2	\$ 32,196				\$ 32,196		
13.3	RFP Development				1,380	1,380	13.3				\$ 261,498	\$ 261,498		
						-						\$ -		
						-						\$ -		
						-						\$ -		
SUBTOTAL - HOURS & DIRECT LABOR		7,203	11,438	5,451	(120)	23,972		\$ 1,644,211	\$ 1,955,873	\$ 1,105,734	\$ (38)	\$ 4,705,780		

DIRECT EXPENSES		Total
00	Original Contract	\$ 95,697
01	Amendment #01	\$ 569,750
02	Amendment #02	\$ 106,846

		AMENDMENT	00	01	02	03		AMENDMENT	00	01	02	03		
		TOTAL HOURS	7,203	11,438	5,451	-120	23,972	TOTAL BUDGET	\$ 1,739,908	\$ 2,525,623	\$ 1,204,134	\$ (38)	\$ 5,469,627	
Task ID	Task Description						HOURS						BUDGET	
								ID						
								03	Amendment #03					\$ 38
							SUBTOTAL - DIRECT EXPENSES					\$ 772,331		
TOTAL REVISED BUDGET												\$ 5,478,111		

Commission Memo



Prepared by: Greg Hagbery
Date: March 21, 2023
Re: Lower Mill Properties – Market Analysis

On February 7, 2023, the Port Commission approved staff to apply for a Business Oregon Port Planning and Market Fund for the Lower Mill Site Market Analysis and Feasibility Study in the Amount of \$50,000 and release of the RFP to obtain consulting services.

Prior to staff knowledge of a grant opportunity, the Port Commission had already included \$50,000 in the 2022-23 Fiscal Budget for said market analysis. Staff continues to work with Business Oregon for award of the grant. The issuance of an RFP for the market analysis is a required component of the grant award.

On February 10, 2023, staff issued the RFP for the market analysis with a March 10, 2023, closing date. Four proposals were received before the deadline. Each proposal was reviewed by three Port staff members and scored according to the following ranked criterion:

Relevant Experience of Firm	Maximum 10 pts
Local vs National	Maximum 10 pts
Project Approach	Maximum 15 pts
Total Price	Maximum 15 pts
Adhere to scope in RFP	Maximum 20 pts
Proposed Deliverables	Maximum 20 pts
Professionalism of Proposal	Maximum 10 pts
<hr/>	
Total	100 pts

After evaluation and scoring it was determined that the attached proposal from ECONorthwest scored highest among the proposals received. Therefore, staff recommends awarding a contract with ECONorthwest for a Market Analysis at Lower Mill for \$40,000 with a \$5,000 contingency for architectural massing studies to determine maximum developable area, should it be determined necessary.

RECOMMENDATION: Authorize Notice of Intent to Award and Negotiations with ECONorthwest for a Lower Mill Site Market Analysis and Feasibility Study, not to exceed \$45,000.

This page intentionally left blank.

MARKET ANALYSIS FOR LOWER MILL REDEVELOPMENT SITE PARCELS



Response to RFP
prepared for
The Port of Hood River

ECONorthwest
ECONOMICS • FINANCE • PLANNING

TABLE OF CONTENTS

1 Cover Letter

2 About the Consultants

3 Project Team

5 Related Experience

7 Project Approach

8 Time & Fee Proposal

Appendices

- Team Resumes
- Work Sample

March 10, 2023

Port of Hood River
1000 E Port Marina Dr
Hood River, OR 97031

Dear Greg Hagbery and the review committee,

The Port of Hood River currently receives a significant share of its revenues from toll fees for the Hood River-White Salmon Interstate Bridge crossing. A planned bridge replacement as early as 2029-2030 will eliminate this funding source. In this context, you are actively seeking ways to diversify your revenue sources. One strategy is to evaluate how to position real estate assets to support long-term fiscal stability. One of these assets, the Lower Mill Site in Odell, may be a strategic opportunity. Through this solicitation you are looking for an analysis that meets the following objectives:

- 1) Identify market opportunities for development at Lower Mill;
- 2) Determine the highest and best use for available sites; and
- 3) Evaluate the best disposition structure to maximize fiscal return.

ECONorthwest is well positioned to take on this effort. Our combination of technical expertise and practical understanding of development realities will help the Port to develop an actionable strategy for moving redevelopment of the Lower Mill site forward. We also know your region well. Over the past five years, we have assisted your organization on several projects relating to your land portfolio and real estate assets.

We are very excited about the potential to continue our partnership with the Port of Hood River and look forward to the opportunity to work with you on this important project.

Sincerely,



Chris Blakney
Project Director

CHRIS BLAKNEY will be the Project Director in charge of the project.

Phone: 213-291-9444

Email: blakney@econw.com

ABOUT THE CONSULTANTS

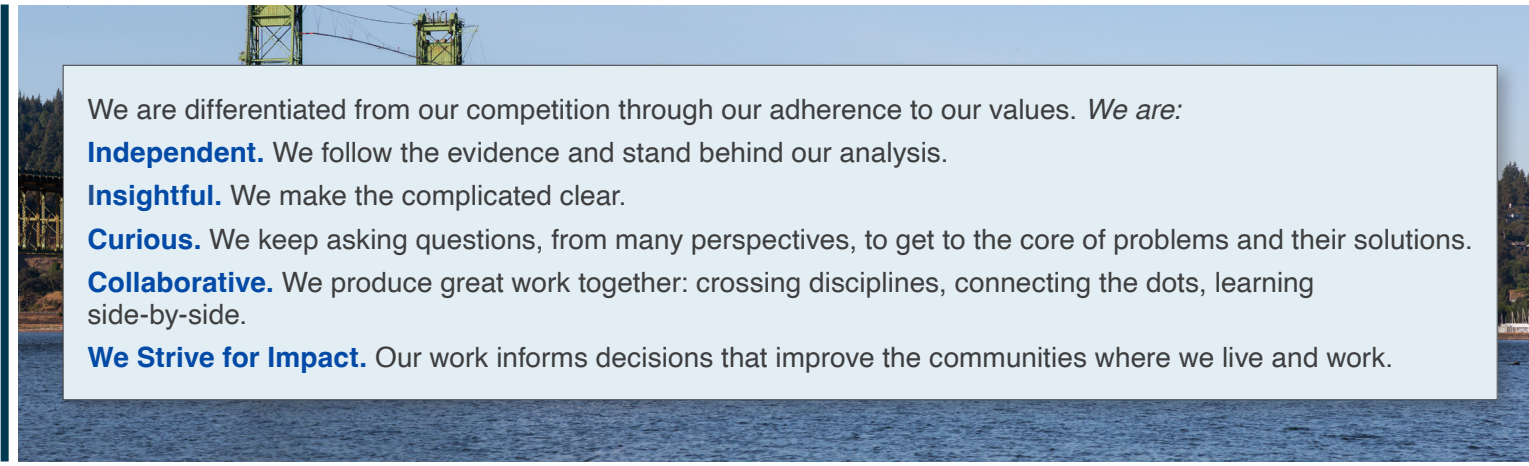


ECON
NW

**We come to
work every day
to help create
more prosperous,
equitable,
and resilient
communities.**

ABOUT THE FIRM

ECONorthwest is a consulting firm based in the Pacific Northwest that specializes in economics, finance, and planning. We understand that businesses and governments face difficult decisions about how to make the best use of limited resources. We help our clients make thoughtful, data-driven decisions using tools and methods that meet the highest standards of best practice. At the core of everything we do is applied microeconomics. This perspective allows us to fully understand—and effectively communicate—the benefits, costs, and tradeoffs associated with any decision. Our consultants have advanced degrees in a variety of fields, including economics, planning, and public policy, and work on projects ranging from strategy to implementation. On these projects, we provide a range of services, including business economics and modeling, natural resource economics, fiscal and economic impact analysis, land-use planning, policy analysis, and urban and regional planning.



We are differentiated from our competition through our adherence to our values. *We are:*

Independent. We follow the evidence and stand behind our analysis.

Insightful. We make the complicated clear.

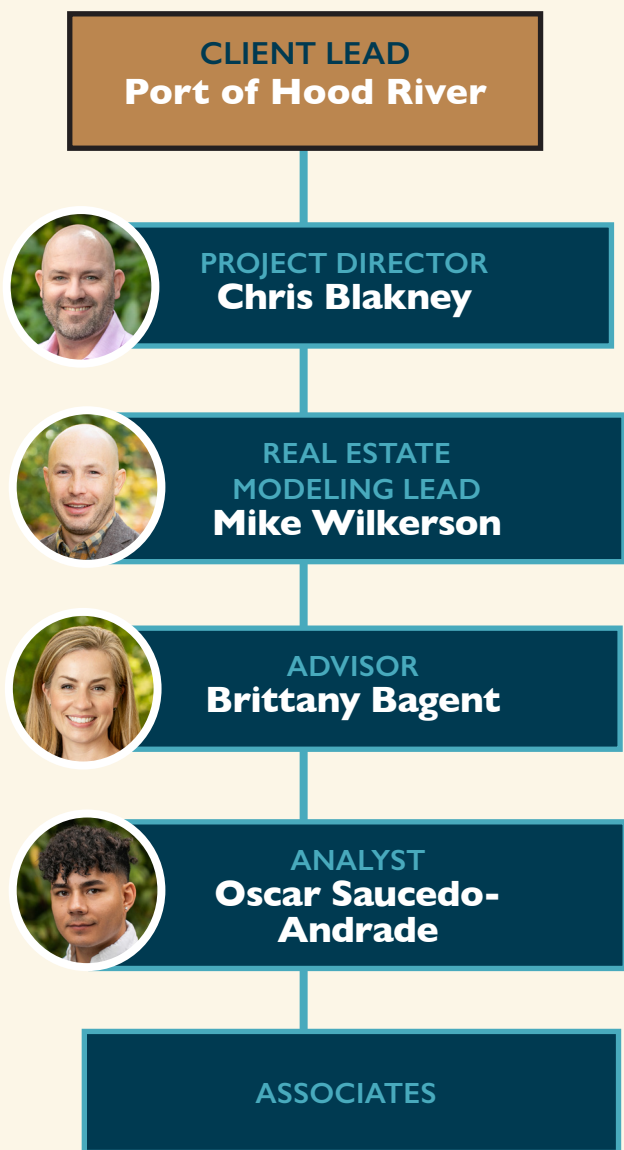
Curious. We keep asking questions, from many perspectives, to get to the core of problems and their solutions.

Collaborative. We produce great work together: crossing disciplines, connecting the dots, learning side-by-side.

We Strive for Impact. Our work informs decisions that improve the communities where we live and work.



ORGANIZATIONAL CHART



CHRIS BLAKNEY
Project Director

Education

B.A. Economics (Cum Laude), Pacific Lutheran University, (Emphasis in Mathematics and Domestic Policy)

Certificate in Economic Development, University of Oklahoma Economic Development Institute

Chris' work is focused on economic development, housing policy, and real estate. Chris works with cities, counties, councils of governments, state agencies, and port districts on both broad policy issues and place-based policies and development strategies. He has 20 years of experience consulting on economic development strategic plans, policy

analysis, economic and fiscal impact analysis, marine land planning and forecasting, and site selection. Chris also advises private sector real estate developers on project-specific and master planning efforts including Holland Partners, American Assets Trust, Majestic Realty, and Republic Metropolitan.

Prior to joining ECONorthwest, Chris was a Senior Economist and part of an integrated design team for Mackenzie, a leading West Coast architecture and engineering firm, where he worked to bring financial viability analysis to the design process.

PROJECT TEAM



MICHAEL WILKERSON, PHD Real Estate Modeling Lead

Mike is a Partner and the Director of Analytics at ECONorthwest. He brings over 15 years of private-sector experience as an economic consultant and as an analyst in the financial services industry. Mike studies urban economics for both public and private sector clients with a focus on land use, transportation, and real estate development and

how they interact with the regional economy. Using a data-driven approach that focuses on spatial analysis, he conducts housing market analyses, development feasibility studies, TOD implementation studies and master plans, economic impact analyses, and provides expert testimony. He regularly presents at national conferences on topics related to real estate economics, including the American Planning Association, the National Multifamily Housing Council, and the Urban Land Institute. Mike is currently an adjunct professor in the Master of Real Estate Development program at Portland State University.

Education

Ph.D. Economics and Politics, Claremont University

M.A. International Political Economy, Claremont University

B.A. Economics, Whittier College



BRITTANY BAGENT Advisor

Brittany brings over 10 years of economic development, project management, and research experience to her projects. She is currently managing several projects across the Pacific Northwest focused on expanding economic vitality, bolstering competitive advantages, and aligning partners to

implement economic strategies. As Vice President of Strategy with Greater Portland Inc. she led the development of the region's five-year Comprehensive Economic Development Strategy and its subsequent economic recovery plan. The latter focuses on outcome-driven, action-oriented plans to support the region through its Covid-19 economic recovery.

Education

M.A. Urban Planning & Policy, University of Illinois at Chicago

B.A. Urban & Regional Planning, German, Miami University, Cum Laude



OSCAR SAUCEDO-ANDRADE Analyst

Oscar is a Market Analyst and Manager at ECONorthwest with a professional focus at the confluence of land use and urban economics. His work focuses on public policy and the factors that drive real estate investment. Oscar works with both private and public sector clients to

help them develop actionable solutions to challenging issues related to land use, economic development, and development feasibility. Oscar is currently leading subarea planning efforts for industrial areas or employment areas in Lake Stevens, Washington; Richland, Washington; and Gresham, Oregon.

Education

M.U.R.P. Portland State University

B.EnvD. Sustainable Planning and Design, University of Colorado Boulder

OUR EXPERIENCE

ECONorthwest has been working with the Port of Hood River on several projects to help to position their land portfolio for future development. On the Hood River Waterfront, ECONorthwest completed an analysis of demand for industrial development within the Gorge region, focused on the demand for development on the Lot 1 parcel in Hood River's waterfront area. ECONorthwest also worked with the Port to develop a Property Asset Strategy that assessed the economic value of the Port's current real estate asset portfolio. We also evaluated debts, other financial obligations, and cash flows to help develop a strategy for property disposition, leasing, and future acquisition. ECONorthwest helped to structure strategy discussions and processes, conducted detailed financial analysis, and facilitated Port Commission meetings.

INDUSTRIAL DEMAND ASSESSMENT—HOOD RIVER, OR

ECONorthwest assisted the Port of Hood River with understanding the level of demand for industrial development within their region. The project focused on the demand for development on the Lot 1 parcel in Hood River's waterfront area.



RALLY THE VALLEY PLAN—KENT, WA

ECONorthwest evaluated policy options and conducted analysis of various land scenarios and infrastructure funding strategies for the City of Kent, Washington to support their vision of a modern employment district in the Kent Valley Manufacturing Industrial Center. As part of this subarea plan to support the City of Kent's land use vision and economic development strategy, ECONorthwest conducted an in-depth market analysis and evaluation of competitive advantages of the Kent Valley. ECONorthwest also developed policy and business incentive recommendations for a regional legislative agenda to support job growth in the Kent Industrial Valley. This project won a 2019 Governor's Smart Communities Award.



RELATED EXPERIENCE

INDUSTRIAL BUSINESS PARK DEVELOPMENT & FUNDING STRATEGY—ST HELENS, OR

As a part of a multidisciplinary team, ECONorthwest participated in a two-phase project exploring the redevelopment and reuse potential of the former Cascade White Paper site in St. Helens, Oregon. The 230-acre waterfront site was purchased by the City in 2015. This project involved a market assessment to explore viable uses that informed a parcelization strategy and infrastructure framework for the site. ECONorthwest interviewed local businesses, economic development leaders, and stakeholders to inform the project. The second phase of our work was to develop a phasing and infrastructure funding strategy to guide the City’s decisions on providing services to the site and the trade-offs of sale vs. ground lease structures. The framework was adopted by the City Council in 2021.

INDUSTRIAL AREA MARKET ANALYSIS AND FUNDING STRATEGY—LAKE STEVENS, WA

The Lake Stevens Industrial Center (LSIC) is a 280-acre employment center in Lake Stevens, WA. It is the last of the City’s growth centers to be planned. As a part of a multidisciplinary team, ECONorthwest provided a market analysis to inform conceptual development types that could be feasible in the district. Our work assessed market, regulatory, and zoning barriers to achieving desired development types. The project’s outreach component involved property owners and community stakeholders in a series of public open houses and a targeted online survey to solicit feedback. We also provided a funding strategy to prioritize mechanisms to remove infrastructure barriers and promote area-wide solutions.

JUNIPER RIDGE EMPLOYMENT AREA MARKET ANALYSIS AND DEVELOPMENT STRATEGY—BEND, OR

ECONorthwest led a consultant team tasked with assisting the City of Bend in the creation of a development strategy for the Juniper Ridge Employment Area. Juniper Ridge is a multiple-hundred-acre area in the City’s northeast slated for industrial and business uses. Although there are several prominent businesses located there, the area has largely remained vacant. For this project, ECONorthwest conducted a market assessment to evaluate the potential for future development, engaged with local business leaders to identify opportunities and barriers to development, and crafted a succinct development strategy focused on near-term implementation and property disposition. This approach underscores the role of understanding land and facility needs of businesses in identifying development barriers and crafting actionable response strategies.



PROJECT APPROACH

WORK PROGRAM

Chris Blakney will serve as the Director and Manager of the project. Over his career, Chris has completed over 250 market studies across all land use forms. Dr. Mike Wilkerson will assist with pro forma modeling of candidate industrial development forms. We will further utilize our bench of Associates and Research Analysts to complete the project.



TASK 0: KICKOFF MEETING

We will conduct an initial videoconference meeting with your team to obtain more information about the project, review any existing development concepts, and discuss overall objectives for the project. Any data or relevant information on the project would be transferred to the consultant team.



TASK 1. MARKET ANALYSIS AND HIGHEST AND BEST USE

Market assessments can vary greatly in scope and the outcomes that they strive to achieve. Some market assessments are macro-level analyses of a region's competitiveness, others address a narrowly-focused highest and best use analysis of a specific site. The purpose of this market assessment is to summarize local demand and supply data and trends to understand the range of uses that are possible and then determine the highest and best use for Lower Mill with respect to type, scale, and absorption of development.

Using both quantitative database research and relying upon local stakeholders including developers, tenants, businesses, and economic development professionals, we will assess the market strength for industrial land and development in the region. This assessment will summarize historical trends and estimate potential demand for the market area. In this task, we will document prevailing lease rates and vacancy data and review recent sales and leases. It will be used to establish income parameters in terms of achievable lease/sale prices for industrial development to inform the financial feasibility analysis in Task 2.



TASK 2: FINANCIAL FEASIBILITY ANALYSIS

Based on the findings of the market analysis, we will develop a site-specific pro forma model calculating the residual land value of identified candidate development forms. This analysis may include retaining a design firm to develop conceptual massings to determine developable area. The model will be flexible to account for refinements and changes as the analysis advances or to test theoretical alternatives.



TASK 3: OPTIMAL DEAL STRUCTURE ASSESSMENT

Based on the outputs of Task 2, we will address the Port's trade-offs in hold (ground lease) versus sell strategies in a few ways. First, the team will develop a Net Present Value analysis to calculate the current value of a future stream of payments from a ground lease versus sale transaction. Second, we will align qualitative measures such as the Port's economic development, funding stability, and other identified goals. This exercise will result in a series of guardrails the Port may use in future transaction conversations.

APPROACH



TASK 4: DRAFT AND FINAL REPORT

Upon completion of Tasks 1 through 3, we will prepare a draft report summarizing key findings. This will be a conclusion-oriented document organized as a presentation deck detailing the market and financial analysis. This task will also include a presentation with the client to discuss key findings, address any questions, and incorporate any revisions required.

TIME AND FEE PROPOSAL

The scope of work presented above could be completed within three months of an executed contract. Our expected budget for this project would be **\$40,000** inclusive of expenses, billed on a fixed-fee basis. As we learn more about the market through the market analysis, we may want to retain a design firm to do some conceptual massings on the site to determine maximum developable area. We propose holding an additional \$5,000 contingency for this purpose if it is necessary.

RESUMES

Please find 2-page resumes for our project team attached. For unabridged resumes, visit econw.com/staff

- Chris Blakney
- Mike Wilkerson
- Brittany Bagent
- Oscar Saucedo-Andrade



Chris Blakney Project Director



Chris joined ECONorthwest as a Project Director in 2019. Chris' professional expertise is established at the cross-section of development economics and economic development. Chris works with a range of public and private sector clients to develop strategic actions that address challenging policy questions around affordable housing, land use, economic development, and growth management.

Prior to joining ECONorthwest, Chris served as an in-house economist for a leading Architecture & Engineering firm advising architects on the economics of design alternatives. Chris has been an active member of the International Economic Development Council, the Urban Land Institute, and the Commercial Real Estate Development Association (NAIOP).

EDUCATION

B.A. Economics

**Pacific Lutheran University
(Emphasis in Mathematics and
Domestic Policy)**

**Certificate in Economic
Development, University
of Oklahoma Economic
Development Institute**

AREAS OF EXPERTISE

Economic Opportunities Analysis

Economic Impact Analysis

Real Estate Market Analysis

Affordable Housing

Housing Element Updates

Employment Site Analysis

Economic Development

SELECTED EXPERIENCE

University Village TOD Site Analysis— Redlands, CA (2022).

Market and funding team lead for a development team leading development on the 32-acre University Village Site at the University of Redlands.

Vancouver TOD Market Analysis—Vancouver, WA (2022).

Market and development feasibility analysis for a proposed high-rise development at the terminus of a new light rail extension in Vancouver, WA.

Enterprise Zone Amendment—Molalla, OR (2022). An economic analysis in support of a boundary amendment to the city's enterprise zone.

Waterfront Master Plan—Astoria, OR (2022). A market opportunity assessment, funding, and implementation plan in support of the Port of Astoria's Waterfront Master Plan.

Austin Point Deepwater Port Planning—Woodland, WA (2022). An analysis of viable uses and economic development potential for water and landside industrial uses to support the planning of a new deepwater port at the Port of Woodland's Austin Point Site.

Small Business Economic Development Strategy—Madras, OR (2022). An economic development assessment of small business needs and support programs.

Parametric Land Use Model—Gateway Cities, CA (2022). A funding, market, and feasibility analysis to support the creation of a parametric land use model in jurisdictions in the Gateway Cities.

Auburn Pit Master Plan—Auburn, WA (2022). Economic and market analysis and recommendations in support of a Master Plan for the redevelopment of the Auburn Pit Site.

Housing Element Audit— Los Angeles County, CA (2021). An analysis testing the market-feasible capacity of sites identified in the Housing Elements of 10 jurisdictions in Southern California.

Washington Square Mall—Tigard, OR (2021). An evaluation of zoning code changes, transportation and public realm improvements, and financing strategies to support the redevelopment of a large regional mall.

Sound Transit Lot P Market Analysis—Bothell, WA (2021). A market analysis of residential and commercial development forms to assess affordable housing funding alternatives and market potential on a TOD site in Bothell, WA

Koreatown Market Analysis—Los Angeles, CA (2021). An analysis exploring redevelopment potential of a TOD site in LA's Koreatown District.

Lanterman Site Redevelopment Analysis—Pomona, CA (2021). A market and real estate feasibility analysis for the redevelopment and reuse of the Lanterman site at Cal Poly Pomona.

Marine Industrial Demand Analysis—Portland, OR (2021). An evaluation of Marine Cargo trends and marine-related industrial demand supporting the need for marine industrial land and redevelopment opportunities in the Portland Harbor.

Food Incubator Market Analysis—Portland, OR (2021). Market analysis and economic impact analysis of a food incubator in the Port of Portland's Rivergate Industrial District.

Lot P Redevelopment—Bothell, WA (2021). An analysis of development residential and commercial development scenarios for the redevelopment of a park and ride site for Sound Transit.

Pioneer Square Market Analysis—San Dimas, CA (2021). A market analysis of a mixed-use project including commercial, hospitality, and for-sale condominiums.

I-82 Subarea Plan—Benton City, WA (2021). A subarea plan exploring opportunities for residential, commercial, and industrial development on a 278-acre parcel along I-82.

Koreatown TOD Market Analysis—Los Angeles, CA (2021). An analysis exploring the redevelopment potential and financial feasibility of varying development programs in association with Los Angeles' TOC bonus program.

Lanterman Site Redevelopment Analysis—Pomona, CA (2021). A market and real estate feasibility analysis for the redevelopment and reuse of the Lanterman site at Cal Poly Pomona.

TriMet Southwest Corridor Planning—Portland, OR (2018-2020). TriMet is currently planning the alignment of a new light rail connection. Chris assisted in writing a white-paper evaluating the feasibility of utilizing the sale of air-rights to catalyze higher density development in station areas.

SHIBP Funding Strategy—St. Helens, OR (2020). A market analysis, phasing strategy, infrastructure funding strategy for the St. Helens Industrial Business Park.

Rossman Land Mixed-Use Development—Oregon City, OR (2020). Market and development feasibility analysis of the redevelopment of the 75-acre Rossman Landfill Site.

PIRATE Build Grant Support—Mesa, AZ (2020). An economic analysis in support of a BUILD grant application for the proposed \$41 million Pecos Industrial Rail Access and Train Extension Project (PIRATE).

King City TSP and Land Use Refinement—King City, OR (2020). On a team led by DKS, ECONorthwest prepared a market analysis of commercial and residential uses in the King City UR6D Expansion Area.

Rossman Redevelopment Site Market Analysis—Oregon City, OR (2020). A market analysis studying residential and commercial development opportunities for the redevelopment of a 70-acre landfill site. The project informed negotiations with the City for using Urban Renewal to assist with infrastructure and site remediation.

Industrial Business Park Market Analysis and Parcelization Framework—St. Helens, OR (2020). A market analysis for industrial and marine dependent uses at the City's 230-acre industrial park. The market assessment informed a parcelization strategy. In the second phase of the project, a phasing plan and infrastructure funding strategy were proposed.

Private Development Market Analysis (2004–Ongoing). Over a 15-year career Chris has conducted over 100 residential and commercial market studies for private sector development projects in Washington, Oregon, California, Idaho, and Nevada. Chris' experience with private sector development brings valuable insights into the nuances of development feasibility. Key clients include American Assets Trust, Holland Partners, Majestic Realty, and Trammell Crow.

North Urban Clackamas Enterprise Zone Re-designation—Clackamas County, OR (2019). Assisted the County in the Re-designation of the North Urban Clackamas Enterprise Zone. The project involved exploring boundary alternatives to bring the zone into compliance by serving economically challenged areas.

South Waterfront Redevelopment Highest & Best Use—Portland, OR (2019). Completed a market-based evaluation of candidate development forms for a redevelopment site in Portland's South Waterfront District.



Michael Wilkerson, PhD Partner & Senior Economist



Dr. Michael Wilkerson is a Partner and the Director of Analytics at ECONorthwest. He brings over 15 years of private-sector experience as an economic consultant and as an analyst in the financial services industry. Mike studies urban economics for both public and private sector clients—with a focus on land use, transportation, and real estate development and how they interact with the regional economy. Using a data-driven approach that focuses on spatial analysis, he conducts housing market analyses, development feasibility studies, TOD implementation studies and master plans, economic impact analyses, and provides expert testimony. He regularly presents at national conferences on topics related to real estate economics, including the American Planning Association, the National Multifamily Housing Council, and the Urban Land Institute. Mike is currently an adjunct professor in the Master of Real Estate Development program at Portland State University.

EDUCATION

**Ph.D. Economics and Politics,
Claremont Graduate University**

**M.A. International Political
Economy, Claremont Graduate
University**

**B.A. Economics, Whittier
College**

AREAS OF EXPERTISE

Real Estate Economics

Land Use and Transportation

Regional Economics

Business Analytics

Expert Testimony

SELECTED EXPERIENCE

Underproduction of Housing Reports for CA, OR, and WA—Nationwide (Ongoing). Led the research efforts for the Up For Growth state reports quantifying the amount of housing underproduction in California, Oregon, and Washington. Evaluated the impact of an accessible growth strategy, measuring the economic, fiscal, and environmental benefits compared to the status quo growth pattern.

Affordable Middle-Income Housing Advisory Council—Seattle, WA (Ongoing). Research policy solutions, evaluate development feasibility for different development prototypes,

provide recommendations to revise existing housing development tools. Produce strategic report outlining the recommendations and policy options for the City of Seattle to consider in support of incentivizing and encouraging more housing that is affordable to middle-income Seattle households.

TriMet SW Corridor Planning—Portland, OR (2019—Ongoing). Provide planning and urban design assistance for the SW Corridor light rail project, station area planning, calculate the impacts of transportation investments on financial feasibility in the planned corridor.

Broadway Corridor Master Plan—Portland, OR (Ongoing). Working as part of a cross disciplinary team to design and implement a master plan on behalf of Prosper Portland on the former USPS site in the Central City. Modeled the financial feasibility of different design concepts, provided calculations of benefits and costs associated with the implementation of a Community Benefits Agreement

Molbaks Master Plan—Woodinville, WA (Ongoing). Collaborate with a cross disciplinary team to evaluate the financial feasibility and public private partnership options as part of a master plan for a private landowner.

Housing Market Study—Hood River, OR (Ongoing). Produce a report outlining the current housing affordability challenge in the City, including identifying the impact of second and investment homes, and how limited production will impact affordability in the future. Policy options will be outlined in the context of the current market conditions, including impact to land prices, and the ability to deliver more units of housing that are affordable to households earning less than the Area Median Income.

FAR Transfer Bank Feasibility Analysis—Portland, OR (2019). Working with Prosper Portland and the City of Portland Bureau of Planning and Sustainability, evaluated the feasibility of creating a FAR transfer program that would monetize unused City owned development rights and make them available for transfer and use in the Central City by private developers.

Brownfield Tax Credit Analysis—OR Statewide (2019). Analyzed various tax credit programs for Metro to determine if they are able influence financial feasibility of the inventory of known brownfield sites throughout the State of Oregon.

Construction Defect Liability Legislative Policy Analysis—OR Statewide (2019). Worked with a coalition of affordable housing industry stakeholders to analyze the current construction defect liability statutes in Oregon. Proposed a set of policy options to increase the possibility of producing more affordable condominium product throughout the state.

Central Oregon Association of Realtors Quarterly Reports—Bend, OR (2019). Produce a quarterly market report analyzing trends in single-family homes sales and development in Central Oregon, including the creation of a regional housing index.

Cost of Development Analysis—Seattle, WA (2018). For a private foundation, conducted a study of development impact fees in the Seattle region and their impact on housing feasibility and affordability.

East Main Zoning Analysis—Bellevue, WA (2018). Analyzed for the City of Bellevue the design and calibration of an incentive zoning program as part of a master plan site adjacent to a planned transit improvement.

National Housing Underproduction Study—Nationwide (2018). Partnered with the Up For Growth National Coalition to produce a study measuring the economic and fiscal impacts associated with housing under production nationally. Different growth scenarios were constructed to measure the impact on economic growth, the fiscal impacts for local and federal government, and the environmental and land use impacts of different density models.

Vertical Housing Development Zone Displacement Analysis—Beaverton, OR (2018). Analyzed the potential for direct and indirect displacement of residents in the proposed VHDZ, including measuring any price impacts observed in all VHDZ statewide.

Port of Hood River Property Asset Strategy—Hood River, OR (2018). For the Port of Hood River, assessed the economic value current real estate assets, and evaluated debts and other financial obligations to help develop a strategy for property disposition, leasing, and acquisition.

Apartment Market Analysis—St. Helens, OR (2018). Collaborated with a private developer and City staff to conduct a market analysis, including pro forma and predicted rent analysis to determine the feasibility of constructing different building prototypes in downtown St. Helens.

Development Feasibility Analysis—Hood River, OR (2018). For the Port of Hood River, created a financial model with several scenarios to test development feasibility on a waterfront area site.

Mixed-Use Development Feasibility—Issaquah, WA (2017). Modeled the near-term real estate and development market dynamics, to gain an understanding that will allow the City to enact tools (codes, policies, incentives) to improve the likelihood that future development meets the long-term vision of more dense, mixed-use building types.

OMSI Campus Master Plan—Portland, OR (2017). Worked as part of a larger design team in the creation of a master development plan for the museum's 17-acre waterfront property. Estimated current land values under various fee and ground lease alternatives, as well as future feasibility and market value of alternative scenario options.

Minneapolis Upper Harbor Terminal Redevelopment—Minneapolis, MN (2017). Working for a three-partner development team, plan a mixed-use development anchored by a proposed 8,000 seat amphitheater and waterfront park. Assist crafting a framework plan for the site, negotiating a development agreement with the city, provide financial feasibility and fiscal impacts analysis.

Zidell South Waterfront Master Plan—Portland, OR (2017). Assisted Zidell Realty in development of a master plan for their 33-acre waterfront property. ECONorthwest contributed to the financial feasibility model, the market analysis, economic impacts, and alternative financing including TIF projections.

Report on Post-Recession Rebuilding—Portland, OR (2021). ECONorthwest provided Prosper Portland with an economic analysis and report on recession recovery, "Rebuilding Portland: The Role for Economic Development." The report explores the economic effects of the pandemic, with a focus on business and labor perspective, strategy for traded sector, and comparisons to other cities/regions. ECONorthwest presented to the Economic Recovery Task Force, including the Mayor and the Portland City Council.

Portland Business Alliance International Trade Study—Portland, OR (2019). Directed study quantifying the importance of international trade in throughout Oregon and the Portland Metro.



Brittany Bagent Senior Project Manager



Brittany brings over 10 years of economic development, project management, and research experience to her projects. Her most recent experiences include leading the development of regional economic development and economic recovery strategies focused on equitable and resilient outcomes. She has deep experience in supporting stakeholders reach collective success through project implementation. In particular, Brittany utilizes quantitative and qualitative research methods to support partners focus their projects and priorities. In recent years, Brittany has also developed transit-oriented development projects, corridor plans, redevelopment scenarios, fiscal impact and feasibility studies.

With a strong interest in long-term sustainability and resiliency, Brittany is keenly supportive of companies and public agencies adapting strategies and metrics to address their respective climate goals.

EDUCATION

M.A. Urban Planning & Policy,
University of Illinois at Chicago
B.A. Urban & Regional Planning,
German, Miami University,
Cum Laude

CERTIFICATIONS

LEED Accredited Professional

AREAS OF EXPERTISE

Strategic Planning
Economic Analysis
GIS Analysis
Policy Development
Program Development
Grant Management
Project Management

SELECTED EXPERIENCE

50-Year Plan—Scappoose, OR (Ongoing). ECONW is developing a 50-year plan for land needs in the City of Scappoose. This includes updating their Economic Opportunities Analysis and accompanying economic development policies, as well as exploring options for Urban Reserves and a UGB expansion or land swap. The project also includes a significant community engagement.

Chehalis Basin LAND Alternatives—Chehalis, WA (Ongoing). For the Office of Chehalis Basin, ECONW is providing economic and technical analysis support for developing the Local Actions Non-Dam (LAND) Alternatives for Flood Damage Reduction. ECONW will develop a benefit/cost analysis, voluntary action program design, impacts on equity and social justice and options to

reduce disproportionate burdens and improve communities, impact on the local economy and local governments, and community engagement.

Twin Cities Accessory Dwelling Unit Roadmap Twin Cities, MN—(Ongoing). Working closely with NeighborWorks Home Partners and several city, building, and design professionals across the Twin Cities, ECONorthwest is developing a navigator model to support and assist prospective Accessory Dwelling Unit owners as they consider benefits and implications of an ADU on their current or future property. The Twin Cities is facing a severe housing inventory shortage and one strategy to address the shortage is to increase the number of ADUs. The ECONW team is working to uncover financial and regulatory barriers to the expansion of ADUs through best practice research and stakeholder engagement. Our team will develop recommendations tailored to opportunities and market constraints in the Twin Cities.

Oakland A's Site Selection Assessment—Sacramento, CA (2022). The Greater Sacramento Economic Council (GSEC) sought support to assess site selection alternatives to relocate the Oakland Athletics Major League Baseball team to West Sacramento, California. ECONW provided an analysis of site selection criteria for three sites including the Howard Terminal site in Oakland and alternative sites in West Sacramento and Las Vegas. The analysis focused on construction factors including labor costs, project labor agreements, community benefits agreements, construction and development costs, utilities, financial incentives (e.g., Enhanced Infrastructure Financing Districts), and monetizable regulations/policies.

PRE-ECONORTHWEST EXPERIENCE

Vice President of Strategy Greater Portland Inc—Portland, OR (2019–2022). Brittany led the development of the eighteen-month planning process for the unanimously adopted 2022 – 2027 Greater Portland Comprehensive Economic Development Strategy. She managed the consultant team, developed a governance structure, coordinated committees, and led an extensive and diverse stakeholder engagement process. Brittany also led the development of the accompanying Regional Economic Recovery Plan which is an action-focused, outcome-oriented regional planning framework to help the Greater Portland region recover from the unprecedented impacts that COVID-19 has had on the region’s businesses, workers, and families, especially in communities of color.

Vice President of Strategy Columbia River Economic Development Council—Vancouver, WA (2016–2019). Brittany managed the development of the 2018 – 2023 Clark County Comprehensive Economic Development Plan and established an implementation framework. She served as the primary analyst for key performance indicators and economic data providing support for investors and the organization’s 48-member board of directors. Brittany also developed and presented state legislative agendas on behalf of the 150+ public and private sector partners advancing Clark County’s interests in Washington State legislative sessions. Brittany actively updated the 56 large lot employment site inventory and led committee work to meet countywide land use, infrastructure, and site development goals.

Urban Planning Associate Teska Associates—Evanston, IL (2013–2016). Brittany’s projects focused on development finance, market sensitivities and feasibility studies. She produced fiscal impact studies to project revenues and expenses incurred by a jurisdiction given new developments. Brittany also designed corridor plans intended to transition declining manufacturing corridors into service corridors activated by active transportation and connections to downtown. She also created fiscal impact tools for 100 Illinois municipalities and school districts.



Oscar Saucedo-Andrade Project Manager



Oscar is a Project Manager at ECONorthwest with a professional focus at the confluence of land use and urban economics. His work at ECONorthwest is focused on public policy and the factors that drive real estate investment. Oscar works with both private and public sector clients to help them develop actionable solutions to challenging issues related to land use, economic development, affordable housing, and development feasibility.

EDUCATION

M.U.R.P. Portland State University

B.EnvD. Sustainable Planning and Design, University of Colorado Boulder

AREAS OF EXPERTISE

Land Use

Housing Policy

Development Feasibility

SELECTED EXPERIENCE

West Seattle & Ballard Light Rail Link Extension—Seattle, WA (Ongoing). Analyzing TOD opportunities and development feasibility to support transit and agency joint development efforts for disposal of transit right-of-way for the development of affordable housing.

Seattle Design Review Program Evaluation—Seattle, WA (2019). Project Manager. Analyzed land use and design review process for private development projects to evaluate effects of a newly passed ordinance intended to reduce review and to permit time. Key recommendations include identifying opportunities for improvements in the development review process.

47 N Business Park Feasibility—Cle Elum, WA (2019). Project Manager. Analyzed commercial potential that could be built on a master-planned community. Developed a conceptual site plan of potential uses.

Neighborhood Rent Model—Portland, OR (2019). Developed a tool to identify parcels in the Portland MSA with opportunities for residential redevelopment based on allowable development entitlements and forecasted rents.

Equitable TOD Strategy —Tucson, AZ (Ongoing). Conducted a market analysis to help the City of Tucson identify development opportunities along station areas of a future BRT line. The market analysis will also support the development of an equitable TOD strategy by defining station area typologies and evaluating infrastructure and TOD funding options.

Downtown Master Plan—Pasco, WA (Ongoing) Project Manager. Assisting the City of Pasco with developing a master plan for downtown Pasco as part of a multidisciplinary consultant team. The project team will create a shared vision and implementation plan for advancing the goals of the master plan such as redevelopment, business support, and leveraging infrastructure investments.

Normandy Park Economic Assessment—Normandy, WA (Ongoing). Providing market analysis, opportunities, and barriers assessment, and recommendations for the City of Normandy to encourage local retail and commercial investment at key commercial centers.

Grand Ronde Casino Feasibility Study—Wood Village, OR (Ongoing). Providing market analysis and conducting a community and municipal impacts study for a proposed tribal casino.

Washington Square Regional Center Update—Tigard, OR (Ongoing). Co-Project Manager. Providing market analysis, feasibility analysis, land use code audit, and residential displacement analysis to update land use and regulatory framework for the regional center.

Maui County Ka’ahumanu Ave Corridor Plan—Kahului, HI (Ongoing). Providing market analysis and affordable housing analysis to inform strategies and programs for economic development and increasing affordable housing in the TOD corridor. The market analysis will also help inform future development opportunities as well as funding strategies and partnerships to move the plan’s vision to reality.

Columbia Street Properties Adaptive Reuse Feasibility Study—Wenatchee, WA (2022) Project Manager. Supported the Chelan Douglas Regional Port Authority and a multidisciplinary consultant team in the evaluation of adaptive reuse potential of multiple industrial, historic buildings in downtown Wenatchee. Conducted a market study to inform future development opportunities and a pro forma analysis to evaluate the financial feasibility of a couple of adaptive reuse schemes, and economic analysis to estimate the economic benefit of the preferred redevelopment scheme.

Block 67 Housing Analysis—Hillsboro, OR (2021). Conducted a market analysis to help the City of Hillsboro identify development opportunities for Block 67 in its Downtown core. A financial feasibility analysis will also help the City understand financial barriers and possible regulatory incentives for achieving its desired development goals for the site.

Kent Industrial Valley Subarea Plan—Kent, WA (2021). Evaluated policy options and conducted land use analysis to provide recommendations to revise use allowances and development standards in the Kent Valley Industrial District.

Affordable Housing for Active-Duty Service Members—Lakewood, OR (2020). Provided support for a housing needs assessment for active-duty service members in the Joint Base Lewis-McChord military installation.

Juniper Ridge Market Assessment—Bend, OR (2020). Provided market analysis, opportunities and barriers assessment, and a development strategy framework for an employment subarea in the City of Bend.

Prosper Portland Neighborhood Prosperity Network Economic Development Assessment—Portland, OR (2020). Project Manager. Conducted market analysis and evaluating opportunities for equitable economic development in seven priority neighborhood commercial districts. Provide program and investment recommendations to districts and Prosper Portland to advance equitable economic development goals.

Core Area Project—Bend, OR (2020). Assisting in the preparation of an Urban Renewal Plan and vision for Bend's Core Area as part of a large, multidisciplinary team. The Core Area Project will create a common vision and implementation plan for advancing redevelopment and livability in several opportunity areas in the City's core, combining economic development tools, zoning code amendments, incentives, and funding mechanisms such as Urban Renewal.

Area-Wide Brownfields Plan—Grants Pass, OR (2019). Provided market analysis and redevelopment strategies for an employment subarea in the City of Grants Pass. Conducting development feasibility analysis of industrial development prototypes to inform a funding and redevelopment strategy.

Brownfields Areawide Planning—Bremerton, WA (2019). Provided market analyses and guidance focused on revitalizing the area around Callow Avenue. This project includes an opportunities and barriers assessment, as well as advising the City on strategic actions to encourage redevelopment.

Town Center Masterplan—Erie, CO (2019). Conducted market analysis and evaluated development feasibility for a mixed-use town center that includes multi-family residential, mixed-use, corporate campus office, and retail development types. Developed an infrastructure funding and financial strategy for the town center.

Housing and Demographic Update—Hood River, OR (2020). Conducted housing market and demographic analysis to provide policy and land use recommendations for housing needs in the City of Hood River.

Economics of Housing Market—Hood River, OR (2019). Project Manager. Provided housing market and economic strategies to support land use and policy decisions regarding housing development and affordability.

Associate Planner, City of Boulder. Assisted with planning, research, design, communication, and delivery of transportation planning projects and programming of City of Boulder's Transportation Division/GO Boulder. Projects included multimodal transportation planning and transit planning. Assisted in the development of reports and presentation materials for city council meetings, public education campaigns, public meetings, and outreach.

WORK SAMPLE

An example report for ECONorthwest's 2019 Industrial Demand Analysis Study completed for the Port of Hood River is provided in the following pages.

Hood River Waterfront

Lot#1 Industrial Demand Assessment

April 15, 2019

REPORT

ECONorthwest
ECONOMICS • FINANCE • PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

This page intentionally blank

For over 40 years ECONorthwest has helped its clients make sound decisions based on rigorous economic, planning, and financial analysis. For more information about ECONorthwest: www.econw.com.

ECONorthwest prepared this report for the Port of Hood River.

ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on their general knowledge of real estate economics, and on information derived from government agencies, private statistical services, the reports of others, interviews of individuals, or other sources believed to be reliable. ECONorthwest has not independently verified the accuracy of all such information, and makes no representation regarding its accuracy or completeness. Any statements nonfactual in nature constitute the authors' current opinions, which may change as more information becomes available.

For more information about this report:

Matthew Craigie
craigie@econw.com
KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

This page intentionally blank

Table of Contents

1	<u>EXECUTIVE SUMMARY IMPLICATIONS FOR LOT 1</u>	VII
2	<u>INTRODUCTION</u>	1
3	<u>HOOD RIVER'S WATERFRONT AND LOT 1. CURRENT CONDITIONS</u>	2
4	<u>SUMMARY OF STAKEHOLDER INTERVIEWS</u>	11
5	<u>HOOD RIVER – INDUSTRIAL DEMAND ASSESSMENT</u>	14
6	<u>CONCLUSIONS</u>	25
	<u>APPENDIX A: COMPETITIVE SUPPLY SUMMARY</u>	29

This page intentionally blank

1 Executive Summary

Implications for Lot 1

This brief summary describes our specific conclusions about the potential level of demand for new development on Lot 1. For a more detailed discussion, see the Conclusions section at the end of this report.

The Port is interested in understanding existing conditions for industrial development in the region. The purpose of this *industrial demand assessment* to (1) gauge the level of potential demand in future development of Lot 1, and (2) to help understand the needs and desires of the types of businesses that would locate there.

We found that there is **currently demand for new industrial development in Hood River**—both in the short-term and in the long-term. Hood River’s waterfront is a unique location for industrial development and has seen many positive changes in the past two decades. But **multiple challenges pose significant barriers to new development on Lot 1**. These challenges—especially the financial challenges related to new development and the regulatory boundaries that restrict the type of projects that can get built—limit the potential set of future Lot 1 users. Moreover, as the experience of some of the recent projects on the Waterfront have shown, meeting zoning and design regulations, plus finding tenants that can afford the higher rents that are required can be challenging. This means that demand for industrial development *at Lot 1* is only a subset of overall demand for *industrial* development in the region.

A key determination is to outline what is included in the definition of “industrial.” Many of the successful businesses that are located at Hood River’s Waterfront are office users with a small warehouse or commercial component. Our research indicates that the “professional office and technical services” sector is expected to be one of the fastest growing employment sectors in the region. Based on the City of Hood River’s latest employment land inventory completed in 2011, the city lacks sufficient land for the expected growth in office employment through 2030. These findings, coupled with the public policies (e.g. zoning), and the vision developed in the Lot 1 Master Plan, indicate that future tenants are likely to be quasi-industrial office users that can fit into flex-industrial buildings.

Combining input from regional industry data and trending and economic development efforts, alongside the economic, regulatory, and cultural environment, we see a specific opportunity for Lot 1 to absorb industrial development in the following three sectors: food production and value-add agriculture, technology (including UAV associated businesses), and other professional and/or industrial office users. Exhibit 1 provides an overview of these industry sectors and discusses their potential compatibility with Lot 1.

Exhibit 1. Lot 1 Industrial Sector Opportunities and Compatibility

	Eligible Land Use	Level of Near to Mid-term Demand	Building and Site Needs	Need for Commercial Space	Ability to Pay Premium Rents	Likelihood of Locating in Lot 1
Technology (Including UAV companies, technology services and development, among others)	Yes. Most technology companies are “goods producing” and therefore, qualify for industrially zoned areas.	Moderate. Technology focused companies are highly dependent on business cycles. Current growth is positive. An economic down-turn could reduce demand.	These businesses seek high-quality spaces to attract talented employees and reinforce their brand image. Daytime parking will be required. Alternative travel modes, shared parking, and transport management plans may reduce parking demand.	This depends on the specific type of technology company. However, most companies are not consumer-facing and, therefore, do not need commercial space.	Yes. These tend to be high-profit companies that are able to pay rent premiums.	Depends on the company. These companies will seek a location at Lot 1 if the location matches their brand identity.
Food and Value-Added Agriculture (Manufacturing)	Yes. These are manufacturing companies.	Moderate to High. This is one of the steadily growing industrial sectors in the Hood River Area.	Scale and type of building depend on the size of the production operation. Small producers can fit into multi-tenant spaces. Larger companies require larger, single-user facilities. Employee parking, truck parking, and outdoor storage are commonly needed. Both drive-in and dock high doors are typically required.	Yes. Although it depends on the company, many of these businesses benefit from having a consumer-facing commercial outlet	Depends on the business. Most emerging food companies cannot afford premium rents	High. But it depends on price and building suitability.
Other Professional Services/ Industrial Office Users	For the most part. Companies in this category may not meet zoning requirements.	Professional and Businesses Services is one of the fastest growing industries.	These businesses are primarily office users. They can fit in any number of configurations. Typically, single large floor plates are preferred.	No. Most companies are not consumer-facing.	Yes. Most companies can pay “office level” rents.	High. Lot 1 is an attractive location for these companies.

Source: ECONorthwest

2 Introduction

2.1 Background and Purpose

The Port of Hood River is interested in understanding existing conditions for industrial development in the region as it considers how it can attract development on Lot 1, one of the last undeveloped parcels on the Hood River Waterfront (the Waterfront) Lot 1 is unique in the Hood River context because it is larger than most other employment sites in the City and is close to the burgeoning employment district at the Waterfront. The Waterfront currently includes mix of commercial and industrial users, alongside popular public recreational areas. Since Lot 1 serves as a gateway to the Waterfront, expectations among existing businesses and key stakeholders are high for the quality of the site's development. Alongside new buildings, the site will need new infrastructure to support new internal circulation into the site, the provision of utilities, connections to the rest of the Waterfront.

Lot 1 presents a unique opportunity for the Port and its partners: how can the Port encourage development at Lot 1 to maximize the creation of jobs and support the local economy while promoting a high-quality development program that serves as an attractive gateway to the Waterfront?

The purpose of this industrial demand analysis to (1) gauge the level of interest in future development of Lot 1, and (2) to help understand the needs and desires of the types of businesses that would locate there. Key questions the Port sought to answer with this research included:

- What is the current and estimated near future level of demand for industrial properties in the Hood River market area?
- Who are the businesses—either local or from outside of Hood River—that would appropriately fit the location, market, physical, and regulatory environment of Lot 1?
- Including but not limited to infrastructure, what are the barriers, real or perceived, with pursuing industrial development in Hood River's Waterfront?
- How does the Port support and promote this unique mix of users? And what do these users need from a building and site features standpoint to thrive?

3 Hood River's Waterfront and Lot 1.

Current Conditions

For all types of development, physical site characteristics and the regulatory environment play strong roles in determining the use, scale, and character of potential development. In this section, we examine Lot 1's current physical and regulatory environment.

3.1 What is Industrial Land?

"Industrial" land is land that has been designated by a local government to focus on the industrial uses by right, many times with allowances for some limited commercial or retail uses, and (rarely) residential uses. Industrial land also colloquially called "employment land" is designated industrial because it meets the needs of industrial users. These needs include: proximity to transportation routes (interstate highways, rail, water ports, airports), relatively low-cost land, and a location that reduces conflict with others' uses.

Who uses Industrial Land?

Industrial uses are usually identified as a collection of sectors that include:

- Manufacturing
- Transportation, Communications, and Utilities
- Wholesale Trade
- Mining and Construction.

These uses share some basic characteristics. First, they tend to be export-oriented and are involved in the direct creation or movement of physical goods. Second, they generally have the same building, land use, and site requirements. For example, these uses cannot typically locate in high-rise buildings, and their external effects (e.g. odors, loud noise¹) make them unattractive neighbors to other users. These limitations mean that industrial businesses generally require inexpensive land and easy access to major transportation routes.

However, not all industrial users are located in industrial areas and conversely, not all industrial areas are used solely by industrial users. These are important points that get to some of

What is Flex Space?

"Flex space" is a type of employment space that flexibly provides the option to a business to build out their interior space with varying proportions of office space to warehouse space. Flex buildings are usually one or two stories in height and feature multiple tenant spaces for lease. In most cases, Flex buildings require more parking than traditional industrial users, as interior spaces are permitted to be built out almost completely as office space.

Many Waterfront businesses are Flex Space type buildings.

¹ Although, in today's economy, many industrial businesses have few external impacts. Changing technology and updated regulations have led to fewer "smokestack" industrial users, at least in the United States. Industrial uses also frequently have less traffic impacts than commercial, or retail uses.

the core questions asked by the Port with this study. Here we examine each statement individually:

- **Not all industrial uses are located in industrial areas.** For example, the head office of a utility company is likely to be in a downtown office or commercial area. Even some manufacturing uses are permitted in commercial or mixed-use zones. An example here would be a brewery or food manufacturer located in a neighborhood commercial zone.
- **Not all industrial areas are solely used by industrial users.** Many businesses that are categorized as “commercial uses” or “services” need industrial land because they share the same requirements as industrial users for cheap land and convenient access to transportation routes. But many other non-industrial users may locate in industrial areas, not because they have these specific requirements, but because they (1) are not prohibited from doing so, and (2) market conditions allow them to out-bid industrial users. For example, professional offices that are categorized as “architecture and engineering” businesses are frequently permitted to locate in industrial areas, even though the day to day functions of those companies look nothing like a typical “industrial” user. This is a concern voiced by many stakeholders during our research for this study: that the Waterfront will see growth of only quasi-industrial users in the future, thus diluting one of the few industrial areas in the city.

Among the primary questions that the Port of Hood River is asking with this study is “How much demand is there for new development at Lot 1?” Our general conclusion is that there is demand for more industrial development within the Hood River area and Lot 1 is an attractive location for many of these potential users. Demand by specific users is not equally distributed; specific industries are seeing more growth than others and many of these users fall into industry classifications that are on the fringes of what is permitted for the Waterfront. Our analysis in this report attempts to unpack and quantify demand by these specific industries.

3.2 The Waterfront and Lot 1

Hood River's Waterfront is a 75-acre area located between the Columbia River to the north, east, and west and Interstate Highway 84 to the south. The majority of the Waterfront is owned and controlled by the Port of Hood River. This study focuses on the Waterfront's Lot 1, a vacant nine-acre parcel located close to the primary entrance to the Waterfront along North Second Street and one of Hood River's major highway interchanges (Exit 63 along Interstate 84). Exhibit 2 shows Lot 1's location along the east side of the Waterfront.

The Waterfront is a unique and atypical industrial area because the proximity to local recreational areas and downtown Hood River make the area desirable for many different types of users. The current mix of uses in the Waterfront is composed of a variety of industrial and commercial businesses, alongside public facilities and parks. It is not commonplace for industrial zones to be integrated with public spaces and amenities.

The Waterfront provides advantages to many commercial and industrial businesses including easy access to Interstate 84, an attractive and amenity rich location, and proximity to other similar businesses (clustering). At the same time, challenges have arisen as a result of conflicts between Waterfront businesses and visitors, regulatory limits to the type and scale of businesses that are permitted, and general development barriers resulting from an imbalance of rents and development costs.

Exhibit 2. The Waterfront's Lot 1 Location in Hood River



Source: Lot 1 Public Infrastructure Framework Plan, 2019

Waterfront Development Activity 2009-2017

In the past ten years, there has been substantial public and private development activity on the Waterfront, including the development of the Hood River Waterfront Park, which was completed in 2013. From 2009 to 2017, there were 445,000 square feet of new development on Port of Hood River land on the Waterfront. Exhibit 3 provides an overview of development activity through May 2017. Exhibit 4 provides a map of development activity and ownership on the Waterfront that corresponds to the number keys in the previous exhibit.

Exhibit 3. Waterfront Development Activity and Tenants (as of May 2017)

Project	Date Completed	Size	Investment	Direct Jobs	Tenants/Descriptions (2017)
1 - Anchor Way	2009		\$750,000	N/A	New Industrial Street
2 - Portway Avenue II	2012		\$450,000	N/A	Streetscape Improvements
3 - Halyard Building (Construction)	2010	20,000 SF	\$ 3,350,000	45	Pfriem Brewing
4 - UTS Building (Remodel)	2011	35,000 SF	\$2,040,000	40	Hood Technology, Celilo Construction
5 - Treatment Plant Upgrade	2011		\$591,245	N/A	Cover Clarifiers
6 - Jensen Building (Remodel)	2010	71,000 SF	\$2,870,000	40	Turtle Island Foods, RBS Batten Systems
7 - Hood River Juice Company Phases 1-2	2011-14	55,000 SF	\$7,500,000	128	Hood River Juice Co.
8 - Turtle Island Foods	2012	33,000 SF	\$12,000,000	30	Turtle Island Foods
9 - Waterfront Park, Phases 1-4	2008-13		\$ 2,610,000		Northern Park, East Green, Playground
10 - Maritime Building Upgrades	2012	38,000 SF	\$200,000	15	Hood River Distillers, Double Mountain
11 - Hood Tech Building	2013	40,000 SF	\$5,410,000	55	DaKine, Decavo, Stoked Coffee Roasters
12 - Key Commercial Building	2013	20,000 SF	\$3,000,000	45	Inter-Fluve, Solstice, Camp 1805, Offices
13 - Pfriem Brewery Expansion	2015-17		\$1,400,000	40	Expanded Production/ Retail Facility
14 - City Sewer Outfall Project with Trail	2016		\$3,000,000	N/A	Pedestrian/Bike Trail/ Sewer Outfall
15 - Nichols Landing	2016-18	83,000 SF	\$28,000,000	119	Hampton Inn and Medical Offices
16 - Nichols Basin West Edge Trail	2015		\$800,000	N/A	Waterfront Bike/ Ped Trail and Open Space
17 - Pedestrian Bridge Trail	2015		\$400,000	N/A	Waterfront Bike/Ped Trail and Kiosks
18 - Sheppard's Supply*	2017	20,000 SF	\$2,000,000	18	Relocation, Expanded Retail/Service Facility
19 - Expo Industrial Offices, Phase 1*	2017	30,000 SF	\$8,500,000	80	New Light Industrial/Office Building Space
Total		445,000 SF	\$84,871,245	655	

Source: Port of Hood River, May 2017

Exhibit 4. Current Users on the Hood River Waterfront

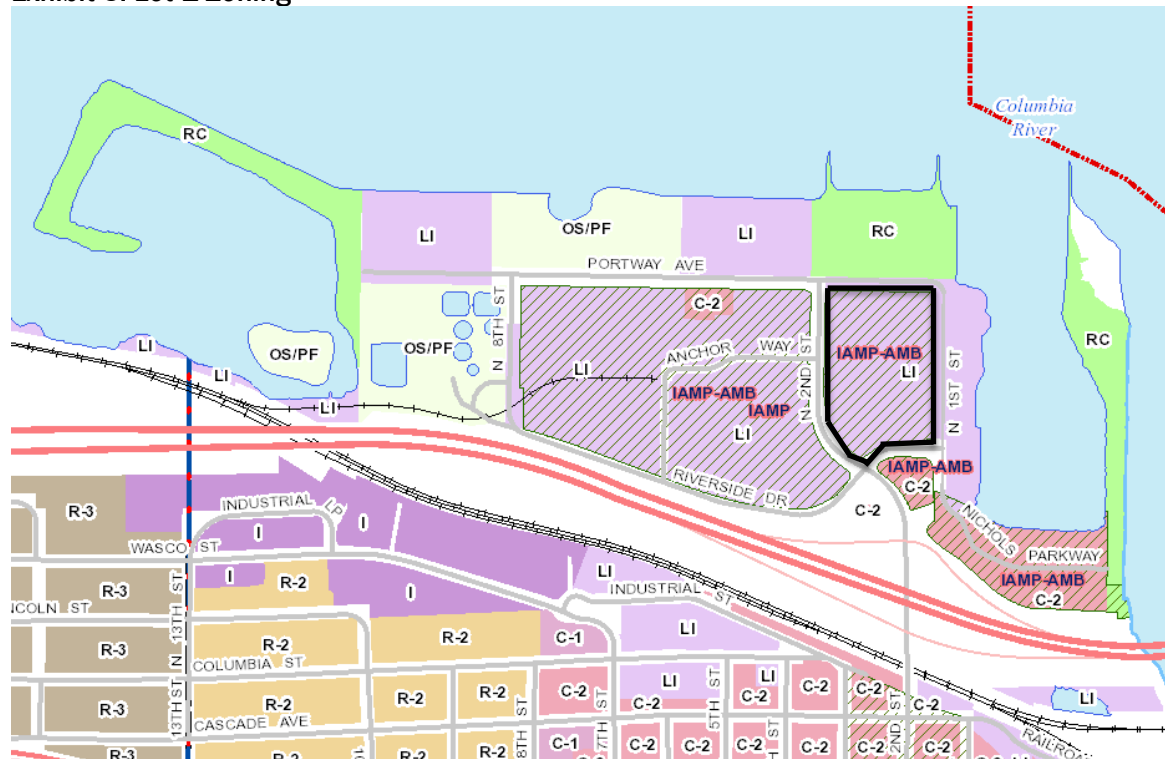


Source: Port of Hood River, May 2017

3.3 Lot 1's Regulatory Environment

Lot 1 is zoned with an industrial designation, similar to the majority of the Waterfront. The base zoning for Lot 1 is Light Industrial (LI) and falls under two overlay zones—the Waterfront Overlay Zone and the Interchange Area Management Plan (IAMP) Overlay Zone. Exhibit 5 shows Lot 1—the area outlined in black—as an area filled in by pink coloring, representing the base zoning (LI), overlaid by diagonal striping that indicates the IAMP overlay. The Waterfront Overlay applies to all parcels within the scope of this map in areas north of I-84. Other parcels in the Waterfront are zoned General Commercial (C-2)², Open Space/Public Facility (OS/PF), and Columbia River Recreational/Commercial (RC).

Exhibit 5. Lot 1 Zoning



Source: City of Hood River Zoning Code

² The parcel of land located immediately to the south of Lot 1 is zoned C-2. This parcel is included in the recent Lot 1 Master Plan, but due to its disconnection from Lot 1, both physical and in terms of zoning, it is not included in our analyses for this study.

In Hood River’s zoning code, the Light Industrial (LI) zone and the overlays are described as follows:

Light Industrial Zone (LI)

According to the City of Hood River, the purpose of this zone is to provide space for minimally intrusive types of manufacturing or other industries that can be located in relatively close proximity to residential, commercial, and farm zones. Therefore, the development standards for this zone are stricter than in other industrial zones. The goal is to permit industries that have few external impacts to adjacent or nearby users. Some of the allowed uses in the LI zone include: manufacturing or assembly, processing, fabrication, wholesaling and warehousing, utilities, research and development facilities, printing and publishing, contractor equipment yards, and commercial uses that are “incidental or directly related to the services and operation of the permitted industrial use.”³

Waterfront Overlay Zone

The Waterfront Overlay Zone was created to implement a design concept aimed at fostering an active recreational area with compatible facilities and within the Light Industrial Zone, while also allowing for some limited commercial development. The Overlay Zone establishes specific urban design standards for new commercial and industrial development that strives to provide an attractive and pedestrian-friendly streetscape. Additionally, the Overlay Zone aims to allow for easy local access to the Waterfront Trail and visibility along the Waterfront by protecting public access to the Columbia River.⁴

Interchange Area Management Plan (IAMP) Overlay Zone

The purpose of the IAMP Overlay Zone is to provide for the long-term, “*preservation of operational efficiency and safety of the highway interchanges within the City of Hood River, which provides access from and to Interstate 84 for residents and businesses throughout the City and Hood River County*”.⁵ The IAMP Overlay Zone recognizes that Hood River’s interchanges with Interstate 84 are vital to both the City and greater County area. As such, all land use applications in parcels that are within the IAMP Overlay Zone must be reviewed and are subject to the standards outlined in Chapter 17.20, Transportation Circulation and Access Management.

What is Industrial Office?

Several of the current day users of the Waterfront are Industrial Office Users. Industrial Office provides space for “activities that, while conducted in an office-like setting, are more compatible with industrial activities, businesses, and districts. Their operations are less service-oriented than traditional office uses and focus on the development, testing, production, product training and support, processing, packaging, or assembly of goods and products, which may include digital products. They primarily provide products to other businesses. They do not require customers or clients to visit the site; any such visits are infrequent and incidental”

Source: Hood River Zoning Code

³ Hood River County Zoning Code Ordinance. January 2017. Article 32 – Light Industrial Zone (M-2). Section 32.15.A.

⁴ City of Hood River Zoning Code – Title 17, Chapter 17.03.130

⁵ City of Hood River Zoning Code – Title 17, Chapter 17.03.120

Exhibit 6. Lot 1 Zoning Details

Zoning Designations	<p>Base Zone: Light Industrial (LI)</p> <p>Overlay Zones:</p> <ul style="list-style-type: none"> ▪ Waterfront Overlay Zone (Subarea 4) ▪ Interchange Area Management Plan (IAMP) Overlay Zone
Permitted Uses	<ul style="list-style-type: none"> ▪ Light Industrial Uses including the following when accessory and essential to the permitted light industrial use: office uses, wholesale sales, marketing, training and outside storage (LI) ▪ Industrial Office uses up to 25,000 square feet of gross floor area (LI) ▪ Sales and display of products provided: (i) sales are limited to those accessory and essential to the permitted use; and (ii) the total area devoted to sale and display of such products shall not exceed 2,500 square feet or 25% of the gross floor area within the building, whichever is less (LI) ▪ Parking lots of four (4) or more spaces, new or expanded, and or the equivalent of paving equal to four (4) or more parking spaces (LI) ▪ Transportation facilities pursuant to 17.20.050(B) (LI) ▪ Change of use (LI)
Conditional Uses	<ul style="list-style-type: none"> ▪ Industrial Office uses greater than 25,000 square feet of gross floor area, subject to design standards in 17.16.055. ▪ Public facilities and uses, including change of use. ▪ Light Industrial and Industrial Office Uses on parcels of more than 5 acres.
Maximum Height	<ul style="list-style-type: none"> ▪ 45' (LI)
Max Lot Coverage	<ul style="list-style-type: none"> ▪ 25,000 square feet (Waterfront)
Density (min/max)	<ul style="list-style-type: none"> ▪ None
Setback Requirements	<ul style="list-style-type: none"> ▪ Minimum: no requirement (LI) ▪ Maximum: 20' from public sidewalk (Waterfront) <ul style="list-style-type: none"> ○ The setback may be increased to allow for usable public space(s) with pedestrian amenities (e.g., extra-wide sidewalk, plaza, pocket park).
Parking Requirements	<ul style="list-style-type: none"> ▪ One (1) off-street parking space shall be provided on the building site, or adjacent to the site for each employee. In addition, adequate off-street parking shall be provided on or adjacent to the building site to meet the needs of anticipated clientele (LI) ▪ The Central Business District, the Heights Business District and the Waterfront are exempt from this requirement but shall pay a fee in-lieu of parking in accordance with Chapter 17.24 (LI) ▪ Parking in the Central Business District, Heights Business District and Waterfront may be satisfied by substituting all or some of the parking requirement at adjacent or nearby off-site off-street locations and/or by adjacent or nearby shared parking if the substitute parking reasonably satisfies the parking requirements of this section. If no off-street or off-site parking reasonably satisfies the parking requirements of this section, the fee in-lieu of parking shall be paid in accordance with Chapter 17.24. If less than all required parking is provided, the fee in lieu of parking shall be paid in accordance with Chapter 17.24, except that a credit shall be given for the number of spaces provided (LI) ▪ Off-street loading facilities shall be encouraged (LI) ▪ Public alleys may be utilized for off-street loading facilities (LI) ▪ Bicycle parking as required by 17.20.040 (LI) ▪ Parking is prohibited between the front elevation of the building and the street (Waterfront) ▪ Commercial/Retail Uses: One (1) space for each 300 square feet of gross floor area (Waterfront)
Design Standards	<p>Design standards are relatively strict when compared to a typical light industrial zone. Design standards include specifications for façade variation, specific window types, building entryways, exterior building materials, building placement and orientation, landscaping, fencing, lighting, and screening and storage.</p>

Source: City of Hood River County Zoning Code

3.4 Lot 1's Physical Attributes

Exhibit 7 summarizes the property's physical attributes—i.e., the physical and location factors that will influence and inform new development.

Exhibit 7. Lot 1 Development Considerations

Assessment Factors	Property Assessment
Local and Regional Accessibility	Lot 1 is located adjacent to a full interchange with Interstate 84. Local connecting roads are modern and generally have little traffic. These factors combine to give the properties exceptional local and regional accessibility.
Site Configuration and Orientation	More than other land use types, industrial properties need to be flat and typically rectangularly shaped to fit modern industrial uses. Lot 1 fits these parameters. It should be noted that the Master Plan for Lot 1 promotes building configurations and scales that are specific to flex-industrial type projects. The more traditional alternative would be one or two large single-story industrial buildings with a circulation pattern focused on tractor trailer maneuvering and parking.
Visibility and Exposure	Unlike retail locations, most industrial businesses tend to not rely on visibility and exposure to attract customers. Lot 1 is unique in that many potential users are companies with a consumer facing brand. The subject properties have good visibility and exposure to the interstate highway traffic—a factor that will be considered by a portion of potential site developers or tenants.
Proximity to Complementary Uses	Lot 1 is the largest contiguous block of light industrial land within Hood River. Adjacent industrial and industrial office uses would complement new uses on Lot 1.
Character of Surrounding Uses	Surrounding uses are primarily industrial, commercial, and recreational. Recently developed buildings in the Waterfront are of high-quality. The Lot 1 Master Plan and local zoning regulations encourage a continuation of high-quality flex-industrial developments.
Availability of Infrastructure and Utilities	Development of Lot 1 will require substantial infrastructure enhancements. Existing sewer, water, and power utilities are currently available to the edge of the site. The key infrastructure projects to unlock Lot 1 for development include internal streets (1 st Avenue, Portway Avenue, Anchor Way, and the Swerve), transportation and pedestrian focused enhancement projects, and utility connections. ⁶

⁶ Lot 1 Public Infrastructure Framework Plan, 2019.

4 Summary of Stakeholder Interviews

To gain perspective on potential industrial growth trends and the implications for development on Lot 1, ECONorthwest staff interviewed a set of stakeholders, including existing Waterfront tenants, elected officials, and economic development professionals. The interview list included:

- Chico Bouvansky – Dakine
- Maui Meyer – Copper West
- Ben Sheppard – Sheppard’s Tractors
- Stephen Ford – Current Commercial
- Andy von Flotow – Hood Tech
- Rudy Kelner – Owner, Pfriem Brewery
- Paul Blackburn – Mayor, City of Hood River
- Kate McBride – Hood River City Councilor
- Jessica Metta – Gorge Tech Alliance, Hood River City Councilor
- Amanda Hoey – Mid-Columbia Gorge Economic Development District
- Jenny Taylor – Insitu
- Phil Hanshew – BBG Appraisers

4.1 Common Interview Themes

The following section summarizes common themes discussed by multiple stakeholders and the implications of those ideas for future development of Lot 1. The ideas presented here are general opinions represented by individuals that we interviewed. It should be noted that while many of the ideas presented here were commonly shared among the interviewees, there are several themes that are non-consensus opinions.

Stakeholder Interviews – Key Themes

- **A core group of future users of new development at Lot 1 will be those who place a premium on waterfront location, the area’s amenities, and proximity to the existing business mix.** Stakeholder input—especially from existing users of the Waterfront—indicated that strong factors for having a waterfront location include quality of life for employees and brand visibility/identity. Interviewees described three key waterfront industries that seek these locational qualities:
 - **Food/value-added agriculture:** These users transform agricultural products into food and beverages. Because their business model relies upon strong brand identity and connections with their customers, many of these businesses have tasting rooms or small retail outlets alongside their industrial operations for visitors (tourists) to experience their products at the source (e.g. a brewery with a tasting room). A waterfront location is attractive to these businesses because of the natural beauty of the area and local recreation opportunities, the proximity to other similar businesses, and the prestige of the location.
 - **Technology:** Hood River has a growing technology industry. This broad group of companies encompasses everything from UAV makers and their subsidiaries to

programmers and designers working remotely for Hood River. Jobs in this sector tend to be high paying and competitive. Hood River’s appeal makes the community a draw for technology companies and workers. The Waterfront offers a prestige and central location for these companies. But not all of these companies may meet zoning regulations or be otherwise compatible with other waterfront uses⁷.

- **Outdoor recreation products:** Like the technology users, the recreation products users are primarily office users, some of which have a light manufacturing or warehousing component. These companies have a smaller presence in Hood River than the previous two industries. However, these companies tend to have high public profiles and seek prestige locations near outdoor recreation areas where employees and customers alike can test and use their products. The best example company in this category for Hood River is Dakine—a surfing and outdoor apparel company with headquarters located in the Waterfront. Stakeholders did point out that the outdoor recreation industry is volatile. *In recent years, many firms in this sector have consolidated or been absorbed by larger companies. Dakine, for example, has been bought and sold a couple times in the past decade. While these companies are a good fit for the waterfront, there is not enough general market strength to tailor a development program specifically targeted for their use.*
 - **Implication for Lot 1 development:** Lot 1 is an attractive location for many companies. For value-added food producers, many different types of technology companies, and for outdoor recreation companies, the Waterfront offers an amenity rich, high-profile location that reinforces their brand appeal, is a place where employees want to work, and allows for an easy and attractive location for customers and partners to visit.
- **New value-added food production businesses could be a key target for Lot 1 development.** Several interviewees discussed the community’s strong connection to agriculture and opined that new development on Lot 1 could expand upon the food and value-added agricultural businesses already in the area. To be successful in this area and afford the potentially premium rents, many of those businesses depend on having a commercial element (e.g. tasting room, restaurant, or brewpub) that allows them to showcase their products.
 - **Implication for Lot 1 development:** The Port could seek to attract a concentration of food and drink manufacturers that complement and build upon the existing users in the area.
- **There is an ongoing tension between Downtown and the Waterfront.** Some business owners and community members see recent and some types of potential future development at the Waterfront as a threat to the success of downtown Hood River. Many stakeholders raised these concerns. Several interviewees mentioned that this was a result of the blurring between commercial and industrial uses on the Waterfront. The concern is that some visitors that might otherwise visit shops and restaurants in the downtown area are instead choosing to go to the Waterfront. Other interviewees, notably existing users on the Waterfront, opined that continuing to build out the area with a stronger focus on a mix of uses would contribute to the “vibrancy” of the Waterfront and would be a success for the entire community.

⁷ Note: Not all technology companies may be compatible with zoning regulations on the Waterfront. In general, many of these companies are likely to fall into the “industrial office” subcategory that is allowed. However, a detailed assessment of each potential technology company could result in the exclusion of some of these candidate companies from the area. We also heard a concern that some of the UAV companies, specifically, may be hesitant to locate at the Waterfront out of concern of not being “culturally compatible” with other users of the area.

- **Implication for Lot 1 development:** Assuming that the regulatory environment for Lot 1 is not going to change, new development on Lot 1 will face increased scrutiny and will need to clearly adhere to the City’s existing regulations, and be differentiated from downtown Hood River. As some of the recent Waterfront projects have shown, meeting these zoning and design regulations, plus finding tenants that can afford the higher rents that they require, can be challenging.
- **Lot 1 is one of the few vacant and developable locations for future industrial development in Hood River, but it has challenges.** Several interviewees mentioned that, in general, there is a lack of available space for new industrial development in the Hood River area. We heard that businesses are looking outside of the gorge area because they feel that potential for growth is too constrained in the Gorge Region. It was recognized that Lot 1 has many key advantages for industrial users, such as highway access, and proximity to other complementary industrial users. However, several interviewees mentioned that the Waterfront is also a challenging location for some industrial users, due to heavy car and pedestrian traffic, lack of current buildings with loading docks, and lack of available warehouse storage space.
 - **Implication for Lot 1 development:** Stakeholders recognize that Lot 1 is one of only a few areas in the region that can accommodate future industrial development. However, future users of Lot 1 will have to deal with a unique and, in many ways, a constrained development environment.
- **Future employment growth faces challenges.** Most interviewees mentioned high housing costs in the Hood River area as the key constraint that is currently limiting local business expansion. We heard that many local companies would like to hire more employees but could not find them homes that matched their incomes.
 - **Implication for Lot 1 development:** Although housing costs are not a factor that the Port can directly influence, the potential for new development on Lot 1 will depend in part on Lot 1 businesses being able to hire a local workforce. Moreover, near to mid-term demand for new development at Lot 1 will be impacted by Hood River’s ability to solve its housing supply issues.
- **Interrelated challenges related to regulations and financial barriers impede development at The Waterfront.** Interviewees mentioned two key barriers to development:
 - **The regulatory environment.** Interviewees stressed the need for a clearly defined code and approval process that makes it clear to developers what is possible and that codes will not be changed after permits are issued. Even with this clarity, the design overlay and zoning regulations may push rents to levels that many businesses cannot afford.

In addition to code and zoning regulations, the IAMP zone overlay can prohibit certain types of new development due to its trip cap limitation.
 - **Financial challenges and required infrastructure.** Given the current allowed uses and design requirements, infrastructure costs could be prohibitive to new development, limiting new growth in the area. Stakeholders also described development costs to be prohibitively expensive in Hood River. The combination of infrastructure costs, strict use and design regulations, and development costs create a formidable financial barrier to development.
 - **Implication for Lot 1 development:** Regulations for development seek to advance the area as a pedestrian-friendly employment district, but some of these regulations add to development costs, which translates to higher costs for businesses. Combined with infrastructure and development costs, there are significant barriers to new development of The Waterfront.

5 Hood River – Industrial Demand Assessment

In this section, we examine the economic drivers and trends that will influence future industrial development activity in the City of Hood River.

5.1 Drivers of Industrial Land Demand

Demand for industrial space is primarily influenced by two demand drivers: local growth and production (creating the need for local serving businesses), and distribution to external markets (creating demand for externally-oriented businesses). Industrial land users that serve these two sources of demand have different land and site needs.

Local serving businesses

These businesses grow as a result of population and employment growth in the region. As the region grows, consumption increases, which in turn, creates a need for more products and services, such as wholesale trade to supply local businesses, construction to build more buildings, and transportation and storage to move and store those goods. This growth drives demand for more industrial space within the region.

Externally-oriented businesses

These businesses serve the larger state and even global economy by producing, storing, and transporting goods. Because the source of this demand is external from the local economy, demand for industrial space locally will only be realized if local sites have a comparative advantage over other locations. As a result, the industrial land supply and other factors, such as the cost of electricity, regional transportation accessibility, or tax policy, play an important role in shaping external oriented demand for industrial space. In addition to bringing new investment to the regional economy, externally-oriented businesses typically employ a larger number of people than local serving industrial uses, which makes them attractive for economic development. Attracting even one or two externally-oriented businesses will have sizable economic benefits for the region because these businesses provide secure, long-term jobs and a steady source of tax revenue.

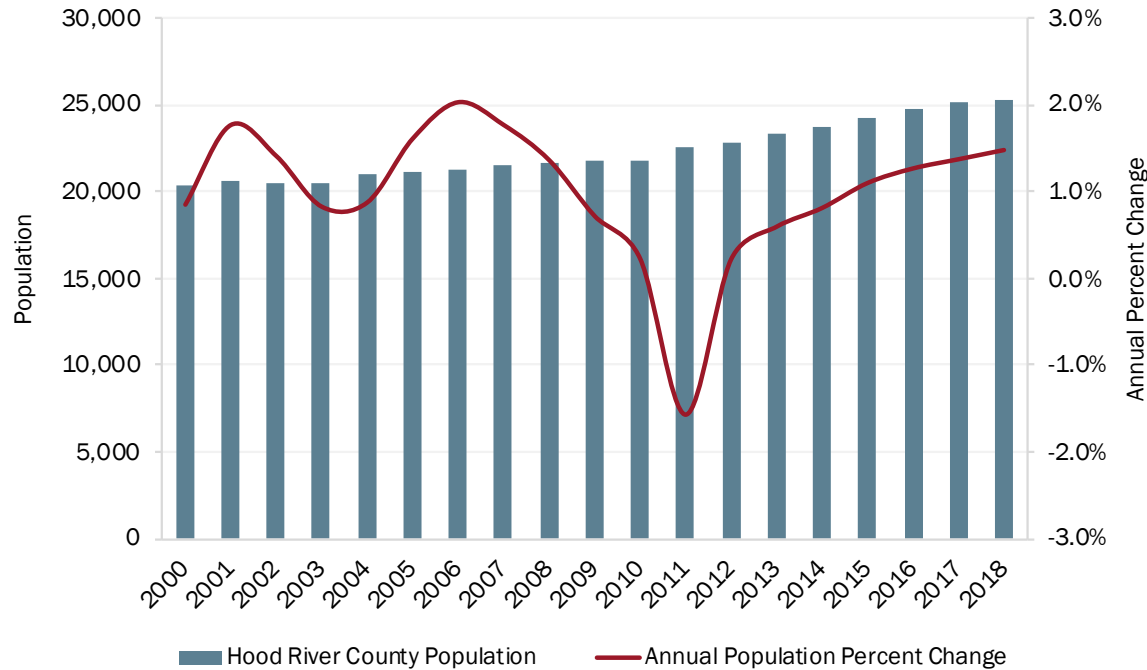
Industrial Demand Factors

This section looks at the factors generating local-serving demand for industrial land, including population and economic trends in the region.

Population Growth

Hood River County has experienced a steady increase in population growth since 2000, with an average annual growth rate of one percent. The only year since 2000 to experience a negative annual percent change in growth rate was in 2011—the middle of the Great Recession.

Exhibit 8. Annual Population Growth, Hood River County, 2000 to 2018



Portland State University, Population Research Center.

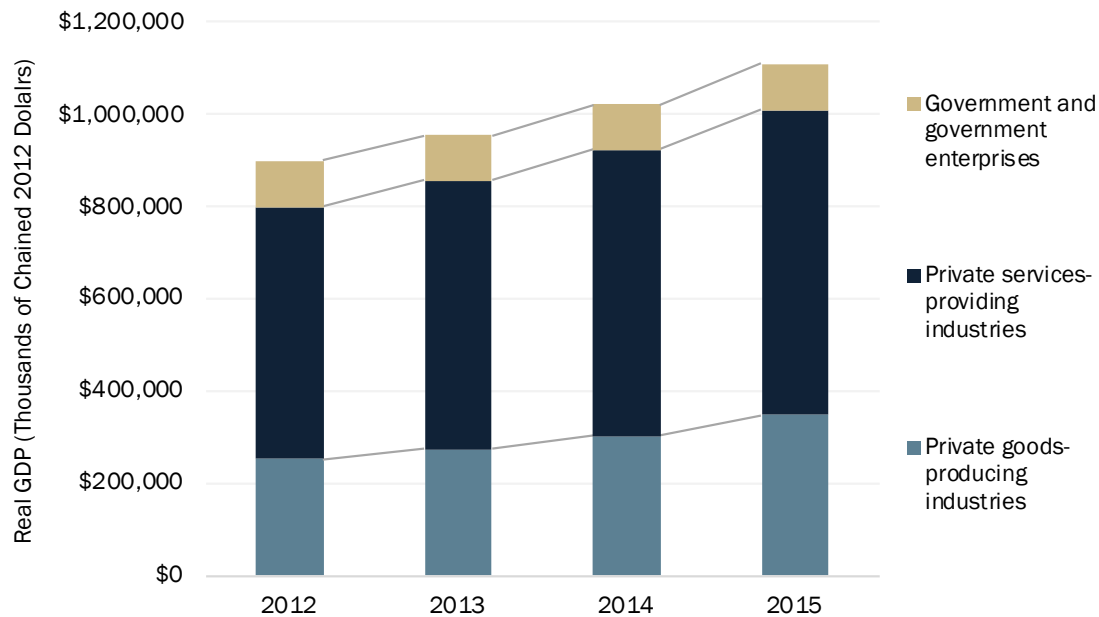
Source:

Gross Domestic Product (GDP)

The Gross Domestic Product measures the value of economic activity within a specific geography. It is the sum of the market values of all final goods and services produced in an economy during a period of time. Since Hood River County is primarily a service-providing economy, private goods producing industries (such as manufacturing) made up about 31 percent of the County’s total economic output in 2015. However, despite this concentration in services, the County’s GDP still grew by 23 percent from 2012 to 2015⁸, as shown in Exhibit 9. In 2012, Hood River County’s total economic output was about \$900 million and increased to a little over \$1.1 billion by 2015. During this time frame, the share of goods-producing industries contributing to the County’s total GDP also increased. In 2012, goods-producing industries made up 28 percent of total GDP and in 2015, it made up 31 percent. Alongside this increase, each of the services-providing industries and government and government enterprises contributed a smaller share to the County’s total economic output (61 percent down to 60 percent for services-providing industries and 11 percent down to nine percent for government and government enterprises).

⁸ Only four years of county-level data were available via the U.S. Bureau of Economic Analysis at the time of this analysis.

Exhibit 9. Real Gross Domestic Product (Thousands of Chained 2012 Dollars), Hood River County, 2012 to 2015

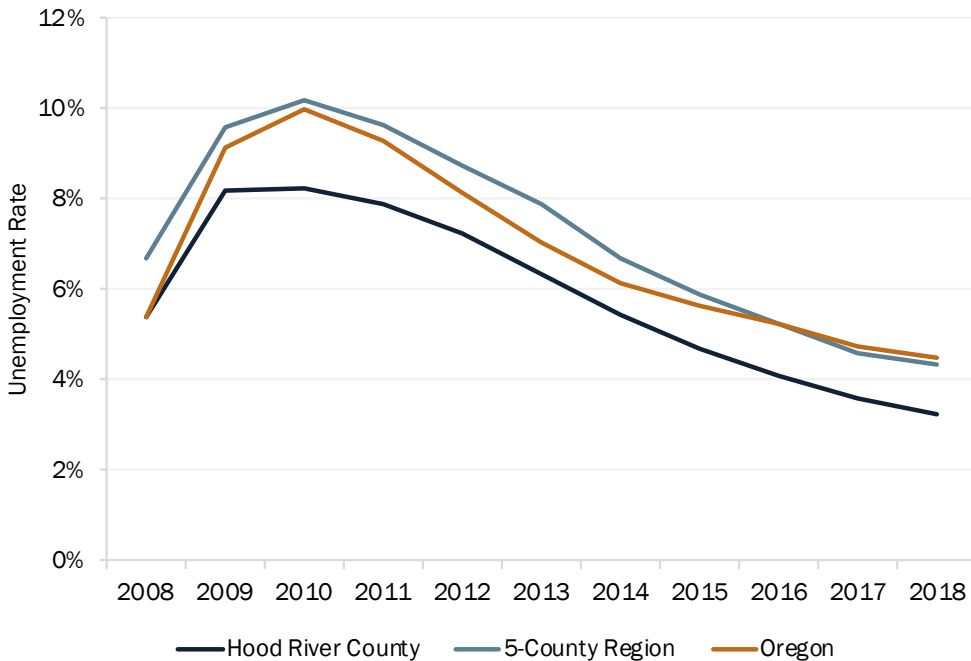


Source: U.S. Bureau of Economic Analysis.

Employment Trends

The unemployment rates in Hood River County, the Mid-Columbia Region, and Oregon fell from 2010 to 2018. Since the Great Recession in 2011, unemployment has dropped to historic lows in all of these geographies, as shown in Exhibit 10. In 2017, Hood River County had a lower unemployment rate than the Mid-Columbia Region and Oregon. In 2018, Hood River County’s unemployment rate was one of the lowest in the State of Oregon at 3.3 percent. During the same period, state level unemployment was 4.5 percent.

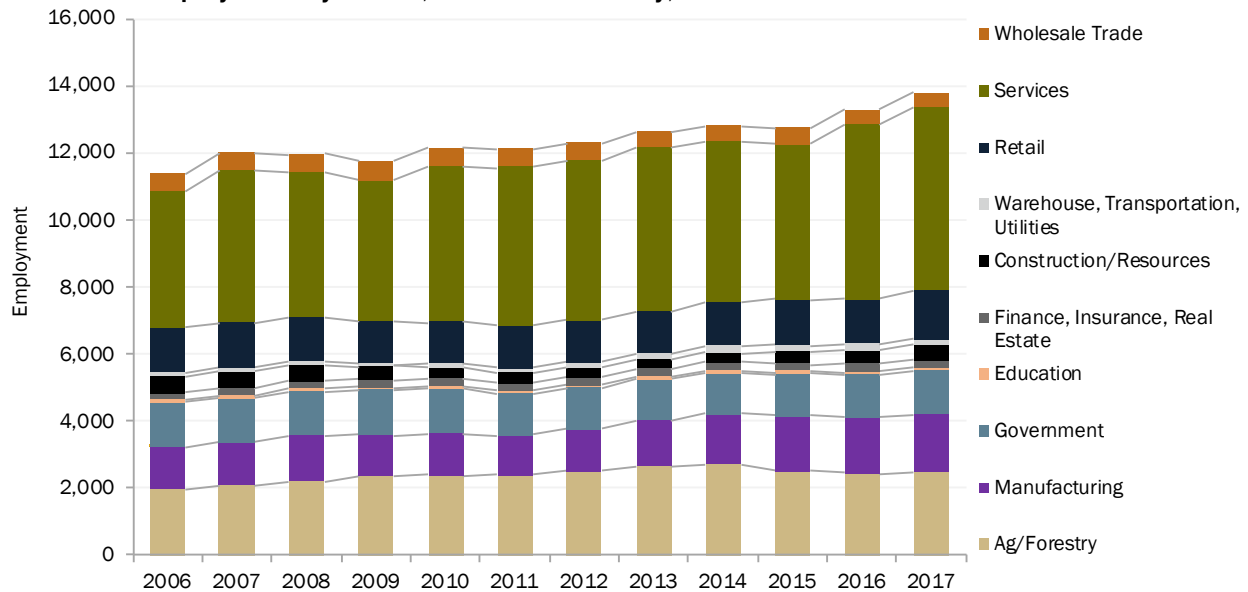
Exhibit 10. Unemployment Rate, Hood River Count and 5-County Region*, Oregon, 2008 to 2017



* The "5-County Region" is comprised of the following counties: Hood River, Sherman, Wasco, Klickitat, and Skamania.
 Source: US Bureau of Labor and Statistics

Total employment in Hood River County has been steadily increasing over the last decade, growing by more than 20 percent (over 4,000 jobs). The Great Recession had only a minor impact on the County’s employment, as shown in Exhibit 11 by the slight dip in jobs in 2009. However, different employment sectors have had varying growth patterns since 2006. The two largest employment sectors in Hood River County have consistently been services and agriculture/forestry.

Exhibit 11. Employment by Sector, Hood River County, 2006 to 2017



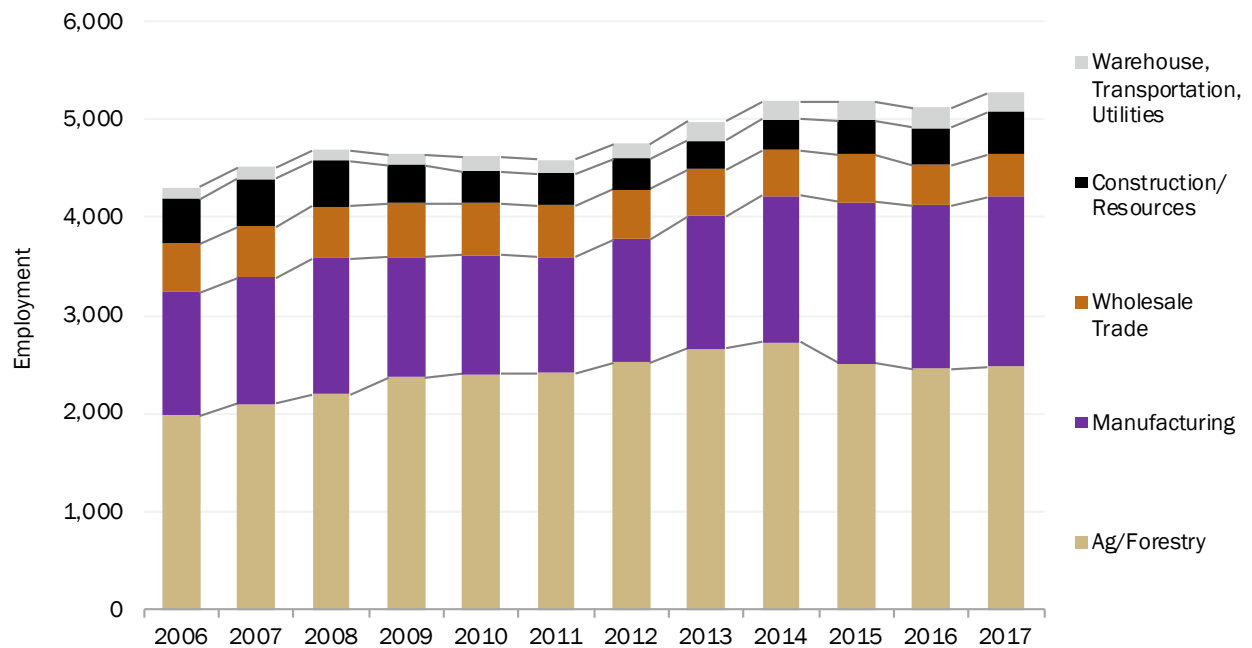
Source: Oregon Employment Department, Quarterly Census of Wages (QCEW).

Industrial Employment Sectors

There are several employment sectors that correspond generally to employment types commonly found in industrially zoned areas. These include: wholesale trade, warehouse, transportation and utilities, manufacturing, construction/resources, and agriculture/forestry. In this section, we examine recent historical trends in these sectors.

Industrial employment levels have increased in recent years in Hood River County. The Great Recession (ending in 2009) slowed some of that growth, but annual year-over-year employment growth returned in 2012. Since 2006, industrial sector employment is up by almost 1,000 jobs in Hood River County.

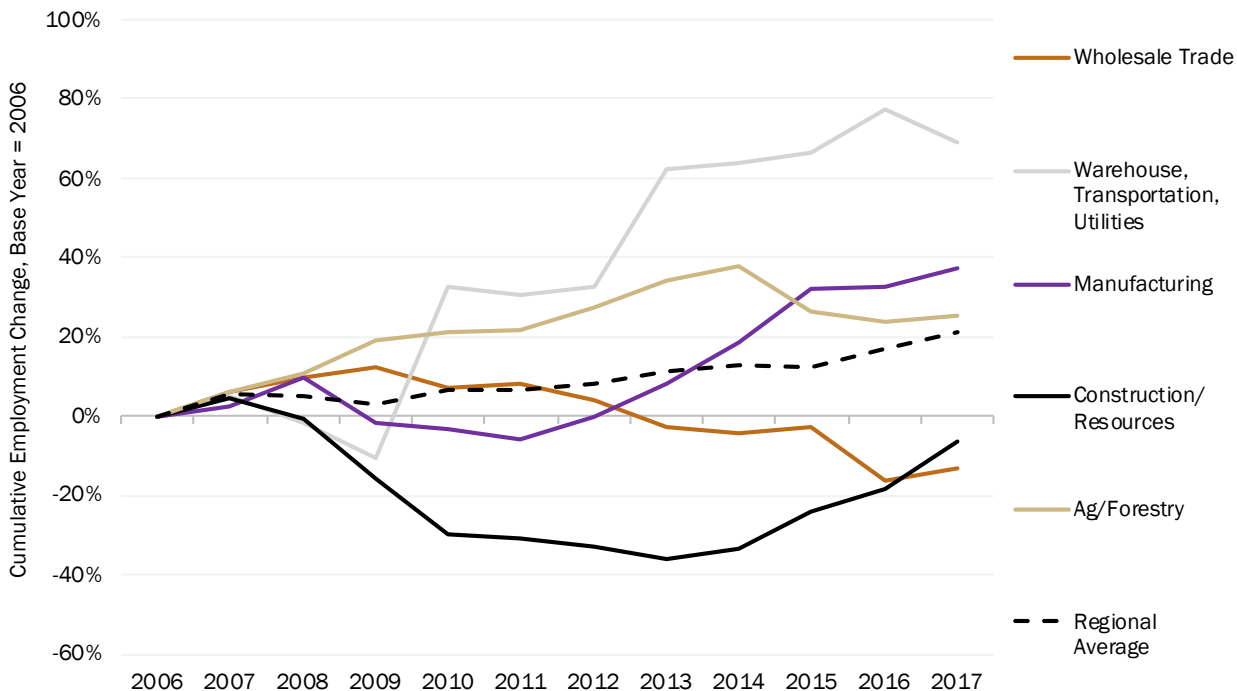
Exhibit 12. Industrial Sector Employment, Hood River County, 2006 to 2017



Source: Oregon Employment Department, Quarterly Census of Wages (QCEW).

Many of the industrially-focused employment sectors have had large increases in employment since 2006 when compared to the regional average (Exhibit 13). The notable exception is with construction/resources and wholesale trade employment sectors, which saw net losses over this time.

Exhibit 13. Cumulative Percent Employment Growth by Sector, Hood River County, 2006 to 2017



Source: Oregon Employment Department, Quarterly Census of Wages (QCEW).

Some industrial employment sectors have few jobs in the region, and therefore, any growth appears to be significant, even though few new jobs were created. For example, the warehouse, transportation, and utilities sector had about 110 employees in 2006. When employment in this sector reached its peak in 2016 (at about 200 employees), the proportional employment growth relative to 2006 reached nearly 80 percent. This growth rate is large, but 90 new employees over a decade in a region with over almost 14,000 total jobs is a comparatively small net gain in employment.

The largest industrially-focused employment sectors in Hood River County have historically been agriculture/forestry and manufacturing. Today, these two employment sectors comprise 80 percent of all industrial sector jobs in the County⁹. These two sectors have seen net gains in employment in the past decade. From 2006 to 2017, agriculture/forestry employment grew by about 25 percent (500 jobs), and the manufacturing employment sector grew by approximately 38 percent (470 jobs).

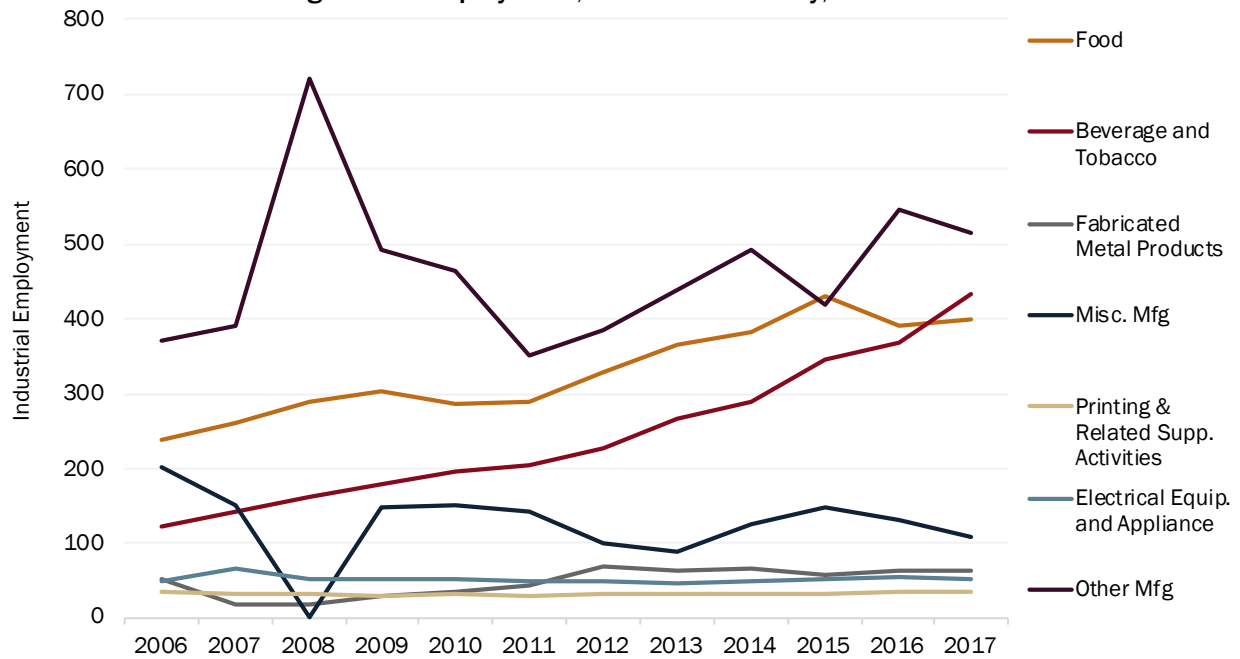
The manufacturing employment sector can be further broken down into subsectors. Exhibit 14 shows how employment levels in these subsectors have shifted since 2006. Three manufacturing subsectors—beverage and tobacco¹⁰, food, and the catch-all but non-descriptive subsector called “other manufacturing”—together make up the majority of all manufacturing jobs in Hood River County. The food, and beverage and tobacco subsectors have grown consistently since 2006.

⁹ Source: Oregon Employment Department, Quarterly Census of Wages (QCEW). (2017 data)

¹⁰ Although this employment category’s name includes tobacco related jobs, we are unaware of any tobacco production businesses located in Hood River County.

The “other manufacturing” subsector has been more volatile, but has increased employment levels from 2006. Other manufacturing subsectors have seen relatively little employment growth in recent years.

Exhibit 14. Manufacturing Sector Employment, Hood River County, 2006 to 2017

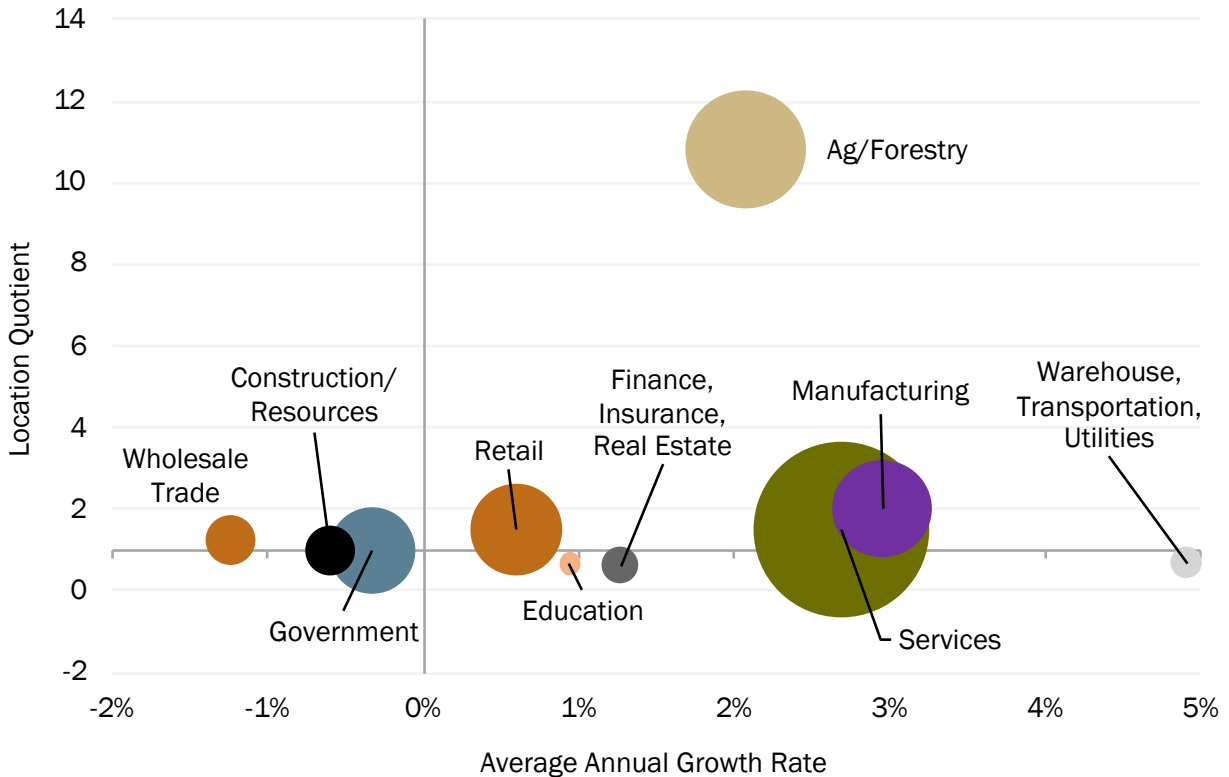


Source: Oregon Employment Department, Quarterly Census of Wages (QCEW).

Hood River County Employment Location Quotient

Location quotients measure the concentration of jobs in a sector compared to a statewide average. A value of 1.0 signifies that the sector possesses the same level of employment concentration as the state. Values above 1.0 are more concentrated than the state average. The size of the bubble represents the number of jobs within that sector. Sectors with sizable employment and higher than average concentration, represent strengths for the region. Fast growing sectors, even if they are not very large, represent potential opportunity areas. Exhibit 15 shows the local concentration of jobs by sector (location quotient) along with measures of industry size and average annual employment change in Hood River County.

Exhibit 15. Employment Concentration and Change by Sector, Hood River County, 2006 to 2017



Source: Oregon Employment Department, Quarterly Census of Wages (QCEW).

Key findings from this chart include:

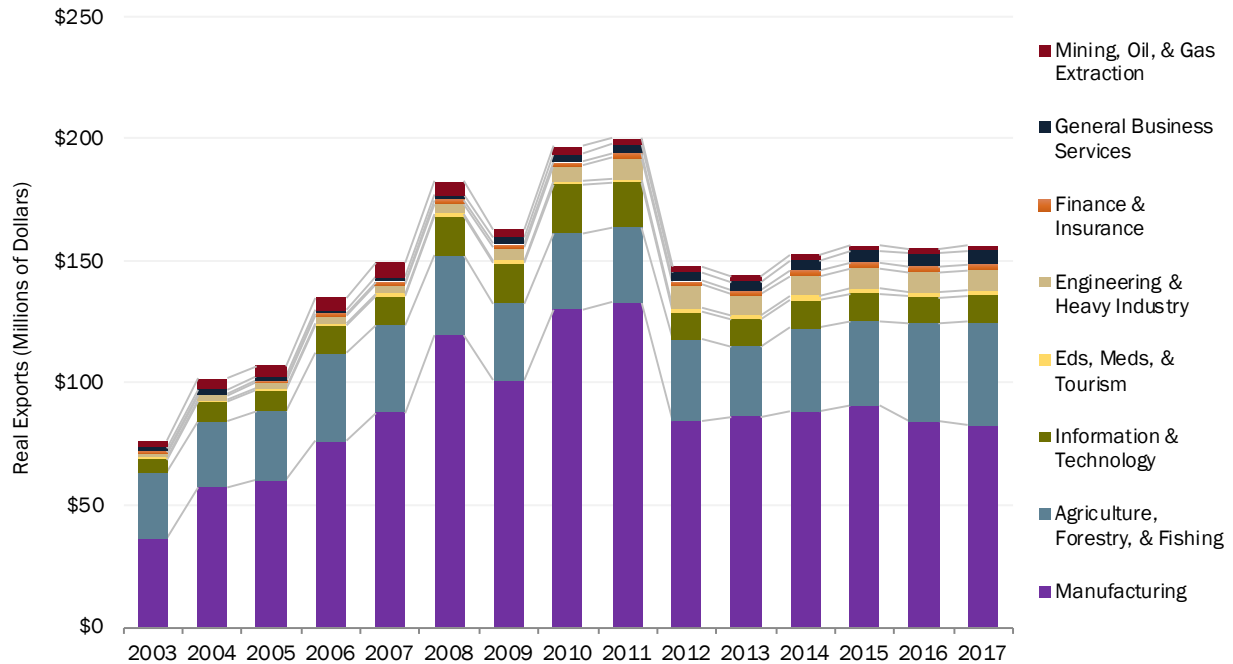
- **The agriculture and forestry sector** has the largest location quotient in Hood River County at 10.8 and grew, on average, at an annual rate of 2.1 percent over 2006 to 2017.
- **The warehouse, transportation, utilities sector** has the largest annual average growth in Hood River County at 4.9 percent; however, its concentration is less than that of the state (location quotient of 0.7).
- **Manufacturing employment** has been increasing 2.9 percent annually and is more concentrated than the state (location quotient of 2.0).
- **Services sectors** are the largest employers in Hood River County. They are more concentrated than Oregon on average (location quotient of 1.5). Its average annual growth rate was 2.7 percent across 2006 to 2017.

Hood River Regional Exports

Exhibit 16 shows total exports from Hood River County from 2003 to 2017. The largest export industry is manufacturing followed by agriculture, forestry, and fishing. Total exports increased over 2003 to 2017, though a couple of large declines occurred throughout this period. Manufacturing exports decreased 16 percent over 2008 to 2009 and agriculture, forestry, and fishing decreased by about 3 percent. These declines were likely due to the Great Recession; however, in 2010 and 2011, manufacturing rebounded whereas agriculture, forestry, and fishing

continued to decline. Since 2011, regional exports from Hood River County have been largely unchanged.

Exhibit 16. Exports by Industry in Real Dollars (Millions), Hood River County, 2003 to 2017



Source: Brookings Export Monitor, 2018.

5.2 Hood River County - Potential Future Demand

Hood River County saw considerable growth in the last decade. Population, GDP, and employment figures have all increased in the past few years. Hood River County currently has one of the lowest unemployment rates in the entire state of Oregon. Like many communities across the northwest, employment is anchored in the service sector, but Hood River County has important clusters of employment in manufacturing and the agriculture and forestry sectors—two sectors that typically require industrial land.

Overall, the prospect for continued economic growth in the Hood River region is positive. The area is located along an interstate highway and proximate to the largest economic metro in the region. The natural beauty of the area and outdoor recreation opportunities will continue to draw visitors and new residents. Notable challenges include providing an adequate supply of land for new development and providing housing that is affordable for the growing workforce. Established local industries, such as food and beverage companies and UAV manufacturers, are poised for future growth.

Future Employment Growth and New Industrial Land Demand

Future demand for industrial land within the Hood River region will be driven by economic expansion of locally-serving and externally-oriented industrial type businesses. A strong indicator for economic expansion is employment. Moreover, the amount and type of industrial related future job growth will affect the region’s industrial land needs.

In general, local-serving industrial land demands track closely with overall regional growth. Demand for external-oriented industrial land in the region is affected by a number of different market factors, including the supply of readily developable sites that meet the specific user’s needs. As a result, external-oriented industrial jobs are not as easy to project at the local level and do not grow at a steady rate.

One common method for understanding the future demand for industrial land is to extrapolate from employment projections. In Oregon, the Oregon Department of Employment (OED) is responsible for developing these long-range employment projections. OED’s most recent projections are for 2017 to 2027. OED’s projections also include sector-specific breakdowns, so we are able to better understand how jobs may grow in industrial employment sectors.

Exhibit 17 displays OED’s projected job growth for the employment sectors of manufacturing, wholesale trade, and transportation and warehouse in the Gorge Region.

Exhibit 17. Gorge Region (Gillam, Hood River, Sherman, Wasco, and Wheeler Counties) 10-Year Projected Industrial Sector Employment Growth, 2017 to 2027

Industrial Sector	Gorge Region Projected Growth, 2017-2027
Manufacturing	300
Wholesale Trade	70
Transportation, Warehousing, and Utilities	70
Total	440

Source: Oregon Department of Employment.

OED projects 440 additional new jobs in these employment sectors over the next ten years. A continuation of historical job growth trends would result in 680 industrial jobs over the same time period.¹¹ However, if we include the employment sector “professional and technical services” – a sector that represents many businesses that are allowed to locate in industrial areas – the growth projections change substantially. Including professional and technical services in OED’s projections would result in 740 new jobs over the next ten years. Adding this sector to the historical growth method of future projections results in 1,823 new jobs.

Using common relationships between jobs, building size, and industrial lots sizes, we can roughly estimate the land needed to accommodate these future jobs. Exhibit 18 below presents a summary of this estimation method and its land demand output. Lower job density industrial projects are typically associated with employment sectors that require few employees per facility, such as warehousing, and distribution type developments. Higher job density projections refer to light industrial, manufacturing, or flex-industrial type developments.

¹¹ Source: Oregon Employment Department, ECONorthwest. Average annual growth of historical trends from 2005-2017 projected over 2017 to 2027 time period.

Exhibit 18. Gorge Region Future Industrial Land Demand Estimates (includes Prof. and Tech. Services Sector)

		OED Estimates	Historical Trending
10-Year Job Estimations (2017-2027)		740	1,823
Industrial Building Space - Low Job Density	800 SF/Job	592,000 SF	1,458,272 SF
Industrial Building Space - High Job Density	500 SF/Job	370,000 SF	911,420 SF
Floor Area Ratio (FAR)	0.33		
Industrial Land Demand (Acres)			
Low Job Density (acres)		41 Acres	101 Acres
High Job Density (acres)		26 Acres	63 Acres

Source: Oregon Department of Employment, ECONorthwest.

Using the OED employment projection method, demand for industrial land in Oregon’s Gorge Region over the next ten years is estimated to be between 26 and 41 acres in total. Depending on how much of this growth is allocated to Hood River, the range is aligned with land demand estimates presented in the last City of Hood River Economic Opportunities Analysis¹². The most recent EOA estimated that the City of Hood River alone would need 11 to 53 acres of industrial land by 2030.

The variability in these estimates show the difficulty and uncertainty in predicting the future. Historical data and recent trends in industrial real estate show a modest demand for industrial real estate going forward. Expectations for a massive industrial expansion in the Gorge Region should be tempered. The region is much more likely to see incremental growth in the foreseeable future.

¹² See Appendix for more detail

6 Conclusions

Like most communities across Oregon, Hood River’s economy is changing. The rise of tourism in the Mid-Columbia Gorge area has led to an increase in service-based employment. The region’s agricultural base has enabled the emergence of many food-focused businesses in the manufacturing sector. And the unique unmanned aerial vehicles (UAV) industrial cluster has created new opportunities for spinoffs large and small.

The Port of Hood River (the Port) is at a crossroads as it considers how to best attract new development to Lot 1, the last remaining undeveloped area of the Hood River Waterfront. The Waterfront currently includes a mix of commercial and industrial users, alongside recreational uses like the Waterfront Park and Trail. Lot 1 serves as a gateway to the Waterfront— to conform with the rest of the Waterfront, the expectation is high for quality development projects that also meet the community’s demand for value-add industries with well-paying jobs. To unlock land for this new development, the site will need new infrastructure to support internal circulation, utility connections, and a design that facilitates connections to the rest of the Waterfront.

The Port is interested in understanding existing conditions for industrial development in the region. The purpose of this *industrial demand assessment* to (1) gauge the level of potential demand in future development of Lot 1, and (2) to help understand the needs and desires of the types of businesses that would locate there.

ECONorthwest used a variety of data sources to complete the market analysis including Costar (real estate data), Oregon Department of Employment data, Census data, etc. To ground the quantitative market information, ECONorthwest conducted interviews with 11 local stakeholders, including business owners, brokers, and property owners.

6.1 Hood River Industrial Demand

Core to our research task is to uncover the nature of demand for industrial land in Hood River, and specifically for the Waterfront’s Lot 1. After synthesizing both quantitative and qualitative data we arrived at the following findings.

Industrial Demand Findings

The Waterfront is a unique location for industrial development

Before discussing the amount of future demand for new industrial development on the Waterfront, it is important to emphasize that the Waterfront is a unique industrial area that is unlike most other industrial areas in the Gorge Region. The Waterfront started as a more typical light industrial area with public utility facilities and warehouses, but recent flex-industrial developments coupled with the creation of parks, public space, and a pedestrian focused regulatory environment have fostered an industrial area that functions like a mixed-use center. This has implications for the character and scale of future developments, and for the type of businesses that will be attracted to the area.

There is currently demand for new development in the Hood River area—both in the short term and in the long term

The fundamental demand drivers that lead to new development—population growth and economic expansion—are expected to continue on their current upward trajectory. This indicates growing demand for new development in the short term and long-term. However, the region’s small population and the challenges faced by new development projects indicate that the development and absorption of space is likely to be sporadic. Expectations for a robust industrial expansion in the Gorge Region should be tempered. The region is more likely to see incremental growth in the foreseeable future.

Demand for new industrial space isn’t evenly distributed between industry sectors. For example, some industry sectors like food and beverage manufacturing have seen steady and consistent growth over the past few decades. Other sectors have seen more intermittent growth.

The Waterfront provides greater opportunities for select industry sectors

Several of the region’s key industrial sectors have seen growth in the past few years. The most likely businesses to derive a premium or locational advantage from the Waterfront are:

- **Businesses that want to be close to other businesses in the same cluster.** Some businesses seek locations where they can be close to other businesses in the same or complementary sectors. For example, the Waterfront has a concentration of food and beverage manufacturing businesses, this sector is expected to see continued strong growth in the short run. For these reasons, Lot 1 will be an attractive location for more food-focused companies.
- **Businesses that seek an amenity-rich location for employees.** When asked about why they chose to locate on the Waterfront, some of the area’s existing flex/office-oriented tenants cited the area’s recreational amenities, views, and adjacent businesses as key reasons for why they chose to locate in the area. This points to a particular opportunity for industrial flex/office businesses to locate at Lot 1.
- **Industrial businesses with a commercial component.** For industrial businesses that are consumer facing, a small commercial or retail outlet at their production facility can be a key element of their business strategy. These outlets enable their customers to come and experience products where they are produced. The Waterfront, with its pedestrian scale, and outdoor amenities, offers an attractive location for industrial businesses that want to have a consumer facing retail component to their business.
- **Traditional industrial users that need proximity to the highway or to be located in a central location.** Lot 1 is adjacent to a highway interchange with Interstate-84. Industrial users that require an easy connection to the highway system will be drawn to Lot 1.

Despite demand for new industrial development, multiple challenges impact project feasibility and development efforts.

We heard from several stakeholders that there is an interest by local companies to expand and develop new facilities. Two primary challenges to new industrial development repeatedly arose in our stakeholder conversations. First, the Hood River region has a limited supply developable industrial land, and much of the available supply is in small lots, or in lots in need of substantial improvement before development can occur. Second, Hood River is facing an affordable housing crisis that is having real effects on local businesses’ ability to attract new employees to the region.

The table below summarizes the opportunities and challenges for industrial development in Hood River generally, and for Lot 1 specifically.

Exhibit 19. Industrial Development Opportunities and Challenges

	Industrial Development in Hood River	Industrial Development on Lot 1
Opportunities	<ul style="list-style-type: none"> • Highly desirable area • Emerging industrial clusters • Strong economy 	<ul style="list-style-type: none"> • Excellent access to I-84 • Existing cluster of light industrial uses will attract similar types of businesses • High-quality mixed employment and recreation area
Challenges	<ul style="list-style-type: none"> • Limited supply of workforce housing • Availability of space 	<ul style="list-style-type: none"> • High rents will limit base of potential users • High cost of providing infrastructure to support development • Compatibility of some potential industrial users

Source: ECONorthwest

6.2 Implications for Lot 1 Development

Our research indicates current demand for new industrial development in Hood River. However, the Waterfront is a unique industrial area, and therefore has a limited set of potential businesses that suitable tenants. Moreover, as the experience of some of the recent projects on the Waterfront have shown, meeting zoning and design regulations, plus finding tenants that can afford the higher rents that are required can be challenging. This means that demand for industrial development *at Lot 1* is only a subset of overall demand for *industrial* development in the region.

A key determination is to outline what is included in the definition of “industrial.” Many of the successful businesses that are located at Hood River’s Waterfront are office users with a small warehouse or commercial component. Our research indicates that the “professional office and technical services” sector is expected to be one of the fastest growing employment sectors in the region. Based on the City of Hood River’s latest employment land inventory completed in 2011, the city lacks sufficient land for the expected growth in office employment through 2030. These findings, coupled with the public policies (e.g. zoning), and the vision developed in the Lot 1 Master Plan, indicate that future tenants are likely to be quasi-industrial office users that can fit into flex-industrial buildings.

Combining input from regional industry data and trending and economic development efforts, alongside the economic, regulatory, and cultural environment, we see a specific opportunity for Lot 1 to absorb industrial development in the following three sectors: food production and value-add agriculture, technology (including UAV associated businesses), and other industrial office users. Exhibit 20 provides an overview of these industry sectors and discusses their potential compatibility with Lot 1.

Exhibit 20. Lot 1 Industrial Sector Opportunities and Compatibility

	Eligible Land Use	Level of Near to Mid-term Demand	Building and Site Needs	Need for Commercial Space	Ability to Pay Premium Rents	Likelihood of Locating in Lot 1
Technology (Including UAV companies, technology services and development, among others)	Yes. Most technology companies are “goods producing” and therefore, qualify for industrially zoned areas.	Moderate. Technology focused companies are highly dependent on business cycles. Current growth is positive. An economic down-turn could reduce demand.	These businesses seek high-quality spaces to attract talented employees and reinforce their brand image. Daytime parking will be required. Alternative travel modes, shared parking, and transport management plans may reduce parking demand.	This depends on the specific type of technology company. However, most companies are not consumer-facing and, therefore, do not need commercial space.	Yes. These tend to be high-profit companies that are able to pay rent premiums.	Depends on the company. These companies will seek a location at Lot 1 if the location matches their brand identity.
Food and Value-Added Agriculture (Manufacturing)	Yes. These are manufacturing companies.	Moderate to High. This is one of the steadily growing industrial sectors in the Hood River Area.	Scale and type of building depend on the size of the production operation. Small producers can fit into multi-tenant spaces. Larger companies require larger, single-user facilities. Employee parking, truck parking, and outdoor storage are commonly needed. Both drive-in and dock high doors are typically required.	Yes. Although it depends on the company, many of these businesses benefit from having a consumer-facing commercial outlet	Depends on the business. Most emerging food companies cannot afford premium rents	High. But it depends on price and building suitability.
Other Professional Services/ Industrial Office Users	For the most part. Companies in this category may not meet zoning requirements.	Professional and Businesses Services is one of the fastest growing industries.	These businesses are primarily office users. They can fit in any number of configurations. Typically, single large floor plates are preferred.	No. Most companies are not consumer-facing.	Yes. Most companies can pay “office level” rents.	High. Lot 1 is an attractive location for these companies.

Source: ECONorthwest

Appendix A: Competitive Supply Summary

This section provides a summary of the competitive industrial land supply within the Gorge Region. As is the case with most non-metropolitan regions, local real estate data in the Gorge Region has gaps and is many times inaccurate. Within the section, we provide notes where we have observed abnormal data or lack of a complete dataset.

Industrial and Flex-Industrial Real Estate Market Trends

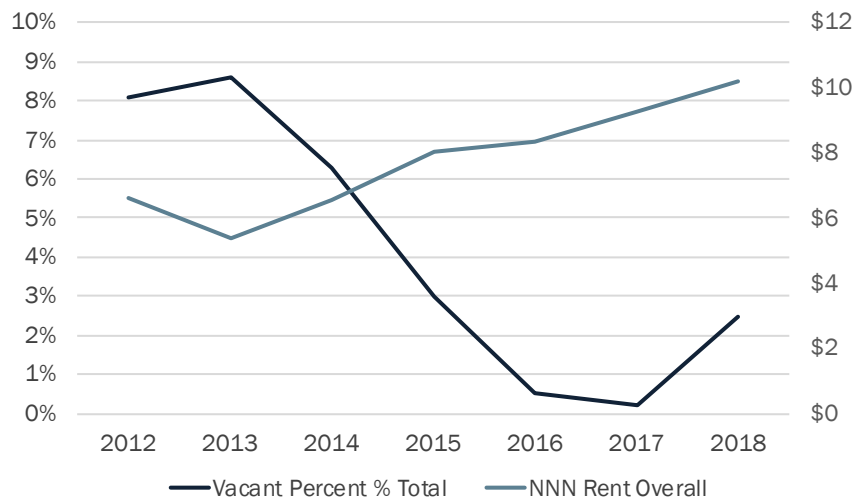
This section describes the current and recent historical real estate conditions for the industrial and flex markets in the Gorge Region. In general, the industrial real estate market includes buildings where raw materials and products are assembled, processed, and warehoused. These buildings tend to be large, often equipped with specialized machinery, and generally yield lower average rents per square foot than buildings in other commercial markets. The flex real estate market includes buildings that offer adaptable spaces that can accommodate a range of office, warehouse, or other types of commercial uses such as research and development, medical, industrial, quasi-retail, or others.

Exhibit 21 and Exhibit 22 show rent, vacancy, and absorption and delivery trends in the Gorge Region industrial and flex real estate markets.

Since 2013, industrial/flex rents have increased by more than 50% while vacancy rates have declined. In 2018, industrial rents reached a high of \$10 per square foot and vacancy rates dropped to about 2.5 percent.

Exhibit 21. Industrial and Flex Rent per Square Foot and Vacancy Rate, Gorge Region, 2012 to 2018¹³

Source: Costar.

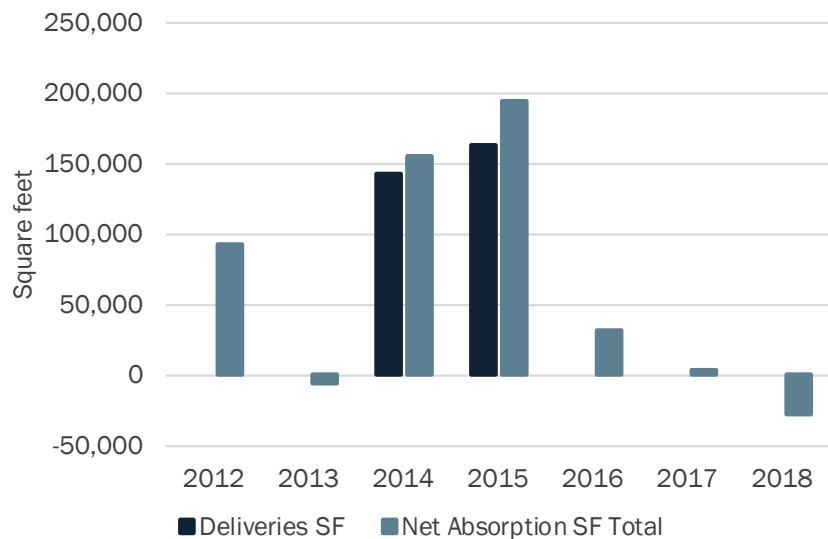


¹³ NNN or “Triple Net Rents” refer to commercial real estate leases where the tenant is responsible for all space related expenses, e.g. utilities, property tax, janitorial services, etc.

The Gorge Region saw the largest amount of industrial/flex square feet delivered and absorbed in 2014 and 2015. Industrial projects by Google and Lexington Realty Trust added nearly 300,000 square feet of industrial/flex space to the five-county area in 2014 and 2015.

Exhibit 22. Industrial and Flex Deliveries and Absorption (square feet), Gorge Region, 2012-2018

Source: Costar.



These real estate market trends show that since the Great Recession, the industrial and flex-industrial sectors of the Gorge Region have seen rapid expansion and positive market indicators. That is, rents have generally been increasing, vacancy has been declining and there have been a few large deliveries to market that were quickly absorbed.

It should be noted that 2018 data indicate an uptick in vacancy and negative absorption. Although this dataset is not comprehensive to all industrial and flex properties in the region, these trends should be watched closely to identify any growing market weakness.

Recent developments

There have only been a few industrial or flex space developments in the Gorge Region built in recent years. Many of these properties were developed on the Hood River Waterfront, including the Expo Industrial Offices, and projects built by developer Key Development¹⁴.

For the past five years the total building area shown in Costar, the most comprehensive real estate database in the Gorge Region, show that the new flex and industrial buildings total about 300,000 square feet in rentable building area, and all of the buildings were either completely or nearly completed occupied as of early 2019. CoStar estimated building rents¹⁵ between \$6 to \$20 for these properties.

¹⁴ See Exhibit 4 for more detail

¹⁵ CoStar estimates building rents based on the asking rent for the most recent tenant move-ins.

New Industrial/Flex Buildings



901 Bingen Point Way (Bingen)

Year built: 2014

Estimated rent: \$6-8 per sq. ft.

901 Bingen Point Way is fully leased (as of early 2019) with over 124,000 sq. ft. of rentable building area. The building was awarded silver-level LEED certification in 2015.



Wasco Avalanche Building (Hood River)

Year built: 2014

Estimated rent: \$10-13 per sq. ft.

The Wasco Avalanche Building is a flex show room with about 18,000 sq. ft. of rentable building area. The building was 89% occupied as of early 2019.



407 Portway Avenue (Hood River)

Year built: 2018

Estimated rent: \$26 per sq. ft.

407 Portway Avenue is a three story, 15,000 sq. ft. flex R&D building with 84% occupancy (as of March 2019).

This building is part of a series of recent development projects by Key Development along Portway Ave.

In addition to the 407 Portway Avenue Project, new commercial and industrial development at the Waterfront since 2014 includes:

- **Sheppard's Supply** at 440 Riverside Drive, a 20,000 SF expanded retail/service facility for a longtime Hood River landscape supply company.
- **Pfriem Brewery Expansion**, completed in 2017, which increased the production and retail area for Pfriem Brewery.

Hood River’s Waterfront in the Context of the City’s Industrial Land

The Hood River Waterfront comprises a large portion of the City of Hood River’s limited supply of industrial land. Lot 1, in particular represents a unique opportunity given its size of nine acres, which is larger than almost every other industrially-zoned parcel in the City.

The most recent inventory of available industrial land within the City of Hood River was completed as part of the City’s Economic Opportunities Analysis (EOA) in 2011. This document included a buildable lands inventory, which is an assessment of the capacity of land within the City of Hood River to accommodate forecasted housing and employment needs over 20 years. Exhibit 23 provides a summary of the amount of vacant and partially vacant employment land in the city by land use class in 2011.

Exhibit 23. Vacant and Partially Vacant Lands by General Land Use Zone Class, Hood River UGB, 2011

	Acres	Percent of Total Buildable Acres	Tax Lots
Office Residential (C-1/U-C-1)	0.7	0.6%	2
Commercial (C-2/U-C-2)	73.3	65.5%	64
Industrial/Light Industrial (I/LI)	37.9	33.9%	29
Total Gross Buildable Land	111.9	100.0%	95

Source: Hood River Economic Opportunities Analysis, 2011, Page 4.

Key findings from the buildable lands inventory included:

- There were about 38 acres of buildable industrial land in the City of Hood River in 2011, comprising about a third of total buildable employment land.
- Most of the vacant or partially vacant parcels were small: just four parcels were more than two acres in size.
- There were 74 acres of vacant or partially vacant commercial land, comprising two thirds of buildable land.

At the time of the analysis, the Waterfront had seen some limited redevelopment, including the Jensen Building, the Halyard Building, the UTS Building, and Hood River Juice. However, this document does not reflect the many new projects built from 2012 to 2017, shown in Exhibit 3. At nine acres, Lot 1 represented about 24 percent of the City’s capacity of industrial land, as of 2011.

To determine whether the City had enough available land to accommodate future employment, the EOA estimated that the City would add a total of 1,500 and 3,000 jobs across all sectors over 20 years, from 2010 to 2031. Because this is a wide range of potential job growth, the EOA also included three scenarios for employment growth to determine the implications for land need under each scenario. Key findings included:

- **Industrial land:** The Hood River UGB has enough industrial land to accommodate the forecasted level of industrial employment growth that is expected to occur under low-growth (11 acres) or medium-growth (16 acres) scenarios, but not the high growth scenario (53 acres).
- **Commercial land:** The UGB has a shortfall of commercial lands of between 15 and 19 acres needed to accommodate office growth, while there would be a surplus of 37 to 50 acres of other commercial land.

Hood River's Waterfront Relative to Other Industrial Areas in the Region

There are several industrial business parks within the Gorge Region that are direct competitors for Lot 1 and the Hood River Waterfront. Each of these areas has distinct advantages and disadvantages for particular users.

Port of Klickitat (Bingen, WA)

Like the Port of Hood River, the Port of Klickitat is interested in the long-term economic development of the region and offers long-term ground leases for its land. The Port of Klickitat owns commercial and industrial property at two business parks:

- **The Bingen Point Business Park** in Bingen, Washington is a partially developed waterfront property which is zoned for commercial and light industrial use. Currently, Insitu leases its eight-acre site from the Port. This business park is the most similar to the Hood River Waterfront because it is within the town of Bingen and has a mixed-use character.
- **The Dallesport Industrial Park** in Dallesport, Washington is zoned for light and heavy industrial use. The industrial park borders US Highway 197 and the Columbia Gorge Regional Airport. It has one terminal facility and rail access (served by the BNSF Railway). The first phase of the industrial park offers a total of 65 buildable acres. Key tenants include LifeFlight, which moved into a speculative building in 2018.

Port of The Dalles (The Dalles, OR)

The Port of the Dalles sells and ground leases land for immediate economic development purposes, with an employment target of at least six jobs per acre.

- **The Columbia Gorge Regional Airport Business Park** in The Dalles has 17 shovel-ready lots with water, sewer and other utilities. To develop the lots, the Port has graded 34 acres and installed roadways. Several lots will have access to the airport's taxi-ways.¹⁶
- **Columbia Gorge Industrial Center.** Completed in 2015 the Port of the Dalles is marketing 26 state-certified, shovel-ready lots of one to four acres, some of which can be assembled. The total project comprises 60 acres. As of March 2019, the Port has sold 15 of the 26 lots.



Columbia Gorge Regional Airport Business Park in The Dalles, Oregon

¹⁶ Port of the Dalles. Columbia Gorge Regional Airport. <https://www.portofthedalles.com/properties/1350-2/>

Disclaimer

The information provided in this report has been obtained or derived from sources generally available to the public and believed by ECONorthwest to be reliable, but ECONorthwest does not make any representation or warranty, express or implied, as to its accuracy or completeness. The information is not intended to be used as the basis of any investment decisions by any person or entity. This information does not constitute investment advice, nor is it an offer or a solicitation of an offer to buy or sell any security.

ECONorthwest

ECONOMICS • FINANCE • PLANNING

www.econw.com

OREGON

KOIN Center
222 SW Columbia, Suite 1600
Portland, Oregon 97201
503-222-6060

WASHINGTON

Park Place
1200 Sixth Avenue, Suite 615
Seattle, WA 98101
206-823-3060

CALIFORNIA

9415 Culver Blvd
#248
Culver City, CA 90232
213-218-6740

IDAHO

Eagles Center
223 North 6th Street, Suite 430
Boise, ID 83702
208-918-0617



HOOD RIVER–WHITE SALMON BRIDGE REPLACEMENT

Project Director Report
March 20, 2023

The following summarizes Replacement Bridge Project activities from March 06, 2023 to March 20, 2023:

PROJECT MANAGEMENT

- *RBMC team is continuing to meet with WSP, ODOT and Federal Highway Administration (FHWA) related to the NEPA/FEIS process and Treaty Tribe Memorandum of Agreement (MOA's).*
- *RBMC team is meeting with ODOT, WSDOT and FHWA on the RFP for the Progressive Design Build Procurement.*
- *Grant Tracking for WA, ARPA, Build Grants will be on going each quarter.*
- *Legislative Outreach is continuing with Oregon, Washington and DC*

COMMUNICATIONS

- *The web site has been launched www.hoodriverbridge.org and is seeing regular updates*
- *Social media accounts are now active and we're building followers.*

GOVERNMENT AFFAIRS UPDATE

- *State Legislative Activities*
 - *Oregon*
 - *Responses were provided to our lobbyist about the timing of the funding from Washington State.*
 - *Washington*
 - *Meetings were held with Sen. Liias and Sen. King in Olympia. Both were very positive on the project seeing funding this year with recuring funding over next few years. It is expected that the draft budgets will be coming out in Washington over the next couple weeks.*
 - *Both Sen. Liias and Sen. King asked about the progress of the Hood River White Salmon Bridge Authority and tolling to support local funding. They were updated that both were progressing forward and that the Port signed the CFA and it was anticipated that the remaining agencies would be signing in March and April.*
- *Federal Legislative Activities*
 - *CDS Appropriations requests have been sent for both Washington and Oregon for a total funding request of \$8M.*
 - *Kevin G will be traveling to DC March 20-24 with PNWA Event and is coordinating a number of meetings while he is there. (See attached schedule of meetings)*
 - *We are planning to make two trips per year to DC in support of funding requests*
 - *Looking at the end of April for the first trip*

HOOD RIVER-WHITE SALMON BRIDGE AUTHORITY

- *The Final Draft of the Commission Formation Agreements (CFA) has been distributed to the BSWG with a recommendation to move forward with obtaining signatures from the 6 parties of the agreement.*
- *Port of Hood River signed CFA on 2/7/23, anticipate other members signing in March and April*
- *HRWSBA Legal Counsel Recommendations for consideration:*
 - *Stacey Lewis at Pacifica Law Group in Seattle, as recommended by Steve Siegel.*
 - *Eileen G. Eakins, who provided Port Commission training back in 2021 - 5285 Meadows Road, Suite 400, Lake Oswego, OR 97035, (503) 607-0517, eileen@lgl-advisors.com;*
 - *Clark Balfour at Cable Huston, who I have worked with over the years on municipal utility projects: <https://www.cablehuston.com/attorneys/clark-i-balfour/>;*
 - *Anna Cavaleri, Jerry's partner <http://hoodriverlaw.com/attorney-profiles/anna-c-cavaleri/>*

FUNDING FINANCE & TOLLING

- *Washington State Transportation Commission (WSTC) T&R Analysis*
 - *HNTB and the PORT continue to coordinate with WSTC*
 - *WSTC held their meeting on March 14th – 15th*
 - *They discussed the two scenarios and received approval on moving them forward. (PDF of presentation is attached and summary of meeting)*
 - *Link to agenda <https://wstc.wa.gov/news/2023/02/27/meeting-agenda-march-14-15-2023>*
 - *WSTC will provide an update on the two scenarios to the Port Comm on March 21st*
 - *Schedule Milestones:*
 - *May 2023 – Draft Study findings and recommendations presented to WSTC*
 - *June 2023 – Final Report of findings and recommendations presented to WSTC and submitted to Washington State Legislature*
- *BSWG Tolling Study*
 - *Funding Finance and Tolling team is developing a model that will support the consideration of different tolling scenarios and their impacts on the financial plan to support the construction of a new bridge.*

PENDING GRANT FUNDING UPDATES

- *Raise Planning Grant (2023)*
 - *Notice of Funding Opportunity (NOFO) issued: 11/30/22, Update to NOFO received on 12/14/22*
 - *Application Submitted: 2/28/23*
 - *Requested amount of funding: \$3.6M*

- *Our application focused on a planning grant that will evaluate Bike/Ped connections and Transit services access/connections to the new bridge. With a focus on how the bridge is a vital part of a transportation system.*
- *Over 20 Letters of Support were included with our application*
- *Safe Streets and Roads for All Grant Program (SS4A)*
 - *Next Opening April 2023*
 - *2023 NOFO Spring 2023*
- *Multimodal Project Discretionary Grant (MPDG)*
 - *Next Opening – Spring 2023*
 - *2023 NOFO not released*
 - *INFRA (\$8 B available over 4 years FY22 to FY26)*
 - *MEGA (\$5 B available over 4 years FY22 to FY26)*
 - *Rural (\$2 B available over 4 years FY22 to FY26)*
 - *The project was notified that it was not successful in obtaining any 2022 grant funding from the MPDG. A Debrief is being targeted for April 2023 in DC.*
 - *MPDG Comments from USDOT*
 - *C. The project will be cost-effective (49 USC 6701(f))*
 - *D. With respect to related non-Federal financial commitments, 1 or more stable and dependable sources of funding and financing are available to (i) construct, operate, and maintain the project; and (ii) cover cost increases (49 USC 6701(f))*
 - *E. The applicant has, or will have, sufficient legal, financial, and technical capacity to carry out the project (49 USC 6701(f))*
- *Bridge Investment Program (BIP)*
 - *Next Opening – Summer 2023*
 - *2023 NOFO – Summer 2023*
- *CDS Appropriation*
 - *Requests is being submitted for a total of \$8M between the delegations for Preliminary Engineering/Design, Right of Way Acquisition, Mitigation identified as part of the NEPA process.*
 - *Murray request was submitted on 2/28/23*
 - *Merkley/Wyden request was submitted on 3/3/23*
 - *Cantwell and Newhouse request were submitted on 3/10/23*
 - *Blumenauer request was submitted on 3/17/23*

EXECUTED GRANT FUNDING UPDATES

- *Build20*
 - *Grant Awarded 9/23/22*
 - *Funding: \$5M – Federal Share, \$1.25M Local Match (Washington Grant) – Total \$6.25M with an Expenditure Deadline of 12/31/2024*
 - *Total Submitted for Reimbursement: \$0*
 - *Total Reimbursement received to date: \$0*
 - *Remaining Funds: \$5 million*

- *We have received our certification from FHWA on 12/21/22. We have received access to the RADs quarterly reporting system for FHWA on 1/26/22. Training with FHWA is still pending.*
- *Q4 2022 reporting has been submitted through RADs to FHWA*
- **ARPA (Oregon Grant)**
 - *Grant Awarded 5/12/22*
 - *Funding: \$5M with an Expenditure Deadline of 12/31/26*
 - *Total Submitted for Reimbursement: \$225,353.30*
 - *Total Reimbursement received to date: \$225,353.30*
 - *Remaining Funds: \$4,774,646.70*
 - *4th Quarter reimbursement submitted on January 10th, 2023. Next reimbursement submittal April 2023*
- **WA SB 5165 Grant**
 - *Grant Awarded 2/2/22*
 - *Funding: \$5M with an Expenditure Deadlines of 6/30/23 (\$3M) and 6/30/23 (\$2M)*
 - *Total Submitted for Reimbursement: \$1,341,149.25*
 - *Total Reimbursement received to date: \$384,693.39*
 - *Remaining Funds: \$3,658,850.75*
 - *4th Quarter reimbursement submitted for \$956,455.86. Next reimbursement submittal will be April 2023.*

TREATY TRIBE MOA'S

- *A Semi-weekly meeting has been set up with ODOT and FHWA specific to advancing the Treaty Tribe MOA's. A collaboration space has been created on the Project Portal site.*
 - **Yakama Nation (YN).**
 - *Draft MOA was submitted by Roy Watters to the Yakama Nation on 1/26/23*
 - *A meeting to discuss the Section 106 MOA and Treaty Fishing MOA was held on 2/28/23. Meeting was positive and they were very appreciative of the work that was done in the draft Treaty MOA. Yakama Nation will review the draft MOA with a tentative date to provide responses in two weeks. Tribal members agreed that ODOT could move forward with the next steps in the 106 MOA process (summary attached)*
 - **Nez Perce**
 - *The Draft MOA was submitted to ODOT on 1/17/23*
 - *ODOT approved us to move forward with sending the Draft MOA on 1/24/23.*
 - *2/2/23 – Project update call with Amanda Rogers of Nez Perce and Herb Fricke (Project Tribal Coordinator), Roy Watters (ODOT). MOA was sent to Amanda on 2/2/23.*
 - *We are coordinating a project update meeting with them in the next couple months.*
 - *Port attorney is coordinating with Nez Perce tribe as they requested*

- **Umatilla (CTUIR).**
 - *The Draft MOA was submitted to the Umatilla Tribe on 1/25/23*
 - *Meeting and Presentation were held with CTUIR Fish and Wildlife commission on 1/24/23*
 - *2nd Meeting with Umatilla has been scheduled for 3/23/23*
 - *We have received a letter of support for the bridge project from CTUIR.*
- **Warm Springs.**
 - *A meeting has been scheduled with the Warm Springs Tribe for 3/22/23.*

RBMC

PROGRESSIVE DESIGN BUILD RFQ/RFP

- *Sub-schedule has been developed for the procurement of the Progressive Design Build Team (See Packet) – opportunities to advance the schedule are being reviewed.*
- *A meeting was held with ODOT on 3/7 with Region 1 staff and Headquarters Procurement staff to discuss their role on the upcoming PDB Procurement. Robert Wattman will be our point of contact and backed by Sam Hunaidi. A number ODOT technical staff were also at the meeting and provided input into how to move forward. WSDOT also attend this meeting.*
- *A meeting was held with FHWA on 2/16 to discuss their role on the upcoming PDB Procurement and a monthly recurring meeting has been set up.*
- *A meeting was held with WSDOT on 2/23. WSDOT has provided a point of contact for the PDB team to work with on the RFP development.*

KEY STAKE HOLDERS

RAILROAD

- *Kickoff/Update meeting was held with BNSF on 1/25/23, they indicated the new bridge should accommodate a future triple track and a 30' vertical clearance. At this time these are not seen as major impacts to the project.*
- *Coordination of work activities over the track will be critical do to the high volume of usage.*
- *BNSF did not anticipate long review periods given their current workload, they indicated that they had adequate capacity to support the coordination needed on this project.*

GEOTECHNICAL

- *The two Oregon on land borings were completed on Feb 6th and the report is being developed. Cultural Resource monitoring was done and no cultural resources were found.*
- *Coordination with the tribes will work through ODOT but it is likely the PORT will be asked to fund the tribal monitoring costs.*
- *Underwater drilling is scheduled to start June 19th and last 5 weeks.*

SURVEY

Completed work

- *Additional right of way research and calculations completed*
- *APS locating underground utilities on Oregon side*

Upcoming work

- *Complete right of way calculations in OR and WA*
- *Coordinate private utility locates in WA*
- *Map locates in OR and WA*

RIGHT OF WAY

- *Coordination has begun with WSDOT and ODOT to define the jurisdictional limits for both agencies.*
- *Our right of way team is coordinating with the two property owners in Washington that will need to provide Right of Entry for the geotechnical borings. The two owners are a private owner and Klickitat County. We have received the ROE letters from both.*
- *The SDEIS preferred alternative does indicate a potential whole take of the private landowner and we will need to coordinate with the BSWG and PORT on when to move forward with discussion with the landowner on this action.*

PERMITTING

- **SHPO Permit for Upland Work in Oregon** – This permit was issued on 1/19/23. CTOGR included some standard stipulations in their permit comments. The Oregon UPLAND boring work can proceed and is scheduled for next week.
- **USACE Permit** – USACE issued a provisional permit in late December. They will finalize the permit once DEQ provides the 401 C water quality certification. All SHPO/tribal coordination for the in-water and WA. Borings has been completed by USACE.
- **DEQ Permit** – The permit application was submitted to DEQ on 1/13/23. Expect DEQ to issue the 401 C in the next 2-3 months. As noted above, once DEQ issues their permit USACE will issued their final permit verification. USACE is just waiting on DEQ.
- **DSL Short Term Access Agreement** – This approval was issued in September 2022.
- **DSL No Permit Needed Letter** – This letter was issued January 18, 2023 confirming the work does not require a DSL Removal-Fill Permit.
- **WDFW Hydraulic Permit Approval** – The original HPA was modified with new project information and schedule on January 11th. The HPA includes several standard BMPs and notification requirements. Notification must be made at least three days prior to in-water work on WA. Side.

- **City of White Salmon SEPA and SMP Exemption Letter** – The final letter from City confirming Teotech work is exempt from SEPA and SMP was issued on January 23, 2023.
- **WDNR Aquatic Lands ROE Permit** – We received the requisite signatures from Klickitat Co. and Shin Jin Ko on February 2, 2023. We will submit the application (JARPA) to WDNR by COB February 3, 2023. Expect two months for DNR to issue the ROE permit.
- **NMFS Slopes V Compliance** – The USACE has determined that the work as proposed will result in No Effect on listed fish based on the standard BMPs to be included (SLOPES V BMPs) and the short duration, confined nature of the work. We were able to avoid getting NMFS involved.

When USACE issues the verification, it will also include the necessary ESA/NMFS compliance. The provisional verification discusses this and application of SLOPES V. So this task/compliance need will get completed when USACE issues the permit (without NMFS involvement), which will happen once the DEQ permit lands.

- The DEQ permit application was submitted to DEQ on 1/13/23 after they issue their permit USACE will immediately take the “provisional” moniker off of the provisional verification. Once submitted WDNR should be able to turn around the permit within two months. There is a \$25 fee for this permit.

FINAL EIS/RECORD OF DECISION

- Environmental Impact Statement technical reports are available at <https://cdxapps.epa.gov/cdx-enepa-ll/public/action/eis/details?eisId=314171>
- ODOT provided additional comments to the BA/BO on 3/15. Comments were reviewed with ODOT and WSP on 3/16. Additional coordination through email with FHWA was held on 3/16. Pending ODOT’s concurrence with FHWA by 3/17. WSP will have revised documents returned to ODOT by 3/24.
- ODOT could not clarify what % of the BA still required ODOT review or what sections were remaining to be reviewed.

OTHER ITEMS

KEY MEETINGS

Date:	Subject:
3/6	Weekly check in with WSP
	RBMC weekly check in with Port Director
3/7	Port Staff meeting
	ODOT Coordination meeting on PDB RFP

	<i>ODOT Coordination meeting on Treaty Tribe MOA's</i>
<i>3/13 – 3/15</i>	<i>Design Build Institute of America Annual Conference – PDB Specific Track</i>
<i>3/16</i>	<i>Meeting with Sen. King</i>
	<i>Meeting with Sen. Liias</i>

Commission Memo



Prepared by: Debbie Smith-Wagar, Finance Director
Date: March 21, 2023
Re: Audit for Fiscal Year Ending June 30, 2022

The Annual Financial Report and the Communication to the Governing Body for the Fiscal Year Ended June 30, 2022 are attached. It is important that all Commissioners read the Communication to the Governing Body since this is the auditor's communication to the Board and provides some valuable input into the audit. Tara Kamp from Pauly Rogers and Company will present the Audit report during the meeting and will be able to answer any questions.

RECOMMENDATION: Approve Audit for Fiscal Year Ending June 30, 2022.

This page intentionally left blank.



PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcpcpas.com

February 22, 2023

To the Board of Commissioners
Port of Hood River
Hood River County, Oregon

We have audited the basic financial statements of the governmental activities, the business-type activities, and each major fund of the Port of Hood River for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the Academy and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Academy or to acts by management or employees acting on behalf of the Academy. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 52 of the report.
3. No separate management letter was issued.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. A sensitive estimate affecting the basic financial statements was Capital Asset Depreciation, which is based on useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were no immaterial uncorrected misstatements noted during the audit that were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Pauly, Rogers and Co., P.C.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Other Information

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 91 – CONDUIT DEBT OBLIGATIONS

This Statement is effective for fiscal years beginning after December 15, 2021, as extended by GASB 95. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 96 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The effective date for this Statement is for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB 97 – CERTAIN COMPONENT UNIT CRITERIA, AND ACCOUNTING AND FINANCIAL REPORTING FOR INTERNAL REVENUE CODE SECTION 457 DEFERRED COMPENSATION PLANS – AN AMENDMENT OF GASB 14 & 84, AND A SUPERSESSION OF GASB 32

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

GASB 99 – OMNIBUS 2022

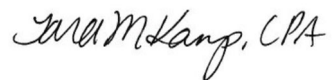
The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Pauly, Rogers and Co., P.C.

This information is intended solely for the information and use of the Board of Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

This page intentionally left blank.

PORT OF HOOD RIVER

HOOD RIVER COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022



**12700 SW 72nd Ave.
Tigard, OR 97223**

PORT OF HOOD RIVER

Financial Statements

June 30, 2022

PORT OF HOOD RIVER

June 30, 2022

BOARD OF COMMISSIONERS

NAME	TERM EXPIRES
Ben Sheppard, President	June 30, 2025
Heather Gehring, Treasurer	June 30, 2025
Kristi Chapman, Vice President	June 30, 2023
Mike Fox, Secretary	June 30, 2025
Hoby Streich	June 30, 2023

All commissioners receive mail at the address listed below.

ADMINISTRATION

Kevin Greenwood, Executive Director
Debbie Smith-Wagar, Chief Financial Officer
1000 E. Port Marina Dr.
Hood River, Oregon 97031

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	i
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet - Governmental Funds	7
Reconciliation of Balance Sheet of Governmental Funds to	
Statement of Net Position	8
Statement of Revenue, Expenditures and Changes in	
Fund Balance – Governmental Funds	9
Reconciliation of Statement of Revenues, Expenditures and Changes in	
Fund Balance of Governmental Funds to the Statement of Activities	10
Statement of Net Position – Proprietary Fund	11
Statement of Revenue, Expenses and Changes in	
Fund Balance – Proprietary Fund	12
Statement of Cash Flows – Proprietary Fund	13
Notes to Basic Financial Statements	14

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
TABLE OF CONTENTS (CONTINUED)

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Proportionate Share of the Net Pension Liability and Contributions	46
Schedule of the Total OPEB Liability	47
Schedule of Revenue, Expenditures and Changes in Fund Balance – Actual & Budget – General Fund	49
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget – Bridge Repair and Replacement Fund	50
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget – Revenue Fund	51
INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	
	52



PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

February 22, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Port of Hood River
Hood River County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Port of Hood River, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the business-type activities, and each major fund of the Port of Hood River, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port of Hood River and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The Port adopted new Guidance, GASB Statement No. 87 –Leases during the fiscal year under audit. Our opinions are not modified with respects to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Port of Hood River's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port of Hood River's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port of Hood River's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplementary information as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated February 22, 2023 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Tara M Kamp, CPA
PAULY, ROGERS AND CO., P.C.

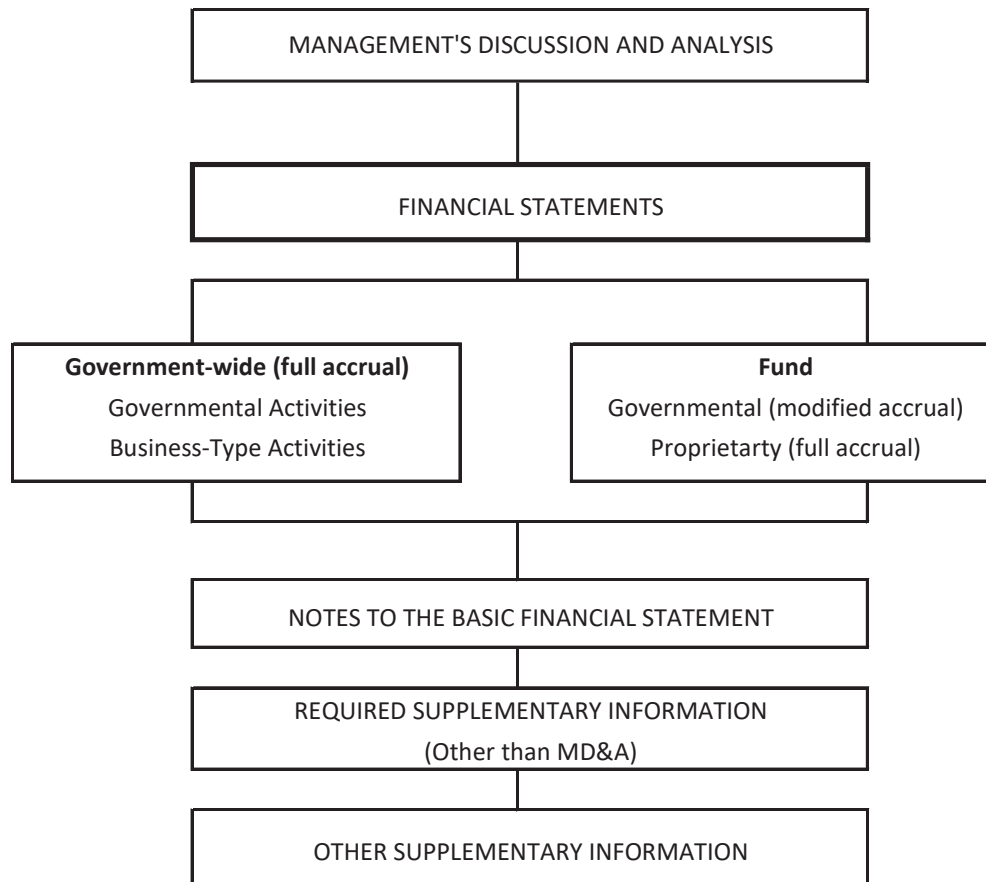
PORT OF HOOD RIVER, OREGON
Management Discussion and Analysis
For the Year Ended June 30, 2022

INTRODUCTION

The Annual Financial Report consists of Management Discussion and Analysis which provides an overview of the financial performance and activities of the Port for the fiscal year ended June 30, 2022. The diagram below depicts the different components of the Annual Financial Report and their respective descriptions from the basic financial statements to those presented at the fund level which depict how the Port's financial performance compared to what was budgeted.

PORT OF HOOD RIVER, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2022

Financial Section Components



GOVERNMENT-WIDE STATEMENTS

The government-wide statements report financial information about the Port taken as a whole using accounting methods similar to those used by private-sector companies. The statement of Net Position includes all the Port's assets and liabilities. All the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when the cash is received or paid. The two government-wide statements report the Port's Net Position and any changes. Net position – the difference between assets and liabilities – is one way to measure the Port's financial health or position.

The government-wide financial statements of the Port are divided into two categories:

Governmental funds – The Port maintains two individual governmental funds as of June 30, 2022. Both are considered major funds and are reported separately in the statement of revenues, expenditures, and changes in fund balances. The two funds are the General Fund and the Bridge Repair and Replacement fund. The General Fund records the transactions related to policy making and strategic planning as it pertains to the Port's mission and values. The General Fund will also include general administration as well as a portion of support services. The Bridge Repair and Replacement fund is a Special Revenue Fund that is used to record capital improvements, planning, inspection and replacement activity associated with the Hood River/White Salmon Interstate Bridge, as well as any debt related activities with the existing bridge.

The Port adopts an annual budget for all its funds. Budgetary comparison schedules are provided to demonstrate compliance with applicable state budgetary rules. These schedules can be found in the Required Supplementary Information section of this report.

Business-type funds – Business type activities are used to distinguish operating revenues and expenses from non-operating items. The Port maintains an enterprise fund called the Revenue Fund which receives the following fees charged to Port customers:

1. Fees – tolls paid by bridge users
2. Lease revenues - industrial, commercial and mix-use tenants.
3. Rent for marina boat slips and airport hangers.
4. Fees for recreational events, parking and programs.

Notes to the financial statements provide additional information that is essential to fully understand the Port's financial statements and position.

Statement of Net Position

Net Position serves as a useful indicator of a government's financial position, especially when viewed over multiple periods of time. In the case of the Port, the total net position is \$51,347,142 at the close of this fiscal year. This represents a \$1,104,873 increase over the prior fiscal year.

Table 1 below depicts an increase in total assets by \$13,602,005 which is attributable to several factors, one being the receipt of a \$5,000,000 BUILD grant from the US Department of Transportation for the bridge replacement effort, along with the implementation of Governmental Accounting Standards Board (GASB) Statement 87, Leases, which added a \$6,711,075 lease receivable to our assets. Other factors related to the increase in cash and investments of \$577,698 related to the reimbursement of toll revenues losses during COVID that the American Rescue Plan Act (ARPA) provided relief. Capital outlay increased by \$820,404 related to capital improvements to the existing bridge to keep it safe and functioning while the bridge replacement effort continues. The remainder is attributable to increases in cashflow related to operations through higher lease revenues and bridge traffic and revenues.

The largest portion of the Port's net position, at 75%, 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. 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 \$12,697,117 is unrestricted, meaning it is available for meeting the Port's ongoing obligations. The increase in unrestricted net position of \$1,640,143 from last year, is attributable to increases in cash and investments related to operations like higher toll and lease revenues while keeping operating costs stable for the year.

PORT OF HOOD RIVER, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
TABLE 1 - NET POSITION
AS OF JUNE 30,

	Governmental Activities		Business-Type Activities		Total All Funds	
			Revenue Fund			
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 8,561,542	\$ 3,405,205	\$ 12,735,155	\$ 10,296,292	\$ 21,296,697	\$ 13,701,497
Restricted Assets	-	-	286,300	286,300	286,300	286,300
Leases Receivable	-	-	6,711,075	-	6,711,075	-
Capital Assets	7,172,861	6,352,457	33,288,398	34,813,072	40,461,259	41,165,529
Total Assets	15,734,403	9,757,662	53,020,928	45,395,664	68,755,331	55,153,326
Total Deferred Outflows of Resources	60,514	131,505	953,106	832,282	1,013,620	963,787
Current Liabilities	5,000,000	-	2,644,359	1,695,777	7,644,359	1,695,777
Long-Term Debt	-	-	1,928,534	2,097,534	1,928,534	2,097,534
Net Pension Liability	71,284	275,249	1,122,756	1,744,724	1,194,040	2,019,973
Total OPEB Liability	2,953	6,869	46,510	42,201	49,463	49,070
Total Liabilities	5,074,237	282,118	5,742,159	5,580,236	10,816,396	5,862,354
Total Deferred Inflows of Resources	53,393	1,705	7,552,020	10,785	7,605,413	12,490
<i><u>Net Position</u></i>						
Net Investment in Capital Assets	7,172,861	6,352,457	31,190,864	32,546,538	38,363,725	38,898,995
Restricted - Debt Service	-	-	286,300	286,300	286,300	286,300
Unrestricted	3,494,426	3,252,887	9,202,691	7,804,087	12,697,117	11,056,974
Total Net Position	\$ 10,667,287	\$ 9,605,344	\$ 40,679,855	\$ 40,636,925	\$ 51,347,142	\$ 50,242,269

Statement of Activities

As with the Statement of Net Position, the Port reports its Statement of Activities within two activity types; Governmental, which includes the General Fund and the Bridge Repair and Replacement Fund, and Business-type activities, which include the Revenue Fund. As indicated in Table 2 below, total net position of the Port increased by \$1,104,873, or 2.2%, as compared to the prior year's balance.

Governmental Activities – The change in net position for governmental activities increased \$1,061,943, or 11.1%, from the prior year. This increase is primarily due to higher interfund 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 a replacement bridge effort.

Financial highlights of governmental fund activities for the year include:

- Higher interfund transfers by \$815,255
- Lower capital improvements as compared to prior years on the existing bridge.

Business-type Activities - Business type activities generated a slight increase in net position of \$42,930. The financial results for this year include an increase of \$331,865 in toll revenues or 5.8% over the prior (pandemic) year. We depict increases in lease revenues and fees by \$420,298 or 13.4% over the prior year. Lease contract escalations, as well as lower vacancy rates (post-pandemic) have driven higher revenues for our industrial and commercial properties by \$327,768, while our recreation on the waterfront increased by \$32,843 due to post-pandemic activity. Our Marina and Airport tenants incurred a rate increase that amounted to \$59,715 over the prior year as well. Operating grants increased by \$470,698 due mostly by the reimbursement of the American Rescue Plan Act for our tolling losses that occurred during the pandemic. Capital grants decreased by \$2,471,746 due to the Airport north apron construction being completed in the summer of 2021. Interest earnings showed improvement over the prior year by \$42,945, while Other Sources depict a decrease of \$604,980 due to mostly to lower levels of other revenues and decreases in the market value of investments. Operating expenses were slightly higher by \$350,666 due to payroll, benefits and depreciation contributing to this higher level of costs. Although this didn't happen in every asset center, overall these three cost drivers attributed to the overall increase. Higher levels of payroll and capital improvements in the General Fund and Bridge Repair & Replacement Fund, respectively, drove the change in Transfers by \$815,550. Although bridge traffic showed higher activity, 4,381,600 vs 4,085,401 crossings from fiscal year 2022 vs 2021, the number of crossings would have been much higher but due to needed bridge repairs and closures, traffic was impeded from hitting record numbers.

PORT OF HOOD RIVER, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
TABLE 2 - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE FISCAL YEARS ENDING JUNE 30TH

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
<i>Program revenues</i>						
Charges for services - Tolls	\$ -	\$ -	\$ 6,020,430	\$ 5,688,565	\$ 6,020,430	\$ 5,688,565
Leases, rents and fees	-	-	3,560,154	3,140,056	3,560,154	3,140,056
Operating grants	561,397	1,351,336	577,698	107,000	1,139,095	1,458,336
Capital grants	-	-	77,537	2,549,283	77,537	2,549,283
<i>General Government Revenues</i>						
Property taxes	88,955	87,601	-	-	88,955	87,601
Interest earnings	21,174	18,835	90,301	47,356	111,475	66,191
Other sources	-	-	(244,425)	360,555	(244,425)	360,555
Transfers	2,886,135	2,070,880	(2,886,135)	(2,070,880)	-	-
Total Revenues	<u>3,557,661</u>	<u>3,528,652</u>	<u>7,195,560</u>	<u>9,821,935</u>	<u>10,753,221</u>	<u>13,350,587</u>
Expenses						
<i>Governmental Activities</i>						
General government	592,903	630,323	-	-	592,903	630,323
Bridge repair and replacement	1,902,815	2,317,250	-	-	1,902,815	2,317,250
Interest on long-term debt	-	-	85,053	91,641	85,053	91,641
<i>Business-type Activities</i>						
Toll bridge	-	-	2,450,852	2,279,940	2,450,852	2,279,940
Industrial	-	-	1,666,437	1,602,534	1,666,437	1,602,534
Commercial	-	-	277,628	277,641	277,628	277,641
Waterfront Industrial	-	-	241,704	276,238	241,704	276,238
Waterfront Recreation	-	-	638,439	674,055	638,439	674,055
Marina	-	-	324,372	320,458	324,372	320,458
Airport	-	-	930,408	668,577	930,408	668,577
Administration	-	-	372,339	431,958	372,339	431,958
Maintenance	-	-	165,398	178,922	165,398	178,922
Total Expenses	<u>2,495,718</u>	<u>2,947,573</u>	<u>7,152,630</u>	<u>6,801,964</u>	<u>9,648,348</u>	<u>9,749,537</u>
Increase (decrease) in Net Position	1,061,943	581,079	42,930	3,019,971	1,104,873	3,601,050
Beginning Net Position	<u>9,605,344</u>	<u>9,024,265</u>	<u>40,636,925</u>	<u>37,616,954</u>	<u>50,242,269</u>	<u>46,641,219</u>
Ending Net Position	<u>\$ 10,667,287</u>	<u>\$ 9,605,344</u>	<u>\$ 40,679,855</u>	<u>\$ 40,636,925</u>	<u>\$ 51,347,142</u>	<u>\$ 50,242,269</u>

Financial Analysis and Outlook:

The Port is involved in a variety of activities that all 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 63% of Port operating revenues, excluding grants. Lease revenues and other fees showed higher revenues due to rate increases with Marina and Airport tenants, as well as lease contract increases and lower vacancies now that the pandemic is over. Waterfront activities continues to increase as the pandemic as waned. All Port asset centers (ie. bridge industrial/commercial buildings, waterfront, marina and the airport) continue to provide the Port with significant financial resources which enables diversification of the revenue mix. The Port has a 95% occupancy rate as the year ended and additional development opportunities may further expand the Port's leasable space. The Port purchased the property formerly known as the Lower Hanel Mill and is in the final process of developing the site for future industrial uses like

warehousing and manufacturing. This will partially offset the leasable square footage lost from the sale of the Expo building on the waterfront.

The Port receives property taxes which are recorded in the General Fund, however these taxes only account for less than 1% of total revenues and are used to fund policy and planning costs. Capital grants continue to play a vital role in how the Port develops its properties like the airport, bridge and the remaining undeveloped land called Lot 1. The Port normally receives an operating grant from the Oregon State Marine Board that assists in funding Marina operations. Over the years the Port has incorporated extensive public outreach and community involvement to guide the development of the waterfront and especially the 10+ acre property known as “Lot 1”. Lot 1 is prime industrial property that represents the last remaining large, developable property on the waterfront. The Port will continue to work with the community in planning for the property and expects to finalize the conceptual design and layout, as well as target markets for sale or lease of the developed properties. This will help determine the proper sizing for utilities and other infrastructure that will need to be put in place. Ultimately, examination of these costs will assist in the determination of the appropriate kind and amount of public subsidy that will be needed in attaining the return on investment that is satisfactory to the Port Commission.

The following categories are helpful to describe the Port’s separate business units:

Bridge – The bridge traffic increased slightly for the year with 4,381,600 crossings, a 1.7% increase as compared to the previous year. This increase is attributable to the waning impact of the Covid-19 pandemic. Bridge crossings has continued to climb and would have been higher but due to bridge closures for needed repairs and capital improvements. With the installation of the new AET (All Electronic Tolling) system, the Port is able to capture any leakage from “run-throughs” that occur for about 1% of our traffic.

The Port is working towards a major change in its governance by creating a Bi-State Bridge Commission that will oversee bridge operations once a replacement bridge is funded and constructed. The Final Environmental Impact Study required for a bridge replacement effort was completed by the end of this year. This effort includes outreach to all the affected communities so that when the funding phase of this effort occurs, barriers to completion as well as the multitude of other issues have been addressed such that support for the bridge replacement effort will be fulfilled.

This year saw continued capital improvements to the bridge deck with numerous welding days, many steel improvements along the guard rails, electrical improvements to the lift span, an overlay and joint repairs as well as wire rope rehabilitation. The tolling system continues to get improvements like collection interfaces as well as a Registration Hold for vehicles that do not pay a invoice. The 30-year plan for the bridge continues to be refined as the Port moves toward bridge replacement. This dual long-range strategy has determined that tolls must continue to be studied to allow the development of reserves as well as the long-term replacement of the existing bridge. During this year, the Port continued to upgrade and replace elements of the tolling system hardware and software amounting to \$66,535. Bridge operating expenses included in the Revenue fund amounted to \$2,447,555, including \$308,173 in depreciation. Expenses were

slightly higher by \$170,256 primarily due to professional services costs related to tolling and bridge engineering as well as credit card fees and transponder costs. Bridge Repair & Replacement expenses amounted to \$2,321,021 which includes depreciation of \$783,540. Expenses are comparable to the prior year, with the reimbursements from the ODOT grant being lower due to the winding down of the NEPA process.

Leased Properties – This year, \$134,151 in capital improvements were made to all industrial and commercial properties. Jensen building improvements and the environmental work was \$26,492 while the Halyard building received \$19,138 of tenant improvements. The Port Office building and the Marina Office building received tenant improvements amounting to \$38,900, while the Big 7 had tenant improvements of \$12,489. Wasco, and the Timber Incubator buildings received tenant improvements of \$20,584 with the Hanel property receiving land improvements of \$15,548. These capital improvements were made to ensure continued demand for these facilities as well as to maintain the level of tenant occupancy and satisfaction necessary to fulfill job development and small business growth within the Port district.

Lease revenues and other reimbursable fees (i.e., utilities and property taxes) for the industrial and commercial properties were \$2,451,624 reflecting an increase of \$327,769 over the prior year. This is mostly due to lower vacancies and contractual escalations. Developed property (i.e., Industrial and Commercial) operating expenses amounted to \$1,944,065 of which \$528,685 was depreciation. Expenses were slightly higher by \$63,890, primarily due to higher utility costs and property taxes.

Undeveloped Property – There continues to be various discussions on the remaining undeveloped lots at the waterfront. The Port continues to engage the local community as well as incorporate the remaining lots into its Strategic Plan which will assist in defining the development options for the remaining parcels. Undeveloped property expenses amounted to \$241,704, a decrease of \$34,534 from the prior year. The decrease is due to lower professional services related to acquisition activity in the prior year.

Recreation – The Port continues to program and manage waterfront activities, which during peak periods of the summer has considerable traffic and use. The recreational usage along the waterfront continues to challenge the Port's ability to meet public user expectations. The growth in kiteboarding, windsurfing, and the addition of paddle boarding has waterfront users competing against each other for time, access to the water, and space. The Port maintained its pricing for seasonal and daily parking fees at the Event Site as well as maintaining its parking enforcement activity in the area. This year recreation revenues amounted to \$302,834 which is an increase of \$43,937 over the prior year, which depicts a 17% increase due to post-pandemic demand with folks coming to the waterfront once the restrictions were lifted. Recreation expenses amounted to \$638,439 of which \$133,167 was depreciation. Expenses were lower with respect to the prior year by \$35,616. This was due to fewer porta-potties and trash bins pickups with the waning of the pandemic restrictions that occurred in the prior year like additional restroom cleanings.

Marina – The marina continues to have a wait list of more than 78 potential slip renters, seeking space in a Marina with a total of 165 slips. The marina has a history of 100% occupancy and this year is no exception. The Port installed a new marina software system during the year which allows staff to handle customer service requests and other functions more readily like billing and wait lists. For the year, marina revenues amounted to \$408,262 which is an increase of \$34,861 compared to the prior year. Moorage rates were increased by 10% for the year. Cruise ship dockings started back up as the pandemic has waned. Marina expenses were \$324,372, of which \$76,238 was depreciation. Expenses were more by \$3,914 from the prior year, due to higher utility costs related to the marina.

Airport – Airport T-hangar rates saw an increase of 10% for the year as the Port pursues a multi-year increase of airport hangar rates, to bring them in line with comparable airports. This will also allow for more cost recovery by the airport for its operations. Airport revenues were \$252,882 which is \$24,824 more than the prior year. Capital grants amounted to \$77,537 for the remainder of the construction of the north apron project. Expenses amounted to \$930,408 of which \$610,312 was depreciation. Expenses increased by \$261,831 from the prior year, which primarily was attributable to depreciation as the north apron and airport technology and emergency center started being depreciated.

Economic Factors - The Port has a stable set of resources for ongoing operations and maintenance such as tolls and lease revenues. Since property taxes are such a small percentage of the revenue mix, a recession does not have the same impact to the Port's resources as it would otherwise have with other tax-dependent agencies. Additionally, the Hood River area continues to see a high demand for housing but also continues to have a limited supply of developable properties, thereby keeping the recessionary impact to property values from occurring at significant levels. Employment and job growth continue at a moderate pace and the Port continues to focus its strategic decisions on how best to stimulate job growth in the community and surrounding area.

Uncertainties about future economic changes and financial impacts are common throughout the region. To deal with the swings in the economy and to plan for future capital expansion, the Port has routinely set aside resources to meet its financial policies. The Port will update its Strategic Business Plan in the coming year and will integrate its key financial policies regarding reserves, debt coverage, and revenue diversification in the update.

Request for Information – The Port's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Port's finances and to demonstrate the Port's accountability. If you have questions about this report or need additional information, please contact the Port's Finance Director at 1000 E. Port Marina Drive, Hood River, OR 97031, or via email to dsmith-wagar@portofhoodriver.com.

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

PORT OF HOOD RIVER

STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 8,557,289	\$ 11,655,387	\$ 20,212,676
Cash and investments (restricted)	-	286,300	286,300
Receivables (net)	4,253	628,022	632,275
Prepaid expenses	-	261,128	261,128
Supply inventory	-	32,301	32,301
Deposits	-	158,317	158,317
Leases receivable	-	6,711,075	6,711,075
Capital assets, non-depreciable	1,434,097	13,081,345	14,515,442
Capital assets, (net of accumulated depreciation)	5,738,764	20,207,053	25,945,817
<i>Total Assets</i>	<u>15,734,403</u>	<u>53,020,928</u>	<u>68,755,331</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferral	59,928	943,873	1,003,801
OPEB related deferral	586	9,233	9,819
<i>Total Deferred Outflows of Resources</i>	<u>60,514</u>	<u>953,106</u>	<u>1,013,620</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payables	-	1,357,402	1,357,402
Breezeby outstanding	-	770,663	770,663
Unearned revenue	5,000,000	223,601	5,223,601
Interest payable	-	28,760	28,760
Accrued compensated absences	-	94,933	94,933
Due within one year	-	169,000	169,000
<i>Non-Current Liabilities</i>			
Net pension liability	71,284	1,122,756	1,194,040
Total OPEB liability	2,953	46,510	49,463
Due in more than one year	-	1,928,534	1,928,534
<i>Total Liabilities</i>	<u>5,074,237</u>	<u>5,742,159</u>	<u>10,816,396</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferral	53,050	835,564	888,614
OPEB related deferral	343	5,381	5,724
Lease related deferrals	-	6,711,075	6,711,075
<i>Total Deferred Inflows of Resources</i>	<u>53,393</u>	<u>7,552,020</u>	<u>7,605,413</u>
NET POSITION			
Net Investment in Capital Assets	7,172,861	31,190,864	38,363,725
<i>Restricted for:</i>			
Debt Service	-	286,300	286,300
Unrestricted	3,494,426	9,202,691	12,697,117
<i>Total Net Position</i>	<u>\$ 10,667,287</u>	<u>\$ 40,679,855</u>	<u>\$ 51,347,142</u>

See accompanying notes to the basic financial statements

PORT OF HOOD RIVER

STATEMENT OF ACTIVITIES

For the year ended June 30, 2022

<u>Functions/Programs</u>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 592,903	\$ -	\$ 46,209	\$ -
Bridge Repair and Replacement	1,902,815	-	515,188	-
Total Governmental Activities	2,495,718	-	561,397	-
Business Type Activities				
Revenue Fund	7,067,577	9,580,584	-	77,537
Interest on Long Term Debt	85,053	-	-	-
Total Business Type Activities	7,152,630	9,580,584	-	77,537
Total Primary Government	\$ 9,648,348	\$ 9,580,584	\$ 561,397	\$ 77,537

General Revenues:

Property taxes
Earnings on investments
Miscellaneous
Transfers

Total General Revenues

Change in net assets

Net Position beginning of year

Net Position end of year

See accompanying notes to the basic financial statements

Net Revenue (Expenses) and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (546,694)	\$ -	\$ (546,694)
(1,387,627)	-	(1,387,627)
<u>(1,934,321)</u>	<u>-</u>	<u>(1,934,321)</u>
-	2,590,544	2,590,544
-	(85,053)	(85,053)
-	2,505,491	2,505,491
<u>(1,934,321)</u>	<u>2,505,491</u>	<u>571,170</u>
88,955	-	88,955
21,174	90,301	111,475
-	333,273	333,273
<u>2,886,135</u>	<u>(2,886,135)</u>	<u>-</u>
<u>2,996,264</u>	<u>(2,462,560)</u>	<u>533,703</u>
1,061,943	42,930	1,104,873
<u>9,605,344</u>	<u>40,636,925</u>	<u>50,242,269</u>
<u>\$ 10,667,287</u>	<u>\$ 40,679,855</u>	<u>\$ 51,347,142</u>

See accompanying notes to the basic financial statements

PORT OF HOOD RIVER
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

<u>ASSETS</u>	<u>General</u>	<u>Bridge Repair & Replacement</u>	<u>Total Governmental Funds</u>
<i>Unrestricted Assets</i>			
Cash and Investments	\$ 530,459	\$ 8,026,673	\$ 8,557,132
Cash with Fiscal Agent	157	-	157
Taxes Receivable	2,391	-	2,391
<i>Total Assets</i>	<u>\$ 533,007</u>	<u>\$ 8,026,673</u>	<u>\$ 8,559,680</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - Property Taxes	\$ 1,978	\$ -	\$ 1,978
Deferred revenues from grants	-	5,000,000	5,000,000
<i>Total Deferred Inflows of Resources</i>	<u>1,978</u>	<u>5,000,000</u>	<u>5,001,978</u>
<u>FUND BALANCES</u>			
Committed for Bridge Repair & Replacement	-	3,026,673	3,026,673
Unassigned	531,029	-	531,029
<i>Total Fund Balances</i>	<u>531,029</u>	<u>3,026,673</u>	<u>3,557,702</u>
<i>Total Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 533,007</u>	<u>\$ 8,026,673</u>	<u>\$ 8,559,680</u>

PORT OF HOOD RIVER

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances - Governmental Funds	\$ 3,557,702
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:	
Deferred Outflows of Resources - Pension Related Deferral	59,928
Deferred Outflows of Resources - OPEB Related Deferral	586
The proportionate share of the net pension liability is not reported as a liability in the governmental funds	(71,284)
The total OPEB liability is not reported as a liability in the governmental funds	(2,953)
Deferred Inflows of Resources - Pension Related Deferral	(53,050)
Deferred Inflows of Resources - OPEB Related Deferral	(343)
Revenues are unavailable in the Governmental Funds if received after 60 days, but accrued in the Statement of Activities as earned.	1,978
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	1,862
Capital assets, net used in Governmental Activities are not financial resources and therefore are not reported in the funds.	7,172,861
<i>Net Assets of Governmental Activities</i>	<u>\$ 10,667,287</u>

PORT OF HOOD RIVER

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the year ended June 30, 2022

	Funds		Total Governmental Funds
	General	Bridge Repair & Replacement	
REVENUES			
Property taxes	\$ 88,955	\$ -	\$ 88,955
Interest	2,756	18,418	21,174
Income from Grants	46,209	515,188	561,397
<i>Total Revenues</i>	<u>137,920</u>	<u>533,606</u>	<u>671,526</u>
EXPENDITURES			
<i>Current</i>			
General government	651,515	-	651,515
Bridge repair and replacement	-	1,145,864	1,145,864
<i>Capital Outlay</i>			
Bridge repair and replacement	-	1,603,944	1,603,944
<i>Total Expenditures</i>	<u>651,515</u>	<u>2,749,808</u>	<u>3,401,323</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(513,595)	(2,216,202)	(2,729,797)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	651,515	2,234,620	2,886,135
<i>Total Other Financing Sources (Uses)</i>	<u>651,515</u>	<u>2,234,620</u>	<u>2,886,135</u>
Net change in Fund Balances	137,920	18,418	156,338
FUND BALANCE - Beginning	393,109	3,008,255	3,401,364
FUND BALANCE - Ending	<u>\$ 531,029</u>	<u>\$ 3,026,673</u>	<u>\$ 3,557,702</u>

PORT OF HOOD RIVER

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2022**

Net Change in Fund Balances - Total Government Funds \$ 156,338

Amounts Reported for Governmental Activities in the Statement of Activities are
are different because:

Government Funds report Capital Outlays as Expenditures while Governmental Activities
report Depreciation Expense to allocate those Expenditures over the life of the assets.
This is the amount by which Depreciation exceeded Capital Outlays in the current period.

Expenditures for Capital Assets	1,603,944	
Less: Current Year Depreciation	<u>(783,540)</u>	820,404

The pension expense represents the change in net pension asset (liability) from year
to year due to changes in total pension liability and the fair value of the pension
plan net position available to pay pension benefits.

Pension expense represents net change in total pension liability for the year. 82,387

OPEB expense represents the net change in total OPEB liability for the year. 2,814

Change in Net Assets of Governmental Activities \$ 1,061,943

PORT OF HOOD RIVER
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

ASSETS	REVENUE FUND
<i><u>Current Assets</u></i>	
Cash and investments	\$ 11,941,687
Accounts receivable (net of allowance for uncollectibles)	628,022
Prepaid expenses	261,128
Inventory	32,301
<i><u>Non-Current Assets</u></i>	
Deposits	158,317
Leases receivable	6,711,075
<i><u>Capital assets (net of accumulated depreciation)</u></i>	
Land	8,940,897
Land improvements	9,278,246
Buildings & improvements	8,884,577
Bridge	1,661,925
Equipment and vehicles	382,305
Construction in progress	4,140,448
TOTAL ASSETS	53,020,928
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferral	943,873
OPEB related deferral	9,233
TOTAL DEFERRED OUTFLOWS OF RESOURCES	953,106
 LIABILITIES	
<i><u>Current Liabilities</u></i>	
Accounts payable and other current liabilities	1,357,402
Breezeby Outstanding	770,663
Unearned revenue	223,601
Interest payable	28,760
Accrued compensated absences	94,933
FlexLease payable - due within one year	75,000
Taxable general revenue bond - due within one year	94,000
<i><u>Non-Current Liabilities</u></i>	
Net Pension liability	1,122,756
Total OPEB liability	46,510
FlexLease payable - due in more than one year	350,000
Taxable general revenue bond - due in more than one year	1,578,534
TOTAL LIABILITIES	5,742,159
 DEFERRED INFLOWS OF RESOURCES	
Pension related deferrals	835,564
OPEB related deferral	5,381
Lease related deferrals	6,711,075
TOTAL DEFERRED INFLOWS OF RESOURCES	7,552,020
 NET POSITION	
Net investment in capital assets	31,190,864
Restricted - Debt Service	286,300
Unrestricted	9,202,691
TOTAL NET POSITION	\$ 40,679,855

PORT OF HOOD RIVER

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUND
For the year ended June 30, 2022**

	REVENUE FUND
OPERATING REVENUES	
Bridge tolls	\$ 6,020,430
Leases, rents and fees	3,560,154
Total Operating Revenues	9,580,584
OPERATING EXPENSES	
Salaries and wages	1,476,017
Payroll taxes and benefits	812,480
Utilities including communication costs	681,740
Insurance	440,327
Maintenance and supplies	271,824
Other operating expenses	674,987
Professional services including legal	722,990
Property taxes	217,893
Depreciation expense	1,769,319
Total Operating Expenses	7,067,577
Operating Income	2,513,007
NON-OPERATING REVENUES (EXPENSES)	
Interest income	90,301
Income from other sources and grants	333,273
Interest expense	(85,053)
Total Non-operating Revenues (Expenses)	338,521
Income before Capital Contributions and Operating Transfers	2,851,528
CAPITAL GRANTS AND TRANSFERS	
Capital grants and contributions	77,537
Operating transfers out	(2,886,135)
Total Capital Contributions and Transfers	(2,808,598)
Change in Net Position	42,930
Total Net Position - Beginning	40,636,925
Total Net Position - Ending	\$ 40,679,855

See accompanying notes to the basic financial statements

PORT OF HOOD RIVER
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the year ended June 30, 2022

	REVENUE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 10,072,294
Cash paid to suppliers	(2,150,430)
Cash paid to employees and benefits	(2,206,429)
Net Cash Provided by Operating Activities	5,715,435
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES	
Income from other sources and grants	333,273
Transfers to other funds	(2,886,135)
Net Cash (Used) by Noncapital Financing Activities	(2,552,862)
CASH FLOWS FROM CAPITAL FINANCIAL ACTIVITIES	
Capital grant and contribution monies received	77,537
Interest paid on capital debt	(86,839)
Principal payment on capital debt	(169,000)
Acquisition and construction of capital assets	(244,645)
Net Cash (Used) for Capital and Related Financing Activities	(422,947)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment earnings	90,301
Net Cash Provided by Investing Activities	90,301
Net Increase in Cash	2,829,927
CASH AND EQUIVALENTS - BEGINNING OF YEAR	9,111,760
CASH AND EQUIVALENTS - END OF YEAR	\$ 11,941,687
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATIONS	
Operating Income	\$ 2,513,007
Adjustments to reconcile operating income to net cash:	
Depreciation	1,769,319
(Increase) Decrease in:	
Accounts Receivable	427,976
Prepaid Expenses	(18,680)
Inventory	(18,232)
Decrease (Increase) in:	
Accounts Payable	896,243
Accrued Liabilities	(9,609)
Pension Items	83,951
OPEB Items	7,726
Unearned Revenues	63,734
Net Cash Provided by Operating Activities	\$ 5,715,435

PORT OF HOOD RIVER
Notes to Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Port of Hood River, Oregon, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

Port of Hood River (Port) is a municipal corporation governed by an elected board of commissioners consisting of a president, vice-president, secretary, treasurer, and a fifth commissioner. As required by generally accepted accounting principles in the United States of America, all activities of the Port have been included in these financial statements.

Component units, as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14, 39 and 61, are separate organizations which are included in the reporting entity because of the significance of their operational or financial relationships with the Port. There are no component units reported herein.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on bridge toll revenues and lease income.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include:

- 1) Charges to customers or applicants for goods, services, or privileges provided,
- 2) Operating grants and contributions, and
- 3) Capital grants and contributions, including special assessments.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Port considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Property taxes associated with the current fiscal period are recognized as revenues in the current fiscal period if collected within sixty days after year end.

D. Budgetary Basis of Accounting

While the financial position, results of operations, and changes in fund balance or net position is reported on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of required supplementary information and supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary differences between the budgetary basis and GAAP are that capital outlay is expensed when purchased, depreciation and amortization expenses are not reported, property taxes are recognized as revenue when received instead of when levied, inventory is expensed as purchased, and proceeds of long-term borrowing are recognized as an “other financing source” and principal paid is considered an expenditure when paid.

The Port reports the following major governmental funds:

The *General Fund* is the Port’s primary administration fund. Financial transactions not specifically related to the Port’s other funds are accounted for therein. The major revenue sources are property taxes, interest income and revenues transferred from the Port’s enterprise fund.

The *Bridge Repair and Replacement Fund* is the Port’s special revenue fund. This fund accounts for the revenues and expenditures related to the bridge capital improvements that are made to maintain, extend or replace its structures, surfaces, and integrity of its components into the future. It is financed by debt and transfers received from a portion of the bridge toll revenues and by interest income earned from within the fund.

The Port reports the following major enterprise fund:

The *Revenue Fund* is the Port's enterprise fund. This fund was established to account for the revenues and expenses of the Port's operating activities. The primary sources of revenue are the bridge tolls, lease rentals, fees, grant proceeds, and proceeds from the sale of any assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. The principal operating revenues of the enterprise fund are bridge tolls, lease rentals and fees, and operating grants. Operating expenses for the enterprise fund include administrative expenses, maintenance, insurance, and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources for their intended purposes first then unrestricted resources as they are needed. Within unrestricted resources, committed and assigned are considered spent (if available) for their intended purposes before unassigned amounts.

E. Cash and Investments

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access, or

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs), or

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for an identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting period. Actual results could differ from those estimates.

G. Budgets

A budget is prepared for all funds, in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. The budget process begins in each fiscal year with the establishment of the Budget Committee. Recommendations are developed through late winter with the Budget Committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Board of Commissioners may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

Personnel Services	Interfund Transfers
Materials and Services	Debt Service
Capital Outlay	Operating Contingency

Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Commissioner approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Commissioners approve them due to a need which exists which was not determined at the time the budget was adopted.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2022.

H. Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position or equity

1. Deposits and investments – restricted and unrestricted

The Port's cash and cash equivalents are considered to be cash on hand, checking deposits, short-term investments with original maturities of three months or less from the date of acquisition and investments in securities with existing maturities of eight years or less. Investments are recorded at fair value when a market price is available. Assets whose use is restricted to specific purposes by state law or bond indenture are segregated on statement of net position.

2. Receivables and payables

Property tax receivables are deemed to be substantially collectable or recoverable through foreclosure. Accordingly, no allowance for doubtful accounts is deemed necessary with regard to property taxes. All other receivables are shown net of an allowance for uncollectable.

Property taxes are levied and become a lien as of July 1. Property taxes are assessed in October and tax payments are due November 15th. Under the partial payment schedule, the first one-third of taxes are due November 15th, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th, and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the tax due date.

Accounts receivables accordingly, do have an allowance for doubtful accounts that is monitored based upon the payment trends of accounts and their business's ability to pay. If an account depicts financial stress, an agreement is normally renegotiated to keep a past due balance from becoming uncollectible.

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the Port, reduced by principal payments received.

3. Inventories

The Port's inventory at year end is stated at cost, using the first in first out method.

4. Prepaid Expenses

Certain payments to vendors reflect costs applicable to a future accounting period(s) and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital Assets

In accordance with GASB Statement No. 34, the Port has reported all capital assets, which include property, equipment and infrastructure assets (e.g., roads, bridges), in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Port as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. The useful lives generally range from 5 to 40 years for land and building improvements, 20 to 60 years for bridge and related improvements, and 5 to 15 years for equipment. Such assets are recorded historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for land, buildings, and improvements are capitalized as projects are purchased or constructed. Property, plant and equipment of the Port are depreciated using the straight-line method over the estimated useful life of the asset.

6. *Compensated Absences*

It is the Port's policy to permit employees to accumulate earned but unused vacation leave, which will be paid to employees upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements and in the proprietary fund financial statements. The Port allows for a maximum of 240 hours of vacation to be carried forward at the end of a calendar year.

7. *Non-current liabilities*

In the government-wide financial statements long-term debt and notes payable are reported as long-term liabilities in the Port's statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums, or discounts at the time of bond issuance and are either reported as other financing sources or uses. The face amount of debt issued is reported as other financing sources.

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *Net position & fund balance*

In the government-wide statement of net position, net investment in capital assets represents total capital assets less accumulated depreciation and capital related debt, net of unspent bond proceeds. Restricted net position represents net position that is not subject solely to the Port's own discretion. The statement of net position reports \$286,300 of restricted net position which is restricted for the Port's future bond debt service. Unrestricted net position represents amounts not included in other categories.

In the fund financial statements, fund balance is reported in a classification that is comprised of a hierarchy based on the extent to which the Port is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The classifications of fund balances are Nonspendable, Restricted, Committed, Assigned and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned, and Unassigned represent the unrestricted classifications.

Nonspendable fund balance includes amounts that cannot be spent because either 1) it is not in a spendable form, such as inventory or prepaid items or 2) legally or contractually required to be maintained intact.

Restricted fund balance has externally enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.

Committed fund balance is self-imposed limitations at the highest level of decision-making authority (Board of Commissioners). The Board of Commissioners approval is required to commit resources or to rescind the commitment. This is done by vote and/or passing a resolution.

Assigned fund balance represents limitations imposed by management and/or Board of Commissioners that do not meet the criteria to be classified as restricted or committed. Assigned fund balance requests are submitted to the Executive Director and/or the Board of Commissioners for approval.

Unassigned fund balance represents the residual net resources in excess of the other classifications. The general fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

It is the policy of the Port that resources are to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

9. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. These include deferrals related to the PERS pension plan and the Port's OPEB are also reported as deferred outflows on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in only in the governmental funds balance sheet. The governmental funds report unavailable revenue from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The Port also has three items which arise under full accrual accounting in the statement of net position: deferrals related to the PERS pension plan, the Port's OPEB, and the Port's leases receivable.

10. *Retirement Plans*

Substantially all of the Port's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to, deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

NOTE 2 – DETAILED NOTES ON ALL FUNDS

A. Cash and investments

Deposits with financial institutions

The Port's deposits are held in a qualified bank depository meeting the requirements specified by the Oregon State Treasurer's office, as well as the Port's investment policy.

Being a qualified bank depository provides an additional level of collateral to mitigate the level of custodial risk that may be present when deposits exceed the \$250,000 level of insured funds by the Federal Depository Insurance Corporation (FDIC). The level of custodial risk relates to the level of insurance a financial institution will provide if financial difficulties were to occur that would affect Port deposits. The amount of collateral a financial institution will pledge as security for the deposits and the level of creditworthiness of the financial institution.

The bank balance as of June 30, 2022 maintained by the Port was \$390,032. At various times during the fiscal year, bank balances exceeded the FDIC limit but any funds in excess of the FDIC insured limit were covered by collateral pledged by qualified depositories. These depositories are qualified by the Oregon State Treasurer’s office.

	Balance	
	Book	Bank
Checking Accounts - General	\$ 314,761	\$ 389,032
Checking Accounts - Payroll	1,000	1,000
Total Checking Deposits	<u>\$ 315,761</u>	<u>\$ 390,032</u>

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7 like external investment pool and is not registered with the U. S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund’s compliance with all portfolio guidelines can be found in their annual report when issued.

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The fair value of the Port’s position is the same as the value of the Port’s pool shares. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund’s audited financial report. Amounts in the State treasurer’s Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx). If the link has expired please contact the Oregon Short Term Fund directly.

At June 30, 2022, the Port held most of its investments in the LGIP having a carrying amount of \$17,218,832 which approximates fair value. As of June 30, 2022, the fair value of the position in the LGIP is 98.98% of the value of the pool shares as report in the Oregon Short Term Fund audited financial statements. The Port held other agency, banking and energy investments worth \$2,959,000.

Current investment ratings and weighted average maturities depicted as follows:

Investment Type	Credit Quality	Type of Issuer	Fair Value Activity Level	Fair Value	Weighted Avg to Maturity in Years
LGIP	Not Rated	85%	Quoted Market Price, Level 1	\$ 17,218,832	
Port of Morrow	Moody Aa2	1%	Quoted Market Price, Level 1	201,120	0.17
Port of Portland	S&P AA-	1%	Quoted Market Price, Level 1	196,570	1.00
Port of Morrow	Moody Aa2	1%	Quoted Market Price, Level 1	201,193	2.17
Federal Home Loan Bank	Moody Aaa	1%	Quoted Market Price, Level 1	197,357	2.67
ExxonMobil	Moody AA2	1%	Quoted Market Price, Level 1	199,039	2.72
Federal Farm Credit Bank	Moody AAA	1%	Quoted Market Price, Level 1	198,257	3.90
Marion County School District	Moody Aa1	1%	Quoted Market Price, Level 1	185,860	3.96
California State University	Moody AA2	1%	Quoted Market Price, Level 1	183,053	4.25
California State GO	Moody Aa2	1%	Quoted Market Price, Level 1	192,440	4.25
Port of Oakland	Moody A1	0%	Quoted Market Price, Level 1	90,692	4.83
San Bernadino School District	Moody A1	1%	Quoted Market Price, Level 1	184,020	5.08
Port of Morrow	Moody Aa2	1%	Quoted Market Price, Level 1	201,308	5.17
Port of Morrow	Moody Aa2	1%	Quoted Market Price, Level 1	201,308	5.17
North Clackamas School District	Moody Aa1	1%	Quoted Market Price, Level 1	171,824	5.96
Freddie Mac	Not Rated	1%	Quoted Market Price, Level 1	184,731	7.11
Portland Community College	Moody Aa1	1%	Quoted Market Price, Level 1	170,228	7.96
		<u>100%</u>		<u>\$ 20,177,832</u>	

As of June 30, 2022 the Port held the following cash and investments:

	General Fund	Special Revenue Fund	Enterprise Fund	Total Fair Value
Cash on Hand	\$ -	\$ -	\$ 1,875	\$ 1,875
Checking Deposits			315,761	315,761
Cash with Fiscal Agents	157	-	3,351	3,508
Local Government Investment Pool	530,459	8,026,673	8,661,700	17,218,832
Investments (at fair value)	-	-	2,959,000	2,959,000
Total Cash & Investments	<u>\$ 530,616</u>	<u>\$ 8,026,673</u>	<u>\$ 11,941,687</u>	<u>\$20,498,976</u>

The cash and investments are reflected in the financial statements as follows:

Cash & Investments	\$ 530,616	\$ 8,026,673	\$ 11,655,387	\$20,212,676
Cash & Investments - restricted	-	-	286,300	286,300
Total Cash & Investments	<u>\$ 530,616</u>	<u>\$ 8,026,673</u>	<u>\$ 11,941,687</u>	<u>\$20,498,976</u>

Fair value of financial assets and liabilities:

The Port estimates the fair value of its monetary assets and liabilities based upon the existing interest rates related to such assets and liabilities compared to the current market rates of interest for instruments of a similar nature and degree of risk. The Port estimates that all of its monetary assets and liabilities approximate fair value as of June 30, 2022.

Custodial credit risk

Custodial credit risk is the risk that in the event of failure of the bank and/or counterparty, the Port will not be able to recover the value of its deposit and investments or collateral securities in possession of an outside party.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The State Treasurer's investment pool account is unrated as to credit risk.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Concentration of credit risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. The Port has a formal policy that places a limit on the amount that it may invest in any one issuer and mitigates the other types of investment risk through analysis of the securities it will purchase that will align with its Investment policy both in maturity, investment quality, capital needs and safekeeping. The LGIP investment represents 90% of the Port's total investments.

B. Receivables

Accounts receivables consist of amounts due for grants, rents, taxes and other fees. The balances for governmental and business-type activities on June 30, 2022 are as follows:

	Type of Activities		
	Governmental	Business	Total
Accounts Receivables - Trade	\$ -	\$ 761,884	\$ 761,884
Grants Receivables	-	52,537	52,537
Taxes Receivable	4,253	-	4,253
Less: Allowance for doubtful accounts	-	(186,399)	(186,399)
Net Accounts Receivable	\$ 4,253	\$ 628,022	\$ 632,275

C. Leases Receivable

The Port adopted GASB 87 for the year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Port has multiple leases for various industrial and commercial property, along with the airport and marina. The receivable and deferred inflow activity for the year is as follows:

<u>Business-Type Activities</u>	<u>Outstanding</u>			<u>Balance</u>
	<u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,2022</u>
Industrial Properties				
Big 7, interest at 7.5%, monthly principal and interest payments of \$22,746, due 2022 to 2025	\$ -	\$ 641,763	\$ 234,388	\$ 407,375
Halyard, interest at 7.5%, monthly principal and interest payments of \$26,066, due 2035	-	2,639,781	76,874	2,562,907
Hanel Lower Mills, interest at 7.5%, monthly principal and interest payments of \$2,810, due 2023	-	55,140	30,622	24,518
Jensen Building, interest at 7.5%, monthly principal and interest payments of \$31,302, due 2022-2028	-	1,106,614	239,565	867,049
Maritime Building, interest at 7.5%, monthly principal and interest payments of \$26,067, due 2029	-	1,877,509	178,029	1,699,480
Timber Incubator Building, 7.5% interest, monthly principal and interest payments of \$3,561, due 2023	-	62,437	38,341	24,096
Wasco Building, interest at 7.5%, monthly principal and interest payments of \$15,176, due 2027	-	877,754	120,369	757,385
Commercial				
DMV Building, interest from 0.03% to 7.5%, monthly principal and interest payments of \$3,649, due 2025-2028	-	248,284	40,444	207,840
Marina Office Building	-	40,264	15,888	24,376
Airport				
Various leases, interest at 7.5%, monthly principal and interest payments of \$4,511, due 2026	-	177,783	41,734	136,049
<i>Total Business-Type Activities</i>	<u>\$ -</u>	<u>\$7,727,329</u>	<u>\$1,016,254</u>	<u>\$6,711,075</u>

Future maturities are as follows:

Industrial Leases Receivable			
Year Ending June 30,	Principal	Interest	Total Future Payments
2023	\$ 1,028,960	\$ 440,296	\$ 1,469,256
2024	885,430	366,366	1,251,796
2025	657,208	308,494	965,702
2026	642,170	261,061	903,231
2027	692,020	211,209	903,229
2028-2032	1,661,932	551,520	2,213,452
2033-2035	775,090	85,088	860,178
Total	\$ 6,342,810	\$ 2,224,034	\$ 8,566,844

Commercial Leases Receivable			
Year Ending June 30,	Principal	Interest	Total Future Payments
2023	\$ 59,155	\$ 3,394	\$ 62,549
2024	48,897	1,593	50,490
2025	44,585	621	45,206
2026	31,824	20	31,844
2027	31,834	10	31,844
2028	15,921	-	15,921
Total	\$ 232,216	\$ 5,638	\$ 237,854

Airport Leases Receivable			
Year Ending June 30,	Principal	Interest	Total Future Payments
2023	\$ 39,800	\$ 8,830	\$ 48,630
2024	24,996	6,360	31,356
2025	26,937	4,419	31,356
2026	29,028	2,328	31,356
2027	15,288	390	15,678
Total	\$ 136,049	\$ 22,327	\$ 158,376

Deferred inflow of resources mirror the principal payment maturities described above.

D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 144,898	\$ 1,603,944	\$ 314,745	\$ 1,434,097
<i>Total capital assets, not being depreciated</i>	<u>144,898</u>	<u>1,603,944</u>	<u>314,745</u>	<u>1,434,097</u>
<i>Capital assets being depreciated:</i>				
Bridge & improvements	16,038,705	12,960	-	16,051,665
Electronic toll equipment	182,207	301,784	-	483,991
Machinery & equipment	7,000	-	-	7,000
<i>Total capital assets being depreciated</i>	<u>16,227,912</u>	<u>314,744</u>	<u>-</u>	<u>16,542,657</u>
<i>Less: Accumulated depreciation for:</i>				
Bridge & improvements	(9,843,935)	(782,713)	-	(10,626,648)
Electronic toll equipment	(176,418)	(827)	-	(177,245)
<i>Total accumulated depreciation</i>	<u>(10,020,353)</u>	<u>(783,540)</u>	<u>-</u>	<u>(10,803,893)</u>
<i>Total capital assets being depreciated, net</i>	<u>6,207,559</u>	<u>(468,796)</u>	<u>-</u>	<u>5,738,764</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 6,352,457</u>	<u>\$ 1,135,148</u>	<u>\$ 314,745</u>	<u>\$ 7,172,861</u>

Capital asset activity for business-type activities for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,940,897	\$ -	\$ -	\$ 8,940,897
Construction in progress	5,264,188	146,816	1,270,556	4,140,448
<i>Total capital assets, not being depreciated</i>	<u>14,205,085</u>	<u>146,816</u>	<u>1,270,556</u>	<u>13,081,345</u>
<i>Capital assets being depreciated:</i>				
Land improvements	13,842,981	508,934	-	14,351,915
Buildings & improvements	20,465,650	115,967	-	20,581,617
Bridge & improvements	9,123,418	630,366	-	9,753,784
Equipment - office	364,579	27,566	-	392,145
Equipment - operations	493,410	56,500	-	549,910
Vehicles	334,121	29,052	40,568	322,605
<i>Total capital assets being depreciated</i>	<u>44,624,159</u>	<u>1,368,385</u>	<u>40,568</u>	<u>45,951,976</u>
<i>Less: Accumulated depreciation for:</i>				
Land improvements	(4,322,065)	(751,604)	-	(5,073,669)
Buildings & improvements	(11,092,720)	(604,320)	-	(11,697,040)
Bridge & improvements	(7,783,687)	(308,172)	-	(8,091,859)
Equipment - office	(199,191)	(47,403)	-	(246,594)
Equipment - operations	(393,573)	(28,865)	-	(422,438)
Vehicles	(224,936)	(28,955)	40,568	(213,323)
<i>Total accumulated depreciation</i>	<u>(24,016,172)</u>	<u>(1,769,319)</u>	<u>40,568</u>	<u>(25,744,923)</u>
<i>Total capital assets being depreciated, net</i>	<u>20,607,987</u>	<u>(400,934)</u>	<u>-</u>	<u>20,207,053</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 34,813,072</u>	<u>\$ (254,118)</u>	<u>\$ 1,270,556</u>	<u>\$ 33,288,398</u>

Depreciation using the straight-line method was charged to functions/programs of the primary government as follows:

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>
Bridge Repair and Replacement Fund	\$ 783,540	\$ -
Revenue Fund	-	1,769,319
Total Depreciation Expense	\$ 783,540	\$ 1,769,319

The Port has various leased properties (see above for lease receivable details). Costs of leased properties (also included in the above capital asset detail) are as follows:

<u>Properties</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Total</u>
Industrial Buildings	\$ 4,954,436	\$ 726,942	\$ 14,132,508	\$ 19,813,886
Commercial Buildings	196,337	71,942	2,268,883	2,537,162
Airport	1,362,814	11,028,917	1,373,795	13,765,526
Waterfront	2,391,910	2,435,056	958,128	5,785,094
Marina	35,400	89,057	1,848,303	1,972,760
Total Cost	8,940,897	14,351,914	20,581,617	43,874,428
Accumulated Depreciation	-	(5,073,669)	(11,697,040)	(16,770,709)
Total Cost, net	<u>\$ 8,940,897</u>	<u>\$ 9,278,245</u>	<u>\$ 8,884,577</u>	<u>\$ 27,103,719</u>

E. Interfund receivables, payables, and transfers

The composition of interfund transfers to the General and Bridge Repair and Replacement fund to cover their fund expenses at June 30, 2022, are as follows:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
General fund	\$ 651,515	\$ -
Bridge repair and replacement fund	2,234,620	-
Revenue fund	-	2,886,135
Total	\$ 2,886,135	\$ 2,886,135

F. Long-term debt

In the following table, long-term debt information is presented with respect to governmental and business-type activities. The table below presents current year changes in those obligations and the current portions due for each issue. Each issuance of debt is defined below as well as their annual debt service requirements to maturity. The long-term debt activity for the year ended June 30, 2022 is as follows:

Business-Type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Placements					
Flexlease - Series 2010E	\$ 100,000	\$ -	\$ 25,000	\$ 75,000	\$ 25,000
Flexlease - Series 2013B	400,000	-	50,000	350,000	50,000
Bonds					
Taxable General Revenue Bond	1,766,534	-	94,000	1,672,534	94,000
<i>Total Business-Type Activities</i>	<u>\$ 2,266,534</u>	<u>\$ -</u>	<u>\$ 169,000</u>	<u>\$ 2,097,534</u>	<u>\$ 169,000</u>

Flexlease Payable – Business-Type Activity

The Port has entered into two financing agreements with the Special Districts Association of Oregon Flexlease Program to finance the expansion of the Port’s marina and to upgrade its electrical infrastructure with associated dock improvements. The Flexlease program issued Certificates of Participation Series 2010E and 2013B, totaling \$290,000 and \$770,000, respectively. The interest rates for the 2010E and 2013B series are fixed for each series and range from 1.5% to 4.4% and 2.0% to 3.90%, respectively. Revenues as well as special assessments from the expanded and improved marina are expected to fund the debt service for each series. Upon the event of default, the Trustee shall not have the right to declare the unpaid principal components of the installment payments due and payable, but can initiate whatever action necessary under law. Events of Default – failure to pay installment payments or make false statements in the official statement, and not comply with disclosure requirement. There are no acceleration clauses. Annual debt service requirements to maturity of the 2010E Flexlease payable is as follows:

Year Ending June 30,	Flexlease Series 2010E - Business-Type Activities		
	Principal	Interest	Total Debt Service
2023	\$ 25,000	\$ 2,750	\$ 27,750
2024	25,000	1,650	26,650
2025	25,000	550	25,550
Total	<u>\$ 75,000</u>	<u>\$ 4,950</u>	<u>\$ 79,950</u>

Interest expense during the current fiscal year on the 2010E series Flexlease Loan is \$3,850.

Annual debt service requirements for the 2013B Flexlease loan is as follows:

<u>Year Ending June 30,</u>	<u>Flexlease Series 2013B - Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 50,000	\$ 14,625	\$ 64,625
2024	55,000	12,263	67,263
2025	55,000	9,788	64,788
2026	60,000	7,200	67,200
2027	65,000	4,388	69,388
2028	65,000	1,463	66,463
	<u>\$ 350,000</u>	<u>\$ 49,726</u>	<u>\$ 399,726</u>

Interest expense during the current fiscal year on the 2013B series Flexlease Loan is \$16,725.

Taxable General Revenue Bond – Business-Type Activity

The Port decided to refinance the balloon payment due on the note payable with a taxable general revenue bond. At the point in time of this refinancing the borrower did not know of the lender’s decision to request a deferment of the balloon payment until July 2020. This would allow the property in which the note payable was originally initiated to payback the taxable general revenue bond over a ten (10) year period. Upon the event of default, the Bank may exercise any remedy available for an Event of Default, subject to the requirements of the Master Declaration, or at law but shall not be subject to acceleration. No remedy shall be exclusive. The Bank may waive any Series of Event of Default, but no such waiver shall extend to a subsequent series Event of Default. If Event of Default occurs due to failure to pay when due any principal, interest or other amount that is required to be paid, then the interest rate under the bond may be increased at the option of the Bank to an interest rate five percentage points (5%) in excess of the interest rate otherwise applicable to the bond payable, but can initiate whatever action necessary under law. Events of Default – failure to pay installment payments or make false statements in the official statement, and not comply with disclosure requirement.

The taxable general revenue bond has semi-annual payments due on January and July 15th every year with a fixed rate of interest rate of 3.75%

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Taxable General Revenue Bond	\$ 1,766,534	\$ -	\$ 94,000	\$ 1,672,534	\$ 94,000

Interest expense during the current fiscal year on the taxable general revenue bond is \$63,776.

Taxable General Revenue Bond - Business-Type Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 94,000	\$ 62,690	\$ 156,690
2024	94,000	59,116	153,116
2025	94,000	55,697	149,697
2026	94,000	51,968	145,968
2027	94,000	48,394	142,394
2028-2030	1,202,534	129,704	1,332,238
Total	<u>\$ 1,672,534</u>	<u>\$ 407,571</u>	<u>\$ 2,080,105</u>

NOTE 3 – OTHER INFORMATION

A. Oregon Public Employees Retirement System (PERS)

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at www.oregon.gov/pers/Documents/CAFR/2021-ACFR.pdf.

- a) **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv) **Benefit Changes after Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA is 2%.

b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii) **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury

shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

- iv) Benefit Changes after Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were approximately \$277,380 excluding amounts to fund employer specific liabilities. In addition, approximately \$93,616 in employee contributions were paid by Port employees in fiscal 2022.

At June 30, 2022, the Port reported a net pension liability of \$1,194,040 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability, was determined by an actuarial valuation dated December 31, 2019. The Port's proportion of the net pension liability was based on a projection of the Port's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the Port's proportion was 0.0099 percent and 0.0093 percent, respectively. Pension expense for the year ended June 30, 2022 was \$128,721 for the General Fund and \$2,027,422 for business type activities.

The rates in effect for the year ended June 30, 2022 were:

- (1) Tier 1/Tier 2 – 19.55%
- (2) OPSRP general services – 15.72%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 111,770	-
Changes of assumptions	298,904	3,142
Net difference between projected and actual earnings on investments	-	883,939
Changes in proportionate share	206,515	1,533
Differences between employer contributions and employer's proportional share of system	109,232	
Total (prior to post-MD contributions)	<u>726,421</u>	<u>888,614</u>
Contributions subsequent to the MD	277,380	-
Total	<u>\$ 1,003,801</u>	<u>\$ 888,614</u>

The amount of contributions subsequent to measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 28,486
2024	3,899
2025	(60,959)
2026	(173,476)
2027	39,857
Total	<u>\$ (162,193)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 25, 2022. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2022, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2019
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent (reduced from 2.50 percent)
Investment rate of return	6.90 percent (reduced from 7.20 percent)
Projected payroll growth	3.40 percent (reduced from 3.50 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

Source: June 30, 2021 PERS ACFR; p. 104

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund of Funds - Hedge	0.63%	5.31%
Hedge Fund of Funds - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Assumed Inflation- Mean		2.40%

Source: June 30, 2021 PERS ACFR; p. 74

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Port’s proportionate share of the net pension liability to changes in the discount rate – The following presents the Port’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Port’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	1% Decrease (5.9%)	Discount Rate (6.9%)	1% Increase (7.9%)
Port's proportionate share of the net pension liability	\$ 2,344,810	\$ 1,194,040	\$ 231,264

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based upon the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the Port for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement; unforeseeable emergency; or by requesting a de minimus distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The

assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the Port.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description – Employees of the Port are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits – Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of the five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, or 20 year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions – Employees of the Port pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly contribution, Tier1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The Port did have employees that chose to make voluntary optional contributions to their IAP accounts for the year ended June 30, 2022.

Retirement Health Insurance Account

Plan Description – As a member of the Oregon Public Employees Retirement System (OPERS) the Port contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible

employees. RHIA is a cost-sharing multiple-employer defined benefit postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The Plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy – Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premium coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the Port currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Port's contributions to RHIA for the years ended June 30, 2020, 2021, and 2022 are \$255, \$320, and \$285 respectively, which equaled the required contributions each year. As of June 30, 2022, the Port's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued to the government wide statements.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

B. Post-Employment Benefits Other Than Pensions (OPEB)

Plan Description – A program is provided for the availability for retirees and their spouses to purchase healthcare insurance at the same group rates as the Port pays for its active employees. No plan has been established to account for this activity. Since the former employees’ service has caused this benefit to be available, generally accepted accounting principles requires that the costs of these services be calculated and shown as a cost of operations and/or as a liability for providing a future benefit in the financial statements. Disclosure of the liability is mandatory.

Funding Policy – The benefits from this program are paid by the Port on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the Port to fund these benefits in advance.

Actuarial Methods and Assumptions – The Port engaged an actuary to perform an evaluation as of July 1, 2020 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer OPEB Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement.

Discount Rate per Year – 2.16%

General Inflation Rate per year - 2.4%

Salary Scale per year – 3.4%

Health Care cost Trends:

<u>Year</u>	<u>Trend</u>
2021	2.75%
2022	5.50%
2023-2024	5.00%
2025-2027	4.75%
2028-2038	4.50%
2039-2066	4.25%
2067-2071	4.00%
2072	3.75%

Mortality rates were based on rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2020 actuarial valuation of retirement benefits.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were not used.

Retirement rates were based on Oregon PERS assumptions. Annual rates are based on age, Tier 1/Tier 2, OPSRP, duration of service, and employment classification.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The Port does not pay for any explicit retiree OPEB under GASB 75.

Changes in Total OPEB Liability

Balance as of June 30, 2020	<u>\$ 40,984</u>
Changes for the Year:	
Service Cost	3,523
Interest	1,554
Economic/Demographic Gains/Losses	-
Changes of Assumptions or Other Input	3,216
Benefit Payments	<u>(207)</u>
Net Change for the Year	<u>8,086</u>
Balance as of June 30, 2021	<u>\$ 49,070</u>
Balance as of June 30, 2021	<u>\$ 49,070</u>
Changes for the Year:	
Service Cost	4,117
Interest	1,167
Economic/Demographic Gains/Losses	(6,658)
Changes of Assumptions or Other Input	2,527
Benefit Payments	<u>(760)</u>
Net Change for the Year	<u>393</u>
Balance as of June 30, 2022	<u>\$ 49,463</u>

Sensitivity of the Total Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates – The following presents the total other post-employment benefit liability (TOL), calculated using the discount rate of 2.16 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

June 30, 2022	1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$ 52,850	\$ 49,463	\$ 46,200

June 30, 2022	1% <u>Decrease</u>	Current <u>Trend Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$ 44,639	\$ 49,463	\$ 54,954

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 1,235	\$ (5,403)
Changes of assumptions	<u>7,274</u>	<u>(321)</u>
Total (prior to post-measurement date contributions)	8,509	(5,724)
Contributions made subsequent to the measurement date	<u>1,310</u>	<u>-</u>
Total deferred outflows (inflows) of resources	<u>\$ 9,819</u>	<u>\$ (5,724)</u>

Amounts reported as deferred outflow or inflow of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 1,139
2024	1,350
2025	916
2026	(383)
2027	<u>(237)</u>
Total	<u>\$ 2,785</u>

C. Risk Management

The Port is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the Port carries commercial insurance. There have been no settlements in the past four fiscal years that exceeded insurance coverage.

D. Contingent Liability

There are no contingent liabilities with the Port.

E. Property Tax Limitations

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. The limitation provides that property taxes for non-school operations are limited to \$10 to each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation debt.

An additional limit reduces the amount of operating property tax revenues available. The reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property assessed value to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases, as well as new bond issues.

F. Tax Abatements

As of June 30, 2022, the Port of Hood River potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on information available from the county as of the date of issuance of these financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2022 for any program covered under GASB 77.

G. Related Party Transactions

A Port Commissioner owns the local equipment and power-tool supply store. The supplier charges the Port the same amount as all other customers. The Port paid the supplier \$63,653 in fiscal year 2022 for parts and equipment. At June 30, 2022 the Port owed the supplier \$129.

H. Subsequent Events

For the fiscal year ending June 30, 2023, the Port has separated the Special Revenue fund called the Bridge Repair & Replacement fund into the Bridge Repair fund (existing bridge) and the Bridge Replacement fund (for a new bridge).

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION

PORT OF HOOD RIVER

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2022

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Port's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.01%	\$ 1,194,040	\$ 1,875,945	63.7%	87.6%
2021	0.01%	2,019,973	1,632,810	123.7%	75.8%
2020	0.01%	1,475,842	1,587,107	93.0%	80.2%
2019	0.01%	1,187,708	1,288,432	92.2%	82.1%
2018	0.01%	1,024,309	1,262,404	81.1%	83.1%
2017	0.01%	1,189,375	1,241,215	95.8%	80.5%
2016	0.01%	474,231	1,182,892	40.1%	91.9%
2015	0.01%	(201,797)	1,144,446	-17.6%	103.0%
2014	0.01%	454,314	990,120	45.9%	92.0%

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's Covered Payroll	Contributions as a percent of covered payroll
2022	\$ 277,380	\$ 277,380	\$ -	\$ 1,777,232	15.6%
2021	260,860	260,860	-	1,875,945	13.9%
2020	254,914	254,914	-	1,632,810	15.6%
2019	212,174	212,174	-	1,587,107	13.4%
2018	170,841	170,841	-	1,288,432	13.3%
2017	138,374	138,374	-	1,262,404	11.0%
2016	134,541	134,541	-	1,241,215	10.8%
2015	88,721	88,721	-	1,182,892	7.5%
2014	85,873	85,873	-	1,144,446	7.5%

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

PORT OF HOOD RIVER

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2022

SCHEDULE OF THE TOTAL OPEB LIABILITY

<u>Fiscal Year End Date</u>	<u>(a) Total OPEB Liability (TOL)</u>	<u>(b) Covered Payroll</u>	<u>(b/c) TOL as a percentage of Covered Payroll</u>	<u>Valuation Date</u>
June 30, 2022	\$ 49,463	\$ 1,777,232	2.8%	July 1, 2021
June 30, 2021	49,070	1,875,945	2.6%	July 1, 2019
June 30, 2020	40,984	1,632,810	2.5%	July 1, 2019
June 30, 2019	28,767	1,587,107	1.8%	July 1, 2017
June 30, 2018	26,109	1,288,432	2.0%	July 1, 2017

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

PORT OF HOOD RIVER

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2022

SCHEDULE OF THE TOTAL OPEB LIABILITY (CONTINUED)

Year ended June 30,	Beginning Total OPEB Liability	Service Cost	Interest on Total OPEB Liability	Economic/ Demographic Gains or Losses	Changes of Assumption or Other Input	Benefit Payments	Ending Total OPEB Liability
2022	\$ 49,070	\$ 4,117	\$ 1,167	\$ (6,658)	\$ 2,527	\$ (760)	\$ 49,463
2021	40,984	3,523	1,554	-	3,216	(207)	49,070
2020	28,767	2,424	1,195	2,609	6,622	(633)	40,984
2019	26,109	2,388	1,020	-	(725)	(25)	28,767
2018	24,667	2,494	774	-	(1,802)	(24)	26,109

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

PORT OF HOOD RIVER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 84,300	\$ 84,300	\$ 88,955	\$ 4,655
Investment Earnings	7,000	7,000	2,756	(4,244)
Grants	2,000	2,000	46,209	44,209
Total Revenues	93,300	93,300	137,920	44,620
EXPENDITURES				
<i>Current Operating:</i>				
Personal Services	286,700	286,700	178,769	107,931
Materials & Services	563,850	563,850	472,746	91,104
Total Expenditures	850,550	850,550	651,515	199,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	(757,250)	(757,250)	(513,595)	243,656
OTHER FINANCING SOURCES (USES)				
Transfers in	764,250	764,250	651,515	(112,735)
Total Other Financing Sources (Uses)	764,250	764,250	651,515	(112,735)
Net Change in Fund Balance	7,000	7,000	137,920	130,921
Fund Balance - Beginning	394,800	394,800	393,109	(1,691)
Fund Balance - Ending	\$ 401,800	\$ 401,800	\$ 531,029	\$ 129,230

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON
SUPPLEMENTARY INFORMATION

PORT OF HOOD RIVER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

BRIDGE REPAIR AND REPLACEMENT FUND
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 25,000	\$ 25,000	\$ 18,418	\$ (6,582)
Income from Grant	3,544,000	3,544,000	515,188	(3,028,812)
Other Income/Financing	1,100,000	1,100,000	-	(1,100,000)
Total Revenues	4,669,000	4,669,000	533,606	(4,135,394)
EXPENDITURES				
<i>Current Operating:</i>				
Personal Services	309,800	309,800	267,664	42,136
Materials & Services	1,108,000	1,108,000	878,200	229,800
Capital Outlay	4,665,000	4,665,000	1,603,944	3,061,056
Debt Service	78,500	78,500	-	78,500
Contingency	500,000	500,000	-	500,000
Total Expenditures	6,661,300	6,661,300	2,749,808	3,911,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,992,300)	(1,992,300)	(2,216,202)	(223,902)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,617,300	2,617,300	2,234,620	(382,680)
Total Other Financing Sources (Uses)	2,617,300	2,617,300	2,234,620	(382,680)
Net Change in Fund Balance	625,000	625,000	18,418	(606,582)
Fund Balance - Beginning	2,760,400	2,760,400	3,008,255	247,855
Fund Balance - Ending	\$ 3,385,400	\$ 3,385,400	\$ 3,026,673	\$ (358,727)

PORT OF HOOD RIVER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

REVENUE FUND
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES				
Toll Bridge	\$ 6,249,000	\$ 6,249,000	\$ 6,020,430	\$ (228,570)
Industrial Buildings	2,597,850	2,597,850	2,313,054	(284,796)
Commercial Buildings	159,850	159,850	138,570	(21,280)
Waterfront Industrial Land	134,000	134,000	144,751	10,751
Waterfront Recreation	213,000	213,000	302,634	89,634
Marina	382,300	382,300	408,262	25,962
Airport	261,000	261,000	252,882	(8,118)
Investment Earnings	100,000	100,000	90,301	(9,699)
Income from Grants and Other Sources	5,194,900	5,194,900	782,163	(4,412,737)
Total Revenues	15,291,900	15,291,900	10,453,047	(4,838,853)
EXPENDITURES				
Personal Services	2,714,400	2,714,400	2,195,957	518,443
Materials & Services	3,557,000	3,657,000	3,009,761	647,239
Capital Outlay	7,140,100	7,037,600	311,171	6,726,429
Debt Service	593,100	595,600	254,053	341,547
Contingency	500,000	500,000	-	500,000
Total Expenditures	14,504,600	14,504,600	5,770,942	8,733,658
Revenues Over (Under) Expenditures	787,300	787,300	4,682,105	3,894,805
OTHER FINANCING SOURCES (USES)				
Property sales	734,400	734,400	-	(734,400)
Operating Transfers Out	(3,381,550)	(3,381,550)	(2,886,135)	495,415
Total Other Financing Sources (Uses)	(2,647,150)	(2,647,150)	(2,886,135)	(238,985)
Net Change in Fund Balance	(1,859,850)	(1,859,850)	1,795,970	3,655,820
Fund Balance - Beginning	9,527,000	9,527,000	9,175,693	(351,307)
Fund Balance - Ending	\$ 7,667,150	\$ 7,667,150	\$ 10,971,663	\$ 3,304,513
Reconciliation to Net Position				
Capital Assets, Net			33,288,397	
Net Pension Liability			(1,122,756)	
Investment asset losses			(240,882)	
Pension Related Deferrals			108,309	
Total OPEB Liability			(46,510)	
OPEB Related Deferrals			3,852	
Accrued Interest payable			(28,760)	
Long Term Debt			(2,097,534)	
Deferred Revenue			(23,601)	
Accrued Payroll			(37,390)	
Accrued Compensated Absences			(94,933)	
Net Position			\$ 40,679,855	

PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

February 22, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Port of Hood River as of and for the year ended June 30, 2022, and have issued our report thereon dated February 22, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe the Port of Hood River was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

- The Budget did not make estimates of delinquent tax collections in accordance with ORS294.361(2)
- The Budget did not separate principal and interest payments in accordance with ORS294.388(6)

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

This report is intended solely for the information and use of the Board and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

Commission Memo



Prepared by: Debbie Smith-Wagar
Date: March 21, 2023
Re: Operational Center Analysis Fiscal Year
ended June 30, 2022

You will find four attachments regarding this financial review as follows:

- Use of Toll Revenues Chart
- Fund Analysis with Historical Groupings
- Fund Analysis with Adjusted Groupings
- Draft proposal by Commissioner Fox to eliminate the reliance on bridge tolls for non-bridge purposes

Background

In fiscal year 2021-2022, the Port had three funds:

General Fund
Bridge Repair and Replacement Fund
Revenue Fund

The Revenue Fund tracks all of the Port's rental property including the Marina and Airport, along with Waterfront Recreation, parking at the waterfront, and bridge operations. Because everything is lumped together in one fund, it isn't always clear which operational centers were covering their costs and which ones were not covering their costs.

Industrial Properties:

Big 7
Jensen
Maritime
Halyard
Timber Incubator
Wasco
Hanel Lower Mills

Commercial Properties

DMV Building
Port Office Building
Marina Office Building

Fiscal Year 2022

Taking the fiscal 2022 audited financial information, the Executive Director and the Finance Director attempted to determine the operational centers that were covering their costs and the ones that were generating a loss.

The two Fund Analysis reports contain that information. The first schedule contains information using a grouping system that the Port has historically used, which has rental properties grouped by land use zoning (industrial and commercial). The second schedule groups the properties in a way suggested in Commissioner Fox's proposal.

In total, the non-bridge activities generated a positive increase in fund balance for the fiscal year. However, capital outlay was unusually low last fiscal year. The Event Site needs an average \$200,000 of support each year for operations. The Marina and the Airport break even each year for operations, but neither operation has a reliable source of funding capital outlay and major repairs.

RECOMMENDATION: Discussion/direction for April 4, 2023 planning

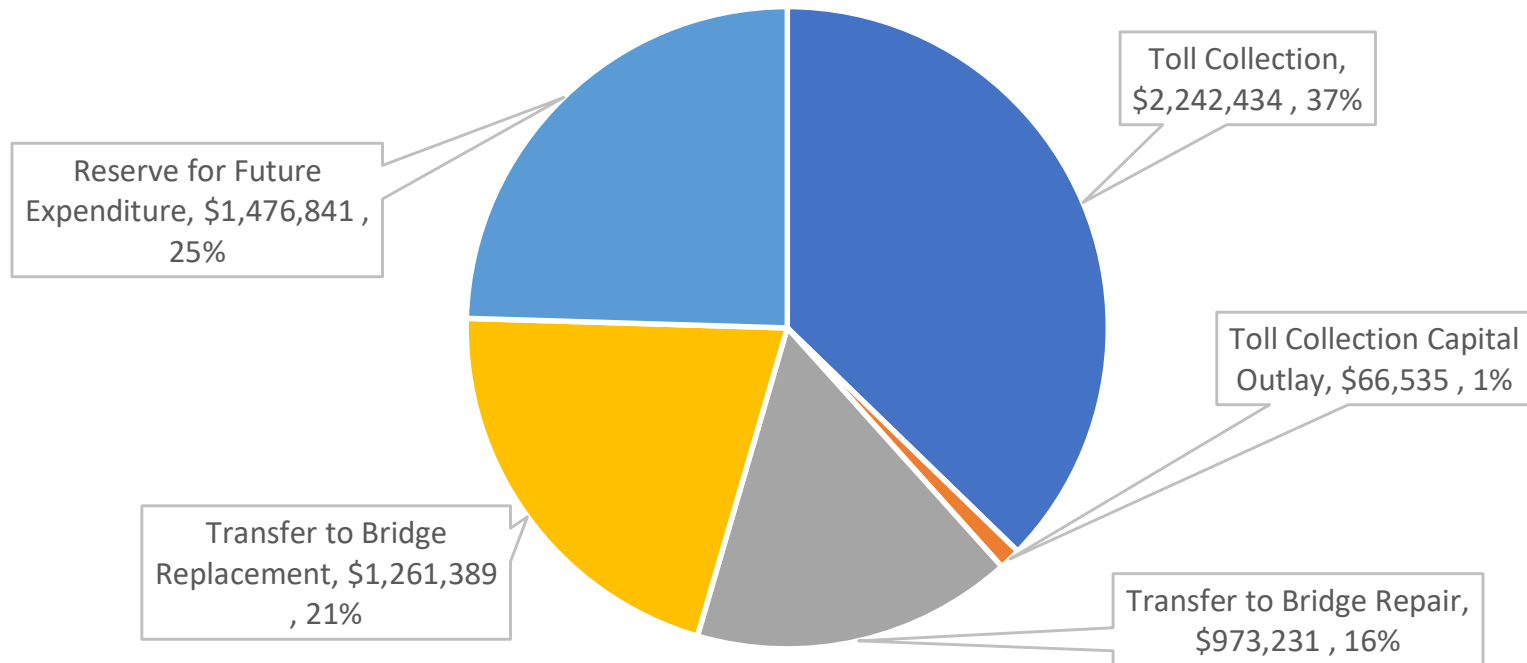
Port of Hood River
Fund Analysis, with Historical Groupings
For the year ended June 30, 2022
(unaudited)

REVENUE FUND										GENERAL FUND	BRIDGE REPAIR/ REPLACEMENT	ALL FUNDS		1+2+3		
MARINA	AIRPORT	WATERFRONT RECREATION	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	WATERFRONT INDUSTRIAL	1 MAIN-TENANCE	BRIDGE OPERATING	2 ADMIN	TOTAL	3 ADMIN	TOTAL	Split Repair	Split Replacement	TOTAL	TOTAL OVERHEAD	
						Reallocate		Reallocate		Reallocate						
REVENUE																
OPERATING																
TOLLS							\$6,020,430		\$6,020,430					\$6,020,430	\$0	
PARKING					\$138,618				\$138,618					\$138,618	\$0	
MOORAGE	\$378,681								\$378,681					\$378,681	\$0	
LEASES	\$251,007	\$248,906	\$138,570	\$2,308,654					\$2,947,137					\$2,947,137	\$0	
INTEREST								\$90,301	\$90,301	\$2,756	\$18,418	\$18,418		\$111,475	\$93,057	
OTHER	\$29,581	\$1,875	\$53,728	\$4,400	\$6,133		\$0		\$95,717					\$95,717	\$0	
SUB	\$408,262	\$252,882	\$302,634	\$138,570	\$2,313,054	\$144,751	\$0	\$6,020,430	\$90,301	\$2,756	\$18,418	\$18,418	\$0	\$9,692,058	\$93,057	
NON OPERATING																
TAXES									\$88,955					\$88,955	\$88,955	
GRANTS	\$77,537							\$577,698	\$655,235	\$46,209	\$515,188		\$515,188	\$1,216,632	\$46,209	
TRANS IN									\$651,515		\$2,234,620	\$965,194	\$1,269,426	\$2,886,135	\$651,515	
OTHER			\$2	\$25,986			\$389,535	\$13,190	\$428,713					\$428,713	\$13,190	
SUB	\$0	\$77,537	\$2	\$0	\$25,986	\$0	\$0	\$967,233	\$13,190	\$786,679	\$2,749,808	\$965,194	\$1,784,614	\$4,620,435	\$799,869	
TOTAL REVENUE	\$408,262	\$330,419	\$302,636	\$138,570	\$2,339,040	\$144,751	\$0	\$6,987,663	\$103,491	\$789,435	\$2,768,226	\$983,612	\$1,784,614	\$14,312,493	\$892,926	
EXPENSE																
OPERATING																
PERSONNEL	\$149,802	\$139,976	\$333,472	\$89,286	\$292,452	\$62,952	\$1,128,017		\$2,195,957	\$178,769	\$267,664	\$78,320	\$189,344	\$2,642,390	\$178,769	
M&S	\$98,333	\$180,120	\$171,800	\$120,861	\$912,780	\$168,730	\$104,165	\$1,011,366	\$3,009,761	\$472,746	\$878,200	\$94,009	\$784,191	\$4,360,707	\$818,517	
DEBT	\$95,575				\$158,478				\$254,053					\$254,053	\$0	
SUB	\$343,710	\$320,096	\$505,272	\$210,147	\$1,363,710	\$231,682	\$104,165	\$2,139,383	\$241,606	\$651,515	\$1,145,864	\$172,329	\$973,535	\$7,257,150	\$997,286	
NON OPERATING																
CAPITAL	\$10,479	\$131,830	\$118,192	\$39,900	\$94,253	\$53,939	\$85,552	\$66,535	\$12,276		\$612,956			\$2,216,900	\$97,828	
TRANS OUT								\$2,886,135			\$2,886,135			\$2,886,135	\$0	
SUB	\$10,479	\$131,830	\$118,192	\$39,900	\$94,253	\$53,939	\$85,552	\$2,952,670	\$12,276	\$0	\$3,499,091			\$5,103,035	\$97,828	
TOTAL EXPENDITURE	\$354,189	\$451,926	\$623,464	\$250,047	\$1,457,963	\$285,621	\$189,717	\$5,092,053	\$253,882	\$651,515	\$2,749,808	\$992,082	\$1,757,726	\$12,360,185	\$1,095,114	
CHANGE IN FUND BALANCE																
OPERATING	\$64,552	(\$67,214)	(\$202,638)	(\$71,577)	\$949,344	(\$86,931)	(\$104,165)	\$3,881,047	(\$151,305)	\$4,211,113	(\$648,759)	(\$1,127,446)	(\$153,911)	(\$973,535)	\$2,434,908	(\$904,229)
NON OPERATING	(\$10,479)	(\$54,293)	(\$118,190)	(\$39,900)	(\$68,267)	(\$53,939)	(\$85,552)	(\$1,985,437)	\$914	(\$2,415,143)	\$786,679	\$1,145,864	\$145,441	\$1,000,423	(\$482,600)	\$702,041
TOTAL INCREASE (DECREASE) IN FUND BALANCE	\$54,073	(\$121,507)	(\$320,828)	(\$111,477)	\$881,077	(\$140,870)	(\$189,717)	\$1,895,610	(\$150,391)	\$1,795,970	\$137,920	\$18,418	(\$8,470)	\$26,888	\$1,952,308	(\$202,188)
BFB (unallocated)									\$9,175,693	\$393,109	\$3,008,255	\$3,008,255	\$0	\$12,577,057	\$0	
EFB (unallocated)									\$10,971,663	\$531,029	\$3,026,673	\$2,999,785	\$26,888	\$14,529,365	(\$202,188)	
Overhead % ¹	3.0%	2.5%	2.3%	1.0%	17.4%	1.1%		52.1%				7.3%	13.3%			
ADMIN NET EXPENDITURES	\$6,151	\$4,978	\$4,560	\$2,088	\$35,242	\$2,181		\$105,281				\$14,820	\$26,888		\$202,188	
UPDATED EXPENDITURES	\$360,340	\$456,904	\$628,024	\$252,135	\$1,493,205	\$287,802		\$5,197,334				\$1,006,902	\$1,784,614			
UPDATED CHANGE IN FUND BALANCE	\$47,922	(\$126,485)	(\$325,388)	(\$113,565)	\$845,835	(\$143,051)		\$1,790,329				(\$23,290)	(\$0)			

1 - Overhead is allocated based on each operation center's revenue as a percent of total revenue

Use of Toll Revenue, Fiscal Year 2022

Total Toll Collected: \$6,020,430



- Toll Collection
- Toll Collection Capital Outlay
- Transfer to Bridge Repair
- Transfer to Bridge Replacement
- Reserve for Future Expenditure

Port of Hood River / written by Comm. Fox

Budget and Port Management Strategic Plan Document

March 10, 2023

A. Introduction and Purpose of Document

This document defines a strategy to eliminate the reliance upon current bridge tolls to augment needed funding of Port Operations. It further defines a timeline to eliminate this need and a concept to increase the funding reserves likely needed to maintain the current bridge until a new one is operational. It is expected that maintenance costs will continue to accelerate/increase each year until eventual replacement.

The document encourages the use of Operational Centers to better manage Port Properties and Services.

B. Concept of Operational Centers

Operational Centers already loosely exist, and they include:

1. Airport
2. Current Bridge
3. Marina
4. Recreational Area
5. Commercial Property at the Port
6. Commercial Property at Odell

C. Revenue vs Expense

Business basics dictate two key financial elements that being Revenues and Expenses. The Port has for many years used these two financial elements to manage the effort. Because the Port has enjoyed a huge revenue generator over the past 50 + years, balancing revenues and expenses has not been of significant concern. This position is quickly changing as efforts to replace the existing bridge ramp up.

All Operational Centers (OC), generate some form of revenue. Not all cover their individual expenses and thus has been augmented with revenues derived from bridge tolls.

As the existing bridge continues to age, maintenance costs are expected to increase significantly. Once the new bridge is operational, operation of the old bridge will cease causing related tolls to become zero. (All bridge tolls from the new bridge must stay with the new bridge Authority and cannot be used for anything other than maintenance and operations of the new bridge).

The Port Authority must take action now to reduce reliance of bridge tolls to pay expenses. An exception to this is an anticipated bridge toll increase this year to fund a new bridge reserve account to establish credit worthiness and eventually qualify for some form of new bridge loan to pay for construction.

- D. The use of Operational Center (OC) Reserves to help better manage Port transformation away from bridge toll reliance.

It is suggested that 6 key reserves be established. These reserves would serve as additional revenue sources when in a particular OC, earned revenues are less than expenses. Reserves by Operating Center are defined as follows:

1. Airport – since any revenues generated by the airport must stay with the airport look at this operational center as a complete stand alone operation. Generally, use existing revenues to pay ongoing expenses. Most new capital work is funded through a combination of grants and operations generated revenues.

Establish an airport reserve of \$2 million to fund Port portion of grants. Balance revenues generated from hanger and other leases or billings with ongoing expenses / reserves. It will be important over the long run as capital projects begin generating revenue to replenish airport reserves. Pace developments such that the airport maintains at least a \$500,000 reserve.

Once the \$2 million reserve has been established (\$1 million this year, \$1 million next year), no further augmentation from existing bridge tolls are authorized.

2. Establish a New Bridge Replacement Fund, beginning in 2023 from an expected toll increase as recommended by the Bi State Working Group. This fund will house revenues from this increase forward until a new bridge becomes operational. It is to be used to establish credit worthiness of the new Bridge Authority and is to be used as collateral for future TIFIA or equivalent loans and to fund early operations of the new bridge.
3. Marina - set a target to raise marina rates over the next few years whereby year 2 slip rentals cover marina expenses. Develop plan to further develop Marina pre and post new bridge construction. Determine how much money will be needed and identify target grants or other funding sources needed to pay for the development. Closely evaluate ROR in deciding which projects to advance.

Establish a reserve amount of \$2,000,000, (\$1,000,000 this year, \$1,000,000 next year) to support development needs of the area. As with the Airport property, use the reserve to pay for Port portions of grants used for property development. Pace property development such that reserves cannot be lower than \$500,000.

4. Commercial Property at the Port along with Port Recreational Areas. Combine these two areas into a single Operational Center. Establish a reserve to fund further property development as well as fund Port Recreational area. The recreational area currently does not recover sufficient revenues to offset needed expenses. The Commercial Properties at the Port does. Revenues generated from associated leases will be attracted into this reserve. Future property development as well as funding Port recreational areas will be charged off against this reserve. The reserve will initially be established by the end of next fiscal year funding \$ 2 million this year and an additional \$2 million next year. From fiscal year 25/26 no additional monies from the existing bridge will be used to fund this area. Pace development such that reserves do not fall below \$500,000.

5. Commercial Property at Odell. There is a few properties that can still be developed in this location. The properties there generally are able to fund needed expenses. A Reserve of \$500,000 will be generated this year to fund any further development of the area. No further funding will be transferred from bridge repair and replace funding going forward. Pace development such that reserves don't fall below \$100,000.
6. Current Bridge – A Bridge Repair and Replacement fund was established in Fiscal Year 2018. Move any bridge toll revenues or Port reserves not used to established other OC Reserves into this fund. Then as new tolls are recovered and assuming all reserves identified herein have been fully funded (except for the Bridge Replacement Fund), then all tolls and other bridge related income will be collected into the Bridge Repair and Replacement Fund. This fund will be only used to fund bridge operations, maintenance and repair needed to keep safe operations of the bridge until the replacement bridge is operational.
7. Reserve Summary: (all \$ in millions)

Op Center	This Year	Next Year	Total
Airport	\$1	\$1	\$2
Current Bridge	Balance	Balance	Balance
New Bridge	Incr cost from incr	Incr cost from incr	Incr cost from incr
Marina	\$.5	\$.5	\$1
Commercial Port & Recreational Area	\$2	\$2	\$4
Commercial Odell	\$.5	\$0	\$.5
Total	\$4	\$3.5	\$7.5

We then have created essentially 6 businesses all with individual profit and loss responsibilities.

8. Ability to manage across operational centers. The Port Commission will have the ability to authorize transfers between any Operational Center reserve as needed to fund actual or anticipated center overruns. This is the case for ALL operation centers except one. That is the Bridge Replacement Fund. Once funds are attracted into this account only the new Bi State Bridge commission can authorize expenditures or transfers from this fund.

E. Profit and Loss Reporting

The accounting department will produce 6 profit and loss statements including respective reserve status yearly as part of the future budget process and monthly as the fiscal year evolves.

The monthly profit and loss report will be presented to the Port Commission by the respective Area Manager who will discuss the financial health of the given area. This is a new approach.

F. Port Operations and Overheads

Port Operations and Overhead accounts reflect the following types of services:

1. Port Management
2. Port Contract Administration

3. Port Accounting
4. Port Toll Booth Operations
5. Port Maintenance Staff

These groups can and do support the various operational centers and charge time into these operational centers.

It will be the responsibility of the Operations Center Project Manager to ensure charges into his/her area are reflective of the services rendered. In aggregate, Center Managers along with the Executive Director and Chief Financial Officer to amicably resolve issues.

It is expected that Port Services in support of the New Bridge will continue for the foreseeable future. An Interagency Agreement will be developed and signed between the New Bridge Authority chair and the Port Executive Director as to methodologies of charging practices and authorization to provide services.

G. Pace of area development.

Operational Center development will be paced by the ability to obtain grants, use of innovative contracting, cost effective design of new facilities, maintaining competitive leasing and rental agreements balanced with available OC reserves.

H. Schedule for OC independence from Bridge Tolls

Airport – Reserves fully funded by end of FY 24/25

Marina – Reserves fully funded by end of FY 24/25

Commercial Port / Rec Area – fully funded by end of FY 24/25

Commercial Odell – fully funded by end of FY 23/24

New Bridge Reserve – ongoing from inception of 2023 toll increase

Old Bridge Repair and Replacement – on going immediately through new bridge opening

Port of Hood River
Fund Analysis, with Adjusted Groupings
For the year ended June 30, 2022
(unaudited)

	REVENUE FUND								GENERAL FUND	BRIDGE REPAIR/ REPLACEMENT			ALL FUNDS	1+2+3
	MARINA	AIRPORT	WATERFRONT, COMMERCIAL, INDUSTRIAL (EXCEPT HANEL)	ODELL PROPERTY (HANEL)	1 MAIN-TENANCE	BRIDGE OPERATING	2 ADMIN	TOTAL	3 ADMIN	TOTAL	Split Repair	Split Replacement	TOTAL	TOTAL OVERHEAD
					Reallocate			Reallocate						
REVENUE														
OPERATING														
TOLLS							\$6,020,430						\$6,020,430	\$0
PARKING			\$138,618										\$138,618	\$0
MOORAGE	\$378,681												\$378,681	\$0
LEASES		\$251,007	\$2,631,350	\$64,780									\$2,947,137	\$0
INTEREST								\$90,301	\$90,301	\$2,756	\$18,418	\$18,418	\$111,475	\$93,057
OTHER	\$29,581	\$1,875	\$64,261			\$0			\$95,717				\$95,717	\$0
SUB	\$408,262	\$252,882	\$2,834,229	\$64,780	\$0	\$6,020,430	\$90,301	\$9,670,884	\$2,756	\$18,418	\$18,418	\$0	\$9,692,058	\$93,057
NON OPERATING														
TAXES									\$88,955				\$88,955	\$88,955
GRANTS		\$77,537					\$577,698		\$46,209	\$515,188	\$515,188		\$1,216,632	\$46,209
TRANS IN									\$651,515	\$2,234,620	\$965,194	\$1,269,426	\$2,886,135	\$651,515
OTHER			\$25,988				\$389,535	\$13,190		\$428,713			\$428,713	\$13,190
SUB	\$0	\$77,537	\$25,988	\$0	\$0	\$967,233	\$13,190	\$1,083,948	\$786,679	\$2,749,808	\$965,194	\$1,784,614	\$4,620,435	\$799,869
TOTAL REVENUE	\$408,262	\$330,419	\$2,860,217	\$64,780	\$0	\$6,987,663	\$103,491	\$10,754,832	\$789,435	\$2,768,226	\$983,612	\$1,784,614	\$14,312,493	\$892,926
EXPENSE														
OPERATING														
PERSONNEL	\$149,802	\$139,976	\$749,769	\$28,393			\$1,128,017		\$178,769	\$267,664	\$78,320	\$189,344	\$2,642,390	\$178,769
M&S	\$98,333	\$180,120	\$1,368,754	\$5,417	\$104,165		\$1,011,366	\$241,606	\$472,746	\$878,200	\$94,009	\$784,191	\$4,360,707	\$818,517
DEBT	\$95,575		\$158,478										\$254,053	\$0
SUB	\$343,710	\$320,096	\$2,277,001	\$33,810	\$104,165	\$2,139,383	\$241,606	\$5,459,771	\$651,515	\$1,145,864	\$172,329	\$973,535	\$7,257,150	\$997,286
NON OPERATING														
CAPITAL	\$10,479	\$131,830	\$290,736	\$15,548	\$85,552		\$66,535			\$1,603,944	\$819,753	\$784,191	\$2,216,900	\$97,828
TRANS OUT							\$2,886,135			\$2,886,135			\$2,886,135	\$0
SUB	\$10,479	\$131,830	\$290,736	\$15,548	\$85,552	\$2,952,670	\$12,276	\$3,499,091	\$0	\$1,603,944	\$819,753	\$784,191	\$5,103,035	\$97,828
TOTAL EXPENDITURE	\$354,189	\$451,926	\$2,567,737	\$49,358	\$189,717	\$5,092,053	\$253,882	\$8,958,862	\$651,515	\$2,749,808	\$992,082	\$1,757,726	\$12,360,185	\$1,095,114
CHANGE IN FUND BALANCE														
OPERATING	\$64,552	(\$67,214)	\$557,228	\$30,970	(\$104,165)	\$3,881,047	(\$151,305)	\$4,211,113	(\$648,759)	(\$1,127,446)	(\$153,911)	(\$973,535)	\$2,434,908	(\$904,229)
NON OPERATING	(\$10,479)	(\$54,293)	(\$264,748)	(\$15,548)	(\$85,552)	(\$1,985,437)	\$914	(\$2,415,143)	\$786,679	\$1,145,864	\$145,441	\$1,000,423	(\$482,600)	\$702,041
TOTAL INCREASE (DECREASE) IN FUND BALANCE	\$54,073	(\$121,507)	\$292,480	\$15,422	(\$189,717)	\$1,895,610	(\$150,391)	\$1,795,970	\$137,920	\$18,418	(\$8,470)	\$26,888	\$1,952,308	(\$202,188)
BFB (unallocated)								\$9,175,693	\$393,109	\$3,008,255	\$3,008,255	\$0	\$12,577,057	\$0
EFB (unallocated)								\$10,971,663	\$531,029	\$3,026,673	\$2,999,785	\$26,888	\$14,529,365	(\$202,188)
Overhead % ¹	3.0%	2.5%	21.3%	0.5%		52.1%					7.3%	13.3%		
ADMIN NET EXPENDITURES	\$6,151	\$4,978	\$43,094	\$976		\$105,281					\$14,820	\$26,888		\$202,188
UPDATED EXPENDITURES	\$360,340	\$456,904	\$2,610,831	\$50,334		\$5,197,334					\$1,006,902	\$1,784,614		
UPDATED CHANGE IN FUND BALANCE	\$47,922	(\$126,485)	\$249,386	\$14,446		\$1,790,329					(\$23,290)	(\$0)		

1 - Overhead is allocated based on each operation center's revenue as a percent of total revenue

Commission Memo



Prepared by: Michael Shannon
Date: March 21, 2023
Re: WSTC Traffic & Revenue Study

Why is a Traffic and Revenue Study Being Conducted?

Washington State Supplemental Transportation Budget of 2022 (ESSB 5689) authorized \$75M for the replacement of the Hood River-White Salmon Bridge. That legislation also directed the Washington State Transportation Commission (WSTC) to conduct a Planning Level Traffic and Revenue Study (T&R Study) to serve as an independent analysis of long-term traffic and revenue and resulting financing capacity to inform future funding decisions for the project. The legislature allocated \$1.5M for the study. The WSTC has retained the services of CDM Smith to conduct this study, which is underway and expected to be completed by June, 2023.

What is a Traffic and Revenue Study and What Will Be Learned From it?

A T&R Study is an expert analysis of the long-term projected traffic levels on a particular facility and the revenues that can be expected to be generated by tolls on that facility across a range of toll rate scenarios. Often, these projections are then used to generate a range of debt financing options. There are three levels of T&R Studies:

1. **Level 1 – Sketch Level:** Estimates based on existing data with limited travel demand modeling and a less rigorous analysis of economic factors. Used primarily to evaluate feasibility and obtain a general idea of toll revenue potential in the early stages of a project
2. **Level 2 – Planning Level:** More rigorous analysis of traffic and travel pattern history, more detailed travel demand modeling, detailed capacity analysis modeling, application of regional economic data and forecasts, detailed analysis of operation and maintenance costs and other detailed data. Used to guide decisions on toll rates and financing decisions.
3. **Level 3 – Investment Grade:** Much more rigorous analysis of all historical data and future projections from multiple sources, travel demand modeling and forecasting, detailed economic analysis and forecasting, detailed analysis of operating, maintenance, repair and replacement costs over the life cycle of the facility. Used by credit rating agencies to support rating decisions and used by debt issuers and underwriters to evaluate creditworthiness and determine financing terms.

This Planning Level (Level 2) T&R Study is expected to generate data and conclusions to help inform future financial decision making by all parties involved in funding or financing for the replacement bridge project. This information will include:

- Detailed traffic and toll transaction history
- Detailed traffic and travel pattern history
- Traffic and revenue projections through 2051 for various toll rate scenarios
 - Rigorous traffic demand modeling
 - Traffic suppression and diversion in response to various toll rate scenarios
 - Sensitivity and Elasticity in response to various toll rate scenarios
- Independent Regional Economic Forecast
- Results from bridge user stated preference survey and shipper/carrier interviews
- Operations Analysis with detailed gross to net analysis
- Financing capacity analysis

How Will this Study Help Us with Toll Rate Decisions

The Port of Hood River and the Bi-State Working group are currently considering options for toll rate adjustments on the existing bridge and toll rates for the new bridge that will facilitate the ability to finance between \$75M and \$125M of the \$520M estimated construction cost of the new bridge. The toll rates being considered can be broken down into 2 components:

Pre-completion tolling: A toll increase could be implemented in FY 2024 on the existing bridge with a portion of those revenues dedicated to building reserves to support financing for the new bridge. It is estimated that between \$15M to \$21M in reserve funds will be required to obtain financing in 2028. Pre completion toll rates will need to be sufficient to build these reserves between 2024 and 2029.

Post completion tolling: Revenues from tolling on the new bridge starting in 2031 100% dedicated to funding debt service as well as on-going operating and maintenance and repair and replacement costs over the 30-year term of the financing. Post completion toll rates must be sufficient to cover these obligations over the 30-year life of the financing.

The WSTC's T&R Study is primarily concerned with evaluating the post completion toll rates necessary to support 30-year financing of between \$75M and \$140M. Pre-completion toll rates do not affect the long-term financing capacity of the new bridge and so are not the focus of the WSTC Study. POHR's RBMC consulting team (HNTB) is conducting parallel studies focused primarily on evaluating pre-completion toll rates that would allow the Bi-State Bridge authority to build the required \$15M to \$21M in reserves by FY 2029.

What Toll Rate Scenarios will be considered?

Working closely together, the WSTC and POHR teams have developed two toll rate scenarios that will be evaluated in detail by both teams going forward. These scenarios are intended

to form “bookends” to demonstrate toll rates necessary to support both the high (\$125M) and low (\$75M) ends of the financing needs expected for the project.

Existing Toll Rates	BreezeBy	\$1.00	
	Cash / CC	\$2.00	
		Scenario A	Scenario B
<i>Pre-Completion (FY 24-30)</i>		<i>FY 24 Increase by \$0.75 for BreezeBy & \$1.50 for Cash</i>	<i>FY 24 Increase by \$1.00 for BreezeBy & Cash</i>
FY 24	BreezeBy	\$1.75	\$2.00
	Cash / CC	\$3.50	\$3.00
FY 30	BreezeBy	\$1.75	\$2.00
	Cash / CC	\$3.50	\$3.00
<i>Post Completion (FY 31-51)</i>		<i>15% Increase every 5 yr starting in FY 36 (BreezeBy)</i>	<i>15% Increase every 5 yr starting in FY 36</i>
FY 31	BreezeBy	\$2.00	\$2.50
	Video	\$4.00	\$5.00
FY 51	BreezeBy	\$3.50	\$4.45
	Video	\$5.50	\$8.75
Estimated Financial Capacity Target		\$75 million	\$125 million

*Toll rates shown are for cars and light trucks. Multipliers for trailers and trucks will be applied

Financing capacity targets shown above assume periodic escalation in toll rates over the 30-year life of the financing. In this example, it is assumed that tolls will increase 15% every 5 years, resulting in the final toll rates shown for FY 2051.

What is next?

The WSTC team received approval from the WSTC on March 14 to move ahead with the scenarios outlined above. These scenarios will be the focus of the detailed Planning level T&R analysis that will be conducted by the CDM Smith team in April and May, 2023. At the same time, the POHR RBMC consulting team will conduct detailed analysis of the pre-completion components of the two scenarios to evaluate the extent to which they satisfy the reserve building requirements outlined above. Final T&R forecasts are scheduled to be completed in late May, 2023, and a final report is scheduled to be presented to the WSTC in June, 2023.

The WSTC team is scheduled to provide an update to the BSWG at its March 20, 2023 meeting.

RECOMMENDATION: Informational.

This page intentionally left blank.

Hood River Bridge Traffic & Revenue Study

WSTC Commission Meeting

3/14/2023

**CDM
Smith**

Carl See - WSTC

Tim Boesch, AICP PMP - CDM Smith

Lowell Clary – Clary Consulting

Agenda

- Study Update – Where are we?
- Preliminary Tolling Scenario Description
- Preliminary Tolling Scenario Results
 - Transactions, Gross and Net Revenue Streams
 - Financial Capacity Analysis
- Final Two Scenario Recommendations
- Next Steps/Workplan



Study Background

Study Purpose

- The 2022 enacted State Supplemental Transportation Budget (ESSB 5689) directs the WSTC to carry out a planning level traffic and revenue study of the Hood River Bridge to be completed by June 30, 2023
- The primary goal is to develop planning level traffic and revenue analysis and resulting toll funding capacity across multiple scenarios to support future funding decisions for proposed bridge replacement plan(s)
- This study should also inform a potential investment grade traffic and revenue study



Hood River Bridge Replacement Funding

- Total bridge replacement project costs: \$520 million (2022 dollars)
 - Estimate based on preliminary analysis by the Port of Hood River
- Funding committed to date: \$95 million
 - State Funding: \$80 million from Washington, \$10 million from Oregon
 - Federal Grants: \$5 million in federal grant fund
- Funding targets to address the \$425 million in unfunded need include:
 - State Funding: \$160 million in additional state funding
 - Intent is to have total of \$125 million committed by both WA and OR (\$250 million total)
 - Federal Grants: \$125 - \$195 million
 - Unsuccessful in 2022, preparing new federal grant applications for 2023
 - **Toll-Backed Financing: \$75-\$125 million**
 - **Subject to on-going traffic & revenue analysis and financial need**

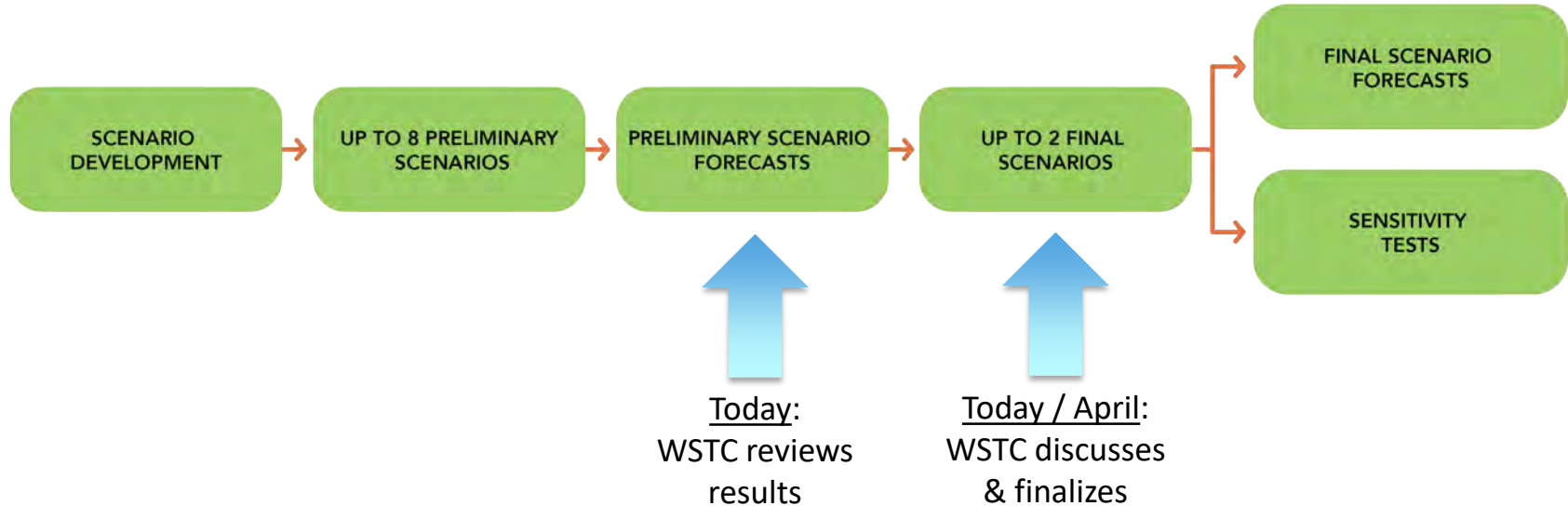
Hood River Bridge Replacement Tolling

- Current Hood River Bridge tolling revenues support existing bridge operations & maintenance and a small portion of bridge replacement.
- Port of Hood River anticipates tolling in support of the replacement bridge to include:
 - Pre-Completion Tolling: Revenues from a toll increase on the current bridge dedicated to the replacement bridge project as soon as July 1, 2023 (FY 2024) – *may shift to January 1, 2024*
 - Post-Completion Tolling: Revenues from tolling on the replacement bridge beginning in FY 2031 dedicated to funding debt service as well as on-going operations & maintenance and repair & replacement costs



Preliminary Tolling Scenarios

Study Scenarios Process



Recap: Tolling Scenario Structure

Assumptions:

- Current axle toll multipliers assumed to remain unchanged
- Current toll-free exemptions and agreements assumed to remain unchanged*

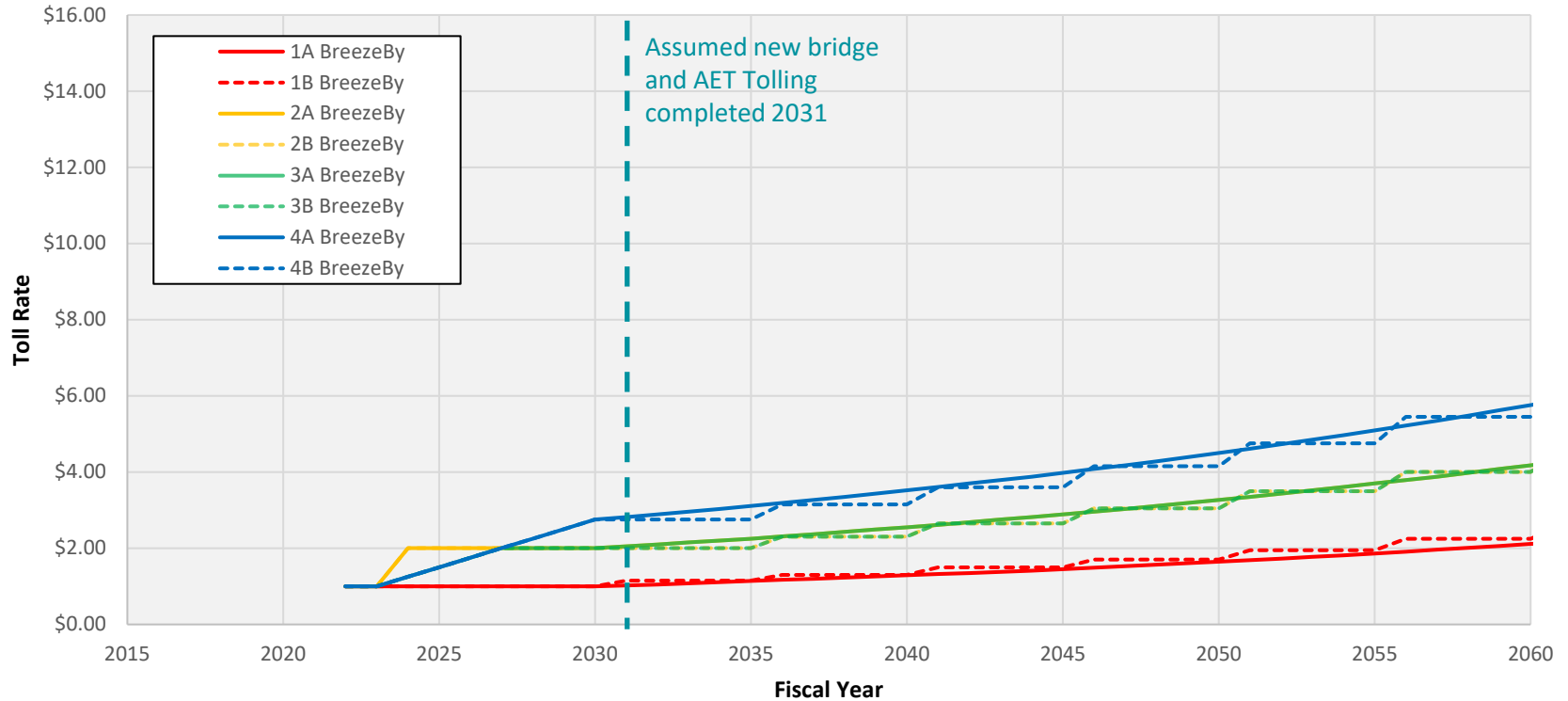
Additional Considerations:

- Traffic data does not support need for time of day, day of week, nor seasonal pricing
- New low-income or high-frequency discount plans may be appropriate

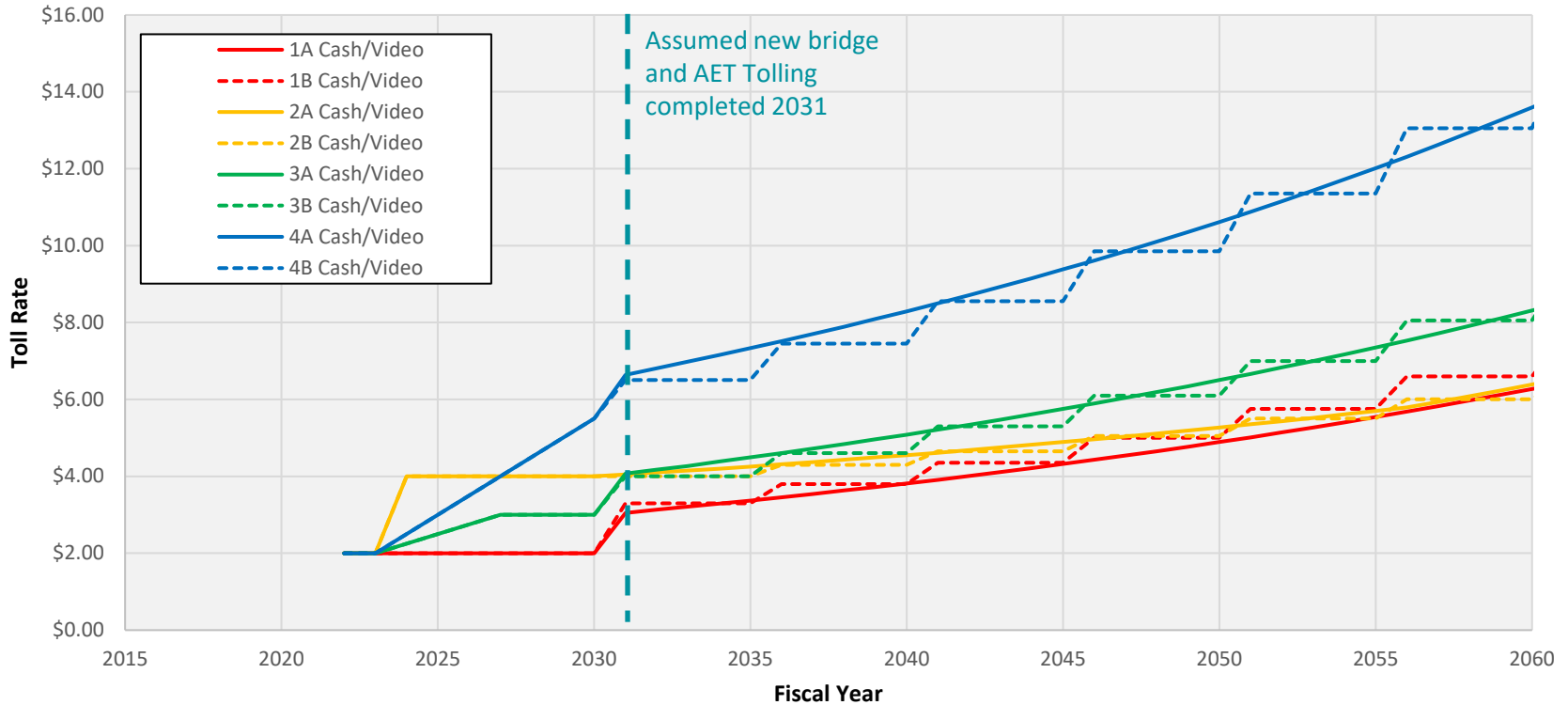
Preliminary Tolling Scenarios (WSTC)

		Scenario 1A	Scenario 1B	Scenario 2A	Scenario 2B	Scenario 3A	Scenario 3B	Scenario 4A	Scenario 4B
<i>Pre-Completion (FY24-30)</i>		<i>No change</i>		<i>100% increase in FY24</i>		<i>\$0.25 annual increase for Cash/CC & BreezeBy thru FY27</i>		<i>\$0.50 annual increase for Cash/CC & \$0.25 for BreezeBy thru FY30</i>	
FY'24	BreezeBy	\$1.00	\$1.00	\$2.00	\$2.00	\$1.25	\$1.25	\$1.25	\$1.25
	Cash/CC	\$2.00	\$2.00	\$4.00	\$4.00	\$2.25	\$2.25	\$2.50	\$2.50
FY'30	BreezeBy	\$1.00	\$1.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.75	\$2.75
	Cash/CC	\$2.00	\$2.00	\$4.00	\$4.00	\$3.00	\$3.00	\$5.50	\$5.50
<i>Post Completion (FY31-51)</i>		<i>2.5% Annual Increase</i>	<i>15% Increase every 5 yr starting in FY31</i>	<i>2.5% Annual Increase (BreezeBy)</i>	<i>15% Increase every 5 yr starting in FY36 (BreezeBy)</i>	<i>2.5% Annual Increase</i>	<i>15% Increase every 5 yr starting in FY36</i>	<i>2.5% Annual Increase</i>	<i>15% Increase every 5 yr starting in FY36</i>
FY'31	BreezeBy	\$1.02	\$1.15	\$2.05	\$2.00	\$2.05	\$2.00	\$2.82	\$2.75
	Video	\$3.05	\$3.30	\$4.05	\$4.00	\$4.07	\$4.00	\$6.64	\$6.50
FY'51	BreezeBy	\$1.69	\$1.95	\$3.35	\$3.50	\$3.35	\$3.50	\$4.61	\$4.75
	Video	\$5.01	\$5.75	\$5.35	\$5.50	\$6.66	\$7.00	\$10.88	\$11.35

Passenger Car BreezeBy* Toll Rates



Passenger Cash-CC/Video* Toll Rates



250

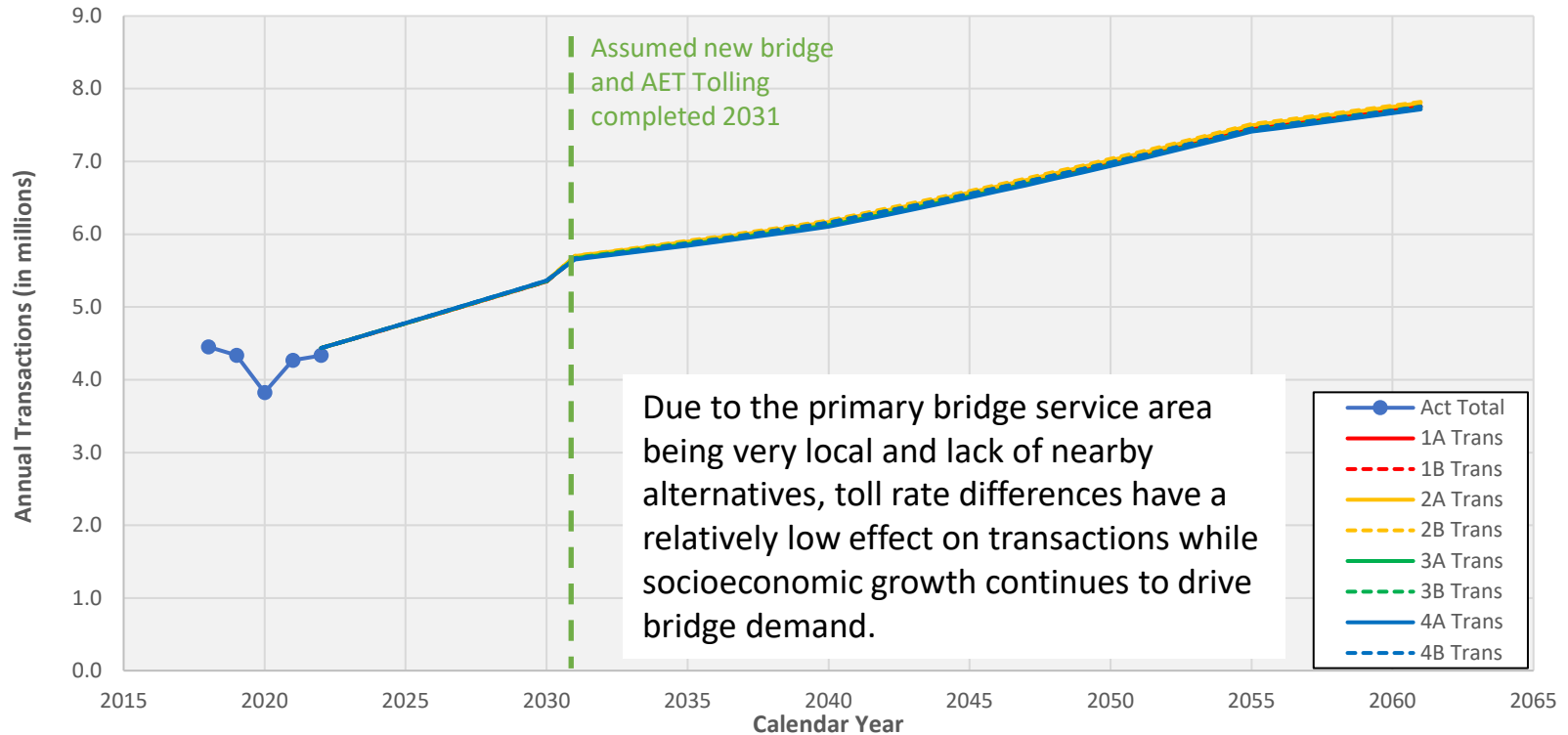


Preliminary Scenario T&R Forecasting Results

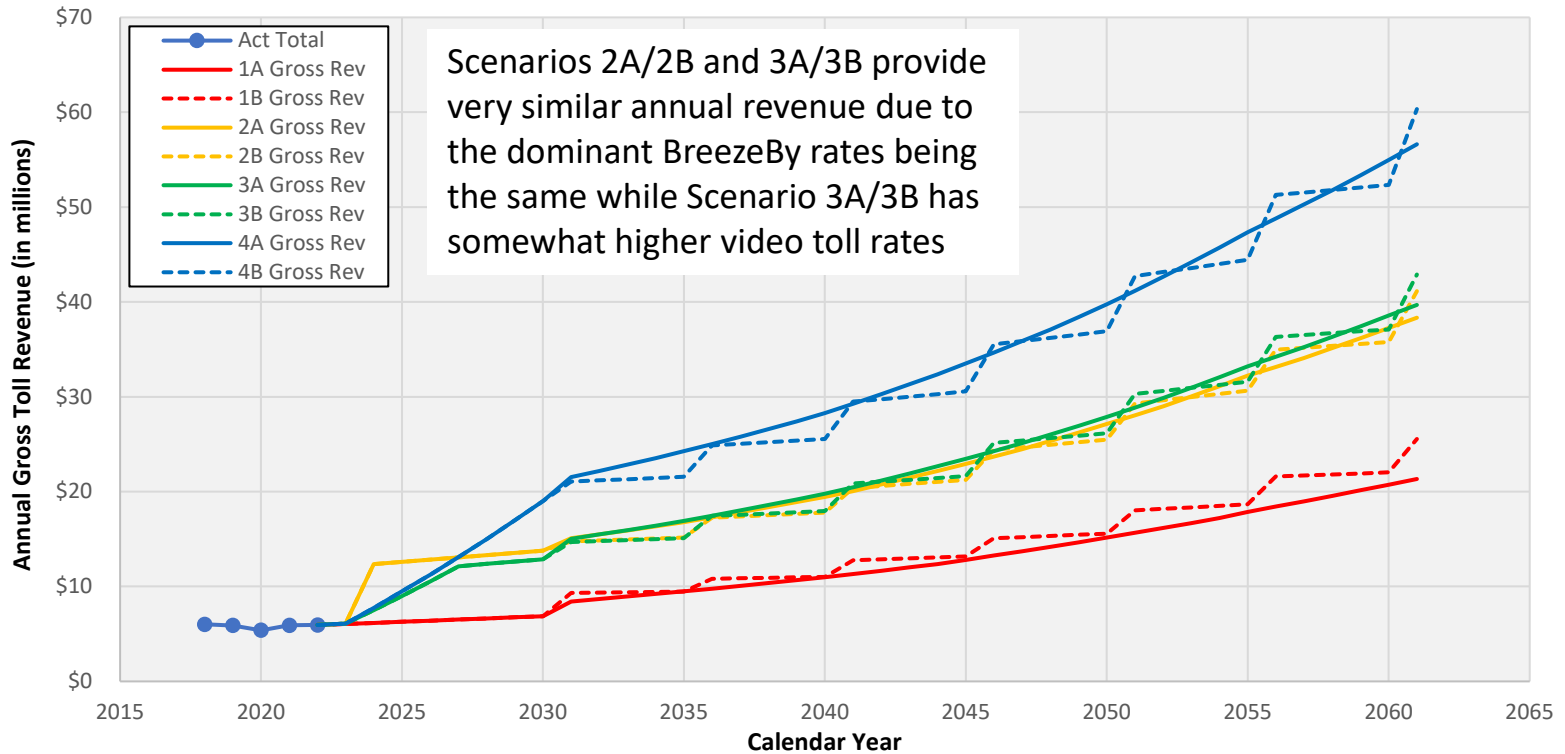
Traffic & Revenue Forecasting Assumptions

- Bridge replacement configuration, timing, and phasing
- Model years: 2019, 2031, 2040, 2055
- Tolling concept of operations, methods of payment
- Toll systems coordination - current system, ODOT system, WSDOT system
- Inflation
- Payment share assumptions

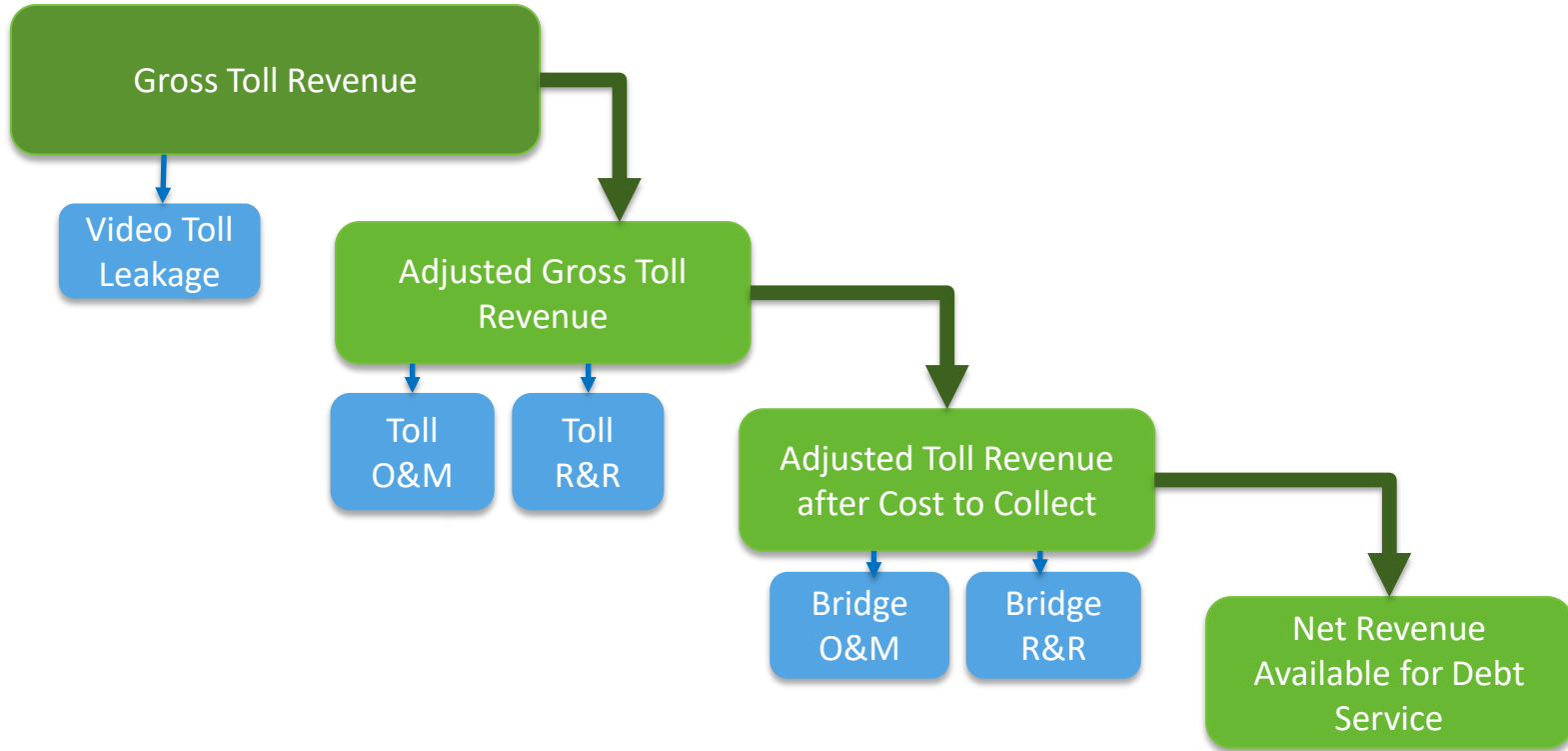
Annual Toll Transactions



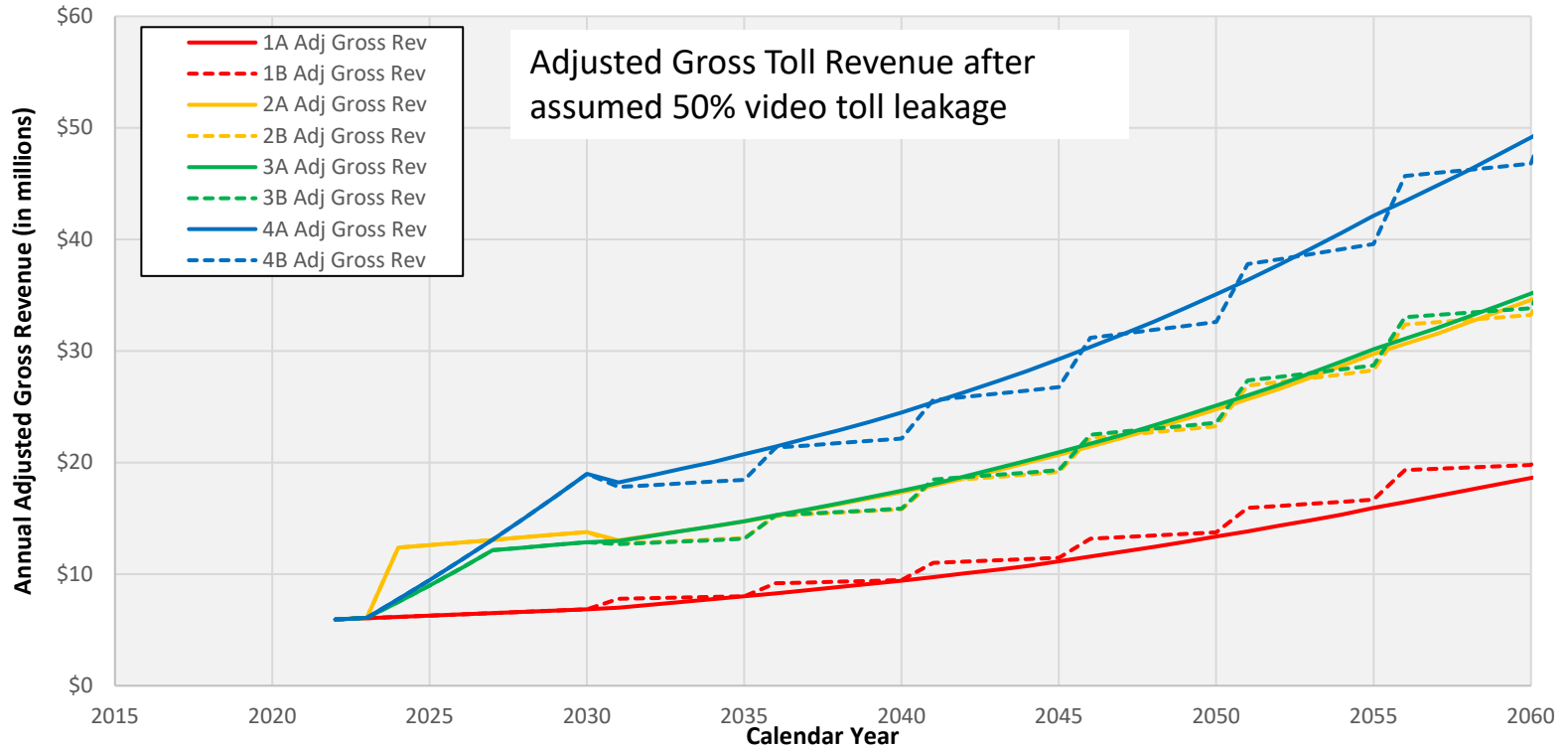
Annual Gross Toll Revenue



Gross Revenue to Net Available For Debt Service



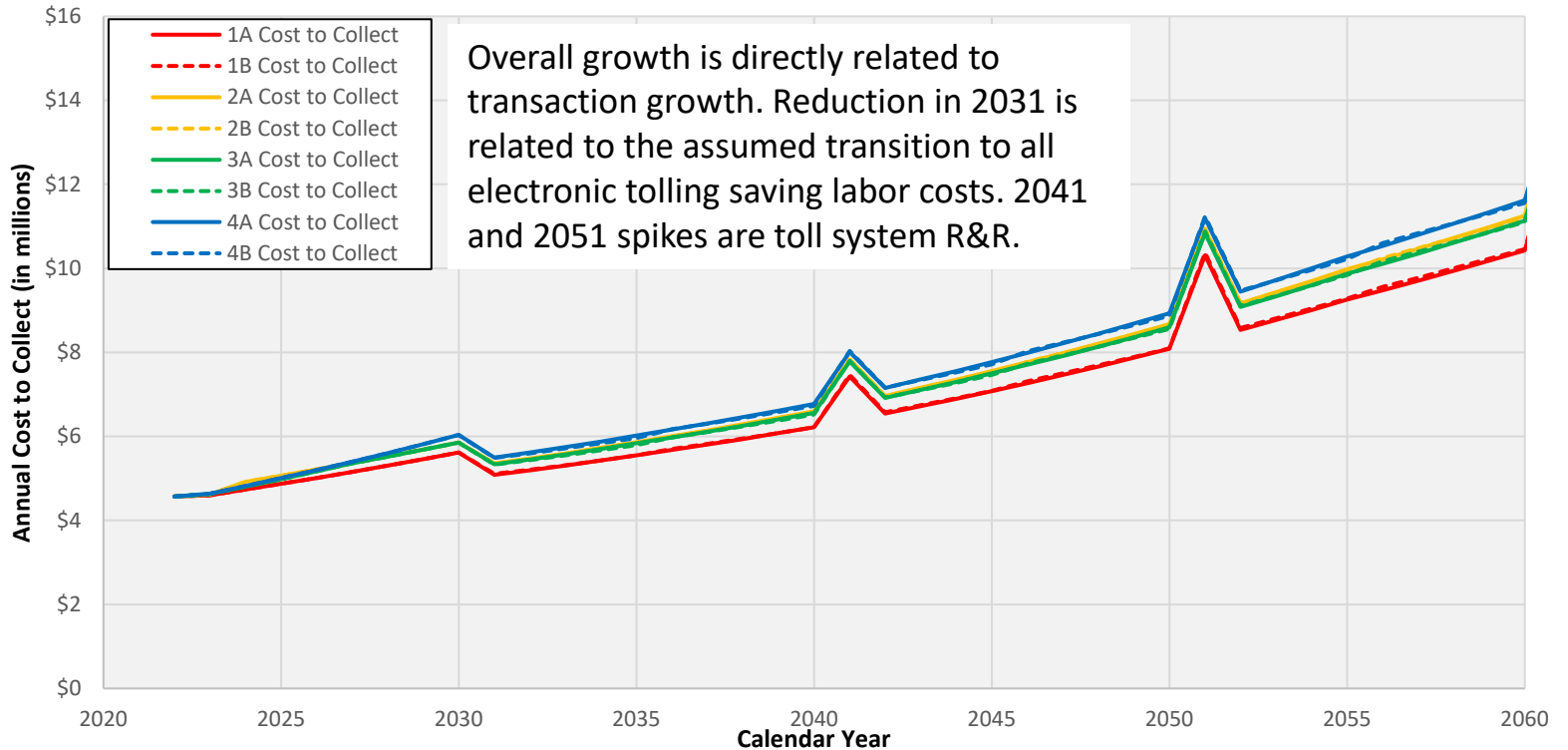
Annual Adjusted Gross Toll Revenue



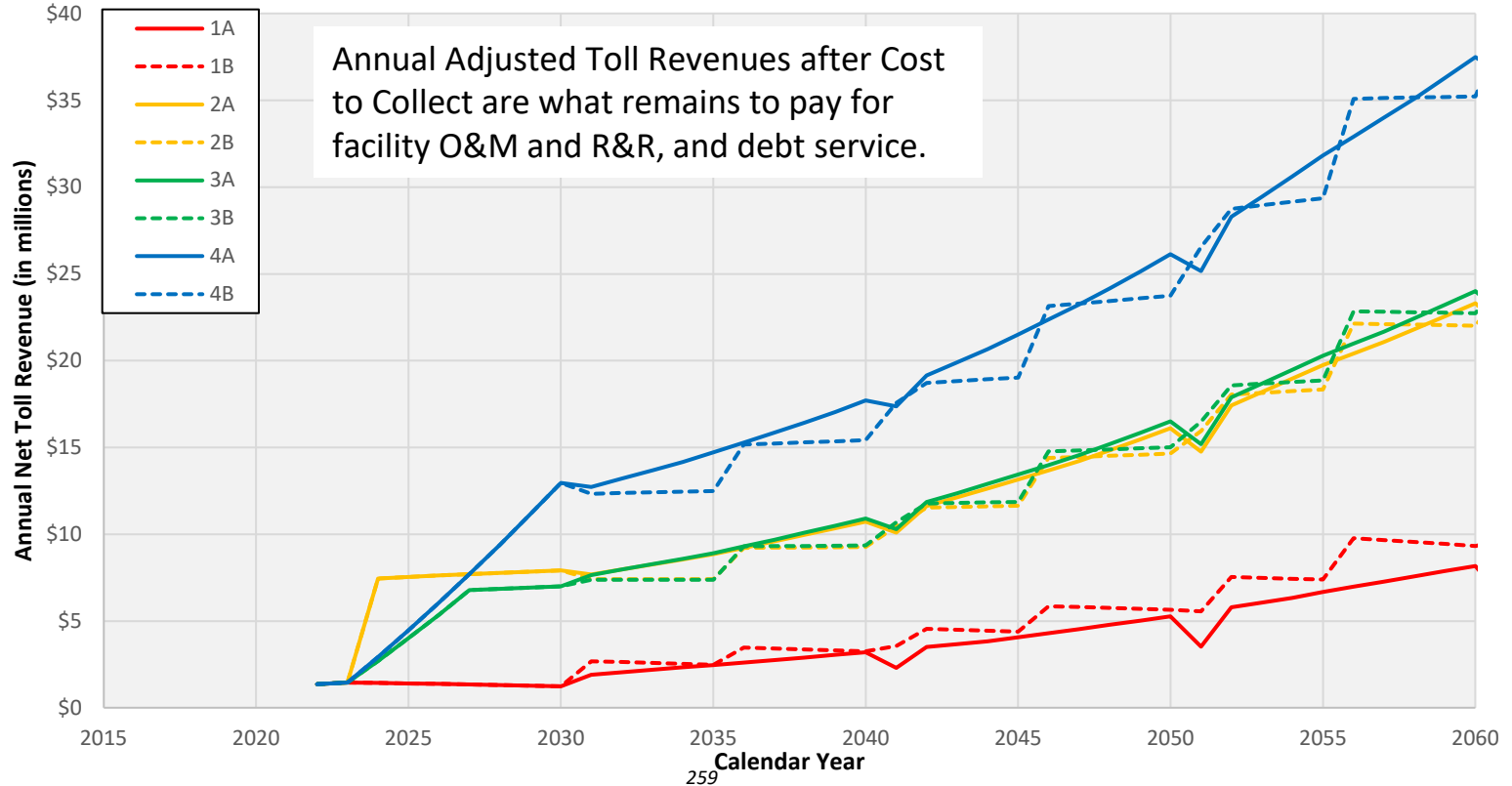
Adjusted Toll Revenue after Cost to Collect

- Cost to Collect Tolls
 - Toll system operations & maintenance (O&M) and repair & replacement (R&R) costs
 - Transaction processing, toll collectors (pre-completion) and support personnel, transponder costs, statement generation, and mailing costs
 - Credit card fees

Annual Cost To Collect



Annual Adjusted Toll Revenue after Cost to Collect





Preliminary Scenario Financial Capacity Analysis

Financial Capacity Analysis Assumptions

“BBB” Rated Bonded Debt

- Debt structure
 - Bonds issued at construction
 - Capitalized interest during construction for 3 years
 - Level debt service for 27 years
- Debt service interest rates
 - 5.08% interest rate
 - *Rates subject to change - current as of 2/28/2023*
- Required debt service coverage ratio
 - Assumed minimum 1.35x ratio of net revenues to bond debt service

Federal TIFIA Loan

- Debt structure
 - Issued as line of credit
 - Capitalized interest during construction
 - Debt service ramps up five years
 - Level debt service for 25 years
- Debt service interest rates
 - 3.93% interest rate
 - *Rates subject to change - current as of 2/28/2023*
- Required debt service coverage ratio
 - Assumed minimum 1.20x ratio of net revenues to TIFIA Loan debt service

Preliminary Financial Capacity (in millions of \$)

- Differences in estimated net revenues available for debt service from each tolling scenario results in a range of financial capacities for each financing option

- “BBB” Rated Bonded Debt

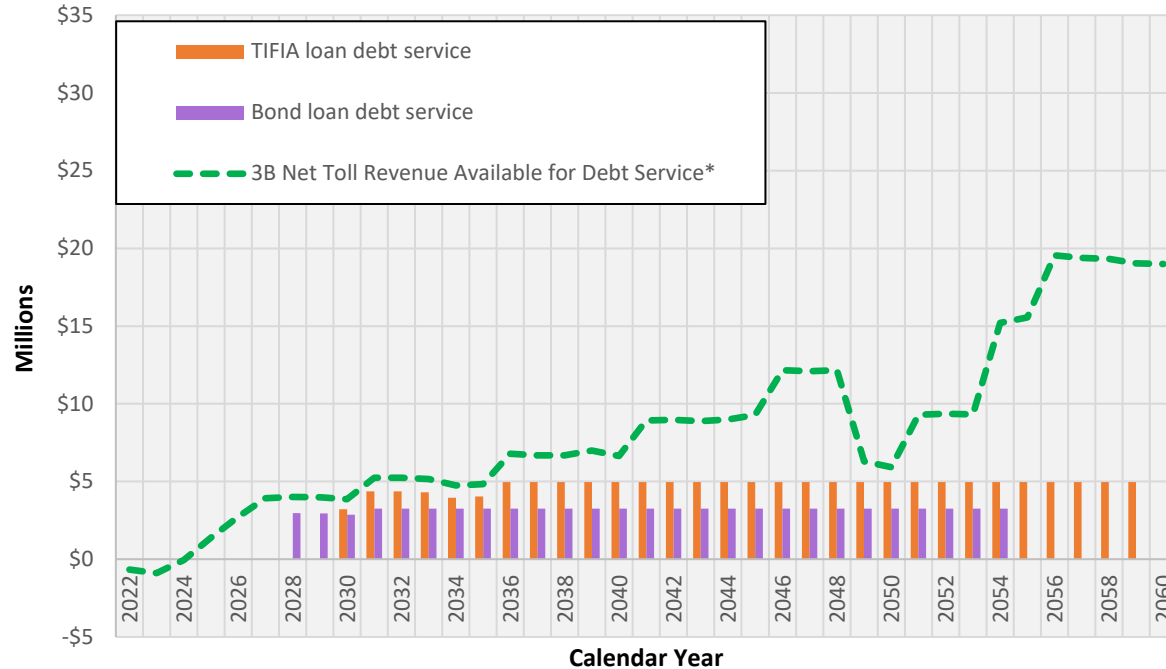
1A - \$0
1B - \$0
2A - \$45M
2B - \$45M
3A - \$40M
3B - \$40M
4A - \$75M
4B - \$70M

- Federal TIFIA Loan

1A - \$0
1B - \$0
2A - \$75M
2B - \$75M
3A - \$75M
3B - \$70M
4A - \$140M
4B - \$140M

Market Interest Rates as of 2-28-2023. Changes in market rates will change the results.

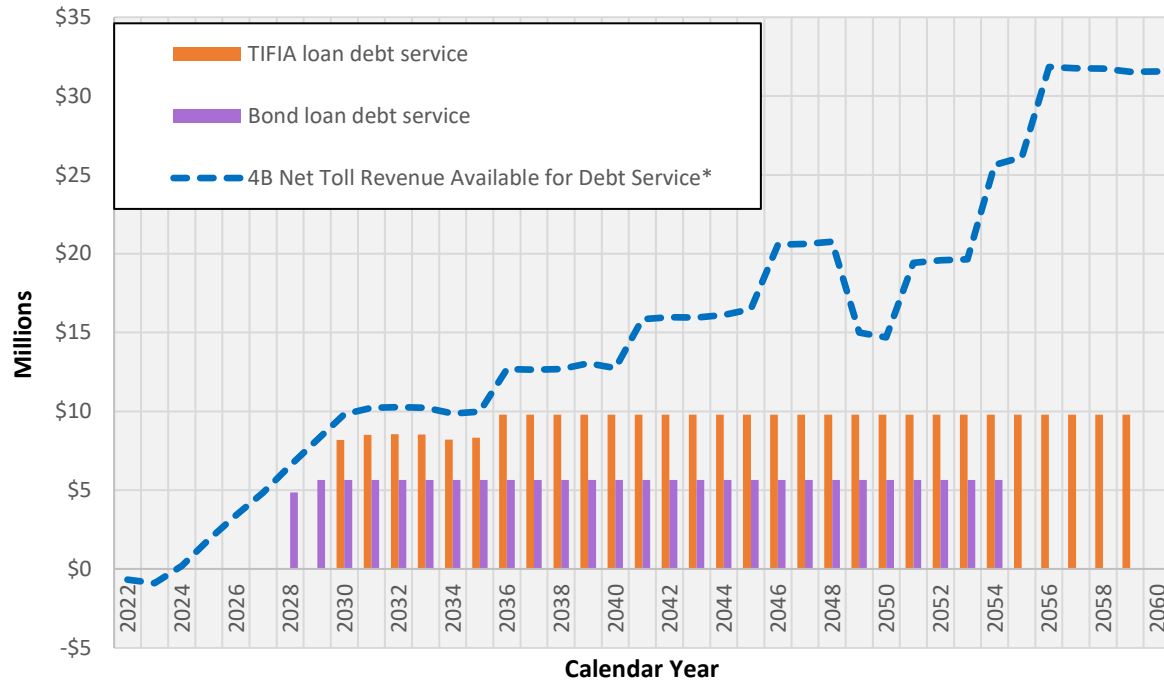
Net Revenue Available for Debt Service vs. Funding Needs – Scenario 3B



- Bridge O&M and R&R assumed to be funded before debt service due to standalone nature of facility and owner agency
- Net toll revenue available for debt service designed to exceed annual debt payments

* Net Toll Revenue Available for Debt Service = gross revenue adjusted for video leakage and net of cost to collect and bridge O&M and R&R

Net Revenue Available for Debt Service vs. Funding Needs – Scenario 4B



- Bridge O&M and R&R assumed to be funded before debt service due to standalone nature of facility and owner agency
- Net toll revenue available for debt service designed to exceed annual debt payments

* Net Toll Revenue Available for Debt Service = gross revenue adjusted for video leakage and net of cost to collect and bridge O&M and R&R



Final Two Scenario Recommendations

Input From Bi-State Working Group *(3-6-23 Meeting)*

- Support advancing bookend scenarios that approximate financing capacity (w/TIFIA Loan) of \$75 million and \$125 million
- Advance WSTC study scenarios based on two BSWG pre-completion toll scenarios:
 - BSWG Scenario 3 - \$1.75/\$3.50 in 2023 (no increase until bridge open)
 - BSWG Scenario 5 - \$2.00/\$3.00 in 2023 (no increase until bridge open)
- Consider a toll rate bump with opening of the new facility
 - Possibly apply as means to achieve higher financing capacity
- Open to the \$2 toll rate differential between BreezeBy and video
- Preference for periodic escalation (ex: 15% every 5 years as opposed to annual escalation)
- Assume using TIFIA Loan funds starting in late 2028 / early 2029

DRAFT Considerations for Final Two Scenarios

- Funding / Financing Needs
 - Should toll rate scenarios attempt to bookend the estimated toll funding range?
- BreezeBy / Video Rate Differential
 - Should escalation be applied to video tolling rates or assume the \$2 differential? To which scenarios?
- Pre-Completion Toll Rates
 - Should the pre-completion options be revised to reflect the current direction from the Bi-State Working Group?
- BreezeBy Toll Rates / Escalation Amount
 - Should a larger escalation amount and/or rate increase upon bridge opening be applied to one of the final options to broaden distinction in revenue capacity?

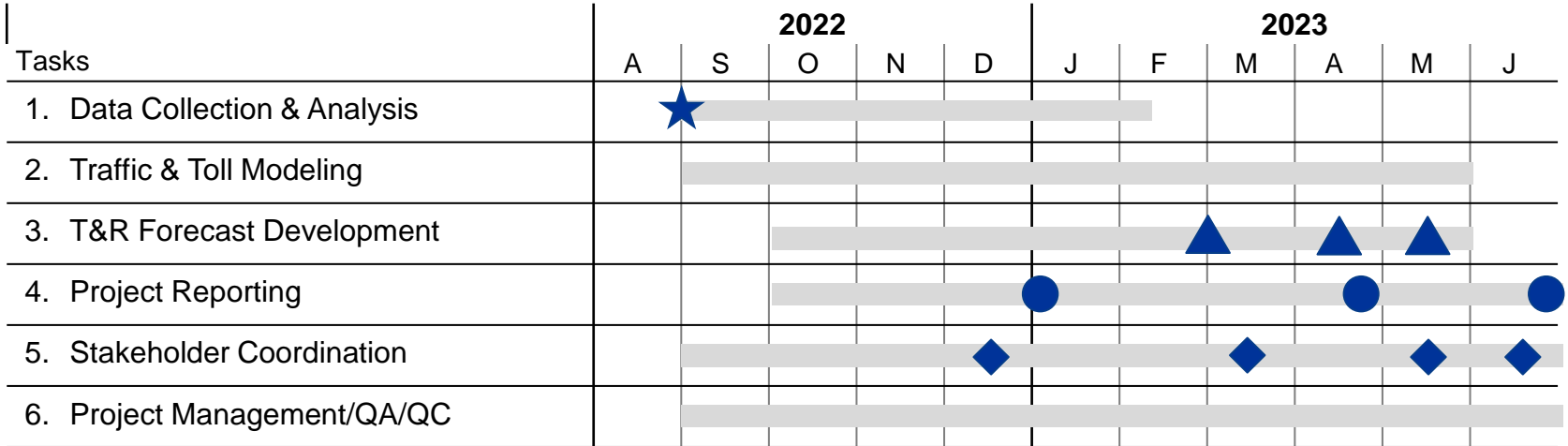
DRAFT Proposal: Final Tolling Scenarios

Existing Toll Rates	BreezeBy	\$1.00	
	Cash / CC	\$2.00	
		Scenario A	Scenario B
Pre-Completion (FY 24-30)		FY 24 Increase by \$0.75 for BreezeBy & \$1.50 for Cash	FY 24 Increase by \$1.00 for BreezeBy & Cash
FY 24	BreezeBy	\$1.75	\$2.00
	Cash / CC	\$3.50	\$3.00
FY 30	BreezeBy	\$1.75	\$2.00
	Cash / CC	\$3.50	\$3.00
Post Completion (FY 31-51)		15% Increase every 5 yr starting in FY 36 (BreezeBy)	15% Increase every 5 yr starting in FY 36
FY 31	BreezeBy	\$2.00	\$2.50
	Video	\$4.00	\$5.00
FY 51	BreezeBy	\$3.50	\$4.45
	Video	\$5.50	\$8.75
Estimated Financial Capacity Target		\$75 million	\$125 million



Next Steps / Workplan

Project Update - Schedule



Month	Key Milestones
Aug 2022	Notice To Proceed
Nov 2022	Potential Scenarios
Dec 2022	WSTC briefing, Report Outline
Mar 2023	Preliminary T&R forecasts (8 scenarios)

Month	Key Milestones
May 2023	Refined T&R forecasts (2 scenarios)
May 2023	Draft T&R Report
May 2023	WSTC meeting, final T&R forecasts
Jun 2023	WSTC meeting, final T&R Report

Questions / Contact:

Carl See

Deputy Director

Washington State Transportation Commission

seecarl@wstc.wa.gov

360-705-7070

This page intentionally left blank.



Executive Director's Report
March 21, 2023

ADMINISTRATION – KEVIN GREENWOOD, EXECUTIVE DIRECTOR

- *Staff has been working to revise the draft Rate & Fees resolution to provide for Commission recommendations from the March 7 meeting. Attached is a revised version that includes addition of a percentage change column for tracking purposes. Staff is still working to devise ways to include justification language, self-sufficiency progress tracking language, and public input and justification information into this streamlined process. This language may need to be presented and recorded in the accompanying staff memo each time the new Resolution is considered for approval, rather than within the Resolution itself. Commission feedback is appreciated.*
- *At the Commission's direction from the March 7 meeting, legal counsel sent the attached letter to Lumen regarding the required repair to their utility on March 10.*
- *Attended the Hood River Valley Parks & Rec. District board meeting on March 15th to listen to a presentation on the District's process for funding additional capital projects and services to the community. An outline of key decisions for a base funding package is attached. This is very introductory with a goal of taxing proposal being submitted to the voters in May 2024.*
- *A memo is attached to this report updating the Commission on Lot 1.*
- *I will be in Washington D.C. March 19-24 for the PNWA Mission to Washington conference and will therefore not be at the meeting tonight. Deputy Director Genevieve Scholl is on vacation, so Finance Director Debbie Smith-Wagar will facilitate the meeting for staff. Thank you, Debbie!*
- *Staff submitted the grant application to the EDA Public Works Economic Adjustment Assistance FY2020 NOFO on March 17. We anticipate a 90-day period to notification of award result.*
- *I attended the March 13 Urban Renewal Agency meeting to confirm the Port's request for a single owner district for Lot 1. The URA is moving forward with efforts to form the West Side Urban Renewal District, holding out 15 acres from that district's total need to accommodate the remaining work for the Lot 1 decision.*
- *Genevieve attended the Columbia Gorge Economic Resiliency Team meeting on March 9. Convened by MCEEDD, the meeting included a detailed report from the Oregon state economist on current recovery outlook. The latest Columbia Gorge Economic Indicators report is attached.*

FINANCE – DEBBIE SMITH-WAGAR, FINANCE DIRECTOR

- *Tara Kamp of Pauly Rogers will attend tonight's meeting to present the Communication to the Governing Body and the FY 2021-22 Audit.*
- *Budget preparation and forecasting are underway in earnest. Deputy Finance Manager Jana Scoggins has completed the required real property returns for this year.*
- *One full-time toll collector will be out for a number of weeks on medical leave. Marcela Diaz is working to fill his shifts and both full and part-time toll collectors are stepping up to work those shifts. Thank you to all for this extra help.*

RECREATION/MARINA – DARYL STAFFORD, WATERFRONT MANAGER

- *Marina- Port staff was contacted by Andreas von Flotow, President of Hood-Aero, seeking float plane dock space in the Marina at the South Basin Dock located behind the DMV building. Mr. von Flotow said Hood Aero is interested in building up their float plane training program and would like to propose a designated base for "straight float" planes that only land on water. Staff responded that the Port only has one dedicated space for a float plane that space is currently leased, and that the Marina Rules & Regs strictly prohibits commercial activity in the moorage. The South Basin Dock is currently leased to the HRYC, Jr. Sailing program, the High School sailing team (GST), seasonal small boat lottery, and Kite School jet ski moorage. We did let Mr. von Flotow know that there may be opportunity in the future development of new docks upon the completion of the bridge replacement project, and that would be a good time for him to make a proposal.*
- *Events- Hood River Cider Fest has confirmed for hosting their April 29, 2023 event and signed a permit with the Port. They anticipate attendance of 2,500 people. This is the 2nd largest event on the Waterfront, second to Harvest Fest.*

LAND DEVELOPMENT / REAL ESTATE – GREG HAGBERY, DEVELOPMENT & PROPERTY MANAGER

- *Staff has been assessing strategies for the relocation of the Port Office and Facilities Shop. Initial analysis indicates using strictly square footage comparisons, that utilization of East wing (both floors) of the Marina #1 Building (Chamber Building) and the office spaces currently occupied by HNTB (second floor of the West wing) could accommodate the administrative functions of Port staff. An ideal location for the Facilities department has not been identified but further analysis is being conducted on the possible use of the Maritime Building as a temporary location is being conducted. A location for public meetings such as Commissioners Meetings, or the numerous advisory group meetings has not been identified. Further information will be provided for consideration once developed.*
- *Staff has received and reviewed proposals received for the RFP for the Lower Mill Market Analysis. You will find staff recommendation in a memo on the Consent Agenda of this week's packet. Staff is continuing to work with Business Oregon to acquire grant funding to offset the cost of this analysis. The RFP process was part of the required steps to receive grant award.*

- *The deadline for the RFP for CE design services for the E. Anchor Way and 1st Street project is March 31, 2023. Four firms participated in the mandatory pre-conference.*
- *Staff continues to work with ODOT and Terra Surveying to facilitate a possible land swap of remnant parcels owed by ODOT and the Port of Hood River along East Port Marina Way and I-84. This project seeks to clean up ownership for both entities.*
- *Staff is working with TRANE to renew the mechanical maintenance contract for the HVAC at the Halyard Building.*

AIRPORT – GREG HAGBERY, DEVELOPMENT & PROPERTY MANAGER

- *Staff met with with the Oregon Department of State Lands (DSL), The Oregon Department of Fish & Wildlife (ODFW), the US Army Corps of Engineers (USACE) and Ecological Land Services, to discuss the development of a refined plan to address the monitoring of the wetland associated with the North Apron project at the airport on Friday 3/18/2023. Follow on direction from the entities with jurisdiction, on how best to address the invasive species that forced a failed monitoring inspection will be provided to Ecological Land Services, who will then provide a formal report that will then be reviewed and approved by said entities.*
- *Spectrum has installed data lines in support of the Fuel Tank project. They are scheduled to connect the system on April 4, 2023. Staff is still waiting for schedule of installation of the 3-phase transformer and associated line work by Pacific Power. Once those utility providers have completed their installation, the Port will have our electrician connect to all necessary equipment to complete the project. Staff is anticipating the tank system to be fully functional by the end of April.*
- *Staff is working with Precision Approach Engineering (PAE) to assess the viability of construction of hangars (T-Hangar or Box Hangar not yet determined) on the South Apron. PAE is researching the strategy to utilize grant funding through the Bipartisan Infrastructure Law program to offset Port capital costs.*
- *In conjunction with a grant amendment for FAA grant 3-41-0026-013-2022 for the North Apron project for \$34,483, staff is coordinating with FAA and Century West to finalize the project and close it out.*
- *The FAA grant funded, AWOS relocation project design, with the intention of locating the wind sensor component remotely from the primary communication system, has been delayed due to possible FAA requirements for further analysis of non-standard use of an exclusive design and the land constraints of a wetland mitigation study likely needed for proposed location of said remote location for wind sensor. FAA scheduling for their grant program made clarification of necessity for analysis and/or wetland mitigation impossible to vet prior to deadlines. The project will be bumped until the next FAA fiscal budget year.*
- *The FBO Report for February is attached.*

FACILITIES/BRIDGE REPORT – JOHN MANN, FACILITIES DIRECTOR

- *Staff completing the concrete for the Dock ramp and Float project.*
- *Staffing crisis in facilities continues. We have one staff member out on medical leave, we had another newer staff member leave due to family issues. We have 3 positions open we have been unable to fill with qualified staff. We are hoping changes can be made to make employment positions at the port more attractive.*
- *John Mann spoke with Hood River High School trades classes March 10, 2023 and is scheduled to do the same in 4 trade type classes at White Salmon High School March 22, 2023. A great deal of interest was achieved with the visit to Hood River, and we hope for the same in White Salmon. We have had to offer the upper end of our pay scale to drive any interest in our summer positions. Hiring qualified staff for full time positions has actually been the bigger challenge and we will need to offer these positions at the upper end of the scale as well in order to generate interest. There needs to be a discussion in budget planning to raise our pay scale so we can bring in qualified staff and retain the existing trained staff. As other agencies and businesses begin to offer better pay, we risk losing the trained staff we have in place. Last summer we ran an ad for 3 months for two full time positions and we got one unqualified applicant. If we cannot fill these open positions, we will need to begin cutting summer services. The first item on the list will be not opening bathrooms and operating with porta-potties to be able to keep up with the day-to-day facilities workloads.*
- *Port staff is preparing a security RFP which will be presented to the board at the next meeting for board approval to go out to ad with the RFP. This RFP will bring a full-time security patrol to port properties and will handle night lockups, night security and late in the day parking assistance.*
- *Security at the port has been greatly missed and we have had increasing break ins and theft since we last had uniformed security on port properties. We have been completely unsuccessful bringing in a security company due to our location. To get interest in this work we need to create a 40 hour a week job to make it worthwhile for a security company to patrol port properties with staff they bring to our area. Estimated yearly cost will be \$135,000. Port staff will demonstrate where the yearly funding will come from when they bring the RFP to the board for approval to take it out to ad.*

**PORT OF HOOD RIVER
Resolution No. 2022-23-X**

A RESOLUTION SETTING RATES, FEES, AND CHARGES

WHEREAS, ORS 294.160 requires the governing body of a unit of local government to provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase; and

WHEREAS, the Port of Hood River seeks to streamline the process for setting rates, fees, and charges with a single, annual resolution; and

WHEREAS, the Port Commission seeks to achieve financial self-sustainability in all areas of Port operations by 2029, including the airport, marina, waterfront parks, port-owned buildings and developments; NOW THEREFORE;

THE PORT OF HOOD RIVER BOARD OF COMMISSIONERS RESOLVES AS FOLLOWS:

Section 1. Waterfront and Marina Rates & Fees for service. Rates become effective [insert date enacted].

Waterfront Concessions	Permit/ Rental Fee	% Change
Club CGWA- The Hook- Non-Profit 6 month term	\$ 1,500.00	0
Club- Outrigger Canoe Club- Nichols Basin- Non Profit 7 month	\$ 1,500.00	0
Lesson Rental Jet Ski Slip at the South Basin Dock- annual per ski	\$ 150.00	0
Lesson/Rental Event Site Upper Dock- Large- 6 month term	\$ 3,696.00	0
Lesson/Rental Event Site Upper Dock- Small- 6 month term	\$ 1,848.00	0
Lesson/Rental Nichols Basin- 6 month term	\$ 2,772.00	0
Lesson/Rental The Hook- 6 month term	\$ 2,772.00	0
Lesson/Rental The Spit- 6 month term	\$ 2,772.00	0
Lesson/School Event Site Lower Dock South end-Non-Profit small- 6 month term	\$ 1,500.00	0
Lesson/School Gorge Jr. Sailing- South Basin- Non-Profit annual term	\$ 1,500.00	0
Mobile Concession Guide Service- SUP Downwind Tours- 6 month term	\$ 150.00	0
Mobile Concession Pedicab- 6 month term	\$ 150.00	0
Sailboat Charter- Marina Commercial Dock- 6 month	\$ 1,650.00	0
Storage Marina Park Shed- annual	\$ 1,848.00	0
Storage Maritime Parking- monthly	\$ 100.00	0
Storage Nichols Basin Shed Winter-monthly	\$ 200.00	0
Storage The Spit Winter Shed Sublease Port pays vendor- 6 month term	\$ (250.00)	0
Storage The Spit Winter Shed Sublease- Sublessee pays Port- 6 month term	\$ 500.00	0
Electrical Service Fee Reimbursement – For electric pedestal amperage overloads. First service call included in base rate. All other service reimbursements may be charged at actual cost to port.	\$xxx	

Marina	Moorage /Rental Fees	
Cruise Ship- Marina Basin North Jetty Commercial Dock fee per stop	\$ 350.00	0
Cruise Ship- Marina Basin North Jetty Commercial Dock Shuttle docking fee per stop	\$ 200.00	0
Cruise Ship- Marina Outside Bollards Jetty Docking fee per stop	\$ 150.00	0
Cruise Ship- Marina Outside Bollards Jetty Maintenance fee- annual	\$ 6,000.00	0
Cruise Ship- Marina Outside Bollards Utility fee per stop	\$ 35.00	0
Guest Dock overnight at boat ramp 20-29'	\$ 25.00	0
Guest Dock overnight at boat ramp 30-39'	\$ 30.00	0
Guest Dock overnight at boat ramp 40-49'	\$ 35.00	0
Guest Dock overnight at boat ramp 50-59'	\$ 45.00	0
Guest Dock overnight at boat ramp under 20' per night	\$ 15.00	0
Guest North Jetty Commercial Dock Private vessel 60-74' per day	\$ 75.00	0
Guest North Jetty Commercial Dock Private vessel 75-100' per day	\$ 100.00	0
Guest North Jetty Commercial Dock Private vessel 100-150' per day	\$ 145.00	0
Hood River Yacht Club- clubhouse- monthly	\$ 679.00	0
Hood River Yacht Club- South Basin Dock lease- annual	\$ 3,000.00	0
Hood River Yacht Club public restroom shower fee	\$.75	0
Moorage Boathouse Slip Annual Assessment Fee	\$ 1,650.77	0
Moorage Boathouse Slip annual per square foot	\$ 1.66	0
Moorage Boathouse Slip Base Electric- annual fee	\$ 60.00	0
Moorage Boathouse Slip Base Water/Garbage- annual fee	\$ 60.00	0
Moorage Shell Dock- annual fee	\$ 429.00	0
Moorage Slips 30' and under A, B, and C North West facing- annual	\$ 1,668.00	0
Moorage Slips 30' and under C-Dock North East facing annual	\$ 1,876.00	0
Moorage Slips all Boat Docks Annual Assessment fee	\$ 442.55	0
Moorage Slips Over 30'-35'	\$ 2,028.00	0
Moorage Slips Over 35'-40'	\$ 2,240.00	0
Moorage Slips Over 40'-43'	\$ 2,399.00	0
Moorage Slips End Slip C-Dock North 43'-65'	\$ 3,240.00	0
Moorage Slip Sublease fee to the Port- set up fee	\$ 150.00	0
Moorage Dingy & Jet Ski Fee- must fit in the perimeter of slip with vessel- monthly	\$ 50.00	0
Moorage Annual Payment Late fee- per month	\$ 75.00	0
Marina Oil Spill Clean Up Fees – charge for each man hour at the established labor, equipment charges extra.	\$xxx	0
Electrical Service – at current Pacific Power electrical rate	\$xxx	0
Water Service – at current City of Hood River water rate	\$xxx	0
Impound Seizure Fee	\$ xxx	0
Marina Fuel Dock – Fuel rate at current Shell Station fuel price	\$xxx	0
Crane Access Fee – Per day	\$xxx	0
Marina Boat Ramp Launch Fee	\$xxx	0
Marina Boat Ramp Parking Fee	\$xxx	0

South Basin Dock- Concession Jet Ski slip 6 month term	\$ 150.00	0
South Basin Dock- Float plane annual	\$ 1,487.00	0
South Basin Dock- Hood River Yacht Club floats- annual	\$ 3,000.00	0
South Basin Dock- Jr. Sailing floats- annual term (Included in Concession agreement)	\$ 1,500.00	0
South Basin Dock- Seasonal Lottery 6 month term	\$ 1,041.00	0
Sublease Initiation Set Up Fee	\$ 150.00	0
Sublease Renewal Fee	\$ 35.00	0
Marina Key card Moorage	\$ 35.00	0
Marina Key South Basin Dock	\$ 50.00	0
Marina Wait List Entry Fee - one time fee	\$ 100.00	0
Marina Betterment Slip Change	\$ 35.00	0
Waterfront Event Permits	Event Permit Fees	0
Picnic Shelter Up to 50 people exclusive use-per day N/A in 2023	\$ -	0
Marina Park/ Hook/ Spit/ Lot #1/ Nichols Basin- not exclusive use up to 50 people per day	\$ 200.00	0
Marina Park/ Hook/ Spit/ Lot #1/ Nichols Basin- not exclusive use 50-100 people per day	\$ 325.00	0
Marina Park/ Hook/ Spit/ Lot #1/ Nichols Basin- not exclusive use Over 100 people per day	\$ 800.00	0
Marina Green- not exclusive use up to 50 people per day	\$ 200.00	0
Marina Green- exclusive use 50-100 people per day	\$ 350.00	0
Marina Green- exclusive use over 100 people per day	\$ 800.00	0
Marina Green- exclusive use over 200 people per day	\$ 1,300.00	0
Event Site September - June- not exclusive use up to 50 people per day	\$ 200.00	0
Event Site July & August- not exclusive use up to 50 people per day	\$ 300.00	0
Event Site September - June- not exclusive use 50-100 people per day	\$ 375.00	0
Event Site July & August- not exclusive use 50-100 people per day	\$ 500.00	0
Event Site September - June- exclusive use of grass area over 100 people per day	\$ 1,500.00	0
Event Site July & August- exclusive use of grass area over 100 people per day	\$ 2,200.00	0
Event Site September - June- exclusive use of grass area & parking lot over 100 people per day	\$ 1,800.00	0
Event Site July & August- exclusive use of grass area & parking lot over 100 people per day	\$ 2,700.00	0
All locations Event Set-up and breakdown days non exclusive use per day	\$ 300.00	0
Waterfront Parking	Parking Fees	0
Event Site Day Pass regular sized vehicle 20' and under per day	\$ 15.00	0
Event Site Day Pass oversized vehicle over 20' per day	\$ 25.00	0
Event Site/Jensen West Season Pass regular sized vehicle 20' and under annual	\$ 200.00	0
Event Site Season Pass Oversize vehicles over 20' over annual	\$ 350.00	0
On street parking all zones non commercial vehicles- per hour	\$ 2.50	0
On street parking Commercial Zone 6 trucks only per day	\$ 30.00	0
Parking fine- overtime	\$ 20.00	0
Parking fine- non payment	\$ 50.00	0
Parking fine- parking in an unauthorized space	\$ 50.00	0
Parking fine- overnight (any time between 11PM and 6AM)	\$ 90.00	0

Parking fine- Trucks no pay or time expired Zone 6	\$ 50.00	0
Parking fine- Parking in Handicap, Fire Lane, or Other Prohibited Space	\$ 75.00	0
Parking Fine Payment Late Fee - overtime citation non-payment 30+/60+/90+/collections	\$ 20.00	0
Parking Fine Payment Late Fee - non-payment 30+/60+/90+/collections	\$ 20.00	0
Parking Fine Payment Late Fee - parking in an unauthorized space citation non-payment 30+/60+/90+/collections	\$ 20.00	0
Parking Fine Payment Late Fee - overnight citation non-payment 30+/60+/90+/collections	\$ 40.00	0
Parking Fine Payment Late Fee - Trucks no pay or time expired zone 6 citation non-payment 30+/60+	\$ 40.00	0
Parking Fine Payment Late Fee - Trucks no pay or time expired Zone 6 citation non-payment 90+/collections	\$ 80.00	0
Parking Fine Payment Late Fee - parking in handicap, fire lane, etc. citation non-payment 30+/60+/90+/collections	\$ 40.00	0
Tow / Impound Seizure Fee	\$xxx	0

Section 2. Port Administration and Customer Service Fees. Rates become effective [insert date enacted].

Administrative Service	Fee	% Change
Hard copy of Public Improvement Project plans & specs packet	\$ 35.00	0
Public Information Records Request - staff time	\$20 per hour, billed in 15 minute increments	0
Public Information Records Request - hard copies	\$0.25 per printed side	0
Travel Reimbursement Rates – follow current IRS mileage rate, no per diem.	\$0.655 per mile	0
Conference Room Rental Fee		0
Returned Check Fee. Plus bank Fees.	\$xxx	0

Section 3. Tolls and Toll Related Fees and Charges. Rates become effective [insert date enacted].

Tolls & Fees	Cash / Breezeby Rates	% Change
Class 1 - Passenger Autos & Pickups	\$2.00 / 1.00	0
Class 2 - Commercial Trucks and Vans	\$6.00 / \$4.00	0
Class 3 - 3 Axle Trucks	\$9.00 / \$6.00	0
Class 4 - 4 Axle Trucks	\$12.00 / \$8.00	0
Class 5 - 5 Axle Trucks	\$15.00 / \$10.00	0
Class 6 - 6 Axle Trucks	\$18.00 / \$12.00	0

Class 7 - 7 Axle Trucks	\$21.00 / \$14.00	0
Class 8 - 8 Axle Trucks	\$24.00 / \$16.00	0
Class 9 - 9 Axle Trucks	\$27.00 / \$16.00	0
Class 10 - 10 Axle Trucks	\$30.00 / \$20.00	0
Class 11 - 11 Axle Trucks	\$33.00 / \$22.00	0
Class 0 - Motorcycles	\$1.00 / \$0.75	0
License Place Recognition System - Invoice Ancillary Fee	\$3.00	0
License Place Recognition System - Late Fee	\$25.00	0
Breezeby 6C Transponder (Vehicle/Motorcycle)	\$5.00	0
License Plate Transponder	\$27.00	0

Section 4. Airport T-Hangar Rental Rates and Related Charges. Rates become effective [insert date enacted].

Airport	Permit/ Rental Fee	% Change
T-Hangar A – annual	\$4,399.00	0
T-Hangar B - annual	\$4,442.00	0
T-Hangar C – annual	\$4,915.00	0
T-Hangar Wait List Fee – one time charge	\$100.00	0

Section 5. Insurance Certificate Limits. Effective [insert date enacted]. Additional coverages may be required based upon business type and Port's discretion. A certificate naming the Port as an additional insured in also required.

Building Lease Tenants	Required Limit	% Change
1. General Liability, Each Occurrence	\$ 2,000,000	0
2. Damages to Rented Premises, Each Occurrence	\$ 300,000	0
3. Medical Expense, Any One Person	\$ 5,000	0
4. Personal and Adverse Injury	\$ 2,000,000	0
5. General Aggregate	\$ 2,000,000	0
6. Products – Comp/OP Aggregate		0
Marina Moorage Tenants		0
1. General Liability Protection & Indemnity, Wreck Removal	\$500,000	0
a. Pollution Coverage	\$ 25,000	0
b. Watercraft Liability, specifically includes wreck removal and pollution.	\$ 500,000	0
Marina Boathouse Tenants		0
1. General Liability Protection & Indemnity, Wreck Removal	\$500,000	0

a. Pollution Coverage	\$25,000	0
Marina Float Plane Tenant- Aircraft Insurance Liability	\$1,000,000	0
Marina Cruise Ship Moorage		0
1. General Liability Protection & Indemnity	\$10,000,000	0
a. – Wreck removal/clean up/pollution	\$1,000,000	
Airport Tenants		0
T-Hangar Tenants	\$ 1,000,000	0
Hangar Tenants	\$ 1,000,000	0
Tie-Down Tenants	\$ 1,000,000	0

Section 5. Delegation of Responsibility. The Commission delegates to Executive Director the ability to adjust these rates on a temporary basis to better manage services at the Port of Hood River. Any adjustments to these rates will be reported to the Commission at its next regular meeting.

Section 6. Annual Review. The Commission, through assistance by Port staff, shall annually review and adopt a new rate, fees and charges resolution prior to the subsequent budget's adoption.

Section 7. Repealer. All previous rates and/or rate resolutions are hereby repealed.

APPROVED AND ADOPTED BY THE PORT OF HOOD RIVER BOARD OF COMMISSIONERS on this [date] day of [month] 2023.

Ben Sheppard, President

ATTEST:

Michael Fox, Secretary



CAMPBELL PHILLIPS PC
Attorneys at Law

March 10, 2023

Michael Breshears
Manager Regional Ops Central Oregon
100 NW Kearney AVE, Bend OR 97703
michael.breshears@lumen.com

Re: Port of Hood River- Interstate Bridge Utility License

Dear Mr. Breshears,

I am general counsel for the Port of Hood River (the "Port"). It has recently come to my attention that you are in violation of the terms of the Utility License Agreement (the "Agreement") entered into with the Port on September 26, 2022. As you know, several cables installed by you became entangled at some point in or before November 2022. As you also know, the cables became entangled again shortly after your initial repair of the entanglement in November 2022. Now, approaching one and one half (1.5) years later, those cables remain unrepaired and entangled and constitute a serious hazard to Port maintenance staff working in the vicinity of the cables and the general public traversing the bridge.

Please note paragraphs 5.1 and 5.2 of the Agreement, in relevant part:

5.1: "CENTURYLINK agrees to install, operate, and maintain its facilities leading to and attached to the bridge in a good and safe conditions and in the manner required or approved by the Port."

5.2: "All work in connection with the facility or operations authorized by the Port shall be done in a neat and workmanlike manner. . . ."

Our region, and particularly though the Columbia River Gorge, experiences extremely high winds each Spring. **It is the Port's opinion that this constitutes an emergency.** Accordingly, pursuant to paragraph 7.2 of the Agreement, please take immediate action to make your facilities safe. We expect that upon the Port's approval of the plans you provided on February 21, 2023, the cables will be repaired, and the emergency abated, within **no more than thirty (30) days.** If you do not comply, we will consider you in breach of the Agreement.

Michael Breshears
March 10, 2023
Page 2



Please do not hesitate to contact me with questions or concerns.

Sincerely,

CAMPBELL PHILLIPS PC

A handwritten signature in blue ink, appearing to read 'Kristen A. Campbell'. The signature is fluid and cursive, with the first name being the most prominent.

Kristen A. Campbell

KAC
By Email

**Hood River Valley Parks and Recreation District
Funding & Consolidation of Services Proposal
SUMMARIZED**

Outline and Timeline of Key Decisions – Base Funding Package

- February 1 – April 10, 2023
 - Assist district staff with developing a funding proposal to construct and operate a new aquatic and recreation center. Include funding for existing services.
 - Assist district staff with developing a long-term sustainable funding plan to assure existing services are maintained and enhanced, including operations of the new aquatic and recreation center.

- April 19, 2023
 - Present draft proposal to HRVPRD Board for their consideration, comment, review, and direction.

- May 17, 2023
 - Present final proposal to the HRVPRD Board on May 17, 2023.

Outline and Timeline of Key Decisions – Enhanced Services Funding Package

June 1 – September 1, 2023

- Facilitate meetings with governmental partners to assess the viability of the district's proposal for long-term operations funding and construction of a new aquatic and recreation center. Receive feedback. Make revisions as appropriate.

- Facilitate discussions regarding the breadth and scope of consolidation of park and recreation services within the county. Determine funding needs and requests from:
 - City of Cascade Locks
 - City of Hood River
 - Hood River County
 - Port of Hood River
 - Hood River School District

- From these discussions, develop an initial funding proposal for the district and the consolidation of services.

September 1 – October 31, 2023

- With assistance of staff, present a funding plan for the district and the proposed consolidation efforts to the Chief Elected Officials of the district, City of Hood River, City of Cascade Locks, Hood River County, Port of Hood River, and Hood River County School District. Revise plans, as necessary.
- Facilitate hiring a public opinion research firm to complete a community survey of likely voters who reside within the district. The primary purpose of the survey would be to determine voters support for increased taxes to: (1) construct a new aquatic and recreation center; (2) provide long-term funding support for district operations; and (3) support consolidation of park and recreation services in Hood River County.

November 1 – January 15, 2023

- Based on the outcome of the survey and information gathered to-date, determine how best to proceed and if it is wise to include the consolidation proposal in a funding measure. Make recommendation to the HDVPRD Board. Inform partners of the board's decision. The board may want to hold a public hearing to hear additional thoughts from community members.
- If the final funding mechanism requires the approval of Hood River County to implement, facilitate discussions with the appropriate stakeholders to gain approval to proceed. If the final proposal is only associated with district operations and debt service, work with the district board to place a tax measure(s) on the ballot for consideration by district voters.

February 2024

- Submit ballot measure(s) SEL forms to County Clerk for submission to the voters in May 2024.

DATE: March 16, 2023
TO: Port Commission
FROM: Kevin Greenwood, Executive Director
RE: LOT 1 DEVELOPMENT ISSUES

There are many moving pieces regarding policy issues made by the Commission regarding Lot 1. This memo is intended to summarize the recent actions and to provide an update on those actions. In time, the Commission may want to reaffirm its direction to staff or otherwise discuss alternate paths forward. Here are the issues:

RECENT COMMISSION ACTION

EDA PUBLIC WORKS & ECONOMIC ADJUSTMENT ASSISTANCE GRANT APPLICATION 2020 NOFO. Approved by the Commission March 7, 2023. Application submitted March 17, 2023. Decision to be made within 90 days. Ask for \$981,000 is for construction of Anchor Way/First St. realignment.

ISSUANCE OF PROCUREMENT OF ENGINEERING FOR ANCHOR WAY/FIRST ST. Approved by the Commission February 7, 2023. Submittals due March 29. Contract starts June 21. The construction estimate total (inc. 30% contingency from Nov. 2021) is \$4,290,722 (\$2.7M for First St. plus \$1.5M for Anchor Way). Engineering is estimated at an additional \$650,000 total. The Port received \$1,000,000 for this engineering phase.

REQUEST FORMATION OF SINGLE-PROPERTY OWNER URBAN RENEWAL DISTRICT FOR LOT 1. Approved by the Commission January 10, 2023. Executive Director and UR Consultant, Elaine Howard, presented concept to Urban Renewal Advisory Board on January 19, 2023. Advisory Board moved concept forward to full UR Agency for consideration on February 13, 2023. Questions revolved around what would be developed on Lot 1 and a request for history of waterfront planning. The URA asked for materials and agreed to consider the formation at their March 15th regular meeting. Port Commission reviewed a memo prepared by staff and Commissioner Sheppard in the March 7 meeting packet and the memo was forwarded to the City. The URA at their March 15th meeting agreed to set approximately 15 acres aside from the maximum amount of available city lands to be considered for a future single property owner URD once there is a more defined plan for the parcel.

APPROVE \$500,000 GRANT AGREEMENT WITH OREGON DEPT. OF ADMIN. SERVICES FROM FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUNDING (CSFRF) FOR E. ANCHOR WAY INDUSTRIAL STREET PROJECT. Approved June 21, 2022. Completion deadline is June 30, 2024. Agreement expires October 1, 2024. Full disbursement received Summer 2022. No expenditures have been applied to this grant. Anchor Way engineering would be an eligible expense. This money cannot be re-directed to another Port project. There is no apparent option for agreement extension.

APPROVE \$500,000 IMMEDIATE OPPORTUNITY FUND GRANT AGREEMENT WITH ODOT FOR E. ANCHOR WAY. Approved February 1, 2022. Completion deadline is April 11, 2027. No expenditures have been applied to this grant. Engineering would be an eligible expense.

ANALYSIS

The Port did meet with ODOT to discuss trip thresholds for the Exit 63 on March 7th. The driving document is the Interstate 84 Exit 63 & 64 Interchange Area Management Plan (IAMP) (<https://cityofhoodriver.gov/wp-content/uploads/bsk-pdf-manager/2019/03/I-84-Exit-63-64-Interchange-Area-Management-Plan.pdf>) Page 50 of the plan indicates that development pushing trip counts over 500 weekday PM peak hour volume would trigger additional improvements to Exit 63.

The Port could hire a separate traffic engineer to look at various development scenarios and the impacts on 2nd St. and Riverside Dr and 2nd St. and Anchor Way. This study could show how development would require improvements at either intersection. Another option would be to invite developers, ODOT and city planning reps to discuss the best way to implement engineering in the Lot 1

OPTIONS

1. Return grants and hold off on road improvements until a more certain plan is identified for Lot 1/Lot 900.
2. Continue forward with the engineering contract with the road plan identified in the KPFF conceptual plans for Anchor Way and First St.
3. Convene a roundtable – separate from the visioning effort for the final programming on the sites – to generate consensus for an engineering plan in order to utilize the grant funding.

-###-

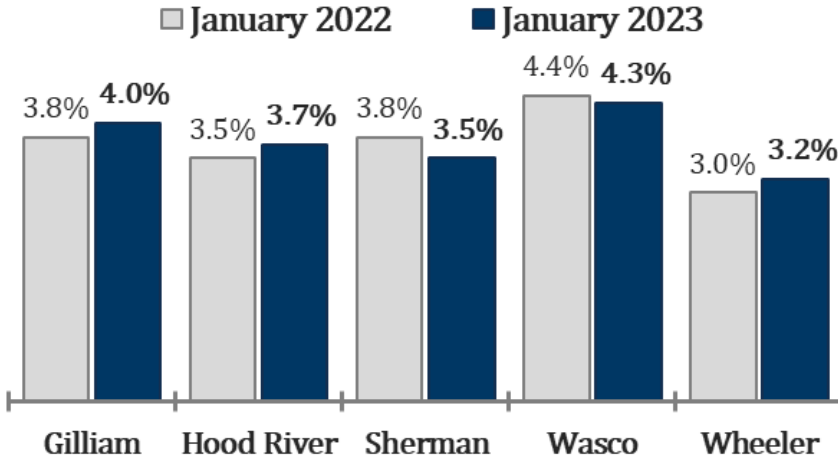


Columbia Gorge Economic Indicators

(January 2023 data)

February 2023 Edition

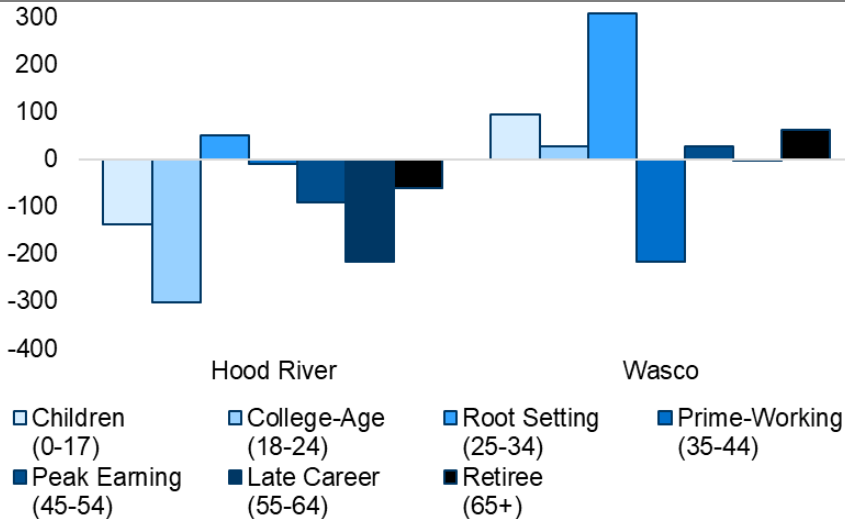
Local Area Unemployment Rates (Seasonally adjusted)



Graph of the Month

Net Domestic Migration in the Columbia Gorge by Age

Source: Census, 2021 5-Year American Community Survey

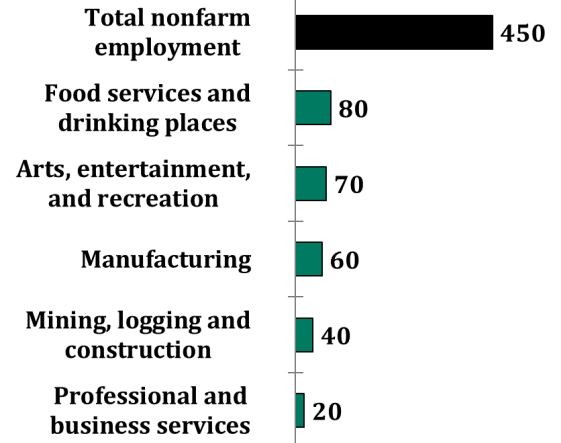


Net domestic migration data from the 2021 5-Year American Community Survey (ACS) generally shows strong migration out of Hood River and weak migration in to Wasco. Unfortunately, the data isn't significant for Gilliam, Sherman and Wheeler counties.

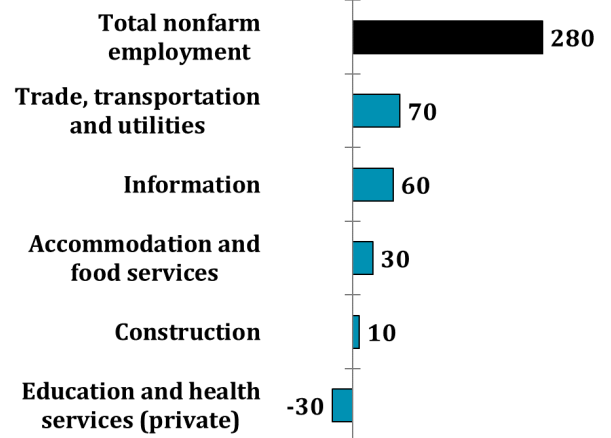
Broadly speaking, Hood River is losing population from domestic migration across all age groups, most notably from the "college-age" and "late career" populations. Wasco, on the other hand, is gaining population from domestic migration, especially among the "root setting" population. Most migration out of Hood River is to elsewhere in Oregon, especially Wasco County. Most migration into Wasco is from elsewhere in Oregon, especially from Hood River.

Select Industry Gains and Losses (Over-the-year net employment change)

Hood River County



Wasco County



Notable Over-the-Year Changes

Gilliam

Total nonfarm employment (+115)
Education and health services (+10)
Trade, transportation and utilities (-5)

Sherman

Total nonfarm employment (+55)
Trade, transportation and utilities (+35)
Government (+5)

Wheeler

Total nonfarm employment (+20)
Leisure and hospitality (+10)
Trade, transportation and utilities (-5)

Want to join the distribution list?

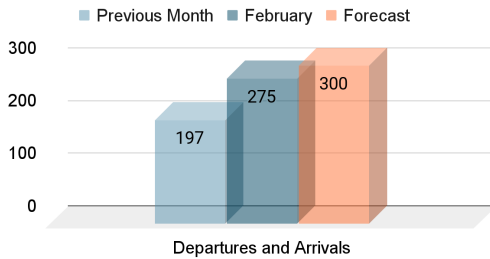
Nicole Ramos Nicole.S.Ramos@employ.oregon.gov

This page intentionally left blank.

Airport Activity:

February provided ample flying days. Departures and arrivals were well above what was projected. We anticipate this trend to continue throughout March.

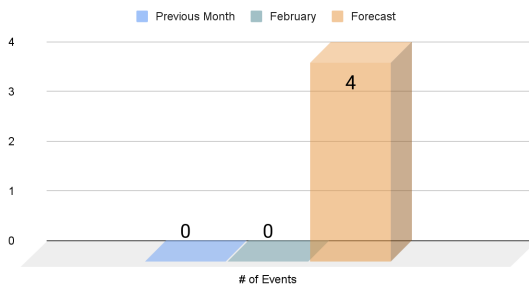
Aircraft Operations



Night Flights:

No night flights were conducted in February. Anticipate minimal R&D flights throughout March as conditions permit. No large night events scheduled.

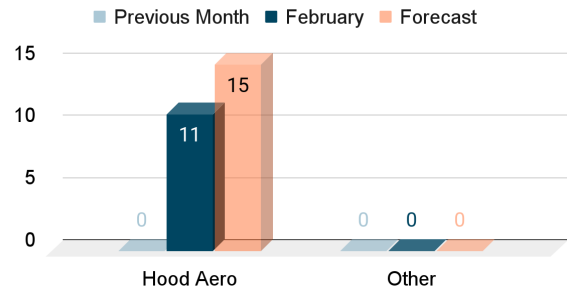
Night Events



Flight Training: Hood Aero conducted 11 training events in February. Most events were into to flying events and short duration endorsement events. Slightly more training events in March sure to

favorable weather

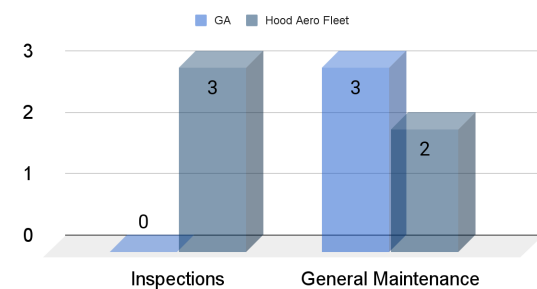
Flight Training Events



Maintenance Activity:

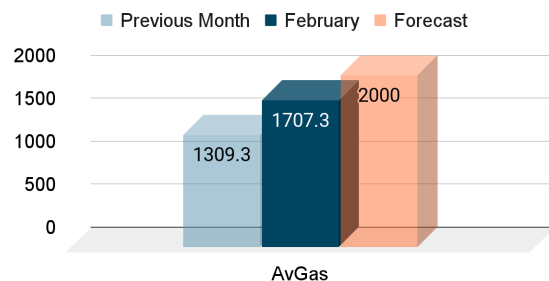
Hood River Maintenance was able to complete 8 maintenance evolutions throughout February. Anticipate continued increase in local pilot interest for maintenance.

Maintenance Events



Fuel Sales: Fuel sales in February were above what was predicted due to favorable weather conditions. Anticipate a steady increase in fuel sales for March.

Fuel Sales (Gallons)



Fuel Flowage Fees:

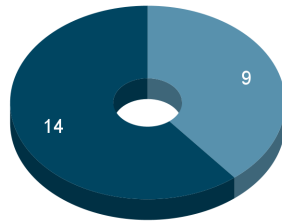
The new fuel tank has been placed at 4S2 and plumbed. Awaiting electrical hookups. When complete and online, the tank will be filled and flowage fees will begin.

Tie Down Activity:

- 23 total spots.
- 83% utilization for February averaged.
- \$35.00 collected in February.

Tie Down Utilization

- Available Tie Downs
- Rented Tie Downs Long Term



Noise Feedback:

No noise complaints taken by the FBO in February.

Pilot Feedback:

No pilot feedback was supplied to the FBO in February.

Airport Surfaces:

	Condition	Notes.
Rwy 7/25		
Grass Strip		
N. Ramp		
S. Ramp		

S. Gravel		
Taxiways		

Facilities:

	Condition	Notes.
N. Hangars		
S. Hangars		
FBO		
MX Hangar		
Ops Hangar		
Collins Hangar		
Blue Hangar		

Lighting:

- No issues noted with airport

Other:

- No other issues noted.