

Port of Hood River Commission
Meeting Minutes of November 19, 2024 Fall Planning Work Session
Via Remote Video Conference & Marina Center Boardroom
1:30 p.m.

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

Fall Planning Work Session

PRESENT: Commissioners: Kristi Chapman (arrived 1:52 p.m.), Heather Gehring, Ben Sheppard, Mike Fox, and Tor Bieker (arrived 1:35 p.m.). **Staff:** Kevin Greenwood, Debbie Smith-Wagar, Daryl Stafford, Ryan Klapprich, Patty Rosas, and Molly Harpel. **Budget Committee:** Brian Shortt, Judy Newman, Larry Brown, Bonifacio Romero, and John Benton. **Guests:** Gretchen Goss, Gretchen Goss Creative; Tom Bacci, Kidder Mathews; Jeff Renard, Aviation Management Services; and Noah Noteboom, Columbia Gorge News.

ABSENT: None

I. WELCOME & INTRODUCTION: Commission Vice President Heather Gehring called the meeting to order at 1:31 p.m. and attendees were introduced.

II. MEETING OVERVIEW: Kevin Greenwood, Executive Director, presented an overview of Fall Planning, focusing on revisiting goals and projects established during previous planning sessions and laying the groundwork for spring planning in the upcoming budget cycle. Greenwood highlighted a key question for the Commission to consider as part of this process: What role, if any, should the Port of Hood River (“Port”) play after the current bridge is replaced? In past discussions, the Commission has agreed that the Port provides significant value to the community. Greenwood also reviewed the sustainability goals, emphasizing their importance in shaping the Port's long-term initiatives.

III. CURRENT FINANCIAL OVERVIEW:

- a. **Review of FY 23-24 Financials** – Debbie Smith-Wagar, Finance Director, presented a financial overview of the Port's fiscal year 2023-2024, emphasizing the complexity of governmental financial statements. Key reports included the Statement of Net Position, outlining assets, liabilities, and equity, and the Statement of Activities, detailing financial performance, long-term debt, and depreciation. The Port remains financially healthy, with plans to classify most activities as business-type next year, except for subsidized park operations.

Smith-Wagar highlighted a strong net position, with capital assets valued at \$15 million, though the bridge remains a significant liability. Grants for the replacement bridge contributed to a positive change in net assets. The General Fund remains solid, primarily supported by transfers from the Revenue Fund, which also subsidizes the Bridge Repair Fund. Property taxes for FY 2024 were minimal, totaling just \$95,634 of the Port's \$15 million in expenditures. A negative balance of \$8 million in the Replacement Fund reflects timing issues with unrecognized grant revenue, which is expected to be reimbursed. Additionally, toll revenue from a September 2023 increase is dedicated to building a reserve for a \$105 million loan for the bridge replacement.

- b. **Review of 1st Quarter 2024-2025 Budget vs Actuals** – Smith-Wagar presented the first quarter financial statements, highlighting the new financial software they are using, which allows for greater flexibility in reporting. Although the system is still being refined, it enables the generation of detailed reports that can easily be adjusted for further analysis. The reports include budgetary comparisons, but the first-quarter figures can be misleading due to annual payments, such as insurance, being allocated across the year. The main goal is to identify trends and ensure the figures make sense. There was a discussion about how to better present budget versus actuals, with suggestions for more detailed columns and a clearer breakdown of projected year-end figures. Feedback was provided on how to improve the reports, with recommendations to incorporate time-phasing and graphs to make

it easier to track performance against expectations. There was also a suggestion to compare current year results with the previous year to provide additional context. Additionally, capital costs, like those for parking lots, were addressed, and the importance of adjusting for seasonality was emphasized to better assess financial control.

- c. **10-year Forecast** – Smith-Wagar discussed the financial forecast, noting that it was difficult to predict given that only one quarter of the current fiscal year had passed. The discussion included a breakdown of revenue-generating and subsidized properties, such as the airport and potential storage units at Lower Mill. The need for a strategic review of commercial properties was emphasized, as some buildings were losing money, and it was crucial to address this for long-term sustainability. Commissioner Mike Fox highlighted the importance of planning for changes after the bridge's replacement in 2029, including staffing and facility requirements, and the necessity of factoring in inflation for capital projects and operational costs. Smith-Wagar noted the iterative process required for decision-making regarding infrastructure and staffing. There was also discussion about the potential for new revenue streams, such as from the airport's T-hangers, and how to incorporate these into future forecasts.

IV. KEY ISSUES FOR FY 2024-25

- a. **Projects Currently Underway:** Kevin Greenwood, Executive Director, highlighted that several projects, previously discussed in prior planning sessions, are currently underway and were included in the meeting packet for reference. The Commission was encouraged to ask any questions about these ongoing projects. Additionally, Commissioner Ben Sheppard emphasized the importance of renaming the "Lot 1 Project" to more accurately reflect the broader scope of the waterfront development.
- b. **Projects for Consideration:**
 - i. Waterfront/Parking
 - **Waterfront Parking Review & Recommendations** – Daryl Stafford, Waterfront Manager, presented several parking-related recommendations and updates for the Commission's consideration. A proposal to open the boat ramp at 3 AM for fishermen was discussed, and no objections were raised by the Commission.

Stafford highlighted that the Port plans to continue using the Flowbird parking system for another year before exploring alternative payment options. Verizon has also been in talks about installing a rooftop cell tower to enhance cell service at the Waterfront. Concerns were raised about the use of Flowbird versus the Passport system, which is more commonly used in other cities. After discussion, the Commission agreed to accelerate exploring the potential use of Passport in the coming year, with staff tasked to investigate the option further.

The Commission agreed to close the Event Site booth, with no objections, and Stafford recommended that large events be required to rent Lot 1 for parking to avoid overburdening Port staff. This change was also approved by the Commission.

Stafford also introduced new pass options, including a "Value Pass" aimed at making the waterfront more accessible for those on a tighter budget, providing access to less premium parking spots at a reduced rate. This would help maintain turnover in premium parking spots while offering an affordable option for visitors. A discussion followed regarding the Value Pass, and the Commission agreed to proceed with it but acknowledged the need for further conversation on this issue moving forward.

The meeting also covered the Port's agreements with entities such as Mt. Hood Meadows and Columbia Area Transit (CAT), with a suggestion to reevaluate parking fees to better align with market rates. Commissioner Chapman proposed forming a subcommittee to review these issues and bring recommendations to the Board. After further discussion, the Commission agreed to increase parking fees to a more reasonable level.

The Budget Committee expanded on the idea of forming a parking subcommittee to focus on optimizing spaces, such as increasing marina occupancy and exploring collaborative housing solutions with local agencies. They also proposed creating a sitting park at the airport to enhance community engagement.

- **Waterfront Access/Amenities/Operations/Opportunities** – Stafford discussed potential changes to its Waterfront Committee structure, proposing a division into two committees: one focused on development and community engagement, and the other on operations and logistics. A new stakeholder-driven approach was suggested to streamline input without relying on standing members. Topics included developing a comprehensive recreation and amenities plan to identify priority projects and preliminary costs, enabling the Port to pursue grants for improvements such as ramps, bathrooms, and other facilities.

Stafford proposed installing informational kiosks at each park to reduce sign clutter, a suggestion supported by the Commission. The importance of summer staff was confirmed for maintaining facilities and ensuring restrooms remain operational during peak season. The Commission also discussed reopening the picnic shelter with a revised fee structure, incorporating sliding scale pricing for weekdays and weekends to reflect increased costs. They also reviewed the event site host's role, emphasizing its benefits in maintaining order and addressing issues, while also acknowledging concerns about the host potentially overstepping their authority. Although no immediate changes are planned, the Commission recognized the need for future evaluation of the host program, particularly as waterfront conflicts grow, and may consider alternative solutions moving forward.

- **Non-Profit Use/Revenue Generations Ideas** – Greenwood updated the Commission on the establishment of a nonprofit 501(c)(3), now recognized by the State of Oregon. Next steps include finalizing the EIN, adopting a conflict-of-interest policy, and securing tax-exempt status, with plans to establish the board of directors by year-end. Staff recommended the current Commission serve as the initial board, with flexibility for future changes. The nonprofit will accept earmarked donations for projects like community enhancements or events, with funds managed separately but combinable with Port resources. The Commission agreed to serve as the initial board and requested a clear statement on the nonprofit's intended purpose.

Greenwood discussed a license plate program and sought direction on how the generated revenue should be used. The Commission agreed that the revenue would initially support parks until they are financially stable. The meeting then shifted to Gretchen Goss, who has been leading the initiative. She provided details on the process, explaining that the DMV requires a minimum number of vouchers to begin production, with ongoing revenue from plate renewals. A marketing strategy and the potential for contracting of management were also discussed. The Commission agreed to invite local artists to submit designs for the plates. Staff will prepare a detailed proposal for review during spring planning.

Finally, the nonprofit's goal was revisited, with a focus on accepting donations and pursuing broader funding, particularly for a high-interest project like a terminal building at the airport.

ii. Airport

- **General Discussion** – Jeff Renard from Aviation Management Services, provided an update on the airport, sharing his vision and priorities for optimizing the use of available land to generate revenue. He highlighted several buildable areas, including the North Apron, and discussed opportunities for both private and Port-owned developments. Renard noted that tie-down spaces were fully occupied, with potential for further development, particularly in areas designated for helicopters that are underused. He emphasized the importance of attracting developers for the Jeanette roadside area and sought feedback on how to maximize its value.

Renard also raised the idea of building a terminal and emergency operations center, possibly including a restaurant, to modernize the space and generate additional revenue. A suggestion was made to partnership with developers like McMenamins to create a family-friendly destination. The Commission supported the idea of integrating a restaurant and emergency center into the terminal building to enhance the airport's appeal.

A discussion followed about the potential for food trucks at the airport to attract public interest, which could help draw developers. The Commission agreed that staff should prioritize identifying available land for leases to generate revenue and pursue funding options as they become available.

iii. Industrial Properties

- **Lower Mill Storage Units** – Greenwood discussed the potential for storage units at Lower Mill, with Jeff Renard sharing that he owns storage units and sees value in this project. Staff has identified existing storage units within 50 miles, including their rates and sizes, though data on vacancies and unit numbers is still missing. It was noted that storage units are a relatively low-capital investment with the potential for good cash flow. The discussion included the idea of offering both covered RV storage and standard garage-style units.

The Commission discussed potential locations for the storage units at Lower Mill. The group considered whether to start with one or multiple sites, deciding to prioritize lot 1017, with 1015 reserved as an option for future development. A market analysis and site plan will be developed with plans for revenue and cost projection by spring.

- **Big 7 Future: Sale or Lease** – Greenwood noted that initial plans to lease and sell the Big 7 building may shift due to its revenue potential. With insights from Tom Bacci from Kidder Mathews, and efforts from staff, the building's projected annual income at full occupancy exceeds \$500,000, compared to the current \$182,000. Expenses, including overhead, are budgeted at \$311,000 for FY 24-25, leaving a notable net income opportunity. With HVAC systems recently updated and minimal major repairs expected, efforts are focused on filling vacancies, targeting 80% occupancy within a year, which could generate roughly \$400,000 annually. Discussions also touched on the previously decommissioned freight elevator, with no immediate plans for restoration under current leasing strategies. The consensus was to prioritize leasing efforts and revisit the building's status and potential sale during spring planning.

iv. Administration

- **USCG Rule Change for Mariner Lift Request** – Greenwood reviewed options following the Coast Guard's rejection of its 30-day notice request for bridge lifts. The three paths considered were appealing the decision, resubmitting a request for a shorter notice period

(e.g., two weeks), or concluding the effort. To improve the chances of success, future submissions will emphasize the minimal impact on mariners, as the initial request heavily focused on bridge-related concerns. The consensus was to prepare a revised two-week request with a stronger focus on the potential impact on mariners.

- **Invoicing Frequency/Charges** – Greenwood discussed invoicing frequency for moorage and T-hangar users, currently billed annually. The discussion centered on addressing tenant requests for more frequent billing options while balancing the associated costs of \$25 per invoicing cycle. Proposed solutions included quarterly billing with an added handling fee, offering a discount for annual payments, or adopting a dual billing system like property taxes, sending one invoice with options for full or partial payments. Staff noted logistical challenges and proposed implementing changes in future years. This item will be revisited by the Commission during Spring Planning.

V. **OTHER:** None

VI. **ADJOURN:** The Fall Planning Work Session was adjourned at 4:09 p.m.

ATTEST:

Signed by:

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Kristi Chapman, President

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Michael Fox, Secretary