

Port of Hood River

FY 15/16 Spring Planning Session

April 9, 2015, 12:00 p.m.

Commission Conference Room, 1000 E. Port Marina Drive

Agenda

- 1) **Overview** - *Rich McBride, Port Commission President* (10 Min.)

- 2) **FY 2015/16 Budget Comments** - *Michael McElwee* (20 Min.)
Summary of administration, operations and facilities issues. (Pages 2-3)

- 3) **Financial Overview & 10-Year Financial Model** *Fred Kowell, All* (120 Min.)
 - *Review Key Assumptions and Port financial policies. (Pages 4-5)*
 - *Review Strategic Business Plan Key Projects list. (Handout)*
 - *Detailed review and discussion of updated 10-year financial model with initial FY15/16 budget recommendations by staff. (Insert)*
 - *Focused discussion on specific highlighted project/policy areas that have a bearing on budget priorities.*
 - a. *Leased Asset Performance Assessment (Pages 6-7)*
 - b. *Future Building Development Priorities (Pages 8-15)*
 - c. *Tolling Technology (Pages 16-17)*
 - d. *Long-term Bridge Replacement Strategy (Page 18)*
 - e. *Education Initiative (Page 19)*
 - f. *Regional Advocacy & Lobbying (Page 20)*
 - g. *Waterfront Recreation— Expenses & Revenue (Pages 21-22)*

- 4) **Other**
Additional topics the Commission may wish to discuss.

Adjourn Work Session and Open Regular Session

Port of Hood River
FY 15/16 Spring Planning Session
April 9, 2015

Executive Director Comments

The following are key considerations for the Spring Planning discussion:

Administration

- Staffing changes have brought new skill sets in many technical and professional areas-- consultant services should be primarily focused on a few key areas.
- A more efficient approach to records management is increasingly important and will be a focus for staff this fiscal year and next.

Operations/Financial

- Significant recreation-related projects will be completed this fiscal year. The Port will need to focus on development of light industrial sites buildings in the near and intermediate term. However, our financial resources are limited and the Commission will need to prioritize projects.
- Medical insurance premiums have decreased. This decrease is partially offset by an increase in PERS obligations and will likely continue to increase in coming years.
- Regional collaboration and advocacy is currently a high priority for staff. There is a need to increase assistance (financial and staff time) from other partners in this effort.
- The most important operational need is the upgrade to the tolling system.
- An upgrade to the Port's financial software will be needed in the next two years.
- Costs associated with the maintenance of Port recreational facilities continues to greatly exceed associated revenue.

Facilities

Leased Properties

- Most Port buildings are 100% occupied. Big 7 is the exception with a vacancy of 18,000 s.f.
- Commission direction on the role of each building owned and leased by the Port its future.
- Monitoring development of the Expo Site will be a high priority for staff.
- The Facilities Assessment has been updated and provides an excellent "game plan" for addressing capital and maintenance needs. We have made excellent progress in completing the backlog of these tasks but key projects remain to be carried out and revenue is not available to meet the optimum schedule.
- A number of entitlement and infrastructure tasks remain to be completed to prepare Lot #1 for development. These must be carried out to insure developable sites in 3-5 years.

Bridge

- The 30-year model and 2-year work plan has been updated by HDR.
- The highest priority for the Bridge is installation of a new, modernized tolling system, including equipment and software.
- The key capital project in FY 15/16 is repair of the auxiliary truss.
- The seismic condition of infrastructure is an increasing concern state-wide. WE need to begin assessing the seismic condition of the Bridge and taking steps to address the highest impact/lowest cost areas. (2)

- Near-term emphasis on inspections, maintenance & bridge deck repairs.

Waterfront Recreation

- The sewer outfall project is the one primary opportunity for recreational enhancements in FY 15/16.
- During Summer 2015 we will need to carefully monitor parking demand and the impacts from the loss of parking at “Slackwater” Beach. A more specific parking policy should be in place for summer 2016.
- Ditto for monitoring emergency response partnership with Sheriff’s Office (Marine Deputy).

Marina Basin

- Significant and expensive projects have been completed in the Marina in the last three years—there is limited capacity to carry out larger projects in the near-term.
- The one exception is planning for a new Transient Dock as the permitting timeframe is lengthy and OSMB would play a major role in financing any project. The Port can be served by preparing to enter the OSMB grant cycle.
- The Master Plan assessment being carried out in April will provide recommendations for long-term priorities.

Airport

- The major focus of effort now is completion of the Master Plan.
- The one significant capital project that should be modeled is development of a new block of T-Hangars; however, any further work would be based on direction from the Airport Master Plan.
- The one key planning effort to complete is the business model for the Airport. This can primarily be done in-house.

Commission Memo

To: Commissioners
From: Fred Kowell
Date: April 9, 2015
Re: Key Assumptions in 10-Year Financial Forecast

Two financial policies govern the budget and financial planning that occurs at the Port. They are as follows:

- Provide reserves at a level of 10% of depreciable assets. This fiscal policy provides a level of reserves that will allow the Port to respond in an emergency as well as provide a reserve to use towards the replacement of our capital assets that the Port owns and manages.
- Maintain a debt coverage ratio of 2.0. This financial policy is a key policy for debt underwriters and banks. This ratio will maintain a level of net cash flow (after expenses) that is two times the level of its debt. This net cash flow allows the Port flexibility to use towards capital improvements that the Port owns and managers. A 2.0 debt coverage ratio is usually associated with an investment grade issuer thereby providing its taxpayers/ratepayers with a lower cost of capital.

In updating the 10-Year Financial Forecast, I use the Strategic Business Plan in guiding me on the initiatives outlined in the plan and their related financial impact. I want to preface, that I have updated the model with actual results from the FY 2013-14 audit, which was completed at the end of December. I have updated the model with the latest budgetary information available. I have worked with staff and the Executive Director to create a starting point for discussion regarding the the future years, starting with FY 2015-16. The 10-Year financial forecast model is an iterative process that must juggle key strategic business initiatives with financial policies of the Port. Although the key financial policies are used to keep the Port fiscally sound, they are policies that are guidelines to assist the Board in their decision making. Likewise, the Strategic Business Plan is a plan that will be updated on an ongoing basis such that there will always be an iterative process or “juggling” between the use of resources and maintaining good financial results. The financial forecast model will depict this “juggling”, particularly in the assumptions, capital improvements and the timing of those improvements as well as grant applications.

Assumptions

CPI – 2.26% for FY 2015-16 with 2.5% going forward.

Bridge traffic's **increase** is stratified downward every three years from 1.25% to 1.10% in the outer years. The theory is that the bridge only has so much capacity and traffic will continue to grow but at a reduced percentage.

ETC toll bonus has been reduced. In 2020 another reduction of a bonus will occur with 2026 showing the first increase in the toll amount.

The mix between cash toll and ticket/ETC has been adjusted for actuals but theoretically, should be impacted more greatly than modeled with a new toll system that takes into account gift cards and web-portal.

Affordable Care Act's initial impact has been programmed into the model. This year reflects a reduction in our premium costs are being offset by the PERS increase.

Any one-time infusion of a resource like the sell of land is only offset by a one-time use such as purchase of property or assets. I have denoted a line called "Held in Reserves – Sale of Assets" which will allow us not to spend these reserves.

Capital Improvements – Any number in blue designates a grant or third-party infusion of funding, whereby a red denotes that debt is used to fund the capital improvement.

Expenses are inflated based upon CPI but will be adjusted as new information is discussed and needed at the policy level.

Hanel reflects the sale of three parcels with one being held by the Port to provide positive ongoing cash flow.

General Fund - Property Taxes continue to rise at the 3% allowed by Measure 50.

Bridge debt is paid off in 2018 but as you can see major capital improvements will be starting in 2019.

I am available to discuss this more in length as Michael goes over the key issues outlined in his memo.

Prepared by Fred Kowell

**Port of Hood River
Long Range Financial Model
Prepared: April 9, 2015**

Agency-Wide Statistic	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Operating Revenues	\$5,806,625	\$5,887,090	\$5,787,272	\$6,035,986	\$6,351,379	\$6,461,930	\$6,795,133	\$6,922,882	\$7,041,073	\$7,161,613	\$7,265,179
Total Direct Operating Expenses	\$1,612,302	\$1,790,554	\$1,757,137	\$1,740,537	\$1,817,902	\$1,877,166	\$1,958,730	\$2,022,585	\$2,088,521	\$2,156,607	\$2,226,912
Total Allocated Personnel	\$1,508,979	\$1,761,088	\$1,850,606	\$1,895,854	\$1,958,003	\$2,005,852	\$2,054,873	\$2,105,094	\$2,156,544	\$2,209,254	\$2,263,254
Net Operating Income before Debt Service and Capital Outlay	\$2,685,343	\$2,335,448	\$2,179,529	\$2,399,595	\$2,575,474	\$2,578,912	\$2,781,529	\$2,795,204	\$2,796,008	\$2,795,753	\$2,775,013
Cash on Cash Return before Debt Service and Capital Outlay	4.7%	4.1%	3.7%	3.8%	3.9%	3.7%	3.5%	3.3%	3.3%	3.3%	3.2%
Net Operating Income after Debt Service and Net Capital Outlays (Excl. Grant Funded)	\$817,451	\$163,416	\$2,596,122	-\$164,033	\$850,911	\$1,361,564	\$852,716	\$819,411	\$864,020	\$1,195,861	\$1,564,915
Cash on Cash Return after Debt Service and Capital Outlays (Excl. Grant Funded)	1.4%	0.3%	4.4%	-0.3%	1.3%	1.9%	1.1%	1.0%	1.0%	1.4%	1.8%
No. FTE in Port Buildings	320	311	305	310	323	329	335	336	336	336	332
Wages of Jobs in Port Buildings	\$13,080,682	\$13,001,236	\$13,060,484	\$13,565,328	\$14,086,320	\$14,623,931	\$15,178,649	\$15,521,686	\$15,872,476	\$16,231,194	\$16,388,871
End of Year Reserves	\$3,753,746	\$3,244,500	\$5,383,020	\$4,753,106	\$5,146,437	\$6,043,262	\$6,423,449	\$6,757,804	\$7,123,564	\$7,809,996	\$8,858,794
Sale of Assets - Held in Reserves Above			\$ 2,014,107	\$ 2,454,107	\$ 2,454,107	\$ 2,454,107	\$ 2,454,107	\$ 2,454,107	\$ 2,454,107	\$ 2,454,107	\$ 2,454,107
10% on Net Depreciable Assets	4,291,659	\$ 4,381,032	\$ 4,542,886	\$ 4,740,535	\$ 4,960,134	\$ 5,727,712	\$ 5,966,508	\$ 5,885,348	\$ 5,801,968	\$ 5,840,168	\$ 5,950,787

**PORT OF HOOD RIVER
LONG RANGE FINANCIAL MODEL
BASE ASSUMPTIONS**

Base Assumptions											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CPI	2.8%	2.5%	2.26%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
CPI Multiplier	1.028	1.025	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023
Cumulative CPI	1.028	1.054	1.078	1.102	1.127	1.152	1.178	1.205	1.232	1.260	1.288
Expense Differential	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Multiplier	103.8%	103.5%	103.3%	103.3%	103.3%	103.3%	103.3%	103.3%	103.3%	103.3%	103.3%
Annual Lease Revenue Growth	2.8%	2.5%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Annual Lease Revenue Growth Multiplier	1.028	1.025	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023
Increase in Bridge Traffic	1.25%	1.25%	1.25%	1.20%	1.20%	1.20%	1.15%	1.15%	1.15%	1.15%	1.15%
	1.013	1.013	1.013	1.012	1.012	1.012	1.012	1.012	1.012	1.012	1.012
Cumulative Increase in Bridge Traffic	101.3%	102.6%	103.8%	105.1%	106.4%	107.6%	108.9%	110.1%	111.4%	112.7%	114.0%
ETC Toll	\$ 0.75	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85
ETC Toll Rate Compared to 2014 Rate	1.000	1.067	1.000	1.000	1.000	1.000	1.063	1.000	1.000	1.000	1.000
Growth in Average Payroll per FTE	2.8%	2.5%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Growth in Payroll	1.028	1.025	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023
Cumulative Growth in Average Payroll per FTE	1.028	1.054	1.078	1.102	1.127	1.152	1.178	1.205	1.232	1.260	1.288
Growth in Allocated Administration Costs	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Admin Cost Multiplier	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025	1.025
Cumulative Growth in Allocated Admin Cost	1.025	1.051	1.077	1.104	1.131	1.160	1.189	1.218	1.249	1.280	1.312
Number of Marina Slips	165	165	165	165	165	165	165	165	165	165	165
Interest Rate on Reserve Funds	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Cash Toll	37%	37%	36%	35%	35%	35%	35%	35%	35%	35%	35%
Ticket/ETC	63%	63%	64%	65%	65%	65%	65%	65%	65%	65%	65%

INVESTMENT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	\$ 21,218,569	\$ 22,124,739	\$ 23,134,074	\$ 21,693,346	\$ 22,849,257	\$ 25,040,792	\$ 27,004,481	\$ 27,868,481	\$ 28,567,053	\$ 31,083,018	\$ 31,484,417	\$ 31,659,417	\$ 32,044,417
Recreation Assets	\$ 3,539,735	\$ 3,539,735	\$ 3,550,895	\$ 3,614,734	\$ 4,263,456	\$ 4,518,456	\$ 4,533,456	\$ 4,728,456	\$ 5,093,456	\$ 5,153,456	\$ 5,528,456	\$ 5,593,456	\$ 5,618,456
Marina	\$ 1,017,930	\$ 1,156,617	\$ 1,500,696	\$ 1,866,599	\$ 1,966,756	\$ 1,990,756	\$ 2,485,756	\$ 3,145,756	\$ 3,160,756	\$ 3,175,756	\$ 3,240,756	\$ 3,355,756	\$ 4,870,756
Airport	\$ 4,292,544	\$ 4,699,865	\$ 8,107,213	\$ 8,218,045	\$ 8,442,045	\$ 8,470,045	\$ 9,315,045	\$ 10,890,045	\$ 11,060,045	\$ 12,510,045	\$ 12,510,045	\$ 12,510,045	\$ 12,510,045
Bridge	\$ 19,039,260	\$ 20,279,364	\$ 21,102,763	\$ 21,267,793	\$ 21,770,737	\$ 22,628,737	\$ 23,024,537	\$ 23,664,537	\$ 31,779,737	\$ 31,864,737	\$ 31,949,737	\$ 32,448,937	\$ 32,543,937
TOTAL INVESTMENT	\$ 49,108,038	\$ 51,800,321	\$ 57,395,642	\$ 56,660,517	\$ 59,292,251	\$ 62,648,786	\$ 66,363,275	\$ 70,297,275	\$ 79,661,047	\$ 83,787,012	\$ 84,713,411	\$ 85,567,611	\$ 87,587,611
TOTAL INVESTMENT LESS LAND	\$ 29,759,129												

Operating Revenue	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	\$1,566,971	\$1,619,431	\$1,834,982	\$1,824,638	\$1,669,704	\$1,862,145	\$2,120,425	\$2,173,010	\$2,219,030	\$2,286,278	\$2,343,082	\$2,401,337	\$2,441,704
Recreation Assets	\$78,300	\$117,345	\$132,417	\$120,064	\$122,807	\$125,612	\$128,483	\$131,419	\$134,422	\$137,494	\$140,637	\$143,852	\$147,141
Marina	\$170,608	\$253,290	\$274,137	\$279,896	\$286,447	\$293,075	\$299,858	\$306,800	\$313,903	\$321,173	\$328,612	\$336,226	\$344,018
Airport	\$174,890	\$178,283	\$188,235	\$172,130	\$176,279	\$180,531	\$184,887	\$189,351	\$193,925	\$198,612	\$203,415	\$208,337	\$213,380
Bridge	\$2,908,062	\$3,431,612	\$3,376,854	\$3,490,363	\$3,532,034	\$3,574,622	\$3,617,725	\$3,661,351	\$3,933,853	\$3,979,325	\$4,025,325	\$4,071,860	\$4,118,936
Total Operating Revenues	\$4,898,831	\$5,599,962	\$5,806,625	\$5,887,090	\$5,787,272	\$6,035,986	\$6,351,379	\$6,461,930	\$6,795,133	\$6,922,882	\$7,041,073	\$7,161,613	\$7,265,179

Direct Operating Expenses	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	\$750,476	\$832,928	\$941,370	\$940,947	\$988,137	\$951,264	\$1,002,899	\$1,035,593	\$1,089,722	\$1,125,247	\$1,161,930	\$1,199,809	\$1,238,923
Recreation Assets	\$75,165	\$102,283	\$106,091	\$121,396	\$135,000	\$133,934	\$138,300	\$142,809	\$147,465	\$152,272	\$157,236	\$162,362	\$167,655
Marina	\$50,537	\$72,113	\$68,069	\$139,301	\$85,000	\$87,771	\$90,630	\$93,587	\$96,638	\$99,788	\$103,041	\$106,401	\$109,869
Airport	\$85,396	\$94,945	\$141,611	\$143,298	\$127,000	\$131,811	\$136,108	\$140,545	\$145,127	\$149,858	\$154,743	\$159,788	\$164,997
Bridge	\$383,153	\$303,044	\$355,162	\$445,612	\$422,000	\$435,757	\$449,963	\$464,632	\$479,779	\$495,419	\$511,570	\$528,247	\$545,468
Total Direct Operating Expenses	\$1,344,729	\$1,405,313	\$1,612,302	\$1,790,554	\$1,757,137	\$1,740,537	\$1,817,902	\$1,877,166	\$1,958,730	\$2,022,585	\$2,088,521	\$2,156,607	\$2,226,912

Allocated Personnel	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	\$401,381	\$441,076	\$346,948	\$400,967	\$423,506	\$433,077	\$458,656	\$469,022	\$479,622	\$490,461	\$501,546	\$512,881	\$524,472
Recreation Assets	\$312,086	\$327,165	\$335,777	\$375,282	\$376,568	\$385,982	\$395,632	\$405,523	\$415,661	\$426,052	\$436,703	\$447,621	\$458,812
Marina	\$68,150	\$77,884	\$121,727	\$151,912	\$144,162	\$147,766	\$151,460	\$155,246	\$159,128	\$163,106	\$167,183	\$171,363	\$175,647
Airport	\$68,185	\$78,745	\$71,483	\$74,667	\$80,975	\$82,999	\$85,074	\$87,201	\$89,381	\$91,616	\$93,906	\$96,254	\$98,660
Bridge	\$460,740	\$514,202	\$633,045	\$758,260	\$825,395	\$846,030	\$867,180	\$888,860	\$911,081	\$933,858	\$957,205	\$981,135	\$1,005,663
Total Allocated Personnel	\$1,310,541	\$1,439,072	\$1,508,979	\$1,761,088	\$1,850,606	\$1,895,854	\$1,958,003	\$2,005,852	\$2,054,873	\$2,105,094	\$2,156,544	\$2,209,254	\$2,263,254

Net Operating Income before Debt Service and Capital Outlay	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	\$415,113	\$345,428	\$546,665	\$482,724	\$258,061	\$477,804	\$658,870	\$668,395	\$649,685	\$670,569	\$679,606	\$688,647	\$678,309
Recreation Assets	-\$308,951	-\$312,103	-\$309,450	-\$376,614	-\$388,761	-\$394,304	-\$405,449	-\$416,913	-\$428,703	-\$440,830	-\$453,302	-\$466,130	-\$479,325
Marina	\$51,921	\$103,293	\$84,341	-\$11,317	\$57,286	\$57,766	\$58,138	\$57,966	\$58,138	\$58,279	\$58,388	\$58,463	\$58,502
Airport	\$21,309	\$4,593	-\$24,859	-\$45,835	-\$31,696	-\$34,279	-\$36,295	-\$38,395	-\$40,583	-\$42,861	-\$45,234	-\$47,705	-\$50,277
Bridge	\$2,064,169	\$2,614,366	\$2,388,647	\$2,286,491	\$2,284,639	\$2,292,835	\$2,300,582	\$2,307,859	\$2,542,992	\$2,550,047	\$2,556,550	\$2,562,478	\$2,567,804
Total NOI before DS and CO	\$2,243,561	\$2,755,577	\$2,685,343	\$2,335,448	\$2,179,529	\$2,399,595	\$2,575,474	\$2,578,912	\$2,781,529	\$2,795,204	\$2,796,008	\$2,795,753	\$2,775,013

Cash on Cash Return before Debt Service and Capital Outlay	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	2.0%	1.6%	2.4%	2.2%	1.1%	1.9%	2.4%	2.4%	2.3%	2.2%	2.2%	2.2%	2.1%
Recreation Assets	-8.7%	-8.8%	-8.7%	-10.4%	-9.1%	-8.7%	-8.9%	-8.8%	-8.4%	-8.6%	-8.2%	-8.3%	-8.5%
Marina	5.1%	8.9%	5.6%	-0.6%	2.9%	2.9%	2.3%	1.8%	1.8%	1.8%	1.8%	1.7%	1.2%
Airport	0.5%	0.1%	-0.3%	-0.6%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.3%	-0.4%	-0.4%	-0.4%
Bridge	10.8%	12.9%	11.3%	10.8%	10.5%	10.1%	10.0%	9.8%	8.0%	8.0%	8.0%	7.9%	7.9%
Cash on Cash Return before DS and CO	4.6%	5.3%	4.7%	4.1%	3.7%	3.8%	3.9%	3.7%	3.5%	3.3%	3.3%	3.3%	3.2%

Agency-Wide Cash Flow - Part B

Net Operating Income after Debt Service and Net Capital Outlays (Excl. Grant Funded)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	-\$368,697	-\$395,442	-\$12,707	-\$40,967	\$2,523,778	-\$713,515	\$1,066,065	\$604,771	-\$220,297	-\$23,971	\$185,078	-\$21,334	\$435,000
Recreation Assets	-\$308,951	-\$323,263	-\$368,539	-\$565,336	-\$518,761	-\$409,304	-\$600,449	-\$781,913	-\$488,703	-\$815,830	-\$518,302	-\$491,130	-\$489,325
Marina	-\$111,609	\$477,884	-\$389,719	-\$203,270	-\$67,041	-\$86,018	-\$402,724	-\$80,380	-\$77,896	-\$130,176	-\$182,075	-\$78,650	-\$191,289
Airport	-\$44,250	-\$517,408	\$124,793	-\$86,235	-\$59,696	-\$159,279	-\$195,295	-\$87,766	-\$217,954	-\$75,232	-\$77,605	-\$80,076	-\$82,648
Bridge	\$115,377	\$1,087,729	\$1,463,624	\$1,059,225	\$717,841	\$1,204,083	\$983,314	\$1,706,852	\$1,857,565	\$1,864,620	\$1,456,923	\$1,867,051	\$1,893,177
Total NOI after DS and CO	-\$718,130	\$329,500	\$817,451	\$163,416	\$2,596,122	-\$164,033	\$850,911	\$1,361,564	\$852,716	\$819,411	\$864,020	\$1,195,861	\$1,564,915

Cash on Cash Return after Debt Service and Capital Outlays (Excl. Grant Funded)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial-Industrial Properties	-1.7%	-1.8%	-0.1%	-0.2%	11.0%	-2.8%	3.9%	2.2%	-0.8%	-0.1%	0.6%	-0.1%	1.4%
Recreation Assets	-8.7%	-9.1%	-10.4%	-15.6%	-12.2%	-9.1%	-13.2%	-16.5%	-9.6%	-15.8%	-9.4%	-8.8%	-8.7%
Marina	-11.0%	41.3%	-26.0%	-10.9%	-3.4%	-4.3%	-16.2%	-2.6%	-2.5%	-4.1%	-5.6%	-2.3%	-3.9%
Airport	-1.0%	-11.0%	1.5%	-1.0%	-0.7%	-1.9%	-2.1%	-0.8%	-2.0%	-0.6%	-0.6%	-0.6%	-0.7%
Bridge	0.6%	5.4%	6.9%	5.0%	3.3%	5.3%	4.3%	7.2%	5.8%	5.9%	4.6%	5.8%	5.8%
Cash on Cash Return after DS and CO	-1.5%	0.6%	1.4%	0.3%	4.4%	-0.3%	1.3%	1.9%	1.1%	1.0%	1.0%	1.4%	1.8%

Economic Impact of Buildings Owned by Port	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
No. FTE in Port Buildings	299	280	320	311	305	310	323	329	335	336	336	336	332
Wages of Jobs in Port Buildings	11,894,061	\$11,126,969	\$13,080,682	\$13,001,236	\$13,060,484	\$13,565,328	\$14,086,320	\$14,623,931	\$15,178,649	\$15,521,686	\$15,872,476	\$16,231,194	\$16,388,871

Reserves	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Year Reserves	\$4,504,542	\$3,463,498	\$3,386,451	\$3,753,746	\$3,244,500	\$5,383,020	\$4,753,106	\$5,146,437	\$6,043,262	\$6,423,449	\$6,757,804	\$7,123,564	\$7,809,996
Total NOI after Debt Service & Capital Outlay	-\$718,130	\$329,500	\$817,451	\$163,416	\$2,596,122	-\$164,033	\$850,911	\$1,361,564	\$852,716	\$819,411	\$864,020	\$1,195,861	\$1,564,915
General Fund and Other Admin	-\$356,136	-\$420,958	-\$488,108	-\$711,016	-\$503,028	-\$518,891	-\$535,259	-\$552,147	-\$569,573	-\$587,554	-\$606,107	-\$625,250	-\$645,004
Interest Earnings	\$33,222	\$14,411	\$37,952	\$38,355	\$45,426	\$53,010	\$77,678	\$87,408	\$97,044	\$102,497	\$107,847	\$115,822	\$128,887
End of Year Reserves	\$3,463,498	\$3,386,451	\$3,753,746	\$3,244,500	\$5,383,020	\$4,753,106	\$5,146,437	\$6,043,262	\$6,423,449	\$6,757,804	\$7,123,564	\$7,809,996	\$8,858,794

Bond Covenant	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	OKAY	
Debt Coverage Ratio				2.65	2.43	2.28	2.26	2.72	3.11	2.14	2.58	2.75	2.75	2.49

**PORT OF HOOD RIVER
LONG RANGE FINANCIAL MODEL
GENERAL FUND, ADMINISTRATION AND MAINTENANCE**

GENERAL FUND, ADMINISTRATION AND MAINTENANCE

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENSES												
Personnel	\$66,528	\$58,549	\$69,595	\$91,269	\$93,551	\$95,889	\$98,287	\$100,744	\$103,262	\$105,844	\$108,490	\$111,202
Professional Services	\$158,124	\$178,592	\$193,950	\$225,000	\$232,335	\$239,909	\$247,730	\$255,806	\$264,145	\$272,757	\$281,648	\$290,830
Other Materials and Services	\$109,186	\$108,394	\$135,425	\$152,150	\$157,110	\$162,232	\$167,521	\$172,982	\$178,621	\$184,444	\$190,457	\$196,666
Total	\$333,838	\$345,534	\$398,970	\$468,419	\$482,996	\$498,030	\$513,538	\$529,532	\$546,029	\$563,045	\$580,596	\$598,698
REVENUES												
Property Tax	\$58,719	\$59,664	\$59,101	\$60,874	\$62,700	\$64,581	\$66,518	\$68,514	\$70,569	\$72,686	\$74,867	\$77,113
		1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
NET GENERAL FUND PRIOR TO TRANSFERS												
	-\$275,119	-\$285,871	-\$339,869	-\$407,545	-\$420,296	-\$433,450	-\$447,019	-\$461,018	-\$475,460	-\$490,358	-\$505,728	-\$521,585
Rev Fund Admin: Personnel Services	\$0	\$0	-\$23,000	-\$12,000	-\$12,391	-\$12,795	-\$13,212	-\$13,643	-\$14,088	-\$14,547	-\$15,021	-\$15,511
Rev Fund Admin: M&S	-\$55,174	-\$77,068	-\$80,847	-\$83,482	-\$86,204	-\$89,014	-\$91,916	-\$94,912	-\$98,007	-\$101,202	-\$104,501	-\$107,907
Rev Fund Admin: Capital Outlay	\$0	-\$12,620	-\$103,900	-\$45,000	-\$46,467	-\$47,982	-\$49,546	-\$51,161	-\$52,829	-\$54,551	-\$56,330	-\$58,166
Total Rev Fund Admin	-\$55,174	-\$89,688	-\$207,747	-\$140,482	-\$145,062	-\$149,791	-\$154,674	-\$159,717	-\$164,923	-\$170,300	-\$175,852	-\$181,584
Rev Fund Unallocated Maintenance: Personnel Services	-\$157	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rev Fund Unallocated Maintenance: M&S	-\$58,547	-\$81,083	-\$88,400	-\$91,282	-\$94,258	-\$97,331	-\$100,504	-\$103,780	-\$107,163	-\$110,657	-\$114,264	-\$117,989
Rev Fund Unallocated Maintenance: Capital Outlay	-\$31,961	-\$31,466	-\$75,000	-\$56,000	-\$4,543	-\$4,692	-\$32,492	-\$33,551	-\$4,543	-\$4,692	-\$44,845	-\$46,306
Total Rev Fund Unallocated Maintenance	-\$90,665	-\$112,549	-\$163,400	-\$147,282	-\$98,801	-\$102,022	-\$132,995	-\$137,331	-\$111,707	-\$115,348	-\$159,109	-\$164,296
Total NOI General Fund and Other Administration	-\$420,958	-\$488,108	-\$711,016	-\$503,028	-\$518,891	-\$535,259	-\$552,147	-\$569,573	-\$587,554	-\$606,107	-\$625,250	-\$645,004
Professional Services:												
Governmental Affairs	\$ 82,598	\$ 57,750	\$ 80,000	\$ 95,000								
Legal	19,871	26,926	35,000	35,000								
Accounting and Audit	45,014	28,053	30,400	31,000								
Newletters and Publications	10,641	26,092	33,550	30,000								
Other	-	39,771	15,000	34,000								
	<u>\$ 158,124</u>	<u>\$ 178,592</u>	<u>193,950</u>	<u>225,000</u>								

Capital Projects

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commercial/Industrial Properties	Big 7												
	Tenant Improvements			\$0	\$41,285	\$50,000		\$50,000		\$50,000		\$50,000	\$0
	Building Upgrades/Roof	\$32,666	\$0	\$5,000	\$71,550								
	Big 7 Lower Driveway			\$0	\$0								
	HVAC/Site/Landscape/Parking		\$4,542	\$26,000	\$12,000	\$24,000	\$24,000	\$36,000	\$36,000				\$50,000
	Total	\$32,666	\$4,542	\$31,000	\$124,835	\$74,000	\$24,000	\$86,000	\$36,000	\$50,000	\$0	\$50,000	\$50,000
	Maritime Building												
	Tenant Improvements	\$44,736				\$0				\$0			\$0
	Building Upgrades/Roof		\$49,983	\$0						\$1,500,000			
	Site/Landscape/Parking /Sign		\$0	\$8,000	\$25,000	\$25,000	\$25,000	\$25,000	\$0				\$50,000
	Total	\$44,736	\$49,983	\$8,000	\$25,000	\$25,000	\$25,000	\$25,000	\$1,500,000	\$0	\$0	\$0	\$50,000
	UTS Portsite Bldg.												
	Annual Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Waterfront Infrastructure												
Capital Outlay	\$0			\$65,000									
Portway Ave. Angled Parking	\$225,000												
Portway Avenue Road Project	\$307,065												
1st Street Re-Alignment			\$35,000	\$-	\$800,000								
Portway 1st and 2nd reconstruction								\$0	\$550,000				
Anchor Way 1st to 2nd incl stoplight						\$600,000							
West Nichols Basin Ped/Bike Path		\$12,806	\$825,000										
Water Access Amenities								\$100,000	\$200,000				
Paving Projects													
Various Rehabilitation		\$81,068	\$-	\$10,000	\$14,689	\$25,000	\$272,572	\$54,965	\$61,399	\$30,000	\$30,000	\$0	
Visitor Center/DMV S. Parking Lot		\$0	\$-										
E. Port Marina Drive, Portway, Marina Way			\$100,000	\$270,000						\$0	\$0	\$300,000	
Total	\$532,065	\$93,874	\$960,000	\$345,000	\$814,689	\$625,000	\$372,572	\$804,965	\$61,399	\$30,000	\$30,000	\$300,000	
Halyard Building													
Pocket Fuel TI	\$202,288	\$44,231	\$0										
Pfriem TI/Misc Tenant /Roof Work	\$76,412	\$200,603	\$23,796	\$11,000	\$0	\$75,000	\$0	\$75,000	\$0	\$0	\$75,000	\$0	
Total	\$278,700	\$244,834	\$23,796	\$11,000	\$0	\$75,000	\$0	\$75,000	\$0	\$0	\$75,000	\$0	
Jensen Building													
Site/Landscape/Parking		\$0	\$5,000	\$0	\$0			\$10,000		\$10,000		\$10,000	
Building Upgrades/HVAC/Roof		\$20,305	\$56,000	\$58,200	\$120,000	\$50,000	\$50,000	\$50,000	\$100,000	\$50,000	\$50,000	\$0	
Breeze-Way Upgrades		\$0	\$0	\$0	\$0	\$0							
Tenant Improvements							\$50,000		\$100,000			\$100,000	
Total	\$0	\$20,305	\$61,000	\$58,200	\$120,000	\$50,000	\$110,000	\$50,000	\$210,000	\$50,000	\$60,000	\$100,000	
State Office Building													
Building Upgrades/Tenant Improvem		\$0	\$19,000	\$0	\$5,000	\$25,000	\$10,000	\$10,000	\$25,000	\$10,000	\$25,000	\$10,000	
Total		\$0	\$19,000	\$0	\$5,000	\$25,000	\$10,000	\$10,000	\$25,000	\$10,000	\$25,000	\$10,000	
Marina Office Building													
Overall Building Upgrades	4,844	\$73,746	\$6,000	\$14,500	\$25,000	\$10,000	\$25,000	\$10,000	\$25,000	\$10,000	\$25,000	\$10,000	
Total	\$4,844	\$73,746	\$6,000	\$14,500	\$25,000	\$10,000	\$25,000	\$10,000	\$25,000	\$10,000	\$25,000	\$10,000	
Port Office Building													
Tenant Space	\$91,593												
Building Upgrades	\$24,731	\$0	\$15,000	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	\$10,000	\$10,000	
Total	\$116,324	\$0	\$15,000	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	\$10,000	\$10,000	
JWBP-Timber Building													
Tenant Improvements			\$0										
Building Upgrades		\$0	\$22,115	\$5,000	\$10,000	\$10,000	\$50,000	\$10,000	\$5,000	\$10,000	\$10,000	\$100,000	
Total	\$0	\$0	\$22,115	\$5,000	\$10,000	\$10,000	\$50,000	\$10,000	\$5,000	\$10,000	\$10,000	\$100,000	
South Marina Commercial/Retail Complex													
A/E										\$50,000	\$50,000	\$0	
Construction											\$0	\$0	
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	
Wasco St. Office Building													
Tenant Improvements	\$0	\$0	\$10,000	\$8,000	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$100,000	\$100,000	
Total	\$0	\$0	\$10,000	\$8,000	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$100,000	\$100,000	
Expo Center													
Redevelopment		\$0	\$0										
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Hanel / New Initiatives													
Light Industrial and Land Acquisition		\$8,588	\$0	\$1,575,000	\$870,000	\$0							\$2,000,000
Total	\$0	\$8,588	\$0	\$1,575,000	\$870,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Sub-Total Commercial/ Industrial Properties	\$1,009,335	\$495,872	\$1,155,911	\$2,191,535	\$1,963,689	\$864,000	\$698,572	\$2,515,965	\$401,399	\$225,000	\$435,000	\$2,730,000	

Capital Projects

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Airport	Airport												
	Relocate Runways	\$3,407,348	\$101,811										
	Taxiway B Ext & South Apron					\$500,000	\$1,200,000						
	Master Plan/FBO Building/Avgas Relocate		\$9,021	204,000	\$ 8,000								
	North Apron Expansion							\$ 170,000	\$ 950,000				
	Road Improvement Security/Fence Perimeter		\$0	-		\$ 300,000	-						
	T-Hangars-doors		\$0	-	\$20,000	\$45,000	\$ 375,000						
	Jet Fuel Tank												
	AWOS/Crack Seal, Slurry Seal			\$20,000					\$500,000				
	Sub-Total Airport	\$3,407,348	\$110,832	\$224,000	\$28,000	\$845,000	\$1,575,000	\$170,000	\$1,450,000	\$0	\$0	\$0	\$0
Bridge	Bridge												
	Toll System			\$75,800	\$200,000	\$200,000							
	North and South Approach Rehabilitation		\$60,079	\$312,144									
	Pier Investigation				\$0			\$500,000		\$0	\$0		
	Sub-structure Piers/Seismic		\$0	\$0	\$50,000	\$80,000		\$550,000		\$0	\$0	\$0	
	Steel Truss Aux. Brace		\$0	\$30,000	\$445,000		\$500,000						
	Steel Truss Gussets			\$0				\$500,000					
	Pressure Wash/Painting	\$823,399	\$1,461	\$0	\$0	\$50,000	\$5,000	\$51,000	\$10,000	\$10,000	\$60,000	\$10,000	\$0
	Deck Systems-Welding		\$100,634	\$5,000	\$25,000	\$25,000	\$50,000	\$1,940,000	\$0	\$0	\$0	\$0	\$10,000
	Bridge Railing			\$0		\$20,000		\$510,000					
	Lift Span E&M			\$70,000	\$50,000	\$10,800	\$20,800	\$4,000,000	\$10,800	\$10,800	\$375,000	\$20,800	\$0
	Inspections/Repairs Ongoing Maintenance (See "Other Expenses" in Toll Bridge		\$2,856	\$10,000	\$88,000	\$10,000	\$64,200	\$64,200	\$64,200	\$64,200	\$64,200	\$64,200	\$64,200
	Sub-Total Bridge	\$823,399	\$165,030	\$502,944	\$858,000	\$395,800	\$640,000	\$8,115,200	\$85,000	\$85,000	\$499,200	\$95,000	\$74,200
Marina	Marina												
	Capital Maintenance	\$11,000	\$0	\$6,000	\$10,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
	Visitor Dock Rehabilitation				\$14,000	\$35,000	\$650,000						\$15,000
	Electrical Upgrade	\$324,241	\$ 203,952	\$21,467									
	Boathouse Dock Replacement	\$8,838	\$ 161,951	\$72,690									
	South Dock Upgrade			\$0	\$0	\$450,000							
	A/B Dock Expansion								\$50,000	\$100,000	\$1,500,000		\$0
	Key System												
Total	\$344,079	\$365,903	\$100,157	\$24,000	\$495,000	\$660,000	\$15,000	\$15,000	\$65,000	\$115,000	\$1,515,000	\$30,000	
Recreation	Marina Park												
	Frontage Rd Pedestrian Bridge Trail	\$0	\$13,769	\$508,392									
	Marina Green Irrigation Pump House			\$8,000			\$105,000						
	Marina Perimeter Path/Power Vault				\$120,000			\$200,000					
	Yacht Club Restroom Upgrade/Landscaping	\$11,160	\$10,100	\$10,000	\$5,000								
	Total	\$11,160	\$23,869	\$526,392	\$125,000	\$0	\$105,000	\$200,000	\$0	\$0	\$0	\$0	\$0
	Event Site												
	Landscaping/Signage/Paving		\$0	\$10,000	\$0	\$10,000	\$10,000	\$5,000	\$50,000	\$10,000	\$50,000	\$10,000	\$10,000
	Restroom Upgrade		\$0	\$0	\$0								
	Dredging			\$0				\$150,000			\$0		
	Jetty Repair								\$350,000				
	Event Site Dock Repairs		\$0		\$50,000			\$0					
	Total	\$0	\$0	\$10,000	\$50,000	\$10,000	\$10,000	\$155,000	\$50,000	\$360,000	\$50,000	\$10,000	\$10,000
	Hook and Spit												
	Grading/Signage/Amenities		\$0	\$5,000	\$5,000	\$5,000	\$80,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$0
Sewer Line Bike Path		\$4,213	\$0										
Launch Upgrades		\$35,757	\$107,330	\$75,000				\$50,000			\$50,000		
Total	\$0	\$39,970	\$112,330	\$80,000	\$5,000	\$80,000	\$60,000	\$10,000	\$15,000	\$15,000	\$65,000	\$0	
Sub-Total Recreation	\$11,160	\$63,839	\$648,722	\$255,000	\$15,000	\$195,000	\$415,000	\$60,000	\$375,000	\$65,000	\$75,000	\$10,000	
GRAND TOTAL	\$5,595,321	\$1,201,475	\$2,631,734	\$3,356,535	\$3,714,489	\$3,934,000	\$9,413,772	\$4,125,965	\$926,399	\$904,200	\$2,120,000	\$2,844,200	

GRANTS, LOAN REPAYMENTS, THIRD PARTY FUNDS

		Payment Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Commercial/Industrial Properties	Wasco St. Office Building															
	<i>Tenant Improvements</i>	Repayment	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	\$14,430	
	Expo Center/Maritime Building															
	<i>Planning and Design</i>	Loan		\$0	\$0	\$0					\$1,500,000					
	Jensen Building Improvements															
	<i>Remodel</i>															
	Halyard Building															
	<i>TI</i>	Repayment		\$6,288	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$19,550	\$14,096	\$7,934
	Waterfront Industrial															
	<i>Repayment of Sewer Plant Loan</i>	Repayment			\$27,061	\$105,682	\$109,107	\$55,287	\$0	\$0	\$0					
	<i>Repayment of Consolidated URA Loan</i>	Repayment						\$114,572	\$232,156	\$239,241	\$64,126	\$0	\$0	\$0	\$0	
	<i>Riverside Reconstruction</i>	Grant							\$0							
	<i>1st Street Re-Alignment</i>	Grant						\$400,000								
	<i>E. Portway Ave. Upgrades</i>	Grant									\$550,000					
	<i>Anchor Way 1st & 2nd/Extension</i>	Grant							\$600,000							
<i>West Nichols Basin Ped/Bike Path</i>	Grant			\$0	\$637,500											
<i>Portway Avenue EDA Grant</i>	Grant		\$136,677													
<i>Repayment</i>	Repayment	\$18,250														
<i>Repayment</i>	Repayment	\$91,622														
TOTAL		\$109,872	\$136,677	\$27,061	\$743,182	\$109,107	\$569,859	\$832,156	\$239,241	\$614,126	\$0	\$0	\$0	\$0		
Hanel/New Initiative																
<i>Land Acquisition and Bldg</i>					\$0	\$1,670,000	\$0	\$0	\$0					\$2,000,000		
Sub-Total Commercial/ Industrial Properties		\$0	\$124,302	\$157,395	\$61,041	\$777,162	\$1,813,088	\$603,839	\$866,137	\$273,221	\$2,148,106	\$33,980	\$33,980	\$28,526	\$2,022,364	
Airport	Airport															
	<i>Relocate Runways</i>	Grant		\$2,885,347	\$260,484											
	<i>Taxiway B Ext & South Apron</i>	Grant						\$450,000	\$1,080,000							
	<i>Master Plan/FBO Building</i>	Grant				\$183,600										
	<i>North Apron Expansion</i>	Grant						\$0	\$153,000	\$855,000						
	<i>Road Improvement Security/Fence Perimeter</i>	Grant						\$270,000								
	<i>T-Hangars</i>	Loan							\$336,000							
	<i>Jet Fuel Tank</i>	Loan														
	<i>AWOS/Crack Seal, Slurry Seal</i>	Grant	\$341,762								\$450,000					
	Sub-Total Airport		\$341,762	\$2,885,347	\$260,484	\$183,600	\$0	\$720,000	\$1,416,000	\$153,000	\$1,305,000	\$0	\$0	\$0	\$0	
Bridge	Bridge															
	<i>Bridge Improvements</i>	Loan								\$8,000,000						
Sub-Total Bridge		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000,000	\$0	\$0	\$0	\$0	\$0		
Marina	Marina															
	<i>Capital Maintenance</i>															
	<i>Visitor Dock Rehabilitation</i>	Grant							\$325,000							
	<i>Electrical Upgrade</i>	Loan		\$515,656												
	<i>Boathouse Dock Replacement</i>	Loan		\$228,417												
	<i>South Dock Upgrade</i>	Loan						\$450,000								
	<i>A/B Dock Expansion</i>													\$1,500,000		
Total		\$0	\$0	\$744,073	\$0	\$0	\$0	\$450,000	\$325,000	\$0	\$0	\$0	\$0	\$1,500,000	\$0	
Recreation	Park															
	<i>Frontage Rd Marina Green Path</i>	Grant		\$0	\$0	\$390,000										
	<i>Marina Green Upgrades</i>						\$100,000									
	<i>Marina Perimeter Path</i>	Grant							\$120,000							
	Total		\$0	\$0	\$0	\$390,000	\$100,000	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	
	Event Site															
	<i>Landscaping/Signage/Paving</i>															
	<i>Restroom Upgrade</i>															
	<i>Dredging</i>															
	<i>Jetty Repair</i>															
	Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Hook and Spit															
<i>Grading/Signage/Amenities</i>				\$4,750												
<i>Sewer Line Bike Path</i>					\$0											
<i>Launch Upgrades</i>					\$70,000	\$25,000										
Total		\$0	\$0	\$0	\$4,750	\$70,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Sub-Total Recreation		\$0	\$0	\$0	\$4,750	\$460,000	\$125,000	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	
GRAND TOTAL		\$0	\$0	\$466,064	\$3,786,815	\$326,274	\$1,420,762	\$2,193,088	\$1,773,839	\$2,607,137	\$8,546,221	\$3,453,106	\$33,980	\$33,980	\$1,528,526	\$2,022,364

Land Sales

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Commercial/Industrial Properties	Big 7																
	Maritime																
	Waterfront Industrial																
	Parcel-2& 7																
	Parcel 3	\$ 256,012															
	Parcel 5		\$ -					\$ 440,000									
	Parcel 6																
	East Of KWPB																
	East of Park																
	Burger King Parcel		\$ 20,402				\$ 689,374										
	Total	\$ 256,012	\$ 20,402	\$ -	\$ 689,374	\$ 440,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	State Office Building																
	Port Office Building																
	Port Maintenance Bldg.																
Marina Center Bldg.																	
JWBP-Timber Building																	
Wasco St. Office Building																	
Expo Center																	
Sale to Key Development		\$ -	\$ -	\$ 2,099,733													
Jensen																	
Halyard																	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Industrial Property																	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sub-Total Commercial/ Industrial Properties	\$ 256,012	\$ 20,402	\$ -	\$ 2,789,107	\$ 440,000	\$ 550,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Airport	Airport																
	Sub-Total Airport	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL				\$ -	\$ 440,000	\$ 550,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

BRIDGE	Investment	Annual Traffic Volume	Annual Gross Toll Revenue	Average Toll Rate	Credit Card Fees (Deduct from Gross Toll Rev)	Cable Lease Revenue	Other	--Blank--	Utility Expenses	Utility Reimburse	Bridge Fund M&S	Maintenance Expenses	Insurance	Other Expenses	Professional Services	Total Expenses	Allocated Admin (Rev Fund+Bridge Fund)	Debt Service	Capital Outlay (Rev Fund +Bridge Fund)	Capital Grant
2013	\$20,279,364	3,701,238	\$3,440,147	\$0.93	-\$30,393	\$10,000	\$11,858		17,006	\$0	\$58,170	\$208	\$219,009	\$1,062	\$7,589	\$303,044	\$514,202	\$703,238	\$823,399	\$0
Summary Current Year	OI \$3,431,612	OE 303,044	Debt Service 703,238	NOI \$ 2,425,330	Alloc Admin \$514,202	NOI-AA \$1,911,128	Capital Outlay \$823,399	Capital Grant \$0	NOI-AA-CO \$1,087,729											
2014	\$21,102,763	3,779,142	\$3,397,828	\$0.93	-\$33,974	\$10,000	\$3,000	\$0	\$18,549	\$0	\$42,840	\$15,126	\$225,728	\$22,836	\$30,083	\$355,162	\$633,045	\$759,993	\$165,030	\$0
Summary Year 1	OI \$3,376,854	OE 355,162	Debt Service 759,993	NOI \$ 2,261,699	Alloc Admin \$633,045	NOI-AA \$1,628,654	Capital Outlay \$165,030	Capital Grant \$0	NOI-AA-CO \$1,463,624											
2015	\$21,267,793	3,828,271	\$3,511,607	\$0.92	-\$40,018	\$10,000	\$8,774	\$0	\$20,360	\$0	\$57,421	\$28,161	\$224,652	\$40,018	\$75,000	\$445,612	\$758,260	\$724,322	\$502,944	\$0
Summary Year 2	OI \$3,490,363	OE 445,612	Debt Service 724,322	NOI \$ 2,320,429	Alloc Admin \$758,260	NOI-AA \$1,562,169	Capital Outlay \$502,944	Capital Grant \$0	NOI-AA-CO \$1,059,225											
2016	\$21,770,737	3,876,124	\$3,555,502	\$0.92	-\$42,666	\$10,226	\$8,972	\$0	\$20,000	\$0	\$45,000	\$25,000	\$230,000	\$51,000	\$51,000	\$422,000	\$825,395	\$708,798	\$858,000	\$0
Summary Year 3	OI \$3,532,034	OE 422,000	Debt Service 708,798	NOI \$ 2,401,236	Alloc Admin \$825,395	NOI-AA \$1,575,841	Capital Outlay \$858,000	Capital Grant \$0	NOI-AA-CO \$717,841											
2017	\$22,628,737	3,922,638	\$3,598,168	\$0.92	-\$43,178	\$10,457	\$9,175	\$0	\$20,652	\$0	\$46,467	\$25,815	\$237,498	\$52,663	\$52,663	\$435,757	\$846,030	\$692,952	\$395,800	\$0
Summary Year 4	OI \$3,574,622	OE 435,757	Debt Service 692,952	NOI \$ 2,445,913	Alloc Admin \$846,030	NOI-AA \$1,599,883	Capital Outlay \$395,800	Capital Grant \$0	NOI-AA-CO \$1,204,083											
2018	\$23,024,537	3,969,709	\$3,641,346	\$0.92	-\$43,696	\$10,693	\$9,382	\$0	\$21,325	\$0	\$47,982	\$26,657	\$245,240	\$54,379	\$54,379	\$449,963	\$867,180	\$677,268	\$640,000	\$0
Summary Year 5	OI \$3,617,725	OE 449,963	Debt Service 677,268	NOI \$ 2,490,495	Alloc Admin \$867,180	NOI-AA \$1,623,314	Capital Outlay \$640,000	Capital Grant \$0	NOI-AA-CO \$983,314											
2019	\$23,664,537	4,017,346	\$3,685,042	\$0.92	-\$44,221	\$10,935	\$9,594	\$0	\$22,020	\$0	\$49,546	\$27,526	\$253,235	\$56,152	\$56,152	\$464,632	\$888,860	\$485,807	\$8,115,200	\$8,000,000
Summary Year 6	OI \$3,661,351	OE 464,632	Debt Service 485,807	NOI \$ 2,710,912	Alloc Admin \$888,860	NOI-AA \$1,822,052	Capital Outlay \$8,115,200	Capital Grant \$8,000,000	NOI-AA-CO \$1,706,852											
2020	\$31,779,737	4,063,545	\$3,960,384	\$0.97	-\$47,525	\$11,182	\$9,811	\$0	\$22,738	\$0	\$51,161	\$28,423	\$261,491	\$57,983	\$57,983	\$479,779	\$911,081	\$600,427	\$85,000	\$0
Summary Year 7	OI \$3,933,853	OE 479,779	Debt Service 600,427	NOI \$ 2,853,647	Alloc Admin \$911,081	NOI-AA \$1,942,565	Capital Outlay \$85,000	Capital Grant \$0	NOI-AA-CO \$1,857,565											
2021	\$31,864,737	4,110,276	\$4,005,928	\$0.97	-\$48,071	\$11,435	\$10,033	\$0	\$23,480	\$0	\$52,829	\$29,349	\$270,015	\$59,873	\$59,873	\$495,419	\$933,858	\$600,427	\$85,000	\$0
Summary Year 8	OI \$3,979,325	OE 495,419	Debt Service 600,427	NOI \$ 2,883,478	Alloc Admin \$933,858	NOI-AA \$1,949,620	Capital Outlay \$85,000	Capital Grant \$0	NOI-AA-CO \$1,864,620											
2022	\$31,949,737	4,157,544	\$4,051,996	\$0.97	-\$48,624	\$11,693	\$10,260	\$0	\$24,245	\$0	\$54,551	\$30,306	\$278,818	\$61,825	\$61,825	\$511,570	\$957,205	\$600,427	\$499,200	\$0
Summary Year 9	OI \$4,025,325	OE 511,570	Debt Service 600,427	NOI \$ 2,913,328	Alloc Admin \$957,205	NOI-AA \$1,956,123	Capital Outlay \$499,200	Capital Grant \$0	NOI-AA-CO \$1,456,923											
2023	\$32,448,937	4,205,356	\$4,098,594	\$0.97	-\$49,183	\$11,958	\$10,492	\$0	\$25,035	\$0	\$56,330	\$31,294	\$287,907	\$63,840	\$63,840	\$528,247	\$981,135	\$600,427	\$95,000	\$0
Summary Year 10	OI \$4,071,860	OE 528,247	Debt Service 600,427	NOI \$ 2,943,186	Alloc Admin \$981,135	NOI-AA \$1,962,051	Capital Outlay \$95,000	Capital Grant \$0	NOI-AA-CO \$1,867,051											
2024	\$32,543,937	4,253,718	\$4,145,728	\$0.97	-\$49,749	\$12,228	\$10,729	\$0	\$25,852	\$0	\$58,166	\$32,314	\$297,293	\$65,922	\$65,922	\$545,468	\$1,005,663	\$600,427	\$74,200	\$0
Summary Year 10	OI \$4,118,936	OE 545,468	Debt Service 600,427	NOI \$ 2,973,041	Alloc Admin \$1,005,663	NOI-AA \$1,967,377	Capital Outlay \$74,200	Capital Grant \$0	NOI-AA-CO \$1,893,177											

Marina	Investment	No. of Slips	Slip Lease Income	Annual Income per Slip	Misc Rev - Dinghy, Transient Dock	Cruise Ship Revenues	State Marine Board Revenue	-- Blank --	Utility Expenses	Utility Reimburse	Unreimbursed Utilities	Maintenance Expenses	Insurance	Other Expenses	Professional Services	Total Expenses	Allocated Admin	Debt Service	Capital Outlay	Capital Grant
2013	\$1,156,617	165	\$215,342	\$1,305	\$8,472	\$3,725	\$9,100	\$0	\$27,381	\$16,651	\$10,730	\$1,726	\$6,855	\$32,238	\$3,913	\$72,113	\$77,884	\$25,403	\$344,079	\$744,073
Summary Current Year	OI \$253,290	OE 72,113	Debt Service 25,403	NOI \$ 155,774	Alloc Admin \$77,884	NOI-AA \$77,890	Capital Outlay \$344,079	Capital Grant \$744,073	NOI-AA-CO \$477,884											
2014	\$1,500,696	165	\$242,201	\$1,468	\$9,355	\$1,750	\$6,100	\$0	\$11,007	\$14,731	-\$3,724	\$23,110	\$13,547	\$12,335	\$8,070	\$68,069	\$121,727	\$108,157	\$365,903	\$0
Summary Year 1	OI \$274,137	OE 68,069	Debt Service 108,157	NOI \$ 97,911	Alloc Admin \$121,727	NOI-AA -\$23,816	Capital Outlay \$365,903	Capital Grant \$0	NOI-AA-CO -\$389,719											
2015	\$1,866,599	165	\$246,437	\$1,505	\$10,667	\$1,750	\$6,100	\$0	\$25,411	\$14,943	\$10,468	\$22,681	\$12,965	\$22,244	\$56,000	\$139,301	\$151,912	\$91,796	\$100,157	\$0
Summary Year 2	OI \$279,896	OE 139,301	Debt Service 91,796	NOI \$ 48,799	Alloc Admin \$151,912	NOI-AA -\$103,113	Capital Outlay \$100,157	Capital Grant \$0	NOI-AA-CO -\$203,270											
2016	\$1,966,756	165	\$251,577	\$1,525	\$10,908	\$2,289	\$6,244	\$0	\$21,000	\$15,430	\$5,570	\$18,000	\$15,000	\$20,000	\$11,000	\$85,000	\$144,162	\$100,326	\$24,000	\$0
Summary Year 3	OI \$286,447	OE 85,000	Debt Service 100,326	NOI \$ 101,121	Alloc Admin \$144,162	NOI-AA -\$43,041	Capital Outlay \$24,000	Capital Grant \$0	NOI-AA-CO -\$67,041											
2017	\$1,990,756	165	\$257,262	\$1,559	\$11,155	\$2,341	\$6,385	\$0	\$21,685	\$15,933	\$5,752	\$18,587	\$15,489	\$20,652	\$11,359	\$87,771	\$147,766	\$98,556	\$495,000	\$450,000
Summary Year 4	OI \$293,075	OE 87,771	Debt Service 98,556	NOI \$ 106,748	Alloc Admin \$147,766	NOI-AA -\$41,018	Capital Outlay \$495,000	Capital Grant \$450,000	NOI-AA-CO -\$86,018											
2018	\$2,485,756	165	\$263,076	\$1,594	\$11,407	\$2,394	\$6,529	\$0	\$22,392	\$16,452	\$5,939	\$19,193	\$15,994	\$21,325	\$11,729	\$90,632	\$151,460	\$125,490	\$660,000	\$325,000
Summary Year 5	OI \$299,858	OE 90,632	Debt Service 125,490	NOI \$ 83,736	Alloc Admin \$151,460	NOI-AA -\$67,724	Capital Outlay \$660,000	Capital Grant \$325,000	NOI-AA-CO -\$402,724											
2019	\$3,145,756	165	\$269,022	\$1,630	\$11,664	\$2,448	\$6,677	\$0	\$23,121	\$16,988	\$6,133	\$19,818	\$16,515	\$22,020	\$12,111	\$93,587	\$155,246	\$123,346	\$15,000	\$0
Summary Year 6	OI \$306,800	OE 93,587	Debt Service 123,346	NOI \$ 89,867	Alloc Admin \$155,246	NOI-AA -\$65,380	Capital Outlay \$15,000	Capital Grant \$0	NOI-AA-CO -\$80,380											
2020	\$3,160,756	165	\$275,102	\$1,667	\$11,928	\$2,503	\$6,828	\$0	\$23,875	\$17,542	\$6,333	\$20,464	\$17,054	\$22,738	\$12,506	\$96,638	\$159,128	\$121,034	\$15,000	\$0
Summary Year 7	OI \$313,903	OE 96,638	Debt Service 121,034	NOI \$ 96,232	Alloc Admin \$159,128	NOI-AA -\$62,896	Capital Outlay \$15,000	Capital Grant \$0	NOI-AA-CO -\$77,896											
2021	\$3,175,756	165	\$281,319	\$1,705	\$12,198	\$2,560	\$6,982	\$0	\$24,654	\$18,114	\$6,539	\$21,132	\$17,610	\$23,480	\$12,914	\$99,788	\$163,106	\$123,455	\$65,000	\$0
Summary Year 8	OI \$321,173	OE 99,788	Debt Service 123,455	NOI \$ 97,930	Alloc Admin \$163,106	NOI-AA -\$65,176	Capital Outlay \$65,000	Capital Grant \$0	NOI-AA-CO -\$130,176											
2022	\$3,240,756	165	\$287,677	\$1,743	\$12,473	\$2,618	\$7,140	\$0	\$25,457	\$18,705	\$6,753	\$21,821	\$18,184	\$24,245	\$13,335	\$103,041	\$167,183	\$125,462	\$115,000	\$0
Summary Year 9	OI \$328,612	OE 103,041	Debt Service 125,462	NOI \$ 100,109	Alloc Admin \$167,183	NOI-AA -\$67,075	Capital Outlay \$115,000	Capital Grant \$0	NOI-AA-CO -\$182,075											
2023	\$3,355,756	165	\$294,178	\$1,783	\$12,755	\$2,677	\$7,301	\$0	\$26,287	\$19,314	\$6,973	\$22,532	\$18,777	\$25,035	\$13,769	\$106,401	\$171,363	\$122,112	\$1,515,000	\$1,500,000
Summary Year 10	OI \$336,226	OE 106,401	Debt Service 122,112	NOI \$ 107,713	Alloc Admin \$171,363	NOI-AA -\$63,650	Capital Outlay \$1,515,000	Capital Grant \$1,500,000	NOI-AA-CO -\$78,650											

Existing Buildings Analysis									
Industrial Buildings	Square footage	(NOI) - Cash Flow-yr 1	NOI year 10	Cash on Cash yr 1	cash on cash yr 10	Age & Condition	Anticipated 10 yr investment level	Building Type	Decision Time frame
Big 7	40,119	\$174,119.65	\$214,124.74	12%	10%	Below Average	High	Flex	1-2 yrs (redevelop/sell)
Halyard	19,964	\$74,414.16	\$93,111.52	5%	8%	Excellent	Low	Flex	Long term hold
Jensen	58,417	\$106,430.55	\$174,253.02	6%	11%	Average	Med	Warehouse/ Production	5-7 yrs, remodel
Maritime	38,806	\$132,480.53	\$205,032.83	19%	31%	Poor	Low	Warehouse/ Production	3-5 yrs, demo-redevelop site
Timber Incubator	10,000	\$32,339.56	\$37,039.00	6%	7%	Below Average	Med	Flex	Long term hold
Commercial Buildings									
DMV	2,320	\$9,036.56	\$13,237.91	6%	10%	Average	Med	Office	10+ yrs. Demo-redevelop site
Marina Park	5,019	\$31,446.25	\$38,476.86	8%	11%	Average	Med	Office	10+ yrs. Demo-redevelop site
Wasco	14,650	\$85,852.86	\$105,068.67	7%	10%	Excellent	Low	Office	5-7 yrs, consider sale
TOTALS	189,295	\$646,120.12	\$880,344.55						

April 9, 2015
Spring Planning Work Session

Discussion Outline

Prepared by Anne Medenbach

Future Building Development Priorities

Overview:

There are a number of potential construction/development projects in play for Port investment of both capital and staff time. Hanel, Lot 1, the Maritime lot, and Jensen Breezeway are the four potential development projects on the near horizon. The purpose of this discussion is to clarify how to prioritize these projects.

Key Question:

What should be the top priority property for constructing a building within the next 1-2 years?

Assumptions:

- The Port has the capital to construct one industrial building in the next three years.
- In five years, the Port may be prepared to construct up to two more buildings.
- All proceeds from sales should be reinvested into construction of new revenue generating buildings.

Issues/Considerations:

- Where is the primary market demand? Warehouse/production at Hanel, or higher-end construction on the waterfront?
- Waterfront businesses need remote warehouse space that allows for higher employment density.
- Portions of Lot #1 or Hanel could be “carved” off for construction by a private company.
- A warehouse building on Hanel would be less expensive and lower risk than a higher-end building on the waterfront.

Note: Attached pages provide information about various development sites.

Hanel Site

Site development

The concept for site development at the Lower Hanel Mill site is to provide shovel ready industrial land for sale. The site is configured into 3 legal lots with 2 remnant parcels along the western side of Neal Mill Creek. A minor partition will create 4 lots of 1-3 acres, with the potential of selling off the odd shaped southern-most parcel to an adjacent land owner.

The actual site work will be minimal and includes finalizing all off site utility connections, stubbing utility connections to all lots, paving access aprons, acquiring all entitlements and permits, and grading of the site. This process could take up to 6 months to complete.

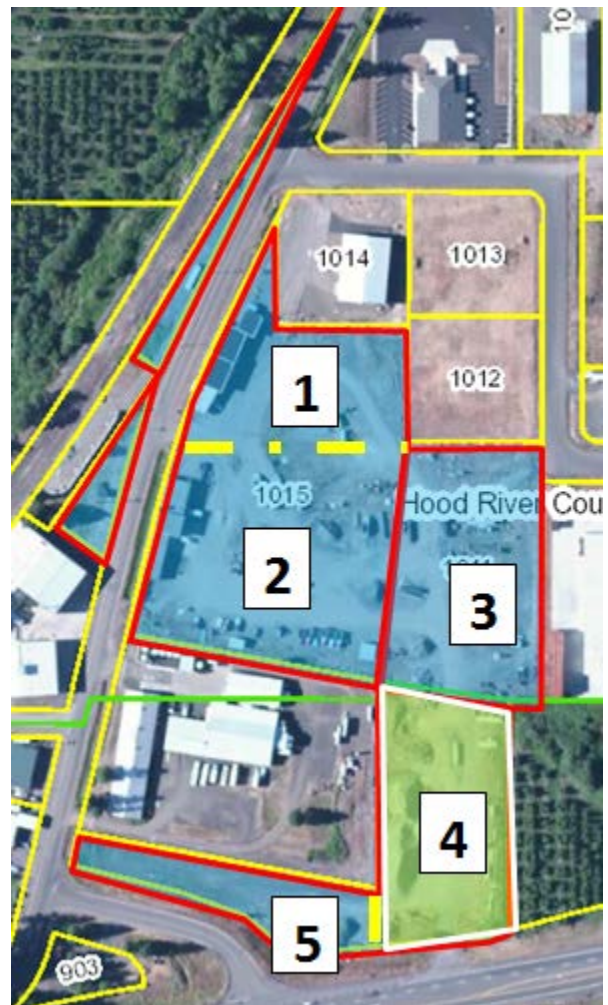
There is still a substantial clean-up of the woody debris on the N side of the property. This should be accomplished with a grant and will be completed before site work begins. This is anticipated to take 3 months to complete.

Lot sales and construction

Many local and out of area businesses, need warehouse and/or production space. There is very limited inventory that offers: dock high doors, floor drains, easy access to the highway, upgraded utilities and potential for cool storage. In the past year, staff has been in contact with 21+ businesses that need this type of space, 3 of which reside on the waterfront. The space requirements are:

1. 2-5 acres for construction of a headquarters
2. 1+ acre for an owner occupied building and yard
3. Leased space for warehouse and/or production between 1,000 and 10,000 sf. The majority of need is between 1,500 and 2,500 sf.

The Port has the opportunity to sell most of the lots to private owners and retain one to build a structure that meets the above needs of the community and creates a cash flow for the Port. The market need is from both small business starting out, and larger businesses needing to expand. Staff is conducting interviews with these businesses to determine the appetite for pre-leasing.



Pros and Cons

- The site is not on the waterfront and is anticipated to move forward more quickly
- There is current interest in warehouse/production space in this location
- The rates of return on a warehouse building are very attractive
- Loan rates are low
- The clean-up still has to be completed and we have not yet closed on the property
- Offsite water costs could be higher than expected
- We could be left with lot 5 as part of lot 4 if the adjacent landowner does not want to purchase it

Jensen Breezeway Site

Pre-Development

The Jensen Breezeway offers a unique opportunity for development. The existing building is in very poor condition and the Port recently shut off the power to the storage units. There is an opportunity to redevelop that site. The original redevelopment proposal conceived a long building with smaller retail spaces that could open up into a covered outdoor market with a solar array. The most recent design keeps the same feel, but emits the covered market and creates a seasonal outdoor market area with small, artisan spaces that open up outdoors.

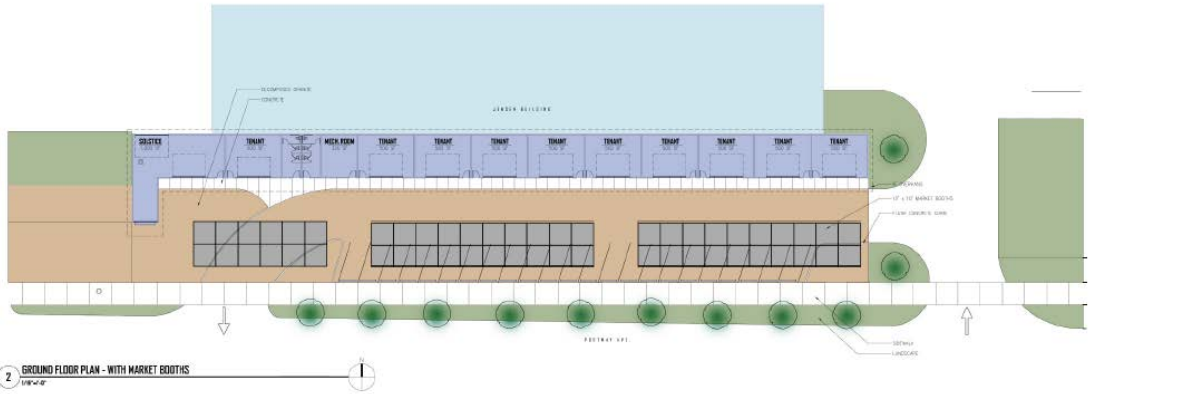
Construction

Depending on the option, construction would either require major remodeling of the current building or total demolition of the current building. Either way, additional/dedicated gas, power, internet and a water supply would have to be extended to the site. Minor environmental investigation would need to be completed with either of these options. The work would be very visible and depending on timing could happen in conjunction with the new Expo site building projects.

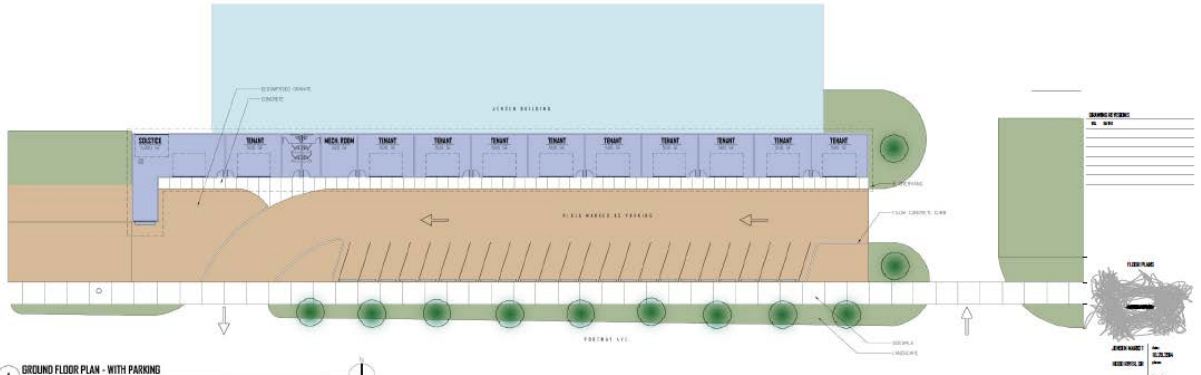
Pros and Cons

- There is interest in storage space
- There has been interest in 1,500sf spaces with production/retail
- The return for a small building is small
- Outdoor market space would provide a new area for seasonal markets
- The majority of leased spaces conceptualized are small (500sf) more market research is needed to determine if there is interest
- There is room for a larger building on the site

	Use Type	Improvement		Support
Option 1	Storage with light production	Improve electrical issues, roof, lighting, floor joists, add moisture barrier, engineering		Storage space on the waterfront is badly needed. I believe that these would remain fully leased.
Option 2	Production/Manufacturing with a small retail component	Includes Option 1 improvements. Add roll up doors, bathrooms, meters, fixtures, sheetrock, flooring, concrete market area in front, engineering & design		There may be a need for 500sf artisan/production spaces. More market analysis is needed.
Option 3	50/50 production and retail	Demolish existing building, build similar structure with 500sf tenant spaces and market area in front.		If dependant on cash flow alone, the construction costs would not be paid off on this building until year 20. More analysis is needed on the need for 500 sf production space.
Solar Alternate	10KW system with incentives	\$41,000	8.3 year payback	Will require additional engineering.



2 GROUND FLOOR PLAN - WITH MARKET BOOTHS
VIEW-2



1 GROUND FLOOR PLAN - WITH PARKING
VIEW-1

PROJECT NAME
NO. 1000

DATE

DRAWN BY

CHECKED BY

SCALE

PROJECT NUMBER

DATE

PROJECT NAME

JERRY HANLEY
ARCHITECT
1000 10TH AVENUE
SUITE 100
DENVER, CO 80202
TEL: (303) 733-8888
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A101



2 SOUTHWEST CORNER - SHOWING PARKING
VIEW-2



4 SOUTHWEST CORNER - SHOWING MARKET BOOTHS
VIEW-4



1 SOUTHWEST CORNER - SHOWING PARKING
VIEW-1



3 SOUTHWEST CORNER - SHOWING MARKET BOOTHS
VIEW-3

PROJECT NAME
NO. 1000

DATE

DRAWN BY

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Maritime Site

Site development

The Maritime lot and adjacent parcel are 4.35 acres combined. They are zoned LI. The 38,800 sf maritime building currently occupies the four acre site and the 0.35 acre site adjacent to the park is vacant. If redevelopment were to occur, careful planning of how to phase the demolition of the current building and construction of new structures would be important. Also, a tie in to the waterfront amenities would need to be considered as a major design piece. There could be multiple structures on the site and a “campus” feel could be created. It is the Port’s policy not to sell on water properties, so development would be Port owned. A planning/design phase would need to be initiated that could take 1+ years. Utilities and access points would need some reconfiguration, but once the site design is completed, site development would be relatively straight forward.

Construction

Construction of buildings could be phased. One thought is to keep the existing structure while the first building is being built. This keeps the cash flow going as well as provides much needed warehouse inventory as long as possible. The existing building would be demolished only once additional phase 2 work was beginning. Construction could be for multiple or single tenant with an option for build to suits and spec buildings both.

Pros and Cons

- There is interest in 60,000+ sf of construction on the East side of the lots with a preferred construction start date in 2020.
- There is a current lease on the building through 2019
- Site design and planning could begin any time
- The building has 5 years of useful life left, maybe 7 if the roof holds



Maritime Building Near-Term Plan

The Maritime building is nearing the end of its useful life. The property on which it sits is prime development land. There is a question of timing regarding when that redevelopment happens. The Port has called in the warranty on the roof and the failing material will be replaced this spring. That material should last for another 5 years. It may last longer. HRD currently has a lease through 2017 with two option years, taking that lease through 2019. They have asked for an additional two years, through 2021. Staff does not believe that the new roof coating should be expected to last that long. Staff see's three options regarding how to move forward.

1. Adhere to original lease expiration of 2019 with no new extensions.
2. Offer 2 extensions with the language that the Port will not replace the roof.
3. Replace the roof, thereby extending the life of the building 10+ years, opening the door for longer term leases.

Considerations

What is the timeline that the Port would like to redevelop the property?
 Is it necessary to keep the current building standing while a new building is being built?
 If so, is that timeline closer to 10 years than 5?

Option 1

Short term 3-5 years

Maritime Roof/Wall Estimate	
Siding repair/Veneer/Leak repair	\$65,000.00
Insulation Repairs	\$10,000.00
Contingency	\$5,000.00
Total	\$80,000.00
Additional Work	
HVAC	50,000
Total	\$130,000

SHORT TERM			End HRD	HRD	HRD
	2015	2016	Initial Term	extension	extension
	2015	2016	2017	2018	2019
NOI	129,409	\$131,704	\$133,932	\$136,594	\$139,391
CIP	-80000	-50000		-25000	-10000
Cash flow	\$ 51,424	\$ 81,704	\$ 133,932	\$ 111,594	\$ 129,391
Cash On cash	18%	17%	18%	19%	19%

Option 2

Short term 3-5 years

Maritime Roof/Wall Estimate	
Siding repair/Veneer/Leak repair	\$65,000.00
Insulation Repairs	\$10,000.00
Contingency	\$5,000.00
Total	\$80,000.00
Additional Work	
HVAC	50,000
Total	\$130,000

SHORT TERM			End HRD	HRD	HRD	Proposed HRD 1 Yr extension options	
	2015	2016	Initial Term	extension	extension	2020	2021
NOI	129,409	\$131,704	\$133,932	\$136,594	\$139,391	\$143,224	\$147,094
CIP	-80000	-50000		-25000	-10000		
Cash flow	\$ 51,424	\$ 81,704	\$ 133,932	\$ 111,594	\$ 129,391	\$ 143,224	\$ 147,094
Cash On cash	18%	17%	18%	19%	19%	19%	20%

Option 3

Maritime Roof/Wall Estimate	
Roof Replacement	\$268,690.00
Siding repair/Veneer/Leak repair	\$65,000.00
Insulation Repairs	\$10,000.00
Contingency	\$10,000.00
Total	\$353,690.00
Additional Work	
HVAC	50,000
Total	\$403,690

			End HRD	HRD extension	HRD extension	Proposed HRD 1 Yr extension options				
	2015	2016	Initial Term	2018	2019	2020	2021			
NOI	129,409	\$131,704	\$133,932	\$136,594	\$139,391	\$143,224	\$147,094	151,507	156,052	160,734
CIP	-288000	-65000	-50,000	-25,000		-10,000		-25,000		
Cash flow	-\$156,576	-\$89,872	-\$5,940	\$105,654	\$139,391	\$133,224	\$147,094	\$126,507	\$156,052	\$160,734
Cash on Cash	14%	13%	13%	14%	14%	15%	16%	17%	18%	19%

Lot #1 Site

Site development

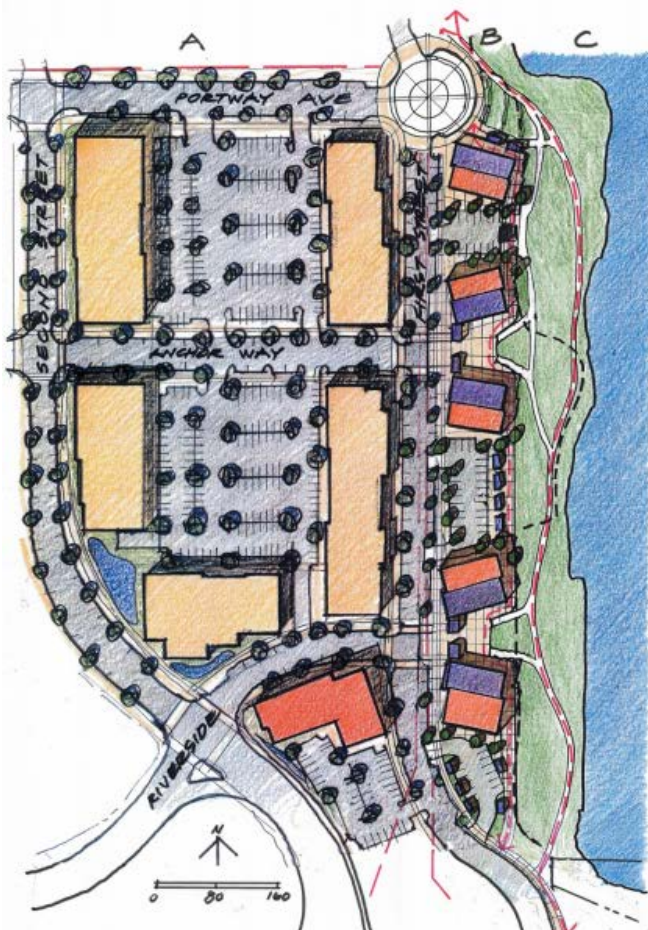
The current concept plan for lot 1 includes 5 industrial buildings on lot 1 and up to 5 buildings on the Nichols Basin. After the Waterfront refinement plan, the concept design will have to change a little to account for the shrinkage of square footage allowed on Nichols Basin (16,000sf max), and of the building footprints on lot 1 (25,000sf), but otherwise, the concept is still valid. Infrastructure and subdivision planning is beginning this year. Infrastructure may be able to happen in phases. For example, Anchor way does not have to be punched all the way through if 1st has not yet been relocated. But it could be partially constructed to serve an early tenant on the west side of lot one.

Construction

Construction can be structured in a number of ways. There can be some outright land sales, build to suits, spec builds and land leases. The long term plan for Lot 1 will most likely be a combination. Within the next 1-2 years, a building could be constructed as a build to suit or an outright land sale on the west side of lot 1. If a build to suit, the Port would need to incorporate the location into infrastructure and subdivision planning now.

Pros and Cons

- There may be opportunity for 1 building to be carved off of the west side to build within 1-2 years
- The first building will set the tone of development
- There is interest to purchase a lot on the west side
- Constructing a building early could change the infrastructure development priorities



Lot 1 Concept Plan

Lot 1

Zone A:

- Higher density light industrial development
- Flexible small/intermediate sized spaces
- 15,000 SF-30,000 SF buildings
- Internalized parking
- Storm water management

Zone B:

- Smaller parcels, variety of sizes and uses
- 30'-60' building depths
- Retail/food pods
- Pedestrian esplanade
- Intrinsic design elements
- Optional building over flowage easement

April 9, 2015
Spring Planning Work Session

Discussion Outline
Tolling Technology

Prepared by Fred Kowell

Background Information

The Port's tolling software was created and is maintained by two programmers. One programmer supports the hardware and software functions related to the operating system. The other programmer supports our back office system application called Breezeby. Twelve months ago, staff was informed by both tolling programmers that they will continue to support the Port but are moving towards retirement.

Staff started researching the current operating system and back office application with regard to system requirements and technical specifications. Staff sent out requests for information to five tolling companies, and made numerous communications with other tolling agencies, to try and find technical support for our existing system. After reviewing all the information/proposals from the five tolling companies and inquiring with other tolling agencies, staff could not find knowledgeable technical support to work on a non-compliance (Windows XP) tolling operating system. The proposals for any development of a new system were very expensive and outside the budget for the Port. What technical support staff did find, did not have tolling system expertise and would have presented the same dilemma to the Port, which is relying on one individual to maintain the tolling system.

Staff needed assistance in finding technical support to our existing system(s) while building a plan that would move us into compliance and development of our systems over time.

Overview:

The tolling system at the Port is actually two separate systems that interface through computer processes or what is called in IT language as routines. These routines and sub-routines run at midnight. The operating system interfaces with the hardware that is located at the tolling facility. The hardware can be identified as transponder readers, antennas, lane controllers, switches, IDRIS loops, gate equipment, computers and monitors. The current operating system is compiled to run off on a Windows XP platform. The system application is a back office system that is a customer service account system which maintains customer demographic, vehicle information and payment information. This demographic and payment data then transfers to the operating system each night, while the data from (i.e., axle counts and transponder reads) the operating system updates the back office system.

Key Questions:

A tolling expert was engaged (HDR consultant) to assist staff in determining the correct path to move forward based upon our technology, bridge activity, and budget.

The first objective is to migrate off of our current operating system which is running on a de-supported Windows XP platform which our operating system is compiled to run on. The second objective is to acquire technical support of our operating and back office system.

- Should the Port acquire programming and database support for the existing system and use that talent and knowledge to migrate to a new platform?
- Should the Port acquire a completely new system that contains both the operating system and the back office application which run concurrently and is less expensive than what has been proposed?
- Should the Port put into place technology (i.e. multi-protocol transponder readers, violator programming, video data tracing) that can be used during a later phase which will provide savings to the Port but will take an investment upfront?

Potential Actions:

Our HDR consultant, Dennis Switaj, has been able to secure a proposal from one of the smaller tolling companies that works with several of the large east coast tolling agencies. The options under these proposals are as follows:

1. Contractor will migrate the two existing systems (i.e., operations and back office) off of the current Windows XP platform to a new platform and, while doing so, will learn the system requirements to provide the existing level of reporting and service. Estimated cost \$79,000. Timeline – 4 to 6 months.
2. Create a web portal and interface it into our new tolling platform. Estimated cost \$13,000. Timeline – Included in the above 4-6 month window.
3. Ongoing support costs estimated to be \$9000/year.

OR

1. Migrate from the existing systems to a complete new fully integrated system that is within a budget the Port can afford. The new system would be one system (not two) and would be online/real time. Our customers will not be told to wait a day for their account to be updated. This would include a web portal and include software technology that would allow for future multi-protocol transponder readers and violator technology.
2. Estimated cost \$210,000. Could be accomplished in 12-24 months.

Issues:

Today, the Port’s technical support of its tolling system is responding on an ad-hoc basis. Our service level is inadequate to meet any emergency need that could occur. The existing tolling system has between 2-4 occurrences a year which require a response from our retiring technical support staff. Our risk increases over a longer timeline, but the Port will need to mitigate this risk under one of the proposals.

Discussion Outline
Bridge Replacement Actions

Prepared by Michael McElwee

Overview:

The Commission has discussed for many years the critical role the Port plays in keeping the Hood River Bridge safe and operational. At the same time, we must look ahead to the long-range reality that the bridge will need to be replaced. Over the past several years some specific steps have been taken by the Port and other jurisdictions to advance bridge replacement. These have met with some success but many very challenging barriers exist.

Key Questions:

What general strategy and which specific actions should the Port take in the FY 15/16 budget and over the next several years to advance the long-term goal of bridge replacement?

Assumptions

- The bridge is unlikely to be replaced for another 20-30 years.
- The Port will not be able to capitalize a new bridge by itself - \$250 million, plus.
- Area residents expect the Port to be engaged in advancing the goal of bridge replacement.
- Any successful effort will require broad, sustained regional support.

Potential Actions:

- Project of National & Regional Significance application (submitted).
- Amendment to future Federal Transportation Authorization Bill allocating funds for transportation needs in the Gorge.(Evaluation Stage)
- Set aside Port funds annually that build an amount to leverage other funds and support a bridge replacement step (e.g. Final EIS).
- Recognize a portion of annual lobbying costs to bridge replacement.
- Build on OneGorge Coalition and other partnerships to engender broad regional support and awareness.
- Evaluate more specifically bridge financing alternatives and impacts on toll rates to inform public and elected officials.
- Prepare a more specific economic impact assessment of the Bridge operations.
- Evaluate possible approaches to public/private implementation models using West Coast Infrastructure Exchange and discussions with private companies.

April 9, 2015
Spring Planning Work Session

Discussion Topic

Prepared by Michael McElwee

Local Education Partnership

Overview:

A strong educational system and workforce is a key factor in a strong economy. The Port's fundamental mission is economic development. Although the activities of the Port of Hood River are limited by ORS 777 the Commission might consider ways to assist schools enhance student experience and improving educational outcomes. One approach is to consider the Waterfront as a sort of "education laboratory" and leverage the ongoing work by engineers, architects, planners and construction contractors to provide exposure to students in the design and construction process. The Commission should also consider other ways to support local education.

Question:

Does the Commission have interest in working with the school district to evaluate potential collaborative opportunities?

Issues:

- The Waterfront is transforming at a rapid pace at the front door of Hood River.
- The Port's ongoing relationship with developers, design and construction professionals may provide an opportunity to expose students to real life engineering and planning tasks and built projects on the Waterfront.
- The Port's own activities and its relationship with businesses on the Waterfront may provide an opportunity to facilitate internship opportunities.
- The Port must consider the limitations of ORS 777 in any potential education efforts and must collaborate closely with the school district.

Potential Actions:

- Explore ideas with the school district and local businesses.
- Consider a "Waterfront Education Partnership" that provides experience and opportunities for students at various levels:
 - Elementary Grades—class field trips to projects and businesses/
 - Middle School—class field trips, presentations by design/ construction professionals, class design project with presentation to Commission and completion stipend, etc.
 - High School--- internships (Port and private business), community involvement opportunities to meet junior year requirement, college scholarships (Port and private business).
- None.

April 9, 2015
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Discussion Outline
Regional Advocacy & Lobbying

Prepared by Genevieve Scholl and Michael McElwee

Overview:

For many years, the Port has funded advocacy services in Salem and Washington D.C. for our District priorities and for the region as a whole. Hood River County is a participant in the current contract for services, contributing \$18,000 annually. In the fiscal year ending in 2014, the Port's annual investment was approximately \$58,000. In FY2015, that investment grew to \$75,000 in response to the need for a greater lobbying presence in Salem, and to support regional advocacy and the OneGorge coalition.

The state and federal political climate continues to be unclear as to the roles and responsibilities for transportation infrastructure development and planning in the bi-state, federally designated National Scenic Area. The Port continues to serve in a leadership role for local economic development and regional collaborative planning and advocacy. The Commission should continue to consider its investment in advocacy services in Salem, Olympia, and Washington D.C. and how those services could help the Port achieve near and long-term objectives

Key Questions:

Is the investment in advocacy representation appropriate and commensurate with the Port's goals and objectives? How can the Port encourage and develop regional partnerships to share the costs of lobbying representation and activities? What are the short-term and long-term goals for these efforts, and how do we measure success?

Assumptions

- The transportation reauthorization process now underway in Washington D.C. could create new opportunities to better position the bridge replacement project for future federal funding.
- The need for lobbying presence in Salem and Olympia is growing, as regional transportation infrastructure planning is gaining visibility, and the replacement of the Hood River bridge must be part of any conversation in that context.
- The OneGorge Coalition continues and may provide a platform for greater combined effort and cost sharing.

Potential Actions:

- Continue advocacy services at current levels.
- Approve modest increase in advocacy service expenses contingent upon increased contributions from other OneGorge participants.
- Decrease budget for advocacy services.

April 9, 2015
Spring Planning Work Session

Discussion Outline

Prepared by Liz Whitmore

Waterfront Recreation Expenses and Revenue

Overview:

The attached spreadsheet provides detail on expenses and revenue for Waterfront Recreation starting in 2012 and projecting out to 2018. Included in forecast are increased fees for Marine Deputy services and increased revenue from Event Site parking and open space maintenance fees.

Key Questions:

What specific actions should the Port initiate to increase revenue or decrease costs for waterfront recreation relative to parking fees?

Potential Actions:

- Collect fees for Portway and 1st Street permit parking
- Partner with City of Hood River for metered parking
- Provide angled parking on Portway between 1st and 2nd to increase capacity
- Provide temporary parking and ticket booth at Lot #1

	Budget 2012	Actual 2013	Actual 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
EXPENDITURES							
Event Site							
Personnel Services	\$93,500	\$92,860	\$96,368	\$99,500	\$102,734	\$106,073	\$109,520
Materials and Services	\$22,975	\$33,340	\$34,126	\$34,979	\$35,854	\$36,750	\$37,669
Marine Deputy Services				\$5,200	\$5,369	\$5,543	\$5,724
Boathouse Moorage			\$844	\$901	\$930	\$961	\$992
Boathouse Assessment			\$1,650	\$1,650	\$1,650	\$1,650	\$1,650
Total	\$116,475	\$126,200	\$132,988	\$142,230	\$146,537	\$150,977	\$155,554
Hook and Spit							
Personnel Services	\$36,665	\$33,869	\$38,068	\$39,305	\$40,583	\$41,902	\$43,263
Materials and Services	\$15,000	\$15,838	\$11,187	\$11,467	\$11,753	\$12,047	\$12,348
Total	\$51,665	\$49,707	\$49,255	\$50,772	\$52,336	\$53,949	\$55,612
Marina Park							
Personnel Services	\$208,350	\$200,436	\$199,532	\$206,017	\$212,712	\$219,625	\$226,763
Materials and Services	\$51,575	\$56,265	\$60,778	\$62,297	\$63,855	\$65,451	\$67,088
Total	\$259,925	\$256,701	\$260,310	\$268,314	\$276,567	\$285,077	\$293,851
Nichols Basin West Edge							
Personnel Services				\$45,000	\$46,463	\$47,973	\$49,532
Materials and Services				\$12,000	\$12,300	\$12,608	\$12,923
Total				\$57,000	\$58,763	\$60,580	\$62,454
Total Expenditures	\$428,065	\$432,608	\$442,553	\$518,316	\$534,202	\$550,582	\$567,471
REVENUE							
Events	\$18,025	\$12,350	\$14,075	\$14,427	\$14,788	\$15,157	\$15,536
Event Site Parking	\$61,220	\$73,445	\$77,439	\$79,375	\$91,097	\$93,374	\$95,709
Concession Fees	\$22,500	\$28,700	\$28,700	\$24,100	\$29,418	\$30,153	\$30,907
Open Space Maint Fee - Turtle Island					\$6,250	\$6,406	\$6,566
Open Space Maint Fee - Sheppards					\$5,000	\$5,125	\$5,253
Open Space Maint Fee - Expo #1							\$7,500
Open Space Maint Fee - Expo #2							\$7,500
Event Site Parking Increase				\$9,500			
Total Revenue	\$101,745	\$114,495	\$120,214	\$127,402	\$146,552	\$150,216	\$168,971
Expenses Exceeding Revenue	-\$326,320	-\$318,113	-\$322,339	-\$390,914	-\$387,650	-\$400,366	-\$398,500

Assumptions:

- Projected Personnel Services increase 3.25% annually
- Projected Materials and Services increase 2.5% annually
- Projected Revenue increase 2.5% annually